

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

May 14, 2013  
5:00 p.m.

Banning Civic Center  
Council Chambers  
99 E. Ramsey St.

*The following information comprises the agenda for a regular meeting of the City Council and a joint meeting of the City Council and the City Council Sitting in Its Capacity of a Successor Agency and a Joint Meeting of the City Council and the Banning Financing Authority.*

*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**

- . Pledge of Allegiance
- . Invocation – Pastor Elder Preston Norman, Jr., Praise Tabernacle Community Church
- . Roll Call - Councilmembers Botts, Miller, Peterson, Welch, Mayor Franklin

**II. REPORT ON CLOSED SESSION**

**III. PUBLIC COMMENTS/CORRESPONDENCE/INTRODUCTIONS/APPOINTMENTS**

**PUBLIC COMMENTS – *On Items Not on the Agenda***

A five-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, and appropriate Council Action.) See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

**CORRESPONDENCE:** Items received under the 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.*

## APPOINTMENTS:

1. Appointment to Planning Commission . . . . . 1

## **IV. CONSENT ITEMS**

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

**Motion: That the City Council approve Consent Item 1 through 20**

**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 (Workshop) – 04/23/13. . . . . 6
2. Approval of Minutes – Special Meeting (Closed Session) – 04/23/13 . . . . . 12
3. Approval of Minutes – Regular Meeting – 04/23/13 . . . . . 13
4. Approval of Minutes – Special Meeting – 05/07/13. . . . . 29
5. Report of Investment for March 2013. . . . . 30
6. Approval of Accounts Payable and Payroll Warrants for Month of March 2013 . . . . . 36
7. Ordinance 2<sup>nd</sup> Reading: Ordinance No. 1464, An Ordinance of the City of Banning Repealing Ordinance No. 1411 and Chapter 2.36 of the Banning Municipal Code Regarding the Banning Economic Development Committee . . . . . 39
8. Accept Grant of Easement from Union Pacific Railroad (UPRR), at Mile Post 566.20 (DOT No. 440-707T) Yuma Subdivision for Sunset Grade Separation Project . . . . . 41
9. Accept Grant of Easement from Arts District Holdings, LLC within Parcel 1/APN 540-164-009 and Parcel 2/APN 540-164-010, for the Downtown Underground Conversion Project . . . . . 50
10. Resolution No. 2013-17 and Resolution No. 2013-23, Approving an Updated Resolution for Employer Paid Member Contributions to the California Public Employees’ Retirement System. . . . . 58
11. Resolution No. 2013-20, Approving the Maximum Compensation and Benefits in Certain City Department Director Employment Contracts, Pursuant to Section 2.08.090(C) of the Banning Municipal Code. . . . . 64
12. Resolution No. 2013-21, Amending the Benefit Plan for the Career Part-Time Classifications of Associate Civil Engineer and Senior Center Supervisor. . . . . 76
13. Resolution No. 2013-26, Amending the Compensation and Benefit Plan For Confidential Employees Who Are Not Covered By Employment Agreements . . . . . 82
14. Resolution No. 2013-31, Approving the City of Banning First Amendment to the Employment Agreement for the Position of City Manager, Pursuant to Section 2.08.070 of the Banning Municipal Code. . 89

15.	Resolution No. 2013-24, Adopting a Records Retention Schedule and Authorizing Destruction of Certain City Records and Rescinding Prior Resolution No. 2003-26 . . . . .	110
16.	Resolution No. 2013-49, Declaring the Intention to Levy and Collect Assessments Within Landscape Maintenance District No. 1 (LMD No. 1) During the Fiscal Year 2013/14, Pursuant to the “Landscaping and Lighting Act of 1972”; Approving the Engineer’s Report; and Giving Notice of the Public Hearing for Renewal of Said Maintenance District. . .	222
17.	Resolution No. 2013-51, Approving the Submittal of a Roadway Functional Classification Change for Westward Avenue to the State of California Department of Transportation. . . . .	231
18.	Resolution No. 2013-52, Awarding the Bid for the Sunset Grade Separation Phase 1 – Pole Realignment Contract . . . . .	235
19.	Resolution No. 2013-54, Authorizing the Banning Police Department to Destroy Internal Affairs Records in Excess of Five Years from Date of Completion Per California Government Code Section 34090 and California Penal Code Section 832.5 . . . . .	241
20.	Resolution No. 2013-55, Declaration of Surplus Property – Quonset Huts. . . . .	247

- Open for Public Comments
- Make Motion

**RECESS REGULAR CITY COUNCIL MEETING AND CALL TO ORDER A JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING CITY COUNCIL SITTING IN ITS CAPACITY OF A SUCCESSOR AGENCY.**

**V. A. CONSENT ITEM**

1.	Banning Redevelopment Agency v. Huang, Et Al. (220 E. Ramsey) (Riverside County Superior Court Case No. RIC 1109186) Approving the Final Settlement Amount to Acquire Property and Settle the Eminent Domain Matter. . . . .	252
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**V. B. REPORTS OF OFFICERS**

1.	Auditor’s Reports for Fiscal Year 2011-2012 Staff Report . . . . .	254
	Recommendation: <b>That the City Council and the Successor Agency accept and place on file the auditor’s reports from Lance, Soll &amp; Lunghard, LLP for fiscal year ended June 30, 2012.</b>	

- Open for Public Comments
- Make Motion

**RECESS THE JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING CITY COUNCIL SITTING IN ITS CAPACITY OF A SUCCESSOR AGENCY AND CALL TO ORDER A JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING FINANCING AUTHORITY.**

**VI. CONSENT ITEM**

1. Resolution No. 2013-50, Amending Its 2012-13 Fiscal Budget and Appropriating Funds for the Alola Substation and Sunset Substation Projects. . . . . 393

- Open for Public Comments
- Make Motion

**Recess joint meeting and reconvene the regular City Council Meeting.**

**VII. REPORTS OF OFFICERS**

1. Resolution No. 2013-43, Approving a Contract For Continued Funding of Fire Engine 20 Between Banning, Beaumont and Riverside County Fire. Staff Report . . . . . 397  
**Recommendation: That the City Council adopt Resolution No. 2013-43, To Enter Into a Cooperative Contract For Funding of Engine 20 Between Banning, Beaumont and Riverside County.**
2. Resolution No. 2013-44, Approving a Contract for Continued Fire Services between Banning and Riverside County Fire. Staff Report . . . . . 408  
**Recommendation: That the City Council adopt Resolution No. 2013-44, To Enter Into a Cooperative Agreement to Provide Fire Protection, Fire Prevention, Rescue and Medical Emergency Services for the City of Banning.**
3. Resolution No. 2013-53, Updating the City's Internal "RPS Enforcement Program and Renewable Energy Recourses Procurement Plan" to Allow for Excess Renewable Energy Procurement Occurring in Years Prior to 2011 to be Used as Historic Carryover and Applied to the First Compliance Period of the State of California's Renewable Portfolio Standard Program. Staff Report . . . . . 424  
**Recommendation: That the City Council adopt Resolution 2013-53, Updating Banning's "RPS Enforcement Program and Renewable Energy Resources Procurement Plan.**

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

- City Council



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

## **IX. ITEMS FOR FUTURE AGENDAS**

New Items – None

Pending Items – City Council

1. Schedule Meetings with Our State and County Elected Officials
2. Consideration of an “in-house” attorney vs. contract
3. Let’s Move – Healthy Initiative

## **X. 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. 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 five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. 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].

## CITY COUNCIL AGENDA

**DATE:** May 14, 2013  
**TO:** City Council  
**FROM:** Zai Abu Bakar, Community Development Director  
**SUBJECT:** Planning Commission Appointment

**RECOMMENDATION:** That the City Council select one candidate to fill the vacant position on the Planning Commission.

**BACKGROUND:** Planning Commissioner Ray Briant's term expired May 10, 2013 which has created one vacant position on the Planning Commission. The application for residents who are interested in serving on the Planning Commission was advertised in Record Gazette, the City's website, and Channel 10. The application submittal deadline closed on April 8, 2013. The City received five (5) applications. The City Council interviewed the five applicants including Ray Briant, Ron Klimczak, Richard Krick, Samuel Perez and Eric Shaw.

The Planning Commission consists of five members appointed by the City Council. The Commissioners serve a four year term, which is staggered every two years concurrent with the City's elections. The term of the newly appointed commissioner will expire on May 10, 2015. As part of the recruitment process, staff is requesting that the remaining candidates be placed on an active eligibility list for a six month period terminating on November 14, 2013. This eligibility list will streamline the recruitment and appointment process should it be necessary.

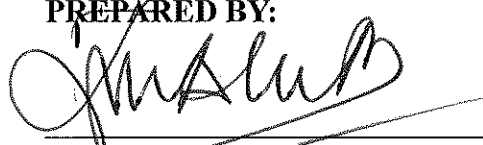
The Commission's rules and responsibilities are governed by Chapter 2.28 of the Municipal Code (see Attachment). The Commission's two (2) main functions are to review land development applications for compliance with the Zoning Code and to recommend policies changes to the General Plan or Zoning Code.

**RECOMMENDED BY:**



Andrew J. Takata  
City Manager

**PREPARED BY:**



Zai Abu Bakar  
Community Development Director

Attachment: Chapter 2.28 of the Banning Municipal Code

## Chapter 2.28

### PLANNING COMMISSION

#### Sections:

- 2.28.010 Planning commission—  
Membership requirements.**
- 2.28.020 Term and vacancies.**
- 2.28.030 Compensation.**
- 2.28.040 Rules of procedure.**
- 2.28.050 Duties and responsibilities.**
- 2.28.060 Conflict of interest  
requirements.**
- 2.28.070 Staff liaison.**
- 2.28.080 Meeting times and places.**
- 2.28.090 Adoption.**

#### **2.28.010 Planning commission— Membership requirements.**

A. Members of the planning commission shall be residents of the City of Banning who hold no other municipal office in the city. Members may not be employees of the city.

B. Proof of residency shall be submitted at time of application to the commission through voter registration, utility bill at a physical address within the city boundaries. Residency shall be confirmed prior to appointment and maintained throughout the term served. (Code 1965, § 2-5.)

#### **2.28.020 Term and vacancies.**

A. The planning commission shall consist of five members.

B. Planning commissioners shall serve four-year terms, which shall be staggered every two years concurrent with the city elections. Appointments shall be made by the city council. Applications shall be made available and the closing date announced at least two months prior to the expiration of the commissioner's term to be filled.

C. Members shall serve at the pleasure of the council and may be removed at any time by a majority vote of the entire council.

D. Any member who is unexcused for two consecutive regular meetings of the commission or six

meetings within a twelve-month period, whether the six meetings are excused or not, will be deemed to have resigned their office, and the city council may appoint a new member to serve in the resigned commissioner's place for the remainder of their term.

E. To be excused from any such meeting, a member shall notify the planning department, at least forty-eight hours prior to any such meeting. If a member is unable to attend due to illness, injury or family matters, a statement by the member at the next regular meeting of the commission shall constitute an excused absence. (Code 1965, § 2-6.)

#### **2.28.030 Compensation.**

A. Members of the planning commission shall not receive compensation; reasonable traveling expenses to and from conferences and/or special field trips and training sessions shall be reimbursed.

B. Upon authorization by the city manager, the planning commission and members of its staff, may attend city planning conferences or meetings, or hearings on city planning legislation, or matters affecting the planning of the city. The reasonable expenses of such attendance shall be charged upon the funds allocated to the commission.

C. All fundings shall be established through the City of Banning budget, which shall be approved by the city council. (Code 1965, § 2-7.)

#### **2.28.040 Rules of procedure.**

A. A quorum of the planning commission shall consist of a majority of the members (including any vacancies). A quorum must be present in order for the planning commission to hold a meeting.

B. In the event that only three commissioners are present, any actions recommending amendment to the Municipal Code or general plan must be unanimous; all other actions would require a majority vote of the commission in attendance. A tie vote shall constitute a denial of the matter or request brought before the planning commission.

C. The commission shall adopt rules for the transaction of business and shall keep a record of its transactions, findings, and determinations. The Brown Act and "Robert's Rules in Plain English" by

Doris P. Zimmerman (Harper Perennial) shall be incorporated into such rules.

D. The commission shall follow all applicable city fiscal and administrative policies and procedures. (Code 1965, § 2-8.)

#### 2.28.050 Duties and responsibilities.

A. The planning commission shall exercise those functions of the planning agency of the city delegated to it in the Banning Municipal Code.

B. At the regular February meeting, the planning commission shall choose a chairperson and a vice-chairperson from among the planning commission members. The chairman and vice-chairman shall serve for one term. Both positions shall rotate every year. All members must be present to conduct this business.

1. The chairperson shall preside at all regular and special meetings and rule on all points of order and procedure during the meetings.

2. The vice-chairperson shall assume all duties of the chairperson in his or her absence.

3. In the event the chairperson and vice-chairperson are both absent, an acting chairperson shall be appointed from the commission for the meeting from those present.

C. The planning commission's scope of responsibility is to:

1. Prepare, review, adopt, and recommend to the city council for its adoption, a long range, comprehensive general plan to guide the future physical development and conservation of the city and its adjoining environs based on geographic, social, economic and political characteristics of the community;

2. Prepare, review, adopt and recommend to the city council for its adoption of special area specific plans for identifiable areas, wherein more detailed guidelines are needed to supplement the objectives of the general plan;

3. Review development applications submitted to the city for consistency with adopted plans and ordinances. Approve or deny applications when final authority is granted to the planning commis-

sion by the Municipal Code. Make a recommendation on those actions for which the city council is the final reviewing approval body;

4. Act as the appeal body on decisions made by the community development director;

5. Perform such other functions and duties as the city council may from time to time direct and/or provide within the Banning Municipal Code.

D. The commission may form ad-hoc subcommittees in accordance with the Brown Act, and make appointments to that subcommittee, as it deems necessary. A quorum of commission members may not be appointed to serve in a single subcommittee. Before forming a subcommittee, the commission shall establish a specific mission and term for the subcommittee.

E. The planning commission is an important function within the City of Banning, and as such, certain expectations are held by the city council in making the appointment of individuals to the commission. These expectations include the following:

1. Commissioners will attend all regular meetings and special meetings as they arise;

2. Commissioners will communicate expected and unexpected absences to the planning department, prior to the meeting;

3. Commissioners will communicate any potential conflicts of interest on agenda items to the planning department in advance of the hearing to allow confirmation of a quorum;

4. Commissioners will arrive on time to each meeting, fully participate, and remain in attendance until the end of each meeting;

5. Commissioners will prepare themselves for each meeting by reading the agenda, reports and other materials, and visiting the site, as necessary, and communicate any questions to the secretary in advance of the hearing.

Pursuant to Resolution 2000-41, if a commissioner visits the site prior to a hearing on the

matter, the commissioner shall disclose at the hearing such evidence and observation gathered during the site visit;

6. Commissioners are encouraged to attend the annual planner's institute (Monterey and Southern California) or an equivalent planning training program given by a University of California campus (or approved equivalent) and may attend other planning conferences and or training classes as the need and opportunities arise. The city will also provide regular in-service training and make-up training where attendance is required;

7. New commissioners are expected to become familiar with the city's general plan, the "Planning Commission Handbook" (prepared by the State of California), and relevant Municipal Code sections particularly those relevant to zoning to become familiar with these documents. The "Guide for New Members" distributed by the Planning Commissioners Journal and [www.plannersweb.com](http://www.plannersweb.com) are other valuable resources for new commissioners;

8. Applicants to the planning commission will be expected to attend a brief orientation session explaining the role of commissioners, the planning process, and the expectations of commissioners that are appointed; and

9. New commission members will attend an expanded orientation session with the liaison to the commission and other staff, as deemed necessary, to provide new appointees with a solid understanding immediately upon appointment. The orientation will include an overview of the planning process, a review of the commission's structure, policies and bylaws, a summary of available documents and resources, and a review of the commission's relationship with citizens, staff, developers, and the governing body.

F. The planning commission may serve on regional boards or commissions as directed by the city council.

G. The planning commission shall participate in annual meetings with the city council to discuss development activity, development doctrine, policies, etc. (Code 1965, § 2-8.1.)

## **2.28.060 Conflict of interest requirements.**

A. The State of California Political Reform Act requires planning commission members to disclose interests in investments, real property, and income derived within the City of Banning or from sources doing business within the City of Banning. Filings are required within ten days of assuming office and on an annual basis.

B. Members shall not work for the "pass" cities, which include Beaumont, Calimesa, and Riverside County in roles, such as economic development, planning, or redevelopment.

C. If an apparent conflict of interest arises, the member shall inquire of the city attorney or staff prior to the meeting. (Code 1965, § 2-8.2.)

## **2.28.070 Staff liaison.**

A. The staff liaison to the planning commission shall be the community development director.

B. The planning commission liaison, supported by the secretary to the planning commission (a staff position), shall be responsible for:

1. Confirming that a quorum will be present prior to each meeting;

2. Receiving and recording all exhibits, petitions, documents, or other material presented to the planning commission in support of, or in opposition to, any issue before the planning commission;

3. Signing all meeting minutes and resolutions upon approval;

4. Preparing and distributing agendas and agenda packets;

5. Facilitating the tape recording of meetings and preparation of minutes; and

6. Responding to all questions from planning commission members regarding agenda items in advance of meetings. (Code 1965, § 2-8.3.)

## **2.28.080 Meeting times and places.**

A. The planning commission shall meet on the first Wednesday of each month at 6:30 p.m. at

the city council chambers located at 99 E. Ramsey Street, or at such time and place as the commission may designate by resolution.

B. Commissioners will attend special meetings as they arise. (Code 1965, § 2-8.4.)  
(Ord. No. 1427, § 1, 9-14-10)

**2.28.090 Adoption.**

A. This document, as adopted and amended by council resolution, shall serve as the bylaws for the commission. (Code 1965, § 2-9.)

MINUTES  
CITY COUNCIL  
BANNING, CALIFORNIA

04/23/13  
SPECIAL MEETING

A special meeting workshop of the Banning City Council was called to order by Mayor Franklin on April 23, 2013 at 3:00 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilman Botts  
Councilman Miller  
Councilman Peterson  
Councilman Welch  
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

PLANNING COMMISSION MEMBERS PRESENT: Commissioner Briant  
Commissioner Hawkins  
Commissioner Barsh  
Chairman Siva

PLANNING COMMISSION MEMBERS ABSENT: Commissioner Arterberry

OTHERS PRESENT: Andrew J. Takata, City Manager  
June Overholt, Administrative Services Dir./Deputy City Manager  
David J. Aleshire, City Attorney  
Duane Burk, Public Works Director  
Zai Abu Bakar, Community Development Director  
Brian Guillot, Associate Planner  
Jessica Hicks, Office Specialist  
Marie A. Calderon, City Clerk

Workshop Item

1. Housing Element Update  
(Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar addressed the Council stating that the purpose of the workshop is to follow up on the last housing element workshop held on April 15, 2013 and to offer alternative locations for the housing element rezoning. She asked John Douglas to speak briefly on the state requirements before she spoke about the site selections.

John Douglas gave a recap of the last workshop. He went over state requirements and how to comply with the fair share housing numbers assigned to the city. "Exhibit A" reflects the PowerPoint presented during the overview, as well as displays the maps used to show the alternative locations recommended.

Director Abu Bakar referred to the slideshow (Exhibit A) to show the current apartments with 20 units or more within the city. She gave an overview of current zoning throughout the city and expressed to the council that the commercial zoning in the city is very limited. Staff recommends we do not rezone these areas that have the potential to generate sales tax. In an effort to preserve the commercial zoning, Director Abu Bakar researched all the vacant land zoned residential and sought the best locations based on development opportunities and state regulations. The large vacant residential areas are found on the south side of the freeway. There is also a proposal for development on the south east side of Banning. She suggested three areas for the rezoning proposal and explained that any combination of rezoning in these areas would meet the density guidelines issued by the state. She asked council based on these locations, what sites they preferred.

City Attorney Aleshire explained the state regulations and how these regulations impacted the process of choosing the three suggested rezoning sites.

Councilmember Peterson asked why is everything going into the Rancho San Gorgonio Project.

Director Abu Bakar, with the help of the City Attorney, explained that only 500 of the 2,100 are going into this area.

Councilmember Botts verified that the property on the west side near the high school was removed from the rezoning options, since it was highly controversial. Director Abu Bakar confirmed that was correct.

Councilmember Miller asked if the overlay on the downtown area was still a part of the rezoning plan. Director Abu Bakar confirmed that was correct.

Councilmember Miller asked if the developer agreed to high density housing in the allotted areas.

Director Abu Bakar said the developer has not yet submitted an application but the sites that were discussed were sites 29 & 30 (see pg. 5 of "Exhibit A") and then the site west of the high school that was removed from the rezoning options.

Councilmember Miller asked if these sites were chosen because they're with one developer and it's possible to get an agreement and if we tried to scatter it throughout the city it would be difficult to get an agreement from multiple owners of these properties. Director Abu Bakar confirmed that is correct.

Councilmember Peterson asked if this would have an effect on the rezoning of the commercial or industrial portion on Charles St.



Director Abu Bakar said that is a separate matter, we can look at that and put it back to what is appropriate.

Mayor Franklin said we are currently zoned for 18 units per acre and asked if we were to switch that to 20 or 24 would that still require the same number of acres. Director Abu Bakar answered yes.

Mayor Franklin asked the director to verify that we need to up the number to 20 to be in compliance with State of California Department of Housing and Community Development (HCD). Director Abu Bakar confirmed this was correct.

Chairman Siva asked Director Abu Bakar said to explain the zoning change on property 29 & 30 (see pg. 5 of "Exhibit A").

Director Abu Bakar explained that we are doing the zone change now but that a development agreement would have to be created to spread the units.

Commissioner Hawkins asked what the consequences are if the housing element is not completed on time. He recalled that another city was sued by the state for not being able to complete this by the deadline.

City Attorney Aleshire said cities have gotten sued but usually that is because the city is not being cooperative in getting these issues worked out. He knows our process has been a little delayed but our communication with HCD does not indicate that at this time.

Commissioner Briant asked if the adoption of this rezone will carry us until 2019 or are we going to have to do this again.

Director Abu Bakar said we are working to meet the current requirement from 2008-2014 and after HCD certifies it we will need to do another one for 2014-2021.

John Douglas added that if the City becomes compliant with the rezoning of this housing element, those sites can be reused to satisfy the upcoming requirements as long as they have not been developed.

Mayor Franklin opened the meeting for public comment.

Inge Shuler, Banning resident, announced that community forum for the rezoning was not well announced and hard to attend because the gates were locked at the facility and most people were turned away. She also said many residents are unaware of the rezoning and that better publicizing needs to be done to make the community aware of these plans and the public hearings for these plans.

Don Smith, Banning resident, said he opposed putting all of these in the same neighborhood. He explained that all the development is going into the southeast quadrant of the city and this doesn't meet the requirements of the General Plan to have these units spread throughout the

town. He asked if there was any other reason besides that fact that a developer plans to develop on the southeast parcel that all the units are being placed there. He suggests the project be spread throughout the entire city.

Barbara Hanna, Banning resident, requested to know what the next steps would be at the end of the meeting. She encouraged council to make their decision based on the vision of the General Plan.

Bill Lamb, Banning resident, expressed his concern about losing equestrian property on the east side of town. He asked if the zoning for owning a horse could be effected by this rezone proposal. He does not want to see this go away.

Mayor Franklin closed the public comment section and asked the Planning Commission and the City Council if they had any additional questions or comments.

Councilmember Botts acknowledged the concern about losing equestrian zoning and said this should be a factor in the development of that area.

Councilmember Miller asked if the zoning proposal was based on the convenience that it is easy to get the developer to agree to the zoning. He also asked if the city makes rezoning decisions independent of whom the property owner is.

City Attorney answered by saying the city makes the final decision on rezoning. He asked Director Abu Bakar to comment on how the plots for rezoning were chosen in order to assure that this decision was not based on convenience.

Director Abu Bakar explained the different areas that were considered for rezoning and the negative feedback she received during the community meeting. She explained she received a petition that said no to these areas so she went back and proposed alternative areas.

Councilmember Welch said the most developable area in Banning is south of the freeway for both housing and businesses but there are challenges to building on that side of town. He said he agreed with the public that the concentration should not be around the high school and that was taken into consideration and removed from the proposal. He is pleased with the results of the rezoning options and thanks staff for their efforts.

Councilmember Peterson also thanked staff for removing the rezoning near the high school. He said there will be opposition no matter where the rezoning is decided because no one wants the high density housing near their house. He asked, out of the three current options, shown on page 5 of exhibit A, how many need to be approved.

Director Abu Bakar said they will need two out of the three proposed areas.

Councilmember Peterson asked if it is possible for one of these options to go somewhere else, so that the lots could be larger and keep the look of the area somewhat the same.

Director Abu Bakar said it is possible to do a combination of portions of the 3 allotted areas.

Mayor Franklin asked if you add all the current high density residential areas and two of the proposed rezoning areas, does that distribute fairly throughout the city. Director Abu Bakar answered yes, that is correct.

Councilmember Peterson asked if the vacant land at Wilson and Sunset was available.

Director Abu Bakar said it is about 44 acres but that it didn't fit into the General Plan to rezone this area.

Chairman Siva thanked staff for their work on this. He said he feels this is the best use of what's available to us right now.

Councilmember Miller said that we must satisfy what the state says and rezoning must be done. He believes the current proposal will be the least problematic.

Mayor Franklin asked the Council to choose two of the three locations they would choose for rezoning.

*(Please view the rezoning map on pg. 5 of Exhibit A)*

Councilmember Peterson chose option 1, 20 & 21. He would like staff to take another look at alternative properties such as Wilson & Sunset.

Councilmember Botts chose options 1, 20, 21, 29 & 30.

Councilmember Miller chose option 1, 29 & 30.

Councilmember Welch chose option 1, 20 & 21

Mayor Franklin chose option 1, and for the area at Wilson and Sunset to be looked at as well.

The consensus was for staff to look at all three areas for rezoning. Only two Councilmembers wanted Wilson and Sunset to be looked at so that was removed from the selection.

Mayor Franklin asked Director Abu Bakar to explain what the next steps are.

Director Abu Bakar said the next step is to prepare the environmental document and make the document available for public review and then have a hearing before the planning commission and a hearing before the City Council. She suggested to the public that if they want to be personally notified of the meetings that they fill out the sign in sheet in the back of the council chambers.

Mayor Franklin thanked staff, the commission, the council and the public that came to speak their opinions.

#### ADJOURNMENT

By common consent the meeting adjourned at 4:30 p.m.

Prepared by:

\_\_\_\_\_  
Jessica Hicks, Deputy City Clerk

Approved by:

\_\_\_\_\_  
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.**

MINUTES  
CITY COUNCIL  
BANNING, CALIFORNIA

04/23/13  
SPECIAL MEETING

A special meeting of the Banning City Council and the City Council Sitting in Its Capacity of a Successor Agency was called to order by Mayor Franklin on April 23, 2013 at 4:27 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts  
Councilmember Miller  
Councilmember Peterson  
Councilmember Welch  
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew J. Takata, City Manager  
June Overholt, Administrative Services Director  
David J. Aleshire, City Attorney  
Christy Lopez, Attorney  
Duane Burk, Public Works Director  
Bill Manis, Economic Development Director  
Marie A. Calderon, City Clerk

CLOSED SESSION

City Attorney said the items for closed session are existing litigation matters pursuant to the provisions of paragraph (d) (1) of Government Code Section 54956.9 regarding the following: Stephen J. Mascaro, et al. v. City of Banning, et al; Fields versus the City of Banning, Highland Springs Resort v. City of Banning; and Cherry Valley Pass Acres and Neighbors v. City of Banning. There is one case of potential litigation pursuant to the provisions of Government Code Section 54956.9. Also the City received today a potential settlement offer on the City of Banning v. Freeman (Oddfellows case) and that will need to be added to the agenda if the Council wants to discuss that item.

**Motion Welch/Peterson to add to the agenda the potential settlement offer. Motion carried, all in favor.**

Mayor Franklin opened the item for public comments. There were none. Meeting went into closed session at 4:29 p.m. and reconvened at 5:00 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:00 p.m.

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Marie A. Calderon, City Clerk

MINUTES  
CITY COUNCIL  
BANNING, CALIFORNIA

04/23/2013  
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Franklin on April 23, 2013 at 5:08 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts  
Councilmember Miller  
Councilmember Peterson  
Councilmember Welch  
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andy Takata, City Manager  
David J. Aleshire, City Attorney  
June Overholt, Administrative Services Dir./Deputy City Manager  
Leonard Purvis, Chief of Police  
Duane Burk, Public Works Director  
Bill Manis, Economic Development Director  
Zai Abu Bakar, Community Development Director  
Fred Mason, Electric Utility Director  
Jessica Hicks, Office Specialist  
Marie A. Calderon, City Clerk

The invocation was given by Reverend Tate Crenshaw, Life Point Church. Councilman Peterson led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney said the Council met in closed session and gave a report on the litigation matter Mascaro vs. City of Banning, the trial date has been postponed to July 15, 2013. A status report was given on the litigation matter Fields vs. City of Banning, the parties are engaged in settlement, no reportable action taken. A status report was given on the Highland Springs Resort and Cherry Valley Pass Acres actions, no reportable action was taken. An item was added to the close session agenda; a report concerning the Oddfellows litigation matter, a status report was given, no reportable action was taken. A status report was given on the potential litigation matter, no reportable action was taken.

INTRODUCTION:

1. Juan Campos, Lead Field Service Representative (*Oral*)

City Manager, Andy Takata, introduced Juan "Johnny" Campos a new employee for the City of Banning. He gave a brief biography of the new employee and welcomed him to the city.

#### PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS/ANNOUNCEMENTS

##### PUBLIC COMMENTS – *On Items Not on the Agenda*

Mary Ann Melleby, Member of the Centennial Committee, gave an update on upcoming centennial events. A historical lecture will be given on Saturday May 18, 2013 at the Dorothy Ramon Learning Center. On Sunday, May 19<sup>th</sup>, 2013 the Banning Centennial Concert will be presented by the Pass Corral and Orchestra. The Wild West Days event will be on June 1<sup>st</sup> & 2<sup>nd</sup> at Gilman Ranch; this event includes a charity bike ride and a western art festival. For more information please visit [www.banning100birthday.com](http://www.banning100birthday.com). The centennial events are being funded by sponsorships and admission costs.

Ellen Carr, Tender Loving and Critters Animal Rescue representative, gave a summary of the successful rescues and adoptions from 2012 and informed the public of the services available through the animal rescue. Please see the Record Gazette for adoption details or visit their Facebook page: Tender Loving and Critters Animal Rescue or [www.TLCanimalrescue.com](http://www.TLCanimalrescue.com). Also, if you have any cars you would like to donate, TLC Animal Rescue can arrange to have the car picked up and proceeds go toward the organization.

CORRESPONDENCE – There was none.

##### APPOINTMENTS

##### 1. Appointments to Planning Commission

Community Development Director Abu Bakar addressed the Council asking them to select one candidate to fill the vacant position on the Planning Commission. The three candidates were interviewed on March 5<sup>th</sup> by the Council and they were Dennis Arterberry, David Ellis and Ron Klimczak. She asked the Council as part of the appointment to extend the term of the expiration date to May 10, 2015.

Mayor Franklin opened the item for nominations.

Councilman Peterson nominated David Ellis; seconded by Councilman Miller.  
Councilman Botts nominated Dennis Arterberry; seconded by Councilman Welch.

City Clerk took a roll call vote from each of the Councilmembers for those in favor of David Ellis:

Councilmember Botts: No  
Councilmember Miller: Yes  
Councilmember Peterson: Yes  
Councilmember Welch: No  
Mayor Franklin: Yes

City Clerk stated that the vote was in favor of David Ellis.

**Motion Botts/Miller to appoint David Ellis to the Planning Commission with the term expiring May 10, 2015. Motion carried, all in favor.**

2. City Council Committee Assignments

Mayor Franklin said as a Council they approved assignments in January and there have been some time constraints on some of them so a couple of suggestions were made for changes.

Committee Assignments:

Community Action Partnership: Ed Miller to replace Don Peterson as the primary assignment with the alternate to be a staff person. Councilmember Miller accepted.

**Motion Botts/Welch to accept the changes in the committee assignment for the Community Action Partnership. Motion carried, all in favor.**

2x2 Council Working Groups

Banning Unified School District: Ed Miller to remain on the working group and Art Welch to replace Bob Botts.

**Motion Miller/Peterson to accept the changes in the 2x2 Working Group for the Banning Unified School District. Motion carried, all in favor.**

Mayor Franklin said there was a suggestion to have a hospital 2x2 new working group and she asked for volunteers. Bob Botts and Art Welch volunteered.

**Motion Miller/Peterson to have a new 2x2 Working Group with the San Geronio Memorial Hospital consisting of Bob Botts and Art Welch. Motion carried, all in favor.**

CONSENT ITEMS

Consent Items 4, 6 and 7 were pulled by the City Council for discussion.

1. Approval of Minutes – Special Meeting (workshop) – 04/09/13

Recommendation: That the minutes of the special meeting (workshop) of April 09, 2013 be approved.

2. Approval of Minutes – Special Meeting – 04/09/13 (Closed Session)

Recommendation: That the minutes of special meeting of April 09, 2013 be approved.

3. Approval of Minutes – Regular Meeting – 04/09/13



Recommendation: That the minutes of the regular meeting of April 09, 2013 be approved.

5. Settlement and Release Agreement with the County of Riverside Regarding Property Tax Administration Fees

Recommendation: That the City Council approve the counter-offer from the County of Riverside for repayment of Property Tax Administration fees ("PTAF") in two equal payments over the next two years, instead of three equal payments over the next three years; and The Administrative Services Director to make the necessary revenue budget adjustments for this unexpected revenue.

8. Resolution No. 2013-46, Approving the Measure 'A' Five Year Capital Improvement Plan.

Recommendation: Adopt Resolution No. 2013-46.

9. Resolution No. 2013-47, Approving a Successor Memorandum of Understanding between the Banning Police Officers Association and the City of Banning.

Recommendation: Adopt Resolution No. 2013-47 for the period of January 8, 2013 through June 30, 2013 ("BPOA MOU 2013").

**Motion Welch/Peterson to approve Consent Item No. 1-3, 5, 8, and 9. Motion carried, all in favor.**

4. Approval of Accounts Payable and Payroll Warrants for the Month of February, 2013

Councilmember Botts asked what the \$285.00 check paid to Barbara Sinatra Children's Center was for and by who was issued. He also asked why there is \$12,000.00 in fees to US Bank.

Director Overholt explained that US Bank is the trustee for our bonds, so it is a part of the bond documents at the time bonds are issued.

Councilmember Botts asked the director to confirm that we have no banking relationship with them other than the bonds.

Director Overholt confirmed that is correct. She said she will have to find the answer to the first question regarding the \$285.00 check.

**Motion Botts/Welch to approve Consent Item No. 4. Motion carried, all in favor.**

6. Approve Amendment to Contract with Norman A. Traub Associates for Investigation Services for the City of Banning Police Department.

Recommendation: The City Council amend the current limit on compensation for services (\$25,000) with Norman A. Traub Associates for Investigation Services for the City of Banning Police Department to \$45,000.

Councilmember Peterson asked why costs for investigation services are going up.

Police Chief Purvis explained that the cost has actually gone down and that this is probably the best year in about 4 or 5 years for this contract.

**Motion Botts/Welch to approve Consent Item No. 6. Motion carried, all in favor.**

7. Resolution No. 2013-27, Authorizing the Banning Police Department to Destroy Internal Affairs Records in Excess of Five Years From Date of Completion Per California Government Code Section 34090 and California Penal Code Section 832.5 and Resolution No. 2013-26 of the City of the Banning.

Councilmember Peterson asked in regards to Internal Affairs Records (IA) where an officer has been exonerated is this information completely expunged from the officer's personnel record.

Chief Purvis confirmed that is correct.

Councilmember Miller asked Chief Purvis to explain the difference between an internal affairs investigation done by an outside source compared to when our own police department investigates the problem.

Chief Purvis explained that citizen complaints and investigations that could lead to termination or severe discipline are investigated by an outside company. Minor issues are investigated by Banning Police Sergeants or Lieutenants.

**Motion Botts/Peterson to approve Consent Item No. 7. Motion carried, all in favor.**

#### ORDINANCES – INTRODUCTION

1. Ordinance No. 1464 of the City Council of the City of Banning Repealing Ordinance No. 1411 and Chapter 2.36 of the Banning Municipal Code Regarding the Banning Economic Development Committee.  
(Staff Report – Bill Manis, Economic Development Director)

Director Manis gave the staff report requesting the City Council adopt Ordinance No. 1464 and repeal Ordinance No. 1411 regarding the Banning Economic Development Committee (EDC). The EDC was established in April of 1998 with the intent to establish an entity between the city staff and the private sector for the purpose of recruiting and retaining business in our city. It is important to note that during the active period of the EDC, between 1998 and 2009, the city had a redevelopment agency and funding to assist in the efforts of the EDC. The redevelopment was eliminated in California in February of 2012 and those funds are now gone. In reading the minutes of EDC meetings and talking with past EDC members it appears this group struggled with finding common ground and moving forward on their goals. In 2009 the EDC started losing members and in 2010 became inactive and stopped meeting all together. Staff has since assumed the role of the former EDC and continues to market, brand and

promote the city. Staff is also involved in regional groups that focus on these efforts. To reinstate the EDC would be a challenge and burden do to our limited staff and resources. Staff recommends the adoption of Ordinance No. 1464, formerly eliminating the EDC from our code.

Mayor Franklin opened the hearing on this item for public comments. Seeing no one come forward, Mayor Franklin closed the public hearing.

Mayor Franklin asked the City Clerk to read the title of Ordinance No. 1464. City Clerk read: Ordinance No. 1464, An Ordinance of the City Council of the City of Banning, California, Repealing Ordinance No. 1411 and Chapter 2.36 of the Banning Municipal Code Regarding the Banning Economic Development Committee.

**Motion Peterson/Welch to waive further reading of Ordinance No. 1461. Motion carried, all in favor.**

**Motion Miller/Welch that Ordinance No. 1461 pass its first reading. Motion carried, all in favor.**

#### REPORTS OF OFFICERS

2. Update on San Juan Generating Station  
(Staff Report – Fred Mason, Electric Utility Director)

Director Mason gave the staff report updating the City Council on the San Juan Unit 3 coal resource. He gave a history on the city's purchase of shares in the San Juan Unit 3 Coal Plant and how this purchase benefited us in the past. He explained the challenges being faced by the government and environmental groups in regards to the use of the coal plant. Negotiations between the Environmental Protection Agency (EPA) and New Mexico resulted in an agreement that shut down two of the four units of the San Juan facility, Units 2 and 3. The consequences of this settlement are; acceleration in bond payments, elimination of the possibility to sell out, and the additional costs to eradicate the units. Director Mason explained other concerns regarding cost and the purchase of new energy sources.

The councilmembers asked questions regarding future cost and concerns with the cap & trade auction.

Councilmember Miller emphasized that this is state mandated and the reason for this presentation is to explain why our electric rates will have to go up.

Mayor Franklin opened the public hearing on this item for public comments.

Gary Hironimus asked questions regarding the state requirements and payments related to the San Juan Unit.

Jack Prior, CEO for Access Solar Builders, suggested the energy exchange be with solar energy. He said there are programs to assist with the purchase of renewable energy.

Seeing no more public comments, Mayor Franklin closed the public hearing.

**Motion Welch/Miller to receive and file the report. Motion carried, all in favor.**

#### PUBLIC HEARING

1. Resolution No. 2013-45, Approval of Proposed Electric Rate Schedules.  
(Staff Report – Fred Mason, Electric Utility Director)

Director Mason gave a staff reporting requesting an increase in the electric rates. He explained the factors that were taken into consideration while deciding the electric rate increase. The recommended rate increase is 12% with an effective date of May 1, 2013. The reason the rate increase is needed is because of government regulatory mandates. Banning's annual transmission expense has increased by \$800,000.00. He discussed how the cap & trade program and the San Juan Station are also impacting the rate increase. He referred to the PowerPoint (Exhibit "A") to show rate increases and comparisons to explain the residential and commercial impact, as well as suggested some conservation tips. Director Mason noted that the City of Banning Electric Department is a non-for-profit entity and electric rates are set to cover the utilities actual operating expenses. There are two recommended options to Resolution No. 2013-45, option one is to adopt the resolution and option two is to adopt the resolution AND authorize staff to analyze and report on the concept of an annual inflation index electric rate adjustment mechanism.

Councilmember Peterson said he doesn't feel real comfortable putting forth a rate increase without first giving the citizens time to prepare for the increase. He proposed the increase be postponed or that the increase be phased in over the next several months.

Director Mason said we would not be meeting the bond covenants and we would have to dip into our reserves to cover the cost. He doesn't recommend this.

Councilmember Miller asked why there are different tiers and how the charges for these tiers are determined.

Director Mason explained the tiers encourage energy conservation. The state has mandated that utility usage be reduced by 1% each year.

Councilmember Miller asked does it make sense to conserve energy when we know that if usage drops rates will need to increase.

Director Mason said that is correct; if usage drops then energy cost increase because utilities have fixed cost.

Councilmember Miller asked how the rates for each tier were determined

Director Mason said he tried to keep them consistent so that the first two tiers are lower and the third one is higher to encourage conservation.

Councilmember Miller asked if we look at the overall price comparison between our city and Southern California Edison (SCE), are we more expensive than SCE?

Director Mason said if tiers are not considered that is correct.

Councilmember Welch inquired about charges on transmission lines.

Director Mason explained how the costs regarding transmission lines are distributed.

Mayor Franklin asked where we stand now with the state mandates regarding using renewable energy and conserving energy.

Director Mason explained we have yet to achieve the state mandate.

Mayor Franklin asked Director Mason to explain the value of being a city owned utility.

Director Mason said the biggest factor of being a city owned utility is the fact that we can have public hearings so the public can have direct input. The customers have the ability to contact the electric department and the city council regarding their utilities. We are able to respond to power outages quickly. With a municipal utility the customer service and level of responsiveness is outstanding.

Councilmember Botts asked who in the government oversees municipal utilities.

Director Mason said the California Energy Commission (CEC) supervises municipal utilities.

Councilmember Peterson asked if customers lower their energy consumption and the fixed cost for electricity is not covered will the rates be raised again.

Director Mason said yes.

Mayor Franklin opened the public hearing on this item for public comments.

Gary Hironimus, Banning resident, said that Banning rates are some of the highest in the area. He evaluated and compared the utility rates and increases. He would like to see a proactive solution for the future.

Don Smith, Banning resident, said with a 12% rate increase our electric rates will no longer be comparable with other cities. This increase will have a negative impact on our economic development. Don agreed with Gary and said a long term solution needs to be made to resolve this problem.

Ellen Car, Banning resident, said what if we just say no and see what happens.

Jack Prior, CEO for Access Solar Builders, recommended the use of solar energy.

Seeing no more public comments, Mayor Franklin closed the public hearing.

Mayor Franklin asked Director Mason to answer Ellen's questions.

Director Mason said there are penalties that will be assessed if we tell them no. The legislator has given authority to the Resources Board and CEC to financially penalize entities that do not comply.

Councilmember Botts said voters should be proactive in saying no to the legislator. He then asked Director Mason to talk briefly about our efforts to obtain renewable energy

Director Mason we have been working toward solar energy and have spent almost \$2.5 million on rebates. Unfortunately, there are no more funds available for rebates but customers are still coming in to get permits to install solar on their homes.

Councilmember Botts asked Director Mason to speak about the assistance programs available to the residents.

Director Mason said the program is called the Public Benefit Fund. This program is funded through a cost percentage taken from utility payments. This fund pays for low income assistance, energy conservation and renewable energy.

Councilmember Miller asked if we went to the SCE rates what kind of deficit would that produce.

Director Mason said it would put us in debt approximately \$800,000 to \$1 million, just on the first tier alone.

Councilmember Miller asked the director to explain why it would cost more to go to renewable energy.

Director Mason explained the cost for renewable energy is more per kilowatt hour than fossil fuel energy.

Councilmember Miller reiterated the cost for transmission lines has gone up because the lines are being rebuilt to handle renewable energy. He then asked after the lines are completed will the cost go down.

Director Mason said no because there will be a fixed cost.

Councilmember Welch commented on the local construction being done on the transmission lines. He said other entities are also raising rates so it would be worth it to compare rates constantly to

see rate increases in other communities. He mentioned the benefits of living in Banning and explained the issues other communities are facing.

Mayor Franklin said the state legislators are looking at our rates. She said staff has been proactive in trying to see what we can do to bring down some of the mandates the state has and reduce what we have to pay for.

There are two options for Resolution No. 2013-45:

- The first option is to adopt Resolution No. 2013-45, approving the electric rate schedules, and authorize the City Manager, or his designee, to implement said rate schedules effective May 1, 2013; and Authorize the Administrative Services Director, or her designee, to make the necessary transfers between the applicable electric funds to resolve the deficit in FY 2012-13.
- The second option is to adopt the above AND authorize staff to analyze and report on the concept of an annual inflation index electric rate adjustment mechanism.

**Motion Botts/Miller to adopt Resolution No. 2013-45 option 2. Motion carried, 4 in favor, Councilmember Peterson voted no.**

Mayor Franklin said she wants the public to know there is nobody on the Council that is in favor of having to raise rates but we have to do what needs to be done.

Meeting recessed at 7:27 p.m. and reconvened at 7:38 p.m.

#### REPORTS OF OFFICERS (cont.)

1. Resolution No. 2013-48, Amending Article VII-Public Comment and Presentations of the Manual of Procedural Guidelines for the Conduct of the City Council and Constituent Body/Commission Meeting for the City of Banning.  
(Staff Report – Andy Takata, City Manager)

Mr. Takata explained the changes made to the presentations policy of the procedural guidelines manual. He also explained the time change during the public comment section.

David Aleshire, City Attorney, gave some examples of when the section would be useful.

Mayor Franklin addressed the Council saying she thinks it would be best if appointed committees didn't have so much turnover; that the people in these positions stay in them so they can gain seniority in the committees. She asked council if they would like to have this added to the policy.

Councilmember Botts agreed but added that if a change in the committee needed to be made that it take 3 Councilmembers to make that change.

Mayor Franklin asked that the second to last sentence in article 8.3 "Conduct of Hearings" section (b) be removed. The sentence reads; "Generally the presiding officer should allow speakers in favor of projects, then those opposed, and then rebuttal."

**Motion Welch/Peterson to adopt Resolution No. 2013-48, with the two corrections.  
Motion carried, all in favor.**

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

City Council -

Mayor Franklin introduced David Ellis the new Planning Commissioner.

Councilmember Welch encouraged the public to look at the community calendar to see upcoming Centennial events.

Councilmember Miller said he understands the resident's frustration. He requested that council have more planning sessions to give more time to discuss impactful issues, instead of having to make sudden decisions.

Councilmember Botts said he attended the Pass Area Art Alliance grand opening. The event had about 100 people in attendance and was a great event. The Mayor of San Bernardino was there and he took this opportunity to welcome the new mayor. He said the gallery is beautiful and worth stopping by.

Councilmember Peterson thanked the staff for the strategic plan meeting.

Mayor Franklin agreed with Councilmember Peterson on the success of the strategic plan. She thanked the Council and the staff for their participation in the Disaster Preparedness Expo. The event was a success. She also thanked all city volunteers, and informed everyone that it is National Volunteer Week.

Report by City Attorney -

City Attorney informed the Council of a case that recently came out called Smith vs. San Jose regarding City Council emails. A public records request was submitted for council's personal email correspondence. The court ruled in favor of the request saying if a councilmember is using their personal email account for work related correspondence then the email is subject to review. He mentioned this is also true for city employees.

Report by City Manager -

City Manager mentioned the construction being done around the electric yard. The Pass EDA has a meeting this Friday where the City Manager's from the Pass areas will be speaking. He also informed the public of the email notification feature available on the City website.



## ITEMS FOR FUTURE AGENDAS

New Items – None

### Pending Items – City Council

1. Schedule Meetings with Our State and County Elected Officials
2. Consideration of an “in-house” attorney vs. contract
3. Let’s Move – Healthy Initiative

## ADJOURNMENT

By common consent the meeting adjourned at 8:04 p.m.

Prepared By:

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Jessica Hicks, Deputy City Clerk

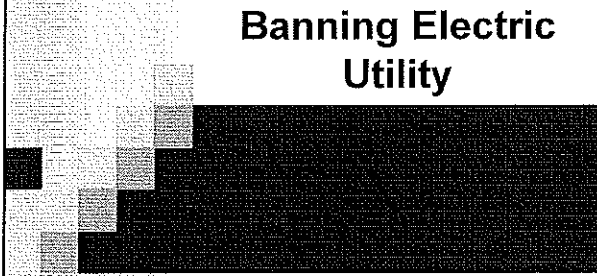
Approved By:

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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.**

# Banning Electric Utility



## Electric Rate Study & Recommendations

Presented by  
Fred Mason, Electric Utility Director

## Electric Rate Study

- Utilized tools developed by Navigant Consulting during previous rate analysis
- Evaluated Residential, Commercial and Industrial (Time-of-Use) rates
- Ensured no subsidies exist between rate classes
- Compared against Edison rates
- Recommend an overall 12 percent increase with an effective date of 5/1/2013

2

## Why is a Rate Increase Needed?

**Cost of compliance with Regulatory Mandates:**

- Banning's annual Transmission expense has increased \$800,000
- Cap & Trade started January 1, 2013 -- Banning's allowance expense is estimated at \$700,000 / year
- San Juan Unit 3 debt service acceleration will be \$500,000 per year, through FY 2018

- No rate increase since 2009
- The annual general operating expenses have increased approximately \$800,000 since 2009
- Electric Bond Covenant requires 115% coverage

## Electric Rate Component %

These electric rate components made up the following percentages of the Utility's total operating cost in FY 11-12:

■ Generation/Wholesale Power	52%	} 63%
■ Transmission	11%	
<hr/>		
■ Distribution System O&M	19%	
■ Administration	8%	
■ General Fund Transfer	10%	

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## Average Residential Bill

440 kWh Usage - Winter (March)			
	Current	Proposed	
Customer Charge	\$ 3.00	\$ 3.00	
Energy	\$ 72.47	\$ 80.90	
Street Lighting	\$ 2.00	\$ 2.00	
Total Bill	\$ 77.47	\$ 85.90	Increase \$ 8.43

735 kWh Usage - Summer (August)			
	Current	Proposed	
Customer Charge	\$ 3.00	\$ 3.00	
Energy	\$ 118.90	\$ 132.95	
Street Lighting	\$ 2.00	\$ 2.00	
Total Bill	\$ 123.90	\$ 137.95	Increase \$ 14.05

## Proposed Rate: Residential

- Recommend increase of \$.019 per kWh to the Baseline rate and \$.0195 to 2<sup>nd</sup> Tier – and a decrease of \$.03 to the Third Tier rate
- The maximum increase in the winter season to residential customers will be \$19.35/month:
  - Maximum Baseline increase \$5.85 per month
  - Maximum 2<sup>nd</sup> Tier increase \$13.49 per month
- Maximum increase of \$28.97/month in summer:
  - Maximum Baseline increase \$10.60 per month
  - Maximum 2<sup>nd</sup> Tier increase \$18.37 per month

## Proposed Rate: BEAR

- Banning Electric Alternative Rate (BEAR) has not increased since it was established in 2007
- Proposed BEAR rate will increase Low-Income customers' monthly bills by a maximum of \$9.24 in the winter and \$16.74 in the summer
  - Low-Income BEAR customers will continue to receive a yearly discount of \$336.23 off the Baseline rate
- Rate increase will not affect Baseline allocations for customers on the Medical Lifeline program

## Conservation Tips

- A/C is the #1 energy user in the home, use ceiling fans to offset or enhance A/C use, and be sure to set the thermostat at/or above 78 degrees
- A typical electric space heater can cost more than \$150 per month to use, wear warm clothing and add an extra blanket instead
- Inefficient refrigerators can use up to 5 times more electricity than Energy Star rated units, adding over \$30 per month to a customer's bill
- Turn off lights, computers, TV's, etc. when unused

## Proposed Rate: Commercial

**Small General Service** (strip mall stores, small offices and shops, etc.):

- Recommend increase of \$.02 per kWh - Based on the average monthly usage of 1,162 kWh, the average customer bill will increase \$23.24 per month

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## Proposed Rate: Commercial

**Large Demand Service** (Restaurants, grocery stores, school sites, etc.):

- Recommend increase of \$.0195 per kWh on the Energy rate and \$2.00 per kW on the Demand rate

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## Proposed Rate: Industrial Time-of-Use (TOU)

- Rate is for very large customers that exceed 500 kW demand (there are currently only five accounts in this class)
- Recommend increase of \$.01 per kWh
- Demand rates are unchanged except for the winter Non-time Related rate, which is recommended to increase \$2.25 per kW and Mid-Peak to increase \$2.00 per kW

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## Other Municipal Utilities

- Many of the municipal utility Southern California Public Power Authority (SCPPA) members are dealing with the same cost issues, and are performing similar rate studies

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## Monitoring of Rates

- Staff will continue to monitor the Utility's expenses and revenues and report any rate impacts to the Council annually
- Electric rates are set to cover the Utility's actual operating expenses - with the intent to "break even" each year
- Regulatory mandates in the California energy market may result in future rate increases
- Analyze the practicality of an inflation index based annual Electric rate increase

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## Recommendation

### Option One:

- Adopt Resolution No. 2013-45 approving new Electric rates effective May 1, 2013

### Option Two:

- Adopt Resolution No. 2013-45 approving new Electric rates effective May 1, 2013
- Authorize staff to analyze and report on the concept of an annual inflation index Electric rate adjustment mechanism

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Questions?

15

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MINUTES  
CITY COUNCIL  
BANNING, CALIFORNIA

05/07/2013  
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Franklin on May 7, 2013 at 1:37 p.m. at the Banning Civic Center Large Conference Room, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Peterson  
Councilmember Welch  
Mayor Franklin

COUNCIL MEMBERS ABSENT: Councilmember Botts  
Councilmember Miller

OTHERS PRESENT: Andy Takata, City Manager  
Zai Abu Bakar, Community Development Director  
Marie A. Calderon, City Clerk

PUBLIC COMMENTS

There were none.

INTERVIEWS

1. Candidate Interviews for City of Banning Planning Commission

Mayor Franklin went over the process that they would be using for the interview process.

The City Council interested the candidates asking various questions in regards to why they were interested in being on the Commission, their experience and background, and their understanding of the Planning Commission and its role. The candidates also had an opportunity to ask the Council questions.

ADJOURNMENT

By common consent the meeting adjourned at 3:39 p.m.

---

Marie A. Calderon, City Clerk

## CITY COUNCIL AGENDA

**Date:** May 14, 2013

**TO:** City Council

**FROM:** June Overholt, Administrative Services Director/Deputy City Manager

**SUBJECT:** Report of Investments for March 2013

**RECOMMENDATION:** The City Council receive and file the monthly *Report of Investments*.

**JUSTIFICATION:** State law requires that a monthly report of investments be submitted to the Governing Legislative Body.

**BACKGROUND:** This report includes investments on hand at the end of March 2013. As of March 31, 2013, the City's operating funds totaled \$69,285,469. Included in Successor Agency operating funds is \$758,789 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.


As of March 31, 2013 approximately 43% of the City's unrestricted cash balances were invested in investments other than LAIF.

The March Investment Report includes the following documents:

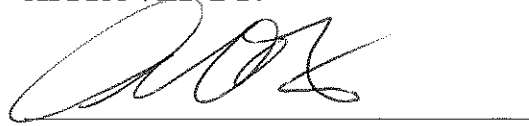
- Summary Schedule of Cash and Investments
- Operational Portfolio Individual Investments
- Individual Investments with Fiscal Agent
- Investment Report Observations – updated

**FISCAL DATA:** The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) decreased to 0.285% in March. The average rate for all investments in March was 0.266%.

**RECOMMENDED BY:**

  
June Overholt  
Administrative Services Director/  
Deputy City Manager

**APPROVED BY:**

  
Andy Takata  
City Manager

**Summary Schedule of Cash and Investments****Operating Funds****Petty Cash**Amount

2,805

**Bank Accounts**

Interest

Rate

Amount

Wells Fargo Bank

0.000%

2,983,155

Bank of America-Airport

0.300%

11,422

Bank of America-Parking Citations

0.300%

5,050

Bank of America-CNG Station

0.300%

5,243*Money Market and Bank Account Sub-Total*

3,004,869

**Government Pools**

Account #1 Operating Amount

38,581,609

Account #1 CRA Bond Cash Bal.

758,789

Local Agency Investment Fund: Account #1

0.285%

39,340,399

Account #2 Successor Agency Cash Bal

0

Local Agency Investment Fund: Account #2

0.285%

-*Government Pool Sub-Total*39,340,399**Operating Cash Balance****42,348,072****Restricted Operating Funds at Riverside Public Utilities**

Highmark U.S. Government Money Market Fund

0.000%

1,249,727

**Other Investments**

Investments-US Bank/Piper Jaffray - See Page 2

0.269%

25,687,669

**Operating Funds Total****69,285,469****Fiscal Agent**Amount

US Bank

35,309,033***Fiscal Agent Total*****35,309,033**



# City of Banning Investment Report

March 31, 2013

## Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Date	Discount or (Premium) Amortization	Market Value
<i>Bank Accounts</i>								
2,983,155	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	2,983,155	n/a	2,983,155
-	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	-	n/a	-
11,422	Bank of America-Airport	n/a	0.30%	daily	varies	11,422	n/a	11,422
5,050	Bank of America-Parking Citations	n/a	0.30%	daily	varies	5,050	n/a	5,050
5,243	Bank of America-Parking Citations	n/a	0.30%	daily	varies	5,243	n/a	5,243
Sub-total								
3,004,869								
<i>Government Pools</i>								
39,340,399	L.A.I.F. account #1	n/a	0.285%	daily	varies	39,340,399	n/a	39,340,399
-	L.A.I.F. account #2	n/a	0.285%	daily	varies	-	n/a	-
39,340,399								
<i>Investments-US Bank/Piper Jaffray</i>								
3,000,000	FNMA Deb	n/a	0.600%	5/29/2015	5/16/2012	3,000,000		3,001,740
3,000,000	Federal Farm Credits Bks	n/a	0.600%	5/22/2015	5/16/2012	3,000,000		3,002,010
2,000,000	FNMA MTN	n/a	0.550%	12/4/2014	6/27/2012	2,000,000		2,001,080
2,000,000	Federal Home Loan Bks	n/a	0.375%	7/30/2015	1/30/2013	2,000,000		1,999,340
3,000,000	FHLMC MTN	n/a	0.400%	8/20/2015	2/20/2013	3,000,000		2,997,570
12,685,929	Money Market	n/a	0.020%	daily	varies	12,685,929	0	12,685,929
US Bank/Piper Jaffray Average Rate=								
0.269%								
25,687,669								

Average Rate All= 0.266%

It has been verified that this investment portfolio is in conformity with the City of Banning's investment policy which was approved by the City Council on August 28, 2012. The Treasurer's cash management program provides sufficient liquidity to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 151 days and does not include Bond Reserve Fund Investments.

# City of Banning Investment Report

March 31, 2013

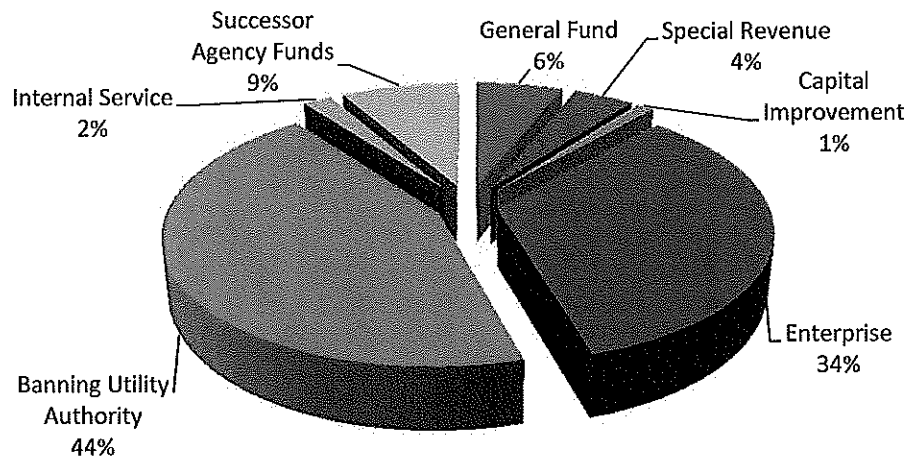
## Individual Investments with Fiscal Agent

Bond Issue Description	Bond Maturity Date	Investment Description	Current Yield	Bond Reserve Bond Maturity Date	Minimum Reserve Requirement	Interest Mar-13	3/31/2013 Market Value
<b>COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A</b>							
2005 Fair Oaks Ranch Estates	2035	US Bank Mmkt 5-Ct	0.040%	daily	188,943	5.97	218,030
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003</b>							
2003 CRA Tax Allocation Bonds	2028	U S Treasury Bill	4.61%	7/28/2011	971,763	6,726.59	990,891
		US Bank Mmkt 5-Ct	0.040%	daily			557
		US Bank Mmkt 5-Ct	0.000%	daily			7
		US Bank Mmkt 5-Ct	0.000%	daily			8
Surplus Fund							
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</b>							
Redevelop Fund	2037	US Bank Mmkt 5-Ct	0.040%	daily		255.54	8,328,274
Reserve Fund		US Bank Mmkt 5-Ct	0.040%	daily	1,880,751	57.54	1,875,285
Special Fund		US Bank Mmkt 5-Ct	0.050%	daily			19
Surplus Fund		US Bank Mmkt 5-Ct	0.000%	daily			9
<b>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>							
Interest Account		US Bank Mmkt 5-Ct	0.000%	daily			3
Principal Account		US Bank Mmkt 5-Ct	0.000%	daily			5
		US Bank Mmkt 5-Ct	0.040%	daily		101.11	3,294,108
<b>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>							
Interest Account		US Bank Mmkt 5-Ct	0.060%	daily			18
Principal Account		US Bank Mmkt 5-Ct	0.040%	daily			25
Reserve Fund		US Bank Mmkt 5-Ct	0.040%	daily	2,310,710	70.92	2,311,195
Project Fund		US Bank Mmkt 5-Ct	0.040%	daily		49.14	1,601,359
<b>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</b>							
		US Bank Mmkt 5-Ct	0.050%	daily			19
		US Bank Mmkt 5-Ct	0.040%	daily	2,672,050	82.00	2,672,492
Acquisition & Construction		US Bank Mmkt 5-Ct	0.040%	daily		430.78	14,016,731
<b>*Paid Semi-Annually-Deposited into Money Mkt Account</b>						<b>Total</b>	<b>35,309,033</b>

## City of Banning Investment Report Supplemental Information

### Pooled Cash Distribution

Investment reports for cities typically do not include the cash balance of the individual funds that make up the total pooled cash. This is primarily due to timing differences between when investment reports are prepared and when month end accounting entries are posted. Investment reports are usually prepared first. However, the pie chart below provides an understanding of the percentage distribution of the investments by fund type. The percentages were calculated using the average cash balances from the six month period of July to December 2012. *(The percentages will be updated quarterly.)*



The Table below describes the funds that are included within the Fund Types used for the pie chart.

Fund Type	Description of funds
Governmental	General Fund
Special Revenue	Restricted Funds (i.e. CFDs, grants)
Capital Improvement	Development Impact Fee funds
Enterprise	Airport, Transit, Refuse, Electric
Banning Utility Authority	Water, Wastewater, Reclaimed water
Internal Service	Risk Management, Fleet, IT, Utility Services
Successor Agency Funds	Previously called Redevelopment Agency

## Summary Schedule – Line item descriptions

Petty Cash – The City maintains petty cash in various departments for incidental purchases. This line item includes the cash drawers for cashiering in utility billing.

### Bank Accounts –

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payables checks are processed through this account. Balances fluctuate based on activity and cash flow needs. As excess funds accumulate, they are transferred to LAIF to increase earnings.
- Bank of America – Airport – The City maintains a Trust account for credit card purchases made at the airport. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – Parking Citations – The City maintains a Trust account for the processing of parking citations through Turbo Data. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – CNG – The City maintains a Trust account for credit card purchases of CNG fuel made at the City yards. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.

### Government Pools –

- Local Agency investment Fund – Account #1
  - This account includes both City pooled funds and a restricted cash balance related to the CRA bonds. Investments in LAIF are limited to \$50M.
- Local Agency investment Fund – Account #2
  - This account was used for the CRA/Successor Agency. When the State established the cutoff date of January 31, 2012 for the elimination of the Redevelopment Agency, LAIF staff recommended a transfer of the available balance from the CRA account to the City account to protect the funds from a rumored State raid or freezing of the funds. Remaining funds were transferred out to the LAIF account #1. The account remains available for use, should the City see a benefit in doing so.

### Restricted Operating Funds at Riverside Public Utilities –

The City Electric operation has an agreement with Riverside Public Utilities (RPU) to purchase power for the City. Part of the agreement requires that the City maintain a balance in the trust account used by RPU. The City does not control the investments or earning of the trust account.

### Other Investments –

Currently the City works with a Piper Jaffray broker to make various investments per the City policy and in accordance with State guidelines. The Broker is not on retainer, nor do they receive a City paid fee with each investment. Funds in the Money Market fluctuate as securities mature or get called. Staff is in the process of investing the Money Market funds over several months. We will be adding an additional broker to provide more investment options.

Fiscal Agent / US Bank – Unspent bond proceeds and required bond reserves are invested by the Fiscal Agent in accordance with the bond documents.

## CITY COUNCIL AGENDA

**Date:** April 23, 2013  
**TO:** City Council  
**FROM:** June Overholt, Administrative Services Director  
**SUBJECT:** Approval of Accounts Payable and Payroll Warrants for Month of March 2013

**RECOMMENDATION:** The City Council review and ratify the following reports per the California Government Code.

**FISCAL DATA:** The reports in your agenda packet cover "Expenditure Disbursements" and "Payroll Expenses" for the month of March 2013.

The reports are:

Expenditure approval lists

March 7, 2013	196,622.99
March 14, 2013	1,057,702.14
March 21, 2013	769,343.75
March 28, 2013	114,284.34
May 1, 2013	2,054,417.21 (March Month End)

Payroll check registers

March 8, 2013	4,725.29
March 22, 2013	3,505.92

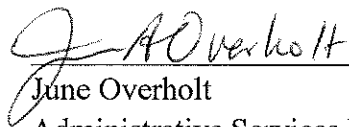
Payroll direct deposits\*

March 8, 2013	271,333.10
March 22, 2013	261,184.64

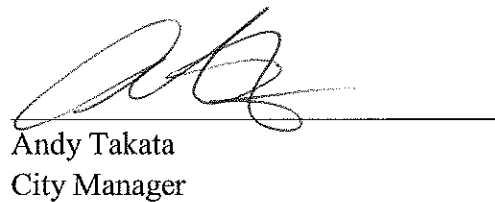
As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.

Report Prepared by: Jenna Harrell, Accounts Payable

**RECOMMENDED BY:**

  
June Overholt  
Administrative Services Director

**APPROVED BY:**

  
Andy Takata  
City Manager

# CITY of BANNING

## Fund/Department Legend

*Fund/Department Legend*

### 0001 General Fund Departments

0001 – General  
1000 – City Council  
1200 – City Manager  
1300 – Human Resources  
1400 – City Clerk  
1500 – Elections  
1800 – City Attorney  
1900 – Fiscal Services  
1910 – Purchasing & A/P  
2060 – TV Government Access  
2200 – Police  
2210 – Dispatch  
2279 – TASIN – SB621 (Police)  
2300 – Animal Control  
2400 – Fire  
2479 – TASIN – SB621 (Fire)  
2700 – Building Safety  
2740 – Code Enforcement  
2800 – Planning  
3000 – Engineering  
3200 – Building Maintenance  
3600 – Parks  
4000 – Recreation  
4010 – Aquatics  
4050 – Senior Center  
4060 – Sr. Center Advisory Board  
4500 – Central Services  
4800 – Debt Service  
5400 – Community Enhancement

### All Other Funds

002 – Developer Deposit Fund  
003 – Riverside County MOU  
100 – Gas Tax Street Fund  
101 – Measure A Street Fund  
103 – SB 300 Street Fund  
104 – Article 3 Sidewalk Fund  
110 – CDBG Fund  
111 – Landscape Maintenance  
132 – Air Quality Improvement Fund  
140 – Asset Forfeiture/Police Fund  
148 – Supplemental Law Enforcement  
149 – Public Safety Sales Tax Fund  
150 – State Park Bond Fund  
190 – Housing Authority Fund  
200 – Special Donation Fund  
201 – Sr. Center Activities Fund  
202 – Animal Control Reserve Fund  
203 – Police Volunteer Fund

204 – D.A.R.E. Donation Fund  
300 – City Administration COP Debt Service  
360 – Sun Lakes CFD #86-1  
365 – Wilson Street #91-1 Assessment Debt  
370 – Area Police Computer Fund  
375 – Fair Oaks #2004-01 Assessment Debt  
376 – Cameo Homes  
400 – Police Facilities Development  
410 – Fire Facilities Development  
420 – Traffic Control Facility Fund  
421 – Ramsey/Highland Home Road Signal  
430 – General Facilities Fund  
441 – Sunset Grade Separation Fund  
444 – Wilson Median Fund  
451 – Park Development Fund  
470 – Capital Improvement Fund  
475 – Fair Oaks #2004-01 Assessment District  
600 – Airport Fund  
610 – Transit Fund  
660 – Water Fund  
661 – Water Capital Facilities  
662 – Irrigation Water Fund  
663 – BUA Water Capital Project Fund  
669 – BUA Water Debt Service Fund  
670 – Electric Fund  
672 – Rate Stability Fund  
673 – Electric Improvement Fund  
674 – '07 Electric Revenue Bond Project Fund  
675 – Public Benefit Fund  
678 – '07 Electric Revenue Bond Debt Service Fund  
680 – Wastewater Fund  
681 – Wastewater Capital Facility Fund  
682 – Wastewater Tertiary  
683 – BUA Wastewater Capital Project Fund  
685 – State Revolving Loan Fund  
689 – BUA Wastewater Debt Service Fund  
690 – Refuse Fund  
700 – Risk Management Fund  
702 – Fleet Maintenance  
703 – Information Systems Services  
761 – Utility Billing Administration  
805 – Redevelopment Obligation Retirement Fund  
810 – Successor Housing Agency  
830 – Debt Service Fund  
850 – Successor Agency  
855 – 2007 TABS Bond Proceeds  
856 – 2003 TABS Bond Proceeds  
857 – 2003 TABS Bond Proceeds Low/Mod  
860 – Project Fund

2nd Read.

**ORDINANCE NO. 1464**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA,  
REPEALING ORDINANCE NO. 1411, AND CHAPTER 2.36 OF THE BANNING  
MUNICIPAL CODE REGARDING THE BANNING ECONOMIC DEVELOPMENT  
COMMITTEE**

**THE CITY COUNCIL OF THE CITY OF BANNING DOES HEREBY ORDAIN  
AS FOLLOWS:**

Section 1.

That Ordinance No. 1411, and Chapter 2.36 of the Banning Municipal Code, (Banning Economic Development Committee) is hereby repealed in its entirety.

Section 2.

The Mayor shall sign this Ordinance and the City Clerk shall attest thereto and shall within fifteen (15) days cause it or summary of it to be published in a newspaper of general circulation in the city of Banning and thereupon and thereafter this Ordinance shall become effective on the thirtieth (30<sup>th</sup>) day after the date of its adoption.

**PASSED, APPROVED, AND ADOPTED** on this 14<sup>th</sup> day of May, 2013.

\_\_\_\_\_  
Deborah Franklin, Mayor  
City of Banning

**ATTEST:**

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

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

\_\_\_\_\_  
David J. Aleshire, City Attorney  
Aleshire and Wynder, LLP.



CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, do hereby certify that the foregoing Ordinance No. 1464 was duly introduced at a regular meeting of the City Council of the City of Banning, California, held on the 23<sup>rd</sup> day of April 2013, and was duly adopted at a regular meeting of said City Council held on the 14<sup>th</sup> day of May 2013, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

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

## CITY COUNCIL AGENDA

### CONSENT ITEM

**Date:** May 14, 2013

**TO:** City Council

**FROM:** Kahono Oei, City Engineer

**SUBJECT:** Accept Grant of Easement from Union Pacific Railroad (UPRR), at Mile Post 566.20 (DOT No.440-707T) Yuma Subdivision for Sunset Avenue Grade Separation Project

**RECOMMENDATION:** Accept Grant of Easement from Union Pacific Railroad (UPRR), at Mile Post 566.20 (DOT No.440-707T) Yuma Subdivision for Sunset Avenue Grade Separation Project, and direct the City Clerk to accept said easement and return to the County of Riverside for further processing. The parcel is described in the attached Exhibit "A" and "B."

**JUSTIFICATION:** It is essential that the City accept the easement, as described and shown on the attached Exhibit "A" and Exhibit "B," respectively, in order for the city to be able to construct the Sunset Avenue Grade Separation Project.

**BACKGROUND:** The City, with the assistance of the Riverside County Transportation Department, has completed the design of Sunset Avenue Grade Separation Project. In order to be able to begin construction of the project, the City needs the easement from Union Pacific Railroad (UPRR) as shown attached herewith as Exhibit "A" and "B."

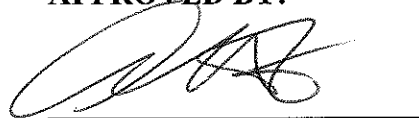
**FISCAL DATA:** Riverside County Transportation and Land Management Agency will pay Union Pacific Railroad (UPRR) the sum of \$321,000.00 for the easement utilizing TUMF funding in order to move forward with the Sunset Avenue Grade Separation Project.

**RECOMMENDED BY:**

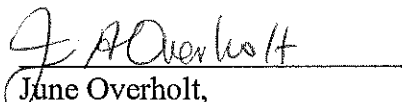


Duane Burk,  
Director of Public Works

**APPROVED BY:**



Andy Takata,  
City Manager

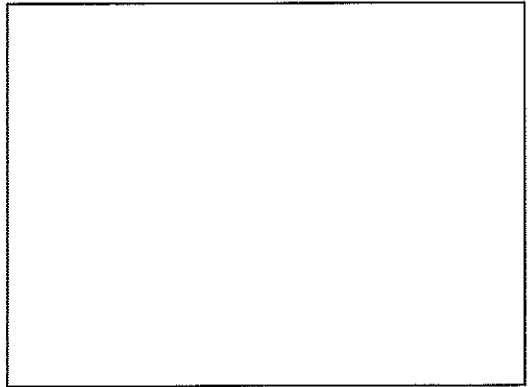


June Overholt,  
Administrative Services Director/  
Assistant City Manager

**When recorded Mail To:**

City Clerk  
City of Banning  
P.O. Box 998  
Banning, CA 92220

**NO RECORDING FEE PER SECTION  
6103 OF THE GOVERNMENT CODE.**



SPACE FOR RECORDER'S USE

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the Grant of Easement, as attached herein as Exhibit "A" and Exhibit "B" to the CITY OF BANNING, a municipal corporation is hereby accepted by the CITY OF BANNING pursuant to authority conferred by the City Council; and the grantees consent to recordation thereof by its duly authorized agent.

Dated: \_\_\_\_\_, 2013

CITY OF BANNING, A Municipal Corporation

By \_\_\_\_\_  
City Clerk

After Recording, Mail To:

(Space Above Reserved for County Recorder's Use)

UPRR Folder No. 2797-47

### **EASEMENT DEED**

THIS Easement Deed is made this 11<sup>th</sup> day of April, 2013, between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation ("Grantor"), and the **CITY OF BANNING**, a California municipal corporation ("Grantee"), whose address is 99 East Ramsey Street, Banning, California 92220.

Grantor for and in consideration of the sum of **THREE HUNDRED TWENTY-ONE THOUSAND DOLLARS (\$321,000.00)** and other valuable consideration, to it paid by Grantee, the receipt whereof is hereby confessed and acknowledged, grants to Grantee, its successors and assigns, an easement for street and highway purposes on, along and over the property located in Banning, Riverside County, California, described in **Exhibit A**, attached hereto and hereby made a part hereof, for the purpose of constructing, using, maintaining, repairing and reconstructing a grade separated public road crossing for Sunset Avenue at Grantor's Mile Post 566.20, (DOT No. 440-707T), on Grantor's Yuma Subdivision.

The Easement is granted for the purpose described above only. Without limitation of the foregoing, this grant does not include the right to install utilities of any nature, including, without limitation, fiber optic, cable television, electrical, gas or liquid distribution, or telephone lines.

Grantor, its successors and assigns, reserves the right to construct at any and all times and to maintain railroad tracks and appurtenances, fiber optic or signal lines and facilities, pipe, telephone, and electric pole and wire lines, over, under and across the Easement Area, but in such a way as to not interfere with Grantee's use of the Easement; it being understood that the rights so reserved by Grantor, its successors and assigns, are retained along with the general right of Grantor, its successors and assigns, to use of the Easement Area for any purpose not inconsistent with Grantee's use of the Easement, including, but not limited to any and all general railroad purposes.

The Easement is granted subject to the terms and conditions contained in the separate Construction and Maintenance Agreement dated April 5, 2013 as signed by Grantee and the Grantor, and all outstanding leases, licenses and other outstanding rights, including, without limitation, those for pipe, telephone, electric and fiber optic lines and the right of renewals and extensions of the same, and subject also to all conditions, limitations, restrictions, encumbrances, reservations or interests of any person that may affect the Easement Area, whether recorded or unrecorded.

The Easement is also limited to such rights as Grantor may have in the Easement Area and is granted without warranty, express or implied. No damages shall be recoverable from Grantor because of any dispossession of Grantee or because of failure of, or defect in, Grantor's title.

If Grantee, its successors or assigns, abandons the Easement Area or any portion of the Easement Area, for the purposes of the Easement, the Easement will cease and terminate with respect to the portion of the Easement Area so abandoned, and the title to the Easement Area will be freed from the burden of the Easement. Nonuse of the Easement Area or any portion thereof, for the purposes of the Easement for the period of one (1) year will be deemed an abandonment of the Easement Area or portion thereof not used.

Grantor and Grantee have caused this Easement Deed to be executed as of the date first herein written.

ATTEST:

**UNION PACIFIC RAILROAD COMPANY**

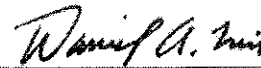
(Federal TAX ID No. 94-6001323)

By



BEVERLY J. KUBAT  
Assistant Secretary

By



DANIEL A. LEIS  
General Director Real Estate

(Seal)

**CITY OF BANNING**

By

Printed Name:

Title:

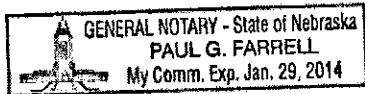


## ACKNOWLEDGMENT

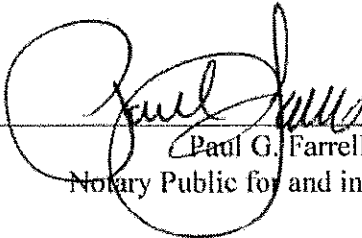
STATE OF NEBRASKA                    )  
  ) ss:  
COUNTY OF DOUGLAS                )

On this 11<sup>th</sup> day of April, 20 13, before me, *Paul G. Farrell*, a Notary Public in and for said County and State, personally appeared ***Daniel A. Leis*** and ***Beverly J. Kubat*** who are the *General Director Real Estate* and the *Assistant Secretary*, respectively, of Union Pacific Railroad Company, a Delaware corporation, and who are personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to in the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.



↑ (Affix Notary Seal Here) ↑

  
\_\_\_\_\_  
Paul G. Farrell  
Notary Public for and in said State

My commission expires: January 29, 2014

## ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public in and for said County and State, personally appeared

\_\_\_\_\_  
*(Name of Individual Executing Agreement on Behalf of the City of Banning)*

who is the \_\_\_\_\_  
*(Title of Individual Executing Agreement on Behalf of the City of Banning)*  
of the City of Banning, and who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to in the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public for and in said State

My commission expires: \_\_\_\_\_  
*(Expiration Date)*

↑ (Affix Notary Seal Here) ↑

**EXHIBIT "A"**  
**SUNSET AVENUE (GRADE SEPARATION)**  
**LEGAL DESCRIPTION**  
**0529-008B**

BEING A PORTION OF THAT CERTAIN UNION PACIFIC RAILROAD RIGHT-OF-WAY, AS DESCRIBED IN UNITED STATES ACT OF CONGRESS DATED MARCH 3, 1871, SHOWN AS PARCEL 4 AND PARCEL 5 ON STATE BOARD OF EQUALIZATION MAP NUMBER 872-33-1, IN THE CITY OF BANNING, CALIFORNIA, LYING WITHIN THE SOUTH EAST ONE-QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTHEASTERLY CORNER OF PARCEL 1 OF PARCEL MAP NUMBER 25541 ON FILE IN BOOK 166, PAGES 27 THROUGH 35, INCLUSIVE, OF PARCEL MAPS, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, BEING THE POINT OF INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF SUNSET AVENUE (VARIABLE HALF-WIDTH) AS DESCRIBED BY GRANT DEED RECORDED AUGUST 3, 1982 AS INSTRUMENT NUMBER 132985, OFFICIAL RECORDS OF SAID RECORDER, AND THE SOUTHERLY LINE OF SAID UNION PACIFIC RAILROAD RIGHT-OF-WAY (200.00 FOOT FULL-WIDTH), SAID POINT BEING ON A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 5,829.03 FEET AND AN INITIAL RADIAL BEARING OF S 08°47'23" W;

THENCE WESTERLY ALONG SAID SOUTHERLY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 00°10'52", AN ARC DISTANCE OF 18.43' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 68.22' FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE N 00°04'23" E ALONG SAID PARALLEL LINE, A DISTANCE OF 37.21' FEET;

N 80°42'35" W, A DISTANCE OF 61.25' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 128.68' FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE N 00°04'23" E ALONG SAID PARALLEL LINE, A DISTANCE OF 15.25' FEET;

THENCE S 80°42'35" E, A DISTANCE OF 53.00' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 76.36' FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE N 00°04'23" E ALONG SAID PARALLEL LINE, A DISTANCE OF 71.00' FEET;

N 80°42'35" W, A DISTANCE OF 43.00' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 118.81' FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE N 00°04'23" E ALONG SAID PARALLEL LINE, A DISTANCE OF 15.25' FEET;

THENCE S 80°42'35" E, A DISTANCE OF 51.25' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 68.22' FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE N 00°04'23" E ALONG SAID PARALLEL LINE, A DISTANCE OF 63.80' FEET TO A POINT ON THE NORTHERLY LINE OF SAID UNION PACIFIC RAILROAD RIGHT-OF-WAY SAID POINT BEING ON A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 5,629.03 FEET AND AN INITIAL RADIAL BEARING OF S 09°17'23" W;



**EXHIBIT "A"**  
**SUNSET AVENUE (GRADE SEPARATION)**  
**LEGAL DESCRIPTION (CONTINUED)**  
**0529-008B**

THENCE EASTERLY ALONG SAID NORTHERLY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 01°13'01", AN ARC DISTANCE OF 119.56' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 50.00' FEET EASTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE S 00°04'23" W ALONG SAID PARALLEL LINE, A DISTANCE OF 65.00' FEET;

THENCE S 80°42'35" E, A DISTANCE OF 47.50' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 96.89' FEET EASTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE S 00°04'23" W ALONG SAID PARALLEL LINE, A DISTANCE OF 15.25' FEET;

THENCE N 80°42'35" W, A DISTANCE OF 41.00' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 56.42' FEET EASTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE S 00°04'23" W ALONG SAID PARALLEL LINE, A DISTANCE OF 71.00' FEET;

THENCE S 80°42'35" E, A DISTANCE OF 49.50' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 105.28' FEET EASTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE S 00°04'23" W ALONG SAID PARALLEL LINE, A DISTANCE OF 15.25' FEET;

THENCE N 80°42'35" W, A DISTANCE OF 56.00' FEET TO A POINT ON A LINE PARALLEL WITH AND DISTANT 50.00' FEET EASTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE EAST LINE OF SAID SECTION 7;

THENCE S 00°04'23" W ALONG SAID PARALLEL LINE, A DISTANCE OF 35.39' FEET TO A POINT ON THE SOUTHERLY LINE OF SAID UNION PACIFIC RAILROAD RIGHT-OF-WAY SAID POINT BEING ON A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 5,829.03 FEET AND AN INITIAL RADIAL BEARING OF S 07°47'47" W;

THENCE WESTERLY ALONG SAID SOUTHERLY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 00°59'36", AN ARC DISTANCE OF 101.06' FEET TO THE POINT OF BEGINNING.

CONTAINING 28,188 SQUARE FEET, OR 0.647 ACRES, MORE OR LESS.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6. MULTIPLY DISTANCES SHOWN BY 1.000106481 TO OBTAIN GROUND DISTANCE.

REFERENCE IS HEREBY MADE TO RIVERSIDE COUNTY MAP NUMBER 956-I, ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF RIVERSIDE COUNTY, CALIFORNIA.

SEE ATTACHED EXHIBIT "B"

APPROVED BY: \_\_\_\_\_

DATE: \_\_\_\_\_



**CITY COUNCIL AGENDA  
CONSENT ITEM**

**Date:** May 14, 2013

**TO:** Honorable Mayor and City Council

**FROM:** Fred Mason, Electric Utility Director

**SUBJECT:** Accept Grant of Easement from Arts District Holdings, LLC within Parcel 1/APN 540-164-009 and Parcel 2/APN 540-164-010, for the Downtown Underground Conversion Project

**RECOMMENDATION:** Accept the Grant of Easement from Arts District Holdings, LLC, Assessor's Parcel Number 532-110-009/010, for the installation of two transformers with equipment pads within the Arts District Holdings property, and direct the City Clerk to accept and record said easement. The parcel is described in the attached Exhibit "A" and "B".

**JUSTIFICATION:** It is essential that the City accept the easement, as described and shown on the attached Exhibit "A" and Exhibit "B", respectively, in order for the city to be able to access the site and conduct the Downtown Underground Conversion Project.

**BACKGROUND:** The City will need to maintain locations for pad-mounted transformers to provide electric service to customers, including the property owner, along Alley "D" between Hays Street and Williams Street as part of the condition of the Downtown Underground Conversion Project. In order to be able to complete the project, the City needs the easement from Arts District Holdings, LLC and the property owner has agreed to dedicate said easement to the City as shown attached herewith as Exhibit "A" and "B".

**FISCAL DATA:** N/A

**RECOMMENDED BY:**



Fred Mason,  
Electric Utility Director

**APPROVED BY:**



Andrew J. Takata,  
City Manager

**REVIEWED BY:**

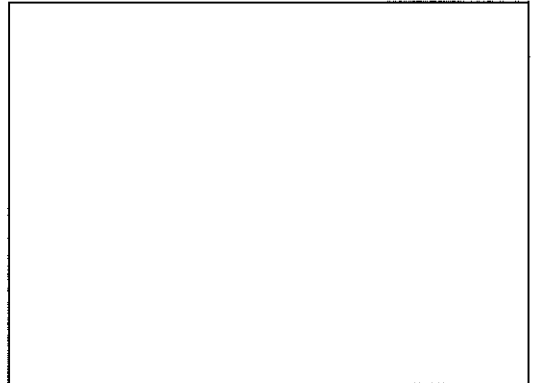


June Overholt,  
Administrative Services Director/  
Deputy City Manager

**When recorded Mail To:**

City Clerk  
City of Banning  
P.O. Box 998  
Banning, CA 92220

**NO RECORDING FEE PER SECTION  
6103 OF THE GOVERNMENT CODE.**



SPACE FOR RECORDER'S USE

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the Grant of Easement, as attached herein as Exhibit "A" and Exhibit "B" to the CITY OF BANNING, a municipal corporation is hereby accepted by the CITY OF BANNING pursuant to authority conferred by the City Council; and the grantees consent to recordation thereof by its duly authorized agent.

Dated: \_\_\_\_\_, 2012

CITY OF BANNING, A Municipal Corporation

By \_\_\_\_\_  
City Clerk

# EXHIBIT "A"

## LEGAL DESCRIPTION (ELECTRICAL EASEMENT)

Portion A.P.N. 540-164-010

THE EAST 12.00 FEET OF THE SOUTH 16.00 FEET OF LOT 9, BLOCK 205 ½ OF  
THE AMENDED MAP OF THE BANNING LAND COMPANY, RECORDED IN  
MAP BOOK 9, PAGE 44, RECORDS OF SAN BERNARDINO COUNTY, STATE OF  
CALIFORNIA

Prepared under my supervision:

Henry C. Poquiz

L.S. 6048



4/19/13  
Date:

# EXHIBIT "B"



SCALE: 1"=20'

LOT 9, BLK. 205 1/2  
M.B. 9/44 S.E.

N90°00'00"W 117.00'

APN: 540-164-010

AREA=224 S.F.

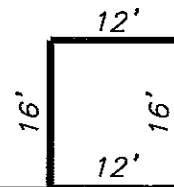
LOT 10, BLK. 205 1/2  
M.B. 9/44 S.E.

FIRST STREET

N00°00'00"W 50.00'

16' WIDE ALLEY

N00°00'00"W 50.00'



117'

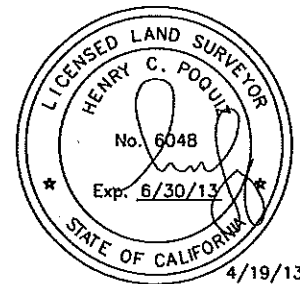
16'

25'

HAYS STREET

25'

N90°00'00"W



4/19/13

CITY OF BANNING, CALIFORNIA  
EASEMENT PLAT  
ELECTRICAL EASEMENT

DRAWN BY: HCP

CHECKED BY: \_\_\_\_\_

APPROVED BY: \_\_\_\_\_

DATE: APRIL 19, 2013

53

RECORDING REQUESTED BY:

CITY OF BANNING

AND WHEN RECORDED MAIL THIS DEED TO:

CITY ENGINEER  
CITY OF BANNING  
99 EAST RAMSEY STREET  
BANNING, CA. 92220-0998

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## GRANT OF EASEMENT

THE UNDERSIGNED GRANTOR DECLARES DOCUMENTARY TRANSFER TAX is: exempt per Revenue and Taxation Code §11922

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

### ARTS DISTRICT HOLDINGS, LLC LIMITED LIABILITY COMPANY

hereby GRANT(S) to the City of Banning, a Municipal Corporation, an easement for electrical lines and appurtenances within the area described in Exhibit "A" attached hereto and made a part hereof, which area is depicted on Exhibit "B" attached hereto and made a part hereof. All such facilities will be located underground except transformer, which may be located in the area shown as on Exhibit "B".

By accepting the Deed, the City agrees that if damages or disturbs the surface of the easement area as a result of its repair or maintenance of the facilities located in the easement area, that it will promptly restore the surface improvements to their condition immediately prior to such damage or disturbance.

Assessor's Parcel No. 540-164-010

Executed on \_\_\_\_\_, 2013, at \_\_\_\_\_, California

Dated: \_\_\_\_\_

Arts District Holdings, LLC Limited Liability Company

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_  
before me, \_\_\_\_\_  
personally appeared \_\_\_\_\_

\_\_\_\_\_ proved to me  
on the basis of satisfactory evidence) to be the person(s)  
whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same  
in his/her authorized capacity(ies) and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon  
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the  
State of California that the foregoing paragraph is true and  
Correct.

WITNESS my hand and official seal:

Signature \_\_\_\_\_

(This area for official notarial seal)

54

# EXHIBIT "A"

## LEGAL DESCRIPTION (ELECTRICAL EASEMENT)

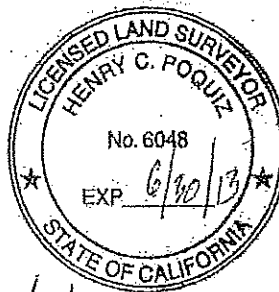
Portion A.P.N. 540-164-009

THE EAST 10.00 FEET OF THE NORTH 12.00 FEET OF LOT 9, BLOCK 205 ½ OF  
THE AMENDED MAP OF THE BANNING LAND COMPANY, RECORDED IN  
MAP BOOK 9, PAGE 44, RECORDS OF SAN BERNARDINO COUNTY, STATE OF  
CALIFORNIA

Prepared under my supervision:

Henry C. Poquiz

L.S. 6048



2/13/13

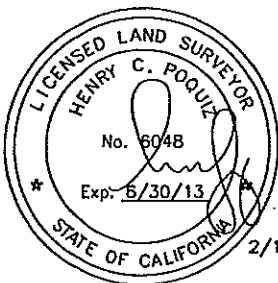
Date:



# EXHIBIT "B"



SCALE: 1"=20'



2/13/13

LOT 8, BLK. 205 1/2  
M.B. 9/44 S.B.

N90°00'00"W 117.00'

APN: 540-164-009  
AREA=224 S.F.

LOT 9, BLK. 205 1/2  
M.B. 9/44 S.B.

N90°00'00"W 117.00'

LOT 10, BLK. 205 1/2  
M.B. 9/44 S.B.

117'

HAYS STREET

N90°00'00"W

CITY OF BANNING, CALIFORNIA  
EASEMENT PLAT  
ELECTRICAL EASEMENT

DRAWN BY: HCP  
CHECKED BY: \_\_\_\_\_  
APPROVED BY: \_\_\_\_\_  
DATE: JANUARY 30, 2013

FIRST STREET

16' WIDE ALLEY

25'

25'

56

RECORDING REQUESTED BY:

CITY OF BANNING

AND WHEN RECORDED MAIL THIS DEED TO:

CITY ENGINEER  
CITY OF BANNING  
99 EAST RAMSEY STREET  
BANNING, CA. 92220-0998

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## GRANT OF EASEMENT

THE UNDERSIGNED GRANTOR DECLARES DOCUMENTARY TRANSFER TAX is: exempt per Revenue and Taxation Code §11922

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

### ARTS DISTRICT HOLDINGS, LLC LIMITED LIABILITY COMPANY

hereby GRANT(S) to the City of Banning, a Municipal Corporation, an easement for electrical lines and appurtenances within the area described in Exhibit "A" attached hereto and made a part hereof, which area is depicted on Exhibit "B" attached hereto and made a part hereof. All such facilities will be located underground except transformer, which may be located in the area shown as on Exhibit "B".

By accepting the Deed, the City agrees that if damages or disturbs the surface of the easement area as a result of its repair or maintenance of the facilities located in the easement area, that it will promptly restore the surface improvements to their condition immediately prior to such damage or disturbance.

Assessor's Parcel No. 540-164-009

Executed on \_\_\_\_\_, 2013, at \_\_\_\_\_, California

Dated: \_\_\_\_\_

Arts District Holdings, LLC Limited Liability Company

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_  
before me, \_\_\_\_\_  
personally appeared \_\_\_\_\_

\_\_\_\_\_ proved to me  
on the basis of satisfactory evidence) to be the person(s)  
whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same  
in his/her authorized capacity(ies) and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon  
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the  
State of California that the foregoing paragraph is true and  
Correct.

WITNESS my hand and official seal:

Signature \_\_\_\_\_

(This area for official notarial seal)

57

## CITY COUNCIL AGENDA

**DATE:** May 14, 2013

**TO:** Mayor and City Council

**FROM:** June Overholt, Administrative Services Director/Deputy City Manager

**SUBJECT:** Adopt Resolution No. 2013-17 and 2013-23, Approving an Updated Resolution for Employer Paid Member Contributions to the California Public Employees' Retirement System

**RECOMMENDATION:** Adopt Resolution No. 2013-17 and 2013-23, approving Changes to the Employer Paid Member Contribution ("EPMC") of the California Public Employees' Retirement System ("CalPERS").

**JUSTIFICATION:** The City has met and discussed with the City Manager, Department Heads, Confidential employees and Career Part-Time employees, not covered under a bargaining group. They have agreed to pay all of the CalPERS employee rate thus reducing the Employer Paid Member Contribution (EPMC) in exchange for certain salary adjustments, which provide some cost savings to the City.

**BACKGROUND:** CalPERS requires employees to contribute a percentage of their income based upon their enrolled retirement formula. Employers can choose to pick up a portion or the entire amount of the required employee contribution. This is known as Employer Paid Member Contributions or EPMC. In past negotiations, the City together with the non-represented Confidential and Career Part-Time employees, City Manager and Department Heads agreed that the City would pay the entire employee contribution for all employees with a CalPERS retirement plan. Recent economic conditions and the resulting structural budget deficits have created the need to reduce expenditures. Council directed staff to meet and confer with the bargaining groups and unrepresented employees in good faith to negotiate necessary reductions to employee benefits and/or compensation in order to reduce on going expenditure levels both now and in the future.

The City Manager, Department Heads, Confidential and Career Part-Time employees have agreed that member employees hired prior to January 1, 2013 will pay the employee rate of 8% for non-sworn miscellaneous members and 9% for sworn safety members effective the full pay period after the adoption date by City Council on May 14, 2013. Effective the first full pay period ending May 26, 2013, there will no longer be any City Employer Paid Member Contribution on behalf of the City Manager, Department Head employees, Confidential and Career Part-Time employees. These changes include a concurrent salary increase and salary range adjustment which are included in separate staff reports and the Resolutions approving changes to the compensation and benefits of the City Manager and Department Directors and the Confidential and Career Part-Time employees.

**FISCAL DATA:** There will be savings to various City Funds including the General Fund related to the CalPERS pension costs.

**RECOMMENDED BY:**



June Overholt

Administrative Services Director/Deputy City Manager

**APPROVED BY:**



Andy J. Takata

City Manager

**Attachments:**

Resolution No. 2013-17, EPMC Resolution for non-represented Confidential and Career Part-Time Employees

Resolution No. 2013-23, EPMC Resolution for Executive Employees

**RESOLUTION NO. 2013-17**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING AN  
UPDATED RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS TO THE  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**WHEREAS**, the governing body of the City of Banning has the authority to implement Government Code Section 20691, which allows a contracting agency to pay all or a portion of the normal contributions required by the California Public Employees' Retirement System ("CalPERS") to be paid by a member, otherwise known as Employer Paid Member Contributions ("EPMC"), and also allows a contracting agency to periodically increase, reduce, or eliminate the payment by the contracting agency of all or a portion of the normal contributions required to be paid by members;

**WHEREAS**, the governing body of the City of Banning has an adopted resolution for Confidential and Career Part-Time employees, receiving the CalPERS Miscellaneous Group retirement benefit that currently provides for the City as the employer to pay the normal member contributions; and

**WHEREAS**, one of the steps in the procedures to implement Section 20691 is the adoption of a Resolution by the governing body of the City of Banning to commence said Employer Paid Member Contributions (EPMC) and presumably requires additional Resolutions relative to any changes thereto; and

**WHEREAS**, the governing body of the City of Banning has identified the following conditions and/or changes for the purpose of its election to pay EPMC:

- This benefit shall apply to employees in the miscellaneous group with the following classifications hired prior to January 1, 2013:

Deputy Human Resources Director  
Deputy Finance Director  
Executive Secretary or Executive Assistant (assigned to City Manager)  
Human Resources Technician  
Associate Civil Engineer  
Senior Center Supervisor

- This benefit shall consist of the City of Banning paying 0% of the normal member contribution as EPMC for all designated Confidential and Career Part-Time employees effective for the pay period ending May 26, 2013.
- All employees in the above classifications or otherwise designated as Confidential or Career Part-Time will be required to pay their own member contributions.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of the City Council of the City of Banning, California no longer elects to pay EPMC, as set forth above.

**PASSED, APPROVED AND ADOPTED** this 14th day of May, 2013 at Banning, California.

---

Deborah Franklin, Mayor  
City of Banning, California

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. 2013-26 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of May, 2013, by the following vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

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

**RESOLUTION NO. 2013-23**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING AN  
UPDATED RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS TO THE  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**WHEREAS**, the governing body of the City of Banning has the authority to implement Government Code Section 20691, which allows a contracting agency to pay all or a portion of the normal contributions required by the California Public Employees' Retirement System ("CalPERS") to be paid by a member, otherwise known as Employer Paid Member Contributions ("EPMC"), and also allows a contracting agency to periodically increase, reduce, or eliminate the payment by the contracting agency of all or a portion of the normal contributions required to be paid by members;

**WHEREAS**, the governing body of the City of Banning has a written employment contract for City of Banning Executive Employees (Department Head Directors and the City Manager) receiving the CalPERS Miscellaneous and Safety Group Retirement benefit, which specifically provides for the City, as the employer, to pay the normal member contributions; and

**WHEREAS**, one of the steps in the procedures to implement Section 20691 is the adoption of a Resolution by the governing body of the City of Banning of a Resolution to commence said Employer Paid Member Contributions (EPMC) and presumably requires additional Resolutions relative to any changes thereto; and

**WHEREAS**, the governing body of the City of Banning has identified the following conditions and/or changes for the purpose of its election to pay EPMC:

- This benefit shall apply to employees in the miscellaneous group with the following classifications hired prior to January 1, 2013:

City Manager  
Administrative Services Director/Deputy City Manager  
Community Development Director  
Economic Development Director  
Public Works Director  
Electric Utility Director  
Community Services Director

- This benefit shall apply to employees in the safety group with the following classification hired prior to January 1, 2013:

Police Chief

- This benefit shall consist of the City of Banning paying 0% of the normal member contribution as EPMC for all designated Executive employees effective the full pay period ending May 26, 2013.

- All employees in the above classifications or otherwise represented by the Executive employee group will be required to pay their own member contributions.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of the City Council of the City of Banning, California no longer elects to pay EPMC, as set forth above.

**PASSED, APPROVED AND ADOPTED** this 14th day of May, 2013 at Banning, California.

---

Deborah Franklin, Mayor  
City of Banning, California

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. 2013- 23 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of May, 2013, by the following vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

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



**CITY COUNCIL AGENDA  
CONSENT ITEM**

**DATE:** May 14, 2013

**TO:** Mayor and City Council

**FROM:** Andy Takata, City Manager

**SUBJECT:** Resolution No. 2013-20 Approving the Maximum Compensation and Benefits in City Department Director Employment Contracts, Pursuant to Section 2.08.090 (C) of the Banning Municipal Code.

**RECOMMENDATION:** Adopt Resolution No. 2013-20 establishing the maximum compensation and benefits allowed in City department head/director employment contracts, pursuant to Section 2.080.090 (C) of the Banning Municipal Code. The City has agreed to reduce the City Department Directors overall compensation, which results in a 3% cost savings to the City of Banning.

**BACKGROUND & ANALYSIS:** Banning Municipal Code 2.080.090 (C) requires that the City Council approve, by ordinance or resolution, the maximum compensation and benefits expressly or impliedly included in any contract for the position of department head prior to the contract taking effect. The last time City Council approved the Maximum Compensation and Benefits was through Resolution 2009-51, a copy of which is attached hereto as Exhibit "B".


As part of the City's efforts to reduce expenditures in order to address the ongoing structural budget deficit and operational concerns, staff met and conferred with the employee organizations to implement a lower level retirement formula for new employees and to implement employees paying their own CalPERS member contributions towards their retirement plans in exchange for a lesser value compensation increase and additional benefit changes. The changes included in Resolution 2013-20 reflect similar changes to retirement formulas, employee retirement contributions and lesser value compensation and benefit increases resulting from the City Manager's recommendations and discussions with the department heads.

As part of the agreement, the City Department Directors will pay the 8% Employee contribution to CalPERS and will give up the 4% Management Incentive for a total of 12% loss in compensation. In return, the Directors will receive a 9% salary increase and 4 range salary adjustment. Salary range adjustments are necessary to conform with the existing compensation table format. The net result is a 3% savings to the City.

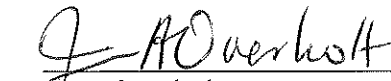
The City Manager and the Police Chief will be negotiating and updating the Chief's contract. This resolution provides a framework for that negotiation. Implementation of the provisions within this resolution are subject to the contract negotiations.

**FISCAL IMPACT:** Implementation of this resolution will require employees to pay the employee rate for their CalPERS pension, which results in budget savings for various City funds.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
Andy Takata  
City Manager

**REVIEWED BY:**

  
\_\_\_\_\_  
June Overholt  
Deputy City Manager/Administrative  
Services Director

**RESOLUTION NO. 2013-20**

**A RESOLUTION OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE MAXIMUM COMPENSATION AND BENEFITS IN CERTAIN CITY DEPARTMENT DIRECTOR EMPLOYMENT CONTRACTS, PURSUANT TO SECTION 2.08.090(C) OF THE BANNING MUNICIPAL CODE.**

**WHEREAS**, the Banning City Council approved new contract format and language for certain City Department Directors, including the Finance Director, Community Development Director, Public Works Director, Public Utility Director, and Recreation Director, that took effect July 1, 2009 (the "Contracts"); and

**WHEREAS**, the City of Banning ("City") currently has Department Directors that include but are not limited to the Administrative Services Director/Deputy City Manager, Police Chief, Community Development Director, Public Works Director, Electric Utility Director, Economic Development Director and Community Services Director (hereinafter collectively referred to as "Directors"); and

**WHEREAS**, the Banning City Manager has authority to enter into Contracts with the Directors on behalf of the City, pursuant to Banning Municipal Code § 2.08.090; and

**WHEREAS**, Banning Municipal Code § 2.08.090(C) requires that the City Council approve, by ordinance or resolution, the maximum compensation and benefits expressly or impliedly included in the Contracts prior to their taking effect; and

**WHEREAS**, the City Council last approved Resolution 2009-51 changing the maximum level of benefits and other compensation to be included in the Contracts and provided that the salary for the Contracts shall not exceed the maximum salary for each Director in the most recent Classification and Compensation Resolution approved by the City Council at any given time; and

**WHEREAS**, the City Council now desires to adopt an amended and restated resolution of salaries, compensation and benefits for Directors, which restates and replaces any and all pre-existing salary and compensation resolutions for the Directors, including, but not limited to, Council Resolution No. 2009-51.

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

**SECTION 1.** The City Council hereby approves that effective the first full pay period after adoption of this resolution and concurrently with and contingent upon the City ceasing all Employer Paid Member Contributions on behalf of each Director and eliminating the four percent (4%) incentive pay for each Director, the Directors will receive a nine percent (9%) raise and four (4) pay range salary adjustment per attached Exhibit A, which Exhibit is also hereby adopted and approved by this reference.

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Section II. The City Council hereby approves the maximum level of benefits and other compensation, not including salary, expressly or implied set forth in the Contracts, provided that such level of benefits and other compensation for each Director shall not exceed the following levels:

A. Professional Development. Training as determined appropriate by the City Manager.

B. Paid Leave. Implementation of accrual caps will not result in loss of existing or vested leave balances as of the date of adoption of this resolution.

i. Sick Leave: 96 hours accrued annually with maximum accrual cap up to 480 hours.

ii. Vacation Leave. 160 hours accrued annually with maximum accrual cap up to 480 hours.

iii. Holiday Leave. Effective July 1<sup>st</sup>, 2013, Directors shall be granted to the following holidays:

New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Fourth of July, Labor Day, Veteran's Day, Thanksgiving, Day after Thanksgiving, Christmas, and One (1) floating holiday;

iv. Executive Leave. 98 hours annual accrual with maximum accrual cap of 200 hours.

v. Bereavement Leave. 30 hours with no accrual or carryover.

vi. Promotional Payouts of Leave. Prior to implementation of a promotion to a higher ranking position, the City shall be entitled to cash out, at the Director's current pay rate at the time of said promotion, all vacation, holiday, comp time and executive leave in excess of 100 hours respectively.

C. Cafeteria/Health & Welfare Benefits. Effective the first pay period after July 1<sup>st</sup>, 2013, this benefit for Director's shall be capped at \$20,000 annually. However, the City Manager may increase the benefit annually using CPI or the average of all City health insurance premium increases. Director's may use funds for any of the City's medical plans or, upon proof of coverage under spouse's plan, this amount may be taken as taxable income or converted to a 457 Plan or City sponsored Medical Savings Account.

D. Retirement.

- o Miscellaneous and safety employees hired prior to December, 2012, remain at 2.5% @55 and 3% @ 50 CalPERS formulas respectively, with single highest year benefit.

- Beginning December 2012, the City implemented the 2% @ 60 formula for miscellaneous new hires and 2% @ 50 formula for safety new hires with average three years for calculation of final retirement benefit, which after January 1, 2013 shall only apply to new hires defined and determined by CalPERS to be "classic members."
  - Beginning January 1, 2013, new hires defined by CalPERS as "new members" shall receive the newly created 2% @ 62 formula for miscellaneous employees and 2.7% @ 57 for safety employees, with average of three years for calculation of final retirement benefit. (Mandated by the Public Employees' Pension Reform Act of 2013.)
  - The Directors shall pay their full member contribution for their CalPERS retirement plan, currently at either eight percent (8%) for miscellaneous members or nine percent (9%) for safety members, from employee's pre-tax compensation.
- E. Management Incentive. The previous salary management incentive of four percent (4%) of pay shall be eliminated concurrently with the nine percent (9%) salary adjustment referenced in Section I.
- F. Automobile Allowance. Director's shall receive \$250.00 per month or the use of a take home City Vehicle as determined by the City Manager.
- G. City Flexible Spending Plan. Director's may participate in same program made available to other employees.
- H. Life Insurance. Directors shall be entitled to a \$150,000.00 life insurance policy.
- I. Uniforms. \$0. The Police Chief shall receive \$110 per month uniform allowance.
- J. Business Equipment. The City hereby agrees to finance at no interest the purchase of any job-related tools or equipment that serve the professional development of the Director. Such tools and equipment shall be approved in advance by the City Manager. Repayment to the City by the Director shall be made by payroll deductions until the amount loaned is completely repaid. The maximum period for repayment shall be two (2 years). The amount shall be capped at the value of one month's salary. Should the Director terminate employment, then the remaining loan amount repayment shall be accelerated and become fully due and owing as of the termination date.
- J. Bonding. The City shall bear the full cost of any fidelity or other bonds required for an employee under any law or ordinance.
- K. Education Incentives. Directors may receive \$275.00 maximum per month. The Police Chief may receive \$450.00 per month.

- L. Eyewear/Eyecare Reimbursement. Directors may receive 250.00 maximum every two years.
- M. Disability Insurance. Directors shall pay the cost of membership in the short term and long term disability insurance programs selected by the City and Insurance/Benefits Advisory Committee.
- N. FICA. Directors shall pay the employee's portion of the Federal Insurance Contributions Act tax and the City shall be responsible for payment of the employer's portion.
- O. Other benefits. Directors shall be eligible to participate in employee paid benefit programs that may be offered from time to time.

SECTION 3. Directors are entitled only to the level of salary and benefits contained in their respective Contract.

SECTION 4. The position of Police Chief remains entitled to all protections and rights afforded under California law, including but not limited to those set forth in the Public Safety Officers Procedural Bill of Rights Act (Gov't Code 3300-3313)

SECTION 5. The Administrative Services Director is authorized to make the necessary budget adjustments as applicable.

**PASSED, APPROVED, and ADOPTED** this 14th day of May, 2013.

\_\_\_\_\_  
Deborah Franklin, 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. 2013-20 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of May, 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

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

# Exhibit A

## Compensation Table

Position	Current Range	New Range
Administrative Services Director/Deputy City Manager	97	101
Community Development Director	88	92
Community Services Director	82	86
Electric Utility Director	96	100
Police Chief	96	100
Public Works Director	96	100
Economic Development Director	88	92

Note: The City uses a Salary Table with defined ranges. In order to reflect the proposed salary adjustments that are being made in lieu of the employee paying the full CalPERS employee rate, the compensation range is being changed. The net impact to the City is a 3% savings in CalPERS costs. Table shows a 4 range adjustment due to the elimination of 4% management incentive pay and implementation of employee paying CalPERS employee rate of 8% for pension benefits.



# Exhibit B

**RESOLUTION NO. 2009-51**

**A RESOLUTION OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE MAXIMUM COMPENSATION AND BENEFITS IN CERTAIN CITY DEPARTMENT DIRECTOR EMPLOYMENT CONTRACTS, PURSUANT TO SECTION 2.08.090(C) OF THE BANNING MUNICIPAL CODE.**

**WHEREAS**, certain City of Banning Department Directors, including the Finance Director, Community Development Director, Public Works Director, Public Utility Director, and Recreation Director, are anticipated to enter into new contracts of employment, to take effect July 1, 2009 (the "Contracts");

**WHEREAS**, the City Manager has authority to enter into the Contracts with City Department Directors on behalf of the City, pursuant to Banning Municipal Code § 2.08.090;

**WHEREAS**, Banning Municipal Code § 2.08.090(C) requires that the City Council approve, by ordinance or resolution, the maximum compensation and benefits expressly or impliedly included in the Contracts prior to their taking effect.

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

**Section I.** The City Council hereby approves the maximum salary expressly or impliedly included in the Contracts, provided that such salary shall not exceed the maximum salary for each respective position in the most recent Classification and Compensation Resolution approved by the Council at any given time.

**Section II.** The City Council hereby approves the maximum level of benefits and other compensation, not including salary, expressly or impliedly included in the Contracts provided that such level of benefits and other compensation for each Department Director shall not exceed the following levels:

A. **Professional Development.** As determined appropriate by the City Manager

B. **Paid Leave.**

i. **Sick Leave:** 96 hours

ii. **Vacation Leave.** 160 hours

iii. **Holiday Leave.** 96 hours

iv. **Executive Leave.** 96 hours

C. Cafeteria/Health & Welfare Benefits. \$17,337.84 annually, but increases each time premiums for the City's health insurance increases. Funds may be used for any of the City's medical plans or, upon proof of coverage under spouse's plan, this amount may be taken as taxable income.

D. Retirement. 8% employee rate for the 2.5% @ 55 full formula CalPERS

E. Management Incentive. 4% of salary

F. Automobile Allowance. \$250.00

G. City Flexible Spending Plan. \$0

H. Life Insurance. \$150,000.00

I. Uniforms & Business Equipment. \$0

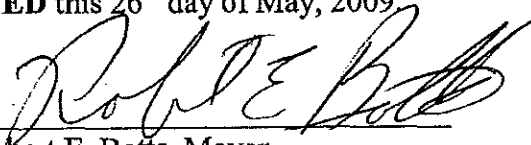
J. Bonding. \$0

K. Incentives. Education \$275.00 per month

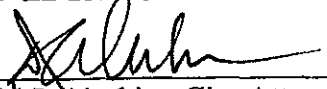
L. Eyewear/Eyecare Reimbursement. \$250.00 maximum every two years

**Section III.** The levels of salary and benefits contained in Sections I and II above are maximum levels that may be received under the Contracts. The Department Heads are not entitled to these maximum levels. Each Department Head is entitled only to the level of salary and benefits contained in his or her respective Contract.

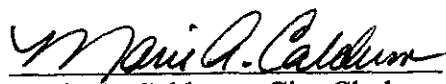
**PASSED, APPROVED AND ADOPTED** this 26<sup>th</sup> day of May, 2009

  
Robert E. Botts, Mayor  
City of Banning

APPROVED AS TO FORM  
AND LEGAL CONTENT:

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

ATTEST:

  
Marie A. Calderon, City Clerk

CERTIFICATION:

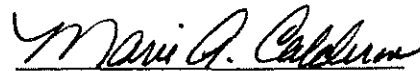
I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2009-51 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 23<sup>rd</sup> day of June 2009, by the following to wit:

AYES: Councilmembers Franklin, Hanna, Machisic, Robinson, Mayor Botts

NOES: None

ABSENT: None

ABSTAIN: None



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

## CITY COUNCIL AGENDA

**DATE:** May 14, 2013

**TO:** Mayor and City Council

**FROM:** June Overholt, Administrative Services Director/Deputy City Manager

**SUBJECT:** Resolution No. 2013 -21 Amending Career Part-Time Benefits

**RECOMMENDATION:** Adopt Resolutions No. 2013-21 approving Career Part Time Benefit Plan

**JUSTIFICATION:** The City has negotiated with various bargaining groups and unrepresented employees seeking compensation concessions which include having each employee agree to pay the entire CalPERS employee rate thus reducing the Employer Paid Member Contribution (EPMC) in exchange for certain salary adjustments that will provide cost savings to the City.

**BACKGROUND:** In 2004, Council approved the concept of the Career Part-Time Classification. In February 2005, Council approved the creation of the Career Part-Time Classification for Associate Civil Engineer and Senior Center Supervisor. Currently, only the Associate Civil Engineer position is filled. This position reports to the Public Works Director and actively works on the Landscape Maintenance Districts, the National Pollution Discharge Elimination Solution (NPDES) and Water Quality Management Plan (WQMP) permits, plan and reporting requirements.


Changes to the Benefit Plan are needed to reflect the changes made with the other employee groups. Although these positions are not represented by any bargaining group, the benefits have similarities with employees represented by SBPEA.


The Benefit Plan for the Career Part-Time Classification has been summarized in Resolution No 2013-21.

A separate staff report and Resolution will be presented at the May 14, 2013 agenda that incorporate the changes to the CalPERS pension benefit. Currently, the City pays the entire amount of the required employee contribution. This is known as Employer Paid Member Contributions or EPMC. The Career Part-Time employee has agreed to pay the employee rate of 8% for non-sworn miscellaneous members effective the first full pay period ending May 26, 2013 that includes the adoption of the Resolution by City Council. Effective the first full pay period ending April 28, 2013 there will no longer be any City Employer Paid Member Contribution on behalf of any Career Part-Time employees. These changes including a concurrent seven percent (7%) salary increase and three salary range adjustment and the elimination of the management incentive pay (2%) are included in the attached Resolution regarding the Benefit Plan.

**FISCAL DATA:** There will be savings to various City Funds including the General Fund related to the CalPERS pension costs.

**RECOMMENDED BY:**

  
June Overholt  
Administrative Services Director/Deputy City Manager

**APPROVED BY:**  
  
Andy J. Takata  
City Manager

Attachments: Resolution No. 2013-21

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## **RESOLUTION 2013-21**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING AMENDING THE BENEFIT PLAN FOR THE CAREER PART-TIME CLASSIFICATIONS OF ASSOCIATE CIVIL ENGINEER AND SENIOR CENTER SUPERVISOR**

**WHEREAS**, the City Council approved the creation of two Career Part-Time classifications, the Associate Civil Engineer and the Senior Center Supervisor, at its meeting on February 22, 2005 along with a reduced salary and benefit package and directed staff to return with documentation to effect necessary budget adjustments for FY 2004-2005; and

**WHEREAS**, the City Council subsequently adopted Resolution No. 2005-23 at its regular meeting on March 8, 2005 to amend the approved budget to fund the new Career Part-Time classifications of Associate Civil Engineer and Senior Center Supervisor, and which set forth in Exhibit "A" thereto the reduced salary and benefits package afforded the new Career Part-Time classifications; and

**WHEREAS**, the City Council subsequently amended Resolution No. 2005-23 through Resolution 2009-29 at its regular meeting on April 14, 2009 to amend the approved budget and benefit package of the Career Part-Time classification of Associate Civil Engineer; and

**WHEREAS**, the Career Part-Time classifications are "at will" and are not represented by a bargaining group; and

**WHEREAS**, the City has experienced budget deficits leading to reductions in the workforce and service levels over the last several years;

**WHEREAS**, the City has negotiated compensation reductions with employee bargaining groups and unrepresented employees in order to reduce on going expenditure levels both now and in the future; and

**WHEREAS**, the position of Associate Civil Engineer is the only Career Part-Time classification currently in the budget and filled; and

**WHEREAS**, the Benefit Plan for the Career Part-Time classifications needs to be updated to reflect changes in compensation and benefits for those positions; and

**WHEREAS**, the City Council now desires to adopt an amended and restated resolution of salaries, compensation and benefits for the Career Part-Time classifications, which restates and replaces any and all pre-existing salary, compensation and benefit resolutions for the Career Part-Time classifications, including, but not limited to Council Resolution No. 2005-23 and Council Resolution No. 2009-29.

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

SECTION 1. The City Council hereby approves that effective the first full pay period ending May 26, 2013, concurrently with and contingent upon the City ceasing all Employer Paid Member Contributions (currently 8%) and eliminating the 2% management incentive pay, the Career Part-Time classifications will receive a 7% salary raise and 3 range salary adjustment (for example Associate Professional Engineer – Range 72 to Range 75).

SECTION 2. The City Council hereby approves that Career Part-Time classification employee will remain eligible for the CalPERS retirement plan known as “two and one-half at fifty-five” retirement (2.5% @ 55) formula for Miscellaneous Employees. Effective the first full pay period ending May 26, 2013, the Career Part-Time classification employee will pay the full member contribution rate to the retirement plan with CalPERS, which is currently 8% for miscellaneous members in the 2.5% @55 formula. Therefore, the City shall cease all Employer Paid Member Contributions for the employee. Member Contribution is made on a prorata basis based on actual eligible compensation.

SECTION 3. The City Council hereby approves that the maximum level of benefits and other compensation, not including salary, for the Career Part-Time classifications shall be as follows and shall not exceed the following levels:

- A. Career Part-Time classification employees shall be “at will”.
- B. Career Part-Time classification employees shall be considered hourly.
- C. Career Part-Time classification employees shall be considered part – time. Hours worked per week cannot exceed 30 hours, must be approved by the department head and be within the adopted budget.
- D. Career Part-Time classification employees shall be eligible for a two (2) step increases, if available within the range, after 2080 hours of service.
- E. Career Part-Time classification employees will no longer receive the 2% management incentive pay concurrently with the implementation of the salary raise and adjustment described in Section I.
- F. Career Part-Time classification employees will no longer be eligible for an auto allowance.
- G. Existing Career Part-Time classification employees will continue to receive the Retention Incentive as defined in Resolution 2006-04 on prorata basis; however, Career Part-Time classification employees hired after the date of

adoption of this Resolution shall not be eligible for the Retention Incentive per Resolution 2012-49.

H. Career Part-Time classification employees shall accrue leave balances (vacation, sick) on a prorata basis in a prorata amount derived from the leave rates and caps set forth in the most recent SPBEA MOU or side letter setting such accrual rates. Career Part-Time classification employees are not eligible for cash out of any accrual hours except upon termination in accordance with the provisions for same set forth in the most recent SPBEA MOU or side letter establishing such provisions. Employees shall be eligible to use existing leave balances but cannot exceed the limitations established in item C.

I. Career Part-Time classification employees shall be eligible for Life Insurance in the amount of \$50,000 paid by the City.

J. Career Part-Time classification employees shall be eligible for the Education Incentive and Cafeteria Plan capped at 25% of benefits provided in the most recent SPBEA MOU or side letter establishing such benefits.

K. Career Part-Time classification employees shall pay the employee's portion of FICA and the City shall be responsible for payment of the employer's portion. Payment is made on a prorata basis based on actual compensation.

L. Career Part-Time classification employees shall pay the cost of membership in the short term and long term disability insurance programs selected by the City and Insurance/Benefits Advisory Committee.

M. Career Part-Time classification employees shall be eligible to participate in employee paid benefit programs that may be offered from time to time.

N. Career Part-Time classification employees remain covered by the City's Personnel Rules and Regulations.

SECTION 4. The Administrative Services Director is authorized to make the necessary budget adjustments as applicable.

**PASSED, APPROVED, AND ADOPTED** this 14th day of May, 2013.

\_\_\_\_\_  
Deborah Franklin, Mayor  
City of Banning, California



**ATTEST:**

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Marie A. Calderon, City Clerk  
City of Banning

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

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David Aleshire, 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. 2013-21 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of May, 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

## CITY COUNCIL AGENDA

**DATE:** May 14, 2013

**TO:** Mayor and City Council

**FROM:** June Overholt, Administrative Services Director/Deputy City Manager

**SUBJECT:** Resolution No. 2013 -26 Amending Confidential Employee Benefits

**RECOMMENDATION:** Adopt Resolutions No. 2013-26 approving amended and restated Confidential Employee pay and benefit plan.

**JUSTIFICATION:** The City has negotiated with the recognized employee organizations and the unrepresented employees seeking compensation concessions which include having each employee agree to pay their entire CalPERS member contributions thus eliminating all Employer Paid Member Contribution ("EPMC") in exchange for certain salary adjustments that will result in cost savings to the City.

**BACKGROUND:** The Meyers-Milias-Brown Act ("MMBA") and specifically Government Code Section 3507.5 provides for local governments to establish rules and regulations for the designation of "confidential" employees within the scope of labor relations. The City Council established such local rules and regulations as part of its Employer-Employee Relations Resolutions, the most recent of which is the Resolution No. 2010-45. This Resolution defines Confidential Employee as "[a]n employee, who, in the course of his/her duties, has access to confidential information relating to the City's administration of employer-employee relations, or who is required to develop or present management positions with respect to employer-employee relations." It also provides that "Confidential employees include, but are not limited to, the Administrative Services Director/Deputy City Manager, Deputy Human Resources Director, Deputy Finance Director, Human Resources Technician, and any Executive Secretary when assigned to report to the City Manager."

In addition to the prior Employer-Employee Relations Resolutions, the City Council adopted a series of independent resolutions designating positions as Confidential and creating pay and benefit plans for the unrepresented Confidential employees, including but not limited to Resolution 1991-18, Resolution 2005-27, and Resolution 2006-103. The Confidential positions identified in these previous resolutions were updated through the adoption of the updated Employer-Employee Relations Resolution 2010-45, but the pay and benefit plans were not updated.

As a result of negotiations with the recognized employee organizations and the other unrepresented employees, the Confidential employees need to have the benefits that apply to them clarified. Because the Director's benefits are addressed through a separate resolution and contract, this staff report and resolution address the remaining employees identified in Resolution 2010-45.

Although these positions are not represented by any bargaining group, where applicable, the benefits are linked to the benefits of the IBEW General Unit or SBPEA.


The Benefit Plan for the Confidential employees has been summarized in Resolution No 2013-26.

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A separate staff report and Resolution has been presented with this agenda that incorporates the changes to the CalPERS pension benefit. Currently, the City pays the entire amount of the required employee contribution. This is known as Employer Paid Member Contributions or EPMC. The Confidential employees will be paying the employee rate of 8% for non-sworn miscellaneous members effective the first full pay period that includes the adoption of the Resolution by City Council. Effective the first full pay period ending May 26, 2013, there will no longer be any City Employer Paid Member Contribution on behalf of any Confidential employees. These changes include a concurrent salary increase and salary range adjustment and the elimination of any management incentive pay are included in the attached Resolution regarding the Benefit Plan.

**FISCAL DATA:** There will be savings to various City Funds including the General Fund related to the CalPERS pension costs.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
June Overholt  
Administrative Services Director/  
Deputy City Manager

**APPROVED BY:**

  
\_\_\_\_\_  
Andy Takata  
City Manager

Attachments: Resolution No. 2013-26

**RESOLUTION NO. 2013-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,  
CALIFORNIA, AMENDING THE COMPENSATION AND BENEFIT PLAN  
FOR CONFIDENTIAL EMPLOYEES WHO ARE NOT COVERED BY  
EMPLOYMENT AGREEMENTS**

**WHEREAS**, the Meyers-Milias-Brown Act ("MMBA") and specifically Government Code Section 3507.5 provides for local governments to establish rules and regulations for the designation of "confidential" employees within the scope of labor relations; and

**WHEREAS**, the City Council established such local rules and regulations as part of its Employer-Employee Relations Resolutions, the most recent of which is the Resolution No. 2010-45, and which defines Confidential Employee as "[a]n employee, who, in the course of his/her duties, has access to confidential information relating to the City's administration of employer-employee relations, or who is required to develop or present management positions with respect to employer-employee relations;" and

**WHEREAS**, the Employer-Employee Relations Resolution No. 2010-45 states that designated "Confidential employees include, but are not limited to, the Administrative Services Director/Deputy City Manager, Deputy Human Resources Director, Deputy Finance Director, Human Resources Technician, and any Executive Secretary when assigned to report to the City Manager;" and

**WHEREAS**, Resolution 2012-75 Added the position of Executive Assistant as a confidential employee when assigned to the City Manager; and

**WHEREAS**, the City Council also previously approved Resolution No. 1991-18 which was amended by Resolution No. 2005-27 and Resolution No. 2006-103 designating certain positions as confidential employees and providing for the salary and benefits of certain employees that are not covered by employment contracts or belonging to or represented by any employee organization; and

**WHEREAS**, the Deputy Human Resources Director and Deputy Finance Director positions are considered Management Confidential employees, and exempt under the Federal Fair Labor Standards Act ("FLSA"), and have compensation and benefits that are linked to the San Bernardino Public Employees Association Memorandum of Understanding ("SBPEA MOU"); and

**WHEREAS**, the Human Resources Technician and any Executive Secretary and/or Executive Assistant when assigned to the City Manager are considered Non-Management Confidential employees and are not FLSA exempt, and have compensation and benefits that are linked to The International Brotherhood Of Electrical Workers - Local 47 Memorandum of Understanding for the General Employees Unit ("IBEW MOU"); and

**WHEREAS**, the Compensation and Benefit Plan for the non-contract Confidential positions needs to be updated to reflect changes in compensation and benefits for those positions; and

**WHEREAS**, the City has negotiated compensation reductions with the recognized employee organizations and the unrepresented employees in order to reduce on going expenditure levels both now and in the future; and

**WHEREAS**, the City Council now desires to adopt an amended and restated resolution of salaries, compensation and benefits for the non-contract Confidential positions, which restates and replaces any and all pre-existing salary, compensation and benefit resolutions for the non-contract Confidential employees, including but not limited to Council Resolution No. 1991-18, Council Resolution No. 2005-27 and Council Resolution No. 2006-45.

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

SECTION 1. The City Council hereby approves for the Management Confidential positions of Deputy Human Resources Director and Deputy Finance Director that effective the first full pay period ending May 26, 2013 concurrently with and contingent upon the City ceasing all Employer Paid Member Contributions (currently eight percent (8%) to CalPERS for these positions, eliminating the four percent (4%) management incentive pay, and eliminating the Pay for Performance program and any payments thereunder for all unit members prospectively, which represents at least a three percent (3%) savings to the City per employee, the employees in these positions will receive a nine percent (9%) salary raise and five (5) range salary adjustment.

SECTION 2. The City Council hereby approves for the Non-Management Confidential positions of Human Resources Technician and Executive Secretary to the City Manager that effective the first full pay period ending May 26, 2013, concurrently with and contingent upon the City ceasing all Employer Paid Member Contributions (currently eight percent (8%)) to CalPERS for these positions, the employees will receive a three and eight-tenths percent (3.8%) salary raise and two (2) range salary adjustment.

SECTION 3. The City Council hereby approves that the existing non-contract Confidential employees (both Management and Non-Management) remain eligible for the CalPERS retirement plan known as "two and one-half at fifty-five" retirement (2.5% @ 55) formula for Miscellaneous Employees. Beginning on or after December 11, 2012, the City implemented the 2% @ 60 retirement formula for miscellaneous new hires with average three years for calculation of final retirement benefit, which after January 1, 2013 shall only apply to new Confidential employee hires defined by CalPERS as "classic members." Beginning January 1, 2013, new Confidential employee hires defined by CalPERS as "new members" shall receive the newly created 2% @ 62 retirement formula with average of three years for calculation of final retirement benefit (mandated by the Public Employees Pension Reform Act of 2013). Effective the first full pay period ending May 26, 2013 all non-contract, Confidential employees will pay the full member contribution rate to the retirement plan with CalPERS, which is currently eight percent (8%) for miscellaneous members in the 2.5% @55 retirement formula. Therefore, the City shall cease all Employer Paid Member Contributions for these employees.

SECTION 4. The City Council hereby approves that the Management Confidential employees will be eligible for all other compensation and benefits provided in the most recent SPBEA MOU or related side letter establishing such benefits Employees will be eligible to participate in employee paid benefit programs that may be offered from time to time.

SECTION 5. The City Council hereby approves that the Management Confidential employees are eligible for an additional cafeteria plan amount equal to the individual's calculated premiums for short term disability (STD) and long term disability (LTD).

SECTION 6. The City Council hereby approves that the Management Confidential employees may participate in the California Government VEBA Plan per City Council Resolution No. 2008-06.

SECTION 7. The City Council hereby approves that the Non-Management Confidential employees will be eligible for all other compensation and benefits provided in the most recent IBEW MOU or related side letter establishing such benefits.

SECTION 8. The Administrative Services Director is authorized to make the necessary budget adjustments as applicable.

**PASSED, APPROVED AND ADOPTED** this 14th day of May, 2013.

---

Deborah Franklin, Mayor  
City of Banning, California

**ATTEST:**

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Marie A. Calderon, City Clerk  
City of Banning

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

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David 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. 2013-26 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of May, 2013 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

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



# Exhibit A

## Compensation Table

Position	Current Range	New Range
Deputy Human Resources Director*	78	83
Deputy Finance Director*	82	87
Human Resources Technician	52	54
Executive Secretary	51	53
Executive Assistant	55	57

Note: The City uses a Salary Table with defined ranges. In order to reflect the proposed salary adjustments that are being made in lieu of the employee paying the full CalPERS employee rate, the compensation range is being changed. The net impact to the City is a 3% savings in CalPERS costs.

\*Table shows a 5 range adjustment due to the elimination of 4% management incentive pay, elimination of the Pay for Performance (up to 3%) and implementation of employee paying CalPERS employee rate of 8% for pension benefits



**CITY COUNCIL AGENDA  
CONSENT ITEM**

**DATE:** May 14, 2013

**TO:** Mayor and City Council

**FROM:** David J. Aleshire, City Attorney

**SUBJECT:** Resolution No. 2013-31 Approving the City of Banning First Amendment To The Employment Agreement For The Position Of City Manager, Pursuant to Section 2.08.070 of the Banning Municipal Code.

**RECOMMENDATION:** Adopt Resolution No. 2013-31 approving the First Amendment To The Employment Agreement For The Position Of City Manager, pursuant to Section 2.08.070 of the Banning Municipal Code. The City has agreed to reduce the City Managers overall compensation, which results in a 3% cost savings to the City of Banning.

**BACKGROUND & ANALYSIS:** Banning Municipal Code 2.080.070 requires that the Banning City Manager shall receive such compensation as the City Council shall from time to time determine and fix by resolution. The City Council previously entered into an Employment Agreement For the Position of City Manager on January 12, 2010 with Andy Takata to employ him to serve in the position of City Manager ("Agreement").

As part of the City's efforts to reduce expenditures in order to address the ongoing structural budget deficit and operational concerns, staff met and conferred with the employee organizations to implement a lower level retirement formula for new employees and to implement employees paying their own CalPERS member contributions towards their retirement plans in exchange for a lesser value compensation increase and additional benefit changes. The City Manager has represented to the employee organizations that he too would participate in these cost savings efforts and agree to amend the Agreement to that effect.

Accordingly, the attached First Amendment to the Agreement reflects similar changes to those being negotiated with the department heads and management employees relative to retirement formulas, employee retirement contributions and lesser value compensation and benefit increases. In addition, the statutory changes mandated by AB 1344 relative to limits on executive compensation and reimbursement obligations have also been added to the Agreement.

As part of the agreement, the City Manager will pay the 8% Employee contribution to Cal PERS and he will give up the 4% Management Incentive for a total of 12% loss in compensation. In return, the City Manager will receive a 9% salary increase. The net result is a 3% savings to the City.

**FISCAL IMPACT:** Implementation of this resolution will require the City Manager to pay the employee rate for his CalPERS pension, which results in budget savings for various City funds.

**RECOMMENDED BY:**



David I. Aleshire  
City Attorney

**REVIEWED BY:**



June Overholt  
Deputy City Manager/Administrative  
Services Director

## **RESOLUTION NO. 2013-31**

### **A RESOLUTION OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE CITY OF BANNING FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT FOR THE POSITION OF CITY MANAGER, PURSUANT TO SECTION 2.08.070 OF THE BANNING MUNICIPAL CODE.**

**WHEREAS**, the City Council of the City of Banning (hereinafter the "City Council") previously entered into on January 12, 2010 the Employment Agreement For the Position of City Manager ("Employment Agreement") with Andrew J. Takata ("Employee") to employ him to serve in the position of City Manager for the City of Banning, California, which position is prescribed by state law and the City's Municipal Code and a certified copy of said Employment Agreement being attached hereto as Exhibit "A"; and

**WHEREAS**, the term of the Employment Agreement was for six (6) years starting from February 15, 2010 unless otherwise terminated pursuant to the Employment Agreement; and

**WHEREAS**, the City has recently negotiated compensation reductions with all employee bargaining groups and unrepresented employees in order to reduce on going expenditure levels both now and in the future; and

**WHEREAS**, Employee has voluntarily agreed to amend the Employment Agreement in order to contribute to the overall employee compensation reductions in a similar fashion to those reductions negotiated with the employee bargaining groups and unrepresented employees; and

**WHEREAS**, California Government Code Sections 34852 and 36506 requires that the City Council of a general law city shall fix the compensation of all appointive officers and employees, including the City Manager, and that such officers and employees hold office during the pleasure of the City Council; and

**WHEREAS**, Section 2.08.070 of The Code of the City of Banning, California, 1965 and City Ordinance No. 407 requires that the City Manager shall receive such compensation as the City Council shall from time to time determine and fix by resolution; and

**WHEREAS**, Assembly Bill 1344 of the California Legislature 2011-12 Regular Session was signed into law October 9, 2011 and made effective January 1, 2012 as a means to provide greater transparency in local government and institute certain limitations on local government executive compensation, including but not limited to prohibiting an employment contract for a local agency executive from providing an automatic renewal of a contract that provides for an automatic compensation increase in excess of a cost-of-living adjustment or a maximum cash settlement in excess of certain limits (California Government Code sections 3511.1 and 3511.2) and requiring a contract executed or renewed between a local agency and an officer or employee of the local agency to include a provision that requires an officer or employee of a local agency who is convicted of a crime involving an abuse of his or her office or position to provide reimbursement to the local agency (California Government Code sections 53243 - 53243.4); and

**WHEREAS**, City Council finds that the provisions and agreements contained in the Employment Agreement and in the First Amendment thereto are fair and proper and in the best interest of the City and in compliance with AB 1344; and

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

1. That the City Council hereby ratifies and reaffirms the Employment Agreement as attached hereto as Exhibit "A" and hereby approves the First Amendment thereto in the form attached hereto as Exhibit "B" and by this reference made a part hereof.
2. That the Mayor is hereby authorized to execute the First Amendment to the Employment Agreement on behalf of the City of Banning.

**PASSED, APPROVED, and ADOPTED** this 14th day of May, 2013.

---

Deborah Franklin, 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 Resolution No. 2013-31 was adopted by the City Council of the City of Banning at the regular meeting thereof held on the 14th day of May, 2013.

AYES:

NOES:

ABSENT:

ABSTAIN:

---

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

# **Exhibit A**

**CITY OF BANNING  
EMPLOYMENT AGREEMENT  
For the Position of  
CITY MANAGER**

This EMPLOYMENT AGREEMENT ("Agreement") is entered into this 12th day of January, 2010, by and between the CITY OF BANNING ("City"), a California general law city and municipal corporation, and ANDREW J. TAKATA ("Employee"), an individual.

**RECITALS**

WHEREAS, it is the desire of the City Council of the City of Banning (hereinafter the "City Council") to employ an individual to serve in the position of City Manager for the City of Banning, California, which position is prescribed by state law and the City's Municipal Code; and

WHEREAS, it is the desire of the City Council to (i) secure and retain the services of Employee after having conducted a competitive selection process, (ii) have Employee perform all of the regular functions of the City Manager pursuant to the codes and regulations of City, (iii) to provide inducement to Employee to maintain such employment, and (iv) to establish the terms and conditions of Employee's services to the City through this Agreement; and

WHEREAS, Employee has the skills and expertise to fulfill such position and desires to accept employment from the City.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, including the Recitals which are made a part hereof, City and Employee hereby agree as follows:

**AGREEMENT**

**1.0 EMPLOYMENT & DUTIES**

1.1 Duties. City hereby employs Employee as City Manager for the City to perform the functions and duties of that position, as described in the Banning Municipal Code Section 2.08.080, and to perform such other duties and functions as the City Council shall from time to time assign. Employee further agrees to perform all such functions and duties to the best of his ability and in an efficient, competent, and ethical manner.

1.2 Work Schedule. Employee is expected to engage in the hours of work that are necessary to fulfill the obligations of the position. Employee acknowledges that proper performance of the duties of the City Manager will often require the performance of necessary services outside of normal business hours. However, the City intends that reasonable time off be permitted to Employee, such as is customary for exempt employees, so long as the time off does not interfere with normal business. Employee's compensation (whether salary or benefits or other allowances) is not based on hours worked and Employee shall not be entitled to any compensation for overtime.



### 1.3 Other Activities.

(a) Employee shall focus his or her professional time, ability, and attention to City business during the term of this Agreement. Employee shall not spend more than ten (10) hours per week in teaching, counseling, or other non-employer connected business activities without prior approval of the City Council. City is aware of the participation of Employee as an evaluator and administrator at various national and international water polo functions and approves such participation provided that Employee: (i) participates only during Employee's vacation, holiday or other administrative leave time; (ii) that such participation does not interfere with Employee's job duties; and (iii) gives the City Council reasonable notice of his expected absences.

(b) Employee shall not engage, without the express prior written consent of the City Council, in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, that is or may be competitive with the City, that might cause a conflict-of-interest with the City, or that otherwise might interfere with the business or operation of the City or the satisfactory performance of Employee's duties as City Manager.

1.4 Employment Status. Employee shall serve at the will and pleasure of the City Council under this Agreement and understands he is an "at-will" employee serving at the pleasure of City Council and subject to termination by the City at any time, as set forth in Section 3.3 below.

1.5 City Documents. All data, studies, reports, and other documents prepared by Employee while performing his duties during the term of this Agreement shall be furnished to and become the property of the City, without restriction or limitation on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Employee in connection with the performance of this Agreement shall be held confidential by Employee to the extent permitted by applicable law. Such materials shall not, without the prior written consent of the City Council, be used by Employee for any purposes other than the performance of his duties. Nor shall such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law.

1.6 FLSA Exempt Status. Employee agrees that his position is that of an exempt employee for the purposes of the Fair Labor Standards Act.

## 2.0 COMPENSATION AND REIMBURSEMENT

2.1 Compensation. For the services rendered pursuant to this Agreement, Employee shall be compensated Two Hundred and Seventeen Thousand and 00/100 Dollars (\$217,000.00) annually ("Salary"), which shall be paid on a pro-rated basis bi-weekly at the same time as other employees of City are paid. Such Salary shall be adjusted for payroll taxes, workers' compensation, and other payroll-related liability costs.

2.2 Deferred Compensation. City agrees to pay Employee, in equal installments at the same time other employees of City are paid, additional compensation to be placed into a deferred compensation account directed by Employee in an amount equal to the maximum permitted by law ("Initial Adjustment Amount"); provided, however, that future increases shall not exceed One Thousand Dollars (\$1,000.00) over the Initial Adjustment Amount. Employee has the option to elect to have some or all of the Deferred Compensation paid as salary in lieu of being placed in a Deferred Compensation Account.

2.3 Cost of Living Increase. City agrees to provide a cost of living adjustment in Employee's base salary equal to and at the same time as other Department Heads of the City. In the event other Department Heads do not receive a uniform increase, the increase provided shall be equal to the average amount of the increase received by Department Heads (on a percentage basis). This increase will not include merit increases received by Department Heads, but only cost of living increases.

2.4 Annual Salary Review. The City Council and Employee agree to conduct an annual salary review concurrently with the annual performance evaluation set forth in Section 5.2. Following the annual performance review, the City may increase the Employee's salary. The City may increase Employee's base salary two and one half percent (2 ½%) of his base salary, provided Employee's performance evaluation is determined to be "satisfactory" ("meets expectations"). The City may increase Employee's base salary to five percent (5%) of his base salary, provided Employee's performance is determined to be "above satisfactory" ("exceeds expectation"). Any action to approve an increase must be approved by a majority vote of the Council at a public meeting. The City Council and/or the Employee reserve the right to defer or refuse any or all part of any base salary adjustment if either party determines that the fiscal state of the City warrants such action.

2.5 Reimbursement. Notwithstanding Section 2.6, City shall reimburse Employee for reasonable and necessary travel, subsistence, and other business expenses incurred by Employee in the performance of his duties. All reimbursements shall be subject to and in accordance with California law and the City's adopted Employee Reimbursement Policy.

2.6 Automobile Allowance. Employee's duties require the extensive use of an automobile in the normal course of business. At the option of Employee, (i) City shall purchase and provide Employee with the exclusive and unrestricted use of a suitable automobile during the time of Employee's employment with City responsible for the full cost of maintenance, operation, repair, and appropriate replacement, and with providing comprehensive general liability and property damage insurance for said vehicle, or (ii) Employee will receive an automobile allowance of Six Hundred Dollars (\$600) monthly to be paid when the other Department Heads receive their automobile allowances.

### 3.0 TERM

3.1 Commencement & Effective Date. Employee shall commence his services hereunder on February 15, 2010.

3.2 Term. The term of this Agreement will be for six (6) years following the effective date specified at Section 3.1 and, thereafter, this Agreement may be extended for such additional term as the City Council and Employee deem appropriate, as evidenced by a writing signed by both parties. City agrees that in the last year of the Agreement, the annual evaluation will be performed at least six (6) months prior to the expiration of the term, and the Agreement may be extended for one or more years at that time.

3.3 Termination by City Council or Employee. The City Council may terminate this Agreement at any time with or without cause and without prior notice or hearing. Employee may terminate this Agreement at any time after three (3) years following commencement of services, with or without cause, upon at least ninety (90) days' written notice before the effective date of termination of the Agreement, unless a shorter period is acceptable to the City.

3.4 Definition of Cause. For the purposes of this Agreement, "cause" for termination shall include, but not be limited to, the following: theft or attempted theft, financial mismanagement, material dishonesty, willful or persistent material breach of duties, engaging in unlawful discrimination or harassment of employees or any third party while on City premises or time, conviction of a felony, engaging in conduct tending to bring embarrassment or disrepute to the City, unauthorized or excessive absences, or similar matters.

3.5 Waiver of Certain Termination Rights. Employee expressly waives any rights provided under the City's Personnel System or Policies, and any rights provided to the City Manager under the Banning Municipal Code or under State or Federal law to any form of pre- or post-termination hearing, appeal, or other administrative process pertaining to termination, except those rights Employee may have under the California or Federal Constitutions to a name-clearing hearing. Pursuant to this Section 3.5, the provisions of Article 3.0 shall supersede Banning Municipal Code Section 2.08.100.

### 4.0 SEVERANCE

4.1 Severance. Employee shall have the severance rights provided herein. The severance rights provided in this Article 4.0 shall constitute the sole and only entitlement of Employee in the event of termination, and Employee expressly waives any and all other rights except as provided herein.

(a) Termination With Cause. If the City Council terminates the Employee with cause, as defined in Section 3.4, the City shall not be required to make the severance payment provided herein.

(b) Termination Without Cause. If the City Council terminates the Employee without cause, before the expiration of the aforesaid term of employment, the City shall give Employee a lump sum cash payment equal to fourteen (14) months base salary except as provided in Subsection (d).

(c) Termination Without Cause in the Six Months Following an Election. If the City Council gives notice to terminate the Employee without cause during the six (6) months following an election the City shall give Employee a lump sum cash payment equal to eighteen (18) months base salary, except as provided in subsection (d).

(d) Application of Government Code Section 53260. Government Code Section provides that all contracts of employment with a city must include a provision limiting the maximum cash settlement for the termination of the contract to the monthly salary (excluding benefits) multiplied by the number of months left on the unexpired term, but not more than 18 months if the unexpired term exceeds 18 months. The severance payments provided for in this Article 4.0 are limited by this provision [(eg if termination occurred with six (6) months left in the term, severance would be equal to the monthly base salary multiplied by six (6) rather than fourteen (14)].

(e) No Severance Pay if Termination Initiated by Employee. Employee expressly agrees that he shall not be entitled to any severance payment as the result of the termination of this Agreement if such termination is initiated by Employee.

4.2 Vacation and Sick Leave Pay. Employee shall also be entitled to the final pay rate for all vacation and sick leave accrued as of his final date of termination. There is no accrual of benefits during the period of the severance payment.

4.3 Payment. Half of the severance payment shall be paid within ten (10) days of termination. The remainder shall be paid monthly following ninety (90) days following the date of separation.

## **5.0 PERFORMANCE EVALUATIONS.**

5.1 Purpose. The performance review and evaluation process set forth herein is intended to provide review and feedback to Employee so as to facilitate a more effective management of the City. Nothing herein shall be deemed to alter or change the employment status of Employee (as set forth in Section 1.4 above), nor shall this Section 5.0 be construed as requiring "cause" to terminate this Agreement, or the services of Employee hereunder.

5.2 Annual Evaluation. The City Council shall conduct a review and evaluate the performance of Employee on an annual basis, commencing one year following the effective day of this Agreement. The review and evaluation shall be in accordance with specific criteria developed jointly by the City Council and Employee. The evaluation shall be predicated on such criteria, as well as any other deemed appropriate by the City Council, provided it is communicated in writing to Employee. Thereafter, the City Council shall provide Employee with a written summary statement of the performance evaluation and shall provide an opportunity for Employee to discuss the contents thereof with him for the purpose of improving the overall effectiveness of Employee in his position, including an opportunity for Employee to comment on the evaluation should Employee so elect. Such review and evaluation shall be conducted concurrently with the annual salary review provided for in section 2.2 above.

5.3 Goals and Objectives. Annually, the City Council and the Employee shall define goals and performance objectives that they determine are necessary for the proper operation of the City and, in the attainment of the City Council's policy objectives, shall further establish a relative priority among those various goals and objectives. The goals and objectives shall be reduced to writing. The goals and objectives shall be generally obtainable within the time limitations as specified and the annual operating and capital budgets and appropriations as provided.

## 6.0 BENEFITS AND OTHER COMPENSATION.

6.1 Vacation and Sick Leave. Commencing with the effective date of this Agreement, Employee shall accrue on a monthly basis the maximum level of vacation plus five (5) additional vacation days, sick leave, holiday and other benefits as given in an equal number to other Department Heads of the City. Employee shall be credited upon the effective date of this Agreement with twenty (20) days vacation time and ten (10) days sick leave.

(a) Vacation may only be accrued to a maximum of 40 days. In recognition of having a maximum accrual of vacation, the Employee will be allowed to cash out an additional 40 hours of vacation over those allowed to other Department Heads. The City Council may approve going above the maximum amount, if it is deemed to be in the best interest of the City of Banning.

(b) Sick leave may only be accrued to a maximum of 40 days. The City Council may approve going above the maximum amount, if it is deemed to be in the best interest of the City of Banning.

6.2 Health and Life Insurance. City agrees to put into force and to make such premium payments for Employee for insurance policies for life, accident, sickness, dental, vision, short and long-term disability income benefits, major medical and dependents' coverage group insurance covering Employee and his dependents to the same level as the other Management Employees receive or the entire premium, whichever is greater. The City agrees to pay for such premiums.

6.3 Medical Insurance. City agrees to provide hospitalization, surgical and comprehensive medical insurance for Employee and his dependents to the same level as other Management Employees receive or the entire premium, whichever is greater. The City agrees to pay for such premiums.

6.4 Physical Exam. Employee agrees to submit once per calendar year to a complete physical examination by a qualified physician of his choice, the cost of which will be paid by the City. City shall receive a copy of all medical reports related to said examination. Employee shall execute a written authorization to the physician for release of such information to City.

6.5 Other Benefits. City agrees to give the Employee all other benefits that are given to other Department Heads generally.

## 7.0 OTHER TERMS – CONDITIONS OF EMPLOYMENT

7.1 Civic Club Membership. City recognizes the desirability of representation in and before local civic and other organizations. Employee is therefore authorized to become a member of such civic clubs or organizations for which City shall pay dues and such expenses as may be approved by the City Council.

7.2 Dues, Subscriptions and License Fees. City agrees to pay for the professional dues and subscriptions necessary for Employee's continued and full participation in national, state, regional and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the City. City also agrees to pay for or reimburse Employee for fees necessary to maintain professional licenses in possession of Employee.

### 7.3 Professional Development.

(a) City agrees to pay travel and subsistence expenses of Employee, subject to the City's travel policy, for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other functions for City including, but not limited to, the annual conferences of the International City Management Association, the League of California Cities City Managers' Department Meeting and other such national, regional, state and local government groups and committees on which Employee serves as a member, provided such travel and membership is approved by the City Council.

(b) City also agrees to pay travel and subsistence expenses of Employee for short courses, institutes and seminars necessary for Employee's professional development and the good of the City, provided such activities are approved by the City Council.

7.4 Housing, Relocation and Moving Expenses. Employee shall be paid Twenty-Five Thousand Dollars (\$25,000.00) one week after the approval of this Agreement by the City and Employee. The sum shall be used for expenses incurred in moving and relocating the Employee, his family and personal property from his current home in Yucca Valley to a location closer to the City of Banning. Employee shall provide City with a written accounting of the expenditure of such monies as such expenses are incurred. Pursuant to Banning Municipal Code Section 2.08.030, the City Manager is not required to live in the City of Banning. However, should he choose to purchase a home in the City within six (6) months, the sum may also be used for a down payment on a home in the City. Whether within or outside of the City, the purchase shall be completed during the term of this Agreement or the funds shall be returned. Additionally, the City Council may require pro-rata repayment of all reimbursed moving costs associated with Employee's move if the Employee voluntarily terminates employment during the term of the Agreement. The repayment shall be calculated as follows:

Up to 12 months	100 percent
Up to 24 months	75 percent
Up to 36 months	50 percent
Up to 48 months	25 percent
48 months plus one day	0 percent

If the Employee is terminated without cause during the term of the Agreement, he shall not be responsible for any of the repayment.

7.5 Other Terms. The City Council, in consultation with Employee, shall establish any such other terms and conditions of employment as it may determine from time to time, provided such terms and conditions are reduced to writing and signed by Employee and the City Council.

7.6 No Singular Reduction of Benefits. City shall not during the term of this Agreement reduce the base salary or other financial benefits of Employee, except to the degree that such reduction is applied across-the-board to all Department Heads, or as agreed to by the Employee, and/or except to the extent that they are inconsistent with the provisions hereof, in which case the provisions hereof shall govern.

## 8.0 GENERAL PROVISIONS

8.1 Entire Agreement. This Agreement represents the entire agreement between the parties and supersedes any and all other agreement, either oral or in writing, between the parties with respect to Employee's employment by City, including the Prior Contract, and contains all of the covenants and agreements between the parties with respect to such employment. No ordinances or resolutions of City governing employment, including the City's Personnel System, shall apply unless specified herein. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either party, or anyone acting on behalf of either party, that are not embodied herein, and that no other agreement, statement or promises not contained in this Agreement shall be valid or binding upon either party.

8.2 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be personally served or shall be sufficiently given when served upon the other party as sent by United States Postal Service, postage prepaid and addressed as follows:

To City:

Mayor  
City of Banning  
Post Office Box 998  
Banning, CA 92220

To Employee:

Andrew J. Takata  
57905 El Dorado Drive  
Yucca Valley, CA 92284

Notices shall be deemed given as of the date of personal service or upon the date of deposit in the course of transmission with the United States Postal Service.

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8.3 Conflicts Prohibited. During the term of this Agreement, Employee shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict in any manner, with the proper discharge of Employee's duties under this Agreement. Employee shall comply with all requirements of law, including but not limited to, Sections 87100 *et seq.*, Section 1090 and Section 1125 of the Government Code, and all other similar statutory and administrative rules. Whenever any potential conflict arises or may appear to arise, the obligation shall be on the Employee to seek legal advice concerning whether such conflict exists and Employee's obligations arising therefrom.

8.4 Effect of Waiver. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

8.5 Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, which are in full force and effect as of the date of execution.

8.7 Indemnification. City shall defend, indemnify and hold harmless Employee against any tort, professional liability claim or demand or other legal action arising out of an alleged act or omission occurring in the performance of Employee's services under this Agreement. The City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. This section shall not apply to any intentional tort or crime committed by Employee, to any action resulting from fraud, corruption or malice of Employee, to any action outside the course and scope of the services provided by Employee under this Agreement, or any other intentional or malicious conduct or gross negligence of Employee.

8.8 Independent Legal Advice. City and Employee represent and warrant to each other that each has received legal advice from independent and separate legal counsel with respect to the legal effect of this Agreement. City and Employee further represent and warrant that each has carefully reviewed this entire Agreement, and that each and every term thereof is understood, and that the terms of this Agreement are contractual and not a mere recital. This Agreement shall not be construed against the party or its representatives who drafted it or who drafted any portion thereof.

8.9 Assignment. Neither this Agreement, nor any right, privilege, nor obligation of Employee hereunder, shall be assigned or transferred by Employee without the prior written consent of the City. Any attempt at assignment or transfer in violation of this provision shall, at the option of the City, be null and void and may be considered a material breach of this Agreement.



8.10 Bonding. City shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

IN WITNESS WHEREOF, the City of Banning has caused this Agreement to be signed and executed on its behalf by its Mayor, and duly attested by its City Clerk, and Employee has signed and executed this Agreement, the day and year below written.

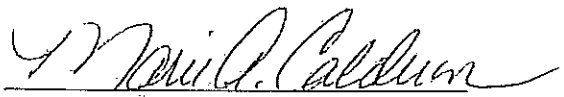
CITY OF BANNING

  
Mayor Bob Botts

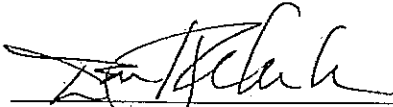
ANDREW J. TAKATA

  
Andrew J. Takata

ATTEST:

  
Marie Calderon  
City Clerk

APPROVED AS TO FORM

  
David J. Aleshire, City Attorney

## **Exhibit B**

**CITY OF BANNING  
FIRST AMENDMENT TO THE  
EMPLOYMENT AGREEMENT  
For the Position of  
CITY MANAGER**

This First Amendment to the Employment Agreement For the Position of City Manager dated January 12, 2010, by and between the CITY OF BANNING ("City"), a California general law city and municipal corporation, and ANDREW J. TAKATA ("Employee"), an individual, is entered into effective May 14, 2013.

**RECITALS**

WHEREAS, the City Council of the City of Banning (hereinafter the "City Council") previously entered into on January 12, 2010 the Employment Agreement For the Position of City Manager ("Agreement") with Employee to employ him to serve in the position of City Manager for the City of Banning, California, which position is prescribed by state law and the City's Municipal Code; and

WHEREAS, the term of the Agreement was for six (6) years starting from February 15, 2010 unless otherwise terminated pursuant to the Agreement; and

WHEREAS, the City has recently negotiated compensation reductions with all employee bargaining groups and unrepresented employees in order to reduce on going expenditure levels both now and in the future; and

WHEREAS, Employee has voluntarily agreed to amend the Agreement in order to contribute to the overall employee compensation reductions in a similar fashion to those reductions negotiated with the employee bargaining groups and unrepresented employees; and

WHEREAS, California Government Code Sections 34852 and 36506 requires that the City Council of a general law city shall fix the compensation of all appointive officers and employees, including the City Manager, and that such officers and employees hold office during the pleasure of the City Council; and

WHEREAS, Section 2.08.070 of The Code of the City of Banning, California, 1965 and City Ordinance No. 407 requires that the City Manager shall receive such compensation as the City Council shall from time to time determine and fix by resolution; and

WHEREAS, Assembly Bill 1344 of the California Legislature 2011-12 Regular Session was signed into law October 9, 2011 and made effective January 1, 2012 as a means to provide greater transparency in local government and institute certain limitations on local government executive compensation, including but not limited to prohibiting an employment contract for a local agency executive from providing an automatic renewal of a contract that provides for an automatic compensation increase in excess of a cost-of-living adjustment or a maximum cash settlement in excess of certain limits (California Government Code sections 3511.1 and 3511.2) and requiring a contract executed or renewed between a local agency and an officer or employee

of the local agency to include a provision that requires an officer or employee of a local agency who is convicted of a crime involving an abuse of his or her office or position to provide reimbursement to the local agency (California Government Code sections 53243 - 53243.4); and

WHEREAS, City Council finds that the provisions and agreements contained in Employee's Agreement are fair and proper and in the best interest of the City and in compliance with AB 1344; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, including the Recitals which are made a part hereof, City and Employee hereby agree to Amend the Agreement as follows, all other terms and conditions of the Agreement remaining unaffected:

Section 2.1 is hereby amended as follows:

2.1 Compensation. The parties agree that effective the first full pay period after City Council approval of this First Amendment and concurrently with and contingent upon the City ceasing the currently eight percent (8%) of pay Employer Paid Member Contribution on behalf of Employee to CalPERS and eliminating the currently four percent (4%) Management Incentive Pay provided to Employee for a total of twelve percent (12%), Employee shall receive a nine percent (9%) salary adjustment.

Section 3.7 is hereby added as follows:

2.7 Employer Paid Member Contributions. Notwithstanding section 6.5 of the Agreement, the parties agree that effective the first full pay period after City Council approval of this First Amendment and concurrently with and contingent upon the City ceasing all Employer Paid Member Contribution on behalf of Employee to CalPERS, currently at eight percent (8%) of pay, Employee shall receive a nine percent (9%) and 4 range salary adjustment as reflected in Section 2.1 above.

Section 2.8 is hereby added as follows:

2.8 Management Incentive Pay. Notwithstanding section 6.5 of the Agreement, the parties agree that effective the first full pay period after City Council approval of this First Amendment and concurrently with and contingent upon the City ceasing the four percent (4%) Management Incentive Pay to Employee, Employee shall receive a nine percent (9%) as reflected in Section 2.1 above.

Section 2.9 is hereby added as follows:

2.9 AB 1344 Provisions.

(a) Notwithstanding section 6.5 of the Agreement, the parties agree to fully comply with the Government Code sections that are part of AB 1344 and effective January 1, 2012 and to fully comply with other applicable law as it exists as of the date of execution of this Agreement and as it may be amended from time to time thereafter.

(b) Notwithstanding section 6.5 of the Agreement, AB 1344 includes the following Government Code sections, which are hereby incorporated by this First Amendment into the terms of the Agreement:

§53243. Reimbursement of paid leave salary required upon conviction of crime involving office or position.

§53243.1. Reimbursement of legal criminal defense upon conviction of crime involving office or position.

§53243.2. Reimbursement of cash settlement upon conviction of crime involving office or position.

§53243.3. Reimbursement of non-contractual payments upon conviction or crime involving office or position.

§53243.4. Abuse of office or position defined.

Employee has reviewed, is familiar with, and agrees to comply fully with each of these provisions if any of these provisions are applicable to Employee, including that Employee agrees that any cash settlement or severance related to the termination that Employee may receive from the local agency shall be fully reimbursed to the local agency if Employee is convicted of a crime involving an abuse of his or her office or position.

(c) AB 1344 also includes Government Code section 3511.2. Notwithstanding any other provisions of this First Amended Agreement or the Agreement itself, it shall be prohibited for the City or through the Agreement or any amendment thereto to provide an automatic renewal hereof that provides for an automatic compensation increase in excess of a cost-of-living adjustment or a maximum cash settlement in excess of certain limits established by section 3511.2. Government Code section 3511.2 is hereby incorporated by this First Amendment incorporated into the terms of the Agreement.

IN WITNESS WHEREOF, the City of Banning has caused this First Amendment to be signed and executed on its behalf by its Mayor, and duly attested by its City Clerk, and Employee has signed and executed this First Amendment, the day and year below written.

CITY OF BANNING

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Mayor Debbie Franklin

ANDREW J. TAKATA

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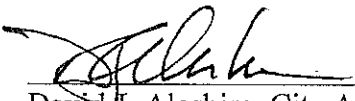
Andrew J. Takata

ATTEST:

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Marie Calderon  
City Clerk

APPROVED AS TO FORM



---

David J. Aleshire, City Attorney

**CITY COUNCIL  
CONSENT ITEM**

**DATE:** May 14, 2013

**TO:** City Council

**FROM:** Marie Calderon, City Clerk

**SUBJECT:** Resolution No. 2013-24, "Adopting a Records Retention Schedule and Authorizing Destruction of Certain City Records and Rescinding Prior Resolution No. 2003-26.

**RECOMMENDATIONS:** That the City Council adopt Resolution No. 2013-24 superseding prior retention policies and rescinding Resolution No. 2003-26 and implementing the Retention Policy crafted by Gladwell Governmental Services, Inc. and reviewed and approved by City Officials.

**JUSTIFICATION:** The City is upgrading its records management program, including its records retention policies. The adoption of this retention schedule will result in efficiency gains and cost savings.

**BACKGROUND:** The upgrade of the current systems are driven by many factors, including:

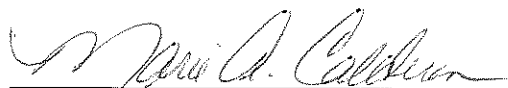
- Very limited space in City facilities
- Many departments are filing and storing copies of the same records
- Banning produces and manages many permanent records
- Escalating records storage expenses
- Technology advancements
- Changes in law

The purpose of the program is to apply efficient and economical methods to the creation, utilization, maintenance, retention, preservation and disposal of all records managed by the City. An upgrade in the existing program was necessary to reduce current and future records storage costs, eliminate duplication of effort, increase efficiency and take advantage of current technology and changes in law. The last time the retention policy was updated, the city adopted the standards provided by the state. However, laws and technology have changed since that time. In addition, the previous retention policy did not address documents unique to the city's operations.

The City of Banning utilized Gladwell Governmental Services, Inc., an expert in local government records, to upgrade the records management program. The new retention schedules were written interactively with representatives from all departments participating in the project. They provide clear, specific records descriptions and retention periods, and apply current law and technology to the management of Banning's records. After approval, the retention schedule will be indexed and reformatted to be more user friendly.

**FISCAL DATA:** The City of Banning will anticipate savings both in labor and storage expenses; including the avoidance of future storage and/or construction costs, as well as free filing cabinet and office space, and realize operational efficiencies.

**RECOMMENDED BY:**



Marie Calderon  
City Clerk

**REVIEWED BY:**



June Overholt  
Administrative Services Director/  
Deputy City Manager

**APPROVED BY:**

---

Andrew J. Takata  
City Manager



**RESOLUTION NO. 2013-24**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING DESTRUCTION OF CERTAIN CITY RECORDS AND RESCINDING PRIOR RETENTION POLICIES**

**WHEREAS**, the maintenance of numerous records is expensive, slows document retrieval, and is not necessary after a certain period of time for the effective and efficient operation of the government of the City of Banning; and

**WHEREAS**, Section 34090 of the Government Code of the State of California provides a procedure whereby any City record which has served its purpose and is no longer required may be destroyed; and

**WHEREAS**, the State of California has adopted guidelines for retention period for various government records; and

**WHEREAS**, the City previously set forth a retention policy via Resolution 2003-26;

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

SECTION 1. The records of the City of Banning, as set forth in the Records Retention Schedule Exhibit A, attached hereto and incorporated herein by this reference, are hereby authorized to be destroyed as provided by Section 34090 et seq. of the Government Code of the State of California and in accordance with the provision of said schedule upon the request of the Department Head and with the consent in writing of the City Clerk and City Attorney, without further action by the City Council of the City of Banning.

SECTION 2: With the consent of the City Clerk, City Manager, and City Attorney, updates are hereby authorized to be made to the Records Retention Schedule without further action by the City Council of the City of Banning.

SECTION 3: The term "records" as used herein shall include documents, instructions, books, microforms, electronic files, magnetic tape, optical media, or papers; as defined by the California Public Records Act.

SECTION 4: Resolution 2003-26 is hereby rescinded.

SECTION 5: The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

SECTION 6: This resolution shall become effective immediately upon its passage and adoption.

**PASSED, APPROVED, AND ADOPTED** this 14th day of March, 2013.

---

Deborah Franklin, 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 Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2013-24, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of May, 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

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

# **Exhibit “A”**

## **Retention Policy**

## HOW TO USE RETENTION SCHEDULES

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A legend explaining the information presented in the retention schedule has been printed on the back of each page for your easy reference; an index to locate records is also provided.

The specified retention period applies regardless of the media of the record: If a record is stored on paper and a computer file on a hard drive, both records should be destroyed (or erased) after the specified period of time has elapsed.

Copies or duplicates of records should never be retained longer than the prescribed period for the original record.

### **STRUCTURE: CITYWIDE, DEPARTMENTS & DIVISIONS**

The Citywide retention schedule includes those records all departments have in common (letters, memorandums, purchase orders, etc.). These records are NOT repeated in the Department retention schedule, unless that department is the Office of Record, and therefore responsible for maintaining the original record for the prescribed length of time.

Each department has a separate retention schedule that describes the records that are unique to their department, or for which they are the Office of Record. Where appropriate, the department retention schedules are organized by Division within that Department. If a record is not listed in your department retention schedule, refer to the Citywide retention schedule. An index will be provided for your reference.

### **BENEFITS**

This retention schedule has been developed by Diane R. Gladwell, CMC, an expert in Municipal Government records, and will provide the City with the following benefits:

- Reduce administrative expenses, expedite procedures
- Free filing cabinet and office space
- Reduce the cost of records storage
- Eliminate duplication of effort within the City
- Find records faster
- Easier purging of file folders
- Determine what media should be used to store records

For questions, please contact the City Clerk.

### **Authorization to Destroy Records:**

All original records that have exceeded their retention period must be authorized according to City Policies & Procedures prior to destroying them.

Copies, drafts, notes and non-records do NOT require authorization, and can be destroyed "When No Longer Required."

- If there is a **minimum** retention ("When No Longer Required - **Minimum 2 years**"), it must be authorized before it is destroyed, as it is an original record.
- If there is **NOT** a minimum retention ("When No Longer Required"), it does **NOT** need to be authorized prior to destruction, as it is a preliminary draft / transitory record or a copy.

## RECORDS RETENTION SCHEDULE LEGEND

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**OFR (Office of Record):** The department that keeps the original or "record copy." Usually it is the department that originates the record, unless the item is for a City Council meeting (then it is the City Clerk.)

**Records Description:** The record series (a group of like records).

**Transitory Records** not retained in the ordinary course of business: Preliminary drafts, notes, or interagency or intra-agency memoranda and records having only transitory value. Examples: Telephone messages, meeting room reservation schedules, logs, source records entered into a computer system that qualifies as a "trusted system", etc.

**Non-Record:** Documents, studies, books and pamphlets produced by outside agencies, preliminary drafts not retained in the ordinary course of business.

### Retention/Disposition:

**Active:** How long the file remains in the immediate office area (*guideline*)

**Inactive:** How long the file is in off-site storage, stored on Optical Disk or Microforms (*guideline*)

**Total Retention:** The total number of years the record will be retained

For file folders containing documents with different retention timeframes, use the document with the longest retention time.

**P = Permanent**

**Indefinite =** No fixed or specified retention period; used for databases, because the data fields are interrelated.

**Vital?** = Those records that are needed for basic operations in the event of a disaster.

**Media Options (*guideline*)** – the form of the record:

Mag = Computer Magnetic Media (hard drive, disks, tapes, etc.)

Mfr = Microforms (aperture cards, microfilm, microfiche, or jackets)

Ppr = Paper

OD = Optical Disk, CD, DVD or other media which does not allow changes

**Scan / Import (*guideline*):**

"S" indicates the record should be scanned into the document imaging system;

"I" indicates the record should be electronically imported into the document imaging system;

"M" indicates the record should be microfilmed

**Destroy Paper after Imaged & QC'd (*guideline, if record is imaged*):** QC'd=Quality Checked. "Yes" indicates the paper version may be destroyed if the document has been imaged (microfilmed, scanned or imported onto Optical Disk – CD-R, WORM or DVD-R), and both the images and indexing Quality Checked ("QC'd").

### Legend for legal citations (§: Section)

CC: Civil Code (CA)

CFC: California Fire Code

EVC: Evidence Code (CA)

FTB: Franchise Tax Board (CA)

HUD: Housing & Urban Develop. (US)

PC: Penal Code (CA)

UBC: Uniform Building Code

USC: United States Code (US)

B&P: Business & Professions Code (CA)

CCP: Code of Civil Procedure (CA)

CFR: Code of Federal Regulations (US)

FA: Food & Agriculture Code

GC: Government Code (CA)

LC: Labor Code (CA)

R&T: Revenue & Taxation Code (CA)

UFC: Uniform Fire Code

VC: Vehicle Code (CA)

CBC: California Building Code

CCR: California Code of Regulations (CA)

EC: Elections Code (CA)

FC: Family Code (CA)

H&S: Health & Safety Code (CA)

Ops. Atty. Gen.: Attorney General Opinions (CA)

UAC: Uniform Administrative Code

UPC: Uniform Plumbing Code

W&I: Welfare & Institutions Code (CA)

## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Lead Dept.	CW-001	Accident, Incident, Injury reports: <b>PUBLIC</b>	2 years		2 years		Mag, Ppr		E-mail a copy to Risk Management; GC §34090
Human Resources	CW-002	Accident, Incident, Injury reports: <b>EMPLOYEES</b> , with associated MSDS, if a chemical was involved	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Ppr		Copies retained for reference; GC §34090.7
Finance	CW-003	Accounts Payable, Invoices, Petty Cash, Warrant Requests, etc. <b>ALL backup is forwarded to Finance</b>	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Ppr		All originals go to Finance (these are copies); GC §34090.7
Lead Dept.	CW-004	Administrative Hearings / Appeals	When No Longer Required - Minimum Resolution + 2 years		When No Longer Required - Minimum Resolution + 2 years		Mag, Ppr		Department preference; GC §34090
Lead Dept.	CW-005	Affidavits of Publications / Public Hearing Notices / Legal Advertising / Affidavits of Posting	2 years		2 years		Mag, Mfr, OD, Ppr		Brown Act challenges must be filed within 30 or 90 days of action; Statute of Limitations on Municipal Government actions is 3 - 6 months; CCP §§337 et seq, 349.4; GC §§34090, 54960.1(c)(1)

## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Clerk	CW-006	Agenda Packets / Staff Reports: <b>City Council / Redevelopment</b>	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	GC §34090.7
City Clerk	CW-007	Agreements & Contracts <b>Approved by the City Council</b> (Specifications / Scope of Work, Notices of Completion, etc.)	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S	Yes: Upon Completion	All agreements that are approved by the City Council are sent to the City Clerk; GC §34090.7
Lead Dept.	CW-008	Agreements & Contracts: <b>ADMINISTRATIVE FILES - and original Agreements NOT approved by the City Council, and NOT funded by a grant</b> (Correspondence, Project Administration, Project Schedules, Certified Payrolls, Insurance Certificates, Invoices, Logs, etc.)	Completion	10 years	Completion + 10 years	Yes: Before Completion	Mag, Mfr, OD, Ppr	S/I	Yes: Upon Completion	Covers E&O Statute of Limitations (insurance certificates are filed with agreement); Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Specs's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; Statewide guidelines propose termination + 5 years; CCP §337 et. seq., GC §34090

## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Lead Dept.	CW-009	Agreements & Contracts: <b>ADMINISTRATIVE FILES - WITH grant funding</b>  (Correspondence, Project Administration, Project Schedules, Certified Payrolls, Insurance Certificates, Invoices, Logs, etc.)	Completion	10 years or After Funding Agency Audit, if required, whichever is longer	Completion + 10 years or After Funding Agency Audit, if required, whichever is longer	Yes: Before Completion	Mag, Mfr, OD, Ppr	S/I	Yes: Upon Completion  Some grant funding agencies require audits; Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years; Developers=comp. + 10 years; Statewide guidelines propose termination + 5 years; CCP §337 et. seq., 21 CFR 1403.36 & 1403.42(b); 24 CFR 85.42, 91.105(h), 92.505, & 570.502(b), 28 CFR 66.42; 29 CFR 97.42; 40 CFR 31.42; 44 CFR 13.42; 45 CFR 92.42; OMB Circular A-133GC §34090



## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Lead Dept.	CW-010	Agreements & Contracts: UNSUCCESSFUL BIDS, UNSUCCESSFUL PROPOSALS or RESPONSES to RFPs (Request for Proposals) and/or RFQs (Request for Qualifications) that don't result in a contract	2 years		2 years		Mag, Ppr		The RFP / RFQ and the successful proposal becomes part of the agreement or contract (City Clerk is OFR); GC §34090
Finance	CW-011	Audits / Audit Reports / CAFR - Comprehensive Annual Financial Reports	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Ppr		Copies; GC §34090.7
	CW-012	Bids: See Agreements & Contracts							
Staffing Dept.	CW-013	Boards and Committees: AUDIO RECORDINGS of Meetings / Audio Tapes	2 years		2 years		Tape (Mag)		City preference; State law only requires for 30 days; GC §54953.5(b)
Staffing Dept.	CW-014	Boards, Commissions, & Committees: Residents Advisory Bodies Formed by CITY COUNCIL AGENDAS, AGENDA PACKETS.	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		Brown Act challenges must be filed within 30 or 90 days of action; GC §§34090, 54960.1(c)(1)

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## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?  Media Options I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC'd?	
(OFR)									
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Staffing Dept.	CW-015	Boards, Commissions, & Committees: Residents Advisory Bodies Formed by CITY COUNCIL  <b>MINUTES &amp; BYLAWS</b>	P		P	Yes	Mag, Mfr, OD, Ppr	S  Yes: After 10 years	Notes taken to facilitate the writing of the minutes can be destroyed after minutes have been adopted; GC §34090 et seq.
Staffing Dept.	CW-016	Boards, Commissions, & Committees: <b>City Council Subcommittees</b> (Composed solely of less than a quorum of the City Council)	2 years		2 years		Mag, Ppr		All recommendations are presented to the City Council; GC §34090 et seq.
	CW-017	Boards, Commissions, & Committees: <b>External</b> Organizations (e.g. County Board of Supervisors)	When No Longer Required		When No Longer Required		Mag, Ppr		Non-records
	CW-018	Brochures: See Reference Manuals							
City Clerk	CW-019	Budgets - Finals	Copies - When No Longer Required		Copies - When No Longer Required	Yes: Current Fiscal Year	Mag, Mfr, OD, Ppr	S/I  Yes: After 5 years	Final must be filed with County Auditor; GC §34090.7, 40802, 53901
Lead Dept.	CW-020	Cash Receipts Detail / Backup / Accounts Receivable Detail / Refund Detail	2 years		2 years		Mag, Ppr		Department preference (not all detail is sent to Finance; GC §34090

## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference
			Active (in office)	Inactive (Records Center)	Total Retention	Vital? Media Options Image: I=Import M=Mfr S=Scan Destroy Paper after Imaged & QC'd?	
(OFR)							
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.							
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.							
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).							
Lead Dept.	CW-021	City Attorney Opinions	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years	Yes Mag, Mfr, OD, Ppr	Department Preference; GC \$34090
City Clerk AND Finance / Risk Manage.	CW-022	Claims	Copies - When No Longer Required (Upon Settlement)		Copies - When No Longer Required (Upon Settlement)	Yes: Before Settlement Mag, Mfr, OD, Ppr	GC \$34090.7, 34090.6
Lead Dept.	CW-023	Committees Internal - Attended by employees: All Records (e.g. Records Management Committee, In-House Task Forces, etc.)	2 years		2 years	Mag, Ppr	GC \$34090
Lead (Responding) Dept.	CW-024	Complaints / Concerns from Citizens Computer Tracking Software or Correspondence	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years	Mag, Ppr	City preference; Statute of Limitations for personal property, fraud, etc. is 3 years; Claims must be filed in 6 months; CCP §§338 et seq., 340 et seq., 342, GC §§945.6, GC \$34090
	CW-025	Contracts: See Agreements					

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## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
	CW-026	Copies or duplicates of any record	Copies - When No Longer Required		Copies - When No Longer Required		Mag Ppr			GC \$34090.7
Dept. that Authors Document or Receives the City's Original Document	CW-027	Correspondence - <b>ROUTINE</b>  (e.g. Administrative, Chronological, General Files, Letters, Memorandums, Reading File, Working Files, etc.)	2 years		2 years		Mag, Ppr			GC \$34090

## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
Dept. that Authors Document or Receives the City's Original Document	CW-028	Correspondence - TRANSITORY / PRELIMINARY DRAFTS, Interagency and Intraagency Memoranda not retained in the ordinary course of business (e.g. calendars, checklists, e-mail or social media posting that does not have a material impact on the conduct of business, instant messaging, inventories, invitations, logs, mailing lists, meeting room registrations, speaker slips, supply inventories, telephone messages, transmittal letters, thank yous, requests from other cities, undeliverable envelopes, visitors logs, voice mails, webpages, etc.)	When No Longer Required					Mag, Ppr			E-mails or social media postings that have a material impact on business are saved by printing them out and placing them in a file folder, or saving them electronically; if not mentioned here, consult the City Attorney to determine if a record is considered transitory / preliminary drafts. GC §§34090, 6252, 6254(a)
City Clerk	CW-029	Deeds, Easements, Final Orders of Condemnations (All)	Copies - When No Longer Required					Mag, Ppr			Send all originals to the City Clerk; GC §34090.7

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## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Lead Dept.	CW-030	Drafts & Notes: Drafts that are revised (retain final version)	When No Longer Required		When No Longer Required		Mag, Ppr			As long as the drafts and notes are not retained in the "Regular Course of Business". Consult the City Attorney to determine if a record is considered a draft. GC §§34090, 6252, 6254(a)
Lead Dept.	CW-031	Facility Use Applications / Facility Use Permits	2 years		2 years		Mag, Ppr			GC §34090
Lead Dept.	CW-032	GIS Database / Data / Layers (both City-wide and Specialized)	When No Longer Required		When No Longer Required	Yes	Mag			The Lead Department should print out historical documents (or save source data) prior to replacing the data, if they require the data or output for historical purposes; Department Preference (Preliminary documents); GC §34090 et seq.
Lead Dept.	CW-033	Grants / CDBG (UNSUCCESSFUL Applications, Correspondence)	2 years		2 years		Mag, Ppr			GC §34090

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## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Lead Dept.	CW-034	Grants / CDBG / Reimbursable Claims ( <b>SUCCESSFUL</b> ) Reports, other records required to pass the funding agency's audit, if required)  Applications (successful), grant agreement, program rules, regulations & procedures, reports to grant funding agencies, correspondence, audit records, completion records	2 years	After Funding Agency Audit, if Required - Minimum 5 years	After Funding Agency Audit, if required - Minimum 5 years		Mag, Ppr			Meets auditing standards; Grants covered by a Consolidated Action Plan are required for 5 years; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report or final payment of grantee or subgrantee; statewide guidelines propose 4 years; 7 CFR 3016.42; 21 CFR 1403.36 & 1403.42(b); 24 CFR 85.42, 91.105(h), 92.505, 570.490, & 570.502(a&b), 28 CFR 66.42; 29 CFR 97.42; 40 CFR 31.42; 44 CFR 13.42; 45 CFR 92.42; OMB Circular A-110 & A-133; GC §34090
Personnel / Human Resources	CW-035	Grievances and Informal Complaints (Employees)	Copies - When No Longer Required		Copies - When No Longer Required	Yes: Before Disposition	Mag, Ppr			Send all grievances to Human Resources; All State and Federal laws require retention until final disposition of formal complaint; State requires 2 years after action is taken; GC §§12946, 34090

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## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Attorney	CW-037	Lawsuits, Litigation, Pending Litigation	Copies - When No Longer Required (Upon Settlement)		Copies - When No Longer Required (Upon Settlement)	Yes: Before Settlement	Mag, Mfr, OD, Ppr	S/I	Yes: After Settlement	Risk Management administrates claim; GC §§34090.7, 34090.6
Lead Dept.	CW-038	Leave Requests / Vacation Requests	1 year		1 year		Mag, Ppr			City Preference; Preliminary draft / transitory record; GC §34090, GC §6252
City Clerk	CW-039	Minutes - City Council	Copies - When No Longer Required		Copies - When No Longer Required	Yes (all)	Mag, Mfr, OD, Ppr	S	No	Originals maintained by City Clerk Permanently; GC §34090.7
										Previous MSDS may be obtained from a service; <b>MSDS may be destroyed as long as a record of the chemical / substance / agent, where &amp; when it was used is maintained for 30 years;</b> Applies to qualified employers; Claims can be made for 30 years for toxic substance exposures; 8 CCR 3204(d)(1)(B)(2 and 3), GC §34090
Lead Dept.	CW-040	Material Data Safety Sheet (MSDS) / Chemical Use Report Form (or records of the chemical / substance / agent, where & when it was used)	While Chemical In Use	30 years	30 years		Mag, Mfr, OD, Ppr	S	Yes (after inactive)	



## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Clerk	CW-041	Municipal Code (these are copies)	Copies - When No Longer Required		Copies - When No Longer Required	Yes: Current Original	Mag, Mfr, OD, Ppr	I	No	Return any whole unused codes to the City Clerk; Originals maintained by City Clerk Permanently; GC §34090
Lead Dept.	CW-042	Newspaper Clippings	When No Longer Required		When No Longer Required		Ppr			Non-records - may be obtained from the newspaper company; GC §34090
Staffing Dept.	CW-043	Notices: Public Hearing Notices and Proofs of Publications	Project Approval + 2 years		Project Approval + 2 years		Mag, Ppr			Statute of Limitations on Municipal Government actions is 3 - 6 months; CCP§337 et seq; GC §34090
City Clerk	CW-044	Ordinances - City Council	Copies - When No Longer Required		Copies - When No Longer Required	Yes (all)	Mag, Mfr, OD, Ppr	S	No	Originals maintained by City Clerk Permanently; GC §34090
Human Resources	CW-045	Personnel Files	After Separation, Transfer to Human Resources		After Separation, Transfer to Human Resources	Before Separation	Mag, Ppr			Ensure records kept in Department files comply with City policy (all originals are sent to Human Resources); GC §34090.7

## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Lead Dept.	CW-046	Personnel Files (Supervisor's Notes)	When No Longer Required		When No Longer Required	Before Annual Performance Evaluation	Mag, Ppr			Notes maintained in a separate folder to be incorporated into performance evaluation, or to document progressive discipline; GC §34090 et seq.
Lead Dept.	CW-047	Personnel Work Schedules	2 years		2 years		Mag, Ppr			GC §34090
Lead Dept.	CW-048	Public Records Act Requests	2 years		2 years		Mag, Ppr			GC §34090
Lead Dept.	CW-049	Public Relations / Press Releases	2 years		2 years		Mag, Ppr			GC §34090
Lead Dept. (Who Ordered the Appraisal)	CW-050	Real Estate Appraisal Reports: Property <b>NOT</b> purchased, Loans not funded, etc.	2 years		2 years		Mag, Ppr			Not accessible to the public; Statewide Guidelines show 2 years; GC §§34090, 6254(h)
Lead Dept. (Who Ordered the Appraisal)	CW-051	Real Estate Appraisal Reports: <b>Purchased</b> Property, Funded Loans	2 years	When No Longer Required - Minimum 3 years	When No Longer Required - Minimum 5 years	Yes: Before Purchase	Mag, Mfr, OD, Ppr	S	Yes: After Inactive	Not accessible to the public until purchase has been completed; meets grant auditing requirements; 24 CFR 85.42 & 91.105(h), & 570.502(b); 29 CFR 97.42, GC §34090
City Clerk	CW-052	Records Destruction Lists / Certificate of Records Destruction	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Ppr			GC §34090.7

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## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference	
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?  Media Options		Image: I=Import M=Mfr S=Scan
(OFR)								
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.								
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.								
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).								
Lead Dept.	CW-053	Reference Materials: Policies, Procedures, Brochures, Flyers, Manuals, etc: Produced by <b>YOUR Department</b>	When No Longer Required - <b>Minimum 2 years</b>			Mag, Ppr		Statewide guidelines propose superseded + 2 or 5 years; GC §34090
Lead Dept.	CW-054	Reference Materials: Policies, Procedures, Brochures, Flyers, Manuals, etc: Produced by <b>OTHER Departments</b>	When Superseded			Mag, Ppr		Copies; GC §34090.7
	CW-055	Reference Materials: Brochures, Manuals, Policies, Procedures, Brochures, Flyers, Manuals, etc: Produced by <b>OUTSIDE ORGANIZATIONS</b> (League of California Cities, Chamber of Commerce, etc.)	When No Longer Required			Mag, Ppr		Non-Records
	CW-056	Reference or Working Files: See Correspondence						
Lead Dept.	CW-057	Reports and Studies (Historically significant - e.g., Zoning Studies)	10 years	P	P	Mag, Mfr, OD, Ppr	S/I	Yes: After 10 years Administratively and Historically significant, therefore retained permanently; GC §34090

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## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Lead Dept.	CW-058	Reports and Studies (other than Historically significant reports - e.g. Annual Reports)	10 years		10 years		Mag, Ppr			Information is outdated after 10 years; statewide guidelines propose 2 years; if historically significant, retain permanently; GC §34090
City Clerk	CW-059	Resolutions - City Council	Copies - When No Longer Required		Copies - When No Longer Required	Yes (all)	Mag, Mfr, OD, Ppr	S	No	Originals maintained by City Clerk Permanently; GC §34090.7
Lead Dept.	CW-060	Special Projects / Subject Files / Issue Files	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr			Department Preference; GC §34090 et seq.
Lead Dept.	CW-061	Subject / Reference Files: Subjects other than Specifically Mentioned in Retention Schedules	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr			Department Preference; GC §34090 et seq.
Lead Dept.	CW-062	Surveys / Questionnaires (that the City issues).  If a summary of the data is compiled, the survey forms are considered a draft or transitory record, and can be destroyed as drafts (When No Longer Required)	2 years		2 years		Mag, Ppr			GC §34090

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## RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options		Image: I=Import M=Mfr S=Scan
(OFR)									
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, claims, complaints, audits, public records act requests, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
	CW-063	Tapes / DVD Recordings: See Boards & Commissions							
Finance / Payroll	CW-064	Time Sheets / Time Cards / Overtime Sheets / Overtime Cards	Copies - When No Longer Required				Mag, Ppr		GC §34090.7
Lead Dept.	CW-065	Training - ALL COURSE RECORDS (Attendance Rosters, Outlines and Materials; includes Ethics & Safety training)	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S	Department preference; Ethics Training is 5 years; Statewide guidelines propose 7 years; Calif. Labor Division is required to keep their OSHA records 7 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years for personnel actions; 8 CCR §3203 et seq., 29 CFR 1627.3(b)(ii), LC §6429(c); GC §§12946, 34090, 53235.2(b)

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## RECORDS RETENTION SCHEDULE: FINANCE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
FINANCE / ADMINISTRATION										
Finance / Admin.	FN-001	Audit Reports / CAFR - Comprehensive Annual Financial Reports and related Audit Opinions	5 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference (copies); GC §34090.7
Finance / Admin.	FN-002	Audit Work Papers	5 years		5 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference (meets municipal government auditing standards); Statewide guidelines propose audit + 4 years; Published articles show 3 - 7 years; GC §34090
Finance / Admin.	FN-003	Budgets - Adopted / Final	5 years	P	P	Yes: Current Fiscal Year	Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference; Must be filed with County Auditor; GC §34090.7, 40802, 53901
Finance / Admin.	FN-004	Budgets - Preliminary, Backup Documents	When No Longer Required		When No Longer Required	Yes: Current Fiscal Year	Mag, Ppr			Preliminary drafts; GC §34090
Finance / Admin.	FN-005	Assessment Districts / Community Facilities Districts, etc. - Financial Records	2 years	3 years	5 years	Yes: Current Fiscal Year	Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference (meets municipal government auditing standards); Statewide guidelines propose audit + 4 years; Published articles show 3 - 7 years; GC §34090
Finance / Admin.	FN-006	Single Audits / Transportation Audits / PERS Audit, et.	5 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference (meets municipal government auditing standards); GC §34090

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## RECORDS RETENTION SCHEDULE: FINANCE

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference	
(OFR)			Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards								
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.								
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).								
FINANCE / GENERAL ACCOUNTING								
Finance / General Accounting	FN-007	1099's Issued / W-9s	5 years		Mag, Ppr			Department Preference; IRS: 4 years after tax is due or paid (longer for auditing & contractor delinquency); Ca. FTB: 3 years; IRS Reg §31.6001-1(e)(2), R&T §19530, GC §34090
Finance / General Accounting	FN-008	Accounts Payable / Invoices and Backup (Includes Invoices, Travel Expense Reimbursements, Warrant Request, etc.)	5 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference (meets municipal government auditing standards); Statewide guidelines propose audit + 4 years; Published articles show 3 - 7 years; GC §34090
Finance / General Accounting	FN-009	Bank Statements, Trustee Statements, etc.	5 years		Mag, Ppr			Department Preference; Published articles show 3 - 4 years; GC §34090, 26 CFR 31.6001-1
Finance / General Accounting	FN-010	Bond Official Statements / Transcripts / Certificates of Participations (COPs) See Bank Statements for statement retention.	Fully Defeased + 10 years	Yes: Until Maturity	Mag, Mfr, OD, Ppr	S / I	No	Department Preference; Statute of Limitations for bonds, mortgages, trust deeds, notes or debentures is 6 years; Bonds issued by local governments are 10 years; There are specific requirements for disposal of unused bonds; CCP §§336(a)(1) & (2), 337.5(a); GC §43900 et seq.
City Clerk	FN-011	Checks / Warrant Register Report (issued)	Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S	Yes: After QC	Part of the Agenda Packet; GC §34090.7
Finance / General Accounting	FN-012	Checks / Warrants (Cashed)	5 years		Mag, Mfr, OD, Ppr	S	Yes: After QC	Department Preference; meets municipal government auditing standards; GC §34090, CCP § 337

If the record is not listed here, refer to the Retention for City-Wide Standards

Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.

Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).

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## RECORDS RETENTION SCHEDULE: FINANCE

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?		Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
(OFR)										
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Finance / General Accounting	FN-013	Escheat (Unclaimed money / uncashed checks)	5 years		5 years		Mag, Ppr			Department preference; All tangible property held by government agencies escheats after 3 years; Statute of Limitations is 1 year for seized property; CCP §§340, 1519; GC §34090
Finance / General Accounting	FN-014	Financial Services Database	Indefinite		Indefinite	Yes	Mag			Data Fields / Records are interrelated; GC §34090
Finance / General Accounting	FN-015	Fixed Assets - Annual Listing (Source Documents)	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	Department Preference; Meets auditing standards; GC §34090
City Clerk	FN-016	Investment Reports / Treasurer's Reports	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S	Yes: After QC	Part of the Agenda Packet; GC §34090.7
Finance / General Accounting	FN-017	Investments / Arbitrage / Certificate of Deposit / Investment Bonds (Receipts / Advisor Reports and Statements / Trade Tickets / LAIF (Local Agency Investment Fund))	5 years		5 years	Yes: Until Paid	Mag, Ppr			Department Preference; Meets auditing standards; Published articles show disposal + 7 years for security brokerage slips; statewide guidelines propose permanent; FTC Reg's rely on "self-enforcement"; GC §§ 34090, 43900
Finance / General Accounting	FN-018	Journal Entries / Journal Vouchers	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	Department Preference; meets municipal government auditing standards; Statute of Limitations is 4 years; statewide guidelines propose Audit + 5 years; GC §34090, CCP § 337
Finance / General Accounting	FN-019	Reports, Subsidiary Ledgers, Reconciliations, Registers, Transaction Histories, Balance Sheets, Revenue & Expenditure Reports, etc. (MONTHLY OR PERIODIC)	When No Longer Required		When No Longer Required		Mag, Ppr			Department preference (Financial System qualifies as a trusted system); GC §34090

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## RECORDS RETENTION SCHEDULE: FINANCE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
	If the record is not listed here, refer to the Retention for City-Wide Standards								
	Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years). Since destruction is normally performed by file folder.								
	Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).								
	Finance / General Accounting	FN-020	Reports: Annual State or Federal; State Controller's Report, Street Report, Local Government Compensation Report, etc.	5 years		5 years		Mag, Ppr	

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## RECORDS RETENTION SCHEDULE: FINANCE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options		Image: I=Import M=Mfr S=Scan
(OFR)									
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
FINANCE / PAYROLL									
Finance / Payroll	FN-021	CalPERS Reports	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S	Yes: After 2 years Department Preference; GC \$34090
Finance / Payroll	FN-022	DE-6, 941 & DE-166 Forms - Quarterly Payroll Tax Returns / OASDI	2 years	3 years	5 years		Mag, Ppr		Department Preference; IRS: 4 yrs after tax is due or paid; Ca. FTB: 3 years; Articles show 7 years; IRS Reg §31.6001-1(e)(2), R&T §19530; 29CFR 516.5 - 516.6, 29USC 436, GC \$34090
Finance / Payroll	FN-023	Deferred Compensation (City Statements)	2 years	3 years	5 years		Mag, Ppr		Produced by Deferred Comp. Provider; consistent with proposed statewide guidelines; published articles for bank statements show 4 - 7 years; GC \$304090, 26 CFR 31.6001.1
Finance / Payroll	FN-024	Payroll Employee Files (by employee name, includes W-4s, deductions, garnishments, etc.)	Separation + 2 years	3 years	Separation + 5 years		Mag, Ppr		Department preference; GC \$34090
Finance / Payroll	FN-025	Payroll Report: Detail Year-End Report	2 years	P	P		Mag, Ppr		Department Preference for PERS buy-back purposes; GC \$34090
Finance / Payroll	FN-026	Payroll Reports (includes Leave Registers, Time Transaction Reports, etc.)	2 years	3 years	5 years		Mag, Ppr		Department preference; PERS Buy-backs are reconstructed through W-2s; GC \$34090
Finance / Payroll	FN-027	Time Sheet Summaries / Time Card Summaries	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S	Yes: After 2 years Department preference to facilitate grant audits or claim reimbursements; Meets auditing standards (audit + 4 years); IRS requires 4 years; Ca. requires 2 yr min.; FTB keeps 3 years; Published articles show 4 -10 years; IRS Reg §31.6001-1(e)(2), R&T §19530; LC § 1174(d); 29 CFR 516.5; GC \$34090

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## RECORDS RETENTION SCHEDULE: FINANCE

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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Finance / Payroll	FN-028	W-2's and W-2 Reports	2 years	3 years	5 years		Mag, Ppr		Department Preference; IRS: 4 yrs after tax is due or paid; Ca. FTB: 3 years; Articles show 7 years; IRS Reg §31.6001-1(e)(2), R&T §19530; 29CFR §16.5 - 516.6, 29USC 436, GC §34090
Finance / Payroll	FN-029	W-4's	No Longer In Effect + 5 years		No Longer In Effect + 5 years		Mag, Mfr, OD, Ppr	S	Department preference; IRS Regulation 31-6001-1 four years after the due date of such tax for the return period to which the records relate, or the date such tax is paid, whichever is the later, GC §34090

## RECORDS RETENTION SCHEDULE: FINANCE

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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).							
FINANCE / UTILITY BILLING							
Finance / General Accounting	FN-030	Accounts Receivable - General: Business Tax Applications, Registrations and Renewals, Transient Occupancy Tax (TOT), Parking Citations, Parking Meters, Invoices to Outside Entities, etc.	3 years	5 years	Mag, Ppr		Department preference; Meets auditing standards; GC \$34090 et seq.
Finance / Utility Billing	FN-031	Accounts Receivable - Leases / Rent / Property Management	3 years	End of Tenancy + 5 years	Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year
Finance / Utility Billing	FN-032	Address Changes	3 years	When No Longer Required	Mag, Ppr		Preliminary Drafts; GC \$34090 et seq.
Finance / Utility Billing	FN-033	Adjustments	3 years	5 years	Mag, Ppr		Department preference; Meets auditing standards; GC \$34090 et seq.
Finance / Utility Billing	FN-034	Airport Accounts Receivable: Convenience Coupons, Receipts, etc.	3 years	5 years	Mag, Ppr		Department preference; Meets auditing standards; GC \$34090 et seq.
Finance / Utility Billing	FN-035	Airport Monthly Spreadsheets / Yearly and Monthly Balances		When No Longer Required - Minimum 5 years	Mag, Ppr		Department preference; Meets auditing standards; GC \$34090 et seq.
Finance / Utility Billing	FN-036	Applications (for new service)		When No Longer Required - Minimum 2 years	Mag, Ppr		Department preference; Meets auditing standards; GC \$34090 et seq.
Finance / Utility Billing	FN-037	Auto-Pays / Bank Draft Forms from Customers		Close + 2 years	Mag, Ppr		GC \$34090

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## RECORDS RETENTION SCHEDULE: FINANCE

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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Finance / Utility Billing	FN-038	Bankruptcies - NOT pursued	When No Longer Required		When No Longer Required		Mag, Ppr			Preliminary drafts not retained in the ordinary course of business; GC §34090
Finance / Utility Billing	FN-039	Bankruptcies - Where a claim is filed	2 years	3 years	5 years		Mag, Ppr			Department Preference (negative information remains on credit ratings for 7 years); GC §34090
Finance / Utility Billing	FN-040	Billing Exceptions	2 years		2 years		Mag, Ppr			GC §34090
Finance / Utility Billing	FN-041	Collection Agency Assignments (and associated disputes)	7 years		7 years		Mag, Ppr			Department preference (negative information remains on a customer's credit rating for 7 years; GC §34090
Finance / Utility Billing	FN-042	Daily Cash Receipts / Cashier	2 years	3 years	5 years		Mag, Ppr			Department preference; Meets auditing standards; GC §34090 et seq.
Finance / Utility Billing	FN-043	HEAP (Home Energy Assistance Program) Payments	2 years	3 years	5 years		Mag, Ppr			Department preference; Meets auditing standards; GC §34090 et seq.
Finance / Utility Billing	FN-044	Level Pay Applications	Dis-enrollment + 2 years		Dis-enrollment + 2 years		Mag, Ppr			GC §34090
Finance / Utility Billing	FN-045	Liens	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	GC §34090 et seq.
Finance / Utility Billing	FN-046	Low Income Rate Applications	2 years	3 years	5 years		Mag, Ppr			Department preference; Meets auditing standards; GC §34090 et seq.
Finance / Utility Billing	FN-047	Medical Rate Applications	2 years	3 years	5 years		Mag, Ppr			Department preference; Meets auditing standards; GC §34090 et seq.
Finance / Utility Billing	FN-048	Meter Exchange Reports	2 years		2 years		Mag, Ppr			GC §34090

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## RECORDS RETENTION SCHEDULE: FINANCE

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			Inactive (Records Center)	Active (in office)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
(OFR)									
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Finance / Utility Billing	FN-049	Prop. 218 Fees & Charges: Ballots and/or protest letters		2 years	2 years		Ppr		GC §53753(e)(2)
Finance / Utility Billing	FN-050	Prop. 218 Fees & Charges: Master Mailing List / Certifications		2 years	2 years		Mag, Mfr, OD, Ppr		GC §34090
Finance / Utility Billing	FN-051	Prop. 218 Fees & Charges: Undeliverable Mail		3 months	3 months		Ppr		Transitory records not retained in the ordinary course of business; GC §34090
Finance / Utility Billing	FN-052	Revenue Report / Balancing Utility System to G/L		5 years	5 years		Mag, Ppr		Department preference; Meets auditing standards; GC §34090 et seq.
Finance / Utility Billing	FN-053	Small Claims Court Judgments		5 years	5 years		Mag, Ppr		Department preference; Meets auditing standards; GC §34090 et seq.
Finance / Utility Billing	FN-054	Work Orders / Connects / Disconnects / Re-reads		2 years	2 years		Mag, Ppr		GC §34090

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# RECORDS RETENTION SCHEDULE: HUMAN RESOURCES & RISK MANAGEMENT

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
HUMAN RESOURCES									
Human Resources	HR-001	Benefit Plan Documents (CalPERS, etc.)	Duration of the Contract + 6 years		Duration of the Contract + 6 years	Yes: For Duration of Contract	Mag, Ppr		EEOC / ADEA (Age) requires 1 year after benefit plan termination; Federal law requires 6 years after filing date for retirement; State Law requires 2 years after action; 29 CFR 1627.3(b)(2); 29 USC 1027; GC §§12946, 3409
Human Resources		Retirement Benefit Administration (Includes contract amendment, actuarial reports, service credit reports, annual employee listing, etc.)	When No Longer Required - Minimum 6 years		When No Longer Required - Minimum 6 years		Mag, Ppr		Department Preference; 6 years for retirement benefits; State Law requires 2 years after action; 29 CFR 1627.3(b)(2); 29 USC 1027; GC §§12946, 3409
Human Resources	HR-003	Classification / Reorganization Studies (for employee classifications and department structures)	When No Longer Required - Minimum 3 years		When No Longer Required - Minimum 3 years		Mag, Ppr		Bureau of National Affairs recommends 2 years for all supplementary Personnel records; Wage rate tables are 1 or 2 years; State requires 2 years; 29 CFR 516.6, 29 CFR 1602.14; GC §§12946, 34090

# RECORDS RETENTION SCHEDULE: HUMAN RESOURCES & RISK MANAGEMENT

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?		Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
(OFR)										
If the record is not listed here, refer to the Retention for City-Wide Standards										
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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Human Resources	HR-004	Classification Specifications / Job Descriptions	When No Longer Required - Minimum 6 years		When No Longer Required - Minimum 6 years		Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department preference; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; retirement benefits is 6 years from last action; 29 CFR 1602.31 & 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 34090; 29 USC 1113
Human Resources	HR-005	Compensation Surveys & Studies	When No Longer Required - Minimum 3 years		When No Longer Required - Minimum 3 years		Mag, Ppr			Bureau of National Affairs recommends 2 years for all supplementary Personnel records; Wage rate tables are 1 or 2 years; State requires 2 years; 29 CFR 516.6(2), 29 CFR 1602.14, GC §§12946, 34090
Human Resources	HR-006	Confidential Invoice Backup (not sent to Finance) Benefit backup, legal invoices, etc.	2 years	3 years	5 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference (meets municipal government auditing standards); Statewide guidelines propose audit + 4 years; Published articles show 3 - 7 years; GC §34090
Human Resources	HR-007	Department of Fair Employment & Housing (DFEH or EEOC) Claims	Final Disposition + 3 years		Final Disposition + 3 years		Mag, Ppr			All State and Federal laws require retention until final disposition of formal complaint; State requires 2 years after "fully and finally disposed"; 2 CCR 7287.0; GC §§12946, 34090



# RECORDS RETENTION SCHEDULE: HUMAN RESOURCES & RISK MANAGEMENT

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Human Resources	HR-008	Drug & Alcohol Test Results (All - Positives and Negatives)	5 years		5 years		Mag Ppr		D.O.T. Requires 5 years for positive tests; 1 year for negative tests; EEOC/FLSA/ADEA (Age) requires 3 years physical examinations; State Law requires 2 years; 29 CFR 1627.3(b)(v), GC §§12946, 34090, 49 CFR 655.71 et seq.;
Human Resources	HR-009	EEO-4 Reports and records required to generate EEO-4 report (Self-Identification Form, etc.)	3 years		3 years		Mag, Ppr		29 CFR 1602.30
Human Resources	HR-010	Grievances and Informal Complaints	Separation + 6 years		Separation + 6 years	Yes: Before Disposition	Mag, Ppr		Department preference; All State and Federal laws require retention until final disposition of formal complaint; State requires 2 years after action is taken; 29 CFR 1602.31 & 1627.3(b)(ii), GC §§12946, 12960, 34090; 29 USC 1113, LC 1174
Human Resources	HR-012	I-9s	Separation + 3 years		Separation + 3 years		Mag, Ppr		Non-citizens must re-certify periodically; Required for 1 year from termination or 3 years from hiring, whichever is later; EEOC / FLSA / ADEA (Age) requires 3 years for "any other forms of employment inquiry"; State Law requires 2 -3 years; 8 CFR 274a.2; 29 CFR 1627.3(b)(i); GC §§12946, 34090

D.O.T. Requires 5 years for positive tests, 1 year for negative tests;  
 EEOC/FLSA/ADEA (Age) requires 3 years physical examinations; State Law requires 2 years; 29 CFR 1627.3(b)(v), GC §§12946, 34090, 49 CFR 655.71 et seq.;  
 29 CFR 1602.30  
 Department preference; All State and Federal laws require retention until final disposition of formal complaint; State requires 2 years after action is taken; 29 CFR 1602.31 & 1627.3(b)(ii), GC §§12946, 12960, 34090; 29 USC 1113, LC 1174  
 Non-citizens must re-certify periodically; Required for 1 year from termination or 3 years from hiring, whichever is later; EEOC / FLSA / ADEA (Age) requires 3 years for "any other forms of employment inquiry"; State Law requires 2 -3 years; 8 CFR 274a.2; 29 CFR 1627.3(b)(i); GC §§12946, 34090

# RECORDS RETENTION SCHEDULE: HUMAN RESOURCES & RISK MANAGEMENT

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Human Resources	HR-013	Labor Relations Files  (Negotiation Notes, Correspondence, Interpretation of MOU Provisions, Documentation, etc.)	10 years		10 years		Mag, Ppr		Department Preference; GC \$34090
Human Resources	HR-018	Personnel Files - Employees  Includes Background Investigations	Separation + 1 year	5 years	Separation + 6 years		Mag, Mfr, OD, Ppr	S  Yes: After Separation + 1 year	Department Preference; statute of limitations for retirement benefits is 6 years from last action; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; 29 CFR 1602.31 & 1627.3(b)(ii), 8 CCR \$3204(d)(1) et seq., GC §§12946, 60201; 29 USC 1113
Human Resources	HR-019	Personnel Files - Medical File (all employees)  Includes Pre-employment physicals, Respirator Fit Tests, etc.	Separation + 1 year	29 years	Separation + 30 years	Yes: Until Separation	Mag, Mfr, OD, Ppr	S  Yes: After Separation + 1 year	Department preference; Files maintained separately; Claims can be made for 30 years for toxic substance exposure; 8 CCR §3204(d)(1) et seq., GC §§12946, 34090
Human Resources	HR-020	Recruitment and Testing File  (Includes Advertisements, Job Brochures, Test Data, Testing Analysis & statistical Metric, Job Analysis, Rating Sheets, Scantrons, Rater's Profile & Confidentiality Agreement, Flowchart, Eligible Lists, etc.)	3 years		3 years		Mag, Ppr		Department preference; EEOC / FLSA / ADEA (Age) requires 1-3 years; State Law requires 2 - 3 years; 29 CFR 1602 et seq & 1627.3(a)(5) and (6), 2 CCR 7287.0(c)(2), GC §§12946, 34090

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# RECORDS RETENTION SCHEDULE: HUMAN RESOURCES & RISK MANAGEMENT

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference	
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Human Resources		Studies & Surveys Conducted on Behalf of the City (Sick Leave, Attrition, Benefits, etc.)	When No Longer Required - Minimum 3 years		When No Longer Required - Minimum 3 years	Mag, Ppr		Department preference; GC §34090
Human Resources		Volunteer / Unpaid Intern Applications & Agreements - Successful	Inactive / Separation + 3 years		Inactive / Separation + 3 years	Ppr		Department preference (Courts treat volunteers as employees); EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; 29 CFR 1602.31 & 1627.3(b)(1)(i)&(ii), GC §§12946, 34090
Human Resources		Volunteer / Unpaid Intern Applications & Agreements - Unsuccessful or Pending Applicants	3 years		3 years	Ppr		Department preference (Courts treat volunteers as employees); EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; 29 CFR 1602.31 & 1627.3(b)(1)(i)&(ii), GC §§12946, 34090
Human Resources		Workers' Compensation / Employee Accident Reports  Includes all Accident, Incident, or Injury Reports and associated MSDS, Refusal of Medical Treatment of an Industrial Accident	Until Closed	Separation + 30 years	Separation + 30 years	Mag, Mfr, OD, Ppr	S  Yes: After QC & OD	Department Preference; Claims can be made for 30 years for toxic substance exposure; Claims are required for five years after the end of compensation, or injury, whichever is longer; 8 CCR §3204(d)(1) et seq., 8 CCR 10102, 15400.2; GC §§12946, 34090

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# RECORDS RETENTION SCHEDULE: HUMAN RESOURCES & RISK MANAGEMENT

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RISK MANAGEMENT								
Human Resources / Risk Manag.		Accident Reports that do Not result in a Claim / Patron Injury Reports (Public Injuries)	2 years		2 years	Mag, Ppr		GC §34090
Human Resources / Risk Manag.		Actuarials	10 years		10 years	Mag, Ppr		Department preference; GC §34090
Human Resources / Risk Manag.		Billing for Damage to Public Property, etc.	2 years	3 years	5 years	Mag, Ppr		Department preference; Meets auditing standards; GC §34090 et seq.
Human Resources / Risk Manag.		Claims - Liability	Settlement + 1 year	4 years	Settlement + 5 years	Mag, Mfr, OD, Ppr	S Yes: After QC & OD	Department Preference; Covers various statute of limitations; CCP §§ 337 et seq.; GC §§ 911.2, 945.6, 34090, 34090.6; PC §832.5
Human Resources / Risk Manag.		DMV - Employee Certification Form	Until Separation		Until Separation	Mag, Ppr		GC §34090
Human Resources / Risk Manag.		Drug Testing Program / DOT Testing - Eligible Pool Lists, Drug & Alcohol Test Results, Training, BIT Inspections, etc.	5 years		5 years	Mag Ppr		D.O.T. Requires 5 years for positive tests, refusals, annual summaries, etc, 1 year for negative tests; EEOC / FLSA / ADEA (Age) requires 3 years physical examinations; State Law requires 2 years; 29 CFR 1627.3(b)(1)(v), GC §§12946, 34090; 49 CFR 655.71 et seq.; 49 CFR 382.401 et seq.

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# **RECORDS RETENTION SCHEDULE: HUMAN RESOURCES & RISK MANAGEMENT**

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Human Resources / Risk Manag.		Insurance Policies: General Liability, Property, Public Employee Bonds / Fidelity Bonds / Dishonesty, etc.	When No Longer Required	P		P	Yes while current	Mag, Mfr, OD, Ppr	S	Yes: After 5 years
Department Preference; Statute of Limitations: Public official misconduct is discovery of offense + 4 years, retirement benefits is 6 years from last action; statewide guidelines propose Termination + 6 years; GC §§36507, 34090; PC §§801.5, 803(c); 29 USC 1113										
Human Resources / Risk Manag.		OSHA Inspections & Citations, Log 200 and Log 300, 301, 301A, etc.	2 years	3 years	5 years			Ppr		Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; 8 CCR §3203(b)(1), GC §34090; LC §6429(c)

## RECORDS RETENTION SCHEDULE: INFORMATION TECHNOLOGY

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
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Information Technology	IT-001	Backup Tapes - Daily	When No Longer Required		When No Longer Required	Yes	Mag.		Used for Disaster Recovery Purposes Only; Considered a copy and can be destroyed when no longer required; tapes are in autochangers and are overwritten; store off-site in a commercial facility for disaster recovery purposes; GC \$34090 et seq.
Information Technology	IT-002	Backup Tapes - Weekly / Monthly	When No Longer Required		When No Longer Required	Yes	Mag.		Used for Disaster Recovery Purposes Only; Considered a copy and can be destroyed when no longer required; tapes are in autochangers and are overwritten; store off-site in a commercial facility for disaster recovery purposes; GC \$34090 et seq.
Information Technology	IT-003	Inventory, Information Systems	When No Longer Required		When No Longer Required	Yes	Mag.		Preliminary documents not retained in the ordinary course of business; GC \$34090 et seq.
Information Technology	IT-004	Network Configuration Maps & Plans	When No Longer Required		When No Longer Required	Yes	Mag.		Preliminary documents not retained in the ordinary course of business; GC \$34090 et seq.

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## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
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Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Clerk	CC-001	Agenda Packets / Staff Reports - <b>IMAGED</b> : City Council, Redevelopment / Successor Agency / Oversight Board	2 years	P	P	Yes: Until After Meeting	Mag, Mfr, OD, Ppr	S	Yes: After 2 years	Department Preference; GC §34090 et seq.
City Clerk	CC-002	Agreements & Contracts: <b>Non-Infrastructure that are NOT Imaged</b>  Agreement or Contract includes all contractual obligations (e.g. Amendments, Scope of Work or Successful Proposal)  <b>Examples of NON-Infrastructure</b> : Airport, Consulting, disposal, City Manager employment contracts, leases, loans, mutual aid, professional services, services, etc.	Completion  10 years	10 years	Completion + 10 years	Yes: Before Completion	Mag, Mfr, OD, Ppr	S/I	Yes: Upon Completion	Other contracts are maintained by the Lead Department managing the contract; Covers E&O Statute of Limitations; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; Statewide guidelines propose termination + 5 years; CCP §§336(a), 337 et. seq., GC §34090

## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Clerk	CC-003	Agreements & Contracts: <u>If Imaged, Infrastructure, CIPs, DDAs, OPAs, MOUs, MOAs, ...</u>  Agreement or Contract includes all contractual obligations (e.g. Amendments, Scope of Work or Successful Proposal)  Examples of Infrastructure: Architects, CalPERS, CIPs (Capital Improvement Projects,) franchise agreements, subdivision improvement agreements, development, Joint Powers, MOUs, settlement, water rights, etc.	Completion	P		Yes: Before Completion	Mag, Mfr, OD, Ppr	S	Yes: Upon Completion	Other contracts are maintained by the Lead Department managing the contract; Department Preference; All infrastructure, JPAs, & Mutual Aid contracts should be permanent for emergency preparedness; Statute of Limitations is 4 years; 10 years for Errors & Omissions; land records are permanent by law; CCP §§337. 337.1(a), 337.15, 343; GC §34090, Contractor has retention requirements in 48 CFR 4.703
City Clerk	CC-004	Annexations / Boundaries / Consolidations / LAFCO	5 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes	Land Records; GC §34090
City Clerk	CC-005	Applications for Boards, Commissions or Committees - <b>Successful</b>	Duration of Service + 2 years		Duration of Service + 2 years		Mag, Ppr			Department preference; GC §34090
City Clerk	CC-006	Applications for Boards, Commissions or Committees - <b>Unsuccessful</b>	2 years		2 years		Mag, Ppr			GC §34090

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## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Public Works / Engineer. and City Clerk	CC-007	Bonds: Construction Bonds / Subdivision Bonds	Release of Bond / Security		Release of Bond / Security		Mag, Mfr, OD, Ppr	S	No	Securities (Performance Bonds, Letters of Credit, CD's, etc.) are released after the Notice of Completion is issued and replaced with the Warranty Bond, which is released 1 year after the Notice of Completion date. GC §34090
City Clerk	CC-008	City Council Policies	Superseded + 10 years		Superseded + 10 years		Mag, Ppr			Department preference; GC §34090
City Clerk	CC-009	Committee Rosters / Boards, Commissions and Committees	2 years		2 years		Mag, Ppr			GC §34090
City Clerk	CC-010	Economic Interest Filings (FPPC 700 Series Forms - Statement of Economic Interests): ALL	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes	City maintains original statements; GC §81009(e)&(g); GC §81009(f)&(g); 2 CCR 18615(d)
City Clerk	CC-011	FPPC Form 801 (Gift to Agency Report)	4 years		4 years		Mag, Ppr			Must post on website; 2 CCR 18944.2(c)(3)(G)
City Clerk	CC-012	FPPC Form 802 (Tickets Provided by Agency Report)	7 years		7 years		Mag, Ppr			Must post on website for 4 years; GC §81009(e)
City Clerk	CC-013	FPPC Form 806 (Agency Report of Public Official Appointments)	2 years		2 years		Mag, Ppr			Must post on website; 2 CCR 18705.5; GC §34090

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## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options		Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
(OFR)										
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
ELECTIONS - CONSOLIDATED (In the event the County does not conduct the City's election)										
City Clerk	CC-014	Campaign Filings (FPPC 400 Series Forms): <b>SUCCESSFUL CANDIDATES</b> (Elected Officials)	2 years	P	P		Mag, Mfr, OD, Ppr	S	Yes: After 2 years	Paper must be retained for at least 2 years; GC §81009(b)(g)
City Clerk	CC-015	Campaign Filings (FPPC 400 Series Forms): <b>UNSUCCESSFUL CANDIDATES</b>	5 years		5 years		Mag, Mfr, OD, Ppr	S	Yes: After 2 years	Paper must be retained for at least 2 years; GC §81009(b)(g)
City Clerk	CC-016	Campaign Filings (FPPC 400 Series Forms): <b>THOSE NOT REQUIRED TO FILE ORIGINAL WITH CITY CLERK</b> (copies)	4 years		4 years		Mag, Ppr			Paper must be retained for at least 2 years; GC §81009(b)(g)
City Clerk	CC-017	Campaign Filings (FPPC 400 Series Forms): <b>OTHER COMMITTEES</b> (PACS - not candidate-controlled)	7 years		7 years		Mag, Ppr			Paper must be retained for at least 2 years; GC §81009(c)(g)
City Clerk	CC-018	Candidate File: Nomination Papers, Candidate Statements, etc. - <b>SUCCESSFUL CANDIDATES</b>	Term of Office + 4 years		Term of Office + 4 years		Mag, Ppr			Department Preference; Statewide guidelines proposes 4 years for successful candidates, 2 years for unsuccessful; CA law states term of office and 4 years after the expiration of term and does not delineate between the two; EC §17100

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## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Clerk	CC-019	Candidate File: Nomination Papers, Candidate Statements, etc. - <b>UNSUCCESSFUL CANDIDATES</b>	Election + 4 years		Election + 4 years		Mag, Ppr		Statewide guidelines proposes 4 years for successful candidates, 2 years for unsuccessful; CA law states term of office and 4 years after the expiration of term and does not delineate between the two; EC §17100	
City Clerk	CC-020	Elections - <b>GENERAL, WORKING or ADMINISTRATION</b> Files (Correspondence, Precinct Maps, County Election Services, Candidate Statements to be printed in the Sample Ballot, Sample Ballot, etc.)	2 years		2 years		Mag, Ppr		GC §34090	
City Clerk	CC-021	Elections - <b>HISTORICAL</b> (Sample ballot, copies of resolutions, final results)	2 years	P	P		Mag, Mfr, OD, Ppr	S	No	Retained for Historical Value, GC §34090
City Clerk	CC-022	Elections - Petitions (Initiative, Recall or Referendum)	Results or Final Examination if No Election + 8 mo.		Results or Final Examination if No Election + 8 mo.		Ppr			Not accessible to the public; The 8 month retention applies after election results, or final examination if no election, unless there is a legal or FPPC proceeding. EC §§17200, 17400
(End of Elections Section)										

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## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Clerk	CC-023	Ethics Training - Certificates	2 years	3 years	5 years		Mag, Ppr			GC §§34090, 53235.2(b)
City Clerk	CC-024	Grand Jury Reports (Pertaining to City Operations)	5 years		5 years		Ppr			Department preference (matches the retention of the Grand Jury); GC §34090
City Clerk	CC-025	Historical Records & Historical Projects (e.g. Incorporation, City Seal, Awards of significant historical interest, etc.)	P		P		Mag, Mfr, OD, Ppr	S	No	City Clerk determines historical significance; records can address a variety of subjects and media. Some media (e.g. audio and video tape) may be limited because of the media's life expectancy; GC §34090
City Clerk	CC-026	List of City Council Members and Mayors	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090
City Clerk	CC-027	Minutes (City Council, Redevelopment / Successor Agency / Oversight Board)	10 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	GC §34090
City Clerk	CC-028	Municipal Code Administration, Distribution, etc.	2 years		2 years		Mag, Ppr			Department preference; GC §34090
City Clerk	CC-029	Municipal Code and History File (always retain 1 supplement)	2 years	P	P		Mag, Mfr, OD, Ppr	S	No	GC §34090

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## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options		Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
(OFR)										
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Clerk	CC-030	Oaths of Office - Council, Board and Commission Members	Separation + 6 years		Separation + 6 years		Mag, Mfr, OD, Ppr	S	No	Department Preference; Statute of Limitations: Public official misconduct is discovery of offense + 4 years, retirement benefits is 6 years from last action; statewide guidelines propose Termination + 6 years; GC §§36507, 34090; PC §§801.5, 803(c); 29 USC 1113
City Clerk	CC-031	Ordinances (City Council)	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	GC §34090 et. seq.
City Clerk	CC-032	Petitions (submitted to Council on any subject. Examples: parking requests, traffic calming requests, etc.). NOT Elections Petitions - for Initiative, Recall or Referendum petitions, see the City Clerk schedule	2 years		2 years		Mag, Ppr			GC §34090
City Clerk	CC-033	Proclamations / Commendations / Memoriums / Recognitions, etc.	2 years		2 years		Mag, Ppr			GC §34090

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## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?		Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
(OFR)										
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
City Clerk	CC-034	Proof of Publication / Public Notices / Certificate of Posting (Usually kept with Project Files)	2 years		2 years		Mag, Ppr			GC §34090
City Clerk	CC-035	Real Property - Records that Affect the Title to Real Property (Abandonments, Deeds, Easements, Liens, Vacations, etc.)	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	No	GC §34090
City Clerk	CC-036	Recordings / Tapes of City Council Meetings - <u>Audio Recordings / Cassette Tapes</u>	2 years		2 years		Tape (Mag), OD			Department preference; State law only requires for 30 days; GC §54953.5(b)
City Clerk	CC-037	Recordings / Tapes of City Council Meetings - <u>Video Recordings / VCR or DVD-r</u>	10 years		10 years		Mag, OD			Department preference; Video recording of meetings are only required for 90 days; GC §§34090.7, 34090
City Clerk	CC-038	Records Destruction Lists / Certificates of Records Destruction	10 years		10 years		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC §34090 et. seq.
City Clerk	CC-039	Records Retention Schedules / Amendments to Records Retention Schedules	10 years	P	P		Mag, Mfr, OD, Ppr	I		GC §34090 et. seq.
City Clerk	CC-040	Request for Public Records	2 years		2 years		Mag, Ppr			GC §34090
City Clerk	CC-041	Resolutions (City Council, Redevelopment / Successor Agency / Oversight Board)	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	GC §34090 et. seq.

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## RECORDS RETENTION SCHEDULE: CITY CLERK

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
City Clerk	CC-042	Subpoenas (Except Fire & Police Dept.) / Discovery Requests / Personal Appearance / Duces Tecum	2 years		2 years		Mag, Ppr		GC §34090

## RECORDS RETENTION SCHEDULE: CITY MANAGER

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention.	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
City Manager	CM-001	City Manager Correspondence (Interoffice, Citizens, Legislative Positions, Organizations, etc.)	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		GC \$34090
City Manager	CM-002	City Council Correspondence / Mayor's Correspondence	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		GC \$34090
City Manager	CM-003	Department Files	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		Department Preference; GC \$34090
City Manager	CM-004	Newsletters to Employees or City Council	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		GC \$34090
City Manager / Lead Dept.	CM-005	Projects, Programs, Events, Subject & Issues (Issues and/or projects will vary over time - e.g. Hotels, Developments, etc.)	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years	Yes: While Active Issues	Mag, Ppr		GC \$34090
City Manager	CM-006	Speech Notes / PowerPoint Presentations	When No Longer Required		When No Longer Required		Mag, Ppr		Notes, drafts, or preliminary documents; GC \$34090 et seq.



## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record		Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)				Inactive (Records Center)	Active (in office)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
BUILDING											
Comm. Develop / Building	CD-001	Building Codes Review Board MINUTES & BYLAWS	P			P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Notes taken to facilitate the writing of the minutes can be destroyed after minutes have been adopted; GC §34090 et seq.
Comm. Develop / Building	CD-002	Building Permit Applications where the Permit was Never Issued (Expired or Withdrawn)	When No Longer Required					Mag, Ppr			Department preference; Preliminary drafts not retained in the ordinary course of business; CBC §104.7; H&S§19850, GC §34090
Comm. Develop / Building	CD-003	Building Permit Database	Indefinite			Indefinite	Yes (all)	Mag			Department Preference - Data is interrelated; GC §34090, H&S §19850
Comm. Develop / Building	CD-004	Building Permits (All)	P			P	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department preference; Statewide guidelines propose permanent; GC §34090, H&S §19850
Comm. Develop / Building	CD-005	Building Plans and Construction Documents - Finalled - SINGLE FAMILY RESIDENTIAL - SFR and APPURTENANCES	180 days			180 days	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Law does not require plans to be filed for dwellings less than 2 stories, garages & appurtenances, farms/ranches, 1-story with bearing walls less than 25'; CBC requires 180 days from completion date; CBC 104.7 & 107.5, H&S§19850, GC §34090

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## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record		Retention No.	Records Description	Retention / Disposition				Comments / Reference			
	(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
<i>If the record is not listed here, refer to the Retention for City-Wide Standards</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Comm. Develop / Building	CD-006	Building Plans and Construction Documents - Finalled - INDUSTRIAL, COMMERCIAL, MULTI-FAMILY DWELLINGS, PLACES OF PUBLIC ACCOMMODATION, TENANT IMPROVEMENTS (involving medial, restaurant or change of use)  (includes commercial structural plans, Hazardous Materials Questionnaire, etc.)	P			P	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; Law requires for the life of the building for commercial and common interest dwellings only; Statewide guidelines propose 2 years for blueprints & specifications; CBC 104.7 & 107.5, H&S§19850, GC §34090
Comm. Develop / Building	CD-007	Certificates of Occupancy	P			P	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC §34090
Comm. Develop / Building	CD-008	Complaints (Written)	2 years			2 years		Mag, Ppr			GC §34090
Comm. Develop / Building	CD-009	Construction Notices / Inspection Notices (correction notices, compliance orders, stop work notices, etc.)	When No Longer Required			When No Longer Required		Mag, Ppr			Preliminary Drafts; GC §34090
Comm. Develop / Building	CD-010	Reports: Building Activity (Annual)	P			P		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC §34090

## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
Comm. Develop / Building	CD-011	Reports: Building Activity (Monthly)	When No Longer Required					Mag, Ppr			Preliminary drafts not retained in the ordinary course of business; GC §34090 et seq.
Comm. Develop / Building	CD-012	Reports: Soils Reports, Deed Restrictions, Special Studies	P	Yes (all)	Mag, Mfr, OD, Ppr	S			Yes: After QC & OD §34090		Department Preference; GC §34090
Comm. Develop / Building	CD-013	Requests & Permissions to Receive Copies of Plans	2 years					Mag, Ppr			GC §34090 et seq.
Comm. Develop / Building	CD-014	Uniform Building Codes / California Building Code	P					Mag, Ppr			GC §50022.6

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## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
CODE ENFORCEMENT									
Comm. Develop. / Code Enforce.	CD-015	Code Enforcement / Abatement Case Files (Includes appeals and Code Enforcement Complaint Letters)	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years	Yes: Until Resolution	Mag, Ppr		Department preference; Case is open until satisfactorily resolved (some cases are not resolved); CFC §104.3.4, GC §34090
Comm. Develop. / Code Enforce.	CD-016	Liens	P		P	Yes: Until Resolution	Mag, Ppr		GC §34090(a)

## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
HOUSING										
Comm. Develop. / Housing	CD-017	Consolidated Annual Performance and Evaluation Review (CAPER)	Expiration + 5 years		Expiration + 5 years		Mag, Ppr			Required for 5 years; 24 CFR 91.105(h)
Comm. Develop. / Housing	CD-018	Housing Programs: Affordable Housing Projects, Rehabilitation, First Time Home Buyers, HOME <b>WITH a Recapture / Resale Restriction</b>  Deeds are sent to City Clerk	5 years	After the Affordability Period Terminates, or the Written Agreement Terminates, Whichever is Longer	5 years after the Affordability Period Terminates, or the Written Agreement Terminates, Whichever is Longer		Mag, Mfr, OD, Ppr	S / I	Yes: When Inactive	HUD requires 5 years after the project completion; documents imposing recapture / resale restrictions are 5 years after the affordability period terminates; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report; statewide guidelines propose 4 years; 24 CFR 85.42, 92.508(a)(c)(2) & 570.502(b), 29 CFR 97.42, GC \$34090
Comm. Develop. / Housing	CD-019	Housing Programs: Affordable Housing Projects, Rehabilitation, First Time Home Buyers, HOME <b>WITHOUT a Recapture / Resale Restriction</b>  Deeds and Insurance are sent to City Clerk	Loan Pay-off + 5 years		Loan Pay-off + 5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	HUD requires 5 years after the agreement terminates; Consistent with Consolidated Plan Requirements; Required for 3-4 years from expenditure or performance report; 24 CFR 85.42, 92.508(a)(c), & 570.502, 29 CFR 97.42

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## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
PLANNING										
Comm. Develop / Planning	CD-020	Affidavits of Publications / Public Hearing Notices / Legal Advertising	Project Approval + 2 years		Project Approval + 2 years		Mag, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; Statute of Limitations on Municipal Government actions is 3 - 6 months; CCP §§337 et seq, 349.4; GC §§34090, 54960.1(c)(1)
Comm. Develop / Planning AND City Clerk	CD-021	Annexations / Boundaries / Consolidations / LAFCO	5 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Land Records; GC §34090
	CD-022	Census, Demographics	When No Longer Required		When No Longer Required		Mag, Ppr			(Non-Records - Census Bureau is OFR; GC §34090 et seq.
Comm. Develop / Planning	CD-023	Design Review Board Case Files	5 years	P	P		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC §34090
Comm. Develop / Planning	CD-024	Design Review Board AGENDAS, AGENDA PACKETS.	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; GC §§34090, 54960.1(c)(1)

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## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Inactive (Records Center)	Active (in office)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Comm. Develop / Planning	CD-025	Design Review Board <b>MINUTES &amp; BYLAWS</b>		P	P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After 10 years	Notes taken to facilitate the writing of the minutes can be destroyed after minutes have been adopted; GC §34090 et seq.
Comm. Develop / Planning	CD-026	Environmental Determinations: Environmental Impact Reports (EIRs), Negative Declarations, etc. ) <b>Inside City boundaries</b>		P	P		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Usually filed in the project file; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); GC §34090
Comm. Develop / Planning	CD-027	Environmental Determinations: Environmental Impact Reports (EIRs), Negative Declarations, etc. ) <b>Outside City boundaries</b>		When No Longer Required	When No Longer Required		Ppr			Non-records; EIRs and Negative Declarations within the City Boundaries are with the project file
Comm. Develop / Planning	CD-028	General Plan, Elements and Amendments		P	P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090
Comm. Develop / Planning	CD-029	Master Plans, Specific Plans, Bikeway Plans, etc.		P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090
Comm. Develop / Planning	CD-030	Planning Commission <b>AGENDAS, AGENDA PACKETS.</b>		P	P		Mag, Ppr			Department Preference; GC §34090

## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Comm. Develop / Planning	CD-031	Planning Commission <b>AUDIO RECORDINGS</b> of Meetings / Audio Tapes	2 years		2 years		Tape (Mag)		City preference; State law only requires for 30 days; GC §§4953.5(b)
Comm. Develop / Planning	CD-032	Planning Commission <b>MINUTES, RESOLUTIONS &amp; BYLAWS</b>	P		P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After 10 years
Comm. Develop / Planning	CD-033	Planning Commission <b>VIDEO RECORDINGS / VCR or DVD-r</b>	10 years		10 years		Mag, OD		Department preference; Video recording of meetings are only required for 90 days; GC §§34090.7, 34090
Comm. Develop / Planning	CD-034	<b>Planning Project Files - Approved &amp; Unapproved Temporary Entitlements:</b> <b>Christmas Tree Lots, Banner, Pumpkin Lots, Temporary Signs, etc.</b>	2 years		2 years	Yes: During Event	Mag, Ppr		Temporary uses; Department maintains complete files for administrative purposes; GC §§34090

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## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Comm. Develop / Planning	CD-035	Planning Project Files - Permanent Entitlements (ALL)	5 years	P	P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department preferences; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); GC§§34090, 34090.7
Comm. Develop / Planning	CD-036	Preliminary Review File	When No Longer Required		When No Longer Required		Mag, Ppr			Department preference; Preliminary Documents (no application submitted); GC §34090
Comm. Develop / Planning	CD-037	Planning Database	Indefinite		Indefinite	Yes (all)	Mag			Department Preference - Data is interrelated; GC §34090, H&S §19850
Comm. Develop / Planning	CD-038	Project Log Index / Spreadsheet / Binders of Historic Actions	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference; GC §34090

## RECORDS RETENTION SCHEDULE: COMMUNITY DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Comm. Develop / Planning	CD-039	Special Studies	When No Longer Required - Minimum 2 years				Mag, Ppr			Department Preference; GC §34090
Comm. Develop / Planning	CD-040	Zoning Maps	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	Department Preference; City Clerk Maintains originals of all documents that were presented to Council; GC §34090.7
Comm. Develop / Planning	CD-041	Zoning Ordinance Amendments, Reclassifications / Zone Change	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department Preference (copies); GC §34090.7

## RECORDS RETENTION SCHEDULE: COMMUNITY SERVICES

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
						Media Options			
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, claims, complaints, audits, public records requests, and/or investigations suspend normal retention periods (retention resumes after settlement).									
COMMUNITY SERVICES									
Comm. Services	CS-001	Activity / Special Programs / Special Event Files  Children's Programs, Cultural Arts, Sports, Seniors, Filming, Theatre Programs etc.	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		Department preference; GC \$34090
Comm. Services	CS-002	Agreements & Contracts: Class Instructors, Field Use Agreements  Includes Insurance Certificates and Administration Records	Completion	5 years	Completion + 5 years	Yes: Before Completion	Mag, Mfr, OD, Ppr	Yes: Upon Completion	Department preference; Statute of Limitations: Contracts & Specs=4 years; CCP §337 et. seq., GC \$34090
Comm. Services	CS-003	Art in Public Places (Records Pertaining to Art Acquired by the City)	Completion	Life of the Author + 20 years	Life of the Author + 20 years		Mag, Mfr, OD, Ppr		Rights of authors extend for the life of the author's); State law allows a written contract to extend rights for an additional 20 years; 4 years to meet auditing standards; 17 USC 106A(d); GC §15813.5; GC \$34090
Comm. Services	CS-004	Cash Receipts (all detail sent to Finance)	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Ppr		GC \$34090.7
Comm. Services	CS-005	Check In List / Client Services	2 years		2 years		Mag, Ppr		GC \$34090

## RECORDS RETENTION SCHEDULE: COMMUNITY SERVICES

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital? Media Options Image: I=Import M=Mfr S=Scan Destroy Paper after Imaged & QC'd?	
<i>If the record is not listed here, refer to the Retention for City-Wide Standards</i>							
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>							
<i>Litigation, claims, complaints, audits, public records requests, and/or investigations suspend normal retention periods (retention resumes after settlement).</i>							
Comm. Services	CS-006	Donations of Art Work or Product (Records Pertaining to Art Acquired by the City)	Completion	Life of the Author + 20 years	Life of the Author + 20 years	Mag, Mfr, OD, Ppr	Rights of authors extend for the life of the author's; State law allows a written contract to extend rights for an additional 20 years; 4 years to meet auditing standards; 17 USC 106A(d); GC §15813.5; GC §34090
Comm. Services	CS-007	Evaluations/Surveys (Program Evaluations)	When No Longer Required		When No Longer Required	Mag, Ppr	Department Preference (Transitory record not retained in the ordinary course of business); GC §34090
Comm. Services	CS-008	Facility Use Rental Contracts	2 years		2 years	Mag, Ppr	GC §34090
Comm. Services	CS-009	First Aid / Mishap Reports (Minor injuries - bandages, scratches, etc)	2 years		2 years	Mag, Ppr	GC §34090
Comm. Services	CS-010	Park History	P		P	Mag, Ppr	Department Preference; GC §34090
Comm. Services	CS-011	Parks & Recreation Commission <b>AUDIO RECORDINGS</b> of Meetings / Audio Tapes	2 years		2 years	Tape (Mag)	City preference; State law only requires for 30 days; GC §54953.5(b)
Comm. Services	CS-012	Parks & Recreation Commission <b>VIDEO RECORDINGS / VCR or DVD-r</b>	10 years		10 years	Mag, OD	Department preference; Video recording of meetings are only required for 90 days; GC §34090.7, 34090

## RECORDS RETENTION SCHEDULE: COMMUNITY SERVICES

Office of Record	Retention No.	Records Description	Retention / Disposition			Comments / Reference				
			Active (in office)	Inactive (Records Center)	Total Retention		Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
(OFR)										
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits, public records requests, and/or investigations suspend normal retention periods (retention resumes after settlement).										
Comm. Services	CS-013	Parks & Recreation Commission <b>AGENDAS, AGENDA PACKETS.</b>	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; GC §§34090, 54960.1(c)(1)
Comm. Services	CS-014	Parks & Recreation Commission <b>MINUTES &amp; BYLAWS</b>	P		P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After 10 years	Notes taken to facilitate the writing of the minutes can be destroyed after minutes have been adopted; GC §34090 et seq.
Comm. Services	CS-015	Permits: Special Events, etc Includes Insurance Certificates Submitted by the Applicant	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years	Yes: While Before Expiration	Mag, Ppr			GC §34090
Comm. Services	CS-016	Pool Chemical Addition Logs	2 years	28 years	30 years		Mag, Ppr			Department Preference; 8 CCR §3204(d)(1) et seq.; GC § 34090
Comm. Services	CS-017	Recreation Database	Indefinite		Indefinite		Mag			Department Preference; data is interrelated; GC §34090
Comm. Services	CS-018	Registration / Reservation Forms / Application Forms / Fee & Charge / Liability Forms / Release of Liability Forms / Permissions / etc.: Camps, Field Trips, Authorization to give Medicine, etc.	2 years		2 years		Ppr			GC §34090
Comm. Services	CS-019	Scholarship Programs	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: When Inactive	Meets auditing standards; GC §34090
Comm. Services	CS-020	Sign-in / Sign-out sheets (Day camp, etc.)	2 years		2 years		Ppr			GC §34090

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## RECORDS RETENTION SCHEDULE: COMMUNITY SERVICES

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, claims, complaints, audits, public records requests, and/or investigations suspend normal retention periods (retention resumes after settlement).									
Comm. Services	CS-021	Waivers of Liability	2 years		2 years		Mag, Ppr		GC §34090
TRANSPORTATION									
Comm. Services / Transport.	CS-022	Dial-A-Ride Database	5 years		5 years		Mag, Ppr		Department preference for grant auditing purposes; GC §34090
Comm. Services / Transport.	CS-023	Disability Applications	Inactive + 5 years		Inactive + 5 years		Mag, Ppr		Department preference for grant auditing purposes; GC §34090
Comm. Services / Transport.	CS-024	Driver Daily Sheets	5 years		5 years		Mag, Ppr		Department preference for grant auditing purposes; GC §34090
Comm. Services / Transport.	CS-025	Drivers Files: Proof of Insurance, Driver's License, etc.	Inactive + 5 years		Inactive + 5 years		Mag, Ppr		Department preference for grant auditing purposes; GC §34090
Comm. Services / Transport.	CS-026	Fixed Routes	5 years		5 years		Mag, Ppr		Department preference for grant auditing purposes; GC §34090
Comm. Services / Transport.	CS-027	Transit Vouchers	5 years		5 years		Mag, Ppr		Department preference for grant auditing purposes; GC §34090

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## RECORDS RETENTION SCHEDULE: ECONOMIC DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?  Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards								
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.								
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).								
Economic Develop.	ED-001	Defaults / Bankruptcies - Loans - <b>NOT</b> pursued	When No Longer Required		When No Longer Required	Mag, Ppr		Preliminary drafts not retained in the ordinary course of business; GC §34090
Economic Develop.	ED-002	Defaults / Bankruptcies - Loans - <b>Where a claim is filed</b>	7 years		7 years	Mag, Ppr		Department Preference (negative information remains on credit ratings for 7 years); GC §34090
Economic Develop.	ED-003	Department of Finance Schedule of Obligations: Approvals, Denials, Meet & Confer, etc.	10 years		10 years	Mag, Ppr		Department preference; GC §34090
Economic Develop.	ED-004	Economic Development Projects (Projects will vary over time - e.g. Proposed Hotels, etc.)	Minimum 2 years		Minimum 2 years	Yes: While Active Issues Mag, Ppr		GC §34090
Economic Develop.	ED-005	Redevelopment Plans (Historical)	Project Completion + 5 years	P	P	Yes: Before Completion Mag, Mfr, OD, Ppr	S	Yes: After QC & OD GC §34090
Economic Develop.	ED-006	Redevelopment Project Files & Project Plans (Includes Environmental Assessments)	Project Completion + 5 years	P	P	Yes: Before Completion Mag, Mfr, OD, Ppr	S	Yes: After QC & OD GC §34090
Economic Develop.	ED-007	Relocation Files Where Redevelopment was the Lead	Settle + 1 year	Settle + 4 years	Settle + 5 years	Yes: Until Settlement Mag, Ppr		Consistent with Claims; CCP §§ 337 et seq.; GC §§ 945, 34090, 34090.6; PC §832.5

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## RECORDS RETENTION SCHEDULE: ECONOMIC DEVELOPMENT

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Economic Develop.	ED-008	Site Clearance / Soils Remediation / Mitigation	P		P	Yes: Before Completion	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD \$34090	Department preference; GC



## RECORDS RETENTION SCHEDULE: ELECTRIC UTILITY

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Electric Utility	EU-001	Appraisals and Valuations (Property)	3 years		3 years		Mag, Ppr		Department Preference; 18 CFR 125 et seq.; GC \$34090
Electric Utility	EU-002	Budgets and Other Forecasts (Internal Admin. or operating purposes; estimated future income; receipts & expenditures, etc.)	3 years		3 years		Mag, Ppr		Department Preference; 18 CFR 125 et seq.; GC \$34090
Electric Utility	EU-003	California Energy Commission (CEC) Licenses and Regulatory Correspondence	P		P		Mag, Mfr, OD, Ppr	S / I	Department Preference; 18 CFR 125 et seq.; GC \$34090
Electric Utility	EU-004	California Energy Commission (CEC) Reports	7 years		7 years		Mag, Ppr		Department Preference; 18 CFR 125 et seq.; GC \$34090
Electric Utility	EU-005	California Independent System Operator (ISO) Licenses and Regulatory Correspondence	P		P		Mag, Mfr, OD, Ppr	S / I	Department Preference; 18 CFR 125 et seq.; GC \$34090
Electric Utility	EU-006	California Independent System Operator (ISO) Reports	7 years		7 years		Mag, Ppr		Department Preference; 18 CFR 125 et seq.; GC \$34090

## RECORDS RETENTION SCHEDULE: ELECTRIC UTILITY

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Electric Utility	EU-007	Capital Improvement Projects (CIP) - If Electric Utility was the Lead: <b>Administration File</b>  Project Administration, Certified Payrolls, Construction Manager's Logs, Daily Inspections, Project Schedules, Progress meetings, Real Estate Appraisals, RFIs & Responses, etc.	Upon Completion	1 years or After Funding Agency Audit, if required, whichever is longer	Completion + 10 years or After Funding Agency Audit, if required, whichever is longer	Yes: Until Completed	Mag, Ppr			Some grant funding agencies require audits; Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; Statewide guidelines propose termination + 5 years; CCP §337 et. seq., GC §34090
Electric Utility	EU-008	Capital Improvement Projects (CIP) - If Electric Utility was the Lead: <b>Permanent File</b>  Plans, Specifications & Addenda, Agreement / Contract, Successful Proposal, Change Orders, EIRs, Negative Declarations, Categorical Exemptions, Materials Testing Reports, Grading Permits, Insurance Certificates, Hazardous Materials Plans, Notice of Completion, Photos, Soils Reports, Studies, Submittals, Surveys, etc.	Upon Completion	P	P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: Completed + 10 years	Department preference; retained for disaster preparedness purposes; Statewide guidelines propose Permanent for Infrastructure plans; GC §34090

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## RECORDS RETENTION SCHEDULE: ELECTRIC UTILITY

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Electric Utility	EU-009	Capital Improvement Projects (CIP) - If Electric Utility was the Lead: <b>Unsuccessful Proposals</b>	2 years		2 years		Mag, Ppr			GC \$34090
Electric Utility	EU-010	Correspondence with Regulatory Agencies	When No Longer Required - Minimum 10 years		When No Longer Required - Minimum 10 years		Mag, Ppr			Department Preference; GC \$34090
Electric Utility	EU-011	Department of Energy (DOE) Licenses and Regulatory Correspondence	P		P		Mag, Mfr, OD, Ppr	S / I	Yes (after QC)	Department Preference; GC \$34090
Electric Utility	EU-012	Department of Energy (DOE) Reports	7 years		7 years		Mag, Ppr			Department Preference; GC \$34090
Electric Utility	EU-013	Energy Accounting / Monthly Transactions (Accrual) Spreadsheets (Does not include Load Loss or Generation Cost Spreadsheets)	5 years		5 years		Mag, Ppr			Department Preference; 18 CFR 125 et seq.; GC \$34090
Electric Utility	EU-014	Environmental / Electrical Equipment Disposal - Hazardous Material / Hazardous Material Manifests	3 years	P	P		Mag, Mfr, OD, Ppr	S	Yes: After QC	Department preference; GC \$34090 et seq.

## RECORDS RETENTION SCHEDULE: ELECTRIC UTILITY

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Electric Utility	EU-015	Equipment Testing Logs and Dairies (Gloves. etc.)	2 years	3 years	5 years		Ppr			Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; 8 CCR §3203(b)(1), GC §34090; LC §6429(c)
Electric Utility	EU-016	Facility Histories / Infrastructure Design	P		P		Mag, Mfr, OD, Ppr	S / I	Yes (after QC)	Department Preference; GC §34090
Electric Utility	EU-017	FERC (Federal Energy Regulatory Commission) <b>Inspections</b>	Life of Facility + 10 years		Life of Facility + 10 years		Mag, Mfr, OD, Ppr	S / I	Yes (after QC)	Department Preference; GC §34090
Electric Utility	EU-018	FERC (Federal Energy Regulatory Commission) <b>Licenses and Regulatory Correspondence</b>	P		P		Mag, Mfr, OD, Ppr	S / I	Yes (after QC)	Department Preference; GC §34090
Electric Utility	EU-019	Load Loss, Generation Cost, MDEF Files & Spreadsheets	P		P		Mag, Ppr			Department Preference; 18 CFR 125 et seq.; GC §34090
Electric Utility	EU-020	Maps, Plans, Drawings (original or reproduction of diagrams, profiles, photos, field survey notes, plot plans, detail drawings, and similar records showing the location of proposed or as-constructed facilities)	Completion + 5 years	P	P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After Inactive	Department Preference; 18 CFR 125 et seq.; GC §34090

## RECORDS RETENTION SCHEDULE: ELECTRIC UTILITY

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Inactive (Records Center)	Active (in office)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Electric Utility	EU-021	NERC (North American Energy Corporation) Audits		10 years	10 years		Mag, Ppr		Department Preference; GC §34090
Electric Utility	EU-022	Power Outage Logs		10 years	10 years		Mag, Ppr		Department Preference; 18 CFR 125 et seq.; GC §34090
Electric Utility	EU-023	Power Outage Report Database		Indefinite	Indefinite		Mag, Ppr		Data is interrelated; GC §34090
Electric Utility	EU-024	Power Outage Reports		P	P		Mag, Ppr		Department Preference; 18 CFR 125 et seq.; GC §34090
Electric Utility	EU-025	Rate Schedule (general files of published rate sheets & schedules, suspended or superseded)		Inactive + 3 years	Inactive + 3 years		Mag, Ppr		Department Preference; 18 CFR 125 et seq.; GC §34090
Electric Utility	EU-026	Regulatory Filings (FERC, CEC, NERC, etc.)		When No Longer Required	When No Longer Required		Mag, Ppr		FERC Attorney files and retains (ISO Members); GC §34090
Electric Utility	EU-027	Subject Files		When No Longer Required - Minimum 2 years	When No Longer Required - Minimum 2 years		Mag, Ppr		Department Preference; GC §34090
Electric Utility	EU-028	Transmission & Distribution (Substation licenses, line logs, history records, tests, etc.)		5 years	P		Mag, Mfr, OD, Ppr	S	Department Preference (logs only required for 3 years); 18 CFR 125 et seq.; GC §34090
Electric Utility	EU-029	WECC (Western Electricity Coordination Council) Audits		10 years	10 years		Mag, Ppr		Department Preference; GC §34090

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## RECORDS RETENTION SCHEDULE: ELECTRIC UTILITY

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
			Inactive (Records Center)	Active (in office)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Electric Utility	EU-030	Work Order Logs		10 years	10 years		Mag, Ppr		Department Preference; 18 CFR 125 et seq.; GC §34090
Electric Utility	EU-031	Work Orders / Service Requests <b>CMMS DATABASE</b> (Computerized Maintenance Management System)		Indefinite	Indefinite		Mag		Data is interrelated; GC §34090
Electric Utility	EU-032	Work Orders / Service Requests - <b>All Information Entered in CMMS Database</b>		When No Longer Required	When No Longer Required		Mag Ppr		Preliminary drafts (the database is the original); GC §34090
Electric Utility	EU-033	Work Orders / Service Requests - Electric Utility Only - <b>NOT entered in CMMS Database</b> (or partial information entered into CMMS Database)  (Division providing service retains originals; Division requesting service is considered a copy)		10 years	10 years		Mag Ppr		City Preference; CCP §§338 et seq., 340 et seq., 342, GC §§945.6, GC §34090

## RECORDS RETENTION SCHEDULE - FIRE

Office of Record	Records Series #	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, claims, complaints, public records act requests, audits and/or investigations suspend normal retention periods (retention begins after settlement).									
Building & Engineering	FR-001	Building Plans, Record Drawings ("As-Built") and CAD drawings of buildings	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr		GC §34090.7
Fire	FR-002	Emergency Plans / Disaster Preparedness Manuals, etc.	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After Superseded Department Preference (copies); GC §34090.7
Fire	FR-003	Fire Code Permits / Special Event Permits / Fire Works Permits / Explosives Permits (assembly permits, candle permits, tent permits, fire hydrant use, open flame, etc.)	5 years		5 years	Yes: Before Event	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD CFC §§ 104.6 -- 104.6.4, GC §34090
Fire	FR-004	Fire Inspections / Business Inspection Files / Citations / Notice of Violations	When No Longer Required - Minimum 5 years		When No Longer Required - Minimum 5 years		Mag, Mfr, OD, Ppr	S/I	California Fire Code requires 5 years; Allows the removal and purging of these records in the event the address file is too large; CFC §§ 104.6 -- 104.6.4, GC §34090
Fire	FR-005	Fire Suppression Plans / Fire Sprinkler Plans	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD Department Preference; GC §34090
Fire	FR-006	Programs and Projects (e.g. Cadet, CPR Program, Emergency Preparedness, Fire Service Day, etc.)	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		Department Preference; GC § 34090 et seq.

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## RECORDS RETENTION SCHEDULE - FIRE

Office of Record	Records Series #	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, public records act requests, audits and/or investigations suspend normal retention periods (retention begins after settlement).										
Fire	FR-007	Public Information / Education (when produced internally)	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr			Department Preference; GC \$34090
Fire	FR-008	Weed Abatement	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr			Department Preference; GC \$34090
Fire	FR-009	Weed Abatement Liens	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	GC \$34090(a)

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
ADMINISTRATION / CHIEF OF POLICE										
Police / Admin. / Chief	PD-001	Accident Review Board Reports (Involving Employees)	Incident + 5 years		Incident + 5 years		Mag, Ppr			Department preference; GC §§12946, 34090
Police / Admin. / Chief	PD-002	CCW (Carry Concealed Weapon) Permits - <b>Approved</b>	Expiration + 2 years		Expiration + 2 years	Yes	Mag, Ppr			Department Preference; GC § 34090 et seq.
Police / Admin. / Chief	PD-003	Permits: Bicycles, Business	2 years		2 years	Yes	Mag, Ppr			GC § 34090 et seq.
Police / Admin. / Chief	PD-004	CCW (Carry Concealed Weapon) Permits - <b>Denied</b>	2 years		2 years	Yes	Mag, Ppr			GC § 34090 et seq.
Police / Admin. / Chief	PD-005	Department Policies & Procedures / Operation Directives / General Orders (Department Policies and Procedures)	When No Longer Required - <b>Minimum 2 years</b>		When No Longer Required - <b>Minimum 2 years</b>		Mag, Mfr, OD, Ppr	S / I	Yes: After superseded	Department Preference; GC § 34090 et seq.
Police / Admin. / Chief	PD-006	Internal Affairs Investigations / Complaints: <b>ALL</b>  (May include criminal acts, moral turpitude, complaints generated from a citizen)	Final Disposition + 5 years		Final Disposition + 5 years		Mag, Ppr			State requires for at least 5 years for Citizen's complaints; other State & Federal laws require retention until final disposition of formal complaint; State requires 2 years after action is taken; Statute of Limitations is 4 years for misconduct; IA and Statewide guidelines recommend 25 years for officer-involved shootings; EVC § 1045(b)(1), GC §§12946, 34090; VC §2547

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Police / Admin. / Chief	PD-007	Personnel Background Packet - POLICE Successful (hired)	Separation + 3 years		Separation + 3 years	Yes: Until Separation	Mag, Mfr, OD, Ppr	S	Yes: After Separation + 1 year	Department preference; Statewide guidelines propose 7 years; Calif. Labor Division is required to keep their records 7 years; OSHA requires safety training 5 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; 29 CFR 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 34090
Police / Admin. / Chief	PD-008	Personnel Background Packet - POLICE Unsuccessful (not hired)	When No Longer Required - Minimum 3 years		When No Longer Required - Minimum 3 years		Mag, Ppr			Department preference (Successful employees are sent to Human Resources); EEOC / FLSA / ADEA (Age) requires 1-3 years for selection records; State Law requires 2 - 3 years; 29 CFR 1602 et seq & 1627.3(a)(5) and (6), 2 CCR 7287.0(c)(2), 8 CCR §11040.7( c), GC §§12946, 34090

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference	
	(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
	Police / Admin. / Chief	PD-009	Personnel Files - Police Department Employees  Includes Evaluations, Training Certificates, etc.	Separation + 10 years		Separation + 10 years	Yes: Until Separation	Mag, Mfr, OD, Ppr	S	Yes: After Separation + 1 year
	Police / Admin. / Chief	PD-010	Pursuit Critiques	2 years		2 years		Mag, Ppr		GC § 34090 et seq.
	Police / Admin. / Chief	PD-011	Reports and Studies - Historical	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year
	Police / Admin. / Chief	PD-012	Reports and Studies regarding Police operations (not historical - manpower, etc.)	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		Department Preference; GC § 34090 et seq.
	Police / Admin. / Chief	PD-013	Time Off Requests / Sick Slips	2 years		2 years		Mag, Ppr		Department Preference; preliminary drafts; GC §34090 et seq.

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
<i>If the record is not listed here, refer to the Retention for City-Wide Standards</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
ADMINISTRATION / INFORMATION TECHNOLOGY											
Police / Admin. / IT	PD-014	Backup Tapes	When No Longer Required			When No Longer Required	Yes	Mag.			Used for Disaster Recovery Purposes Only; Considered a copy and can be destroyed when no longer required; tapes are in autochangers and are overwritten; store off-site in a commercial facility for disaster recovery purposes; GC §34090 et seq.
Police / Admin. / IT	PD-015	Inventory, Information Systems	When No Longer Required			When No Longer Required	Yes	Mag.			Preliminary documents not retained in the ordinary course of business; GC §34090 et seq.
Police / Admin. / IT	PD-016	Network Configuration Maps & Plans	When No Longer Required			When No Longer Required	Yes	Mag.			Preliminary documents not retained in the ordinary course of business; GC §34090 et seq.
Police / Admin. / IT	PD-017	Video Recordings - <b>Employees / City Operations</b>	1 year			1 year		Mag			1 year is required when video recording regular ongoing operations of the City; GC §34090.6(a)
Police / Admin. / IT	PD-018	Video Recordings - <b>Public Areas</b> (Streets, Sidewalks, Lobbies, Hallways, etc.)	When No Longer Required			When No Longer Required		Mag			Does not record regular ongoing operations of the City (preliminary drafts); GC §34090 etc.

## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options		Image: I=Import M=Mfr S=Scan
(OFR)									
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
ADMINISTRATION - COMMUNICATIONS / CAD / DISPATCH									
Police / Admin. - Commun.	PD-019	Audio Recordings or Tapes - (CAD/RMS) Recordings of Telephone & Radio Communications Dispatch Tapes (CAD)	100 days		100 days		Mag		Department Preference; Statewide guidelines propose 180 days (legally mandated for 100 days); (may be discoverable or made public in some circumstances), GC §§34090, 34090.6
Police / Admin. - Commun.	PD-020	Vacation Checks / Special Watch Requests (Volunteer Patrol)	2 years		2 years		Mag, Ppr		GC §34090 et seq.
ADMINISTRATION - TEMPORARY HOLDING FACILITY									
Police / Admin. - Temp. Holding Facility	PD-021	Booking Log	2 years		2 years		Mag, Ppr		Department preference; GC §34090 et seq.
ADMINISTRATION - RECORDS									
Police / Admin. - Records	PD-022	CHP 180 Forms (Tows)	When No Longer Required		When No Longer Required		Mag, Ppr		Preliminary Drafts; GC§ 34090 et seq.
Police / Admin. - Records	PD-023	Citations - Moving Violations, Marijuana	2 years		2 years		Mag, Ppr		Parking Citations are sent to Finance; GC §34090 et seq.
Police / Admin. - Records	PD-024	Crime Statistics / Uniform Crime Reports (UCR) - Summaries (BCS)	2 years		2 years		Mag, Ppr		Department preference; GC §34090
Police / Admin. - Records	PD-025	NCIC Validation	2 years		2 years		Mag, Ppr		GC §34090

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Inactive (Records Center)	Active (in office)	When No Longer Required	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
<i>If the record is not listed here, refer to the Retention for City-Wide Standards</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Police / Admin. - Records	PD-026	Officer Recordings: Mobile Audio/Video Recordings that are <u>not</u> evidence ("hip recorders", etc.)		When No Longer Required	When No Longer Required			Mag		Per the District Attorney; all evidence is booked on CD, other personal recording may be recycled; GC §34090.6(a) & (c)
Police / Admin. - Records	PD-027	Pawn Slips		2 years	2 years			Mag, Ppr		Department Preference to provide information to other agencies; Non-records used for investigations; Originals entered into the State Automated Property System; most agencies retain for 2 years; GC §34090
Police / Admin. - Records	PD-028	POLICE REPORTS / INCIDENT REPORTS:  Firearms entered into CLETS (if not Permanent Retention) - Found / Recovered Firearms		Firearm Found or Recovered	Firearm Found or Recovered		Yes	Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC  PC§ 11108(b); GC§ 34090
Police / Admin. - Records	PD-029	Misdemeanor or Infraction - Adult Marijuana - H&S §11357(b)(c)(d)(e) or H&S §11360(b) (with procedure in H&S §11361.5) - Except those with outstanding stolen property, including firearms, or lost firearms		2 years	2 years		Yes: Before Disposition	Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC  ("Shall" Destroy); H&S §11361.5; GC §34090

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Police / Admin. - Records	PD-030	POLICE REPORTS / INCIDENT REPORTS:  ALL, Except Those Specifically Mentioned in the Schedule  e.g., 5150, Detention Reports, etc.	5 years		5 years	Yes	Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC	Provided there are no outstanding warrants, unrecovered identifiable items, criminal deaths, they are not historically significant, and it is not classified under PC §800 & 290 and H&S §11850; Stat. of Limit. is 2 yrs; Destroy juvenile marijuana after age 18; H&S §11361.5, GC §34090, PC §802, PC §§187, 800 et seq.
Police / Admin. - Records	PD-031	POLICE REPORTS / INCIDENT REPORTS:  Capital Crimes / Serious Felonies / Major Crimes / Sex Crimes / Felony DNA (Crimes Subject to the Death Penalty), Sex Crimes (PC §288, 290, WIC 707(b)), PC 803(h)	P		P	Yes	Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC	Department Preference; No limitations on commencement of action; Courts keep permanently PC §§ 261, 286, 288, 288a, 288.5, 289, 289.5, 290, 799, 803(h), WIC 707(b)
Police / Admin. - Records	PD-032	POLICE REPORTS / INCIDENT REPORTS:  Factually Innocent Petition Accepted Records Sealed Pending Destruction - Except those with outstanding stolen property, including firearms, or lost firearms	Date of Arrest + 3 years		Date of Arrest + 3 years	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC	Individual petitions District Attorney; Sheriff concurs that person is factually innocent, then seals record ("Shall" Destroy); GC §34090; PC §851.8(a)

## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Police / Admin. - Records	PD-033	POLICE REPORTS / INCIDENT REPORTS:  Misdemeanor or Infraction - Juvenile Marijuana - H&S §11357(E) - Except those with outstanding stolen property, including firearms, or lost firearms	Conviction or Arrest (if No Conviction) + 2 years		Conviction or Arrest (if No Conviction) + 2 years	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC	(Courts and other Agencies "Shall" Destroy); H&S §11361.5; GC §34090
Police / Admin. - Records	PD-034	POLICE REPORTS / INCIDENT REPORTS:  Misdemeanor or Infraction Marijuana §11357(e) - Juvenile on School Grounds during School Hours (with procedure in H&S §11361.5)	Offender is 18 Years Old		Offender is 18 Years Old	Yes	Mag, Ppr			(Courts and other Agencies "Shall" destroy); H&S§ 11361.5 et seq., 11357(e)
Police / Admin. - Records	PD-035	POLICE REPORTS / INCIDENT REPORTS:  Missing Persons	Until CLETS Entry No Longer Exists - Minimum 7 years		Until CLETS Entry No Longer Exists - Minimum 7 years	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC	Department Preference; GC §34090
Police / Admin. - Records	PD-036	POLICE REPORTS / INCIDENT REPORTS:  Sealed Juvenile and Ward Cases - Except those with outstanding stolen property, including firearms, or lost firearms	Sealing Date + 5 years (Or Court Order)		Sealing Date + 5 years (or Court Order)	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC	Statute of Limitations runs up to age of majority + 8 years; sealed records for juveniles and wards of the Court must be destroyed 5 years after sealing date; CCP §§340.1, GC §34090; W&I §§389(a), 781(d)

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options		Image: I=Import M=Mfr S=Scan
(OFR)									
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Police / Admin. - Records	PD-037	Public Information Requests	2 years		2 years		Mag, Ppr		GC §34090
Police / Admin. - Records	PD-038	Registrants: Arson - Adults	5 years	P	P		Mag, Mfr, OD, Ppr	S/M/I	Yes: After 5 years
Police / Admin. - Records	PD-039	Registrants: Arson - Juveniles released from California Youth Authority	Age 25 or Sealing Date + 5 years		Age 25 or Sealing Date + 5 years		Mag, Mfr, OD, Ppr	S/M/I	Yes: After QC
Police / Admin. - Records	PD-040	Registrants: Narcotic	5 years		5 years		Mag, Ppr		Department Preference; Registration is required for 5 years; GC §34090, H&S §11590 et seq., H&S §11594(a)
Police / Admin. - Records	PD-041	Registrants: Sex Offenders - Adults	P		P		Mag, Mfr, OD, Ppr	S/M/I	No
Police / Admin. - Records	PD-042	Registrants: Sex Offenders - Juveniles	P or Sealing Date + 5 years (or Court Order)		P or Sealing Date + 5 years (or Court Order)		Mag, Mfr, OD, Ppr	S/M/I	No
Police / Admin. - Records	PD-043	RMS Database	Indefinite		Indefinite	Yes	Mag		Data Fields / Records are interrelated; GC §34090

## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Refention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Police / Admin. - Records	PD-044	Subpoenas (all Police Dept.) / Discovery Requests / Pitchess Motions / Personal Appearance / Duces Tecum	2 years		2 years		Mag, Ppr		GC §34090
Police / Admin. - Records	PD-045	Vehicle Repossession Notifications	When No Longer Required		When No Longer Required		Mag, Ppr		Preliminary Drafts; GC§ 34090 et seq.
Police / Admin. - Records	PD-046	Warrants (Recalled or Served)	2 years		2 years		Mag, Ppr		GC §34090

## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
INVESTIGATION									
Police / Investigat.	PD-047	Assigned Case Log Books	5 years		5 years		Ppr, Mag		Department preference (preliminary drafts) GC §34090 et seq.
Police / Investigat.	PD-048	Crime Suppression Unit Activity Records (all Teams)	5 years		5 years		Mag, Ppr		Department preference; GC §34090
Police / Records	PD-049	Detectives Investigation Files and Arrest Files - ALL Crimes	Transfer to Records		Transfer to Records		Mag, Ppr		Final reports and records are transferred to the case file stored in Records; GC §34090 et seq.
Police / Investigat.	PD-050	Informant Files	10 years		10 years		Mag, Ppr		Informant information; Does not contain criminal intelligence information concerning individuals; Department preference GC §34090
									Files contain criminal intelligence information concerning an individual only if there is reasonable suspicion that the individual is involved in criminal conduct or activity and the information is relevant to that criminal conduct or activity.
Police / Investigat.	PD-051	Intelligence Files (Criminal Intelligence Files)	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: When Superseded
									Misleading, obsolete or unreliable information is required to be destroyed; remaining records must not be retained longer than 5 years; 28 CFR 23.20(h); GC §34090

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
PATROL									
Police / Patrol	PD-052	Patrol Ride-A-Long Waiver Form	2 years		2 years		Mag, Ppr		GC §34090 et seq.
Police / Patrol	PD-053	Sound Permits / Special Event Permits Issued by Police	2 years		2 years		Mag, Ppr		GC §34090 et seq.
Police / Patrol	PD-054	Special Events / Ops Plan	5 years		5 years		Mag, Ppr		Department preference; GC §34090 et seq.
Police / Patrol	PD-055	Traffic Control: Radar Calibration Records	Life of the Equipment + 2 years		Life of the Equipment + 2 years		Mag, Ppr		Department preference; GC §34090 et seq.
Police / Patrol	PD-056	Traffic Control: Radar Trailer Surveys, Special Event Action Plans, etc.	5 years		5 years		Mag, Ppr		Department preference; GC §34090 et seq.

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## RECORDS RETENTION SCHEDULE: POLICE

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
PROPERTY & EVIDENCE										
Police / Property & Evidence	PD-057	Crime Report Photos	Indefinite			Indefinite		Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year Department Preference; GC \$34090
Police / Property & Evidence	PD-058	Forfeiture Notification	2 years			2 years		Mag, Ppr		GC \$34090
Police / Property & Evidence	PD-059	Gun and Narcotics Destruction Log (Documents related to)	7 years			7 years		Mag, Ppr		Department Preference; GC \$34090
Police / Property & Evidence	PD-060	Latent Print File	Follows the Retention Period of the Crime Report			Follows the Retention of the Crime Report		Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year Department Preference; GC \$34090
Police / Property & Evidence	PD-061	Logs: Evidence Register	5 years		5 years	10 years		Mag, Ppr		Department Preference; GC \$34090
Police / Property & Evidence	PD-062	Property Release Forms	5 years			5 years		Mag, Ppr		Department Preference; GC \$34090
Police / Property & Evidence	PD-063	Property Tag Logs	2 years			2 years		Mag, Ppr		GC \$34090

## RECORDS RETENTION SCHEDULE: POLICE

Office of Record		Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
TRAINING										
Police / Training	PD-064	Equipment & Uniform Authorization	2 years			2 years		Mag, Ppr		GC §34090 et seq.
Police / Training	PD-065	Personnel Files - Police Training File	Separation + 5 years			Separation + 5 years	Yes: Until Separation	Mag, Mfr, OD, Ppr	S	Yes: After Separation + 1 year Department preference; Statewide guidelines propose 7 years; Calif. Labor Division is required to keep their records 7 years; OSHA requires safety training 5 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; 29 CFR 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 34090
Police / Training	PD-066	Training - Department Training Records - COURSE RECORDS (Attendance Rosters, Outlines and Materials; includes Use of Force training, safety training, etc.)	5 years	P		P		Mag, Ppr		Department preference; Rosters are sent to POST; Statewide guidelines propose 7 years; Calif. Labor Division is required to keep their records 7 years; OSHA requires safety training 5 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; 29 CFR 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 34090
Police / Training	PD-067	Weapons Database / Department Weapons (Department-issued Weapons)	Indefinite			Indefinite	Yes	Mag		Data Fields / Records are interrelated; GC §34090

## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
PUBLIC WORKS / AIRPORT											
AS / Risk Manag.	PW-001	Accident / Incident Reports: Aircraft (sent to FAA)	2 years			2 years		Mag, Mfr, OD, Ppr	S	Yes: After 1 year	Department preference; GC \$34090.7
Public Works / Airport	PW-002	Airport Operations (FAA Circulars, etc.)	Superseded			Superseded	Yes	Mag, Mfr, OD, Ppr	S	No	GC \$34090
Public Works / Airport	PW-003	Airport State License (Safety Inspections)	Expiration of License + 4 years			Expiration of License + 4 years	Yes	Mag, Mfr, OD, Ppr	S	No	Covers all statute of limitations; GC \$34090, CCP §337 et seq.
Public Works / Airport	PW-004	CalTrans Aeronautics Inspections (Annual - includes letters of corrections and citations)	3 years			3 years		Mag, Mfr, OD, Ppr	S / I	Yes: 2 years	Department Preference (consistent with Code Enforcement and Operational Complaints); Statewide Guidelines recommend Current Year + 10 years for Runway Inspections, Current Year + 2 years for Safety Self-Inspections; GC \$34090 et seq.
Public Works / Airport	PW-005	Certificates of Insurance - Miscellaneous (can't match to a FBO or Hangar / Tie Down)	5 years			5 years		Mag, Mfr, OD, Ppr	S	Yes: After 1 year	Covers Statute of Limitations; CCP § 337 et. seq., GC \$34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
	If the record is not listed here, refer to the Retention for City-Wide Standards									
	Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
	Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Public Works / Airport	PW-006	Citations / Code Enforcement Actions / Notices of Violations (includes noise and safety complaints)	Resolution + 3 years		Resolution + 3 years		Mag, Mfr, OD, Ppr	S / I	Yes: 2 years	Department Preference (consistent with other Code Enforcement and Operational Complaints); Statewide guidelines recommend Current Year + 10 years for Noise Monitoring & Complaints; GC §34090 et seq.
Public Works / Airport	PW-007	Customer Lists (Includes hangar inventories, tiedown inventories)	When No Longer Required		When No Longer Required	Yes	Mag, Mfr, OD, Ppr	Mfr	Yes: After Inactive	Transitory Record; GC §34090 et seq.
Public Works / Airport	PW-008	Daily Logs & Maintenance: Meter Reading & Adjustments, Facility Maintenance Logs, (Forms FAA-198, FAA-6003-1, FAA-6030-1)	10 years		10 years		Mag, Ppr	S	Yes: After 1 year	Department preference; GC §34090, 14 CFR 171.13 - 171.213
Public Works / Airport	PW-009	Daily Logs & Maintenance: Radio Equipment Operation Records, VOR Ground Check Error Data, Technical Performance Record (Forms FAA-418, FAA-2396, FAA-2397, FAA-6830)	10 years		10 years		Mag, Ppr	S	Yes: After 1 year	Department Preference (no particular retention requirements in law); GC §34090, 14 CFR 171.13 - 171.213
Public Works / Airport	PW-010	Emergency Operations / Disaster Recovery / Earthquake Information	Until Superseded		Until Superseded	Yes	Mag, Mfr, OD, Ppr	S	No	Most are non-records; GC §34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Personnel	PW-011	Employee Exposure Records: Hazmat Exposure Records	Transfer to Risk Management		Transfer to Risk Management		Mag, Mfr, OD, Ppr	S	Yes: When Inactive	copies; GC §34090.7
Public Works / Airport	PW-012	Fuel and Gas Usage (Fuel Master)	5 years		5 years		Mag, Ppr			Department Preference (meets municipal government auditing standards); GC §34090
Public Works / Airport	PW-013	Gate Card User Acknowledgements	Upon Disabling of Card		Upon Disabling of Card	Yes	Mag, Mfr, OD, Ppr	S/M/I	Yes: After Inactive	Transitory records; GC §34090
Public Works / Engineering	PW-014	Improvement Projects / CIP Projects	Copies- When No Longer Required		Copies - When No Longer Required	Yes	Mag, Mfr, OD, Ppr	S/M/I	Yes: After Inactive	Copies; GC §34090.7
City Clerk	PW-015	Master Plan	Copies- When No Longer Required		Copies - When No Longer Required	Yes	Mag, Mfr, OD, Ppr	Mfr	Yes: After Inactive	Copies; GC §34090.7
Public Works / Airport	PW-016	MSDS (Material Safety Data Sheets) <b>Masters</b>	2 years	28 years	30 years		Mag, Mfr, OD, Ppr	S	Yes: When Inactive	MSDS may be destroyed as long as a record of the chemical / substance / agent, where & when it was used is maintained for 30 years; Applies to qualified employers; 8 CCR 3204(d)(1)(B)(2 and 3)

## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Public Works / Airport	PW-017	NPDES Permit (Stormwater Discharge Permit)	Expiration + 2 years		Expiration + 2 years	Yes	Mag, Ppr		Consistent with Statewide Guidelines; GC §34090
Public Works / Airport	PW-018	Stormwater: Chain of Custody, Guidance Information, Lab Reports	3 years		3 years		Mag, Ppr		Code of Federal Regulations requires 3 years; 40 CFR 122.41(i)(2)
Public Works / Airport	PW-019	Stormwater: Industrial Notices / Code Enforcement / Violations / Spill Response	Resolution + 3 years		Resolution + 3 years		Mag, Mfr, OD, Ppr	S / I	Code of Federal Regulations requires 3 years; 40 CFR 122.41(f)(2)

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
PUBLIC WORKS / ENGINEERING											
City Clerk	PW-020	Abandonments / Vacations (Streets) / Survey File	When No Longer Required - Minimum 2 years			When No Longer Required - Minimum 2 years	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Finals are maintained by City Clerk; Department file may include correspondence; GC §34090 et seq.
Public Works / Engineering	PW-021	Aerial Maps / Photographs - Analog or Digital & Index to Aerials	P			P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering	PW-022	Assessment Districts / Community Facilities Districts / Maintenance Districts / Landscape & Lighting / Street Improvement District Projects / Underground Utility Districts (FORMATION, BOUNDARIES, ENGINEERS REPORTS, MAPS)	P			P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; Statute of Limitations is 4 - 10 years (for Errors & Omissions); CCP §§337. 337.1(a), 337.15, 343; GC §34090.7
Public Works / Engineering	PW-023	Benchmarks	P			P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Public Works / Engineering and City Clerk	PW-024	Bonds: <b>Construction Bonds / Subdivision Bonds</b>	Release of Bond / Security		Release of Bond / Security		Mag, Mfr, OD, Ppr	S	No	Securities (Performance Bonds, Letters of Credit, CD's, etc.) are released after the Notice of Completion is issued and replaced with the Warranty Bond, which is released 1 year after the Notice of Completion date. GC §34090
Public Works / Engineering	PW-025	Capital Improvement Projects (CIP): <b>Administration File</b>  Project Administration, Certified Payrolls, Construction Manager's Logs, Daily Inspections, Project Schedules, Progress meetings, Real Estate Appraisals, RFIs & Responses, etc.	Upon Completion	1 years or After Funding Agency Audit, if required, whichever is longer	Completion + 10 years or After Funding Agency Audit, if required, whichever is longer	Yes: Until Completed	Mag, Ppr			Some grant funding agencies require audits; Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Specs=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; Statewide guidelines propose termination + 5 years; CCP §337 et. seq., GC §34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Public Works / Engineering	PW-026	Capital Improvement Projects (CIP): <u>Permanent File</u>  Plans, Specifications & Addenda, Agreement / Contract, Successful Proposal, Change Orders, EIRs, Negative Declarations, Categorical Exemptions, Materials Testing Reports, Grading Permits, Insurance Certificates, Hazardous Materials Plans, Notice of Completion, Photos, Soils Reports, Studies, Submittals, Surveys, etc.	Upon Completion	P	P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: Complet. + 10 years	Department preference; retained for disaster preparedness purposes; Statewide guidelines propose Permanent for Infrastructure plans; GC §34090
Lead Dept.	PW-027	Capital Improvement Projects (CIP): <u>Unsuccessful Proposals</u>	2 years		2 years		Mag, Ppr			GC §34090
Public Works / Engineering	PW-028	CCTV Collection Line Inspection Tapes / Video Inspections / Video Tapes or Digital Recordings ( <b>Post-construction, where Engineering is the Lead</b> )	When No Longer Required - Minimum 10 years		When No Longer Required - Minimum 10 years		Mag			Department Preference; GC §34090 et seq.
Lead Dept.	PW-029	Correspondence - <b>Regulatory Agencies</b>	When No Longer Required - Minimum 10 years		When No Longer Required - Minimum 10 years	Yes: While Active Issues	Mag, Mfr, OD, Ppr	S	Yes: After QC	Department preference; Some correspondence from Regulatory Agencies need to be retained for long periods of time; GC §34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
City Clerk	PW-030	Deeds, Easements, Rights of Ways, Covenants , Liens	When No Longer Required - Minimum 2 years			When No Longer Required - Minimum 2 years	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Finals are maintained by City Clerk; Department file may include correspondence; GC \$34090 et seq.
Public Works / Engineering	PW-031	Design & Construction Standards	P			P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC \$34090
Public Works / Engineering	PW-032	Drawings, Maps, Plans and Record Drawings, Large-Format Drawings, Survey Record Maps, Capital Improvement Project "As-Builts")	P			P	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Drafts should be destroyed; Some maps are also retained by Planning; Selected maps are retained in Public Works for administrative purposes; GC \$34090, 34090.7
City Clerk	PW-033	Encroachment Permits - Permanent Encroachments	When No Longer Required - Minimum 2 years			When No Longer Required - Minimum 2 years	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Finals are maintained by City Clerk; Department file may include correspondence; GC \$34090 et seq.
Public Works / Engineering	PW-034	Encroachment Permits - Public Right of Way, Street Permits, Temporary Construction, Traffic Control, Utility Cuts etc.	P			P		Mag, Ppr			Department Preference (the warrantee period for work done is 5 years); GC \$34090
Public Works / Engineering	PW-035	Engineering Studies / Surveys - Preliminary Studies / Project Assessments (Not Acquired or Developed)	When No Longer Required - Minimum 2 years			When No Longer Required - Minimum 2 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC \$34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Public Works / Engineering	PW-036	Engineering Studies / Surveys (City Built Projects)	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC \$34090
Public Works / Engineering	PW-037	Environmental Services / Solid Waste / AB 939 Compliance; Reports to California Integrated Waste Management Board, etc.	10 years		10 years		Mag, Ppr			Department Preference; GC \$34090
Public Works / Engineering	PW-038	Exception to Accessibility Design Standards (Technical and Accessibility)	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference (per City Attorney); GC \$34090
Public Works / Engineering	PW-039	Geotechnical and Soils Reports; Hydrology Reports (Authorized by the City)	P		P		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC \$34090
Public Works / Engineering	PW-040	Grading Plans	P		P		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC \$34090
City Clerk	PW-041	Lien Agreements	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Finals are maintained by City Clerk; Department file may include correspondence; GC \$34090 et seq.
Public Works / Engineering	PW-042	NPDES Monitoring and Inspections - Stormwater	When No Longer Required - Minimum 3 years		When No Longer Required - Minimum 3 years		Mag, Ppr			Department Preference; Monitoring records required for 3 years; 40 CFR §§122.21, 122.41; CCP §337 et seq.

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options		Image: I=Import M=Mfr S=Scan
<i>If the record is not listed here, refer to the Retention for City-Wide Standards</i>									
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>									
<i>Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>									
Public Works / Engineering	PW-043	NPDES Permits - Stormwater	Superseded + 3 years		Superseded + 3 years	Yes: Until Expiration	Mag, Ppr		Department Preference: Monitoring records required for 3 years; 40 CFR §§122.21, 122.41; CCP §337 et seq.
Public Works / Engineering	PW-044	Plan Checks for Building Permits	When No Longer Required		When No Longer Required		Mag, Ppr		Preliminary drafts; GC §34090 et seq.
Public Works / Engineering	PW-045	Private Development Projects / Job Files: <u>Administration File</u> Construction Inspections, Photos, Private Lab Verifications, Testing Lab Final Reports <i>Examples: CUPs, Lot Line Adjustments, Parcel Maps, Precise Alignment, Specific Plans, Split Lots, Subdivisions, Tracts,. TPLs, TSMs</i>	Upon Completion	10 years	Completion + 10 years	Yes: Until Completed	Mag, Ppr		Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; Statewide guidelines propose termination + 5 years; CCP §337 et. seq., GC §34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
Public Works / Engineering	PW-046	Private Development Projects / Job Files: <u>Permanent Files</u>  Drainage, Driveway, Encroachments, Grading Plans, Rights of Way, Stormwater, etc.  Dedications, Easements, Abandonments (City Clerk is OFR)  Examples: CUPs, Lot Line Adjustments, Parcel Maps, Precise Alignment, Specific Plans, Split Lots, Subdivisions, Tracts, TPMs, TSMs	Upon Completion	P	P	P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference; retained for disaster preparedness purposes; Statewide guidelines propose Permanent for Infrastructure plans; GC §34090
City Clerk	PW-047	Real Property Acquisitions / Sale	When No Longer Required - Minimum 2 years			When No Longer Required - Minimum 2 years	Yes (all)	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Finals are maintained by City Clerk; Department file may include correspondence; GC §34090 et seq.
Public Works / Engineering	PW-048	Sewer Book	P			P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering	PW-049	Studies - Transportation	When No Longer Required - Minimum 5 years			When No Longer Required - Minimum 5 years		Mag Ppr			Drafts / source records entered into database and not retained in the ordinary course of business; GC §34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options		Image: I=Import M=Mfr S=Scan
(OFR)									
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Public Works / Engineering	PW-050	Survey Field Books (Authorized by the City)	10 years	P	P		Mag, Ppr		Department preference; GC \$34090 et seq.
State of California	PW-051	SWITRS - Statewide Integrated Traffic Records System	When No Longer Required		When No Longer Required		Mag Ppr		Non-Records (Sheriff)
Public Works / Engineering	PW-052	Tonnage Reports	10 years		10 years		Mag, Ppr		Department Preference; GC \$34090
Public Works / Engineering	PW-053	Traffic Complaints	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Ppr		Department preference; GC \$34090
Public Works / Engineering	PW-054	Traffic Signal Inventory	When No Longer Required		When No Longer Required	Yes	Mag, Mfr, OD, Ppr	S	Department preference; Drafts should be destroyed; GC \$34090
Public Works / Engineering	PW-055	Traffic Signals	P		P	Yes	Mag, Mfr, OD, Ppr	S	Department preference; Drafts should be destroyed; GC \$34090
Public Works / Engineering	PW-056	Traffic Speed Surveys	10 years		10 years		Mag, Mfr, OD, Ppr	S	Department preference (required every 5 years, but can be extended to 7 or 10 years); GC \$34090
Public Works / Engineering	PW-057	Traffic Studies / Traffic Counts / Traffic Calming Requests	When No Longer Required - Minimum 2 years		When No Longer Required - Minimum 2 years		Mag, Mfr, OD, Ppr	S	Department preference; GC \$34090

## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital? Media Options	Image: I=Import M=Mfr S=Scan Destroy Paper after Imaged & QC'd?
<i>If the record is not listed here, refer to the Retention for City-Wide Standards</i>							
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>							
<i>Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>							
Public Works / Engineering	PW-058	Transportation Master Plans / Traffic Master Plans	P		P	Yes	Mag, Mfr, OD, Ppr S Yes: After QC & OD Department preference; Drafts should be destroyed; GC §34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
PUBLIC WORKS / OPERATIONS										
Public Works / Operations	PW-059	Alternative Fuel Vehicles Surveys (CNG, etc.)	2 years			2 years		Mag, Ppr		GC §34090
Public Works / Operations	PW-060	AQMD Permits (Generators, etc.)	Current + 2 years			Current + 2 years		Mag, Ppr		Department Preference; GC §34090
Public Works / Operations	PW-061	Confined Space Entries	3 years			3 years		Mag, Ppr		Code of Federal Regulations requires 3 years; 40 CFR 122.41(i)(2)
Lead Dept.	PW-062	Correspondence - Regulatory Agencies	When No Longer Required - Minimum 10 years			When No Longer Required - Minimum 10 years	Yes: While Active Issues	Mag, Ppr		Department Preference; Some correspondence from Regulatory Agencies need to be retained for long periods of time; GC §34090
Public Works / Operations	PW-063	Daily Worksheets / Daily Logs (document tree trimming, sidewalk repair, etc.)	10 years			10 years		Mag, Ppr		Department Preference; GC §34090
Public Works / Operations	PW-064	Fuel and Gas Usage (Fuel Master)	5 years			5 years		Mag, Ppr		Department Preference (meets municipal government auditing standards); GC §34090
Public Works / Operations	PW-065	Generator Operation Logs (for fixed / stationary generators) / Inspections	3 years			3 years		Mag, Ppr		Department Preference (2 years is required by AQMD); GC §34090

## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
	If the record is not listed here, refer to the Retention for City-Wide Standards									
	Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
	Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Public Works / Operations	PW-066	Hazardous Waste Manifests / Certificates of Disposal	5 years	P	P			Mag, Ppr		Department Preference (test results for hazardous waste generators are required for 3 years); 40 CFR 262.40, 8 CCR 3204(d)(1)(A), 22 CCR 66262.40
Public Works / Operations	PW-067	Operations & Maintenance Manuals (O&M Manuals)	Life of Facility or Equipment			Life of Facility or Equipment		Mag, Ppr		Department Preference; GC \$34090 et. seq.
Public Works / Operations	PW-068	Parts Inventory Database	Indefinite			Indefinite		Mag, Ppr		Department Preference; GC \$34090 et. seq.
Public Works / Operations	PW-069	Pesticide Application Records	2 years			2 years		Mag Ppr		Department Preference (agricultural pesticide records are required for 2 years); GC \$26202; 3 CCR 6623, 40 CFR 171.11 et seq.
Public Works / Operations	PW-070	Pre-Trip Inspections / DOT Program / CHP Inspections / Vehicle Safety Checks / Daily Vehicle Inspections / Daily Equipment Checks	2 years			2 years		Ppr		GC \$34090
Public Works / Operations	PW-071	Self-contained Breathing Apparatus (SCBA)	When Superseded / Expiration of Certificate			When Superseded / Expiration of Certificate		Mag, Ppr		Certificates are issued for 3-5 years; GC \$34090 et. seq.

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference			
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Public Works / Operations	PW-072	Underground Service Alerts (USA's)	5 years		5 years		Mag, Ppr			Department Preference (the warrantee period for work done is 5 years); GC \$34090
Public Works / Operations	PW-073	Underground Storage Tank (City Owned)  UST Monitoring, Inspections and Maintenance, Release Detection Systems, Cathodic Protection Maintenance Records	7 years		7 years		Mag, Ppr			Monitoring and Maintenance records are required on site for 3 years, 6 ½ years for cathodic protection maintenance, 5 years for calibration & maintenance of release detection systems; 23 CCR 2712(b); H&S §25284.2(i)
Public Works / Operations	PW-074	Underground Storage Tanks - USTs (City Owned)  Repairs, Lining, Upgrades	Life of the Tank		Life of the Tank		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	23 CCR 2712(b), H&S §25284.2(i)
Public Works / Operations	PW-075	Underground Storage Tanks (City-Owned)  Location, Removal, Soil Remediation, Monitoring Well Records	10 years	P	P		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference (required for the life of the tank); 23 CCR 2712(b), H&S §25284.2(i); GC §34090 et seq.
Public Works / Operations	PW-076	Used Oil Disposal	3 years		3 years		Mag, Ppr			22 CCR 66266.130(c)(5), H&S §25250.18(b), 25250.19(a)(3) et seq.
Public Works / Operations	PW-077	Vehicle & Equipment Database	Indefinite		Indefinite	Yes	Mag			Data Fields / Records are interrelated; GC §34090

## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital? Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Public Works / Operations	PW-078	Vehicle & Equipment History Files Maintenance, Crane Certifications, Smog Certificates, Registrations	Disposal of Vehicle or Equipment + 2 years		Disposal of Vehicle or Equipment + 2 years	Mag, Ppr			Department Preference: If a motor carrier, required for 18 months after vehicle is sold; CHP requires life of vehicle; OSHA requires 1 year; 8 CCR \$ 3203(b)(1); 49 CFR 396.21(b)(1); 49 CFR 396.3(c); CCP §337 et. Seq., GC §34090
Public Works / Operations	PW-079	Work Orders / Service Requests CMMS DATABASE (Computerized Maintenance Management System)	Indefinite		Indefinite	Mag			Data is interrelated; GC §34090
Public Works / Operations	PW-080	Work Orders / Service Requests - All Information Entered in CMMS Database	When No Longer Required		When No Longer Required	Mag Ppr			Preliminary drafts (the database is the original); GC §34090
Public Works / Operations	PW-081	Work Orders / Service Requests - NOT entered in CMMS Database (or partial information entered into CMMS Database) (Division providing service retains originals; Division requesting service is considered a copy)	5 years		5 years	Mag Ppr			City Preference: CCP §§338 et seq., 340 et seq., 342, GC §§945.6, GC §34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards									
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.									
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
PUBLIC WORKS / PW / Wastewater									
PW / Wastewater	PW-082	Backflow Tests	5 years		5 years		Mag, Ppr		Department preference (Meets DPH requirements); GC \$34090
PW / Wastewater	PW-083	CCTV Collection Line Inspection Tapes / Video Inspections / Video Tapes or Digital Recordings (Maintenance, where Wastewater Management is the Lead)	When No Longer Required - Minimum 10 years		When No Longer Required - Minimum 10 years		Mag		Department Preference; GC \$34090 et seq.
PW / Wastewater	PW-084	Complaints	Minimum 2 years		Minimum 2 years		Mag, Ppr		Department Preference; GC \$34090
Lead Depart.	PW-085	Confined Space Entries	3 years		3 years		Mag, Ppr		Code of Federal Regulations requires 3 years; 40 CFR 122.41(j)(2)
PW / Wastewater	PW-086	Correspondence - Regulatory Agencies	Minimum 10 years		Minimum 10 years	Yes: While Active Issues	Mag, Ppr		Department Preference; Some correspondence from Regulatory Agencies need to be retained for long periods of time; GC \$34090
PW / Wastewater	PW-087	Lab Reports & Chains of Custody: Wastewater Treatment	5 years		5 years		Mag, Ppr		If treating water, required for 5 years; 40 CFR 122.41(j)(2)
PW / Wastewater	PW-088	Lift Station - Inspections, Maintenance, Repairs, Service Requests, Alarm Recording, Logs, Charts, Flow Monitoring, Voltage Readings, Permits	Minimum 10 years		Minimum 10 years		Mag, Ppr		Department Policy; WC \$13263.2(b) et seq.; 40 CFR 122.41(j)(2)GC \$34090



## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition					Comments / Reference		
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
PW / Wastewater	PW-089	Maintenance, Cleaning, Repairs, Stoppage Calls, Spills, Line Replacement	10 years			10 years		Mag, Ppr			Department Policy; WC §13263.2(b) et seq.; 40 CFR 122.41(j)(2)GC §34090
PW / Wastewater	PW-090	Operating Permit	Expiration + 2 years	P		P		Mag, Mfr, OD, Ppr	S / I	No	Department preference; GC §34090
PW / Wastewater	PW-091	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment			Disposal of Equipment		Mag, Ppr			Department Preference; GC §34090
PW / Wastewater	PW-092	Operator Log Books / Treatment Plant Lot Books	5 years			5 years		Mag, Ppr			Department Preference; 5 years for sewage sludge and removal; 3 years for NPDES; 40 CFR 122.41(j)(2); 40 CFR 122.41(i)(2) & 40 CFR 141.33(b)
PW / Wastewater	PW-093	Permits: Encroachment Permits, Groundwater Permits, Operating Permits, etc.	P			P		Mag, Ppr			Department preference; GC §60201
PW / Wastewater	PW-094	Permits: Pressure Vessels, Boilers, etc.	When Superseded			When Superseded		Mag, Ppr			Department preference; GC §60201
PW / Wastewater	PW-095	Planning and Scheduling	When No Longer Required			When No Longer Required		Mag, Ppr			GC §60201
PW / Wastewater	PW-096	Prop. 218 Fees & Charges: Ballots and/or protest letters	2 years			2 years		Ppr			GC §53753(e)(2)
PW / Wastewater	PW-097	Prop. 218 Fees & Charges: Master Mailing List	2 years			2 years		Ppr			GC §34090

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition				Comments / Reference		
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
PW / Wastewater	PW-098	Prop. 218 Fees & Charges: Undeliverable Mail	3 months			3 months		Ppr		Transitory records not retained in the ordinary course of business; GC §34090
PW / Wastewater	PW-099	Sanitary Spills and Overflows (SSOs)	5 years			5 years		Mag, Mfr, OD, Ppr	S / I	If treating water, required for 5 years; 40 CFR 122.41(j)(2)
PW / Wastewater	PW-100	SCADA Database (Supervisory Control and Data Acquisition)	Indefinite			Indefinite	Yes	Mag		Data is interrelated; system qualifies as a "trusted system"; GC §§34090, 12168.7
PW / Wastewater	PW-101	Sewage Sludge Removal	5 years			5 years		Mag, Ppr		5 years for sewage sludge and removal; 3 years for NPDES; 40 CFR 122.41(j)(2); 40 CFR 122.41(j)(2) & 40 CFR 141.33(b)
Lead Dept.	PW-102	Underground Service Alerts (USA's)	5 years			5 years		Mag, Ppr		Department Preference (the warrantee period for work done is 5 years); GC §34090
PW / Wastewater	PW-103	Wastewater / Sewer System Management Plans (SSMP) and Audits, Sanitary Sewer Overflows (SSOs)	5 years			5 years		Mag, Ppr		Department Preference; plans must be updated every 5 years, audits are required every 2 years; GC §34090

## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition					Comments / Reference	
(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
Division Providing Service / Work	PW-104	Work Orders / Service Requests <b>CMMS DATABASE</b> (Computerized Maintenance Management System)	Indefinite		Indefinite		Mag		Data is interrelated; GC \$34090
Division Providing Service / Work	PW-105	Work Orders / Service Requests - <b>All information Entered in CMMS Database</b>	When No Longer Required		When No Longer Required		Mag Ppr		Preliminary drafts (the database is the original); GC \$34090
Division Providing Service / Work	PW-106	Work Orders / Service Requests - <b>NOT entered in CMMS Database</b> (or partial information entered into CMMS Database)  (Division providing service retains originals; Division requesting service is considered a copy)	5 years		5 years		Mag Ppr		City Preference; CCP \$3338 et seq., 340 et seq., 342, GC \$3945.6, GC \$34090

## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition			Comments / Reference			
(OFR)				Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
PUBLIC WORKS / WATER (POTABLE WATER)										
PW / Water	PW-107	Conservation Programs / Rebate Programs / Check Requests	5 years			5 years		Mag, Ppr		Department Preference (meets auditing standards); GC \$34090
PW / Water	PW-108	Public Benefit Programs / Low Income, etc.	5 years			5 years		Mag, Ppr		Department Preference (meets auditing standards); GC \$34090
PW / Water	PW-109	Customer Concerns / Customer Complaints: Odor / Taste / Visual Complaints (Correspondence)	5 years			5 years		Mag, Ppr		5 years is required in State and Federal law for any complaints; 40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64453(a)
PW / Water	PW-110	Environmental Agencies / Regulatory Agencies (EPA, DHS, etc.)	Minimum 10 years			Minimum 10 years		Mag, Ppr		Department Preference; GC \$34090
PW / Water	PW-111	Fire Hydrant Flow Tests (Development or Maintenance) - Paper	Minimum 10 years			Minimum 10 years		Mag, Ppr		Department Preference (valves are exercised every year); GC \$34090
PW / Water	PW-112	Lab Reports & Chains of Custody: Bacteriological and Organics	5 years			5 years		Mag, Ppr		40 CFR 141.33(a)
PW / Water	PW-113	Lab Reports & Chains of Custody: Chemical (Includes Chlorine Residuals)	10 years			10 years		Mag, Mfr, OD, Ppr	S / I	State law requires 12 years, Federal 10 years; 40 CFR 141.33(a); 22 CCR §64692
PW / Water	PW-114	Lab Reports & Chains of Custody: Lead & Copper	12 years			12 years		Mag, Mfr, OD, Ppr	S / I	Required for 12 years or 2 compliance cycles; 40 CFR 141.91

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## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record	Retention No.	Records Description	Retention / Disposition				Comments / Reference		
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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).									
PW / Water	PW-115	Log Book (Pump Houses)	7 years		7 years Disposal of Equipment		Mag Ppr		Department Preference; GC §34090
Lead Dept.	PW-116	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment				Mag, Ppr		Department preference; GC §34090
Lead Dept.	PW-117	Pre-Trip Inspections / DOT Program / Vehicle Safety Checks / Daily Vehicle Inspections / Daily Equipment Checks	2 years				Ppr		GC §34090
PW / Water	PW-118	SCADA Database (Water) (Supervisory Control and Data Acquisition)	Indefinite		Indefinite	Yes	Mag		Data is interrelated; system qualifies as a "trusted system"; GC §§34090, 12168.7
Lead Dept.	PW-119	Underground Service Alerts (USA's)	5 years				Mag, Ppr		Department Preference (the warrantee period for work done is 5 years); GC §34090
PW / Water	PW-120	Urban Water Management Plans (UWMP)	P		P	Yes	Mag, Mfr, OD, Ppr	S	Department Preference (copies) GC §34090.7
PW / Water	PW-121	Videos - Water Wells, Repairs, Reservoirs, Tanks, etc.	P		P		Mag		Department preference; GC §34090
PW / Water	PW-122	Vulnerability Assessment	When Superseded Minimum 2 years		When Superseded - Minimum 2 years		Mag, Ppr		Confidential; GC §34090
PW / Water	PW-123	Water Forecasts / Urban Water Management Forecast / Future Developments, etc.	5 years		5 years		Mag, Ppr		Department Preference (copies) GC §34090.7

## RECORDS RETENTION SCHEDULE: PUBLIC WORKS

Office of Record		Retention No.	Records Description	Retention / Disposition				Comments / Reference		
	(OFR)			Active (in office)	Inactive (Records Center)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?
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Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
PW / Water		PW-124	Water Production Reads / Reports (to State DPH & DWR)	5 years		5 years		Mag, Ppr		Department Preference; Meets California Department of Health requirements (3 years); GC §34090
PW / Water		PW-125	Water Quality Reports / Consumer Confidence Reports	12 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes - After QC & OD
PW / Water		PW-126	Water Resources Planning Historical Reports / Water Assessments	P		P		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD
City Clerk		PW-127	Water Supply Agreements	Copies - When No Longer Required		Copies - When No Longer Required	Yes	Mag, Mfr, OD, Ppr	S	No
PW / Water		PW-128	Water Transactions - Annual Summary	5 years		5 years		Mag, Ppr		Department Preference; GC §34090
PW / Water		PW-129	Well Records (includes Destroyed or Abandoned Wells)	P		P		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD



## CITY COUNCIL AGENDA

**DATE:** May 14, 2013

**TO:** City Council

**FROM:** Duane Burk, Director of Public Works

**SUBJECT:** Resolution No. 2013-49, "Declaring the Intention to Levy and Collect Assessments, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1"

**RECOMMENDATION:** The City Council adopt Resolution No. 2013-49, declaring the intention to levy and collect assessments within Landscape Maintenance District No. 1 (LMD No. 1) during the Fiscal Year 2013/14, pursuant to the "Landscaping and Lighting Act of 1972"; approving the Engineer's Report; and giving notice of the public hearing for renewal of said maintenance District.

**JUSTIFICATION:** It is essential to assess the property owners located within LMD No. 1 to provide for the funding required to maintain landscape areas located within the public right-of-way directly benefiting said property owners.

**BACKGROUND:** The City Council authorized the formation of LMD No. 1 with the adoption of Resolution No. 1990-59 on August 14, 1990. An additional five tracts and three tentative tracts were annexed (Annexation No. 1) into LMD No. 1 when the City Council approved Resolution No. 2005-36 on May 10, 2005. A map displaying the District is attached herewith as Exhibit "A." Additionally the City Council approved Resolution No. 2013-10, initiating proceedings for the fiscal year update of the District, on February 12, 2013.

The proposed resolution basically accomplishes three goals for the fiscal year update and renewal of LMD No. 1. First, it provides the resolution of intention to levy and collect assessments; second, it permits the City Council to review and approve the Engineer's Report; and third, it sets the date and time for a public hearing. Subsequent to the approval of Resolution No. 2013-49, the City Council will be requested to confirm the assessments for Fiscal Year 2013/14.

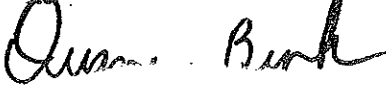
The Engineer's Report, reflecting the detail of proposed assessments, was forwarded to the City Council under a separate cover. Upon approval of this resolution, the public hearing will be held at the regularly scheduled City Council meeting on June 11, 2013, at 5:00 p.m., as shown in attached Exhibit "B." A detailed list of tracts in LMD No. 1 and their respective assessments is shown as attached Exhibit "C."

The Engineer's Report reflects an increase of 2.23% on the assessments based upon the average Consumer Price Index (CPI) percentage increase over the last fiscal year for the Los Angeles-Riverside-Orange County area, as reported by the U.S. Department of Labor.



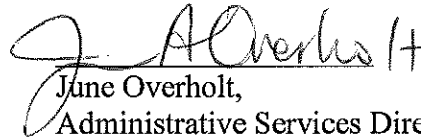
**FISCAL DATA:** Based on the proposed assessments, the estimated revenues for Fiscal Year 2013/14 for Landscape Maintenance District No. 1 will be about \$136,562.00. If approved, the annual assessment for a single-family dwelling would now range from \$98.91 to \$200.44. LMD No. 1 is managed in-house by Public Works Department staff.

**RECOMMENDED BY:**



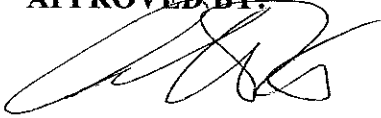
Duane Burk,  
Director of Public Works

**REVIEWED BY:**



June Overholt,  
Administrative Services Director/  
Deputy City Manager

**APPROVED BY:**



Andy Takata,  
City Manager

**RESOLUTION NO. 2013-49**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DECLARING THE INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN LANDSCAPE MAINTENANCE DISTRICT NO. 1, DURING THE FISCAL YEAR 2013/14, PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR THE MAINTENANCE AND SERVICING OF LANDSCAPING, APPROVING THE ENGINEER'S REPORT, AND SETTING THE DATE FOR THE PUBLIC HEARING FOR THE LEVY OF SAID ASSESSMENT**

**WHEREAS**, at its regularly scheduled meeting on August 14, 1990, the City Council of the City of Banning (City Council) adopted Resolution No. 1990-59, authorizing the formation of Landscape Maintenance District No. 1 (LMD No. 1); and

**WHEREAS**, at its regularly scheduled meeting on May 10, 2005, the City Council adopted Resolution No. 2005-36, ordering the annexation of an additional five tracts and three tentative tracts to the City's LMD No. 1; and

**WHEREAS**, at its regularly scheduled meeting on February 12, 2013, the City Council adopted Resolution No. 2013-10, initiating proceedings for the fiscal year renewal of Landscape Maintenance District No. 1 pursuant to the "Landscaping and Lighting Act of 1972," Part 2 (commencing with Sec. 22500) of Division 15 of the Streets and Highways code, for the maintenance and servicing of landscape medians, parkways, perimeter strips and slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities; and

**WHEREAS**, by said Resolution the City Council ordered the City Engineer to prepare and file a report with the City Clerk in accordance with Article 4 (commencing with Sec. 22565) of Chapter 1 of Part 2 of Division 15 of the Streets and Highways code; and

**WHEREAS**, the City Engineer has filed such report with the City Clerk, and such report has been presented to and considered by the City Council; and

**WHEREAS**, it is essential that the City Council adopt Resolution No. 2013-49, so that the City may assess and collect assessments from the property owners located within LMD No. 1; and

**WHEREAS**, the City Council hereby finds that the funding for LMD No. 1 is available through a special assessment of property owners located within the District.

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

**Section 1.** That the City Council hereby declares its intention to levy and collect assessments within Landscape Maintenance District No. 1 for the Fiscal Year 2013/14 pursuant to the "Landscaping and Lighting Act of 1972." The area to be assessed is located in the City of Banning, Riverside County. The boundaries of Landscape Maintenance District No. 1 are described in Exhibit "A," and are on file in the Office of the City Clerk.

**Section 2.** That the purpose of Landscape Maintenance District No. 1 is for the maintenance and servicing of landscape medians and parkways, perimeter strips and backup walls, landscaped hillsides with high visibility, side slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities.

**Section 3.** That the preliminary Engineer's Report, which is on file with the City Clerk and considered by the City Council at the meeting at which this Resolution has been adopted, is hereby approved and considered final. All interested persons are referred to that report for a full and detailed description of the work, the boundaries of the proposed assessment district, and the proposed assessments upon assessable lots and parcels of land within Landscape Maintenance District No. 1.

**Section 4.** That the City Clerk shall give notice of the time and place of said hearing by advertising a copy of the resolution once in the local newspaper and provide a posted notice not less than ten (10) days before the date of the hearing.

**Section 5.** That on Tuesday, June 11, 2013, at the hour of 5:00 p.m., during the course of its regularly scheduled meeting, the City Council will conduct a public hearing on the question of the levy of the proposed annual assessment. The hearing will be held at Banning City Hall, 99 E. Ramsey Street, Banning, California.

**PASSED, APPROVED AND ADOPTED** this 14th day of May, 2013.

---

Deborah Franklin, 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. 2013-49 was duly adopted by the City Council of the City of Banning at the Regular Meeting thereof held on the 14th day of May, 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

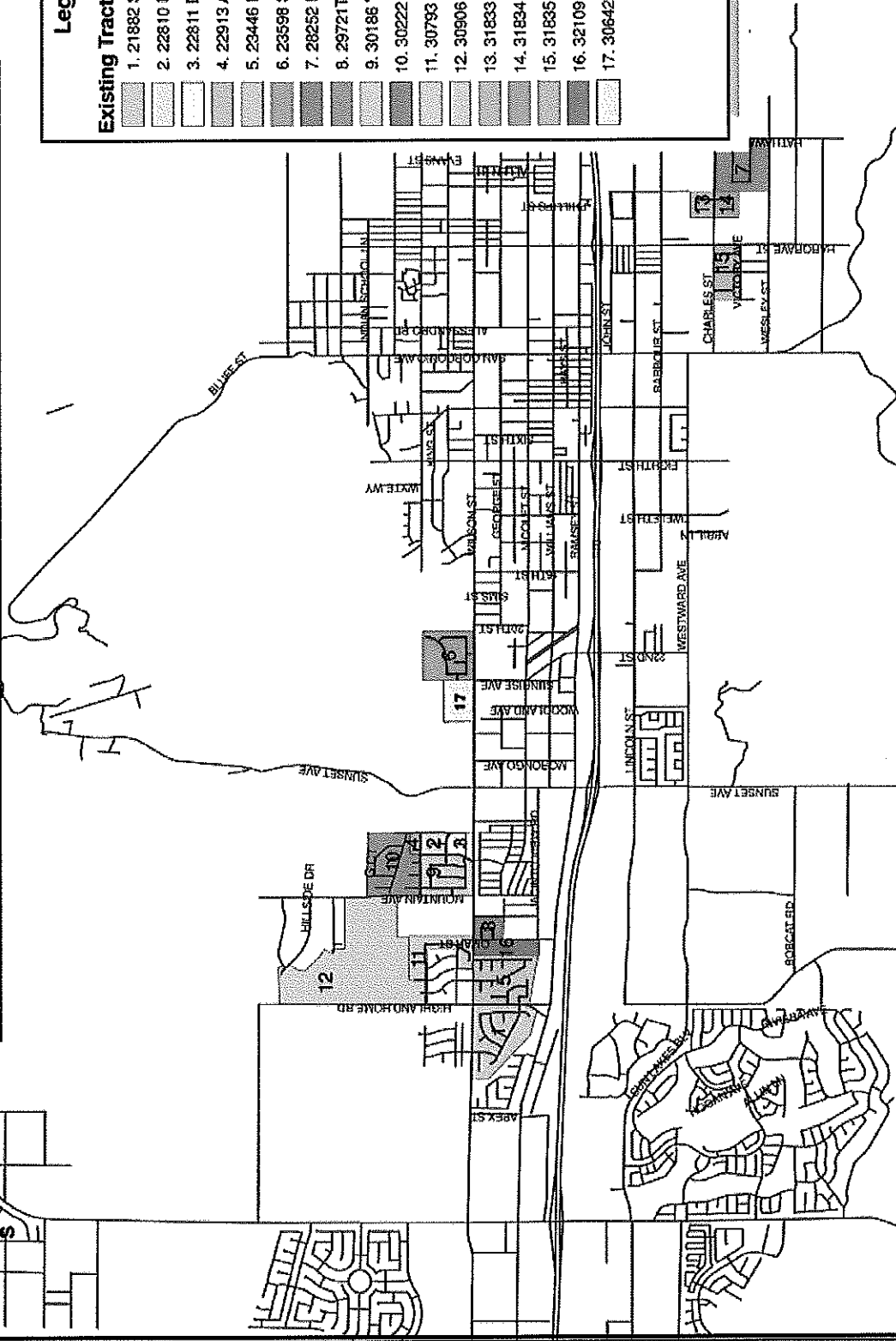
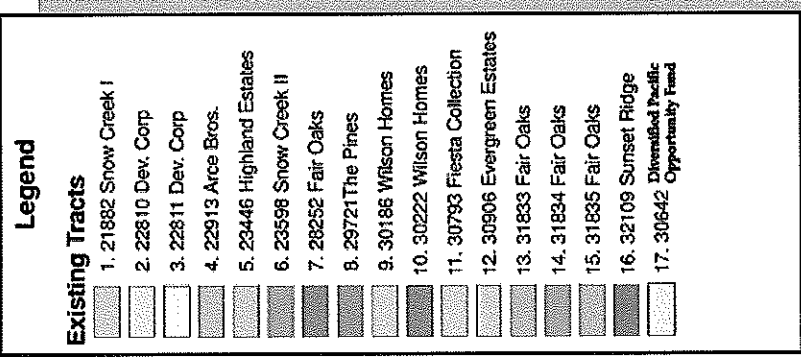
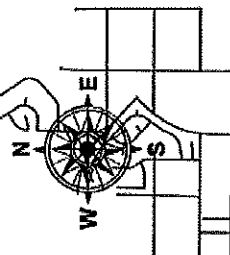
\_\_\_\_\_  
Marie A. Calderon,  
City Clerk of the City of Banning



**EXHIBIT "A"**

**LANDSCAPE MAINTENANCE DISTRICT NO. 1  
FOR  
FISCAL YEAR 2013/14**

**2013/2014**



## EXHIBIT "B"

### TENTATIVE SCHEDULE UPDATING LANDSCAPE MAINTENANCE DISTRICT NO. 1

<u>Item</u>	<u>Council Meeting</u>
Resolution Initiating Update	February 12, 2013
Resolution of Intention and Approve Engineer's Report	May 14, 2013
Public Hearing and Resolution Confirming Assessment	June 11, 2013



## EXHIBIT "C"

### LANDSCAPE MAINTENANCE DISTRICT NO. 1 TRACTS AND ASSESSMENTS FISCAL YEAR 2013/14

Tract No.	No. of AU	Zone	Proposed Cost/AU (FY 2013/14)
22810	43	A	\$108.90
22811	39	A	\$108.90
22913	9	A	\$108.90
21882	134	B	\$113.31
23446	138	B	\$113.31
29721	21	B	\$113.31
30186	107	B	\$113.31
30222	121	B	\$113.31
32109	38	B	\$113.31
23598	97	C	\$98.91
30642	(53)	C	\$98.91
28252	70	D	\$200.44
30793	43	D	\$200.44
31833	17	D	\$200.44
31834	18	D	\$200.44
31835	33	D	\$200.44
30906*	87	D	\$200.44
<b>Total</b>	<b>1,015</b>		<b>\$136,562.38</b>

AU is the Assessment Unit.

(#) = Tract not yet completed or will not be accepted into the Landscape Maintenance District during the next Fiscal Year. Not included in total AU.

\*Tract No. 30906 has a total of 303 Assessment Units (AU); therefore, a total of 216 remain.

## **CITY COUNCIL AGENDA**

**DATE:** May 14, 2013

**TO:** City Council

**FROM:** Kahono Oei, City Engineer

**SUBJECT:** Resolution No. 2013-51, "Approving the Submittal of a Roadway Functional Classification Change for Westward Avenue to the State of California, Department of Transportation"

### **RECOMMENDATION:**

1. Adopt Resolution No. 2013-51, "Approving the Submittal of a Roadway Functional Classification Change for Westward Avenue to the State of California, Department of Transportation"

**JUSTIFICATION:** City Council approval is necessary as it is essential that the Functional Classification be changed in order for the City to receive the State and Federal funding for the purpose of the roadway improvements, as well as the roadway maintenance.

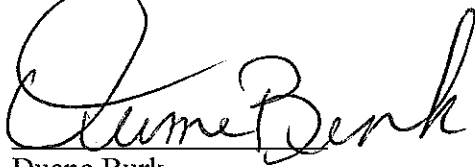
**BACKGROUND:** The City and the County of Riverside (as the lead agency), is in the process of designing the alternate roadway (I-10 By-pass) that connects the City of Banning and Cabazon, an unincorporated area located on the south side of the City. Currently, there is no roadway connecting the City of Banning and the unincorporated area of Cabazon. In the past few years, the I-10 freeway has experienced major traffic congestion due to accidents and the I-10 freeway becomes a parking lot, and traffic is at a halt for several hours or more until the accidents are cleared.

The option for consideration is the I-10 Bypass coming from Apache Trail in the East connecting to Westward Avenue, in the West. Westward Avenue, east of Hathaway is classified as a Local street, per the General Plan Circulation and due to the proposed I-10 By-pass, Westward Avenue will need to be changed to a Minor Arterial street (see Exhibit "A").

If approved, staff will submit this request to the Department of Transportation for review and approval. Once the Functional Classification Change is approved, then the City and County can seek State and Federal funding for this I-10 Bypass project.

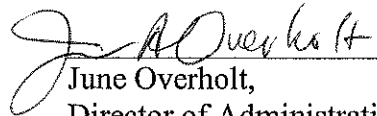
**FISCAL DATA:** There will be no fiscal impact with the request for Change of Classification.

**RECOMMENDED BY:**



Duane Burk,  
Director of Public Works

**REVIEWED BY:**



June Overholt,  
Director of Administrative  
Services/Deputy City Manager

**APPROVED BY:**



Andy Takata,  
City Manager

**RESOLUTION NO. 2013-51**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, "APPROVING THE SUBMITTAL OF A ROADWAY FUNCTIONAL CLASSIFICATION CHANGE FOR WESTWARD AVENUE TO THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION"**

**WHEREAS**, City Council approval is necessary as it is essential that the Functional Classification be changed for Westward Avenue in order for the City to receive the State and Federal funding for the purpose of the roadway improvements and maintenance; and

**WHEREAS**, the City and the County (Lead Agency) is in the process of designing the alternate roadway, I-10 Bypass that connects the City of Banning and Cabazon, an unincorporated area located on the south side of the City; and

**WHEREAS**, in the past few years, the I-10 freeway has experienced major traffic congestion due to accidents and the freeway becomes a parking lot and traffic is at a halt for several hours or more; and

**WHEREAS**, the proposed alternate roadway is the I-10 Bypass coming from Apache Trail in the East, connecting to Westward Avenue, in the West. Westward Avenue, east of Hathaway is classified as a Local street, per the General Plan Circulation. Due to the proposed I-10 Bypass, Westward Avenue will need to be changed to a Minor Arterial Street.

**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 Functional Classification Change and authorizes staff to submit the Roadway Functional Classification Change for Westward Avenue to the State of California, Department of Transportation.

**PASSED, APPROVED AND ADOPTED** this 14<sup>th</sup> day of May, 2013.

\_\_\_\_\_  
Deborah Franklin, 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. 2013-51 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 14<sup>th</sup> day of May, 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

## CITY COUNCIL AGENDA

**Date:** May 14, 2013  
**To:** Honorable Mayor and City Council  
**From:** Fred Mason, Electric Utility Director  
**Subject:** Resolution No. 2013-52, Awarding the Bid for Project No. 2013-02EL  
Sunset Grade Separation Phase 1 – Pole Realignment

**RECOMMENDATION:** Adopt Resolution No. 2013-52, awarding the bid for the Sunset Grade Separation Phase 1 – Pole Realignment contract to Henkels & McCoy, Inc. of Pomona, California, in the amount not to exceed \$230,180.00 (Two Hundred Thirty Thousand, One Hundred Eighty Dollars and No Cents) including taxes, and appropriate funds for project design performed by Mullen & Associates, Inc.

**JUSTIFICATION:** The relocation and realignment of the overhead utilities on Sunset Avenue between Lincoln Street and Interstate Freeway I-10 is required to accommodate the grade separation to be performed at this location on Sunset Avenue during Fiscal Year 2013-2014.

**BACKGROUND:** The County of Riverside recognized a need to improve traffic circulation and emergency access north and south of the I-10 Freeway in relation to the existing UPRR railroad crossing. The proposed project will require that Sunset Avenue be lowered and UPRR be raised in order to obtain sufficient vertical clearance between the roadway and railroad tracks. A new railroad bridge structure will be constructed, and Sunset Avenue will be reconstructed to maintain two existing through lanes in each direction with added sidewalks for pedestrian circulation. The existing on/off ramps at the I-10/Sunset Avenue interchange will be reconstructed to accommodate the change in elevation.

The Sunset Grade Separation Phase 1 – Pole Realignment project will be the first of the three phases. The City's high voltage overhead electric lines will need to be relocated to the west side of Sunset Avenue along the top of the slope, where they will remain. Phase 1 will consist of the relocation of six (6) existing steel poles along with transmission conductors, distribution conductors, and fiber optic cable that are directly attached to the utility poles. The second phase will be the vertical grade separation at Sunset Avenue and relocation of underground utilities. Finally, two (2) future base-plate poles will be installed within the overhead utility realignment in the third phase.

Staff solicited bids for the Sunset Grade Separation Phase 1 – Pole Realignment and received three bid proposals. The three proposals were submitted by:

1. International Line Builders, Inc., Riverside, CA at \$329,100.00

2. ProCal Electric, Inc., Twenty-nine Palms, CA at \$297,550.00
3. Henkels & McCoy, Inc., Pomona, CA at \$230,180.00

The proposals were evaluated by staff as well as the Electric Department's design consultant, Mullen & Associates, Inc., and it was determined that Henkels & McCoy's proposal best meets the requirements of the City and is the lowest responsible bidder.

In addition to the approval of the construction contract for the Sunset Grade Separation Phase 1 – Pole Realignment, the utility is also seeking to appropriate funds to cover engineering expenses related to the design support for the Sunset Grade Separation Phase 1 – Pole Realignment. This work was approved and specified to be performed by Wildan, Inc. on June 20, 2012 for an amount "Not to Exceed" \$25,000.00, and by Mullen & Associates, Inc. per the approved contract services agreement entered on February 25, 2013 for an amount "Not to Exceed" \$20,000.00. The total amount to be appropriated is \$45,000.00 for work completed during Fiscal Year 2012-2013.

**FISCAL DATA:** An appropriation from the Electric Capital Improvement Fund is necessary in order to cover expenses in relation to the project design performed by Wildan, Inc. and Mullen & Associates, Inc. and associated with the Sunset Grade Separation Phase 1 – Pole Realignment. The necessary appropriation is for a total of \$45,000.00, and will be transferred to account 673-7000-473.93-02, Sunset Grade Separation.

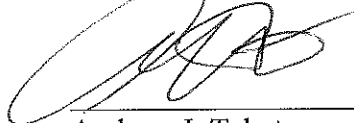
An appropriation of funds in the amount of \$230,180.00 to the Electric Capital Improvement Fund Account 673-7000-473.93-02, Sunset Grade Separation is necessary to complete the Sunset Grade Separation Phase 1 – Pole Realignment.

**RECOMMENDED BY:**



Fred Mason  
Electric Utility Director

**APPROVED BY:**



Andrew J. Takata  
City Manager

**REVIEWED BY:**



June Overholt  
Deputy City Manager/Administrative Services Director

Prepared by Brandon Robinson

**RESOLUTION NO. 2013-52**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING  
AWARDING THE BID FOR THE SUNSET GRADE SEPARATION PHASE 1 – POLE  
REALIGNMENT CONTRACT**

**WHEREAS**, the City of Banning owns and operates its Municipal Electric Utility; and

**WHEREAS**, it is essential that the City of Banning continues to maintain and upgrade electric utility systems to accommodate projects within the city limits; and

**WHEREAS**, the City of Banning adopted Resolution 2013-42 which approved the construction of the Sunset Grade Separation project; and

**WHEREAS**, the City of Banning entered into a contract services agreement with Wildan, Inc. on June 20, 2012, and with Mullen & Associates, Inc. on February 25, 2013 for design services for Sunset Grade Separation; and

**WHEREAS**, Staff solicited bids and received three bid proposals for the Sunset Grade Separation Phase 1 – Pole Realignment; and

**WHEREAS**, Henkels & McCoy, Inc. of Pomona, CA is the lowest responsible bidder as shown on Exhibit "A";

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

SECTION 1. Adopt Resolution No. 2013-52, approving the bid award, in the amount of \$230,180.00, for the Sunset Grade Separation Phase 1 – Pole Realignment contract to Henkels & McCoy, Inc., and authorize the City Manager, or his designee, to execute the necessary documents to complete said agreement.

SECTION 2. City Council approves appropriation from the Electric Capital Improvement Fund for Professional Contract Services provided by Wildan, Inc. and Mullen & Associates, Inc. related to the design of Sunset Grade Separation for an amount "Not to Exceed" \$45,000.00.

SECTION 3. Authorize the Administrative Services Director to complete the necessary account transfers as required for the completion of said project.

**PASSED, ADOPTED AND APPROVED** this 14<sup>th</sup> day of May 2013.

\_\_\_\_\_  
Deborah Franklin, Mayor  
City of Banning



**ATTEST:**

---

Marie A. Calderon, City Clerk

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

---

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

**CERTIFICATION**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2013-52 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14<sup>th</sup> day of May 2013 by the following vote, to wit:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

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

EXHIBIT "A"

SUMMARY OF BIDS RECEIVED  
CITY OF BANNING

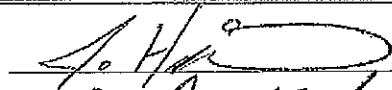
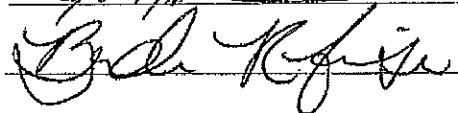
PROJECT NO.: 2013-02EL

DESCRIPTION: SUNSET GRADE SEPARATION PHASE 1 -  
POLE REALIGNMENT

BID OPENING DATE: April 23, 2013 TIME: 2:30 p.m.

NAME OF BIDDER:	BID BOND	ADDENDUM 1	ADDENDUM 2	TOTAL BID AMOUNT:
INTERNATIONAL LINE BUILDER, INC. Riverside, CA	✓			329,100
PROCAL ELECTRIC INC. N/A	✓			297,550
HENKELS + McCOY Pomona, CA	✓			230,180

VERIFIED BY:

 - Jessica Hicks, Deputy City Clerk  


**CITY COUNCIL AGENDA  
CONSENT ITEM**

**Date:** May 14, 2013

**TO:** City Council

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

**SUBJECT:** Resolution No. 2013-54, authorizing the destruction of city records as provided by Section 34090 of the California Government Code, Section 832.5 of the California Penal Code, and Resolution No. 2003-26 of the City of Banning.

**RECOMMENDATIONS:** "The City Council adopt Resolution No. 2011-11 authorizing the destruction of city records as provided by Section 34090 of the California Government Code, Section 832.5 of the California Penal Code, and Resolution No. 2003-26 of the City of Banning."

**JUSTIFICATION:** The City Clerk and the City Attorney have certified the records listed in Attachment A to Resolution 2013-54 are no longer required to be kept by the City.

**BACKGROUND:** In March of 2003, the City Council adopted Resolution No. 2003-26, setting forth the schedule for destruction of City Records. The records listed in Attachment A of Resolution No. 2013-54 have all reached the end of their retention period.

**STRATEGIC PLAN INTEGRATION:** Council approval of this request will meet the City's goal to comply with California Government Code Section 34090 and California Penal Code Section 832.5, concerning the destruction of city records.

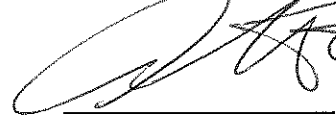
**FISCAL DATA:** This request requires no funds.

**RECOMMENDED BY:**



Leonard Purvis  
Chief of Police

**APPROVED BY:**



Andrew Takata  
City Manager

**RESOLUTION NO. 2013-54**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BANNING AUTHORIZING THE BANNING POLICE DEPARTMENT TO DESTROY INTERNAL AFFAIRS RECORDS IN EXCESS OF FIVE YEARS FROM DATE OF COMPLETION PER CALIFORNIA GOVERNMENT CODE SECTION 34090 AND CALIFORNIA PENAL CODE SECTION 832.5.**

**WHEREAS**, Penal Code Section 832.5 requires that citizen complaints against police department personnel and any related reports or findings be maintained for a period of at least five years; and

**WHEREAS**, Government Code Section 34090 expressly authorizes the Chief of Police for the City of Banning, upon resolution of the City Council and written consent of the City Attorney, to destroy City records, documents, instruments, and other papers under his charge after the same are no longer required; and

**WHEREAS**, the Chief of Police has agreed to review the status of any such citizens complaint investigation in excess of five years for pending related civil or criminal litigation prior to its destruction; and

**WHEREAS**, the City Attorney hereby give his written consent for the destruction of the following records (See Attachment A); and

**NOW, THEREFORE, BE IT RESOLVED**, that the Chief of Police is hereby granted the authority to order the destruction of any and all records, reports, and findings relating to citizen complaints in excess of five years from the date of completion once the Chief of Police has determined that such are no longer required;

**BE IT FURTHER RESOLVED** that nothing in this resolution is intended to supersede or otherwise conflict with any law or any lawful judicial process which might affect retention or destruction of such records.

**PASSED, APPROVED, AND ADOPTED** this 14<sup>th</sup> day of May, 2013.

\_\_\_\_\_  
Deborah Franklin, 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. 2013-54 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14<sup>th</sup> day of May, 2013, by the following to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

# Attachment A





## REQUEST FOR DESTRUCTION OF RECORDS

Date: 05-14-13  
Department: Banning Police Department

We are requesting destruction of the attached records due to:

- ☐ A copy has been made in accordance with Administrative Policy #A-28.  
☒ The retention period on the following records has elapsed.

### Approvals:

Department Head \_\_\_\_\_ Date \_\_\_\_\_

City Clerk \_\_\_\_\_ Date \_\_\_\_\_

City Attorney \_\_\_\_\_ Date \_\_\_\_\_

Destruction Date:	Destroyed By:	Remarks:

Return signed original to City Clerk when completed.

## CITY COUNCIL AGENDA

**Date:** May 14, 2013  
**To:** Honorable Mayor and City Council  
**From:** Fred Mason, Electric Utility Director  
**Subject:** Resolution No. 2013-55, Declaration of Surplus Property – Quonset Huts

**RECOMMENDATION:** Adopt City Council Resolution No. 2013-55, “Declaration of Surplus Property – Quonset Huts”.

**JUSTIFICATION:** The City of Banning Administrative Policy No. B-24, Disposal of Surplus Property, prohibits City employees from selling, giving away, or otherwise disposing of City property without approval.

**BACKGROUND:** The City owns three Quonset huts which are located at the City Yard facilities, 176 East Lincoln Street. They are currently being used for miscellaneous storage, but were slated for demolition with the upcoming construction of the new City Yard warehouse. A few months ago staff was contacted by the March Field Air Museum inquiring about the Quonset huts. Representatives from the Museum have inspected the huts and have determined that they would be an excellent addition to their displays.

On April 24, 2013, Patricia Korzec, the Executive Director for the Museum, provided the City a letter officially expressing their interest in acquiring the Quonset huts, and specifying that the Museum would remove the huts from the City Yard property at no cost to the City. A copy of the letter is attached herewith as Exhibit “A”.

In order to responsibly transfer and/or dispose of these items, staff respectfully requests the Council’s approval to declare the Quonset huts as surplus property. If approved, the three huts will be removed per the schedule outlined in Exhibit “A”. In addition, there are some old supplies and material currently stored in the huts that the Museum has expressed interest in acquiring. Staff has determined that these items also qualify as surplus and have no value to the City.

Staff recommends Council approval of Resolution No. 2013-55 declaring the Quonset huts and associated supplies and material as surplus property and authorizing their sale/transfer to the March Field Air Museum.

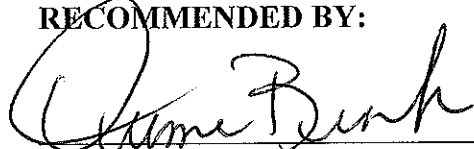
**FISCAL DATA:** The three Quonset huts and associated supplies and material will be sold to the March Field Air Museum for \$1.00.

**RECOMMENDED BY:**



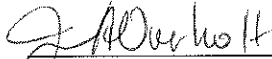
Fred Mason  
Electric Utility Director

**RECOMMENDED BY:**



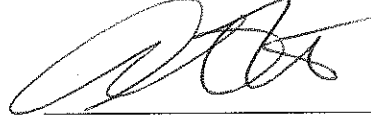
Duane Burk  
Public Works Director

**REVIEWED BY:**



June Overholt  
Deputy City Manager/  
Administrative Services Director

**APPROVED BY:**



Andrew J. Takata  
City Manager

**RESOLUTION NO. 2013-55**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING  
DECLARATION OF SURPLUS PROPERTY – QUONSET HUTS**

**WHEREAS**, the City of Banning owns three (3) Quonset huts currently located at the City Yard facility, 176 East Lincoln Street; and

**WHEREAS**, the three Quonset huts were slated for demolition due to the construction of the new City Yard warehouse; and

**WHEREAS**, the City was contacted by the March Field Air Museum about the possibility of acquiring the three Quonset huts; and

**WHEREAS**, representatives of the March Field Air Museum inspected the huts and determined they would be an excellent addition to their Museum displays; and

**WHEREAS**, staff has identified some old supplies and material currently stored in the Quonset huts, which have no value to the City, but are of interest to the Museum; and

**WHEREAS**, the Executive Director for the March Field Air Museum sent a letter to the City indicating their desire to acquire the three huts and remove them from the City Yard facility at no cost to the City, said letter is attached herewith as Exhibit "A"; and

**WHEREAS**, the March Field Air Museum shall pay the City of Banning \$1.00 to acquire the three Quonset huts and associated supplies and material;

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

SECTION 1. Adopt Resolution No. 2013-55, declaring the three Quonset huts and associated supplies and material as surplus, and authorize the City Manager, or his designee, to prepare and execute the necessary documents to complete said transfer of ownership and liability.

SECTION 2. Authorize the Administrative Services Director to receive the funds from said sale into the applicable revenue account.

**PASSED, ADOPTED AND APPROVED** this 14<sup>th</sup> day of May 2013.

\_\_\_\_\_  
Deborah Franklin, Mayor  
City of Banning

**ATTEST:**

---

Marie A. Calderon, City Clerk

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

---

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

**CERTIFICATION**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2013-55 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14<sup>th</sup> day of May 2013 by the following vote, to wit:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

---

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



An AAM Accredited Museum  
 P.O. Box 6463  
 March ARB, CA 92518  
 (951) 902-5949  
 www.marchfield.org

April 24, 2013

**Executive Director**

Patricia Korzec

**Executive Committee**

Jamil Dada,

*President*

Nancy Driscoll,

*Vice-President*

Stan Wolcott,

*Museum Counsel*

Kathryn Field,

*Secretary*

Lois Tomlinson,

*Treasurer*

Henry Britt

*Member At Large*

Gary Christmas

*Member At Large*

Robert Field,

*Member At Large*

Marshall Scott,

*Member At Large*

Richard Van Rennes,

*Member At Large*

**Board of Directors**

Harold Austin

Karen Ayers

Mayor, Rusty Bailey

Keith Beard

Dr. Dipen Bhattacharya

Ivan Chand

John Field

Mike Gallo

William Cavitt

Robert Gilliland Jr.

Jim Hastings

Peter Hubbard

Thomas Johnson

Richard Lemire

Walt Parks

Julie Reyes

Wally Rice

Jim Roever

Roger Rupp

Rosie Russell

Ken Scofield

Rita Solander

Lawrence Stumpf

Phyllis Stumpf

Rick Teichert

Lt Col Donald Traud

Dr. Richard Tworek

Steve Webb

Ted Weggeland

**Emeritus Board**

Frank Gile

Dave McPhee

Carol Uhler

Paul Wales

Mr. Fred Mason  
 Electric Utility Director  
 Electric Department  
 City of Banning  
 176 E. Lincoln St.  
 Banning, California 92220

Regarding: Quonset huts located at 176 E. Lincoln, Banning CA

Dear Mr. Mason,

Per our previous communication, the March Field Air Museum is interested in obtaining the three Quonset huts belonging to the City of Banning located in the City Yard on East Lincoln Street. The museum staff have determined all three huts are of Second World War vintage and as such are historic artifacts appropriately deserving of restoration, preservation and educational display. March Field Air Museum is requesting the transfer of the artifacts to museum control and authorization to disassemble onsite and transport the huts to museum property on Van Buren Avenue, adjacent to March Air Reserve Base for permanent retention.

The museum agrees to remove the huts from city property at no cost to the City of Banning. Should this meet with your approval, our current removal process estimates indicate the westernmost hut can be disassembled and moved in June/July 2013, the eastern hut August/September 2013 and the final central hut in the October/November timeframe.

Sincerely,

Patricia Korzec  
 Executive Director  
 March Field Air Museum

**CITY COUNCIL AGENDA  
CONSENT ITEM**

**DATE:** May 14, 2013

**TO:** Mayor and City Council

**FROM:** David J. Aleshire, City Attorney  
Pam K. Lee, Deputy City Attorney

**SUBJECT:** *Banning Redevelopment Agency v. Huang, Et Al. (220 E. Ramsey)*  
(Riverside County Superior Court Case No. RIC 1109186)

**RECOMMENDED ACTION**

Approve the final settlement amount of \$125,000.00 to acquire the property at 220 E. Ramsey Street and fully settle the above-referenced eminent domain matter.

**BACKGROUND**

This matter involves an eminent domain action to acquire property located at 220 E. Ramsey Street, with Assessor's Parcel No. 544-183-001 ("Property"), as part of the development of the Village at Paseo San Gorgonio. The Property is approximately 0.35 acres, or 15,374 square feet, and owned by Frederick H. L. Huang, Audrie P.H. Huang, and Jen H. Huang ("Property Owners"). The Property Owners acquired title to the Property in 1988 for \$48,000.00.

In early 2011, the former City of Banning Community Redevelopment Agency, as succeeded by the Successor Agency ("Agency"), approved the development of the Village at Paseo San Gorgonio, a mixed-use project that will include retail, restaurant, and office uses ("Project"). Located on the south side of Ramsay Street between San Gorgonio Avenue and Martin Street, the Project required the assembly of 14 parcels that total approximately 5.25 acres. The Agency was able to acquire 13 of 14 parcels. However, the Agency's property acquisition consultant, Overland Pacific Cutler, LLC, was unsuccessful in negotiating the purchase of the Property, which was last remaining parcel and a key lot for the development of the Project, including one of the main access points to the Project site.

On March 12, 2011, pursuant to Government Code Section 7267.2, the Agency made an offer to the Property Owners to purchase the Property for \$75,000.00. The purchase price of \$75,000.00 represents the fair market value of the Property, as determined by an independent, third party appraiser. The Agency received no response from the Property Owners regarding the offer to purchase the Property.

On May 10, 2011, the Agency adopted Resolution No. 2011-17, authorizing the Agency to acquire the Property by eminent domain. On May 24, 2011, the Agency filed a complaint in the Riverside County Superior Court to acquire the Property. On September 1, 2011, the Court granted the Agency pre-judgment possession of the Property, allowing the Agency to begin construction on the Project prior to obtaining title to the Property at the conclusion of the eminent domain case.

On January 22, 2013, the Agency and Property Owners attended a mandatory settlement conference but were unable to settle the case. Trial was scheduled for March 8, 2013.

After the mandatory settlement conference, the City Council authorized settlement authority for up to \$125,000.00 to settle the matter before Trial. The Agency offered \$125,000.00 as the final offer of compensation 20 days before Trial, while the Property Owners demanded \$145,000.00 as their final demand.

After the Agency deposed the Property Owners' appraiser and served all briefs and motions in preparation for Trial, the Property Owners accepted the City's final offer of \$125,000.00 on March 6, 2013, two days before Trial was supposed to commence.

### **DISCUSSION**

As part of the eminent domain case, the Property Owners' expert appraiser valued the Property at \$185,000.00 (approximately \$11.50/sq. ft.), while the Agency's expert appraiser valued the Property at \$75,000.00 (approximately \$5.00/sq. ft.). The difference between the two valuations is \$130,000.00.

The final offer of \$125,000.00 is less than the difference between the two valuations. Taking into account that the Agency would be required under statutory law to reimburse the Property Owners \$5,000.00 for the cost of their own appraisal and that legal fees and costs for Trial would likely be \$50,000.00, the final offer of \$125,000.00 is a very fair and reasonable settlement. In addition, if the court found that the Agency's final offer was unreasonable and the Property Owners' settlement demand was reasonable, the Agency may have been liable to the Property Owners for their attorney's fees.

Because valuation of the Property was the only issue at Trial, the Agency and the Property Owners prepared a Stipulation for the Entry of Judgment and a Proposed Final Order and Judgment In Condemnation ("Judgment") to be filed with and approved by the Court. Upon the judge's signature of the Judgment and recordation of the same with the Riverside County Recorder's Office, fee title to the Property vest in the Agency and the eminent domain proceedings will be completed.


### **FISCAL IMPACT**

The Agency will pay a total of \$125,000.00 for acquisition of the Property as full settlement of the eminent domain case, of which \$75,000.00 has already been deposited by the Agency with the State Treasurer's Office.

#### **RECOMMENDED BY:**

\_\_\_\_\_  
David J. Aleshire  
City Attorney

#### **REVIEWED BY:**

  
\_\_\_\_\_  
June Overholt  
Deputy City Manager/Administrative  
Services Director



**JOINT MEETING AGENDA  
REPORTS OF OFFICERS**

**Date:** May 14, 2013

**TO:** City Council and Successor Agency Board

**FROM:** June Overholt, Administrative Services Director

**SUBJECT:** Auditor's Reports for Fiscal Year 2011-2012

**RECOMMENDATION:** "The City Council and Successor Agency accept and place on file the auditor's reports from Lance, Soll & Lunghard, LLP for the fiscal year ended June 30, 2012."

**JUSTIFICATION:** The annual audit of the City's financial statements by an independent audit firm satisfies the legal requirement for such a periodic review and report.


**BACKGROUND/ANALYSIS:** The audit firm of Lance, Soll & Lunghard, LLP has issued an unqualified opinion on the financial statements for the fiscal year ended June 30, 2012. This means that their examination, testing and review process lead them to believe that the financial statements present fairly both the financial position of the City and the Agency as of June 30, 2012 and the results for the City's and Agency's operations for that year.

During Fiscal Year 2012 the Supreme Court ruled in favor of AB X1 26, which eliminated the Redevelopment Agency. The City of Banning elected to be the Successor Agency of the Former Redevelopment Agency. The reporting requirements and legal description of the Successor Agency are new and different from the previous Redevelopment Agency. Because this is the transition year, part of the activity for the first half of the fiscal year is reported as Redevelopment Agency under Governmental Activity. With the change to the Successor Agency, the activity is now classified as Fiduciary funds. Another major change is that a separate audited financial statement is no longer required. Therefore, the key elements that would have been presented in the Banning Redevelopment Agency Financial Statements are now included in Note 17 of the City's Financial Statements.


The second report prepared by Lance, Soll & Lunghard, LLP is the single audit report. This is a compliance audit on federal awards received and is required when the expenditure of federal funds exceeds \$500,000 in any given fiscal year. The single audit has a completion deadline of March 31<sup>st</sup>. The reports are on file at the City Clerk's office and will be posted to the City website the next business day after the City Council meeting.

**FISCAL DATA:** None

**RECOMMENDED BY:**

  
June Overholt, Administrative Services  
Director/Deputy City Manager

**APPROVED BY:**

  
Andy Takata, City Manager



CERTIFIED PUBLIC ACCOUNTANTS

• David E. Hale, CPA, CFP  
• Donald G. Slater, CPA  
• Richard K. Kikuchi, CPA  
• Susan F. Matz, CPA  
• Shelly K. Jackley, CPA  
• Bryan S. Gruber, CPA  
• Deborah A. Harper, CPA  
*Brandon W. Burrows, CPA, Retired*

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council  
City of Banning, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Banning, California, (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 10, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of City of Banning, California, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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To the Honorable Mayor and Members of the City Council  
City of Banning, California

This report is intended solely for the information and use of management, the governing board, the State Controller, and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Lane, Soll & Lingham, LLP*

Brea, California  
May 8, 2013



CERTIFIED PUBLIC ACCOUNTANTS

• David E. Hale, CPA, CFP  
• Donald G. Slater, CPA  
• Richard K. Kikuchi, CPA  
• Susan F. Matz, CPA  
• Shelly K. Jackley, CPA  
• Bryan S. Gruber, CPA  
• Deborah A. Harper, CPA  
*Brandon W. Burrows, CPA, Retired*

May 8, 2013

To the Honorable Mayor and Members of the City Council  
City of Banning, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Banning (the City) for the year ended June 30, 2012, and have issued our report thereon dated February 10, 2013. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 11, 2012. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2012. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

During the year ended June 30, 2012, a significant and unusual transaction was made regarding the dissolution of the former Redevelopment Agency, which transferred all related Assets and Liabilities, in accordance with AB 1x 26 and AB 1484, to the Successor Agency. These transactions were recorded as a transfer of balance to the Successor Agency. In addition, Advances from the City to the former Redevelopment that were deemed allowable by the California Department of Finance have been removed and recorded as an extraordinary loss to the City. If the City has entered into litigation regarding these disallowed amounts it has been disclosed in the footnotes of the financial statements. If these disallowed amounts are overturned they will be recorded at that time.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:



To the Honorable Mayor and Members of the City Council  
City of Banning, California

The disclosure of Commitments and Contingencies in Note 16 to the financial statements identifies the litigation of the City regarding outstanding Advances from the former Redevelopment Agency which were disallowed by the California Department of Finance. The litigation is in process and the outcome is unknown at this time.

The disclosures of the Successor Agency Trust for Assets of Former Redevelopment Agency in Note 16 to the financial statements identify the outstanding balances as of June 30, 2012 of the former Redevelopment Agency. These balances are dependent on the approval of the activity of transactions within the year ended June 30, 2012 by the California Department of Finance.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 10, 2013.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



To the Honorable Mayor and Members of the City Council  
City of Banning, California

**Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America and *Government Auditing Standards*, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2011-2012 audit:

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* – The City was not affected by this pronouncement at this time.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions-an amendment of GASB Statement No. 53* – The City was not affected by this pronouncement at this time.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in your next fiscal year 2012-2013 audit and should be reviewed for proper implementation by management:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statement 14 and 34*

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

This information is intended solely for the use of the members of the City Council or individual(s) charged with governance and management of the City, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Lance, Soll & Loughard, LLP*

Brea, California

**CITY OF BANNING, CALIFORNIA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



CITY OF BANNING, CALIFORNIA  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CITY OF BANNING  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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CITY OF BANNING  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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CITY OF BANNING  
FINANCIAL STATEMENTS

JUNE 30, 2012

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• David E. Hale, CPA, CFP  
• Donald G. Slater, CPA  
• Richard K. Kikuchi, CPA  
• Susan F. Matz, CPA  
• Shelly K. Jackley, CPA  
• Bryan S. Gruber, CPA  
• Deborah A. Harper, CPA

Brandon W. Burrows, CPA, Retired

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
City of Banning, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Banning, California, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Banning, California's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Banning, California, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 17 – "Successor Agency Trust for Assets of the Former Redevelopment Agency". The note provides information on the dissolution of the Redevelopment Agency and the new formed Successor Agency.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2013, on our consideration of the City of Banning, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with



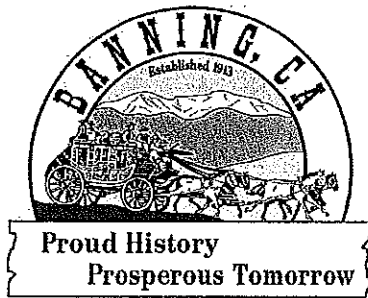
To the Honorable Mayor and Members of City Council  
City of Banning, California

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Banning, California's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lance, Soll & Loughard, LLP*

Brea, California  
May 8, 2013



# MANAGEMENT'S DISCUSSION AND ANALYSIS

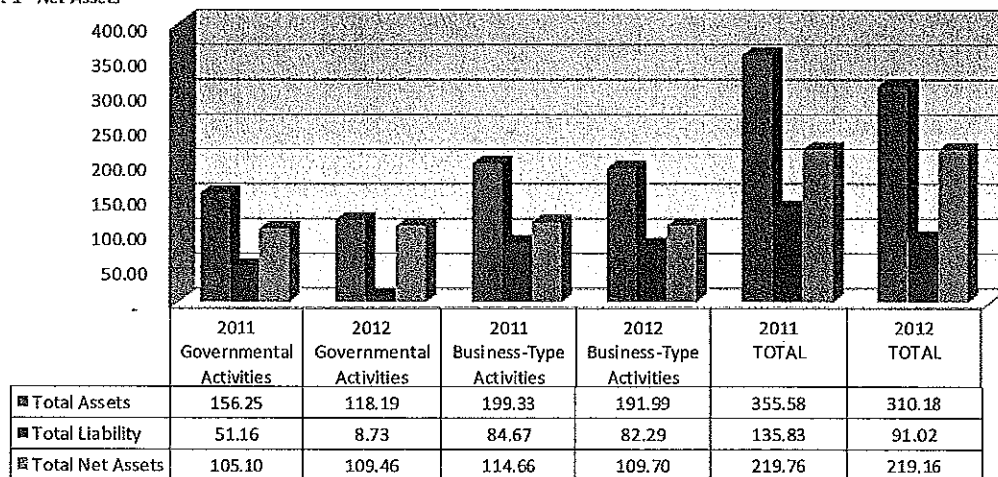
The management of the City of Banning (City) presents this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2012 (FY12). This discussion is intended to provide an introduction to the city's basic financial statements, as well as a financial comparison with the fiscal year ended June 30, 2011 (FY11). The City encourages readers to consider the information presented within this discussion and analysis in conjunction with the City's financial statements.

## FINANCIAL HIGHLIGHTS

### NET ASSETS

- The City's combined Net Assets for FY12 was \$219.16 million (see Chart 1). "Net Assets" represents the difference between the City's resources (total assets) and its obligations (total liabilities).
- The City's Net Assets decreased by \$.60 million, or approximately 0.27% during the fiscal year. The Net Assets of the Governmental Activities increased by \$4.36 million, or approximately 4.15%, and the Net Assets of the Business-Type Activities decreased by \$4.96 million, or approximately 4.33%.
- Total assets and liabilities decreased in FY12 due to changes in reporting requirements as a result of the dissolution of the Banning Community Redevelopment Agency (CRA).

Chart 1 - Net Assets





## STATEMENT OF ACTIVITIES

- During FY12, the City had revenues that were \$5.75 million less than the \$24.33 million in expenses recorded by the City in its Governmental Activities (excluding a \$2.83 million extraordinary gain resulting from the dissolution of the CRA and \$0.29 million from transfers).
- In the City's Business-Type Activities, revenues were \$2.32 million greater than the \$45.40 million in expenses recorded.

## OVERVIEW OF THE FINANCIAL STATEMENTS

**T**his annual report consists of four parts – Management's Discussion and Analysis (this section), the Basic Financial Statements, required supplementary information, and optional sections that present the Combining Statements for Non-Major Governmental Funds, Non-Major Enterprise Funds, and Internal Service Funds. The Basic Financial Statements include two kinds of statements that present different views of the City.

- **Government-Wide Financial Statements** provide both long-term and short-term information about the City's overall financial status in a manner similar to a private-sector business.
- **Fund Financial Statements** focus on individual parts of the city government and report the City's operations in a more detailed format than the Government-Wide statements.

The Fund Financial Statements can be divided into three categories:

- **Governmental fund statements** tell how general government services such as police, fire, public works and special revenue funds were financed in the short-term as well as what remains for future spending.
- **Proprietary fund statements** offer short-term and long-term financial information about the activities the City operates like businesses, such as: water, wastewater and electric utility services, airport, and transit.
- **Fiduciary fund statements** provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of other governmental units, private organizations, or individuals to whom the resources belong.

The Notes to the Financial Statements provide additional information that is essential to the full understanding of the data provided in the Government-Wide and Fund Financial Statements. This report also presents certain required supplementary information including budgetary comparison statements for governmental funds. The notes to the required supplementary information present information concerning the City's budget process.

In addition to these required elements, the Combining Statements provide details about Non-Major Governmental Funds, Non-Major Enterprise Funds, and Internal Service Funds are also presented.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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### *REPORTING THE CITY AS A WHOLE*

**T**he Government-Wide Financial Statements presents both long-term and short-term information about the City's overall financial picture. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

- The **Statement of Net Assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as Net Assets. This is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's Net Assets may serve as an indicator of whether or not its financial health is improving or deteriorating.
- The **Statement of Activities** presents information on how the City's Net Assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; (e.g., uncollected taxes or earned but unused vacation leaves, such as compensated absences).

In the Statement of Net Assets and the Statement of Activities, the City activities are separated as follows:

- **Governmental Activities** – Most of the City's basic services are reported in this category, including the general administration (city manager, city clerk, finance, etc.), police and fire protection, public works, community development, parks and recreation, and interest on long-term debt. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues fund these activities.
- **Business-Type Activities** – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's municipal airport, transit, refuse, electric, water and wastewater operations are reported in this category.

The Government-Wide Financial Statements include not only the City, but also legally separate component units such as the Banning Community Redevelopment Agency (which was dissolved as of January 31, 2012 through the California Supreme Court decision on Assembly Bill 1X 26; for additional details regarding the dissolution of the Banning Community Redevelopment Agency, please refer to Note 17 in the Notes to Financial Statements), and Banning Utility Authority. These component units, while legally separate from the City, provide services entirely or almost exclusively for the benefit of the City. Therefore, these component units are blended with the City government because of their governance and their financial relationships with the City.

## THE CITY AS A WHOLE

Table 1 summarizes the Statement of Net Assets and provides a comparison with FY11. However, the focus of the analysis relates to the Changes in Net Assets.

### NET ASSETS

Net Assets represent the difference between the City's resources (total assets) and its obligations (total liabilities). Over time, Net Assets may serve as an indication of a government's financial position. The City's Net Assets are made-up of three components: Invested in Capital Assets Net of Related Debt, Restricted, and Unrestricted Net Assets.

The Total Net Assets reflected in Table 1 include both Changes in Net Assets and the Restatements of Net Assets.

Table 1 - Summary of Net Assets (In Millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals		
	2011	2012	2011	2012	2011	2012	% CHG
Current and other assets	50.12	24.17	91.04	85.35	141.15	109.52	-22.4%
Capital assets	106.14	94.03	108.30	106.63	214.43	200.66	-6.4%
<b>TOTAL ASSETS</b>	<b>\$ 156.25</b>	<b>\$ 118.19</b>	<b>\$ 199.33</b>	<b>\$ 191.99</b>	<b>\$ 355.58</b>	<b>\$ 310.18</b>	<b>-12.8%</b>
Long-term liabilities							
outstanding	46.77	5.34	80.27	78.37	127.04	83.71	-34.1%
Other liabilities	4.39	3.40	4.40	3.92	8.79	7.31	-16.8%
<b>TOTAL LIABILITIES</b>	<b>\$ 51.16</b>	<b>\$ 8.73</b>	<b>\$ 84.67</b>	<b>\$ 82.29</b>	<b>\$ 135.83</b>	<b>\$ 91.02</b>	<b>-33.0%</b>
<b>Net assets:</b>							
Invested in capital assets							
net of related debt	61.12	92.99	55.50	55.53	116.62	148.51	27.3%
Restricted for:							
Community Development Projects*	-	4.74	-	-	-	4.74	-
Public Safety	0.53	0.53	-	-	0.53	0.53	-1.2%
Public Works	2.46	2.21	-	-	2.46	2.21	-10.4%
Capital Projects	14.94	0.38	21.15	21.16	36.09	21.54	-40.3%
Debt Service	1.03		5.67	5.42	6.69	5.42	-19.0%
Parks and Recreation	0.09	0.09	-	-	0.09	0.09	0.8%
Unrestricted	24.92	8.52	32.34	27.58	57.26	36.11	-36.9%
<b>TOTAL NET ASSETS</b>	<b>\$ 105.10</b>	<b>\$ 109.46</b>	<b>\$ 114.66</b>	<b>\$ 109.70</b>	<b>\$ 219.76</b>	<b>\$ 219.16</b>	<b>-0.3%</b>

\*Did not exist as a category in 2011. Represents the Housing Authority

The City's Government-Wide Total Net Assets were \$219.16 million, with assets of \$310.18 million and liabilities of \$91.02 million. The net investment in capital assets of \$148.51 million represents 67.76% of the City's Total Net Assets. This is an increase of \$31.89 million from the previous year. Investment in capital assets (e.g., infrastructure, land, structures and improvements, furniture and equipment) for this purpose is reduced by any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported Net of Related Debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

The portion of the City's Net Assets subject to external restrictions in how they may be used is \$34.53 million (15.76% of the Total Net Assets). The Restricted Net Assets include Community

Development Projects, Public Safety, Public Works, Capital Projects, Debt Service, and Parks and Recreation. The remaining Unrestricted Net Assets balance of \$36.11 million (16.48% of the Total Net Assets) may be used to meet the government's ongoing obligations to citizens and creditors within the program areas.

The significant decreases in Assets & Liabilities are due to changes in reporting requirements as a result of the dissolution of the Banning Community Redevelopment Agency (CRA). In 2011, the CRA was reported as a Governmental Activity. The activity for the Successor Agency is now reported as a Fiduciary Fund (see Note 17 in Notes to Financial Statements for further details).

### **CHANGES IN NET ASSETS**

Table 2 summarizes the information on the Statement of Activity. It provides a two year comparison of the Governmental and Business-Type activities. Under Governmental Activities, the City's Net Assets decreased by \$5.75 million from the prior year, offset by \$2.83 million extraordinary gain from the dissolution of the Banning Community Redevelopment Agency and \$0.29 million from Transfers; resulting in a decrease in net assets of \$2.64 million.

*Table 2 - Statement of Activity*

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2011	2012	2011	2012	2011	2012
<b>Revenues</b>						
Program Revenues:						
Charges for Services	3.56	4.12	41.52	43.72	45.07	47.83
Operating Contributions and Grants	5.55	1.79	2.59	1.71	8.15	3.49
Capital Contributions and Grants	1.06	0.98	-	-	1.06	0.98
Subtotal Program Revenues	10.17	6.89	44.11	45.42	54.28	52.31
General Revenues:						
Property Taxes	8.37	5.57	-	-	8.37	5.57
Sales Taxes	2.67	3.00	-	-	2.67	3.00
Business Licenses Taxes	0.15	0.16	-	-	0.15	0.16
Franchise Taxes	0.80	0.82	-	-	0.80	0.82
Transient Occupancy Taxes	0.51	0.59	-	-	0.51	0.59
Other Taxes	0.34	0.21	-	-	0.34	0.21
Motor Vehicle In-Lieu	0.09	0.08	-	-	0.09	0.08
Use of Money and Property	0.79	0.57	0.48	0.23	1.27	0.80
Other	0.60	0.70	1.31	2.07	1.91	2.77
Gain on sale of capital asset	-	-	-	0.00	-	0.00
Subtotal General Revenues	14.31	11.69	1.79	2.31	16.10	13.99
<b>TOTAL REVENUES</b>	<b>24.48</b>	<b>18.57</b>	<b>45.90</b>	<b>47.73</b>	<b>70.38</b>	<b>66.30</b>
<b>Expenses</b>						
General Government	6.43	3.03	-	-	6.43	3.03
Public Safety	10.52	11.80	-	-	10.52	11.80
Community Development	-	0.29	-	-	-	0.29
Parks and Recreation	1.07	1.10	-	-	1.07	1.10
Public Works	6.73	6.85	-	-	6.73	6.85
Interest on Long-term debt	2.14	1.26	-	-	2.14	1.26
Airport	-	-	0.49	0.45	0.49	0.45
Transit	-	-	1.40	1.52	1.40	1.52
Electric Utility	-	-	30.60	29.46	30.60	29.46
BUA Water	-	-	7.50	7.79	7.50	7.79
BUA Wastewater	-	-	2.94	3.14	2.94	3.14
Refuse	-	-	3.04	3.05	3.04	3.05
<b>TOTAL EXPENSES</b>	<b>26.89</b>	<b>24.33</b>	<b>45.97</b>	<b>45.40</b>	<b>72.86</b>	<b>69.73</b>
<b>Increase/(Decrease) in Net Assets</b>						
Before Transfers and Extraordinary Items	(2.41)	(5.75)	(0.07)	2.32	(2.48)	(3.43)
Transfers	0.71	0.29	(0.71)	(0.29)	-	-
Extraordinary Gain on Dissolution of Redevelopment Agency	-	2.83	-	-	-	2.83
<b>Increase/(Decrease) in Net Assets</b>	<b>(1.70)</b>	<b>(2.64)</b>	<b>(0.79)</b>	<b>2.04</b>	<b>(2.48)</b>	<b>(0.60)</b>

## REVENUES

The total Government-Wide Activity revenues (Table 2) for FY12 were \$66.30 million, of which \$18.57 million is from Governmental Activities, and \$47.73 million is from Business-Type Activities. Compared to FY11, total revenues decreased \$4.08 million from \$70.38 million.

Overall, Table 2 shows that Total Revenues have decreased by 5.80%. Property Taxes, which are considered General Revenues, is the largest revenue at \$5.57 million. This revenue category experienced a decrease of \$2.8 million from the prior year of \$8.37 million, or 33.4%, primarily due to the dissolution of the CRA on January 31, 2012; the main revenue stream of the former CRA was property taxes. The other major area with a decrease was in Operating Grants and Contributions, due to grants received in FY11 that were not renewable or ongoing into FY12.

## EXPENSES

The Government-Wide expenses totaled \$69.73 million, a decrease of 4.30% over FY11 (see Table 2). The Governmental Activities totaled \$24.33 million, or 34.89% of total expenses. Governmental Activities are grouped by functional activity. General Government includes Administration, City Clerk, City Treasurer, Finance, and Human Resources. Public Safety includes Police and Fire services. Community Development is the Housing Authority.

Business-Type Activities totaled \$45.40 million, accounting for 65.11% of total expenses and a decrease of 1.24% over FY11. Business-Type Activities are also grouped by functional activity. These typically represent activities performed in exchange for a fee. The functional activities are Airport, Transit, Electric Utility, Water, Wastewater, and Refuse.

## GOVERNMENTAL ACTIVITIES

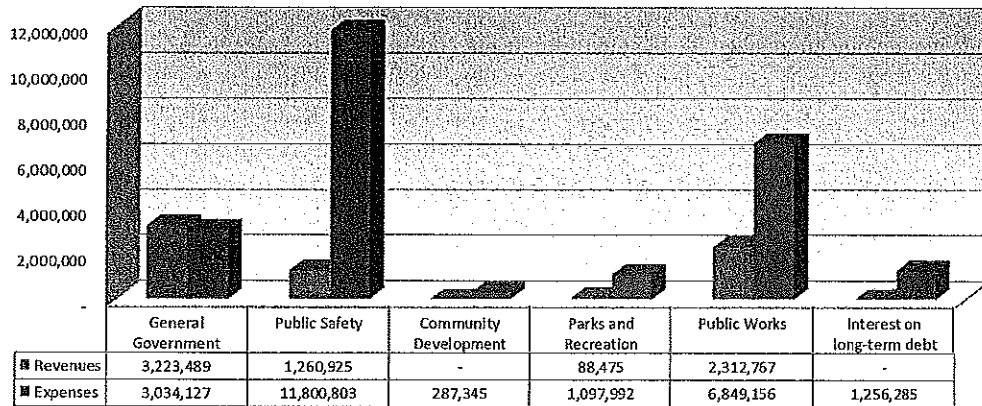
Most of the City's basic services are classified as Governmental Activities. Governmental Activities are financed by Taxes, Revenues from Other Government Agencies, State/Federal Grants, and Charges for Services. The following presents the cost of each of the City's five largest programs – General Government, Public Safety, Public Works, Community Development (newly added Housing Authority), Parks and Recreation, and Interest on Long-Term Debt – as well as each program's *net* cost (total cost less revenues generated by the activities). The Net Revenues (Expenses) show the financial burden that was placed on the City's taxpayers by each of these functions (see Table 3).

Table 3 - Program Net Cost: Government Activities

	Program Revenues			Total Cost of Services			Net Revenues (Expenses)		
	2011	2012	% Chg	2011	2012	% Chg	2011	2012	% Chg
General Government	5,367,233	3,223,489	-40%	6,431,942	3,034,127	-53%	(1,064,709)	189,362	-118%
Public Safety	2,261,855	1,260,925	-44%	10,520,747	11,800,803	12%	(8,258,892)	(10,539,878)	28%
Community Development	-	-	-	-	287,345	-	-	(287,345)	-
Parks and Recreation	154,977	88,475	-43%	1,067,744	1,097,992	3%	(912,767)	(1,009,517)	11%
Public Works	2,384,512	2,312,767	-3%	6,731,319	6,849,156	2%	(4,346,807)	(4,536,389)	4%
Interest on long-term debt	-	-	-	2,135,671	1,256,285	-41%	(2,135,671)	(1,256,285)	-41%
Government Subtotal	10,168,577	6,885,656	-32%	26,887,423	24,325,708	-10%	(16,718,846)	(17,440,052)	4%
*General Revenues	15,023,710	11,976,336	-20%	-	-	-	15,023,710	11,976,336	-20%
SUBTOTAL	25,192,287	18,861,992	-25%	26,887,423	24,325,708	-10%	(1,695,136)	(5,463,716)	222%
Extraordinary Gain/(loss) on dissolution of redevelopment agency	-	2,828,520	-	-	-	-	-	2,828,520	-
TOTAL	25,192,287	21,690,512	-14%	26,887,423	24,325,708	-10%	(1,695,136)	(2,635,196)	55%

\*Less revenue and expense from extraordinary gain/(loss) on dissolution of redevelopment agency

Chart 2 – Governmental Activities Program Revenue & Expenses



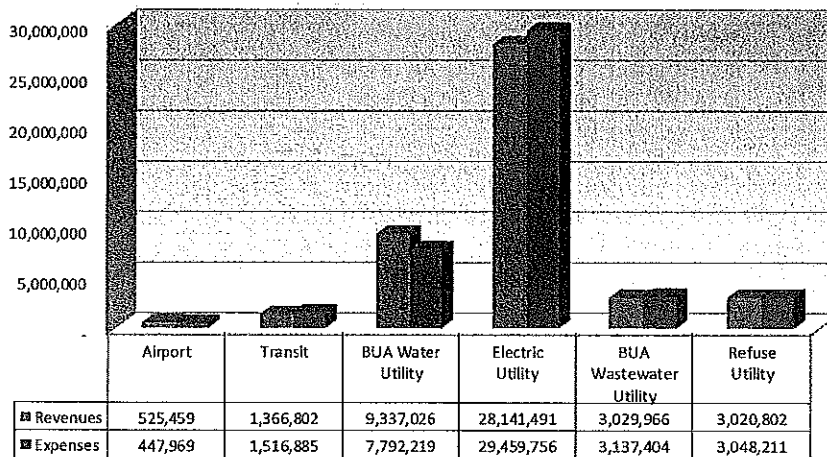
## BUSINESS-TYPE ACTIVITIES

Certain services provided by the City are funded by customer fees. The following represents the cost of each of the City's six programs - Airport, Transit, BUA Water Utility, Electric Utility, BUA Wastewater Utility, and Refuse Utility - as well as each program's *net* cost (total cost less revenues generated by the activities). The Net Revenues (Expenses) show the financial burden that was placed on the City's taxpayers by each of these functions (see Table 4).

Table 4 - Program Net Cost: Business-Type Activities

	Program Revenues			Total Cost of Services			Net Revenues (Expenses)		
	2011	2012	% Chg	2011	2012	% Chg	2011	2012	% Chg
Airport	687,840	525,459	-24%	489,011	447,969	-8%	198,829	77,490	-61%
Transit	2,078,906	1,366,802	-34%	1,395,621	1,516,885	9%	683,285	(150,083)	-122%
BUA Water Utility	7,590,563	9,337,026	23%	7,503,288	7,792,219	4%	87,275	1,544,807	1670%
Electric Utility	27,888,822	28,141,491	1%	30,602,082	29,459,756	-4%	(2,713,260)	(1,318,265)	-51%
BUA Wastewater Utility	2,818,690	3,029,966	7%	2,938,904	3,137,404	7%	(120,214)	(107,438)	-11%
Refuse Utility	3,044,149	3,020,802	-1%	3,040,225	3,048,211	0%	3,924	(27,409)	-798%
Business Subtotal	44,108,970	45,421,546	3%	45,969,131	45,402,444	-1%	(1,860,161)	19,102	-101%
General Revenues	1,074,959	2,018,619	88%	-	-	-	1,074,959	2,018,619	88%
TOTAL	45,183,929	47,440,165	5%	45,969,131	45,402,444	-1%	(785,202)	2,037,721	-360%

Chart 3 – Business-Type Activities Program Revenue & Expense



## FUND FINANCIAL STATEMENTS

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The Fund Financial Statements provide detailed information about the most significant funds and other funds – not the City as a whole. A fund is an accounting entity with a self-balancing set of accounts that the City uses to keep track of resources that have been segregated for specific activities or objectives. In addition, while some funds are required to be established by State law and by bond covenants, management has also established other funds to help control and manage money for particular purposes or to show that the legal responsibilities for using certain taxes, grants, and other resources are being met.

The City uses fund accounting to and demonstrate and ensure compliance with finance-related legal requirements. The Fund Financial Statements focus on individual parts of the City government, reporting the City's operations in more detail than the Government-Wide statements. The types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Capital Project Funds, and Internal Service Funds. The fund statements provide information on near-term inflows, outflows and balances of spendable resources. These funds represent the reporting structure of the budget and interim council reports.

### **GOVERNMENTAL FUNDS**

Governmental Funds are used to account for essentially the same functions reported as Governmental Activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between Governmental Funds and Governmental Activities.

The City maintains twenty-six individual governmental funds. These funds report financial transactions using the modified accrual accounting method. Information for the City's General Fund is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. The General Fund is considered to be a Major Governmental Fund. Data for other Non-Major Governmental Funds are combined into a single presentation as part of the additional required supplementary information. Individual fund data for each of these Non-Major Governmental Funds is provided in the form of Combining Statements which follow the Notes to Financial Statements.

The City adopts an annual appropriated budget which includes the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget.

## **GOVERNMENTAL REVENUES**

Table 5 below presents a summary of Governmental Fund Revenues for the fiscal year ended June 30, 2012, with comparative amounts from the prior year. Revenues of Governmental Funds for Fiscal Year 2012 were \$17.98 million, which is a decrease of \$3.21 million or 15.14% compared to the previous fiscal year. The decrease in governmental revenue is primarily attributable to the loss in Redevelopment taxes for the second half of the fiscal year. Other significant changes were in the following categories: Intergovernmental revenues decreased by \$0.85 million due to onetime grants received in FY11. Charges for Services increased by \$0.63 million, primarily due to increases in Electric revenues. Use of Money & Property decreased by \$0.23 million due to declining interest rates. The significant reduction in tax revenue is due to the loss of the Redevelopment Agency property tax increment for part of the year. Successor Agency activity is now reported as a Fiduciary Fund.

*Table 5 - Comparison of Governmental Revenues*

	2010-11	% of Total Revenues	2011-12	% of Total Revenues	\$ Increase / (Decrease)	% Increase / (Decrease)
Taxes	12,804,034	60.44%	10,333,746	57.48%	(2,470,288)	-19.29%
Licenses & Permits	162,683	0.77%	137,689	0.77%	(24,994)	-15.36%
Intergovernmental	3,663,222	17.29%	2,812,139	15.64%	(851,083)	-23.23%
Charges for Services	2,983,132	14.08%	3,608,617	20.07%	625,485	20.97%
Use of Money & Property	764,035	3.61%	536,753	2.99%	(227,282)	-29.75%
Fines and Forfeitures	404,274	1.91%	292,192	1.63%	(112,082)	-27.72%
Miscellaneous	404,729	1.91%	257,406	1.43%	(147,323)	-36.40%
<b>TOTAL</b>	<b>21,186,109</b>	<b>100.00%</b>	<b>17,978,542</b>	<b>100.00%</b>	<b>(3,207,567)</b>	<b>-15.14%</b>

## **GOVERNMENTAL EXPENDITURES**

Total expenditures for Fiscal Year 2012 were \$22.47 million, a decrease of \$7.52 million or 25.08 percent from the prior year. The major reductions in expenditures include a decrease in General Government of \$3.55 million, in Capital Outlay of \$1.01 million and in Debt Service of \$3.94 million. All of these relate primarily to the changes in reporting required by the elimination of the Banning Community Redevelopment Agency. Successor Agency activity is now reported as a Fiduciary Fund.

*Table 6 - Comparison of Governmental Expenditures*

	2010-11	% of Total Revenues	2011-12	% of Total Revenues	\$ Increase / (Decrease)	% Increase / (Decrease)
General Government	6,216,291	20.72%	2,668,160	11.87%	(3,548,131)	-57.08%
Public Safety	9,527,866	31.77%	10,295,109	45.82%	767,243	8.05%
Community Development	-	0.00%	287,345	1.28%	287,345	-
Parks and Recreation	632,859	2.11%	658,765	2.93%	25,906	4.09%
Public Works	2,316,524	7.72%	2,260,310	10.06%	(56,214)	-2.43%
Operating Expenditures	18,693,540	62.32%	16,169,689	71.96%	(2,523,851)	-47.36%
Capital Outlay	4,182,225	13.94%	3,126,606	13.91%	(1,055,619)	-25.24%
Debt Service	7,119,076	23.73%	3,174,486	14.13%	(3,944,590)	-55.41%
<b>TOTAL</b>	<b>29,994,841</b>	<b>100.00%</b>	<b>22,470,781</b>	<b>100.00%</b>	<b>(7,524,060)</b>	<b>-25.08%</b>



## **PROPRIETARY FUNDS**

When the City charges customers for the services it provides, these services are generally reported in Proprietary Funds. Proprietary Funds and Financial Statements, like the Government-Wide Financial Statements, provide both long-term and short-term financial information.

- **Enterprise Funds** are used to report the same functions presented as Business-Type Activities in the Government-Wide Financial Statements.
- **Internal Service Funds** report activities that provide services for the City's other programs and activities such as the City's Insurance, Fleet Maintenance, Information Systems and Utility Billing Services.

## **FIDUCIARY FUNDS**

The City is the trustee, or *fiduciary*, for certain funds held on behalf of those entities outside of the government. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. The City excludes these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Fiduciary Funds now include all of the funds related to the Successor Agency of the Former Redevelopment Agency, which was formed upon dissolution of the Banning Community Redevelopment Agency (CRA). The Successor Agency is subject to the control of the newly established oversight board and can only pay enforceable obligations in existence at the date of dissolution. Furthermore, it will hold the remaining assets of the former Redevelopment Agency until the enforceable obligations are legally satisfied or they are distributed to local taxing entities. Additional information on the dissolution of the CRA can be found in the Footnotes To The Financial Statement (Note 17).

## **FINANCIAL ANALYSIS OF THE GENERAL FUND**

The City Council committed \$2.34 million as an emergency contingency in the General Fund. Funds classified as Nonspendable total \$0.04 million, for items such as land held for resale, loans receivable and advances to other funds. Funds classified as Assigned total \$1.15 million for public safety, parks and recreation, public works, general government, future compensated absences, gas tax commitment, and PEG. Any remaining fund balance is identified as Unassigned. The terminology and presentation of fund balance has changed with the implementation of GASB 54.

## **GENERAL FUND – REVENUE AND EXPENDITURE ANALYSIS**

For Fiscal Year 2012, General Fund revenues were \$13.66 million. Table 7 shows a decrease of \$9.76 million of which \$3.46 million related to entries required to record the refinancing of the City Hall lease debt and \$6.02 million transfer in to the General Fund of CRA land assets in 2011. Other ongoing revenues showed a net decrease of approximately \$400,000. Property taxes have shown a decline each of the years represented in this table. The other major changes were a decrease in Other Taxes due to changes in towing revenue and Intergovernmental due to a decrease of approximately \$1 million in TASIN funding that was received in 2011. Two revenue sources that

showed an increase were Charges for Services due to changes in Electric revenues and Use of Money shows an increase due to reporting changes with the City Hall lease.

Table 7 - General Fund Revenues

	2009-10	2010-11	2011-12	% of Total	\$ Increase / (Decrease) to Last Year	% of Increase (Decrease)
Property Tax	4,263,611	3,852,014	3,681,435	26.96%	(170,579)	-4.43%
Sales Tax	1,993,985	2,130,506	2,291,515	16.78%	161,009	7.56%
Transient Occupancy Tax	340,047	506,074	586,083	4.29%	80,009	15.81%
Franchise	755,797	800,346	819,203	6.00%	18,857	2.36%
Other Taxes	280,772	358,093	240,891	1.76%	(117,202)	-32.73%
License & Permits	171,010	162,683	137,689	1.01%	(24,994)	-15.36%
Intergovernmental	484,908	1,301,881	315,724	2.31%	(986,157)	-75.75%
Charges for Services	2,939,090	2,982,831	3,608,457	26.42%	625,626	20.97%
Use of Money & Property	97,051	99,147	482,199	3.53%	383,052	386.35%
Fines & Forfeitures	339,797	404,274	292,192	2.14%	(112,082)	-27.72%
Transfers In	2,097,000	7,027,511	1,010,514	7.40%	(6,016,997)	-85.62%
Miscellaneous	291,174	337,011	191,374	1.40%	(145,637)	-43.21%
Refunding Debt Issued	-	3,455,000	-	-	(3,455,000)	-100.00%
Gain on disposal of capital assets	2,688	-	-	-	-	-
<b>TOTALS</b>	<b>14,056,930</b>	<b>23,417,371</b>	<b>13,657,276</b>	<b>100.00%</b>	<b>(9,760,095)</b>	<b>-41.68%</b>

For Fiscal Year 2012, General Fund expenditures were \$22.24 million. Table 8 shows a net increase of \$5.74 million of which the Transfers Out line item represents the largest amount. Of the 2012 Transfer Out amount of \$8.11 million, approximately \$6 million relates to the reversal of the 2011 transfer in to the General Fund of the CRA land assets, and the remainder is the transfer out to the Insurance Fund in the amount of \$1.8 million to cover costs associated with the oil spill cleanup. The Public Safety line item shows net increases of over \$0.69 million related to TASIN funding expenditures. The Debt Service line item relates to the City Hall lease and shows an increase due to the reporting changes due to the refinancing of the lease and as a result of the elimination of the Redevelopment Agency. The debt had previously been reported as an Agency debt.

Table 8 - General Fund Expenditures

	2009-10	2010-11	2011-12	% of Total	\$ Increase / (Decrease) to Last Year	% of Increase (Decrease)
General Government	1,825,908	2,074,266	1,815,990	8.17%	(258,276)	-12.45%
Public Safety	9,343,795	9,048,645	9,735,506	43.77%	686,861	7.59%
Parks and Recreation	861,840	592,552	628,153	2.82%	35,601	6.01%
Public Works	1,134,852	996,291	1,264,178	5.68%	267,887	26.89%
Capital Outlay	506,582	338,834	252,322	1.13%	(86,512)	-25.53%
Debt Service	-	9,916	435,545	1.96%	425,629	4292.35%
Transfers Out	257,735	3,358,287	8,108,616	36.46%	4,750,329	141.45%
Refunding Debt Issued costs	-	78,726	-	-	(78,726)	-100.00%
<b>TOTALS</b>	<b>13,930,712</b>	<b>16,497,517</b>	<b>22,240,310</b>	<b>100.00%</b>	<b>5,742,793</b>	<b>34.81%</b>

## GENERAL FUND BUDGETARY HIGHLIGHTS

Throughout the year, with the recommendation from the City's staff, the City Council revised the City budget several times. The Final Budget differs from the Original Budget in that it contains carry-forward appropriations and revenues for various projects, supplemental revenues, carry-forward appropriations for open purchase orders from the previous year, and appropriations approved by City Council throughout the year. Budgetary adjustments were made on an ongoing basis in an effort to better reflect the City's financial position. These adjustments included, but were not limited to, new projects or contracts, change orders to existing projects or contracts, and other adjustments deemed necessary to maintain current service levels. All adjustments, that either increase or decrease appropriations or estimated revenue, are approved by the City Council.

For the City's General Fund, actual ending revenues of \$13.66 million were \$0.83 million less than the final budgeted revenues of \$14.48 million. The most significant variance was in Intergovernmental. In this category, the City budgeted a total of \$1.38 million, and the actual was \$0.32 million, primarily as a result of grants awarded but not yet received.

The General Fund actual ending expenditures of \$22.24 million were \$1.12 million less than the final budget of \$23.36 million. There were significant changes in the original budget compared to the final budget.

The City's General Fund appropriations increased \$9.74 million to \$22.24 million. This was primarily due to the CRA transfer of assets and the transfer to cover oil spill expenditures. Final expenditures were \$22.24 million. The City's General Fund showed a net decrease in fund balance of \$8.59 million.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### CAPITAL ASSETS

The City's investment in capital assets (Table 9) for its Governmental and Business-Type Activities as of June 30, 2012, is \$200.66 million (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, furniture and equipment, infrastructure and construction in progress. For more information, please refer to Note 5 in the Notes to the Financial Statements. The Capital Assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. Depreciation on capital assets is recognized in the Government-Wide Financial Statements.

Table 9 - Capital Assets by Activity

	Governmental Activities			Business-Type Activities			Totals		
	2011	2012	% Chg	2011	2012	% Chg	2011	2012	% Chg
Land	6,345,170	3,061,900	-52%	1,184,229	1,184,229	0%	7,529,399	4,246,129	-44%
Construction In Progress	3,501,022	3,270,346	-7%	2,611,379	2,959,632	13%	6,112,401	6,229,978	2%
Building and Structures	16,363,102	14,701,953	-10%	140,384	132,992	-5%	16,503,486	14,834,945	-10%
Land Improvements	5,435,953	3,937,379	-28%	1,821,884	1,684,458	-8%	7,257,837	5,621,837	-23%
Machinery and Equipment	1,624,820	1,486,962	-8%	5,243	1,308	-75%	1,630,063	1,488,270	-9%
Vehicles	694,727	365,123	-47%	-	-	0%	694,727	365,123	-47%
Utility Plant	-	-	-	102,532,206	100,672,007	-2%	102,532,206	100,672,007	-2%
Infrastructure	72,172,366	67,204,390	-7%	-	-	-	72,172,366	67,204,390	-7%
TOTAL	106,137,160	94,028,053	-11%	108,295,325	106,634,626	-2%	214,432,485	200,662,679	-6%

## DEBT

At year-end, the City's Governmental Activities had \$5.34 million in Compensated Absences, Claims and Judgments, and leases outstanding, while the Business-Type Activities had \$77.20 million in debt. Table 7 below is a summary of the City's long-term debt for the year ended June 30, 2012. The Redevelopment Tax Allocation Bonds and other loans are no longer reported as a Governmental Activity.

Debt in the Business-Type Activities consists of Water and Wastewater Revenue Bonds, Electric Revenue Bonds, a loan payable to the California Water Resources Control Board and Compensated Absences. For additional information on long-term debt refer to the Note 9 of the Notes to the Financial Statements.

Table 10 - Debt Recap

	Governmental Activities			Business-Type Activities			Totals		
	2011	2012	% Chg	2011	2012	% Chg	2011	2012	% Chg
Compensated Absences	1,234,291	1,272,510	3%	652,169	675,586	4%	1,886,460	1,948,096	3%
Tax Allocation Bonds	40,780,000	-	-100%	-	-	0%	40,780,000	-	-100%
Refunding Lease	3,455,000	3,147,156	-	-	-	-	3,455,000	3,147,156	-
Revenue Bonds	-	-	0%	75,780,000	74,115,000	-2%	75,780,000	74,115,000	-2%
Claims & Judgements	926,590	917,420	-1%	-	-	0%	926,590	917,420	-1%
Loans	1,133,602	-	-100%	2,649,445	2,414,042	0%	3,783,047	2,414,042	-36%
<b>TOTAL</b>	<b>47,529,483</b>	<b>5,337,086</b>	<b>-89%</b>	<b>79,081,614</b>	<b>77,204,628</b>	<b>-2%</b>	<b>126,611,097</b>	<b>82,541,714</b>	<b>-35%</b>

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Banning's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, at the City of Banning, P.O. Box 998, Banning Ca., 92220.

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## CITY OF BANNING

STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 14,484,568	\$ 45,446,331	\$ 59,930,899
Receivables:			
Accounts	678,081	7,160,082	7,838,163
Loans	1,151,328	9,527	1,160,855
Interest	14,255	39,847	54,102
Internal balances	484,648	(484,648)	-
Deposits	-	1,158,458	1,158,458
Due from other governments	5,111,199	593,521	5,704,720
Inventories	60,715	1,957,442	2,018,157
Deferred charges	74,582	1,662,759	1,737,341
Restricted assets:			
Cash and investments	-	1,220,971	1,220,971
Cash with fiscal agent	2,106,730	26,586,939	28,693,669
Capital assets not being depreciated	6,332,246	4,143,861	10,476,107
Capital assets, net of depreciation	87,695,807	102,490,765	190,186,572
<b>Total Assets</b>	<b>118,194,159</b>	<b>191,985,855</b>	<b>310,180,014</b>
<b>Liabilities:</b>			
Accounts payable	1,218,017	2,378,339	3,596,356
Accrued liabilities	1,101,157	113,981	1,215,138
Accrued interest	19,637	496,884	516,521
Unearned revenue	-	177,038	177,038
Deposits payable	434,226	751,103	1,185,329
Due to other governments	623,513	-	623,513
Noncurrent liabilities:			
Due within one year	1,572,578	2,037,284	3,609,862
Due in more than one year	3,764,508	76,333,540	80,098,048
<b>Total Liabilities</b>	<b>8,733,636</b>	<b>82,288,169</b>	<b>91,021,805</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	92,987,626	55,526,327	148,513,953
Restricted for:			
Community development projects	4,744,941	-	4,744,941
Public safety	528,063	-	528,063
Public works	2,206,900	-	2,206,900
Capital projects	379,072	21,163,654	21,542,726
Debt service	-	5,423,285	5,423,285
Parks and recreation	92,425	-	92,425
Unrestricted	8,521,496	27,584,420	36,105,916
<b>Total Net Assets</b>	<b>\$ 109,460,523</b>	<b>\$ 109,697,686</b>	<b>\$ 219,158,209</b>

## CITY OF BANNING

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 3,034,127	\$ 3,205,141	\$ 18,348	\$ -
Public safety	11,800,803	217,205	1,043,720	-
Community development	287,345	-	-	-
Parks and Recreation	1,097,992	74,475	-	14,000
Public works	6,849,156	619,606	725,209	967,952
Interest on long-term debt	1,256,285	-	-	-
Total Governmental Activities	24,325,708	4,116,427	1,787,277	981,952
Business-Type Activities:				
Airport	447,969	238,187	287,272	-
Transit	1,516,885	132,349	1,234,453	-
Banning Utility Authority Water	7,792,219	9,190,547	146,479	-
Electric Utility	29,459,756	28,141,491	-	-
Banning Utility Authority Wastewater	3,137,404	3,029,966	-	-
Refuse Utility	3,048,211	2,983,206	37,596	-
Total Business-Type Activities	45,402,444	43,715,746	1,705,800	-
Total Primary Government	\$ 69,728,152	\$ 47,832,173	\$ 3,493,077	\$ 981,952

**General Revenues:**

## Taxes:

Property taxes, levied for general purpose  
 Transient occupancy taxes  
 Sales taxes  
 Franchise taxes  
 Business licenses taxes  
 Other taxes  
 Motor vehicle in lieu - unrestricted  
 Use of money and property  
 Other  
 Gain on sale of capital asset  
 Extraordinary gain/(loss) on dissolution  
 of redevelopment agency (Note 17)  
 Transfers

**Total General Revenues, Contributions,  
Extraordinary Items and Transfers**

Change in Net Assets

Net Assets at Beginning of Year

Restatement of Net Assets

Net Assets at End of Year

Net (Expenses) Revenues and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 189,362	\$ -	\$ 189,362
(10,539,878)	-	(10,539,878)
(287,345)	-	(287,345)
(1,009,517)	-	(1,009,517)
(4,536,389)	-	(4,536,389)
(1,256,285)	-	(1,256,285)
<u>(17,440,052)</u>	<u>-</u>	<u>(17,440,052)</u>
-	77,490	77,490
-	(150,083)	(150,083)
-	1,544,807	1,544,807
-	(1,318,265)	(1,318,265)
-	(107,438)	(107,438)
-	(27,409)	(27,409)
<u>-</u>	<u>19,102</u>	<u>19,102</u>
<u>(17,440,052)</u>	<u>19,102</u>	<u>(17,420,950)</u>
5,571,836	-	5,571,836
586,083	-	586,083
2,996,039	-	2,996,039
819,203	-	819,203
156,161	-	156,161
214,993	-	214,993
75,220	-	75,220
571,715	232,120	803,835
697,915	2,073,661	2,771,576
-	9	9
2,828,520	-	2,828,520
287,171	(287,171)	-
<u>14,804,856</u>	<u>2,018,619</u>	<u>16,823,475</u>
(2,635,196)	2,037,721	(597,475)
105,095,719	114,659,965	219,755,684
<u>7,000,000</u>	<u>(7,000,000)</u>	<u>-</u>
<u>\$ 109,460,523</u>	<u>\$ 109,697,686</u>	<u>\$ 219,158,209</u>

See Notes to Financial Statements



## CITY OF BANNING

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Pooled cash and investments	\$ 3,780,105	\$ 7,132,256	\$ 10,912,361
Receivables:			
Accounts	634,711	100	634,811
Loans	35,398	1,110,067	1,145,465
Interest	5,955	6,856	12,811
Due from other governments	1,569,505	3,540,249	5,109,754
Due from other funds	1,445,800	-	1,445,800
Restricted assets:			
Cash and investments with fiscal agents	-	2,106,730	2,106,730
<b>Total Assets</b>	<b>\$ 7,471,474</b>	<b>\$ 13,896,258</b>	<b>\$ 21,367,732</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 514,812	\$ 584,344	\$ 1,099,156
Accrued liabilities	1,043,286	17,224	1,060,510
Deferred revenues	1,034,341	1,607,205	2,641,546
Deposits payable	333,022	100,276	433,298
Due to other governments	623,513	-	623,513
Due to other funds	-	1,731,500	1,731,500
Advances from other funds	394,118	-	394,118
<b>Total Liabilities</b>	<b>3,943,092</b>	<b>4,040,549</b>	<b>7,983,641</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Loans receivable	35,398	831	36,229
<b>Restricted for:</b>			
Community development projects	-	4,744,941	4,744,941
Public safety	-	528,063	528,063
Parks and recreation	-	92,425	92,425
Public works	-	2,206,900	2,206,900
Capital Projects	-	379,072	379,072
<b>Committed to:</b>			
Emergency contingency	2,343,760	-	2,343,760
<b>Assigned to:</b>			
Capital Projects	-	2,680,071	2,680,071
Public safety	126,084	-	126,084
Parks and recreation	300	-	300
Public works	191,942	-	191,942
General government	4,064	-	4,064
Future compensated absences	469,161	-	469,161
Gas tax commitment	317,000	-	317,000
PEG	40,673	-	40,673
<b>Unassigned</b>	<b>-</b>	<b>(776,594)</b>	<b>(776,594)</b>
<b>Total Fund Balances</b>	<b>3,528,382</b>	<b>9,855,709</b>	<b>13,384,091</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,471,474</b>	<b>\$ 13,896,258</b>	<b>\$ 21,367,732</b>

**CITY OF BANNING**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**

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Fund balances of governmental funds		\$ 13,384,091
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		93,518,717
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets.		74,582
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (3,147,157)	
Compensated Absences	<u>(1,084,544)</u>	(4,231,701)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(19,637)
Revenues reported as deferred revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		2,641,546
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets.		<u>4,092,925</u>
<b>Net assets of governmental activities</b>		<b><u>\$ 109,460,523</u></b>

## CITY OF BANNING

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 7,619,127	\$ 2,714,619	\$ 10,333,746
Licenses and permits	137,689	-	137,689
Intergovernmental	315,724	2,496,415	2,812,139
Charges for services	3,608,457	160	3,608,617
Use of money and property	482,199	54,554	536,753
Fines and forfeitures	292,192	-	292,192
Miscellaneous	191,374	66,032	257,406
<b>Total Revenues</b>	<b>12,646,762</b>	<b>5,331,780</b>	<b>17,978,542</b>
<b>Expenditures:</b>			
Current:			
General government	1,815,990	852,170	2,668,160
Public safety	9,735,506	559,603	10,295,109
Community development	-	287,345	287,345
Parks and recreation	628,153	30,612	658,765
Public works	1,264,178	996,132	2,260,310
Capital outlay	252,322	2,874,284	3,126,606
Debt service:			
Principal retirement	307,844	947,263	1,255,107
Interest and fiscal charges	127,701	1,791,678	1,919,379
<b>Total Expenditures</b>	<b>14,131,694</b>	<b>8,339,087</b>	<b>22,470,781</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,484,932)	(3,007,307)	(4,492,239)
<b>Other Financing Sources (Uses):</b>			
Transfers in	1,010,514	7,179,221	8,189,735
Transfers out	(8,108,616)	(1,604,728)	(9,713,344)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,098,102)</b>	<b>5,574,493</b>	<b>(1,523,609)</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	(21,455,362)	(21,455,362)
<b>Net Change in Fund Balances</b>	<b>(8,583,034)</b>	<b>(18,888,176)</b>	<b>(27,471,210)</b>
Fund Balances, Beginning of Year, as previously reported	12,111,416	21,743,885	33,855,301
Restatements	-	7,000,000	7,000,000
Fund Balances, Beginning of Year, as restated	12,111,416	28,743,885	40,855,301
<b>Fund Balances, End of Year</b>	<b>\$ 3,528,382</b>	<b>\$ 9,855,709</b>	<b>\$ 13,384,091</b>

**CITY OF BANNING**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012**

Net change in fund balances - total governmental funds \$ (27,471,210)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 3,005,710	
Depreciation	(5,848,605)	
Disposal, net of accumulated depreciation	<u>(2,979)</u>	(2,845,874)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal repayments	1,237,844	
Amortization of bond premiums/discounts	(17,638)	
Amortization of bond issuance costs	(35,138)	
Loan repayments	<u>17,263</u>	1,202,331

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

715,870

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(15,735)

Revenues reported as deferred revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

144,475

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

1,351,065

Extraordinary gains and losses relating to capital assets and long term liabilities transferred to the Successor Agency are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

Capital assets	(9,361,962)	
Long-term liabilities	40,222,837	
Unamortized bond issuance costs	(1,262,492)	
Deferred revenues	<u>(5,314,501)</u>	<u>24,283,882</u>

Change in net assets of governmental activities \$ (2,635,196)

## CITY OF BANNING

**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 12,111,416	\$ 12,111,416	\$ 12,111,416	\$ -
<b>Resources (Inflows):</b>				
Taxes:				
Sales and use	2,131,000	2,205,000	2,291,515	86,515
Property	3,974,980	3,671,094	3,681,435	10,341
Franchise	802,450	826,450	819,203	(7,247)
Transient occupancy	502,000	512,000	586,083	74,083
Other	274,568	286,253	240,891	(45,362)
Subtotal	7,684,998	7,500,797	7,619,127	118,330
Licenses and permits:				
Building permits	55,800	55,800	67,867	12,067
Other permits	86,875	58,200	69,822	11,622
Subtotal	142,675	114,000	137,689	23,689
Intergovernmental:				
State motor vehicle in-lieu fees	70,000	100,000	75,220	(24,780)
Other intergovernmental revenues	386,834	1,272,859	240,504	(1,032,355)
Subtotal	456,834	1,372,859	315,724	(1,057,135)
Charges for services:				
Engineering, police, fire and other fees	384,647	688,185	693,327	5,142
Recreation fees	57,820	60,695	66,348	5,653
Interfund charges	2,501,500	2,760,105	2,848,782	88,677
Subtotal	2,943,967	3,508,985	3,608,457	99,472
Use of money and property:				
Interest and rents	525,750	518,872	482,199	(36,673)
Subtotal	525,750	518,872	482,199	(36,673)
Fines and forfeitures				
Parking fines	9,750	13,000	23,851	10,851
Court fines and other fines	307,800	256,550	268,341	11,791
Subtotal	317,550	269,550	292,192	22,642
Miscellaneous	237,745	234,112	191,374	(42,738)
Transfers in	853,676	964,698	1,010,514	45,816
Subtotal	1,091,421	1,198,810	1,201,888	3,078
<b>Amounts Available for Appropriation</b>	<b>25,274,611</b>	<b>26,595,289</b>	<b>25,768,692</b>	<b>(826,597)</b>

## CITY OF BANNING

**BUDGETARY COMPARISON STATEMENT  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Charges to Appropriation (Outflow):</b>				
General government				
City council	94,006	94,006	90,998	3,008
City manager	210,935	210,935	198,167	12,768
Personnel	149,779	189,779	172,782	16,997
City clerk	85,753	85,753	84,450	1,303
Elections	200	200	-	200
City attorney	161,000	161,000	84,314	76,686
Finance	219,119	240,052	206,530	33,522
Community enhancement	7,747	17,947	33,689	(15,742)
Central services	1,184,289	1,149,951	944,710	205,241
Debt service	5,500	350	350	-
Subtotal	<u>2,118,328</u>	<u>2,149,973</u>	<u>1,815,990</u>	<u>333,983</u>
Public safety				
Police	6,442,353	6,882,895	6,644,950	237,945
Animal control	142,000	142,000	110,411	31,589
Fire	2,506,503	3,014,745	2,980,145	34,600
Subtotal	<u>9,090,856</u>	<u>10,039,640</u>	<u>9,735,506</u>	<u>304,134</u>
Parks and recreation				
Parks	300,841	300,841	288,523	12,318
Recreation	324,260	337,619	339,630	(2,011)
Subtotal	<u>625,101</u>	<u>638,460</u>	<u>628,153</u>	<u>10,307</u>
Public works				
Building safety	384,938	380,522	396,604	(16,082)
Planning	264,103	614,361	466,106	148,255
Engineering	208,393	256,299	209,227	47,072
Building maintenance	195,206	195,206	192,241	2,965
Subtotal	<u>1,052,640</u>	<u>1,446,388</u>	<u>1,264,178</u>	<u>182,210</u>
Capital outlay	40,000	540,031	252,322	287,709
Debt service:				
Principal retirement	308,547	308,547	307,844	703
Interest and fiscal charges	129,553	128,453	127,701	752
Transfers out	254,735	8,112,127	8,108,616	3,511
Subtotal	<u>732,835</u>	<u>9,089,158</u>	<u>8,796,483</u>	<u>292,675</u>
<b>Total Charges to Appropriations</b>	<u><b>13,619,760</b></u>	<u><b>23,363,619</b></u>	<u><b>22,240,310</b></u>	<u><b>1,123,309</b></u>
<b>Budgetary Fund Balance, June 30</b>	<u><b>\$ 11,654,851</b></u>	<u><b>\$ 3,231,670</b></u>	<u><b>\$ 3,528,382</b></u>	<u><b>\$ 296,712</b></u>

## CITY OF BANNING

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
<b>Assets:</b>			
Current:			
Pooled cash and investments	\$ 10,857,029	\$ 20,073,185	\$ 14,104,776
Receivables:			
Accounts	1,550,426	3,511,324	1,672,881
Loans	2,674	5,622	1,231
Interest	9,504	18,301	11,650
Deposits	-	100,000	-
Due from other governments	146,479	99,438	118
Due from other funds	-	-	285,700
Inventories	422,680	1,512,793	-
Deposits with other agencies	-	1,058,458	-
Restricted:			
Cash and investments	-	1,220,971	-
Cash with fiscal agent	4,772,941	18,054,815	3,759,183
<b>Total Current Assets</b>	<b>17,761,733</b>	<b>45,654,907</b>	<b>19,835,539</b>
Noncurrent:			
Unamortized debt issuance costs	737,956	689,899	234,904
Advances to other funds	-	394,118	-
Capital assets - net of accumulated depreciation	48,484,666	38,416,702	15,873,915
<b>Total Noncurrent Assets</b>	<b>49,222,622</b>	<b>39,500,719</b>	<b>16,108,819</b>
<b>Total Assets</b>	<b>\$ 66,984,355</b>	<b>\$ 85,155,626</b>	<b>\$ 35,944,358</b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 415,841	\$ 1,535,506	\$ 166,162
Accrued liabilities	29,457	51,445	13,339
Accrued interest	261,023	151,803	84,058
Unearned revenues	-	-	-
Deposits payable	165,143	383,537	88,375
Compensated absences	24,706	9,380	17,816
Claims and judgments	-	-	-
Bonds, notes, and capital leases	740,000	850,000	381,524
<b>Total Current Liabilities</b>	<b>1,636,170</b>	<b>2,981,671</b>	<b>751,274</b>
Noncurrent:			
Compensated absences	129,925	251,610	103,797
Claims and judgments	-	-	-
Bonds, notes, and capital leases	31,639,750	36,642,014	7,441,950
<b>Total Noncurrent Liabilities</b>	<b>31,769,675</b>	<b>36,893,624</b>	<b>7,545,747</b>
<b>Total Liabilities</b>	<b>33,405,845</b>	<b>39,875,295</b>	<b>8,297,021</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	20,877,857	18,979,503	11,809,624
Restricted for capital projects	2,091,940	15,382,542	3,689,172
Restricted for debt service	2,681,001	2,672,273	70,011
Unrestricted	7,927,712	8,246,013	12,078,530
<b>Total Net Assets</b>	<b>33,578,510</b>	<b>45,280,331</b>	<b>27,647,337</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 66,984,355</b>	<b>\$ 85,155,626</b>	<b>\$ 35,944,358</b>

**Reconciliation of Net Assets to the Statement of Net Assets**

Net Assets per Statement of Net Assets - Proprietary Funds  
 Prior years' accumulated adjustment to reflect the consolidation of  
 internal service funds activities related to the enterprise funds  
 Current years' adjustments to reflect the consolidation of internal  
 service activities related to enterprise funds  
**Net Assets per Statement of Net Assets**

## CITY OF BANNING

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Assets:</b>			
Current:			
Pooled cash and investments	\$ 411,341	\$ 45,446,331	\$ 3,572,207
Receivables:			
Accounts	425,451	7,160,082	43,270
Loans	-	9,527	5,863
Interest	392	39,847	1,444
Deposits	-	100,000	-
Due from other governments	347,486	593,521	1,445
Due from other funds	-	285,700	-
Inventories	21,969	1,957,442	60,715
Deposits with other agencies	-	1,058,458	-
Restricted:			
Cash and investments	-	1,220,971	-
Cash with fiscal agent	-	26,586,939	-
<b>Total Current Assets</b>	<b>1,206,639</b>	<b>84,458,818</b>	<b>3,684,944</b>
Noncurrent:			
Unamortized debt issuance costs	-	1,662,759	-
Advances to other funds	-	394,118	-
Capital assets - net of accumulated depreciation	3,859,343	106,634,626	509,336
<b>Total Noncurrent Assets</b>	<b>3,859,343</b>	<b>108,691,503</b>	<b>509,336</b>
<b>Total Assets</b>	<b>\$ 5,065,982</b>	<b>\$ 193,150,321</b>	<b>\$ 4,194,280</b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 260,830	\$ 2,378,339	\$ 118,861
Accrued liabilities	19,740	113,981	40,647
Accrued interest	-	496,884	-
Unearned revenues	177,038	177,038	-
Deposits payable	114,048	751,103	928
Compensated absences	13,858	65,760	95,551
Claims and judgments	-	-	563,557
Bonds, notes, and capital leases	-	1,971,524	-
<b>Total Current Liabilities</b>	<b>585,514</b>	<b>5,954,629</b>	<b>819,544</b>
Noncurrent:			
Compensated absences	124,494	609,826	92,414
Claims and judgments	-	-	353,863
Bonds, notes, and capital leases	-	75,723,714	-
<b>Total Noncurrent Liabilities</b>	<b>124,494</b>	<b>76,333,540</b>	<b>446,277</b>
<b>Total Liabilities</b>	<b>710,008</b>	<b>82,288,169</b>	<b>1,265,821</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	3,859,343	55,526,327	509,336
Restricted for capital projects	-	21,163,654	-
Restricted for debt service	-	5,423,285	-
Unrestricted	496,631	28,748,886	2,419,123
<b>Total Net Assets</b>	<b>4,355,974</b>	<b>110,862,152</b>	<b>2,928,459</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,065,982</b>	<b>\$ 193,150,321</b>	<b>\$ 4,194,280</b>
		\$ 110,862,152	
		(145,533)	
		(1,018,933)	
		<u>\$ 109,697,686</u>	



## CITY OF BANNING

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
<b>Operating Revenues:</b>			
Sales and service charges	\$ 9,185,273	\$ 28,140,431	\$ 3,029,966
Connection fees	5,274	1,060	-
Miscellaneous	37,134	-	-
Bad debt recovery	25,838	-	2,101
<b>Total Operating Revenues</b>	<b>9,253,519</b>	<b>28,141,491</b>	<b>3,032,067</b>
<b>Operating Expenses:</b>			
Salaries and benefits	1,431,672	2,776,958	620,873
Supplies and services	3,350,169	5,267,993	1,270,103
Repairs and maintenance	64,977	114,497	60,586
Street lighting costs	-	151,583	-
Power purchased	-	17,281,603	-
Bad debt expense	-	67,188	-
Insurance premiums	-	-	-
Depreciation expense	1,277,479	1,356,064	639,303
<b>Total Operating Expenses</b>	<b>6,124,297</b>	<b>27,015,886</b>	<b>2,590,865</b>
Operating Income (Loss)	3,129,222	1,125,605	441,202
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	146,479	-	-
Interest revenue	32,241	164,137	35,119
Interest expense	(1,556,538)	(1,845,651)	(319,736)
Miscellaneous	174,456	505,546	1,342,194
Amortization of bond costs	(42,830)	-	(44,193)
Gain (loss) on disposal of capital assets	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,246,192)</b>	<b>(1,175,968)</b>	<b>1,013,384</b>
Income (Loss) Before Transfers	1,883,030	(50,363)	1,454,586
Transfers in	1,155	450,019	1,155
Transfers out	(503,500)	-	(181,000)
Changes in Net Assets	1,380,685	399,656	1,274,741
<b>Net Assets:</b>			
Previously Reported	34,618,825	49,459,675	26,372,596
Restatements	(2,421,000)	(4,579,000)	-
Beginning of Fiscal Year, as restated	32,197,825	44,880,675	26,372,596
<b>End of Fiscal Year</b>	<b>\$ 33,578,510</b>	<b>\$ 45,280,331</b>	<b>\$ 27,647,337</b>

## Reconciliation of Changes in Net Assets to the Statement of Activities:

Changes in Net Assets, per the Statement of Revenues,

Expenses and Changes in Fund Net Assets - Proprietary Funds

Adjustment to reflect the consolidation of current fiscal year

internal service funds activities related to enterprise funds

Changes in Net Assets of Business-Type Activities per Statement of Activities

## CITY OF BANNING

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>			
Sales and service charges	\$ 3,353,742	\$ 43,709,412	\$ 4,798,522
Connection fees	-	6,334	-
Miscellaneous	-	37,134	-
Bad debt recovery	3,290	31,229	-
<b>Total Operating Revenues</b>	<b>3,357,032</b>	<b>43,784,109</b>	<b>4,798,522</b>
<b>Operating Expenses:</b>			
Salaries and benefits	935,086	5,764,589	1,744,229
Supplies and services	3,531,238	13,419,503	3,754,090
Repairs and maintenance	13,636	253,696	190,131
Street lighting costs	-	151,583	-
Power purchased	-	17,281,603	-
Bad debt expense	-	67,188	-
Insurance premiums	-	-	979,003
Depreciation expense	394,784	3,667,630	61,521
<b>Total Operating Expenses</b>	<b>4,874,744</b>	<b>40,605,792</b>	<b>6,728,974</b>
Operating Income (Loss)	(1,517,712)	3,178,317	(1,930,452)
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	1,559,321	1,705,800	-
Interest revenue	623	232,120	34,962
Interest expense	-	(3,721,925)	-
Miscellaneous	14,331	2,036,527	416,842
Amortization of bond costs	-	(87,023)	-
Gain (loss) on disposal of capital assets	9	9	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,574,284</b>	<b>165,508</b>	<b>451,804</b>
Income (Loss) Before Transfers	56,572	3,343,825	(1,478,648)
Transfers in	-	452,329	1,810,780
Transfers out	(55,000)	(739,500)	-
Changes in Net Assets	1,572	3,056,654	332,132
<b>Net Assets:</b>			
Previously Reported	4,354,402	114,805,498	2,596,327
Restatements	-	(7,000,000)	-
Beginning of Fiscal Year, as restated	4,354,402	107,805,498	2,596,327
<b>End of Fiscal Year</b>	<b>\$ 4,355,974</b>	<b>\$ 110,862,152</b>	<b>\$ 2,928,459</b>
		\$ 3,056,654	
		(1,018,933)	
		<u>\$ 2,037,721</u>	

## CITY OF BANNING

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 8,886,217	\$ 28,147,359	\$ 1,733,876
Cash paid to suppliers for goods and services	(3,696,292)	(23,802,874)	(1,417,421)
Cash paid to employees for services	(1,201,533)	(2,376,780)	(512,676)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,988,392</b>	<b>1,967,705</b>	<b>(196,221)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	(503,500)	-	(181,000)
Cash transfers in	1,155	450,019	1,155
Repayment made to other funds	-	-	666,691
Intergovernmental	146,479	-	-
Miscellaneous	174,456	505,546	1,342,194
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(181,410)</b>	<b>955,565</b>	<b>1,829,040</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(24,999)	(1,335,431)	(260,347)
Principal paid on capital debt	(715,000)	(815,000)	(370,403)
Interest paid on capital debt	(1,584,889)	(1,857,263)	(329,087)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,324,888)</b>	<b>(4,007,694)</b>	<b>(959,837)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	38,399	182,134	47,334
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>38,399</b>	<b>182,134</b>	<b>47,334</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,520,493</b>	<b>(902,290)</b>	<b>720,316</b>
Cash and Cash Equivalents at Beginning of Year	14,109,477	40,251,261	17,143,643
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 15,629,970</b>	<b>\$ 39,348,971</b>	<b>\$ 17,863,959</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 3,129,222	\$ 1,125,605	\$ 441,202
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	1,277,479	1,356,064	639,303
(Increase) decrease in accounts receivable	(367,302)	5,868	(1,298,191)
(Increase) decrease in loans receivable	2,764	365	260
(Increase) decrease in inventories	(25,358)	3,156	-
(Increase) decrease in deposits with other agencies	-	(238,492)	-
(Increase) decrease in deposits receivable	-	(100,000)	-
(Increase) decrease in due from other governments	(19,243)	87,018	(118)
Increase (decrease) in accounts payable	(51,281)	(110,061)	(20,062)
Increase (decrease) in accrued liabilities	13,713	(180,221)	18,792
Increase (decrease) in deposits payable	7,080	35,416	3,744
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	21,318	(17,013)	18,849
<b>Total Adjustments</b>	<b>859,170</b>	<b>842,100</b>	<b>(637,423)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,988,392</b>	<b>\$ 1,967,705</b>	<b>\$ (196,221)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Bad debt expense	\$ -	\$ (67,188)	\$ -
Amortization of bond costs	(42,830)	-	(44,193)

## CITY OF BANNING

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 3,353,057	\$ 42,120,509	\$ 4,809,612
Cash paid to suppliers for goods and services	(4,042,781)	(32,959,368)	(5,218,889)
Cash paid to employees for services	(809,068)	(4,900,057)	(1,475,864)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,498,792)</b>	<b>4,261,084</b>	<b>(1,885,141)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	(55,000)	(739,500)	-
Cash transfers in	-	452,329	1,810,780
Repayment made to other funds	-	666,691	-
Intergovernmental	1,638,747	1,785,226	-
Miscellaneous	14,331	2,036,527	416,842
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>1,598,078</b>	<b>4,201,273</b>	<b>2,227,622</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(386,144)	(2,006,921)	(160,250)
Principal paid on capital debt	-	(1,900,403)	-
Interest paid on capital debt	-	(3,771,239)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(386,144)</b>	<b>(7,678,563)</b>	<b>(160,250)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	1,503	269,370	35,968
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>1,503</b>	<b>269,370</b>	<b>35,968</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(285,355)</b>	<b>1,053,164</b>	<b>218,199</b>
Cash and Cash Equivalents at Beginning of Year	696,696	72,201,077	3,354,008
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 411,341</b>	<b>\$ 73,254,241</b>	<b>\$ 3,572,207</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (1,517,712)	\$ 3,178,317	\$ (1,930,452)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	394,784	3,667,630	61,521
(Increase) decrease in accounts receivable	(3,975)	(1,663,600)	11,090
(Increase) decrease in loans receivable	963	4,352	(1,537)
(Increase) decrease in inventories	(6,115)	(28,317)	3,021
(Increase) decrease in deposits with other agencies	-	(238,492)	-
(Increase) decrease in deposits receivable	-	(100,000)	-
(Increase) decrease in due from other governments	(95,283)	(27,626)	(1,445)
Increase (decrease) in accounts payable	(41,082)	(222,486)	(58,370)
Increase (decrease) in accrued liabilities	(233,961)	(381,677)	17,718
Increase (decrease) in deposits payable	3,326	49,566	-
Increase (decrease) in claims and judgments	-	-	(9,170)
Increase (decrease) in compensated absences	263	23,417	22,483
<b>Total Adjustments</b>	<b>18,920</b>	<b>1,082,767</b>	<b>45,311</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,498,792)</b>	<b>\$ 4,261,084</b>	<b>\$ (1,885,141)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Bad debt expense	\$ -	\$ (67,188)	\$ -
Amortization of bond costs	-	(87,023)	-

CITY OF BANNING

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012

	Agency Funds	Private- Purpose Trust Fund Successor Agency of the Former RDA
<b>Assets:</b>		
Pooled cash and investments	\$ 348,845	\$ 6,055,420
Receivables:		
Accounts	-	177
Notes and loans	-	7,415,029
Interest	252	4,385
Due from other governments	7,948	-
Land held for resale	-	2,599,402
Deferred charges	-	1,238,867
Restricted assets:		
Cash and investments with fiscal agents	218,052	11,194,724
Capital assets:		
Capital assets, not being depreciated	-	3,798,622
Capital assets, net of accumulated depreciation	-	6,012,209
<b>Total Assets</b>	<b>\$ 575,097</b>	<b>\$ 38,318,835</b>
<b>Liabilities:</b>		
Accounts payable	\$ 28,768	\$ 494,433
Accrued liabilities	-	4,086
Accrued interest	-	720,671
Deposits payable	61,587	46,202
Due to bondholders	484,742	-
Long-term liabilities:		
Due in one year	-	1,132,646
Due in more than one year	-	41,477,902
<b>Total Liabilities</b>	<b>\$ 575,097</b>	<b>\$ 43,875,940</b>
<b>Net Assets:</b>		
Held in trust for other purposes		\$ (5,557,105)
<b>Total Net Assets</b>		<b>\$ (5,557,105)</b>

## CITY OF BANNING

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Private- Purpose Trust Fund Successor Agency of the Former RDA
<b>Additions:</b>	
Taxes	\$ 1,451,352
Interest and change in fair value of investments	7,210
Miscellaneous	1,495
<b>Total Additions</b>	<b>1,460,057</b>
<b>Deductions:</b>	
Administrative expenses	643,650
Interest expense	754,044
Amortization expense	36,223
Depreciation expense	94,324
Loss on the sale of Land Held for Resale	2,660,401
<b>Total Deductions</b>	<b>4,188,642</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	(2,828,520)
<b>Changes in Net Assets</b>	<b>(5,557,105)</b>
Net Assets - Beginning of the Year	-
<b>Net Assets - End of the Year</b>	<b>\$ (5,557,105)</b>

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**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Organization and Summary of Significant Accounting Policies**

**a. Description of the Reporting Entity**

The City of Banning was incorporated in 1913 under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. It is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Banning (the primary government) and its component units. The component units discussed below are included in the reporting entity because of their operational or financial relationships with the City of Banning.

**Blended Component Units**

The Banning Redevelopment Agency (the Agency) was established in 1973 pursuant to the State of California Health and Safety Code, Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of Banning. The redevelopment agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 17 for more information on the dissolution.

The Banning Wastewater Facilities Corporation (the Corporation) was organized at the request of the City in 1984 pursuant to the Nonprofit Public Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code). In 1986, an amendment to its articles of incorporation changed the name of the Corporation to the Banning Public Facilities Corporation. It exists for the purposes of participating with the City of Banning in projects to improve the health, safety and welfare of the City and its residents, purchasing and leasing real and personal property in connection with such projects, and assisting the City in financing, acquiring and constructing such projects. It does not issue separate financial statements. Its activities are included with the City's activities in these financial statements.

The City of Banning Financing Authority (the Authority) was formed by a joint exercise of powers agreement between the City of Banning and the Banning Redevelopment Agency. It was established November 12, 2003 under Article 1 (commencing with Section 6500) of the Joint Powers Law of the State of California for the purpose of providing an entity to assist in providing financing for the City and the Agency. It does not issue separate financial statements. Its activities are included with the City's activities in these financial statements.

The Banning Utility Authority (the Utility Authority) was formed on July 12, 2005, pursuant to a joint exercise of powers agreement between the City of Banning and the Banning Redevelopment Agency. The purpose of the Utility Authority is to provide for the lease, ownership, operation, management and maintenance of the City owned Water and Wastewater Utility Systems, and the financing of Public Capital Improvements or Working Capital Requirements relating to the Water and Wastewater Utility Systems. Separate financial statements are not prepared for the Utility Authority. Its activities are included with the City's activities in these financial statements.



**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

- The Banning Utility Authority Water Fund is used to account for the construction, operation and maintenance of the City's water service area.
- The Electric Utility Fund is used to account for the costs of labor and materials used in the maintenance, construction and consumption of electric services throughout the City.
- The Banning Utility Authority Wastewater Fund is used to account for the costs of labor and materials, construction and consumption of wastewater services within the City's wastewater service area.

Additionally, the City reports the following fund types:

- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital Project Funds are used to account for capital project expenditures throughout the City.
- Debt Service Funds are used to account for debt service related expenditures.
- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency for other departments or agencies of the City, or to other governments, on a cost reimbursement basis.
- The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The City's agency funds account for assessments levied for debt service on bond issues which are not a debt of the City.
- The Private-purpose Trust Fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Certain indirect costs are included in the program expense reported for individual functions and activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

**d. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments and Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the fiscal year in which the change occurred. All investments have been stated at fair value.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The noncurrent portion of receivables related to revenue is set up as deferred revenue and recognized as revenue when the receivables become current. The noncurrent portion of loans and other receivables are offset by fund balance nonspendable accounts. Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations are established by the Assessor of the County of Riverside for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Levies are limited to 1% of appraised value, which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as they exist at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10, and the second is due on January 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payment.

Tax Levy Apportionments are due to the nature of the citywide maximum levy. It is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Property Tax Administration Fees for the State of California fiscal year 1990-1991 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded net of administrative fees withheld during the fiscal year.

**Inventories and Prepaid Items**

Inventories of materials and supplies (if material) are carried at cost on a first-in, first-out (FIFO) basis. The City uses the consumption method of accounting for inventories. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and Structures	20 - 50
Improvements	15 - 25
Machinery and Equipment	3 - 25
Vehicles	5 - 10
Infrastructure	40 - 50
Airport Master Plan	10 - 20
Utility Plant	20 - 60

**Compensated Absences**

Compensated absences are the amounts due to employees for future absences that are attributable to services already rendered. The City has determined that no current liability exists for compensated absences; therefore, the liability for governmental activities is shown only in the government-wide statements. For proprietary funds the

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

liability for compensated absences, if any, is segregated between short-term and long-term as indicated above and both portions are reflected in the fund involved. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Sick leave is payable when an employee is unable to work because of illness or upon termination. Compensatory time and holiday pay are payable at the time leave is taken or upon termination. The vested portion of these compensated absences is accrued in the government-wide statements and is also accrued in proprietary funds at year-end.

The following are summaries of the City's compensated leave policies:

Compensatory Time may be accrued in the following manner: Police up to 240 hours, general employees up to 320 hours, exempt managers receive 80 hours per year that may be accrued without limit, non-exempt managers and utility employees can accrue up to 240 hours of compensatory time. All compensatory time is payable to the employee upon termination at the rate of pay at termination. Utility employees may cash out 40 hours of compensatory time, or vacation or any combination thereof annually. Management employees may elect to cash out 60 hours per year.

Sick Leave accrues to employees in the following manner: Police employees accrue sick leave without limit, each employee may be eligible to convert up to 40 hours of unused sick leave to vacation each year, and after 10 years of service to the City, each employee, upon voluntary separation or involuntary disability, shall be eligible to be paid 40% of accrued sick leave. General union personnel shall accrue sick leave without limit. Upon termination, voluntary or involuntary, or disability, each employee after 10 years of continuous service shall be eligible to receive up to 30% of unused sick leave. Managers shall accrue sick leave without limit. Annually, managers may receive a 96-hour sick leave pay off. Upon separation, service retirement, disability retirement or termination, each employee is eligible to receive payment for up to 96 hours of accrued sick leave and after 10 years of service, up to 30% of accrued sick leave over 96 hours. Utility personnel can accrue sick leave without limit. Annually, utility employees may receive an 80-hour sick leave pay off. Upon voluntary separation or involuntary disability, each employee may receive a cash payment for up to 80 hours of accrued sick leave, in addition, after 10 years of service, 30% of any hours accrued over 80 hours shall be paid. General employees may elect to receive a buyout of 40 hours of sick, vacation or compensatory time, or any combination thereof, annually. Beginning with the 11th year of service, all employees have the option to convert their sick leave bank less 40 hours to deferred compensation or the City's Retiree Health Savings Plan. Upon separation, 100% of the value of unused sick leave - 40 hours can be contributed to deferred comp or the Retiree Health Savings Plan.

Vacation and Holiday Leave for police employees accrue according to a schedule set forth in a memorandum of understanding. After six months of employment, each employee is eligible to be paid for accrued vacation. Maximum accrual for vacation is 320 hours and 336 hours for non-supervisory and supervisory personnel, respectively. Holiday leave may be accrued to a maximum of 160 hours. Union personnel accrue vacation leave in accordance with schedules set forth in a memorandum of understanding. Upon termination, all union personnel with at least six months service will be paid for all accrued hours. Vacation leave accrues up to a maximum of 320 hours.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

All members of the Association of Managers accrue vacation and holiday leave in accordance with schedules set forth in a memorandum of understanding. All accrued vacation and holiday leave shall be paid upon termination up to a maximum of 320 hours for vacation and an unlimited amount of hours for holiday after six months of service. Utility employees accrue vacation leave in accordance with a schedule set forth in a memorandum of understanding. Vacation shall accrue to the maximum of 320 hours. Any employee that terminates after six months of service shall be paid for all accrued hours. Employees may cash out vacation time annually as follows:

	<u>Hours</u>
Managers	80
Police	40

**Claims and Judgments**

Both the long-term and short-term liability for claims and judgments payable are reported in an internal service fund. The short-term liability, which will be liquidated with expendable available financial resources, is the amount of settlement reached, but unpaid related to claims and judgments entered.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

In the fund financial statements, government funds report the following fund balance classification:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

Emergency Contingency - City Council has determined the specific purposes for which this may be used for are local disasters, recessions or other financial hardships; to subsidize unforeseen operating or capital needs; and cash flow requirements.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager or Deputy City Manager are authorized to assign amounts to a specific purpose, which was established by the governing body by resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

**II. STEWARDSHIP**

**Note 2: Stewardship, Compliance and Accountability**

**a. Budgets and Budgetary Accounting**

The City Council has the responsibility for adoption of the City's budgets. Budgets are adopted for governmental funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one-year contracts with an option for renewal for another fiscal year.

Budgetary comparison is provided in the accompanying financial statements for the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds, except for the State Park Bond Act Fund. Budgeted revenue and expenditure amounts shown represent the City's originally adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).



CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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Note 2: Stewardship, Compliance and Accountability (Continued)

b. The following fund contained a deficit fund balance:

Fund	Amount
Community Development Block Grant - Special Revenue	\$ 5,274
Sunset Grade Separation - Capital Project	771,320

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2012, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 16,591,298
Business-type activities	73,254,241
Fiduciary funds	17,817,041
Total Cash and Investments	<u>\$ 107,662,580</u>

The City of Banning maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

Deposits

At June 30, 2012, the carrying amount of the City's deposits was \$5,580,721, and the bank balance was \$6,308,964. The \$728,243 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

A provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction account at all FDIC-insured institutions. This provision was effective from December 31, 2010 and remained in effect until December 31, 2012. Noninterest-bearing transaction accounts is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 3: Cash and Investments (Continued)**

make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institutions does not reserve the right to require advance notice of an intended withdrawal. As of June 30, 2012, the City maintains cash deposits that are temporarily covered by this provision.

**Investments**

Under provision of the City's investment policy and in accordance with the California Government Code, the following investments are authorized:

- Securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government
- Bank certificates of deposit
- Shares of savings certificates of savings and loan associations
- Mortgage backed securities
- State of California Local Agency Investment Fund

**Investments Authorized by Debt Agreements**

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

**Investments in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

**GASB Statement No. 31**

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for certain investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

**Credit Risk**

The City's investment policy does not limit investments in Federal Agency Securities to ratings issued by nationally recognized statistical rating organizations. As of June 30, 2012, the City's investments in Federal Agency Securities consisted of investments in Federal Home Loan Bank Bonds, Federal Home Loan Mortgage

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

Note 3: Cash and Investments (Continued)

Corporation Notes and Federal National Mortgage Corporation. At June 30, 2012, all Federal Agency Securities were rated "AA+" by Standard & Poor's. All securities were investment grade and were legal under State and City law. As of June 30, 2012, the City's investments in external investment pools are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2012, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. In addition, GASB 40 requires a separate disclosure if any single issuer comprised more than 5% of the total investment value. As of June 30, 2012, the City had no investments in one issuer that exceeded 5%. The investments in mutual money market funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2012, the City had the following investments and maturities:

Investment Type	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	More than 5 years	
Federal Agency Securities	\$ -	\$ -	\$ 15,014,011	\$ -	\$ 15,014,011
Local Agency Investment Fund	35,092,655	-	-	-	35,092,655
Money Market	10,647,775	-	-	-	10,647,775
Cash with Fiscal Agents:					
Money Market	41,327,418	-	-	-	41,327,418
Total	\$ 87,067,848	\$ -	\$ 15,014,011	\$ -	\$ 102,081,859

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**Note 4: Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2012, is as follows:

Due To/From Other Funds

Funds	Due To Other Funds Nonmajor Governmental Funds
Due From Other Funds:	
General Fund	\$ 1,445,800
BUA Wastewater Fund	285,700
Total	<u>\$ 1,731,500</u>

The interfund balances were the results of routine interfund transactions not cleared prior to year-end.

Advances To/From Other Funds

Funds	Advances to Other Funds Electric Utility
Advances from Other Funds:	
General Fund	\$ 394,118
Total	<u>\$ 394,118</u>

During the current and previous fiscal years, the Electric Utility Fund has made loans to the General Fund. These loans bear interest at rates up to 12% per annum depending upon when the loan was initiated. The Electric Utility Fund may demand payment of all or a portion of the principal balance at any time as funds become available; however, such demands are not anticipated with the next fiscal year. As of June 30, 2012, principal owed on those loans was \$394,118.

Interfund Transfers

Funds	Transfers In:						Totals
	General Fund	Nonmajor Governmental Funds	BUA Water Fund	Electric Utility	BUA Wastewater Fund	Internal Service	
Transfers Out:							
General Fund	\$ -	\$ 6,297,836	\$ -	\$ -	\$ -	\$ 1,810,780	\$ 8,108,616
Nonmajor Governmental Funds	359,514	808,385	1,155	434,519	1,155	-	1,604,728
BUA Water Fund	470,000	18,000	-	15,500	-	-	503,500
BUA Wastewater Fund	181,000	-	-	-	-	-	181,000
Nonmajor Proprietary Funds	-	55,000	-	-	-	-	55,000
Totals	<u>\$ 1,010,514</u>	<u>\$ 7,179,221</u>	<u>\$ 1,155</u>	<u>\$ 450,019</u>	<u>\$ 1,155</u>	<u>\$ 1,810,780</u>	<u>\$ 10,452,844</u>

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 4: Interfund Receivables, Payables and Transfers (Continued)**

Transfers out of the General, Water, Nonmajor Governmental Funds, the BUA Water Fund, the BUA Wastewater Fund, and Nonmajor Proprietary Funds to other Nonmajor Governmental Funds are to pay certain costs incurred in other Nonmajor Governmental Funds.

**Note 5: Changes in Capital Assets**

Capital asset activity for the year ended June 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Transfer to Successor Agency *	Ending Balance
<b>Governmental Activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 6,345,170	\$ -	\$ -	\$ -	\$ (3,283,270)	\$ 3,061,900
Construction-in-progress	3,501,022	2,890,230	-	(2,467,587)	(653,319)	3,270,346
<b>Total Capital Assets, Not Being Depreciated</b>	<b>9,846,192</b>	<b>2,890,230</b>	<b>-</b>	<b>(2,467,587)</b>	<b>(3,936,589)</b>	<b>6,332,246</b>
Capital assets, being depreciated:						
Buildings and structures	26,656,316	23,810	-	1,083,825	(1,803,606)	25,960,345
Land improvements	8,116,669	-	-	-	(1,520,000)	6,596,669
Machinery and equipment	5,528,565	251,920	-	30,360	(28,378)	5,782,467
Vehicles	4,188,802	-	19,269	-	-	4,169,533
Infrastructure	114,186,708	-	-	1,353,402	(2,783,428)	112,756,682
<b>Total Capital Assets, Being Depreciated</b>	<b>158,677,060</b>	<b>275,730</b>	<b>19,269</b>	<b>2,467,587</b>	<b>(6,135,412)</b>	<b>155,265,696</b>
Less accumulated depreciation:						
Buildings and structures	10,293,214	1,048,882	-	-	(83,704)	11,258,392
Land improvements	2,680,716	349,807	-	-	(371,233)	2,659,290
Machinery and equipment	3,903,745	420,138	-	-	(28,378)	4,295,505
Vehicles	3,494,075	326,625	16,290	-	-	3,804,410
Infrastructure	42,014,342	3,764,674	-	-	(226,724)	45,552,292
<b>Total Accumulated Depreciation</b>	<b>62,386,092</b>	<b>5,910,126</b>	<b>16,290</b>	<b>-</b>	<b>(710,039)</b>	<b>67,569,889</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>96,290,968</b>	<b>(5,634,396)</b>	<b>2,979</b>	<b>2,467,587</b>	<b>(5,425,373)</b>	<b>87,695,807</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 106,137,160</b>	<b>\$ (2,744,166)</b>	<b>\$ 2,979</b>	<b>\$ -</b>	<b>\$ (9,361,962)</b>	<b>\$ 94,028,053</b>

\* As a result of the dissolution of the redevelopment agency, assets of the former redevelopment agency were transferred to the Successor Agency. See Note 17 for additional information.

Depreciation expense was charged to governmental functions as follows:

<b>Governmental Activities:</b>	
General government	\$ 216,027
Public safety	930,930
Public works	4,280,031
Parks and recreation	421,617
Internal service funds	61,521
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 5,910,126</b>

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

Note 5: Changes in Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,184,229	\$ -	\$ -	\$ -	\$ 1,184,229
Construction-in-progress	2,611,379	409,659	-	(61,406)	2,959,632
Total Capital Assets, Not Being Depreciated	3,795,608	409,659	-	(61,406)	4,143,861
Capital assets, being depreciated:					
Airport master plan	38,875	-	-	-	38,875
Buildings and structures	519,247	-	-	-	519,247
Land improvements	3,124,853	-	-	11,100	3,135,953
Machinery and equipment	29,106	-	-	-	29,106
Utility plant	158,973,129	1,597,272	-	50,306	160,620,707
Total Capital Assets, Being Depreciated	162,685,210	1,597,272	-	61,406	164,343,888
Less accumulated depreciation:					
Airport master plan	38,875	-	-	-	38,875
Buildings and structures	378,863	7,392	-	-	386,255
Land improvements	1,302,969	148,526	-	-	1,451,495
Machinery and equipment	23,863	3,935	-	-	27,798
Utility plant	56,440,923	3,507,777	-	-	59,948,700
Total Accumulated Depreciation	58,185,493	3,667,630	-	-	61,853,123
Total Capital Assets, Being Depreciated, Net	104,499,717	(2,070,358)	-	61,406	102,490,765
Business-type Activities Capital Assets, Net	\$ 108,295,325	\$ (1,660,699)	\$ -	\$ -	\$ 106,634,626

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities:	
Banning Utility Authority Water	\$ 1,277,479
Electric Utility	1,356,064
Banning Utility Authority Wastewater	639,303
Airport	155,918
Transit	234,931
Refuse Utility	3,935
Total Depreciation Expense - Business-Type Activities	\$ 3,667,630

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 6: Accounts Receivable**

Accounts receivable for enterprise funds are shown net of applicable allowances for doubtful accounts. The accounts receivable and respective allowances are as follows:

	Gross Receivable	Allowance For Doubtful Accounts	Net Receivable
Water	\$ 1,606,836	\$ (56,410)	\$ 1,550,426
Electric	3,599,837	(88,513)	3,511,324
Wastewater	1,687,360	(14,479)	1,672,881
Nonmajor Proprietary Funds	442,274	(16,823)	425,451
	<u>\$ 7,336,307</u>	<u>\$ (176,225)</u>	<u>\$ 7,160,082</u>

**Note 7: Loans Receivable**

The City has entered into various loan agreements relating to owners participation agreements, developer loans, the first time home buyer loan program, the rehabilitation loan program, and various other loans receivable. The owners' participation agreements have repayment terms between 6 and 55 years. The following summarizes the loans outstanding at June 30, 2012:

Description	Balance at June 30, 2012
Owners participation loans	\$ 500,000
First time home buyer down payment assistance loans	460,000
Rehabilitation loans	149,236
Other loans	51,619
Total loans receivable at June 30, 2012	<u>\$ 1,160,855</u>

**Note 8: Deposits with Other Agencies**

On August 14, 2001, the City of Banning adopted Resolution 2001-85, approving the Utility Services Agreement between the City of Banning and the City of Riverside. Under this agreement, the City of Riverside shall provide scheduling, dispatching and other related electric utility services to the City. The implementation of this agreement required the payment of a refundable deposit by the City of Banning to the City of Riverside. The amount of deposit with the City of Riverside as of June 30, 2012, amounted to \$1,158,458.

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 9: Long-Term Debt**

The following is a summary of the changes in long-term debt for the fiscal year ended June 30, 2012:

	Balance at July 1, 2011	Incurred	Retired	Transferred to Successor Agency *	Balance at June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>						
2003 Tax Allocation Bonds	\$ 11,425,000	\$ -	\$ 425,000	\$ (11,000,000)	\$ -	\$ -
2007 Tax Allocation Bonds	29,355,000	-	505,000	(28,850,000)	-	-
2011 Refunding Lease	3,455,000	-	307,844	-	3,147,156	320,963
Loans Payable	1,133,602	-	17,263	(1,116,339)	-	-
Compensated Absences						
Governmental Funds	1,068,809	616,576	600,840	-	1,084,545	592,507
Internal Service Funds	165,482	105,484	83,001	-	187,965	95,551
Claims and Judgment	926,590	560,020	569,190	-	917,420	563,557
<b>Total</b>	<b>\$ 47,529,483</b>	<b>\$ 1,282,080</b>	<b>\$ 2,508,138</b>	<b>\$ (40,966,339)</b>	<b>\$ 5,337,086</b>	<b>\$ 1,572,578</b>
<b>Business-Type Activities:</b>						
Loans Payable	\$ 2,649,445	\$ -	\$ 235,403	\$ -	\$ 2,414,042	\$ 241,524
2005 Water Revenue Bond	32,195,000	-	715,000	-	31,480,000	740,000
2005 Wastewater Revenue Bond	5,835,000	-	135,000	-	5,700,000	140,000
2007 Electric Revenue Bond	37,750,000	-	815,000	-	36,935,000	850,000
Compensated Absences	652,169	86,898	63,481	-	675,586	65,760
<b>Total</b>	<b>\$ 79,081,614</b>	<b>\$ 86,898</b>	<b>\$ 1,963,884</b>	<b>\$ -</b>	<b>77,204,628</b>	<b>\$ 2,037,284</b>
<b>Less:</b>						
Unamortized original issue premium					1,676,938	
Unamortized original issue discount					(99,086)	
Unamortized gain on defeasance					67,667	
Unamortized loss on defeasance					(479,323)	
<b>Net Business-Type Activities</b>					<b>\$ 78,370,824</b>	

\* As a result of the dissolution of the redevelopment agency, indebtedness of the former redevelopment agency was transferred to the Successor Agency. See Note 17 for disclosures for indebtedness.

**a. Compensated Absences**

For governmental activities, accumulated vacation, sick leave benefits, holiday and compensatory time payable at June 30, 2012, was \$1,272,510 which includes \$187,965 recorded in the internal service funds. These amounts are payable from future resources and, therefore, have been recorded in the statement of net assets. Vacation, sick leave, holiday and compensatory time are recorded as expenditures in the related funds when used. For enterprise funds, accumulated vacation, sick leave, holiday and compensatory time amounted to \$675,586.



CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 9: Long-Term Debt (Continued)**

**b. 2011 Refunding Lease Agreement**

On April 27, 2011, The City entered into a lease agreement for the purpose of refunding the 1997 Refunding Certificates of Participation. The lease agreement totals \$3,455,000 and is subject to an interest rate of 3.75% per annum. The lease agreement is payable on November 1 and May 1 of each year commencing November 1, 2011 through 2020 and is in connection with real property leased by the City to the funding corporate parties. At June 30, 2012, the outstanding balance on the refunding lease agreement is \$3,147,156.

Year Ending June 30,	Principal	Interest	Total
2013	\$ 320,963	\$ 115,037	\$ 436,000
2014	333,112	102,888	436,000
2015	345,720	90,280	436,000
2016	358,807	77,193	436,000
2017	372,388	63,612	436,000
2018-2022	1,416,166	108,089	1,524,255
Total	<u>\$ 3,147,156</u>	<u>\$ 557,099</u>	<u>\$ 3,704,255</u>

**c. 2005 Water Revenue Bonds**

On December 8, 2005, the Banning Utility Authority issued \$35,635,000 in Water Enterprise Revenue Bonds, Refunding and Improvement Projects. The Proceeds of these Bonds were utilized to refund and defease \$2,475,000 in 1986 Water Utility Fund Certificates of Participation and \$1,890,000 in 1989 Water Utility Fund Certificates of Participation and to provide additional funds to pay for certain capital project improvements.

As a result, the 1986 and 1989 Water Utility Fund Certificates of Participation are considered to be defeased and the liability for those bonds has been removed from long-term debt. The advance refunding resulted in a decrease in the Authority's debt service payments over the next 14 years of approximately \$1,050,648. The economic gain (difference between the present values of the debt service payments on the old and new debt) amounts to approximately \$686,786.

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

## Note 9: Long-Term Debt (Continued)

The bonds consist of serial bonds maturing in the years 2006 to 2020 are payable November 1 in annual installments of \$620,000 to \$1,025,000. The bonds bear interest at 3.25% to 4.5%. Bonds maturing after November 1, 2020, in the amount of \$23,585,000 are term bonds and bear interest at 5.25%. The total debt service payment requirements with respect to the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2012 - 2013	\$ 740,000	\$ 1,551,338	\$ 2,291,338
2013 - 2014	770,000	1,521,138	2,291,138
2014 - 2015	805,000	1,487,625	2,292,625
2015 - 2016	840,000	1,451,675	2,291,675
2016 - 2017	875,000	1,416,338	2,291,338
2017 - 2022	4,945,000	6,483,813	11,428,813
2022 - 2027	6,275,000	5,110,900	11,385,900
2027 - 2032	8,090,000	3,241,875	11,331,875
2032 - 2037	8,140,000	882,263	9,022,263
Totals	<u>\$ 31,480,000</u>	<u>\$ 23,146,965</u>	<u>\$ 54,626,965</u>

## d. 2005 Wastewater Revenue Bonds

On December 8, 2005, the Banning Utility Authority issued \$7,100,000 in Wastewater Enterprise Revenue Bonds, Refunding and improvement projects. The Proceeds of these Bonds were utilized to refund and defease \$1,895,000 in 1989 Wastewater Utility Fund Certificates of Participation and to provide additional funds to pay for certain capital project improvements.

As a result, the 1989 Wastewater Utility Fund Certificates of Participation are considered to be defeased and the liability for those bonds has been removed from long-term debt. The advance refunding resulted in a decrease in the Authority's debt service payments over the next 14 years of approximately \$1,550,638. The economic loss (difference between the present values of the debt service payments on the old and new debt) amounts to approximately \$404,306.

The bonds consist of serial bonds maturing in the years 2006 to 2020 are payable November 1 in annual installments of \$135,000 to \$265,000. The bonds bear interest at 3.25% to 4.5%. Bonds maturing between November 1, 2021 and November 1, 2025, in the amount of \$1,100,000 are term bonds and bear interest at 4.5%. Bonds maturing between November 1, 2026 and November 1, 2035, in the amount of \$3,105,000 are term bonds and bear interest at 4.625%. The outstanding principal balance at June 30, 2012, amounted to \$5,700,000.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**Note 9: Long-Term Debt (Continued)**

The total debt service payment requirements with respect to the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 140,000	\$ 250,664	\$ 390,664
2014	145,000	245,248	390,248
2015	155,000	239,395	394,395
2016	160,000	233,094	393,094
2017	165,000	226,430	391,430
2018-2022	930,000	1,022,800	1,952,800
2023-2027	1,150,000	795,500	1,945,500
2028-2032	1,445,000	498,922	1,943,922
2033-2037	1,410,000	133,894	1,543,894
Total	<u>\$ 5,700,000</u>	<u>\$ 3,645,947</u>	<u>\$ 9,345,947</u>

**e. Loan Payable - California Water Resource Control Board**

On March 17, 1999, the City entered into a loan contract with the California Water Resource Control Board (Board). The loan was to provide the City with assistance for the Wastewater treatment facility upgrade project. The loan amount was \$4,658,883 and is subject to an interest rate of 2.6% per annum. The loan is to be repaid within 20 years through 20 equal annual installments of principal and interest. The outstanding loan balance at June 30, 2012, was \$2,414,042. The loan is recorded in the BUA Wastewater Utility Enterprise Fund.

Year Ending June 30,	Principal	Interest	Total
2013	\$ 241,524	\$ 62,765	\$ 304,289
2014	247,802	56,485	304,287
2015	254,246	50,043	304,289
2016	260,857	43,432	304,289
2017	267,639	36,650	304,289
2018-2022	1,141,974	75,181	1,217,155
Total	<u>\$ 2,414,042</u>	<u>\$ 324,556</u>	<u>\$ 2,738,598</u>

**f. 2007 Electric Revenue Bond**

In July 2007, the City of Banning Financing Authority issued \$45,790,000 in Revenue Bonds (Electric System Project) Series 2007. The proceeds of these bonds will be used to finance certain improvements to the electric system of the City of Banning. The bonds consist of serial bonds maturing in the years 2009 through 2029 and are payable June 1 in annual installments from \$725,000 through \$1,815,000. The bonds bear interest at 4.0% to 5.0%. The bonds also consist of term bonds maturing in the years 2025 through 2038 and are payable June 1 ranging in amounts between \$3,240,000 through \$15,025,000 and bearing interest between 4.5% to 5.0%.

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 9: Long-Term Debt (Continued)**

In June 2010, the City partially defeased \$5,775,000 of the outstanding debt of the 2007 Electric Revenue Bonds and the liability for those bonds has been removed from long-term debt. This resulted in an economic gain of \$84,584 which will be amortized over the remaining life of the bond.

The outstanding balance at June 30, 2012, amounted to \$36,935,000. The total debt service payment requirements with respect to the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 850,000	\$ 1,821,638	\$ 2,671,638
2014	880,000	1,787,638	2,667,638
2015	935,000	1,737,038	2,672,038
2016	970,000	1,697,300	2,667,300
2017	1,020,000	1,648,800	2,668,800
2018-2022	5,920,000	7,426,250	13,346,250
2023-2027	7,555,000	5,797,425	13,352,425
2028-2032	9,305,000	3,804,500	13,109,500
2033-2037	7,715,000	1,641,500	9,356,500
2038-2042	1,785,000	89,250	1,874,250
Total	<u>\$ 36,935,000</u>	<u>\$ 27,451,339</u>	<u>\$ 64,386,339</u>

**Note 10: Assessment District and Community Facilities District Bonds**

Bonds issued for improvements in certain special assessment districts in accordance with the provisions of the Municipal Improvement Acts of 1911, 1913 and 1915, as well as the Mello-Roos Community Facilities District Act, are liabilities of the property owners and are secured by liens against the assessed properties. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. Neither the faith and credit, nor the taxing power, of the City of Banning or the Agency has been pledged to the payment of the bonds. Therefore, none of the following special assessment bonds are shown in the financial statements of the City.

	Amount of Issue	Outstanding June 30, 2012
AD 91-1 1992*	\$ 2,422,134	\$ -
AD 2004-1	2,898,000	2,560,000

\* Called on September 2, 2011

**Note 11: Operating Lease**

In December 2005, the Banning Utility Authority entered into an operating lease with the City for the use of the City's water and wastewater systems. The lease agreement states that an initial payment of \$17,000,000 be paid to the City, with additional annual installments equal to the total surplus revenues and other funds pledged. The lease agreement is for a term of 55 years and the amount paid to the City over that time can not exceed the fair value of the water and wastewater systems. In 2005-2006, the Banning Utility Authority paid the City the initial payment of \$17,000,000. The Banning Utility Authority made a payment of \$651,000 during the fiscal year June 30, 2012.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan)

a. PERS

Miscellaneous Plan

Plan Description

The City of Banning contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California.

Funding Policy

Participants are required to contribute 8% of their annual covered salary and the City contributes towards the employees' share per MOU agreements. The City's contribution varies according to unit as follows: 3.5% of 8% for part-time employees hired prior to February 1, 2002; 7% of 8% for general and utility employees; and 8% for managers, confidential, and executive employees. The City is also required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the year ended June 30, 2012, was 16.316% for miscellaneous employees. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups.

Annual Pension Cost and Funding Progress

For the year ended June 30, 2012, the City's annual pension cost (employer contribution) of \$1,107,308 for miscellaneous employees was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method.

Three-Year Trend Information for PERS - Miscellaneous Plan

Fiscal Year	Annual Pension Cost (APC)*	Percentage of APC Contributed	Net Pension Obligations
6/30/2010	\$ 861,528	100%	\$ -
6/30/2011	808,988	100%	-
6/30/2012	1,107,308	100%	-

\* Employer contribution

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

The summary of principal assumptions and methods used to determine the ARC is shown below:

Valuation date:	June 30, 2009
Actuarial Cost Method:	Entry Age Normal Cost Method
Amortized Method:	Level Percent of Payroll
Average Remaining Period:	26 Years as the of the valuation date
Asset Valuation Method:	15 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return:	7.75% (net of administrative expenses)
Projected Salary Increases:	3.55% to 14.45% depending on Age, Service, and type of employment
Inflation	3.00%
Payroll Growth:	3.25%
Individual Salary Growth:	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

Schedule of Funding Progress for PERS Miscellaneous Plan  
Most Current Available  
(Amounts in Thousands)

Actuarial Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
6/30/2009	\$ 45,252	\$ 36,376	\$ 8,876	80.4%	\$ 7,505	118.3%
6/30/2010	47,234	37,874	9,360	80.2%	7,082	132.2%
6/30/2011	51,555	39,621	11,934	76.9%	6,613	180.5%

Safety Plan

Plan Description

The City of Banning contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Funding Policy

Participants are required to contribute 9% of their annual covered salary, which is paid by the City per MOU agreements. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the year ended June 30, 2012, was 37.172% for safety employees. Benefit provisions and all other requirements are established by State statute and City contract with employee bargaining groups.

Annual Pension Cost

For the year ended June 30, 2012, the City's annual pension cost (employer contribution) of \$969,995 for safety employees was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method.

Three-Year Trend Information for PERS - Safety Plan			
Fiscal Year	Annual Pension Cost (APC)*	Percentage of APC Contributed	Net Pension Obligations
6/30/2010	\$ 838,611	100%	\$ -
6/30/2011	821,715	100%	-
6/30/2012	969,995	100%	-

\* Employer contribution

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

b. PARS

Plan Description

Effective July 2005, the City began participating in a Public Agency Retirement System (PARS) program, which is a defined contribution retirement plan for part-time, seasonal and temporary employees. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

As established by the plan, all eligible employees of the City will become participants in the plan from the date they are hired. An eligible employee is any employee who, at any time during which the employer maintains this plan, is not accruing benefits under the Public Employees Retirement System.

Funding Plan

Contributions made to the plan vest immediately. As determined by the plan, all members must contribute 7.5% of their gross earnings to the plan. The City is not required to contribute.

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 12: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

**Annual Contributions**

The amount of employee contributions was \$8,346 (9.4% of covered payroll). Total payroll for employees covered under this plan for the year was \$89,233.

**Note 13: Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employee. Participants' rights under the plan are equal to an amount equal to the fair market of the deferred account for each participant.

The City has no liability for losses under the plan.

**Note 14: Insurance Programs**

The City maintains self-insurance programs for workers' compensation and general liability. For general liability claims, the City is at risk for up to \$50,000 per occurrence; amounts in excess of \$50,000 up to \$50,000,000 are covered through the Public Entity Risk Management Authority (PERMA) and excess insurance. For workers' compensation claims, the City is at risk for up to \$250,000 per occurrence. Losses exceeding \$250,000 up to statutory limits are covered by the PERMA under their risk-sharing pool program and excess insurance. Estimates for all liabilities, including an estimate for incurred but not reported claims (IBNR's), have been included in the Self-Insurance Internal Service Fund.

PERMA also provides a non-risk sharing "deductible" or claims-servicing pool for general liability claims within the self-insured retention (SIR) level (\$50,000). Annual contributions are deposited with the Authority from which claims are paid on behalf of the City. Any claims paid by PERMA for the City in excess of deposits at year-end are recorded as "Due to Other Agencies" within the Self-Insurance Internal Service Fund.

In addition, the City makes deposits with PERMA for workers' compensation claims below the \$250,000 SIR from which claims are paid on behalf of the City.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2012, the amount of these liabilities was \$917,420. The amount represents an estimate of \$805,821 for reported claims through June 30, 2012, and \$111,599 of estimate incurred but not reported claims. This liability is the City's best estimate based on available information. There are no significant reductions in insurance coverages from prior years and, also, there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.



**CITY OF BANNING****NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 14: Insurance Programs (Continued)**

Changes in the reported liability since June 30, 2012, resulted from the following:

<u>Year</u>	<u>Liability at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability at End of Fiscal Year</u>
2011	\$ 903,988	\$ 344,591	\$ 321,989	\$ 926,590
2012	926,590	560,020	569,190	917,420

The City of Banning is a member of the Public Entity Risk Management Authority (a joint powers authority of 22 California cities, one Transit Agency and one other special district) which was established to pool resources, share risks, purchase excess insurance and share costs for professional risk management and claims administration. The City continues to carry commercial insurance for all other risks of loss.

**Note 15: Commitments and Contingencies**

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial statements of the City.

Proposition 218, which was approved by the voters in November 1996, regulates the City's ability to impose, increase and extend taxes, assessments and fees. Any new, increased or extended taxes, assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the City's ability to finance the services for which the taxes, assessments and fees were imposed may be significantly impaired. At this time, it is uncertain how Proposition 218 will affect the City's ability to maintain or increase the revenue it receives from taxes, assessments and fees.

The City has entered into a joint venture agreement with nine other public entities for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy. The Board of Directors of the Southern California Public Power Authority (SCPPA) consists of one member from each participating agency.

The City has entered into a Power Sales Contract with SCPPA. The City is a 1% participant in SCPPA and, therefore, under the contract, has a binding obligation to purchase 1% of the net energy generation of the project. The contract expires October 31, 2030. The City is obligated to pay for the power from the revenues of its electric system and cannot be offset or reduced if the project is not operating or if its output has been suspended (take or pay basis).

The revenue generated by SCPPA from each participant will be used to service the debt on the Power Project Revenue Bonds issued by SCPPA in the amount of \$2,173,447,000. The City's portion of the outstanding debt of SCPPA as of June 30, 2012, was \$14,058,578.

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 15: Commitments and Contingencies (Continued)**

Summary financial information (audited) of SCPPA for the fiscal year ended June 30, 2012, follows:

	Amounts (in thousands)
Total Assets	\$ 3,768
Total Liabilities	3,897
Total Net Assets	<u>\$ (129)</u>
Beginning Net Assets	\$ (127)
Total Revenues (including investment)	707
Total Expenses (including debt and loss on refunding)	(721)
Net Contributions (Withdrawals) by Participants	12
Ending Net Assets	<u>\$ (129)</u>

Separate audited financial statements for SCPPA are available from SCPPA.

The following material construction commitments existed at June 30, 2012:

Project Name	Contract Amount	Expenditures to date as of June 30, 2012	Remaining Commitments
Sunset Grade Separation-Riv. Cty Transportation	\$ 2,200,000	\$ 1,598,172	\$ 601,828
Wastewater Treatment Plant Expansion-Parsons	2,397,929	2,145,297	252,632
Irrigation Water Pipeline - Albert Webb	196,090	172,555	23,535
Street & Electrical Improvements - Cooley Const	497,163	445,761	51,402
	<u>\$ 5,291,182</u>	<u>\$ 4,361,785</u>	<u>\$ 929,397</u>

**Note 16: Net Assets/Fund Balance Restatements**

**Government-wide/Redevelopment Agency – Capital Projects Fund**

To correct prior years restatement of advance to the Redevelopment Agency from the Banning Utility Authority Water and Electric Utility. \$7,000,000

**Business-type/Proprietary Funds**

To correct prior years restatement of advance to the Redevelopment Agency from the Banning Utility Authority Water. \$(2,421,000)

To correct prior years restatement of advance to the Redevelopment Agency from the Electric Utility. (4,579,000)  
\$(7,000,000)

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Banning that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in the governmental funds - increase the net assets of the Successor Agency Trust Fund	\$ 21,455,362
Deferred revenues recorded in the governmental funds - increase the net assets of the Successor Agency Trust Fund	5,314,501
Capital assets recorded in the government-wide financial statements - increase the net assets of the Successor Agency Trust Fund	9,361,962
Unamortized bond issuance costs reported in the government-wide financial statements - increase the net assets of the Successor Agency Bond Trust Fund	1,262,492
Long-term debt reported in the government-wide financial statements - decrease the net assets of the Successor Agency Trust Fund	(40,966,339)
Unamortized discounts on the long-term debt reported in the government-wide financial statements - increase the net assets of the Successor Agency Trust Fund	<u>743,502</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$ (2,828,520)</u>

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 6,055,420
Cash and investments with fiscal agent	<u>11,194,724</u>
	<u>\$ 17,250,144</u>

b. Loans Receivable

The former redevelopment agency had entered into various loan agreements relating to owners participation agreements and various other loans receivable. The owners participation agreements have repayment terms between 6 and 55 years. The following summarizes the loans outstanding at June 30, 2012:

Description	Balance at June 30, 2012
Owners participation loans	\$ 6,395,029
Disposition and development agreements	<u>1,020,000</u>
Total loans receivable at June 30, 2011	<u>\$ 7,415,029</u>

c. Capital Assets

An analysis of capital assets as of June 30, 2012, follows:

	Balance July 1, 2011	Transferred from former RDA	Transfers	Additions	Deletions	Balance June 30, 2012
Nondepreciable Assets:						
Land	\$ -	\$ 3,283,270	\$ -	\$ -	\$ -	\$ 3,283,270
Construction-in-progress	-	653,319	(586,688)	448,721	-	515,352
Total nondepreciable assets	-	3,936,589	(586,688)	448,721	-	3,798,622
Depreciable Assets:						
Land Improvements	-	1,520,000	586,688	94,472	-	2,201,160
Building and Structures	-	1,803,606	-	-	-	1,803,606
Machinery and Equipment	-	28,378	-	-	-	28,378
Infrastructure	-	2,783,428	-	-	-	2,783,428
Total depreciable assets	-	6,135,412	586,688	94,472	-	6,816,572
Less Accumulated Depreciation						
Land Improvements	-	371,233	-	34,715	-	405,948
Building and Structures	-	83,704	-	21,609	-	105,313
Machinery and Equipment	-	28,378	-	-	-	28,378
Infrastructure	-	226,724	-	38,000	-	264,724
Total Accumulated Depreciation	-	710,039	-	94,324	-	804,363
Total depreciable assets, net	-	5,425,373	586,688	148	-	6,012,209
Capital Assets	\$ -	\$ 9,361,962	\$ -	\$ 448,869	\$ -	\$ 9,810,831

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

**d. Long-Term Debt**

The following debt was transferred from the Redevelopment Agency to the Successor Agency as of February 1, 2012 as a result of the dissolution.

A description of long-term debt outstanding of the Successor Agency as of June 30, 2012, follows:

	Balance July 1, 2011	Transferred from the former RDA	Additions	Repayments	Balance June 30, 2012	Due Within One Year
<b>Fiduciary Funds:</b>						
2003 Tax Allocation Bonds	\$ -	\$ 11,000,000	\$ -	\$ -	\$ 11,000,000	\$ 440,000
2007 Tax Allocation Bonds	-	28,850,000	-	-	28,850,000	570,000
Loans Payable	-	1,116,339	-	22,758	1,093,581	42,681
City of Banning Electric Utility Fund	-	125,263	-	25,825	99,438	79,965
SERAF loan	-	2,298,433	-	-	2,298,433	-
<b>Total Fiduciary Funds</b>	<b>\$ -</b>	<b>\$ 43,380,035</b>	<b>\$ -</b>	<b>\$ 48,583</b>	<b>43,341,452</b>	<b>\$ 1,132,646</b>
				Unamortized Premiums/Discounts	(730,904)	
				<b>Total Long-term Debt</b>	<b>\$ 42,610,548</b>	

**e. Downgrade of Tax Allocation Bonds**

On June 14, 2012, Moody's Investors Service ("Moody's") downgraded all California tax allocation bonds rated 'Baa3' and above. As such, the Bonds' insured rating was downgraded from 'A3' to 'Ba1' and underlying rating was downgraded from 'A3' to 'Ba1'. According to Moody's, all California tax allocation bond ratings remain on review for possible withdrawal.

**f. 2003 Tax Allocation Bonds**

On December 16, 2003, the Banning Public Financing Authority issued \$14,095,000 in Tax Allocation Bonds. The proceeds were used to currently refund the Agency's \$4,130,000 Series 1992 Tax Allocation Bonds and to finance various redevelopment activities.

The bonds consist of serial bonds maturing in the years 2004 to 2018 payable August 1 in annual installments of \$360,000 to \$570,000. The bonds bear interest at 2.0% to 5.0%. Bonds maturing after August 1, 2018, in the amount of \$7,485,000 are term bonds and bear interest at 5.0%.

Serial bonds maturing on or after August 1, 2014, are subject to redemption in whole or in part at the option of the Agency from any available source of funds. Term bonds maturing on August 1, 2023 and 2028, are subject to mandatory redemption in part by lot from sinking fund payments made by the Agency.

A reserve fund was established in the amount of \$971,763 from the bond proceeds for the benefit of the City and as security for the Bond owners. The bonds are further secured by a financial guarantee insurance policy. The bonds are a special obligation of the Banning Redevelopment Agency payable from tax revenues. The amount of bonds outstanding at June 30, 2012, totaled \$11,000,000.

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

## Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

Year Ending June 30,	Principal	Interest	Total
2013	\$ 440,000	\$ 518,195	\$ 958,195
2014	460,000	497,995	957,995
2015	480,000	478,895	958,895
2016	500,000	458,370	958,370
2017	520,000	436,370	956,370
2018-2022	2,990,000	1,785,218	4,775,218
2023-2027	3,805,000	944,875	4,749,875
2028-2032	1,805,000	91,375	1,896,375
Total	<u>\$ 11,000,000</u>	<u>\$ 5,211,293</u>	<u>\$ 16,211,293</u>

## g. 2007 Tax Allocation Bonds

On May 15, 2007, the Banning Public Financing Authority issued \$29,965,000 in Tax Allocation Bonds. The proceeds were used to provide funds for the redevelopment activities of the Agency, to fund a reserve fund for the Bonds and pay the expenses of the Agency in connection with the issuance of the Bonds.

The bonds consist of serial bonds maturing in the years 2009 to 2030 payable August 1 in annual installments of \$245,000 to \$1,805,000. The bonds bear interest at 4.0% to 4.25%. Bonds maturing after August 1, 2030, in the amount of \$9,500,000 are term bonds and bear interest at 4.375%. Serial bonds maturing on or after August 1, 2014, are subject to redemption prior to maturity, in whole or in part at the option of the Agency from any available source of funds. Term bonds maturing on August 1, 2037, are subject to mandatory redemption in part or by lot from sinking fund payments made by the Agency. The amount of bonds outstanding at June 30, 2012, totaled \$28,850,000.

Year Ending June 30,	Principal	Interest	Total
2013	\$ 570,000	\$ 1,189,016	\$ 1,759,016
2014	695,000	1,163,716	1,858,716
2015	710,000	1,137,391	1,847,391
2016	750,000	1,111,466	1,861,466
2017	780,000	1,083,829	1,863,829
2018-2022	4,345,000	4,941,877	9,286,877
2023-2027	5,295,000	3,971,350	9,266,350
2028-2032	7,475,000	2,631,850	10,106,850
2033-2037	6,995,000	1,040,266	8,035,266
2038-2042	1,235,000	27,016	1,262,016
Total	<u>\$ 28,850,000</u>	<u>\$ 18,297,777</u>	<u>\$ 47,147,777</u>

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

h. Loan Payable – Glick

On August 27, 2008, the Agency entered into a promissory note. The note amount was \$200,000 and is subject to an interest rate of 6.5% per annum. The note is payable in fifteen annual installments of \$20,531. The principal amount of this note represents the agreed-upon amount for the purchase of real property. At June 30, 2012, the outstanding balance on the note payable is \$157,862.

Year Ending June 30,	Principal	Interest	Total
2013	\$ 10,270	\$ 10,261	\$ 20,531
2014	10,937	9,593	20,530
2015	11,648	8,883	20,531
2016	12,405	8,125	20,530
2017	13,212	7,319	20,531
2018-2022	80,112	22,542	102,654
2023-2027	19,278	1,253	20,531
Total	<u>\$ 157,862</u>	<u>\$ 67,976</u>	<u>\$ 225,838</u>

i. Loan Payable – DeZorzi

On July 29, 2009, the Agency purchased real property for \$1,253,393 located at 2301 W. Ramsey Street (APN 538-162-016-6) to provide public benefit in the future with private development. In order to finance the purchase, the Agency entered into a promissory note for the amount of \$1,020,000. The note is subject to a 6% interest rate and payable monthly in amounts of \$7,308 for seven years with the remaining balance to be paid off at the end of year seven. At June 30, 2012, the outstanding balance on the note payable is \$935,719.

Year Ending June 30,	Principal	Interest	Total
2013	\$ 32,411	\$ 55,280	\$ 87,691
2014	34,410	53,281	87,691
2015	36,532	51,159	87,691
2016	38,649	49,041	87,690
2017	793,717	4,045	797,762
Total	<u>\$ 935,719</u>	<u>\$ 212,806</u>	<u>\$ 1,148,525</u>

j. City Loans

During the fiscal year 1993-1994 the City of Banning's Electric Utility Fund advanced funds to the Agency in order to assist in the implementation of the Owner Participation Agreement with Colescott, Inc. for the development of the Sunset Auto Plaza. The loan agreement is subject to a 5% interest rate and payable in 20 years. As of June 30, 2012, the outstanding balance is \$99,438.



CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

The following schedule illustrates the debt service requirements to maturity for the City Loans outstanding as of June 30, 2012:

	City Loans		Total
	Principal	Interest	
2012-2013	\$ 79,964	\$ 3,081	\$ 83,045
2013-2014	19,474	141	19,615
Total	<u>\$ 99,438</u>	<u>\$ 3,222</u>	<u>\$ 102,660</u>

**k. Supplement Education Augmentation Fund (SERAF) Loan**

The advance for \$2,298,433 from the Low and Moderate Income Housing Fund to the Redevelopment Agency Debt Service Fund was made to fund the mandated payment for the "Supplemental" Educational Revenue Augmentation Fund.

**Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$63,359,069 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$3,396,409 and the debt service obligation on the bonds was \$2,677,414.

**l. Insurance**

The Successor Agency is covered under the City of Banning's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 14.

**m. Commitments and Contingencies**

At June 30, 2012, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 17: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

**n. Subsequent Events**

Assembly Bill 1484 established a requirement for the successor agency to remit to the County auditor-controller three payments as determined by the auditor-controller which consist of a payment to be made in July 2012 for taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency, a payment to be made in November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment to be made in April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. As of the date of the report no payment was made in July 2012. In addition, the Low-Moderate Income Housing Due Diligence Review resulted in an amount due of \$1,822,344, which had no adjustments after the Department of Finance's review and the other Redevelopment Funds Due Diligence Review resulted in an adjusted amount due of \$988,115 after the Department of Finance's review. The City has engaged in a meet and confer with the Department of Finance and the final determination has not been made on the meet and confer process.

## CITY OF BANNING

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

	Special Revenue Funds			
	Gas Tax Street	Measure A	SB 300 Street	Article 3 Sidewalk
<b>Assets:</b>				
Pooled cash and investments	\$ 291,040	\$ 706,966	\$ 147,734	\$ 13,251
Receivables:				
Accounts	100	-	-	-
Loans	831	-	-	-
Interest	712	490	125	63
Due from other governments	506,737	185,396	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 799,420</b>	<b>\$ 892,852</b>	<b>\$ 147,859</b>	<b>\$ 13,314</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 9,995	\$ -	\$ -	\$ -
Accrued liabilities	8,323	-	-	-
Deferred revenues	-	-	-	-
Deposits payable	95,961	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>114,279</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Loans receivable	831	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	684,310	892,852	-	-
Capital Projects	-	-	147,859	13,314
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>685,141</b>	<b>892,852</b>	<b>147,859</b>	<b>13,314</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 799,420</b>	<b>\$ 892,852</b>	<b>\$ 147,859</b>	<b>\$ 13,314</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Community Development Block Grant	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture
<b>Assets:</b>				
Pooled cash and investments	\$ 26	\$ 218,304	\$ 163,374	\$ 2,494
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	-	170	134	2
Due from other governments	5,275	2,471	9,240	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,301</b>	<b>\$ 220,945</b>	<b>\$ 172,748</b>	<b>\$ 2,496</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 2,682	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	5,275	1,297	-	-
Deposits payable	-	-	-	-
Due to other funds	5,300	-	-	-
<b>Total Liabilities</b>	<b>10,575</b>	<b>3,979</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Loans receivable	-	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	2,496
Parks and recreation	-	-	-	-
Public works	-	-	172,748	-
Capital Projects	-	216,966	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>(5,274)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>(5,274)</b>	<b>216,966</b>	<b>172,748</b>	<b>2,496</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,301</b>	<b>\$ 220,945</b>	<b>\$ 172,748</b>	<b>\$ 2,496</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

	Special Revenue Funds			
	Supplemental Law Enforcement	Public Safety Sales Tax	State Park Bond Act	Special Donations
<b>Assets:</b>				
Pooled cash and investments	\$ 233,103	\$ 8,318	\$ 932	\$ 29,136
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	190	11	1	-
Due from other governments	25,000	16,300	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 258,293</b>	<b>\$ 24,629</b>	<b>\$ 933</b>	<b>\$ 29,136</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5,143	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	4,315
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>5,143</b>	<b>-</b>	<b>-</b>	<b>4,315</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Loans receivable	-	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	253,150	24,629	-	-
Parks and recreation	-	-	-	24,821
Public works	-	-	-	-
Capital Projects	-	-	933	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>253,150</b>	<b>24,629</b>	<b>933</b>	<b>24,821</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 258,293</b>	<b>\$ 24,629</b>	<b>\$ 933</b>	<b>\$ 29,136</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Senior Center Activities	Animal Control Reserve	Police Volunteer	Ramsey/ Highland Home Signal
<b>Assets:</b>				
Pooled cash and investments	\$ 67,650	\$ 4,888	\$ 3,994	\$ 80,398
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	57	4	3	68
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 67,707</b>	<b>\$ 4,892</b>	<b>\$ 3,997</b>	<b>\$ 80,466</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 103	\$ -	\$ 304	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>103</b>	<b>-</b>	<b>304</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Loans receivable	-	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	4,892	3,693	-
Parks and recreation	67,604	-	-	-
Public works	-	-	-	80,466
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>67,604</b>	<b>4,892</b>	<b>3,693</b>	<b>80,466</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 67,707</b>	<b>\$ 4,892</b>	<b>\$ 3,997</b>	<b>\$ 80,466</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

	Special Revenue Funds			Capital Projects Funds
	Wilson Median Improvement	Riverside County MOU	Banning Housing Authority	Police Facilities Development
<b>Assets:</b>				
Pooled cash and investments	\$ 376,207	\$ 247,447	\$ 2,519,312	\$ 33,860
Receivables:				
Accounts	-	-	-	-
Loans	-	-	1,109,236	-
Interest	317	271	2,302	29
Due from other governments	-	-	2,298,433	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 376,524</b>	<b>\$ 247,718</b>	<b>\$ 5,929,283</b>	<b>\$ 33,889</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 74,720	\$ -
Accrued liabilities	-	8,515	386	-
Deferred revenues	-	-	1,109,236	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>8,515</b>	<b>1,184,342</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Loans receivable	-	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	4,744,941	-
Public safety	-	239,203	-	-
Parks and recreation	-	-	-	-
Public works	376,524	-	-	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	33,889
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>376,524</b>	<b>239,203</b>	<b>4,744,941</b>	<b>33,889</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 376,524</b>	<b>\$ 247,718</b>	<b>\$ 5,929,283</b>	<b>\$ 33,889</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

(Continued)

	Capital Projects Funds			
	Fire Facilities Development	Traffic Control Facilities	General Facilities	Park Development
<b>Assets:</b>				
Pooled cash and investments	\$ 930,278	\$ 422,961	\$ 474,869	\$ 155,450
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	784	356	400	131
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 931,062</b>	<b>\$ 423,317</b>	<b>\$ 475,269</b>	<b>\$ 155,581</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Loans receivable	-	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	931,062	423,317	475,269	155,581
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>931,062</b>	<b>423,317</b>	<b>475,269</b>	<b>155,581</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 931,062</b>	<b>\$ 423,317</b>	<b>\$ 475,269</b>	<b>\$ 155,581</b>



## CITY OF BANNING

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

	Capital Projects Funds			Debt Service Funds
	Capital Improvement	Sunset Grade Separation	Capital Projects RDA	Debt Service RDA
<b>Assets:</b>				
Pooled cash and investments	\$ 23	\$ 241	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	-	236	-	-
Due from other governments	-	491,397	-	-
Restricted assets:				
Cash and investments with fiscal agents	2,106,730	-	-	-
<b>Total Assets</b>	<b>\$ 2,106,753</b>	<b>\$ 491,874</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 491,397	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	491,397	-	-
Deposits payable	-	-	-	-
Due to other funds	1,445,800	280,400	-	-
<b>Total Liabilities</b>	<b>1,445,800</b>	<b>1,263,194</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Loans receivable	-	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	660,953	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>(771,320)</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>660,953</b>	<b>(771,320)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,106,753</b>	<b>\$ 491,874</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

	Total Governmental Funds
<b>Assets:</b>	
Pooled cash and investments	\$ 7,132,256
Receivables:	
Accounts	100
Loans	1,110,067
Interest	6,856
Due from other governments	3,540,249
Restricted assets:	
Cash and investments with fiscal agents	2,106,730
<b>Total Assets</b>	<b>\$ 13,896,258</b>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 584,344
Accrued liabilities	17,224
Deferred revenues	1,607,205
Deposits payable	100,276
Due to other funds	1,731,500
<b>Total Liabilities</b>	<b>4,040,549</b>
<b>Fund Balances:</b>	
<b>Nonspendable:</b>	
Loans receivable	831
<b>Restricted for:</b>	
Community development projects	4,744,941
Public safety	528,063
Parks and recreation	92,425
Public works	2,206,900
Capital Projects	379,072
<b>Assigned to:</b>	
Capital Projects	2,680,071
<b>Unassigned</b>	<b>(776,594)</b>
<b>Total Fund Balances</b>	<b>9,855,709</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,896,258</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Gas Tax Street	Measure A	SB 300 Street	Article 3 Sidewalk
<b>Revenues:</b>				
Taxes	\$ -	\$ 434,582	\$ -	\$ -
Intergovernmental	1,247,729	99,606	-	-
Charges for services	-	-	-	-
Use of money and property	2,222	1,779	379	299
Miscellaneous	2,399	-	-	-
<b>Total Revenues</b>	<b>1,252,350</b>	<b>535,967</b>	<b>379</b>	<b>299</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	867,690	-	-	-
Capital outlay	-	1,264,096	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>867,690</b>	<b>1,264,096</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	384,660	(728,129)	379	299
<b>Other Financing Sources (Uses):</b>				
Transfers in	164,325	527,565	-	-
Transfers out	(638,587)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(474,262)</b>	<b>527,565</b>	<b>-</b>	<b>-</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(89,602)</b>	<b>(200,564)</b>	<b>379</b>	<b>299</b>
Fund Balances, Beginning of Year	774,743	1,093,416	147,480	13,015
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	774,743	1,093,416	147,480	13,015
<b>Fund Balances, End of Year</b>	<b>\$ 685,141</b>	<b>\$ 892,852</b>	<b>\$ 147,859</b>	<b>\$ 13,314</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Community Development Block Grant	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture
<b>Revenues:</b>				
Taxes	\$ -	\$ 130,263	\$ -	\$ -
Intergovernmental	14,000	-	37,429	-
Charges for services	-	-	-	-
Use of money and property	-	486	428	6
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>14,000</b>	<b>130,749</b>	<b>37,857</b>	<b>6</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	14,000	-	-	-
Public works	-	125,442	3,000	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>14,000</b>	<b>125,442</b>	<b>3,000</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	5,307	34,857	6
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>5,307</b>	<b>34,857</b>	<b>6</b>
Fund Balances, Beginning of Year	(5,274)	211,659	137,891	2,490
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(5,274)	211,659	137,891	2,490
<b>Fund Balances, End of Year</b>	<b>\$ (5,274)</b>	<b>\$ 216,966</b>	<b>\$ 172,748</b>	<b>\$ 2,496</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Supplemental Law Enforcement	Public Safety Sales Tax	State Park Bond Act	Special Donations
<b>Revenues:</b>				
Taxes	\$ -	\$ 204,717	\$ -	\$ -
Intergovernmental	100,000	-	-	-
Charges for services	-	-	-	-
Use of money and property	703	51	3	-
Miscellaneous	-	-	-	10,450
<b>Total Revenues</b>	<b>100,703</b>	<b>204,768</b>	<b>3</b>	<b>10,450</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	34,752	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	8,425
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>34,752</b>	<b>-</b>	<b>-</b>	<b>8,425</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,951	204,768	3	2,025
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(202,676)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(202,676)</b>	<b>-</b>	<b>-</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>65,951</b>	<b>2,092</b>	<b>3</b>	<b>2,025</b>
Fund Balances, Beginning of Year	187,199	22,537	930	22,796
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	187,199	22,537	930	22,796
<b>Fund Balances, End of Year</b>	<b>\$ 253,150</b>	<b>\$ 24,629</b>	<b>\$ 933</b>	<b>\$ 24,821</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Senior Center Activities	Animal Control Reserve	Police Volunteer	Ramsey/ Highland Home Signal
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	160	-	-	-
Use of money and property	172	13	6	206
Miscellaneous	6,529	-	-	-
<b>Total Revenues</b>	<b>6,861</b>	<b>13</b>	<b>6</b>	<b>206</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	580	-
Community development	-	-	-	-
Parks and recreation	8,187	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>8,187</b>	<b>-</b>	<b>580</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,326)	13	(574)	206
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(1,326)</b>	<b>13</b>	<b>(574)</b>	<b>206</b>
Fund Balances, Beginning of Year	68,930	4,879	4,267	80,260
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	68,930	4,879	4,267	80,260
<b>Fund Balances, End of Year</b>	<b>\$ 67,604</b>	<b>\$ 4,892</b>	<b>\$ 3,693</b>	<b>\$ 80,466</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			Capital Projects Funds
	Wilson Median Improvement	Riverside County MOU	Banning Housing Authority	Police Facilities Development
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	450,000	-	-
Charges for services	-	-	-	-
Use of money and property	962	530	6,001	92
Miscellaneous	-	-	-	8,899
<b>Total Revenues</b>	<b>962</b>	<b>450,530</b>	<b>6,001</b>	<b>8,991</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	298,962	-
Public safety	-	524,271	-	-
Community development	-	-	287,345	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>524,271</b>	<b>586,307</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	962	(73,741)	(580,306)	8,991
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	5,325,247	-
<b>Net Change in Fund Balances</b>	<b>962</b>	<b>(73,741)</b>	<b>4,744,941</b>	<b>8,991</b>
Fund Balances, Beginning of Year	375,562	312,944	-	24,898
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	375,562	312,944	-	24,898
<b>Fund Balances, End of Year</b>	<b>\$ 376,524</b>	<b>\$ 239,203</b>	<b>\$ 4,744,941</b>	<b>\$ 33,889</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

	Capital Projects Funds			
	Fire Facilities Development	Traffic Control Facilities	General Facilities	Park Development
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	2,381	1,096	1,220	361
Miscellaneous	6,223	22,171	4,209	1,352
<b>Total Revenues</b>	<b>8,604</b>	<b>23,267</b>	<b>5,429</b>	<b>1,713</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,604	23,267	5,429	1,713
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>8,604</b>	<b>23,267</b>	<b>5,429</b>	<b>1,713</b>
Fund Balances, Beginning of Year	922,458	400,050	469,840	153,868
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	922,458	400,050	469,840	153,868
<b>Fund Balances, End of Year</b>	<b>\$ 931,062</b>	<b>\$ 423,317</b>	<b>\$ 475,269</b>	<b>\$ 155,581</b>



## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Capital Projects Funds			Debt Service Funds
	Capital Improvement	Sunset Grade Separation	Redevelopment Agency	Redevelopment Agency
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,945,057
Intergovernmental	-	547,651	-	-
Charges for services	-	-	-	-
Use of money and property	964	535	11,871	21,788
Miscellaneous	-	-	3,800	-
<b>Total Revenues</b>	<b>964</b>	<b>548,186</b>	<b>15,671</b>	<b>1,966,845</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	518,989	34,219
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	23,808	1,361,501	224,879	-
Debt service:				
Principal retirement	-	-	-	947,263
Interest and fiscal charges	-	-	-	1,791,678
<b>Total Expenditures</b>	<b>23,808</b>	<b>1,361,501</b>	<b>743,868</b>	<b>2,773,160</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,844)	(813,315)	(728,197)	(806,315)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	6,206,511	280,820
Transfers out	-	-	(763,465)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>5,443,046</b>	<b>280,820</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	-	-	(26,280,706)	(499,903)
<b>Net Change in Fund Balances</b>	<b>(22,844)</b>	<b>(813,315)</b>	<b>(21,565,857)</b>	<b>(1,025,398)</b>
Fund Balances, Beginning of Year	683,797	41,995	14,565,857	1,025,398
Restatements	-	-	7,000,000	-
Fund Balances, Beginning of Year, as Restated	683,797	41,995	21,565,857	1,025,398
<b>Fund Balances, End of Year</b>	<b>\$ 660,953</b>	<b>\$ (771,320)</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Total Governmental Funds
<b>Revenues:</b>	
Taxes	\$ 2,714,619
Intergovernmental	2,496,415
Charges for services	160
Use of money and property	54,554
Miscellaneous	66,032
<b>Total Revenues</b>	<b>5,331,780</b>
<b>Expenditures:</b>	
Current:	
General government	852,170
Public safety	559,603
Community development	287,345
Parks and recreation	30,612
Public works	996,132
Capital outlay	2,874,284
Debt service:	
Principal retirement	947,263
Interest and fiscal charges	1,791,678
<b>Total Expenditures</b>	<b>8,339,087</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,007,307)
<b>Other Financing Sources (Uses):</b>	
Transfers in	7,179,221
Transfers out	(1,604,728)
<b>Total Other Financing Sources (Uses)</b>	<b>5,574,493</b>
Extraordinary gain/(loss) on dissolution of redevelopment agency (Note 17)	(21,455,362)
<b>Net Change in Fund Balances</b>	<b>(18,888,176)</b>
Fund Balances, Beginning of Year	21,743,885
Restatements	7,000,000
Fund Balances, Beginning of Year, as Restated	28,743,885
<b>Fund Balances, End of Year</b>	<b>\$ 9,855,709</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE**  
**GAS TAX STREET**  
**YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 774,743	\$ 774,743	\$ 774,743	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	774,500	803,500	1,247,729	444,229
Use of money and property	4,125	3,675	2,222	(1,453)
Miscellaneous	1,500	2,300	2,399	99
Transfers in	327,735	164,325	164,325	-
<b>Amounts Available for Appropriation</b>	<b>1,882,603</b>	<b>1,748,543</b>	<b>2,191,418</b>	<b>442,875</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	901,607	950,247	867,690	82,557
Capital outlay	-	100,000	-	100,000
Transfers out	-	638,587	638,587	-
<b>Total Charges to Appropriations</b>	<b>901,607</b>	<b>1,688,834</b>	<b>1,506,277</b>	<b>182,557</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 980,996</b>	<b>\$ 59,709</b>	<b>\$ 685,141</b>	<b>\$ 625,432</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 MEASURE A  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,093,416	\$ 1,093,416	\$ 1,093,416	\$ -
<b>Resources (Inflows):</b>				
Taxes	379,000	379,000	434,582	55,582
Intergovernmental	-	130,000	99,606	(30,394)
Use of money and property	8,000	8,000	1,779	(6,221)
Transfers in	-	527,565	527,565	-
<b>Amounts Available for Appropriation</b>	<b>1,480,416</b>	<b>2,137,981</b>	<b>2,156,948</b>	<b>18,967</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	379,000	1,856,565	1,264,096	592,469
<b>Total Charges to Appropriations</b>	<b>379,000</b>	<b>1,856,565</b>	<b>1,264,096</b>	<b>592,469</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,101,416</b>	<b>\$ 281,416</b>	<b>\$ 892,852</b>	<b>\$ 611,436</b>

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 SB 300 STREET  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 147,480	\$ 147,480	\$ 147,480	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	725	725	379	(346)
<b>Amounts Available for Appropriation</b>	<b>148,205</b>	<b>148,205</b>	<b>147,859</b>	<b>(346)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 148,205</b>	<b>\$ 148,205</b>	<b>\$ 147,859</b>	<b>\$ (346)</b>

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
ARTICLE 3 SIDEWALK  
YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 13,015	\$ 13,015	\$ 13,015	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	300	300	299	(1)
<b>Amounts Available for Appropriation</b>	<b>13,315</b>	<b>13,315</b>	<b>13,314</b>	<b>(1)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 13,315</b>	<b>\$ 13,315</b>	<b>\$ 13,314</b>	<b>\$ (1)</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (5,274)	\$ (5,274)	\$ (5,274)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	292,815	14,000	(278,815)
<b>Amounts Available for Appropriation</b>	<b>(5,274)</b>	<b>287,541</b>	<b>8,726</b>	<b>(278,815)</b>
<b>Charges to Appropriation (Outflow):</b>				
Parks and recreation	-	277,540	14,000	263,540
Capital outlay	-	10,000	-	10,000
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>287,540</b>	<b>14,000</b>	<b>273,540</b>
Budgetary Fund Balance, June 30	\$ (5,274)	\$ 1	\$ (5,274)	\$ (5,275)

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 LANDSCAPE MAINTENANCE DISTRICT  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 211,659	\$ 211,659	\$ 211,659	\$ -
<b>Resources (Inflows):</b>				
Taxes	130,760	130,760	130,263	(497)
Use of money and property	750	750	486	(264)
<b>Amounts Available for Appropriation</b>	<b>343,169</b>	<b>343,169</b>	<b>342,408</b>	<b>(761)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	131,510	131,510	125,442	6,068
<b>Total Charges to Appropriations</b>	<b>131,510</b>	<b>131,510</b>	<b>125,442</b>	<b>6,068</b>
Budgetary Fund Balance, June 30	<u>\$ 211,659</u>	<u>\$ 211,659</u>	<u>\$ 216,966</u>	<u>\$ 5,307</u>



CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
AQMD AIR POLLUTION PROGRAM  
YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 137,891	\$ 137,891	\$ 137,891	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	31,000	31,000	37,429	6,429
Use of money and property	1,000	1,000	428	(572)
<b>Amounts Available for Appropriation</b>	<b>169,891</b>	<b>169,891</b>	<b>175,748</b>	<b>5,857</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	-	3,000	3,000	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 169,891</b>	<b>\$ 166,891</b>	<b>\$ 172,748</b>	<b>\$ 5,857</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 ASSET FORFEITURE  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,490	\$ 2,490	\$ 2,490	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	10	10	6	(4)
<b>Amounts Available for Appropriation</b>	<b>2,500</b>	<b>2,500</b>	<b>2,496</b>	<b>(4)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 2,496</b>	<b>\$ (4)</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE  
SUPPLEMENTAL LAW ENFORCEMENT  
YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 187,199	\$ 187,199	\$ 187,199	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	100,000	100,000	-
Use of money and property	-	1,000	703	(297)
<b>Amounts Available for Appropriation</b>	<b>187,199</b>	<b>288,199</b>	<b>287,902</b>	<b>(297)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	69,989	34,752	35,237
Capital outlay	-	218,210	-	218,210
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>288,199</b>	<b>34,752</b>	<b>253,447</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 187,199</b>	<b>\$ -</b>	<b>\$ 253,150</b>	<b>\$ 253,150</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 PUBLIC SAFETY SALES TAX  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 22,537	\$ 22,537	\$ 22,537	\$ -
<b>Resources (Inflows):</b>				
Taxes	202,676	202,676	204,717	2,041
Use of money and property	-	-	51	51
<b>Amounts Available for Appropriation</b>	<b>225,213</b>	<b>225,213</b>	<b>227,305</b>	<b>2,092</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	202,676	202,676	202,676	-
<b>Total Charges to Appropriations</b>	<b>202,676</b>	<b>202,676</b>	<b>202,676</b>	<b>-</b>
Budgetary Fund Balance, June 30	\$ 22,537	\$ 22,537	\$ 24,629	\$ 2,092

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL DONATIONS**  
**YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 22,796	\$ 22,796	\$ 22,796	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	1,500	9,350	10,450	1,100
<b>Amounts Available for Appropriation</b>	<b>24,296</b>	<b>32,146</b>	<b>33,246</b>	<b>1,100</b>
<b>Charges to Appropriation (Outflow):</b>				
Parks and recreation	1,500	5,210	8,425	(3,215)
<b>Total Charges to Appropriations</b>	<b>1,500</b>	<b>5,210</b>	<b>8,425</b>	<b>(3,215)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 22,796</b>	<b>\$ 26,936</b>	<b>\$ 24,821</b>	<b>\$ (2,115)</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE**  
**SENIOR CENTER ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 68,930	\$ 68,930	\$ 68,930	\$ -
<b>Resources (Inflows):</b>				
Charges for services	200	200	160	(40)
Use of money and property	500	500	172	(328)
Miscellaneous	6,000	6,000	6,529	529
<b>Amounts Available for Appropriation</b>	<b>75,630</b>	<b>75,630</b>	<b>75,791</b>	<b>161</b>
<b>Charges to Appropriation (Outflow):</b>				
Parks and recreation	16,700	17,200	8,187	9,013
<b>Total Charges to Appropriations</b>	<b>16,700</b>	<b>17,200</b>	<b>8,187</b>	<b>9,013</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 58,930</b>	<b>\$ 58,430</b>	<b>\$ 67,604</b>	<b>\$ 9,174</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 ANIMAL CONTROL RESERVE  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 4,879	\$ 4,879	\$ 4,879	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	30	30	13	(17)
<b>Amounts Available for Appropriation</b>	<b>4,909</b>	<b>4,909</b>	<b>4,892</b>	<b>(17)</b>
Budgetary Fund Balance, June 30	\$ 4,909	\$ 4,909	\$ 4,892	\$ (17)

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 POLICE VOLUNTEER  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 4,267	\$ 4,267	\$ 4,267	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	30	30	6	(24)
<b>Amounts Available for Appropriation</b>	<b>4,297</b>	<b>4,297</b>	<b>4,273</b>	<b>(24)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	1,080	1,080	580	500
<b>Total Charges to Appropriations</b>	<b>1,080</b>	<b>1,080</b>	<b>580</b>	<b>500</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,217</b>	<b>\$ 3,217</b>	<b>\$ 3,693</b>	<b>\$ 476</b>



CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 RAMSEY/HIGHLAND HOME SIGNAL  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 80,260	\$ 80,260	\$ 80,260	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	400	400	206	(194)
<b>Amounts Available for Appropriation</b>	<b>80,660</b>	<b>80,660</b>	<b>80,466</b>	<b>(194)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 80,660</b>	<b>\$ 80,660</b>	<b>\$ 80,466</b>	<b>\$ (194)</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 WILSON MEDIAN IMPROVEMENT  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 375,562	\$ 375,562	\$ 375,562	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	1,850	1,850	962	(888)
<b>Amounts Available for Appropriation</b>	<b>377,412</b>	<b>377,412</b>	<b>376,524</b>	<b>(888)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 377,412</b>	<b>\$ 377,412</b>	<b>\$ 376,524</b>	<b>\$ (888)</b>

CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
RIVERSIDE COUNTY MOU  
YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 312,944	\$ 312,944	\$ 312,944	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	450,000	450,000	450,000	-
Use of money and property	1,000	1,000	530	(470)
<b>Amounts Available for Appropriation</b>	<b>763,944</b>	<b>763,944</b>	<b>763,474</b>	<b>(470)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	536,822	536,822	524,271	12,551
<b>Total Charges to Appropriations</b>	<b>536,822</b>	<b>536,822</b>	<b>524,271</b>	<b>12,551</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 227,122</b>	<b>\$ 227,122</b>	<b>\$ 239,203</b>	<b>\$ 12,081</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 BANNING HOUSING AUTHORITY  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	35,000	23,000	6,001	(16,999)
Transfers in	880,547	786,733	-	(786,733)
Extraordinary gain on dissolution of redevelopment agency	-	-	5,325,247	5,325,247
<b>Amounts Available for Appropriation</b>	<b>915,547</b>	<b>809,733</b>	<b>5,331,248</b>	<b>4,521,515</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	921,745	664,652	298,962	365,690
Community development	-	407,969	287,345	120,624
Transfers out	192,380	587,925	-	587,925
<b>Total Charges to Appropriations</b>	<b>1,114,125</b>	<b>1,660,546</b>	<b>586,307</b>	<b>1,074,239</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (198,578)</b>	<b>\$ (850,813)</b>	<b>\$ 4,744,941</b>	<b>\$ 5,595,754</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 POLICE FACILITIES DEVELOPMENT  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 24,898	\$ 24,898	\$ 24,898	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	150	150	92	(58)
Miscellaneous	1,500	1,500	8,899	7,399
<b>Amounts Available for Appropriation</b>	<b>26,548</b>	<b>26,548</b>	<b>33,889</b>	<b>7,341</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 26,548</b>	<b>\$ 26,548</b>	<b>\$ 33,889</b>	<b>\$ 7,341</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE  
 FIRE FACILITIES DEVELOPMENT  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 922,458	\$ 922,458	\$ 922,458	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	4,500	3,000	2,381	(619)
Miscellaneous	5,000	5,000	6,223	1,223
<b>Amounts Available for Appropriation</b>	<b>931,958</b>	<b>930,458</b>	<b>931,062</b>	<b>604</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 931,958</b>	<b>\$ 930,458</b>	<b>\$ 931,062</b>	<b>\$ 604</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE**  
**TRAFFIC CONTROL FACILITIES**  
**YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 400,050	\$ 400,050	\$ 400,050	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	2,000	2,000	1,096	(904)
Miscellaneous	500	500	22,171	21,671
<b>Amounts Available for Appropriation</b>	<b>402,550</b>	<b>402,550</b>	<b>423,317</b>	<b>20,767</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	10,000	10,000	-	10,000
Capital outlay	10,000	10,000	-	10,000
<b>Total Charges to Appropriations</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 382,550</b>	<b>\$ 382,550</b>	<b>\$ 423,317</b>	<b>\$ 40,767</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 GENERAL FACILITIES  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 469,840	\$ 469,840	\$ 469,840	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	2,500	2,500	1,220	(1,280)
Miscellaneous	2,000	2,000	4,209	2,209
<b>Amounts Available for Appropriation</b>	<b>474,340</b>	<b>474,340</b>	<b>475,269</b>	<b>929</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 474,340</b>	<b>\$ 474,340</b>	<b>\$ 475,269</b>	<b>\$ 929</b>



## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE  
 PARK DEVELOPMENT  
 YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 153,868	\$ 153,868	\$ 153,868	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	1,900	1,900	361	(1,539)
Miscellaneous	-	-	1,352	1,352
<b>Amounts Available for Appropriation</b>	<b>155,768</b>	<b>155,768</b>	<b>155,581</b>	<b>(187)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	-	132,046	-	132,046
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>132,046</b>	<b>-</b>	<b>132,046</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 155,768</b>	<b>\$ 23,722</b>	<b>\$ 155,581</b>	<b>\$ 131,859</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL IMPROVEMENT  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 683,797	\$ 683,797	\$ 683,797	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	10,000	2,500	964	(1,536)
<b>Amounts Available for Appropriation</b>	<b>693,797</b>	<b>686,297</b>	<b>684,761</b>	<b>(1,536)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	-	29,500	23,808	5,692
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>29,500</b>	<b>23,808</b>	<b>5,692</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 693,797</b>	<b>\$ 656,797</b>	<b>\$ 660,953</b>	<b>\$ 4,156</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE  
 SUNSET GRADE SEPARATION  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 41,995	\$ 41,995	\$ 41,995	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,100,000	3,168,647	547,651	(2,620,996)
Use of money and property	-	1,000	535	(465)
<b>Amounts Available for Appropriation</b>	<b>1,141,995</b>	<b>3,211,642</b>	<b>590,181</b>	<b>(2,621,461)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	1,100,000	3,209,636	1,361,501	1,848,135
<b>Total Charges to Appropriations</b>	<b>1,100,000</b>	<b>3,209,636</b>	<b>1,361,501</b>	<b>1,848,135</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 41,995</b>	<b>\$ 2,006</b>	<b>\$ (771,320)</b>	<b>\$ (773,326)</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT AGENCY - CAPITAL PROJECTS  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1, as restated	\$ 21,565,857	\$ 21,565,857	\$ 21,565,857	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	75,500	75,500	11,871	(63,629)
Miscellaneous	9,000	9,000	3,800	(5,200)
Transfers in	780,000	6,986,511	6,206,511	(780,000)
<b>Amounts Available for Appropriation</b>	<b>22,430,357</b>	<b>28,636,868</b>	<b>27,788,039</b>	<b>(848,829)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	1,245,644	975,238	518,989	456,249
Capital outlay	122,500	160,592	224,879	(64,287)
Transfers out	820,021	682,893	763,465	(80,572)
Extraordinary loss on dissolution of redevelopment agency	-	-	26,280,706	(26,280,706)
<b>Total Charges to Appropriations</b>	<b>2,188,165</b>	<b>1,818,723</b>	<b>27,788,039</b>	<b>(25,969,316)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 20,242,192</b>	<b>\$ 26,818,145</b>	<b>\$ -</b>	<b>\$ (26,818,145)</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE  
REDEVELOPMENT AGENCY - DEBT SERVICE  
YEAR ENDED JUNE 30, 2012**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,025,398	\$ 1,025,398	\$ 1,025,398	\$ -
<b>Resources (Inflows):</b>				
Taxes	4,402,734	2,201,368	1,945,057	(256,311)
Use of money and property	54,250	54,250	21,788	(32,462)
Transfers in	192,380	222,758	280,820	58,062
<b>Amounts Available for Appropriation</b>	<b>5,674,762</b>	<b>3,503,774</b>	<b>3,273,063</b>	<b>(230,711)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	46,578	46,578	34,219	12,359
Debt service:				
Principal retirement	1,046,107	1,046,107	947,263	98,844
Interest and fiscal charges	1,829,280	1,829,280	1,791,678	37,602
Transfers out	880,548	880,548	-	880,548
Extraordinary loss on dissolution of redevelopment agency	847,509	423,755	499,903	(76,148)
<b>Total Charges to Appropriations</b>	<b>4,650,022</b>	<b>4,226,268</b>	<b>3,273,063</b>	<b>953,205</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,024,740</b>	<b>\$ (722,494)</b>	<b>\$ -</b>	<b>\$ 722,494</b>

## CITY OF BANNING

COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2012

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>Assets:</b>				
Current:				
Pooled cash and investments	\$ 80,991	\$ 81,937	\$ 248,413	\$ 411,341
Receivables:				
Accounts	555	850	424,046	425,451
Interest	84	108	200	392
Due from other governments	150,560	196,926	-	347,486
Inventories	21,969	-	-	21,969
<b>Total Current Assets</b>	<b>254,159</b>	<b>279,821</b>	<b>672,659</b>	<b>1,206,639</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	2,900,069	957,962	1,312	3,859,343
<b>Total Noncurrent Assets</b>	<b>2,900,069</b>	<b>957,962</b>	<b>1,312</b>	<b>3,859,343</b>
<b>Total Assets</b>	<b>\$ 3,154,228</b>	<b>\$ 1,237,783</b>	<b>\$ 673,971</b>	<b>\$ 5,065,982</b>
<b>Liabilities and Net Assets:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 19,178	\$ 2,728	\$ 238,924	\$ 260,830
Accrued liabilities	1,271	15,009	3,460	19,740
Unearned revenues	-	177,038	-	177,038
Deposits payable	26,998	-	87,050	114,048
Compensated absences	268	9,027	4,563	13,858
<b>Total Current Liabilities</b>	<b>47,715</b>	<b>203,802</b>	<b>333,997</b>	<b>585,514</b>
Noncurrent:				
Compensated absences	5,536	76,807	42,151	124,494
<b>Total Noncurrent Liabilities</b>	<b>5,536</b>	<b>76,807</b>	<b>42,151</b>	<b>124,494</b>
<b>Total Liabilities</b>	<b>53,251</b>	<b>280,609</b>	<b>376,148</b>	<b>710,008</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	2,900,069	957,962	1,312	3,859,343
Unrestricted	200,908	(788)	296,511	496,631
<b>Total Net Assets</b>	<b>3,100,977</b>	<b>957,174</b>	<b>297,823</b>	<b>4,355,974</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,154,228</b>	<b>\$ 1,237,783</b>	<b>\$ 673,971</b>	<b>\$ 5,065,982</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
NON-MAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>Operating Revenues:</b>				
Sales and service charges	\$ 238,187	\$ 132,349	\$ 2,983,206	\$ 3,353,742
Bad debt recovery	-	-	3,290	3,290
<b>Total Operating Revenues</b>	<b>238,187</b>	<b>132,349</b>	<b>2,986,496</b>	<b>3,357,032</b>
<b>Operating Expenses:</b>				
Salaries and benefits	53,964	761,678	119,444	935,086
Supplies and services	206,830	395,004	2,929,404	3,531,238
Repairs and maintenance	13,636	-	-	13,636
Depreciation expense	155,918	234,931	3,935	394,784
<b>Total Operating Expenses</b>	<b>430,348</b>	<b>1,391,613</b>	<b>3,052,783</b>	<b>4,874,744</b>
Operating Income (Loss)	(192,161)	(1,259,264)	(66,287)	(1,517,712)
<b>Nonoperating Revenues (Expenses):</b>				
Intergovernmental	287,272	1,234,453	37,596	1,559,321
Interest revenue	242	(158)	539	623
Miscellaneous	21	-	14,310	14,331
Gain (loss) on disposal of capital assets	-	9	-	9
<b>Total Nonoperating Revenues (Expenses)</b>	<b>287,535</b>	<b>1,234,304</b>	<b>52,445</b>	<b>1,574,284</b>
Income (Loss) Before Transfers	95,374	(24,960)	(13,842)	56,572
Transfers out	-	-	(55,000)	(55,000)
Changes in Net Assets	95,374	(24,960)	(68,842)	1,572
<b>Net Assets:</b>				
Beginning of Year	3,005,603	982,134	366,665	4,354,402
End of Fiscal Year	<u>\$ 3,100,977</u>	<u>\$ 957,174</u>	<u>\$ 297,823</u>	<u>\$ 4,355,974</u>

## CITY OF BANNING

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 237,831	\$ 132,179	\$ 2,983,047	\$ 3,353,057
Cash paid to suppliers for goods and services	(381,265)	(741,825)	(2,919,691)	(4,042,781)
Cash paid to employees for services	(46,939)	(666,073)	(96,056)	(809,068)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(190,373)</b>	<b>(1,275,719)</b>	<b>(32,700)</b>	<b>(1,498,792)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	-	-	(55,000)	(55,000)
Intergovernmental	287,272	1,313,879	37,596	1,638,747
Miscellaneous	21	-	14,310	14,331
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>287,293</b>	<b>1,313,879</b>	<b>(3,094)</b>	<b>1,598,078</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(176,180)	(209,964)	-	(386,144)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(176,180)</b>	<b>(209,964)</b>	<b>-</b>	<b>(386,144)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	456	235	812	1,503
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>456</b>	<b>235</b>	<b>812</b>	<b>1,503</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(78,804)</b>	<b>(171,569)</b>	<b>(34,982)</b>	<b>(285,355)</b>
Cash and Cash Equivalents at Beginning of Year	159,795	253,506	283,395	696,696
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 80,991</b>	<b>\$ 81,937</b>	<b>\$ 248,413</b>	<b>\$ 411,341</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (192,161)	\$ (1,259,264)	\$ (66,287)	\$(1,517,712)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	155,918	234,931	3,935	394,784
(Increase) decrease in accounts receivable	(356)	(170)	(3,449)	(3,975)
(Increase) decrease in loans receivable	-	963	-	963
(Increase) decrease in inventories	(6,115)	-	-	(6,115)
(Increase) decrease in due from other governments	61,424	(164,516)	7,809	(95,283)
Increase (decrease) in accounts payable	(1,470)	(36,919)	(2,693)	(41,082)
Increase (decrease) in accrued liabilities	(208,110)	(44,334)	18,483	(233,961)
Increase (decrease) in deposits payable	(214)	-	3,540	3,326
Increase (decrease) in compensated absences	711	(6,410)	5,962	263
<b>Total Adjustments</b>	<b>1,788</b>	<b>(16,455)</b>	<b>33,587</b>	<b>18,920</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (190,373)</b>	<b>\$ (1,275,719)</b>	<b>\$ (32,700)</b>	<b>\$(1,498,792)</b>



## CITY OF BANNING

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2012

	Self Insurance	Fleet Maintenance	Information Services
<b>Assets:</b>			
Current:			
Pooled cash and investments	\$ 2,468,250	\$ 656,557	\$ 175,137
Receivables:			
Accounts	-	30,030	-
Loans	-	-	5,011
Interest	486	549	149
Due from other governments	458	987	-
Inventories	-	60,715	-
<b>Total Current Assets</b>	<b>2,469,194</b>	<b>748,838</b>	<b>180,297</b>
Noncurrent:			
Capital assets - net of accumulated depreciation	-	329,022	151,375
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>329,022</b>	<b>151,375</b>
<b>Total Assets</b>	<b>\$ 2,469,194</b>	<b>\$ 1,077,860</b>	<b>\$ 331,672</b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 1,117	\$ 81,202	\$ 13,595
Accrued liabilities	5,554	6,746	6,449
Deposits payable	928	-	-
Compensated absences	11,662	27,677	16,459
Claims and judgment	563,557	-	-
<b>Total Current Liabilities</b>	<b>582,818</b>	<b>115,625</b>	<b>36,503</b>
Noncurrent:			
Compensated absences	16,401	31,287	16,220
Claims and judgments	353,863	-	-
<b>Total Noncurrent Liabilities</b>	<b>370,264</b>	<b>31,287</b>	<b>16,220</b>
<b>Total Liabilities</b>	<b>953,082</b>	<b>146,912</b>	<b>52,723</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	-	329,022	151,375
Unrestricted	1,516,112	601,926	127,574
<b>Total Net Assets</b>	<b>1,516,112</b>	<b>930,948</b>	<b>278,949</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,469,194</b>	<b>\$ 1,077,860</b>	<b>\$ 331,672</b>

## CITY OF BANNING

**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2012**

	Utility Billing Accounting & Collection	Totals
<b>Assets:</b>		
Current:		
Pooled cash and investments	\$ 272,263	\$ 3,572,207
Receivables:		
Accounts	13,240	43,270
Loans	852	5,863
Interest	260	1,444
Due from other governments	-	1,445
Inventories	-	60,715
<b>Total Current Assets</b>	<b>286,615</b>	<b>3,684,944</b>
Noncurrent:		
Capital assets - net of accumulated depreciation	28,939	509,336
<b>Total Noncurrent Assets</b>	<b>28,939</b>	<b>509,336</b>
<b>Total Assets</b>	<b>\$ 315,554</b>	<b>\$ 4,194,280</b>
<b>Liabilities and Net Assets:</b>		
<b>Liabilities:</b>		
Current:		
Accounts payable	\$ 22,947	\$ 118,861
Accrued liabilities	21,898	40,647
Deposits payable	-	928
Compensated absences	39,753	95,551
Claims and judgment	-	563,557
<b>Total Current Liabilities</b>	<b>84,598</b>	<b>819,544</b>
Noncurrent:		
Compensated absences	28,506	92,414
Claims and judgments	-	353,863
<b>Total Noncurrent Liabilities</b>	<b>28,506</b>	<b>446,277</b>
<b>Total Liabilities</b>	<b>113,104</b>	<b>1,265,821</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	28,939	509,336
Unrestricted	173,511	2,419,123
<b>Total Net Assets</b>	<b>202,450</b>	<b>2,928,459</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 315,554</b>	<b>\$ 4,194,280</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012

	Self Insurance	Fleet Maintenance	Information Services
<b>Operating Revenues:</b>			
Sales and service charges	\$ 1,729,706	\$ 1,201,249	\$ 386,137
<b>Total Operating Revenues</b>	<b>1,729,706</b>	<b>1,201,249</b>	<b>386,137</b>
<b>Operating Expenses:</b>			
Salaries and benefits	210,964	345,822	265,976
Supplies and services	2,497,875	720,487	30,427
Repairs and maintenance	1,672	90,317	67,515
Insurance premiums	979,003	-	-
Depreciation expense	-	9,120	35,908
<b>Total Operating Expenses</b>	<b>3,689,514</b>	<b>1,165,746</b>	<b>399,826</b>
Operating Income (Loss)	(1,959,808)	35,503	(13,689)
<b>Nonoperating Revenues (Expenses):</b>			
Interest revenue	32,437	1,613	246
Miscellaneous	363,098	53,436	308
<b>Total Nonoperating Revenues (Expenses)</b>	<b>395,535</b>	<b>55,049</b>	<b>554</b>
Income (Loss) Before Transfers	(1,564,273)	90,552	(13,135)
Transfers in	1,810,780	-	-
Changes in Net Assets	246,507	90,552	(13,135)
<b>Net Assets:</b>			
Beginning of Year	1,269,605	840,396	292,084
<b>End of Fiscal Year</b>	<b>\$ 1,516,112</b>	<b>\$ 930,948</b>	<b>\$ 278,949</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012

	Utility Billing Accounting & Collection	Totals
<b>Operating Revenues:</b>		
Sales and service charges	\$ 1,481,430	\$ 4,798,522
<b>Total Operating Revenues</b>	<b>1,481,430</b>	<b>4,798,522</b>
<b>Operating Expenses:</b>		
Salaries and benefits	921,467	1,744,229
Supplies and services	505,301	3,754,090
Repairs and maintenance	30,627	190,131
Insurance premiums	-	979,003
Depreciation expense	16,493	61,521
<b>Total Operating Expenses</b>	<b>1,473,888</b>	<b>6,728,974</b>
Operating Income (Loss)	7,542	(1,930,452)
<b>Nonoperating Revenues (Expenses):</b>		
Interest revenue	666	34,962
Miscellaneous	-	416,842
<b>Total Nonoperating Revenues (Expenses)</b>	<b>666</b>	<b>451,804</b>
Income (Loss) Before Transfers	8,208	(1,478,648)
Transfers in	-	1,810,780
Changes in Net Assets	8,208	332,132
<b>Net Assets:</b>		
Beginning of Year	194,242	2,596,327
<b>End of Fiscal Year</b>	<b>\$ 202,450</b>	<b>\$ 2,928,459</b>

## CITY OF BANNING

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

	Self Insurance	Fleet Maintenance	Information Services
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 1,729,706	\$ 1,205,814	\$ 386,137
Cash paid to suppliers for goods and services	(3,531,395)	(838,966)	(159,033)
Cash paid to employees for services	(187,490)	(285,482)	(224,183)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,989,179)</b>	<b>81,366</b>	<b>2,921</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	1,810,780	-	-
Miscellaneous	363,098	53,436	308
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>2,173,878</b>	<b>53,436</b>	<b>308</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(16,254)	(120,199)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(16,254)</b>	<b>(120,199)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	32,437	1,991	596
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>32,437</b>	<b>1,991</b>	<b>596</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>217,136</b>	<b>120,539</b>	<b>(116,374)</b>
Cash and Cash Equivalents at Beginning of Year	2,251,114	536,018	291,511
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,468,250</b>	<b>\$ 656,557</b>	<b>\$ 175,137</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (1,959,808)	\$ 35,503	\$ (13,689)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	-	9,120	35,908
(Increase) decrease in accounts receivable	-	4,565	-
(Increase) decrease in loans receivable	-	-	(1,571)
(Increase) decrease in inventories	-	3,021	-
(Increase) decrease in due from other governments	(458)	(987)	-
Increase (decrease) in accounts payable	(10,148)	(9,151)	(10,635)
Increase (decrease) in accrued liabilities	(1,217)	23,608	(9,221)
Increase (decrease) in claims and judgments	(9,170)	-	-
Increase (decrease) in compensated absences	(8,378)	15,687	2,129
<b>Total Adjustments</b>	<b>(29,371)</b>	<b>45,863</b>	<b>16,610</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,989,179)</b>	<b>\$ 81,366</b>	<b>\$ 2,921</b>

## CITY OF BANNING

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

	Utility Billing Accounting & Collection	Totals
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers and users	\$ 1,487,955	\$ 4,809,612
Cash paid to suppliers for goods and services	(689,495)	(5,218,889)
Cash paid to employees for services	(778,709)	(1,475,864)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>19,751</b>	<b>(1,885,141)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Cash transfers in	-	1,810,780
Miscellaneous	-	416,842
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>2,227,622</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(23,797)	(160,250)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(23,797)</b>	<b>(160,250)</b>
<b>Cash Flows from Investing Activities:</b>		
Interest received	944	35,968
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>944</b>	<b>35,968</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(3,102)</b>	<b>218,199</b>
Cash and Cash Equivalents at Beginning of Year	275,365	3,354,008
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 272,263</b>	<b>\$ 3,572,207</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ 7,542	\$(1,930,452)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>		
Depreciation	16,493	61,521
(Increase) decrease in accounts receivable	6,525	11,090
(Increase) decrease in loans receivable	34	(1,537)
(Increase) decrease in inventories	-	3,021
(Increase) decrease in due from other governments	-	(1,445)
Increase (decrease) in accounts payable	(28,436)	(58,370)
Increase (decrease) in accrued liabilities	4,548	17,718
Increase (decrease) in claims and judgments	-	(9,170)
Increase (decrease) in compensated absences	13,045	22,483
<b>Total Adjustments</b>	<b>12,209</b>	<b>45,311</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 19,751</b>	<b>\$(1,885,141)</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
 ALL AGENCY FUNDS  
 JUNE 30, 2012

	Sun Lake CFD 86-1	Special AD 91-1	Area Police Computer
<b>Assets:</b>			
Pooled cash and investments	\$ 34,894	\$ 46,478	\$ 54,531
Receivables:			
Accrued interest	29	41	41
Due from other governments	-	1,288	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b>\$ 34,923</b>	<b>\$ 47,807</b>	<b>\$ 54,572</b>
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 28,676
Deposits payable	-	4,701	-
Due to bondholders	34,923	43,106	25,896
<b>Total Liabilities</b>	<b>\$ 34,923</b>	<b>\$ 47,807</b>	<b>\$ 54,572</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
ALL AGENCY FUNDS  
JUNE 30, 2012

	Fair Oaks AD 2004-1	Cameo Homes	Totals
<b>Assets:</b>			
Pooled cash and investments	\$ 167,327	\$ 45,615	\$ 348,845
Receivables:			
Accrued interest	103	38	252
Due from other governments	6,660	-	7,948
Restricted assets:			
Cash and investments with fiscal agents	218,052	-	218,052
<b>Total Assets</b>	<b>\$ 392,142</b>	<b>\$ 45,653</b>	<b>\$ 575,097</b>
<b>Liabilities:</b>			
Accounts payable	\$ 92	\$ -	\$ 28,768
Deposits payable	16,886	40,000	61,587
Due to bondholders	375,164	5,653	484,742
<b>Total Liabilities</b>	<b>\$ 392,142</b>	<b>\$ 45,653</b>	<b>\$ 575,097</b>



## CITY OF BANNING

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
<b><u>Sun Lake CFD 86-1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 34,775	\$ 160	\$ 41	\$ 34,894
Accrued interest	59	29	59	29
<b>Total Assets</b>	<b>\$ 34,834</b>	<b>\$ 189</b>	<b>\$ 100</b>	<b>\$ 34,923</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 34,834	\$ 189	\$ 100	\$ 34,923
<b>Total Liabilities</b>	<b>\$ 34,834</b>	<b>\$ 189</b>	<b>\$ 100</b>	<b>\$ 34,923</b>
<b><u>Special AD 91-1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 171,747	\$ 3,850	\$ 129,119	\$ 46,478
Receivables:				
Accrued interest	207	41	207	41
Due from other governments	3,477	1,288	3,477	1,288
Restricted assets:				
Cash and investments with fiscal agents	378,144	265,646	643,790	-
<b>Total Assets</b>	<b>\$ 553,575</b>	<b>\$ 270,825</b>	<b>\$ 776,593</b>	<b>\$ 47,807</b>
<b>Liabilities:</b>				
Accounts payable	\$ 184	\$ 4,051	\$ 4,235	\$ -
Deposits payable	4,701	-	-	4,701
Due to bondholders	548,690	266,774	772,358	43,106
<b>Total Liabilities</b>	<b>\$ 553,575</b>	<b>\$ 270,825</b>	<b>\$ 776,593</b>	<b>\$ 47,807</b>
<b><u>Area Police Computer</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 15,457	\$ 64,893	\$ 25,819	\$ 54,531
Receivables:				
Accrued interest	29	41	29	41
<b>Total Assets</b>	<b>\$ 15,486</b>	<b>\$ 64,934</b>	<b>\$ 25,848</b>	<b>\$ 54,572</b>
<b>Liabilities:</b>				
Accounts payable	\$ 467	\$ 48,006	\$ 19,797	\$ 28,676
Due to bondholders	15,019	16,928	6,051	25,896
<b>Total Liabilities</b>	<b>\$ 15,486</b>	<b>\$ 64,934</b>	<b>\$ 25,848</b>	<b>\$ 54,572</b>

## CITY OF BANNING

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
<b><u>Fair Oaks AD 2004-1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 167,092	\$ 202,033	\$ 201,798	\$ 167,327
Receivables:				
Accrued interest	196	103	196	103
Due from other governments	7,064	6,660	7,064	6,660
Restricted assets:				
Cash and investments with fiscal agents	219,300	30,095	31,343	218,052
<b>Total Assets</b>	<b>\$ 393,652</b>	<b>\$ 238,891</b>	<b>\$ 240,401</b>	<b>\$ 392,142</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 7,435	\$ 7,343	\$ 92
Deposits payable	16,886	-	-	16,886
Due to bondholders	376,766	231,456	233,058	375,164
<b>Total Liabilities</b>	<b>\$ 393,652</b>	<b>\$ 238,891</b>	<b>\$ 240,401</b>	<b>\$ 392,142</b>
<b><u>Cameo Homes</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 45,461	\$ 211	\$ 57	\$ 45,615
Receivables:				
Accrued interest	76	38	76	38
<b>Total Assets</b>	<b>\$ 45,537</b>	<b>\$ 249</b>	<b>\$ 133</b>	<b>\$ 45,653</b>
<b>Liabilities:</b>				
Deposits payable	\$ 40,000	\$ -	\$ -	\$ 40,000
Due to bondholders	5,537	249	133	5,653
<b>Total Liabilities</b>	<b>\$ 45,537</b>	<b>\$ 249</b>	<b>\$ 133</b>	<b>\$ 45,653</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 434,532	\$ 271,147	\$ 356,834	\$ 348,845
Receivables:				
Accrued interest	567	252	567	252
Due from other governments	10,541	7,948	10,541	7,948
Restricted assets:				
Cash and investments with fiscal agents	597,444	295,741	675,133	218,052
<b>Total Assets</b>	<b>\$ 1,043,084</b>	<b>\$ 575,088</b>	<b>\$ 1,043,075</b>	<b>\$ 575,097</b>
<b>Liabilities:</b>				
Accounts payable	\$ 651	\$ 59,492	\$ 31,375	\$ 28,768
Deposits payable	61,587	-	-	61,587
Due to bondholders	980,846	515,596	1,011,700	484,742
<b>Total Liabilities</b>	<b>\$ 1,043,084</b>	<b>\$ 575,088</b>	<b>\$ 1,043,075</b>	<b>\$ 575,097</b>

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**CITY COUNCIL/BANNING FINANCING AUTHORITY JOINT MEETING**

**DATE:** May 14, 2013

**TO:** City Council & Banning Financing Authority

**FROM:** Fred Mason, Electric Utility Director

**SUBJECT:** City Council Resolution No. 2013-50, Appropriating Funds for Electric Utility Capital Improvement Projects

**RECOMMENDATION:** Adopt City Council Resolution No. 2013-50, appropriating funds for Electric Utility Capital Improvement Projects.

**JUSTIFICATION:** Resolution 2010-41 authorized funds from the Electric Bonds to be spent on specific Electric Utility projects, including the 4kV to 12kV Conversion and Sunset Substation Circuit Extension.

**BACKGROUND:** On April 27, 2010 the City Council adopted Resolution 2010-27 amending the list of Electric Utility projects authorized to be paid from Electric Bond funds, and the Electric Utility Department updated its Capital Improvement Projects (CIP) list to include the new projects and their anticipated completion schedule.

Some projects that were scheduled to begin in Fiscal Year 2013-14 have had preliminary design and field work performed in the current Fiscal Year, but funds had not been appropriated to cover the material and labor expense associated with this work in the current year's budget.

Staff recommends approval of this resolution appropriating funds from the Electric Bond Fund to cover the preliminary design and field work expense.

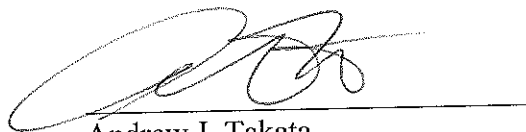
**FISCAL DATA:** An appropriation from the Electric Bond Fund is necessary in order to cover expenses in relation to the 4kV to 12kV Conversion associated with the Alola Substation, and the Sunset Substation Circuit Extension project. The necessary appropriation is for a total of \$120,000 and will be transferred to the following accounts: 674-7000-473-96-32 in the amount of \$100,000 and 674-7000-473-96-18 in the amount of \$20,000.

**RECOMMENDED BY:**



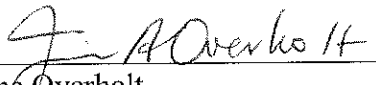
Fred Mason  
Electric Utility Director

**APPROVED BY:**



Andrew J. Takata  
City Manager

**REVIEWED BY:**

  
\_\_\_\_\_  
June Overholt  
Administrative Services Director/  
Deputy City Manager

## **RESOLUTION NO 2013-50**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING AMENDING ITS 2012-13 FISCAL BUDGET AND APPROPRIATING FUNDS FOR THE ALOLA SUBSTATION AND SUNSET SUBSTATION PROJECTS**

**WHEREAS**, the budget for fiscal year 2012-2013 of the City of Banning has been adopted by this Council in its original form, and said budget will need to be amended at times to fulfill the goals of the City; and

**WHEREAS**, the City departments may not exceed their appropriations by character of expense, with character of expense being defined as personnel services, services and supplies, capital outlay, debt service and inter-fund transfers, without the consent of the City Manager; and

**WHEREAS**, the City may transfer appropriations, between departments and within their respective funds, as long as those appropriations do not exceed their fund total unless approved by Council; and

**WHEREAS**, the City Departments may not hire in excess of the approved number of positions in job classification as indicated by the budget detail without the consent of the City Council; and

**WHEREAS**, on June 8, 2010 the City Council adopted resolutions 2010-41 authorizing the monies from the electric bonds to be re-directed to specific projects, including the Alola Substation and Sunset Substation; and

**WHEREAS**, an appropriation in the amount of \$120,000.00 is necessary in order to cover expenses through FY 2013, in relation these projects;

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

**SECTION 1:** An appropriation in the amount of \$120,000.00 is authorized from bond monies to fund 674.

**SECTION 2:** The Administrative Services Director is authorized to make the necessary budget adjustments related to these funds.

**PASSED, APPROVED AND ADOPTED** this 14<sup>th</sup> day of May, 2013.

---

Deborah Franklin, Mayor  
City of Banning

**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. 2013-50 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14<sup>th</sup> day of May, 2013, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

## CITY COUNCIL AGENDA

**Date:** May 14, 2013

**To:** City Council

**From:** Jeff Stowells, Fire Services Battalion Chief

**Subject:** Resolution 2013-43 to approve a contract for continued funding of Fire Engine 20 between Banning, Beaumont and Riverside County Fire.


**RECOMMENDATION:** The City Council adopt Resolution No. 2013-43, "A Resolution of the City Council of the City of Banning, approving the contract for continued split funding of fire engine 20 as listed in the Banning Strategic Plan .

**JUSTIFICATION:** The City of Banning with approval of this contract will keep its current level of service to all citizens within the city of Banning, and also continue to provide service to Beaumont and the County areas within its response area.

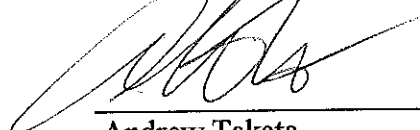
**BACKGROUND:** The City of Beaumont and Riverside County Fire both have agreed to contribute funds to help maintain the current level of service (3 person staffing with 1 being a paramedic) for FY 12/13 and 13/14.

**FISCAL DATA:** The City of Beaumont and Riverside County Fire have agreed to fund 1/3 each of the total cost of E20. This is a change from the past agreement and will reduce the City of Banning's cost by approximately \$89,000,00 . These changes would be reflected on the EXHIBIT "1A" for each FY.


**RECOMMENDED BY:**

  
Jeff Stowells  
Fire Services, Battalion Chief

**APPROVED BY:**

  
Andrew Takata  
City Manager

**REVIEWED BY:**

  
June Overholt  
Administrative Services Director



**RESOLUTION NO. 2013-43**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING TO ENTER INTO A COOPERATIVE CONTRACT FOR FUNDING OF ENGINE 20 BETWEEN BANNING, BEAUMONT, AND RIVERSIDE COUNTY.**

**WHEREAS**, the City of Banning, City of Beaumont and Riverside County Fire previously adopted Resolution No. 2010-57 approving a contract that would share funding costs for Engine 20; and

**WHEREAS**, the current contract has expired and the parties have agreed to share the funding costs for Engine 20 equally, thus splitting the costs one-third to each entity; and

**WHEREAS**, upon adoption of this resolution, the Cooperative Agreement will be effective for Fiscal year 2012-13 and Fiscal Year 2013-14; and

**WHEREAS**, the total estimated cost for Fiscal Year 2013-14 for Engine 20 is set forth in the "EXHIBIT 1A" at \$1,270,251.00; and

**WHEREAS**, the City of Beaumont will fund \$423,416.84 toward the total cost of Engine 20; and

**WHEREAS**, Riverside County will fund \$423,416.84 toward the total cost of Engine 20; and

**WHEREAS**, the City of Banning will fund \$423,416.84 toward the total cost of Engine 20.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of Banning hereby authorize the execution of the Engine 20 Agreement between the City of Banning, the City of Beaumont, and the County of Riverside, California.

**PASSED, APPROVED, AND ADOPTED** this 14<sup>th</sup> day of May 2013.

\_\_\_\_\_  
Debbie Franklin, 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, do hereby certify that the foregoing Resolution 2013-43 was duly adopted at a regular meeting of the City Council of the City of Banning, California, held on the 14<sup>th</sup> day of May, 2013, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

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

# **A COOPERATIVE AGREEMENT BETWEEN THE CITY OF BANNING, THE CITY OF BEAUMONT, AND THE COUNTY OF RIVERSIDE TO SHARE THE COST OF A FIRE ENGINE COMPANY**

THIS AGREEMENT, was made and entered into this 14th day of May, 2012, by and between the County of Riverside, a political subdivision of the State of California, on behalf of the Fire Department, (hereinafter referred to as "COUNTY") and the City of Banning and the City of Beaumont, duly created cities (hereinafter referred to as "CITIES"). And hereinafter may collectively be referred to as the "Parties".

## **SECTION I: PURPOSE**

A. The COUNTY has contracted with the City of Banning, individually pursuant to that certain Cooperative Agreement to provide fire protection, disaster preparedness and response, fire prevention, rescue, hazardous materials mitigation, technical rescue response, medical emergency services, and public service assists for the City of Banning, dated May 14, 2013, by and between the City of Banning and the County of Riverside (the "Banning Cooperative Agreement").

B. The COUNTY has contracted with the City of Beaumont, individually pursuant to that certain Cooperative Agreement to provide fire protection, disaster preparedness and response, fire prevention, rescue, hazardous materials mitigation, technical rescue response, medical emergency services, and public service assists for the City of Beaumont, dated \_\_\_\_\_, by and between the City of Beaumont and the County of Riverside (the "Beaumont Cooperative Agreement").

C. The CITIES and COUNTY desire to enter into a cost sharing agreement for one (1) fire engine company which will be of mutual benefit for all involved agencies. The CITIES and COUNTY agree that the current fire engine company provides service to the City of Banning as well as to the City of Beaumont and unincorporated territory of the County.

D. The City of Beaumont and COUNTY desire to contribute among the participating parties, with each party paying one-third (1/3) of the fire engine staffing costs.

NOW, THEREFORE, IT IS AGREED as follows:

## **SECTION II: COOPERATIVE OPERATIONS**

Emergency Responses: The fire engine shall be dispatched, when available, to all emergencies within the jurisdictions of the CITIES and COUNTY.

### SECTION III: COST SHARE

The Parties agree the cost of the fire engine shall be billed to CITIES by the COUNTY with the normal quarterly billing pursuant to the CITIES respective Cooperative Agreements and the cost will be shown as a line item on that bill. The total amount due under this Agreement by each party will be invoiced on a pro-rata share basis on each party's respective quarterly billing. The CITIES will receive an estimated cost of the fire engine staffing based on the top step salaries of the personnel assigned to the fire engine 20, at the first of the fiscal year. The cost pool of the fire engine staffing costs shall consist of the salaries, benefits, administrative costs of Full Time Employees, and Medic Support Services costs of One (1) Fire Captains, One (1) Fire Apparatus Engineers, One (1) Fire Apparatus Paramedic, Two (2) Firefighter Paramedics, and Three (3) Firefighters.

In the event that the City of Banning secures and receives money from additional funding sources which it allocates to the services described herein, City of Banning shall give COUNTY notice within thirty (30) days, or within a reasonable time thereof, of the amount received. COUNTY will seek reimbursement on behalf of the COUNTY and the City of Beaumont by separate invoice.

### SECTION IV: TERM

This agreement shall be in effect as of the last date all the Parties have approved this Agreement and shall remain in effect for fiscal years 12/13 and 13/14 (July 1, 2012 – June 30, 2014) and shall be subject to extension thereafter. All parties will work together to determine the need for an extension of this agreement prior to the 2014/2015 budget process.

The City of Banning agrees to continue to seek alternative funding sources for fire protection services.

### SECTION V. INDEMNIFICATION

The indemnification provisions as provided in the respective Cooperative Agreements referenced above, as they are currently in effect or hereafter entered into, shall apply to this Agreement.

### SECTION VI. OWNERSHIP OF THE FIRE ENGINE

The City of Banning owns fire engine 20 and will pay the engine maintenance costs through the cost allocation plan.

## SECTION VII: DELIVERY OF NOTICES

All notices permitted or required under this agreement shall be given to the respective parties at the following address, or at such other addresses as the respective parties may provide in writing for this purpose.

COUNTY OF RIVERSIDE  
County Fire Chief  
210 W. San Jacinto Ave.  
San Jacinto, CA 92570

CITY OF BEAUMONT  
City Manager  
550 E. 6<sup>th</sup> Street  
Beaumont, CA 92223

CITY OF BANNING  
City Manager  
99 E. Ramsey  
Banning, CA 92220

Any notice required to be given hereunder to either party shall be given by personal delivery or be depositing such notice in the U.S. mail to the address listed, certified with return receipt requested, and pre-paid postage affixed. Such notice shall be deemed made when personally delivered or when mailed. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of method of service.

## SECTION VIII. GENERAL PROVISIONS

### A. ALTERATION OF TERMS.

No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the Parties, their officers, agents, or employees, shall be valid unless made in the form of a written amendment to this Agreement, which is formally approved and executed by all Parties.

### B. JURISDICTION AND VENUE.

This Agreement is to be construed under the laws of the State of California. The Parties agree to the jurisdiction of the appropriate courts in the County of Riverside, State of California.

### C. WAIVER.

Any waiver by any of the Parties, separately or collectively, of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any

subsequent or other breach of the same or of any other term thereof. Failure on the part of the Parties to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof, or estopping any one of the CITIES or COUNTY from enforcement hereof.

D. SEVERABILITY.

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

E. ADMINISTRATION

1. The COUNTY Fire Chief shall administer this Agreement on behalf of the County of Riverside.

2. The CITIES respective City Manager shall administer this Agreement on behalf of its own City.

F. ENTIRE AGREEMENT.

This Agreement is intended by the Parties hereto as a final expression of their understanding, with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith.

///

///

///

[Signature Provisions on following page]

IN WITNESS WHEREOF, the duly authorized officials of the parties hereto have, in their respective capacities, set their hands as of the date first hereinabove written.

Dated: \_\_\_\_\_

**CITY OF BANNING**

403

By: \_\_\_\_\_  
Andrew Takata, City Manager

ATTEST:

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Marie A. Calderon, City Clerk,

By: \_\_\_\_\_  
Dave Aleshire, City Attorney

(SEAL)

Dated: \_\_\_\_\_

**CITY OF BEAUMONT**

By: \_\_\_\_\_  
Alan Kapanicas, City Manager

[ADDITIONAL SIGNATURE PROVISIONS ON NEXT PAGE]

Dated: \_\_\_\_\_

**COUNTY OF RIVERSIDE**

By: \_\_\_\_\_

Chairperson,  
Board of Supervisors

APPROVED AS TO FORM:  
Pamela J. Walls,  
County Counsel

ATTEST:  
Kecia Harper-Ihem  
Clerk of the Board

By: \_\_\_\_\_  
Eric Stopher,  
Deputy County Counsel

By: \_\_\_\_\_  
Deputy

(SEAL)

H:\COOP AGREEMENTS-LEASES-MOU'S\CONTRACT CITIES\COST SHARE ENGINE COOPERATIVE AGREEMENT -  
BANNING, BEAUMONT, COUNTY\E-20 Agmt w-Beaumont Banning County Fire Renewal 081412.doc

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**EXHIBIT "1A"**

**TO THE COOPERATIVE AGREEMENT  
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE  
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING  
ENGINE 20 STAFFING COSTS SHARED WITH  
THE CITY OF BANNING, THE CITY OF BEAUMONT, & THE COUNTY OF RIVERSIDE  
DATED NOVEMBER 1, 2012 FOR FY 12/13**

	CAPTAIN'S		CAPTAIN'S MEDICS		ENGINEER'S		ENGINEER MEDICS		FF II'S		FF II MEDICS		TOTALS
<b>STA #20</b>													
Medic Engine	166,844	1.0			142,698	1.0	159,689	1.0	365,997	3.0	277,343	2.0	1,112,570 8.0
Fixed Relief	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0 0.0
Vacation Relief	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0 0.0
<b>SUBTOTALS</b>	<b>166,844</b>		<b>0</b>		<b>142,698</b>		<b>159,689</b>		<b>365,997</b>		<b>277,343</b>		<b>1,112,570</b>
<b>SUBTOTAL STAFF</b>	<b>1</b>		<b>0</b>		<b>1</b>		<b>1</b>		<b>3</b>		<b>2</b>		<b>8</b>
<b>ESTIMATED SUPPORT SERVICES</b>													
Administrative/Operational							14,606	per assigned Staff **					116,848 8.00
Medic Program							5,739	per assigned Medics					17,217 3.0
<b>SUPPORT SERVICES SUBTOTAL</b>													<b>134,065</b>
<b>TOTAL STAFF COUNT</b>													<b>8.00</b>
<b>TOTAL ESTIMATED CITY BUDGET</b>													<b>\$1,246,635</b>

City of Banning Share 1/3	<u>\$415,545.10</u>
County of Riverside Share 1/3	<u>\$415,545.10</u>
City of Beaumont Share 1/3	<u>\$415,545.10</u>

**SUPPORT SERVICES**

Administrative & Operational Services  
Finance  
Training  
Data Processing  
Accounting  
Personnel

Procurement  
Emergency Services  
Fire Fighting Equip.  
Office Supplies/Equip.

8.0 Assigned Staff  
8.00 Total Assigned Staff  
0.0 Fire Stations  
0 Number of Calls

Medic Program - Support staff, Training, Certification, Case Review & Reporting  
(PCA 37129)

**FY 12/13 POSITION SALARIES TOP STEP**

248,679 DEPUTY CHIEF	19,200 FIRE ENGINE
245,383 DIV CHIEF	14,606 SRVDEL
230,305 BAT CHIEF	9,363 VOL DEL
166,844 CAPT	5,739 MEDIC DEL
184,768 CAPT MEDIC	52,533 BATT DEL
142,698 ENG	11,993 ECC STATION
159,689 ENG/MEDIC	25.68 ECC CALLS
121,999 FF II	35,617 FLEET SUPPORT
138,671 FF II/MEDIC	20,979 COMM/IT STATION
127,015 FIRE SAFETY SUPERVISOR	44.91 COMM/IT CALLS
118,433 FIRE SAFETY SPECIALIST	1,897 FACILITY STATION
101,475 FIRE SYSTEMS INSPECTOR	518.54 FACILITY FTE
56,023 OFFICE ASSISTANT III	2,863 HAZMAT STATION
66,145 SECRETARY I	4,151.49 HAZMAT CALLS
	1,761 HAZMAT VEHICLE REPLACEMENT

EXHIBIT "1A"

TO THE COOPERATIVE AGREEMENT  
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE  
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING  
ENGINE 20 STAFFING COSTS SHARED WITH  
THE CITY OF BANNING, THE CITY OF BEAUMONT, & THE COUNTY OF RIVERSIDE  
PRELIMINARY ESTIMATE DATED MARCH 5, 2013 FOR FY 13/14

	CAPTAIN'S	CAPTAIN'S MEDICS	ENGINEER'S	ENGINEER MEDICS	FF II'S	FF II MEDICS	TOTALS
<b>STA #20</b>							
Medic Engine	169,779	1.0	145,209	1.0	163,570	1.0	372,442 3.0 283,482 2.0 1,134,483 8.0
Fixed Relief	0	0.0	0	0.0	0	0.0	0 0.0
Vacation Relief	0	0.0	0	0.0	0	0.0	0 0.0
SUBTOTALS	169,779	0	145,209	163,570	372,442	283,482	1,134,483
SUBTOTAL STAFF	1	0	1	1	3	2	8
<b>ESTIMATED SUPPORT SERVICES</b>							
Administrative/Operational				14,655	per assigned Staff **		117,240 8.00
Medic Program				6,176	per assigned Medics		18,528 3.0
SUPPORT SERVICES SUBTOTAL							135,768
TOTAL STAFF COUNT							8.00
TOTAL <b>ESTIMATED</b> CITY BUDGET							<u>\$1,270,251</u>

City of Banning Share 1/3	<u>\$423,416.84</u>
County of Riverside Share 1/3	<u>\$423,416.84</u>
City of Beaumont Share 1/3	<u>\$423,416.84</u>

SUPPORT SERVICES

Administrative & Operational Services  
Finance  
Training  
Data Processing  
Accounting  
Personnel

Procurement  
Emergency Services  
Fire Fighting Equip.  
Office Supplies/Equip.

8.0 Assigned Staff  
8.00 Total Assigned Staff  
0.0 Fire Stations  
0 Number of Calls

Medic Program - Support staff, Training, Certification, Case Review & Reporting  
(PCA 37129)

FY 13/14 POSITION SALARIES TOP STEP

253,131 DEPUTY CHIEF  
249,776 DIV CHIEF  
234,458 BAT CHIEF  
169,779 CAPT  
189,531 CAPT MEDIC  
145,209 ENG  
163,570 ENG/MEDIC  
124,147 FF II  
141,741 FF II/MEDIC  
127,015 FIRE SAFETY SUPERVISOR  
118,433 FIRE SAFETY SPECIALIST  
101,475 FIRE SYSTEMS INSPECTOR  
56,023 OFFICE ASSISTANT III  
66,145 SECRETARY I

23,200 FIRE ENGINE  
14,655 SRVDEL  
9,403 VOL DEL  
6,176 MEDIC DEL  
63,943 BATT DEL  
12,380 ECC STATION  
25,23 ECC CALLS  
35,560 FLEET SUPPORT  
21,544 COMM/IT STATION  
43.90 COMM/IT CALLS  
1,897 FACILITY STATION  
518.54 FACILITY FTE  
3,047 HAZMAT STATION  
1,563.68 HAZMAT CALLS  
1,761 HAZMAT VEHICLE REPLACEMENT

## CITY COUNCIL AGENDA

**Date:** May 14, 2013

**To:** City Council

**From:** Jeff Stowells, Fire Services Battalion Chief

**Subject:** Resolution 2013-44 to approve a contract for continued Fire Services between Banning and Riverside County Fire.


**RECOMMENDATION:** The City Council adopt Resolution No. 2013-44, "A Resolution of the City Council of the City of Banning, approving the contract for continued fire services as listed in the Banning Strategic Plan.

**JUSTIFICATION:** The City of Banning with approval of this contract will keep fire services through an agreement with the Riverside County Fire Department through June 30, 2015.

**BACKGROUND:** The City of Banning has received fire services within the city through a contractual agreement with Riverside County Fire Department since 1998.

**FISCAL DATA:** The City of Banning pays for actual costs of fire services billed quarterly based on estimates from the Exhibit "A"

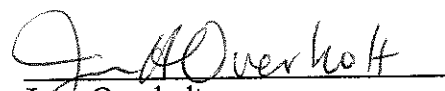
**RECOMMENDED BY:**

  
Jeff Stowells  
Fire Services, Battalion Chief

**APPROVED BY:**

  
Andrew Takata  
City Manager

**REVIEWED BY:**

  
June Overholt  
Administrative Services Director

**RESOLUTION NO. 2013-44**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING TO ENTER INTO A COOPERATIVE AGREEMENT TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING.**

**WHEREAS**, the City of Banning and the County of Riverside entered into a Cooperative Agreement wherein Cal Fire provides fire protection, fire prevention, rescue and medical emergency services to the City of Banning; and

**WHEREAS**, the City Council adopted Resolution 2009-98 authorizing the most recent Cooperative Agreement, which has been in place since 1998; and

**WHEREAS**, the City Council desires to continue receiving these services through the County and Cal Fire; and

**WHEREAS**, authorization of the Cooperative Agreement extends services through Fiscal Year 2012/13, 2013/14 and 2014-15; and

**WHEREAS**, the total estimated cost of fire protection services for Fiscal Year 2013/14 is set forth in the "EXHIBIT 1A" at \$2,374,483.00.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of Banning hereby authorizes the execution of the Cooperative Agreement between the City of Banning and the County of Riverside, California.

**PASSED, APPROVED, AND ADOPTED** this 14<sup>th</sup> day of May 2013.

\_\_\_\_\_  
Debbie Franklin, 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, do hereby certify that the foregoing Resolution 2013-43 was duly adopted at a regular meeting of the City Council of the City of Banning, California, held on the 14<sup>th</sup> day of May, 2013, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

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

**A COOPERATIVE AGREEMENT  
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE  
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING**

THIS AGREEMENT, made and entered into this 14th day of May 2013, by and between the County of Riverside, a political subdivision of the State of California, on behalf of the Fire Department, (hereinafter referred to as "COUNTY") and the City of BANNING, a duly created city, (hereinafter referred to as "CITY"), whereby it is agreed as follows:

**SECTION I: PURPOSE**

The purpose of this Agreement is to arrange for COUNTY, through its Cooperative Fire Programs Fire Protection Reimbursement Agreement ("CAL FIRE Agreement") with the California Department of Forestry and Fire Protection ("CAL FIRE") to provide CITY with fire protection, disaster preparedness and response, fire prevention, rescue, hazardous materials mitigation, technical rescue response, medical emergency services, and public service assists (hereinafter called "Fire Services"). This Agreement is entered into pursuant to the authority granted by Government Code Sections 55603, 55603.5, 55606, 55632 and 55642, and will provide a unified, cooperative, integrated, and effective fire services system. COUNTY's ability to perform under this Agreement is subject to the terms and conditions of the CAL FIRE Agreement.

**SECTION II: DESIGNATION OF FIRE CHIEF**

A. The County Fire Chief appointed by the Board of Supervisors, or his designee, (hereinafter referred to as "Chief") shall represent COUNTY and CITY during the period of this Agreement and Chief shall, under the supervision and direction of the County Board of Supervisors, have charge of the organization described in Exhibit "A", attached hereto and made a part hereof, for the purpose of providing Fire Services as deemed necessary to satisfy the needs of both the COUNTY and CITY, except upon those lands wherein other agencies of government have responsibility for the same or similar Fire Services.

B. CITY may budget for the position of a Deputy Chief or a Division Fire Chief or COUNTY may assign an existing Chief Officer as the Contract City representative ("City Representative"). The Chief may delegate certain authority to the City Representative, as the Chief's duly authorized designee and the City Representative shall be responsible for directing the Fire Services provided to CITY as set forth in Exhibit "A".

C. COUNTY will be allowed flexibility in the assignment of available personnel and equipment in order to provide the Fire Services as agreed upon herein.

### SECTION III: PAYMENT FOR SERVICES

A. CITY shall annually appropriate a fiscal year budget to support the Fire Services designated at a level of service mutually agreed upon by both parties and as set forth in Exhibit "A." This Exhibit may be amended in writing by mutual agreement by both parties in the event of an increase and/or decrease of salary or expenses or when CITY requests an increase and/or decrease in services.

1. Any changes to the salaries or expenses set forth in Exhibit "A" made necessary by action of the Legislature, CAL FIRE, or any other public agency with authority to direct changes in the level of salaries or expenses, shall be paid from the funds represented as set forth in Exhibit "A." There shall be no obligation on the part of CITY to expend or appropriate any sum in excess of Exhibit "A" which exceeds the yearly appropriation of CITY for the purposes of this Agreement. If within thirty (30) days after notice, in writing, from COUNTY to CITY that the actual cost of maintaining the services specified in Exhibit "A" as a result of action by the Legislature, CAL FIRE or other public agency will exceed the total amount specified therein, and CITY has failed to agree to make available the necessary additional funds, COUNTY shall have the right to unilaterally reduce the services furnished under this Agreement by an appropriate amount and shall promptly notify CITY, in writing, specifying the services to be reduced. Personnel reductions resulting solely due to an increase in employee salaries or expenses occurring after signing this Agreement and set forth in Exhibit "A" to this Agreement shall not be subject to relocation expense reimbursement by CITY, as outlined in Section III, B. If CITY desires to add funds to the total included herein to cover the cost of increased salaries or services necessitated by actions described herein, such increase shall be accomplished by an amendment to Exhibit "A" and approved by the parties hereto.

2. In the event CITY requests an increase in services and paragraph A.1. of this Section is not applicable, an amendment to Exhibit "A" may be approved by the parties hereto.

B. COUNTY provides fire personnel, equipment and services through its CAL FIRE Agreement. In the event CITY desires a reduction in CAL FIRE or COUNTY civil service employees or services assigned to CITY as provided for in Exhibit "A," when paragraph A.1. of this Section is not applicable, CITY shall provide one hundred twenty (120) days written notice of the requested reduction. Proper notification shall include the following: (1) The total amount of reduction; (2) The effective date of the reduction; and (3) The number of employees, by classification, affected by the proposed reduction. If such notice is not provided, CITY shall reimburse COUNTY for relocation costs incurred by COUNTY because of the reduction, in addition to any other remedies available resulting from the reduction in services.

C. CITY shall pay COUNTY actual costs for Fire Services pursuant to this Agreement in an amount not to exceed that set forth in Exhibit "A," as amended.

COUNTY shall make a claim to CITY for the actual cost of contracted services, pursuant to Exhibit "A," on a quarterly basis. CITY shall pay each claim within thirty (30) days after receipt thereof.

D. Chief may be authorized to negotiate and execute any amendments to Exhibit "A" of this Agreement on behalf of COUNTY as authorized by the Board of Supervisors. CITY shall designate a "Contract Administrator" who shall, under the supervision and direction of CITY, be authorized to execute amendments to Exhibit "A" on behalf of CITY.

E. \_\_\_\_\_ [ ] (Check only if applicable, and please initial to acknowledge) Additional terms as set forth in the attached Exhibit "B" are incorporated herein and shall additionally apply to this agreement regarding payment of services.

F. \_\_\_\_\_ [ ] (Check only if applicable, and please initial to acknowledge) Additional terms as set forth in the attached Exhibit "C" are incorporated herein and shall additionally apply to this agreement regarding payment for the Fire Engine Use Agreement. In the event that a fire engine which was initially purchased by the CITY and then the CITY elects to have the COUNTY take responsibility of said fire engine(s), the following will apply. All capital improvements and/or betterments to the fire engine(s) will be the responsibility and paid for by the owner of said engine(s). All other maintenance and repairs to the fire engine(s) listed in the attached Exhibit "C" will be the responsibility and paid for by the COUNTY under this Agreement. The insurance responsibility will be dependant upon the CITY'S option to maintain or transfer title of said fire engine(s).

G. Notwithstanding Paragraph F herein if applicable, additional terms as set forth are incorporated herein and shall additionally apply to this agreement regarding payment of services. In the event that fire engine, owned and maintained by the CITY has a catastrophic failure, the COUNTY Fire Chief may allow use of a COUNTY fire engine, free of charge up to one hundred twenty (120) days. After the initial one hundred twenty (120) days, a rental fee will be applied to the CITY invoice for use of said COUNTY fire engine. The rental fee shall be Nine Hundred Forty Four Dollars (\$944.00) per day, or Six Thousand Six Hundred Eight Dollars (\$6,608.00) per week.

#### SECTION IV: INITIAL TERM AND RENEWAL

A. The term of this Agreement shall be from July 1, 2012 to June 30, 2015. Either party to this Agreement may terminate this Agreement by providing a written notice of termination to the other party hereto no less than one (1) year prior to the expiration of the term hereof. If such notice is given unilaterally by COUNTY except any notice issued because of actions of CAL FIRE or CITY, COUNTY agrees to continue to provide Fire Services to CITY until such time as CITY has a reasonable opportunity to implement alternative Fire Services. In no event shall this Agreement be terminated by either party after June 30, 2014.



B. One (1) year prior to the date of expiration of this Agreement, CITY shall give COUNTY written notice of whether CITY intends to extend this Agreement or enter into a new agreement with COUNTY for Fire Services and, if so, whether CITY intends to change the level of Fire Services provided under this Agreement.

C. If CITY fails to provide such notice, as defined in paragraph B above, COUNTY shall have the option to extend this Agreement for a period of up to one (1) year from the original termination date and to continue providing services at the same or reduced level as COUNTY determines would be appropriate during the extended period of this Agreement. Six (6) months prior to the date of expiration of this Agreement, or any extension hereof, COUNTY shall give written notice to CITY of any extension of this Agreement and any changes in the level of Fire Services COUNTY will provide during the extended period of this Agreement. Services provided and obligations incurred by COUNTY during an extended period shall be accepted by CITY as services and obligations under the terms of this Agreement.

D. The cost of services provided by COUNTY during the extended period shall be based upon the amounts that would have been charged to CITY during the fiscal year in which the extended period falls, had a new agreement been extended under this Section IV. Payment by CITY for services rendered by COUNTY during the extended period shall be in accordance with Exhibit "A," of this Agreement.

#### SECTION V: TERMINATION

Either party to this Agreement may terminate this Agreement by providing a written notice of termination to the other party hereto no less than one (1) year prior to the expiration of the term hereof. This Agreement may be terminated by the voters of either the COUNTY or the CITY pursuant to Government Code §55603.5.

#### SECTION VI: COOPERATIVE OPERATIONS

All Fire Services contemplated under this Agreement shall be performed by both parties to this Agreement working as one unit; therefore, personnel and equipment belonging to either CITY or COUNTY may be temporarily dispatched elsewhere from time to time for mutual aid.

#### SECTION VII: MUTUAL AID

Pursuant to Health and Safety Code Sections 13050 et seq., when rendering mutual aid or assistance, COUNTY may, at the request of CITY, demand payment of charges and seek reimbursement of CITY costs for personnel, equipment and operating expenses as funded herein, under authority given by Health and Safety Code Sections 13051 and 13054. COUNTY, in seeking said reimbursement pursuant to such request of CITY, shall represent the CITY by following the procedures set forth in Health and

Safety Code Section 13052. Any recovery of CITY costs, less actual expenses, shall be paid or credited to the CITY, as directed by CITY.

In all such instances, COUNTY shall give timely notice of the possible application of Health and Safety Code Sections 13051 and 3054 to the officer designated by CITY.

#### SECTION VIII: SUPPRESSION COST RECOVERY

As provided in Health and Safety Code Section 13009, COUNTY may bring an action for collection of suppression costs of any fire caused by negligence, violation of law, or failure to correct noticed fire safety violations. When using CITY equipment and personnel under the terms of this Agreement, COUNTY may, on request of CITY, bring such an action for collection of costs incurred by CITY. In such a case CITY appoints and designates COUNTY as its agent in said collection proceedings. In the event of recovery, COUNTY shall apportion to CITY its pro-rata proportion of recovery, less the reasonable pro-rata costs including legal fees.

In all such instances, COUNTY shall give timely notice of the possible application of Health and Safety Code Section 13009 to the officer designated by CITY.

#### SECTION IX: PROPERTY ACCOUNTING

All personal property provided by CITY and by COUNTY for the purpose of providing Fire Services under the terms of this Agreement shall be marked and accounted for in such a manner as to conform to the standard operating procedure established by the County Fire Department for the segregation, care, and use of the respective property of each.

#### SECTION X: FACILITY

City shall provide Fire Station(s), strategically located to provide standard response time within the City of Banning from which fire operations shall be conducted. If the Fire Station(s) are owned by the City, the City shall maintain the facilities at its cost and expense. In the event City requests County to undertake repairs or maintenance costs or services, the costs and expenses of such repairs or maintenance shall be reimbursed to County through the Support Services Cost Allocation, or as a direct Invoice to the City.

#### SECTION XI: INDEMNIFICATION AND HOLD HARMLESS

To the fullest extent permitted by applicable law, COUNTY shall and does agree to indemnify, protect, defend and hold harmless CITY, its agencies, districts, special districts and departments, their respective directors, officers, elected and appointed officials, employees, agents and representatives (collectively, "**Indemnitees**") for, from and against any and all liabilities, claims, damages, losses, liens, causes of action,

suits, awards, judgments and expenses, attorney and/or consultant fees and costs, taxable or otherwise, of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (1) the Services performed hereunder by COUNTY, or any part thereof, (2) the Agreement, including any approved amendments or modifications, or (3) any negligent act or omission of COUNTY, its officers, employees, subcontractors, agents, or representatives (collectively, **"Liabilities"**). Notwithstanding the foregoing, the only Liabilities with respect to which COUNTY's obligation to indemnify, including the cost to defend, the Indemnitees does not apply is with respect to Liabilities resulting from the negligence or willful misconduct of an Indemnitee, or to the extent such claims do not arise out of, pertain to or relate to the Scope of Work in the Agreement.

To the fullest extent permitted by applicable law, CITY shall and does agree to indemnify, protect, defend and hold harmless COUNTY, its agencies, departments, directors, officers, agents, Board of Supervisors, elected and appointed officials and representatives (collectively, **"Indemnitees"**) for, from and against any and all liabilities, claims, damages, losses, liens, causes of action, suits, awards, judgments and expenses, attorney and/or consultant fees and costs, taxable or otherwise, of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (1) the services performed hereunder, by CITY, or any part thereof, (2) the Agreement, including any approved amendments or modifications, or (3) any negligent act or omission of CITY its officers, employees, subcontractors, agents, or representatives (collectively, **"Liabilities"**). Notwithstanding the foregoing, the only Liabilities with respect to which CITY's obligation to indemnify, including the cost to defend, the Indemnitees does not apply is with respect to Liabilities resulting from the negligence or willful misconduct of an Indemnitee, or to the extent such claims do not arise out of, pertain to or relate to the Scope of Work in the Agreement.

## SECTION XII: AUDIT

COUNTY and CITY agree that their designated representative shall have the right to review and to copy any records and supporting documentation of the other party hereto, pertaining to the performance of this Agreement. COUNTY and CITY agree to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated or as required by law, and to allow the auditor(s) of the other party access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. COUNTY and CITY agree to a similar right to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

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### SECTION XIII: DISPUTES

CITY shall select and appoint a "Contract Administrator" who shall, under the supervision and direction of CITY, be available for contract resolution or policy intervention with COUNTY, when, upon determination by the Chief that a situation exists under this Agreement in which a decision to serve the interest of CITY has the potential to conflict with COUNTY interest or policy. Any dispute concerning a question of fact arising under the terms of this Agreement which is not disposed of within a reasonable period of time by the CITY and COUNTY employees normally responsible for the administration of this Agreement shall be brought to the attention of the Chief Executive Officer (or designated representative) of each organization for joint resolution. For purposed of this provision, a "reasonable period of time" shall be ten (10) calendar days or less. CITY and COUNTY agree to continue with the responsibilities under this Agreement during any dispute. Disputes that are not resolved informally by and between CITY and COUNTY representatives may be resolved, by mutual agreement of the parties, through alternate forms of dispute resolution, including, but not limited to, mediation or non-binding arbitration. The costs associated with the selected form of dispute resolution such as mediation or non-binding arbitration shall be shared equally among the participating parties. If the alternate form of dispute resolution does not resolve the issue(s), the parties reserve the right to seek remedies as provided by law or in equity. Venue for litigation shall be in Riverside County.

Any claims or causes of actions, whether they arise out of unresolved disputes as specified in this Section or claims by third parties that are made against the COUNTY, shall be submitted to the Office of the Clerk of the Board for the County of Riverside in a timely manner.

### SECTION XV: DELIVERY OF NOTICES

Any notices to be served pursuant to this Agreement shall be considered delivered when deposited in the United States mail and addressed to:

#### COUNTY

County Fire Chief  
210 W. San Jacinto Ave.  
Perris, CA 92570

#### CITY OF BANNING

City Manager  
City of Banning  
99 E. Ramsey St., Box 998  
Banning, CA 92220

Provisions of this section do not preclude any notices being delivered in person to the addresses shown above. Delivery in person shall constitute service hereunder, effective when such service is made.

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## SECTION XVI: ENTIRE CONTRACT

This Agreement contains the whole contract between the parties for the provision of Fire Services. It may be amended or modified upon the mutual written consent of the parties hereto. This Agreement does NOT supplement other specific agreements entered into by both parties for equipment or facilities, and excepting those equipment or facilities agreements, this Agreement cancels and supersedes any previous agreement for the same or similar services.

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[Signature Provisions on following page]

IN WITNESS WHEREOF, the duly authorized officials of the parties hereto have, in their respective capacities, set their hands as of the date first hereinabove written.

Dated: \_\_\_\_\_

CITY OF BANNING

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

APPROVED AS TO FORM:

By: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

(SEAL)

Dated: \_\_\_\_\_

COUNTY OF RIVERSIDE

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

APPROVED AS TO FORM:  
PAMELA J. WALLS,  
County Counsel

KECIA HARPER-IHEM  
Clerk of the Board

By: \_\_\_\_\_  
ERIC STOPHER  
Deputy County Counsel

By: \_\_\_\_\_  
Deputy

(SEAL)

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070112-063015.111512.doc

**EXHIBIT "A"**

**TO THE COOPERATIVE AGREEMENT  
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE  
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING  
PRELIMINARY ESTIMATE DATED MARCH 5, 2013 FOR FY 13/14**

	CAPTAIN'S	CAPTAIN'S MEDICS	ENGINEER'S	ENGINEER MEDICS	FF I'S	FF II MEDICS	TOTALS
<b>STA #20</b>							
Medic Engine	*0 1.0		*0 1.0	*0 1.0	*0	3.0	*0 8.0
<b>STA #89</b>							
Medic Engine	169,779 1.0		290,419 2.0		248,295 2.0	425,223 3.0	1,133,716 8.0
Fixed Relief	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0
Vacation Relief	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0
<b>SUBTOTALS</b>	169,779	0	290,419	0	248,295	425,223	1,133,716
<b>SUBTOTAL STAFF</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>8</b>
<b>*Engine 20 Staffing on separate additional Exhibit "1A"</b>							
FIRE SAFETY SUPERVISOR (PCN 111911)				127,015 each			127,015 1
<b>SUBTOTAL</b>							<b>\$127,015 9</b>
<b>ESTIMATED SUPPORT SERVICES</b>							
Administrative/Operational				14,655 per assigned Staff **			123,249 8.41
Volunteer Program				9,403 Per Entity Allocation			9,403 1.0
Medic Program				6,176 per assigned Medics			18,528 3.0
Battalion Chief Support				63,943 .27 FTE per Station			95,915 1.5
Fleet Support				35,560 per Fire Suppression Equip			71,120 2.0
ECC Support				Calls/Station Basis			122,291
Comm/IT Support				Calls/Station Basis			212,789
Hazmat Support							17,278
<b>SUPPORT SERVICES SUBTOTAL</b>							<b>670,571</b>
<b>ESTIMATED DIRECT CHARGES</b>							<b>19,764</b>
<b>COOPERATIVE FIRE ENGINE 20 STAFFING SHARE AGREEMENT</b>							<b>423,417</b>
<b>TOTAL STAFF COUNT</b>							<b>9.00</b>
<b>TOTAL ESTIMATED CITY BUDGET</b>							<b>\$2,374,483</b>

**SUPPORT SERVICES**

**Administrative & Operational Services**

Finance

Training

Data Processing

Accounting

Personnel

Procurement

Emergency Services

Fire Fighting Equip.

Office Supplies/Equip.

8.0 Assigned Staff

0.41 Battalion Chief Support

8.41 Total Assigned Staff

1.5 Fire Stations

4,111 Number of Calls

1.5 Hazmat Stations

7 Number of Hazmat Calls

Medic Program - Support staff, Training, Certification, Case Review & Reporting

Battalion Chief Support - Pooled BC coverage for Cities/Agencies that do not include BC staffing as part of their contracted services.

Fleet Support - Support staff, automotive costs, vehicle/engine maintenance, fuel costs

Emergency Command Center Support - Dispatch services costs

Communications / IT Support - Support staff, communications, radio maintenance, computer support functions

420

**FY 13/14 POSITION SALARIES TOP STEP**

253,131 DEPUTY CHIEF  
 249,776 DIV CHIEF  
 234,458 BAT CHIEF  
 169,779 CAPT  
 189,531 CAPT MEDIC  
 145,209 ENG  
 163,570 ENG/MEDIC  
 124,147 FF II  
 141,741 FF II/MEDIC  
 127,015 FIRE SAFETY SUPERVISOR  
 118,433 FIRE SAFETY SPECIALIST  
 101,475 FIRE SYSTEMS INSPECTOR  
 56,023 OFFICE ASSISTANT III  
 66,145 SECRETARY I

23,200 FIRE ENGINE  
 14,655 SRVDEL  
 9,403 VOL DEL  
 6,176 MEDIC DEL  
 63,943 BATT DEL  
 12,380 ECC STATION  
 25,23 ECC CALLS  
 35,560 FLEET SUPPORT  
 21,544 COMM/IT STATION  
 43.90 COMM/IT CALLS  
 1,897 FACILITY STATION  
 518.54 FACILITY FTE  
 3,047 HAZMAT STATION  
 1,563.68 HAZMAT CALLS  
 1,761 HAZMAT VEHICLE REPLACEMENT

**FY 13/14 DIRECT BILL ACCOUNT CODES**

520230 Cellular Phone  
 520300 Pager Service  
 520320 Telephone Service  
 520800 Household Expense  
 520805 Appliances  
 520815 Cleaning and  
 520830 Custodial Supp  
 520840 Laundry Services  
 520840 Household Furnishings  
 520845 Trash  
 521380 Maint-Copier Machines  
 521440 Maint-Kitchen Equipment  
 521540 Maint-Office  
 521600 Equipment  
 521600 Maint-Service Contracts  
 521680 Maint-Telephone  
 521680 Maint-Underground Tanks  
 522310 Maint-Building and Improvement  
 522360 Maint-Extermination  
 522860 Medical-Dental Supplies  
 522870 Other Medical Care Materials  
 522890 Pharmaceuticals  
 523220 Licenses And Permits  
 523680 Office Equip Non Fixed Assets  
 526700 Rent-Lease Bldgs  
 526940 Locks/Keys  
 527280 Awards/Recognition  
 529500 Electricity  
 529510 Heating Fuel  
 529550 Water  
 537240 Interfnd Exp-Utilities  
 542050 Improvements-Building

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EXHIBIT "A"

TO THE COOPERATIVE AGREEMENT  
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE  
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF BANNING  
ESTIMATE DATED OCTOBER 2, 2012 FOR FY 12/13

	CAPTAIN'S	CAPTAIN'S MEDICS	ENGINEER'S	ENGINEER MEDICS	FF II'S	FF II MEDICS	TOTALS
<b>STA #20</b>							
Medic Engine	*0 1.0		*0 1.0	*0 1.0	*0	3.0	*0 8.0
<b>STA #89</b>							
Medic Engine	166,844 1.0		285,396 2.0		243,998 2.0	416,014 3.0	1,112,251 8.0
Fixed Relief	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0
Vacation Relief	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0
<b>SUBTOTALS</b>	166,844	0	285,396	0	243,998	416,014	1,112,251
<b>SUBTOTAL STAFF</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>8</b>
<b>*Engine 20 Staffing on separate additional Exhibit "1A"</b>							
FIRE SAFETY SUPERVISOR (PCN 111911)				127,015 each			127,015 1
<b>SUBTOTAL</b>							<b>\$127,015 9</b>
<b>ESTIMATED SUPPORT SERVICES</b>							
Administrative/Operational				14,606 per assigned Staff **			121,814 8.34
Volunteer Program				9,363 Per Entity Allocation			9,363 1.0
Medic Program				5,739 per assigned Medics			17,217 3.0
Battalion Chief Support				52,533 .23 FTE per Station			78,800 1.5
Fleet Support				35,617 per Fire Suppression Equip			71,234 2.0
ECC Support				Calls/Station Basis			119,220
Comm/IT Support				Calls/Station Basis			208,504
Hazmat Support							22,662
<b>SUPPORT SERVICES SUBTOTAL</b>							<b>648,813</b>
<b>ESTIMATED DIRECT CHARGES</b>							
COOPERATIVE FIRE ENGINE 20 STAFFING SHARE AGREEMENT							19,764
							506,000
<b>TOTAL STAFF COUNT</b>							<b>9.00</b>
<b>TOTAL ESTIMATED CITY BUDGET</b>							<b>\$2,413,844</b>

**SUPPORT SERVICES**

**Administrative & Operational Services**

Finance  
Training  
Data Processing  
Accounting  
Personnel

Procurement  
Emergency Services  
Fire Fighting Equip.  
Office Supplies/Equip.

8.0 Assigned Staff  
0.34 Battalion Chief Support  
8.34 Total Assigned Staff

1.5 Fire Stations  
3,942 Number of Calls  
1.5 Hazmat Stations  
4 Number of Hazmat Calls

Medic Program - Support staff, Training, Certification, Case Review & Reporting

Battalion Chief Support - Pooled BC coverage for Cities/Agencies that do not include BC staffing as part of their contracted services.

Fleet Support - Support staff, automotive costs, vehicle/engine maintenance, fuel costs

Emergency Command Center Support - Dispatch services costs

Communications / IT Support - Support staff, communications, radio maintenance, computer support functions

4/22

FY 12/13 POSITION SALARIES TOP STEP

248,679 DEPUTY CHIEF  
 245,383 DIV CHIEF  
 230,305 BAT CHIEF  
 166,844 CAPT  
 184,768 CAPT MEDIC  
 142,698 ENG  
 159,689 ENG/MEDIC  
 121,999 FF II  
 138,671 FF II/MEDIC  
 127,015 FIRE SAFETY SUPERVISOR  
 118,433 FIRE SAFETY SPECIALIST  
 101,475 FIRE SYSTEMS INSPECTOR  
 56,023 OFFICE ASSISTANT III  
 66,145 SECRETARY I

19,200 FIRE ENGINE  
 14,606 SRVDEL  
 9,363 VOL DEL  
 5,739 MEDIC DEL  
 52,533 BATT DEL  
 11,993 ECC STATION  
 25,68 ECC CALLS  
 35,617 FLEET SUPPORT  
 20,979 COMM/IT STATION  
 44,91 COMM/IT CALLS  
 1,897 FACILITY STATION  
 518.54 FACILITY FTE  
 2,863 HAZMAT STATION  
 4,151.49 HAZMAT CALLS  
 1,761 HAZMAT VEHICLE REPLACEMENT

FY 12/13 DIRECT BILL ACCOUNT CODES

520230 Cellular Phone  
 520300 Pager Service  
 520320 Telephone Service  
 520800 Household Expense  
 520805 Appliances  
 Cleaning and  
 520815 Custodial Supp  
 520830 Laundry Services  
 520840 Household Furnishings  
 520845 Trash  
 521380 Maint-Copier Machines  
 521440 Maint-Kitchen Equipment  
 Maint-Office  
 Equipment  
 521540  
 521600 Maint-Service Contracts  
 521660 Maint-Telephone  
 521680 Maint-Underground Tanks  
 522310 Maint-Building and Improvement  
 522360 Maint-Extermination  
 522860 Medical-Dental Supplies  
 522870 Other Medical Care Materials  
 522890 Pharmaceuticals  
 523220 Licenses And Permits  
 523680 Office Equip Non Fixed Assets  
 526700 Rent-Lease Bldgs  
 526940 Locks/Keys  
 527280 Awards/Recognition  
 529500 Electricity  
 529510 Heating Fuel  
 529550 Water  
 537240 Interfnd Exp-Utilities  
 542060 Improvements-Building

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## CITY COUNCIL AGENDA

**Date:** May 14, 2013  
**TO:** Honorable Mayor and City Council  
**FROM:** Fred Mason, Electric Utility Director  
**SUBJECT:** Resolution 2013-53 Updating the City of Banning's Internal "RPS Enforcement Program and Renewable Energy Resources Procurement Plan" to Allow for Excess Renewable Energy Procurement Occurring in Years Prior to 2011 to be Used as Historic Carryover and Applied to the First Compliance Period of the State of California's Renewable Portfolio Standard Program.

**RECOMMENDATION:** The City Council adopt Resolution 2013-53, updating Banning's "RPS Enforcement Program and Renewable Energy Resources Procurement Plan", attached herewith as Exhibit "A".

**JUSTIFICATION:** Updating the City of Banning's "RPS Enforcement Program and Renewable Energy Resources Procurement Plan" to allow for Historic Carryover would enable the City's Electric Utility to claim RPS credit for certain renewable energy procured prior to January 1, 2011.

**BACKGROUND:** In deference to California State Senate Bill 1X-2, on December 13, 2011 the City Council adopted Resolution No. 2011-99 which approved the City of Banning's "RPS Enforcement Program and Renewable Energy Resources Procurement Plan". Recently, the California Energy Commission (the "CEC") published guidelines by which certain renewable energy procured prior to January 1, 2011 can be classified as "Historic Carryover" and applied to Compliance Period One (January 1, 2011 through December 31, 2013) of the State of California's renewable portfolio standards program. The CEC's guidelines mandate that if an electric utility desires to utilize Historical Carryover, then the authority to use the Historical Carryover must be described in the electric utility's RPS enforcement program and renewable energy resources procurement plan.

As the City of Banning's Electric Utility has procured excess renewable energy prior to January 1, 2011, Staff recommends City Council approval of the proposed update to the City of Banning's "RPS Enforcement Program and Renewable Energy Resources Procurement Plan", attached herewith as Exhibit "A".

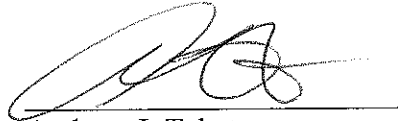
**FISCAL DATA:** There is no negative fiscal impact from updating the "RPS Enforcement Program and Renewable Energy Resources Procurement Plan". However, this update may help reduce the Electric Utility's RPS compliance costs.

**RECOMMENDED BY:**



Fred Mason  
Electric Utility Director

**APPROVED BY:**



Andrew J. Takata  
City Manager

**REVIEWED BY:**



June Overholt  
Deputy City Manager/Administrative Services Director

Prepared by Jim Steffens

**RESOLUTION NO. 2013-53**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING UPDATING THE CITY'S INTERNAL "RPS ENFORCEMENT PROGRAM AND RENEWABLE ENERGY RESOURCES PROCUREMENT PLAN" TO ALLOW FOR EXCESS RENEWABLE ENERGY PROCUREMENT OCCURRING IN YEARS PRIOR TO 2011 TO BE USED AS HISTORIC CARRYOVER AND APPLIED TO THE FIRST COMPLIANCE PERIOD OF THE STATE OF CALIFORNIA'S RENEWABLE PORTFOLIO STANDARD PROGRAM.**

**WHEREAS**, the City of Banning owns and operates its Municipal Electric Utility; and

**WHEREAS**, in deference to California State Senate Bill 1X-2, on December 13, 2011 the City Council adopted Resolution No. 2011-99 which approved the City of Banning's RPS Enforcement Program and Renewable Energy Resources Procurement Plan; and

**WHEREAS**, the City of Banning has an RPS goal of 20% for Compliance Period One (January 1, 2011 through December 31, 2013) of the State of California's renewable portfolio standard program; and

**WHEREAS**, the City of Banning Electric Utility procured excess renewable energy in certain years prior to 2011; and

**WHEREAS**, Banning's City Council desires to update the City of Banning's RPS Enforcement Program and Renewable Energy Resources Procurement Plan to authorize the use of renewable energy procured in excess of annual procurement targets in said years prior to 2011 to be used as Historical Carryover and applied towards Compliance Period One of the State of California's RPS program.;

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

**SECTION 1.** Adopt Resolution No. 2013-53 updating the City of Banning's "RPS Enforcement Program and Renewable Energy Resources Procurement Plan", attached herewith as Exhibit "A".

**SECTION 2.** Authorize the Electric Utility Director, or his designee, to prepare and administer the necessary documentation to facilitate the use of excess renewable energy procurement as Historic Carryover to meet the requirements for Compliance Period One of the State of California's RPS program.

**PASSED, ADOPTED AND APPROVED** this 14th day of May 2013.

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Deborah Franklin, Mayor  
City of Banning

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APPROVED AS TO FORM  
AND LEGAL CONTENT:

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

ATTEST:

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Marie A. Calderon, City Clerk  
City of Banning

CERTIFICATION

I, MARIE A. CALDERON, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2013-53 was duly adopted by the City Council of the City of Banning, California at a regular meeting thereof held on the 14th day of May 2013 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

## Exhibit “A”

# **RPS Enforcement Program and Renewable Energy Resources Procurement Plan - City of Banning**

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## **Enforcement Program**

### **Section 1: Program for Enforcement of Compliance with SBX1 2 Procurement Obligation**

The City Council of the City of Banning directs the Banning Electric Utility department to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, and to adopt and implement all other measures as necessary to comply with California Senate Bill X1 2 (SBX1 2)

### **Section 2: Procedure for Adoption**

The direction to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits and to adopt and implement all other measures as necessary to comply with SBX1 2 is adopted by the City Council of the City of Banning in accordance with the procedures specified in PUC § 399.30(f) by January 1, 2012 in accordance with PUC § 399.30(e)

## **Renewable Energy Resources Procurement Plan**

### **Section 1: Definitions**

The definitions set forth in Public Resources Code (PRC) § 25741 and Public Utilities Code (PUC) § 399.12 are incorporated herein.

The following definitions shall also apply to the City of Banning Electric Utility's RPS Enforcement Procurement Plan: The renewable energy resources procurement plan adopted by the City of Banning pursuant to PUC § 399.30(a) Energy Commission: The State Energy Resources Conservation and Development Commission.

CPUC: The California Public Utilities Commission.

### **Section 2: Procurement**

In order to fulfill unmet long-term generation resource needs, the City of Banning's Electric Utility shall procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of total kilowatt hours sold to the City of Banning Electric Utility's retail end-use customers for each compliance period specified in Section 2 to achieve the targets specified in Section 3.

### **Section 3: Compliance Periods**

The compliance periods as required by PUC § 399.30(b) are:



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Compliance Period One: January 1, 2011 through December 31, 2013

Compliance Period Two: January 1, 2014 through December 31, 2016

Compliance Period Three: January 1, 2017 through December 31, 2020

Annually each calendar year starting with 2021.

## **Section 4: Procurement Targets**

The City of Banning Electric Utility shall procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of total kilowatt hours sold to the City of Banning Electric Utility's retail end-use customers to achieve the following targets, pursuant to PUC § 399.30(c)(1)-(2):

### Compliance Period One:

- An average of not less than 20 percent of retail sales during the compliance period.

### Compliance Period Two:

Progressive purchases of eligible renewable energy, as a percent of retail sales, during the compliance period to reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016.

### Compliance Period Three:

Progressive purchases of eligible renewable energy, as a percent of retail sales, during the compliance period to reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 33 percent of retail sales by December 31, 2020.

### All Years Subsequent to 2020:

- An average of not less than 33 percent of retail sales in each calendar year subsequent to 2020

## **Section 5: Procurement Content Categories**

The Electric Utility Director shall assign all RPS-eligible resources procured by the City of Banning Electric Utility to their appropriate procurement content category in accordance with the provisions of PUC § 399.30(c)(3), consistent with PUC § 399.16.

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## **Section 6: Grandfathering of Procurement Content Category Requirements**

Consistent with PUC § 399.16(d), the Electric Utility Director of the City of Banning Electric Utility may count all resources that meet the conditions of PUC § 399.16(d) in full towards meeting the procurement requirements set forth in the City of Banning.

## **Section 7: Delay of Timely Compliance**

The City Council may adopt measures permitting the Banning Electric Utility department to delay timely compliance with the City of Banning's RPS Enforcement Program pursuant to PUC § 399.30(c)(2), consistent with the requirements of PUC § 399.15(b)(5).

## **Section 8: Banking Rules**

The City Council may adopt measures permitting the Banning Electric Utility department to accumulate, beginning January 1, 2011, excess procurement in one compliance period to be applied to any subsequent compliance period provided that the quantity of excess procurement is determined in the same manner as allowed for retail sellers pursuant to PUC § 399.13(a)(4)(B).

## **Section 9: Cost Limitations**

The City Council may establish a limitation on the procurement expenditures for all RPS-eligible resources used to comply with the Banning Electric Utility department's Procurement Plan. In establishing such limit, the City Council shall rely on factors specified in PUC § 399.15(c)(1)-(3) and ensure compliance with PUC § 399.15(d).

## **Section 10: Public Notice**

The Banning Electric Utility department staff shall post a public notice whenever the Banning City Council will deliberate in public on the Renewable Energy Resources Procurement Plan.

## **Section 11: Unmet long-term needs**

Consistent with § 399.30(a), the Banning Electric Utility department shall determine its unmet long-term generation resource needs.

## **Section 12: Reporting**

The Banning Electric Utility department shall provide data annually to the Energy Commission and to report annually to the Banning Electric Utility department's customers and the Energy Commission in accordance with PUC § 399.30(g).

## **Section 13: Historical Carryover**

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The Electric Utility Director of the City of Banning may use excess renewable energy procured prior to January 1, 2011 as Historical Carryover to be applied towards Compliance Period One procurement targets.