

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

July 9, 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 Sitting in Its Capacity of a Successor Agency.

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

I. CALL TO ORDER

- Invocation
- Pledge of Allegiance
- Roll Call - Councilmembers Botts, Miller, Peterson, Welch, Mayor Franklin

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONDENCE/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.	Designation of Voting Delegates and Alternates to the League of California Cities Annual Conf. – Sept. 18-20, Sacramento	1
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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 11

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 – 06/18/13.	5
2.	Approval of Minutes – Special Meeting – 06/25/13 (Workshop)	9
3.	Approval of Minutes – Special Meeting – 06/25/13 (Closed Session)	43
4.	Approval of Minutes – Regular Meeting – 06/25/13	44
5.	Approval of Accounts Payable and Payroll Warrants for Month of April 2013.	60
6.	Approval of Accounts Payable and Payroll Warrants for Month of May 2013	63
7.	Report of Investment for May 2013.	66
8.	Ordinance No. 1463 – 2 nd Reading: An Ordinance of the City Council of the City of Banning, California, Regulating Cottage Food Operations/ Homemade Food Operations and Incorporating by Reference Portions of the Government Code and Health and Safety Code	72
9.	Ordinance No. 1465 – 2 nd Reading: An Ordinance of the City Council of the City of Banning California, Amending Section 3.21 “Warrants” to the Banning Municipal Code	83
10.	Resolution No. 2013-72, Authorizing Certain Municipal Officials to Make Deposits and Withdrawals	85
11.	Resolution No. 2013-65, Providing for Certain Nuisance Abatement Charges to Be Added to the Tax Rolls of Riverside County, California	88

- 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. REPORTS OF OFFICERS

1.	Adoption of Resolution No. 2013-08 SA, Related to the Letter of Instructions to Redeem the Single Family Residential Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 1987 A. Staff Report	105
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Recommendation: That the Successor Agency Board adopt Resolution No. 2013-08SA with the Letter of Instructions to Redeem the Single Family Residential Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 1987A.

Adjourn Joint Meeting and reconvene the regular City Council Meeting.

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

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

VII. ITEMS FOR FUTURE AGENDAS

New Items – 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
4. Giving City Manager authority to write letters to the State Legislature regarding urgency matters.

VIII. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 7 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].



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Council Action Advised by August 2, 2013.

PLEASE NOTE: You are receiving this letter and form earlier than usual because hotel space near the Sacramento Convention Center for the Annual Conference will be especially tight this year. As a result, we want to encourage you to make your hotel reservations early.

April 26, 2013

TO: Mayors, City Managers and City Clerks

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – September 18 - 20, Sacramento

The League's 2013 Annual Conference is scheduled for September 18 - 20 in Sacramento. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, September 20, at the Sacramento Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, August 23, 2013. This will allow us time to establish voting delegate/alternates' records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates must be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one person must be present at the

- Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.
- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, September 18, 9:00 a.m. – 6:30 p.m.; Thursday, September 19, 7:00 a.m. – 4:00 p.m.; and September 20, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but not during a roll call vote, should one be undertaken.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, August 23. If you have questions, please call Mary McCullough at (916) 658-8247.

Attachments:

- 2013 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Annual Conference Voting Procedures 2013 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

**2013 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to the League office by Friday, August 23, 2013. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail: _____

Mayor or City Clerk _____ Phone: _____
(circle one) (signature)

Date: _____

Please complete and return by Friday, August 23, 2013

League of California Cities
ATTN: Mary McCullough
1400 K Street
Sacramento, CA 95814

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/18/2013
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Pro Tem Botts on June 18, 2013 at 2:03 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts
Councilmember Peterson
Councilmember Welch

COUNCIL MEMBERS ABSENT: Councilmember Miller
Mayor Franklin

OTHERS PRESENT: Andy Takata, City Manager
June Overholt, Administrative Services Dir./Deputy City Manager
Marie A. Calderon, City Clerk

PUBLIC COMMENTS

There were none.

CLOSED SESSION

City Manager announced that the City Council would go into closed session in regards to real property negotiations pursuant to the provisions of Government Code Section 54956.8 regarding 1627 S. Hargrave.

Meeting went into closed session at 2:06 p.m. and returned at 2:15 p.m. with no reportable action being taken. Special meeting reconvened at 2:15 p.m.

REPORTS OF OFFICERS

1. Resolution No. 2013-70, Approval of a Memorandum of Understanding Between the County of Riverside and the City of Banning Regarding the Larry D. Smith Correctional Facility.
(Staff Report – Andy Takata, City Manager)

City Manager addressed the Council giving his power-point presentation (Exhibit "A") stating that the City have been working with the County to come up with a contract in order to extend our existing contract/Memorandum of Understanding (MOU). The County would like to expand the jail beds first phase 400 to 600 but they were looking at doing a total of 1600 beds but they are currently doing a master plan that will determine how many beds they currently have. This is all due to the realignment that the governor signed where state prisoners are now

pushed into the county. He highlighted some of the changes and said that for every 1.25 years that will increase the contract for every 100 beds (for example 400 beds will get us five years); if they go up to 1600 beds this contract will be good for 20 years after 2018; the monies have to be geared towards the police department and there will no longer be augmentation or increasing the workforce, also there is no longer a cap in regards to 1.b of the original MOU otherwise we would be hitting that cap shortly.

Mayor Pro Tem Botts asked the Council if they had any questions; there were none. He opened the item for public comments and there were none.

Motion Peterson/Welch to adopt Resolution No. 2013-70, Approving the Memorandum of Understanding Between the County of Riverside and the City of Banning with Respect to Expansion of the Larry D. Smith Correctional Facility Located at 1627 S. Hargrave Street. Motion carried, all in favor with Councilmember Miller and Mayor Franklin absent.

ADJOURNMENT

Motion Botts/Welch to adjourn the meeting, motion carried. Meeting adjourned at 2:35 p.m.

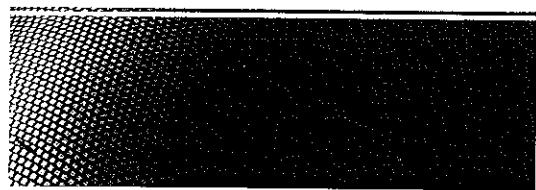
Marie A. Calderon, City Clerk

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

***Special Meeting
City of Banning
June 18, 2013***

Resolution No. 2013-70, Approving the Memorandum of Understanding (MOU) between the County of Riverside and the City of Banning with respect to Expansion of the Larry D. Smith Correctional Facility located at 1627 S. Hargrave Street

The County intends to expand the jail bed capacity at the facility by 400 to 1600 jail beds to improve public safety for the citizens of the County of Riverside.



Payments will be made annually, the following May, based upon the following formula:

Beginning in July 1, 2018:

- The County will provide the City with 1.25 years of annual payments for every 100 jail beds constructed (for example, 400 jail beds constructed will entitle the City to five annual payments).

The City will allocate these County funds towards the Banning Police Department.

CONCLUSION

MOU revisions outlined:

Section 1(b) "**POINTS OF UNDERSTANDING**"
of the existing Memorandum of Understanding (MOU)
is revised as follows:

At the end of the first sentence, delete
"thereafter until the total sum of payments equal \$4,500,000".
The rest of the sentence shall remain unchanged.

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Exhibit "A"

4

spec.mtg.-6/18/13

Questions/Comments?

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/25/13
SPECIAL JOINT MEETING

A special joint meeting of the Banning City Council and City Council Sitting In Its Capacity of Successor Agency and the Banning Utility Authority was called to order by Mayor Franklin on June 25, 2013 at 3:00 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 Takata, City Manager
June Overholt, Administrative Services Director
David J. Aleshire, City Attorney
Duane Burk, Public Works Director
Fred Mason, Electric Utility Director
Zai Abu Bakar, Community Development Director
Bill Manis, Economic Development Director
Leonard Purvis, Police Chief
Heidi Meraz, Community Services Director
John McQuown, City Treasurer
Phil Holder, Lieutenant
Michelle Green, Deputy Finance Director
Rita Chapparosa, Deputy Human Resources Director
Jessica Hicks, Office Specialist
Marie A. Calderon, City Clerk

WORKSHOP ITEM

1. Budget Plan for Fiscal Year 2013-2014 for the City of Banning, Successor Agency and the Banning Utility Authority.
(Staff Report – June Overholt, Administrative Services Director/Deputy City Manager)

Director Overholt started her power-point presentation (Exhibit "A") and said that she will be presenting some information about the General Fund, touch on some other funds and briefly describing some of the changes that are occurring with personnel. She will also touch on the City's Capital Improvement Program which is a new addition to the budget document. After her presentation the department heads will have an opportunity to give about a two-minute promo about what their departments are doing in the next year.

BUDGET PRESENTATION

Director Overholt started with the Budget Process and stated that this is the 2nd year of two-year budget and Council did see some preliminary numbers last year and those numbers have been updated with the latest and greatest information available. She started with the Budget Documents and explained each of the items contained in that section. In regards to Personnel – position control – the Council is always asked to approve it and will come as a separate action throughout the year if needed or at mid-year. In regards to the Capital Improvement Program she will explain that item later. She explained what was contained in the Budget Content and said she cannot give actuals because we are not yet at the end of the year so you will see the actuals for this in the next round of the budget. The Revised Budget for 2014 is now based on what we learned during the midyear of this year, as well as, any new information from other sources out there in the community.

- General Fund is the fund that collects the general tax receipts, property tax, sales tax and it allows us to pay for the general services (police, fire, public works, and administration) and in the end it is ultimately responsible for all other funds. The Revised Budget for FY 2014 is a balanced budget and the key factors are improved revenues and containing our expenditures and she went over the revenue changes. In regards to the TOT (Transient Occupancy Tax) Tax the city right now has a 12% rate that the hotels charge their guests and that was approved through a vote of the people and when approved there was a sunset of November 2014 so throughout this year there will be conversations about how to take it back out for a vote and most likely that recommendation will be to join the primary elections to help in saving costs because we are joining another election cycle.
- General Fund Expenditures -- on the graph it shows all the departments and the slivers are the chunks of the budget that they represent so overall you have the Police and Fire and those traditionally in all cities are the biggest nugget of the budget and the same thing is true in Banning. When you look at the expenditures from a category perspective you see it broken down by Employee Services, Services and Supplies, and Capital and what we observe here is that Employee Services are 60% of the General Fund Budget, the Fire Services are included in the second line item which is Services and Supplies because it is a contract and their contact is round \$2.5 million of that \$3.8 that is sitting in the column. It is good to note that we did have in the last year negotiations with the employee groups savings and there were also positions that were eliminated and so the combination of having the employees picking up their PERS, eliminating some positions and restructuring other positions did keep our costs constant rather than going up. Last year we had actually budgeted that our employee services were going to be \$8.4 million so through all of those steps taken we have saved over \$400,000.00 in that line item alone which represents about 5% in personnel costs.
- General Fund Reserves are projected to be at \$2.9 million and as a reminder when the budget is put together they do not know what the ending number is for FY 2013 so they look back to what they projected it would be at midyear and use that as their starting point and when they bring to the Council the midyear budget next winter then it is updated based on what actually happened.

OTHER CITY FUNDS

- Citywide Overview -- Overall our budget in the City is somewhat constant and is in the \$92 million dollar range so it is a pretty healthy budget for our City.
- Special Revenue Funds – Director Overholt pointed out that the in regards Riverside/Police MOU this is the fund where we have our MOU (Memorandum of Understanding) with the County regarding the jail (correctional facility). The Council just this week had a special meeting to approve the MOU with the County and the County had their meeting today and it was approved so the language from that MOU is not incorporated into the budget because it takes place in a future date. In regards to the CFD (Community Facilities District) the City has not adopted any new districts since 2004 so all we do is just maintain it collecting the money through the property taxes and make the debt service payment. In regards to the LMD (Landscape Maintenance District) those are funds collected through the property tax and those are used to maintain the areas that are public use within those districts. Overall it is not uncommon to see expenditures that are greater than the revenues.
- Enterprise Funds -- There is a little bit of a deficit on the expenditure side where the Airport is showing a deficit and there are two reasons for that and one is operational and the other is the grants that have a matching requirement and so when the grants are in process the City is obligated to spend the match with the FAA (Federal Aviation Administration) and this is all a part of the master plan that was approved several years ago and those are moving forward. We do know that we need to have some deeper conversations as to how we are going to resolve the operations and we are taking a look at that and will come back to Council in the future regarding that issue.
- Internal Service Funds -- In regards to Information Services extra budget was included that is using fund balance and the goal there is to be able to upgrade some of our work stations and do an analysis of our system, as well as, to take a look at our website and they hope to tackle that this next year.
- Water Funds - She went over the list of funds and stated that in regards to the Water Operations Fund this is a fund that she takes a look at to make sure that the water rates that we have are sufficient to pay for operations so they have reached a year where she can come to Council and show that we are on the positive side. They are also taking a look at doing a rate study to make sure that those things that were pushed to the side as far as operating capital and expenditures and revisited so that they can bring it to Council and be strategic as to how they deal with that in the future so the Council will be see that as a separate Council action in the future. When you see negatives under the Water Capital Facilities and the Water Capital Project Fund those are projects that are listed on the Capital Improvement Program.
- Wastewater Funds -- We are not faring so well on the operations and are showing an operational deficit and won't be meeting our bond covenants there and will be operating in a deficit and the same was true last year and that will be part of a study that will be coming forth to Council.
- Reclaimed Water Funds – In regards to this fund you will recall that she grouped these two funds together because they are the ones that relate to the reclaimed water strategy of the City and the Irrigation Water shows a deficit where we are using the fund balance and then we are also using some money from the Tertiary Fund and both of those combined

are for the project that is Phase 2 on Lincoln Street adding the purple pipe that is going towards the Wastewater Treatment Plant and those are also listed in the Capital Improvement Plan.

- Electric Fund -- We have implemented the rate study that was approved by the Council this spring and we are showing now that we are in the black. Under the Electric Improvement Fund and the Bond Fund those are capital improvement projects that are using funds that are available so these two funds are not funds that generate revenue. They are one time sources that are sitting there waiting for projects to happen.
- Personnel Changes-Citywide -- They made a philosophical change this year from how it was presented last year. She believes at the time the City made a decision to contract out fire services there was some interest in seeing what are the positions related to the contract but because those contract positions are not authorized through the human resources recruitment process they made a philosophical decision to remove them from the personnel listing so now, from a go forward perspective, you will not see them as a line item in that listing. Starting from last year we are starting the year with 160 authorized positions (including elected and part-time) and she further explained the personnel changes by fund.

Capital Improvement Program

Director Overholt said she was really glad to be able to work with Public Works and all the departments to put this document in here. Typically the Council approves a five-year Capital Improvement Program (CIP) and that includes projects that are in progress, includes projects that have already come to Council, plans that have been adopted by Council or by other agencies or master plans so what you see in here is the information that staff had at the time the document was compiled. She displayed a slide that showed \$9 million in capital projects for FY14. Overall the CIP has \$73 million that is projected. We do not have funding for the full \$73 million so there will be some deeper conversations as we go through the next couple of years that says how do we fund this \$30 million that is sitting here is FY 2016. Typically you see those conversations come up as master plans are presented and you will probably see that when the rate study is presented to you also.

Director Overholt went over the Supplemental Information which includes the Gann Limit, Budget and Fiscal Policies, Descriptions of Funds, Glossary of Terms and Acronyms and gave some concluding thoughts about the budget and future challenges regarding the PERS rates and the Transient Occupancy Tax that sunsets in November 2014.

Councilman Miller asked Director Overholt to review the Successor Agency in regards to where the income is from and where the expenses are.

Director Overholt said the Successor Agency in the past when it was the Redevelopment Agency the source was called Increment and it was through property tax. So when the income from the property went up the increment from that base year was what was given to the Redevelopment Agency. The State still does a similar calculation and the acronym is "RPTTF" and that increment is put into a fund at the county and then we are required to prepare for them and the State a ROPS (Recognized Obligation Payment Schedule) and we do it every six months and

then that schedule is approved by the State and when approved by the State the County is then obligated to set aside the funds. Ultimately the money comes from property tax through the county to the City to the Successor Agency.

Councilman Miller said you stated that PERS rate is going to increase and is that for the City, the employees or both.

Director Overholt said at this point the component she was describing was the employer rate. So in the past PERS has had smoothing methodology in their actuarial calculations and they would have a rolling 30 year amortization so they decided to no longer do a rolling 30 years; it will be a fixed 30 years and because they are doing that the smoothing is eliminated. There is some hope that once we get passed the five-year implementation that we will then see some relief in the rates because if the market is good, we should benefit from that quickly but on the other hand if the market is bad, we will feel it immediately.

Councilman Miller said then there is really no way to judge what the increase will be year by year. Director Overholt said we do not have the numbers specific to Banning yet so what they have published is their sample cities and what the average would be so the calculations that are specific and unique to Banning haven't been provided yet.

Councilman Miller asked if she had any idea what that percentage increase would be. Director Overholt those would be somewhere between 2% and 5% so the lower number is on the miscellaneous side and the higher number would be on the public safety side.

Councilman Peterson asked the way the budget is looking and the improvement over the last year is that also going to reflect on our credit rating; will it go up.

Director Overholt said we are already seeing an improvement in the market so the answer is yes.

DEPARTMENT HIGHLIGHTS AND SERVICES

Council/City Manager/City Clerk

Director Overholt started her presentation stating the following:

- Council's roll is to set policy, have involvement in committee meetings and lobby for funds. The Council is doing their part as they are involved in those committee meetings to lobby and represent the City and do their best to see that the City receives all that it can from the resources that are out there with other agencies.
- City Manager gives oversight to all the City's operations but one of the things that the community may not be aware of is that his department prepares the City newsletter that goes out quarterly. The departments submit information and he is responsible through his staff to make that available to the community.
- The City Clerk not only does all of the minutes and record keeping in the City but she is also responsible for the elections that are held in the City. As keeper of the records when someone has a public records request it goes to the City Clerk and then she goes after the departments to find the documents that are requested.

Administrative Services

Director Overholt said Administrative Services falls under her responsibility and there are four main functions that she is responsible for:

- Fiscal Services – Includes all the traditional things that you think are in the finance department and within the City and also includes business licenses. Their main function is to do compliance and not only the day to day responsibilities but also audits, budgets, and compliance reporting.
- Human Resources – They also have compliance reporting but are responsible for all those things that are traditional in human resources and also sponsor the wellness program and helping all the departments with things that they need with training.
- Technology – Filming Council meetings, broadcasting; maintenance of all of our workstations, the ability to use a laptop for presentations with the help of the IT staff; helping all the departments where they can with software needs, etc. One of the big projects that they are working on right now is how to upgrade the phone system.
- Utility Billing – They bill for four different services (wastewater, water, electric and refuse) and answer a lot of questions and the bill has all four services included on it; they work with Water and Electric when there are changes in meters and updating all that information to get the most accurate information on the bill at the time it gets printed. They also provide cashiering for all citywide transactions.

Community Services

Heidi Meraz, Community Services Director addressed the services in her department

- Recreation – They offer sports leagues primarily for the children and a variety of the leisure classes taught by contracted instructors. The one youth league that they still currently run with their own staff is the Basketball League which typically has 250 to 300 kids. They collaborate closely with Banning Pass Little League and the Little Broncos Athletics which offer the football program and cheerleading. They work very closely with those groups to assist with gaining facilities at the school district sights, as well as, using City facilities and they also offer office support. Within the Aquatics Program they offer the recreational swimming program, swim lessons, water exercise classes and lap swimming and offer the pool for private rentals. They also are responsible for handling the facility rentals at the Community Center, Senior Center, as well as, allocating all of the field space for the City parks and any use agreements. They work with a lot of different organizations to make our City facilities available.
- Senior Services – They offer classes and activities and special events such as dances, barbecues, and holiday luncheons. Act as a referral agency for legal, medical and financial assistance. Have the “Fill the Cupboard” food program which is coordinated with Sun Lakes. Have a mobile food pantry which is provided weekly by the Salvation Army and a Congregate Lunch Program operated by Family Services which leases the facility but through that program that is also Meals on Wheels.
- Special Events – Their department is responsible for processing all of the special event permits which are on City property and that would be your parks, community center, City

streets, etc. and coordinate the City services such as the Phineas Festival, Hmong New Year and Stagecoach Day.

- Transit – They are responsible for securing the funding and overseeing the operation of all the fixed route and Dial-A-Ride services within our city. They allow connectivity with Beaumont Pass Transit and by doing that they have service from the outer edge of Beaumont to Cabazon where people can make a smooth transition from one city to the next. Also offer connections with RTA and Sunline. The position changes that they have done within their department were made to enhance the services and operations primarily within their Transit Department and will be increasing the dispatch and have extended their hours of operation to the Outlets and the Casino in Cabazon running until after 10 p.m. They are trying to gain more administrative support so that they can offer better services to the community.

Community Development

Zai Abu Bakar, Community Development Director addressed the Council regarding her department stating that she has three different divisions that include Planning, Building and Code Enforcement. The items that they are the stewards of for the City are the General Plan, Zoning, California Environmental Quality Act, Building Code and those are the things used for development.

- General Plan is basically the blueprint for the development of the community and out of that General Plan come the Capital Improvement Projects that Director Overholt talked about and the physical plans on how to provide for those capital projects.
- Zoning is basically development standards for site planning and architecture for the project whether it is individual lots or big development.
- Building Code is for structural standards to make it safe for people occupy.
- Code Enforcement enforces the municipal and zoning codes and the challenges with our City is that we have a housing stock that was built in the 1950's and some have not been maintained and compounding that we also have a lot of absentee landlords and that presents a significant challenge but they are working through that issue. They spend about 40% on absentee landlord cases.
- For next year in terms of development they will be looking at policy planning. They are trying to get through with two housing elements which include the current Housing Element 2013 and then the next cycle which is an Eight Year Housing Element 2014 to 2021 so that will be coming forward to the Planning Commission and City Council soon. In terms of residential development the Rancho San Gorgonio Specific Plan which is 850 acres between Sunset and San Gorgonio south of Westward have filed an application so staff is working through that process and the environmental impact report and it will take about the entire fiscal year to work on. The other residential development is the St. Boniface Tract which is north of Gilman and west of 8th Street. They are working with the City on the grading plans right now and she is working with the different Tribal groups to preserve the cemetery, the school site and some other cultural elements on that project. Also, they have received a lot of inquiries about the Loma Linda Specific Plan which was approved in 2005. In terms of commercial development regarding the Stagecoach Plaza staff cannot wait until they finish the final inspection for Rio Ranch Market because that has been in the works for a long time. She had announced to the

Council that Smart & Final wanted to build a larger building that is twice the size of the current building so they have bought the property on the east side of their current site so they will building a new building and then demo the current building and then complete the parking lot. You also heard about the Ramada Inn, gas station and quick service restaurant at the former Valero Gas Station on Ramsey and Hargrave and staff is working on that project entitlement with the developer. The owner of the Chevron Gas Stations located at 8th Street and also at Sunset has submitted plans for remodel. In regards to the Village at Paseo San Gorgonio she anticipates that it will come for plan check sometime next year because they have to start construction by December 2014. Because the courthouse is currently under construction staff has received a significant amount of inquires either at the counter or over the phone with regard to people wanting to go into the vacant retail space not just downtown but throughout Ramsey Street.

City Manager said to give some history in 2008 was when we hit the low spot of the community so they are doing these things with the same amount of staff that you had for your 2010-2011 budget. No additional staff; the same amount of staff. He said that 40% of your General Fund was lost between 2008 to current, and you lost roughly \$9 million dollars of your General Fund and we are still providing services maybe not as good as we would like to but we are still providing the services. He said that 50 employees lost their jobs here and basically that was 23% of your workforce. We used to have 12 department heads and now we have 7. We dipped into the reserves one time since he has been here which was the 2010-2011 budget but they would have had to cut out Community Services and that was so important to our community and the Council heard the outcry of the public and felt that we could dip into the reserves one time and since then we have not dipped into the reserves and have had a balanced budget every time and this one is even better but just because it is balanced doesn't mean we can start increasing employees and increasing other things. We need to be very careful because who knows what is going to happen with the economy. He thanked June Overholt and her staff for the budget and the department heads because those were not fun times for them here. He wanted the newer Council to know where we have been and where we are at now and he knows it is not perfect but we are still getting to that point and hopefully it will be perfect soon.

Councilman Miller asked if anything was happening with the Pardee Development. City Manager said that the lawsuit has been changed to September so we will not know anything until the lawsuit by the Cherry Valley Acres and Neighbors and the Highland Springs Resort is over.

Economic Development

Bill Manis, Economic Development Director addressed his department.

- Business Retention & Attraction – He works a lot with our existing business community, as well as, trying to attract new companies. It is very important to reach out to our companies that we have and once a company comes here and they pull a permit or get a final we are not done with them as far as his department is concerned. We try to grow and nurture them and if they are struggling try to help them as far as access to actual resources. Many of them have all sorts of needs from actually raising capital to hiring employees and part of his job is to help link them to the various resources. On the flip

side is bringing in new companies to town. Another very important part of what he does is to stay in touch with the local brokerage companies. They often are the first people on the front line who hear if a company is moving to Banning or the Pass Area and he needs to have contacts at each of those companies so they know they can call him, use him as a resource or have him meet with the company to show that the City supports that company coming here. He also stays in touch with potential investors, people who already own property in the City or who are thinking about purchasing property in the city.

- Workforce Development – This is really a subset of what he does but it is helping local businesses with their workforce needs. He also helps local job seekers looking for job in the Pass region. We are in partnership with the County and the Banning Chamber to hold a job fair on Thursday, September 5th to help match our job seekers with our companies and it benefits all parties concerned.
- Encouraging Public-Private Partnership – Sometimes our job at the City level is to facilitate a partnership between a private sector person and either the City or another private sector person being maybe a landowner. Part of what he does is that if he sees a property that he thinks can be built-out that might have a higher and better use, he will bring in a potential developer to meet with that actual property owner to see if there is any kind of joint venture that they can do together and that leads into getting rid of blighted properties in the city or properties that are not being used for their highest and best use.
- Marketing & Branding – This is an on-going effort in the City and his role in this capacity is to actively market the city to a large variety of different audiences from the billboards that you see on the I-10 freeway now that talks about Banning is the best place as far as doing business to our national real estate contacts and tenants. It is actually marketing us at a variety of different levels and audiences in an effort to get people to come and see Banning and see all the benefits we have as far as being here from a business standpoint or just from a living standpoint. As far as increasing the awareness of our development activities and opportunities as we have just heard from Director Zai's presentation has a lot of projects going on. It is important for him to go out and to campaign for Banning and sell our brand and talks about all the positive things going on in our community. We are also currently hiring a public relations consultant to help us with our marketing efforts.
- Former RDA Related Responsibilities – He said that Director Overholt touched on this item and in that role and function there are a lot of State mandates associated with it from our ROPS that we have to do every six months to various items that the State mandates on each city in the state. We have a seven member board that meets on a monthly basis if needed just to get all of these various state mandates done.

Councilmember Botts asked about the project at Ramsey and Hargrave and is it moving forward. Director Manis said Directors Zai and Duane Burk and his team are meeting with the property owners talking about various off-site improvements that actually have to be done. It is in the typically stage as far as process and is moving forward.

Councilman Miller asked about a company that was interested in building a 400 foot high tower and is that still a possibility.

Director Manis said that there are certain things that he can talk about in a public meeting and certain things he can't. Certainly he is talking with a company who have a building facility to where they make cable and part of their facility calls for a 50 foot wide by 50 foot in depth, 400 foot tower and he immediately goes to Zai and talks with her about building code restrictions to see if that is even feasible and we are still in the checking them out stage.

Electric

Fred Mason, Electric Utility Director addressed the Council regarding Electric and stated that they maintain the electric distribution system to insure that the lights stay on and that is the main crux of what they do.

- Customer Service – they provide excellent customer service to 10,700 residential customers, 1,130 commercial customers and 5 large commercial industrial customers. In the last year they processed 19,434 work orders which are basically 100 work orders a day; performed 244,960 meter reads which is approximately 1,250 per day and installed over 15,000 linear feet of wire (underground and overhead) during the past year. They also administer 14 Public Benefit Programs from energy conservation rebates to low income assistance. With regards to the field work that is done whether it is raining, snowing or 100 degrees the guys are out there making sure the system is running and that the lights stay on.
- Capital Projects -- Back in 2007 the Electric Utility issued some bonds for capital projects that were necessary for the expansion that was coming and unfortunately didn't materialize but we still had the funds so we had capital projects that we were required to build per those bond requirements. They built the Sunset Substation to meet the development needs on the north west end which is the Pardee Project; installed the new 34kv Transmission Line between the San Gorgonio Substation and those basically tied the San Gorgonio Substation to the Sunset Substation tying the new Sunset Substation into the 34kv backbone so it creates basically a big loop for the city. Presently we have the Downtown Underground Project and that is beautifying the downtown corridor; and the new block wall at the City Yard which is almost done which is going to deter theft. In the past six years we have unfortunately had a half a million dollars in copper wire theft from the Yard because people could just walk right in and steal it so this new block wall will hopefully deter that theft so it doesn't happen anymore. In regards to the Sunset Grade Separation they will be relocating the poles in order for the work to start on that project. There will be a new warehouse at the City Yard and this will be replacing the very old rundown building. There is the 4kv to 12kv conversion and this is very important because what it is doing is providing a consistent current for the entire city. In the future they will be installing new transformers at the Aloha and Airport Substations and this will support the east end development and also those two substations will be upgraded from 4kv to 12kv and will create a citywide loop where we can balance load however they need.
- Regulatory Mandates – In regards to the Renewable Portfolio Standard right now that is 33% by 2020. The governor has made it clear and said that 33% is a floor and not a ceiling and there is a proposal for 40% by 2025 and a new bill that was just introduced to the legislature of 51% by 2030 so this is a situation where the state has their direction as to what they want to do and we are basically being directed by laws the State is passing

that we have to comply with. In regards to Green House Gas reductions right now there are a number of bills in place and a number of bills being introduced that will affect both the transportation industry, as well as, the electric industry. Basically anyone who is emitting Green House Gases, Cap and Trade obviously was the start of that, there is going to be additional restrictions. With every new legislative session there seems to be 8 to 12 new pieces of legislation aimed at the electric utility industry basically tightening the reigns and making it more difficult for us to operate.

Councilman Botts asked Director Mason to remind us what Cap and Trade cost us. As we all know the governor and the legislature passed Cap and Trade and that money was to go to highways and all kinds of things but how much did we spend and where did our money end up.

Director Mason said \$700,000 dollars is what we are required to spend and we are actually participating in the August auction so whatever that clearing price is that will tell us what we actually end up spending. Right now it has been about \$14.00 dollars and that would give us an expense of \$700,000. If for some reason it clears less than that, then it is less than \$700,000 and if it clears more than that, then it would be a higher expense which they are projecting for the next fiscal year.

Councilman Botts said the answer to the other question is the \$500 million dollars that everyone paid into Cap and Trade was supposed to be divided up among the cities and Governor Brown decided to borrow the \$500 million and put it in to try to balance the budget. But the \$700,000 or \$800,000 that we put in is now helping balance the budget. Director Mason said that was correct.

Councilman Miller said we have the San Juan Power Plant which of course will be out of service and in the future do you have any consideration of purchasing a clean power plant instead.

Director Mason said that they will actually look at the best alternatives whether to actually go into a partnership to purchase a power plant or a long term contact.

Mayor Franklin said that you talked about what our goal is for 2020 and can you state where we are now with our compliance. Director Mason said two years ago we were at 26%. Unfortunately our renewable plants have had difficulties and are not producing what the operators thought they would actually produce in production and output so two years ago we were at 26% and this year we are at about 15% so we actually lost a significant amount of output.

Mayor Franklin said in regards to the San Onofre Plant what impact does that have on our City. Director Mason said that actually has no direct impact on the City of Banning. The indirect impact is that it provided local reliability for the LA Basin. The California ISO that monitors the grid and reliability of the state determine that there is shortfall, we would potentially have to pay for any additional capacity that is needed to cover that.

Councilman Botts asked that Directors Mason and Duane Burk at some point give the Council an update on what is called "Buy America." He is not sure his colleagues are aware of all of it but it is a catastrophic issue that is coming up that will impact billions of dollars in Southern

California and the SCAG (Southern California Association of Governments) Region. It almost shut down the Sunset Grade Separation Project and it is a monumental thing that has to get fixed. We ought to try to understand it and hopefully there will be some direction as to what we can do about it.

Police

Leonard Purvis, Chief of Police addressed the Council regarding the Banning Police Department.

- Personnel – Currently they have 27 sworn police officers. They did have 41 police officers a couple of years ago but due to budget cuts they are down to 27 sworn. There are 12.5 authorized non-sworn positions whereas a few years ago they were at 20.
- Services - Some of the services they provide is patrol services throughout the city and dispatch services to their officers and when the public calls in a 911 or an emergency call of any sort it does go to the dispatch center and they are dispatched to police personnel. They also conduct investigations of any type of crime that is committed in the city of Banning. They have a Records Division that handles any reports, any traffic citations and other records that they come into contact with in their daily business operations.
- Community Outreach – They have quite a few programs that include the Banning Police Activities League (BPAL) on Saturdays at the Nicolet Middle School Gym from 10 a.m. to 2 p.m. where they do sports and activities; Shop With a Cop where they take children out during the Christmas Season on a shopping spree; Banning BPAL Soccer League; BPAL Ballet Folklorico; Neighborhood Watch Programs throughout the city and Sgt. Diaz is responsible for that and he has done a great job over the years getting it started and he has also done Fraud Classes and Elder Abuse for our citizens; a new program called “Coffee With A Cop” where they invite the public to come out and just have coffee with them and it will be a real low key meeting and they are working with Starbucks to have them once a month. It has been very successful throughout the country and they thought why not do that here in Banning giving the residents an opportunity to come to them with any issues or problems or even compliments. In regards to the Mobile Command Post they station the Mobile Command Post throughout the city every month so our citizens, residents, business owners, and customers get to see them out in the field with that equipment. They also have the Volunteer Program and they are trying to expand it and right now they just had a graduation on Saturday at the Ben Clark Training Center where they had four volunteers graduate. They have the Citizens on Patrol Program and they work the front office and also going to be working the camera system that was just implemented throughout the city. The Volunteers also volunteer at Carol’s Kitchen to provide that extra bit of security. They now also have the Police Department Monthly Reports on line for the citizens to view and he considers this their monthly report card to the citizens of Banning so they know what they are doing day in and day out and they also post their crime stats every month. They also have another program that has been around for some time now called “Crime Reports” and the residents of Banning can log onto the Police website and they can find out what types of crimes that have occurred in the city for the last 30 days and you can sign up to be notified of certain events that take place. They will have another program that will be starting soon called “Cop Logic” and that will allow our citizens to fill out reports on line.

Public Works/Utilities

Duane Burk, Public Works Director addressed the Council stating that Public Works covers many facets within the city and listed on the slide are just a few. He said that he will touch on some of these things and all the things that we do together and collectively as a group were mentioned. One of the things that is important is the development of water and basically we just finished the first leg and Director Overholt talked about Segment B which will be out to bid this year which is another two miles of 24 inch recycled water that is referred to as purple pipe. It will be going from 22nd Street east to San Gorgonio and it will be brought forward for Council approval. There will be another Segment C as they move forward in 2014 to actually bring non-potable water back to the city for irrigation use. Primarily it is used to enhance our portfolio on the water supply as opposed to going out and purchasing excess water.

- Airport – You adopted the Five-Year Capital Project and it is nothing new however operation and maintenance has a little bit of a shortfall and it is something that we have to address. There are two ways to get revenue on the airport side and that is the sale of fuel and the hangar rents. The other part of that document is either through the Department of Transportation through grants or the FAA through grants which is match money. It used to be 5% from the FAA but it has now gone to 10%. What you have in the pipeline is an above ground fueling station which will provide 24 hour fueling which is part of the capital projects.
- Sewer Collections – Tonight before the Council we have the first phase of replacing some pipes that are almost 70 to 80 years old. The pipe that is on your agenda this evening has deteriorated to a point where it is gone. We have many lines within sewer collections that are like that. The caveat behind risk management is that every time we ever have a problem on the sewer side we get a claim for spill in a house which just creates more and more paperwork and a huge inconvenience to the customer. So it is really nice that you have moved forward in your budget to do some of these improvements and as far as he can remember this is probably the first one that we will be taking on as a live sewer and replacing in kind with the customer being in place which is very tricky. We did receive an award a couple of years back by making sure that we had all the lines cleaned with the current staff level that the City Manager pointed out
- Engineering and Capital Improvements – All the directors have touched on all of those projects and we work collectively on as a team to do all of those projects on behalf of the Council and the City Manager. One of the projects is the Sunset Grade Separation and in regards to the “Buy America” if you have federally funded money for a grant the stipulation is that you must “Buy America”. Unfortunately we do not control the other utilities for instance MCI and they didn’t want to sign that contract. Recently at the finish line of getting that done MCI did sign that “Buy America” clause but when you receive federal money you do have that lingering thought of “Buy America” which can actually kill the project as Councilman Botts brought up. Hopefully this fall we will be breaking ground on a \$30 million dollar grade separation. In regards to the extension of Sun Lakes Boulevard at Westward a second set of plans was received today and they are at 65% and those will be moving forward so hopefully by the end of summer or the first of fall we will have that before the Council for approval to connect that mile of dirt road south of the freeway as we close Sunset to do the grade separation.

- Solid Waste – We have a waste management contract which is for ten years and currently we will be moving forward with a rate increase July 1st and that will be a 2% increase for the CPI and/or the landfill pass through fees. Primarily those are regulatory driven. AB 939 in the year 2000 asked the landfill to divert away 50% and we have the criteria. There is a new criteria that Director Mason mentioned as it relates to renewable energy and there is legislation out there that wants to have 100% diversion away from the landfill and AB 341 is one that is 65% so these are always moving targets as it relates to just programs and those will be moving forward to the Council this year.

City Manager said you can tell one good thing about all of our staff is that they have passion for what they do and passion for this community.

Director Overholt said that this ends the presentation and staff will be requesting Council adoption of the budget during the formal and regular Council meeting. She thanked all of the staff for their input and said she couldn't do it all by herself and appreciates being part of a team that works collaboratively and thanked the Council for their time and attention.

Mayor Franklin on behalf of the Council thanked June Overholt, all the department heads and her employees for the work you continue to do for our City.

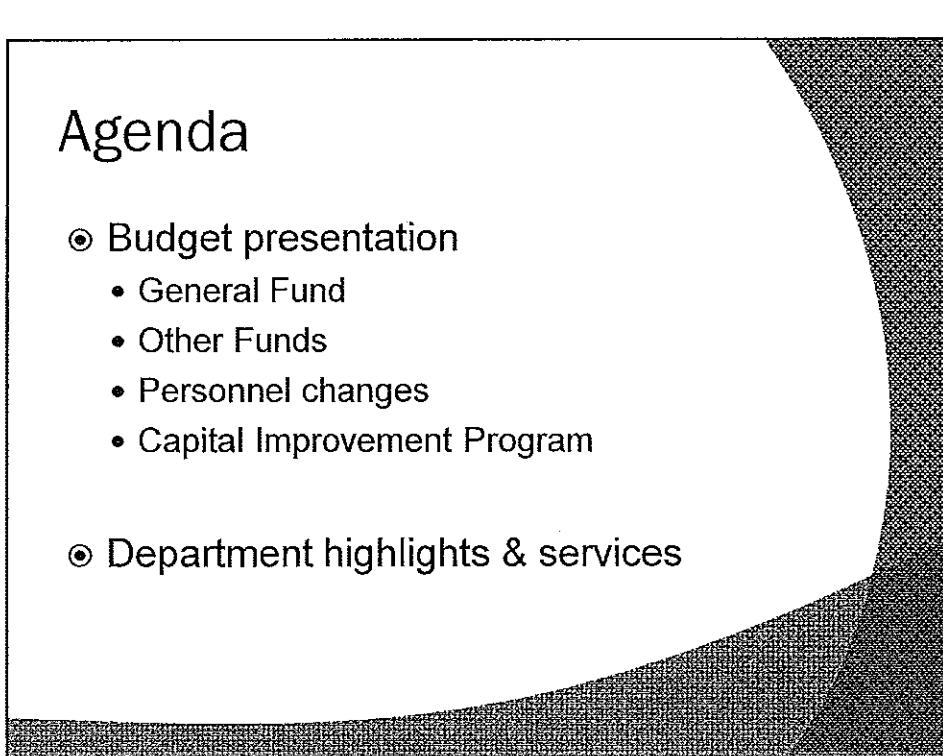
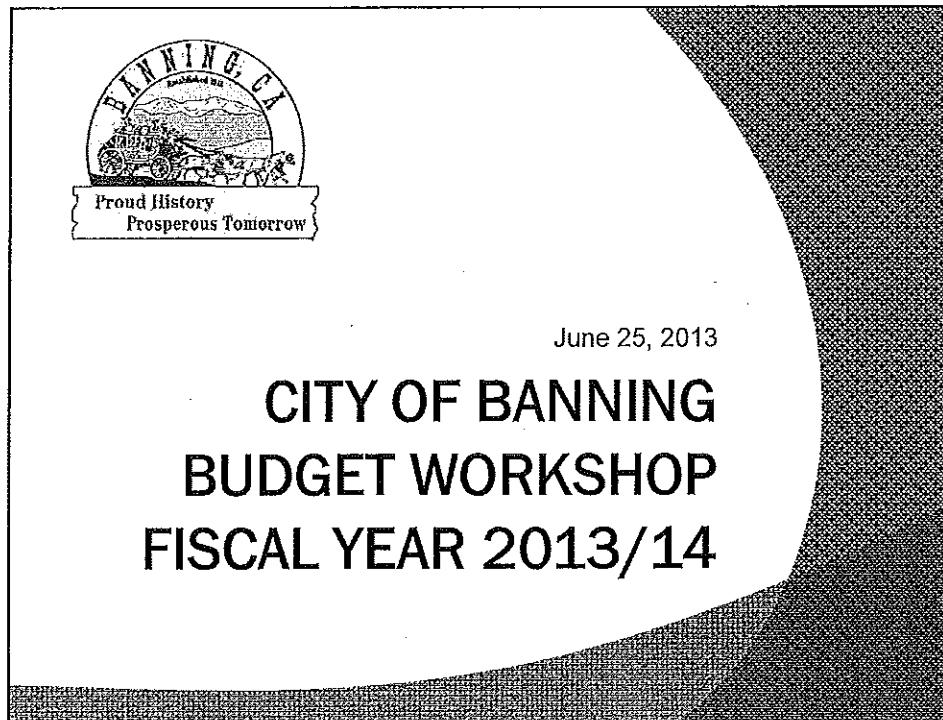
Mayor Franklin welcomed the Mayor of Lompoc as he stopped say hello and he grew up in Banning and graduated from Banning High in 1968.

ADJOURNMENT

By common consent the meeting adjourned at 4:25 p.m.

Marie A. Calderon, City Clerk

THE MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE CITY COUNCIL. AUDIOTAPES OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING IN THE OFFICE OF THE CITY CLERK.



Fiscal Year 2013/14
2nd Year of Two Year Budget

Budget presentation

Budget Process

- Department submittals
- City Manager review and direction
- Finance review and compilations

- Budget includes...
 - Conservative estimates
 - Revenues – estimates based on trends and/or external information
 - Expenditures – estimates based on trends, savings, or new requests

Budget Document

- Budget Message
- Fund Summaries – All funds
 - Tables & Graphs
- General Fund
 - Overview, Tables and graphs
- Personnel – position control
- Capital Improvement Program
- Supplemental Information
 - Policies, Gann limit, fund descriptions

Budget Content

- Actual activity for FY 11 and FY12
- Revised budget for FY13
 - Includes midyear and other Council actions
- Revised budget for FY14
 - Updated information based on most current information

General Fund

- ◎ Collects the general tax receipts and fee revenue not allocated by law.
- ◎ Pays for general services (police, fire, public works, administration)
- ◎ Responsible for all other funds that operate at a deficit

General Fund – Revised Budget FY14

- ◎ Balanced budget
 - Revenues \$13,354,930
 - Expenditures \$13,354,930
- ◎ Balancing included –
 - Improved revenues
 - Expenditures reduced

GF – Revenue changes

Original FY14 budget - \$12,590,855

Revised FY14 budget - \$13,354,930

◎ Net increase (6%) \$827,512

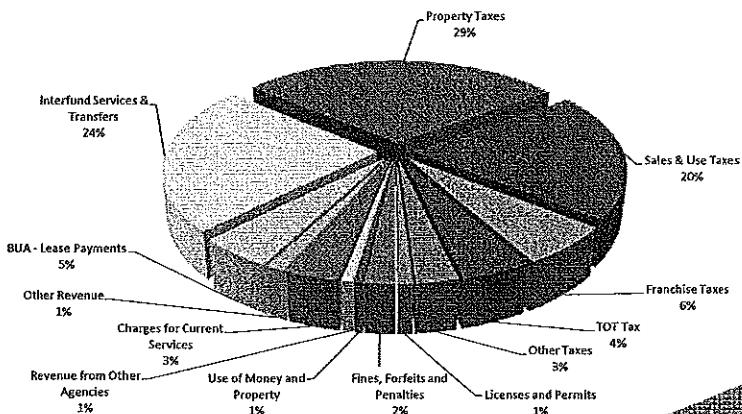
Major Areas of improvement:

- ◎ Property taxes
- ◎ Sales taxes
- ◎ Electric Admin

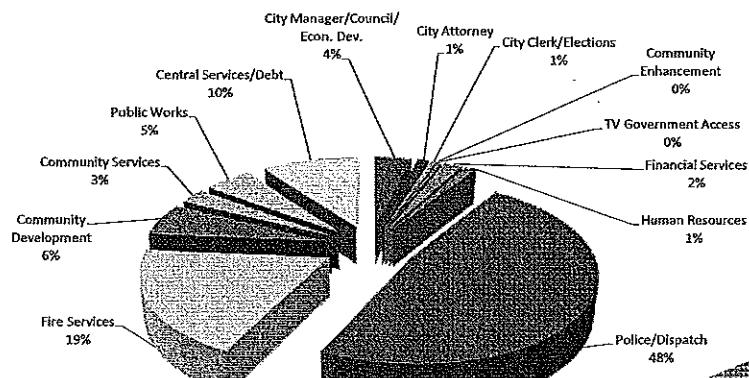
GF – Revenues FY14

Revenue Type	Description	Actual 2010/2011	Actual 2011/2012	Revised Adopted Budget 2012/2013	Revised Budget 2013/2014
General Fund Revenues By Category					
Taxes					
Property Taxes		3,852,014	3,681,435	3,788,444	3,873,499
Sales & Use Taxes		2,130,506	2,324,025	2,719,426	2,724,915
Franchise Taxes		800,346	819,203	835,000	826,000
TOT Tax		506,074	586,083	550,000	590,000
Other Taxes		407,087	333,202	303,435	373,485
Subtotal Taxes		7,696,027	7,743,948	8,196,305	8,297,899
Other revenues					
Other		6,003,464	5,153,575	6,327,834	6,967,033
Total		13,699,491	12,897,523	14,524,139	15,264,932

GF – Revenues FY14
\$13,354,930



General Fund Expenditures
\$13,354,930



GF – Expenditures by Category

Category	Actual 2013/2014	Actual 2013/2014	Revised Adopted Budget 2013/2014	Revised 2013/2014	%
Employee Services	7,922,030	7,978,043	8,084,098	8,062,377	60%
Services and Supplies	3,543,088	4,090,884	3,750,821	3,868,558	29%
Capital	390,443	271,465	398,235	56,730	0%
City Hall Lease	317,105	259,437	269,951	269,951	2%
Interfund Support	823,587	2,780,526	1,097,778	1,097,314	8%
Total	12,996,253	13,380,955	13,600,883	13,350,990	

*Note: Contracted Fire Services are approximately \$2.5M per year and are included in services and supplies.

General Fund Reserves

Projected FY14 ending balance \$2,962,573

Note:

- Based on FY13 midyear estimates
- Actual reserves will be updated during audit
- Policy goal is 25% of operating budget
- Currently at 22% of goal
- Future goal is to increase reserves %

Other City Funds

Citywide Overview

Funds	Actual 2010/2011	Actual 2011/2012	Revised Adopted Budget 2012/2013	Revised 2013/2014
General Fund	12,996,253	15,380,355	13,600,883	13,354,930
Special Revenue	7,700,717	5,275,924	5,266,122	3,049,743
Capital Improvement	773,951	1,385,309	2,336,189	80,000
Banning Utility Authority	14,240,027	13,696,880	19,129,618	23,268,250
Enterprise	43,352,426	41,053,403	46,646,420	40,040,973
Internal Service	4,667,778	6,804,011	5,497,369	5,590,132
Successor Agency	11,101,889	9,243,125	9,914,777	7,677,029
Total	27,555,040	29,239,007	37,351,350	38,251,435

Special Revenue Funds

- Includes funds that are restricted in use.

Examples include:

- Riverside /Police MOU
- Gas Tax
- Measure A
- Grants
- CFDs and LMDs

○ Total Adjusted Revenues \$ 2,967,569

○ Total Adjusted Expenditures \$ 3,049,742

Capital Improvement Funds

- Includes funds that are restricted in use.

- i.e. Development impact funds, major capital projects

- Projects will be budgeted when presented to Council

○ Total Adjusted Revenues \$ 3,100

○ Total Adjusted Expenditures \$ 80,000

Enterprise Funds

- Includes funds that are considered to be like a business. Examples include:
 - Airport
 - Transit
 - Refuse

- Total Adjusted Revenues \$ 4,610,635
- Total Adjusted Expenditures \$ 4,635,644

Internal Service Funds

- Include funds that provide services to other City operations.
 - Risk Management (worker's compensation, general liability, unemployment, city attorney)
 - Fleet
 - Information services
 - Utility billing services

- Total Adjusted Revenues \$ 5,593,507
- Total Adjusted Expenditures \$ 5,590,432

Water Funds

<u>Water Funds</u>	<u>Available balance @ 6/30/2013</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2014</u>
660 – Water Operations	4,921,228	659,800	5,581,028
661 – Water Capital Facilities	4,148,303	(2,105,000)	2,043,303
663 – BUA Water Capital Project	1,707,303	(132,850)	1,574,453
669 – BUA - Water Debt Service	86,891	(600)	86,291
Combined Fund Balance >>>	10,863,725	(1,578,650)	9,285,075

Wastewater Funds

<u>Wastewater Funds</u>	<u>Available balance @ 6/30/2013</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2014</u>
680 – Wastewater	1,002,958	(26,723)	976,235
681 – Wastewater Capital Facility	10,617,313	(700,000)	9,917,313
683 – BUA Wastewater Capital Project	2,727,645	2,000	2,729,645
685 – State Revolving Loan	770,462	3,005	773,467
689 – BUA Wastewater Debt Service	89,273	500	90,273
Combined Fund Balance >>>	15,207,651	(4,592,786)	10,614,865

Reclaimed Water Funds

<u>Reclaimed Water Funds</u>	<u>Available balance @ 6/30/2013</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2014</u>
662 - Irrigation Water	1,166,541	(1,166,541)	
682 - Wastewater Tertiary	3,742,365	(1,548,459)	2,193,906
Combined Fund Balance >>>	4,908,906	(2,715,000)	2,193,906

Electric Funds

<u>Electric Funds</u>	<u>Available balance @ 6/30/2013</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2014</u>
670 - Operations	6,493,469	403,244	6,896,713
672 - Rate Stability	5,995,907	-	5,995,907
673 - Electric Improvement	6,890,545	(682,000)	6,208,545
674 - Electric Bond Project Fund	8,612,151	(1,430,000)	7,182,151
675 - Public Benefit Fund	175,870	5,457	181,327
678 - Electric Debt Service Fund	387,611		387,611
Combined Fund Balance >>>	28,555,553	(1,703,299)	26,852,254

Personnel Changes - Citywide

Authorized positions for FY13	177.18
Less: Contract Fire positions	(17.00)
Authorized City positions	<u>160.18</u>
During FY13: reclassifications (3)	-
FT - Officer positions eliminated	(4.00)
FT - Reclassifications (Community Services/Transit)	2.00
FT - Additions (Transit)	2.00
PT - Reclassifications, additions, reductions	(1.16)
All authorized positions for FY14	<u>159.02</u>

(includes part time and elected positions)

Personnel Changes by Fund

General Fund	Full time	(2.65)
	Part time	<u>0.07</u>
		<u>(2.58)</u>
Transit	Full time	2.65
	Part time	<u>(1.71)</u>
		<u>0.94</u>
Electric	Full time	-
Utility Billing	Part time	0.48
		Net Changes in Positions (1.16)

Capital Improvement Program

- ◎ New addition to budget document
- ◎ Five year plan FY13/14 to FY17/18
- ◎ Program includes:
 - Projects in progress
 - Projects from Plans reported to other agencies.
For Example:
 - Measure A
 - Transit
 - Airport
 - Projects from other planning tools
 - Master Plans
 - Studies

Capital Improvement Program – Funding Summary

Project to date (as of May)	\$ 6,132,803
Budget Carryforward (as of May)	\$ 13,313,472
FY14	\$ 9,378,500
FY15	\$ 12,497,000
FY16	\$ 30,178,000
FY17	\$ 985,500
FY18	\$ 1,042,500
Total Capital Improvement Program	\$ 73,527,775

Supplemental Information

- ◎ Gann Limit
- ◎ Budget and Fiscal Policies
- ◎ Description of Funds
- ◎ Glossary of Terms
- ◎ Acronyms

Concluding thoughts

- ◎ Departments containing costs
- ◎ Employee groups participated in solution
- ◎ Budget relies on continuing improvements in economy
- ◎ Future Challenges:
 - PERS rates continuing to increase
 - TOT – sunset in November 2014

Department highlights & services

Council/Manager/Clerk

- Council
 - Policy
 - Committees
 - Lobby for funds
- Manager
 - Oversight City operations
 - Quarterly newsletter
- Clerk
 - Elections
 - Keeper of the Records

Administrative Services

- ◎ Fiscal Services
 - Accounting, payroll, accounts receivable, accounts payable, purchasing, business licenses
 - Audits, budget, compliance reporting
- ◎ Human Resources
 - Recruitments, benefits, employee relations, negotiations, risk management, wellness program, training, compliance reporting
- ◎ Technology
 - TV, maintenance -- workstation, software, and network, projects
- ◎ Utility Billing
 - Billing -- Wastewater, Water, Electric, and Refuse, Cashiering for citywide transactions

Community Services

- ◎ Recreation
 - Sports leagues and Leisure Classes
 - Aquatics
 - Facility Rentals
 - Special events
- ◎ Senior services
 - Classes, Activities & Special Events
 - Referral agency for legal, medical & financial assistance
 - "Fill the Cupboard" food program
- ◎ Transit
 - Bus services
 - Dial a ride

Community Development

- General Plan –
 - Blueprint for the development of the City
- Zoning –
 - Regulations of uses of land and building in the City for residential, commercial, and industrial.
 - California Environmental Quality Act (CEQA)
- Building Code –
 - Specific standards regarding building constructions to make sure that it is safe for people to occupy including when earthquake happens.
- Code Enforcement –
 - Enforce Municipal & Zoning Codes

Economic Development

- ***Business Retention & Attraction***
 - Working with our Existing Companies
 - Recruiting New Companies (Talking with Brokers, Investors, Developers, Tenants, and Business Owners)
- ***Workforce Development***
 - Helping Local Businesses with their Workforce Needs
 - Helping Local Job Seekers to Find Work
- ***Encouraging Public-Private Partnerships***
 - Bridging Conversations Between Local Property Owners & Potential Investors
 - Eliminating Under-Developed & Blighted Properties
- ***Marketing & Branding***
 - Highlighting Banning as a Place to Do Business
 - Increasing the Awareness of our Development Activities & Opportunities
- ***Former RDA Related Responsibilities***
 - Overseeing the Banning Oversight Board & Related State Mandates

Electric

- ◎ Customer Service
- ◎ Capital Projects
 - Past
 - Present
 - Future
- ◎ Regulatory Mandates

Police

- ◎ Services
 - Patrol
 - Dispatch
 - Investigations
 - Records
- ◎ Community Outreach

Public Works/ Utilities

- Airport
- Street & Park Maintenance
- Sewer Collections
- Engineering And Capital Improvements
- Water, Recycled, Imported, Waste Water
- Refuse

End of Presentation

- Request for adoption of budget will be presented during the regular Council meeting

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/25/13
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 June 25, 2013 at 4:25 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
Duane Burk, Public Works Director
Bill Manis, Economic Development Director
Marie A. Calderon, City Clerk

CLOSED SESSION

City Attorney said the closed session items are one matter of potential litigation pursuant to the provisions of Government Code Section 54956.9; and real property negotiations pursuant to the provisions of Government Code Section 54956.8 concerning the property at 42 W. Ramsey St., and 1901 W. Wilson. City Attorney said that the Council would need to add to the agenda the Fields litigation matter because due to recent events staff would like to give a report so the Council would find the need to take action arose subsequent to the posting of the agenda.

Motion Botts/Miller to add the Fields litigation matter to the agenda because the need to take action arose subsequent to the posting of the agenda. Motion carried, all in favor.

Mayor Franklin opened the item for public comments. There were none. Meeting went into closed session at 4:37 p.m. and reconvened at 5:04 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:04 p.m.

Marie A. Calderon, City Clerk

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/25/2013
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Franklin on June 25, 2013 at 5:10 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
John McQuown, City Treasurer
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
Heidi Meraz, Community Services Director
Phillip Holder, Police Lieutenant
Jessica Hicks, Office Specialist
Marie A. Calderon, City Clerk

The invocation was given by Pastor David Marshall Kealy. Councilmember Miller led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSE SESSION

City Attorney stated that the City Council discussed in closed session one matter involving real property negotiations on the property located at 42 W. Ramsey, a status report was given and no action was taken. They discussed the property on 1901 W. Wilson, a status report was given and no action was taken. There was a matter added involving the Fields vs. City of Banning litigation, a status report was given and no action was taken.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS/ANNOUNCEMENTS

PUBLIC COMMENTS – On Items Not on the Agenda

David Marshall Kealy, Banning resident, updated the public that this is the 23rd year that the Sun Lakes Community has held Charity Week. It started yesterday, June 24th and will continue

till Sunday, June 30th. He reported about the success of the charity. He provided a program book to the City Council, City Manager and the City Clerk. He praised the Sun Lakes residents in their participation.

Barbara Hanna, Banning resident and member of the Centennial Committee, said the committee is pleased to have the back page of the Sun Lakes Charity Week Program. She invited everyone in the community to come to the 100th Birthday Party and Fireworks Show on July 6th. She said the event is free and probably the biggest event that the committee is putting on. It will be a full day of events, starting at 7:00 a.m. with a pancake breakfast by Fire Memories. There will be free swim sessions, a basketball shoot out, a family funfest and live entertainment. There will also be a birthday cake and a fireworks show.

CORRESPONDENCE – There was none.

PRESENTATIONS:

1. Employee Recognition
(Staff Report – Councilmember Welch)

Mayor Franklin announced that a presentation was being added to the agenda.

Councilmember Welch recognized Zai Abu Bakar, Director of Community Development, on behalf of the Western Region Council of Governments (WRCOG) for her outstanding job throughout the year in relation to WRCOG. He explained what WRCOG is and the officials that make up the committee. He said only a few people are recognized each year and he read the inscription: “WRCOG salutes you for your outstanding leadership as WRCOG PD Tech Chair (Planning Directors Technical Advisory Committee), Zai Abu Bakar”.

Director Abu Bakar said thank you for allowing her to be the Chair of that department and thank you to the executive team for their support.

CONSENT ITEMS

Consent Items 2 & 3 were pulled by the City Council for discussion.

1. Approval of Minutes – Regular Meeting – 06/11/13

Recommendation: That the minutes of regular meeting of June 11, 2013 be approved.

4. Resolution No. 2013-71, Approving the First Amendment to the National Pollutant Discharge Elimination System (NPDES) Storm Water Discharge Permit Implementation Agreement

Recommendation: That the City Council adopt Resolution No. 2013-71.

Motion Welch/Miller to approve Consent Items 1 & 4. Mayor Franklin opened the item for public comments. There were none. **Motion carried, all in favor.**

2. Resolution No. 2013-29, Approving a Memorandum of Understanding (MOU) between the City of Banning and the San Bernardino Public Employees Association (SBPEA) (Staff Report – June Overholt, Administrative Services Director)

Director Overholt addressed the Council and said this is the final MOU that has been a part of what's been negotiated during the last budget cycle and cycle of negotiations. The concepts have been presented in past meetings and this is a formal MOU presented tonight. She named some of the key changes in the MOU. She said the MOU's are available to be viewed on the city's website.

Councilmember Miller said he understands a lot of work went into preparing this contract but he disagrees with the fact that various people in this union are entitled to take home cars. He expressed the reason for his concern on take home cars. He requested a motion that the statement regarding various people entitled to take home cars be removed from the contract.

City Attorney said the concern now is that to bring up this issue at the end of negotiations is potentially a topic of bad faith negotiations.

There was much discussion regarding the issue of take home cars and how to resolve this issue in the future.

Mayor Franklin stated that there are two motions presented:

- Motion #1 was made by Councilmember Miller to remove the take home cars portion of the MOU. She asked if there was a second to this motion. The motion failed; motion died for the lack of a second.
- Motion #2 was made by Councilmember Botts to approve the MOU as presented and it was seconded by Councilmember Welch.

Councilmember Miller said he respects Mr. Aleshire the Counsel for Council and he said to bring anything up at this point would be really negotiating in bad faith. He said that his motion has been rejected but he would have withdrawn it anyway. We all know that this is something that will be brought to the table in the discussions and negotiations for next year.

Motion Botts/Welch to approve Consent Item No. 2, adopting Resolution No. 2013-29, Approving a Memorandum of Understanding (MOU) between the City of Banning and the San Bernardino Public Employees Association (SBPEA). Mayor Franklin opened the item for public comments. There were none. **Motion carried, all in favor.**

3. Resolution No. 2013-66, Approving the Purchase Agreement with Johnson Power Systems Company of Riverside, California, for the Purchase of an Emergency Generator for the Community Center.
(Staff Report – Duane Burk, Public Works Director)

Director Burk addressed the Council giving the staff report and requested approval of Resolution No. 2013-66.

Councilmember Peterson asked about where certain costs in the contract were being allocated.

Director Burk referred to his slideshow ("Exhibit A") to show where the costs are being allocated. He explained the Community Center is used as a cooling center and American Red Cross emergency shelter and that the current generator we have now doesn't meet the standards for what it is designated for. South Coast Air Quality Management District (SCAQMD) inspected the generator and confirmed it does not meet compliance. He talked about other options and why purchasing a new generator is the best solution. He explained why it was not taken out to bid.

Councilmember Miller explained his reasons as to why he felt there was no need to purchase a new generator and that other options need to be explored.

Heidi Meraz, Community Services Director, addressed the Council and explained that the community center is designated as a cooling center and is regularly utilized.

Motion Botts/Peterson to approve Consent Item No. 3, adopting Resolution No. 2013-66, Approving the Purchase Agreement with Johnson Power Systems Company of Riverside, California, for the Purchase of an Emergency Generator for the Community Center. Mayor Franklin opened the item for public comments. There were none. **Motion carried with Councilmember Miller voting no.**

Mayor Franklin recessed the Regular City Council Meeting and called to order a Joint Meeting of the Banning City Council and the Banning Utility Authority.

CONSENT ITEMS

Consent Item 3 was pulled by the City Council for discussion.

1. Resolution No. 2013-12 UA, Awarding the Construction Contract for Project No. 2013-01 WW, Florida Street Sewer Main Replacement and Rejecting all Other Bids.

Recommendation: That the Utility Authority adopt Resolution No. 2013-12 UA, Awarding the Construction Contract for Project No. 2013-01 WW, "Florida Street Sewer Main Replacement" to Tri-Star Contracting II, Inc. of Calimesa, California for an amount of \$82,688.04 and allowing a 10% contingency of \$8,268.80; and Authorizing the Administrative Services Director to approve change orders within the 10% contingency of \$8,268.80.

2. Resolution No. 2013-13 UA, Approving the Agreement with Beaumont Cherry Valley Water District for the Joint Utilization of the Noble Creek Recharge Facility.

Recommendation: That the Utility Authority adopt Resolution No. 2013-13 UA "Approving the Agreement with Beaumont Cherry Valley Water District for the Joint Utilization of the Noble Creek Recharge Facility"; and Authorize the City Manager to execute this agreement and future authority to modify spreading agreement with Beaumont Cherry Valley Water District.

4. Watermaster Services Account – Receive and File

Recommendation: The Banning Utility Authority receive and file report on account activity for the Watermaster Services Account.

Motion Welch/Botts to approve Consent Items 1, 2 & 4. Chairman Franklin opened the item for public comments. There were none. **Motion carried, all in favor.**

3. Resolution No. 2013-14 UA, Approving an Agreement with Layne Christensen Company of Fontana, California, for the Emergency Repairs to Water Well No. C-6. (Staff Report – Duane Burk, Director of Public Works)

Director Burk addressed the Council requesting the approval of Resolution No. 2013-14 UA.

Councilmember Miller asked why this is such an emergency that we can't get three bids.

Director Burk said Layne Christensen Company specializes in water well restoration and the repairs that need to be done are extensive and unique. He explained why his department chose Layne Christensen and the reasons why the repairs are considered to be an emergency. He referred to his slideshow ("Exhibit B") to show the damage done to the pump and the repairs that need to be made.

There was much discussion regarding how long the pump has been out of order and what the ramifications are if the pump is not repaired quickly.

Director Burk said in the summertime when water demand goes up this well is used regularly.

Mayor Franklin asked if the repairs are a part of the contract. Director Burk said no the repairs are not but the removal and diagnosis is a part of the contract. He explained the issues involved with using a different company and expressed his confidence in Layne Christensen being the most reputable company.

Motion Botts/Welch to approve Consent Item 3, adopting Resolution No. 2013-14 UA, Approving an Agreement with Layne Christensen Company of Fontana, California, for the Emergency Repairs to Water Well No. C-6. Chairman Franklin opened the item for public comments. There were none. **Motion carried with Councilmember Peterson voting no.**

Chairman Franklin recessed the Joint Meeting of the Banning City Council and the Banning Utility Authority and called to order a Joint Meeting of the Banning City Council and the Banning City Council sitting in its capacity of a Successor Agency and Banning Utility Authority.

REPORTS OF OFFICERS

1. Adoption of Resolution to the Revised Budget Plan for Fiscal Year 2013-14 for the City of Banning, Banning Utility Authority, and Successor Agency; Adoption of the GANN Limit, and the Classification and Compensation Plan Amendments. (Staff Report – June Overholt, Administrative Services Director)

Director Overholt addressed the Council and gave a brief update of the workshop that took place earlier today regarding the budget for Fiscal Year 2013-14. She explained that the budget being presented is a revision of the second year of the 2013-2014 two-year budget. The budget originally presented showed a deficit, but the revised budget shows a balanced budget at the end of the year. She gave an overview of the budget, focusing mostly on the General Fund, explaining the process, the documentation and the revisions made to the budget. She referred to her slideshow ("Exhibit C") to show the details of the budget. She requested that the revised budget be adopted by the City Council, the Utility Authority and the Successor Agency as well as approve the GANN Limit and the changes to the class and comp plan.

Councilmember Miller inquired about the Successor Agency's large budget difference. Director Overholt explained the reasons for the budget difference related to the Successor Agency.

Director Overholt read the recommendations for adoption:

- That the City Council adopt Resolution No. 2012-60, Adopting the Annual Budget for the Fiscal Period July 1, 2013 through June 30, 2014, Adopting the Five Year Capital Improvement Program, and Making Appropriations to Meet Expenses Approved Therein, Approving Budgetary Policies and Recommendations.
- That the Banning Utility Authority adopt Resolution No. 2013-11 UA, Adopting the Revised Budget Plan for the Fiscal Period July 1, 2013 through June 30, 2014, Adopting the Five Year Capital Improvement Program, and Making Appropriations to Meet Expenses Approved Therein.
- That the Successor Agency Board adopt Resolution No. 2013-07 SA, Adopting the Revised Budget Plan for July 1, 2013 through June 30, 2014, Adopting the Five Year Capital Improvement Program, and Making Appropriations to Meet Expenses Approved Therein.
- That the City Council adopt Resolution No. 2012-61, Establishing an Appropriations Limit for the Fiscal Year 2013-14, Pursuant to Article XIIIIB of the California Constitution.
- That the City Council adopt Resolution No. 2013-64, Amending the Classification & Compensation Plan for the City of Banning.
- That the City Council adopt Resolution No. 2013-67, Amending the Classification and Compensation Policy for Part-Time Employees of the City of Banning.

Motion Welch/Miller to approve Resolution No.'s 2012-60, 2013-11 UA, 2013-07 SA, 2012-61, 2013-64, 2013-67, relating to the budget revisions for fiscal year 2013-2014. Mayor Franklin opened the item for public comments. There were none. **Motion carried, all in favor.**

Mayor Franklin announced that the budget is available to the public and can be reviewed on the City's website.

Mayor Franklin adjourned the Joint Meetings and reconvened the Regular City Council Meeting.

PUBLIC HEARING

1. Resolution No. 2013-63, Acceptance of 2013 Edward Byrne Memorial Justice Assistance Grant.
(Staff Report – Lt. Phil Holder, Banning Police Dept.)

Lt. Holder said the overtime usage for this grant will be used by officers working at the Banning Police Activities League (B.P.A.L.) on the weekends and other events throughout the year. He requested Council's approval to accept the grant.

Mayor Franklin asked how it is determined who gets the overtime. Lt. Holder said it is open to both sworn and non-sworn officers.

Motion Botts/Petersen to approve Resolution No. 2013-63.

Mayor Franklin opened the public hearing for comments from the public. Seeing none, she closed the public hearing.

Motion carried, all in favor.

2. Ordinance No. 1463, Regulating Cottage Food Operations/Homemade Food.
(Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar explained that the State passed a law allowing residents to prepare and package foods at home in their private kitchen. She explained this ordinance would amend the Municipal Code regulating the operations and put in place a Health and Safety Code to be followed. She requested that Council adopt Ordinance No. 1463.

There was much discussion regarding the concern about allowing these business practices to take place in residential areas. Director Abu Bakar and the City Attorney explained this is State mandated and the City must comply. They said the ordinance will allow the City to regulate the operations within the city limits.

There were many prospective regulation ideas brought up to fine-tune the ordinance.

Mayor Franklin opened the public hearing for comments from the public.

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

David Ellis, Planning Commissioner and Banning resident, expressed his concern regarding the new regulations on homemade food operations and suggested that the ordinance reflect stronger regulations to insure tranquility and peace in neighborhoods.

Marion Johnson, Banning resident, said she has experienced this type of business near her home and she has had problems with it. She wants strict control over these types of businesses in residential areas.

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

Councilmember Botts said he understands and agrees with the public comments and encourages them to direct their concerns to the legislature. He also said Sun Lakes and other retirement communities are not exempt from this.

There was some Council discussion and they suggested that the Ordinance have stricter guidelines on the business operations.

Director Abu Bakar suggested that the Ordinance be put into place and then brought back at a later date if issues arise.

There was Council consensus to change the ordinance to reflect the allowed business hours to be between 8:00AM to 5:00PM Monday thru Friday.

Mayor Franklin asked Director Abu Bakar to report back to the Council in about six months to address complaints and issues with the new business operations and discuss and possible changes that may need to be made to the Ordinance.

Motion Botts/Franklin to introduce Ordinance No. 1463. Motion carried with Councilmember Peterson voting no.

Mayor Franklin asked the City Clerk to read the title of Ordinance No. 1463. City Clerk read: An Ordinance of the City Council of the City of Banning, California, Regulating Cottage Food Operations/Homemade Food Operations and Incorporating by Reference Portions of the Government Code and Health and Safety Code.

Motion Botts/Welch to waive further reading of Ordinance No. 1463. Motion carried with Councilmember Miller voting no.

Motion Botts/Franklin that Ordinance No. 1463 pass its first reading. Motion carried, all in favor.

REPORT OF OFFICERS

1. Crime Report – Oral Presentation
(Staff Report – Lt. Phil Holder, Banning Police Dept.)

Lt. Holder updated the Council on a computer program that is available to the community. He showed the features and benefits of the program, as well as, how it aids the police department in cutting down on crime. The program can be accessed directly from the Banning Police Departments website.

Lt. Holder answered Council's questions on how to use features of the program. In regards to a question asked by Mayor Franklin in regards to cost he answered that it does cost money but we are getting a great deal on the program. The day the program goes live it will be announced in the press, on the City website and on Channel 10.

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

2. Adoption of Resolution No. 2013-68, Supporting the Re-designation of Riverside County as a Recycling Market Development Zone Due to An Increase in Boundaries and Adoption of an Initial Study and Negative Declaration.
(Staff Report – Bill Manis, Economic Development Director)

Director Manis said the resolution is a request by the County to adopt an expansion of the Recycling Market Development Zone (RMDZs) from 8 cities to all 28 cities. The intent of the program is to encourage California based recycling businesses to identify new manufacturing facilities and to expand recycling businesses. He talked about the benefits and incentives for the program and said city staff supports the program.

Motion Welch/Miller to approve Resolution No. 2013-68. Mayor Franklin opened the item for public comments. There were none. **Motion carried, all in favor.**

3. Ordinance No. 1465, An Ordinance of the City Council of the City of Banning to Amend Section 3.21 of the Banning Municipal Code Regarding Warrants.
(Staff Report – June Overholt, Administrative Services Director)

Director Overholt gave the staff report as contained in the agenda packet. She gave a brief background of amendments made to the Municipal Code in the past and explained the changes requested tonight to better the language in the code and stated that the process does not change.

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

Mayor Franklin asked the City Clerk to read the title of Ordinance No. 1465. City Clerk read: Ordinance No. 1465, an Ordinance of the City Council of the City of Banning, California, Amending Section 3.21 “Warrants”, to the Banning Municipal Code.

Motion Peterson/Miller to waive further reading of Ordinance No. 1465. Motion carried, all in favor.

Motion Botts/Peterson that Ordinance No. 1464 pass its first reading. Motion carried, all in favor.

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

City Council –

Councilmember Welch –

- Reminded the community of the Whiskerino shave off contest on July 5th at Gilman Ranch and they are also having a Hatterino contest for the ladies. He explained the details of the event and said it is going to be a lot of fun. He said there is BBQ planned and games for the kids.

Mayor Franklin –

- The Mayor and City Manager went to the County Board of Supervisors meeting this morning and they approved the Smith Facility Subvention Agreement.

Report by City Manager –

- Announced the donation of Quonset Huts from the City to March Air Force Base.
- We are finishing Phase 1 of the Downtown Undergrounding Project.
- July 2nd from 11:30 a.m.-1:00 p.m. is the employee's lunch at Repplier Park and Council is invited.
- July 16th at 3:00 p.m. there will be a Special Joint Council Meeting to go over the Brown Act for the City Council, Planning Commissioners and Parks & Recreation Commissioners.
- We are looking into a new phone system and other ways to better the current phone system.

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
4. Giving City Manager authority to write letters to the State Legislature regarding urgency matters

ADJOURNMENT

By common consent the meeting adjourned at 7:14 p.m.

Prepared By:

Jessica Hicks, Deputy City Clerk

Approved By:

Marie A. Calderon, City Clerk

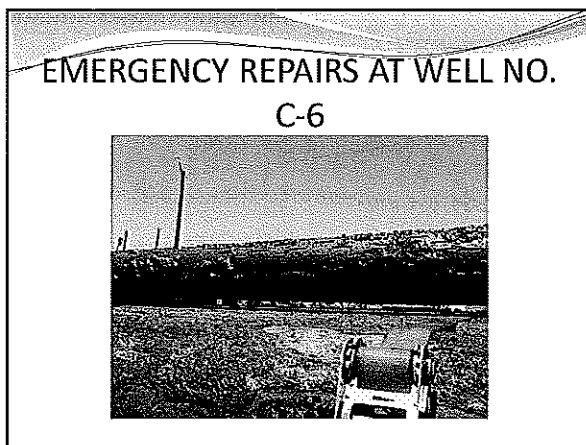
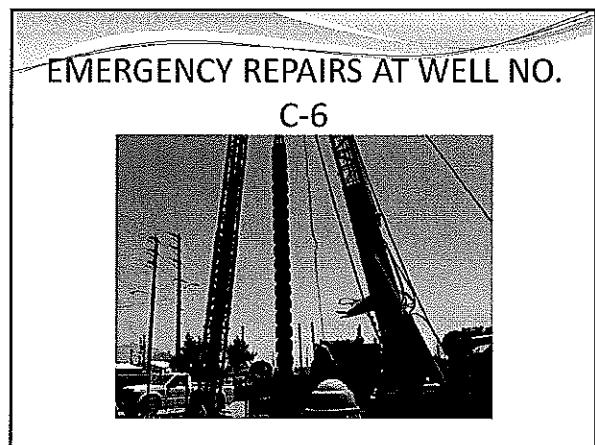
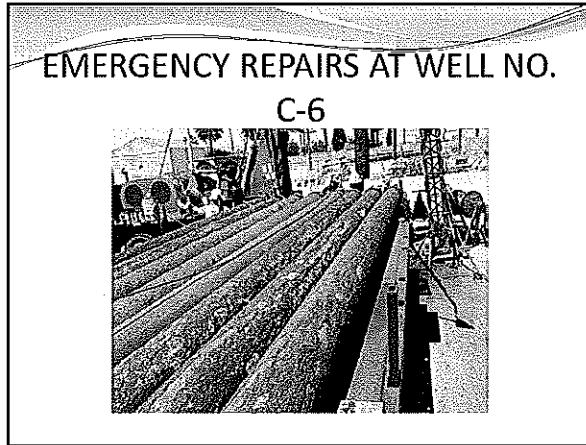
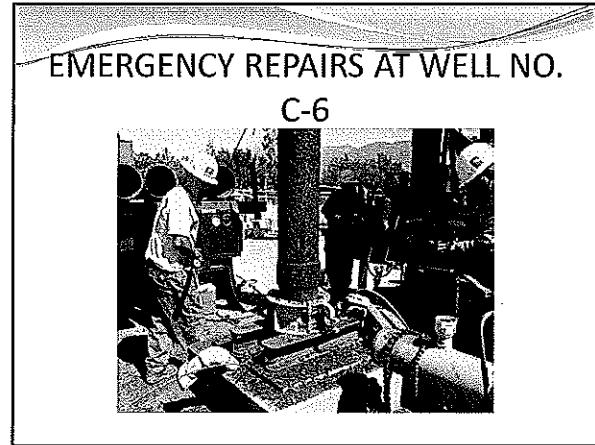
THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

Emergency Generator at the Community Center

ITEM/TASK	COST
60 KW Caterpillar Standby Diesel Generator	\$29,400.00
Diesel Particulate Filter (DPF)	\$14,000.00
Emission Consultant and Southern California Air Quality Management District (SCAQMD) Permit Fees	\$9,000.00
TOTAL	\$52,400.00

Emergency Generator at the Community Center

- SCAQMD inspected the existing generator and determined that it was not in compliance with AQMD emission requirements.
- AQMD Rule 1470 states:
 - All generators within 100 meters (328 feet) of a school cannot exceed a Particulate Matter (PM) emission rate of 0.01 g/bhp-hr.
- The existing generator is approximately 150 feet from the Nicolet Middle School property line.
- The proposed generator has a PM emission rate of 0.028 g/bhp-hr.
 - A diesel particulate filter (DPF) is required to meet the 0.01 g/bhp-hr.
- The existing generator's PM emission rate is too high to be brought down into compliance using a DPF.



EMERGENCY REPAIRS AT WELL NO.

C-6



Citywide Overview

Funds	Actual 2010/2011	Actual 2011/2012	Revised Adopted Budget 2012/2013	Revised 2013/2014
General Fund	12,936,253	15,380,353	13,600,883	13,354,930
Special Revenue	7,700,717	5,275,924	5,266,122	3,049,742
Capital Improvement	773,951	1,385,309	2,336,189	80,000
Banning Utility Authority	14,240,027	13,696,880	19,129,618	23,268,250
Enterprise	43,352,426	41,053,403	46,646,420	40,040,976
Internal Service	4,667,778	6,804,011	5,497,369	5,590,432
Successor Agency	11,101,889	9,243,125	9,914,777	7,167,029
Total	94,833,041	92,839,007	102,391,378	92,551,359

Personnel Changes by Fund

General Fund	Full time	(2.65)
	Part time	0.07
		(2.58)
Transit	Full time	2.65
	Part time	(1.71)
		0.94
Electric	Full time	-
Utility Billing	Part time	0.48
	Net Changes in Positions	(1.16)

Capital Improvement Program

- New addition to budget document
- Five year plan FY13/14 to FY17/18
- Program includes:
 - Projects in progress
 - Projects from Plans reported to other agencies. For Example:
 - Measure A
 - Transit
 - Airport
 - Projects from other planning tools
 - Master Plans
 - Studies

Recommendation

- Approve the resolutions approving the estimated revenues, appropriations and position control for the Fiscal Year 2013/2014 budget for the City of Banning, Banning Utility Authority and Successor Agency
- Approve the GANN limit
- Approve changes to Class and Comp plan

General Fund – Revised Budget FY14

- Balanced budget
 - Revenues \$13,354,930
 - Expenditures \$13,354,930
- Balancing included –
 - Improved revenues
 - Expenditures reduced

GF – Revenues FY14

Description	Actual 2010/2011	Actual 2011/2012	Revised Adopted Budget 2012/2013	Revised 2013/2014
General Fund Revenues By Category				
Taxes				
Property Taxes	3,852,014	3,681,435	3,788,444	3,873,499
Sales & Use Taxes	2,130,506	2,324,025	2,719,426	2,724,915
Franchise Taxes	800,346	819,203	835,000	826,000
TOT Tax	506,074	586,083	550,000	590,000
Other Taxes	407,087	333,202	303,435	373,485
Subtotal Taxes	7,596,027	7,743,948	8,196,305	8,387,899
Other revenues	6,003,464	5,153,573	6,242,782	4,967,031
Total	13,699,491	12,897,523	14,539,087	13,354,930

GF – Expenditures by Category

Category	Actual 2010/2011	Actual 2011/2012	Revised Adopted Budget 2012/2013	Revised 2013/2014	%
Employee Services	7,922,030	7,978,043	8,084,098	8,062,377	60%
Services and Supplies	3,543,088	4,090,884	3,750,821	3,868,558	29%
Capital	390,443	271,465	398,235	56,730	0%
City Hall Lease	317,105	259,437	269,951	269,951	2%
Interfund Support	823,587	2,780,526	1,097,778	1,097,314	8%
Total	12,990,253	15,380,355	13,600,883	13,354,930	

*Note: Contracted Fire Services are approximately \$2.5M per year and are included in Services and Supplies.

General Fund Reserves

Projected FY14 ending balance \$2,962,573

Note:

- Based on FY13 midyear estimates
- Actual reserves will be updated during audit
- Policy goal is 25% of operating budget
- Currently at 22% of goal
- Future goal is to increase reserves %

City of Banning Budget Presentation

June 25, 2013



Agenda

- General Fund overview
- Other Funds overview
- Recommendation

Budget Process

- Department submittals
- City Manager review and direction
- Finance review and compilations
- Workshop
- Budget includes...
 - Conservative estimates
 - Revenues – estimates based on trends and/or external information
 - Expenditures – estimates based on trends, savings, or new requests

Budget Document

- Budget Message
- Fund Summaries – All funds
 - Tables & Graphs
- General Fund
 - Overview, Tables and graphs
- Personnel – position control
- Capital Improvement Program
- Supplemental Information
 - Policies, Gann limit, fund descriptions

CITY COUNCIL AGENDA

Date: **July 9, 2013**

TO: **City Council**

FROM: **June Overholt, Administrative Services Director**

SUBJECT: **Approval of Accounts Payable and Payroll Warrants for Month of April 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 April 2013.

The reports are:

Expenditure approval lists

April 4, 2013	444,483.31
April 10, 2013	177,166.99
April 18, 2013	703,879.16
April 25, 2013	485,928.25
June 24, 2013	4,454,971.59 (April Month End)

Payroll check registers

April 5, 2013	3,989.05
April 19, 2013	4,004.54

Payroll direct deposits*

April 5, 2013	259,249.35
April 19, 2013	289,979.80

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

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

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

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CITY COUNCIL AGENDA

Date: **July 9, 2013**

TO: **City Council**

FROM: **June Overholt, Administrative Services Director**

SUBJECT: **Approval of Accounts Payable and Payroll Warrants for Month of May 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 May 2013.

The reports are:

Expenditure approval lists

May 2, 2013	520,577.29
May 9, 2013	94,335.73
May 16, 2013	220,661.86
May 23, 2013	236,518.02
May 30, 2013	355,398.93

June 24, 2013	4,325,920.39 (May Month End)
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Payroll check registers

May 3, 2013	4,974.66
May 17, 2013	4,220.45
May 31, 2013	4,205.64

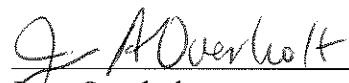
Payroll direct deposits*

May 3, 2013	296,871.50
May 17, 2013	262,844.23
May 31, 2013	275,834.31

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.

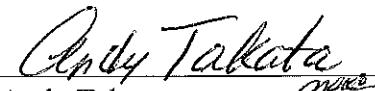
Report Prepared by: Jenna Harrell, Accounts Payable

RECOMMENDED BY:



June Overholt
Administrative Services Director

APPROVED BY:



Andy Takata
City Manager

CITY of BANNING

Fund/Department Legend

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662 – Irrigation Water Fund
663 – BUA Water Capital Project Fund
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675 – Public Benefit Fund
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190 – Housing Authority Fund
200 – Special Donation Fund
201 – Sr. Center Activities Fund
202 – Animal Control Reserve Fund
203 – Police Volunteer Fund

CITY COUNCIL AGENDA

Date: **July 09, 2013**

TO: **City Council**

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

SUBJECT: **Report of Investments for May 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 May 2013. As of May 31, 2013, the City's operating funds totaled \$67,542,869. Included in Successor Agency operating funds is \$764,200 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

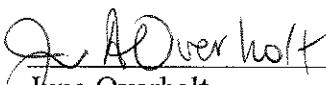
As of May 31, 2013 approximately 45% of the City's unrestricted cash balances were invested in investments other than LAIF.

The May Investment Report includes the following documents:

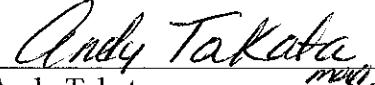
- Summary Schedule of Cash and Investments
- Operational Portfolio Individual Investments
- Individual Investments with Fiscal Agent
- Investment Report Supplemental Information – updated

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) decreased to 0.245% in May. The average rate for all investments in May was 0.193%.

RECOMMENDED BY:


June Overolt
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**

	Rate	Amount
Wells Fargo Bank	0.000%	3,559,514
Bank of America-Airport	0.300%	3,079
Bank of America-Parking Citations	0.300%	3,149
Bank of America-CNG Station	0.300%	<u>3,334</u>

*Money Market and Bank Account Sub-Total*3,569,076**Government Pools**

Account #1 Operating Amount	36,401,582
Account #1 CRA Bond Cash Bal.	764,200
Local Agency Investment Fund: Account #1	0.245% 37,165,782
Account #2 Successor Agency Cash Bal	0
Local Agency Investment Fund: Account #2	0.245% <u>0</u>

*Government Pool Sub-Total*37,165,782**Operating Cash Balance****40,737,664****Restricted Operating Funds at Riverside Public Utilities**

Highmark U.S. Government Money Market Fund	0.000%	1,105,562
--	--------	------------------

Other Investments

Investments-US Bank/Piper Jaffray - See Page 2	0.145%	25,699,643
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*Operating Funds Total*67,542,869**Fiscal Agent**

US Bank

Amount37,528,255*Fiscal Agent Total*37,528,255

City of Banning Investment Report

May 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
<u>Bank Accounts</u>								
3,559,514	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	3,559,514	n/a	3,559,514
	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	-	n/a	-
3,079	Bank of America-Airport	n/a	0.30%	daily	varies	3,079	n/a	3,079
3,149	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,149	n/a	3,149
3,334	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,334	n/a	3,334
	Sub-total							3,569,076
<u>Government Pools</u>								
37,165,782	L.A.I.F. account #1	n/a	0.245%	daily	varies	37,165,782	n/a	37,165,782
0	L.A.I.F. account #2	n/a	0.245%	daily	varies	0	n/a	0
								37,165,782
<u>Investments-US Bank/Piper Jaffray</u>								
2,000,000	FNMA MTN	n/a	0.550%	12/4/2014	6/27/2012	2,000,000		2,000,020
2,000,000	Federal Home Loan Bks	n/a	0.375%	7/30/2015	1/30/2013	2,000,000		1,998,500
3,000,000	Federal Home Loan Bks	n/a	0.500%	4/11/2016	4/11/2013	3,000,000		2,993,880
18,707,243	Money Market	n/a	0.020%	daily	varies	18,707,243	0	18,707,243
	US Bank/Piper Jaffray Average Rate=		0.145%					
								25,699,643

Average Rate All= 0.193%

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 88 days and does not include Bond Reserve Fund Investments.

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City of Banning Investment Report

May 31, 2013

Individual Investments with Fiscal Agent

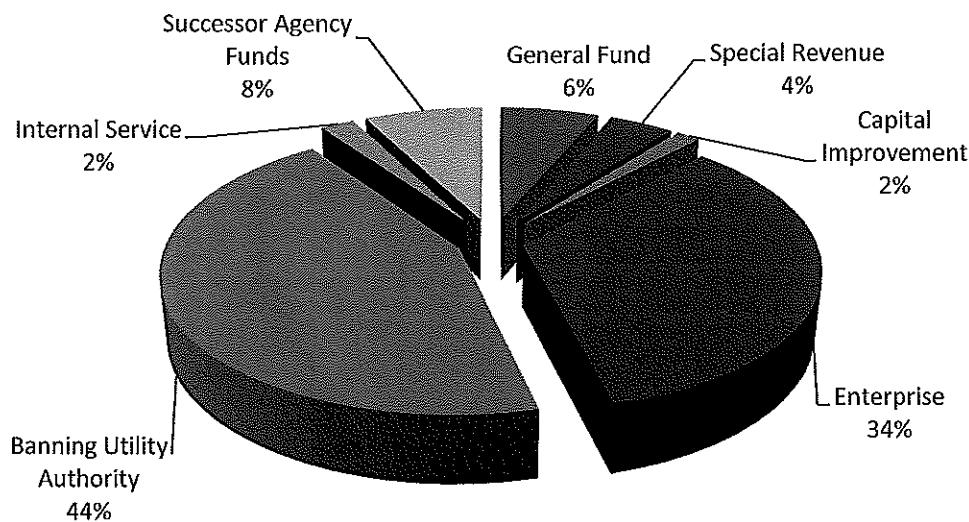
BOND TRUSTEE	Bond Maturity Date	Bond Issue Description	Investment Description	Current Yield	Bond Reserve	Minimum Reserve Requirement	Interest May-13	5/31/2013 Market Value
COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A								
2005 Fair Oaks Ranch Estates 2035 US Bank Mmkt 5-Ct								
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003								
2003 CRA Tax Allocation Bonds 2028 US Treasury Bill								
US Bank Mmkt 5-Ct								
US Bank Mmkt 5-Ct								
US Bank Mmkt 5-Ct								
Surplus Fund								
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007								
Redevelop Fund 2037 US Bank Mmkt 5-Ct								
Reserve Fund US Bank Mmkt 5-Ct								
Special Fund US Bank Mmkt 5-Ct								
Surplus Fund US Bank Mmkt 5-Ct								
BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES								
Interest Account US Bank Mmkt 5-Ct								
Principal Account US Bank Mmkt 5-Ct								
US Bank Mmkt 5-Ct								
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES								
Interest Account US Bank Mmkt 5-Ct								
Principal Account US Bank Mmkt 5-Ct								
Reserve Fund US Bank Mmkt 5-Ct								
Project Fund US Bank Mmkt 5-Ct								
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES								
Acquisition & Construction US Bank Mmkt 5-Ct								
US Bank Mmkt 5-Ct								
US Bank Mmkt 5-Ct								
*Paid Semi-Annually-Deposited into Money Mkt Account								
Total 1,151.98								
37,528.255								

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 nine month period of July to March 2013. *(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
 - There is currently no balance in this account.
 - Note: 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.

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 earnings 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.

2nd Read.

ORDINANCE NO. 1463

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA REGULATING COTTAGE FOOD OPERATIONS/HOMEMADE FOOD OPERATIONS AND INCORPORATING BY REFERENCE PORTIONS OF THE GOVERNMENT CODE AND HEALTH AND SAFETY CODE

WHEREAS, the state of California has recognized a growing movement to support community-based food production and to connect safe food to local communities, and has also determined a need to regulate “cottage food operators”, also known as “homemade food operators”; and

WHEREAS, the California legislature introduced Assembly Bill 1616 (AB 1616) on February 8, 2012 to facilitate small home-based food preparation businesses and specify criteria and other requirements for certifying such homemade food operators with local health departments; and

WHEREAS, Governor Brown signed AB 1616 into law on September 21, 2012, becoming the 33rd state in which to enact legislation to provide for cottage food operations; and

WHEREAS, AB 1616 became effective on January 1, 2013; and

WHEREAS, the provisions of AB 1616 expressly state that a cities and counties shall not prohibit cottage food operations in any residential dwelling; and

WHEREAS, AB 1616 allows local jurisdictions the ability to exercise local zoning controls and operational standards through the permit process; and

WHEREAS, the City of Banning desires to exercise local control over homemade food operators to the extent allowed under AB 1616; and

WHEREAS, the City Council has authority per Section 1.04.040 of the Municipal Code to approve, approve with modifications, or disapprove amendments to the code of the City of Banning; and

WHEREAS, on the 14th day of June , 2013, the City gave public notice by advertising in the Record Gazette newspaper of the holding of a public hearing at which the amendment to the code would be considered; and

WHEREAS, on the 25th day of June, 2013, the City Council held the noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to,

the proposed amendment, and at which time the City Council considered Ordinance No. 1463; and

WHEREAS, at this public hearing on the 25th day of June, 2013, the City Council considered and heard public comments on the proposed code amendment; and

WHEREAS, at this public hearing, the City Council has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines;

WHEREAS, the City Council has carefully considered all pertinent documents and the staff report offered in this case as presented at the public hearing held on the 25th day of June, 2013;

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

SECTION 1. Environmental.

The City Council, in light of the whole record before it, including but not limited to, the City's Local CEQA Guidelines, the recommendation of the Community Development Director as provided in the staff report dated June 25, 2013, and documents incorporated therein by reference, and any other evidence (within the meaning of Public Resources Code § 21080(e) and § 21082.2) within the record or provided at the public hearing of this matter, hereby finds and determines as follows:

1. California Environmental Quality Act (CEQA):

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

2. Multiple Species Habitat Conservation Plan (MSHCP):

The amendments to the municipal code do not relate to any one physical project and are not subject to the MSHCP. Furthermore, projects subject to this Ordinance and/or the Zoning Ordinance will trigger individual project analysis and documentation related to the

requirements of MSHCP including mitigation through payment of the MSHCP Mitigation Fee.

SECTION 2. Add Article V Cottage Food Operations to Title 8, Chapter 8.24 *Food Establishments and Facilities* of the Banning Municipal Code as follows:

Article V Cottage Food Operations

8.24.340. – Cottage Food Operator Permit.

A. Authority

On September 21, 2012, AB 1616, the “California Homemade Food Act,” was signed into law requiring cities and counties to allow homemade food operators by adding Chapter 6.1 (commencing with Section 51035) to Part 1 of Division 1 of Title 5 of the Government Code, and to amend Sections 109947, 110050, 110460, 111955, 113789, 115851, 114021, 114023, 114390, 114405, and 114409, to add Sections 113758 and 114088 to, and to add Chapter 11.5 (commencing with Section 114365) to Part 7 of Division 104 of the Health and Safety Code, relating to food safety. Such provisions, as amended by the State of California from time to time, are hereby incorporated by reference. Subject to the provisions under state law, and additional criteria established in this Section and Chapter 17.72 Home Occupation Permits, homemade food operators may apply for approval from the City of Banning Home Occupation Permit as provided for in Chapter 17.72 of the Zoning Ordinance.

B. Purpose

The purpose of this Section is to establish and regulate homemade food operators and to set local requirements in addition to those required under the California Homemade Food Act for businesses to be conducted in a home kitchen. Such homemade food operations shall be accessory to a residential land use where such a use will clearly not be disruptive or alter the character or the appearance of the neighborhood.

C. Definitions.

1. “Cottage Food Operation” and/or “Homemade Food Operation (HFO)” shall mean an enterprise with annual gross sales limits set forth under California Health and Safety Code Section 113758 (a), operated by a homemade food operator having no more than one full-time equivalent employee, conducted within a private home kitchen where the homemade food operator resides, and where homemade food products are prepared or packaged for direct, indirect, or direct and indirect sales pursuant to Section 113758 of the California Health and Safety Code. A homemade food operation may engage in the following sales activity subject to approval from the Health Department:

- a. Class A homemade food operations may engage only in direct sales of homemade food products from the homemade food operation or other direct sale venues such as temporary events. Door to door sales shall be prohibited.
 - b. Class B homemade food operators may engage in both direct and indirect sales of homemade food products such as a permitted third-party retail food facility.
2. "Cottage Food Operator" or "Homemade Food Operator" shall mean an individual who owns or operates a homemade food operation in his or her private home kitchen.
3. "Cottage Food Product" or "Homemade Food Product" shall mean non-potentially hazardous foods and food products that do not require refrigeration to prevent bacteria growth and as otherwise defined in Section 113871 of the California Health and Safety Code. Pursuant to Section 114365.5.(a) of the California Health and Safety Code, the Health Department shall adopt and post on its internet website a list of non-potentially hazardous foods that are approved for sale by a homemade food operation.
4. "Health Department" shall mean the Riverside County Department of Environmental Health.
5. "Private Home" shall mean any lawfully constructed single-family, multiple-family, factory built or manufactured dwelling units that are occupied and used by an individual(s) as a principal residence. Detached accessory buildings, including garages, carports, guest quarters, enclosed patios, second dwelling units, and storage sheds shall not be included as permitted areas for the purpose of this Chapter.
6. "Private Home Kitchen" shall mean the kitchen described and authorized in the permit or registration for the homemade food operation and will be used for the preparation, packaging, storing, or handling of homemade food products and related ingredients, equipment, and attached rooms within the house that are used exclusively for storage.

D. Permit and Business License required.

Dwelling units may be used for business purposes when a business license, in conformance with Chapter 17.72, and a home occupation permit have been issued. A home occupation permit shall be required for each business. If a business license for a homemade food operator is not renewed, the home occupation permit shall automatically expire with the business license. A fee for the processing of a home occupation permit may be established from time to time by resolution of the city council.

E. Issuance of Permit

The Community Development Director may, upon application, and payment of the required fee, issue a homemade food operator permit, with the conditions required in this Section and the Zoning Ordinance and any time limitations that are deemed necessary. The permit shall not be issued unless the Community Development Director is satisfied that the applicant will meet all the conditions listed in this Section and Chapter 17.72 of the Zoning Ordinance; and, the applicant has agreed in writing to comply with such conditions. The Community Development Director may require a hearing for homemade food operators which the director determines potentially may not meet the purposes of this Section. If a hearing is required it shall be in accordance with the requirements of Section 17.68 of the Zoning Ordinance.

F. Annual Renewal Fee Required

An annual fee for the renewal of a home occupation permit may be established by resolution of the city council. The purpose of the renewal fee is to recover the cost of staff time to notify the health department regarding the continued use of the homemade food operation, and to determine whether or not the operator remains in compliance with City regulations and standards.

G. Limitations on Homemade Food Operation Permit

A maximum of one homemade food operation permit shall be deemed active and approved at any time for each private home. If more than one permit has been issued for the same private home, only the most recently approved application shall be deemed to be active. All other prior applications shall be deemed void. Such limitation shall not preclude a resident from also obtaining a Home Occupation Permit pursuant to Chapter 17.72, for a non-food related home-based business.

H. Owner Authorization Required.

A non-owner occupant of a private home, e.g. tenant, shall provide an authorization statement from the owner of the property or the property management company indicating support for the proposed homemade food operation on their property. Such authorization shall include the name, address, telephone number, and other contact information of the owner or manager of the property. Failure to provide complete and accurate authorization information shall result in the denial or revocation of a home occupation permit.

I. Conflicting Provisions

In the event that the type of permit required for a proposed use under this Section differs from the permit authority allowed under California Assembly Bill 1616, the provisions of AB 1616 shall apply.

J. Exceptions

Homemade food operations shall not be permitted in any second unit, guest quarter or other accessory building in any zoning district.

K. Conditions

The Director shall review and decide upon all applications for cottage food operations, with the permit being granted if the cottage food operation complies with local ordinances prescribing reasonable standards, restrictions, and requirements concerning the following factors: spacing and concentration, traffic control, parking, and noise control relating to those homes. Any noise standards shall be consistent with local noise ordinances implementing the noise element of the general plan.

The following conditions shall be observed at all times by the holder of a home occupation permit for the purpose of homemade food operations. In order to meet the purposes of the zoning district, for public safety, and/or to meet the requirements of state and local laws, the director may require additional conditions.

1. A homemade food operation shall comply with all development standards for the zoning district in which the use is located, in addition to the requirements of this Section and Chapter 17.72 Home Occupation Permits.
2. A homemade food operation shall comply with all permitting and licensing requirements of the Riverside County Department of Environmental Health.
3. Signs or advertising shall not be displayed on the premises except for signing permitted under Chapter 17.36 Sign Regulations of the Zoning Ordinance.
4. No more than one (1) employee, assistant or volunteer other than the licensee shall participate in the HFO food preparation activities on the premises.
5. The homemade food operation, including inventory and supplies stored on the premises, shall be conducted wholly within the principal structure and shall not exceed 25 percent of the total floor area. The required garage space, or any other accessory structure shall not be utilized for homemade food operator purposes or storage. Required off street parking areas shall not be utilized for homemade food operators other than for parking, and shall not be considered as part of the total floor area.
6. Display(s) of any kind shall not be visible from the exterior of the premises. For the purposes of this condition, "displays" shall mean merchandise, food products, representations of merchandise and/or food products or other items related to homemade food operations, except to the extent a sign may be permitted in accordance with condition no. 3 above.
7. No mechanical or electrical apparatus, equipment or tools shall be permitted except those items which are commonly associated with residential use or are customary to

home kitchens. No motor other than electrically operated motors shall be used in connection therewith, and that the total horsepower of such motors shall not exceed one-half horsepower in all.

8. Pedestrian or vehicular traffic shall not be in excess of that customarily associated with the zoning district in which the use is located. Customer visits to a homemade food operator's home shall adhere to the following maximum standards:
 - a. Hours of operation are limited to between 8:00 a.m. and 5:00 p.m.
 - b. No more than two customers per visit
 - c. No more than four customer visits per hour
9. Except for homemade food products that have been prepared for sale in the private kitchen of a homemade food operator, no customer services or sales of goods, wares or merchandise shall be made on the premises.
10. There shall be conformity with fire, building, plumbing, electrical and health codes and with all state and local laws.
11. There shall be no demand for municipal or utility services or community facilities in excess of those usual and customary for residential use.
12. The residential character of the premises shall not be altered, nor shall the use unreasonably disturb the peace and quiet of the area, including alteration or disturbance relating to radio and television reception, color, design, materials, construction, lighting, sounds, noises, vibrations or vehicles.
13. The Community Development Director, in approving a homemade food operator permit, may impose any additional conditions as deemed necessary to carry out the intent of this Section.
14. If the municipal codes applicable to the premises are amended to prohibit such use, the homemade food operator permit shall be canceled within 90 days after notification.
15. No cottage food operation shall be approved if: (i) the property line of the site of the proposed use is located within 300 feet and on the same street or the corner of a cross-street of the property line of any single family home where another cottage food operation is located; or (ii) if the proposed use is located within the same building of an apartment complex or other multi-family housing (i.e. condominiums or townhomes) where another cottage food operation exists.
16. The use or storage of any flammable, combustible or toxic materials in conjunction with a homemade food operation shall be limited to materials and quantities allowed for a residential use pursuant to applicable law.

17. A homemade food operation shall comply with all health and safety standards as set forth in Health & Safety Code section 114365. No homemade food operations shall be permitted when the same is objectionable due to noise, dust, smoke, odor, poisons, toxic substances, flammability, or other causes detrimental to the general health, safety and welfare of the community.

L. Grounds for revocation of permit.

Any homemade food operator permit shall be revoked by the Community Development Director upon violation of any requirements of this Chapter, Chapter 17.72 Home Occupation Permits, upon notification by the Health Department that the Class A or the Class B permit has been revoked, or upon failure to comply with any of the conditions or limitations of the permit, unless such violation is corrected within three days of the giving of written notice thereof. A permit may be revoked for repeated violation of the requirements of this Chapter, notwithstanding further notice.

M. Appeal of denial or revocation of permit.

A decision of the Community Development Director may be appealed to the planning commission as prescribed in Chapter 17.68 Hearings and Appeals.

SECTION 3. Section 8.24.010 *Purpose and intent* of the Banning Municipal Code is amended to read as follows:

“8.24.010 - Purpose and intent.

The county of Riverside shall administer all County regulations and standards related to the health and safety and sanitation of food facilities within the jurisdiction of the City of Banning. The City shall administer the laws set forth in this Article V Cottage Food Operations of this Chapter. Nothing in this Chapter shall be construed as waiving or limiting the application of local and state regulatory standards for the health, safety and sanitation of food facilities within the jurisdiction of the City of Banning.”

SECTION 4. Section 8.24.020 *Definitions* of the Banning Municipal Code is amended to read as follows:

“8.24.020 - Definitions.

As used in this Chapter:

“Community Development Director” means the Community Development Director for the City of Banning or the individual so designated by the City Manager for the City of Banning.

“Food establishment” means a food establishment as defined in the California Uniform Retail Food Facilities Law, Section 27520 of the California Health and Safety Code.

These are commonly referred to as restaurants, markets, delis or similar operations except as provided for in Article V Cottage Food Operations of this Chapter.

"Food facilities" means a food facility as defined in Section 27521 of the California Health and Safety Code except as provided for in Article V Cottage Food Operations of this Chapter. These are commonly referred to as wholesale food facilities, vehicles, vending machines, satellite food distribution facilities, open-air barbecues, certified farmers markets, stationary food preparation units and mobile food preparation units. This definition also includes commercial food establishments.

"Enforcement officer" means the director of the Riverside County department of environmental health services and his or her duly authorized environmental health specialists.

"Food preparation" means food preparation as defined in Section 27522 of the California Health and Safety Code.

"Official inspection form" means the form provided by the Department of Environmental Health Services."

SECTION 5. Section 17.72.020 *Application procedures* of the Banning Municipal Code is amended to read as follows:

"Section 17.72.020 Application procedures.

- A. The conduct of a home occupation requires the approval of the Director who may establish conditions to further the intent of this Chapter. An application for a Home Occupation Permit shall be on a form prescribed by the Director and shall be filed with the Department pursuant to the Chapter 17.48 Applications and Fees of this Zoning Ordinance.
- B. A home occupation permit shall not be required for an in-home education activity, including but not limited to music lessons, academic tutoring, or religious instruction, provided that no more than 5 students are present at any one time, and the use complies with all of the operating standards of the Zoning Ordinance."

SECTION 6. SEVERABILITY.

If any section, subsection, sentence, clause, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Banning hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 7. PUBLICATION; EFFECTIVE DATE.

The City Clerk shall certify to the passage and adoption of this Ordinance, and shall make a minute of the passage and adoption thereof in the records of and the proceedings of the City Council at which the same is passed and adopted. This Ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) days after its final passage, the City Clerk shall cause it to be published in a newspaper of general circulation and shall post the same at City Hall, 99 E. Ramsey Street, Banning, California.

SECTION 8. SIX-MONTH REPORT TO COUNCIL.

Within six (6) months of this Ordinance becoming effective, the Director of Community Development is hereby directed to provide a report to the Planning Commission and then the City Council detailing (i) the number of cottage food operations that have opened in the City to the City's knowledge, and (ii) whether cottage food operations have generated community complaints or problems and, if so, the status of such disputes, and (iii) the methods and status of any enforcement measure taken by the City, if any, in regard to cottage food operations, and (iv) any other material developments in the operation of this ordinance.

PASSED, APPROVED, AND ADOPTED this 9th day of July, 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 Ordinance No. 1463 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 25th day of June, 2013, and was duly adopted at a regular meeting of said City Council on the 9th day of July, 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

2nd. Read.

ORDINANCE NO. 1465

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
BANNING, CALIFORNIA AMENDING SECTION 3.21 "WARRANTS"
TO THE BANNING MUNICIPAL CODE.**

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

Section 1. *Code Amendment.* Section 3.21 of the Banning Municipal Code is hereby amended as follows:

“Section 3.21 Warrants

3.21.010 Warrants

All disbursements except petty cash are made on warrants. A combined demand-warrant is employed and signed by use of check signature plates (or most current technology) to imprint signatures approved by resolution of the City Council.

Section 2. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance, it being expressly declared that this ordinance and each section, subsection, paragraph, sentence, clause and phrase thereof would have been adopted, irrespective of the fact that one or more other section, subsection, paragraph, sentence, clause or phrase be declared invalid or unconstitutional.

Section 3. The Mayor shall sign this ordinance and the City Clerk shall attest thereto and shall within fifteen (15) days of its adoption cause it, or a summary of it, to be published in a newspaper of general circulation in the city. Thereupon this ordinance shall take effect thirty (30) days after adoption and be in effect according to the law.

Section 4. This ordinance shall take effect and be in force thirty (30) days after the adoption by the City Council for the City of Banning.

PASSED, APPROVED AND ADOPTED, this 9th day of July, 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, do hereby certify that the foregoing Ordinance No. 1465 was duly introduced at a regular meeting of the City Council of the City of Banning, California, held on the 25th day of June, 2013, and was duly adopted at a regular meeting of said City Council held on the 9th day of July, 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: July 9, 2013

TO: Mayor and City Council Members

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

SUBJECT: Resolution 2013-72 "Authorizing Certain Municipal Officials to Make Deposits and Withdrawals."

RECOMMENDATION: The City Council adopt Resolution 2013-72 "Authorizing Certain Municipal Officials to Make Deposits and Withdrawals."

BACKGROUND: Resolution 1991-17 was adopted on February 12, 1991 listing the municipal officers allowed to deposit and withdraw to/from City accounts.

Ordinance No. 1445 was adopted on January 10, 2012. It superseded Resolution 1991-17.

On July 9, 2013 the City Council approved Ordinance No. 1465 which amended Section 3.21 of the Banning Municipal Code to allow for the authorization of officials to make deposits and withdrawals through resolution.

Resolution 2013-72 lists the authorized officials and revokes Resolution 1991-17.

DISCUSSION: The attached resolution 2013-72 lists the municipal officials allowed, upon approval, to make deposits and withdrawals to and from City accounts. It also revokes Resolution 1991-17, which was superseded by Ordinance No. 1445.

FISCAL DATA: No immediate fiscal impact occurs.

RECOMMENDED BY:


June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:


Andy Takata
City Manager

RESOLUTION NO. 2013-72

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA
AUTHORIZING CERTAIN MUNICIPAL OFFICIALS TO MAKE DEPOSITS AND
WITHDRAWALS**

WHEREAS, Section 3.21 of the Banning Municipal Code allows for the authorization of officials to make deposits and withdrawals through resolution; and

WHEREAS, the City Council now desires to adopt an amended and restated resolution of officials authorized to make deposits and withdrawals, which restates and replaces any and all pre-existing authorization resolutions, including but not limited to Council Resolution No. 1991-17;

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1: The persons holding the following offices of the City of Banning are authorized to make deposits and withdrawals to and from accounts which may, from time to time, be established for City purposes:

ELECTED OFFICIALS

- (1) Mayor
- (2) City Treasurer
- (3) City Clerk
- (4) Mayor Pro-Tem

APPOINTED OFFICIALS

- (1) City Manager
- (2) Administrative Services Director
- (3) Deputy City Manager
- (4) Finance Director

SECTION 2: Withdrawals hereby authorized shall bear the signatures of any two (2) of the above named officials; provided, however, that one of the signatures shall be that of a stated elected official and the other signature shall be that of a stated appointed official.

SECTION 3: The City Manager is hereby authorized on behalf of the City of Banning, to execute and to have executed such signature cards or other documents as required to show, from time to time, the true names and signatures of the persons holding such designated offices.

PASSED, APPROVED AND ADOPTED this 1 day of July 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. 2013-72 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the day of July, 2013, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

CITY COUNCIL AGENDA

Date: **July 9, 2013**

To: **City Council**

From: **Jeff Stowells, Fire Services Battalion Chief**

Subject: **Nuisance abatement charges to be added to the tax rolls of Riverside County, California.**

RECOMMENDATION: The City Council adopt Resolution No. 2013-65, a resolution providing for certain nuisance charges to be added to the tax rolls of Riverside County, California (Attachment "1").

JUSTIFICATION: The City has incurred costs in the process of abating certain nuisances; adoption of the subject Resolution provides for the collection of such costs. Presentation of such Resolution to the City Council is done on the annual basis and can be considered "standard operating procedure" for purposes of cost recovery.

BACKGROUND: The City Council adopted Ordinance No. 1326 (Attachment "2"); the Ordinance establishes the procedures for creating assessment liens: authorizing the County Board of Supervisors to levy and collect such charges. According to the terms of this Ordinance, and the procedures required by the Riverside County Auditor's office, it is necessary for the City Council to adopt a Resolution each year requesting the Board of Supervisors to place the liens on the tax rolls. Liens on all subject parcels have been previously recorded against the properties in the office of the County Recorder.

FISCAL DATA: The total amount of the assessment to be placed on the tax roll is \$74,261.05. The assessment will be placed on the Auditor-Controller's Tax Rolls in August of this year and collected with the ad valorem taxes and any other assessments against the properties. The City participates in the Teeter Plan, whereby the County will reimburse the City 100% of the \$74,261.05 amount placed on the tax rolls for weed abatement.

RECOMMENDED BY:

Jeff Stowells
Fire Services, Battalion Chief

APPROVED BY:

Andy Takata

Andrew Takata *mtc*
City Manager

REVIEWED BY:

J. Overholt

June Overholt
Administrative Director

Attachments:

1. Resolution No. 2013-65
2. Ordinance No. 1326

ATTACHMENT 1

RESOLUTION NO. 2013-65

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, PROVIDING FOR CERTAIN NUISANCE ABATEMENT
CHARGES TO BE ADDED TO THE TAX ROLLS OF RIVERSIDE COUNTY,
CALIFORNIA.**

WHEREAS, pursuant to the authority contained in Chapter 8.48 of the code of the City of Banning, California, and in California Government Code Section 38773 and 38773.1, the City of Banning did cause a nuisance to be abated on certain properties in the City of Banning, California, and have had liens levied against them for nuisance abatement charges; and

WHEREAS, all proceedings required by Ordinance No. 1326, of the City of Banning, have been duly compiled.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

SECTION 1: That the report of the Fire Department, on file with each proceeding along with their report of the cost of abatement be, and the same is hereby approved. That a copy of said account containing a list of all properties by assessment number and the cost of abating the nuisance thereon, is marked "Exhibit A", attached hereto, and made part hereof by reference.

SECTION 2: That the parcel numbers shown on "Exhibit A" are hereby certified to be correct according to the latest records of the Riverside County Assessor.

SECTION 3: That the maintenance of the public nuisance on each of the properties shown by assessment number on "Exhibit A" attached hereto, did constitute a health and safety hazard.

SECTION 4: That the amount shown on said "Exhibit A" shall be a lien on the respective properties shown by assessment number, and said liens were levied without regard to property valuation.

SECTION 5: Request is hereby made of the Riverside County Board of Supervisors that the amount shown on said "Exhibit A" be added to the current tax rolls for the respective parcels indicated thereof, and collected along with other taxes assessed against said parcels.

PASSED, APPROVED, AND ADOPTED this 9th day of July 2013.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

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

David J. Aleshire, Authority Counsel
Aleshire & Wynder, LLP

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, do hereby certify that the foregoing Resolution 2013-65 was duly adopted at a regular meeting of the City Council of the City of Banning, California, held on the 9th day of July 2013, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

"EXHIBIT A"

APN	FUND NO.	ASSESSMENT
532-120-008	68-2053	373.25
532-120-009	68-2053	400.75
534-143-010	68-2053	425.75
534-151-005	68-2053	545.75
534-151-023	68-2053	565.75
534-172-002	68-2053	1,110.75
534-200-051	68-2053	1,200.75
534-252-012	68-2053	622.01
534-272-004	68-2053	530.75
535-080-003	68-2053	613.25
535-170-005	68-2053	420.75
535-372-009	68-2053	1,567.95
535-372-010	68-2053	391.99
535-372-011	68-2053	391.99
535-372-012	68-2053	391.98
537-100-004	68-2053	965.75
537-100-016	68-2053	1,200.75
538-142-018	68-2053	455.75
538-161-009	68-2053	455.75
538-173-010	68-2053	310.75
538-312-006	68-2053	420.75
538-312-012	68-2053	365.75
538-312-015	68-2053	640.75
538-312-037	68-2053	486.75
540-020-085	68-2053	1,200.75
540-092-011	68-2053	687.50
540-130-034	68-2053	530.75
540-161-004	68-2053	1,200.75
540-165-007	68-2053	526.05
540-250-023	68-2053	690.75
541-042-010	68-2053	400.75
541-043-003	68-2053	365.75
541-045-002	68-2053	1,200.75
541-051-012	68-2053	1,200.75
541-081-009	68-2053	495.25
541-081-010	68-2053	400.75
541-081-013	68-2053	624.93

Tax Roll 2012-2013 (for 2011 weed abatement)

Reso No. 2013-65

EXHIBIT A

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"EXHIBIT A"

APN	FUND NO.	ASSESSMENT
541-081-018	68-2053	365.75
541-132-001	68-2053	400.75
541-134-009	68-2053	400.75
541-162-010	68-2053	600.75
541-233-015	68-2053	400.75
541-272-001	68-2053	455.75
541-290-018	68-2053	660.75
541-310-007	68-2053	400.75
541-340-001	68-2053	1,200.75
543-110-009	68-2053	<u>1,185.75</u>
	TOTAL	30,454.15

Tax Roll 2012-2013 (for 2011 weed abatement)

Reso No. 2013-65

EXHIBIT A

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"EXHIBIT A"

APN	FUND NO.	ASSESSMENT
408-120-006	68-2053	164.95
408-120-024	68-2053	164.95
419-060-028	68-2053	419.75
419-072-015	68-2053	164.75
419-072-023	68-2053	164.75
419-072-024	68-2053	164.75
419-072-032	68-2053	164.95
419-081-004	68-2053	164.95
419-082-023	68-2053	769.50
419-082-025	68-2053	164.75
419-082-026	68-2053	164.75
419-090-012	68-2053	164.75
419-102-011	68-2053	164.95
419-112-016	68-2053	164.95
419-112-019	68-2053	874.50
531-030-049	68-2053	165.60
532-160-009	68-2053	784.70
532-180-007	68-2053	999.75
532-180-053	68-2053	164.75
534-151-023	68-2053	584.70
534-162-024	68-2053	164.95
534-172-002	68-2053	1,074.50
534-172-007	68-2053	164.75
534-200-051	68-2053	577.00
534-200-052	68-2053	639.50
534-252-012	68-2053	164.75
534-253-003	68-2053	164.75
534-262-020	68-2053	164.95
534-262-021	68-2053	164.75
534-272-004	68-2053	529.70
535-020-026	68-2053	694.70
535-080-020	68-2053	165.60
535-150-002	68-2053	989.70
535-371-001	68-2053	164.75
535-371-012	68-2053	164.95
535-422-016	68-2053	474.50
537-020-007	68-2053	659.50

"EXHIBIT A"

APN	FUND NO.	ASSESSMENT
537-090-034	68-2053	164.95
537-100-004	68-2053	929.70
537-110-007	68-2053	374.83
537-110-008	68-2053	374.82
537-120-030	68-2053	374.82
537-120-031	68-2053	374.82
537-120-032	68-2053	374.82
537-120-033	68-2053	374.82
537-120-034	68-2053	374.82
537-160-021	68-2053	164.95
538-081-011	68-2053	164.75
538-101-024	68-2053	164.95
538-122-021	68-2053	164.75
538-142-018	68-2053	639.50
538-164-002	68-2053	474.50
538-182-009	68-2053	164.75
538-182-010	68-2053	164.75
538-190-014	68-2053	1,444.70
538-210-061	68-2053	164.75
538-250-004	68-2053	164.95
538-261-001	68-2053	164.95
540-033-045	68-2053	164.75
540-061-007	68-2053	164.75
540-061-008	68-2053	164.75
540-123-001	68-2053	164.95
540-130-012	68-2053	384.75
540-165-007	68-2053	485.10
540-170-037	68-2053	419.75
540-201-002	68-2053	529.70
540-205-002	68-2053	164.75
540-210-017	68-2053	164.75
540-220-008	68-2053	1,018.30
540-220-009	68-2053	1,018.30
540-220-017	68-2053	1,018.30
540-250-008	68-2053	164.75
540-250-023	68-2053	709.75
541-041-003	68-2053	439.70

Tax Roll 2012-2013 (for 2012 weed abatement)

Reso No. 2013-65

EXHIBIT A

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"EXHIBIT A"

APN	FUND NO.	ASSESSMENT
541-055-012	68-2053	474.50
541-081-010	68-2053	754.50
541-081-013	68-2053	329.75
541-081-014	68-2053	549.50
541-082-018	68-2053	474.50
541-082-021	68-2053	584.50
541-092-010	68-2053	549.70
541-093-015	68-2053	164.75
541-102-009	68-2053	164.95
541-121-022	68-2053	164.95
541-132-001	68-2053	619.50
541-133-014	68-2053	474.50
541-134-009	68-2053	639.50
541-135-009	68-2053	164.95
541-220-001	68-2053	619.70
541-220-012	68-2053	164.75
541-231-006	68-2053	164.75
541-232-011	68-2053	769.50
541-232-013	68-2053	549.50
541-233-015	68-2053	164.95
541-233-016	68-2053	164.75
541-233-017	68-2053	474.25
541-240-011	68-2053	1,059.50
541-260-011	68-2053	164.75
541-273-008	68-2053	164.75
541-290-018	68-2053	164.75
541-300-001	68-2053	529.70
541-300-002	68-2053	959.70
541-300-008	68-2053	392.25
541-320-012	68-2053	164.75
541-340-001	68-2053	164.75
543-020-002	68-2053	764.50
543-020-057	68-2053	529.50
543-090-019	68-2053	164.75
543-120-025	68-2053	164.95
543-120-026	68-2053	433.60
	TOTAL	43,806.90

Tax Roll 2012-2013 (for 2012 weed abatement)

Reso No. 2013-65

EXHIBIT A

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ATTACHMENT 2

ORDINANCE NO. 1326

AN ORDINANCE OF THE CITY OF BANNING PROVIDING FOR THE RECOVERY OF COSTS AND ATTORNEYS' FEES FOR NUISANCE ABATEMENT AS CONTAINED IN CHAPTER 11C OF THE BANNING CITY CODE

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

SECTION 1. Existing Article IV: Cost of Recovery is repealed in its entirety.

SECTION 2. New Article IV: Cost of Recovery is hereby added to Chapter 11C of the Banning City Code as follows:

Section 11C-47. Nuisances – General.

In addition to other penalties provided by law, any condition caused or permitted to exist in violation of any provision of this Code shall be deemed a public nuisance and may be summarily abated as such by the City, and each day such condition continues shall constitute a new and separate offense.

Section 11C-48. Nuisance Abatement.

(a) The abatement of any public nuisance by the City as prescribed in this Code shall be at the sole expense of the persons creating, causing, committing or maintaining such nuisance. The cost of abatement of any public nuisance and related administrative costs shall include, but not be limited to: inspection costs; investigation costs; attorneys' fees and costs; and costs to repair and eliminate all substandard conditions. All such fees and costs shall be a personal obligation against any person held responsible for creating, causing, committing or maintaining a public nuisance.

(b) The prevailing party in any action, administrative proceeding or special procedure to abate a public nuisance pursuant to this section may recover its reasonable attorneys' fees in those individual actions or proceedings wherein the City elects, at the initiation of that individual action or proceeding, to seek recovery of its own attorneys' fees. In no action, administrative proceeding, or special proceeding shall an award of attorneys' fees to any prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding.

(c) The City may collect the cost of abatement of any nuisance and related administrative costs, including but not limited to inspection costs, investigation costs, attorneys' fees and costs, and costs to repair and eliminate all substandard conditions by either: (i) obtaining a court order stating that this reimbursement requirement is a personal obligation of any person held responsible for creating, causing, committing or maintaining a public nuisance, recoverable by the City in the same manner as any civil judgment; (ii) recording a nuisance abatement lien pursuant to this Code against the parcel of land on which the nuisance is maintained, or (iii)

imposing a special assessment pursuant to this Code against the parcel of land on which the nuisance is maintained.

Section 11C-49. Nuisance Abatement Lien.

(a) Prior to the recordation of the lien against the parcel of land on which the nuisance is maintained, the owner of record of the parcel of land shall receive notice. The notice of the recordation of the lien against the parcel of land on which the nuisance is maintained shall be served on the owner of record of the parcel of land on which the nuisance is maintained, based on the last equalized assessment roll, or the supplemental roll, whichever is more current. Such notice shall be served in the same manner as a summons in a civil action in accordance with Sections 415.10 et seq. of the Code of Civil Procedure. The date upon which service is made shall be entered on or affixed to the face of the copy of the notice at the time of service. However, service of such notice without such date shall be valid and effective.

(b) A nuisance abatement lien shall be recorded in the Riverside County Recorder's office and from the date of recording shall have the force, effect, and priority of a judgment lien.

(c) A nuisance abatement lien authorized by this section shall specify the amount of the lien, the name of the agency on whose behalf the lien is imposed, the date of the abatement order, the street address, legal description and assessor's parcel number of the parcel on which the lien is imposed, and the name and address of the recorded owner of the parcel.

(d) In the event that the lien is discharged, released, or satisfied, either through payment or foreclosure, notice of the discharge containing the information specified in subsection (b) of this section of this Code shall be recorded by the City. A nuisance abatement lien and the release of the lien shall be indexed in the grantor-grantee index.

(e) A nuisance abatement lien may be foreclosed by the City as a money judgment. The City may recover from the property owner any costs incurred regarding the processing and recording of the lien and providing notice to the property owner as part of its foreclosure action to enforce the lien or as a condition of removing the lien upon payment.

Section 11C-49.1. Special Assessment.

(a) As an alternative to the recordation of a nuisance abatement lien, the City may make the cost of abatement a special assessment against the parcel of land on which the nuisance is maintained.

(b) Notice shall be given by certified mail, to the property owner, if the property owner's identity can be determined from the county assessor's or county recorder's records. Notice pursuant to this section of this Code shall be given at the time of imposing the assessment and shall specify that the property may be sold after three years by the tax collector for unpaid delinquent assessments. The tax collector's power of sale shall not be affected by the failure of the property owner to receive notice pursuant to this section of this Code.

(c) The assessment may be collected at the same time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for with ordinary municipal taxes. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to the special assessment. However, if any real property to which the cost of abatement relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of the taxes would become delinquent, then the cost of abatement shall not result in a lien against the real property but instead shall be transferred to the unsecured roll for collection.

(d) The City shall duly execute a report detailing the amount of the special assessment and shall send same to the tax division of the County Auditor-Controller's office, whereupon it shall be the duty of the Auditor-Controller to add the amounts of the respective assessments to the next regular tax bills levied against the respective lots and parcels of land for municipal purposes; and, thereafter, the amounts shall be collected at the same time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and the same procedure under foreclosure and sale in case of delinquency as provided for ordinary municipal taxes.

(e) City may conduct a sale of vacant residential developed property for which the payment of that assessment is delinquent, subject to the requirements applicable to the sale of property pursuant to Section 3691 of the Revenue and Taxation Code.

(f) Notices or instruments relating to the abatement proceeding or special assessment shall be entitled to recordation.

Section 11C-49.2. Graffiti Abatement – General Provisions.

(a) The abatement of any nuisance resulting from the defacement of the property of another by graffiti or any other inscribed material as prescribed in this Code shall be at the sole expense of the person, minor or other person creating, causing or committing the nuisance.

(b) If the person creating, causing or committing the nuisance is a minor, the parent or guardian having custody and control of the minor shall be jointly and severally liable with the minor. The City shall make the expense of abatement of any nuisance, resulting from the defacement by a minor of the property of another by graffiti or any other inscribed material, a lien against the property of a parent or guardian having custody and control of the minor and/or a personal obligation against the parent or guardian having custody and control of the minor.

(c) The prevailing party in any action, administrative proceeding or special procedure to abate a nuisance pursuant to this section may recover its reasonable attorneys' fees in those individual actions or proceedings wherein the City elects, at the initiation of that individual action or proceeding, to seek recovery of its own attorneys' fees. In no action, administrative proceeding, or special proceeding shall an award of attorneys' fees to any prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding.

(d) The City may collect the cost of abatement of any nuisance, resulting from the defacement of the property of another by graffiti or any other inscribed material, and related administrative costs by either: (i) obtaining a court order stating that this reimbursement requirement is a personal obligation of the minor or other person or parent or guardian having custody and control over the minor who committed the defacement, recoverable by the City in the same manner as any civil judgment; (ii) recording a nuisance abatement lien against a parcel of land owned by the minor or other person or parent or guardian having custody and control over the minor who committed the defacement; or (iii) making the cost of abatement of a nuisance resulting from the defacement of the property of another, a special assessment against a parcel of land owned by the minor or other person or parent or guardian having custody and control over the minor who committed the defacement.

Section 11C-49.3. Graffiti – Nuisance Abatement Lien.

(a) Prior to the recordation of a graffiti nuisance abatement lien, notice shall be given to the person or parent or guardian having custody and control over the minor who committed the defacement by graffiti or any other inscribed material. Such notice shall be served in the same manner as a summons in a civil action in accordance with Sections 415.10 et seq. of the Code of Civil Procedure. The date upon which service is made shall be entered on or affixed to the face of the copy of the notice at the time of service. However, service of such notice without such date shall be valid and effective.

(b) A graffiti nuisance abatement lien shall be recorded in the Riverside County Recorder's office and from the date of recording shall have the force, effect, and priority of a judgment lien.

(c) A graffiti nuisance abatement lien authorized by this section shall specify the amount of the lien, the name of the agency on whose behalf the lien is imposed, the date of the abatement order, the street address, legal description and assessor's parcel number of the parcel on which the lien is imposed, and the name and address of the recorded owner of the parcel.

(d) If the lien is discharged, released, or satisfied, either through payment or foreclosure, notice of the discharge containing the information specified in subsection (b) of this section of this Code shall be recorded by the City. A graffiti nuisance abatement lien and the release of the lien shall be indexed in the grantor-grantee index.

(e) A graffiti nuisance abatement lien may be satisfied through foreclosure in an action brought by the City. The City may recover from the property owner any costs incurred regarding the processing and recording of the lien and providing notice to the property owner as part of its foreclosure action to enforce the lien or as a condition of releasing the lien upon payment.

Section 11C-49.4. Graffiti – Special Assessment.

(a) As an alternative to the recordation of a graffiti nuisance abatement lien, the City may make the cost of the abatement of any nuisance resulting from the defacement by a minor or other person of property of another by graffiti or other inscribed material, and related

administrative costs, a special assessment against a parcel of land owned by the minor or other person or by the parent or guardian having custody and control of the minor.

(b) The assessment may be collected at the same time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary municipal taxes. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to the special assessment. However, if any real property to which the cost of abatement relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of the taxes would become delinquent, then the cost of abatement shall not result in a lien against the real property but instead shall be transferred to the unsecured roll for collection.

(c) Notices or instruments relating to the abatement proceeding or special assessment may be recorded.

(d) Upon entry of a second or subsequent civil or criminal judgment within a two-year period finding a minor or other person or parent or guardian having custody and control of a minor responsible for a condition that may be abated as a nuisance pursuant to subsection (a) of this section of this Code, the court may order such minor or other person or parent or guardian having custody and control of such minor to pay treble the costs of the abatement."

Section 11C-49.5. General Penalty.

(a) In addition to any other remedy provided by law, the City may recover any fee, cost or charge, including any attorneys' fees incurred in the enforcement of any provision of the Zoning Code, the Housing Code, Building Code, Electrical Code, Plumbing Code, Mechanical Code or the Uniform Code for the Abatement of Dangerous Buildings as provided in this Code. The amount of any such fee, cost, or charge, including any attorneys' fees shall not exceed the actual cost incurred performing the inspections and enforcement activity, including but not limited to permit fees, fines, late charges and interest.

(b) Subsection (a) of this section of this Code, shall not apply to any enforcement, abatement, correction or inspection activity regarding a violation of any provision of sections of the Zoning Code, the Housing Code, Building Code, Electrical Code, Plumbing Code, Mechanical Code or the Uniform Code for the Abatement of Dangerous Buildings as provided in this Code in which the violation was evident on the plans that received the building permit.

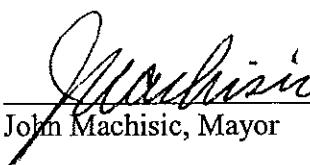
(c) Subsection (a) of this section of this Code shall not apply to owneroccupied residential dwelling units.

SECTION 3. The City Clerk shall cause this Ordinance to be published in a newspaper of general circulation printed and published in the county and circulated in the City within fifteen (15) days after its passage, in accordance with Section 36933 of the Government Code, shall certify to the adoption and publication of this Ordinance, and shall cause this Ordinance and its certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

SECTION 4. Severability. If any section, subsection, clause or phrase of this Ordinance is for any reason held to be unconstitutional, or otherwise invalid such decision shall not affect the validity of the remaining sections of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause and phrase thereof irrespective of the fact that any one or more other sections, subsections, clauses, or phrases be declared invalid.

INTRODUCED at the regular meeting of the 9th day of August, 2005.

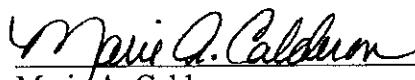
PASSED, APPROVED AND ADOPTED by the City Council of the City of Banning at a regular meeting held on this 13th day of September, 2005.


John Machisic, Mayor

APPROVED AS TO FORM
AND LEGAL CONTENT:


Julie Hayward Biggs
City Attorney

ATTEST:


Marie A. Calderon
City Clerk

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1326 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 9th day of August, 2005, and was duly adopted at a regular meeting of said City Council on the 13th day of September, 2005, by the following vote, to wit:

AYES: Councilmembers Hanna, Palmer, Salas, Welch, Mayor Machisic

NOES: None

ABSENT: None

ABSTAIN: None



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

**SUCCESSOR AGENCY TO THE DISOLVED
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING**

DATE: **July 9, 2013**

TO: **Mayor and Members of the City Council/Successor Agency Board Members**

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

SUBJECT: **Adoption of Resolution 2013-08 SA Related to the Letter of Instructions to
redeem the Single Family Residential Mortgage Revenue Refunding Bonds
(GNMA Mortgage-Backed Securities Program) Series 1987 A.**

RECOMMENDATION:

That the Successor Agency adopt Resolution No. 2013-08 SA with the Letter of Instructions to redeem the Single Family Residential Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 1987 A.

DISCUSSION:

The Community Redevelopment Agency of the City of Banning (the "Agency") issued the 1987A Bonds on March 31, 1987, in the original principal amount of \$15,000,000. The 1987A Bonds were issued to refund prior single family mortgage revenue bonds issued by the Agency in 1984. After the refunding, the unspent bond proceeds of the 1984 bond issue were transferred to the 1987A Bonds and used to finance single family mortgage loans. The purpose of the refunding was to reduce the interest rates on the single family mortgage loans since, from 1984 to 1987, market interest rates had declined significantly (so the higher loan rates offered by the 1984 Bonds were no longer attractive).

The 1987A Bonds (like typical single family mortgage revenue bonds) were secured by the mortgage loans financed from the (transferred) proceeds and were generally structured so that the revenues from such loans (pooled and securitized as guaranteed mortgage-backed securities) would be sufficient to cover bond debt service and administrative expenses due and payable under the indenture.

The 1987A Bonds have been reported in the Redevelopment Agency audited Financial Statements as a footnote with wording in the last available Statements of June 30, 2011 that stated "*Neither the faith and credit nor the taxing power of the Agency has been pledged to the payment of the bonds; therefore, the bonded indebtedness is not included in the financial statements of the Agency.*"

However, significant administrative expenses relating to the Indenture requirement for the publication of redemption notices in financial newspapers were to be paid from Agency funds (that is, incurred by the Trustee but then reimbursed by the Agency). Instead, such expenses

were paid by the Trustee from asset funds under the Indenture, without reimbursement from the Agency. Now, as many years have passed since the 1987 issuance, there exists a significant shortfall in available assets and revenues to pay the Bonds. In effect, the shortfall is the result of the accumulated unreimbursed expenses for the redemption publication notices that were never reimbursed to the trust estate with Agency funds. Immediate action has already been taken to stop incurring the expense that led to the shortfall.

Once informed of the problem, staff placed the shortfall/liability on the next available Recognized Obligation Payment Schedule (ROPS 13-14A) as an obligation of the Successor Agency that should be paid from Redevelopment Property Tax Trust Fund (RPTTF). The Successor Agency, Oversight Board, and the State Department of Finance all reviewed and approved the ROPS.

Staff discussed the situation with a financial advisor experienced in single family housing bonds (including the 1987A Bonds) and received a recommendation to use the balance approved on the ROPS of \$134,797 along with other available assets held by the Trustee to pay off the outstanding bonds and pay related professional fees. In addition, this action is being recommended in order to avoid any default due to insufficient funds to pay the scheduled bond debt service prior to the maturity date in March 2020.

FISCAL IMPACT:

The funds for redeeming the bonds have been incorporated and approved on the ROPS 13-14A and in the budget.

RECOMMENDED BY:



June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:



Andy Takata
City Manager
mc

ATTACHMENT:

Resolution No. 2013-08 SA

RESOLUTION NO. 2013-08 SA

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING, CALIFORNIA SETTING FORTH THE LETTER OF INSTRUCTIONS TO THE TRUSTEE OF THE SINGLE FAMILY RESIDENTIAL MORTGAGE REVENUE REFUNDING BONDS (GNMA MORTGAGE-BACKED SECURITIES PROGRAM) SERIES 1987 A

WHEREAS, the former Community Redevelopment Agency of the City of Banning (the “Issuer”), issued the Single Family Residential Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 1987A (the “Bonds”), in the original principal amount of \$15,000,000; and

WHEREAS, the outstanding Bonds were issued and are secured under a Trust Indenture dated as of March 1, 1987 (the “Indenture”), by and between the Agency and U.S. Bank National Association (successor trustee to Bankers Trust Company of California, National Association), as Trustee; and

WHEREAS, other capitalized terms used herein and not otherwise defined have the meaning set forth in the Indenture; and

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) adopted on June 29, 2011, dissolved all redevelopment agencies and community redevelopment agencies in existence in the State of California (including the Issuer), as of February 1, 2012, and designated “successor agencies” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, pursuant to Health and Safety Code Section 34173(d)(1), the City of Banning (the “City”) is the successor agency (the “Successor Agency”) to the Issuer (now dissolved), as confirmed by Resolution No. 2012-02SA adopted by the Successor Agency on January 24, 2012; and

WHEREAS, Health and Safety Code Section 34179(a) provides that each successor agency shall have an oversight board composed of seven members, and the Successor Agency has duly established such oversight board (the “Oversight Board”); and

WHEREAS, the Successor Agency, following notice by the Trustee, and after analysis by the staff of the Successor Agency, and review by its financial advisor, has determined that there exist insufficient assets under the Indenture to provide for the payment in full of the Bonds and the administrative expenses payable under the Indenture, and accordingly the Successor Agency has agreed to remedy such insufficiency by depositing \$134,797 under the Indenture as additional collateral for the Bonds (hereinafter referred to as the “Deposit”); and

WHEREAS, the Successor Agency has also determined to direct the Trustee to apply the Deposit, together with other available assets under the Indenture, including the proceeds from the sale of the GNMA Securities pledged under the Indenture for the repayment of the Bonds, to redeem the Bonds in whole on September 1, 2013; and

WHEREAS, the Chairperson to the Successor Agency to the former Community Redevelopment Agency of the City of Banning (the “Issuer”), and in such capacity is duly authorized to execute this Letter of Instructions on behalf of the Successor Agency with respect to the above-captioned bonds (the “Bonds”).

NOW THEREFORE, upon the transfer of the Deposit to the Trustee, the Successor Agency hereby irrevocably directs the Trustee to take the following actions, in the following order of priority:

SECTION 1: On July 10, 2013 or as soon after as is practical, to sell the GNMA Securities held under the Indenture; such sale shall be undertaken by the Trustee (or its agent) through a bidding process conducted by the Trustee or its agent in which at least 3 bids shall be obtained and the Trustee or its agent shall act in good faith to obtain the maximum price for the GNMA Securities. No such sale shall be consummated unless the proceeds of such sale, together with the Deposit and other moneys under the Indenture are sufficient to:

- a) provide for redemption of the Outstanding Bonds in whole on September 1, 2013, in accordance with Section 4.02(4) of the Indenture, assuming no reinvestment of the moneys held for such redemption of Bonds (the Trustee shall provide such notice to the securities depository but shall not publish such notice); and
- b) pay any outstanding administrative fees and expenses due and payable under the Indenture; and
- c) pay the professional fees for services rendered in connection with the foregoing transactions as set forth in Schedule I attached hereto.

The Deposit and the proceeds of the sale of the GNMA Securities shall be initially deposited in the Revenue Fund. The Trustee shall transfer to a separate fund (such as the Redemption Fund) the entire amount necessary to provide for the payment of the Bonds on September 1, 2013. Thereafter the Trustee will provide for any other amounts payable under the Indenture and pay the professional fees set forth in Schedule I. Thereafter, the Trustee shall pay any surplus moneys to the Successor Agency.

IN WITNESS WHEREOF, the undersigned has executed this Agency Certificate and Letter of Instructions on behalf of the Agency on July 9, 2013.

Deborah Franklin, Chairperson
Successor Agency

ATTEST:

Marie A. Calderon, Secretary
Successor Agency

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

David J. Aleshire, General Counsel
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, sitting as the Secretary of the Successor Agency to the former Community Redevelopment Agency of the City of Banning was adopted by the City of Banning, sitting as the Successor Agency to the former Community Redevelopment Agency of the City of Banning at a joint meeting thereof held on the 9th day of July, 2013 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, Secretary
Successor Agency
City of Banning, California

SCHEDULE I
FEES AND EXPENSES
(relating to Settlement Date and related closing transactions)

Payee and Amounts:

Greenberg Traurig, LLP not to exceed	\$18,750
C.M. de Crinis and Co., Inc. not to exceed	\$8,750
U.S. Bank National Association not to exceed	\$2,500

City of Banning Single Family Mortgage Revenue Bonds Series 1987A

Time & Responsibility Schedule
(June 18, 2013)

JUNE							JULY						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1							
2	3	4	5	6	7	8	7	8	9	10	11	12	13
9	10	11	12	13	14	15	14	15	16	17	18	19	20
16	17	18	19	20	21	22	21	22	23	24	25	26	27
23	24	25	26	27	28	29	28	29	30	31			
30													
AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	3	1	2	3	4	5	6
4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30					

DATE	ACTIVITY*	RESPONSIBLE PARTY
July 9	Successor Agency Board meeting to approve defeasance	SA/FA
July 10	Transfer Funds \$134,797 from Property Tax Trust Fund to Trustee	SA
July 11	Confirm amount needed to defease bonds and bid out sale of GNMA securities	FA/Trustee
July 18	Settlement for sale of GNMA's DVP and Defeasance of Bonds in accordance with Agency instructions to Trustee; upon defeasance, pay costs of issuance and return surplus to Agency. Mail notice of September 1, 2013 redemption.	FA/Trustee
September 2	Trustee redeems Bonds in whole	Trustee

Parties to the Financing:

SA : City of Banning (Successor Agency)

FA : C.M. de Crinis & Co., Inc. (Financial Advisor)

SC : Greenberg Traurig, LLP-- (Special Counsel)

T : US Bank -- (Trustee)

*Denotes completed task.

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CITY OF BANNING
Successor Agency to the Community Redevelopment Agency
of the City of Banning

Restructuring of the \$15,000,000 Single Family Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 1987 A

Distribution List

(June 18, 2013)

ISSUER

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Michelle Green
Deputy Finance Director
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TRUSTEE

US BANK NATIONAL ASSOCIATION

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Los Angeles, CA 90071

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