AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA

July 8, 2014
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 Banning City Council and the Banning Utility Authority; and a joint meeting of the Banning City Council and 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 Miller, Peterson, Welch, Westholder, Mayor Franklin

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONSENCE/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. 3-5, Los Angeles .................. 1

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

Motion: That the City Council approve Consent Item 1 through 8
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 – 06/24/14 (Closed Session) ............ 5
2. Approval of Minutes – Regular Meeting – 06/24/14 ................................. 6
3. Report of Investments for May 2014 ...................................................... 29
4. Approval of Accounts Payable and Payroll Warrants for Month of May 2014 ................................................................. 36
6. Resolution No. 2014-53, Providing for Certain Nuisance Abatement Charges to be Added to the Tax Rolls of Riverside County, California .... 47
7. Resolution No. 2014-54, Approving Extensions to the Memorandums of Understanding Between the City and the International Brotherhood of Electrical Workers – Local 47, Representing the General Employees Unit and the Utility Employees Unit ................................................. 59

- 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 UTILITY AUTHORITY.

V. CONSENT ITEMS

1. Notice of Completion for Project No. 2011-01W, Water Department Parking Lot and Perimeter Wall Improvements .............................. 86
2. Resolution No. 2014-08 UA, Approving a Professional Services Agreement with E. S. Babcock & Sons, Inc. of Riverside, California, for the Analytical Services in an amount not to exceed $75,000.00 . . . . 90

- Open for Public Comments
- Make Motion

RECESS JOINT MEETING OF THE BANNING CITY COUNCIL MEETING AND THE BANNING UTILITY AUTHORITY 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.

VI. REPORTS OF OFFICERS

1. 2013 Revised Long-Range Property Management Plan
Staff Report ................................................................. 94

Adjourn Joint Meeting and reconvene the regular City Council Meeting.

VII. REPORTS OF OFFICERS

Staff Report ................................................................. 167
Recommendation: Adopt Resolution No. 2014-51, Authorizing the submittal of the FY 2014/15 Local Transportation Fund (LTF) in the amount of $1,457,066.00 and approving the FY 2014/15 – 2015/16 Short Range Transit Plan (SRTP).

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

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

IX. ITEMS FOR FUTURE AGENDAS

New Items – None
Pending Items – City Council
1. Schedule Meetings with Our State and County Elected Officials
2. Discussion on how to handle loans or distributions to charities.
3. Discussion on how the City Council handles donations to the City.
4. Grocery Cart Policy
5. Workshop to discuss the future of the airport.
6. Discussion regarding Public Works Committee and Ad Hoc Committees
7. Discussion regarding City’s ordinance dealing with sex offenders and child offenders
8. Discussion to move “Announcements” (events) up on the agenda after Public Comments.
9. Discussion regarding the discretionary limit of $25,000.
10. Discussion regarding flex scheduling to keep city hall open five days a week.
11. Discussion regarding Animal Control Services.
12. Address staffing issues at the police department.
13. Review of All Contracts by the City Attorney

X. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 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 five 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]
May 1, 2014

TO: Mayors, City Managers and City Clerks

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – September 3 - 5, Los Angeles

The League’s 2014 Annual Conference is scheduled for September 3 - 5 in Los Angeles. An important part of the Annual Conference is the Annual Business Meeting (at the General Assembly), scheduled for noon on Friday, September 5, at the Los Angeles 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 15, 2014. This will allow us time to establish voting delegate/alternate 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 voter must be present at the

-over-
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 Los Angeles Convention Center, will be open at the following times: Wednesday, September 3, 9:00 a.m. – 5:30 p.m.; Thursday, September 4, 7:00 a.m. – 4:00 p.m.; and Friday, September 5, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

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 15. If you have questions, please call Karen Durham at (916) 658-8262.

Attachments:

- 2014 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form
Annual Conference Voting Procedures
2014 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.
2014 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to the League office by Friday, August 15, 2014. 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 15, 2014

League of California Cities
ATTN: Karen Durham
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8220
E-mail: kdurham@cacities.org
(916) 658-8262
A special meeting of the Banning City Council was called to order by Mayor Franklin on June 24, 2014 at 3:00 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT:  None  

OTHERS PRESENT:  Homer Croy, Interim City Manager  
David J. Aleshire, City Attorney  
June Overholt, Administrative Services Dir./Deputy City Manager  
Bill Manis, Economic Development Director  
Zai Abu Bakar, Community Development Director  
Marie A. Calderon, City Clerk  

CLOSED SESSION  
City Attorney said the items on the closed session agenda are three cases of potential litigation pursuant to Government code Section 54956.9 (d)(4); real property negotiations pursuant to Government Code Section 54956.8 involving the Fire Museum property located at 5261 W. Wilson and Banning Chamber of Commerce located at 60 E. Ramsey.  

Mayor Franklin opened the closed session items for public comments and seeing no one in the audience she closed public comments.  

Meeting went into closed session at 3:03 p.m. and reconvened at 4:58 p.m.  

ADJOURNMENT  
By common consent the meeting adjourned at 4:58 p.m.  

Marie A. Calderon, City Clerk
A regular meeting of the Banning City Council was called to order by Mayor Franklin on June 24, 2014 at 5:12 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Homer Croy, Interim City Manager
June Overholt, Administrative Services Dir./Deputy City Manager
David J. Aleshires, City Attorney
Fred Mason, Electric Utility Director
Bill Manis, Economic Development Director
Zai Abu Bakar, Community Development Director
Heidi Meraz, Community Services Director
Alex Diaz, Interim Chief of Police
Michelle Green, Deputy Finance Director
Rita Chapparosa, Deputy Human Resources Director
John McQuown, City Treasurer
Marie A. Calderon, City Clerk

The invocation was given by Pastor Jona Campos, Canaan Assembly of God Church. Mayor Pro Tem Welch led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney said that the Council met in closed session to discuss a matter of real property negotiations concerning the Village at Paseo San Gorgonio a status report was given on negotiations and there was no reportable action taken.

PUBLIC COMMENTS/CORRESPONSENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

Inge Schuler, resident of Banning addressed the Council regarding the public information that should be available regarding the probation parole department. What is the timeline of the facility when we would actually get the details and somewhere it was mentioned that it would be a two-story building with the probation/parole department on the second floor and are there
any provisions for the ground floor and would that generate some of the tax revenue for the city.

Carl Douglas addressed the Council as Chairman regarding the Banning Stagecoach Days event that is rapidly approaching to be held on September 5th, 6th, and 7th. This year they will have a professional rodeo put on by the Grand Canyon Rodeo Association and have access to over 700 riders. All local entrants in a 100 mile radius are encouraged to join in on the rodeo and will only have to pay the regular entry fee. They will also have the carnival and a returning event is the Miss Banning/Stagecoach Queen Contest open to girls within a 50 mile radius. Their website is www.stagecoachdays.net or www.stagecoachdays.org and he would encourage businesses, churches and community members to enter floats into their parade this year. This year’s slogan is “Believe in Banning – Then and Now.” They have chosen this slogan because along with the City, their supporters, and the people of the Stagecoach Days Association they believe they can make this an amazing event for people to start believing in Banning. On another note, he believes that at some point in time our City needs to start looking at Dysart Park and start putting something back into it. He said that he has gone to the Parks and Recreation Commission and has brought up a few ideas but maybe the Council can give further input as to where that money can come from. He said we are missing out on tax dollars when you look at it because those people eat here in town, buy fuel and bring their kids and support these events.

David Ellis addressed the Council and the citizens of Banning. He said he sat at the last few Council meetings and he really didn’t understand why there was such urgency for this property across the street. He said there was an article in the LA Times this last Sunday in regards to Brown Prison Reform Fails/Shorts of Goals and it is kind of scary talking about hundreds of thousands of criminals in realignment. Now they are talking about 60 year old men and women who have been incarcerated that have mental issues being released early because it is too expensive. Also, a Grand Jury Report comes out saying how bad AB 109 is both financially, staffing, housing, rehabilitation; you name it and it is all in disarray. So now we have given the green light to this project in our downtown area; the last real nice place where we could have generated some money. He said that Inge asked about the bottom of the building and Duane Burk told him awhile back that the District Attorney will be taking that extra 15,000 square feet so we will have a little over 32,000 square feet of AB 109 administrates and criminals. It is a shame that Councilmembers Westholder and Peterson who together have over 50 years of law enforcement experience that our Council finds it necessary to push them out of this. Do they know too much because they dealt with these types of people? Now we are sacrificing our downtown which he thinks is a little over $7 million dollars of taxpayer’s money that has been spent on our crown jewel courthouse that won’t bring in a penny and the loss of the property and a historic monument across the street. We need to find a solution for the land and he understands that Mr. Pearlman wants to put in a hotel so how come he couldn’t find a hotel in three years. Nobody is going to want to stay in a hotel next to criminals. In view of what the Grand Jury is saying that we are in desperate need of half-way houses; a friend of the Mayor’s up on Repplier has a halfway house and the City has spent thousands and thousands of dollars on litigation over this house and you want to put them all over our city. You don’t just want to ruin downtown, you want to ruin our entire city from what he hears. We have already done all the groundwork for rezoning for sustainable
developments in this town and we have rezoned for four-story buildings; ideal location right across the street. Why don’t we build a four-story halfway house right by the police department, right by the parole and the DA and right by the court; absolutely a perfect place then you won’t ruin what is left in the residential area of Banning. In closing he wanted to thank Jerry Westholder and Don Peterson for their foresight and wisdom and what they tried to bring to the community and their 50 years of knowledge to what we are getting into.

Mayor Franklin said for clarification she does not have any friends that have halfway houses.

Councilmember Miller asked the City Attorney to state why Councilmembers Westholder and Peterson are not on the Council for the vote on the Pearlman Project.

City Attorney said that Councilmember Peterson owns property within 500 feet of the project so under the political format he needed to not participate in the decision making. In regards to Councilmember Westholder the developer suggested that due to articles that Mr. Westholder has published that he was biased against the project and Mr. Westholder decided not to participate so that we would not end up with a legal challenge to the project.

CORRESPONDENCE – There was none.

PRESENTATIONS

1. Recognition of Outgoing Planning Commissions Barsh & Hawkins

Mayor Franklin said that our Planning Commissioners are voluntary and are appointed by the City Council but they serve at the pleasure of the Council and they don’t get paid anything for the wonderful job of being able to spend a lot of hours reading some really exciting documents and spending a lot of hours in meetings. We have two gentlemen that very willingly did take up that task and have decided at this time to move on to new avenues in their lives.

Mayor Franklin and the City Council presented plaques to Hal Barsh and Buddy Hawkins in appreciation of their years of service and dedication to the City of Banning. Hal Barsh served 18 years from April 1996 to March 2014; Buddy Hawkins served 7 years from January 2007 to January 2014.

Mayor Franklin read an email that the City received from Sake and Charlene Sakurai and it stated: “Because we are unable to attend the City Council Meeting this evening, we hope you might be able to extend our best wishes and a big ‘thank you’ to Hal Barsh and buddy Hawkins for their service on the Planning Commission. Now they can really retire!”

Mr. Barsh and Mr. Hawkins thanked the Council for this recognition and were honored to serve the City of Banning.

CONSENT ITEMS

Mayor Franklin stated that Consent Item No. 4 is being pulled for discussion.
1. Approval of Minutes – Special Meeting – 06/10/14 *(Closed Session)*

Recommendation: That the minutes of the Special Meeting of June 10, 2014 be approved.

2. Approval of Minutes – Special Meeting Workshop – 06/10/14

Recommendation: That the minutes of the Special Meeting Workshop of June 10, 2014 be approved.

3. Approval of Minutes – Regular Meeting – 06/10/14

Recommendation: That the minutes of the Regular Meeting of June 10, 2014 be approved.

4. Resolution No. 2014-48, Approving the City to Enter Into a Cooperative Agreement to Provide Fire Protection, Fire Prevention, Rescue and Medical Emergency Services to the City of Banning.

Recommendation: That the City Council adopt Resolution No. 2014-48, Approving the contract for continued split funding of Fire Engine 20 as listed in the Banning Strategic Plan.

**Motion Welch/Miller to approve Consent Items No. 1 through 3 and 5.** Mayor Franklin opened the item for public comment; there was none. **Motion carried, all in favor.**

5. Ordinance No. 1480 – 2nd Reading: An Ordinance of the City Council of the City of Banning, California, Authorizing the Execution of an Agreement for the Purchase of Renewable Energy from the Astoria 2 Solar Project Through A Power Sales Agreement with the Southern California Public Power Authority.

City Attorney said that this item was related to Item No. 3 under Reports of Offices and it was Director Mason’s request that we hold this item until the report is given in connection with that and the Council can hear his report and deal with both of them at the same time. **There was Council consensus to move this item to be discussed as part of Item No. 3 under Reports of Officers.**

**Joint Meeting**

Mayor Franklin adjourned the regular City Council Meeting 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 the Banning Utility Authority.

**REPORTS OF OFFICERS**

1. Adoption of Resolutions Related to the Revised Budget Plan for Fiscal Year 2014-15 and Fiscal Year 2015-2016 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 Dir./Deputy City Manager)

Mayor Franklin said that the Council already had its budget workshop so they do have items a
through f and rather than having Director Overholt give the staff report all over again she asked
the Council if they had any questions.

Councilmember Peterson said for the benefit of the public he would like to talk about the police
manning issue. He said that the FBI ratio of officers per population is 1 per 1000 and when the
people of the city look at that they think our police department should be at 30 officers and then
considering our crime rate with these homicides and how the guys are working and some of the
things that are going on in this city you would think perhaps our city should probably be 1.25 to
1.5 per 1000 so we could go up. But then we can also say that Sun Lakes is an enclosed
community of which police is their own hired security, mandates, and gates, and signing in and
out and the crime rate within that acreage is a lot less so we could probably subtract that from
the general population. So if we took 6,000 out of the general population of the population of
Sun Lakes so we say let’s base our police department on a population of a city of 24,000 so
then we would go back again and say 1 officer per 1000 – 24,000 would put us at 24 officers
which is exactly what we have today. We also have the four officers that the County subsidizes
us with for the impact of the Larry D. Smith Detention Center so we get four additional officers
in addition to what the FBI stats say we should have to offset the impact of the jail. Technically
speaking the City is actually compensating or generating enough money for 20 officers and we
are utilizing the four officers from the County subsidy to make up the 24 officers. The question
he has for the community and he doesn’t have any more answers is how is it that we propose –
right now we are basically looking at .8 officers if we are at 20 officers for a 24,000 population
so we are at .8 well under the amount that the FBI says we are to be at. What is it that the City
can do to increase the manpower of our police department? What kind of ideas do we have?

Director Overholt said that one of the things that the City does do is that whenever there is new
development, depending on complete Council approval, the agreement includes a CFD
(Community Facilities District) to help pay for the impact to the City and so in that there is an
operational component that helps to provide funding for new officers. For example, the Pardee
development was approved and within that agreement there is a component that says once the
homes are built part of the property tax payments will include a component that allows us to
fund operating costs. So those are the types of things that we have tried to implement that are
fiscally sustainable development and at the moment we don’t have flexibility in just adding
officers without creating a structural deficit so from a fiscally conservative respective we can’t
just add them because we know we need them. In the meantime what we do is as development
in the city grows, as sales tax improves that then open ups the door for a healthier General Fund
then that gives us the flexibility to do what you are talking about.

Councilmember Peterson said well the people say I just seen you build a million dollar wall
around the City yards and I see that you are buying property and making all these capital
improvements how come we can’t hire more police officers.

Director Overholt said in the budget documents there are different categories of funds:
• The General Fund is the fund that gives us the discretionary resources to hire officers.
• The Special Revenue Funds are restricted by legal structure – it's a grant, it's an agreement; it's something that has some kind of external restriction on how we spend the money. Those are listed in the budget and in the supplemental information there are descriptions of each of the funds.
• Capital Improvement Funds are those funds where we capture impact fees so when a developer does come to town and are going to build a development they are obligated to pay the impact of that development on a city. We capture those funds separately because then we as a City have an obligation to spend them according to how the law has defined it.
• The Banning Utility Authority includes the Water Operations and the Wastewater Operations and those have legal restrictions under what their responsible for and that is for providing water and taking our waste away which doesn’t include the police officers. We do have a leasing relationship with those two operations and the General Fund does receive a benefit from it but it is under a legal structure and it is confined and doesn’t grow.
• Enterprise Funds - there we have the airport, transit and refuse and once again those funds have their own legal responsibilities to external agencies and the Electric Fund is also an Enterprise Fund. Those funds are intended to operate like a business and that is why they are called Enterprise Funds so they may have a profit but as a government we don’t function in that way but they are ran in the accounting world as if they were a business.
• The Internal Service Funds are funds where we collect the cost, where we charge other departments like Fleet is an operation and we charge all the departments providing fleet services.
• Successor Agency is on its way out because the State passed legislation to eliminate the Redevelopment Agency.

So there are not too many options of where we can go outside the General Fund to find funding for safety. The wall around the City yard is funded through bonds. So you have within both the Banning Utility Authority and Electric Fund (Operations) each of those have issued bonds back in the past and there still are remaining funds so when the bonds are being used for a project they can only be used for a project because those now have legal obligations and we are required to report that so there is a lot of structure and external compliance on how we spend the bonds. Well we have buckets of money that we can use in certain ways and most of those buckets don’t allow the flexibility to spend it on people.

Councilmember Peterson asked when was the last time we received impact fees from the local tribes for their impacts and why was that stopped.

Director Overholt said she believes that goes back to Schwarzenegger and his ideas of how to balance the budget and pacts with the Tribes. She doesn’t know all the technicalities about it and would have to get back to the Council with more specific details. What she is recalling is that something that Schwarzenegger did ended that funding source; we call it “Tasin” money. The last money we got was actually money that the Tribes had put into that bucket she believes as far back as 2010 and then because of some issues with the State on how to release it the City
actually didn’t get it until 2011 or 2012 and then we spent it on cars and on actually supplementing some of our staff.

Councilmember Miller said before he asks the question he knows the answer is essentially no, we don’t have the money but he thinks it is worthwhile for our community to recognize how deficit our police department really is. Councilmember Peterson pointed out that for 30,000 people we should have 1 policeman per 1000 therefore we should have 30 policemen and the argument has been made that because Sun Lakes has a wall around it we really don’t have to count everyone who lives in Sun Lakes. Not only do they have wall they have a police force. He wanted to emphasize that Sun Lakes does not have a police force. It has some people that wander around in trucks to check on the property to make sure nobody is hurt and if they see something wrong, they call the police so we need the police there as much as anywhere else and every single community can have exactly the same thing; it is basically a neighborhood watch. So when our Council or anyone else says we really don’t need that many police the one policeman per 1000 is not necessary because of Sun Lakes that is absolutely incorrect. Sun Lakes really does not have a police force; we need more policemen. He recognizes that we do not have the money for police but that is a serious concern that we should all look at continuously. Fortunately you said if we get developments we get additional funds through a CFD that is incorporated in the development to hire more police. He asked assuming the Pardee development does proceed and it is a 20-year development it will take 20 years for that development to be fully implemented but as that development proceeds and we have the funds to hire more police will we with those additional funds be able to increase the police force to 1 officer per 1000 or will they eventually supply enough funds so we can still keep the ratio we have now. If we do get this development, will that increase be actual police ratio to a reasonable value in our City.

Director Overholt said it increases it proportionately so it doesn’t address the deficit that is being described so other funding sources would still be needed in order to raise the overall ratio in the city.

Councilmember Miller asked if there was any solution you can think of in the long-run that will solve that problem.

Director Overholt said the classic answer is really that we need an increase in our revenue stream and the traditional way that happens is that when there are rooftops in the city, then there is a demand for retail and when there is a demand for retail then you get sales tax so you get both an increase in property tax and in sales tax.

There was further comment from the Council Members agreeing that we need more police officers.

**Motion Peterson/Welch that the City Council, Successor Agency and Banning Utility Authority adopt Items a through f as follows:** a) Resolution No. 2014-33, Adopting the Two Year Budget for the Fiscal Period July 1, 2014 through June 30, 2015 and July 1, 2015 through June 30m, 2016, Adopting the Five Year Capital Improvement Program, and Making Appropriations to Meet Expenses Approved Therein, Approving Budgetary

Mayor Franklin opened the item for public comments; there were none. Motion carried, all in favor.

Mayor Franklin adjourned the joint meeting and reconvened the regular City Council Meeting.

REPORTS OF OFFICERS

   (Staff Report –Zai Abu Bakar, Community Development Director)

Director Abu Bakar gave the staff report as contained in the agenda packet. She said that this resolution spells out the duties and responsibilities of the committee based on the Council discussion of March 25th. She wanted to reaffirm that the committee is responsible for reviewing the business signs in the commercial and industrial zones and it will not venture into the residential zone. Also the resolution spells out the composition of the committee and process for selecting the members. She will make the application available should the Council adopt the resolution this evening and the application deadline would be July 31st. There will be a one-year term and the meetings are subject to the Brown Act. Staff would propose that the meeting schedule be one meeting a month because of staffing.

Councilmember Welch said the terms for the members is one-year but a person can repeat a second year but his concern is that the committee gets going to establish an ordinance and they don’t quite finish the work and the term is up and someone else new comes in to start this ball rolling over again. Is there room for a second year as far as that term is concerned?

City Attorney Aleshire said he thinks the intent is that it is an ad hoc committee to deal with this specific issue. The intent is really that some time less than a year it will finish its work and go away. Let’s say that doesn’t happen for some reason and gets extended which Zai is indicating we would revisit it at that point in time. He said that they could add some language in the resolution to make sure that is clear.
Councilmember Miller asked if the committee dissolves if they come forward with an ordinance that is approved.

City Attorney Aleshire said yes. The intent is that at that point in time the committee would be dissolved. He thinks that they could clarify that when the project is over then the committee goes out of existence. Sometime in the future you could always reconvene it.

There was some further Council and staff discussion in regards to this ending up being a full-blown committee.

Mayor Franklin opened the meeting for public comments.

David Ellis addressed the Council asking if one meeting a month was going to be enough. You get a new excited business owner that wants to do something and he will come to the first meeting and get the idea then he has to wait another month to come again and possibly another month to come again. Is there any way you could possibly consider doing something so that we could maybe fast-track to help a new business owner realize a profit sooner.

City Attorney Aleshire said it actually says no less than once a month and once the committee comes together they could decide on a regular meeting schedule and if it is more frequent, they could set it up as long as they determine that it is at a regular point in time so the public would know about the meeting.

Mayor Franklin closed public comment seeing no one else coming forward.

Mayor Franklin asked Councilmembers Westholder and Peterson if they were still willing to sit on this committee and both of them answered yes.

**Motion Westholder/Peterson that the City Council adopt Resolution No. 2014-50, Establishing a Sign Advisory Committee with modifications as discussed. Motion carried, all in favor.**

   (Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar gave the staff report as contained in the agenda packet. She stated that J. H. Douglas is the City’s housing element consultant. The additional increase is to pay for services that have already been performed because we had additional community meetings and in addition to finishing up the new demand from the State Housing and Community Development before they can certify the City’s Housing Element.

Councilmember Miller asked do you think this will satisfy the State and we will actually get a Housing Element approved.
Director Abu Bakar said she is hoping based on the comment letter that is included as part of the Council's agenda packet if we do exactly what they ask for it should be completed.

Councilmember Westholder said we paid this man a lot of money already and do we really need to spend more money to finish this out?

Director Abu Bakar said in staff's estimation yes. At this time she also went over the proposals that she sent out for this project.

Councilmember Peterson asked how many cities Mr. Douglas actually consults with and did he get their housing elements certified on the first go around.

Director Abu Bakar said she doesn't believe it was the first go around but some of the cities that he worked for that got their housing element certified were Yucaipa, San Jacinto, and Diamond Bar; there are a handful of other cities in Los Angeles. She said it is rare that you get certified the first time around.

Councilmember Peterson said he doesn't want the City to appear to be a cash cow and they keep coming back for money when the consultant is out there to do the job and then they don't do it and then they come back and ask for more. He recalls him being here and saying if you get this submitted now the chances of it being approved are better if you let this high density housing go through and do all the things that we didn't want to do which we did hoping it got approved and it still got bounced and we still have to pay $10,000 more.

Director Abu Bakar said she hears the comments. The Council may not be aware that in the middle of this we also got a new reviewer at the State for our housing element.

Mayor Franklin said basically what you are talking about here is that we are paying for work already done, as well as, the additional work that was required by the State in their letter back to us in May. Also that he should be able to complete everything that needs to be done within this amount. Director Abu Bakar said that was correct.

City Attorney added that the experience here is not uncommon that things will come up from the State and require additional effort. He thinks that we worked with Zai and the consultant on the recommendation that came to the Council and as Councilmember Peterson said the Council was not very enthusiastic about the recommendation. He said that in his meetings with the consultant he was very knowledgeable and gave us good information and he thinks their pitch to the Council to try to get that approved based on his experiences and the consultant it seemed reasonable that it would work and we were surprised to have to come back and do it again and he doesn't know if that was in the consultant's budget. He understands that he went through a lot of effort to try and get that first recommendation to work. Every city is a little different and you look at the circumstance and you cannot be quite sure how the State is going to react. He thinks that this consultant compared to others he has worked with did an excellent job and he would be willing to recommend him in other cities that he is working with. He appreciates the Council's concern that you don't want to be a cash cow. He does think this circumstance was not entirely foreseeable and the consultant gave us the best advice he could.
Motion Westholder/Welch that the City Council adopt Resolution No. 2014-46, Approving the First Amendment to the Professional Services Agreement with J. H. Douglas and Associates in an amount of $11,750.00 for additional services related to the completion of the 2014-2021 Housing Element for certification by the State Housing and Community Development (HCD).

Mayor Franklin opened the item for public comments.

Inge Schuler, resident addressed the Council stating that she looked at this resolution rather carefully as well and so far we have had several of these housing element submissions to the California State Department for certification. This has been going on for quite some time and we have succeeded so far in mucking up our General Plan on the south side. We set aside 26 acres or something like that in the far south west for very high density residential isolated from all infrastructure as the State requires for very high density residential locations to be connected to shopping, transportation, water and wastewater service, emergency services, etc. as some of the dedicated parcels repeatedly were not approved by the State for the housing element and that was sort of reasonable to expect. She thinks maybe we should read the specifications a little bit more carefully and here again, as Councilmember Peterson pointed out, here is a consultant with the expertise and he should have anticipated an objection of the State to that particular aspect of our submission because we selected parcels that really didn’t meet the specifications of the State. If she can see it maybe a consultant should see that also. She asked if there would be a deadline for the consultant to get the job done or is this going to be an on-going expenditure as some of you may be suspicious of.

Mayor Franklin closed the item for public comment seeing no one else coming forward.

Director Abu Bakar said in regard to the site selection she hears the community saying that probably the south side of the freeway is not the appropriate location just because it is far away from amenities and conveniences. Staff has tried to do the best that we can to try to move parcels based on agreement from property owners. As staff had mentioned to the Council before once the Housing Element is certified by the State and when staff brings the General Plan Annual Report to the Council that is the time we can consider relooking at parcels because the process of selecting sites is going to take at least a minimum of a couple of years. This is because we have to go to the property owners to ask them permission so if that property owner doesn’t agree, then we have to keep looking for sites. With regard to the deadline her goal is to have this done and certified by October.

Motion carried, all in favor.

   (Staff Report - Fred Mason, Electric Utility Director)

Consent Item -
4. Ordinance No. 1480 – 2nd Reading: An Ordinance of the City Council of the City of Banning, California, Authorizing the Execution of an Agreement for the Purchase of Renewable Energy from the Astoria 2 Solar Project Through A Power Sales Agreement with the Southern California Public Power Authority.

Director Mason passed out an email to the Council that the City received from the City Attorney’s Office (see Exhibit “A”). He said that after the last meeting and the questions and discussion that took place he went back and discovered that the City Attorney’s office had indeed sent an email with the two concerns listed to the City Manager’s office and unfortunately he did not see it. He reviewed the concerns and contacted the City Attorney’s office and they discussed the concerns. One of the confusions he had when he was saying that the agreement was iron clad and so forth, was that he was talking about the power purchase agreement and the City Attorney was referring to the power sales agreement which is the agreement between SCPPA (Southern California Public Power Authority) and the City of Banning. He said that the SCPPA organization does not indemnify its members and that is somewhat typical as they discussed. There are some joint power agencies that do and some that don’t and in SCPPA’s case because it is an entity that is comprised strictly of its members to indemnify members it is basically the members indemnifying themselves. It does appear to be one-sided but it is because of the makeup of SCPPA and the fact that SCPPA is a joint power agency comprised of its members and its members are the ones that are doing the power sales agreement.

City Attorney said that Fred summarized it and they did have a little misunderstanding and so they had a disagreement in front of the Council and obviously staff wants to approach things in a united fashion. As Fred expressed he is trying to economize in terms of attorney review and when there is a group of cities involved and a number of other attorneys who are looking at documents and he has tried economized to some extent in terms of relying upon the input of this group but before it actually goes on the agenda he provides the attorney’s office with a document. Of course, it is hard when there is a group that has decided on something and its being taken to a bunch of entities for adoption. It is very hard in terms of if they find something in the document and it is very hard at the last minute for one city to add something or take a different position. He said that he and Fred talked today because he thinks that Fred felt badly about how this worked out last time and he took a very proactive approach of talking to the SCPPA attorney and actually talked about would it be useful to have input from the City Attorney, etc. and he was told that contracts can always be improved upon and it is not an exactly one size fits all and there is a willingness to consider input from their office. He knows that Councilmember Peterson pulled this from the agenda and he thinks at a staff level they have talked this through and maybe this last process didn’t go exactly right but he feels that they have a good understanding as to how it should work in the future. It is possible that when you are dealing with a joint powers entity like this that has many members that even if they provided input that at the end of the day the input wouldn’t be accepted and the document proposed is somewhat different. He thinks then the attorney obligation is to say we did the best we could to get changes but here is where it ended up and we want to advise you so that you are aware. If you have indemnification responsibilities, etc. if the various members have responsibilities, he thinks the City Attorney’s job is to also make sure make sure you are aware of that and not every contract we enter into is written exactly the way he would want it to be and part of it is the negotiating position of the different parties. So he thinks maybe at some earlier stage some of these things could have been adjusted. At this point in time he
doesn't think they are adjustable but he thinks that we are not in any worse position than any other member of the entity so as he told the Council at the last meeting he believes that was their position and the majority went ahead with the first reading. He said that they are addressing the general process of how their offices will work together and he appreciated how Fred pursued this and he is sure they will be able to work through things in the future to try to minimize any risks or exposure that the Council has. He said that he and Fred are totally on the same page on that and as you know Fred is extremely knowledgeable and does a great job in terms of providing leadership to the City’s utility and he was glad they were able to get is clarified.

Mayor Franklin asked are you saying you are okay with the contact as it was presented then. City Attorney said yes. As he said the night of the first reading he explained the circumstance and they don’t have any problem to go forward with the second reading.

Mayor Franklin said from her notes all of the other cities have already have their hearings and have all the other cities approved it. Director Mason said yes.

Councilmember Miller said that Lona Laymon’s second statement asks why this is an ordinance rather than a resolution; have we solved that problem.

Director Mason said this particular power purchase agreement has a purchase option and with that purchase option if sometime after year 10 if one or more of the entities wanted to purchase the actual facility, they could. With that there is a land lease component and having the ordinance instead of the resolution addresses that having a leaseback and the person you are paying it to would use that to pay the facility or the land component of that facility. He felt it was more appropriate to have the ordinance since it has that purchase option with the lease component.

City Attorney said that Lona’s email was actually asking staff to confirm the issue in terms of the public leaseback.

Councilmember Miller said if you went ahead and decided to purchase part of the solar system does that have to come back to the Council or is that your prerogative.

Director Mason said actually his position is that we won’t purchase and he explained why. He further said that we don’t want to own something because if you own something and something goes wrong, then you are paying additional monies. When it is a power purchase agreement the bottom line is that you are only obligated to pay for what you have received and if there are any problems or issues, and then you are not on the hook for that. His recommendation would not to do the purchase option and just continue with the power purchase component.

Councilmember Miller said if in the future you did decide that the purchase was preferable, would that have to come to the Council or would you make that decision.

Director Mason said actually in the contract it says the City Manager has the authority to administer the contract so he personally feels it should come back to the Council but he doesn’t know if it actually has that requirement in the ordinance itself.
Councilmember Miller said these contracts are certainly different than other ones because they involve so many other cities but it seems to him that every contact that our City approves should be reviewed by our City Attorney and as Mr. Aleshire has said he has reached an agreement with you which is great but he thinks it should be a formal statement by the Council that this is the City of Banning and that every contract that is approved or signed by this City should have been reviewed by the City Council first and the Council make a recommendation to the City Council. He said that he will make a motion at the appropriate time that the City Attorney review every contract and make a recommendation to the City Council.

Mayor Franklin said that is different than what we are looking at right now so that may have to come back to us and we will hold that until we get to future items.

Councilmember Westholder said in the memo the first item says it is pretty one-sider in terms of potential liability which he finds interesting because in looking for solar for his house the City’s agreement is pretty one-sided also which he finds ironic. He said in understanding this is this going to cause a problem in the future.

City Attorney said there is always some risk and again, each of the other city members is taking the same risk with respect to this. He would guess the way to look at it the benefit you get is that other cities that are members are also assuming this risk so your advantage is that each member assumes the risk you are not going to get saddled with something that happened in another city since they signed the same document with the same clause. So again, one of the things is to make sure you are aware of the contracts you get into. Some joint power entities take the position that the joint power entity will be responsible and all of the members are going to be held harmless so if anything happens it goes back against the overall umbrella agency. If you do that, then the umbrella agency needs to have assets and resources and insurance and all of that. So the other approach is the opposite where you make sure that each of the individual members maintains their own responsibility so that the overall entity doesn’t have to get insurance etc. to indemnify the members so it is a policy choice. We have been a member of this entity for a long time without having any claims so this was a choice that was made and this is how the entity was set up. He thinks that it is worthwhile that the Council realizes that but it is still a better choice to go forward with the group.

Councilmember Westholder said having said that our insurance and our liability will take care of all of this on behalf of the City if a crisis arises. City Attorney said yes, we have insurance.

Councilmember Peterson said at the last Council meeting he voted no on the resolution and wanted to explain why. The no vote came from him because in November 2012 this Council approved a $1.8 million dollar payment for an oil spill which occurred without the City Attorney’s knowledge. He doesn’t ever want to be sitting up here on the dais and approve something that the City Attorney has not seen. The other thing was it was a 20-year contract and he didn’t want to be put on the hook and he didn’t want to put the people at risk for a 20-year contract that the City Attorney is sitting there saying I have some concerns with; that in itself was enough for him just to say he wanted to know what the concerns are. So because we didn’t know what the concerns were at that time that is the reason he voted no. He said he would appreciate that this email he just
handed out would have been in the packet and we could have read it sooner. Director Mason said he didn’t have it.

There was much more Council and staff discussion regarding pricing, purchasing of megawatts, base load, capacity, reliability of the solar farm, transmission charges, costs to the consumer, rates, savings, other solar farms, and having to add new resources.

Director Mason at this time gave a short power-point presentation on SCPPA (Southern California Public Power Authority) and how it works and the benefits (see Exhibit “B”).

Councilmember Miller asked further questions in regards to the Puente Hills Power Purchase Agreement in regards to the sample calculation of the contract price and the City Attorney’s review of the two contracts. Director Mason and City Attorney responded to his questions.

Motion Peterson/Welch that the City Council approve Consent Item No. 4, approving the second reading and adoption of Ordinance No. 1480, An Ordinance of the City Council of the City of Banning, California, Authorizing the Execution of an Agreement for the Purchase of Renewable Energy from the Astoria 2 Solar Project Through A Power Sales Agreement with the Southern California Public Power Authority; and that the City Council adopt Resolution No. 2014-49, Authorizing the Execution of the Puente Hills Landfill Gas-to-Energy Facility Power Sales Agreement with the Southern California Public Power Authority (“SCPPA”) attached as Exhibit “A”. Motion carried, all in favor.

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

City Council

Councilmember Welch –
  ▪ He said this past Friday the State Senator that represents our area had a meet and greet and he felt very good because three of our Councilmember were in attendance and it was a very interesting session. He thanked the people who were able to attend this event.

Councilmember Miller –
  ▪ He said somebody said we had a technical discussion of this contract and a contract is a contract whether it is electricity or shoes, it is still a contract. In his opinion there is nothing technical or engineering about it. So when we have contracts for electricity, again, there is no reason to think that he knows more than anyone else; it’s a contract.

Mayor Franklin –
  ▪ She read a letter that the City received for one of our employees because we often hear when people are dissatisfied with the services that are provided but we did get one from one of our residents and it was addressed to our City Manager. The letter read: “Yesterday, Matt from your Water Department was at my home for repair work. I am not knowledgeable about the particulars of his task at hand but pretty well know a good man when I see one and he is a very good one. The City of Banning is fortunate to have an employee of his caliber.”
• Riverside County Transportation Commission reports that work is going to be starting in July on Highway 91. It is creating 16,200 jobs, cost $1.3 billion dollars, it will include one more lane from Interstate 15 to Route 71, one more lane from Interstate 15/91 interchange to Pierce Street, and will improve five local interchanges.
• The Water Alliance meeting is tomorrow at 6 p.m. in the Council Chambers and the topic is Storm Water.
• The second Town Hall Meeting is scheduled for July 28th at 6:00 p.m. at the Sun Lakes Main Clubhouse and it is open to the public.

**City Committee Reports** – None

**Report by City Attorney** – Nothing to report at this time.

**Report by City Manager** – Interim City Manager reported:
• Regarding the Grand Jury’s review of AB 109 and their response a copy was sent to each of the Councilmembers for their review and we are obligated under Penal Code Section 933 that we must respond back to the three agencies within 90 days which basically means that we need to have a report by September 15, 2014 and staff will develop comments and bring back a presentation to Council for approval of these comments to send back at that time.
• In your pending Council items you do have Item No. 12 addressing staffing issues at the Police Department and it is a future item that does need to be considered as you have voiced earlier tonight and staff is aware and working on possibilities for the future and hopefully staff can come back with some options.
• We can add on Councilmember Miller’s item as No. 13 in regards to review of contracts and he will be working with the City Attorney on a plan and bring back a staff report to Council on addressing the issue of when we need to review things, the expertise that is available, and when we should have these reports available for our City Attorney to review.
• He said that Director Bill Manis will give a presentation to the Council updating the progress of the Courthouse, Sunset Grade and the Kmart closure and future progress.

Director Manis addressed the Council giving his update:
• Courthouse – He spoke with the contractor today and the court itself and the court and the contractor are approximately 85% complete with the project at this point. Gilbane who is the contractor are currently working to complete interior finishes, working on the parking lot and other hardscape improvements on the site. He was told by the contractor that the project continues to experience delays due to the poor performance of some of the subcontractors. They have developed a recovery schedule and as a result of this they are hoping that the project is completed by the end of this year. That is the new target date and staff will be moving in at the end of 2014 with opening to the public for business at the beginning of 2015.
• Sunset Grade Separation Project - To date the contractor has completed the westbound on and off ramps which was Stage 1 of the project. The project is currently in Stage 2 and this includes working on the large retaining walls on both the eastbound on and off ramps and are hoping to have Stage 2 completed by the end of 2014 which includes Sunset Avenue from the eastbound ramps and north to Ramsey Street. The next major phase will be the construction of the railroad shoefly which will allow the contractor to construct the railroad underpass.
- Kmart – He spoke with the property owner and the Sears Holding representative today. The property owner and his broker have been working together over the course of the last 3 to 4 months talking with different potential tenants. They are specifically talking with two national tenants who they will not disclose at this time because of confidentially reasons and these tenants are looking at the site and looking at the demographics of the community and the surrounding area but the tenants are sort of in a holding pattern because they know the ultimate leasehold on the site is not controlled by the property owner but by Sears Holding Kmart owner. Kmart has a lease that goes on the site through December 2015 and then they have 10-five year lease options which technically means they would control that building possibly until December 2065 so that has tenants are kind of leery because the property owner doesn’t essentially control it as much as Sears Holding controls it. He spoke with the asset manager of Sears Holding today, Cheryl Stoltz. She oversees 199 former Kmart sites and said they are actively looking to sublease this site and is in the process of hiring a broker which tells him that she is taking more control of the site than the property owner really can at this time and she is going to look at her options to see if there is any money they can make by subleasing it. The good news on that is that Sears Holding is a large company and for them to make a profit on a site they are most likely going to have to have a fairly large national tenant or multiple national tenants in that space to cover the profit margin they would need, as well as, any tenant improvements on the site. He said that he made it clear to Sears Holding that the City is in a gap period as far as our sales tax generation on that site and that the former Kmart site was a sales tax generator for us and it is having an impact since they have been vacated know for about a month and we are very willing to work with them directly. He thinks what we have here is the ex-tenant taking control of the property and hopefully they will act in good faith and will either land us a tenant or tenants. She said she would be willing to look at a possible buyout of the lease so she is not going to just walk away from that lease. It is going to cost the property owner money to go in or to have her give up her rights to that lease to get a tenant in. That is where we are on Kmart right now.

ITEMS FOR FUTURE AGENDAS

New Items

Mayor Franklin asked if there were any additional items. We have an Item No. 13 that was referred by Councilmember Miller that all contracts should be reviewed by the City Attorney.

Pending Items – City Council
1. Schedule Meetings with Our State and County Elected Officials
2. Discussion on how to handle loans or distributions to charities.
3. Discussion on how the City Council handles donations to the City.
4. Grocery Cart Policy
5. Workshop to discuss the future of the airport.
6. Discussion regarding Public Works Committee and Ad Hoc Committees
7. Discussion regarding City’s ordinance dealing with sex offenders and child offenders
8. Discussion to move “Announcements” (events) up on the agenda after Public Comments.
9. Discussion regarding the discretionary limit of $25,000.
10. Discussion regarding flex scheduling to keep city hall open five days a week.
11. Discussion regarding Animal Control Services.
12. Address staffing issues at the police department.

ADJOURNMENT

By common consent the meeting adjourned at 7:22 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.
From: Lona N. Laymon
Sent: Thursday, May 22, 2014 3:37 PM
To: Dave Aleshire
Cc: 'hcroy@ci.banning.ca.us<mailto:hcroy@ci.banning.ca.us>'
Subject: RE: Power Sales Agreement with SCPPA

Based on my very quick review, a couple of things seemed notable:

(1) The only agreement the City is actually signing is the Power Sales Agreement ("PSA"). It's decent, but extremely one-sided against the City in terms of potential liability: "Purchaser (City) agrees that neither SCPPA nor any of its directors, officers, employees and agents shall be liable to Purchaser for loss of profits or direct or consequential loss or damage suffered by Purchaser as a result of the performance or non-performance (whether negligent or otherwise) of SCPPA or any of its directors, officers, employees or agents under this Agreement. To the fullest extent permitted by law, Purchaser releases SCPPA and its directors, officers, employees and agents from any claim or liability (whether negligent or otherwise) as a result of any actions or inactions of SCPPA under this Agreement. No such performance or non-performance by SCPPA shall relieve Purchaser from its obligations under this Agreement, including its obligation to make payments required under this Agreement, and such undisputed payments shall not be subject to any reduction, whether by offset, counterclaim or otherwise. The provisions of this Section 14.2 shall not be construed so as to relieve SCPPA from any obligation under this Agreement." The indemnity is also very one-sided, and even includes us indemnifying and defending SCPPA. There is no mutuality to these liability provisions in favor of the City.

(2) I have some question as to why the action being proposed is termed as an "ordinance" rather than a resolution. It's just the approval of a contract, so normally it would just be a resolution. That said, the ordinance does say: "Pursuant to Section 54241 of the Government Code of the State of California, this Ordinance is subject to the provisions for referendum applicable to the City." In turn, Gov. Code 54241 says: "No public leaseback of any local agency shall be entered into until the act of entering into a formal agreement with the public leaseback corporation shall have been approved by such local agency by ordinance which shall state that it is subject to the provisions for referendum applicable to such local agency. This section shall apply only to public leaseback agreements the term of which will exceed five years or more." Can staff confirm that the PSA really is a "public leaseback"? "Public leaseback" means any lease, sublease, contract or other agreement involving land or buildings, structures, or other facilities which are permanently attached to land, where the agreement is made directly or indirectly between the local agency and a public leaseback corporation, if the proceeds of the agreement provided by the local agency will be used in whole or in part by such public leaseback corporation for payment of principal of or interest on its bonds, notes or other evidences of indebtedness. That did not seem apparent to me from the PSA, at least not based on my brief review.

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City of Banning
Electric Department

SCPPA Organizational and Support & Services Update

What is SCPPA?

- SCPPA is the Southern California Public Power Authority
- It is a Joint Powers Agency formed in 1980
- It is comprised of 12 member utilities: Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon, and the Imperial Irrigation District
Organizational Structure for SCPPA

Support & Services Provided

- Legislative – lobbying firms in CA & DC
- Regulatory – SCPPA staff represents members with numerous agencies
- Project Development – SCPPA committees evaluate numerous energy proposals and develop power purchase agreements
- Project Financing – SCPPA facilitates funding for a variety of projects
- Program Development – SCPPA administers numerous EE contracts and programs
Legal Services Provided

- SCPPA has two in-house attorneys and contracts with several outside firms for specialized issues
- Project development/contract negotiations
- Regulatory – GHG, Cap & Trade, RPS, EPA
- CAISO Policy and Energy Market issues
- FERC and NERC issues
- Bond financing

Cost for Legal Services

- Banning’s share of SCPPA’s two in-house attorneys is approx. $13,000/year
- GHG, Cap & Trade representation cost from 2010-12 was $2.4M, but Banning’s share was only $75,000 (3.125%)
- FERC/NERC and CAISO issues (sub-group Six Cities) total cost for 2013 was $1.2M - Banning’s share was $28,500 (2.38%)
Cost for Legal Services (cont.)

- San Juan shutdown, SB1368 and EPA emissions issues costs for the past two years was $177,200 - Banning’s share was $14,760 (8.33%)
- In addition, Banning also gets legal support through CMUA and APPA, which is included in those association membership dues, which are approx. $15,000/year

CMUA – California Municipal Utility Association
APPA – American Public Power Authority

Benefits

- Total cost paid for legal representation participated in by Banning $4,200,000
- Total Banning paid to receive the full benefits of this legal representation $131,260 or 3.1% of the cost
- Being part of a larger coalition gives Banning more standing when addressing the issues affecting the Utility
CITY COUNCIL AGENDA

Date: July 8, 2014

TO: City Council

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

SUBJECT: Report of Investments for May 2014

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/ANALYSIS: This report includes investments on hand at the end of May 2014. As of May 31, 2014, the City's operating funds totaled $70,416,665. Included in Successor Agency operating funds is $747,456 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of May 31, 2014 approximately 41% 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

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) was decreased to 0.228% in May. The average rate for all investments in May was 0.401%.

RECOMMENDED BY:  

[Signature]
June Overholt  
Administrative Services Director/Deputy City Manager

APPROVED BY:

[Signature]
Homer Croy  
Interim-City Manager
City of Banning Investment Report  
May 31, 2014

Summary Schedule of Cash and Investments

<table>
<thead>
<tr>
<th>Operating Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>3,705</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank Accounts</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Bank</td>
<td>0.000%</td>
<td>1,644,503</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
<td>3,180</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
<td>3,072</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
<td>3,293</td>
</tr>
</tbody>
</table>

Money Market and Bank Account Sub-Total 1,654,048

<table>
<thead>
<tr>
<th>Government Pools</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account #1 Operating Amount</td>
<td>38,812,467</td>
</tr>
<tr>
<td>Account #1 CRA Bond Cash Bal.</td>
<td>747,456</td>
</tr>
<tr>
<td>Local Agency Investment Fund: Account #1</td>
<td>0.228%</td>
</tr>
<tr>
<td>Account #2 Successor Agency Cash Bal</td>
<td>0.228%</td>
</tr>
</tbody>
</table>

Government Pool Sub-Total 39,559,923

Operating Cash Balance 41,217,676

<table>
<thead>
<tr>
<th>Restricted Operating Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverside Public Utilities- Highmark U.S. Government Money Market Fund</td>
<td>0.010%</td>
</tr>
<tr>
<td>California ISO Corp- Union Bank</td>
<td>0.000%</td>
</tr>
<tr>
<td>Worker's Compensation Program- (PERMA)</td>
<td>0.000%</td>
</tr>
</tbody>
</table>

Other Investments
Investments-US Bank/Piper Jaffray - See Page 2 | 0.691% | 25,779,979 |

Operating Funds Total 70,416,665

<table>
<thead>
<tr>
<th>Fiscal Agent</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Bank</td>
<td>37,586,204</td>
</tr>
</tbody>
</table>

Fiscal Agent Total 37,586,204
# City of Banning Investment Report

## Operational Portfolio Individual Investments

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Date</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,644,503</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>1,644,503</td>
<td>n/a</td>
<td>1,644,503</td>
</tr>
<tr>
<td>-</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>-</td>
<td>n/a</td>
<td>-</td>
</tr>
<tr>
<td>3,180</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,180</td>
<td>n/a</td>
<td>3,180</td>
</tr>
<tr>
<td>3,072</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,072</td>
<td>n/a</td>
<td>3,072</td>
</tr>
<tr>
<td>3,293</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,293</td>
<td>n/a</td>
<td>3,293</td>
</tr>
</tbody>
</table>

Sub-total 1,654,048

### Government Pools

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Date</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>39,559,923</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>0.228%</td>
<td>daily</td>
<td>varies</td>
<td>39,559,923</td>
<td>n/a</td>
<td>39,559,923</td>
</tr>
<tr>
<td>0</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>0.228%</td>
<td>daily</td>
<td>varies</td>
<td>0</td>
<td>n/a</td>
<td>0</td>
</tr>
</tbody>
</table>

Sub-total 39,559,923

### Investments-US Bank/Piper Jaffray

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Date</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000,000</td>
<td>Federal Home Loan Bks</td>
<td>n/a</td>
<td>0.500%</td>
<td>4/11/2016</td>
<td>4/11/2013</td>
<td>3,000,000</td>
<td></td>
<td>2,996,370</td>
</tr>
<tr>
<td>1,000,000</td>
<td>FHLMC Mtn</td>
<td>n/a</td>
<td>0.570%</td>
<td>6/20/2016</td>
<td>6/6/2013</td>
<td>1,000,000</td>
<td></td>
<td>1,000,220</td>
</tr>
<tr>
<td>1,000,000</td>
<td>FNMA</td>
<td>n/a</td>
<td>0.750%</td>
<td>12/19/2016</td>
<td>6/19/2013</td>
<td>1,000,000</td>
<td></td>
<td>998,160</td>
</tr>
<tr>
<td>1,000,000</td>
<td>FNMA Deb</td>
<td>n/a</td>
<td>0.550%</td>
<td>6/6/2016</td>
<td>6/20/2013</td>
<td>1,000,000</td>
<td></td>
<td>1,000,040</td>
</tr>
<tr>
<td>3,000,000</td>
<td>FNMA</td>
<td>n/a</td>
<td>1.125%</td>
<td>1/30/2017</td>
<td>7/30/2013</td>
<td>3,000,000</td>
<td></td>
<td>3,004,500</td>
</tr>
<tr>
<td>3,000,000</td>
<td>Federal Farm Credits Bks</td>
<td>n/a</td>
<td>0.940%</td>
<td>7/15/2016</td>
<td>7/15/2013</td>
<td>3,000,000</td>
<td></td>
<td>3,002,550</td>
</tr>
<tr>
<td>2,000,000</td>
<td>FHLMC Mtn</td>
<td>n/a</td>
<td>0.250%</td>
<td>6/24/2016</td>
<td>12/24/2013</td>
<td>2,000,000</td>
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<td>2,000,220</td>
</tr>
<tr>
<td>2,000,000</td>
<td>FHLMC Mtn</td>
<td>n/a</td>
<td>0.500%</td>
<td>6/27/2016</td>
<td>12/27/2013</td>
<td>2,000,000</td>
<td></td>
<td>2,000,600</td>
</tr>
<tr>
<td>2,000,000</td>
<td>FHLMC Mtn</td>
<td>n/a</td>
<td>0.750%</td>
<td>12/27/2016</td>
<td>12/27/2013</td>
<td>2,000,000</td>
<td></td>
<td>1,997,560</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Federal Home Loan Bks</td>
<td>n/a</td>
<td>0.700%</td>
<td>12/27/2016</td>
<td>3/27/2014</td>
<td>2,000,000</td>
<td></td>
<td>1,999,940</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Federal Home Loan Bks</td>
<td>n/a</td>
<td>0.900%</td>
<td>3/27/2017</td>
<td>3/27/2014</td>
<td>2,000,000</td>
<td></td>
<td>2,001,120</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Federal Home Loan Bks</td>
<td>n/a</td>
<td>0.500%</td>
<td>7/15/2016</td>
<td>4/15/2014</td>
<td>2,000,000</td>
<td></td>
<td>1,998,780</td>
</tr>
<tr>
<td>1,000,000</td>
<td>Federal Home Loan Bks</td>
<td>n/a</td>
<td>1.050%</td>
<td>4/17/2017</td>
<td>4/17/2014</td>
<td>1,000,000</td>
<td></td>
<td>1,001,070</td>
</tr>
<tr>
<td>778,849</td>
<td>Money Market</td>
<td>n/a</td>
<td>0.010%</td>
<td>daily</td>
<td>varies</td>
<td>778,849</td>
<td></td>
<td>778,849</td>
</tr>
</tbody>
</table>

US Bank/Piper Jaffray Average Rate= 0.691%

Average Rate All= 0.401%

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 September 24, 2013. 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 323 days and does not include Bond Reserve Fund Investments.
## City of Banning Investment Report

### Individual Investments with Fiscal Agent

**May 31, 2014**

<table>
<thead>
<tr>
<th>TRUSTEE</th>
<th>Bond Issue Description</th>
<th>Bond Maturity Date</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>5/31/2014</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A</td>
<td>2035</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>188,943</td>
<td>5.44</td>
<td>220,570</td>
</tr>
<tr>
<td></td>
<td>2003 CRA Tax Allocation Bonds</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>9,544</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2003 CRA Tax Allocation Bonds</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td>0</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surplus Fund</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</td>
<td>2037</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>8,331,615</td>
<td></td>
<td>8,331,615</td>
</tr>
<tr>
<td></td>
<td>Redevelop Fund</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td>10</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reserve Fund</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>1,875,427</td>
<td>46.24</td>
<td>1,875,427</td>
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</tr>
<tr>
<td></td>
<td>Special Fund</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surplus Fund</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td>11</td>
<td></td>
<td>11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</td>
<td>2035</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td>2.29</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Interest Account</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal Account</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.300%</td>
<td>daily</td>
<td>77,500</td>
<td></td>
<td>77,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</td>
<td>2035</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td>13.29</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Interest Account</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal Account</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.300%</td>
<td>daily</td>
<td>402,500</td>
<td></td>
<td>402,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reserve Fund</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.300%</td>
<td>daily</td>
<td>2,311,198</td>
<td>56.99</td>
<td>2,311,198</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Project Fund</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.300%</td>
<td>daily</td>
<td>39.50</td>
<td></td>
<td>39.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</td>
<td>2035</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>1,773,549</td>
<td></td>
<td>1,773,549</td>
</tr>
<tr>
<td></td>
<td>Acquisition &amp; Construction</td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>2,672,516</td>
<td></td>
<td>2,672,516</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>US Bank Mmklt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>345.75</td>
<td></td>
<td>345.75</td>
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<td></td>
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<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>862.33</td>
<td></td>
<td>37,586,204</td>
<td></td>
</tr>
</tbody>
</table>

---

*Paid Semi-Annually-Deposited into Money Mkt Account*
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 twelve month period of April 2013 to March 2014. *(The percentages will be updated quarterly.)*

![Pie chart showing fund distribution]

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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description of funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental</td>
<td>General Fund</td>
</tr>
<tr>
<td>Special Revenue</td>
<td>Restricted Funds (i.e. CFDs, grants)</td>
</tr>
<tr>
<td>Capital Improvement</td>
<td>Development Impact Fee funds</td>
</tr>
<tr>
<td>Enterprise</td>
<td>Airport, Transit, Refuse, Electric</td>
</tr>
<tr>
<td>Banning Utility Authority</td>
<td>Water, Wastewater, Reclaimed water</td>
</tr>
<tr>
<td>Internal Service</td>
<td>Risk Management, Fleet, IT, Utility Services</td>
</tr>
<tr>
<td>Successor Agency Funds</td>
<td>Previously called Redevelopment Agency</td>
</tr>
</tbody>
</table>
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 cashing in utility billing.

Bank Accounts –

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payable 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.

Restricted Operating Funds at California ISO–

The California ISO facilitates the purchase and sale of the City’s electricity. The City participates in periodic Congestion Revenue Rights (CRR) auctions to acquire financial hedges for transmission congestion. In order to participate in the CRR auctions the City was required to have a secured form of financial security in the amount of $100,000. A cash deposit was placed with Union Bank in March, 2012 to meet the requirements. The account is an interest bearing collateral account.
Summary Schedule – Line item descriptions – Cont.

Restricted Operating Funds at PERMA-

The City participates in a JPA with the Public Entity Risk Management Authority (PERMA), who provides administration for the City’s worker’s compensation insurance program. PERMA requires the City to deposit funds into an account used by PERMA for the payment of worker’s compensation claims. The City does not control the investments or earnings of this account.

Other Investments –

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

Fiscal Agent / US Bank –

Unspent bond proceeds and required bond reserves are invested by the Fiscal Agent in accordance with the bond documents.
CITY COUNCIL AGENDA

Date: July 8, 2014

TO: City Council

FROM: June Overholt, Administrative Services Director

SUBJECT: Approval of Accounts Payable and Payroll Warrants for Month of May 2014

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 2014.

The reports are:

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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.

(1) Due to positive pay reporting, manual checks must be reported in the accounting system separately from the weekly check register.

Report Prepared by: Jenna Harrell, Accounts Payable

RECOMMENDED BY:

J.A. Overholt
Administrative Services Director

APPROVED BY:

Homer Croy
Interim City Manager
CITY OF BANNING
Fund/Department Legend

Fund/Department Legend

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

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

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

Date: June 23, 2014

TO: City Council

FROM: City Clerk


RECOMMENDATION: That the City Council adopt Resolution No. 2014-52, Reciting the Fact of the Special Municipal Election Held in Said City on June 3, 2014, Declaring the Result Thereof and Such Other Matters as Provided by Law.

BACKGROUND: The City Council adopted Resolution No. 2014-12 on February 25, 2014, requesting the Board of Supervisors of the County of Riverside to Consolidate a Special Municipal Election to be held on June 3, 2014, with the Consolidated Primary Election to be held on the same date pursuant to Section 10403 of the Elections Code for the purpose of submitting to the electors of the city of Banning a measure to appear on the ballot as follows: To minimize future cuts and provide funding for essential city services including police, fire, 9-1-1 emergency response, graffiti removal, and maintaining streets and public areas, shall the City of Banning adopt an ordinance to continue the existing Transient Occupancy tax (which is a hotel bed tax paid when overnight visitors rent a room) at a cap rate of 12%, with annual independent audits provided by code, and all funds used to maintain city services in Banning? The Registrar of Voters of the County of Riverside was authorized to canvass the returns of the Special Municipal Election.

FISCAL IMPACT: The cost of said election is forthcoming from the Registrar of Voters.

RECOMMENDED BY:

Marie A. Calderon, City Clerk

APPROVED BY:

Homer Croy, Interim City Manager

REVIEWED BY:

June Overholt, Administrative Services Dir./Deputy City Manager
Page left blank intentionally.
RESOLUTION NO. 2014-52


WHEREAS, a special municipal election was held and conducted in the City of Banning, California on Tuesday, June 3, 2014, as required by law; and

WHEREAS, the City Clerk has been informed by the Election Department of the County of Riverside that notice of said election was duly and regularly given in time, form and manner as provided by law; that voting precincts were properly established; that election officers were appointed and that in all respects said election was held and conducted and the votes cast thereat, received and canvassed and the return made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in cities; and

WHEREAS, pursuant to Resolution No. 2014-12 adopted February 25, 2014, the Registrar of Voters of the County of Riverside canvassed the returns of said election and certified the results to this City Council, said results are received and attached and made a part hereof as “Exhibit A.”

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE AND DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That there were seven voting precincts established for the purpose of holding said election consisting of consolidations of the regular election precincts in said City as established for the holding of state and county elections.

SECTION 2. That at said special municipal election, the following measure was submitted to the electors of said City, to wit:

To minimize future cuts and provide funding for essential city services including Police, fire, 9-1-1 emergency response, graffiti removal, and maintaining streets and public areas, shall the City of Banning adopt an ordinance to continue the existing Transient Occupancy Tax (which is a hotel bed tax paid when overnight visitors rent a room) at a cap rate of 12%, with annual independent audits provided by code, and all funds used to maintain city services in Banning?
SECTION 3. That the whole number of votes cast in said City (except by vote by mail reporting) was 915. That the whole number of votes by mail reporting cast in said City was 3,434 making a total of 4,349 votes cast in said City. That the number of votes given at each precinct and the number of votes given in the City for the measure above name is listed in Exhibit “A” attached.

SECTION 4. The City Council does declare and determine that: As a result of said election, a majority of the qualified voters voting on said measure relating to Measure E – Banning Transient Occupancy Tax, did vote in favor thereof, and that said measure was carried, and shall be deemed adopted and ratified.

SECTION 5. The City Clerk shall enter on the records of the City Council of the City of Banning a statement of the result of said election, showing: (1) The whole number of votes cast in the City; (2) The measure voted upon; (3) The number of votes given at each precinct for and against the measure; (4) The number of votes given in the City for and against the measure.

SECTION 6. The City Clerk shall certify to the passage and adoption of this resolution; shall enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 8th day of July, 2014.

__________________________________________
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. 2014-52 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 8th day of July, 2014, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

______________________________
Marie A. Calderon, City Clerk
City of Banning, California
RESOLUTION NO. 2014-52

EXHIBIT "A"
CERTIFICATE OF REGISTRAR OF VOTERS
TO THE RESULTS OF THE CANVASS OF ELECTION RETURNS

State of California   )
                     ) ss.
County of Riverside  )

I, REBECCA SPENCER, Interim Registrar of Voters of said County, do hereby certify that, in pursuance of the provisions of Sections 15301, 15372, and 15374 of the California Elections Code, and the resolution adopted by the City Council, I did canvass the returns of the votes cast on June 3, 2014, as part of the Consolidated Primary Election in the

CITY OF BANNING

and I further certify that the statement of votes cast, to which this certificate is attached, shows the whole number of votes cast for and against each measure at said election in said City and in each precinct therein, and that the totals as shown for said election are full, true, and correct.

Dated this 13th day of June 2014.

REBECCA SPENCER
Interim Registrar of Voters
### 140043

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46
CITY COUNCIL AGENDA

Date: June 26, 2014

To: City Council

From: Tim Chavez, 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. 2014-53, 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 $19,583.64. 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 $19,583.64 amount placed on the tax rolls for weed abatement.

RECOMMENDED BY:

[Signature]
Tim Chavez
Fire Services, Battalion Chief

APPROVED BY:

[Signature]
Homer Croy
City Manager

REVIEWED BY:

June Overholt
Administrative Director

Attachments:
1. Resolution No. 2014-53
2. Ordinance No. 1326
RESOLUTION NO. 2014-53

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 8th day of July 2014.

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 2014-53 was duly adopted at a regular meeting of the City Council of the City of Banning, California, held on the 8th day of July 2014, by the following vote, to wit:
AYES:
NOES:
ABSTAIN:
ABSENT:

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

Reso. No. 2014-53
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"EXHIBIT A"

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TOTAL 19583.66

Tax Roll 2013-2014
Reso No. 2014-53
EXHIBIT A
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.

Ordinance No. 1326
(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 owner-occupied 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.

[Signature]
John Machisic, Mayor

APPROVED AS TO FORM AND LEGAL CONTENT:

[Signature]
Julie Hayward Biggs
City Attorney

ATTEST:

[Signature]
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

[Signature]

Marie A. Calderon, City Clerk
City of Banning, California
CITY COUNCIL AGENDA
CONSENT CALENDAR

DATE:        July 8, 2014

TO:          City Council

FROM:        Homer Croy, Interim City Manager

SUBJECT:      International Brotherhood of Electrical Workers - Extension of Memoranda of Understanding for the Utility Unit and the General Employees Unit

RECOMMENDATION:  Adopt Resolution No. 2014-54 approving the extension of the Memoranda of Understanding between the City of Banning (the “City”) and the International Brotherhood of Electrical Workers - Local 47 (“IBEW”) representing the Utility Unit and the General Employees Unit which currently expire on June 30, 2014 (“IBEW MOUs”), on a month-to-month basis, starting July 1, 2014 and expiring on the earlier of December 31, 2014, or the date the City and the IBEW negotiate and the City Council adopts successor Memoranda of Understanding.

JUSTIFICATION:  The Meyers-Milias-Brown Act ("MMBA") (Gov't Code Sections 3500-3511) provides that a written memorandum of understanding or any amendment thereto are not be binding until approved by the governing body of the local agency. The parties desire to maintain status quo while the attempt to negotiate a successor MOU.  Therefore, City Council approval of the proposed month-to-month extensions of the IBEW MOUs is required by the MMBA in order to be binding on the parties.

BACKGROUND:  The previous Memorandums of Understanding between the City and IBEW Local 47 for both the General Employees Unit and the Utility Unit expire by their own terms on June 30, 2014. The City negotiation team met with the IBEW representatives on June 4, 2014. The IBEW representatives have asked for extensions to the IBEW MOUs for the period of time that it will take to negotiate new Memorandums of Understanding for both Units, and the City negotiation team is not opposed to the extension. To that end the parties have agreed to an extension of the IBEW MOUs on a month-to-month basis, starting July 1, 2014 and expiring on the earlier of December 31, 2014, or the date the City and the IBEW negotiate and the City Council approves successor MOUs.

FISCAL DATA  The month-to-month extensions result in no fiscal impact to the General Fund.

APPROVED BY:  

Homer Croy
Interim City Manager

RECOMMENDED BY:  

June Overholt
Administrative Services Director /
Deputy City Manager

Attachments: Resolution No. 2014-54
RESOLUTION NO. 2014-54


WHEREAS, the City of Banning ("City") has formally recognized the International Brotherhood Of Electrical Workers - Local 47 ("IBEW"), as the exclusive employee organization for both the General Employees Unit and the Utility Unit; and

WHEREAS, the current Memorandum of Understanding between the City and IBEW representing the General Employees Unit will expire on June 30, 2014 ("General Employees Unit MOU 2014"); and

WHEREAS, the current Memorandum of Understanding between the City and IBEW representing the Utility Unit will expire on June 30, 2014 ("Utility Unit MOU 2014"); and

WHEREAS, IBEW has requested an extension of the current Memoranda of Understanding between the City and IBEW representing both the General Employees Unit and the Utility Unit for the time during which the City and IBEW negotiate successor Memoranda of Understanding; and

WHEREAS, the City and IBEW have agreed to extend the General Employees Unit MOU 2014 on a month-to-month basis, not to exceed six months, until a successor Memorandum of Understanding is negotiated and approved by the City Council; and

WHEREAS, the City and IBEW have agreed to extend the Utility Unit MOU 2014 on a month-to-month basis, not to exceed six months, until a successor Memorandum of Understanding is negotiated and approved by the City Council; and

WHEREAS, it is therefore necessary to amend the General Employees Unit MOU 2014 at Article I, Section 1.3 “Term” to accomplish the above goals; and

WHEREAS, it is therefore necessary to amend the Utility Unit MOU 2014 at Article I, Section 1.3 “Term” to accomplish the above goals; and

WHEREAS the City and IBEW and met-and-conferring and agreed to these extensions pursuant to the Meyers-Milius-Brown Act ("MMBA")(Gov't Code Sections 3500-3511) and the City’s Employer-Employee Relations Resolution No. 2010-45; and

WHEREAS, once approved by the governing body of a local agency, a memorandum of understanding or any amendment thereto becomes a binding agreement between the employee organization and the local agency.
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning, California, as follows:

SECTION 1: The foregoing Recitals are true and correct and incorporated herein by this reference.

SECTION 2. The City Council approves an extension of the term of the Memorandum of Understanding between the City and the International Brotherhood of Electrical Worker-Local 47, representing the General Employees Unit for a period starting July 1, 2014, a signed copy of which is attached hereto and by this reference made a part hereof. Said extension shall terminate at the earlier of December 31, 2014 or the date on which the City Council approves the successor Memorandum of Understanding between the City and the International Brotherhood of Electrical Worker-Local 47, representing the General Employees Unit.

SECTION 3. The City Council approves an extension of the term of the Memorandum of Understanding between the City and the International Brotherhood of Electrical Worker-Local 47, representing the Utility Unit for a period starting July 1, 2014, a signed copy of which is attached hereto and by this reference made a part hereof. Said extension shall terminate at the earlier of December 31, 2014 or the date on which the City Council approves the successor Memorandum of Understanding between the City and the International Brotherhood of Electrical Worker-Local 47, representing the Utility Unit.

SECTION 4. 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.

PASSED, APPROVED AND ADOPTED this 8th day of July, 2014.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City clerk
City of Banning

APPROVED AS TO FORM AND LEGAL CONTENT:

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

Reso. No. 2014-54
CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2014-54 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 8th day of July, 2014, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Marie A. Calderon, City Clerk
City of Banning, California
FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN THE  
CITY OF BANNING AND THE INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS – LOCAL 47 GENERAL EMPLOYEES UNIT THROUGH  
JUNE 30, 2014

This First Amendment to the Memorandum of Understanding between the City of Banning and the International Brotherhood of Electrical Workers – Local 47 through June 30, 2014 ("General Employees Unit MOU 2014") is made and entered into by and between the City of Banning, a Municipal Corporation, (the "City") and the International Brotherhood of Electrical Workers – Local 47 ("IBEW"), as the recognized employee organization for the General Employees Unit of representation (hereinafter the "Unit").

RECITALS

WHEREAS, the City and IBEW entered into the General Employees Unit MOU 2014 which was approved by the City Council on or about May 28, 2013; and

WHEREAS, the General Employees Unit MOU 2014 will expire on June 30, 2014; and

WHEREAS, the IBEW labor representatives requested to commence negotiations for a successor Memorandum of Understanding ("MOU") and City labor representatives and IBEW labor representatives met and conferred to commence negotiations on June 4, 2014 for a successor MOU; and

WHEREAS, the IBEW labor representatives requested an extension of the General Employees Unit MOU 2014 while the City labor representatives and the IBEW labor representatives negotiate a successor MOU; and

WHEREAS, the City labor representatives and IBEW labor representatives have agreed to extend the term of the General Employees Unit MOU 2014 on a month-to-month basis, not to exceed six months, until a successor MOU is negotiated; and

WHEREAS, it is therefore necessary to amend the General Employees Unit MOU 2014 at Article I, Section 1.3 "Term" to accomplish the above goals as set forth below.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Article 1, Section 1.3 of the General Employees Unit MOU 2014 titled "Term" is hereby stricken and replaced in its entirety with the language as follows:

2. "1.3 Term. Except as otherwise provided herein, this MOU between the City and IBEW relative to wages, hours, and other terms and conditions of employment shall become effective upon approval by the City Council and thereafter shall remain in full force on a month-to-month basis, until the City and IBEW negotiate a successor Memorandum of Understanding or until December 31, 2014, whichever occurs earlier."
The representatives of the City and the IBEW have jointly prepared this First Amendment to the General Employees Unit MOU 2014, which has been ratified by the IBEW on June 26, 2014 and is jointly presented to the City Council of the City of Banning for determination pursuant to Government Code section 3505.1. Except as expressly provided for in this First Amendment, all other provisions of the General Employees Unit MOU 2014 shall remain in full force and effect. The parties also acknowledge that this First Amendment shall not be in full force and effect until adopted by resolution by the City Council of the City of Banning. Subject to the foregoing and in witness whereof, this First Amendment is hereby executed by the authorized representatives of the City and IBEW and entered into as of this 28th day of June, 2014.

For the City of Banning:

Homer Croy,
Interim City Manager

Colin Tahner,
Lead Negotiator

Rita Chapparosa,
Deputy Human Resources Director

For IBEW:

Patrick Lavin, Business Agent
IBEW Local 47

John Baca, Business Agent
IBEW Local 47

Patrick Stephens
Representative
FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BANNING AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS – LOCAL 47 UTILITY UNIT THROUGH JUNE 30, 2014

This First Amendment to the Memorandum of Understanding between the City of Banning and the International Brotherhood of Electrical Workers – Local 47 through June 30, 2014 ("Utility Unit MOU 2014") is made and entered into by and between the City of Banning, a Municipal Corporation, (the "City") and the International Brotherhood of Electrical Workers – Local 47 ("IBEW"), as the recognized employee organization for the Utility Unit of representation (hereinafter the "Unit").

RECITALS

WHEREAS, the City and IBEW entered into the Utility Unit MOU 2014 which was approved and adopted by the City Council on or about May 28, 2013; and

WHEREAS, the Utility Unit MOU 2014 will expire on June 30, 2014; and

WHEREAS, the IBEW labor representatives requested to commence negotiations for a successor Memorandum of Understanding ("MOU") and City labor representatives and IBEW labor representatives met and conferred to commence negotiations on June 4, 2014 for a successor MOU; and

WHEREAS, the IBEW labor representatives requested an extension of the Utility Unit MOU 2014 while the City labor representatives and the IBEW labor representatives negotiate a successor MOU; and

WHEREAS, the City labor representatives and IBEW labor representatives have agreed to extend the term of the Utility Unit MOU 2014 on a month-to-month basis until a successor Memorandum of Understanding is negotiated and adopted by City Council, but which shall not extend beyond six months in any event; and

WHEREAS, it is therefore necessary to amend the Utility Unit MOU 2014 at Article I, Section 1.3 “Term” to accomplish the above goals as set forth below.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Article I, Section 1.3 of the Utility Unit MOU 2014 titled “Term” is hereby stricken and replaced in its entirety with the language as follows:

   "1.3 Term. Except as otherwise provided herein, this MOU between the City and IBEW relative to wages, hours, and other terms and conditions of employment shall become effective upon approval by the City Council and thereafter shall remain in full force on a month-to-month basis, until the City and IBEW negotiate a successor Memorandum of Understanding or until December 31, 2014, whichever occurs earlier."
The representatives of the City and the IBEW have jointly prepared this First Amendment to the Utility Unit MOU 2014, which has been ratified by the IBEW on June 25, 2014 and is jointly presented to the City Council of the City of Banning for determination pursuant to Government Code section 3505.1. Except as expressly provided for in this First Amendment, all other provisions of the Utility Unit MOU 2014 shall remain in full force and effect. The parties also acknowledge that this First Amendment shall not be in full force and effect until adopted by resolution by the City Council of the City of Banning. Subject to the foregoing and in witness whereof, this First Amendment is hereby executed by the authorized representatives of the City and IBEW and entered into as of this 28th day of June, 2014.

For the City of Banning:

Homer Croy, Interim City Manager

Colin Tanner, Lead Negotiator

Rita Chapparosa, Deputy Human Resources Director

For IBEW:

Patrick Lavin, Business Agent
IBEW Local 47

John Baca, Business Agent
IBEW Local 47

Michael Colantuono
Representative
DATE: July 8, 2014

TO: City Council

FROM: Duane Burk, Public Works Director


JUSTIFICATION: The approval of this resolution is essential in order to participate in the urban county designation and to obtain federally-assisted community block grants.

BACKGROUND: The City of Banning, through the Riverside County Economic Development Agency, has been submitting various projects annually for funding under the Community Development Block Grant (CDBG) Program. The HOME program authorized by the HOME Investment Partnerships Act (HOME) was enacted as Title II of the National Affordable Housing Act of 1990, has as its purposes: to expand the supply of decent, affordable housing for low and very-low income families with emphasis on rental housing; build State and Local capacity to carry out affordable housing programs, and provide for coordinated assistance to participants in the development of affordable low-income housing. The Emergency Shelter Grant, referred to as “ESG”, was authorized by the McKinney-Vento Homeless Assistance Act of 1987. The objectives of the ESG, to be renamed the Emergency Solutions Grant under the Homeless Emergency Assistance, and Rapid Transition to Housing (HEARTH) Act of 2009, are to increase number and quality of emergency shelters and transition all housing facilities for homeless individuals and families, to operate and provide essential social services and to prevent homelessness. In regard to the CDBG Program, the Riverside County Economic Development Agency is the lead agency that helps the City of Banning obtain all CDBG grants.

In order to participate in this program, the City must execute and submit the Statement of Participation and the Co-operation Agreement, as attached herewith as exhibit “A.”

FISCAL DATA: None

[SIGNATURES ON NEXT PAGE]
RECOMMENDED BY:

Duane Burk
Director of Public Works

REVIEWED BY:

June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:

Horner Croy,
Interim City Manager

Resolution No. 2014-57
RESOLUTION NO. 2014-57


WHEREAS, the Housing and Community Development Act of 1974, as amended (Public Law 93-383) hereinafter called “ACT” provides that Community Development Block Grant, hereinafter referred to as “CDBG”, funds may be used for the support of activities that provide decent housing and suitable living environments and expanded economic opportunities principally for persons of low and moderate income; and

WHEREAS, the HOME program authorized by the HOME Investment Partnerships Act (HOME) was enacted as Title II of the National Affordable Housing Act of 1990, has as its purposes; to expand the supply of decent, affordable housing for low and very-low income families with emphasis on rental housing; build State and local capacity to carry out affordable housing programs, and provide for coordinated assistance to participants in the development of affordable low-income housing; and

WHEREAS, the Emergency Shelter Grant referred to as “ESG”, was authorized by the McKinney-Vento Homeless Assistance Act of 1987. The objectives of the ESG, to be renamed the Emergency Solutions Grant under the Homeless Emergency Assistance, and Rapid Transition to Housing (HEARTH) Act of 2009, are to increase number and quality of emergency shelters and transition all housing facilities for homeless individuals and families, to operate and provide essential social services, and to prevent homelessness; and

WHEREAS, CDBG regulations require counties to re-qualify as an Urban County under the CDBG program every three years; and

WHEREAS, the execution of this Agreement is necessary to include the City of Banning as a participating unit of general government under Riverside County’s Urban County CDBG, HOME and ESG programs.

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

SECTION 1. The Cooperation Agreement for the Community Development Block Grant, Home Investment Partnership Program, and Emergency Shelter Grant Funds for Fiscal Years 2015, 2016, and 2017 is approved, and the Mayor is authorized to execute the Statement of Participation and the Agreement as attached herewith as exhibit “A.”

SECTION 2. Said authorization shall expire 90 days following the date herewith if the agreement has not been executed.

Resolution No. 2014-57
PASSED, APPROVED AND ADOPTED this 8th day of July, 2014.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

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

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2014-57 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 8th day of July, 2014, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Resolution No. 2014-57
Exhibit “A”

Cooperation Agreement for Urban County Qualification 2015-2017
COOPERATION AGREEMENT
FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT,
HOME INVESTMENT PARTNERSHIP PROGRAM, AND EMERGENCY SOLUTIONS
GRANT FOR FISCAL YEARS 2015-16, 2016-17, 2017-18

This Cooperation Agreement for the Community Development Block Grant, HOME Investment Partnership Program, and the Emergency Solutions Grant for Fiscal Years 2015-16, 2016-17, 2017-18, hereinafter referred to as “Agreement,” is made and entered into this ______ day of _________, 2014, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and CITY of BANNING, an incorporated municipality within the geographical boundaries of the COUNTY, hereinafter referred to as "CITY," who together are sometimes referred to herein individually as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, the Housing and Community Development Act of 1974, as amended (Public Law 93-383), hereinafter called "ACT," provides that Community Development Block Grant, funds hereinafter referred to as "CDBG," may be used for the support of activities that provide decent housing, suitable living environments, and expanded economic opportunities principally for persons of low and moderate-income; and

WHEREAS, the HOME Investment Partnerships Act program, hereinafter referred to as “HOME,” was enacted as Title II of the National Affordable Housing Act of 1990, for the purposes of: expanding the supply of decent, affordable housing for low and very-low income families with emphasis on rental housing; building State and local capacity to carry out affordable housing programs; and providing for coordinated assistance to participants in the development of affordable low-income housing; and

WHEREAS, the Emergency Solutions Grant, hereinafter referred to as “ESG,” was authorized by the McKinney-Vento Homeless Assistance Act of 1987 and the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The objectives of the ESG program are to increase the number and quality of emergency shelters and
transitional housing facilities for homeless individuals and families, to operate these facilities
and provide essential social services, and to help prevent homelessness.

WHEREAS, CDBG regulations requires an eligible county to re-qualify as Urban
County under the CDBG program every three (3) years; and

WHEREAS, the execution of this Agreement is necessary to include CITY as a
participating unit of general government under COUNTY’s Urban County CDBG, HOME, and
ESG programs.

NOW THEREFORE, in consideration of the mutual covenants herein set forth and the
mutual benefits to be derived there from, the Parties agree as follows:

1. GENERAL.

This Agreement gives COUNTY authority to undertake, or assist in undertaking,
activities for Fiscal Years 2015-16, 2016-17, and 2017-18, that will be funded from the CDBG,
HOME, and ESG programs and from any program income generated from the expenditure of
such funds. COUNTY and CITY agree to cooperate, to undertake, or to assist in undertaking,
community renewal and lower-income housing assistance activities. COUNTY is qualified as an
"Urban County" under the ACT. CITY, by executing this Agreement, hereby gives notice of its
election to participate in an Urban County Community Development Block Grant program,
hereinafter referred to as "CDBG programs".

By executing this Agreement, CITY understands that it may not apply for grants
from appropriations under the Small Cities or State CDBG Programs for fiscal years during the
period in which it participates in the Urban County’s CDBG program and that CITY may only
participate in the HOME program through the COUNTY’S Urban County program, not a
consortium. The CITY may also apply for HOME funds or ESG funds from the State of
California, if permitted by the State.

2. TERM.

The term of this Agreement shall be for three (3) years commencing on July 1,
2015, through June 30, 2018, unless an earlier date of termination is fixed by U.S. Department of
Housing and Urban Development, hereinafter referred to as HUD, pursuant to ACT.

Cooperation Agreement For CDBG, HOME, and ESG Funds 2015-2018

Page 2 of 14
This Agreement will be automatically renewed for participation in successive three-year qualification periods, unless the COUNTY or the CITY provides written notice to the other Party that it elects not to participate in the next three-year Urban County program. COUNTY will notify CITY of CITY's right not to participate in the next three-year period no later than the date specified by HUD in the Urban County Qualification Notice. CITY shall notify COUNTY no later than the date specified in COUNTY's notification that CITY elects not to participate in the next three-year Urban County Program. COUNTY will send copies of all notifications required by this Paragraph to the HUD Field Office.

The terms of this Agreement shall remain in effect until the CDBG, HOME, and ESG funds and program income received with respect to activities carried out during the three-year qualification period are expended and the funded activities completed. Furthermore, neither the COUNTY nor the CITY may terminate or withdraw from this Agreement while it remains in effect.

3. PREPARATION OF FEDERAлы REQUIRED FUNDING APPLICATIONS.

The Riverside County Economic Development Agency, subject to approval of COUNTY's Board of Supervisors, shall be responsible for preparing and submitting to HUD, in a timely manner, all reports and statements required by the ACT and the Federal regulations promulgated by HUD to secure entitlement grant funding under the CDBG, HOME, and ESG programs. This duty shall include the preparation and processing of COUNTY Housing, Community, and Economic Development Needs Identification Report, Citizen Participation Plan, the County Five-Year Consolidated Plan, One-Year Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER), and other related programs which satisfy the application requirements of ACT and its regulations.

4. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND OTHER APPLICABLE STATUTES, REGULATIONS AND ORDINANCES.

(a) COUNTY and CITY will comply with the applicable provisions of the ACT and those Federal regulations promulgated by HUD pursuant thereto, as the same currently
exists or may hereafter be amended. The COUNTY and CITY will take all actions necessary to
assure compliance with COUNTY’s certifications required by Section 104 (b) of Title I of ACT.
COUNTY and CITY will comply with the provisions of the following: National Environmental
Policy Act of 1969; Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights
Act of 1968; and Title 24 Code of Federal Regulations part 570; the Fair Housing Act; Cranston-
Gonzales National Affordable housing Act (Public Law 101-625); Section 109 Title I of the
Housing and Community Development Act of 1974 (42 U.S.C.§5309); Executive Order 11063,
as amended by Executive Order 12259; Executive Order 11988; the Uniform Relocation
Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C.§4630, et. seq.); and
other Federal or state statute or regulation applicable to the use of CDBG or HOME Investment
Partnerships Act (enacted as Title II of the National Affordable Housing Act of 1990) funds.
(b) CITY agrees that CDBG funding for activities in, or in support of, CITY
are prohibited if CITY does not affirmatively further fair housing within its own jurisdiction or
impedes COUNTY actions to comply with its fair housing certification.
(c) CITY and COUNTY shall meet the citizen participation requirements of
24 CFR 570.301 and provide Riverside County citizens with all of the following:
   i. The estimate of the amount of CDBG funds proposed to be used
for activities that will benefit persons of low and moderate-income;
   ii. A plan for minimizing displacement of persons as a result of
activities assisted with CDBG funds and to assist persons actually displaced as a result of such
activities;
   iii. A plan that provides for and encourages citizen participation, with
particular emphasis on participation by persons of low and moderate-incomes, residents of slum
and blighted areas, and of areas in which funds are proposed to be used, and provides for
participation of residents in low and moderate-income neighborhoods;
   iv. Reasonable and timely access to local meetings, information, and
records relating to the grantee’s proposed use of funds, as required by the regulations of the
Secretary, and relating to the actual use of funds under the ACT;
v. Provide for public meetings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities and review of program performance. Meetings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the disabled.

(d) CITY shall develop a community development plan, for the period of this Agreement, which identifies community development and housing needs and specifies both short and long-term community development objectives.

(e) CITY certifies, to the best of its knowledge and belief, that:
   i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the CITY, to any person influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

   ii. If any funds other than Federally-appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

   iii. The CITY shall require that the language provided in Section 4(e)(i) and (ii) of this Agreement be included in the award documents for all sub-awards at all tiers (including subcontracts, sub- grants and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.
(f) CITY certifies that it has adopted and is enforcing a policy prohibiting the
use of excessive force by law enforcement agencies within its jurisdiction against any individuals
engaged in non-violent civil rights demonstrations, and that it has adopted and is enforcing
applicable State and local laws against physically barring entrance to, or exit from, a facility or
location which is the subject of such non-violent civil rights demonstrations within its
jurisdiction.

5. COMPLIANCE WITH POLICY AND PROGRAM OBJECTIVES.

The COUNTY’s Board of Supervisors have adopted policies and procedures to
ensure efficient and effective administration of the CDBG, HOME, and ESG programs.
COUNTY will provide these policies and procedures to CITY within a reasonable time after this
Agreement’s commencement date. COUNTY and City agree to comply with these said policies
and program objectives and to take no actions to obstruct implementation of the approved 2014-
2019 Five Year Consolidated Plan.

6. OTHER AGREEMENTS.

Pursuant to Federal regulations at 24 CFR 570.501(b), CITY is subject to the
same requirements applicable to sub-recipients, including the requirement of a written agreement
set forth in Federal regulations at 24 CFR 570.503. For each fiscal year during the term of this
Agreement, COUNTY and CITY shall enter into an additional agreement, commonly known as a
Supplemental Agreement, that will have a term coinciding with a CDBG Program Year and
enumerate the project(s) CITY will implement with its entitlement funds. Said Supplemental
Agreement will set forth the time schedule for completion of said project(s) and any funding
sources, in addition to entitlement funds, that will be used in completing the project(s). If
substantial compliance with the completion schedule, due to unforeseen or uncontrollable
circumstances, cannot be met by CITY, the schedule for the project(s) may be extended by
COUNTY. If COUNTY determines that substantial progress toward drawdown of funds is not
made during the term of the Supplemental Agreement, the entitlement funds associated with the
project(s) may be reprogrammed by COUNTY, to other activities as determined by COUNTY,
after COUNTY provides appropriate written notice to CITY. COUNTY’s decision not to extend
the completion schedule associated with the project(s), or to reprogram the entitlement funds associated with the project(s), will not excuse CITY from complying with terms of this Agreement.

7. DETERMINATION OF PROJECTS TO BE FUNDED AND DISTRIBUTION OF ENTITLEMENT FUNDS.

CITY agrees to submit to COUNTY, no later than the date specified by COUNTY prior to each program year, the activities that the CITY desires to implement with its entitlement funds, said designation to comply with statutory and regulatory provisions governing citizen's participation. Said designation is to be reviewed by the COUNTY's Economic Development Agency to determine that the projects are eligible under Federal regulations for funding and inclusion in the One Year Action Plan of the County's Five-Year Consolidated Plan and consistent with both Federal and COUNTY policy governing use of Community Development Block Grant (CDBG) funds.

In the event that CITY fails to submit to COUNTY the identified activities that the CITY desires to implement with its entitlement funds by the date specified prior to each program year, the COUNTY may determine the activities to be funded, without consent of the CITY, consistent with both Federal and COUNTY policy governing use of Community Development Block Grant (CDBG) funds.

Consistent with Paragraphs 3, 4, 5, 6, and 7 of this Agreement, COUNTY's Board of Supervisors will make the final determination of the distribution and disposition of all CDBG funds received by COUNTY pursuant to the ACT.

8. COMMUNITY DEVELOPMENT BLOCK GRANT MANUAL.

CITY warrants that those officers, employees, and agents, retained by it and responsible for implementing projects funded with CDBG have received, reviewed, and will follow the Community Development Block Grant Manual that has been prepared and amended by COUNTY, and by this reference, said Manual is incorporated herein and made a part hereof.
9. REAL PROPERTY ACQUIRED OR PUBLIC FACILITY CONSTRUCTED WITH CDBG FUNDS.

When CDBG funds are used, in whole or in part, by CITY to acquire real property or to construct a public facility, CITY will comply with the National Environmental Policy Act of 1969 (42 U.S.C. §§4321, et seq.), the California Environmental Quality Act (Cal. Pub. Resources Code §§21000, et seq.), the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §§4630, et seq.), and the California Government Code Sections 7260 et seq., as those Acts may be amended from time-to-time and any Federal or state regulations issued to implement the aforementioned laws.

In addition, the following is to occur:

(a) Title to the real property shall vest in CITY;

(b) The real property title will be held by or the constructed facility will be maintained by the CITY for the approved use until five (5) years after the date that the project is reported as “Completed” within the annual Consolidated Annual Performance and Evaluation Report.

(c) While held by CITY, the real property or the constructed facility is to be used exclusively for the purpose for which acquisition or construction was originally approved by COUNTY;

(d) CITY shall provide timely notice to COUNTY of any action which would result in a modification or change in the use of the real property purchased or improved, in whole or in part, with CDBG or HOME funds from that planned at the time of acquisition or improvement, including disposition.

(e) CITY shall provide timely notice to citizens and opportunity to comment on any proposed modification or change;

(f) Written approval from COUNTY must be secured if the property or the facility is to be put to an alternate use that is or is not consistent with Federal regulations governing CDBG funds;
(g) Should CITY desire during the five (5) year period to use the real property or the constructed facility for a purpose not consistent with applicable Federal regulations governing CDBG funds or to sell the real property or facility, then:

(i) If CITY desires to retain title, it will have to reimburse either COUNTY or the Federal government an amount that represents the percentage of current fair market value that is identical to the percentage that CDBG funds initially comprised to when the property was acquired or the facility was constructed;

(ii) If CITY sells the property or facility, or is required to sell the property or facility, CITY is to reimburse the COUNTY an amount that represents the percentage of proceeds realized by the sale that is identical to the percentage that CDBG funds comprised of the monies paid to initially acquire the property or construct the facility. This percentage amount will be calculated after deducting all actual and reasonable cost of sale from the sale proceeds.

10. DISPOSITION OF INCOME GENERATED BY THE EXPENDITURE OF CDBG FUNDS.

CITY shall inform COUNTY of any income generated by the expenditure of CDBG funds received by CITY from COUNTY. CITY may not retain any program income so generated. Any and all program income shall be returned to the County and may only be used for eligible activities in accordance with all CDBG requirements, including all requirements for citizen participation.

The COUNTY is required by HUD to monitor and report the receipt and use of all program income. CITY is required to track, monitor, and report any and all program income as requested by COUNTY.

11. TERMINATION.

Except as provided for in Paragraph 2, CITY and COUNTY cannot terminate or withdraw from this Agreement while it remains in effect.
12. FORMER AGREEMENTS UTILIZING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS BETWEEN COUNTY AND CITY.

All agreements between CITY and COUNTY regarding the use of CDBG funds for fiscal years 1975-76 through 2014-2015, and any Supplemental Agreements thereunder, shall remain in full force and effect. If the language of this Agreement is in conflict or inconsistent with the terms of any prior said agreements between CITY and COUNTY, the language of this Agreement will be controlling.

13. INDEMNIFICATION

CITY and COUNTY agree to indemnify, defend, and hold harmless the other Party and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising from either Party’s acts, errors, or omissions, and for any costs or expenses incurred by either Party on account of any claim therefore, except where such indemnifications is prohibited by law. Each Party shall promptly notify the other Party in writing of the occurrence of any such claims, actions, losses, damages, and/or liability.

Each Party shall indemnify and hold harmless the other Party against any liability, claims, losses, demands, and actions incurred by either Party as a result of the determination by HUD or its successor that activities undertaken by either Party under the program(s) fail to comply with any laws, regulations, or policies applicable thereto or that any funds billed by and disbursed to either Party under this Agreement were improperly expended.

14. COMPLIANCE WITH LAWS AND REGULATIONS.

By executing this Agreement, the Parties hereby certify that they will adhere to and comply with all Federal, state and local laws, regulations and ordinances.

15. ENTIRE AGREEMENT.

It is expressly agreed that this Agreement embodies the entire agreement of the Parties in relation to the subject matter hereof, and that no other agreement or understanding, verbal or otherwise, relative to this subject matter, exists between the Parties at the time of execution.
16. **SEVERABILITY.**

Each paragraph and provision of this Agreement is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall remain in full force and effect.

17. **ASSIGNMENT.**

The Parties will not make any sale, assignment, conveyance or lease of any trust or power, or transfer in any other form with respect to this Agreement, without prior written approval of the other Party.

18. **INTERPRETATION AND GOVERNING LAW.**

This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof.

19. **WAIVER.**

Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party’s right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

20. **JURISDICTION AND VENUE.**

Any action at law or in equity arising under this Agreement or brought by a Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the consolidated Courts of Riverside County, State of California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
21. **PROHIBITION OF CDBG FUND TRANSFER**

The CITY may not sell, trade, or otherwise transfer all or any portion of the CDBG funds to another such cooperating city, metropolitan city, urban county, or Indian tribe, that directly receives CDBG funds in exchange for any other funds, credits, or non-Federal considerations. CITY must use the CDBG funds for activities eligible under Title I of the ACT.

22. **AMENDMENTS**

No change, amendment, or modification to the Agreement shall be valid or binding upon CITY or COUNTY unless such change, amendment, or modification is in writing and duly executed. CITY and COUNTY agree to adopt any necessary amendments to this Agreement to incorporate changes required by HUD as set forth in the Urban County Qualification Notice. Amendments must be submitted to HUD as provided in the Urban County Qualification Notice and failure to do so will void the automatic renewal for such qualification period.

23. **AUTHORITY TO EXECUTE.**

The persons executing this Agreement or exhibits attached hereto on behalf of the Parties to this Agreement hereby warrant and represent that they have the authority to execute this Agreement and warrant and represent that they have the authority to bind the respective Parties to this Agreement to the performance of its obligations hereunder.

24. **INCORPORATION OF RECITALS**

The Parties hereby affirm the facts set forth in the recitals above. Said recitals are incorporated herein and made an operative part of this Agreement.

[Remainder of page intentionally blank]

[Signatures on following page]
IN WITNESS WHEREOF, the COUNTY and CITY have executed this Agreement on the date shown below.

Date: ______________________

COUNTY OF RIVERSIDE, a political subdivision of the State of California

CITY OF BANNING, a general law city

BY: ______________________
    Rob Field, Assistant County Executive Officer/EDA

BY: ______________________
    Mayor

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

ATTEST:

BY: ______________________
    City Clerk

APPROVED AS TO FORM:

BY: ______________________
    City Attorney
COUNTY COUNSEL CERTIFICATION

The Office of County Counsel hereby certifies that the terms and provisions of this Agreement are fully-authorized under state and local law and that the Agreement provides full legal authority for the COUNTY to undertake, or assist in undertaking, essential community development and housing assistance activities specifically urban renewal and publicly assisted housing.

Pamela J. Walls
County Counsel

By: _____________________________
Deputy, Jhaila R. Brown
CITY COUNCIL/BANNING UTILITY AUTHORITY

DATE: July 8, 2014

TO: Banning Utility Authority

FROM: Duane Burk, Director of Public Works

SUBJECT: Notice of Completion for Project No. 2011-01W, “Water Department Parking Lot and Perimeter Wall Improvements”

RECOMMENDATION: That the City Council/Banning Utility Authority accepts Project No. 2011-01W, “Water Department Parking Lot and Perimeter Wall Improvements” as complete and direct the City Clerk to record the Notice of Completion.

JUSTIFICATION: Staff has determined that the project has been completed per the City of Banning Plans and Specifications.

BACKGROUND: On September 10, 2013, the City Council/Banning Utility Authority adopted Resolution No. 2013-15 UA, “Awarding the Construction Contract for Project No. 2011-01W, ‘Water Department Parking Lot and Perimeter Wall Improvements,’ and Rejecting All Other Bids.” The scope of work under this project included the construction of an asphalt concrete/aggregate base parking lot, construction of curb and gutters, driveways; and construction of new fencing, gates, and pilasters all in accordance with the City of Banning Standard Specifications and all at the City of Banning’s Water Department Yard located at 3333 Bluff Street.

One change order in the amount of $7,246.06 was approved for modifications to the perimeter fencing.

FISCAL DATA: The original contract amount for this project was $530,086.70. The final contract amount is equal to $537,332.76 approximately 1.37% over the original contract amount and within the approved 10% contingency. The project was funded by the Water Capital Facility Fund.

RECOMMENDED BY:

Duane Burk
Director of Public Works

REVIEWED BY:

June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:

Homer Croy
Interim City Manager

NOC 2011-01W
WHEN RECORDED MAIL TO:

Office of the City Clerk
City of Banning
P.O. Box 998
Banning, California 92220

FREE RECORDING:
Exempt Pursuant to
Government Code §6103

NOTICE OF COMPLETION

PROJECT NO. 2011-01W

WATER DEPARTMENT PARKING LOT AND PERIMETER WALL IMPROVEMENTS

THIS NOTICE OF COMPLETION IS HEREBY GIVEN by the OWNER, the City of Banning, a municipal corporation, pursuant to the provisions of Section 3093 of the Civil Code of the State of California, and is hereby accepted by the City of Banning, pursuant to authority conferred by the City Council this July 8, 2014, and the grantees consent to recordation thereof by its duly authorized agent.

That the OWNER, the City of Banning, and Cooley Construction, Inc. of Hesperia, California, the vendee, entered into an agreement dated October 2, 2013, for Construction of Project No. 2011-01W, “Water Department Parking Lot and Perimeter Wall Improvements.”

The scope of work under this project included the construction of an asphalt concrete/aggregate base parking lot; construction of curb and gutters driveways, handicap ramps, concrete walkways; construction of new fencing, gates, and pilasters all in accordance with the City of Banning Standard Specifications. The limits of the project were located at 3333 Bluff Street in the City of Banning.
(1) That the work of improvement was completed on June 19, 2014, for Project No. 2011-01W, “Water Department Parking Lot and Perimeter Wall Improvements.”

(2) That the City of Banning, a municipal corporation, whose address is Banning City Hall, 99 E. Ramsey Street, Banning, California 92220, is completing work of improvement.

(3) That said work of improvement was performed at 3333 Bluff Street in Banning, California 92220.

(4) That the original contractor for said improvement was Cooley Construction, Inc., State Contractor’s License No. 348038.

(5) That Performance and Payment bonds were required for this project.

(6) The nature of interest is in fee.

Dated: July 8, 2014

CITY OF BANNING
A Municipal Corporation

By ___________________________
Homer Croy,
Interim City Manager

APPROVED AS TO FORM:

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

State of California
County of Riverside

Subscribed and sworn to (or affirmed) before me on this ______ day of
______________, 2014 by __________________ proved to me on this basis of
satisfactory evidence to be the person(s) who appeared before me.

(S e a l)

Notary Public in and for said County
and State

STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE)

MARIE A. CALDERON, being duly sworn, deposes and says:

That I am the City Clerk of the City of Banning, which City caused the work to be
performed on the real property hereinabove described, and is authorized to execute this
Notice of Completion on behalf of said City; that I have read the foregoing Notice and
know the contents thereof, and that the facts stated therein are true based upon
information available to the City of Banning, and that I make this verification on behalf
of said City of Banning. I declare under perjury that the forgoing is true and correct.

Executed on _____________, 2014 at Banning, California.

______________________________________________
City Clerk of the City of Banning
CITY COUNCIL/BANNING UTILITY AUTHORITY AGENDA

Date: July 28, 2014

TO: City Council/Banning Utility Authority

FROM: Duane Burk, Director of Public Works

SUBJECT: Resolution No. 2014-08UA, “Approving a Professional Services Agreement with E. S. Babcock & Sons, Inc. of Riverside, California”

RECOMMENDATION: That the City Council/Banning Utility Authority adopt Resolution No. 2014-08UA, approving a Professional Services Agreement with E.S. Babcock of Riverside, California in the amount not-to-exceed $75,000.00 for analytical testing services.

JUSTIFICATION: Analytical services are necessary in order to meet the requirements of the State of California Department of Public Health Services Division of Drinking Water and Environmental Management (“CDPH”). As a result of the City’s Request for Proposal (“RFP”) process E.S. Babcock & Sons, Inc. has been rated the highest to provide the City with the required analytical services.

BACKGROUND: The CDPH is responsible for the enforcement of the Federal and California Safe Drinking Water Acts and the regulatory oversight of public water systems to assure the delivery of safe drinking water. The CDPH prescribes regulations that limit the amount of certain contaminants in drinking water. Consequently, the City of Banning Water Division staff obtains over 1,500 water samples annually from more than 33 sample points throughout the City and submits them for laboratory testing.

On May 16, 2014 the Water Division publicly advertised a RFP to obtain proposals from environmental testing laboratories to provide analytical testing services for the testing of water quality in groundwater wells, domestic water distribution systems as well as sanitation water, bio-solids/sludge and soil samples. City staff received and evaluated two proposals and scored them as follows:

<table>
<thead>
<tr>
<th>Laboratory</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. E.S. Babcock &amp; Sons, Inc., of Riverside, California</td>
<td>91.3</td>
</tr>
<tr>
<td>2. Clinical Laboratories of San Bernardino, California</td>
<td>79.7</td>
</tr>
</tbody>
</table>

The proposals were evaluated and scored based on specific criteria such as: how long the company has been in business, qualifications and experience in implementing an analytical testing program, costs for performing the required analytical testing, quality of services, references, and overall responsiveness to the RFP.
E.S. Babcock offers a full range of inorganic, organic and microbiological testing for drinking water supplies, per CDPH requirements, at competitive prices. Since 1928, E.S. Babcock has been certified by the CDPH for the analyses of drinking water for public health protection. Additionally, E.S. Babcock has provided satisfactory work to the City in the past and had very good recommendations from their references.

Staff feels it is prudent to select one consultant for a five year term, with a thirty (30) day termination clause and subject to an annual review of the services provided. A renewal of the Contract Agreement shall occur each year ending June 30th only if additional single years are approved by the City Council and shall terminate no later than June 30, 2019.

**FISCAL DATA:** A budget for analytical testing services in the amount of $75,000.00 was included in Account No. 660-6300-471.23-32, (Contractual Services/Laboratory Services) in the approved fiscal year 2014/2015 budget.

**RECOMMENDED BY:**

Duane Burk,
Director of Public Works

**REVIEWED BY:**

June Overholt,
Administrative Services Director

**APPROVED BY:**

Homer Croy,
Interim City Manager
RESOLUTION NO. 2014-08UA

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH E. S. BABCOCK & SONS, INC. OF RIVERSIDE, CALIFORNIA, FOR THE ANALYTICAL SERVICES

WHEREAS, the City of Banning owns and operates its own water wells and water distribution system throughout the City; and

WHEREAS, the State of California Department of Public Health Services Division of Drinking Water and Environmental Management ("CDPH") has mandated water sampling and laboratory testing of all public water systems in the State of California; and

WHEREAS, the City of Banning obtains over 1500 water samples annually and submits them for laboratory testing to comply with the CDPH’s requirements; and

WHEREAS, on May 16, 2014 the Water Division publicly advertised a Request for Proposals to obtain proposals from environmental testing laboratories to provide analytical testing services and received and evaluated two proposals; and

WHEREAS, E.S. Babcock and Sons, Inc. of Riverside, California was ranked the highest by the evaluation committee; and

WHEREAS, staff respectfully requests approval of the agreement with E.S. Babcock & Sons, Inc. with an option of renewing the agreement every year for a maximum of five years where said approval shall be given by City Council at the end of each term; and

WHEREAS, a budget for analytical testing services in the amount of $75,000.00 was included in Account No. 660-6300-471.23-32, (Contractual Services/Laboratory Services) in the approved fiscal year 2014/2015 budget.

NOW, THEREFORE BE IT RESOLVED by the Banning Utility Authority as follows:

SECTION 1. The Banning Utility Authority adopts Resolution No. 2014-56, approving a professional services agreement with the E.S. Babcock of Riverside, California in the amount not-to-exceed $75,000.00.

SECTION 2. The City Manager is authorized to execute the contract agreement with E.S. Babcock of Riverside, California. This authorization will be rescinded if the contract agreement is not executed by the parties within sixty (60) days of the date of this resolution.
PASSED, APPROVED, AND ADOPTED this 8th day of July, 2014.

__________________________________________
Deborah Franklin, Mayor
City of Banning

ATTEST:

__________________________________________
Marie A. Calderon, Secretary

APPROVED AS TO FORM
AND LEGAL CONTENT:

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

CERTIFICATION:

I, Marie A. Calderon, Secretary to the Banning Utility Authority of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2014-08UA, was duly adopted by the Banning Utility Authority of the City of Banning, California, at its regular meeting held the 8th day of July, 2014, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

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

Reso. No. 2014-08 UA
SUCCESSOR AGENCY TO THE DISSOLVED
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING
REPORT OF OFFICERS

DATE: July 8, 2014

TO: Chair and Successor Agency Board Members

FROM: Bill R. Manis, Economic Development Director/Public Information Officer

SUBJECT: 2013 Revised Long-Range Property Management Plan

RECOMMENDATION:
That the City Council, acting as the Successor Agency of the Community Redevelopment Agency of the City of Banning, adopt Resolution No. 2014-09 SA (Attachment 1) approving the Revised 2013 Long-Range Property Management Plan (Attachment 2) pursuant to California Health and Safety Code § 34191.5 and approving certain related actions.

BACKGROUND:
The Community Redevelopment Agency of the City of Banning was dissolved February 1, 2012, and consistent with the provisions of the California Health and Safety Code (the "HSC"), the City Council elected to serve as the Successor Agency to the Community Redevelopment Agency of the City of Banning (the "Successor Agency"). The Oversight Board for the Successor Agency of the Banning Community Redevelopment Agency ("Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency.

On April 26, 2014, the Successor Agency received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7 (Attachment 3). Within six (6) months of the date of the FOC, HSC § 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (the "2013 LRPMP") to address the disposition and use of the real property assets held by the Successor Agency.

On September 10, 2013, the Successor Agency approved Successor Agency Resolution No. 2013-10 SA recommending the approval of the 2013 LRPMP and on September 26, 2013, the Oversight Board approved Oversight Board Resolution No. 2013-06 OB approving the 2013 LRPMP. With the approval of the Oversight Board, the Successor Agency submitted the 2013 LRPMP to the DOF on September 26, 2013, immediately following the Oversight Board Meeting.

On March 12, 2014, the Successor Agency received a letter from DOF staff, Justyn Howard, stating that the DOF is not approving the 2013 LRPMP because Site Nos. 1 and 2 do not meet the definition of "government use" properties and Resolution No. 2013-06 OB does not address the need for compensation agreements for properties held for "future development." As a result of DOF’s letter, it is now necessary that the Successor Agency submit a Revised 2013 LRPMP.
that indicates revised uses for Site Nos. 1 and 2.

In accordance with HSC § 34191.5, the Successor Agency has prepared its Revised 2013 LRPMP, which is attached as Exhibit “A” to Resolution No. 2014-09 SA. The Revised 2013 LRPMP identifies the revised disposition and uses of Successor Agency properties Site Nos. 1 and 2, including, but without limitation, the use of land sale proceeds as more particularly described in HSC § 34191.5(c)2.

Subject to approval by the Oversight Board, the Revised 2013 LRPMP will be submitted to the DOF. Once the Revised 2013 LRPMP has been approved by the Oversight Board and the DOF, the Successor Agency may act upon its implementation. Consistent with the applicable provisions of the HSC, it is recommended that the Successor Agency approve the attached Revised 2013 LRPMP.

**FISCAL DATA:**
All costs related to the implementation of the Revised 2013 LRPMP, shall be reimbursed from the proceeds of the sale of the effected properties in accordance with the Revised 2013 LRPMP

---

**RECOMMENDED BY:**

Bill R. Manis
Economic Development Director /
Public Information Officer

**APPROVED BY:**

Homer Croy
Interim City Manager

**Attachments:**
1. Resolution 2014-09 SA
2. 2013 Revised Long-Range Property Management Plan
3. Finding of Completion
Attachment No. 1
Resolution 2014-09 SA
RESOLUTION NO. 2014-09 SA

RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING APPROVING THE REVISED 2013 LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the Community Redevelopment Agency of the City of Banning was dissolved February 1, 2012; and

WHEREAS, consistent with the provisions of the California Health and Safety Code (the “HSC”), the City Council elected to serve as the Successor Agency to the Community Redevelopment Agency of the City of Banning (the “Successor Agency”); and

WHEREAS, on April 26, 2013, the Successor Agency received its Finding of Completion (the “FOC”) from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7; and

WHEREAS, within six (6) months of the date of the FOC, HSC § 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (the “2013 LRPMP”) to address the disposition and use of the real property assets held by the Successor Agency; and

WHEREAS, on September 10, 2013, the Successor Agency approved Successor Agency Resolution No. 2013-10 SA recommending the approval of the 2013 LRPMP; and

WHEREAS, on September 26, 2013, the Oversight Board approved Oversight Board Resolution No. 2013-06 OB approving the 2013 LRPMP; and

WHEREAS, the Successor Agency submitted the 2013 LRPMP to the DOF on September 26, 2013; and

WHEREAS, on March 12, 2014, the Successor Agency received a letter from the DOF advising the Successor Agency of several issues that prevented its approval of the LRPMP and requested the Successor Agency to amend its LRPMP in response to the DOF’s comments and to resubmit the revised version for further consideration; and

WHEREAS, in accordance with HSC § 34191.5, the Successor Agency has prepared its Revised 2013 LRPMP, which is attached as Exhibit “A” to this Resolution, which is responsive to the comments made by the DOF; and

WHEREAS, subject to approval by the Oversight Board, the Revised 2013 LRPMP will be submitted to the DOF; and
WHEREAS, once the Revised 2013 LRPMP has been approved by the DOF, the Successor Agency may act upon its implementation; and

WHEREAS, consistent with the applicable provisions of the HSC, it is recommended that the Successor Agency approve the attached Revised 2013 LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency to the Community Redevelopment Agency of the City of Banning hereby finds, resolves, approves, determines, and directs as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Revised 2013 Long-Range Property Management Plan attached to this Resolution as Exhibit "A" is hereby approved.

SECTION 3. The City Manager, as Executive Director of the Successor Agency, or designee, is hereby authorized to transmit the Revised 2013 Long-Range Property Management Plan attached to this Resolution as Exhibit "A" to the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning for their review and consideration.

SECTION 4. Subsequent to the approval of the Revised 2013 Long-Range Property Management Plan by the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning, the City Manager, as Executive Director of the Successor Agency, or designee, is hereby authorized and directed to transmit the Revised 2013 Long-Range Property Management Plan to the California Department of Finance and to take such actions and execute such documents as are necessary to implement the Revised 2013 Long-Range Property Management Plan and to effectuate the intent of this Resolution.

SECTION 5. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED this 8th day of July, 2014.

__________________________
Deborah Franklin, Chairperson
Successor Agency
ATTEST:

Marie A. Calderon Secretary
Successor Agency

APPROVED AS TO FORM
AND LEGAL CONTENT:

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

CERTIFICATION

I, Marie A. Calderon, Secretary of the Successor Agency do hereby certify that the foregoing Resolution No. 2014-09 SA was duly adopted by the Successor Agency Board at a joint meeting thereof held on the 8th day of July, 2014, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, Secretary
Successor Agency
City of Banning, California
Attachment No. 2 to the Staff Report &
Exhibit A to Resolution No. 2014-09 SA
2013 Revised Long-Range Property Management Plan
2013 LONG RANGE PROPERTY MANAGEMENT PLAN

Prepared for the:
Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning
99 E. Ramsey St.
Banning, CA 92220
www.baning.ca.us.ca.us

July 2013
REVISED
June 2014

Prepared by:

Urban Futures Inc.
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www.urbanfuturesinc.com
2013 LONG RANGE PROPERTY MANAGEMENT PLAN

CITY COUNCIL/ SUCCESSOR AGENCY BOARD

Debbie Franklin, Mayor
Art Welch, Mayor Pro Tem
Jerry Westholder, Councilmember
Edward Miller, Councilmember
Don M. Peterson, Councilmember

CITY STAFF

Homer Croy, Interim City Manager
Bill R. Manis, Director of Economic Development/Public Information Officer
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I. INTRODUCTION

The City of Banning (the “City”) incorporated on February 6, 1913, and has grown to 23.10 square miles. It is located in Riverside County, lies across Interstate 10 in the San Gorgonio Pass, and is approximately 30 miles west of Palm Springs and 90 miles east of downtown Los Angeles. The California Department of Finance (the “DOF”) reports the City’s population to be 30,170 as of January 1, 2013.

The City is named for Phineas Banning, stagecoach line owner and the "Father of the Port of Los Angeles." Initially, Banning served as a stagecoach and railroad stop between the Arizona territories and Los Angeles.

Former Redevelopment Agency

The former City of Banning Community Redevelopment Agency (the “Agency”) was organized (1983) pursuant to § 33000 et seq. of the California Health and Safety Code (the “HSC”) and was responsible for the administration of redevelopment activities within the City. The Redevelopment Plan for the Downtown Project was adopted on June 12, 1978, and amended in 1979, 1980, 1993, and 1994. The Redevelopment Plan for the Midway Project was adopted on June 10, 1986, and amended in 1993 and 1994. The Redevelopment Plan for the Highland Springs Project was adopted in August 1987 and terminated on April 15, 1992. On February 26, 2002, the Downtown Project and Midway Project were merged. The total acreage of the Merged Downtown and Midway Project is 1,528.80.
The Redevelopment Plan is summarized as follows:

### Plan Chronology and Time Limits

<table>
<thead>
<tr>
<th>Plan Adoption</th>
<th>Highland Springs Project</th>
<th>Downtown Project</th>
<th>Merged Downtown and Midway Project</th>
<th>Midway Project</th>
<th>Amend to Merge Downtown and Midway Project</th>
<th>Added Territory to Merged Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinance Number</td>
<td>929</td>
<td>709</td>
<td>736</td>
<td>753</td>
<td>1115</td>
<td>1165</td>
</tr>
<tr>
<td>Effectiveness of Plan</td>
<td>Terminated or prior to April 15, 1992</td>
<td>35 years</td>
<td>35 years</td>
<td>35 years</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Project Area Size (acres)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>28.8</td>
<td>NA</td>
</tr>
</tbody>
</table>

### Time Limits

<table>
<thead>
<tr>
<th>For Initiation of Eminent Domain</th>
<th>NA</th>
<th>February 26, 2014</th>
<th>Estab’d new time limits</th>
<th>Estab’d new time limits</th>
<th>February 26, 2014</th>
<th>Estab’d new time limits</th>
<th>Estab’d new time limits</th>
<th>Feb 26, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment of Indebtedness</td>
<td>NA</td>
<td>Jun 12, 2013</td>
<td>Jul 17, 2014</td>
<td>Jun 9, 2015</td>
<td>Jun 10, 2016</td>
<td>Dec 14, 2023</td>
<td>Feb 26, 2032</td>
<td></td>
</tr>
<tr>
<td>Effective Plan of Repayment of Indebtedness</td>
<td>NA</td>
<td>Jun 12, 2013</td>
<td>Jul 17, 2014</td>
<td>Jun 9, 2015</td>
<td>Jun 10, 2016</td>
<td>Dec 14, 2023</td>
<td>Feb 26, 2032</td>
<td></td>
</tr>
</tbody>
</table>

### Financial Limits

| Maximum Lifeline Tax Increment for Pre-1994 Plans | NA | $620,000,000 | NA | NA | $55,000,000 | No Limit | NA | NA | No Limit |
| Maximum Bonded Debt Outstanding | NA | $211,000,000 | NA | NA | NA | NA | NA | NA | NA |

1. Ordinance 1143 did not authorize the Agency to collect tax increment. Ordinance 1280 established 2001-02 as the base year for Amendment No. 1.
2. Ordinance 1280 established February 26, 2014 as the deadline for commencement of eminent domain proceedings for all plans (12 years after adoption of the ordinance).

### Dissolution of Redevelopment Agencies

Trailer bills ABx1 26 and ABx1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the HSC, including adding Part 1.8 (commencing with § 34161) ("Part 1.8") and Part 1.85 (commencing with § 34170) ("Part 1.85") to Division 24 of the HSC. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (California Redevelopment Association, et al. v. Matosantos, et al. (Case No. S194861)) alleging that ABx1 26 and ABx1 27 were unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the Matosantos case largely upholding ABx1 26, invalidating ABx1 27, and holding that ABx1 26 may be severed from ABx1 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations under HSC Part 1.85 arising before May 1, 2012 to take effect four months later while leaving the effective dates or deadline for performance of obligations under HSC Part 1.8 unchanged. Consistent with the applicable provisions of the HSC, the City Council elected to serve in the capacity of the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning, (the “Successor Agency”).
Further, on June 27, 2012, the Governor signed budget trailer bill AB 1484 into law, resulting in further procedural and substantive changes to the duties of and procedures to be followed by successor agencies, oversight boards, county auditor-controllers and the California Department of Finance (the “DOF”). This includes, but is not limited to, the manner in which the Successor Agency disposes of real property assets. Specifically, AB 1484 added HSC § 34191.5 that requires the Successor Agency to prepare a Long Range Property Management Plan (the “LRPMP”) as a prerequisite to the disposition of real property assets.

Long Range Property Management Plan

Per the applicable provisions of the HSC, no later than six (6) months after a successor agency receives its Finding of Completion from the DOF (per HSC § 34179.7), the Successor Agency must submit its LRPMP to the Oversight Board and the DOF for approval. The LRPMP must include an inventory (with specified information) about each property, and address the use or disposition of each property. Permitted uses for the property pursuant to AB 1484 include:

1. Retention of the property for governmental use;
2. Retention of the property for future development;
3. Sale of the property; and
4. Use of the property to fulfill an enforceable obligation.

Upon DOF’s approval of the LRPMP, the properties are to be placed in a Community Redevelopment Property Trust Fund administered by the Successor Agency in accordance with the approved LRPMP. If the LRPMP plan calls for use or liquidation (sale to obtain revenues) of a property for a project identified in an approved redevelopment plan, that property is to be transferred to the sponsoring community for that purpose. If the LRPMP calls for the liquidation of the property or use of revenues from the property for purposes other than a project identified in a redevelopment plan or other than to fulfill an enforceable obligation, the proceeds from the sale are to be distributed as property taxes to the taxing entities. A general outline of real property disposition procedure is included as Exhibit “A.”

This LRPMP was prepared in compliance with those pertinent sections of the HSC that govern the LRPMP’s prerequisites, content, and approval process. For ease of review, the pertinent sections of the HSC are included in Exhibit “B.”

The Successor Agency received its Finding of Completion from the DOF on April 26, 2013 (Exhibit “C”). The LRPMP was approved by Resolution of the Successor Agency on September 10, 2013 (Exhibit “D”) and by Resolution of the Oversight Board on September 26, 2013 (Exhibit “E”).

The Successor Agency and the Oversight Board originally approved the LRPMP on September 10, 2013 and September 24, 2103, respectively.

Revisions to the LRPMP are for the purpose of responding to DOF’s comments received from DOF staff, Justyn Howard, dated March 12, 2014 (Exhibit “H”).

The Revised LRPMP was approved by Resolution of the Successor Agency on ________, 2014 (Exhibit “D”) and by Resolution of the Oversight Board on ________, 2014 (Exhibit “E”).
II. SUMMARY OF SUCCESSOR AGENCY PROPERTIES

The Successor Agency owns 13 parcels consisting of six (6) sites, all of which are located within the boundaries of the Agency’s Project Area and are subject to the provision of the Agency’s 1994 Merged Downtown and Midway Project Area Redevelopment Plan and subsequent 2002 amendment, the Agency’s Five-Year Implementation Plan 2009/2010 through 2013/2014, and the City’s 2006 General Plan, Title 17 Zoning Ordinance, and land use regulations.

The parcels have been divided into six (6) sites as summarized in the table below:

<table>
<thead>
<tr>
<th>Site No.</th>
<th>Site Reference (s)¹</th>
<th>Address</th>
<th>Assessor Parcel No.²</th>
<th>Zone³</th>
<th>Lot Size (acres)</th>
<th>Permissible Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>City Hall Parking Lot (1)</td>
<td>128 N San Gorgonio Av</td>
<td>541-141-013</td>
<td>DC</td>
<td>0.27</td>
<td>Governmental Use</td>
</tr>
<tr>
<td>2</td>
<td>City Hall Annex (3)</td>
<td>60 E Ramsey Street</td>
<td>541-181-014, 021, &amp; 023</td>
<td>DC</td>
<td>0.41</td>
<td>Governmental Use</td>
</tr>
<tr>
<td>3</td>
<td>Ramsey St Property (1)</td>
<td>646 W Ramsey St</td>
<td>540-191-008</td>
<td>DC</td>
<td>0.22</td>
<td>Future Development</td>
</tr>
<tr>
<td>4</td>
<td>Airport Property (2)</td>
<td>Westward Av</td>
<td>532-180-034, 532-130-011</td>
<td>I</td>
<td>49.43</td>
<td>Future Development</td>
</tr>
<tr>
<td>5</td>
<td>Justice Center Office Complex (5)</td>
<td>W Ramsey St E Williams St</td>
<td>541-150-025 &amp; 026, 541-150-027, 028, &amp; 029</td>
<td>DC</td>
<td>3.48</td>
<td>Future Development</td>
</tr>
<tr>
<td>6</td>
<td>Banning Ventures Property (1)</td>
<td>2301 W Ramsey St</td>
<td>538-162-016</td>
<td>HSC</td>
<td>1.45</td>
<td>Fulfill Enforceable Obligation</td>
</tr>
</tbody>
</table>

¹ (x) The number in parenthesis reflects the number of parcels that constitute the site.
² See Exhibit “F” for Assessor Parcel Maps
³ See Exhibit “G” for zoning map
DC – Downtown Commercial
HSC – Highway Serving Commercial
I – Industrial
III. PROPERTY TO BE RETAINED FOR GOVERNMENTAL USE
Site No. 1
City Hall Parking Lot
128 N San Gorgonio Av
APN 541-141-013

A. Permissible Use (HSC 34191.5(c)(2)):
Site No. 1 is the City Hall Parking Lot property and is proposed to be retained by the City of Banning for governmental use as a City Hall parking lot pursuant to HSC 34181(a).

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):
The former redevelopment agency purchased the City Hall Parking Lot property in November 2008 for $481,061 (which is the Successor Agency’s book value). The acquisition was financed through a Note (the “2008-Note”) secured by a Deed of Trust. The property is slated for the development of a City Hall employee parking lot, thereby releasing existing City Hall parking for use by the clientele of the new State Courthouse which is currently under construction within the Project Area. The property’s current estimated value (“ECV”) is -$86,155 (i.e., negative $86,155), as further explained below in Section D.

C. Site Information (HSC 34191.5(c)(1)(C)):
The City Hall Parking Lot property consists of one (1) 0.27-acre parcel (APN 541-141-013) located at 128 N. San Gorgonio Avenue. A 4,000 sf vacant 2-story building is located on the property. The property is zoned downtown commercial (DC) per the City’s General Plan/Zoning Ordinance. The DC zoning designation applies to the City’s traditional commercial core with primary uses as small scale commercial retail and office, services, governmental services, restaurants, and entertainment.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):
The ECV of the City Hall Parking Lot property is -$86,155 (i.e., a negative $86,155). To determine the ECV for the City Hall Parking Lot property, a fair market value appraisal was obtained from Integra Realty Resources. The two appraisers assigned to the project both hold MAI designations. The appraisal is dated June 11, 2014 and reflects a value date of June 2, 2014. The appraisers used the sales comparison approach with an offset for the estimated $25,000 cost to demolish the dilapidated structure on the property (based on Marshall and Swift data). The appraisal did not take into consideration the cost of a required environmental study and the cost of site remediation for lead-based paint and asbestos abatement prior to demolition of the structure on the property, which must be considered in determining the ECV, as described herein. The appraiser did not include any other offsets. Based on this, the appraisers determined the market value of the property as of June 2, 2014 to be $90,000. However, in order to determine the ECV,
it was necessary to deduct from the appraiser's value the following: (i) the unpaid balance of the note secured by a deed of trust recorded against the property; (ii) the cost of an environmental study; and (iii) the cost of site remediation for lead-based paint and asbestos abatement that must be performed prior to demolition of the structure on the property. After accounting for the additional costs, the ECV is effectively -$86,155 (i.e., a negative $86,155), as depicted below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraised Value</td>
<td>$90,000</td>
</tr>
<tr>
<td>Unpaid Balance on Note</td>
<td>(135,655)</td>
</tr>
<tr>
<td>Environmental Analysis</td>
<td>(9,500)</td>
</tr>
<tr>
<td>Lead-Based Paint and Asbestos Abatement</td>
<td>(30,000)</td>
</tr>
<tr>
<td>Total (ECV)</td>
<td>($86,155)</td>
</tr>
</tbody>
</table>

In addition, it is important to note that once the property is transferred to the City of Banning at no cost, the City will assume the note and the responsibility for the environmental analysis and the abatement of the lead-based paint and asbestos. Further, the City will also assume the estimated $25,000 demolition cost and the cost of developing the property into a City Hall parking lot, which the City's Public Works Department has estimated to cost approximately $94,000. All together, the City's costs are estimated to be $294,155, or approximately $300,000.

E. Site Revenues (HSC 34191.5(c)(1)(E)):
There is no revenue generated from the City Hall Parking Lot property.

F. History of Environmental Contamination ((HSC 34191.5(c)(1)(F)):
Except for the presence of lead-based paint and asbestos within the structure on the property, there is no history of any other environmental contamination. Once the property is transferred to the City, the City will assume the responsibility for testing and abating the building of lead-based paint and asbestos consistent with the current standards for such abatement work.

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):
The property will be used for City Hall employee parking and therefore, does not have any direct potential as a TOD site. The City Hall Parking Lot property, once developed for parking by the City, will advance the planning objectives of the City and the Successor Agency by facilitating ease of access to public services in the Downtown Core by creating a City Hall employee parking lot, thereby releasing existing City Hall parking for use by the clientele of the new Courthouse, and investing in public improvements that support businesses that create new, quality jobs (e.g. State Courthouse).

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):
In 2007, funding for the Banning Courthouse was initiated through the State Budget Act of 2007. In November 2008, the State acquired a 4.86-acre site on Ramsey Street, between Martin and East Williams Streets, from the City of Banning. The Courthouse is currently under construction and is expected to be completed in 2014. As noted in Section B above, the City Hall Parking Lot property was purchased by the former redevelopment agency in November 2008.
I. **Sale of Property:**
The City Hall Parking Lot property is to be transferred to the City at no cost for future development of a City Hall Parking Lot. The Property as an ECV of -$86,155 (i.e., a negative $86,155) and it is estimated that the City will assume additional costs of approximately $300,000 to retire the existing debt on the property, study and abate lead-based paint and asbestos within the existing structure, demolish the existing structure, and develop the parking lot.

J. **Implementation of the Long-Range Property Management Plan:**
Following the approval of the LRPMP by the DOF, the Successor Agency will transfer the City Hall Parking Lot property to the City of Banning at no cost.
A. Permissible Use (HSC 34191.5(c)(2)): Site No. 2 is the City Hall Annex and is proposed to be retained by the City of Banning for governmental use as a City Hall Annex pursuant to HSC 34181(a).

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)): The City Hall Annex property was purchased by the former redevelopment agency in April 1996 for $3,845 (which is the Successor Agency’s book value), to alleviate blight within the Project Area. In 2005, the City Hall Annex was leased to the Banning Chamber of Commerce as a part of a relocation plan with respect to the development of the City’s new Police Station, which is east of and adjacent to City Hall. The matter of the relocation plan and the property’s estimated current value (“ECV”) of $10,000.00, are further explained below in Section D.

C. Site Information (HSC 34191.5(c)(1)(C)): The City Hall Annex property consists of three (3) parcels totaling 0.41 acres (APN 541-181-014, 021, & 023) located at 60 E. Ramsey Street. The property, which includes a 3,360 sf building, is leased to the Banning Chamber of Commerce through June 14, 2055. The property is zoned downtown commercial (DC) per the City’s General Plan/Zoning Ordinance. The DC zoning designation applies to the City’s traditional commercial core with primary uses as small scale commercial retail and office, services, governmental services, restaurants, and entertainment.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)): To determine the ECV for the City Hall Annex property, a fair market value appraisal was obtained from Integra Realty Resources. The two appraisers assigned to the project both hold MAI designations. The appraisal is dated June 11, 2014 and reflects a value date of June 2, 2014. The appraisers used the income capitalization approach to value the property. Based on the net present value of $1.00 per year of rental income over the next 41 years, plus an allocation for the value of reversion to land, the appraisers determined the market value of the property as of June 2, 2014 to be $10,000.

Based on the foregoing, the $10,000 ECV of the City Hall Annex property is based on the assumption that the current tenant, the Banning Chamber of Commerce, remains in place through June 14, 2055, which is the expiration date of the lease. In addition, the Banning Chamber of Commerce sub-leases a portion of the property to the Southern California Gas Company as a
utility bill payment center. Therefore, if for any reason the lease and the sub-lease are terminated early without cause by the Successor Agency or the City (depending on which entity would theoretically take such an action), then as a result of the obligation to make legally required relocation and loss of goodwill payments, the ECV could be as much as -$10,000,000 (i.e., a negative $10 million). Most of this estimate would consist of payments for the bonus value of the current lease.

The estimated value of a theoretical relocation of the Banning Chamber of Commerce and the Gas Company was prepared by Urban Futures, Inc. ("UFI"), the City of Banning’s financial advisors. In preparing this estimate, UFI considered the cost for compensation, reimbursement, assistance, including, but not limited to, the fair market value of real and personal property, loss of good will (i.e., bonus value of the lease), loss of profits, actual and reasonable expenses for moving a business, loss of tangible personal property as a result of moving the business, expenses incurred in searching for a replacement site for the business, expenses to re-establish the business at the new site, "in-lieu payments," and other such benefits under the California Relocation Assistance Act, Title 25 of the California Code of Regulations, Article 1, Section 9 of the California Constitution, the California Eminent Domain law, or other similar local, state, or federal statute, ordinance, regulation, rule, or decisional law.

Given the estimated costs for early termination of the lease, the City of Banning would occupy the property once the lease expires according to its own terms, thus saving the tax-payers an estimated $10 million.

E. **Site Revenues (HSC 34191.5(c)(1)(E):**
Pursuant to the lease with the Banning Chamber of Commerce, the Successor Agency receives $1 per year in rent. There is no contractual agreement for the use of the $1.00 annual lease payment.

F. **History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)):**
There is no history of environmental contamination.

G. **Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):**
The property in question will be used as a City Hall Annex and therefore, does not have any direct potential as a TOD site.

Prior to the expiration of the lease (i.e., June 14, 2055), the property will continue to be occupied by the Banning Chamber of Commerce. The Chamber’s continued occupancy of the property will advance the planning objectives of the City and the Successor Agency by facilitating the ease of which businesses access the Chamber’s services in the Downtown Core. The Chamber is considered a major partner with the City in the retention, expansion, and attraction of businesses. The planning objectives to enhance and grow the City’s economy are spurred on by the Chamber as they support the economic development and tourism efforts of the City and the region. Upon the expiration of the lease, the property will be utilized by the City of Banning for its purposes to serve the community.
H. *History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):
Prior to occupying the City Hall Annex property, the Chamber of Commerce was located at 125 E. Ramsey Street. As a part of the development plan for the new Police Station, during 2005 it was necessary to relocate the Chamber from the 125 E. Ramsey Street property. As a part of the relocation plan for the new Police Station, the former redevelopment agency relocated the Chamber to its current location. As a part of that relocation program, the former redevelopment agency entered into a 50-year lease with the Chamber for the property in lieu of paying any relocation/loss of goodwill costs. The Chamber has served the City in its current location for the past 9 years.

I. *Sale of Property:
The Property is to be transferred to the City at no cost for future use as a City Hall Annex. The Property has an ECV of $10,000 and the City will assume all of the landlord's responsibilities with respect to the Property for the remaining 41-year term of the lease with the Chamber of Commerce. The City will also assume any costs associated with the renovation and/or reconstruction of the site for its adaptation for City use purposes.

J. *Implementation of the Long-Range Property Management Plan:
Following the approval of the LRPMP by the DOF, the Successor Agency will transfer the City Hall Annex property to the City of Banning at no cost.
IV. PROPERTY TO BE RETAINED FOR FUTURE DEVELOPMENT
Site No. 3
Ramsey St. Property
646 W. Ramsey Street
APN 540-191-008

A. Permissible Use (HSC 34191.5(c)(2)): Site No. 3 is the Ramsey St. Property and is proposed to be retained by the City of Banning for future development pursuant to HSC 34191.5(c)(2).

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)): The former redevelopment agency acquired the Ramsey St. Property in July 2002 for $25,896 (which is the Successor Agency’s book value). The purpose of the acquisition was to further the former redevelopment agency’s goal to create pedestrian friendly circulation within the downtown area and keep to the character of the downtown with small scale commercial retail and office uses, services, restaurants, and entertainment retail thus alleviating the existing blight in the area. The property’s estimated current value (the “ECV”) is approximately $144,300.

C. Site Information (HSC 34191.5(c)(1)(C)): The Property consists of one (1) 0.22-acre parcel (APN 540191-008) located at 676 W. Ramsey St. The Property is zoned downtown commercial (DC) per the City’s General Plan/Zoning Ordinance. The DC zone applies to the City’s traditional commercial core with primary land uses aimed towards small scale commercial retail and office, services, governmental services, restaurants, and entertainment.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)): To determine an ECV for the Ramsey St. Property, in June 2013 a sales comparable analysis was conducted through the National Data Collective.¹ The ECV was determined to be approximately $144,300.

E. Site Revenues (HSC 34191.5(c)(1)(F)): No revenue is generated from the Ramsey St. Property.

F. History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)): There is no history of environmental contamination.

¹ www.ndcdata.com
G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):  
There is no potential for a TOD in conjunction with Ramsey St. Property. The retention of the Ramsey St. Property for future development advances the planning objectives of the City and the Successor Agency as found in the 5-Year Implementation Plan and 2006 General Plan of ensuring that the development of this property will further the goal of creating pedestrian friendly circulation within the downtown area and keep to the character of the downtown with small scale commercial retail and office uses, services, restaurants, and entertainment retail.

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):  
None.

I. Sale of Property:  
The City proposes to issue an RFP in accordance with the Successor Agency’s policies and procedures for property disposition located in Exhibit “A” for the future sale and development of the Ramsey St. Property.

The ECV is approximately $144,300.

Date of estimated current value – July 2013

Value Basis – The ECV was determined by a sales comparable analysis using the National Data Collective. The ECV is approximately $144,300.

Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.

Proposed sale date – To be determined and subject to the Successor Agency’s implementation of its policies and procedures for property disposition as shown in Exhibit “A.”

Proposed sale value – To be determined and subject to a fair market appraisal conducted by a licensed appraiser. Any proceeds of the sale would be used for enforceable obligations or distributed as property tax to the taxing entities.

J. Implementation of the Long-Range Property Management Plan:  
Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP.

1. For properties to be retained for future development, implementation will include securing an HSC §34180(f)(1) compensation agreement (the “Compensation Agreement”) with the affected taxing entities. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. Waiting until DOF’s approval is received will ensure that the legal and staff time committed to preparing for and processing a Compensation Agreement is not wasted in the event that DOF decides not to approve the LRPMP. The City is concerned that it will not be fruitful to attempt to engage numerous taxing agencies in discussions about proceeds from the sale of properties when the timing of sale is not known and the price has not been determined. Further, this approach will also
ensure that the affected taxing entities do not waste their legal and staff time reviewing a Compensation Agreement that would otherwise become mute in the event of a DOF denial. However, if DOF approves the LRPMP, then prior to the transfer of the property to the City, the City will prepare a Compensation Agreement and diligently seek the approval of the affected taxing entities. If the Compensation Agreement is approved, then the transfer of the property to the City will occur thereafter consistent with the provisions of the Compensation Agreement. If for any reason the Compensation Agreement is not approved by all affected taxing entities, then the property will be sold, thus completely eliminating the need for a Compensation Agreement. Any proposed sale will be brought to the Oversight Board for review and approval after the pricing and timing of sale is known.

2. For properties to be sold, implementation will include distribution of any land sales proceeds for enforceable obligations and/or distributed as property tax to the taxing entities. Due to the vagaries associated with the sale of land, such as uncertainties concerning the timing of sale and the price that would be realized, it is not feasible to precisely state in the LRPMP how the funds will be used. In that regard, once an agreement is reached with respect to the purchase and sale of a property, the agreement will be presented to the Oversight Board for concurrence. The Oversight Board’s approval will be evidenced by a resolution that will be submitted to DOF and, per the HSC, is subject to DOF’s review. That resolution will include or refer to a staff report which describes with greater particularity, once more facts are known, how the proceeds of sale will be distributed. As noted in Section I – Introduction of the LRPMP, the LRPMP provides that proceeds of the sale may be used for enforceable obligations and/or distributed as property tax to the taxing entities through the County Auditor-Controller. The need to retain some or all of the proceeds of sale for enforceable obligations will depend on whether there is a short-fall in RPTTF in the ROPS cycle during which the escrow is anticipated to close. If a short-fall were to occur in the RPTTF at that time, then all or a portion of the sale proceeds should be used to fulfill an enforceable obligation with any remaining sale proceeds then distributed as property tax to the taxing entities through the County Auditor-Controller. If there is not a short-fall in RPTTF at the time of close of escrow, then land sale proceeds would be distributed as property tax to the taxing entities through the County Auditor-Controller in a manner described at the time of Oversight Board approval as to a particular property sale. Since it is impossible to foresee when and if a short-fall in the RPTTF may occur, or when the property will be sold, the use of the sale proceeds cannot be specifically determined at this time and, therefore, cannot be stated with greater particularity in the LRPMP. However, it is clear that at the time a sale takes place, the sale will be brought back to the Oversight Board and will be subject to review.
Site No. 4
Airport Property
Westward Avenue
APN 532-130-011
APN 532-180-034

A. Permissible Use (HSC 34191.5(c)(2)):
Site No. 4 is the Airport Property is proposed to be retained by the City of Banning for future development pursuant to HSC 34191.5(c)(2). In that regard, it is anticipated that a future development will include the Morongo Band of Mission Indians to create an “Inland Port” in conjunction with the City-owned Banning Airport property and Morongo Tribal lands.

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):
The former redevelopment agency acquired the Airport Property in October and December 2007 for a total of $3,282,770 (which is the Successor Agency’s book value). The estimated current value (“ECV”) is approximately $644,700.

C. Site Information (HSC 34191.5(c)(1)(C)):
The Airport Property consists of two (2) parcels (APN 532-130-011 and APN 532-180-034) totaling 49.43 acres and are located adjacent to and southeast of the Banning Airport. In the City’s General Plan/Zoning Ordinance, the property is zoned Industrial (I). Land uses in this zone are directed towards light and medium intensity manufacturing operations, warehousing and distribution, mini-storage, and associated offices; commercial recreation facilities are also appropriate along with auto storage and repair. In addition, due to the type of development proposed, it is possible a portion of this property may be re-zoned to Airport Industrial (AI). Land uses in AI must be focused on airport-related and transportation-related functions, including machining, manufacturing, warehousing, flight schools, restaurants, and office uses. Aircraft maintenance, repair, and catering services are also appropriate.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):
In June 2013 a sales comparable analysis was conducted through the National Data Collective to determine an ECV for the Airport Property of approximately $644,750. Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.
E. Site Revenues (HSC 34191.5(c)(1)(F)):
There is no revenue generated from the Airport Property.

F. History of Environmental Contamination (HSC 34191.5 (c)(1)(F)):
There is no history of environmental contamination.

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):
There is no potential for a TOD in conjunction with the Airport Property. The retention of the Airport Property for future development advances the planning objectives of the City and the Successor Agency as found in the 5-Year Implementation Plan and 2006 General Plan. Those objectives are: (i) managing the industrial development of the Airport Property surrounding the Banning Airport; (ii) addressing physical and economic blight from inadequate public improvements; (iii) creating an industrial base convenient to the railroad and airport, which provides quality jobs for City residents; (iv) providing for land uses related to and compatible with the airport; (v) developing the under-utilized assets surrounding the airport; (vi) tapping into the economic development opportunities that the Airport Property affords the City; (vii) capitalizing on the Municipal Airport to attract businesses to the City; and (viii) taking advantage of economic partnership opportunities with the Morongo Band of Mission Indians (the "Morongo Tribe") to expand and enhance the function of the airport and the Airport Property. The future development of the Airport Property is crucial to the continued industrial development of the City and will provide the taxing entities with future taxing benefits upon disposition of the property to a developer and increasing property taxes revenue as the development is completed.

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):
Lands surrounding the airport have a great potential for industrial development. These lands are owned by private parties, the City, Riverside County, and the Morongo Tribe. The City has also conferred with the Morongo Tribe regarding potential joint venture opportunities for commercial/industrial development on these lands.

Currently the City is negotiating an Exclusive Right to Negotiate Agreement ("ERNA") with a developer for the Airport Property to develop an Inland Port. The proposed development includes both Successor Agency parcels and the Banning Municipal Airport parcel. The negotiations include the following factors:

The Proposal

"...The Site: The City owns three (3) certain parcels of land located immediately east of Hathaway Street and along Barbour Avenue, Banning, California, which is more particularly described in Exhibit "A" hereto (the "Site"). The Site consists of (i) the Banning Municipal Airport (127.15 acres) that is improved as a municipal airstrip (the "Airport Parcel"), and (ii) two (2) adjacent parcels (39 acres and 20 acres, respectively) that are partially improved (the "Industrial Parcels"). The Airport Parcel has a General Plan designation of "Public Facilities" and a Zoning designation of "PF-A." The Industrial Parcels have a General Plan and Zoning designation of "Industrial." The Airport Parcel includes 5,200 feet of runway, one (1) terminal building, one (1) facility capable of housing a fixed base operator, six (6) T-hangers, three (3) conventional hangers, and fueling facilities."
Site as Centrally Located/or Intermodal Freight Transport: The Site is proximate to the Interstate 10, State Route 60, and freight railway systems that constitute critical freight/shipping corridors from the Los Angeles and Long Beach ports to mid- and eastern United States. This makes the Site a prime location for a logistics/intermodal freight distribution center. Logistics is a key industry in Southern California and a critical element of its economy. The Inland Empire region is uniquely positioned and has special geographic advantages in the goods movement industry. For example, the Site lies in the San Gorgonio Pass, which is the only geographic corridor accessible for major freight distribution between the San Bernardino Mountains on the north and the San Jacinto Mountains to the south. Such a use of the Site could provide for economic growth in the City of Banning to the extent it:

- Provides for a land use and infrastructure plan that will support the creation of a major job center in the City;
- Establish Banning as a prime location for the logistics industry;
- Provides a balanced approach to the City's fiscal viability, economic expansion and environmental integrity;
- Significantly improves the City's jobs to housing balance; and
- Provides new, local construction jobs.

Proposed Project: In order to achieve the above-described goal of enhancing Site use, the City and Developer are considering a conceptual plan to design and construct a "logistics center" upon the Site and certain adjacent property as described as the “Project.” The Project contemplates design and construction of at least 1,000,000 square feet of warehouse and trailer/container storage space serving cargo and bulk freight distribution; manufacturing; retail store space; office space and secondary business facilities serving the intermodal logistics center (such as restaurant and fueling services). The Project is proposed to provide substantial economic and employment opportunities for the community, with a goal of generating at least 1,300 new jobs. The Project shall maintain highest standards of development, including "Cal-Green" and LEED building standards, strict adherence to building codes, best practices for environmental protection, energy efficiency, water conservation, and reduced greenhouse gas emissions. The Project will also include necessary street and utility infrastructure.”

I. Sale of Property:
If the ERNA is not signed, then the City proposes to issue an RFP in accordance with the Successor Agency’s policies and procedures for property disposition located in Exhibit “A” for the future disposition and development of the Airport Property.

The ECV is approximately $644,700

The following process was used in determining the ECV of the Airport Property:

**Date of estimated current value** – June 2013

**Value Basis** – The ECV was determined by a sales comparable analysis using the National Data Collective. The ECV is approximately $644,700.
Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.

**Proposed sale date** – To be determined and subject to the Successor Agency’s implementation of its policies and procedures for property disposition as shown in Exhibit “A.”

**Proposed sale value** – To be determined and subject to a fair market appraisal conducted by a licensed appraiser. Any proceeds of the sale would be used for enforceable obligations or distributed as property tax to the taxing entities.

J. **Implementation of the Long-Range Property Management Plan:**

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP.

1. For properties to be retained for future development, implementation will include securing an HSC §34180(f)(1) compensation agreement (the “Compensation Agreement”) with the affected taxing entities. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. Waiting until DOF’s approval is received will ensure that the legal and staff time committed to preparing for and processing a Compensation Agreement is not wasted in the event that DOF decides not to approve the LRPMP. The City is concerned that it will not be fruitful to attempt to engage numerous taxing agencies in discussions about proceeds from the sale of properties when the timing of sale is not known and the price has not been determined. Further, this approach will also ensure that the affected taxing entities do not waste their legal and staff time reviewing a Compensation Agreement that would otherwise become mute in the event of a DOF denial. However, if DOF approves the LRPMP, then prior to the transfer of the property to the City, the City will prepare a Compensation Agreement and diligently seek the approval of the affected taxing entities. If the Compensation Agreement is approved, then the transfer of the property to the City will occur thereafter consistent with the provisions of the Compensation Agreement. If for any reason the Compensation Agreement is not approved by all affected taxing entities, then the property will be sold, thus completely eliminating the need for a Compensation Agreement. Any proposed sale will be brought to the Oversight Board for review and approval after the pricing and timing of sale is known.

2. For properties to be sold, implementation will include distribution of any land sales proceeds for enforceable obligations and/or distributed as property tax to the taxing entities. Due to the vagaries associated with the sale of land, such as uncertainties concerning the timing of sale and the price that would be realized, it is not feasible to precisely state in the LRPMP how the funds will be used. In that regard, once an agreement is reached with respect to the purchase and sale of a property, the agreement will be presented to the Oversight Board for concurrence. The Oversight Board’s approval will be evidenced by a resolution that will be submitted to DOF and, per the HSC, is subject to DOF’s review. That resolution will include or refer to a staff report which describes with greater particularity, once more facts are known, how the proceeds of sale will be distributed. As noted in Section I – Introduction of the LRPMP, the LRPMP provides that proceeds of the sale may be used for enforceable obligations and/or distributed as property tax to the taxing entities through the County Auditor-Controller. The need to retain some or all of the proceeds of sale for enforceable
obligations will depend on whether there is a short-fall in RPTTF in the ROPS cycle during which the escrow is anticipated to close. If a short-fall were to occur in the RPTTF at that time, then all or a portion of the sale proceeds should be used to fulfill an enforceable obligation with any remaining sale proceeds then distributed as property tax to the taxing entities through the County Auditor-Controller. If there is not a short-fall in RPTTF at the time of close of escrow, then land sale proceeds would be distributed as property tax to the taxing entities through the County Auditor-Controller in a manner described at the time of Oversight Board approval as to a particular property sale. Since it is impossible to foresee when and if a short-fall in the RPTTF may occur, or when the property will be sold, the use of the sale proceeds cannot be specifically determined at this time and, therefore, cannot be stated with greater particularity in the LRPMP. However, it is clear that at the time a sale takes place, the sale will be brought back to the Oversight Board and will be subject to review.
Site No. 5
Justice Center Office Complex
W. Ramsey Street
APN 541-150-025 & 026
E. Williams Street
APN 541-150-027, 028, & 029

A. Permissible Use (HSC 34191.5(c)(2)):
Site No. 5 is the Justice Center Office Complex property and is proposed to be retained by the City of Banning for future development pursuant to HSC 34191.5(c)(2).

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):
The former redevelopment agency acquired the Justice Center Office Complex property in April 2008 for $3,786,678. One parcel was subsequently sold to the State of California for the new courthouse project in 2010 for $2,420,287 leaving a book value of $1,366,391 for the remaining five (5) parcels. The property was acquired to alleviate blight in the downtown. The estimated current value ("ECV") is approximately $461,400.

C. Site Information (HSC 34191.5(c)(1)(C)):
The Justice Center Office Complex property consists of five (5) parcels totaling 3.49 acres (APN 541-150-025, 026, 027, 028, & 029) situated on W. Ramsey Street and W. Williams Street. In the City’s General Plan/Zoning Ordinance, the property is zoned downtown commercial (DC). The DC zoning designation applies to the City’s traditional commercial core with primary uses as small scale commercial retail and office, services, governmental services, restaurants, and entertainment.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):
To determine an ECV for the Justice Center Office Complex property, in July 2013 a sales comparable analysis was conducted through the National Data Collective. The ECV was determined to be approximately $461,400.
Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.

E. Site Revenues (HSC 34191.5(c)(1)(E)):
   There is no revenue generated from the Justice Center Office Complex property.

F. History of Environmental Contamination (HSC 34191.5 (c)(1)(F)):
   There is no history of environmental contamination.

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):
   There is no potential for a TOD in conjunction with Justice Center Office Complex property. The future development of the Justice Center Office Complex property advances the planning objectives of the City and the Successor Agency, as found in the 5-Year Implementation Plan and 2006 General Plan, by enhancing the community image, keeping to the character of the downtown with mixed use (residential land uses in combination with commercial businesses, are also encouraged), small scale commercial retail and office uses, services, restaurants, and entertainment retail thus alleviating the existing blight in the area. The community benefits that will result from guiding this development include, but are not limited to, job creation, increased employment opportunities for the City’s residents, higher paying jobs, and increased property values.

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):
   The potential for this property is market-driven and it is predicted that office demand/operations in the Inland Empire will record additional improvement this year expanding office jobs by 5,900. The development of the Justice Center Office Complex property will act as an economic catalyst to stimulate office, retail related, and service uses.

I. Sale of Property:
   The City proposes to issue an RFP in accordance with the Successor Agency’s policies and procedures for property disposition located in Exhibit “A” for the future sale and development of the Ramsey St. Property.

   The ECV is approximately $461,400.

   The following process was used in determining the ECV of the Justice Center Office Complex property:

   Date of estimated current value – June 2013

   Value Basis – The ECV was determined by a sales comparable analysis using the National Data Collective. The ECV is approximately $461,400.

   2 2013 Market Outlook, Marcus & Millichap
Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.

**Proposed sale date** – To be determined and subject to the Successor Agency’s implementation of its policies and procedures for property disposition as shown in Exhibit “A.”

**Proposed sale value** – To be determined and subject to a fair market appraisal conducted by a licensed appraiser. Any proceeds of the sale would be used for enforceable obligations or distributed as property tax to the taxing entities.

**J. Implementation of the Long-Range Property Management Plan:**

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP.

1. For properties to be retained for future development, implementation will include securing an HSC §34180(f)(1) compensation agreement (the “Compensation Agreement”) with the affected taxing entities. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. Waiting until DOF’s approval is received will ensure that the legal and staff time committed to preparing for and processing a Compensation Agreement is not wasted in the event that DOF decides not to approve the LRPMP. The City is concerned that it will not be fruitful to attempt to engage numerous taxing agencies in discussions about proceeds from the sale of properties when the timing of sale is not known and the price has not been determined. Further, this approach will also ensure that the affected taxing entities do not waste their legal and staff time reviewing a Compensation Agreement that would otherwise become mute in the event of a DOF denial. However, if DOF approves the LRPMP, then prior to the transfer of the property to the City, the City will prepare a Compensation Agreement and diligently seek the approval of the affected taxing entities. If the Compensation Agreement is approved, then the transfer of the property to the City will occur thereafter consistent with the provisions of the Compensation Agreement. If for any reason the Compensation Agreement is not approved by all affected taxing entities, then the property will be sold, thus completely eliminating the need for a Compensation Agreement. Any proposed sale will be brought to the Oversight Board for review and approval after the pricing and timing of sale is known.

2. For properties to be sold, implementation will include distribution of any land sales proceeds for enforceable obligations and/or distributed as property tax to the taxing entities. Due to the vagaries associated with the sale of land, such as uncertainties concerning the timing of sale and the price that would be realized, it is not feasible to precisely state in the LRPMP how the funds will be used. In that regard, once an agreement is reached with respect to the purchase and sale of a property, the agreement will be presented to the Oversight Board for concurrence. The Oversight Board’s approval will be evidenced by a resolution that will be submitted to DOF and, per the HSC, is subject to DOF’s review. That resolution will include or refer to a staff report which describes with greater particularity, once more facts are known, how the proceeds of sale will be distributed. As noted in Section I – Introduction of the LRPMP, the LRPMP provides that proceeds of the sale may be used for enforceable obligations and/or distributed as property tax to the taxing entities through the County Auditor-Controller. The need to retain some or all of the proceeds of sale for enforceable
obligations will depend on whether there is a short-fall in RPTTF in the ROPS cycle during which the escrow is anticipated to close. If a short-fall were to occur in the RPTTF at that time, then all or a portion of the sale proceeds should be used to fulfill an enforceable obligation with any remaining sale proceeds then distributed as property tax to the taxing entities through the County Auditor-Controller. If there is not a short-fall in RPTTF at the time of close of escrow, then land sale proceeds would be distributed as property tax to the taxing entities through the County Auditor-Controller in a manner described at the time of Oversight Board approval as to a particular property sale. Since it is impossible to foresee when and if a short-fall in the RPTTF may occur, or when the property will be sold, the use of the sale proceeds cannot be specifically determined at this time and, therefore, cannot be stated with greater particularity in the LRPMP. However, it is clear that at the time a sale takes place, the sale will be brought back to the Oversight Board and will be subject to review.
V. PROPERTY TO BE USED TO FULFILL AN ENFORCEABLE OBLIGATION
Site No. 6
Banning Ventures Property
2301 W. Ramsey Street
APN 538-162-016

A. Permissible Use (HSC 34191.5(c)(2)): 

Site No. 6 is the Banning Ventures Property and is to be sold to fulfill an enforceable obligation (Disposition and Development Agreement, dated May 24, 2011) of the former redevelopment agency and the City of Banning with Banning Ventures, LLC.

B. Acquisition of Property (HSC 34191.5(c)(1)(A) and 34191.5(c)(1)(B)):
The former redevelopment agency acquired the Banning Ventures Property on July 13, 2009, by purchase from Patrick Michael DeZorzi for $1,020,000. The acquisition was financed through a purchase money note given by the former redevelopment agency to DeZorzi (the “2009-Note”), which is secured by a Deed of Trust. The Property was purchased to alleviate blight within the Project Area. The property’s current estimated value (the “ECV”) is $0.00, as further explained below in Section D.

C. Site Information (HSC 34191.5(c)(1)(C)):
The Banning Ventures Property consists of one (1) 1.45-acre parcel (APN 541-162-016) located at 2301 W. Ramsey Street. In the City’s General Plan/Zoning Ordinance, the Property is zoned Highway Serving Commercial (HSC). The HSC zone allows land uses geared toward the Interstate 10 traveler, including restaurants, hotels and motels, auto related retail, repair and services, including gas stations, convenience stores and similar uses.

D. Estimated Current Value (HSC 34191.5(c)(1)(D)):
On August 24, 2011, the former redevelopment agency, the City, and Banning Ventures, LLC entered into a Lease Agreement that contained an option to purchase the Property. Section 9.06 Purchase Price; Escrow of the Lease Agreement states: “Assuming all conditions precedent to the Lessee’s exercise of the Option to Purchase are met, the Lessor shall convey fee Title to the Premises to the Lessee for a purchase price of zero dollars. The Lessor’s conveyance of the Premises to Lessee for a land payment of zero dollars is consistent with the difference between the Premises’ fair market value and its fair re-use value as the Business, and such zero-dollar land payment qualifies as Project financial assistance from the lessor to the lessee.” Therefore, the ECV is $0.00.
E. **Site Revenues (HSC 34191.5(c)(1)(F)):**
   There are no site revenues generated from the Banning Ventures Property. However, on August 24, 2011, the City, former redevelopment agency, and Banning Ventures, LLC, entered into a 10-year Lease Agreement to develop a Project on the 1.45-acre parcel. In exchange for certain site improvements, maintaining business operations and meeting certain tax rateable milestones, Banning Ventures, LLC was not required to pay any lease payments. At the end of 10 years, if the Lessee has not exercised the Option to Purchase, the Lessee and Lessor may, without obligation, negotiate a new lease to continue Lessee’s occupation of the premises.

F. **History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)):**
   There is no history of environmental contamination.

G. **Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):**
   No potential exists for a TOD in conjunction with the Banning Ventures Property.

   The Banning Ventures Property advances the planning objectives of the City and the Successor Agency, as found in the 5-Year Implementation Plan and 2006 General Plan, by facilitating the transfer of this Property to Banning Ventures, LLC, the alleviation of blight in the project area, and the creation of quality jobs.

H. **History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):**

   **2009, July 29th**
   The Agency acquired APN 541-162-016 from Patrick Michael DeZorzi (2301 W. Ramsey Street) in an “as is” condition and subject to a deed of trust securing a first lien note in an amount of $1,020,000.

   **2011, March 8th**
   The Agency and the City entered into a Property transfer agreement transferring certain properties to the City and obligating the City to undertake certain redevelopment activities.

   **2011, May 24th**
   The Agency and the City entered into a Disposition and Development Agreement (the “DDA”) with Banning Ventures (the “Developer”) to construct new improvements on the Site and/or rehabilitate and maintain existing improvements for the purpose of establishing and maintaining a retail all-terrain and recreational vehicle supply and dealership business. The DDA also allowed the Agency and City to enter into a Lease Agreement with the Developer that granted the Developer a ten (10) year rent-free lease of the site, which Lease provides Developer with an option to purchase the Site. The Developer may exercise its Option to Purchase the Site within the period which is six (6) years following the commencement of the Lease, but not later than ten (10) years following the commencement of the Lease. The DDA further includes terms providing financial assistance to Developer in the form of a $300,000
forgivable loan to be used solely for Project construction. The Agency loan shall be completely forgiven if, Developer has met all the criteria to exercise the Option to Purchase.

2011, August 24th
Lease Agreement, which includes an option to purchase, (the “Lease/Option Agreement”) between City/Agency/Banning Ventures to develop Project on a 1.45-acre parcel was signed.

2014, February 2nd
In a letter dated February 4, 2014 (Exhibit “H”), the DOF approved the sale of the property located at 2301 West Ramsey Street to the Developer. The Successor Agency paid the 2009-DeZorzi Note in June 2014 and is in escrow with the Developer for the sale of the Property.

The Project
The Project consists of the Lessee’s construction of new improvements on the premises and/or Lessee’s rehabilitation of maintenance of existing improvements located upon the Premises, for the purpose of establishing and maintain a retail all-terrain and recreational vehicle supply and dealership business be owned by the Lessee. The Lessor desires to convey the Premises to Lessee in order to complete such Project build-out and maintenance.

I. Sale of Property:
The Successor Agency is in the process of selling the Property in accordance with Lease/Option Agreement terms and conditions to the Developer per DOF letter dated February 2, 2014 approving the sale of the Property.

J. Implementation of the Long-Range Property Management Plan:
The Property is in the process of being sold consistent with the terms and conditions of the Lease/Option Agreement. The Lease provides for the conveyance of the Premises to the Lessee through a ten (10) “rent-free” lease with an option to purchase the Premises within six (6) years following the commencement date of the Lease, but not later than ten (10) years following the commencement date of the Lease, provided that the Sales Tax Threshold has been met as provided in the Lease.

Use of land sales proceeds:

For properties to be retained for future development, implementation will include securing an HSC §34180(f)(1) compensation agreement (the “Compensation Agreement”) with the affected taxing entities. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. Waiting until DOF’s approval is received will ensure that the legal and staff time committed to preparing for and processing a Compensation Agreement is not wasted in the event that DOF decides not to approve the LRPMP. The City is concerned that it will not be fruitful to attempt to engage numerous taxing agencies in discussions about proceeds from the sale of properties when the timing of sale is not known and the price has not been determined. Further, this approach will also ensure that the affected taxing entities do not waste their legal and staff time reviewing a Compensation Agreement that would otherwise become mute in the event of a DOF denial. However, if DOF approves the LRPMP, then prior to the transfer of the property to the City, the City will prepare a Compensation Agreement and diligently seek the approval of the
affected taxing entities. If the Compensation Agreement is approved, then the transfer of the property to the City will occur thereafter consistent with the provisions of the Compensation Agreement. If for any reason the Compensation Agreement is not approved by all affected taxing entities, then the property will be sold, thus completely eliminating the need for a Compensation Agreement. Any proposed sale will be brought to the Oversight Board for review and approval after the pricing and timing of sale is known.
### VI. PROPERTY INVENTORY PER HSC 34191.5(c)(1)

<table>
<thead>
<tr>
<th>Site No.</th>
<th>Property Type</th>
<th>Permissible Use</th>
<th>Date Acq’d</th>
<th>Value When Acq’d</th>
<th>Est. Current Value (ECV)</th>
<th>Value Basis</th>
<th>Date of ECV</th>
<th>Sale Value</th>
<th>Sale Date</th>
<th>Purpose Acq’d</th>
<th>Address</th>
<th>APN</th>
<th>Lot Size (ac)</th>
<th>Zoning</th>
<th>ECV</th>
<th>Est. of Income / Revenue (Actual)</th>
<th>Contract req’d for use of Income / Revenue</th>
<th>History Envn Contamination</th>
<th>TOD</th>
<th>Adv. of SA Planning Objectives</th>
<th>Previous develop-proposal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RP (Fee)</td>
<td>Government</td>
<td>Nov 2008</td>
<td>$481,651</td>
<td>($88,155)</td>
<td>Appraisal</td>
<td>Jun 2013</td>
<td>N/A</td>
<td>N/A</td>
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<td>128 N San Gorgonio Av</td>
<td>541-141-013</td>
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<td>($86,155)</td>
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<td>None</td>
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<tr>
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<td>RP (Fee)</td>
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<td>$3,845</td>
<td>$10,000</td>
<td>Appraisal</td>
<td>Jun 2013</td>
<td>N/A</td>
<td>N/A</td>
<td>Alleviate Blight</td>
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<tr>
<td>3</td>
<td>RP (Fee)</td>
<td>Future Development</td>
<td>Jul 2002</td>
<td>$25,896</td>
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<td>Sales Compas</td>
<td>Jun 2013</td>
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<td>RP (Fee)</td>
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<td>I</td>
<td>$644,700</td>
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<td>5</td>
<td>RP (Fee)</td>
<td>Future Development</td>
<td>Apr 2008</td>
<td>$1,366,391</td>
<td>$461,400</td>
<td>Sales Compas</td>
<td>Jul 2013</td>
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<td>TBD</td>
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<td>RP (Fee)</td>
<td>Fulfill Enforceable Obligation</td>
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</tr>
</tbody>
</table>

1. Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual Value.
2. TBD – To Be Determined
Exhibit A – Successor Agency/City Property Disposition Procedures

The following is only a general outline for the Purchase & Sale and Request for Proposals procedures of the Successor Agency for the disposition of real property. Property to be sold will be in accordance with Successor Agency Policies and Procedures and property to be retained for future development will be developed in accordance with City Policies and Procedures. It is anticipated that the Successor Agency will adopt policies and procedures that are more specific during the implementation phase of the LRPMP.

I. PURCHASE AND SALE PROCEDURES

These procedures apply only to those properties for which the Successor Agency will sell. These procedures do not apply to those properties that will be retained for future development or to fulfill an enforceable obligation.

1. Post notice on Successor Agency website:
   “All persons interested in receiving solicitations for the disposition of Successor Agency property please email “xyz@cityofthefuture.org” (a newly established email for the disposition of property) with your contact information and “Purchase and Sale of Successor Agency Property” in the Subject line.”

2. Successor Agency will provide written solicitations for the sale of its real estate assets, which may be a single parcel or a grouping of parcels (the “Property”). Such formal solicitations will include, but not be limited to:
   a. APN(s)
   b. Property location
   c. Zoning
   d. Acreage
   e. Listing Price (The listing price shall either be (i) not less than fair market value under an appraisal procured by the Successor agency or (ii) another amount approved for such purpose by the Oversight Board)
   f. Purchase Price shall be all cash at close of escrow, no seller financing.
   g. Deadline to receive offers (prior to selection, offers are confidential)
   h. Offer submittal guidelines:
      i. All offers must be in writing (California Association of Realtor forms are acceptable);
      ii. Successor Agency will provide courtesy to brokers equal to one-half of the customary commission if the ultimate buyer is represented by said real estate broker as buyer’s broker at the time the original offer is submitted.
      iii. Provided that allowance of brokerage commissions will be subject to Oversight Board approval in each case;
      iv. Approval of each sale may be subject to DOF approval;
      v. Type of financing identified (i.e., buyer’s cash, buyer’s loan proceeds, etc.);
      vi. All buyers are to be listed – no silent partners; and
      vii. Offers will be reviewed for conflict of interest between offeror and Successor Agency/City officials, staff and consultants.
   i. Some properties for sale consist of multiple parcels. Only offers that include all parcels identified by Successor Agency on a particular site may be accepted, i.e., no less than whole purchases.

3. Method of Solicitations:
   a. Property posting
b. Successor Agency website posting
c. Local real estate brokers
d. All persons requesting solicitations
e. Workshops and/or e-mail notifications

4. All property sales are in an "AS IS, WHERE IS" condition.

5. The Successor Agency will be reimbursed from the sale proceeds of the property for any costs related to the appraisal, escrow and title fees (cost of CLTA policy only), and any other costs associated with the sale.

6. An offer may be rejected if it does not meet the Successor Agency's price threshold. Acceptance of a purchase and sale offer is subject to approval of the Successor Agency's Board of Directors.

II. REQUEST FOR PROPOSAL PROCEDURES
Costs incurred by the Successor Agency and/or the City in the implementation of these Disposition Procedures shall be treated as an Enforceable Obligation for purposes of the Recognized Obligation Payments Schedule ("ROPS") of the Successor Agency to be recovered from land sales proceeds. The City shall provide the Successor Agency an estimate of such costs at such times and in a form sufficient for the Successor Agency to include such costs on one or more ROPS, as appropriate. Included in such costs are: staff time in the performance of such duties; costs and fees of consultants, attorneys, appraisers, title insurers and escrow; costs and fees in connection with the disposition of property(ies), such as unpaid and outstanding tax liens or judgments and other costs incurred in order to deliver merchantable title. Where possible, the Successor Agency is to recover costs at the time of close of escrow.

A) INTENT AND PURPOSE
A Request for Proposals ("RFP") will be prepared by the Successor Agency and posted to the City's website, and/or sent to developers or parties that have requested such RFPs, and other developers or parties at the Successor Agency's discretion. The number of properties as to which an RFP is requested is subject to the discretion of the Successor Agency.

B) PROPOSAL SUBMITTAL
1. Interested parties may submit a development proposal by the deadline specified in the RFP or other announcement.

2. Proposal requirements may include, but not be limited to, the following:
   a. The proposed total consideration for the property(ies) and information supporting the offer price;
   b. Any proposed alterations to the terms and conditions of sale;
   c. Construction and development pro forma, a detailed site plan, a business/operating plan, developer qualifications, experience and references, a narrative description of the market support for the proposed project, an operating pro forma, as applicable, and an explanation of the economic benefits of the proposed project to the City, other affected taxing agencies and the community;
   d. The proposed uses are to conform to the requirements, intent, goals, and objectives of the City General Plan/Zoning Ordinance, other applicable development standards, and other applicable federal, state and local laws, codes and regulations.
   e. A statement that no financial assistance is being requested from any governmental agency in connection with the proposal, or a statement that financial assistance is being requested from a governmental agency in connection with the proposal, indicating the amount that will be requested, the anticipated timing for consideration of such request, and a description of any discretionary process required by the governmental agency from which assistance will be
requested, together with an acknowledgment that conditioning a proposal upon receipt of assistance form a governmental agency may result in the rejection of such proposal;

3. Interested parties to provide such additional information as may be reasonably requested by Successor Agency.

4. Subsequent to review, applicants will be advised regarding the development proposals submitted complying with the requirements of the RFP or whether additional information is required.

C) PROPOSAL REVIEW
1. The Successor Agency will review all proposals received and determined by Successor Agency staff to be complete.

2. Among other things, the Successor Agency’s review will consider the value of the asset in question being maximized as well as the proposal furthering the objectives of the Successor Agency’s General Plan.

3. Nothing in these Procedures prohibits the Successor Agency or the City from requiring information that is in addition to the foregoing or obligate the Successor Agency in selecting any proposal. Neither the City nor the Successor Agency will bear any responsibility for the costs associated with preparing and submitting a proposal.

D) NEGOTIATING AGREEMENTS
The Successor Agency may enter into an Exclusive Right to Negotiate Agreement ("ERNA") with a selected project proponent. The purpose of the ERNA is to establish a time period during which the chosen applicant shall have the right to negotiate with the Successor Agency the terms and conditions of a sales and development contract. Therefore, a Disposition and Development Agreement may follow the ERNA if applicable.
Exhibit B – Health & Safety Code

HSC § 34191.1, reads as follows:

The provisions of this chapter shall apply to a City upon that agency's receipt of a finding of completion by the Department of Finance pursuant to Section 34179.7.

HSC § 34191.3, reads as follows:

Notwithstanding Section 34191.1, the requirements specified in subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be suspended, except as those provisions apply to the transfers for governmental use, until the Department of Finance has approved a long-range property management plan pursuant to subdivision (b) of Section 34191.5, at which point the plan shall govern, and supersede all other provisions relating to, the disposition and use of the real property assets of the former redevelopment agency. If the department has not approved a plan by January 1, 2015, subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be operative with respect to that City.

HSC § 34191.4, reads as follows:

The following provisions shall apply to any City that has been issued a finding of completion by the Department of Finance:

(a) All real property and interests in real property identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5 shall be transferred to the Community Redevelopment Property Trust Fund of the City upon approval by the Department of Finance of the long-range property management plan submitted by the City pursuant to subdivision (b) of Section 34191.7 unless that property is subject to the requirements of any existing enforceable obligation.

(b) (1) Notwithstanding subdivision (d) of Section 34171, upon application by the City and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

(2) If the oversight board finds that the loan is an enforceable obligation, the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The loan shall be repaid to the city, county, or city and county in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund. The annual loan repayments provided for in the recognized obligations payment schedules shall be subject to all of the following limitations:

(A) Loan repayments shall not be made prior to the 2013-14 fiscal year. Beginning in the 2013-14 fiscal year, the maximum repayment amount authorized each fiscal year for repayments made pursuant to this subdivision and paragraph (7) of subdivision (e) of Section 34176 combined shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to paragraph (4) of subdivision (a) of Section 34183 in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-13 base year. Loan or deferral repayments made pursuant to this subdivision shall be second in priority to amounts to be repaid pursuant to paragraph (7) of subdivision (e) of Section 34176.

(B) Repayments received by the city, county or city and county that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund of the former redevelopment agency for purposes of the Supplemental Educational Revenue Augmentation Fund and shall be distributed to the Low and Moderate Income Housing Asset Fund established by subdivision (d) of Section 34176.
(C) Twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund, after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the Supplemental Educational Revenue Augmentation Fund have been paid.

(c) (1) Bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold.

(2) (A) Notwithstanding Section 34177.3 or any other conflicting provision of law, bond proceeds in excess of the amounts needed to satisfy approved enforceable obligations shall thereafter be expended in a manner consistent with the original bond covenants. Enforceable obligations may be satisfied by the creation of reserves for projects that are the subject of the enforceable obligation and that are consistent with the contractual obligations for those projects, or by expending funds to complete the projects. An expenditure made pursuant to this paragraph shall constitute the creation of excess bond proceeds obligations to be paid from the excess proceeds. Excess bond proceeds obligations shall be listed separately on the Recognized Obligation Payment Schedule submitted by the City.

(B) If remaining bond proceeds cannot be spent in a manner consistent with the bond covenants pursuant to subparagraph (A), the proceeds shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

HSC §34191.5, reads as follows:

(a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the City, to serve as the repository of the former redevelopment agency's real properties identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5.

(b) The City shall prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The report shall be submitted to the oversight board and the Department of Finance for approval no later than six months following the issuance to the City of the finding of completion.

(c) The long-range property management plan shall do all of the following:

(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

(B) The purpose for which the property was acquired.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the City.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

(2) Address the use or disposition of all of the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181,
the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a City, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Note: HSC § 34191.2 does not exist and therefore is not included above.
April 26, 2013

Ms. June Overholt, Administrative Services Director  
City of Banning  
99 East Ramsey Street  
Banning, CA  92220-0998

Dear Ms. Overholt:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Banning Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).

- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY  
Local Government Consultant

CC: Mr. Bill Manis, Economic Development Director, City of Banning  
Ms. Pam Elias, Chief Accountant, Property Tax Division, Riverside County Auditor Controller  
California State Controller’s Office
Exhibit D – Resolution of the Oversight Board
RESOLUTION NO. 2013-06 OB

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5

WHEREAS, the Community Redevelopment Agency of the City of Banning was dissolved February 1, 2012; and

WHEREAS, the Oversight Board for the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning ("Oversight Board") has been established pursuant to Health and Safety Code ("HSC") § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, on April 26, 2013, the Successor Agency received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7; and

WHEREAS, within six (6) months of the date of the FOC, HSC § 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan ("LRPMP") to address the disposition and use of the real property assets held by the Successor Agency; and

WHEREAS, in accordance with HSC § 34191.5, the Successor Agency has prepared its LRPMP, which is attached as Exhibit "A" to this Resolution that identifies the disposition and uses of Successor Agency properties including, but without limitation, the use of land sale proceeds as more particularly described in HSC 34191.5(c); and

WHEREAS, subject to approval by the Oversight Board the LRPMP will be submitted to the DOF; and

WHEREAS, once the LRPMP has approved by the DOF, the Successor Agency may act upon its implementation; and

WHEREAS, consistent with the applicable provisions of the HSC, it is recommended that the Oversight Board approve the attached LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board for the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning as follows:
SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Long-Range Property Management Plan attached to this Resolution as Exhibit "A" is hereby approved.

SECTION 3. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED by the Oversight Board at a regular meeting held on the 26th date of September, 2013.

Jeff Davis, Chair
Oversight Board

ATTEST:

Marie A. Calderon, Secretary
Oversight Board
CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, sitting as the Secretary to the Oversight Board to the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, do hereby certify that the foregoing Resolution No. 2013-06 OB was duly adopted by at a regular meeting thereof held on the 26th day of September, 2013, by the following vote, to wit:

AYES:    Boardmembers Botts, Guillot, Hernandez, Smith, Spires, Williams, Chairman Davis
NOES:    None
ABSENT:  None
ABSTAIN: None

[Signature]
Marie A. Calderon, Secretary to the Oversight Board
City of Banning, California
Exhibit E – Resolution of the Successor Agency Board
RESOLUTION NO. 2013-10 SA

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the Community Redevelopment Agency of the City of Banning (the "Agency") was dissolved February 1, 2012; and

WHEREAS, consistent with the provisions of the California Health and Safety Code ("HSC"), the City Council elected to serve as the Successor Agency to the Community Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, on April 26, 2013, the Successor Agency received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7; and

WHEREAS, within six (6) months of the date of the FOC, HSC § 34191.5 requires the Successor Agency to prepare a Long-Range Property Management Plan ("LRPMP") to address the disposition and use of the real property assets held by the Successor Agency; and

WHEREAS, in accordance with HSC § 34191.5, the Successor Agency has prepared its LRPMP, which is attached as Exhibit "A" to this Resolution that identifies the disposition and uses of Successor Agency properties; and

WHEREAS, subject to approval by the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning, the LRPMP will be submitted to the DOF; and

WHEREAS, once the LRPMP has received approvals from the Oversight Board and the DOF, the Successor Agency may act upon its implementation; and

WHEREAS, consistent with the applicable provisions of the HSC, it is recommended that the Successor Agency approve the attached LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency to the Community Redevelopment Agency of the City of Banning hereby finds, resolves, approves, determines, and directs as follows:
SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Long-Range Property Management Plan attached to this Resolution as Exhibit "A" is hereby approved.

SECTION 3. The City Manager, as Executive Director of the Successor Agency, or designee, is hereby authorized to transmit the Long-Range Property Management Plan attached to this Resolution as Exhibit "A" to the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning for their review and consideration.

SECTION 4. Subsequent to the approval of the Long-Range Property Management Plan by the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning, the City Manager, as Executive Director of the Successor Agency, or designee, is hereby authorized and directed to transmit the Long-Range Property Management Plan to the California Department of Finance and to take such actions and execute such documents as are necessary to implement the Long-Range Property Management Plan and to effectuate the intent of this Resolution.

SECTION 5. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED this 10th day of September, 2013.

[Signature]
Deborah Franklin, Chairperson
Successor Agency

ATTEST:

[Signature]
Mario A. Calderon, Secretary
Successor Agency

APPROVED AS TO FORM
AND LEGAL CONTENT:

[Signature]
David J. Atchison, General Counsel
Aleshire & Wynder, LLP

Resn. 2013-10 SA
CERTIFICATION:

I, Marie A. Calderon, Secretary of the Successor Agency of the dissolved Community Redevelopment Agency of the City of Banning, do hereby certify that the foregoing Resolution No. 2013-10 SA was duly adopted by the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning, California, at a joint meeting thereof held on the 10th day of September, 2013 by the following vote, to wit:

AYES: Boardmembers Botts, Miller, Peterson, Welch, Chairperson Franklin

NOES: None

ABSENT: None

ABSTAIN: None

Marie A. Calderon, Secretary
Successor Agency
City of Banning, California
Exhibit F – Assessor Parcel Maps
Exhibit G – Zoning Information
Exhibit H – DOF Correspondence
February 4, 2014

Ms. June Overholt, Deputy City Manager/Administrative Services Director
city of Banning
99 East Ramsey Street
Banning, CA 92220

Dear Ms. Overholt:

Subject: Approval of Oversight Board Action


Based on our review and application of the law, OB Resolution 2014-03 approving the sale of property located at 2301 West Ramsey Street, Banning, California, to Coyne Motorsports (Developer), is approved.

On May 24, 2011 the former Redevelopment Agency (RDA) entered into a Disposition and Development Agreement (DDA) with the Developer to improve and maintain the property for establishing a retail and recreational vehicle supply and dealership business. The DDA allowed the RDA to enter into a Lease Agreement (Lease) with the Developer that granted the Developer an option to purchase the RDA owned dealership property. The DDA and Lease also included provisions allowing the Developer for an early exercise of the option to purchase the property which have been satisfied according to the information provided by the Agency.

Please direct inquiries to Beliz Chappue, Supervisor, or Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Bill Manis, Economic Development Director, City of Banning
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State Controller’s Office
California State Controller’s Office
March 12, 2014

Ms. June Overholt, Deputy City Manager/Administrative Services Director
City of Banning
99 East Ramsey Street
Banning, CA 92220

Dear Ms. Overholt:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Banning Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 1, 2013. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

HSC section 34191.5 defines the requirements of the LRPMP. Based on our review and application of the law, the Agency's LRPMP is not approved as follows:

- The Agency intends to transfer the Civic Center Parking Lot (Property No. 1) and the Chamber of Commerce (Property No. 2) properties to the City of Banning (City) for governmental purposes. Our review indicates that the properties are not exclusively used for governmental purposes. HSC section 34181 (a) authorizes the OB to transfer ownership of assets that were constructed and used for a governmental purpose such as roads, schools buildings, parks, police and fire stations, libraries, and local agency administrative buildings. Therefore, the transfer of these properties to the City for governmental purposes is not allowed.

If the Agency desires to transfer properties to the City that do not qualify for governmental use, HSC section 34180 (f) requires cities retaining properties or assets to reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax for the value of the property retained.

- The City plans to retain various properties for future development; however, the LRPMP or Oversight Board action does not include or make a reference to a compensation agreement. HSC section 34180 (f) states that if the sponsoring entity wishes to retain any properties for future development activities, funded from its own funds and under its own auspices, then it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their share of the base property tax for the value of the property retained. Specifically, the Agency should state the intention to enter into a compensation agreement for the following properties:
  - Property No. 3 – Ramsey Street Property
Ms. June Overholt
March 12, 2014
Page 2

- Property No. 4 – Airport Property
- Property No. 5 – Justice Center Office Complex

As authorized by HSC section 34191.5 (b), Finance is not approving the LRPMP. The Dissolution Act does not allow a meet and confer for Finance’s review of the LRPMP. Therefore, the Agency should revise the LRPMP to address the issues noted above and resubmit an OB approved revised LRPMP to Finance for approval.

Please direct inquiries to Beliz Chappuie, Supervisor, or Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Bill Manis, Economic Development Director, City of Banning
    Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
    Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State Controller’s Office
    California State Controller’s Office
Attachment No. 3
Finding of Completion
April 26, 2013

Ms. June Overholt, Administrative Services Director
City of Banning
99 East Ramsey Street
Banning, CA 92220-0998

Dear Ms. Overholt:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Banning Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).

- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Bill Manis, Economic Development Director, City of Banning
Ms. Pam Elias, Chief Accountant, Property Tax Division, Riverside County Auditor Controller
California State Controller’s Office
DATE: July 8, 2014

TO: City Council

FROM: Heidi Meraz, Community Services Director

SUBJECT: Resolution 2014-51, Authorizing the Submittal of the FY 2014/15 Local Transportation Fund (LTF) Claim and approving the FY 2014/15 – 2015/16 Short Range Transit Plan (SRTP)

RECOMMENDATION: “The City Council adopt Resolution No. 2014-51, authorizing the submittal of the FY 2014/15 Local Transportation Fund (LTF) in the amount of $1,457,066.00 and approving the FY 2014/15 – 2015/16 Short Range Transit Plan (SRTP)”.

BACKGROUND: LTF dollars are needed to fund the operation of the City’s fixed route and dial-a-ride services system. The SRTP, Exhibit “A”, is prepared annually and justifies the amount of funding being requested from the Riverside County Transportation Commission (RCTC). The plan, as well as the required funding sources, has already been approved by RCTC. The Riverside County Transportation Commission (RCTC) requires transit operators to file an annual SRTP in compliance with the Transportation Development Act.

Included in the 2014/15-15/16 SRTP are changes to routes as recommended by Transportation Management Design (TMD) as a result of the Comprehensive Operations Analysis which was done in conjunction with the City of Beaumont and Riverside Transit Authority (RTA) and completed in May 2014. In March, both Banning and Beaumont held open houses to offer the public an opportunity to see the proposed changes and make comments. The open houses were held on March 26th and 27th from 12:00pm -7:00pm, the 26th in at the Banning Community Center and the 27th at the Beaumont Civic Center. Approximately 35 people attended and valuable input was received, resulting in some modifications to what were the proposed routes. The new route structure will provide increased frequency on all routes and consistent connections with both RTA and Sunline, affording passengers greater opportunities for regional travel.

The City operates three fixed routes and a dial-a-ride service. The Riverside County Transportation Commission (RCTC) allocates LTF dollars to the City each year to cover the transit system’s operating costs. A claim form must be submitted annually to RCTC in order for the funds to be released to the City. The SRTP should be approved by the Council as part of the claim submittal process.

FISCAL DATA: The Fiscal Year 2014-15 LTF transit claim total of $1,457,066.00 along with fare box recovery will fund the operating expenditures for the City’s transit and dial-a-ride services.
RECOMMENDED BY:

Heidi Meraz
Community Services Director

REVIEWED BY:

June Overholt
Administrative Services Director

APPROVED BY:

Homer Croy
Interim City Manager
RESOLUTION NO. 2014-51


WHEREAS, the City of Banning annually receives an allocation of Local Transportation Funds to operate the City’s transit and dial-a-ride services;

WHEREAS, a claim form and standard assurances must be submitted to Riverside County Transportation Commission in order to receive the allocated LTF; and

WHEREAS, the Short Range Transit Plan is prepared annually as justification for the LTF Funding request; and

WHEREAS, the Short Range Transit Plan is to be approved by the City Council as part of the claim submittal process.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF BANNING AS FOLLOWS:

SECTION 1. The City Council of the City of Banning hereby authorizes the Community Services Director to execute and submit the Fiscal Year of 2014/15 LTF Public Transit Claim in the amount of $1,457,066.00 on behalf of the City of Banning.

SECTION 2. The City Council approves the FY 2014/15-16 Short Range Transit Plan.

SECTION 3. The Administrative Services Director is authorized to make any budget adjustments related to this resolution.

PASSED, APPROVED, AND ADOPTED this 8th day of July 2014.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning
APPROVED AS TO FORM
AND LEGAL CONTENT:

David J. Alshire, 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. 2014-51, was duly adopted by the City Council of Banning, California, at a regular meeting thereof held on the 8th day of July, 2014 by the following vote to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning
RESOLUTION 2014-51
EXHIBIT "A"
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APPENDIX A

Route by Route Draft Recommendations
INTRODUCTION

Banning Transit System began as one intercity fixed route in April 1973, and then expanded to two routes in September 1985. Fixed route service to Cabazon and the commercial area of the Morongo Band of Mission Indians Reservation began in July 1995, as the system's third route. Banning Dial-A-Ride service for seniors and persons with disabilities began in October 1985. In November 2004, Pass Transit System began as a result of a combined effort between Banning Transit System and Beaumont Transit System to provide more efficient public transportation throughout the Pass area. Routes 1 and 2 were modified from the previous Banning Transit System Cabazon Route and Beaumont Transit System Route 1. Banning’s Northern Route was renumbered Route 5 and Banning’s Southern Route was renumbered Route 6. Beaumont’s existing Routes 3 and 4 remained the same. A Memorandum of Understanding (MOU) was developed to allow each city’s Dial-A-Ride services to cross jurisdictional boundary lines so a passenger would not have to transfer. A new joint Rider’s Guide was developed, combined transfers and ten-ride ticket books were printed, buses and bus stop signs were decaled ‘Pass Transit’ and fares were established to be the same for the convenience of riders.

The Banning Transit System functions as a department within the city and is managed by and under the direction of the Community Services Director. The city of Banning Transit Department employs a Lead Bus Driver/Trainer, six full-time bus drivers, four part-time bus drivers, two part-time Dial-A-Ride drivers, 1.5 full-time equivalent Office Specialists, and one fleet mechanic.

CHAPTER 1 – SYSTEM OVERVIEW

1.1 Description of Service Area

Banning Transit serves the commercial and residential areas of Banning and residential and commercial areas in Cabazon and the commercial areas of the Morongo Indian Reservation, with additional service to limited commercial areas in Beaumont. The cities of Banning and Beaumont work together to provide a seamless transit service by operating under a single brand identity and fare structure and by coordinating routes that cover approximately 40 square miles.

Within the service area, high density areas are separated by significant areas of low density. The main transportation corridor is on Ramsey Street in Banning which becomes 6th Street in Beaumont. Along the corridor there is a concentration of population, employment, minority, and poverty densities.
1.2 Population Profile and Demographic Projections

The residential population within the Banning Transit System's service area has grown approximately 29% since 2000.

Per the 2010 census there were 29,603 people. Population density was 1,281.57 people per square mile. There were 12,144 housing units at an average density of 423 per square mile. The racial makeup of the city was 64.74% White, 41.15% Hispanic or Latino of any race, 8.55% African-American, 2.30% Native American, 5.23% Asian, 15.55% from other races (one race), and 4.87% from two or more races.

Of the 10,838 households, 22.4% had children under the age of 18. 47.11% were married couples living together, and 23.70% were non-families. 28.53% of all households were made up of individuals and 18.4% had someone living alone who was 65 years of age or older. The average household size was 2.61 and the average family size was 3.19.

The city's population under 19 years of age was 25.78%, 17.48% was 20 to 34 years old, 20.43% was 25 to 44 years of age, 21.57% was 45 to 64 years old, and 25.88% were 65 years of age or older. The median age was 42.30 years.

Data from the 2011 Pass Area Transit Study reported that female riders outnumber males nearly 2 to 1. Interestingly, while the highest amount of passengers reported to be between the ages of 20-29, this age group has the lowest percentage of Banning residents. Ridership ethnicity closely parallels the population ethnicity in the city of Banning.

- Caucasian Riders 47%
- Hispanic Riders 34%
- African American Riders 12%
- Asian Riders 1%
- Riders 2%
- Others 4%

The surveys further showed that 86% of the system's fixed route ridership use transit services at least three times a week, 59% of the ridership use transit services for local trips within the Banning/Beaumont/Cabazon area, 49% use transit for travel outside of the local service areas, and 91% of the system's ridership do not have access to a car.

Respondents also indicated that transit services are readily available with the majority of riders living within two blocks or less of bus stop. Eighty-seven percent of the rider households speak English as their primary language and 13% speak Spanish as their primary language.
It would appear that the majority of regular Banning Transit System riders counted in the above percentages share the commonality of either being underemployed or unemployed, with 88% of riders reporting annual household incomes of $20,000 or less and 81% reporting a household size greater than two.

1.3 Fixed Route Transit Services and Paratransit Service, Regional Express Bus Service

The Banning Pass Transit System offers three routes, Routes 1, 5, and 6 as well as a Dial-A-Ride Service. Routes 5 and 6 operate on headway of 75 minutes. Headways on the routes were increased due to increased congestion in the area of Highland Springs and Ramsey. The prior 60 minute headway caused routes to operate late. Routes 1 and 2 (Route 2 provides the Beaumont Transit System’s Cabazon service) complement each other throughout the commercial areas of Beaumont, Banning, Cabazon, and the Morongo commercial development, with both Routes 1 and 2 operating every two hours. Route 1 is the only service that travels into eastern Cabazon, whereas Route 2 is the only service that travels into northeastern Beaumont. Approximately 75% of Routes 1 and 2 duplicate each other with a one hour frequency along the main corridor.

Pass Transit service into Cabazon is the result of a MOU between RTA and the City of Banning in an effort to reduce duplicative transit service in the Pass Area and to satisfy an unmet transit need at the time. In November of 2012, Route 1 began operating extended service and now operates until 11pm Monday through Friday. All routes are continually monitored and will be modified as needed to better serve unmet transit needs.

A summary of Pass Transit routes operated by Banning Transit System are shown below:

**Route 1 - Beaumont/Banning/Cabazon**

This route operates on two-hour headway and is complemented by an overlap with Route 2 (Beaumont Pass Transit) along 75% of the route. Route 1 is the only service to the remote Esperanza & Elm area of southeastern Cabazon. The route also provides service to the residential areas of Cabazon, James Venable Cabazon Community Center, Casino Morongo, Desert Hills Premium Outlets and Cabazon Outlets, the commercial areas along Ramsey Street and Highland Springs Avenue in Banning, and the commercial areas along 6th Street and Beaumont Avenue in Beaumont.

**Cabazon Evening Express - Banning/Cabazon**

The Evening Express Route began service in November of 2012 and offers service from Banning to Cabazon between the hours of 7:00pm and 10:30pm and operates on a 65 minute headway. This route was developed in response to
a direct need for transportation from employees at both Casino Morongo and Desert Hills Shopping Center. The route makes limited stops and differs from the Route 1 in that it does not travel into the residential area of Cabazon or into Beaumont.

**Route 5 - Northern Banning**

This route operates on a 75 minute headway and provides service to the residential areas of the city of Banning that lie north of the I-10 freeway, Nicolet Middle School, Hoffer Elementary School, Banning Public Library, Coombs Intermediate School, Hemmerling Elementary School, and the commercial areas along Ramsey Street and Highland Springs Avenue.

**Route 6 - Southern Banning**

The route operates on a 75 minute headway and provides service to the residential areas south of the I-10 freeway, a small residential section north of Ramsey Street at the east end of the City of Banning, the commercial areas along Ramsey Street and Highland Springs Avenue, Banning High School, Smith Correctional Facility, apartment complexes in the south, and the Banning Municipal Airport.

Banning Pass Transit fixed route service hours are:

- **Monday through Friday**: 6:00 a.m. - 7:00 p.m.
- **Extended Service to Cabazon**: 7:00 p.m. - 10:45 p.m.
- **Saturday & Sunday**: 8:00 a.m. - 5:00 p.m.

The Banning Transit System Pass Transit provides service hours from 9:00 a.m. to 4:00 p.m. on the following holidays: Martin Luther King, Jr.'s Birthday, President's Day, Labor Day, Veteran's Day, and the day after Thanksgiving Day. No service is provided on the following holidays: New Year's Day, Memorial Day, Independence Day, Thanksgiving Day, and Christmas Day.

**Banning Pass Transit Dial-A-Ride**

Banning Pass Transit Dial-A-Ride provides service to seniors (60+), persons with disabilities, and individuals certified for complementary paratransit service under the Americans with Disabilities Act (ADA). Call Center hours are from 8:00 a.m. to 3:00 p.m. Monday through Thursday and voice mail can be left anytime and will be responded to as soon as possible.

Service hours for Banning Pass Transit Dial-A-Ride are:
Seniors (age 60 & older) and persons with disabilities without ADA certification
Monday – Friday 8:00 a.m. - 3:00 p.m.
Saturday & Sunday No Service

Persons with ADA Complementary Paratransit Certification
Monday – Friday 7:00 a.m. - 7:00 p.m.
Saturday & Sunday Service provided only if three (3) or more persons request service

Pass Transit Dial-A-Ride provides service hours to ADA Certified passengers only from 8:00 a.m. to 4:00 p.m., Monday – Friday and on the following holidays: Martin Luther King, Jr.'s Birthday, President's Day, Labor Day, Veteran's Day, and the day after Thanksgiving Day. No service is provided on the following holidays: New Year’s Day, Memorial Day, Independence Day, Thanksgiving Day, and Christmas Day.

Pass Transit Dial-A-Ride is provided within the entire city limits of Banning and Beaumont and within a ¾ mile boundary of the Routes 1 and 2 service areas in Cabazon. The City of Banning provides the ADA certification for Pass Transit Dial-A-Ride services operated by the City of Banning.

The primary uses of Banning Pass Transit Dial-A-Ride are for transportation to medical appointments, workshop programs for persons with disabilities, shopping areas, employment, and include connections to Riverside Transit Agency (RTA) and Pass Transit fixed routes.

Through a cooperative memorandum of understanding, Pass Transit Dial-A-Ride operated by the Beaumont Transit system will provide its residents with service in Banning and within a ¾ mile boundary of Route 2 in Cabazon. Pass Transit Dial-A-Ride operated by the Banning Transit System will provide its residents with service in the city limits of Beaumont (excluding Cherry Valley).

**Regional Bus Service**

Pass Transit passengers can use Day Passes to transfer between the Pass Transit System fixed routes and the RTA Line 31 to Hemet and Line 35 to Moreno Valley. The RTA 210 and the Sunline Commuter Line 220 provides service to and from Riverside to Palm Desert, offering stops in the Pass area. This service was created to help connect the eastern desert region to the City of Riverside while providing service to and from the Banning/Beaumont area as well. Beaumont Pass Transit now offers a commuter link, Route 120, which travels from Beaumont Walmart to Calimesa, San Bernardino MetroLink, and the Loma Linda VA Hospital Monday through Friday. Utilizing the available connections, there are multiple opportunities for Banning residents to access inter-regional travel.
1.4 Fare Structure

The fare structure was adjusted in April 2012 for the Pass Transit System. Currently, the fixed route fare is $1.15/one way trip for general fare passengers. Fares for senior citizens age 60 years and older and persons with disabilities is $.65/one-way trip. A zone fare of $.25 exists for persons traveling between Banning/Beaumont and Cabazon/Morongo service areas. (The route is twice the length of any other route in the system. The zone fare helps to recover operating costs for travel beyond the City limits.) Passengers under 46" in height pay $.25. Ten-ride ticket books are offered for $10.35 each; senior citizens and persons with disabilities can purchase Ten-Ride ticket books at a reduced cost of $5.85 per ten-ride book.

Day passes are sold for $3.00 each; senior citizens and persons with disabilities can purchase the passes for $1.80. General fare monthly passes are $36.00, Senior/Disabled monthly passes are offered at $21.50 and monthly passes for students are $25.00.

Revenue Fleet

Banning Transit System operates five fixed route vehicles (three in revenue service and two as spares), all of which are powered by compressed natural gas (CNG). The vehicles are equipped with bicycle racks for two bicycles, and are in compliance with the ADA with mobility device lifts and two tie-down stations per bus. The transit system also operates three Dial-A-Ride vehicles (two in revenue service and one as a spare) that are gasoline powered and in compliance with the ADA, with mobility device lifts and tie-down stations for four mobility devices. Banning Pass Transit also has four support vehicles that are used for driver relief or administrative errands.

The City adheres to California Highway Patrol (CHP) mandated Preventive Maintenance Inspection criteria and is very proactive in maintenance efforts.

The predicted replacement level for fixed route service buses is every 10 years. Currently, there are five fixed route buses of which three are in revenue service and two are rotation buses. A replacement bus for the fixed route will be needed in FY 2014/15.

See the City of Banning Fleet Inventory Table 1 for individual vehicle characteristics.

The following is a Banning Transit fixed route bus:
1.6 Existing Facility/Planned Facilities

Banning Transit System functions as a department within the City and utilizes existing facilities. Transit Administrative staff is housed at the City’s Community Center located at 789 North San Gorgonio Avenue, where bus passes are sold, schedules are available and all ADA applications are processed. Dispatch and general telephone information is also provided at the transit office within the Community Center.

Banning Transit Office Hours:

Monday – Thursday 8:00 am to 6:00 pm
Friday 8:00 am to 3:00 pm

The maintenance, parking, fueling of the buses, and storage of bus stop amenities are performed at the City’s Corporation Yard located at 176 East Lincoln Street. Maintenance of the vehicles is performed by the Public Works Department, Fleet Maintenance Division.

There are currently no plans to expand Banning Pass Transit System facilities.

CHAPTER 2 – EXISTING SERVICE AND ROUTE PERFORMANCE

A summary of Pass Transit routes operated by Banning Transit System are shown below:

Route 1 - Beaumont/Banning/Cabazon

This route operates on a two-hour headway and is complemented by an overlap with Route 2 (Beaumont Pass Transit) along 75% of the route. Route 1 is the only service to the remote Esperanza & Elm area of southeastern Cabazon. The route also provides service to the residential areas of Cabazon, James Venable Cabazon Community Center, Casino Morongo, Desert Hills Premium Outlets and Cabazon Outlets, the commercial areas along Ramsey Street and Highland Springs Avenue in Banning, and the commercial areas along 6th Street and Beaumont Avenue in Beaumont.

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Route 1 in that it does not travel into the residential area of Cabazon or into Beaumont.

**Route 5 – Northern Banning**

This route operates on a 75 minute headway and provides service to the residential areas of the City of Banning that lie north of the I-10 freeway, Nicolet Middle School, Hoffer Elementary School, Banning Public Library, Coombs Intermediate School, Hemmerling Elementary School and the commercial areas along Ramsey Street and Highland Springs Avenue.

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Banning Pass Transit fixed route service hours are:

- **Monday – Friday**: 6:00 a.m. to 7:00 p.m.
- **Extended Service to Cabazon**: 7:00 p.m. to 10:45 p.m.
- **Saturday & Sunday**: 8:00 a.m. to 5:00 p.m.

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Service hours for Banning Pass Transit Dial-A-Ride are as follows:

- **Seniors (age 60 & older) and persons with disabilities without ADA certification**
  - **Monday – Friday**: 8:00 a.m. – 3:00 p.m.
  - **Saturday & Sunday**: No Service
Persons with ADA Complementary Paratransit Certification

Monday – Friday 7:00 a.m. to 7:00 p.m.
Saturday & Sunday Service provided only if three (3) or more persons request service

Pass Transit Dial-A-Ride provides service hours to ADA Certified passengers only from 8:00 a.m. to 4:00 p.m., Monday – Friday and on the following holidays: Martin Luther King, Jr.’s Birthday, President’s Day, Labor Day, Veteran’s Day, and the day after Thanksgiving Day. No service is provided on the following holidays: New Year’s Day, Memorial Day, Independence Day, Thanksgiving Day, and Christmas Day.

Pass Transit Dial-A-Ride is provided within the entire city limits of Banning and Beaumont and within a ¾ mile boundary of the Routes 1 and 2 service areas in Cabazon. The City of Banning provides the ADA certification for Pass Transit Dial-A-Ride services operated by the City of Banning.

The primary uses of Banning Pass Transit Dial-A-Ride are for transportation to medical appointments, workshop programs for persons with disabilities, shopping areas, employment, and include connections to Riverside Transit Agency (RTA) and Pass Transit fixed routes.

Through a cooperative memorandum of understanding, Pass Transit Dial-A-Ride operated by the Beaumont Transit system will provide its residents with service in Banning and within a ¾ mile boundary of Route 2 in Cabazon. Pass Transit Dial-A-Ride operated by the Banning Transit System will provide its residents with service in the city limits of Beaumont (excluding Cherry Valley).

Key Performance Indicators

The Riverside County Transportation Commission (RCTC) has adopted a Productivity Improvement Plan (PIP) for the transit and commuter rail operators of Riverside County. The PIP sets forth efficiency and effectiveness standards that the transit operators are to meet. Progress towards these standards is reported quarterly to the Commission. The following tables show the operating performance indicators adopted in the PIP and this plan’s projections for the coming year.
Banning Transit System/Pass Transit Performance Measures

<table>
<thead>
<tr>
<th>Performance Statistics</th>
<th>FY 2012 Audited</th>
<th>FY 2013 Actual</th>
<th>FY 2014 Projected (Based on 3rd Quarter Actuals)</th>
<th>FY 2015 Planned</th>
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<tbody>
<tr>
<td>Unlinked Passenger Trips</td>
<td>133,939</td>
<td>138,503</td>
<td>122,635</td>
<td>226,175</td>
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<tr>
<td>Operating Cost per Revenue Hours</td>
<td>$80.30</td>
<td>$88.15</td>
<td>$75.12</td>
<td>$85.73</td>
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<tr>
<td>Farebox Recovery Ratio</td>
<td>12.34%</td>
<td>11.73%</td>
<td>12.15%</td>
<td>10.44%</td>
</tr>
<tr>
<td>Subsidy per Passenger</td>
<td>$7.65</td>
<td>$6.48</td>
<td>$6.42</td>
<td>$5.81</td>
</tr>
<tr>
<td>Subsidy per Passenger Mile</td>
<td>N/A</td>
<td>2.54</td>
<td>2.59</td>
<td>$2.26</td>
</tr>
<tr>
<td>Subsidy per Revenue Hour</td>
<td>$70.47</td>
<td>$77.81</td>
<td>$65.99</td>
<td>$76.78</td>
</tr>
<tr>
<td>Subsidy per Revenue Mile</td>
<td>$4.23</td>
<td>$4.69</td>
<td>$2.88</td>
<td>$5.06</td>
</tr>
<tr>
<td>Passengers per Revenue Hour</td>
<td>9.2</td>
<td>12.0</td>
<td>10.3</td>
<td>13.2</td>
</tr>
<tr>
<td>Passengers per Revenue Mile</td>
<td>0.56</td>
<td>0.72</td>
<td>0.45</td>
<td>0.87</td>
</tr>
</tbody>
</table>

The FY 2014/15 projections are based on operating data through March 2014, projected through June, 2014. Since these are only estimates, the performance indicators are subject to change.

For Fiscal Year 2014/15, the Banning Transit System expects to be in compliance with at least 4 of the 7 performance targets.

Additional details on key indicators for demand responsive and fixed route services are shown in Table 2.

The Banning Transit System does not receive any federal funding and is not required to report to the National Transit Database.

2.4 Productivity Improvement Efforts

In order to meet performance standards, staff will continue to monitor and analyze all routes to make sure that service is warranted and will eliminate unproductive service areas.

Banning Pass Transit is currently in the process of finishing a Comprehensive Operations Analysis with Transportation Management & Design, Inc. This project is anticipated to be completed concurrently with Beaumont Pass Transit and will provide recommendations for enhanced efficiency for each respective system, as well as the system as a whole. This project is nearing completion and recommendations for changes will be taken to City Council for approval with a projected implementation date of August 1, 2014.
2.5 Major Trip Generators and Projected Growth Over Next Two Years

Major passenger trip destinations that the Banning Pass Transit services are the Kmart Shopping Center, the 2nd Street Marketplace in Beaumont, the Walmart Supercenter in Beaumont, the Fox Cinema in Banning, the Cabazon Outlet Stores, Desert Hills Premium Outlets and Casino Morongo and the Mt. San Jacinto College Pass Campus. There is a high demand for service to these destinations whether for employment, necessities or pleasure.

2.6 Equipment, Passenger Amenities and Facility Needs

Passenger amenities include 170 sign posted bus stops, 14 bus shelters with solar lighting and information panels and trash receptacles, 8 benches, and 15 trash cans.

A fully-equipped shop truck, tools and repair equipment were delivered in 2012. All fixed route and Dial-A-Ride vehicles had either new security cameras and recording equipment installed or existing new upgraded and a new paratransit vehicle will be ordered with expected delivery in August 2013. A need for a replacement fixed route bus is anticipated for FY 2013-14.

CHAPTER 3 – PLANNED SERVICE CHANGES AND IMPLEMENTATION

3.1 Recent Service Changes

As stated previously, Banning Pass Transit currently has a contract with Transportation Management & Design, Inc. for the purpose of having a Comprehensive Operations Analysis completed. This project is anticipated to be done concurrently with Beaumont Pass Transit and will provide recommendations for enhanced efficiency for each respective system as well as the system as a whole. This project is nearing completion and recommendations for route changes will be taken to the City Council for approval with a projected implantation date of August 1, 2014.

See Appendix A for proposed route changes

3.2 Marketing Plans and Promotions

Efforts have been made to market the Pass Transit System over the past year and will continue in the coming year. These efforts include purchasing advertising on a map of the San Gorgonio Pass Area, distribution of route maps by delivery to the library, chamber of commerce, San Gorgonio Memorial Hospital, Mt. San Jacinto Pass Campus, local hotels and other businesses.
The following marketing efforts will be undertaken to promote ridership growth.

1. Continue outreach programs to schools and at community events.
2. Attend senior community meetings to provide information.
4. Enclose flyers with transit information in city utility bills.
5. Coordinate Travel Training through RTA

The City of Banning's website at www.ci.banning.ca.us provides basic Pass Transit route and schedule information. Transit staff is currently working to make information about routes and services more accessible. Customers can submit comments, complaints, concerns and suggestions through the city website.

CHAPTER 4 – FINANCIAL AND CAPITAL PLANS

4.1 Operating and Capital Budget

For FY 14/15 operating funds needed to operate the Banning Pass Transit System are $1,625,066 for the Fixed Route and DAR. The operating funds consist of $1,455,566 local transportation funds (LTF). The projected farebox revenue for FY 14/15 is $169,000. Additional funding in the amount of $500.00 will come from interest income.

In an effort to increase efficiencies in service, the requested funds will allow for the conversion of full-time equivalent hours to one full-time driver position and additional part-time hours allotted to maintain the proposed route changes.

In addition to aggressively completing previously funded Capital projects, staff anticipates the need for two 35' passenger coaches in FY 14/15. Some funding from multiple projects that have not yet been started will be combined into one project and will fund the purchase of one of the two coaches that are needed.

Additionally, requested funds will be used to fund a Transit Manager Position. The most recent audit validated the fact that Banning Pass Transit is in need of a management position to move the system forward by obtaining grants and maintaining necessary reports for grant funded projects, develop a plan for capital fund projects and to create a viable campaign to promote Banning Pass Transit.

4.2 Funding Plans to Support Operating and Capital Program

Capital projects are funded through STA funds and Proposition 1B grants for Banning Pass Transit.

4.3 Regulatory and Compliance Requirements
The City of Banning submitted an Americans with Disabilities Act Paratransit Plan to the FTA on January 26, 1992. Pass Transit fixed route buses are equipped with ADA compliant mobility device lifts and are accessible to persons with disabilities. A procedure is in place to provide service to a customer in a mobility device should a fixed route bus lift fail.

Banning Pass Transit Dial-A-Ride services provide ADA complementary paratransit service for the fixed route services operated by Banning Transit System. Beaumont Transit System offers the same service through its Pass Transit Dial-a-Ride operation. The system uses a self-certification process with professional verification. Banning Transit System staff processes ADA certifications for Pass Transit operations.

Title VI

Banning Transit System/Pass Transit does not utilize federal funds for operating expenses. As such, Title VI requirements do not currently apply to the transit system.

Alternatively Fueled Vehicles (RCTC Policy)

Pass Transit fixed-route buses are CNG powered. Pass Transit Dial-a-Ride vehicles (which are less than 33,000 lbs. GVW and 15-passenger capacity) and administrative and driver relief vehicles are gasoline powered.

Future vehicle purchases will be in compliance with the RCTC and South Coast Air Quality Management District (AQMD) policies regarding alternative fuel transit vehicles.

The CNG Fueling Station at the City of Banning Corporation Yard provides expanded CNG capacity and fast fueling capability. With increased capacity and redundant compressor units, having adequate and reliable CNG pumping capacity will not be an issue in the foreseeable future.

STA Compliance

The City of Banning does not utilize State Transit Assistance (STA) funding for operating expenses. As such, compliance with the Public Utilities Commission requirement is not applicable.
### Table 1 - Fleet Inventory
**FY 2014/15 Short Range Transit Plan**  
**City of Banning**

#### Bus (Motorbus) / Directly Operated

| Year Built | Mfg. Code | Model Code | Seating Capacity | Lift and Ramp Equipped | Vehicle Length | Fuel Type Code | # of Active Vehicles FY 2013/14 | # of Contingency Vehicles FY 2013/14 | Life to Date Vehicle Miles Prior Year End FY 2012/13 | Life to Date Vehicle Miles through March FY 2013/14 | Average Lifetime Miles Per Active Vehicle As Of Year-To-Date (e.g., March) FY 2013/14 |
|------------|-----------|------------|------------------|------------------------|---------------|----------------|-------------------------------|---------------------------------|---------------------------------------------|-----------------------------------------------|
| 2012       | CMD       | Malibu     | 2                | 0                      |               | GA             | 1                            | 0                               | 11,322                                      | 1,803                                        | 1,803                                        |
| 2009       | EDN       | Transmark  | 5                | 0                      |               | HG             | 1                            | 0                               | 489,170                                    | 143,112                                     | 143,112                                     |
| 2001       | EDN       | Transmark  | 33               | 1                      | 35            | CN             | 1                            | 0                               | 492,792                                    | 492,792                                     | 492,792                                     |
| 2004       | EDN       | Transmark  | 33               | 2                      | 35            | CN             | 2                            | 0                               | 207,199                                    | 207,199                                     | 207,199                                     |
| 2010       | FRD       | Ranger     | 31               | 2                      | 34            | CN             | 2                            | 0                               | 139,456                                    | 139,456                                     | 139,456                                     |
| 2002       | EDN       | XHF        | 2                | 0                      | 12            | GA             | 1                            | 0                               | 63,789                                     | 63,789                                     | 63,789                                     |
| 2003       | FRD       | Ranger     | 2                | 0                      | 12            | GA             | 1                            | 0                               | 60,134                                     | 60,134                                     | 60,134                                     |
| 2010       | FRD       | Ranger     | 2                | 0                      | 12            | GA             | 1                            | 0                               | 34,580                                     | 34,580                                     | 34,580                                     |

**Totals:**  
- **110**  
- **5**  
- **10**  
- **0**  
- **1,547,104**  
- **1,489,518**  
- **148,952**
| Year Built | Mfg. Code | Model Code | Seating Capacity | Lift and Ramp Equipped | Vehicle Length | Fuel Type Code | # of Active Vehicles FY 2013/14 | # of Contingency Vehicles FY 2013/14 | Life to Date Vehicle Miles Prior Year End FY 2012/13 | Life to Date Vehicle Miles through March FY 2013/14 | Average Lifetime Miles Per Active Vehicle As Of Year-To-Date (e.g., March) FY 2013/14 |
|------------|-----------|------------|------------------|------------------------|---------------|----------------|-------------------------------|------------------------------------------|-----------------------------------------------|-----------------------------------------------------|
| 2010       | EBC       | Aerotech   | 16               | 1                      | 25            | GA             | 1                             | 0                                       | 42,269                                        | 53,413                                              | 53,413                                              |
| 2010       | EBC       | EDN        | 16               | 1                      | 25            | GA             | 1                             | 0                                       | 45,904                                        | 55,455                                              | 55,455                                              |
| 2001       | EDN       | Aerotech   | 12               | 1                      | 25            | GA             | 1                             | 0                                       | 238,274                                       | 254,034                                              | 254,034                                              |
| 2003       | EDN       | Aerotech   | 12               | 1                      | 25            | GA             | 1                             | 0                                       | 227,836                                       | 243,085                                              | 243,085                                              |
| 2013       | GLV       | Universal  | 18               | 1                      |                | CN             | 1                             | 0                                       | 3,503                                        | 3,503                                                | 3,503                                                |
| 2008       | ZZZ       | Ford       | 14               | 1                      | 26            | GA             | 1                             | 0                                       | 66,773                                       | 80,525                                               | 80,525                                               |
| Totals:    |           |            | 88               | 6                      |                | 6              | 0                             | 621,056                                  | 690,015                                       | 115,003                                               |
## Table 2 -- City of Banning -- SRTP Service Summary

**FY 2014/15 Short Range Transit Plan**

**All Routes**

<table>
<thead>
<tr>
<th>Fleet Characteristics</th>
<th>FY 2011/12 Audited</th>
<th>FY 2012/13 Audited</th>
<th>FY 2013/14 Plan</th>
<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15 Plan</th>
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</thead>
<tbody>
<tr>
<td>Peak-Hour Fleet</td>
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<td>4</td>
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<td>10</td>
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</tbody>
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### Financial Data

<table>
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<tr>
<th></th>
<th>FY 2011/12 Audited</th>
<th>FY 2012/13 Audited</th>
<th>FY 2013/14 Plan</th>
<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Expenses</td>
<td>$1,156,840</td>
<td>$1,198,139</td>
<td>$856,810</td>
<td>$935,492</td>
<td>$1,625,066</td>
</tr>
<tr>
<td>Total Passenger Fare Revenue</td>
<td>$132,349</td>
<td>$107,550</td>
<td>$107,362</td>
<td>$112,322</td>
<td>$169,000</td>
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<tr>
<td>Net Operating Expenses (Subsidies)</td>
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<td>$1,090,588</td>
<td>$749,448</td>
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### Operating Characteristics

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<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15 Plan</th>
</tr>
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<tbody>
<tr>
<td>Unlinked Passenger Trips</td>
<td>136,563</td>
<td>147,747</td>
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### Performance Characteristics

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<th>FY 2013/14 3rd Qtr Actual</th>
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<tbody>
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<td>Operating Cost per Revenue Hour</td>
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<td>$79.89</td>
<td>$80.84</td>
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<td>Farebox Recovery Ratio</td>
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<td>12.53%</td>
<td>12.01%</td>
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<td>Subsidy per Passenger</td>
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<td>Subsidy per Passenger Mile</td>
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(a) Train Hours for Rail Modes. (b) Car Miles for Rail Modes.
## Table 2 -- City of Banning -- SRTP Service Summary
FY 2014/15 Short Range Transit Plan
Non-Excluded Routes

<table>
<thead>
<tr>
<th>Fleet Characteristics</th>
<th>FY 2011/12 Audited</th>
<th>FY 2012/13 Audited</th>
<th>FY 2013/14 Plan</th>
<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15 Plan</th>
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<tbody>
<tr>
<td>Peak-Hour Fleet</td>
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### Financial Data

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<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15 Plan</th>
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<tbody>
<tr>
<td>Total Operating Expenses</td>
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<td>$1,127,726</td>
<td>$856,810</td>
<td>$878,516</td>
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<td>Total Passenger Fare Revenue</td>
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<td>$105,438</td>
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### Operating Characteristics

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<th>FY 2014/15</th>
</tr>
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<tbody>
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<td>Unlinked Passenger Trips</td>
<td>128,832</td>
<td>143,694</td>
<td>118,477</td>
<td>113,227</td>
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<td>366,714</td>
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<td>190,109</td>
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<td>Total Actual Vehicle Revenue Hours (a)</td>
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<td>Total Actual Vehicle Revenue Miles (b)</td>
<td>287,938.5</td>
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<td>Total Actual Vehicle Miles</td>
<td>293,454.6</td>
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### Performance Characteristics

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<th>FY 2013/14</th>
<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost per Revenue Hour</td>
<td>$93.71</td>
<td>$81.33</td>
<td>$79.89</td>
<td>$83.78</td>
<td>$79.97</td>
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<tr>
<td>Farebox Recovery Ratio</td>
<td>11.16%</td>
<td>9.35%</td>
<td>12.53%</td>
<td>12.49%</td>
<td>10.10%</td>
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<td>Subsidy per Passenger</td>
<td>$7.77</td>
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<td>$8.54</td>
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<td>Subsidy per Passenger Mile</td>
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<td>$3.07</td>
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<td>Subsidy per Revenue Hour (a)</td>
<td>$83.25</td>
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<td>$69.88</td>
<td>$73.31</td>
<td>$71.88</td>
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<td>Subsidy per Revenue Mile (b)</td>
<td>$3.48</td>
<td>$3.19</td>
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<td>Passenger per Revenue Hour (a)</td>
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<td>0.70</td>
<td>0.45</td>
<td>0.53</td>
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(a) Train Hours for Rail Modes. (b) Car Miles for Rail Modes.
## Table 2 -- City of Banning -- SRTP Service Summary

**FY 2014/15 Short Range Transit Plan**

**Excluded Routes**

<table>
<thead>
<tr>
<th>Fleet Characteristics</th>
<th>FY 2011/12 Audited</th>
<th>FY 2012/13 Audited</th>
<th>FY 2013/14 Plan</th>
<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15 Plan</th>
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</thead>
<tbody>
<tr>
<td>Peak-Hour Fleet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Financial Data                         | $29,758            | $70,412            | $56,977         | $1,009,557                |
| Total Passenger Fare Revenue           | $6,588             | $2,113             | $2,570          | $106,782                  |
| Net Operating Expenses (Subsidies)     | $23,170            | $68,299            | $54,407         | $902,775                  |

| Operating Characteristics              |                    |                    |                 |                           |                |
| Unlinked Passenger Trips               | 7,731              | 4,053              | 3,394           | 172,515                   |
| Passenger Miles                        | 19,173             | 10,051             | 8,417           | 431,157                   |
| Total Actual Vehicle Revenue Hours (a) | 1,341.0            | 1,253.2            | 1,086.4         | 11,792.0                  |
| Total Actual Vehicle Revenue Miles (b) | 8,000.0            | 20,898.4           | 16,582.9        | 194,971.0                 |
| Total Actual Vehicle Miles             | 8,468.7            | 22,106.4           | 17,400.1        | 188,042.0                 |

| Performance Characteristics            | $22.19             | $56.19             | $52.45          | $85.61                    |
| Operating Cost per Revenue Hour        | 22.14%             | 3.00%              | 4.51%           | 10.57%                    |
| Farebox Recovery Ratio                 |                    |                    |                 |                           |
| Subsidy per Passenger                  | $3.00              | $16.85             | $16.03          | $5.23                     |
| Subsidy per Passenger Mile             | $1.21              | $6.80              | $6.46           | $2.09                     |
| Subsidy per Revenue Hour (a)           | $17.28             | $54.50             | $50.08          | $76.56                    |
| Subsidy per Revenue Mile (b)           | $2.90              | $3.27              | $2.28           | $4.88                     |
| Passenger per Revenue Hour (a)         | 5.8                | 3.2                | 3.1             | 14.6                      |
| Passenger per Revenue Mile (b)         | 0.97               | 0.19               | 0.20            | 0.93                      |

(a) Train Hours for Rail Modes. (b) Car Miles for Rail Modes.
<table>
<thead>
<tr>
<th>Fleet Characteristics</th>
<th>FY 2011/12 Audited</th>
<th>FY 2012/13 Audited</th>
<th>FY 2013/14 Plan</th>
<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak-Hour Fleet</td>
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<td></td>
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</tr>
<tr>
<td>Financial Data</td>
<td></td>
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</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$985,656</td>
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<tr>
<td>Unlinked Passenger Trips</td>
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<td>Total Actual Vehicle Revenue Hours (a)</td>
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<td>Total Actual Vehicle Revenue Miles (b)</td>
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<tr>
<td>Total Actual Vehicle Miles</td>
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<tr>
<td>Performance Characteristics</td>
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<tr>
<td>Operating Cost per Revenue Hour</td>
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<td>Farebox Recovery Ratio</td>
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<td>11.42%</td>
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<td>Subsidy per Passenger Mile</td>
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<td>Subsidy per Revenue Hour (a)</td>
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<td>$72.63</td>
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<tr>
<td>Subsidy per Revenue Mile (b)</td>
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<td>0.44</td>
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(a) Train Hours for Rail Modes. (b) Car Miles for Rail Modes.
### Table 2 -- Banning-BUS -- SRTP Service Summary
**FY 2014/15 Short Range Transit Plan**
**Excluded Routes**

<table>
<thead>
<tr>
<th>Fleet Characteristics</th>
<th>FY 2011/12 Audited</th>
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<th>FY 2013/14 Plan</th>
<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15 Plan</th>
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</thead>
<tbody>
<tr>
<td>Peak-Hour Fleet</td>
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#### Financial Data

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<th>FY 2013/14 3rd Qtr Actual</th>
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<tbody>
<tr>
<td>Total Operating Expenses</td>
<td>$29,758</td>
<td>$70,412</td>
<td>$56,977</td>
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<td>Total Passenger Fare Revenue</td>
<td>$6,588</td>
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<td>Net Operating Expenses (Subsidies)</td>
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#### Operating Characteristics

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<th>FY 2013/14 3rd Qtr Actual</th>
<th>FY 2014/15</th>
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<tbody>
<tr>
<td>Unlinked Passenger Trips</td>
<td>7,731</td>
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<td>Total Actual Vehicle Revenue Hours (a)</td>
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<td>Total Actual Vehicle Revenue Miles (b)</td>
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<td>Total Actual Vehicle Miles</td>
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#### Performance Characteristics

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<th>FY 2013/14 3rd Qtr Actual</th>
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<tbody>
<tr>
<td>Operating Cost per Revenue Hour</td>
<td>$22.19</td>
<td>$56.19</td>
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<td>Farebox Recovery Ratio</td>
<td>22.14%</td>
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<td>4.51%</td>
<td>10.57%</td>
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<td>Subsidy per Passenger</td>
<td>$3.00</td>
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<td>Subsidy per Revenue Hour (a)</td>
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<td>0.20</td>
<td>0.93</td>
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(a) Train Hours for Rail Modes. (b) Car Miles for Rail Modes.
## Table 2 -- Banning-DAR -- SRTP Service Summary

FY 2014/15 Short Range Transit Plan

All Routes

<table>
<thead>
<tr>
<th></th>
<th>FY 2011/12 Audited</th>
<th>FY 2012/13 Audited</th>
<th>FY 2013/14 Plan</th>
<th>FY 2013/14 3rd Qtr Actual</th>
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</tr>
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<tr>
<td><strong>Fleet Characteristics</strong></td>
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<tr>
<td>Peak-Hour Fleet</td>
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<tr>
<td><strong>Financial Data</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$171,184</td>
<td>$141,876</td>
<td>$151,140</td>
<td>$72,648</td>
<td>$158,697</td>
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<tr>
<td>Total Passenger Fare Revenue</td>
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<td>$17,474</td>
<td>$16,116</td>
<td>$13,774</td>
<td>$15,900</td>
</tr>
<tr>
<td>Net Operating Expenses (Subsidies)</td>
<td>$157,887</td>
<td>$124,402</td>
<td>$135,024</td>
<td>$58,874</td>
<td>$142,797</td>
</tr>
<tr>
<td><strong>Operating Characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unlinked Passenger Trips</td>
<td>9,064</td>
<td>9,244</td>
<td>12,893</td>
<td>6,078</td>
<td>11,095</td>
</tr>
<tr>
<td>Passenger Miles</td>
<td>32,630</td>
<td>33,278</td>
<td>37,026</td>
<td>21,881</td>
<td>39,895</td>
</tr>
<tr>
<td>Total Actual Vehicle Revenue Hours (a)</td>
<td>1,305.8</td>
<td>1,242.0</td>
<td>2,265.0</td>
<td>805.4</td>
<td>2,385.0</td>
</tr>
<tr>
<td>Total Actual Vehicle Revenue Miles (b)</td>
<td>26,306.0</td>
<td>25,379.0</td>
<td>43,568.0</td>
<td>15,864.0</td>
<td>46,575.0</td>
</tr>
<tr>
<td>Total Actual Vehicle Miles</td>
<td>28,422.0</td>
<td>27,897.0</td>
<td>49,735.0</td>
<td>17,396.0</td>
<td>51,252.0</td>
</tr>
<tr>
<td><strong>Performance Characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cost per Revenue Hour</td>
<td>$131.09</td>
<td>$114.24</td>
<td>$66.73</td>
<td>$90.20</td>
<td>$66.54</td>
</tr>
<tr>
<td>Farebox Recovery Ratio</td>
<td>7.77%</td>
<td>12.32%</td>
<td>10.66%</td>
<td>18.96%</td>
<td>10.01%</td>
</tr>
<tr>
<td>Subsidy per Passenger</td>
<td>$17.42</td>
<td>$13.46</td>
<td>$10.47</td>
<td>$9.69</td>
<td>$12.87</td>
</tr>
<tr>
<td>Subsidy per Passenger Mile</td>
<td>$4.84</td>
<td>$3.74</td>
<td>$3.65</td>
<td>$2.69</td>
<td>$3.58</td>
</tr>
<tr>
<td>Subsidy per Revenue Hour (a)</td>
<td>$120.91</td>
<td>$100.17</td>
<td>$59.61</td>
<td>$73.10</td>
<td>$59.87</td>
</tr>
<tr>
<td>Subsidy per Revenue Mile (b)</td>
<td>$6.00</td>
<td>$4.90</td>
<td>$3.10</td>
<td>$3.71</td>
<td>$3.07</td>
</tr>
<tr>
<td>Passenger per Revenue Hour (a)</td>
<td>6.9</td>
<td>7.4</td>
<td>5.7</td>
<td>7.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Passenger per Revenue Mile (b)</td>
<td>0.34</td>
<td>0.36</td>
<td>0.30</td>
<td>0.38</td>
<td>0.24</td>
</tr>
</tbody>
</table>

(a) Train Hours for Rail Modes. (b) Car Miles for Rail Modes.
<table>
<thead>
<tr>
<th>Route #</th>
<th>Day Type</th>
<th>Peak Vehicles</th>
<th>Passengers</th>
<th>Passenger Miles</th>
<th>Revenue Hours</th>
<th>Total Hours</th>
<th>Revenue Miles</th>
<th>Total Miles</th>
<th>Operating Cost</th>
<th>Passenger Revenue</th>
<th>Net Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAN-1</td>
<td>Total</td>
<td>4,389</td>
<td>10,972</td>
<td>355.0</td>
<td>360.0</td>
<td>6,008.0</td>
<td>6,229.0</td>
<td>$30,015</td>
<td>$3,155</td>
<td>$26,860</td>
<td></td>
</tr>
<tr>
<td>BAN-1E</td>
<td>Weekday</td>
<td>1</td>
<td>290</td>
<td>595</td>
<td>104.0</td>
<td>276.0</td>
<td>1,689.0</td>
<td>1,789.0</td>
<td>$8,507</td>
<td>$246</td>
<td>$8,261</td>
</tr>
<tr>
<td>BAN-5</td>
<td>Total</td>
<td>4,210</td>
<td>11,025</td>
<td>356.0</td>
<td>368.0</td>
<td>4,372.0</td>
<td>4,494.0</td>
<td>$32,263</td>
<td>$3,578</td>
<td>$28,685</td>
<td></td>
</tr>
<tr>
<td>BAN-SA</td>
<td>Total</td>
<td>42,216</td>
<td>118,040</td>
<td>4,251.0</td>
<td>4,436.0</td>
<td>58,854.0</td>
<td>59,265.0</td>
<td>$366,635</td>
<td>$37,167</td>
<td>$329,468</td>
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</tr>
<tr>
<td>BAN-S</td>
<td>Total</td>
<td>2,845</td>
<td>10,177</td>
<td>350.0</td>
<td>362.0</td>
<td>5,549.0</td>
<td>5,785.0</td>
<td>$27,899</td>
<td>$2,418</td>
<td>$25,481</td>
<td></td>
</tr>
<tr>
<td>BAN-CC</td>
<td>Total</td>
<td>37,301</td>
<td>93,252</td>
<td>3,839.0</td>
<td>4,095.0</td>
<td>49,049.0</td>
<td>49,305.0</td>
<td>$322,687</td>
<td>$32,120</td>
<td>$290,567</td>
<td></td>
</tr>
<tr>
<td>BAN-CM</td>
<td>Total</td>
<td>134,924</td>
<td>337,310</td>
<td>7,849.0</td>
<td>7,917.0</td>
<td>134,233.0</td>
<td>136,948.0</td>
<td>$678,363</td>
<td>$74,416</td>
<td>$603,947</td>
<td></td>
</tr>
<tr>
<td>BAN-OAR</td>
<td>Weekday</td>
<td>2</td>
<td>11,095</td>
<td>39,895</td>
<td>2,385.0</td>
<td>2,860.0</td>
<td>46,575.0</td>
<td>51,252.0</td>
<td>$158,697</td>
<td>$15,900</td>
<td>$142,797</td>
</tr>
<tr>
<td>Service Provider Totals</td>
<td>10</td>
<td>237,270</td>
<td>621,266</td>
<td>19,489.0</td>
<td>20,674.0</td>
<td>306,329.0</td>
<td>314,977.0</td>
<td>$1,625,066</td>
<td>$169,000</td>
<td>$1,456,066</td>
<td></td>
</tr>
</tbody>
</table>

Table 3 - SRTP Route Statistics
City of Banning -- 1
FY 2014/15
All Routes
### Table 3 - SRTP Route Statistics
#### City of Banning - 1
##### FY 2014/15
##### All Routes

<table>
<thead>
<tr>
<th>Route #</th>
<th>Day Type</th>
<th>Operating Cost Per Revenue Hour</th>
<th>Operating Cost Per Revenue Mile</th>
<th>Cost Per Passenger</th>
<th>Farebox Recovery Ratio</th>
<th>Subsidy Per Passenger</th>
<th>Subsidy Per Passenger Mile</th>
<th>Subsidy Per Revenue Hour</th>
<th>Subsidy Per Revenue Mile</th>
<th>Passengers Per Hour</th>
<th>Passengers Per Mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAN-1</td>
<td>Total</td>
<td>$84.55</td>
<td>$5.00</td>
<td>$6.84</td>
<td>10.51%</td>
<td>$6.12</td>
<td>$2.45</td>
<td>$75.66</td>
<td>$4.47</td>
<td>12.4</td>
<td>0.73</td>
</tr>
<tr>
<td>BAN-1E</td>
<td>Weekday</td>
<td>$81.80</td>
<td>$5.04</td>
<td>$29.33</td>
<td>2.89%</td>
<td>$28.49</td>
<td>$13.88</td>
<td>$79.43</td>
<td>$4.89</td>
<td>2.6</td>
<td>0.17</td>
</tr>
<tr>
<td>BAN-5</td>
<td>Total</td>
<td>$90.63</td>
<td>$7.38</td>
<td>$7.66</td>
<td>11.09%</td>
<td>$6.81</td>
<td>$2.50</td>
<td>$80.58</td>
<td>$6.56</td>
<td>11.8</td>
<td>0.96</td>
</tr>
<tr>
<td>BAN-5A</td>
<td>Total</td>
<td>$86.25</td>
<td>$6.23</td>
<td>$8.68</td>
<td>10.12%</td>
<td>$7.80</td>
<td>$2.79</td>
<td>$77.50</td>
<td>$5.60</td>
<td>9.9</td>
<td>0.72</td>
</tr>
<tr>
<td>BAN-6</td>
<td>Total</td>
<td>$79.71</td>
<td>$5.03</td>
<td>$9.81</td>
<td>8.66%</td>
<td>$8.96</td>
<td>$2.50</td>
<td>$72.80</td>
<td>$4.59</td>
<td>8.1</td>
<td>0.51</td>
</tr>
<tr>
<td>BAN-CC</td>
<td>Total</td>
<td>$84.05</td>
<td>$6.58</td>
<td>$8.65</td>
<td>9.95%</td>
<td>$7.79</td>
<td>$3.12</td>
<td>$75.69</td>
<td>$5.92</td>
<td>9.7</td>
<td>0.76</td>
</tr>
<tr>
<td>BAN-CH</td>
<td>Total</td>
<td>$86.42</td>
<td>$5.05</td>
<td>$5.03</td>
<td>10.96%</td>
<td>$4.48</td>
<td>$1.79</td>
<td>$76.95</td>
<td>$4.50</td>
<td>17.2</td>
<td>1.01</td>
</tr>
<tr>
<td>BAN-DAR</td>
<td>Weekday</td>
<td>$66.54</td>
<td>$3.41</td>
<td>$14.30</td>
<td>10.01%</td>
<td>$12.87</td>
<td>$3.58</td>
<td>$59.87</td>
<td>$3.07</td>
<td>4.7</td>
<td>0.24</td>
</tr>
</tbody>
</table>

| Service Provider Totals | $83.38 | $5.30 | $6.85 | 10.39% | $6.14 | $2.34 | $74.71 | $4.75 | 12.2 | 0.77 |
TABLE 3A: INDIVIDUAL ROUTE DESCRIPTION

Route 1 – Beaumont/Banning/Cabazon

Pass Transit Route 1 provides service predominately along Ramsey Street & 6th Street between Beaumont City Hall, Banning and Cabazon, while serving the Casino Morongo, Cabazon neighborhoods and Cabazon shopping areas. This route operates on a two-hour headway and is complemented by an overlap with Route 2 (operated by Beaumont Transit System) along 75% of the route. It provides service to the remote Esperanza and Elm area of Cabazon. The route also provides service to the residential areas of Cabazon, James Venable Community Center, Casino Morongo, Desert Hills Premium Outlets and Cabazon outlets, and the commercial areas along 6th Street and Beaumont Avenue in Beaumont. This route provides riders access to many civic, educational and county sponsored public social service offices within the City of Banning and the unincorporated community of Cabazon. Destinations on Route 1 include: K-Mart, Albertsons, Wal-Mart Supercenter, Beaumont City Hall, Greyhound Crucero Agency, Amtrak California Thruway bus stop, Banning City Hall, The Gas Company, San Gorgonio Memorial Hospital, Fox Cinemas, Banning Police Department, Desert Hills Premium Outlets, Cabazon Outlets, Casino Morongo and James Venable Community Center.

Route 5 – Northern Banning

This route operates on a 75 minute headway and provides service to the residential areas of the City of Banning that lie north of the I-10 Freeway, the Riverside County Courthouse, the Banning Municipal Library, the Coombs Intermediate School, and the commercial areas along Ramsey Street and Highland Springs Avenue.

This neighborhood feeder route provides connections to many civic, educational and county sponsored public social service offices, Banning City Hall, Fox Cinemas, K-Mart, Albertsons, Rite Aid Pharmacy, Walgreens Pharmacy, San Gorgonio Memorial Hospital, Banning Chamber of Commerce, Riverside County Superior Court, Banning Public Library, Banning Community Center, Banning Senior Center, Repplier Park Aquatics Center, U.S. Post Office, and various other shopping and school locations within the community.

Route 6 – Southern Banning

This route operates on a 75 minute headway and provides service to the residential areas south of the I-10 Freeway, a small residential section north of Ramsey Street at the east end of the City of Banning, the commercial areas along Ramsey Street and Highland Springs Avenue, Banning High School, apartment complexes, the Riverside County Smith Correctional Facility.
This neighborhood feeder route provides connections to many civic, educational and county sponsored public social service offices, Banning City Hall, Fox Cinemas, K-Mart, Albertsons, Rite Aid Pharmacy, Walgreens Pharmacy, San Gorgonio Memorial Hospital, Banning High School, the Riverside County Smith Correctional Facility, The Banning Municipal Airport, U.S. Post Office, and various other shopping and school locations within the community.

Pass Transit Dial-A-Ride

Pass Transit Dial-A-Ride is provided within the entire city limits of Banning and Beaumont and within a ¾ mile boundary of Routes 1 and 2 services in Cabazon. The City of Banning provides the ADA certification for Pass Transit Dial-A-ride services operated by the cities of Banning and Beaumont.

Seniors (age 60 years and older), persons with disabilities, and ADA eligible passengers are eligible for dial-a-ride throughout the entire service area. Service hours vary for non-ADA eligible passengers. These categories of passengers also are required to fill out a certification application to determine eligibility of service. Once certified, a card is issued to the applicant.

General public passengers (ages 5 – 59 years) are not eligible for dial-a-ride service. The primary uses of Pass Transit Dial-A-Ride are for transportation to medical appointments, workshop programs for persons with disabilities, shopping areas, employment, and connections with Riverside Transit Agency (RTA) and Pass Transit Fixed Routes.
### Table 4 - Summary of Funds Requested for FY 2014/15

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Capital Project Number (1)</th>
<th>Total Amount of Funds</th>
<th>LTF</th>
<th>STA</th>
<th>Prop 1B (PTMISEA)</th>
<th>Prop 1B Security</th>
<th>Measure A</th>
<th>Fare Box</th>
<th>Other (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td></td>
<td>$1,626,566</td>
<td>$1,457,066</td>
<td></td>
<td>$169,000</td>
<td></td>
<td></td>
<td>$500</td>
<td>10.42073%</td>
</tr>
<tr>
<td>Subtotal: Operating</td>
<td></td>
<td>$1,626,566</td>
<td>$1,457,066</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$169,000</td>
<td>$500</td>
</tr>
<tr>
<td>Prop 1B Security FY 13/14</td>
<td>15-01</td>
<td></td>
<td></td>
<td></td>
<td>$19,189</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal: Capital</td>
<td></td>
<td>$19,189</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$19,189</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total: Operating &amp; Capital</strong></td>
<td></td>
<td><strong>$1,645,755</strong></td>
<td><strong>$1,457,066</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td><strong>$169,000</strong></td>
<td><strong>$500</strong></td>
</tr>
</tbody>
</table>

**Note:** Other (2) is from Interest Income
TABLE 4A – CAPITAL PROJECT JUSTIFICATION

PROJECT NUMBER
15-01

PROJECT NAME
Wireless Communication Download System

PROJECT DESCRIPTION
Installation of a Wireless WIFI Communications system to allow automatic storage of video and audio files from all fixed route buses and dial-a-ride vehicles in the Banning Pass Transit fleet

PROJECT JUSTIFICATION
Having footage automatically downloaded and stored eliminates the need to remove hard drives for data retrieval, which virtually eliminates and chance of loss of recorded footage.

The installation of a Wireless WIFI Communications system will dramatically increase the reliability of recovering recorded footage, thus enhancing passenger safety as well as reducing the possibility of fraudulent and insurance related claims.

PROJECT FUNDING SOURCES (REQUESTED)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prop 1B PTMISEA (13/14)</td>
<td>$ 19,189.00</td>
</tr>
</tbody>
</table>

TOTAL $ 19,189.00

Prior year projects of a similar nature with unexpended balances or projects approved but not yet ordered.
## Table 5.1 - Summary of Funds Requested for FY 2015/16

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Capital Project Number (1)</th>
<th>Total Amount of Funds</th>
<th>LTF</th>
<th>STA</th>
<th>Prop 1B (PTMISEA)</th>
<th>Prop 1B Security</th>
<th>Measure A</th>
<th>Fare Box</th>
<th>Other (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015/16 Operating Expenses</td>
<td></td>
<td>$1,666,195</td>
<td>$1,493,495</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$172,200</td>
<td>$500</td>
</tr>
<tr>
<td>Subtotal: Operating</td>
<td></td>
<td>$1,666,195</td>
<td>$1,493,495</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$172,200</td>
<td>$500</td>
</tr>
<tr>
<td>Subtotal: Capital</td>
<td></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total: Operating &amp; Capital</td>
<td></td>
<td>$1,666,195</td>
<td>$1,493,495</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$172,200</td>
<td>$500</td>
</tr>
</tbody>
</table>

Note: Other (2) is from Interest Income
Table 5.2 - Summary of Funds Requested for FY 2016/17

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Capital Project Number (1)</th>
<th>Total Amount of Funds</th>
<th>LTF</th>
<th>STA</th>
<th>Prop 1B (PTMISEA)</th>
<th>Prop 1B Security</th>
<th>Measure A</th>
<th>Fare Box</th>
<th>Other (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 16/17 Operating Expenses</td>
<td></td>
<td>$1,707,833</td>
<td>$1,530,828</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$176,505</td>
<td>$500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal: Operating</strong></td>
<td></td>
<td>$1,707,833</td>
<td>$1,530,828</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$176,505</td>
<td>$500</td>
</tr>
<tr>
<td>(2) 35 foot Replacement Coaches</td>
<td>17-01</td>
<td>$850,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relief Vehicle</td>
<td>17-02</td>
<td>$25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal: Capital</strong></td>
<td></td>
<td>$875,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total: Operating &amp; Capital</strong></td>
<td></td>
<td>$2,582,833</td>
<td>$1,530,828</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$176,505</td>
<td>$500</td>
</tr>
</tbody>
</table>

Note: Other (2) is from Interest Income
TABLE 5B – CAPITAL PROJECT JUSTIFICATION

PROJECT NUMBER
17-01

PROJECT NAME
35' Coach Replacements

PROJECT DESCRIPTION
The purpose of this project is to replace the two 2001 El Dorado Transmarks that will have exceeded their useful lives

PROJECT JUSTIFICATION
This is part of the Pass Transit fleet inventory and replacement schedule

PROJECT FUNDING SOURCES (REQUESTED)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>STA</td>
<td>293,422</td>
</tr>
<tr>
<td>Prop 1B PTMISEA (13/14)</td>
<td>556,578</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>850,000</strong></td>
</tr>
</tbody>
</table>

Prior year projects of a similar nature with unexpended balances or projects approved but not yet ordered.
TABLE 5B – CAPITAL PROJECT JUSTIFICATION

PROJECT NUMBER
17-02

PROJECT NAME
Relief Vehicle Replacement

PROJECT DESCRIPTION
The purpose of this project is to replace the 2002 Ford Ranger which will have exceeded its life

PROJECT JUSTIFICATION
This is part of the Pass Transit fleet inventory and replacement schedule

PROJECT FUNDING SOURCES (REQUESTED)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>STA</td>
<td>25,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>25,000</td>
</tr>
</tbody>
</table>

Prior year projects of a similar nature with unexpended balances or projects approved but not yet ordered.

TABLE 6 – PROGRESS TO IMPLEMENT TRIENNIAL PERFORMANCE AUDIT
<table>
<thead>
<tr>
<th>Audit Recommendations</th>
<th>Action(s) Taken And Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider purchasing and dispatching schedule software program</td>
<td>Transit staff is working with City IT staff to obtain all necessary information for proceeding with purchase and installation of Schedule Viewer software. It is anticipated that the software will be secured, installed and put into use by August 2014.</td>
</tr>
<tr>
<td>Provide Cross Training Opportunities for City Transit Administrative Staff</td>
<td>Budgeted into the 2104/15 FY is a position for a Transit Manager. The addition of this position will allow for more effective oversight of administrative personnel and daily operations within the Transit Department. This position will be key in identifying opportunities for appropriate cross training of support staff and stabilizing the future management of the system.</td>
</tr>
<tr>
<td>Update Local Bus Schedules to show Connectivity with Other Transit Services</td>
<td>With the implementation of new routes that have been recommended through the Comprehensive Analysis, all schedules are being redesigned to show connectivity with other transit services. These schedules will be put into place by July of 2014.</td>
</tr>
<tr>
<td>Provide Weblink from Banning Transit website to Beaumont Transit.</td>
<td>The Transit Department portion of the city website is currently being redone to include new route maps and schedules, once completed a link to Beaumont Transit’s website will be active. This will be in place by August 2014.</td>
</tr>
<tr>
<td>Data Elements</td>
<td>FY 2013/14 Plan</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Unlinked Passenger Trips</td>
<td>118,477</td>
</tr>
<tr>
<td>Passenger Miles</td>
<td>300,985</td>
</tr>
<tr>
<td>Total Actual Vehicle Revenue Hours</td>
<td>10,725.0</td>
</tr>
<tr>
<td>Total Actual Vehicle Revenue Miles</td>
<td>166,130.0</td>
</tr>
<tr>
<td>Total Actual Vehicle Miles</td>
<td>177,355.0</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$856,810</td>
</tr>
<tr>
<td>Total Passenger Fare Revenue</td>
<td>$107,362</td>
</tr>
<tr>
<td>Net Operating Expenses</td>
<td>$749,448</td>
</tr>
</tbody>
</table>

### Performance Indicators

<table>
<thead>
<tr>
<th>Mandatory:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Farebox Recovery Ratio</td>
<td>12.53%</td>
</tr>
</tbody>
</table>

### Discretionary:

| 1. Operating Cost Per Revenue Hour | $79.89 | <= $79.81 | $80.84 | Fails to Meet Target |
| 2. Subsidy Per Passenger          | $6.33  | >= $5.86 and <= $7.92 | $7.06  | Meets Target |
| 3. Subsidy Per Passenger Mile     | $2.49  | >= $2.30 and <= $3.11 | $2.78  | Meets Target |
| 4. Subsidy Per Hour               | $69.88 | >= $58.47 and <= $79.11 | $71.13 | Meets Target |
| 5. Subsidy Per Mile               | $4.46  | >= $2.47 and <= $3.35 | $3.09  | Meets Target |
| 6. Passengers Per Revenue Hour    | 11.00  | >= 8.50 and <= 11.50 | 10.10  | Meets Target |
| 7. Passengers Per Revenue Mile    | 0.70   | >= 0.36 and <= 0.48 | 0.44   | Meets Target |

Note: Must meet at least 4 out of 7 Discretionary Performance Indicators

### Productivity Performance Summary:

### Service Provider Comments:
<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>FY 2012/13 End of Year Actual</th>
<th>FY 2013/14 3rd Quarter Year-to-Date</th>
<th>FY 2014/15 Plan</th>
<th>FY 2014/15 Target</th>
<th>Plan Performance Scorecard (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers</td>
<td>147,747</td>
<td>116,621</td>
<td>237,270</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Passenger Miles</td>
<td>376,766</td>
<td>296,027</td>
<td>621,266</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Revenue Hours</td>
<td>15,119.1</td>
<td>11,572.8</td>
<td>19,489.0</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Total Hours</td>
<td>16,981.2</td>
<td>12,593.1</td>
<td>20,674.0</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Revenue Miles</td>
<td>341,759.2</td>
<td>266,553.3</td>
<td>306,329.0</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Total Miles</td>
<td>349,489.2</td>
<td>272,133.4</td>
<td>314,977.0</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$1,198,139</td>
<td>$935,492</td>
<td>$1,625,066</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$107,550</td>
<td>$112,322</td>
<td>$169,000</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Operating Subsidy</td>
<td>$1,090,588</td>
<td>$823,170</td>
<td>$1,456,066</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Operating Costs Per Revenue Hour</td>
<td>$79.25</td>
<td>$80.84</td>
<td>$83.38</td>
<td>&lt;= $82.34</td>
<td>Fails to Meet Target</td>
</tr>
<tr>
<td>Operating Cost Per Revenue Mile</td>
<td>$3.51</td>
<td>$3.51</td>
<td>$5.30</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Operating Costs Per Passenger</td>
<td>$8.11</td>
<td>$8.02</td>
<td>$6.85</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Farebox Recovery Ratio</td>
<td>8.98%</td>
<td>12.01%</td>
<td>10.39%</td>
<td>&gt;= 10.0%</td>
<td>Meets Target</td>
</tr>
<tr>
<td>Subsidy Per Passenger</td>
<td>$7.38</td>
<td>$7.06</td>
<td>$6.14</td>
<td>&gt;= $6.00 and &lt;= $8.12</td>
<td>Meets Target</td>
</tr>
<tr>
<td>Subsidy Per Passenger Mile</td>
<td>$2.89</td>
<td>$2.78</td>
<td>$2.34</td>
<td>&gt;= $2.36 and &lt;= $3.20</td>
<td>Better Than Target</td>
</tr>
<tr>
<td>Subsidy Per Revenue Hour</td>
<td>$72.13</td>
<td>$71.13</td>
<td>$74.71</td>
<td>&gt;= $60.46 and &lt;= $81.80</td>
<td>Meets Target</td>
</tr>
<tr>
<td>Subsidy Per Revenue Mile</td>
<td>$3.19</td>
<td>$3.09</td>
<td>$4.75</td>
<td>&gt;= $2.63 and &lt;= $3.55</td>
<td>Fails to Meet Target</td>
</tr>
<tr>
<td>Passengers Per Revenue Hour</td>
<td>9.80</td>
<td>10.10</td>
<td>12.20</td>
<td>&gt;= 8.59 and &lt;= 11.62</td>
<td>Better Than Target</td>
</tr>
<tr>
<td>Passengers Per Revenue Mile</td>
<td>0.43</td>
<td>0.44</td>
<td>0.77</td>
<td>&gt;= 0.37 and &lt;= 0.51</td>
<td>Better Than Target</td>
</tr>
</tbody>
</table>

a) The Plan Performance Scorecard column is the result of comparing the FY 2014/15 Plan to the FY 2014/15 Primary Target.
TABLE 9 – HIGHLIGHTS OF 2014/15
SHORT RANGE TRANSIT PLAN

- Implement new routes and schedules as recommended in the Comprehensive Operation Analysis
- Purchase additional equipment for camera system to enable wireless download
- Purchase and install auto display and enunciator equipment in fixed route fleet
- Purchase ADA accessible van
- Purchase two fixed route coach
- Purchase shop truck to expedite repairs to buses experiencing breakdowns on route.
- Closely monitor service to the MSJC Pass Campus and address needs as necessary
- Continue working with the City of Beaumont staff regarding the coordination of routes, schedules, passenger amenities, and fares to ensure that Pass Transit is seamless and simple to use by Pass Area residents.

<table>
<thead>
<tr>
<th>BANNING TRANSIT SYSTEM/PASS TRANSIT</th>
<th>FY 2010/11 Audited</th>
<th>FY 2011/12 Audited</th>
<th>FY 2012/13 Audited</th>
<th>FY 2013/14 Estimate (Based on 3rd Quarter Actuals)</th>
<th>FY 2014/15 Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide Ridership</td>
<td>128,244</td>
<td>136,563</td>
<td>147,747</td>
<td>141,304</td>
<td>237,270</td>
</tr>
<tr>
<td>Operating Cost Per Revenue Hours</td>
<td>$92.64</td>
<td>$86.53</td>
<td>$79.24</td>
<td>$76.33</td>
<td>$83.38</td>
</tr>
</tbody>
</table>
Appendix A
Route by Route Draft Recommendations
ROUTE LEVEL RECOMMENDATIONS

Route 1

The new Route 1 will combine the resources of existing Routes 1 and 2 to create a strong transit corridor along 6th/Ramsey Street with a 30-minute service frequency. This corridor is currently served by Routes 1 and 2 which operate at 120 minute frequencies for a combined frequency of 60 minutes. The proposed changes will cut the out-of-vehicle wait time for a bus in half, greatly improving the customer experience.

The proposed route will run along Beaumont Avenue, 6th Street, and Ramsey Street, connecting Mountain View Middle School, San Gorgonio Hospital, Wal-Mart, Casino Morongo, the Cabazon Outlet Mall, and key destinations along 6th/Ramsey Street. The run time along the proposed alignment is 105 minutes, and the service will operate on 120 minute cycles to allow sufficient time for layover. The service will require four vehicles in order to operate at 30-minute frequency – two from Banning and two from Beaumont.

Service will begin at 5:00 AM to facilitate connections with the first Sunline CommuterLink 220 trip which leaves the Wal-Mart for downtown Riverside at 5:55 AM. Service will end around 9:00 PM to provide service for those returning on the last CommuterLink 220 trip which arrives at Wal-Mart at 8:01 PM and to accommodate shifts at the Casino.
Cabazon Route

High transit demand for service in residential Cabazon warrants an addition of a community circulator within Cabazon that will connect passengers with the greater Pass Transit network. The proposed Cabazon route will connect residential Cabazon with the Casino and Outlets where residents can transfer to the new Route 1. The route will run at 60-minute frequency, a great improvement over the 120-minute service currently provided.
Routes 5 and 6

On January 30, 2014, TMD re-collected ridership data for Route 6 to verify ridership data collected in June 2013. Ridership for the entire day was recorded at 120 passengers, a slight decrease from the 132 recorded in June. The following table shows the number of boardings recorded by trip. Ridership patterns are fairly consistent between the two data collection times with the majority of activity occurring during the midday period.

<table>
<thead>
<tr>
<th>Trip Time</th>
<th>June 2013 Boardings</th>
<th>January 2014 Boardings</th>
</tr>
</thead>
<tbody>
<tr>
<td>6:00 AM</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>6:54 AM</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>8:17 AM</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>9:40 AM</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>11:03 AM</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td>12:26 AM</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>1:49 AM</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>3:14 AM</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>4:37 AM</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>6:00 PM</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>132</strong></td>
<td><strong>120</strong></td>
</tr>
</tbody>
</table>

The primary purpose of recollecting the data was to account for student activity at MSJC Pass Campus. The original data collection took place during the summer session and recorded zero boardings and alightings at this stop. The new data recorded 11 boardings and 3 alightings at the college.

While ridership numbers and performance indicators make this route a candidate for elimination, the high dependency of riders on this service makes it difficult to justify elimination. For this reason, TMD proposes a new Route 5 which will combine the resources of Routes 5 and 6 to create a 60-minute loop that will serve both the northern and southern portions of Banning. While current resources limit the route to one vehicle, when resources become available another vehicle could be added to make this loop bi-directional. The following map shows the proposed alignment of the new route.
This loop streamlines existing alignments of Routes 5 and 6 to reduce duplicity on Ramsey, decrease timely deviations, and to create sufficient spacing between routes. The northern portion of the route runs along Wilson Street, which is half a mile from Ramsey Street (Route 1), ideal route spacing. The southern portion provides service to both Banning High School and MSJC Pass Campus, the two most active stops south of Ramsey Street. This route also provides two transfer opportunities to Route 1 along Ramsey Street at Sunset Avenue and Hargrave Street. Route 5 will serve the Stater Bros. on 6th Street and Xenia Ave only inbound to the Wal-Mart. When leaving the Wal-Mart, the route will travel straight up Highland Springs Avenue to San Gorgonio Hospital.

This route is proposed to have the same span as the current routes and end service at 7:00 PM. Many college students stay in class until 10:00 PM and have no way of getting home via transit at this time. When additional resources become available, TMD proposes implementing a general public evening Call-and-Ride service where students and local workers can make a reservation if they need a way of getting home after 7:00 PM.