AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA

October 14, 2014
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

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

I. CALL TO ORDER
   • Invocation – Pastor Harv Hernandez, New Creation Church
   • Pledge of Allegiance
   • Roll Call – Councilmembers Miller, Peterson, Welch, Westholder, Mayor Franklin

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/PRESENTATIONS/CORRESPONDENCE

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.
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 7 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 – 09/23/14 (Closed Session) ............... 1
2. Approval of Minutes – Regular Meeting – 09/23/14.................................. 2
3. Approval of Minutes – Regular Meeting – 09/30/14.................................... 28
4. Report of Investments for August 2014....................................................... 29
5. Notice of Completion for Project No. 3-06-0018 AIP 12, Relocate Taxiway “A” Phase 1, Relocate Fuel Facility as complete and direct the City Clerk to record the Notice of Completion......................................................... 36
7. Resolution No. 2014-68, Authorizing the Purchase of Two (2) 2014 Eldorado National Aero Elite Ford F550 CNG Powered Cutaway Buses from Creative Bus Sales Utilizing the California Association for Coordinated Transportation (CALACT) Competitive Bid Award for a Total of $304,568.32 ........................................................................................................... 43

- Open for Public Comments
- Make Motion

V. REPORTS OF OFFICERS


Staff Report........................................................................................................... 47

VI. ANNOUNCEMENTS/REPORTS (Upcoming Events/Other Items if any)
- City Council
- City Committee Reports
- Report by City Attorney
- Report by City Manager

VII. ITEMS FOR FUTURE AGENDAS

New Items – None
Pending Items – City Council
1. Schedule Meetings with Our State and County Elected Officials (Jan. 2015)
2. Discussion on how to handle loans or distributions to charities. (Midyear budget)
3. Discussion on how the City Council handles donations to the City. (Feb. 2015)
4. Grocery Cart Policy (In planning process.)
5. Workshop to discuss the future of the airport. (Nov. 2014)
6. Discussion regarding Public Works Committee and Ad Hoc Committees (Jan. 2015)
7. Discussion regarding City’s ordinance dealing with sex offenders and child offenders. (Feb. 2015)
8. Discussion to move “Announcements” (events) up on the agenda after Public Comments. (Nov. 2014)
9. Discussion regarding the discretionary limit of $25,000 & review of all contracts by City Attorney. (Oct. 28, 2014)
10. Discussion regarding flex scheduling to keep city hall open five days a week.
11. Discussion regarding Animal Control Services (Midyear Budget)
12. Discussion regarding Police Staffing (Midyear Budget)
13. Prepare a staff report regarding delinquent utility fees owed by the Banning Chamber of Commerce. (Nov. 2014)
14. Golf Cart Lanes
15. Bond Workshop (Midyear Budget)

VIII. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 7 a.m. to 3 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]
A special meeting of the Banning City Council was called to order by Mayor Franklin on September 23, 2014 at 3:02 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
Colin Tanner, Attorney – Aleshire & Wynder, LLC
Zai Abu Bakar, Community Development Director
Marie A. Calderon, City Clerk

CLOSED SESSION
City Attorney said the items on the closed session agenda are four cases of potential litigation pursuant to Government code Section 54956.9 (d)(4). A personnel matter pursuant to Government Code Section 54957 involving the position of Community Development Director. Also, there is lawsuit that has just been filed in regards to Robertson’s vs. the City of Banning and also another item regarding the Takata, Purvis, Burk matter. These last two items are not listed on the agenda but obviously Robertson’s is a brand new complaint and staff needs to update the Council on that item. We would need to add those two items under the need to take action arose subsequent to the posting of the agenda.

Motion Welch/Peterson to add the lawsuit and the personnel matter to the agenda as stated by the City Attorney and that the need to take action arose subsequent to the posting of the agenda.

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 3:04 p.m. and reconvened at 5:03 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:03 p.m.

Marie A. Calderon, City Clerk
MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

A regular meeting of the Banning City Council, a joint meeting of the City Council and the City Council Sitting in Its Capacity of a Successor Agency, and the City Council and the Banning Utility Authority was called to order by Mayor Franklin on September 23, 2014 at 5:10 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. Aleshrie, City Attorney
Duane Burk, Public Works Director
Zai Abu Bakar, Community Development Director
Alex Díaz, Interim Chief of Police
Heidi Meraz, Community Services Director
Fred Mason, Electric Utility Director
Phil Holder, Lieutenant
John McQuown, City Treasurer
Rita Chapparosa, Deputy Human Resources Director
Marie A. Calderon, City Clerk

The invocation was given by Pastor Tate Crenshaw, Lifepoint Church. Councilmember Westholder 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 and discussed four cases of potential initiation of litigation pursuant to Government Code Section 54956.9 (d)(4). A status report was given and there was no reportable action taken. Personnel matters regarding the Community Development Director position a status report was given and no reportable action was taken. Additionally, the Council had added two items to the agenda. The first item was a matter of a threat of litigation. The second matter had to do with Robertson’s Ready Mix. Robertson’s has sued the City so there is now an item that has been initiated and that just happened so a report was needed in regards to that matter. The Council, by motion of Westholder and seconded by Councilmember Peterson and unanimously approved, adding those who items to the agenda and a report was given and there was no reportable action taken.
PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

David Ellis, resident of Banning addressed the Council stating that he was here to talk about the Fire Museum and their operating recklessly on 9/11 (Exhibit “A” attached).

Gary Hironimus addressed the Council stating that he has stood up at the podium for years usually fighting against wasteful spending. He has fought against giving millions in tax-payer dollars to groups that have produced nothing to show for that money. He fought against increasing utility rates over and over that have taken us from the lowest electric, water and sewer rates in the state to amongst the highest in the state in just 5 to 7 years. The City can’t afford to open city hall on Friday’s, it has very little in the way of sports facilities or activities for our youth, and we can only afford two to three cops to patrol this entire city at any given time. The deeper one looks the more obvious it becomes why. We have now been made aware of a deal that was made with the Banning Chamber of Commerce as if one dollar a year lease was not generous enough we now find out that they have been allowed to ignore their utility bills for seven years; now of us can do that. He said that he cannot accord AC in his house because of the utility bills. The Chamber must be using their office for cold storage to rack up $32,000 dollars in utility bills in just 7 years but of course that happens when you get to ignore your bills; what’s conservation? The Chamber needs to pay back every dime of what they owe the taxpayer and they need to pay it back now; not in ten years and not in 40 years. They need to do it now and if they cannot afford to do it, then they need to take out a loan to do it. Not from the City, the City is not a bank and anyone sitting on the Council that disagrees with that or suggests otherwise, really doesn’t deserve to be sitting up there.

Councilmember Miller asked if the City Attorney wishes to make any statement about that or is allowed to make a statement about that matter.

City Attorney said a statement about the Chamber not paying their bills. Councilmember Miller said he was not certain whether or not you are allowed to make a statement about that.

City Attorney said we are aware of the situation and are discussing it with the Chamber.

CORRESPONDENCE

City Clerk read two pieces of correspondence from: 1) Fred Sake Sakuri regarding City Council candidates be included in all closed session (Exhibit “B” attached); and 2) A Very Concerned Citizen regarding inappropriate use of authority by a City Council Members (Exhibit “C” attached).

PRESENTATIONS

1. Riverside County Flood Control District –Gilman Channel Storm Drain Construction
Claudio Padres, Engineering Project Manager with Riverside County Flood Control and Water Conservation District addressed the Council and he is also joined by Bob Cullen, Chief of Design and Construction; Stuart McKibben, Chief of Regulatory Division; and Deborah de Chambeau, Senior Civil Engineer over Floodplain Management should there be any questions.

Mr. Padres started his power-point presentation giving some background for this project and said the area is north of the I-10 Freeway basically between 22nd Street and Hargrave and runoff in this area during rain events generally flows to the southeast and FEMA has mapped floodplains as shown on the slide. Parcels within the blue-shaded area could be subject through their mortgage lender a requirement to buy flood insurance. In the 1970's they developed a master drainage plan of storm drain facilities that could be constructed to help address this flooding issue within the city and due to budget constraints it is not all built at once and he went over what and what has not been constructed. He highlighted that there are a couple of basins that would need to be built at the upstream up against the foothills that will help address the flooding issue. There are 18 projects which have been built so far within the city and in regards to the current project in the early 2000's the City requested the District to build an additional piece of storm drain along a portion of that system, that Master Drainage Plan called Gilman Home Channel. Initially as the District was pursuing this they envisioned building a storm drain along Cottonwood from 8th to 10th but as they were going into the design they realized that they needed to build a much larger system to be able to address the floodplain at least in the interim condition understanding it won't be fully removed until the whole system is built. The idea was to do the most good they can do now and they had to build a system that is about four times larger than they originally expected. Earlier this year they finally finished the process of that design and some property acquisitions. There are two parts of the project and the first part is called “Lateral A, Stage 3” and that is basically from 8th to 12th St. from east to west and then Cottonwood to north of George Street. The other portion is called “Gilman Home Channel, Stage 90” and that is along Fourth Street between Williams and Nicolet Street. There is currently an existing storm drain there that they are replacing with a larger system and that is currently under construction. The estimated total cost for the project is just under $5.7 million and that is coming from District funds and not City General Funds. The source of that funding does come from a portion of property tax from property owners within the city. Construction started on September 2, 2014 and anticipated completion is March 2015. He went over the temporary traffic impacts and intermittent, partial or full closures. Once this project is complete their intent is to file with FEMA (Federal Emergency Management Authority) for a map revision. The next steps are to continue budgeting for the ultimate build-out of this master drainage plan but it does take time. They would like the City to continue to participate in their annual budgeting process to help prioritize the areas that have the most need. It does take time to build these projects but one thing that the City could consider if you want to see these built-out more quickly, is to adopt the District's Master Drainage Plan and there are funding mechanisms called Area Drainage Plan that could help provide additional funding that might accelerate the build-out of these systems and provide additional benefits to the residents sooner. But even in the absence of that the District will continue building these out as soon as they are able to.

There was some dialogue between the Council and Mr. Padres in regards to where the water flows south of the freeway, possible flooding impacts and how residents and business will know about getting reduced insurance rates.
2. Banning Stagecoach Days Association – Carl Douglas

Carl Douglas, Chairman of the Banning Stagecoach Days Association addressed the Council and introduced Dorothy McLean, Bill Lamb and Amy Pippenger. He said their event was spectacular, their parking lots were full and there were thousands of people in attendance. They appreciated the City’s support and all of their major sponsors and this evening they will be presenting plaques.

Each of the Rodeo Queens introduced themselves to the public and the Council: Kalyssa Martinez, Little Miss Banning Stagecoach Days 2014 Rodeo Queen; Mackenzie Miner, Tiny Miss Banning Stagecoach Days 2014 Rodeo Queen; and Harmony Lynn Latham, Miss Banning Stagecoach Days 2014 Rodeo Queen. Mr. Douglas said that Kaylie Fairchild, Junior Miss Banning Stagecoach 2014 Rodeo Queen could not be in attendance this evening. The queens made presentation of plaques to each of the major sponsors: IBEW (International Brotherhood of Electrical Workers) Local 47; City of Banning; American Medical Response (AMR); and Sun Lakes Country Club. The plaque read as follows: Presented with Appreciation for the Outstanding Contribution and Continued Support Generously Provided by City of Banning. Thank you for Believing. Banning Stagecoach Days – Believe in Banning Then and Now. Mr. Douglas mentioned the other sponsors that could not be in attendance this evening and they were Lamar Signs, Morongo Band of Mission Indians, Robertson’s Ready Mix; and the Laura May Stewart Foundation.

3. Introduction of New Employees

Chief Alex Diaz introduced three new members to the Banning Police Department family: Sara Smith, New Public Safety Dispatcher. She is 24 years old and currently lives and grew up in Yucaipa, CA. She has a small dog named Monster and a long-term boyfriend named Jared. She has been in the US Navy for the last 6 years, 4 of which were full active duty. She grew up surrounded by law enforcement and is incredibly excited to start her career with the Banning Police Department.

Alexandra Avery, Public Safety Dispatcher. She currently lives in Redlands with her husband Eric and their two dogs Spencer and Mossy. She is the daughter of Cho and Don Acosta and sister of Nicole Wheelright. She is honored to be a part of the Banning Police Department and looks forward to many years of service with this department and the community.

Carl Fielstra, Police Officer. He was born in Virgin and raised in Vista, CA. He married his wife Krystal in 2001 and together they have 3 children, two boys ages 10 and 7, and a little girl age 5. Carl previously worked for 5½ years with the Riverside County Sheriff’s Department and his wife is a special education teacher. Two years ago, the Fielstra family move to Haiti and spent a year building an orphanage and working with natural disaster recovery. After returning from Haiti, Carl went back to school and completed his police certification. Carl is proud to join the Banning Police Department as an officer.

Chief Diaz also welcomed Daniele Savard who is now part of the Banning PD family and also as of this week Mandy Stephens is now a full-time employee with the records department. He said
that he is very happy and excited to announce that hopefully within a couple of weeks the police department will be opening their lobby on Fridays.

REPORTS OF OFFICERS

1. Appointment of Alex Diaz as Police Chief
   (Staff Report – Homer Croy, Interim City Manager)

Interim City Manager Croy said that he was tasked with the duty to review Interim Police Chief Diaz’s activities and ability to hold the position of Police Chief for the City of Banning. During his interviews with him over several months he has discovered his positive-ness and his aggressiveness to want to create a positive police department with a pro-active approach. He was very pleased with his outcome and has met with the Banning Police Officers Association and the management group and they are in full support of him securing the position as their next police chief. He has a secured a contract with Alex Diaz in an amount of $126,607.95 which is Range 100, Step 2 per the salary schedule. The contract has been signed and he is presenting this recommendation for his appointment to the Council as outlined in the Ordinance of the City.

Motion Westholder/Peterson that the City Council adopt Resolution No. 2014-71, Approving the appointment of Alex Diaz as Police Chief of the City of Banning and approving the Chief of Police Employment Agreement for the Position Pursuant to Section 2.08.080(C) AND 2.08.090(C) of the Banning Municipal Code.

At this time the City Clerk gave the Oath of Office to Alex Diaz and the Council participated in the badge pinning ceremony.

Chief Diaz thanked the Mayor and Council for this opportunity. He also thanked his family and his Banning Police Department family for their hard work in the past eight months and everything that you have done really reflects on the good job that this department has done and will continue doing forever. Thank you to all those people in the community that really pushed for him and guided him and gave him good advice.

Meeting recessed at 6:00 p.m. are reconvened at 6:15 p.m.

CONSENT ITEMS

Mayor Franklin said that there was a request to remove Consent Item 9. Councilmember Miller requested that Consent Item No. 11 be removed for discussion.

1. Approval of Minutes – Special Meeting – 08/12/14 (Closed Session)

Recommendation: That the minutes of the Special Meeting of July 12, 2014 be approved.

2. Approval of Minutes – Regular Meeting – 08/12/14

Recommendation: That the minutes of the Special Meeting of July 12, 2014 be approved.
3. Approval of Minutes – Special Meeting – 08/19/14 (Closed Session)

Recommendation: That the minutes of the Special Meeting of July 19, 2014 be approved.

4. Approval of Minutes – Regular Meeting – 09/09/14

Recommendation: That the minutes of the Regular Meeting of September 9, 2014 be approved.


Recommendation: That the City Council receive and file the monthly Report of Investments.

6. Approval of Accounts Payable and Payroll Warrants for Month of July 2014

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

7. Approval of Accounts Payable and Payroll Warrants for Month of August 2014

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

8. Notice of Completion for Project No. 2012-03, Corporate Yard Block Wall as complete and direct the City Clerk to record the Notice of Completion.

Recommendation: That the City Council accepts Project No. 2012-03, Corporate Yard Block Wall as complete and directs the City Clerk to record the Notice of Completion.


Recommendation: That the City Council adopt Resolution No. 2014-66.

Motion Welch/Peterson to approve Consent Items 1 through 8 and 10. Mayor Franklin opened the item for public comments; there were none. Motion carried, all in favor.

9. Resolution No. 2014-62, Approving a Professional Services Agreement to Western Riverside Council of Governments (WRCOG) for Residential and Commercial Diversion Services in the amount of $100,000.00 ($50,000.00 per year for FY 2014/2015 and FY 2015/2016).

Director Burk gave the staff report on this item as contained in the agenda packet going over the services that WRCOG assists and provides. He stated that the City does not have current staffing to handles these types of programs such as outreach of staff members to provide regulatory
requirements with AB 939 (solid waste diversion), Clean Cities and Bulky Item Day programs. He stated that Jennifer Diciano, Program Manager is also present if the Council has any specific questions of what they do.

Councilmember Miller asked if this program was required by WRCOG or is it a program that is just recommended.

Director Burk said that it is not required by WRCOG however, the City in 1991 joined WRCOG under an agreement with the jurisdictional authorities and this is one of the programs that they offered to the City. The requirements come from Assembly Bills AB 939 and AB 341 and those are mandatory by the California Integrated Waste Management Board.

Councilmember Miller said he is trying to determine whether or not there is anything specific that requires us to spend $100,000.00 on this program.

Director Burk said it is not a requirement. He said that $50,000.00 is what he is asking for annually, it’s for two years, and the program is broken down by what the services are in the contract and under those requirements from the State they provide that outreach for the City because we do not have the staffing for it.

There was much further dialogue between the City Council and staff in regards to having any evidence as to whether or not those programs are effective, does $50,000 in education satisfies the State requirements, the necessity for this to be a two-year contract, it is really worth the money, do we get a kick-back on recycled products and does that benefit the City at all, are there recycling programs to benefit our businesses so possibly costs could be lowered, what exactly does Waste Management do, many hours a year does Jennifer Diciano spend in our city for $50,000.00, is this an options program or mandatory, what would it cost to hire an in-house person to do this job, and what services are provided by WRCOG and Waste Management. There was also discussion between the Council and Jennifer Diciano in regards to labor costs and what services are actually provided.

Councilmember Peterson said he would like to see a staff report from Waste Management. He would like to know what exactly are the services that Waste Management provides us other than just hauling our trash because he knows that he has seen them at places with their pop-ups, their personnel handing out brochures, educating the public, etc. and to him this is a duplication of services that we already get from Waste Management.

**Councilmember Peterson made a motion that he would like to see this thing brought back to them at a later date once they see exactly what services Waste Management provides. Motion seconded by Councilmember Westholder.**

Mayor Franklin opened the item for public comments.

Don Smith addressed the Council stating that in the early 90’s the cities of Riverside County decided that we were wasting taxpayers money by duplicating services and decided that there were regional approaches that would save us all money and as a result WRCOG was founded to try to
find a way to do things regionally and save us money. Obviously at that time the earlier bigger problems that we had dealt with transportation and endangered species. There are many committees and one of them is a committee of elected officials, committee of engineers, committee of city managers where they all get together to try to decide what we can do collaboratively to save us all money. Can we hire one person sitting at WRCOG as opposed to 14 cities each hiring this one person to do the exact same thing. That was the idea and over time WRCOG and its committees found numerous ways in which we could all work together to save money. Now you each know what you pay one of your management employees. You know what it would cost to hire one management employee to try to figure out how to meet the requirements of the law regarding diversion. Then you are going to add in their staff, their materials, their benefits and you are going to be significantly more than $50,000 dollars a year. We have a contract with Waste Management in what Waste Management is required to do is clearly stated out. These outreach programs we as a City need to do in order to meet State law. Your question is how can the City meet those requirements in the most cost effective manner? Now if we didn’t spend this $50,000 dollars being paid for out of the refuse funds, we couldn’t use to hire a policeman because State law would prohibit us from charging people trash rates to hire policemen. We would have to spend it somehow on meeting our trash requirements. WRCOG over the years has had hits and misses as we tried to come up with ways to save us all money but in the long run that goal has been achieved. Our underpass at Sunset is in part happening because WRCOG exists and so he would not think of WRCOG as another layer of government costing you money. It is another layer of cooperation between our regional governments that allows you the opportunity to save money.

Mayor Franklin seeing no one else coming forward closed the item for public comments and returned it back to the Council.

There was further Council and staff discussion in regards to duplication of services and the services provided by Waste Management, the cost of services provided by WRCOG, and the need to be in compliance with AB 341.

Mayor Franklin asked the City Clerk to repeat the motion. City Clerk said that a motion was made that a staff report be brought back to them at a later date once they see exactly what services Waste Management provides and see if there is a duplication of services provided.

Motion carried, with Council Member Welch voting no.


Director Mason gave the staff report as contained in the agenda packet. He said that Assembly Bill 162 requires that all load serving entities basically both publically owned utilities and investor owned utilities prepare an annual report of the power content. Basically what type of power they use to serve their customers and you report that and that has to approved by the City Council or the by the governing board and then has to be provided to the citizens. This is just an annual report that is being done.
There were Council and staff discussion in regards to the power label in regards to the 2013 actual in regards to the use hydro, solar and wind and also in regards to the 2013 power mix for California and what is required.

Mayor Franklin opened the item for public comments; there were none.

**Motion Miller/Peterson to approve Consent Item No. 11, adopting Resolution No. 2014-72, Approving the Banning Electric Utility Power Content Label. Motion carried, all in favor.**

**Joint Meetings**

Mayor Franklin recessed 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.

**CONSENT ITEM**


Mayor Franklin opened the item for public comments; there were none.

**Motion Westholder/Miller that the Resolution No. 2014-10 SA be adopted. Motion carried, all in favor.**

Mayor Franklin recessed the Joint Meeting of the Banning City Council and the Banning City Council Sitting In Its Capacity of a Successor Agency and called to order a Joint Meeting of the Banning City Council and the Banning Utility Authority.

**REPORTS OF OFFICERS**

1. Resolution No. 2014-10 UA, Approving a Professional Services Agreement with Carollo Engineers, Inc. (Staff Report – Duane Burk, Public Works Director)

Director Burk gave the staff report as contained in the agenda packet. He said that this item was brought to the Council back in March and the Council requested that a formal request for proposals (RFP) be done. The three engineers in-house met with two consultants that responded to the RFP and rated them and those scores are in the report. This is for the hydraulic model as it relates to the City’s water system and that was adopted in 2002. At this time Director Burk explained what that model performs for the City. The City does not own the software, Carollo Engineers and URS do and so they have to reach out to professional services as it relates to demand projections. What brought this originally to the Council in March was the development of Rancho San Gorgonio south of the community and identifying some of the demand projections and/or future tank elevations on the south side. This by no means is approving that development. This is allowing the City and its engineers to identify the demand projections
and/or impacts to the system with development. The RFP was advertised in the local paper and on the City’s website and two consultants responded.

There was Council and staff discussion in regards to the two bids received, the time frame for completion, and how often would we need to do this kind of project.

Mayor Franklin opened the item for public comment; there was none. Motion Westholder/Peterson that the Banning Utility Authority I.) adopt Resolution No. 2014-10 UA, Approving a Professional Services Agreement with Carollo Engineers, Inc. of Pasadena, California in an amount of $36,805.00; II.) Authorizing the Administrative Services Director to make necessary adjustments and appropriations related to Account No. 660-6300-471.33-53 (Engineering Services) and the related revenue adjustment to Account No. 660-6300-361.41-61; and III.) Authorizing the City Manager to execute the professional Services Agreement with Carollo Engineers, Inc. Motion carried, all in favor.

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

PUBLIC HEARINGS

1. Amendments to the General Plan and Zoning Code in Response to the State Housing and Community (HCD) Comment on the 2013-2021 Housing Element (General Plan Amendment No. 14-2502, Zone Text Amendment No. 14-97501 and Zone Change No. 14-3502).

Motion Peterson/Miller that the City Council continue this item to December 9, 2014 to allow time for Riverside County Airport Land Use Commission (ALUC) to review.

Mayor Franklin opened the public hearing on this item for public comments; seeing none she closed the item for public comments.

Motion carried, all in favor.

REPORTS OF OFFICERS

2. Transient Occupancy Tax (TOT) Ordinance 1483
   (Staff Report – David J. Aleshire, City Attorney)

City Attorney addressed the Council stating that as you know the ballot measure was adopted and pursuant to that ballot measure the City Council has the ability to adopt an ordinance which sets the specific rate and the ballot measure set a range. With regards to that rate an ordinance was prepared that would go ahead and set the rate at the same rate that it has continued the last several years.

Mayor Franklin opened the item for public comments; there was none.
Mayor Franklin asked the City Clerk to read the title of Ordinance No. 1483. City Clerk read and Ordinance of the Voters of the City of Banning, California, Amending Section 3.16.030 of Chapters 3.16 of the Banning Municipal Code Permanently Extending the Transient Occupancy Tax.

**Motion Welch/Miller to waive further reading of Ordinance No. 1483. Motion carried, all in favor.**

**Motion Welch/Miller that Ordinance No. 1483 pass its first reading. Motion carried, all in favor.**

(Staff Report - Fred Mason, Electric Utility Director)

Director Mason gave the staff report as contained in the agenda packet. He stated that Assembly Bill 2514 requires that all publically owned utilities analyze and determine whether or not it is cost-effective for them to establish energy storage goals or targets for their utility.

There was some staff and Council discussion in regards to having zero storage targets and impacts on the City with the State.

Mayor Franklin opened the item for public comments; there were none.

**Motion Miller/Peterson that the City Council Resolution No. 2014-65. Motion carried, all in favor.**

(Staff Report – Fred Mason, Electric Utility Director)

Director Mason gave a power-point presentation on this item (see Exhibit “D”) and said that some of this is a very brief overview of what he presented earlier in the year. Mr. Mason said that also in attendance are the architects from Higginson & Cartozian Architects (“HCA”) that assisted in the development and design of the new building.

There was much dialogue between staff and the City Council in regards to the original design, the use of value engineering and the use of value engineering at the very beginning of the project, re-bid based upon new specifications, and the possibility of leasing another building for a more efficient work environment.

**Motion Westholder/Welch that the City Council go with Option 3 to reject all bids. Motion carried, all in favor.**

Add Item
Mayor Franklin said that there was consensus of the Council to add an item to the City Council and that the need to take action arose subsequent to the posting of the agenda.

City Attorney said the item that was added concerns Measure J which is the item that we have on the ballot concerning a mining tax and the item that was added was to provide a budget of $50,000 for an educational campaign. He said that he did discuss this with Councilmember Miller as to what he had in mind. It would be a gift of public funds to use taxpayer money for campaign purposes but case law has established that if you conduct an educational campaign which is to inform the voters concerning measures that that is appropriate. Ways that cities do educational campaigns is providing materials that discuss the pros and cons of measures, discuss impacts of measures, explain the measure and how it would actually work and all those kinds of things are found to be educational and you can provide materials, staff can make reports at council meetings or make reports in the public when they are kept to that sort of educational basis. Urging voters to vote a certain way on a measure, materials that are not balanced could be seen to be campaign materials where it would be a gift of public funds. At a staff level we had discussed various things that could be done but there really wasn't a budget to do anything very extensive. It has been estimated that this measure could generate as much as a million dollars a year. He knows that Council people have had concerns especially with the police department but other things as well. June Overholt looking at our budget for next year has identified that there are really no funding sources to pay for enhancements to the police department or other services. We all know that the City is not back to the budget it had in 2008 before the recession so there has really been no growth in services, in fact, there has been a cutback in services and the police department is one area that has really been severely hit. So the idea of this tax has been to help fund the general services of the City. Robertson's has filed a lawsuit basically trying to invalidate the measure so we are certainly going to be in a legal challenge over this but with regards to this particular item as he understands what Councilmember Miller is suggesting is that we develop an educational campaign. And, again as the election time is getting short it may be in connection with this that the Council would want to have a sub-committee or we could work with the City Manager and June Overholt in terms of these materials but Council may wish to have some sort of a sub-committee that we could present these because we don't have very much time. So you might wish as a part of this either to just trust that we put the right sort of thing together or to have a sub-committee to work with in developing the materials.

Councilmember Miller said that he would like to add to the motion a sub-committee to work with the City Manager and the City Attorney to organize the educational materials and its distribution.

City Attorney said that you originally asked to put this item on the agenda so you should start from zero making your motion.

Motion Miller/Westholder to authorize and expenditure up to $50,000 dollars for an educational program on Measure J and he would like to have a sub-committee formed to work with the City Manager and the City Attorney to develop the material and to distribute it. Motion carried, all in favor.

Mayor Franklin opened the item for public comments.
David Ellis addressed the Council stating that he thinks that they are all pretty aware of the phone campaign that was put on by the quarry operators to get a feel of what is going on and his name was mentioned as a Planning Commissioner and he received a lot of phone calls of scared people because they felt the survey that was supposed to be a survey was more of a threat that it is going to cost individuals money to have this tax put on. He feels that we have a gun to our head and we have that all the time on other things and he thinks that there was verbiage at one time about a grassroots movement. We need to do more than just put paper out to people. We need meetings, we need to get the word out, and we need to let people know that it is just like the bed tax. If we go to use the hotel, we are going to pay for it. If we buy concrete, we are going to pay a little more for concrete. But if we don’t utilize any of that, it doesn’t cost us a penny. The calls that he got were from people who were scared they were going to get taxed for things that they are not going to use. He guarantees that if diesel fuel goes up a dollar a gallon, they are going to pass that cost on. So he feels that the suggestion for a sub-committee would be excellent but he thinks that we really need the million dollars, really need the money, and really need to get to the public as quickly as we can. He thinks that getting some meetings going and some communications going it would really help us. He has been warned as a Planning Commission that he has to use great caution in what he says so there is another problem. He feels a committee would be good and if we can get out in the community and get the word out and slow down the scare that a lot of people have that it is going to cost them money, he thinks we would win this one and we really need the money.

Don Smith addressed the Council and stated that the public information brochures or whatever we are going to call them that without asking people to vote for it gives them the information they need to determine why the tax is being levied needs to actually reach them before they vote. This election will be won within one week after the time the absentee ballots are done so sending out this brochure after that you are wasting $50,000 dollars unless you can get it out before that.

City Attorney added the reason that we had to put this on the agenda when we did is that there has been this survey going around that created a lot of information and concern about the measure and so that is why this came up at the last minute in terms of dealing with it.

Mayor Franklin asked for volunteers for the sub-committee. Councilmember Miller and Mayor Franklin volunteered to be on the committee.

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

City Council

Councilmember Welch said earlier in the meeting there was a statement read by the City Clerk relating to his action and conduct at Stagecoach Days. He wanted to assure all of the people in Banning and his colleagues on the Council that it was true. There was an incident but not quite like the writer described but there was an incident. There was no intent on his part of going over the top with his authority at all and he knows that he was misquoted. The young lady at the gate was doing an outstanding job in being sure that people bought tickets to go into the rodeo. He knows this because he was the one that was selling the tickets down at the gate and what he went up there for was to find out what he was supposed to do with all the money they collected since they did not have a radio. But he did falter because he should have said to the lady that he was there as a
volunteer to see the gentleman that headed up the Stagecoach Days efforts. He publicly apologized to that young lady who was doing no more than the job she was asked to do and she was doing a very find job. He said he would also like to apologize to this very concerned citizen if he knew who it was.

Mayor Franklin –

- She said she attended the WRCOG (Western Riverside Council of Governments) and RCTC (Riverside County Transportation Commission) meetings and there was no reportable action specific to the City of Banning.
- Tomorrow night at 6:00 p.m. there will be a Water Conservation Meeting and the public is invited and it will be held in the City Council Chambers and also televised. A local citizen will put on a power-point presentation regarding water conservation.
- Thursday, Sept. 25th there will be a Job Fair at the Community Center starting at 9 a.m. till Noon.
- Wednesday, Oct. 1st the State of the City will be held in the Council Chambers starting at 11:00 a.m.

City Committee Reports – None

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

Report by City Manager – Interim City Manager reported:

- Reminder that next Tuesday, September 30th we have a Special Closed Session at 8:30 a.m. to interview the top five candidates for your incoming City Manager position.
- Also, the timeline that was requested by Council for the City Manager to set times to complete Pending Items was not completed because he involved trying to resolve the two resignations so he put that at a higher importance level but he will try to get this back to the Council at their next meeting when he has time to meet with the directors and set some timelines on these items.

ITEMS FOR FUTURE AGENDAS

New Items –

Councilmember Westholder said he would like to look at the possibility of forming golf cart lanes in the city of Banning to assist some of elderly that are a little bit more comfortable driving golf carts rather than vehicles.

Mayor Franklin said that she would like to add a bond workshop to talk about what bonds we have and where we stand with all of our bonds.

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 and review of all contracts by the City Attorney
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. Prepare a staff report regarding delinquent utility fees owed by the Banning Chamber of Commerce.

ADJOURNMENT

By common consent the meeting adjourned at 8:08 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.
Fire Museum operated recklessly on 9-11

As a patriotic American I support anyone who wants to honor the fallen firefighters of 9-11. They most certainly deserve our respect in every possible way. However, any memorial must be held in a safe manner, and this was clearly not the case when it came to the Fire Museum.

Last year on 9-11, I personally witnessed 8 fire trucks, all associated with the Fire Museum, parked on the I-10 freeway overpass on San Gorgonio Avenue. These fire trucks weigh in at about 12 tons each, or about 100 tons total. As a planning commissioner who’s job it is to ensure public safety, I became very concerned. I knew that this many trucks far exceed the design limits of the bridge. The bridge is designed for 40 tons – or for two 20 ton semis passing each other on the bridge.

Needless to say, for the Fire Museum to operate in this fashion is irresponsible, as it clearly violates the law. Sec. 22500 (K) California Vehicle Code forbids parking on any overpass – for exactly this very reason – possibly overloading a bridge. It is troublesome that reporter David Heiss did not bother to check the vehicle code before writing his story.

The Fire Museum has a history of unlawful conduct – once even with fatal outcome. We all remember when Banning resident Ron Azarnoff lost his life while attending an unpermitted, and therefore illegal Fire Museum event.

Now, for two years in a row, the Museum has recklessly endangered public safety by parking on the overpass. To do so once may be explained away as an “oversight”, but to do this two years in a row? - it shows defiance. They could have held their memorial elsewhere in Banning – but they didn’t. Just by their unlawful conduct alone, one can tell that we are not dealing with real firemen. The Fire Museum operators are merely firefighter imposters, who have purchased fire trucks and gear in order to give themselves the false appearance of firemen.

These obviously fake firefighters seem to think that they are exempt from the law. This attitude should not come as a surprise to anyone, as they rub shoulders with some of Banning’s most corrupt political figures, like ex-Mayor Don Robinson and current Mayor Debbie Franklin. With the help of the Record Gazette, this group is now attempting to discredit me, simply because I dared to stand up for what is right.

Can you imagine how many people would have died if – God forbid - the bridge had collapsed? We cannot take such a risk. That is why I took immediate action and called the police. May God bless America – and the REAL firefighters who lost their lives on 9-11!

David Ellis
Planning Commissioner for the City of Banning
09/23/2014
The City of Banning is in the midst of a critical period on our path to the future due to the resignations of almost all department heads and the upcoming selection of a City Manager. Because of this, it is my opinion that all three candidates for the two City Council seats should be included in all closed session meetings of the current City Council. Of course, the two incumbents would have a vote and the other candidate could listen and may or may not join the discussion...and not vote. But he should be permitted to be present. This would apply to this election only, since there are only three candidates for two council seats.

Fred Sake Sakurai
frp2002@aol.com
951-849-3027
September 10, 2014

To Banning City Council Members,

Please read this letter during the public session under correspondence at your next city council meeting.

I am a citizen of Banning and witnessed an inappropriate use of authority during Banning Stagecoach Days by one of your council members. A gentleman (dare I call him a gentleman) approached the gate to the rodeo grounds and a young lady asked him for his ticket and he replied “I am the mayor pro tem, Art Welch”. She replied, “you are who?” He said, “I am going to be the next mayor of Banning, I am a city councilman” and proceeded to walk through the gate without a ticket. As a citizen of Banning I don’t feel that it is okay for one of our council members to feel that he is entitled to freebies in our city that everyone else is paying for. Can you please explain/address this mindset at your next meeting?

A very concerned citizen
City of Banning
Electric Department

Corporate Yard Warehouse

Why a New Warehouse?

- Historical information indicates the current warehouse was a produce packing facility back in the 1930's
- Current warehouse is dirty and poses an unsafe working environment
- Does not have enough space to store the Electric Utility's inventory and equipment
Proposed Building

- Capital Improvement Plan, including a new warehouse, approved by Council in 2010
- Improves Utility safety and security
- Provides Multi-purpose/Training Room
- Provides ample storage for all material, equipment, document retention, etc.
- Upgrades infrastructure for the onsite electrical -- Emergency Backup generation
Design Phase

- Staff worked with architectural firm HCA over an 18 month period to develop design and scope of work
- The original Engineer’s Estimate was $2,665,849
- Staff set the CIP budget based on the Engineer’s Estimate
- The Design Phase was completed in June
Bid Process

- Staff solicited bids in June and July
- 13 firms participated in the mandatory Pre-Bid meeting and job-walk
- Six bids were received and opened on August 12th
- Bids were significantly higher than the Engineer's Estimate – lowest bid was $5,116,529

Bid Analysis

- Staff and HCA reviewed the bids and compared to original Engineer's Estimate
- Discovered a number of discrepancies and omissions in original Estimate, as well as changes/additions to the project which weren't reflected in the original Estimate
- HCA updated the Estimate to correct for omissions and include changes/additions
- Revised Engineer's Estimate is $4,221,460
Value Engineering

- Staff and HCA met with the low bidder, Oakview Constructors, Inc., and conducted a Value Engineering analysis on the project
- Identified a minimum of $789,000 in reductions to project cost, while maintaining functionality and integrity of the project
- Revised project cost is $4,327,529
- Revised Engineer's Estimate is $4,221,460

Fiscal Analysis

- Staff allocated $2.7M from Electric Bond proceeds, based on original Estimate
- Maximum of $2.5M more needed for project
- $7M available in Electric Improvement Fund
- New warehouse needed for the safety of employees, security of material and equipment, and improved operations
- Has no negative impact on rates
Recommendations

• Option One: Award bid and approve contract, authorize staff to amend contract
• Option Two: Award bid, authorize staff to amend contract and return to Council for approval of amended contract
• Option Three: Reject all bids
MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

9/30/14
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Franklin on September 30, 2014 at 8:35 a.m. at the Banning Civic Center Large Conference Room, 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
Marie A. Calderon, City Clerk

CLOSED SESSION

The City Council met in closed session pursuant to Government Code Section 54957 with regard to the following personnel issue: City Manager interviews.

Meeting went into closed session at 8:36 a.m. and recessed at Noon for lunch and reconvened at 2:00 p.m. Meeting returned to regular session at 3:25 p.m. There was no reportable action taken.

ADJOURNMENT

By common consent the meeting adjourned at 3:25 p.m.

Marie A. Calderon, City Clerk
CITY COUNCIL AGENDA

Date: October 14, 2014

TO: City Council

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

SUBJECT: Report of Investments for August 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 August 2014. As of August 31, 2014, the City’s operating funds totaled $71,455,084. Included in Successor Agency operating funds is $756,110 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of August 31, 2014 approximately 40% of the City’s unrestricted cash balances were invested in investments other than LAIF.

The August 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

The attached Summary Schedule of Cash and Investments has been updated to show the rate of earnings allowance received from Wells Fargo Bank. The amount earned reduces the total amount of bank fees charged.

Staff has also enhanced the Investment Report Supplemental Information to provide additional information related to Wells Fargo that will further facilitate the understanding of the Investment Report.

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) was increased to 0.260% in August. The average rate for all investments in August was 0.352%.

RECOMMENDED BY: June Overholt
Administrative Services Director/Deputy City Manager

APPROVED BY: Homer Croy
Interim-City Manager
Summary Schedule of Cash and Investments

Operating Funds

**Petty Cash**

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**Bank Accounts**

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<tr>
<td>0.020%</td>
<td>3,762</td>
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Money Market and Bank Account Sub-Total

| 983,300 |

**Government Pools**

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<td>#1 CRA Bond Cash Bal</td>
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Government Pool Sub-Total

| 41,582,273 |

Operating Cash Balance

| 42,569,278 |

**Restricted Operating Funds**

Riverside Public Utilities- Highmark U.S. Government Money Market Fund

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California ISO Corp- Union Bank

| 100,176 |

Worker's Compensation Program- (PERMA)

| 1,956,858 |

**Other Investments**

Investments-US Bank/Piper Jaffray - See Page 2

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Operating Funds Total

| 71,455,084 |

**Fiscal Agent**

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Fiscal Agent Total

| 35,919,209 |

* Rate of earnings allowance received, offsets analyzed bank charges.
Operational Portfolio Individual Investments

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<th>Par Value</th>
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**Government Pools**

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**Investments-US Bank/Piper Jaffray**

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<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>1,999,340</td>
<td></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>1,001,060</td>
<td></td>
</tr>
<tr>
<td>1,700,000</td>
<td>FHLMC Mtn</td>
<td>n/a</td>
<td>0.700%</td>
<td>12/30/2016</td>
<td>6/30/2014</td>
<td>1,700,000</td>
<td>1,698,215</td>
<td></td>
</tr>
<tr>
<td>3,000,000</td>
<td>Federal Home Loan Bks</td>
<td>n/a</td>
<td>0.660%</td>
<td>10/7/2016</td>
<td>7/14/2014</td>
<td>3,000,000</td>
<td>2,998,230</td>
<td></td>
</tr>
<tr>
<td>6,143,563</td>
<td>Money Market</td>
<td>n/a</td>
<td>0.010%</td>
<td>daily</td>
<td>varies</td>
<td>6,143,563</td>
<td>0</td>
<td>6,143,563</td>
</tr>
</tbody>
</table>

US Bank/Piper Jaffray Average Rate= 0.505%

Average Rate All= 0.352%

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 224 days and does not include Bond Reserve Fund Investments.
## City of Banning Investment Report

### Individual Investments with Fiscal Agent

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Bond Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Aug-14</th>
<th>8/31/2014 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005 Fair Oaks Ranch Estates 2035</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>188,943</td>
<td>5.62</td>
<td>313,661</td>
</tr>
<tr>
<td><strong>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td></td>
<td>1.06</td>
<td>21,023</td>
</tr>
<tr>
<td></td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.060%</td>
<td>daily</td>
<td></td>
<td>17.63</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td></td>
<td>12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surplus Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redevelopment Fund 2037</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>212.30</td>
<td></td>
<td>8,332,245</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>1,880,751</td>
<td>47.79</td>
<td>1,875,194</td>
</tr>
<tr>
<td>Special Fund</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>31.67</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>Surplus Fund</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td><strong>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Account</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Principal Account</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>1.97</td>
<td></td>
<td>77,506</td>
</tr>
<tr>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td></td>
<td>83.97</td>
<td></td>
<td>3,295,679</td>
</tr>
<tr>
<td><strong>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Account</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.000%</td>
<td>daily</td>
<td></td>
<td></td>
<td>13</td>
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<tr>
<td>Principal Account</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>10.26</td>
<td></td>
<td>402,530</td>
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<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>2,310,710</td>
<td>58.89</td>
<td>2,311,373</td>
</tr>
<tr>
<td>Project Fund</td>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>40.82</td>
<td></td>
<td>1,602,123</td>
</tr>
<tr>
<td><strong>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Bank Mmkt 5-Ct</td>
<td>0.040%</td>
<td>daily</td>
<td></td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td>2,672,050</td>
<td>68.09</td>
<td></td>
<td>2,672,448</td>
</tr>
<tr>
<td>US Bank Mmkt 5-Ct</td>
<td>0.030%</td>
<td>daily</td>
<td></td>
<td>357.30</td>
<td></td>
<td>14,023,415</td>
</tr>
</tbody>
</table>

*Paid Semi-Annually-Deposited into Money Mkt Account

**Total** | 937.37 | 35,919,209
City of Banning
Investment Report Supplemental Information

Pooled Cash Distribution
Investment reports for cities typically do not include the cash balance of the individual funds that make up the total pooled cash. This is primarily due to timing differences between when investment reports are prepared and when month end accounting entries are posted. Investment reports are usually prepared first. However, the pie chart below provides an understanding of the percentage distribution of the investments by fund type. The percentages were calculated using the average cash balances from the twelve month period of July 2013 to June 2014. (The percentages will be updated quarterly.)

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 cashiering in utility billing.

**Bank Accounts** –

When reviewing the *Report of Investments*, please keep in mind that the balances shown on the *Summary Schedule of Cash and Investments* for bank accounts are “statement” balances. They reflect what the financial institution has on hand as of particular date and lists on their statement. They are not “general ledger” balances. General ledger balances reflect all activity through a particular date (i.e. all checks that have been written and all deposits that have been made) and is what we show on our books (the general ledger). The general ledger balance more accurately reflects the amount of cash we have available.

It should be noted that statement balances and general ledger balances can differ significantly. For example – on June 30th the statement balance for Wells Fargo Bank could show $1,000,000, however, staff may have prepared a check run in the amount of $750,000 on the same day. Our general ledger balance would show $250,000, as the Wells Fargo statement does not recognize the checks that have been issued until they clear the bank.

For investment decisions and cash handling purposes staff relies on the balance in the general ledger. Staff does not invest funds that are not available. Sufficient funds must be kept in the bank accounts to cover all checks issued.

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payables checks are processed through this account. Balances fluctuate based on activity and cash flow needs. As excess funds accumulate, they are transferred to LAIF to increase earnings. The Summary Schedule of Cash and Investments shows the rate of earnings allowance received from the bank. The amount earned reduces the total amount of bank fees charged.
- 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.
Summary Schedule – Line item descriptions – Cont.

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.

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: October 14, 2014

TO: City Council

FROM: Duane Burk, Director of Public Works

SUBJECT: Notice of Completion for Project No. 3-06-0018 AIP 12, “Relocate Taxiway ‘A’ Phase 1, Relocate Fuel Facility”

RECOMMENDATION: That the City Council accepts Project No. 3-06-0018 AIP 12, “Relocate Taxiway ‘A’ Phase 1, Relocate Fuel Facility” 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 July 23, 2013, the City Council adopted Resolution No. 2013-77, “Awarding the Contracts for Federal Aviation Administration Airport Improvement Project No. 3-06-0018 AIP 12, ‘Relocate Taxiway ‘A’ Phase 1, Relocate Fuel Facility’ and Approving the Grant Agreement Offer from the Federal Aviation Administration.”

The scope of work under this project included the demolition of an existing fuel facility and underground storage tank and the construction of a new fuel facility with an above ground storage tank.

The project was required in order to replace the existing fueling facility in a new location so that it is compliant with Federal Aviation Administration (“FAA”) design standards and to ensure a safe aircraft operating environment.

FISCAL DATA: The original contract amount for this project was $518,186.00. The final contract amount is equal to $472,918.25.

RECOMMENDED BY: Duane Burk,
Director of Public Works

REVIEWS BY: June Overholt,
Administrative Services Director
Deputy City Manager

APPROVED BY: Homer Croy
Interim City Manager
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. 3-06-0018 AIP 12
RELOCATE TAXIWAY “A” PHASE I, RELOCATE FUEL FACILITY

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 October 14, 2014, and the
grantees consent to recordation thereof by its duly authorized agent.

That the OWNER, the City of Banning, and Fleming Environmental, Inc. of Banning,
California, the vendee, entered into an agreement dated July 31, 2013, for Construction of
Project No. 3-06-0018 AIP 12, “Relocate Taxiway ‘A’ Phase I, Relocate Fuel Facility.”
The scope of work under this project included the demolition of an existing fuel facility
and underground storage tank and the construction of a new fuel facility and above
ground storage tank.

That the work of improvement was completed on September 1, 2014, for Project No. 3-
06-0018 AIP 12, “Relocate Taxiway ‘A’ Phase I, Relocate Fuel Facility.”
(1) The Nature of Interest was to construct a new fuel facility.
(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 the Banning Municipal Airport, Banning, California 92220.

(4) That the original contractor for said improvement was Fleming Environmental, Inc. State Contractor’s License No. 746017.

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

(6) The nature of interest is in fee.

Dated: October 14, 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)

) ss
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 foregoing is true and correct.

Executed on______________., 2014 at Banning, California.

_______________________
City Clerk of the City of Banning
ORDINANCE NO. 1483


SECTION 1. Tax Adopted. The Banning Municipal Code, Section 3.16.030, Chapter 3.16, is hereby amended to read, in its entirety, as follows:

"CHAPTER 3.16: TRANSIENT OCCUPANCY TAX

Section 3.16.030. Imposed--Amount--When payable

A. For the privilege of occupancy in any hotel or motel, each transient is subject to and shall pay a tax in the amount set forth in subsection (B) hereof, but such rate shall not exceed twelve percent of the rent charged by the operator, which shall be referred to herein as the "cap rate." Such tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the hotel or motel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid in each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel or motel. If for any reason the tax due is not paid to the operator of the hotel or motel, the tax administrator may require that such tax shall be paid directly to the tax administrator.

B. Notwithstanding the requirements of subsection (A) of this section, from October 1, 2010, until amended by ordinance of the city council, the transient occupancy tax ("TOT rate") rate shall be increased from ten percent to twelve percent, or the full amount of the cap rate set forth in subsection (A) above.

C. The cap rate in subsection (A) may only be increased by a vote of the people pursuant to Proposition 218. The TOT rate in subsection (B) may be changed by ordinance of the council so long as it does not exceed the cap rate.

D. The authority to alter the TOT rate, as long as it does not exceed the cap rate, as provided by Measure L, shall not expire, unless by a vote of the people of Banning.

E. The city council retains full authority to modify or add to chapter 3.16 to change the manner, mode and method of collecting transient occupancy taxes as set forth in chapter 3.16, to the extent provided by state law."

SECTION 2. Amendments to Rate. This ordinance may be amended by majority vote of the voters of the City of Banning at any time. The City Council may by ordinance establish the Transient Occupancy Tax rate at a lesser rate provided it does not exceed the maximum set herein by the voters.
SECTION 3. Amendments to Chapter 3.16. Notwithstanding the voters' amendment of Section 3.16.030 to set the rate of the Transient Occupancy Tax, the City Council retains full authority to modify or add to Chapter 3.16 to change the manner mode and method of collecting Transient Occupancy Taxes as set forth in Chapter 3.16.

SECTION 4. Severability. If any sections, subsections, sentences, phrases, or portions are for any reason, held to be invalid or unconstitutional by the decision of any Court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of their Ordinance. The City Council of the City of Banning hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 5. Effective Date. This ordinance shall be considered as adopted upon the date that the vote is declared by the City Council, and shall go into effect ten (10) days after that date, pursuant to Elections Code Section 9217.

PASSED AND ADOPTED by the people of the City of Banning, California, on June 3, 2014.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Banning, California, this 14 day of October, 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, LLC
CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1483 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 23rd day of September, 2014, and was duly adopted at a regular meeting of said City Council on the 14th day of October, 2014, by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

__________________________________________
Marie A. Calderon, City Clerk
City of Banning, Banning, California
DATE: October 14, 2014

TO: City Council

FROM: Heidi Meraz, Community Services Director

SUBJECT: RESOLUTION NO. 2014-68 "AUTHORIZING THE PURCHASE OF TWO (2) 2014 ELDORADO NATIONAL AERO ELITE FORD F550 CNG POWERED CUTAWAY BUSES FROM CREATIVE BUS SALES UTILIZING THE CALIFORNIA ASSOCIATION FOR COORDINATED TRANSPORTATION (CALACT) COMPETITIVE BID AWARD FOR TOTAL $304,568.32"

RECOMMENDATION: That Council authorize the purchase of TWO (2) 2014 ElDorado National Aero Elite F550 CNG powered Cutaway buses from Creative Bus sales utilizing the California Association for Coordinated Transportation (CalAct) competitive bid award for total $304,568.32”.

BACKGROUND: Due to an aging fleet, additional buses are needed to maintain existing service of our fixed-route bus system. STA (State Transit Assistance) funds are available to cover the purchase of the two (2) buses and all necessary options. The purchase of these buses will provide increased reliability and passenger comfort as well as replace existing buses that are beyond their useful life and are being kept in service to meet demand.

CalAct conducts Caltrans approved vehicle procurements as a competitive process for many various types and sizes of transit vehicles to assist the purchase of equipment by small and medium public transit agencies. By utilizing this cooperative process to purchase transit vehicles, we are receiving the lowest possible pricing.

FISCAL DATA: Funding for this purchase is available in Transit fund 610-5800-434-90-51. There will be no impact to the General Fund.

RECOMMENDED BY: Heidi Meraz
Community Services Director

REVIEWED BY: June Overholt
Administrative Services Director
APPROVED BY:

Homer Croy
Interim City Manager
RESOLUTION NO. 2014-68

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING THE PURCHASE OF TWO (2) 2014 ELDORADO NATIONAL AERO ELITE FORD F550 CNG POWERED CUTAWAY BUSES FROM CREATIVE BUS SALES UTILIZING THE CALIFORNIA ASSOCIATION FOR COORDINATED TRANSPORTATION (CALACT) COMPETITIVE BID AWARD FOR TOTAL $304,568.32.

WHEREAS, funding has been made available for the capital expenses through State Transit Assistance (STA) funds; and

WHEREAS, two cutaway buses in the Banning Pass Transit Fleet have exceeded their useful lives; and

WHEREAS, Banning Pass Transit desires to purchase two (2) cutaway buses that will meet the needs of the department; and

WHEREAS, Creative Bus Sales has prepared a proposal through the CalAct Purchasing Cooperative; and

WHEREAS, utilizing the CalAct competitive bid award is the most fiscally responsible means for acquiring the above mentioned cutaway buses.

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

SECTION 1. Authorize the purchase of two (2) 2014 Eldorado National Aero Elite Ford F550 CNG Powered Cutaway Buses from Creative Bus Sales utilizing the California Association for Coordinated Transportation (CALACT) competitive bid award for a total amount of $303,568.32.

PASSED, APPROVED AND ADOPTED this 14th day of October, 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
Alshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the
foregoing Resolution No. 2014-68 was duly adopted by the City Council of the City of
Banning, California, at a regular meeting thereof held on the 14th day of October 2014 by the
following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

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

Date: October 14, 2014

TO: City Council

FROM: Kahono Oei, City Engineer

SUBJECT: Resolution No. 2014-74, "Accepting Community Development Block Grant Program Funds for Fiscal Year 2014-2015"


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

BACKGROUND: On an annual basis, the City of Banning has participated in the federally funded Community Development Block Grant (CDBG) program. On December 10, 2013, the City Council adopted Resolution No. 2013-100, approving the projects as shown in Exhibit “A.”

In order to utilize these funds for Fiscal Year 2014-2015, the City is required to execute a Supplemental Agreement. The Supplemental Agreement is attached herein as Exhibit “B”. A copy of the Supplemental Agreement will also be available at the City Clerk’s Office for review by the public.

FISCAL DATA: The original request submittal to the County is in the amount of $133,000.00 and the City anticipates receiving $169,927.00 through the Community Development Block Grant (CDBG) program funds, Fiscal Year 2014-2015.

RECOMMENDED BY:

[Signature]
Duane Burk,
Director of Public Works

REVIEWED BY:

[Signature]
June Overholt,
Administrative Services Director/
Assistant City Manager

APPROVED BY:

[Signature]
Homer Croy,
Interim City Manager

Resolution No. 2014-74
RESOLUTION NO. 2014-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE PROJECTS FOR THE FISCAL YEAR 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

WHEREAS, the City of Banning has been submitting applications for projects/activities under the Community Development Block Grant (CDBG) program to the Riverside County Economic Development Agency annually; and

WHEREAS, on December 10, 2013, the City Council adopted Resolution 2013-100 approving the projects shown on Exhibit “A” and authorized staff to submit said projects to the Riverside County Economic Development Agency (EDA);

WHEREAS, the projects/activities submitted herein meet the CDBG program guidelines and/or requirements; and

WHEREAS, it is essential that the projects/activities be approved by the City Council through resolution in order for the City and its citizens to utilize the federally funded CDBG grant funds.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1. Resolution No. 2014-74 is adopted and the Supplemental Agreement is hereby approved.

SECTION 2. Authorize the Mayor of the City of Banning to sign said Supplemental Agreement attached herewith as Exhibit “B.”

SECTION 3. Authorize the Administrative Services Director to make necessary budget adjustments.

SECTION 4. This authorization is rescinded if the agreement is not signed within 30 days of the date of this resolution.

PASSED, ADOPTED AND APPROVED this 14th day of October, 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. 2014-74, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of October, 2014.

AYES:
NOES:
ABSTAIN:
ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California
EXHIBIT “A”

REQUESTED PROJECT AND SERVICE PROGRAMS
Requested Projects for FY 2014-2015
Community Development Block Grant (CDBG) Program
SERVICE RELATED PROJECTS

<table>
<thead>
<tr>
<th>NO.</th>
<th>AGENCY</th>
<th>DESCRIPTION</th>
<th>FY 2014-15 REQUESTED</th>
<th>AD-HOC RECOMMENDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Boys and Girls Club</td>
<td>Teen – Town (Youth Development Services)</td>
<td>$20,000.00</td>
<td>$ 5,000.00</td>
</tr>
<tr>
<td>2.</td>
<td>Habitat for Humanity of the San Gorgonio Pass</td>
<td>House Rehabilitation</td>
<td>$35,242.00</td>
<td>$ 10,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$55,242.00</strong></td>
</tr>
</tbody>
</table>
## Requested Project for FY 2014-2015
### Community Development Block Grant (CDBG) Program
### CITY PROJECTS

<table>
<thead>
<tr>
<th>NO.</th>
<th>PROJECT NAME</th>
<th>DESCRIPTION</th>
<th>FY 2014-2015 REQUESTED</th>
<th>AD-HOC RECOMMENDATION</th>
</tr>
</thead>
</table>
| 1.  | Design and Reconstruction of Playground Equipment at Various Locations | Reconstruction of playground equipment at:  
1. Repplier Park  
2. Sylvan Park  
3. Roosevelt Williams Park  
4. Lions Park  
5. Richard Sanchez Park | $118,000.00 | $ 118,000.00 (amount divided equally for each park) |
|     | **Total**                                                        |                                                                             | **$118,000.00**         | **$ 118,000.00**                             |
EXHIBIT “B”

SUPPLEMENTAL AGREEMENT
FY 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
September 24, 2014

Kahono Oei
City of Banning
99 E. Ramsey Street
Banning, CA 92220

RE: SUPPLEMENTAL AGREEMENT FOR THE 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM YEAR

Dear Mr. Oei:

Enclosed please find two (2) copies of the above referenced Supplemental Agreement for your city’s 2014-2015 CDBG program year. This agreement covers the following activities:

0.126-14 Boys and Girls Clubs Teen Town Program $5,000
0.129-14 Habitat for Humanity $10,000
5.BN.30-14 Playground Equipment Improvements $154,927

Please make note of the insurance requirements found in Section 8 of the Agreement.

Upon review of the agreement, please have all copies executed and returned to this office, together with the following documentation:

1. Your City Council’s approval of the Agreement and authorization to execute;
2. Evidence of Workmen’s Compensation Insurance pursuant to Section 8 A of the Supplemental Agreement; and
3. Original Certificates of Insurance and certified copies of endorsements pursuant to Section 8 D (3) of the Supplemental Agreement.

The executed agreements must be returned to this office no later than forty-five (45) days from the date of this letter.

A fully-executed Supplemental Agreement will be forwarded to you as well as the authorization to incur costs. Please be advised that this is not a notice to proceed. The County will not reimburse the City of Banning for any expenditure prior to the issuance of the Authorization to Incur Costs.

Should you have any questions, please contact Melissa Valdivia at (951) 955-8916.

Sincerely,

Sterlon Sims
CDBG/ESG Senior Program Manager
SUPPLEMENTAL AGREEMENT FOR THE USE OF 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

This Supplemental Agreement ("Agreement") is entered into this _________ day of ____________, 2014, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called, "COUNTY," and the CITY OF BANNING, herein called "CITY." COUNTY and CITY are collectively referred to as "Parties" and individually as "Party."

The COUNTY and CITY mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated July 2011 ("Cooperation Agreement"), whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds ("CDBG"), and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act." Said Cooperation Agreement, dated July 2011, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY promises and agrees to undertake and assist with the community development activities, within its jurisdiction, by utilizing the sum of $169,927, CDBG Entitlement Funds, as specifically identified in Exhibits A, B and C, attached hereto, and are incorporated herein by this reference, for the following projects (collectively, the "Projects"): A. 5.BN.30-14 Playground Equipment Improvements $154,927. B. 0.126-14 Boys & Girls Clubs Teen Town Program $5,000. C. 0.129-14 Habitat for Humanity $10,000.

3. TERM OF AGREEMENT. The term of this Agreement for the implementation of the Projects shall be for a period of one (1) year from July 1, 2014 to
termination on June 30, 2015. City shall proceed consistent with the completion schedule set forth in Exhibits A, B and C, attached hereto and incorporated herein. In the event the Projects are not substantially completed by the time set forth in the applicable completion schedules due to a force majeure event (See Section 24 below), the COUNTY may consider extending the schedule for the completion of the project(s). Times of performance for other activities may also be extended in writing by COUNTY. If substantial progress toward completion in conformance with the completion schedule, as determined by COUNTY in its discretion, of the projects are not made during the term of this Supplemental Agreement, COUNTY may suspend or terminate this Supplemental Agreement pursuant to the termination procedures set forth in the section titled "Termination," and the entitlement funds associated with the Projects may be reprogrammed by the COUNTY after appropriate notice is provided to the City.

4. DISPOSITION OF FUNDS.

A. COUNTY’s Board of Supervisors shall determine the final disposition and distribution of all funds received by COUNTY under the Act consistent with Sections 2 and 3 of this Supplemental Agreement. COUNTY, through its Economic Development Agency, shall make payment of the CDBG funds to CITY as set forth in the attached Exhibits A, B and C. It is the CITY’s responsibility to monitor all project activities set forth in the attached Exhibits A, B, and C, and to ensure compliance with applicable federal regulations and the terms of this Supplemental Agreement.

B. CITY shall comply with timely drawdown of CDBG Entitlement funding by expeditiously implementing and completing the COUNTY-approved, CDBG-funded Projects. CITY acknowledges that CITY’s drawdown performance directly impacts the COUNTY’s overall program drawdown rate. If the CITY’s unobligated CDBG fund balance, as of January 31, 2015, exceeds two-times (200%) the CITY’s 2014-2015 CDBG allocation, the COUNTY may, in its sole discretion, take the necessary administrative actions to reduce the CITY’s CDBG fund balance. Necessary actions include, but are not limited to, reprogramming the excess CDBG fund balance to other eligible activities as selected by COUNTY. COUNTY may, in its sole and
absolute discretion, authorize CITY in writing, prior to January 31, 2015, to exceed the CDBG fund balance requirement.

C. CITY shall comply with timely drawdown of CDBG funds by submitting monthly requests for reimbursement or other COUNTY approved reimbursement schedules. All disbursements of CDBG funds will be on a reimbursement basis and made within thirty (30) days after the COUNTY has received the CITY’s reimbursement request including documentation supporting expenditures.

D. All authorized obligations incurred in the performance of the Supplemental Agreement for projects eligible under the following CDBG regulations must be reported in writing to COUNTY no later than by June 15, 2015:

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

All other eligible activities under this Supplemental Agreement must be implemented, completed, and obligations reported in writing to the COUNTY by the CITY no later than the completion schedules set forth in the attached Exhibits to this Supplemental Agreement. "CFR" as used herein refers to the Code of Federal Regulations.

The COUNTY will directly manage and monitor projects identified in Exhibits B and C, attached hereto. These projects have been determined to be of Countywide benefit, receiving CDBG funding from multiple sources; therefore, these projects will be managed and monitored by the COUNTY.

5. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with COUNTY in undertaking essential community development and housing assistance activities, specifically urban renewal and public assistance housing, and shall assist COUNTY in implementing and undertaking the goals and strategies identified in the 2014-2019 Five Year
Consolidated Plan, pursuant to 24 CFR Part 91 and other requirements of the Community Development Block Grant Program.

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

7. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the provisions of Section 895.2 of the California Government Code imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895 of the Code, the Parties hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of the Code, agree that each Party shall be liable for any damages including, but not limited to, claims, demands, losses, liabilities, costs and expenses including reasonable attorneys' fees, resulting from the negligent or wrongful acts or omissions of their employees or agents in the performance of this Agreement, and each Party shall indemnify, defend and hold harmless the other Parties from such claims, demands, damages, losses or liabilities for their negligence.

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

a. Workers' Compensation:

If the CITY has employees as defined by the State of California, the CITY shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside.
b. **Commercial General Liability:**

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CITY’S performance of its obligations hereunder. Policy shall name the County of Riverside as Additional Insured. Policy’s limit of liability shall not be less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

c. **Vehicle Liability:**

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CITY shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside as Additional Insured.

d. **General Insurance Provisions - All lines:**

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

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

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

  (iv). It is understood and agreed to by the parties hereto that the CITY'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
(v). If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of or, the term of this Agreement, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CITY has become inadequate.

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

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

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

9. RECORDS AND INSPECTIONS.

A. CITY shall establish and maintain records in accordance with 24 CFR Part 570, Part 85, OMB Circular A-87, A-133 and 24 CFR 91.105, as applicable, and as they relate to the acceptance and use of federal funds under this Agreement.

B. CITY shall obtain an external audit in accordance with the U.S. Department of Housing and Urban Development single audit regulations (24 CFR Part 44.6). Audits shall usually be performed annually but not less frequently than every two years. Nonprofit institutions and government agencies that expend less than $500,000 a year in Federal awards are exempt from Federal audit requirements, but records must be available for review by appropriate officials of the Federal grantor agency or subgranting entity. The audit report shall be submitted to the COUNTY within 180 days after the end of the COUNTY’S fiscal year.

C. CITY shall maintain a separate account for the CITYS CDBG Entitlement
funds received as set forth in Exhibits A, B and C, attached hereto.

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

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

F. The CITY shall ensure that at least fifty-one percent (51%) of the persons benefiting from all CDBG-funded activities or projects designated as serving limited clientele [570.208(a)(2)(i)] are of low and moderate-income and meet the applicable household income guidelines. The CITY shall provide the required income certification and direct benefit documentation, in writing, to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibits A, B and C, attached hereto. In the event that CITY engages the services of a sub-contractor to implement CDBG-funded activities, the CITY must collect, in writing, all required income certification and direct benefit documentation from subcontractors prior to submittal to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibits A, B and C, attached hereto.

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

11. **INDEPENDENT CONTRACTOR.** The CITY is, for purposes relating to this Supplemental Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CITY (including its employees, agents and subcontractor's) shall in no event be entitled to any benefits to which the COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and the CITY shall hold the COUNTY harmless from any and all claims that may be made against the COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Supplemental Agreement. It is further understood and agreed by the parties that the CITY in the performance of this Supplemental Agreement is subject to the control or direction of the COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

12. **TERMINATION.**

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

B. COUNTY. Notwithstanding the provisions of Paragraph 12a, COUNTY may suspend or terminate this Supplemental Agreement upon a ten (10) day written notice to CITY of action being taken and the reason for such action including, but not limited to, the following reasons:

1. In the event CITY fails to perform the covenants herein contained at such times and in such manner as provided in this Supplemental Agreement; and

2. In the event there is a conflict with any federal, state or local law, ordinance, regulation or rule rendering any of the provisions of this Supplemental Agreement
invalid or untenable; or

(3) In the event the funding from the Department of Housing and Urban Development referred to in Sections 1 and 2 above is terminated or otherwise becomes unavailable.

C. Upon suspension or termination of this Supplemental Agreement, CITY shall return any unencumbered funds which it has been provided by COUNTY. In accepting said funds, COUNTY does not waive any claim or cause of action it may have against CITY for breach of this Supplemental Agreement.

D. Reversion of Assets

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

2. Any real property under the CITY’S control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the CITY in the form of a loan) in excess of $25,000 is either:

   (i) Used to meet one of the National Objectives pursuant to 24 CFR Part 570.208 until five years after expiration of this agreement, or for such longer period of time as determined to be appropriate by the COUNTY; or

   (ii) Not used in accordance with Clause (i) above, in which event the CITY shall pay the COUNTY an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

13. NONDISCRIMINATION. CITY shall abide by 24 CFR 570.601 and 570.602 of Title 24 of the Code of Federal Regulations which requires that no person in the United States shall on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in
whole or in part with Community Development funds. CITY shall abide by and include in any
subcontracts to perform work under this Supplemental Agreement, the following clause:

"During the performance of this Supplemental Agreement, CITY and its subcontractors
shall not unlawfully discriminate against any employee or applicant for employment
because of race, religion, color, national origin, ancestry, physical handicap, medical
condition, marital status, age (over 40) or sex. CITY and subcontractors shall insure that
the evaluation and treatment of their employees and applicants for employment are free
of such discrimination. CITY and subcontractors shall comply with the provisions of the
Fair Employment and Housing Act (Government Code, Section 12900 et seq.). The
applicable regulations of the Fair Employment and Housing Commission implementing
Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the
California Administrative Code are incorporated into this Agreement by reference and
made a part hereof as if set forth in full. CITY and its subcontractors shall give written
notice of their obligations under this clause to labor organizations with which they have a
collective bargaining or other agreement."

14. PROHIBITION AGAINST CONFLICTS OF INTEREST

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

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

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

E. Any violation of this Section 14 shall be deemed a material breach of this Supplemental Agreement, and the Supplemental Agreement shall be immediately terminated by the COUNTY.

15. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no liability for any later determination by the United States Government, the U.S. Department of Housing and Urban Development, or any other person or entity that CITY is or is not eligible under 24 CFR Part 570 to receive CDBG entitlement funds from the COUNTY.

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

17. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY agrees to notify in writing, and to cause any subcontractor implementing CDBG-funded Projects to notify, in writing, the Riverside County Workforce Development Center of any and all job openings that are caused by the CDBG-funded Projects under this Supplemental Agreement.

18. PUBLICITY. Any publicity generated by CITY for the Projects funded pursuant to this Supplemental Agreement will make reference to the contribution of the COUNTY, the Economic Development Agency, and the Community Development Block Grant Program in making the project possible.
19. **PROGRAM MONITORING AND EVALUATION.** CITY and its subcontractors shall be monitored and evaluated in terms of its effectiveness and timely compliance with the provisions of this Supplemental Agreement and the effective and efficient achievement of the CDBG National Objectives as set forth in Exhibits A, B, C, D, E, F, G, H and I, attached hereto. Quarterly reports shall be due on the last day of the month immediately following the end of the quarter being reported. The quarterly written reports shall include, but shall not be limited to, the following data elements:

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

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

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

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

   - Above 80% MHI
   - Between 50% and 80% MHI (Low-Income)
   - Between 30% and 50% MHI (Very Low-Income)
   - Less than 30% MHI (Extremely Low-Income)

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

3) Racial ethnicity of clientele

4) Number of Female-Headed Households

D. CITY shall report, in writing, and cause its subcontractors to report, in writing, beneficiary statistics monthly to the Economic Development Agency (EDA) on the pre-
approved Direct Benefit Form and Self-Certification Form (certifying income, family size, and racial ethnicity) as required by HUD. Updated forms are to be provided to CITY by EDA should HUD implement changes during the term of this Supplemental Agreement. CITY and subcontractors will collect and provide all necessary data required by HUD pertaining to the Specific Outcome Indicators as identified in HUD’s Community Planning and Development (CPD) Outcome Performance Measurement System.

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

21. ENTIRE AGREEMENT. This Supplemental Agreement, including any attachments or exhibits hereto constitutes the entire Supplemental Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto. Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

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

23. PRIOR AUTHORIZATION. CITY shall obtain COUNTY’s written approval from the COUNTY’S Economic Development Agency prior to implementing the following “high risk” activities funded with CDBG assistance:

A. Construction of public facilities (project plans and specifications);
B. Acquisition of real property;
C. Historic Preservation;
D. Relocation; and
F. Economic Development
24. **FORCE MAJEURE.**

   A. Performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, material or tools, delays of any contractor, sub-contractor or supplier, acts of the other party, acts or failure to act of a public or governmental agency or entity, or any causes beyond the control or without the fault of the party claiming an extension of time to perform.

   B. An extension of time for any such cause (a "Force Majeure Delay") shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of knowledge of the commencement of the cause. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within thirty (30) calendar days after it obtains knowledge of the event.

25. **JURISDICTION AND VENUE:** Any action at law or in equity arising under this Supplemental Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Supplemental 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.

26. **SEVERABILITY.** Each paragraph and provision of this Supplemental 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.

27. **WAIVER.** Failure by a party to insist upon the strict performance of any of the provisions of this Supplemental 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 rights to insist and demand strict compliance by the other party with the terms of this Supplemental Agreement thereafter.

28. **NOTICES.** Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as “notices” and referred to singly as a “notice”) which the CITY or COUNTY is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>CITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant County Executive Officer/EDA</td>
<td>Kahono Oei</td>
</tr>
<tr>
<td>Economic Development Agency</td>
<td>City of Banning</td>
</tr>
<tr>
<td>P.O. Box 1180</td>
<td>99 E. Ramsey Street</td>
</tr>
<tr>
<td>Riverside, CA 92502</td>
<td>Banning, CA 92220</td>
</tr>
</tbody>
</table>

28. **LOBBYING.** CITY certifies to the best of its knowledge and belief, that:

a. No federally-appropriated funds have been paid or will be paid, by or on behalf of the CITY, 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 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.

b. 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
CITY shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in
accordance with its instructions.

c. CITY shall require that the language of this certification be included in the
award documents for all subawards at all tiers (including subcontracts, subgrants, 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.

29. INTERPRETATION AND GOVERNING LAW. This Supplemental Agreement
and any dispute arising hereunder shall be governed by and interpreted in accordance with the
laws of the State of California. This Supplemental 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 Supplemental Agreement, all
parties having been represented by counsel in the negotiation and preparation hereof.

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

31. **EFFECTIVE DATE.** The effective date of this Supplemental Agreement is the date the parties sign the Supplemental Agreement. If the parties sign the Supplemental Agreement on more than one date, then the last date the Supplemental Agreement is signed by a party shall be the effective date.

32. **COUNTERPARTS.** This Supplemental Agreement may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

33. **LETTER TO PROCEED.** CITY shall not initiate nor incur expenses for the CDBG-funded Projects or activities covered under the terms of this Supplemental Agreement as set forth in Exhibits A, B and C, attached hereto, prior to receiving written authorization from COUNTY to proceed.

34. **ASSIGNMENT.** The CITY shall not make any assignment or transfer in any form with respect to this Supplemental Agreement, without prior written approval of the COUNTY.

35. **MODIFICATION OF AGREEMENT.** This Supplemental Agreement may be modified or amended only by a writing signed by the duly authorized and empowered representative of COUNTY and CITY respectively.

[Remainder of page intentionally blank]

[Signatures on following page]
IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as of the date first listed above.

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

CITY OF BANNING, a general law city

BY: ________________________________
   Suzanne Holland,
   Assistant Director of EDA

BY: ________________________________
   Mayor

APPROVED AS TO FORM:
Gregory Priamos, County Counsel

ATTEST:

By: ________________________________
   Jhaila R. Brown,
   Deputy County Counsel

By: ________________________________
   City Clerk

APPROVED AS TO FORM:

BY: ________________________________
   City Attorney
SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: City of Banning

ADDRESS: 99 E. Ramsey Street

Banning, CA 92220

PROGRAM CONTACTS: Kahono Oei, City Engineer

PHONE: (951) 922-3135 FAX: (951) 922-3141

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

PROJECT NAME: Playground Equipment Improvements

PROJECT LOCATION: Replier, Sylvan, Roosevelt Williams, Lions, and Richard Sanchez Park

LEVEL OF ENVIRONMENTAL CLEARANCE: Categorical Exclusion

CDBG ELIGIBILITY CODE: 570.201 (c)

PROJECT FUNDING SUMMARY: $154,927

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

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a 2014-2015 Community Development Block Grant for the Playground Equipment Improvements in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 The City of Banning will replace deteriorated and dangerous playground equipment at Replier, Sylvan, Roosevelt Williams, Lions, and Richard Sanchez Parks. CDBG funding will be used for design, removal, purchase, and installation of equipment.
B. National Objective

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

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

CFR Reference: Low Mod Area

C. Levels of Accomplishment – Goals and Performance Measures

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

Activity #1 Design and purchase of park equipment

Activity #2 Removal of existing equipment and installation of new equipment

**CPD OUTCOME PERFORMANCE MEASUREMENT**

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

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

D. City Capacity

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

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient’s performance under this Agreement.

Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

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

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed $154,927 Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient’s financial management system in accordance with the standards specified in 24 CFR 84.21.

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

<table>
<thead>
<tr>
<th>Line Item</th>
<th>CDBG Granted Funds</th>
<th>Total of Non-CDBG Funds</th>
<th>Total Activity/Project Budget</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design/Engineering Costs</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Administration Costs</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Costs</td>
<td>X</td>
<td></td>
<td></td>
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<tr>
<td>Acquisition Costs</td>
<td></td>
<td></td>
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<tr>
<td>Relocations Costs</td>
<td></td>
<td></td>
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<tr>
<td>Capital Equipment Costs</td>
<td>X</td>
<td></td>
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<tr>
<td>Code Enforcement</td>
<td></td>
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</tr>
<tr>
<td>Clearance</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Interim Assistance</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Other:</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
### G. Total Amount of Non-CDBG Leveraging

<table>
<thead>
<tr>
<th>TYPE</th>
<th>SOURCE</th>
<th>AMOUNT</th>
<th>SOURCE</th>
<th>AMOUNT</th>
<th>SOURCE</th>
<th>AMOUNT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State/Local</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Private</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL:** none

### III. ADMINISTRATIVE REQUIREMENTS

#### A. Accounting Standards

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

#### B. Cost Principles

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

#### C. Documentation and Record Keeping

1. **Records to be Maintained**

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

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

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

3. **Client Data**

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

4. **Disclosure**

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

5. **Close-outs**

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

6. **Audits & Inspections**

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

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

<table>
<thead>
<tr>
<th>Tasks / Milestone</th>
<th>Start Date</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete Online Mandatory Cooperating City Training</td>
<td>July 2014</td>
<td>September 2014</td>
</tr>
<tr>
<td>Implement Project Activities</td>
<td>July 2014</td>
<td>May 15, 2015</td>
</tr>
<tr>
<td>Execute Supplemental Agreement &amp; Notice to Incur Cost</td>
<td>August 2014</td>
<td>September 2014</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tasks / Milestone</th>
<th>Start Date</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submit Quarterly Performance Reports to County</td>
<td>October 15, 2014</td>
<td>January 15, 2015</td>
</tr>
<tr>
<td>County Monitoring of City Program/Performance</td>
<td>To be determined by Program Manager</td>
<td></td>
</tr>
</tbody>
</table>

Specific Project Activities

Program/Performance Project Activities
1. City executes Supplemental Agreement; receives authorization to incur cost letter
2. City prepares final construction documents for EDA review and approval
3. EDA authorizes City to advertise for bids
4. EDA reviews and approves bidding process
5. City awards construction contract
6. City and EDA conduct "pre-construction meeting"
7. EDA authorizes City to issue "Notice to Proceed"

City Submits Reimbursement Requests

<table>
<thead>
<tr>
<th>Monthly Submittal</th>
<th>Other Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly basis</td>
</tr>
<tr>
<td></td>
<td>______________</td>
</tr>
</tbody>
</table>

CDBG-funded Project Complete

| CDBG-funded Project Complete | May 15, 2015 |

City Submits Monthly Direct Benefit Reports

<table>
<thead>
<tr>
<th>City Submits Monthly Direct Benefit Reports</th>
<th>Upon Notification by EDA</th>
</tr>
</thead>
</table>

Page 6 of 7
V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

City agrees to comply with applicable CDBG procurement procedures and HUD Labor Standards 4010. No construction will commence using CDBG funding without prior Notice to Proceed. Pre-Construction meeting required.

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

I. GENERAL INFORMATION

CITY NAME: Boys and Girls Clubs of the San Gorgonio Pass

ADDRESS: P.O. Box 655

Beaumont, CA 92223

CITY PROGRAM CONTACTS: Amy Herr, Executive Director

SUBRECIPIENT NAME: __________________________

ADDRESS: P.O. Box 655, Beaumont, CA 92223

PHONE: (951) 922-3259 FAX: (951) 922-2141

E-MAIL: __________________________

PROJECT NAME: Boys and Girls Clubs Teen Town Program

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

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

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

PROJECT FUNDING SUMMARY:

5th District $5,000
City Funding $5,000

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

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a 2014-2015 Community Development Block Grant for the Boys and Girls Clubs Teen Town Program in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 The Boys and Girls Club provides an after school Teen Town program that includes Skills Mastery and Resistance Training (SMART) for low-income youth in the community. Activities include character building, substance abuse prevention, health and nutrition program, and other related activities. CDBG funds will be used for staff salaries (direct cost), travel, and consumable supplies.
SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: Habitat for Humanity of the San Gorgonio Pass

ADDRESS: P.O. Box 269
Banning, CA 92220

CITY PROGRAM CONTACTS: Amy Minjares, Executive Director

SUBRECIPIENT NAME: ____________________________

ADDRESS: P.O. Box 269, Banning, CA 92220

PHONE: (951) 769-7600 FAX: ______________________

E-MAIL: edfhsgpa@verizon.net

PROJECT NAME: Habitat for Humanity

PROJECT LOCATION: Various Locations

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

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

PROJECT FUNDING SUMMARY:

Banning $10,000
Beaumont $10,000

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

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a 2014-2015 Community Development Block Grant for the Habitat for Humanity in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 Habitat for Humanity will provide preventative home maintenance and critical home repair services for low-income individuals residing within the City of Beaumont and Banning. The program will provide minor home repairs such as painting, landscaping, and fence repair and more critical projects will include AC installation, water heater, and roof repairs.
§ 570.611 Conflict of interest.

(a) Applicability.

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

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

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

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

(d) Exceptions: threshold requirements. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project. An exception may be considered only after the recipient has provided the following:
(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

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

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

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

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

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

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

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

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

(7) Any other relevant considerations.
Exhibit CI

Prohibition Against Conflicts of Interest

Page 3 of 4

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

TOPIC: CONFLICT OF INTEREST CODED
       RIVERSIDE COUNTY
       ECONOMIC DEVELOPMENT AGENCY

DATE: October 1989

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

1) No employee, officer or agent of the grantee shall participate in the
   selection, in the award or in the administration of a contract supported by
   Federal Funds if a conflict of interest, real or apparent, would be involved.

2) Such a conflict will arise when:
   i) The employee, officer or agent;
   ii) Any member of the immediate family;
   iii) His/Her partners, or;
   iv) An organization which employs, or is about to employ any of the
       above has a financial or other interest in the firm's selection
       for award.

3) The grantee's or sub-grantee's officers, employees or agents will neither
   solicit nor accept gratuities, favors or anything of monetary value from
   contractors or parties to sub-agreements except as noted in Section 4.

4) A grantee's or sub-grantee's officers, employees or agents will be presumed
   to have a financial interest in a business if their financial interest exceeds
   the following:

   i) Any business entity in which the official has a direct or indirect
      investment worth one thousand dollars ($1,000) or more.

   ii) Any real property in which the official has a direct or indirect
       interest worth one thousand dollars ($1,000) or more.
EXHIBIT CI

Prohibition Against Conflicts of Interest

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

TOPIC: CONFLICT OF INTEREST CODE
RIVERSIDE COUNTY
. ECONOMIC DEVELOPMENT AGENCY

DATE: October 1989

iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars ($250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.

iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.

v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars ($250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.

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

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

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

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

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

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

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

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

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

(vi) The lessor enters into a binding agreement that unless the lessee, or a qualified successor lessee, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee an amount equal to the residual value of the improvements;
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(vii) The lessee must remit the amount received from the lessor under subparagraph (2)(vi) of this section to the recipient or subrecipient from which the CDBG/ESG funds were derived.

The lessee can also enter into a management contract authorizing the lessor religious entity to use the building for its intended secular purpose, e.g., homeless shelter, provision of public services. In such case,

the religious entity must agree in the management contract to carry out the secular purpose in a manner free from religious influences in accordance with the principles set forth in paragraph (j)(3) of this section.

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

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

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

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

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

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

Sec. 135.38 Section 3 clause.

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

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

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

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

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

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

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