AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA

March 10, 2009
6:30 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

Per City Council Resolution No. 1997-33 matters taken up by the Council before 10:00 p.m. may be concluded, but no new matters shall be taken up after 10:00 p.m. except upon a unanimous vote of the council members present and voting.

I. CALL TO ORDER
   • Pledge of Allegiance
   • Invocation
   • Roll Call – Council Members Franklin, Hanna, Machisic, Robinson, Mayor Botts

II. PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS/ANNOUNCEMENTS/APPOINTMENTS

Report by City Attorney

Report by City Manager

PUBLIC COMMENTS – On Items Not on the Agenda

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

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

Our Mission as a City is to provide a safe, pleasant and prosperous community in which to live, work and play. We will achieve this in a cost effective, citizen friendly and open manner.
PRESENTATIONS

1. Presentation to Bill Dickson (ORAL)
2. Information/Support for 2010 Census – Paula Almanza (ORAL)
3. Adoption of Resolution No. 2009-20 Supporting the Needs For and Benefits of Liberty Quarry

ANNOUNCEMENTS/COUNCIL REPORTS: (Upcoming Events/Other Items and Report if any)

1. Introduction of Jeff Prevost, Superior Court Judge by Mayor Botts (ORAL)

III. A. CONSENT ITEMS

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

Motion: That the City Council approve Consent Items 1 through 5

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

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

1. Approval of Minutes – Regular Meeting – 02/24/09
3. Ordinance No. 1404 – 2nd Reading: Ordinance No. 1404, An Ordinance of the City Council of the City of Banning, California Approving Zone Text Amendment No. 08-97508 to Amend Sections of the Zoning Ordinance Relating to Lot Coverage in the VLDR Zone and Expansion of Non-Conforming Uses in the Commercial and Industrial Zones
4. Ordinance No. 1405 – 2nd Reading: Ordinance No. 1405, An Ordinance of the City Council of the City of Banning, California, Approving Zone Text Amendment No. 08-97502 to Amend Section 17.28.030 of the Zoning Ordinance Relating to the Parking of Recreational Vehicles, Trailers, Boats, Campers and Like Vehicles
5. Amending the Existing Contract with E. S. Babcock for Laboratory Services in the amount of $35,405.00

- Open for Public Comments
- Make Motion

IV. REPORTS OF OFFICERS

1. Matthew Bassi, Interim Community Development Director
   A. Resolution No. 2008-18, Amending the Transportation Uniform Mitigation Fee (TUMF) Applicable to All Developments in the City of Banning

Recommendation: That the City Council adopt Resolution No. 2008-18.
2. Jeff Stowells, Fire Services Battalion Chief
   A. Resolution No. 2009-19, Authorizing Expenditure of Funds
      Obtained for FY 08-09 through the Special Distribution Fund
      Grant Process ............................................. 65
      Recommendation: That the City Council adopt Resolution No. 2009-19,
      Authorizing the Expenditure of $823,331 received from Morongo through
      the Riverside Indian Gaming Local Community Benefits Committee (CBC)
      under the FY 08-09 Special Distribution fund (SDF) Grant.

3. Bonnie Johnson, Finance Director
   A. Recommended Budget Reductions for 2008-09 and 2009-10 .......... 68
      Recommendations:
      1. The City Council of the City of Banning direct staff to reduce
         the 2008-09 budget appropriations in the applicable percentages
         as presented in the attached Exhibit “A”.
      2. The City Council conceptually approve the 2009-10 expenditure
         reduction recommendations as reflected in Exhibit “A” and
         direct staff to incorporate these reductions into the 2009-10
         proposed budget.
      B. Award of a Professional Services Contract to Tramutola for
         Public Information and Feasibility Services related to a
         Potential City Utility Users Tax ............................................ 73
         Recommendations:
         1. The City Council of the City of Banning award a professional
            services contract in the amount of $48,000 plus expenses to
            Tramutola for public information and feasibility services
            related to a potential city utility users tax ballot measure.
         2. The City Council authorize the City Manager to reallocate
            existing appropriations within the General fund to a
            maximum of $100,000 to fund the contract and other
            related expenses.

4. Brian Nakamura, City Manager
   A. City Council Donation and Sponsorship Policy for
      Community Events and Programs ........................................... 81
      Recommendation: That the City Council authorize the City Manager to
      recommend donation and sponsorship requests for community events
      and programs by individuals, groups, and/or organizations to the City
      Council for approval based upon the following criteria as listed in
      the staff report.
   B. Donation and Sponsorship of City of Banning Disaster
      Preparedness Expo .......................................................... 83
      Recommendation: That the City Council authorize the expenditure of
      $1,904.65 for the City of Banning Disaster Preparedness Expo to be held
      in April 2009.
C. Approve the Amendment to the Professional Services Agreement
   With Holt Architects, Inc. for Construction Phase Services
   Related to Project No. 2006-07, Construction of the New
   Banning Police Station........................................ 84
Recommendation: That the City Council approve an Amendment to the
Professional Services Agreement with Holt Architects, Inc. for Construction
Phase Services, in the amount not to exceed $188,640, and
authorize staff to utilize funds appropriated for the project contingency budget.

V. CLOSED SESSION

1. Pursuant to the provisions of Government Code Section 54956.9(a) to confer with legal
counsel with regards to James C. Smith et al, v. Barbara Hanna – Superior Court
No. RIC 474602.

2. Pursuant to Government Code Section 54957.6 Conference with Labor Negotiators
   Employee organization: IBEW - Utility Unit and IBEW General Unit, CBAM and
   BPOA. Agency Designated Representatives: Brian Nakamura, David Aleshire,
   Bonnie Johnson and Hoyt Belt

3. Pursuant to Government Code Section 54957 with regard to City Manager evaluation.
   
   A. Opportunity for Public to Address Closed Session Items.
   
   B. Convene Closed Session

VI. 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 Friday, 8 a.m. to 5 p.m
NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor and Council. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public.

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

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (909) 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].
DATE: March 10, 2009

TO: Honorable Mayor and Members of the City Council

FROM: Brian S. Nakamura, City Manager

SUBJECT: Adoption of Resolution No. 2009-20 - Supporting the Need For and Benefits of Liberty Quarry

RECOMMENDATION:
That the City Council, subsequent to presentation by Mr. Gary Johnson with Granite Construction Company, consider adoption of Resolution No. 2009-20 in support of the Need For and Benefits of Liberty Quarry.

BACKGROUND:
The City Council may recall that a brief presentation was made by Granite Construction Company in summer 2008 regarding the proposed Liberty Quarry project. It was at that meeting the proponents of the project offered timely updates regarding project progress. In light of the progress of this proposed project which has the opportunity to create several jobs for the region Granite Construction Company is seeking local and regional support for the project. Attached is a similar resolution of support from the Building Trades Council, which was passed on January 8, 2009.

At this time, city staff is providing a draft resolution for City Council review and direction.

FISCAL DATA:
There is not anticipated fiscal impact at this time.

RECOMMENDED BY:
February 20, 2009

Dear City Manager,

This letter is to update you on our proposed Liberty Quarry project in Western Riverside County. Our support grows as more people recognize the critical need and the environmental and economic benefits of local aggregate sources.

The Building and Trades Council of Riverside and San Bernardino counties unanimously approved a Resolution in support of Liberty Quarry. This group recognizes the economic benefit to our region and the critical need for high quality and affordable construction material in our area.

The Building and Trades Council represent over 12,000 working men and women in the Riverside and San Bernardino counties. They know that Liberty Quarry could provide hundreds of high paying local jobs and help stimulate the local economy.

We anticipate that Riverside County will release the Draft EIR for the project in April. We would like to come in and visit with your staff about the project at that time.

If you have any questions, please feel free to contact me.

Sincerely,

Gary W. Johnson
Granite Construction Company
Direct: (760) 391-6244

Gj:ck

Attachments: (1) Resolution No. 1-09; Building Trades Council
RESOLUTION NO. 2009-20

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF BANNING, CALIFORNIA
IN SUPPORT OF THE NEED FOR AND
BENEFITS OF LIBERTY QUARRY

WHEREAS, access to high quality, affordable construction materials geographically near major transportation corridors is critical to address sustainable growth and development throughout California; and

WHEREAS, California is facing a critical shortage of aggregate materials and reserves that is both substantial and immediate; and

WHEREAS, according to the California Department of Conservation, Western Riverside County currently has less than 16 years of permitted aggregate reserves; and

WHEREAS, already traffic congestion and delays on highways, streets and in neighborhoods is mounting; and

WHEREAS, according to a report done by Urban Crossroads dated, October 31, 2006, the number of existing trucks that could be removed from the I-15 freeway due to the ideal location of Liberty Quarry within the target market is 1200 trucks per day; and

WHEREAS, aggregate supply facilities in Corona, Banning, Palm Springs, and Indio currently truck aggregate through the Cities of Corona, Lake Elsinore, Murrieta, Temecula, the San Gorgonio Pass, and Hemet San Jacinto Valley to meet the needs of Southwest Riverside County and northern San Diego because of a lack of local aggregate supply facilities in the receiving areas; and

WHEREAS, Granite Construction Company has submitted an application to the County of Riverside for the development of the Liberty Quarry project located within Riverside County on the border of San Diego County, with immediate access to I-15; and

WHEREAS, if developed this quarry could produce up to 5 million tons per year of aggregate, concrete and asphalt and could supply all of the Southwestern portions of Riverside County with aggregate needs for the next 75 years; and

WHEREAS, if the Liberty Quarry facility is developed, it would provide a local source of aggregate to serve the nearby markets and reduce the amount of aggregate that would be imported from Corona, Banning, Palm Springs and Indio; and

WHEREAS, a source of aggregate nearer to these fast growing markets would result in reduced truck traffic through the City of Banning and along the I-10
freeway, SR-79 and SR-60 and result in reduced air emissions from mobile sources, reduced maintenance costs from truck damage to highways and roads, and reduced cost of construction for public works projects; and

NOW, THEREFORE, BE IT RESOLVED in consideration of the above facts, by the City of Banning that:

1. City of Banning does hereby support efforts to make available additional aggregate resources nearby major transportation corridors to reduce the impacts of and increased costs related to importing material long distances; and

2. Presuming completion of required environmental review and analysis and mitigation of impacts as directed by the lead agency, City of Banning supports in concept development of the Liberty Quarry project pending the release of an EIR and encourages the County of Riverside to work closely with the other stakeholders in the region and area to ensure that this important facility is permitted and developed for the benefit of all citizen’s in Riverside County.

PASSED, APPROVED, AND ADOPTED this 10th day of March 2009.

________________________________________
Robert E. Botts, Mayor

APPROVED AS TO FORM AND LEGAL CONTENT:

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

ATTEST:

________________________________________
Marie A. Calderon, City Clerk
CERTIFICATION

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2009-20 was adopted by the City Council of the City of Banning at the Regular Meeting thereof held on the 10th day of March, 2009.

AYES:
NOES:
ABSTAIN:
ABSENT:

______________________________
Marie A. Calderon, City Clerk
City of Banning, California
A regular meeting of the Banning City Council was called to order by Mayor Botts on February 24, 2009 at 6:42 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT:
None

OTHERS PRESENT:
Brian Nakamura, City Manager
David Aleshire, City Attorney
Bonnie Johnson, Finance Director
Duane Burk, Public Works Director
Jim Earhart, Public Utility Director
Leonard Purvis, Police Chief
Hoyl Belt, Human Resource Director
Heidi Meraz, Recreation Director
Jeff Stowells, Battalion Chief
Matthew Bassi, Interim Community Development Director
Timothy Steensom, Development Services Manager
Kim Clinton, Senior Planner
Marie A. Calderon, City Clerk

Mayor Botts invited the audience to join him in the Pledge of Allegiance to the Flag. The invocation was given by Mayor Botts.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS
ANNOUNCEMENTS/APPOINTMENTS

Report by City Attorney – There was no report.

Report by City Manager

City Manager said that in an effort to improve customer service they will be receiving a draft of the comment card that is being put together and would like Council's comments back by Friday so that they can get them printed. In regards to the recruitment of Community Development Director they have been receiving a lot of calls and also a lot of interest through resumes. Staff is
continuing discussions with Mt. San Jacinto College and he will have additional updates to the Council in regards to items of interest.

Councilmember Robinson asked City Manager to report on the status of the meeting held in Moreno Valley in regards to the Community Redevelopment Agencies.

City Manager said this meeting was hosted by the City of Moreno Valley regarding the Community Redevelopment Agencies and they had the honor of having John Shirey, CEO of the California Redevelopment Agency in attendance and he provided them with an update in regards to the litigation and they did succeed in moving the case forward. The City of Moreno Valley and the city north of us have opted in. There was a discussion as to whether other cities needed to participate and at this time legal counsel said we needed a couple of cities, the California Redevelopment Agency and a citizen taxpayer so John Shirey himself joined the lawsuit to fight the recent take on redevelopment. We do know that the State’s recent budget did include the original take from the cities and our estimate was roughly $350,000 to $400,000 so that will happen. The second take did not happen and was not part of the discussion. As this moves forward he will provide an update to the Redevelopment Agency Board and Council.

Public Comments – On Items Not on the Agenda

Ellen Carr, 471 W. George Street said please do not leave any animals at her house. In regards to Tender Loving Critters they have expanded and they are here in the Pass Area, Coachella Valley, Wildomar and Idyllwild. This past year they adopted out over 1500 animals but if they had a place of their own, they could do a lot more. They did not get a dime from the City, the County, the State or Federal government. They did it all by private donations. Things at the shelter are going well and they have a lot of animals because of the foreclosures and it not lessening at all. So if you have a critter, take good care of it. If you don’t have a critter, get one.

Fred Sakurai, 43000 Dillon Road said that recently in read in the paper where there is a group of people trying to get signatures to qualify a petition and call for a special election. He would like to appeal to that group to please consider the good of the city of Banning. It will come down to the City of Banning having to spend $30,000 to $40,000 to hold a special election as opposed to possibly continuing some programs at a local park or retaining some City employees rather than spending the money for a special election. There is no sense of urgency for this petition because from what he understands Liberty Energy has suspended all actions regarding their project. So he would like to request that this group hold off the request for a special election. Combine it with the call for a General Election in 2010 and if nothing else, save the City some money and hopefully stop all this negative thinking that was going along prior to this last election.

Stan Bass, 1086 Elisa Dawn said there was a lot of petitions and a lot of stuff passed and there is one thing that has got in his craw even when he was on the Police Volunteers and that is “yard sales.” He said that two volunteers every Saturday went around and if they had a yard sale going on, they made them pay. And they don’t help by putting out boxes out there as signs because they are still there come Wednesday and then we get a rain or a wind and down they go and plug up the drains. What he would like to see is an ordinance that charges for false alarm calls. He has a scanner because he worked with the police volunteers at one time and it is always the same people
twice a month or more. He said if you need money that is good way to do it because there are a lot of false alarms and it takes up a lot of time.

Mayor Botts asked the City Manager to look at those two issues. There was Council concurrence.

Vince Sternjacob, 1029 Paseo Del Sol said that the position of the Fire Marshal that Ted Yarbrough previously held before he passed away included some responsibilities involving emergency preparedness and community preparedness. He was wondering if the City has given any consideration if they contract out with Cal Fire again, that those responsibilities be included and consider possibly expanding the scope and size of that responsibility specific to emergency preparedness and community preparedness just so our community is a little bit better prepared. It seems like the percentage of time that was devoted to that was kind of minimal.

Mayor Botts said that staff is working on that and he has had discussions with the City Manager and it is a terribly important issue and we need to be dealing with it.

CORRESPONDENCE: There was none.

PRESENTATIONS

1. American Cancer Society – Relay for Life

June Patterson addressed the Council introducing two volunteers Yvonne Mendoza and Aurora Ramos who are on the Planning Committee. Ms. Patterson said that the American Cancer Society is a nationwide community-based volunteer organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives and diminishing suffering from cancer through research, education, advocacy and service. Relay for Life is the American Cancer Society’s signature event to bring cancer awareness to the community and their largest fundraiser to help research, education, advocacy and services. Relay for Life is the world’s largest non-profit fundraising event. Relay for Life provides everyone an opportunity to celebrate the lives of people who have battled cancer, the strength of survivors inspires others to continue their battle and to remember loves ones lost to the disease. She said that all three of them are cancer survivors. She handed out to the Council an informational packet in regards to the Relay and information about sponsorship. On April 18-19, 2009 the San Gorgonio Pass Communities covering Banning, Beaumont, Cabazon, Cherry Valley and Whitewater will host their 6th Year. It will be held at the Beaumont Sports Park. The Pass Area has raised over three-quarters of a million dollars in the last five years and they are very proud of you. In front of the Council is an information folder for sponsorship and team participation. They all know how the economy has affected us individually and all businesses so she is not here to ask the Council to break the bank to sponsor them. What they would like to do is to see the City of Banning help them take up the fight and come out and get a team together, stay with them for the 24-hours, enjoy yourself, learn more about your own community and visit with your people. They would also like to have a representative at the opening ceremonies in order to present the proclamation from the City.

2. Community Development Block Grant Program Process
Duane Burk, Public Works Director introduced Sterlon Sims, Project Manager for the Community Development Block Grant Program from the County of Riverside Economic Development Agency. He said that the presentation this evening is more of an informative venue and she is here to answer any questions that the Council may have.

Ms. Sims addressed the Council stating that HUD allocates Community Development Block Grant (CDBG) funds to state and local government to carry out a wide-range of community development activities directed toward revitalizing neighborhoods, economic development, and improving community facilities and services. For the 2008-2009 fiscal year Riverside County received $10,297,953 in allocation funds from HUD. This is actually a decrease by approximately 2.5% which rounds out to $261,000 that they received less than the prior year. They are also anticipating at this time they have received some preliminary figures that we’re looking at approximately $9 million being received for the 2010-2011 fiscal year but this will have no effect upon the cities as far as reducing your allocation amount. The burden is going to be directly taken by the County. The program is federally funded and provides the community with resources to address a wide range of unique community development needs such as the Replplier Park Bowl and the pool. It is one of the largest continuously run programs for HUD and currently they have 1,180 general units of local government and states involved. Some questions have come up regarding the allocation and how that is figured and HUD does have a calculation and if you would like to have that information she can get that detail to the Council but in essence it covers population of the city, poverty level and overcrowding of housing. In regards to eligible activities HUD has regulations to indicate what the eligible activities are and those are followed by the HUD Regulation Code 24 CFR 570 and it is a Section Code. The focus is on three areas: 1) benefit to low and moderate income persons; 2) prevention of slum or blight, and 3) to address the community needs and development. She said as she mention 24 CFR 570 is the regulation and some eligible activities include but are not limited to public services activities (senior program, disabled and handicapped program, child care), public facilities or capital improvements (streets, curbs, gutters, sidewalks, recreation centers, parks), and code enforcement (to pay for salaries of your staff that go out and give code violations). With code enforcement there has to be something that goes with that to eliminate the problems. So if someone is going out and giving tickets for code enforcement there must be another service such as internal assistance with includes the clean-up programs, getting rid of trash and debris as well as abatement or clearance. There are minimum requirements for CDBG programs and they have found over the years that it really has not been a significant impact in having small amounts such as $2,000 to $3,000 dollars granted to recipients so the minimum requirement has been changed to $10,000. So if a public service would like funding the minimum is $10,000 and that can be in more than one area of funding sources such as the individual applies to the County directly for funding and they also receive funding from the City. Also with acquisition/displacement they require that they are contacted prior to any type of acquisition application being submitted to them because there are some other information that needs to be given to that individual to make sure they are in a position to acquire the property that they made the individual aware of it so that is important as well. Another important issue is their drawdown rate. Currently they are in the midst of working towards their April 30th date of having their drawdown to 1.5% which means that their balance and their accounts cannot exceed the annual allocation amount per Section Code 24 CFR 570.902. A balance that they have involves the City in the sense that the allocation that each City receives it then has to spend those funds in order to help them meet that goal. If they do not meet that goal, they can possibly lose
those funds. There are five Supervisorsial Districts and 13 cities cooperating and they have just lost Perris and Indio to their program but are looking to add new ones into the program and that does have an affect upon their funding. She continued her power-point presentation going over application workshops that are conducted, recipient responsibilities, monitoring of all CDBG-funded activities and the CDBG Program Calendar.

There were further discussion in regards to income verification, how much of the $10 million dollars goes to the County, minimum activity funding of $10,000, capital improvement dollars going to non-profits and significant new dollars in CDBG in regards to the federal stimulus.

APPOINTMENTS

1. Appointments to Planning Commission

Mayor Botts said that there are two appointments to be made and one would be a vacancy to fill and the other is a term expiration.

Mayor Pro Tem Hanna said that there were excellent candidates that applied for the Planning Commission and as always it is very difficult to make a decision. She suggested that the Council consider Dennis Arterberry for one of the two positions. He has lived in Banning since 1982/83 and he is a realtor but he primarily focuses on single-family residential dwellings and he is unlikely to have many, if any, conflicts of interest but he is well aware of the conflict of interest law involved with this. His responses she thought were very good and he knows something about zoning and other issues. He has the time to learn more and go to conferences and training in the area. She moved that he be appointed to the Planning Commission.

Councilmember Machisic said he would like to nominate Bill Escandel. He has been on the Planning Commission for a number of years. He feels that Mr. Escandel is objective in his judgments and he would continue to be an outstanding member of the Planning Commission.

Motion Hanna/Robinson that nominations be closed. Motion carried, all in favor.

Mayor Botts asked the City Clerk to take a roll call vote of the Council and that the Council indicate the person of their choice.

Councilmember Franklin – Escandel
Councilmember Hanna – Arterberry
Councilmember Machisic – Escandel
Councilmember Robinson – Escandel
Mayor Botts – Arterberry

The vote was in favor of Bill Escandel for the Planning Commission.

Mayor Pro Tem Hanna nominated Dennis Arterberry. Councilmember Machisic nominated Lyndon Taylor.
Motion Franklin/Machisic that nominations be closed. Motion carried, all in favor.

Mayor Botts asked the City Clerk to take a roll call vote of the Council and that the Council indicate the person of their choice.

Councilmember Franklin – Taylor  
Councilmember Hanna – Arterberry  
Councilmember Machisic – Taylor  
Councilmember Robinson – Arterberry  
Mayor Botts – Arterberry  

The vote was in favor of Dennis Arterberry for the Planning Commission.

ANNOUNCEMENTS/COUNCIL REPORTS:

Councilmember Machisic –  
• Announced that the Rite Aid Grand Opening will be held on February 26th at 7:30 a.m.  
• Also Central Elementary School is celebrating its Annual Family Reading Night on March 3, 2009 at 6:00 p.m. It is an effort to encourage children to read. If you would like to read, please contact Central Elementary School.

Councilmember Hanna –  
• Said a number of the Council attended Black Heritage Day at the Banning Cultural Alliance this past Saturday. It was a wonderful event and really well developed and designed. It honored three Black Pioneers in our city – Roy Franklin, the first Fire Captain; Louie Davidson, the first African American Police Chief; and Roosevelt Williams, Council Person who served almost 20-years on the Banning City Council. She commended the Alliance for initiating this and she hopes it will be an annual event.

CONSENT ITEMS

Councilmember Robinson pulled Consent items 4 and 5 for discussion.

1. Approval of Minutes – Regular Meeting – 02/10/09  
Recommendation: That the minutes of the Regular Meeting of February 10, 2009 be approved.

2. Amendment No. 3 to The Joint Exercise of Powers Agreement Creating the Western Riverside County Regional Conservation Authority.  
Recommendation: That the City Council adopt Amendment No. 3 to the Joint exercise of Powers Agreement (JPA) creating the Western Riverside County Regional Conservation Authority.

3. Resolution No. 2009-15, authorizing Staff to Submit an Application for the Cycle 8 State Legislative “Safe Routes to School Program (SR2)”, for Street and Signal Improvements along San Gorgonio Avenue, from the Union Pacific Railroad Crossing...
to Westward Avenue, leading to Banning High School.

Recommendation: That the City Council adopt Resolution No. 2009-15 and authorize the City Engineer to execute the application that the Engineering Division staff will submit to the California Department of Transportation (CALTRANS).

**Motion Hanna/Machisic to approved Consent Items 1, 2 and 3.** Mayor Botts opened the item for public comments. There were none. **Motion carried, all in favor.**

4. Resolution No. 2009-17, Approving the Airport Improvement Program (AIP) Grant Agreement Offer from the Federal Aviation Administration (FAA) for Project No. 2009-01, Construction of Drainage Improvements at Banning Municipal Airport.

Councilmember Robinson said that many, many months ago before he was a Councilman we had a fixed based operator contract go out and he doesn’t know if it has gone out yet but assumes it has but since we don’t know what is going to go into that facility yet will there be any possible interference with the storm drain or something else that we will need when we do get a fixed based operator.

Mr. Burk said no as it relates to the storm drain interfering with the fixed based operator. In fact, it is an enhancement to the airport as it relates to the current situation where there is no storm drain right now. The grant that we are applying for is for what is called Line H the storm drain that would go down from Smith Creek to the south of Hathaway and Porter north to the airport. The grant that the City applied for is for the runoff of the airport into that storm drain as one project. The design of that probably will take a couple of years just to get through flood control because the size and magnitude of that project. This money would be for the runoff as it relates to the airport now. For example, we may want to use this money to put curb and gutter improvements on Hathaway and control the runoff around the airport now. That won’t do nothing but enhance the airport. As it relates to the fixed based operator this was approved by the Redevelopment Agency Board for a Request for Qualifications and also some business models on how the Agency and the Council would like to see the airport maybe managed differently as to how we are currently doing it now. The Ad Hoc to that Airport Committee is Mayor Botts and Councilmember Franklin. He has met with the consultant and they have put together five business models which he will forward to the Council. That development of an RFQ will be coming forward to the Ad Hoc Committee and from there he would be looking for direction from the Ad Hoc to tell him where they would like to go. The dual edge sword on that is that the idea was do we lease out the entire airport for like a 30-year business plan and all the incentives that you would like to see go along with it or do you incrementally establish a joint relationship being a City and a private owner and that is kind of where the business model is that we brought forward that he thinks everyone would like to see. With that being said the first grant that this Council approved was $150,000 and it was for a hydrology study of the airport itself. The second funding that you are being asked to approve today was an ability to get additional money and it was put together at the last second and in fact staff was at our attorney’s office today seeking his signature at the last minute. He is hoping that he can come back to report to the Council that we received $492,000 in two-day run to enhance the drainage improvements. He said as we move forward with the grants and we get an opportunity to improve Line H staff will seek every grant they can.
Motion Hanna/Robinson that Consent Item No. 4 be approved by adopting Resolution No. 2009-17 and to authorize the City Manager to execute the Grant Agreement Offer and upcoming Grant Agreement with the Federal Aviation Administration (FAA) and authorize the Director of Finance to appropriate funds from the Airport Division Reserve Funds to Account No. 600-5100-435.93-42, in the amount of $60,000, which are the necessary matching funds. Mayor Botts opened the item for public comments. There were none. Motion carried, all in favor.

5. Approval of Accounts Payable and Payroll Warrants for Months of October, November and December 2008 and January 2009.

Councilmember Robinson said on this item they were given on Friday four months of warrants to approve. He thought they were going to get these monthly and he found quite a few issues with these warrants. He has about seven pages of notes that add up to approximately 160 questions and they could go over them right now or possible he and whoever else would like to can meet with the City Manager and with the Finance Director and go through all of these things involving CRA and the City Council. He said he went over these line by line and has about 20 hours in this thing now.

City Manager said that staff would be glad to meet with him about these warrants. One of the things that they have been doing in the last couple of months is going through the budget meticulously probably hopefully as much if not more than what you have gone through in the warrant register making sure the payments are made and what they are allocating funds to and so part of that was staff’s discovery process. They are trying to provide as much accurate information to the Council regarding the budget and how we are going to address our financial issues so with that he would be glad to sit down with Councilmember Robinson and the Finance Director and go over the questions and hopefully they will been able to answer them completely and to your satisfaction.

Mayor Botts said perhaps he and Chairman Robinson can meet with him and the Finance Director and review those items.

Motion Hanna/Machisic that Consent Item No. 5 be approved recommending that the City Council review and ratify the following reports per the California Government Code for the months of October, November and December 2008 and January 2009.

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

Councilmember Franklin said that she did have a meeting with the Finance Director about the questions that she had on the warrants and it was her understanding that we are going to be getting these more on a monthly basis and that was already assured to her that that is going to be happening.

Motion carried, with Councilmember Robinson voting no.

PUBLIC HEARINGS
1. Resolution No. 2009-09: City Council Adoption of a Resolution Establishing a $75.00 Administrative Fee as Park of the Vacant and Distressed Building Program.
(Staff Report – Tim Steenson, Development Services Manager)

Mr. Steenson gave the staff report as contained in the agenda packet.

There were various questions in regards to how people would know about this fee requirement, do they have to register, how long does the property have to be vacant before considered abandoned, next steps to making sure properties are maintained, do properties have to be vacant and foreclosed and how to you know they are vacant.

Mr. Steenson said the program is based on a Senate Bill 1137 which established the requirement for the trustees of these properties to post on the property the information as to who they are, that they are the responsible party and similar information. The Bill also requires that they notify or register with the City when that property becomes their possession. State law contains a $1000 a day fine for those trustees that do not post the information and they have had great success in finding these properties with the posting in tact. He said that staff will be bringing forward a fee schedule or a fine schedule for not maintaining the properties. In regards to these property they do not need to be foreclosed upon only be vacant or distressed. It is really aimed at those properties which are foreclosed or abandoned when the trustee takes back possession of the property. Most of the time they become aware that these properties are in this condition generally by officer observation in the field, also by neighbors and there are websites where they can get this information. This bill is basically for all foreclosed or abandoned properties.

There were some further questions in regards to the 53 registration applications we have so far and the number of houses that were reported vacant and is this amount enough to cover our expenses.

Mr. Steenson said it is the average rate that is being charged right now. One of the reasons they only have 53 registrations right now is the fact that we don’t have this fee in place. They have been accepting registrations without any fee up to this point but we have been active in not necessarily encouraging that until we have this fee in place. They are looking to get this fee in place so that they can be more aggressive in their requirement of registration of these properties and the only service that this fee buys is to monitor the properties.

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

Motion Machisic/Franklin that the City Council adopt Resolution No. 2009 to Amend Exhibit “A” of Resolution No. 2007-117 by Adding Page 14, “Building and Code Enforcement Fees”. Motion carried, all in favor.

2. Zone Text Amendment No. 08-97508: A City-Initiated Amendment to the Banning Zoning Ordinance Relating to Building Coverage and Floor Area Ratio Requirements for the Very Low Density (VLDR) Zone and to Permit Existing Non-Conforming Uses to Expand up to 50% in Commercial and Industrial Zones.
(Staff Report – Kim Clinton, Senior Planner)

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Ms. Clinton gave the staff report as contained in the agenda packet. She said that this has two parts. In regards to non-conforming uses this section is to permit expansion of existing non-conforming uses up to 50% subject to a conditional use permit. This would only apply to industrial zones and commercial zones. She explained further about this section and said this would amend Section 17.88.030 (Nonconforming Uses) to add Section (F) A non-conforming use located in a commercial or industrial zone may be expanded up to but not exceeding 50% (and City Attorney would like added to this – “of the floor area provided”). Ms. Clinton said it would read as follows: “...50% of the existing floor area provided the expansion conforms to all other requirements of the zone and subject to the approval of a Conditional Use Permit by the Planning Commission.” She said the Planning Commission recommended approval.

There was some discussion and explanation of this expansion of existing non-conforming use.

Ms. Clinton said the second part of this ordinance is an amendment to the residential development standards Table 17.08.030. It is to increase building coverage and floor area ratios in the very low density residential zone from 15% to 25%. She explained further in her power-point presentation on this item.

There was some staff and Council discussion regarding this change.

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

Councilmember Robinson said since he owns property in the business area would he be allowed to vote on this item.

City Attorney said if he has property that would be directly subject to this and it is in the zoning district the only possible exception would be if it was determined that there was a significant segment of the public in the district. Such as the illustration of what they talked about in our orientation talking about conflict things in advance of the meeting so not knowing more at this point it is probably advisable for him not to participate.

Councilmember Robinson left the Council Chambers at this time.

Mayor Botts asked the City Clerk to read the title of Ordinance No. 1404. City Clerk read: Ordinance No. 1404, An Ordinance of the City Council of the City of Banning, California, Approving Zone Text Amendment No. 08-97508 to Amend Sections of the Zoning Ordinance Relating to Lot Coverage in the VLDR Zone and Expansion of Non-Conforming Uses in the Commercial and Industrial Zones.

Motion Hanna/Franklin to waive further reading of Ordinance No. 1404. Motion carried, with Councilmember Robinson abstaining.

Motion Franklin/Machisic that Ordinance No. 1404 pass it first reading as amended with the change. Motion carried, with Councilmember Robinson abstaining.
Councilmember Robinson returned to the Council Chambers.

3. Zone Text Amendment No. 08-97502: Adoption of Ordinance No. 1405, Approving Zone Text Amendment No. 08-97502, to Amend Section 17.28.030 of the Zoning Ordinance Relating to the Parking of Recreation Vehicles, Trailers, Boats, Campers, and Like Vehicles. (Staff Report – Tim Steenson, Development Services Manager)

Mr. Steenson gave the staff report as contained in the agenda packet. He said that when staff considered the public testimony at the Planning Commission meeting and in consultation with the City’s attorney staff is recommending two changes to the proposed ordinance. That would be on page 81, Section G. be written to read as follows: “All parking shall occur on paved surfaces of asphalt, concrete or similar materials and non-conforming properties shall be made conforming when new improvements are constructed on the property.” He said one of the comments they heard at the Planning Commission Meeting was that there are a number of properties in the city that don’t have any kind of paved surface on them right now and that requiring asphalt or concrete paving would be of a disadvantage to them. This wording would allow that those properties not be made to provide that improvement just because you passed the ordinance that requires parking on a paved surface. That would not be triggered until they did some improvement on the property. The second change is on page 82, No. 8 would read as follows: “No recreational vehicle may be parked or stored on any public street or right-of-way for a period of time exceeding 72 consecutive hours in violation of Section 10.12.045 of this Code. No utilities may be connected to such temporarily parked recreation vehicle.” He said there is a section of the Code that restricts parking on the public streets to 72 hours. That is in Section 10 of our Code which is Traffic. They wish to locate reference here in all of this criteria for parking recreational vehicles to that particular code section.

Councilmember Franklin said for clarification the first part that was read included gravel and the second part in regards to Section G, you did not include gravel.

Mr. Steenson said that there was a recommendation from the Planning Commission to include gravel. Gravel is not included in the original ordinance. Staff brings forward the fact that the Planning Commission recommends the inclusion of gravel and if it is Council’s desire to do that, then that recommendation would be incorporated into the ordinance. But the ordinance passed by Council in 2004, did not include gravel so staff felt it was appropriate to bring back what was in the Code prior.

Councilmember Robinson said if we do include gravel in Section G. down in Section I. 3 where it states “Parked on an all-weather surface” does that have to be changed also.

Mr. Steenson said it would be their recommendation not to include gravel in G because G is a general parking surface requirement for parking in the city of Banning. They are recommending a re-write of G now because currently in the Code G includes recreational vehicles in residentially zoned properties. If we put gravel in G, that would be an acceptable parking lot material for shopping centers, hotels, new tract homes so this would not be the appropriate place. If we wanted to include gravel, the appropriate place would be in the I Section.
Councilmember Hanna said staff’s recommendation for G is a broader statement and not just for RV’s. Mr. Steenson said yes. Right now the Code requires that all parking in the city of Banning to occur on a paved surface. Councilmember Hanna asked how does this affect RV’s. Mr. Steenson said currently G includes RV’s in that provision. He said that G now states all parking including recreational vehicles in residential zones shall occur on a paved surface. So if we only included non-conforming properties then non-conforming properties with RV’s would, by his interpretation, be exempt.

Councilmember Hanna said so they could park on whatever they have as long as it meets all the other criteria. Mr. Steenson said yes. Councilmember Hanna said she strongly recommended that rather than included gravel as an allowed substance for parking.

City Attorney said that staff has clarified that in terms of their current enforcement and policy although G says that you basically have to have paved parking surfaces, the staff enforcement policy is if you have a preexisting situation and you are using gravel, they are not citing you. One of the citizen’s comments was that staff’s policy is not really consistent with this provision so the purpose of this additional language is to make the language consistent with our actual policy so there won’t be that inconsistency between what is written and what we are actually doing. So that when current staff leaves future staff would not be confused by the language.

Councilmember Machisic said if we go to gravel, what do we expect the City in 20 years or 30 years or 40 years to look like. He is concerned about that. If it is gravel today, should we at some point in time have a long range plan to put in hard surfaces for instance when a house sells or changes ownership.

Mayor Botts opened the item for public comments.

Fred Sakurai, 43000 Dillon Road said that gravel is a very general term. He was wondering if the ordinance specifically defines gravel as crushed aggregate or crushed miscellaneous base or how thick the gravel layer should be or if this was omitted just to be general rather than specific.

Gary Hironimus, 620 12th Street said it seems like this would be really unfair depending on which side of the fence you are on. An existing house that doesn’t have a paved driveway can park an RV on gravel or on dirt yet, a house that has a driveway that is concrete and has an area right next to that concrete driveway that would look fine with gravel but he can’t park anything there; that is what is being said. He said Mr. Steenson made a comment that if we just add gravel there, then new businesses, new developments, and shopping centers could use gravel. Does anybody believe that is going to happen? Nobody is even going to build a single home without a paved driveway because it is not going to sell and businesses, it is not going to happen. So as far as new development suddenly being surrounded by gravel instead of asphalt that is a non-issue. The Planning Commission looked real closely at this whole thing with the gravel versus the asphalt. He said that in 2004 he spent over $2,500 to pour a concrete pad for his RV to meet the requirements of the ordinance that was passed there. He would have preferred to leave it gravel because that way if he ever sold his RV and made that back into yard, it would be easy. Instead he has a permanent hardscape there that the water runs off and as soon as it rains any oil that has...
dripped on there runs off into the gutter and no rainwater saturation. We are paving over more and more of our world and here the City is requiring us to pave over more. Clean gravel sound like a perfectly acceptable addition next to a driveway or something particularly in these economic times. That same $2,500 pad that he poured and did the labor himself would cost $5,000 to $7,000 now. Who can afford that kind of cost in this economy? A lot of work went into Ordinance No. 1316 four and a half years ago and he really appreciated all the time that city staff, Planning Commission, the Council Members, the public came together and worked hard but he would like to remind everybody that the number two recommendation of the Ad Hoc Committee workshop held back then was to include gravel. It was deleted on the grounds of ground water contamination. He said that trailers don’t have anything to leak. Boats, if they leak, probably sink. There is very little to deal with when it comes to groundwater contamination and as soon as it rains any of that oil is going to wash right off on to the adjacent ground or in the gutter anyway so that is a non-argument. The Planning Commission spent a lot their time discussing this. His feeling is that Ordinance No. 1405 should be passed with the recommendations that the Planning Commission themselves recommended. They looked real closely at it and their arguments were sound and it should be incorporated as they recommended.

Carl Douglas, 166 E. Barbour Street said he had also attended the Planning Commission meetings in regards to the gravel issue and he finds that for the citizens although he is opposed to more control by the City on what we can do on our personal lots he finds that the gravel is the more logical and least expensive aspect for the citizens of Banning to use. It is both good and bad. He would say the better portion is that it is less expensive for us and it is the same exact thing that our City is using to park their equipment on. So if it is good for the City, it has to be good for us.

Stan Bass, 1086 Elisa Dawn said what is blacktop? What is asphalt? What is it made of? It is made of oil so why do we allow asphalt but do not allow gravel. He doesn’t understand. We fought this and Council Member Hanna fought along with them for years and he keeps saying, what is blacktop. What is blacktop made of? When you cut a hole in your street to build your blacktop what do they spray all around the outside to fill in, oil. There are very few RV’s that he knows of that drip oil because the people that own them fix them right away especially if they are going to use them. Asphalt is nothing but oil and gravel.

Gary Hironimus addressed the Council again stating that until recently the Banning City Yard parked most of its heavy trucks, equipment and even school buses on dirt and gravel. Here at City Hall there was a large gravel area that was used for quite some time as employee parking. A City fire station on Wilson has at least one third of its parking area on gravel right now. The campground near the high school its large RV storage area is dirt and gravel. The storage lot near the airport there are over 100 RV’s stored on gravel. All these locations can park numerous vehicles on dirt and gravel and yet a resident living next door to any one of them can’t even park a single boat trailer on gravel. Banning resident’s are being held to a higher standard than the City itself and that is wrong.

Mayor Botts asked Mr. Steenson to explain briefly what are we trying to do here.

Mr. Steenson said they are trying to put back into the Code those things which were inadvertently left out when the City adopted a new zoning ordinance in 2006. We are trying to clean some
things up, bring some order and trying to improve Banning. They spend most of their time in code enforcement trying for the betterment of Banning. They get a lot of comment about how Banning looks and the number one complaint they receive in code enforcement is the parking of vehicles. They are trying to put back in what was in the Code previously. He said the City Yard is paved, the school district bus yard is paved, the parking lot outside is paved so he doesn’t see it as holding anyone to a higher standard. A lot of thought has gone into this. But again, he would reiterate that they are trying to put back in what Council put in the Code in 2004. They didn’t put gravel in then and he doesn’t know why because he was not at the meeting when Ordinance No. 1316 was adopted but ultimately at the end when Council decided to allow the parking of RV’s on residentially zoned properties gravel was not included. So when this was brought forward, staff did not include gravel.

There was some further Council and staff discussion in regards to allowing gravel and the language added to Section G.

Mayor Botts closed the item for public comments.

There was some further discussion in regards to viable solutions for the future and the need now and the exploration of helping people financially with a loan or grant for parking.

Mayor Botts asked the City Clerk to read the title of Ordinance No. 1405. City Clerk read: Ordinance No. 1404, An Ordinance of the City Council of the City of Banning, California, Approving Zone Text Amendment No. 08-97502 to Amend Section 17.28.030 of the Zoning Ordinance Relating to the Parking of Recreational Vehicles, Trailers, Boats, Campers and Like Vehicles.

Motion Machisic/Hanna to waive further reading of Ordinance No. 1405 as amended.

City Attorney said in regards to the amendments he wanted to clarify that there was an amendment to Section 3. G and I. 8 and the language in I. 3 remains as it is at this point (pages 81 and 82). There was Council consensus that this was correct.

Councilmember Robinson said that there are three different sources of money going out of the Community Redevelopment Agency and one of them was a rehab on 17th Street that included $10,000. He asked that when that rehab is done does that mean that it is brought up to the proper parking. If we are spending $10,000 on a house to rehab it, are we bringing the asphalt driveway into conformance when we do this? He has a list of those that he wanted to bring up.

Mr. Bassi said that is the owner-occupied rehab program through the Redevelopment Agency. He said they haven’t processed a rehab program where there was a driveway that was gravel to bring it up to code. It is really geared toward the house improvements such as the exterior of the home, the painting, roofing, etc.

Councilmember Robinson said one of these rehabs is $29,800 for exterior rehab so he is just wondering if we took care of the drive way when we took care of the exterior. Mr. Bassi said he didn’t know but would need to go back through the file.
Mayor Botts said if this ordinance was in place and we provided money for that rehab of a building would that trigger the need to improve the driveway. Mr. Bassi said it could if that is the direction the Council wants to do when they look at rehab projects yes. Not all rehab projects need to have gravel driveways when they have them and this may have to be looked at.

Councilmember Franklin said when we talk about and along the same line that it is conformed to being upgraded are we going to say there is a dollar amount that would trigger that because when you say something has been upgraded there are different interpretations of what that means.

Mr. Steenson said he would not think that they would set a dollar amount. They use the word improvement and improvements that require permits then probably improvements would trigger this provision. You could place a dollar amount on that but then that is a figure you would have to revisit periodically so he might tie it to something other than a dollar amount. He said for City purposes an improvement to your property is an improvement that requires or triggers the requirement for a permit. Or you could tie it specifically to a building permit so that if you are replacing your water heater or air-conditioning, you don’t trigger this but you trigger it if you get a building permit or a permit of a particular valuation rather than a particular amount of the work that is done.

There was more discussion in regards to what would trigger this.

City Attorney said it is somewhat self effectuating because if you don’t need a permit from the City, you have no reason to come to the City. The City is not aware of the process and people can do things in their house for which they don’t need permits for and it is not regulated by the City. This is dealing with somebody that may be putting in a room addition and they would need to come in and get permits for that then that would be something where that applies. The way this is now if there is no permit required, it doesn’t apply to this. If you want to say, permitted improvements, you can add the word “permitted.” There was Council consensus to word being added.

Councilmember Robinson said where we are actually buying a part of the property where it is CRA money we are doing either low income or moderate income we had six escrow closings that he was not aware of until he went through the warrants at $20,000 a piece are we requiring them to be brought up to the position where they have a driveway that is proper if we are actually putting the money in to it.

City Attorney said there is nobody on staff here this evening that can tell you all the details of those programs. In the future, in terms of projects that are going through the City’s process if this is the ordinance that we are operating under, then if there is an area where they have been parking on and it is currently unpaved then as a part of permitted improvements you would look at providing a pad there and the City through its rehab program would provide funding for that. But in terms of past projects and the ones that you are referring to, that has not been a requirement previously. But with the adoption of this ordinance it is something that staff can be looking at in the future.

City Manager said the $20,000 amounts were sounding very familiar to him and as you know we have a program with Neighborhood Housing Services which is to provide first time home buyer assistance and he believes that is what that amount is for. It is not necessarily pertaining to the improvements of the property. It is the ability to assist with the purchase of the property and those
are pass-through that the County then moves forward with and allows us to provide those payments and then there is a reimbursement process that goes with it. City Manager explained further in regards to improvements.

Motion carried, all in favor.

Motion Hanna/Robinson that Ordinance No. 1405 pass it first reading as amended. Motion carried, all in favor.

REPORTS OF OFFICERS

1. Resolution No. 2009-16, Authorizing Expenditures of funds obtained through the FY 08-09 Special Distribution Fund Grant.
   (Staff Report – Leonard Purvis, Chief of Police)

Chief Purvis gave the staff report as contained in the agenda packet. These funds will go towards the following: I-10 Corridor Entertainment District Patrol for personnel costs at $101,400; Equipment for I-10 Corridor Entertainment District Patrol Program for 2 fully equipped marked police units at $84,000 and 2 fully equipped unmarked police units at $78,000; Equipment to supplement I-10 Corridor Entertainment District Patrol Program for 4 fully equipped marked units (without computer & cameras) at $120,000, 2 fully equipped marked police motorcycles at $55,400; 4 solar powered radar signs at $17,200, 3 express camera surveillance systems at $21,000 and 3 electronic citation computers at $22,500.

There was some Council and staff discussion in regards to the possibility of purchasing these vehicles locally and there was also some discussion in regards for possible funding next year.

Councilmember Machisis said that we received this $499,500 and we also received $823,000 for our paramedic program and he hoped that the Mayor and City Manager would communicate with the Tribe and show our appreciation for the support that they have given the City not only this year but in the previous three to four years.

Mayor Botts thanked the Tribe for being instrumental in getting this approved and it has been meaningful to the City for a number of years.

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

Motion Hanna/Machisis that the City Council adopt Resolution No. 2009-16, Authorizing the Expenditure of $499,500 received from the Riverside County Indian Gaming Local Community Benefits Committee under the FY 08-09 Special Distribution fund (SDF) Grant. Motion carried, all in favor.

2. A. Good Samaritan Protection Act, City Council Letter of Support
   (Staff Report – Brian Nakamura, City Manager)

City Manager gave the staff report as contained in the agenda packet.
Mayor Botts opened the item for public comments. There were none.

**Motion Hanna/Machisic that the City Council authorize the Mayor to remit the attached letter of support for Honorable John Benoit’s Senate Bill 39, providing for legal protections for Good Samaritans. Motion carried, all in favor.**

2. **B. Reimbursement Policy for the Expenses of Elected and Appointed Officials.**

City Manager said that before the Council is the existing reimbursement policy and within the staff report the possible changes that could be recommended. All of the Council including the Mayor have thoughts about how we can adjust our budget through these tough financial times. We have had several discussing at the budget meeting related to travel and training which we would agree is imperative but that there be some ability for us to control those types of expenditures and monitor those expenses. Basically what staff is asking for is if the Council wishes to make any amendments or have this policy amended, give staff direction and will do so for both elected and appointed officials.

Mayor Botts said there has been discussion collectively about this issue for any number of years and in fact before he was on the Council. In addition to what staff is recommending he put forth some ideas and those ideas were solely based upon a tight budget. One that isn’t here and he would like to hear more about is Council Members Franklin and Hanna were on the sub-committee and there was some discussion about perhaps an allocation for individual Council Members to decide where they are going to go for training and conferences.

Councilmember Franklin said as part of being on the Ad Hoc Budget Committee they did specifically bring forward three ideas for Council travel. She said they did specifically discuss that each of us knows what our roles are and each of us do need to have further education and each persons knows what things or what areas we have interest in and we would need to either choose to go a certain number of events or we would have a specific dollar amount that we would each have and that would be the recommendation. She would bring forward that we are each able to divide up the amount of money that we have and figure out what things are of interest to us to further our own experience or expertise to serve our constituents.

Mayor Botts said one of the issues he put on here was the general travel for lobbying Sacramento or Washington and the issue that he was thinking about as he remembers not to long ago four of them travel to Washington D.C. for that lobbying so one of the items here was to try to get a handle on that if we were going to send people to Washington D.C. or Sacramento specifically for lobbying, non-educational type of things that we should have some policy in place. It would be separate and distinct from what is being said to allocate a certain amount of money and you decide which conferences you want to go to for educational purposes.

Councilmember Machisic said on the lobbying for the City he is in full agreement that it should not be by person but by position. He said in regards to item No. 1 he would like to scratch out the word events and the cities listed but thinks that we should have a money parameter. In regards to No. 1, regarding the League of California Cities he said he went to that in January and wanted
everyone to know that he has never been in the six years that he has been on the Council to the conference for newly elected officials. He feels that a lot should be tied up with funding and the individual Council Members should have the parameter of deciding themselves within whatever restrictions we place on them financially as to what to attend.

Councilmember Hanna said she would agree with the comments made by Councilmembers Franklin and Machisic. She said that No. 1 is fine as amended, and 2 is fine in regards to the “boot camp” for new members and in regards to No. 3 in terms of the individual Councilmembers she thinks we should have a certain amount of money per Councilmember and as Councilmember Machisic said we each decide. She doesn’t think the Mayor needs to be involved in developing recommended amounts for each Councilmember and that is something the Council could decide. She does think that there is a role for the Mayor in taking a little bit more active kind of relationship to this. She thinks it is awkward for staff to speak to a Councilmember if we are going over budget and she thinks that is an appropriate role for the Mayor. She would like to suggest that we set a budget amount for each of them with a maximum cannot exceed amount and if any of them are approaching that, much less going over that, the Mayor certainly should have the ability to speak to that Councilmember.

Councilmember Franklin said rather than the Mayor telling us we are over budget she thinks there should be a regular report and if we all get the report, you’ll see whether or not you are over budget. We should be able to police ourselves.

Mayor Botts said it sounds like they are all in agreement on most all of this and the question then becomes a specific allocated amount. He knows that Finance sent a breakdown for 2008 and partial 2009. He would like to see a couple of years and an average of what was spent in the past and then decide to use that number or reduce that number.

Finance Director said for the past couple of years they have provided similar breakdowns so she thinks they have some past data readily available. What they are doing currently to actually facilitate this data was to internally assign a project number to each of the Councilmembers and as expenses come though related to that Councilperson staff can code it with that number so it is very simple now through our financial system to pull up all the expenditures related to any given Councilmember.

Councilmember Franklin said she wanted to add that if a Councilmember is assigned or recommended to a State or National Committee on behalf of either the League of Cities, the State or the National level that that could come back to the Council for approval for additional travel. There was Council consensus to that.

Mayor Botts said he assume then that each Councilperson will have that allocated number in addition the Chairman of the CRA and the Mayor would have a separate amount if there is lobbying like when they went to Sacramento. There was Council consensus that it would be a separate issue.
Motion Hanna to move staff recommendations and Mayor’s recommendations as amended in our discussion dropping the cities, events and dropping of the Mayor developing recommended amounts.

City Attorney said the staff report also had for example, including a list of unauthorized expenses.

Mayor Pro Tem Hanna said she was also including staff’s recommendation to exclude in-town business mileage as reimbursable and inclusion list of unauthorized expenses.

City Attorney said in looking at this and comparing it to some other policies for example on the lodging it says when the travel requires an overnight stay is that ever a question mark as to when an overnight stay is required. He has had Council’s that got into creating distances as to whether that required overnight. City Attorney said it sounds by the Council’s response that it is kind of open to choice.

Motion seconded by Councilmember Machisic. Motion carried, all in favor.

Mayor Botts asked that this be brought back to the next Council meeting along with the budget number for each Councilmember.

CLOSED SESSION

City Attorney said that the Council will meet in closed session pursuant to the provisions of Government Code Section 54956.9(a) to confer with legal counsel with regards to one matter of pending litigation – Case No. INC 079177 – Schoen v. Dorning, et. al.; pursuant to Government Code Section 54957.6 conference with Labor Negotiators Employee organization: IBEW - Utility Unit and IBEW General Unit, CBAM and BPOA with Agency Designated Representatives: Brian Nakamura, David Aleshire, Bonnie Johnson and Hoyl Belt; and pursuant to Government Code Section 54957 with regard to City Manager evaluation.

Meeting went into closed session at 9:20 p.m. and returned to regular session at 10:30 p.m. with no reportable action.

ADJOURNMENT

By common consent the meeting adjourned at 10:30 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES ARE A SUMMARY OF 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.
CITY COUNCIL AGENDA
CONSENT ITEM

Date: March 10, 2009

TO: City Council

FROM: Bonnie J. Johnson, Finance Director

SUBJECT: Report of Investments for October 2008 through January 2009

RECOMMENDATION: "The City Council receive and place these required monthly Reports of Investments on file."

JUSTIFICATION: State law requires that a monthly report of investments be submitted to the Chief Executive Officer and the Legislative Body.

BACKGROUND: The attached reports include investments on hand at the end of the months of October 2008 through January 2009. All months are new submittals. As of January 31, 2009, the City’s operating funds totaled $72,808,259. Included in operating funds is $4,703,603 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Treasurer’s Report. As of January 31, 2009 approximately 36% of the City’s unrestricted cash balances were invested in investments other than LAIF.

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) decreased to 2.046 % in January. The average rate for all investments in January was 2.262%.

RECOMMENDED BY:
Bonnie J. Johnson
Finance Director

APPROVED BY:
Brian Nakamura
City Manager
### Summary Schedule of Cash and Investments

#### Operating Funds

**Petty Cash**

<table>
<thead>
<tr>
<th>Bank Accounts</th>
<th>Interest Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Bank</td>
<td>0.000%</td>
<td>2,275</td>
</tr>
<tr>
<td>Wells Fargo Bank-Investment Account</td>
<td>0.150%</td>
<td>252,896</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
<td>1,306,015</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
<td>3,493</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
<td>3,092</td>
</tr>
</tbody>
</table>

**Money Market and Bank Account Sub-Total**

1,568,695

#### Government Pools

- Local Agency Investment Fund: Account #1: 2.709% 32,158,159
- Account #2 Operating Amount: 12,249,059
- Account #2 CRA Bond Cash Bal: 5,062,925
- Local Agency Investment Fund: Account #2: 2.709% 17,311,984

**Government Pool Sub-Total**

49,470,143

#### Operating Cash Balance

51,041,113

#### Restricted Operating Funds at Riverside Public Utilities

- Highmark U.S. Government Money Market Fund: 2.130% 777,648

#### Other Investments

- Investments-US Bank/Piper Jaffray - See Page 2: 2.293% 24,256,156

**Operating Funds Total**

76,074,917

#### Fiscal Agent

- BNY Western Trust Company: 916,247
- US Bank: 83,133,171

**Fiscal Agent Total**

84,049,418

#### Deferred Compensation

- City Employee Trust Accounts: 3,611,678

**Deferred Compensation Total**

3,611,678
# City of Banning Investment Report
## Operational Portfolio Individual Investments

**October 31, 2008**

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>252,896</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>252,896</td>
<td>n/a</td>
<td>252,896</td>
</tr>
<tr>
<td>1,306,015</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.15%</td>
<td>daily</td>
<td>varies</td>
<td>1,306,015</td>
<td>n/a</td>
<td>1,306,015</td>
</tr>
<tr>
<td>3,493</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,493</td>
<td>n/a</td>
<td>3,493</td>
</tr>
<tr>
<td>3,092</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,092</td>
<td>n/a</td>
<td>3,092</td>
</tr>
<tr>
<td>3,199</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,199</td>
<td>n/a</td>
<td>3,199</td>
</tr>
</tbody>
</table>

**Sub-total**

1,568,695

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>32,158,159</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>2.709%</td>
<td>daily</td>
<td>varies</td>
<td>32,158,159</td>
<td>n/a</td>
<td>32,158,159</td>
</tr>
<tr>
<td>17,311,984</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>2.709%</td>
<td>daily</td>
<td>varies</td>
<td>17,311,984</td>
<td>n/a</td>
<td>17,311,984</td>
</tr>
</tbody>
</table>

49,470,143

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>925,000</td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>5.000%</td>
<td>2/13/2009</td>
<td>12/14/2006</td>
<td>924,873</td>
<td>127</td>
<td>931,364</td>
</tr>
<tr>
<td>6,000,000</td>
<td>Fedl Natl Mtg Assn</td>
<td>n/a</td>
<td>3.750%</td>
<td>6/10/2011</td>
<td>9/11/2008</td>
<td>6,000,000</td>
<td>0</td>
<td>6,009,360</td>
</tr>
<tr>
<td>6,000,000</td>
<td>Federal Farm Credit Banks</td>
<td>n/a</td>
<td>2.625%</td>
<td>3/12/2010</td>
<td>3/24/2008</td>
<td>6,000,000</td>
<td>0</td>
<td>5,923,140</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>3.100%</td>
<td>10/29/2010</td>
<td>4/29/2008</td>
<td>2,000,000</td>
<td>0</td>
<td>1,992,500</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>3.280%</td>
<td>12/9/2010</td>
<td>6/9/2008</td>
<td>2,000,000</td>
<td>0</td>
<td>1,998,120</td>
</tr>
</tbody>
</table>

7,401,672  | Money Market                           | n/a         | 0.020%        | daily         | varies        | 7,401,672     | 0                                 | 7,401,672    |

**US Bank/Piper Jaffray Average Rate=**

2.293%

**24,256,156**

**Average Rate All=**

2.521%

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 July 8, 2008. 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 158 days and does not include Bond Reserve Fund Investments.
# Individual Investments with Fiscal Agent

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Maturity Date</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Oct-08</th>
<th>10/31/2008 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BNY WESTERN TRUST COMPANY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997 Admin Building COPs Refunding</td>
<td>2020</td>
<td>Republic Bank Investment Agreement</td>
<td>6.270%</td>
<td>11/1/2020</td>
<td>522,375</td>
<td>0.00</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federated U.S. Treasury Money Mkt</td>
<td>0.610%</td>
<td>daily</td>
<td></td>
<td>12.19</td>
<td></td>
</tr>
<tr>
<td><strong>US BANK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991 Wilson St. Assessment District</td>
<td>2012</td>
<td>AIM U.S. Treasury Money Market</td>
<td>0.560%</td>
<td>daily</td>
<td>265,580</td>
<td>296.73</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.270%</td>
<td>daily</td>
<td></td>
<td>19.09</td>
<td></td>
</tr>
<tr>
<td>2005 Fair Oaks Ranch Estates</td>
<td>2035</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.270%</td>
<td>daily</td>
<td>190,323</td>
<td>154.74</td>
<td></td>
</tr>
<tr>
<td>2003 CRA Tax Allocation Bonds</td>
<td>2028</td>
<td>Forward Delivery Agreement - B of A</td>
<td>4.330%</td>
<td>daily</td>
<td>971,763</td>
<td>0.00</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.100%</td>
<td>daily</td>
<td></td>
<td>1.38</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>
<td></td>
</tr>
<tr>
<td>Redevelop Fund</td>
<td>2037</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td>15,395.23</td>
<td></td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td>1,880,751</td>
<td></td>
</tr>
<tr>
<td>Capital Interest Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td></td>
<td></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>
<td></td>
</tr>
<tr>
<td>Bond Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td>0.11</td>
<td></td>
</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td>97.63</td>
<td></td>
</tr>
<tr>
<td>Project Fund</td>
<td>12/1/2008</td>
<td>Transamerica Occidental Life Ins Co C/O Aegon Institutional Markets Inc</td>
<td>4.240%</td>
<td></td>
<td></td>
<td>13,628.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investment Agreement #MN01749N</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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>
<td></td>
</tr>
<tr>
<td>Bond Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td>0.49</td>
<td></td>
</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td>255.02</td>
<td></td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td></td>
<td>1,842.77</td>
<td></td>
</tr>
<tr>
<td>Project Fund</td>
<td>5/7/2009</td>
<td>Federal Home Loan Banks</td>
<td>2.780%</td>
<td>daily</td>
<td></td>
<td>2.957.37</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Fund</td>
<td>12/1/2008</td>
<td>Transamerica Occidental Life Ins Co</td>
<td>4.536%</td>
<td>daily</td>
<td></td>
<td>77,171.01</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investment Agreement #MN01748N</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES

<table>
<thead>
<tr>
<th>Fund</th>
<th>Interest Rate</th>
<th>Payment Frequency</th>
<th>Beginning Balance</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Amer Treas Oblig Fd CL D</td>
<td>1.180%</td>
<td>Daily</td>
<td>241.47</td>
<td>227,686</td>
</tr>
<tr>
<td>First Amer Treas Oblig Fd CL D</td>
<td>1.180%</td>
<td>Daily</td>
<td>26.70</td>
<td>3,013,421</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>6/1/2013</td>
<td>AIGMFC GIC</td>
<td>5.300%</td>
<td>0.00</td>
</tr>
<tr>
<td>First Amer Treas Oblig Fd CL D</td>
<td>1.180%</td>
<td>Daily</td>
<td>298.78</td>
<td>24,538,789</td>
</tr>
<tr>
<td>Acquisition &amp; Construction</td>
<td>12/1/2010</td>
<td>AIGMFC GIC</td>
<td>5.225%</td>
<td>0.00</td>
</tr>
</tbody>
</table>

*Paid Semi-Annually-Deposited into Money Mkt Account

Total | 113,925.68 | 84,049,418

### Deferred Compensation

<table>
<thead>
<tr>
<th>Plan Description</th>
<th>Balance 10/1/2008</th>
<th>Description</th>
<th>10/31/2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICMA Retirement Corporation</td>
<td>842,741</td>
<td>Various Employee Selected Mutual Funds</td>
<td>varies</td>
</tr>
<tr>
<td>CALPERS 457 Program</td>
<td>2,249,699</td>
<td>Various Employee Selected Mutual Funds</td>
<td>varies</td>
</tr>
<tr>
<td>NATION WIDE-PEBSCO</td>
<td>877,374</td>
<td>Various Employee Selected Mutual Funds</td>
<td>varies</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,969,814</strong></td>
<td></td>
<td><strong>3,611,678</strong></td>
</tr>
</tbody>
</table>

City of Banning Investment Report

October 31, 2008
## Summary Schedule of Cash and Investments

### Operating Funds

**Petty Cash**

<table>
<thead>
<tr>
<th>Bank Accounts</th>
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<th>Amount</th>
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<td>0.000%</td>
<td>2,275</td>
</tr>
<tr>
<td>Wells Fargo Bank-Investment Account</td>
<td>0.100%</td>
<td>83,183</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
<td>6,547</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
<td>3,628</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
<td>3,702</td>
</tr>
</tbody>
</table>

**Money Market and Bank Account Sub-Total**

986,289

### Government Pools

- Local Agency Investment Fund: Account #1
  - Interest Rate: 2.568%
  - Amount: 32,158,159
- Account #2 Operating Amount: 9,790,355
- Account #2 CRA Bond Cash Bal: 4,971,628

**Government Pool Sub-Total**

46,920,143

### Operating Cash Balance

47,908,707

### Restricted Operating Funds at Riverside Public Utilities

- Highmark U.S. Government Money Market Fund
  - Interest Rate: 1.150%
  - Amount: 864,269

### Other Investments

- Investments-US Bank/Piper Jaffray - See Page 2
  - Interest Rate: 2.293%
  - Amount: 24,423,718

### Operating Funds Total

73,196,694

### Fiscal Agent

<table>
<thead>
<tr>
<th>Fiscal Agent</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY Western Trust Company</td>
<td>539,162</td>
</tr>
<tr>
<td>US Bank</td>
<td>80,443,085</td>
</tr>
</tbody>
</table>

**Fiscal Agent Total**

80,982,247

### Deferred Compensation

City Employee Trust Accounts

3,523,308

**Deferred Compensation Total**

3,523,308
City of Banning Investment Report  
Operational Portfolio Individual Investments  

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
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<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Accounts</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>83,183</td>
<td>n/a</td>
<td>83,183</td>
</tr>
<tr>
<td></td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>889,229</td>
<td>n/a</td>
<td>889,229</td>
</tr>
<tr>
<td></td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>6,547</td>
<td>n/a</td>
<td>6,547</td>
</tr>
<tr>
<td></td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,628</td>
<td>n/a</td>
<td>3,628</td>
</tr>
<tr>
<td></td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,702</td>
<td>n/a</td>
<td>3,702</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sub-total</td>
<td>986,289</td>
</tr>
<tr>
<td>Government Pools</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>2.568%</td>
<td>daily</td>
<td>varies</td>
<td>32,158,159</td>
<td>n/a</td>
<td>32,158,159</td>
</tr>
<tr>
<td></td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>2.568%</td>
<td>daily</td>
<td>varies</td>
<td>14,761,984</td>
<td>n/a</td>
<td>14,761,984</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sub-total</td>
<td>46,920,143</td>
</tr>
<tr>
<td>Investments-US Bank/Piper Jaffray</td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>5.000%</td>
<td>2/13/2009</td>
<td>12/14/2006</td>
<td>924,873</td>
<td>127</td>
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<tr>
<td></td>
<td>Fedl Natl Mtg Assn</td>
<td>n/a</td>
<td>3.750%</td>
<td>6/10/2011</td>
<td>9/11/2008</td>
<td>6,000,000</td>
<td>0</td>
<td>6,050,640</td>
</tr>
<tr>
<td></td>
<td>Federal Farm Credit Banks</td>
<td>n/a</td>
<td>2.625%</td>
<td>3/12/2010</td>
<td>3/24/2008</td>
<td>6,000,000</td>
<td>0</td>
<td>6,015,000</td>
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<tr>
<td></td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>3.100%</td>
<td>10/29/2010</td>
<td>4/29/2008</td>
<td>2,000,000</td>
<td>0</td>
<td>2,010,620</td>
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<tr>
<td></td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>3.280%</td>
<td>12/9/2010</td>
<td>6/9/2008</td>
<td>2,000,000</td>
<td>0</td>
<td>2,013,120</td>
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<tr>
<td></td>
<td>Money Market</td>
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<td>0.020%</td>
<td>daily</td>
<td>varies</td>
<td>7,401,838</td>
<td>0</td>
<td>7,401,838</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>US Bank/Piper Jaffray Average Rate</td>
<td>2.293%</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>Sub-total</td>
<td>24,423,718</td>
</tr>
</tbody>
</table>

Average Rate All= 2.442%

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 July 8, 2008. 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 158 days and does not include Bond Reserve Fund Investments.
<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Maturity Date</th>
<th>Investment Description</th>
<th>Current Bond Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Bond Reserve Requirement</th>
<th>Interest Nov-08</th>
<th>11/30/2008 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BNY WESTERN TRUST COMPANY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997 Admin Building COPs Refunding</td>
<td>2020</td>
<td>Republic Bank Investment Agreement</td>
<td>6.270%</td>
<td>11/1/2020</td>
<td>522,375</td>
<td>0.00</td>
<td>522,562</td>
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<tr>
<td></td>
<td></td>
<td>Federated U.S. Treasury Money Mkt</td>
<td>0.270%</td>
<td>daily</td>
<td>22.97</td>
<td>0.01</td>
<td>16,600</td>
</tr>
<tr>
<td><strong>US BANK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991 Wilson St. Assessment District</td>
<td>2012</td>
<td>AIM U.S. Treasury Money Market</td>
<td>0.500%</td>
<td>daily</td>
<td>265,580</td>
<td>128.84</td>
<td>268,953</td>
</tr>
<tr>
<td></td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.270%</td>
<td>daily</td>
<td>0.01</td>
<td>98</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>
<td></td>
</tr>
<tr>
<td>Redevelop Fund</td>
<td>2037</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>1,559.41</td>
<td>16,586,669</td>
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<tr>
<td>Reserve Fund</td>
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<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>1,880,751</td>
<td>178.94</td>
<td>1,927,377</td>
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<tr>
<td>Capital Interest Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>0.00</td>
<td>0</td>
<td></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>
<td></td>
</tr>
<tr>
<td>Bond Fund</td>
<td>2005</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>20.82</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>11.44</td>
<td>109</td>
<td></td>
</tr>
<tr>
<td>Project Fund</td>
<td>12/1/2008</td>
<td>Transamerica Occidental Life Ins Co C/O Aegon Institutional Markets Inc</td>
<td>4.240%</td>
<td>Investment Agreement #MN01749N</td>
<td>12,795.00</td>
<td>3,698,559</td>
<td></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>
<td></td>
</tr>
<tr>
<td>Bond Fund</td>
<td>2005</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>90.90</td>
<td>13,285</td>
<td></td>
</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>29.89</td>
<td>285</td>
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</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>215.95</td>
<td>2,312,796</td>
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<tr>
<td>Project Fund</td>
<td>5/7/2009*</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.276%</td>
<td>daily</td>
<td>197.15</td>
<td>1,558,831</td>
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<tr>
<td></td>
<td></td>
<td>Federal Home Loan Banks</td>
<td>2.780%</td>
<td>daily</td>
<td>0.00</td>
<td>6,171,825</td>
<td></td>
</tr>
<tr>
<td>Project Fund</td>
<td>12/1/2008</td>
<td>Transamerica Occidental Life Ins Co</td>
<td>4.536%</td>
<td>Investment Agreement #MN01748N</td>
<td>72,474.22</td>
<td>19,906,689</td>
<td></td>
</tr>
</tbody>
</table>
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES

<table>
<thead>
<tr>
<th>Reserves</th>
<th>Date</th>
<th>Description</th>
<th>Rate</th>
<th>Type</th>
<th>Principal</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve Fund</td>
<td>11/17/2011</td>
<td>Reliance Trust Company GIC #9AMGGBEZ7</td>
<td>3.650%</td>
<td>daily</td>
<td>248.46</td>
<td>1,065,121</td>
</tr>
<tr>
<td>Acquisition &amp; Construction</td>
<td>11/17/2011</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.940%</td>
<td>daily</td>
<td>248.46</td>
<td>1,065,121</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>11/27/2009</td>
<td>Reliance Tr Co Contract # 9AMGGBF29</td>
<td>2.950%</td>
<td>daily</td>
<td>0.00</td>
<td>3,016,509</td>
</tr>
<tr>
<td>2/19/2009</td>
<td>Reliance Trust Company GIC #9AMFBEW4</td>
<td>1.800%</td>
<td>daily</td>
<td>0.00</td>
<td>3,450,000</td>
<td></td>
</tr>
<tr>
<td>5/21/2009</td>
<td>Reliance Trust Company GIC #9AMGGBEX2</td>
<td>2.400%</td>
<td>daily</td>
<td>0.00</td>
<td>3,250,000</td>
<td></td>
</tr>
<tr>
<td>11/19/2009</td>
<td>Reliance Trust Company GIC #9AMGGBEY0</td>
<td>2.950%</td>
<td>daily</td>
<td>0.00</td>
<td>8,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Total 117,770.93 80,982,247

*Paid Semi-Annually-Deposited into Money Mkt Account

Deferred Compensation

<table>
<thead>
<tr>
<th>Fund</th>
<th>Balance 10/31/2008</th>
<th>Various Employee Selected Mutual Funds</th>
<th>11/30/2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICMA Retirement Corporation</td>
<td>746,041</td>
<td>varies</td>
<td>703,910</td>
</tr>
<tr>
<td>CALPERS 457 Program</td>
<td>2,055,101</td>
<td>varies</td>
<td>2,028,003</td>
</tr>
<tr>
<td>NATION WIDE-PEBSCO</td>
<td>810,536</td>
<td>varies</td>
<td>791,396</td>
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<tr>
<td></td>
<td>3,611,678</td>
<td></td>
<td>3,523,308</td>
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</tbody>
</table>
# Summary Schedule of Cash and Investments

## Operating Funds

### Petty Cash

<table>
<thead>
<tr>
<th>Bank Accounts</th>
<th>Interest Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Bank</td>
<td>0.000%</td>
<td>13,705</td>
</tr>
<tr>
<td>Wells Fargo Bank-Investment Account</td>
<td>0.100%</td>
<td>2,220,854</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
<td>3,419</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
<td>3,314</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
<td>3,221</td>
</tr>
</tbody>
</table>

**Money Market and Bank Account Sub-Total**  
2,244,513

### Government Pools

<table>
<thead>
<tr>
<th>Local Agency Investment Fund: Account #1</th>
<th>2.353%</th>
<th>32,158,159</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account #2 Operating Amount</td>
<td>7,617,523</td>
<td></td>
</tr>
<tr>
<td>Account #2 CRA Bond Cash Bal</td>
<td>4,794,460</td>
<td></td>
</tr>
<tr>
<td>Local Agency Investment Fund: Account #2</td>
<td>2.353%</td>
<td>12,411,984</td>
</tr>
</tbody>
</table>

**Government Pool Sub-Total**  
44,570,143

### Operating Cash Balance

46,816,961

### Restricted Operating Funds at Riverside Public Utilities

| Highmark U.S. Government Money Market Fund | 0.860% | 1,259,956 |

### Other Investments

| Investments-US Bank/Piper Jaffray - See Page 2 | 2.839% | 23,696,343 |

**Operating Funds Total**  
71,773,260

## Fiscal Agent

<table>
<thead>
<tr>
<th>Agency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY Western Trust Company</td>
<td>539,142</td>
</tr>
<tr>
<td>US Bank</td>
<td>79,594,720</td>
</tr>
</tbody>
</table>

**Fiscal Agent Total**  
80,133,861

## Deferred Compensation

| City Employee Trust Accounts         | 3,638,971 |

**Deferred Compensation Total**  
3,638,971
## City of Banning Investment Report

### Operational Portfolio Individual Investments

#### December 31, 2008

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,705</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>13,705</td>
<td>n/a</td>
<td>13,705</td>
</tr>
<tr>
<td>2,220,854</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>2,220,854</td>
<td>n/a</td>
<td>2,220,854</td>
</tr>
<tr>
<td>3,419</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,419</td>
<td>n/a</td>
<td>3,419</td>
</tr>
<tr>
<td>3,314</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,314</td>
<td>n/a</td>
<td>3,314</td>
</tr>
<tr>
<td>3,221</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,221</td>
<td>n/a</td>
<td>3,221</td>
</tr>
</tbody>
</table>

Sub-total: 2,244,513

#### Government Pools

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>32,158,159</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>2.353%</td>
<td>daily</td>
<td>varies</td>
<td>32,158,159</td>
<td>n/a</td>
<td>32,158,159</td>
</tr>
<tr>
<td>12,411,984</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>2.353%</td>
<td>daily</td>
<td>varies</td>
<td>12,411,984</td>
<td>n/a</td>
<td>12,411,984</td>
</tr>
</tbody>
</table>

Sub-total: 44,570,143

#### Investments-US Bank/Piper Jaffray

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,000,000</td>
<td>Fedl Natl Mtg Assn</td>
<td>n/a</td>
<td>3.750%</td>
<td>6/10/2011</td>
<td>9/11/2008</td>
<td>6,000,000</td>
<td>0</td>
<td>6,071,280</td>
</tr>
<tr>
<td>6,000,000</td>
<td>Federal Farm Credit Banks</td>
<td>n/a</td>
<td>2.625%</td>
<td>3/12/2010</td>
<td>3/24/2008</td>
<td>6,000,000</td>
<td>0</td>
<td>6,018,780</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>3.100%</td>
<td>10/29/2010</td>
<td>4/29/2008</td>
<td>2,000,000</td>
<td>0</td>
<td>2,015,620</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>3.280%</td>
<td>12/9/2010</td>
<td>6/9/2008</td>
<td>2,000,000</td>
<td>0</td>
<td>2,021,880</td>
</tr>
<tr>
<td>1,500,000</td>
<td>Fedl Natl Mtg Assn</td>
<td>n/a</td>
<td>1.790%</td>
<td>6/24/2010</td>
<td>12/24/2008</td>
<td>1,500,000</td>
<td>0</td>
<td>1,500,465</td>
</tr>
<tr>
<td>3,000,000</td>
<td>Federal Farm Credit Banks</td>
<td>n/a</td>
<td>2.370%</td>
<td>12/23/2010</td>
<td>12/23/2008</td>
<td>3,000,000</td>
<td>0</td>
<td>3,005,640</td>
</tr>
<tr>
<td>3,000,000</td>
<td>Fedl Natl Mtg Assn</td>
<td>n/a</td>
<td>2.000%</td>
<td>12/30/2010</td>
<td>12/30/2008</td>
<td>3,000,000</td>
<td>0</td>
<td>3,015,540</td>
</tr>
</tbody>
</table>

Sub-total: 47,138

**US Bank/Piper Jaffray Average Rate: 2.839%**

**Average Rate All: 2.444%**

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 July 8, 2008. 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 227 days and does not include Bond Reserve Fund Investments.
<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>TRUSTEE</th>
<th>Bond Maturity Date</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Dec-08</th>
<th>12/31/2008 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY WESTERN TRUST COMPANY</td>
<td>1997 Admin Building COPs Refunding</td>
<td>2020</td>
<td>Republic Bank Investment Agreement</td>
<td>6.270%</td>
<td>11/1/2020</td>
<td>522,375</td>
<td>0.00</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Federated U.S. Treasury Money Mkt</td>
<td>0.010%</td>
<td>daily</td>
<td></td>
<td>0.00</td>
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<tr>
<td>US BANK</td>
<td>1991 Wilson St. Assessment District</td>
<td>2012</td>
<td>AIM U.S. Treasury Money Market</td>
<td>0.370%</td>
<td>daily</td>
<td>265,580</td>
<td>111.45</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2005 Fair Oaks Ranch Estates</td>
<td>2035</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>190,323</td>
<td>2.34</td>
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<td></td>
<td>2003 CRA Tax Allocation Bonds</td>
<td>2028</td>
<td>Forward Delivery Agreement - B of A</td>
<td>4.330%</td>
<td>daily</td>
<td>971,763</td>
<td>16,075.38</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>First Amer Treas Oblig Fd CL D</td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>0.02</td>
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<tr>
<td>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</td>
<td>Redevelop Fund</td>
<td>2037</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>9.21</td>
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</tr>
<tr>
<td></td>
<td>Reserve Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
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<td></td>
<td>23.66</td>
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<td></td>
<td>Capital Interest Fund</td>
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<td>First Amer Treas Oblig Fd CL D</td>
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<td></td>
<td></td>
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<tr>
<td>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</td>
<td>Bond Fund</td>
<td>12/1/2008</td>
<td>Transamerica Occidental Life Ins Co</td>
<td>4.240%</td>
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<td>26,368.22</td>
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<tr>
<td></td>
<td>Principal Account</td>
<td></td>
<td>C/O Aegon Institutional Markets Inc</td>
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<td></td>
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<tr>
<td></td>
<td>Project Fund</td>
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<td>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</td>
<td>Bond Fund</td>
<td>5/7/2009</td>
<td>Federal Home Loan Banks</td>
<td>2.740%</td>
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<td>First Amer Treas Oblig Fd CL D</td>
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<td>daily</td>
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</tr>
<tr>
<td></td>
<td>Reserve Fund</td>
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<td>First Amer Treas Oblig Fd CL D</td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>28.39</td>
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</tr>
<tr>
<td></td>
<td>Project Fund</td>
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<td>2.740%</td>
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<td></td>
<td>19.13</td>
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<td></td>
<td>Project Fund</td>
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<td>Transamerica Occidental Life Ins Co</td>
<td>4.536%</td>
<td>daily</td>
<td></td>
<td>150,777.76</td>
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<td></td>
<td></td>
<td></td>
<td>Investment Agreement #MN01748N</td>
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City of Banning Investment Report

December 31, 2008

BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES

<table>
<thead>
<tr>
<th>Fund</th>
<th>Investment</th>
<th>Interest Rate</th>
<th>Maturity</th>
<th>Value</th>
<th>Balance</th>
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</thead>
<tbody>
<tr>
<td>Reserve Fund</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.530%</td>
<td>Daily</td>
<td>585.60</td>
<td>834</td>
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<tr>
<td>11/17/2011</td>
<td>Reliance Trust Company GIC # 9AMGGBEZ7</td>
<td>3.650%</td>
<td>0.00</td>
<td>3,018,108</td>
<td>3,018,108</td>
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<tr>
<td>Acquisition &amp; Construction</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.530%</td>
<td>Daily</td>
<td>12,758.49</td>
<td>12,758</td>
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<tr>
<td>11/27/2009</td>
<td>Reliance Tr Co Contract # 9AMGGBF29</td>
<td>2.950%</td>
<td></td>
<td>8,036,457</td>
<td>8,036,457</td>
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<tr>
<td>2/19/2009</td>
<td>Reliance Trust Company GIC #9AMFFBEN4</td>
<td>1.800%</td>
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<td>3,450,000</td>
<td>3,450,000</td>
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<tr>
<td>5/21/2009</td>
<td>Reliance Trust Company GIC #9AMGGBEX2</td>
<td>2.400%</td>
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<td>3,250,000</td>
<td>3,250,000</td>
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<tr>
<td>11/19/2009</td>
<td>Reliance Trust Company GIC #9AMGGBEY0</td>
<td>2.950%</td>
<td></td>
<td>8,000,000</td>
<td>8,000,000</td>
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</tbody>
</table>

*Paid Semi-Annually-Deposited into Money Mkt Account

Total: 208,359.58  80,133,861

Deferred Compensation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ICMA Retirement Corporation</td>
<td>846,379</td>
<td>varies</td>
<td>(11,253)</td>
<td>(129,665)</td>
<td>727,421</td>
</tr>
<tr>
<td>CALPERS 457 Program</td>
<td>2,249,699</td>
<td>varies</td>
<td>(28,585)</td>
<td>(251,970)</td>
<td>2,110,525</td>
</tr>
<tr>
<td>NATION WIDE-PEBSCO</td>
<td>877,374</td>
<td>varies</td>
<td>(18,874)</td>
<td>(61,014)</td>
<td>801,025</td>
</tr>
<tr>
<td>Total</td>
<td>3,973,451</td>
<td></td>
<td></td>
<td></td>
<td>3,638,971</td>
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</table>
# Summary Schedule of Cash and Investments

## Operating Funds

### Petty Cash

<table>
<thead>
<tr>
<th>Interest</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2,305</td>
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</table>

### Bank Accounts

<table>
<thead>
<tr>
<th>Bank Accounts</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Bank</td>
<td>0.000%</td>
<td>127,334</td>
</tr>
<tr>
<td>Wells Fargo Bank-Investment Account</td>
<td>0.100%</td>
<td>1,559,955</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
<td>3,329</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
<td>3,155</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
<td>3,410</td>
</tr>
</tbody>
</table>

### Money Market and Bank Account Sub-Total

| Amount | 1,697,183 |

### Government Pools

<table>
<thead>
<tr>
<th>Local Agency Investment Fund: Account #1</th>
<th>Account #2 Operating Amount</th>
<th>Account #2 CRA Bond Cash Bal</th>
<th>Local Agency Investment Fund: Account #2</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.046%</td>
<td>10,447,784</td>
<td>4,703,603</td>
<td>2.046%</td>
<td>15,151,387</td>
</tr>
</tbody>
</table>

### Government Pool Sub-Total

| Amount | 46,014,907 |

### Operating Cash Balance

| Amount | 47,714,395 |

## Restricted Operating Funds at Riverside Public Utilities

- Highmark U.S. Government Money Market Fund | 0.110% | Amount | 1,416,736 |

## Other Investments

- Investments-US Bank/Piper Jaffray - See Page 2 | 2.839% | Amount | 23,677,128 |

### Operating Funds Total

| Amount | 72,808,259 |

## Fiscal Agent

<table>
<thead>
<tr>
<th>Fiscal Agent</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY Western Trust Company</td>
<td>539,162</td>
</tr>
<tr>
<td>US Bank</td>
<td>67,132,382</td>
</tr>
</tbody>
</table>

### Fiscal Agent Total

| Amount | 67,671,543 |

## Deferred Compensation

<table>
<thead>
<tr>
<th>Deferred Compensation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Employee Trust Accounts</td>
<td>3,553,263</td>
</tr>
</tbody>
</table>

### Deferred Compensation Total

| Amount | 3,553,263 |
City of Banning Investment Report
Operational Portfolio Individual Investments

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>127,334</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>127,334</td>
<td>n/a</td>
<td>127,334</td>
</tr>
<tr>
<td>1,559,955</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>1,559,955</td>
<td>n/a</td>
<td>1,559,955</td>
</tr>
<tr>
<td>3,329</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,329</td>
<td>n/a</td>
<td>3,329</td>
</tr>
<tr>
<td>3,155</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,155</td>
<td>n/a</td>
<td>3,155</td>
</tr>
<tr>
<td>3,410</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,410</td>
<td>n/a</td>
<td>3,410</td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,697,183</td>
</tr>
</tbody>
</table>

Government Pools

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>30,863,519</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>2.046%</td>
<td>daily</td>
<td>varies</td>
<td>30,863,519</td>
<td>n/a</td>
<td>30,863,519</td>
</tr>
<tr>
<td>15,151,387</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>2.046%</td>
<td>daily</td>
<td>varies</td>
<td>15,151,387</td>
<td>n/a</td>
<td>15,151,387</td>
</tr>
<tr>
<td></td>
<td>Sub-total</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>46,014,907</td>
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</table>

Investments-US Bank/Piper Jaffray

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,000,000</td>
<td>Fedl Natl Mtg Assn</td>
<td>n/a</td>
<td>3.750%</td>
<td>6/10/2011</td>
<td>9/11/2008</td>
<td>6,000,000</td>
<td>0</td>
<td>6,071,280</td>
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<tr>
<td>6,000,000</td>
<td>Federal Farm Credit Banks</td>
<td>n/a</td>
<td>2.625%</td>
<td>3/12/2010</td>
<td>3/24/2008</td>
<td>6,000,000</td>
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<td>6,018,780</td>
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<tr>
<td>2,000,000</td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>3.100%</td>
<td>10/29/2010</td>
<td>4/29/2008</td>
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<td>2,015,620</td>
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<tr>
<td>2,000,000</td>
<td>Fedl Home Loan Bank</td>
<td>n/a</td>
<td>3.280%</td>
<td>12/9/2010</td>
<td>6/9/2008</td>
<td>2,000,000</td>
<td>0</td>
<td>2,021,880</td>
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<tr>
<td>1,500,000</td>
<td>Fedl Natl Mtg Assn</td>
<td>n/a</td>
<td>1.790%</td>
<td>6/24/2010</td>
<td>12/24/2008</td>
<td>1,500,000</td>
<td>0</td>
<td>1,496,250</td>
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<tr>
<td>3,000,000</td>
<td>Federal Farm Credit Banks</td>
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<td>2.370%</td>
<td>12/23/2010</td>
<td>12/23/2008</td>
<td>3,000,000</td>
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<tr>
<td>3,000,000</td>
<td>Fedl Natl Mtg Assn</td>
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<td>12/30/2008</td>
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<td>3,004,290</td>
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<tr>
<td></td>
<td>47,138 Money Market</td>
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<td>varies</td>
<td>47,138</td>
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<td>47,138</td>
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</table>

US Bank/Piper Jaffray Average Rate= 2.839%

Average Rate All= 2.262%

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 July 8, 2008. 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 214 days and does not include Bond Reserve Fund Investments.
## Individual Investments with Fiscal Agent

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Date</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Bond Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Jan-09</th>
<th>1/31/2009</th>
<th>Market Value</th>
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<tr>
<td><strong>BNY WESTERN TRUST COMPANY</strong></td>
<td></td>
<td><strong>1997 Admin Building COPs Refunding</strong></td>
<td>2020</td>
<td>Republic Bank Investment Agreement</td>
<td>6.270%</td>
<td>11/1/2020</td>
<td>522,375</td>
<td>0.00</td>
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<td></td>
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<td>Federated U.S. Treasury Money Mkt</td>
<td>0.100%</td>
<td>daily</td>
<td>0.05</td>
<td>16,600</td>
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<td><strong>US BANK</strong></td>
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<td><strong>1991 Wilson St. Assessment District</strong></td>
<td>2012</td>
<td>AIM U.S. Treasury Money Market</td>
<td>2.400%</td>
<td>daily</td>
<td>265,580</td>
<td>84.67</td>
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<td></td>
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<td>First Amer Treas Oblig Fd CL D</td>
<td>0.200%</td>
<td>daily</td>
<td>0.00</td>
<td>98</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>2005 Fair Oaks Ranch Estates</td>
<td>2035</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>190,323</td>
<td>0.64</td>
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<td></td>
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<td>2003 CRA Tax Allocation Bonds</td>
<td>2028</td>
<td>Forward Delivery Agreement - B of A</td>
<td>4.330%</td>
<td>daily</td>
<td>971,763</td>
<td>5,062.86 *</td>
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<tr>
<td></td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>0.00</td>
<td>270,453</td>
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<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>
<td></td>
<td></td>
</tr>
<tr>
<td>Redevelop Fund</td>
<td>2037</td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>2.50</td>
<td>16,586,681</td>
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<td>Reserve Fund</td>
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<td>First Amer Treas Oblig Fd CL D</td>
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<td>daily</td>
<td>6.43</td>
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<tr>
<td>Special Fund</td>
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<td>daily</td>
<td>0.00</td>
<td>569,289</td>
<td></td>
<td></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>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.050%</td>
<td>daily</td>
<td>0.00</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>0.00</td>
<td>109</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Fund</td>
<td>12/1/2008</td>
<td>Transamerica Occidental Life Ins Co &amp; O Aegon Institutional Markets Inc</td>
<td>4.240%</td>
<td>Investment Agreement #MN01749N</td>
<td>12.42</td>
<td>3,724,940</td>
<td></td>
<td></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>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>0.04</td>
<td>616</td>
<td></td>
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</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>0.00</td>
<td>321,609</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>0.300%</td>
<td>daily</td>
<td>7.71</td>
<td>2,323,931</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Fund</td>
<td>5/7/2009</td>
<td>Federal Home Loan Banks</td>
<td>2.780%</td>
<td>daily</td>
<td>72.09</td>
<td>7,995,994</td>
<td></td>
<td>6,191,141</td>
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*Note: Interest rates and market values are as of January 31, 2009.*
City of Banning Investment Report

January 31, 2009

<table>
<thead>
<tr>
<th>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</th>
<th>Reserve Fund</th>
<th>Acquisition &amp; Construction</th>
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<tr>
<td></td>
<td>First Amer Treas Oblig Fd CL D</td>
<td>First Amer Treas Oblig Fd CL D</td>
</tr>
<tr>
<td></td>
<td>0.290% daily</td>
<td>0.290% daily</td>
</tr>
<tr>
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<td>0.48</td>
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<td>835</td>
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<td></td>
<td>11/17/2011</td>
<td>Reliance Trust Company GIC # 9AMGGBEZ7</td>
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<td>3.650% daily</td>
<td>0.00</td>
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<td></td>
<td>3,016,509</td>
<td>3,016,509</td>
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<td></td>
<td>11/27/2009</td>
<td>Reliance Tr Co Contract # 9AMGGBF29</td>
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<td></td>
<td>2.950% daily</td>
<td>7.25</td>
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<td>8,036,457</td>
<td>12,766</td>
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<td></td>
<td>2/19/2009</td>
<td>Reliance Trust Company GIC #9AMFFBEW4</td>
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<td></td>
<td>1.800%</td>
<td></td>
</tr>
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<td></td>
<td>3,450,000</td>
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<tr>
<td></td>
<td>5/21/2009</td>
<td>Reliance Trust Company GIC #9AMGGGBEX2</td>
</tr>
<tr>
<td></td>
<td>2.400%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,250,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/19/2009</td>
<td>Reliance Trust Company GIC #9AMGGBEY0</td>
</tr>
<tr>
<td></td>
<td>2.950%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,000,000</td>
<td></td>
</tr>
</tbody>
</table>

*Paid Semi-Annually-Deposited into Money Mkt Account

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th></th>
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<tr>
<td></td>
<td>5,258.01</td>
<td>67,671,543</td>
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Deferred Compensation

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<th>Balance</th>
<th>1/31/2009</th>
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<tr>
<td>ICMA Retirement Corporation</td>
<td>724,421</td>
</tr>
<tr>
<td>CALPERS 457 Program</td>
<td>2,110,524</td>
</tr>
<tr>
<td>NATION WIDE-PEBSCO</td>
<td>801,025</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>3,535,970</strong></td>
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ORDINANCE NO. 1404

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING ZONE TEXT AMENDMENT No. 08-97508, TO AMEND SECTIONS OF THE ZONING ORDINANCE RELATING TO LOT COVERAGE IN THE VLDR ZONE AND EXPANSION OF NON-CONFORMING USES IN THE COMMERCIAL AND INDUSTRIAL ZONES.

WHEREAS, the Municipal Code allows for Zone Text Amendments consistent with the goals and policies of the General Plan; and

WHEREAS, on the January 6, 2009, the Planning Commission held a noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to, the Zone Text Amendments and at which time the Planning Commission considered the Zone Text Amendments; and

WHEREAS, at this public hearing on January 6, 2009, the Planning Commission approved Resolution No. 2009-02 recommending approval of Zone Text Amendment No. 08-97508 to the City Council; and

WHEREAS, on February 13, 2009, the City gave public notice as required under Zoning Code Section 17.68.020 by advertising in the Record Gazette newspaper of the holding of a public hearing at which the project would be considered; and

WHEREAS, on February 24, 2009, the City Council held the noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to, the Zone Text Amendment No. 08-97508; and

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

NOW THEREFORE BE IT HEREBY ORDAINED, that the City Council of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1. ENVIRONMENTAL FINDINGS.

The City Council, in light of the whole record before it, including but not limited to, the City’s Local CEQA Guidelines, the recommendation of the Interim Community Development Director as provided in the Staff Report dated February 24, 2009 and documents incorporated therein by reference, and any other evidence (within the meaning of Public Resources Code § 21080(e) and §21082.2) within the record or provided at the public hearing of this matter, hereby finds and determines as follows:
CEQA: The City has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where, as here, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA. The amendments to the municipal code do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this ordinance will trigger individual analysis and documentation related to CEQA. Therefore, it can be seen with certainty that there is no possibility that this ordinance may have a significant adverse effect on the environment, and therefore the adoption of this ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

SECTION 2: ZTA NO. 08-97508 REQUIRED FINDINGS.

Finding No. 1:
The proposed Zone Text Amendments are consistent with the goals and policies of the General Plan.

Facts:
The Zone Text Amendments are consistent with the goals and policies of the General Plan, insofar as the General Plan designations and Zoning designations will not change, and the proposed Zone Text Amendments further the goals and policies of the General Plan, in so far as the General Plan designations and Zoning designations will not change as a result of the proposed Zone Text Amendments. The proposed amendment for lot coverage will result in furthering Policy 6 of the Land Use Element that states: "The Zoning Ordinance shall include principles, standards and guidelines which allow for creative and flexible design of residential projects...." This amendment will modify the residential building coverage requirements to provide for a greater range of permitted coverage levels tailored to lot sizes to allow greater flexibility within the Very Low Density Residential zone (VLDR).

Furthermore, the proposed amendment to permit non-conforming uses in the Commercial and Industrial zones to expand up to 50% subject to a Conditional Use Permit is consistent with General Plan Economic Development Policy #2 Which states: "The City shall take a proactive role in the retention of existing businesses, particularly those that generate and broaden employment opportunities, increase discretionary incomes and contribute to City General Fund revenues". In a tough economic climate, the existing businesses that are successful enough to expand may do so subject to a Conditional Use Permit, rather than having to relocate in order to expand.

Finding No. 2:
The proposed Amendment is internally consistent with the Zoning Ordinance.

Facts:
The Zone Text Amendments are internally consistent with the provisions of the Zoning Ordinance in that the proposed amendments will only modify and update development standards
for specific provisions in the Zoning Ordinance that relate to maximum residential building
coverage and expansion of non-conforming uses in the Commercial and Industrial zones, and
will not affect, or require changes to, any other provisions of the Zoning Ordinance.

Finding No. 3:
That the City Council has independently reviewed and considered the requirements of the
California Environmental Quality Act.

Facts:
The City has analyzed this proposed project and has determined that it is exempt from the
California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA
Guidelines which provides that CEQA only applies to projects that have the potential for causing
a significant effect on the environment. Where, as here, it can be seen with certainty that there is
no possibility that the activity in question may have a significant effect on the environment; the
activity is not subject to CEQA. The amendments to the Municipal Code do not relate to any
one physical project and will not result in any physical change to the environment. Further,
projects subject to this ordinance will trigger individual analysis and documentation related to
CEQA. Therefore, it can be seen with certainty that there is no possibility that this ordinance may
have a significant adverse effect on the environment, and therefore the adoption of this ordinance is
exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.
**SECTION 3:** Section 11.08.030 of the Banning Zoning Ordinance is hereby amended by modifying Table 17.08.030 (Residential Development Standards), as follows:

<table>
<thead>
<tr>
<th>Table 17.08.030</th>
<th>R/A</th>
<th>R/AH</th>
<th>RR</th>
<th>RR/ H</th>
<th>VLDR</th>
<th>LDR</th>
<th>MD R</th>
<th>HDR</th>
<th>MHP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max. Density (Units/Ac.)</td>
<td>1/10 Ac.</td>
<td>1/10 Ac.</td>
<td>0-1</td>
<td>0-1</td>
<td>0-2</td>
<td>0-5</td>
<td>0-10</td>
<td>11-18</td>
<td>9-18</td>
</tr>
<tr>
<td>Min. Lot Size (Ac. or s.f.)</td>
<td>10 Ac.</td>
<td>10 Ac.</td>
<td>40,000 s.f.</td>
<td>40,000 s.f.</td>
<td>20,000 s.f.</td>
<td>7,000 or suffix 5</td>
<td>5,000</td>
<td>7,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Min. Lot Size (Ac.) Multi-Family Units</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>2 Ac.</td>
<td>2 Ac.</td>
<td>2 Ac.</td>
</tr>
<tr>
<td>Min. Lot Width (Feet)</td>
<td>600</td>
<td>600</td>
<td>150</td>
<td>150</td>
<td>100</td>
<td>70</td>
<td>50</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Min. Lot Depth (Feet)</td>
<td>600</td>
<td>600</td>
<td>150</td>
<td>150</td>
<td>100</td>
<td>90</td>
<td>75</td>
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<tr>
<td>Min. Front Setback (Feet)</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>35</td>
<td>20</td>
<td>15</td>
<td>10</td>
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<td>Min. Rear Setback (Feet)</td>
<td>50</td>
<td>50</td>
<td>35</td>
<td>35</td>
<td>35</td>
<td>15</td>
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<tr>
<td>Min. Side Yard Setback (Feet)</td>
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<td>25</td>
<td>25</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Min. Street Side (Feet)</td>
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<td>20</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Max. Bldg. Coverage (%) 5</td>
<td>10</td>
<td>10</td>
<td>15</td>
<td>15</td>
<td>25</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>50</td>
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<tr>
<td>Min. Private Outdoor Space (s.f.)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>200</td>
<td>200</td>
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</tr>
<tr>
<td>Min. Common Outdoor Space (s.f.) 6</td>
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<td>N/A</td>
<td>N/A</td>
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<td>N/A</td>
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<td>Maximum Fence/Wall Height (ft)</td>
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<td>6</td>
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<td>Floor Area Ratio (FAR)</td>
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<td>.15</td>
<td>.15</td>
<td>.25</td>
<td>.35</td>
<td>.40</td>
<td>.40</td>
<td>.50</td>
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<tr>
<td>a. One-story home</td>
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<td>.30</td>
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<td>.40</td>
<td>.60</td>
<td>.70</td>
<td>.70</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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1 These standards can be superseded by standards in a Specific Plan, or by the standards provided for Planned Unit Development, under Section 9102.03.2.M.
2 The provisions for hillside development and density transfers shall apply.
3 A single family home can be built on an existing legal lot in the R/A, R/A-H, RR, RR/H, VLDR, LDR or MDR zones, providing all single family residential development standards for that zone are met.
4 Minimum lot size net of public right of way dedication.
5 In the LDR Zone, if no suffix is shown on the map. If a suffix is shown on the map, that suffix indicates the minimum lot size.
6 A minimum of 30% of the net site area must be provided in common outdoor space. See multi-family development standards, Section 9102.03.2.J.
7 Maximum height only permitted if Fire Department provides written verification that they can serve.
8 Up to 240 square feet of third-car garage space is exempted from lot coverage and FAR for lots over 9,500 square feet.
9 Golf cart garages are exempted from the building coverage requirements in areas that are adjacent to a golf cart path.

Ord. No. 1404
SECTION 4. Section 17.88.030 (Nonconforming Uses) of the Banning Zoning Ordinance is hereby amended by adding the following subsection to read as follows:

(F) A non-conforming use located in a commercial or industrial zone may be expanded up to but not exceeding 50% of the existing floor area provided the expansion conforms to all other requirements of the zone and subject to the approval of a Conditional Use Permit by the Planning Commission.

SECTION 5. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 6. Effective Date. This Ordinance shall take effect thirty (30) days after its second reading in accordance with California law.

PASSED, APPROVED, AND ADOPTED this 10th day of March, 2009.

Robert E. Botts, Mayor
City of Banning

APPROVED AS TO FORM AND LEGAL CONTENT:

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

ATTEST:

Marie A. Calderon, City Clerk
CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1404 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 24th day of February, 2009, and was duly adopted at a regular meeting of said City Council on the 10th day of March, 2009, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Marie A. Calderon, City Clerk
City of Banning, California
ORDINANCE NO. 1405

A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING ZONE TEXT AMENDMENT NO. 08-97502 TO AMEND SECTION 17.28.030 OF THE ZONING ORDINANCE RELATING TO THE PARKING OF RECREATIONAL VEHICLES, TRAILERS, BOATS, CAMPERS AND LIKE VEHICLES.

WHEREAS, the City undertook a comprehensive General Plan and Zoning Ordinance update in 2006; and

WHEREAS, the Municipal Code allows for Zone Text Amendments consistent with the goals and policies of the General Plan; and

WHEREAS, on the 26th day of December 2008, the City gave public notice as required under Zoning Ordinance Chapter 17.68 by advertising in the Record Gazette newspaper of the holding of a public hearing at which the project would be considered; and

WHEREAS, on the 6th day of January 2009, the Planning Commission held the noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to, Zone Text Amendment No. 08-97502 and at which time the Planning Commission considered the Zone Text Amendment; and

WHEREAS, the Planning Commission analyzed this proposed Zone Text Amendment No. 08-97502, which is considered a project under the California Environmental Quality Act (CEQA) guidelines, has determined that Zone Text Amendment No. 08-97502 is Exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, and recommended City Council adoption of the aforementioned Exemption; and

WHEREAS, on February 13, 2009, the City published a public hearing notice for Zone Text Amendment No. 08-97502 in the Record Gazette newspaper in compliance with state law and Section 17.68 of the Banning Zoning Ordinance; and

WHEREAS, on February 24, 2009, the City Council held a noticed public hearing at which time interested persons had an opportunity to testify in support of, or opposition to Zone Text Amendment No. 08-97502; and

WHEREAS, at said public hearing on February 24, 2009, the City Council considered and heard public testimony and comments regarding Zone Text Amendment No. 08-97502; and

WHEREAS, the City Council has carefully considered all pertinent documents and the staff report offered in this case as presented at the public hearing held on February 24, 2009.
NOW THEREFORE, BE IT HEREBY ORDAINED by the City Council of the City of Banning as follows:

SECTION 1. ENVIRONMENTAL FINDINGS

The City Council, in light of the whole record before it, including but not limited to, the City’s Local CEQA Guidelines, the recommendation of the Development Services Manager as provided in the Staff Report dated February 24, 2009, and documents incorporated therein by reference, and any other evidence (within the meaning of Public Resources Code § 21080(e) and §21082.2) within the record or provided at the public hearing of this matter, hereby finds and determines as follows:

CEQA: Zone Text Amendment No. 08-97502 is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. It is the City Council’s independent judgment that in approving this Ordinance there is no possibility that this action will result in any physical changes to the environment, and thus, will not have a significant effect. Further, the proposed text amendment is a legislative change to the Zoning Ordinance text and does not relate to a specific project proposal. Therefore, adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

SECTION 2: ZTA NO. 08-97502 REQUIRED FINDINGS

Finding No. 1:
The proposed amendments are consistent with the goals and policies of the General Plan.

Facts:
Zone Text Amendment No. 08-97502 will result in furthering Goal 2 of the Land Use Element that states: "The Zoning Ordinance shall include principles, standards and guidelines which maintain and preserve the housing element. This amendment will establish minimum requirements for the parking and storage of motor home, boats, trailers, campers and similar recreational vehicles on residentially zoned properties throughout the City. These minimum requirements are designed to reduce the likelihood of blight from abandoned or improperly maintained vehicles in residential neighborhoods while allowing for the storage of one’s properly maintained recreational vehicles at one’s home. This Amendment will also allow for the storage of vehicles whose primary use is agriculturally related on appropriately zoned residential properties."
Policy 2:
Continue to utilize the City’s code enforcement program to bring substandard units into compliance with City codes and to improve overall housing conditions in Banning.

Facts:
Quite often abandoned or improperly maintained vehicle issues accompany substandard housing issues. The City’s zoning code provides principles, standards and guidelines for dealing with substandard units but does not provide the same for abandoned or neglected recreational vehicles.

Policy 4:
Promote increased awareness among property owners and residents of the importance of property maintenance to long term housing quality.

Facts:
Zone Text Amendment No. 08-97502 will provide for interaction between the City’s code enforcement staff and citizens which will provide the opportunity to explain the importance of property maintenance and the negative affect derelict vehicles have on long term housing quality.

Finding No. 2:
The proposed Amendment is internally consistent with the Zoning Ordinance.

Facts:
Zone Text Amendment No. 08-97502 is internally consistent with the provisions of the Zoning Ordinance in that the proposed amendment will only modify and update development standards for specific provisions in the Zoning Ordinance that relate to the parking and storage of recreational and similar type vehicles on residentially zoned properties and will not affect, or require changes to, any other provisions of the Zoning Ordinance.

Finding No. 3:
That the Planning Commission and City Council have independently reviewed and considered the requirements of the California Environmental Quality Act.

Facts:
The City Council, upon recommendation from the Planning Commission, has analyzed Zone Text Amendment No. 08-97502 and determined that the project is exempt from the California Environmental Quality Act (“CEQA”) under Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. It is the City Council’s independent judgment that in approving Zone Text Amendment No. 08-97502 that there is no possibility that the activity in question will have a significant effect on the environment; thus, the activity is not subject to CEQA.
SECTION 3. Title 17 of the Banning Municipal Code (Zoning Ordinance), Section 1728.030 is hereby amended by deleting existing subparagraphs G., H., and I.; and by adding new subparagraphs G., H., and I., to read as follows:

G. All parking shall occur on paved surfaces of asphalt, concrete or similar materials, and non-conforming properties shall be made conforming when new permitted improvements are constructed on the property.

H. Recreational vehicles, trailers, boats, campers and like vehicles, except vehicles utilized for agricultural purposes, that are required to be licensed but that are not currently registered with the DMV shall not be parked or stored on any property other than in a completely enclosed building.

I. Currently licensed recreational vehicles that are parked on property that is residually zoned or is in current use as a residential property and are parked on such property in a location that is visible from the public right-of-way or any adjacent property shall meet the following requirements:

1. Be demonstrably operational.

2. Be visibly maintained in good condition. Maintained in good condition includes, but is not limited to, the vehicle shall not be under major or commercial repair, there shall be no parts of the vehicle stored in view of the public right-of-way or any adjacent property, visible surfaces of the vehicle shall not be rusted or have peeling paint, broken windows, tires shall not be flat, any covering shall not be torn and shall be properly attached.

3. Parked on an all-weather surface. For the purpose of this section “all-weather surface” is defined as a parking surface made of a material that is impervious to water and, as installed, has sufficient strength to support the weight of the vehicle. Such surface shall be of a size at least equivalent to the footprint of the vehicle parked thereon and shall, at all times, be maintained in such a condition that it does not lose its strength or imperviousness to water.

4. There shall be no more than two recreational vehicles parked on any parcel of ¼ acre or less in area. There shall be no more than four recreational vehicles parked on any parcel greater than ¼ acre in area.

5. When a recreational vehicle is parked on a property other than a trailer park or authorized storage facility, water and power shall not be provided to the vehicle from any structure except as necessary for the maintenance of the vehicle and not for a period not to exceed 24 hours in a three day period. Such recreational vehicles shall not be used for residential purposes.
6. No recreational vehicles shall be parked on residentially zoned property if parked closer than ten (10) feet to any curb or edge of pavement that constitutes or parallels the front property line of the parcel upon which it is parked. A recreational vehicle shall not be parked in a side yard in such a manner so as to substantially eliminate access to the rear yard.

7. No recreational vehicle shall be parked upon any residentially zoned property for compensation except as otherwise provided by this Code.

8. No recreational vehicle may be parked or stored on any public street or right-of-way for a period of time exceeding 72 consecutive hours in violation of Section 10.12.045 of this code. No utilities may be connected to such temporarily parked recreational vehicle.

SECTION 4. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. Effective Date. This Ordinance shall take effect thirty (30) days after its second reading in accordance with California law.

PASSED, APPROVED AND ADOPTED this 10th day of March, 2009.

Robert E. Botts, Mayor
City of Banning

APPROVED AS TO FORM AND LEGAL CONTENT:

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

ATTEST:

Marie A. Calderon, City Clerk

Ord. No. 1405
CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1405 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 24th day of February, 2009, and was duly adopted at a regular meeting of said City Council on the 10th day of March, 2009, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Date: March 10, 2009
TO: City Council
FROM: George Thacker, Assistant Water/Wastewater Director
SUBJECT: Amend the Existing Contract with E. S. Babcock for Laboratory Services

RECOMMENDATION: Amend the existing Contract with E.S. Babcock for Laboratory Services in the amount of $35,405.00.

JUSTIFICATION: Every three years, the State Public Health Department requires additional sampling of the City of Banning’s 22 water wells and these sampling costs exceeded the existing contract amount of $25,000.00 for Fiscal Year 08-09 with E.S. Babcock Laboratory Services.

BACKGROUND: The City is the Urban Water Supplier and provider of Wastewater Treatment for the service area in the City of Banning. Presently, the City has a contract with E.S. Babcock for laboratory testing of the City’s water system which did not include the required every three year testing results to be used in the City’s Consumer Confidence Report (CCR) for 2009.

There is numerous variety of water sampling the State Public Health Department requires the Public Utilities Department to take throughout the fiscal year. This past 08-09 fiscal year requires additional sampling costs in the amount of $35,405.00 involving the City’s 22 Water Wells for the 2009 CCR.

FISCAL DATA: Funding of this amendment in the amount of $35,405.00 is available within the FY 08-09 Water Operations Budget Account No. 660-6300-471-2332.

RECOMMENDED BY:  
James D. Earhart  
Director of Public Utilities

REVIEWED BY:  
Bonnie J. Johnson  
Finance Director

APPROVED BY:  
Brian Nakamura  
City Manager
FIRST AMENDMENT
TO
ANNUAL SERVICES AGREEMENT
BETWEEN THE CITY OF BANNING
AND
E. S. BABCOCK & SONS, INC.

ARTICLE 1. PARTIES AND DATE

This First Amendment to the Annual Services Agreement ("Amendment") dated as of the 10th day of March, 2009 is entered into by and between the City of Banning ("City") and E. S. Babcock, a California Corporation.

ARTICLE 2. RECITALS

2.1 City and E.S. Babcock, & Sons, Inc. entered into that certain Agreement for Services dated 24th day of July, 2008 ("Agreement"), whereby E.S. Babcock, & Sons, Inc. agreed to provide Lab testing of water samples.

2.2 City and E.S. Babcock, & Sons, Inc. now desire to amend the Agreement to include additional compensation of $35,405.00 to the original Contract Amount.

ARTICLE 3. TERMS

3.1 Contract Amount $62,905.00.

3.2 Continuing Effect of Agreement. Except as amended by this First Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after
the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

3.3 Affirmation of Agreement; Warranty Re Absence of Defaults. City and E.S. Babcock, & Sons, Inc. each ratify and reaffirm each and every one of their respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement. Each party represents and warrants to the other that the Agreement is currently an effective, valid and binding obligation.

E.S. Babcock, & Sons, Inc. Represents and warrants to City that, as of the date of this First Amendment, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to E.S. Babcock, & Sons, Inc. that, as of the date of this First Amendment, E.S. Babcock, & Sons, Inc. is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

3.4 Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this FIRST Amendment.

3.5 Counterparts. This FIRST Amendment may be executed in triplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

Signatures on Next Page
CITY OF BANNING

By: ______________________
    Brian Nakamura
    City Manager

Date: ______________________

E.S. Babcock, & Sons, Inc.

Signature: ______________________

Name: ______________________

Title: ______________________

Date: ______________________

2nd Signature Required if a Corporation:

Name: ______________________

Title: ______________________

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

______________________________
City Attorney
Exhibit “A”

Compensation

E.S. Babcock, & Sons, Inc. agrees to provide Lab testing for water samples for the City of Banning during Fiscal Year 08-09 for an additional amount of not-to-exceed $35,405.00.
DATE: March 10, 2009

TO: Honorable Mayor and Members of the City Council

FROM: Matthew Bassi, Interim Community Development Director

SUBJECT: Resolution No. 2009-18:
A Resolution Amending the Transportation Uniform Mitigation Fees (TUMF) Applicable to all Development Projects in the City of Banning in Accordance with the Western Riverside Council of Governments (WRCOG) Policy.

RECOMMENDATION:

Staff recommends the City Council adopt Resolution No. 2009-18 to amend the Transportation Uniform Mitigation Fees applicable to all development projects in the City of Banning.

JUSTIFICATION:

It is essential to adopt this resolution in order to comply with the updated Transportation Uniform Mitigation Fee (TUMF) policy recently implemented by the Western Riverside Council of Governments (WRCOG).

BACKGROUND:

The City Council adopted Ordinance No. 1291 during its regular meeting on March 25, 2003, authorizing participation in the TUMF program and agreeing to levy and collect the TUMF fees from new development within the City. On January 11, 2005 the City Council amended Ordinance No. 1291 by adopting Ordinance No. 1322, which increased the fees in order to keep pace with increased road construction costs.

On February 6, 2006, WRCOG’s Executive Committee approved a series of recommendations revising the TUMF program consistent with the two-year review process. The proposed Resolution is necessary to revise the program to offset the traffic volumes that will exceed the capacity of the Regional Transportation System. Therefore, the Resolution includes revisions to the Regional Transportation System program as well as cost refinements necessary to maintain the value of the TUMF dollar. Additional revisions include:

- Exempt private, non-profit schools (9K-12);
- Reduce fees to reflect decreases in construction as a result of the current economic climate; and
- Future program reviews will be consistent with the Southern California Association of Governments regional forecast model.
The proposed resolution will modify fees as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>Current TUMF Fees:</th>
<th>Proposed TUMF Fees:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential</td>
<td>$10,046/unit</td>
<td>$9,812/unit</td>
</tr>
<tr>
<td>Multi Family Residential</td>
<td>$7,054/unit</td>
<td>$6,890/unit</td>
</tr>
<tr>
<td>Industrial</td>
<td>$2.09/ sq. ft.</td>
<td>$1.84/ sq. ft.</td>
</tr>
<tr>
<td>Retail</td>
<td>$11.46/ sq. ft.</td>
<td>$9.99/ sq. ft.</td>
</tr>
<tr>
<td>Service</td>
<td>$6.14/ sq. ft.</td>
<td>$5.71/ sq. ft.</td>
</tr>
<tr>
<td>Class A &amp; B Office</td>
<td>$2.19/ sq. ft.</td>
<td>$2.19/ sq. ft.</td>
</tr>
</tbody>
</table>

**FISCAL DATA:**

If approved, the new fees will be effective immediately.

**RECOMMENDED BY:**

Matthew Bassi  
Interim Community Development Director

**REVIEWED BY:**

Bonnie Johnson  
Finance Director

**APPROVED BY:**

Brian Nakamura  
City Manager

Attachment:

1. Resolution No. 2009-18

G:\TUMF\STF RPT031009.doc
RESOLUTION NO. 2009-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING AMENDING THE TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) APPLICABLE TO ALL DEVELOPMENTS IN THE CITY OF BANNING.

WHEREAS, the City of Banning ("City") is a member agency of the Western Riverside Council of Governments ("WRCOG"), a joint powers agency comprised of the County of Riverside and fourteen cities located in Western Riverside County; and

WHEREAS, the member agencies of WRCOG recognized that there was insufficient funding to address the impacts of new development on the regional system of highways and arterials in Western Riverside County (the "Regional System"); and

WHEREAS, in order to address this shortfall, the member agencies formulated a plan whereby a transportation mitigation fee would be assessed on new development and would be used to fund the necessary improvements for the Regional System; and

WHEREAS, in furtherance of this plan, the WRCOG Executive Committee adopted the "Western Riverside County Transportation Uniform Fee Nexus Study", dated October 18, 2002 (the "2002 Nexus Study"); and

WHEREAS, based on the 2002 Nexus Study, the City adopted Ordinance No. 1291 on March 25, 2003 pursuant to California Government Code sections 66000 et seq. authorizing the City to impose the Transportation Uniform Mitigation Fee ("TUMF") upon new development; and

WHEREAS, on February 6, 2006, the WRCOG Executive Committee adopted the "Western Riverside Transportation Fee Nexus Study 2005 Update" (the "Nexus Study") which served as a basis for the City Council to adopt an amended TUMF Ordinance on April 11, 2006; and

WHEREAS, SECTION 22E-6.3 (C) of the TUMF Ordinance authorizes periodic review and adjustment to the applicable TUMF in accordance with any adjustments made by the WRCOG Executive Committee; and

WHEREAS, on February 2, 2009, the WRCOG Executive Committee recommended that member agencies not adjust their applicable TUMF to reflect decreases in the construction cost index as a result of the current economic climate; and

WHEREAS, the fees collected pursuant to this Resolution shall be used to finance the public facilities described or identified in the Nexus Study; and
WHEREAS, the levying of TUMF has been reviewed by the City Council and staff in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and it has been determined that the adoption of this ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

NOW, THEREFORE, the City Council of the City of Banning does resolve as follows:

SECTION 1. Findings. The recitals set forth above are hereby adopted as findings in support of this Resolution. In addition, the City Council re-adopts the findings contained in Section 22E-6.1 in support of the adjusted TUMF contained herein.

SECTION 2. TUMF Fee Schedule. In accordance with Section 22E-6.3 of the TUMF Ordinance, the following fee schedule is hereby adopted for the TUMF which replaces the fee schedule set forth in Section 3 of Resolution No. 2008-78.

(1) $9,812.00 per single family residential unit
(2) $6,890.00 per multi-family residential unit
(3) $1.84 per square foot of an industrial project
(4) $9.99 per square foot of a retail commercial project
(5) $5.71 per square foot of a service commercial project
(6) $2.19 per square foot of a service Class A and B Office

SECTION 3. CEQA Findings. The City Council hereby finds that in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines the adoption of this Resolution is exempt from CEQA pursuant to Section 15061(b)(3).

SECTION 4. Effective Date. This Resolution shall become effective immediately.

PASSED, APPROVED AND ADOPTED this 10th day of March, 2009.

Robert E. Botts, Mayor
City of Banning

APPROVED AS TO FORM AND LEGAL CONTENT:

David Aleshire, City Attorney
Aleshire & Wynder, LLP
ATTEST:

Marie A. Calderon, City Clerk

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2009-18, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 10th day of March 2009, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California
CITY COUNCIL AGENDA
REPORT OF OFFICERS

Date: February 26, 2009

To: City Council

From: Jeff Stowells, Fire Services Battalion Chief

Subject: Resolution 2009-19 authorizing expenditure of funds obtained for FY 08\09 through the Special Distribution Fund Grant process.

**RECOMMENDATION:** The City Council adopt Resolution No. 2009-19, authorizing the expenditure of $823,331.00 received from Morongo through the Riverside Indian Gaming Local Community Benefit Committee (CBC) under the FY 08\09 Special Distribution Fund (SDF) grant.

**JUSTIFICATION:** The money obtained through the CBC will be used to continue to fund the Paramedic program within the City of Banning for FY 08\09

**BACKGROUND:** On November 25, 2008 the fire department on behalf of the City of Banning submitted a proposal for the FY 08\09 SDF to the Morongo Band of Mission Indians in the amount of $823,331,00. The Morongo Band of Mission Indians forwarded this application to the CBC with their support to continue funding the paramedic program to mitigate impacts of Indian gaming.

On February 9, 2009 the CBC voted to approve the 08\09 grant application as requested in the amount of $823,331.00.

**FISCAL DATA:** The city has continued the paramedic program with general fund money, but with the approval of this grant the city will use these funds for costs prior to June 30, 2009 saving the city $823,331,00 in general fund expenditures.

**RECOMMENDED BY:**

[Signature]
Jeff Stowells
Fire Services, Battalion Chief

**APPROVED BY:**

[Signature]
Brian Nakamura
City Manager

**REVIEWED BY:**

[Signature]
Bonnie Johnson
Finance Director
RESOLUTION NO. 2009-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING REGARDING MONIES RECEIVED FROM MORONGO THROUGH THE RIVERSIDE INDIAN GAMING LOCAL COMMUNITY BENEFIT COMMITTEE (CBC) UNDER THE FY 08/09 SPECIAL DISTRIBUTION FUND (SDF) GRANT.

WHEREAS, on November 25, 2008 the fire department, on behalf of the City of Banning, submitted a proposal for the FY 08/09 SDF to the Morongo Band of Mission Indians in the amount of $823,331.00, and

WHEREAS, the Morongo Band of Mission Indians forwarded this application to the CBC with their support to continue funding the paramedic program to mitigate impacts of Indian gaming, and

WHEREAS, on February 9, 2009 the CBC voted to approve the 08/09 grant application as requested in the amount of $823,331.00, and

WHEREAS, the money obtained through the CBC will be used to continue to fund the Paramedic program within the City of Banning for FY 08/09,

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Banning hereby authorize the expenditure of $823,331.00 received from Morongo through the Riverside Indian Gaming Local Community Benefit Committee (CBC) under the FY 08/09 Special Distribution Fund (SDF) grant.

PASSED, APPROVED, AND ADOPTED this 10th day of March 2009.

Robert E. Botts, Mayor

APPROVED AS TO FORM AND LEGAL CONTENT:

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

ATTEST:

Marie A. Calderon, City Clerk
CERTIFICATION

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2009-19 was adopted by the City Council of the City of Banning at the Regular Meeting thereof held on the 10th day of March, 2009.

AYES:
NOES:
ABSTAIN:
ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California
Date: March 10, 2009

TO: City Council

FROM: Bonnie Johnson, Finance Director

SUBJECT: Recommended Budget Reductions for 2008-09 and 2009-10

RECOMMENDATION:
1. "The City Council of the City of Banning direct staff to reduce the 2008-09 budget appropriations in the applicable percentages as presented in the Attached Exhibit "A"."
2. "The City Council conceptually approve the 2009-10 expenditure reduction recommendations as reflected in Exhibit "A" and direct staff to incorporate these reductions into the 2009-10 proposed budget."

JUSTIFICATION: At a special Council workshop on January 28, 2009 the Council directed staff to move forward with reducing expenditures across the board; both in the current year and in the 2009-10 fiscal year.

BACKGROUND & ANALYSIS: As reported to Council in its January 28, 2009 workshop, for the past three years, the City’s General Fund expenditures would have exceeded the General Fund revenues if there had not been one-time revenue sources and/or one-time salary savings from vacant positions to offset this. In addition with the recent drastic downturn in the economy, the City’s existing tax revenue bases, primarily sales tax, property tax and transient occupancy tax, have seen significant declines. These sources of revenue are the main source for many City services.

In response to the fiscal situation, the City Council directed staff to move forward with cutting up to $2.9 million in recurring expenditures from the General Fund budget in 2009-10 as well as identifying other areas that could be reduced for the remainder of the current fiscal year. Although the City’s General Fund is the main focus, expenditure reductions are being recommended Citywide in that the drastic downturn in the economy has affected all City operations.

Amongst the direction from the Council was to reduce City’s bottom line (non-payroll) expenses by a minimum of 5%. The attached Exhibit “A” is a departmental summary reflecting recommended reductions. The first page reflects recommendations related to the General Fund and the second page reflects recommendations related to other City funds. Exhibit “A” reflects proposed 2009-10 reductions of 5.06% in the General Fund and an additional 7.73% in other City funds. The expected impacts from the proposed reductions have been summarized and transmitted to City Council under separate cover.

If approved, staff will take the following steps: 1) On March 24th, bring forward the appropriate resolution(s) to formally amend the current year budget to reflect the 2008-09 reductions and 2) begin to prepare the 2009-10 budget based on the approved reductions.
**FISCAL IMPACT:** The estimated General Fund costs savings for 2008-09 and 2009-10 is $300,973 and $359,893, respectively. The estimated savings in other City operational funds for 2008-09 and 2009-10 is $207,007 and $1,661,460, respectively.

**RECOMMENDED BY:**

Bonnie Johnson  
Finance Director

**APPROVED BY:**

Brian Nakamura  
City Manager
EXHIBIT “A”
<table>
<thead>
<tr>
<th>Total Rec. Cuts</th>
<th>$5,968</th>
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<td>25.4%</td>
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</tr>
<tr>
<td>33.9%</td>
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<tr>
<td>27.8%</td>
<td></td>
</tr>
<tr>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>1.4%</td>
<td></td>
</tr>
</tbody>
</table>

Building dep. overtime 94%
Sieves overtime 5%
Police overtime 5%
Reduce overtime

<table>
<thead>
<tr>
<th>Building &amp; Survey</th>
<th>100,856</th>
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<tbody>
<tr>
<td>3,384</td>
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<tr>
<td>Building Maintenance</td>
<td>12,512</td>
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<tr>
<td>Parks Maintenance</td>
<td>968</td>
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<tr>
<td>Recreation</td>
<td>6,586</td>
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<td>Special Services</td>
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<td>General Services</td>
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<td>Planning</td>
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<td>Fire</td>
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<td>Medical Control</td>
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<td>Police</td>
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<td>City Clerk</td>
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<tr>
<td>Small &amp; Medium Businesses</td>
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<td>Human Resources</td>
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<td>3,600</td>
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<tr>
<td>General Fund</td>
<td>76,730</td>
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Total General Fund

Estimated Savings From Proposed Budget Reductions

City of Banning
## Non General Fund

### Estimated Savings From Proposed Budget Reductions

**City of Banning**

#### Other Funds

<table>
<thead>
<tr>
<th>Total Other Funds</th>
<th>2007</th>
<th>2008-09</th>
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<tbody>
<tr>
<td>RDA - code enforcement</td>
<td>4,850</td>
<td>4,850</td>
</tr>
<tr>
<td>RDA - gang task force</td>
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<td>-</td>
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<tr>
<td>Redevelopment - public-related services</td>
<td>6,500</td>
<td>2,250</td>
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<td>Redevelopment - admin</td>
<td>1,650</td>
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<td>Redevelopment - l owmod</td>
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<td>-</td>
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<tr>
<td>Meter Reading and Service</td>
<td>10,532</td>
<td>10,532</td>
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<tr>
<td>Utility Billing</td>
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<td>Information Services</td>
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<td>-</td>
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<tr>
<td>Fleet Maintenance</td>
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<tr>
<td>Insurance</td>
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<td>Lease</td>
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<td>Water Meter</td>
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<td>Electric Meter</td>
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<td>Gas Tax</td>
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<td>Riverside County MOU</td>
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<td><strong>Total</strong></td>
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#### Transit Overtime

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<th>2008-09</th>
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<tbody>
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<td>4,661,460</td>
<td>4,660,382</td>
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#### Budget Reductions to be Cull

<table>
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<tr>
<th>Recommended</th>
<th>2009-10</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
CITY COUNCIL AGENDA
REPORTS OF OFFICERS

Date: March 10, 2009

TO: City Council

FROM: Bonnie Johnson, Finance Director

SUBJECT: Award of a Professional Services Contract to Tramutola for Public Information and Feasibility Services related to a Potential City Utility Users Tax

RECOMMENDATION:
1. "The City Council of the City of Banning award a professional services contract in the amount of $48,000 plus expenses to Tramutola for public information and feasibility services related to a potential city utility users tax ballot measure."
2. "The City Council authorize the City Manager to reallocate existing appropriations within the General Fund up to a maximum of $100,000 to fund the contract and other related expenses."

JUSTIFICATION: At a special Council workshop on January 28, 2009 the Council directed staff to move forward with preparation for a potential ballot measure. Hiring of the consultant is one of the initial and key steps in the process.

BACKGROUND & ANALYSIS: As reported to Council in its January 28, 2009 workshop, for the past three years, the City’s General Fund expenditures would have exceeded the General Fund revenues if there had not been one-time revenue sources and/or one-time salary savings from vacant positions to offset this. In addition with the recent drastic downturn in the economy, the City’s existing tax revenue bases, primarily sales tax, property tax and transient occupancy tax, have seen significant declines. These sources of revenue are the main source for many City services.

In response to the fiscal situation, the City Council directed staff to move forward with cutting up to $2.9 million in recurring expenditures from the General Fund budget in 2009-10 as well as start the process related to a potential utility user’s tax measure.

In November 2007, staff solicited proposals from three experienced, well-known teams that do ballot measure feasibility and preparation work. At that time, the City selected the firm of Tramutola. However, after the completion of Phase I, the City ultimately opted not to move forward into the public education phase. Due to Tramutola’s familiarity with the City and the urgent nature of the City’s budget situation, staff is recommending the hiring of Tramutola for this project. A proposal from Tramutola is attached. The scope of services includes public information and feasibility services as well as ballot measure planning and preparation. However, there will be other costs that will be incurred in addition to the costs in the proposal. These include but may not be limited to the cost for producing and distributing professional mailers, a follow up tracking poll to gage the level of community support and miscellaneous other costs associated with public information and the overall project. The consultant is estimating total project costs of approximately $90,000 to $100,000.

There are several options as to the timing of an election. If approved to move forward, staff will bring a full analysis of options to the Council in the near future. In addition, even though any future measure will likely be on a special election and not a general election, if the City Council makes certain
findings regarding the City’s condition, the tax can be voted on as a general tax (i.e. 50% +1) in lieu of it being a special tax dedicated to a specific service(s) which requires a two-thirds voter approval.

If the Council desires to put any type of measure on a future ballot, staff is strongly recommending the use of a consultant. These types of consultant’s have a great deal of experience and training and have been key to helping many cities and special districts develop winning strategies.

**FISCAL IMPACT:** The estimated cost to bring this project to the ballot (excluding the actual cost of a special election) is $100,000. An existing appropriation of $47,500 remains in the City Manager’s budget related to Phase II of Tramutola’s earlier contract. Staff is recommending that the existing $47,500 be used to partially fund this project. In addition, staff is recommending that the City Manager be authorized to reallocate existing (2008-09) appropriations within the General Fund to set aside an additional $52,500 to fully fund the estimated project costs. This approach would eliminate the need for an additional appropriation at this time.

RECOMMENDED BY:  

Bonnie Johnson  
Finance Director

APPROVED BY:  

Brian Nakamura  
City Manager
February 16, 2009

Bonnie Johnson
Finance Director
City of Banning
99 E. Ramsey Street
Banning, CA 92220

Re: Public Information & Feasibility Services For a Potential City Utility Users Tax

Dear Bonnie:

Thank you for your continued interest in TRAMUTOLA and your recent call about Banning’s revenue needs. It was good hearing from you again and we appreciate our ongoing relationship with the City. We are eager to work with the City and help you meet your revenue goals by assessing the feasibility of a Utility Users Tax (UUT). The feasibility study for a UUT includes coordinating a public awareness program about the City’s financial position and possible revenue measure as well as conducting opinion research and providing strategic recommendations.

TRAMUTOLA is well suited to help you determine feasibility and help you prepare for your local revenue measure election. We have a proven track record working in the most challenging electoral environments and we are proud to represent numerous cities and towns throughout California. We are very interested in working with you on this project, and appreciate the opportunity to submit the following proposal.

ABOUT TRAMUTOLA

TRAMUTOLA specializes in creating political success at the local community level. For over 23 years we have helped our clients build lasting community support for a variety of public causes and benefits. Many of our clients are public agencies—cities, counties, parks and recreation districts, public school and community college districts, healthcare and hospital districts and other public entities—seeking specialized advice on strategic planning and public information programs for local bond and tax measures.

TRAMUTOLA has helped our clients plan for and win 250 bond and tax elections (most requiring 66.7% voter approval) that have produced over $25 billion in new revenue for community services and facilities. As a result, we have a keen appreciation for the complexity and difficulty of achieving super-majority levels of support from voters for a tax increase. Our approach—a blend of sophisticated research, compelling communications, and effective political strategy—has proven to deliver winning results.

191 Ridgeway Avenue, Oakland CA 94611 Ph: (510) 658-7003 Fx: (510) 658-7302
Web: www.tramutola.com E-mail: info@tramutola.com
Clients throughout California choose TRAMUTOLA to guide them—for the following reasons:

- **Relevant experience.** TRAMUTOLA has recent experience helping cities pass new and renewal UUT measures to comply with current law. We have helped the cities of Benicia, Los Altos and Ventura pass their UUT update measures by substantial margins and we’re now working with others to prepare for successful UUT measures in 2009. We are comfortable working in any type of community: urban, suburban or rural; conservative or liberal; homogenous or diverse. We are adept at navigating complex scenarios where multiple tax measures appear on the same ballot, and where organized opposition exists.

<table>
<thead>
<tr>
<th>City</th>
<th>Tax Measure Type</th>
<th>Tax Rate/Amount</th>
<th>% Voter Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Benicia</td>
<td>Utility Users Tax</td>
<td>3.5%</td>
<td>70.56%</td>
</tr>
<tr>
<td>City of Colton</td>
<td>Utility Users</td>
<td>2% increase</td>
<td>53.80%</td>
</tr>
<tr>
<td>City of Los Altos</td>
<td>Utility Users Tax</td>
<td>3.2%</td>
<td>84.21%</td>
</tr>
<tr>
<td>City of Richmond</td>
<td>Utility Users Tax</td>
<td>2% increase</td>
<td>54.80%</td>
</tr>
<tr>
<td>City of San Bernardino</td>
<td>Utility Users Tax</td>
<td>7.75%</td>
<td>80.11%</td>
</tr>
<tr>
<td>City of San Gabriel</td>
<td>Utility Users Tax</td>
<td>2% increase</td>
<td>66.50%</td>
</tr>
<tr>
<td>City of Ventura</td>
<td>Utility Users Tax</td>
<td>4.5%</td>
<td>63.24%</td>
</tr>
<tr>
<td>Alameda County (Healthcare)</td>
<td>Sales Tax</td>
<td>Half-cent</td>
<td>71.1%</td>
</tr>
<tr>
<td>City of El Cajon (Police and Fire)</td>
<td>Sales Tax</td>
<td>Half-cent/10 years</td>
<td>68.52%</td>
</tr>
<tr>
<td>City of El Cajon (Police and Fire)</td>
<td>Sales Tax</td>
<td>Half-cent/20 years</td>
<td>51.10%</td>
</tr>
<tr>
<td>City of Port Hueneme (General Services)</td>
<td>Sales Tax</td>
<td>Half-cent</td>
<td>71.50%</td>
</tr>
<tr>
<td>City of San Rafael (Police and Fire)</td>
<td>Sales Tax</td>
<td>Half-cent</td>
<td>69.41%</td>
</tr>
<tr>
<td>Marin County (Transportation)</td>
<td>Sales Tax</td>
<td>Half-cent</td>
<td>70.83%</td>
</tr>
<tr>
<td>Santa Cruz County (Library)</td>
<td>Sales Tax</td>
<td>Quarter-cent</td>
<td>70.20%</td>
</tr>
<tr>
<td>SMART (Sonoma/Marin Train)</td>
<td>Sales Tax</td>
<td>Quarter-cent/20yrs.</td>
<td>69.50%</td>
</tr>
<tr>
<td>Town of Truckee (Streets and Roads)</td>
<td>Sales Tax</td>
<td>Half-cent/20 years</td>
<td>84.50%</td>
</tr>
<tr>
<td>AC Transit District</td>
<td>Parcel Tax</td>
<td>$24/5 years</td>
<td>68.10%</td>
</tr>
<tr>
<td>AC Transit District</td>
<td>Parcel Tax</td>
<td>$48/10 years</td>
<td>72.50%</td>
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<td>AC Transit District</td>
<td>Parcel Tax</td>
<td>$96/10 years</td>
<td>71.90%</td>
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<td>City of Piedmont</td>
<td>Parcel Tax</td>
<td>$319/5 years</td>
<td>79.60%</td>
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<td>City of San Rafael</td>
<td>Parcel Tax</td>
<td>$85/4 years</td>
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<tr>
<td>City of Union City</td>
<td>Parcel Tax</td>
<td>$112/parcel</td>
<td>72.50%</td>
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<tr>
<td>City of Oakland (Crime Prevention)</td>
<td>Parcel Tax</td>
<td>$88/10 years</td>
<td>69.40%</td>
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<tr>
<td>City of Oakland (Library)</td>
<td>Parcel Tax</td>
<td>$36/15 years</td>
<td>73.50%</td>
</tr>
<tr>
<td>Santa Clara County (Library)</td>
<td>Parcel Tax</td>
<td>$34/10 years</td>
<td>72.04%</td>
</tr>
<tr>
<td>Alameda County (Library)</td>
<td>GO Bond</td>
<td>$10.6M</td>
<td>74.80%</td>
</tr>
<tr>
<td>City of Sausalito</td>
<td>GO Bond</td>
<td>$15.5M</td>
<td>81.50%</td>
</tr>
<tr>
<td>City of Oakland (Clean Water)</td>
<td>GO Bond</td>
<td>$198.3M</td>
<td>80.20%</td>
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<tr>
<td>City of Oakland (Library)</td>
<td>GO Bond</td>
<td>$45M</td>
<td>77.60%</td>
</tr>
<tr>
<td>City of Oakland (Museum and Zoo)</td>
<td>GO Bond</td>
<td>$59M</td>
<td>75.10%</td>
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<tr>
<td>City of Oakland (Wildfire Prevention)</td>
<td>Assessment</td>
<td>$68/10 years</td>
<td>74.38%</td>
</tr>
</tbody>
</table>

- **Exceptional Public Information Strategy and Materials:** No matter what the assignment, we do not allow ourselves to be limited by convention or tradition. Our primary goal is to provide information to voters and the public in clear, simple and compelling ways. We do not over-design but rather we produce effective communications appropriate for your community and your ballot measure.
Candor: Our job is to provide you with candid advice and your voters with candid, straightforward information. We are honest and direct. Our goal is to help YOU achieve YOUR goals.

Competent Team: Every TRAMUTOLA client is assigned a skilled team of professionals with extensive backgrounds in public communications to help you effectively prepare for and execute the public communications components of your ballot measure. Having more than one member of our team service your needs insures responsiveness, continuity and quality.

Work Ethic: Our success over 23 years has been achieved because we work hard for our clients and we strive to be 100% accessible. We demand the best from ourselves and from all the people involved in a client project.

Client Satisfaction: TRAMUTOLA is committed to helping our clients achieve their goals through a satisfying and user-friendly process. TRAMUTOLA team members are accessible and responsive while helping clients maintain focus on our collective goals. Over 80% of our work comes from either repeat clients or referrals from satisfied clients.

OUR APPROACH: A 3-PHASE PROCESS

Success for our clients is most often the result of proper planning, attention to detail, sophisticated research, honest communication and highest levels of commitment and candor. The complexity of this project would require a phased approach to achieve your goals.

PHASE 1: PUBLIC INFORMATION & FEASIBILITY

We understand that the City has a growing need for new revenue and will benefit by creating a stable locally controlled funding source. In the Feasibility Phase we will evaluate the strategic, political and electoral viability of the plan for which you need public funding, including what levels of taxation voters may be willing to support. Our fundamental goals will be: 1) to determine if local taxpayers see value in and show a willingness to support your plan; 2) to determine acceptable tax rates to put in front of voters; and 3) to develop a strategy that will most effectively maximize your chances of electoral success to pass a local revenue measure.

Our priority tasks in Phase 1, the Public Information & Feasibility Phase, will include:
• An updated and current demographic assessment of the City’s universe of voters, including turnout projections for possible election dates.
• A strategic evaluation of recent local elections and the overall political climate.
• Review and assessment of the City’s existing public communications efforts.
• Developing and coordinating a 2009 public information strategy to engage City Council members, community stakeholders, and most importantly, VOTERS, to obtain their input on the City’s financial situation and electoral options—including copy writing, editing, art direction, production coordination, and distribution of communications work products—i.e. direct mail, fact sheets, website and email copy, FAQ’s, community meeting strategies, etc.
• Once a public information program is well underway, we strongly recommend development, coordination, analysis and interpretation of a 2009 tracking poll (once again conducted by Godbe Research, Inc.) to fully understand current voter perceptions, optimal ballot measure features and tax thresholds, and the best electoral scenarios for the City.
• Finally, recommendations for moving forward—including a candid assessment on current levels of support for a UUT and what it will take to position the City for electoral success.
Typically, there are three possible outcomes of the *Feasibility Phase*:

1. **Most Positive** – Residents support the concept of a revenue increase and the City should move forward without delay to call for a vote on the issue.

2. **Positive** – The City enjoys support but greater public awareness of the City’s needs is required *prior to calling for a vote* to better position the City for success.

3. **Negative** – The public support needed for a successful vote does not exist at this time. Alternatives must be explored and/or your plans must be re-worked in order to gain political support in your community.

**PHASE 2: BALLOT MEASURE PLANNING & PREPARATION**

If the *Feasibility Phase* indicates favorable conditions to proceed, we will then enter Phase 2, the *Ballot Measure Planning and Preparation Phase*.

Our goals will be to: 1) prepare your specific ballot measure proposal; 2) develop and execute a phase 2 public information strategy to keep information flowing to and from voters; and 3) file the ballot measure, in effect completing the final step to place your measure on the ballot. In this phase your ballot measure takes specific shape and form; key decisions will include but not be limited to determining the taxing structure and type, as well as establishing tax rates, ballot language, election type and optimal election date.

**During the Ballot Measure Preparation and Public Information Phase our objectives are:**

- Review/clarification of the specific “plan” to be implemented if the measure is approved.
- Assistance in developing and implementing an effective Phase 2 public information program – including copy writing, editing, art direction, production coordination, and distribution of communications work products—i.e. direct mail, fact sheets, website/email copy, FAQ’s, etc.
- Development of an INFORMATION-ONLY voter communications strategy as you approach the ballot to ensure voters are informed and aware of the City’s plan and have an opportunity to provide input and feedback before City Council votes to place the measure on the ballot.
- Development of a stakeholder communications strategy as you approach the ballot that engages opinion leaders and key community organizations to ensure they are informed of the City’s plan and have the opportunity to provide input.
- Final recommendations for ballot measure success — based on the evidence we obtain from your community, including the optimal taxing structure, timing for an election, tax rate, etc.

**PHASE 3: CAMPAIGN**

The *campaign* phase of our work involves a different agenda with different goals and different reporting relationships. Here our primary client is a Citizens’ Campaign Committee established to persuade voters to support the measure. (Note: while the City or governing agency typically funds pre-electoral feasibility and planning, the campaign to persuade voters must be funded by private sources. By law, campaign activities *cannot* be funded in any way whatsoever using City resources). We will be happy to discuss this phase in greater detail at the appropriate time.
There are no frills in this planning process. Ballot measures such as the one you are considering rarely pass without the above steps having been carefully and completely followed leading up to a campaign. We customize this process for each and every client and community with which we work.

CLIENT-CONSULTANT WORKING RELATIONSHIP

TRAMUTOLA clients tell us frequently they appreciate and value how we work with our clients:

Client Satisfaction. First, we make client satisfaction a top priority at our firm. We do this so that we can continuously improve, find ways to make our process more user-friendly, and maximize our efforts to be in alignment with client expectations. As a small firm this is a significant yet critical investment. The fact that 80% of our clients are now repeat or referral clients reflects our growing commitment to complete client satisfaction.

Team Approach. Second, we use a team approach to achieve superior results for our clients. Each project is supervised by one of our experienced Lead Consultants, with additional support provided by a Sidewalk Strategies/TRAMUTOLA Account Representative. Our team approach ensures that our client needs don’t fall through the cracks. If the Lead Consultant is unavailable there is always another member of the team (e.g. an Account Representative) who can quickly step in to answer questions and help meet client needs. We make client assignments deliberately—with client needs in mind.

Client Consultant Communication. We pay deliberate attention to client-consultant communications. When we establish work plans with new clients we make a special effort to find out what our clients’ communications preferences are. Typically, we use a combination of email, phone, cell, conference call, and personal meetings to accomplish our work together. We provide all of our contact information—including personal phone numbers—to ensure our team members are 100% accessible to clients.

BUDGET AND FEES:

TRAMUTOLA establishes our fees based on a number of criteria including complexity of project, community characteristics, project scope and other related factors. Our expenses are managed for maximum control and efficiency. Each budget we create is developed collaboratively with our clients in order to address their unique needs and requirements.

Taking into account that the reason you are considering a local revenue measure is because the City’s financial situation is serious, our pricing proposal is intended to share the risk with you.

TRAMUTOLA proposes for Pre-Electoral Services:

Phase 1, Public Information & Feasibility $32,000  
Plus expenses

Phase 2, Ballot Measure Planning & Preparation $16,000  
Plus expenses
Realistically, you should plan on a complete project budget in the range of $90,000 to $100,000 to “get you to the ballot”, including our fee, reasonable public information costs, a quality tracking poll, and miscellaneous project expenses. TRAMUTOLA is committed to working collaboratively with you to build a complete project budget that addresses your unique needs and requirements.

**A tax measure is a significant undertaking.** We take great care to guide our clients to electoral success. The financial commitment required by your community—whether pre-electoral or during campaign—should be viewed with the benefits of the end result in mind.

Regardless of how our relationship with you might be structured, we would expect you to provide leadership and a strategic commitment of resources to carry out agreed upon plans. Our goal is to create an environment where we work together with you to ensure highest and best use of critical resources. Your political strategies must work hand-in-hand with your business strategies.

**THANK YOU FOR YOUR CONSIDERATION**

On behalf of all of us on the TRAMUTOLA team, thank you again for your consideration. We are excited about working with you again and we are eager to re-engage with you and your team. In the meantime, if you have any questions or need clarification on any aspect of our proposal, please don’t hesitate to contact me at (510) 658-7003 or via email at bonniem@tramutola.com.

Thank you again for considering TRAMUTOLA. I look forward to discussing this proposal further with you on Tuesday, February 17th at 11 am.

Sincerely,

Bonnie J. Moss
Executive Vice President & Chief Operating Officer
TRAMUTOLA LLC
CITY COUNCIL AGENDA
REPORT OF OFFICERS

DATE: March 10, 2009

TO: Honorable Mayor and Members of the City Council

FROM: Brian S. Nakamura, City Manager

SUBJECT: City Council Donation and Sponsorship Policy for Community Events and Programs

RECOMMENDATION:
That the City Council authorize the City Manager to recommend donation and sponsorship requests for community events and programs by individuals, groups, and/or organizations to the City Council for approval based upon the following criteria:

1. Donation and/or sponsorship funding requests by individuals, groups, and/or organizations shall be provided to the City Manager for the purpose of gathering certain pertinent information prior to being placed on the agenda; and

2. The required information by individuals, groups, and/or organizations shall include and may not be limited to:
   a. funding amount requested from City; and
   b. other sources of funding which is being sought or has been obtained; and
   c. approximately how many City of Banning residents shall be impacted or affected by the program(s) seeking funding; and
   d. what benefits shall be received by the City; and
   e. financial status of the individual and/or organization if applicable; and
   f. whether or not the individual, group, and/or organization received approvals and/or responses to similar requests within the last 12 to 24 months; and
   g. that such requests are within the current budget appropriated for within the City Council’s Community Donation Account.

BACKGROUND:
The City Council fully supports and appreciates opportunities to invest in community events and programs when residents and businesses benefit from such efforts. In an effort to effectively manage requests for funding of community events and programs it is imperative that funding criteria be established to insure fair and equitable distribution of funds available.
Unfortunately, budget constraints do not allow for full or partial funding of all events and programs, therefore the City shall focus on such efforts that have the greatest positive impact on the community and sets forth the criteria above as a means for achieving and accomplishing its community events and programs goal.

**FISCAL DATA:**
The fiscal impact is based upon funding appropriated each fiscal year by the City Council. Historically the City has budgeted approximately $20,000 annually in a contingency fund that has been utilized for this purpose as well as other purposes.

However, based upon current economic conditions, City staff recommends that the FY 2008/09 include $10,000 to be appropriated for community donation funding requests. Once said funds are exhausted, the City Council may appropriate funds accordingly for the next fiscal year. To date, the City has spent $3,000 toward donations from the contingency fund.

RECOMMENDED BY:
CITY COUNCIL AGENDA
REPORTS OF OFFICERS

DATE: March 10, 2009

TO: Honorable Mayor and Members of the City Council

FROM: Brian S. Nakamura, City Manager

SUBJECT: Donation and Sponsorship of City of Banning Disaster Preparedness Expo

RECOMMENDATION:
That the City Council authorize the expenditure of $1,904.65 for the City of Banning Disaster Preparedness Expo to be held in April 2009.

BACKGROUND:
Historically the City has sponsored the Disaster Preparedness Expo in the amount of $5,000 to provide this important community education program. The program offered education to community members in the event of a natural disaster such as earthquake, fire, wind storms, and also life saving information related to home fires, drowning, and basic emergency medical aid. The contribution in the past has been funded through the City Utility Public Benefit Program. Moneys in the Public Benefit Program are generally used to promote utility conservation and awareness amongst our citizens as well as sponsor other programs related to the City’s utilities. The City’s Utilities Department regularly participates in the event by providing pertinent information and other materials related to disaster preparedness.

This event’s annual attendance is significant and benefits all who participate. And, most importantly, a community needs to be prepared for a disaster event “when,” not “if” it occurs.

FISCAL DATA:
Staff recommends payment of the requested contribution from the City’s Public Benefit Fund. There are sufficient appropriations in the 2008-09 operating budget to cover this expenditure. No additional appropriation is necessary.

RECOMMENDED BY:
CITY COUNCIL AGENDA
REPORTS OF OFFICERS

DATE: March 10, 2009

TO: Honorable Mayor and City Council

FROM: Brian S. Nakamura, City Manager

SUBJECT: Approve the Amendment to the Professional Services Agreement with Holt Architects, Inc. for Construction Phase Services related to Project No. 2006-07, "Construction of the New Banning Police Station"

RECOMMENDATION:
That the City Council approve an Amendment to the Professional Services Agreement with Holt Architects, Inc., for Construction Phase Services, in the amount not to exceed $188,640, and authorize staff to utilize funds appropriated for the project contingency budget.

JUSTIFICATION:
In order for the new Banning Police Station to be classified as an essential services building by the State of California, observation of the work of construction shall be under the responsibility of the original Architect.

BACKGROUND:
Per California Codes, Essential Services Building Act, extracted from the Health and Safety Code Chapter 2; in order for a public facility greater than 2,000 square feet or one-story to be considered an essential services building, all drawings and specifications must be prepared under the responsible charge of the architect, civil engineer, and structural engineer. Observation of the work of construction shall be under the general responsible charge of the same architect, civil engineer, and structural engineer.

When this Essential Services Project (Project) was first initiated, in August 2004, staff requested Architectural firms to provide proposals for the design and engineering of the Project. On December 14, 2004 the City of Banning, City Council, awarded a contract to Holt Architects, Inc. for the design and engineering services. The original scope of work, unfortunately, was not all inclusive to include the observation and general responsible charge, in conformance with the above sited Codes, for the construction phase of the Project.

Therefore, in compliance with State Department of Architecture requirements we are amending the existing contract with Holt Architects to include signature authority, engineering submittal review, design submittal review and construction observation for the duration of this project. This will also insure that the new Police Station complies with State Standards as an Essential Services Building, thus being certified as an Emergency Operations Center (EOC).
FISCAL DATA:
Under Resolution No. 2008-55, a construction contingency in an amount of $890,000.00 was approved for Project No. 2006-07 “Construction of the New Banning Police Station.” This action will reduce contingency by $188,640. This reduction in the contingency is not anticipated to adversely affect the completion of the project, as the project at this time is on schedule and within budget.

RECOMMENDED BY:

[Signature]
Brian Nakamura
City Manager

APPROVED BY:

[Signature]
Bonnie Johnson
Director of Finance