AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA

August 23, 2011
5:00 p.m.

The following information comprises the agenda for a regular meeting of the City Council and a Joint Meeting of the City Council and the Banning Utility Authority.

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

I. CALL TO ORDER
   • Invocation – Pastor Jerry Westholder, Highland Springs Fellowship Church
   • Pledge of Allegiance
   • Roll Call – Councilmembers Botts, Franklin, Machisic, Robinson, Mayor Hanna

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

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.

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.
IV. CONSENT ITEMS
(The following items have been recommended for approval and will be acted upon simultaneously, unless any member of the City Council wishes to remove an item for separate consideration.)

Motion: That the City Council approve Consent Item 1 through 12
Items to be pulled ____ ____ ____ for discussion.
(Resolutions require a recorded majority vote of the total membership of the City Council)

1. Approval of Minutes – Joint Meeting – 01/27 & 28/11 (Workshop) .................. 1
2. Approval of Minutes – Joint Meeting – 07/26/11 (Closed Session) ................. 44
3. Approval of Minutes – Regular Council/CRA Jr. Meeting – 07/26/11 ............ 45
5. Approval of Minutes – Joint Special Meeting (Study Session) – 07/26/11 ...... 60
7. Resolution No. 2011-76, Approving the Award of a Professional
   Services Agreement to LSA associates, Inc. for the Preparation of an
   Environmental Impact Report for the Banning Circulation Element
   General Plan Amendment and Updating the Traffic Fee Component of the
   Development Fee Program .................................................. 91
8. Report of Investments for May 2011 ............................................. 100
10. Approval of Accounts Payable and Payroll Warrants for Month of
    April 2011 ............................................................................. 120
11. Approval of Accounts Payable and Payroll Warrants for Month of
    May 2011 ............................................................................. 123
12. Approval of Accounts Payable and Payroll Warrants for Month of
    June 2011 ............................................................................. 126

• Open for Public Comments
• Make Motion

V. PUBLIC HEARINGS
(The Mayor will ask for the staff report from the appropriate staff member. The City
Council will comment, if necessary on the item. The Mayor will open the public hearing
for comments from the public. The Mayor will close the public hearing. The matter will
then be discussed by members of the City Council prior to taking action on the item.)

1. Zone Text Amendment No. 11-97501: Amendment to Municipal Code
   Section 17.08.050 pertaining to Accessory Structures.
   Staff Report ................................................................. 129
   Recommendation: That the City Council adopt a Categorical Exemption in
   compliance with CEQA Guidelines Section 15061 (b)(3); and approve Ordinance
   No. 1439 amending the Zoning Ordinance requirements for accessory structures.

Mayor asks the City Clerk to read the title of Ordinance No. 1439:

"An Ordinance of the City Council of the City of Banning, California, Approving
Zoning Text Amendment No. 11-97501 Amending the Review Requirements for
Accessory Structures."
Motion: I move to waive further reading of Ordinance No. 1439.
   ( Requires a majority vote of Council)
Motion: I move that Ordinance No. 1439 pass its first reading.

2. Ordinance No. 1441, Regarding Voluntary Alternative Redevelopment
   Program as required by AB 1X 26 and AB 1X 27 for the Continued
   Existence of the Community Redevelopment Agency of the City of
   Banning.

   Staff Report ................................................................. 140

   Recommendation: That the City Council adopt Ordinance No. 1441 determining
   that it will comply with the Voluntary Alternative Redevelopment Program
   pursuant to Part 1.9 of Division 24 of the California Health and Safety Code to
   permit the continued existence and operation of the Community Redevelopment
   Agency (CRA) of the City of Banning.

   Mayor asks the City Clerk to read the title of Ordinance No. 1441:

   “An Ordinance of the City Council of the City of Banning, California, Determining
   it will comply with the Voluntary Alternative Redevelopment Program Pursuant
   to Part 1.9 of Division 24 of the California Health and Safety Code in Order to
   Permit the Continued Existence and Operation of the Redevelopment Agency of
   the City of Banning.”

Motion: I move to waive further reading of Ordinance No. 1441.
   ( Requires a majority vote of Council)
Motion: I move that Ordinance No. 1441 pass its first reading.

VI. REPORTS OF OFFICERS

1. Lease Agreement for a Temporary Fire Museum at 5261 W. Wilson Street.
   Staff Report ................................................................. 148

   Recommendation: That the City Council enter into a lease agreement with the
   Fire Memories, Inc. for a temporary fire museum for a cost not to exceed $1
   per year on city-owned property located at 5261 W. Wilson Street and
   authorize
   the City Manager to execute the lease agreement with Fire Memories, Inc.

2. Consideration of Contract Services Agreement between the City of Banning
   and Willdan Engineering for Building and Safety Services.

   Staff Report ................................................................. 153

   Recommendations:
   1. That the City Council adopt Resolution No. 2011-73, Approving the
      Contract Services Agreement with Willdan Engineering for staffing
      for Building and Safety services; and
2. Authorize the City Manager to enter into contract services with Willdan Engineering on form as approved by the City Attorney; and
3. Authorize the Administrative Services Director to make the necessary budget adjustments for FY 2010-11 and FY 2011-12 to effectuate the contract.

3. Approval of a Contract Services Agreement between the City of Banning and Willdan Financial Services for the Preparation of the Fiscal Impact Analysis for Butterfield Specific Plan (Pardoe Homes).

Staff Report ................................................................. 189
Recommendations:
1. That the City Council adopt Resolution No. 2011-75, Approving the Contract Services Agreement with Willdan Financial Services for the Preparation of the Fiscal Impact Analysis for the Butterfield Specific Plan; and
2. Authorize the City Manager to execute the contract on form as approved by the City Attorney; and
3. Authorize the Administrative Services Director to make the necessary budget adjustments in the amount of $49,000.00.

RECESS REGULAR CITY COUNCIL MEETING AND CALL TO ORDER A JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING UTILITY AUTHORITY.

VII. REPORTS OF OFFICERS – JOINT MEETING


Staff Report ................................................................. 215
Recommendations:
1. That the Utility Authority adopt Resolution No. 2011-12 UA, Amending the Professional Services Agreement with Roy McDonald, Environmental and Regulatory Consultant of Sacramento, CA in an amount of $50,000.00 for services related to the Whitewater Flume Restoration Project for a total contract amount “not to exceed” $160,000.00; and
2. Authorize the Administrative Services Director to make necessary adjustments and appropriations in an amount of $50,000.00 from the Banning Utility Authority Water Capital Facilities Fund to Account No. 661-6300-471.33-11 (Professional Services).

Adjourn joint meeting of the Banning City Council and the Banning Utility Authority and reconvene the regular City Council Meeting.
VIII. **ANNOUNCEMENTS/REPORTS** *(Upcoming Events/Other Items if any)*

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

IX. **ITEMS FOR FUTURE AGENDAS**

New Items –

Pending Items – City Council
1. Schedule Meetings with Our State and County Elected Officials
2. Review of Fees and Rates
3. Policy Discussion Re. Code Enforcement *(study session)*
4. FEMA Training – Senior Officials *(Aug. 30, 2011)*
5. General Management of Council Meetings *(Sept. 27, 2011)*
6. Update on Loans
7. Polices & Procedures for Applicant re. Projects and Applicants for Commissions & Committees

X. **ADJOURNMENT**

_Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 8 a.m. to 5 p.m._

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor 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 (951) 922-3102. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]._
A special joint meeting of the Banning City Council and Community Redevelopment Agency was called to order by Mayor Hanna on January 27, 2010 at 8:10 a.m. at the Johnny Russo’s Italian Kitchen, 1335 W. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT:  Councilmember Robinson (excused)  

OTHERS PRESENT:  Andrew Takata, City Manager  
June Overholt, Administrative Services Director  
Duane Burk, Public Works Director  
Fred Mason, Electric Utility Director  
Zai Abu Bakar, Community Development Director  
Leonard Purvis, Police Chief  
Jeff Stowells, Fire Battalion Chief  
Heidi Meraz, Community Services Director  
John McQuown, City Treasurer  
Norm King, Facilitator  
Daniele Savard, Executive Secretary  
Marie A. Calderon, City Clerk  

January 27, 2011

Mayor Hanna stated that Councilmember Robinson had a medical procedure yesterday and went home to recover and had some reaction and he is now at San Gorgonio Memorial Hospital and she asked for a moment of silence to pray for him and his family that everything will be fine.

Public Comments

There were none.

Workshop Discussion

Mr. King thanked everyone for the comments he received to his questions and a lot of good stuff came out of that. He said that this is a process for the City Council to hopefully adopt a set of goals but even more importantly what goes under those goals. He said that every organization needs a vision but he thinks the irony is that he doesn’t know of any good organization has ever obtained its vision but once you get there, there is always something else. Clearly you have done some work in the past and we hope to embellish on that and go even further. There is always something always better out there and that is the whole thing because it wouldn’t be a vision if it was reality so you want to keep that in mind. He said that the real issue is not the goals
themselves or how important they are; it is how they are translated into specific projects. He
drew the group’s attention to B-2, Purposes of the City Council/Management Staff Workshop
and he went over the items listed (see Exhibit “A”). He said in regards to No. 5 in regards to the
process that is going to very much up to what you all want, particularly the City Council. It will
be your choice along the way and we will start with the goals and strategies and move to a
process where you translate this work program for staff so the Council can kind of see where
things are going.

Mr. King asked the group to think back to the last year or so in the city of Banning and think
about the successes that you are most happy about or proud of related to the City. Some answers
were as follows: the courthouse, the police building, relationship between Banning and
Beaumont, continual decrease in time, the hiring of Andy Takata, O’Donnell Project, Paseo San
Gorgonio Village Project, completed facades, Brinton Reservoir, electric substation, graffiti free
city, doing more with less, infrastructure, Mt. San Jacinto College, increased boost of moral,
handling adversity, fiscally responsible, team work, regional cooperation, proactive measures
versus reactive, Boys and Girls Club, Police Activities League, exceeding state’s solar
requirements, regulatory compliance, Bench agreement “flume” with Banning Heights Mutual
Water Company, economic rate, high school project, retailers/developer awareness, community
involvement, housing rehab, Habitat for Humanity projects, first time homebuyer program. Mr.
King said that was a great list and you have really done a lot and it is very impressive.

Mr. King referred staff to pages E-1 through E-9 in the packet in regards to Council and staff
responses to his questions (see Exhibit B). He said that these were answers to questions he asked
in the individual interview process and these answers don’t necessarily represent a consensus but
in some cases there is a lot of repetition and it would give you some sense of where you are as a
group in terms of these questions. He hoped that everyone would share equally in the discussion
and if anyone has any additional comments or it doesn’t sound right, please let him know.

Mayor Hanna said in regards to Page E-1 No. 14, Community has a lot of pride - she thinks the
community came up in arms against the water/wastewater rates very strongly and thinks that
there are still a lot of questions about the City Council in what we are doing. We can’t ignore
this. There was some disagreement on No. 14 and No. 27 on Page E-3. John Russo said as an
outsider sitting here the comments on E-3 regarding the negatives are more real than the
positives than on the E-2 page. He said as a businessman sitting in here with the public everyday
he hears a lot more things on the E-3 page than the E-2 page. There was some disagreement
with No. 9 and No. 11 on Page E-4. There was some disagreement with No. 3 on page E-7. Mr.
King asked if there were any comments on these items. He did summarize a few things that
came out. Clearly you have been through a lot and all things being considered you are doing
okay. Clearly there is a feeling that there is now greater stability and a hope that that will
continue in terms of Council and staff. There are concerns of economic development by some
clearly defined as just downtown and it could be broader and a concern of exactly what
economic development means. There is also a concern by some that you need to match desires
with reality in regards to terms of economic development with the word demographics.
Customer service and community relations stood out in various ways as a major concern.
Clearly longer term planning issues for the whole city especially for the growth that would come
at some point. Maximize the asset of the electric utility was mentioned by several people not
that you are not doing that already. Bringing community amenities and support and that was a
very common theme. And not just developing support but finding new ways to communicate
more effectively. Clearly financial stability from the tremendous loss of the sales tax that you
have had and the cutbacks. There is a general appreciation of Andy's style and presence. Differences in regards to the airport whether it is an asset in its present form and there are some that question whether it could be an asset if it were not an airport. Long term funding of public safety and infrastructure and those are obviously financial issues that you will be struggling with. There is a desire for a greater articulation of the vision of the plan for the future.

Mr. King asked if that sounded right in terms of where you are all are and what you are hearing.

Fred Mason said that we need to look at future goals and objectives and what we want for the city keeping economics in mind. If you want something you have to look at where the funding is going to come from to determine if the goal is achievable and can it be done with the resources we have, limited funding, limited staffing, etc.

Mr. King said he is hopeful that as we work today and tomorrow that we can sketch out a way to deal with those issues because obviously if you have a goal, it has to be funded or at least portions of it.

City Manager said his hope is that we get the goals for the Council and at a later time about six months down the road come back and actually go through each of those goals and staff will have time to actually figure out how much it is going to cost for each one of those things and then discuss where the funds are going to come from, etc., etc.

Councilmember Botts said he thinks that this is a fair assessment of where we are and we have done this three times and have really tried to make attempts just like we are doing today. He thinks the Council felt like we made some great progress in setting some goals but then after this is over it never came to fruition. He is hopeful that this time we will then carry on and formalize a document.

Mr. King said after the short break we will come back and talk a little bit more specifically about strategic planning and what is involved and then for the remainder of the morning we will have chance to have a general discussion about the key issues that he has gotten from the Council and staff and can add to the list.

Meeting recessed at 9:56 a.m. and returned at 10:19 a.m.

Mr. King shared some of his observations on strategic planning. He said that he has always looked at visioning or strategic planning as one way you might inhabit the future. He said that strategic planning are not projections and would use inhabit because it implies as we look ahead and we decide on some goals that we are affecting that future, we are inhabiting that future. The decisions we make will actually change how that future would be. The issue is how do you exert influence were it counts and that means being realistic about what you can control and what you can't control. He thinks that there are three important values that good strategic planning can bring to a community: 1) it can be used as an organizational tool, defines common purpose, shows employees how they fit into the big picture, 2) it can be used as a way that the Council obviously states their priorities and to hold staff accountable; and 3) a way to communicate with citizens. The bottom line is that a strategic plan or a set of goals will not go anywhere unless the staff owns it. Mr. King drew the group's attending to F-1 & F-2 regarding the Tag Ling, Vision Statement and Mission Statement that was adopted in 2009 (see Exhibit C) stating that we will not go through this right now but wanted the Council to know that you do have this and
obviously some of these issues are still around and will come up again and did not want to give
the feeling that you were completely starting over because you are not. Also we will not spend a
lot of time on the Vision Statement or the Mission Statement. This may be something that you
may wish to revise and they are valuable. He said that F-2 (Exhibit D) is a couple pages from
the new Community Development Plan and they are good objectives and do tie in to economic
development and would be helpful so you don’t forget some of the issues that are important.

At this time Mr. King went over the possible format for the Banning Strategic Plan and said it is
only a suggestion. He said that a strategy could become a work objective or a strategic priority.
He said that ideally staff will prepare a matrix which will track specific strategies and projects by
establishing milestone targets; completion date, cost and resource information, etc.

There was some discussion in regards to how long the plan would be, goals being so broad,
specificity, and measurable.

Mr. King drew the group’s attention to page G-1 (Exhibit F) – Key Issues and Discussion
Topics. He said he developed these by the comments he received and asked if there were any
overall issues that the Council would like to discuss that are not listed. Someone said to add
under Fiscal Stability to add Rates & Fees; Under City Livability added City Services and
Programs; Under No. 7, added External Relations;

City Manager passed out a couple of pages entitled “Key Issues and Discussion Topics” (Exhibit
F) and listed some items from the departments.

1. Public Safety

Chief Purvis said he would like to add being able to maintain resources and that is a concern also
for fire. We have talked to this one agency that has been very successful in putting forward
ballot initiatives for cities and he knows as council members you don’t like to propose new taxes
but for them they need to know if there is going to be the funds to maintain resources. He said
Desert Hot Springs had two very successful public safety taxes that went through and Cathedral
City, as well as, Coachella which were pretty successful. This agency would like to come back
and talk to us after the elections. He said for him it would be great if we could do that but it
would have to be a concerted effort and have 100% buy-in and he thinks that he and Chief
Stowells would have to do the leg work to get the message out to the community to support that.
It would either be a one-half sales tax or some type of utility tax and the way we tie that into
hopefully public support and to key in on where people see a greater need. He knows that Sun
Lakes, in particular, were very concerned with the possibility of losing Engine 20. Maybe there
is not that much of a concern for police issues in Sun Lakes but he knows that there is a greater
concern for paramedic response. However, that kind of turns around and he thinks the general
population outside Sun Lakes are concerned about crime and they feel unsafe in certain parts of
the city. He doesn’t see any other way of bringing in more dollars for police and fire; a stable
source. He would like that stability and he thinks Chief Stowells would also. He just wants to
tell his people that we have hit rock bottom and now we are going to try to build from there. But
how do we do that?

Chief Stowells said on the fire side they have been able to stabilize Engine 20 through an
agreement with the County of Riverside and hopefully we can continue that in the future. It is
not just a paramedic issue over there even in Sun Lakes. In the last couple of months we have
had three fires and if not for the quick response in the last one which was just a fence between the properties and if we hadn't gotten there quickly, it would have gotten into the house. So it is not just medical but on the fire side also. And it is not just the fire side on the structural response from the fire engines but weed abatement and we had to cut the fire inspector because of a lack of funding. The engine companies when it was Banning City they used to do all the inspections and we have tried to continue that in the contract agreement but the call volume has increased so much that we cannot get to every business every year. Also there has never been a funding source for weed abatement. It has never been in the fire department's budget for weed abatement. There are customer service things that still need to be addressed in being able to provide to the community that are currently not funded.

Chief Purvis said that they try to provide best customer service possible but they are constrained. How do you build upon that when the resources are not there? The citizen's expectations are so high and they know there are some tough economic conditions but they still expect the high level of service. Citizens have to know what the impacts are of these cutbacks and we tell them.

Councilmember Machisic said as we went through cuts one of the things that he thought was important was to tell the citizens that if we cut this budget, over here you have a list of services that are gone.

Mayor Hanna said she would agree that we should have a regional Banning/Beaumont paramedic plan for south I-10. City Manager said that we should add Calimesa and Banning/Beaumont are going to be the two players that make it happen.

Chief Stowells said that sometimes the thought process is that we are duplicating services and that AMR has a medic. He said that AMR does have a medic and their primary purpose is transportation. They are a for-profit entity and through their policy they are allowed to be late. We have waited up to 45 minutes for an ambulance to show up and if we didn't have a medic there on the engine, that person would have died. In fact, we are not supposed to transport but sometimes a decision has to be made in regards to transporting.

Councilmember Botts said he agrees with Mayor Hanna about the over all issue but there are two issues and one is funding and cooperation. We have been working with Beaumont and City Manager Kapanicas proposed that fire put a squad on the south side that has paramedics and is not a fire engine for Four Seasons and Sun Lakes and we talked about the need of building a fire station. To him that is a cooperative type of thing that we need to deal with. In regards to Chief Purvis that is a funding and someday we are going to be back where we were and we need to look at where we are going to be in year two or three. The second issue that you were talking about was a parcel tax at some point for police and fire. Chief Purvis said that was a CFD and that it requires growth.

There was staff and Council discussion regarding CFD's (Community Facilities District) and other fees such as mello roos, staffing ratios for police and fire, our needs are different that our neighbors (Beaumont), how do we change perceptions such as Banning being unsafe, how does Banning be successful with the population we have, replacement funds for equipment, costs to run the new fire station.

Mr. King recapped some things that were stated and said that these are potential categories to follow-up in regards to public safety: possibility of potential new taxes, weed abatement issues,
paramedic service, cooperation issues with regard to public safety, staffing ratios, public perception such as crime, location of future fire facilities, fire inspectors, and staffing.

2. Infrastructure and City Facilities

Streets and Roads
City Manager said that one of the things he wanted to mention was local services and Highland Home exit and Level Service C to D and arterials. As you know, and he will use San Gorgonio as an example, that is a Level C and you require streets to be a Level C and everybody in the local region is level D and that is what their requirements are so if you do a Level C on San Gorgonio, you will probably be taking some buildings out and property. We are also in a competitive disadvantage at that point in time with our neighbors as far as infrastructure and the requirements that we have for our developers. He can understand that there are some streets that you may want at a Level C such as Wilson, Sunset and Ramsey but some streets won't be a Level C. San Gorgonio will never be a level C. Mr. Burk explained the grading system of the streets and also the implications.

Mr. King said what he is taking from this is that one of the issues you may want to deal with is to evaluate your Level C. There was some further discussion in regards streets and the need to review the General Plan annually.

Mr. Burk continued and stated that he put down priority/commitment to future roads Sun Lakes Blvd. to Sunset, Sunset Grade Separation, Highland Springs and the reason he put that there was because he doesn’t know if our Governor is going to do any of the funding that is earmarked for projects and he may take away earmarked funds. Right now we think we have 90% of the funding for the grade separation. He just wanted the Council to be aware of what your commitment is to the circulation of the Sunset Grade Separation. He said that in regards to Highland Springs there is a Task Force made up of Councilmembers Robinson and Franklin and we are still moving forward with that and we have a commitment from Pardoe to do the funding of it however that project is moving along and he doesn’t know what our commitments are but at the last TUMF (Transportation Uniform Mitigation Fee) we had asked for some money to be moved to that project and it will take awhile. He said that the east/west connector was supposed to be Lincoln Street (the Five Bridges Project). We moved along with the recycled line and the commitment on the utility side and he thinks that when he gave the presentation in December when we talked about the scalping plant or drop-in plant the idea was to put that pipeline in and then maybe pave the road behind there as kind of a detour road and it would be your east/west connection and would improve circulation but you would have to go through the washes and a lot of funding is needed for that but the commitment to pave that is still a priority for the Council and if not, it can be changed. He said he wouldn’t want to pave that road unless you are committed to putting the pipeline in because it wouldn’t make sense to pave it and then say you don’t want to put the pipeline in. Mr. Burk said those are the primary ones for what he sees happening in the next year or two.

Parks and Community Facilities
Mr. Burk said that he put down Repplier Park Playhouse Bowl and we applied for the Prop 84 Grant for $4 million dollars and it was denied and he wanted to know if the Council still wanted to go forward in seeking grant money for that type of project. Also in previous strategic planning we had soccer fields that we designed for Roosevelt Williams Park, Lions Park and
Dysart Park and is that still something the Council would like to continue with or has it fallen off the radar and put the plans on the shelve.

Council said we have no funding at this time and in the Parks Master Plan it is included.

Heidi Meraz said that these are breaking issues and it is true that there is no funding but for public safety that is what makes a city livable to people. You look at your parks and you look at what it has to offer especially in comparison with our neighbors.

John McQuown asked don’t we have a joint effort with the schools as far as soccer fields because that is ideal. Why should be duplicate things we already have?

Mr. Burk said that is what today is about and a great point and that is what he is trying to hear from everybody and is that the avenue that the Council wants to move forward on. Do we want to build something further or do we build the Playhouse Bowl and he is just looking for direction. Mayor Hanna said we should move forward and find the funding.

There was further discussion in regards to the parks master plan, the reality that more of our kids are going over to our neighbors for sports, rehabilitation of our parks, joint use/cooperation agreements with the schools, staffing and maintenance of the parks.

Utilities
Fred Mason said with the Electric Utility we have actually brought to Council the revised Capital Improvement Plan and buy backs of the bonds that we issued and reducing the capital improvements because of the economic downtown and we will not be going like we had projected. To the projects that still exist we have added the undergrounding of the downtown corridor, going to increase the upgrade capacity at Alola, upgrade the airport and upgrade San Gorgonio substations. With the O’Donnell project since we do not know what is going in there it is difficult to say what the loads are going to be and it will be kind of challenging but from a distribution standpoint we are going to be fine. As far as regulatory compliance one of the real issues that we will need to look at is that the State Legislature and even at the federal level they are constantly bombarding us with energy efficiency measures, new requirements and as they happen we have to react to those and that is something that is going to be very challenging because many of those actually have cost impacts. Depending on what actually happens with regards to renewables, with regards to our load growth and also since 2008 we have lost about 12% of our retail sales. He doesn’t anticipate that turning around anytime soon and will be gradual. We hope for growth due to the Larry Smith Correctional Facility and the hospital expansion. As far as our distribution system goes we are fine.

Mr. King said he hasn’t heard yet either in regard to the distribution system or the renewables that there is a further need for Council direction and is that a fair statement. Mr. Mason said yes until there is an expense that we cannot cover and at this point given where we are with our current retail sales, given where we are with our current expenses the only real unknown is cap and trade and how that is going to affect us because we do have our San Juan facility purchase subject to cap and trade.

Mr. King asked if there were any other issues related to the electrical utility. Mr. Burk said that he had one issue what the impact are to the rates that were discovered when we used to have the
municipal rate in the utility and then the new rate for the water and wastewater side which was not part of the rate study.

Water
Mr. Burk said that water is probably one of the most litigious issues that we have moving forward and we have to be prepared for that however, he does know the environment around here and the flume is a big issue as it relates to dealing with just Southern California Edison and Banning Heights Mutual Water Company. The Ad Hoc Committee of Mayor Hanna and Councilmember Machisic is working really well and all of that is moving forward. He said that he and the City Manager have a meeting coming up as it relates to some of the water issues on the Bench. The City of Banning and Banning Heights are cooperatively moving forward with some type of an agreement to keep the diversion water from the south fork or Raywood Flats towards Banning and it is huge step and benefit to the City so when you start seeing what those numbers may cost the City that water coming this way is priceless. This will go to the Ad Hoc and then come forward to the Council. He said the water issue is completed at best and the City of Banning receives 100% of this water from the ground. The Beaumont Basin is shared with Yucaipa, Calimesa, Banning and Beaumont Cherry Valley Water District and in 2014 the amount of water that we can extract out of that basin is going to be limited. It doesn’t mean that we cannot take more out; you have to put more water back in. So we will have an allocation right now that we can take 3,900 acre feet out of there a year right now. In 2014 you are going to be reduced 500 acre feet so that is a huge cut so the question is how do you develop other resources to offset what you take out of that basin. It is not that you don’t have water, it is just going to cost you more and what that means is that State Project Water is actually the place you would get that or develop recycled water. And this Council in about 2004-2005 went ahead with the design, upgrade of the Central Plant (south east portion of the community) to develop recycled water. Developing recycled water is like anything else, it cost you more to develop that water. However, regulatory wise you are under the microscope to develop that water so what that means is currently the way you are processing that water now doesn’t meet the regulatory idea. However, you are not out of compliance but you are always on that bubble. Mr. Burk continued with his explanation.

City Manager said some of this we have already gone over with the Council before and is there something new.

Mr. King said is there a decision point coming up

Mr. Burk said that if you take this idea and build it somewhere else further up the line it will cost you around $15 to $20 million dollars and that decision is going to be coming before the Council. If there is more you want to discuss or have sit-down meetings, he needs to know that or if you want to go ahead and build the central plant. Those are the two big issues.

Councilmember Franklin said she doesn’t need an answer today but when he comes back to the Council she would like for him to talk about the capacity for water retention and retention of water runoff.

The meeting recessed for lunch at 12:02 p.m. and returned to session at 12:50 p.m.

3. Economic Development
Community Development Director Zai said that they know that economic development is Council’s priority and the City Manager has reinforced that also and you have asked us to come back with an economic development strategy and staff is working on that. Some of the things that the Council may want to know is that some of the visions in the past may not have worked as we are looking at the way we should be bringing in different businesses. For example, the 47 acres and we know that there are access constraints and we know that in regards to the auto dealerships that may not be something we should put there. So some of these issues they will bring as part of the economic development strategy to you. They are trying to layout all the things that we could get to the different project areas for example the 47 acres is one, Highland Springs and Sunset is another. So we are trying to break out the community into different areas so we can strategically bring the business that we thought would be a good idea but we have to remember that we have the big box in Beaumont and we have Cabazon to the east so we have to be looking at stuff we don’t have but would compliment what the two key areas have and also looking regionally. Our city is going to be 100 years old and so our city is in transition just looking at the General Plan that you did in 2006 so trying to bring huge development is going to be a challenge because we have smaller lots. Somebody is going to have to assemble those to come up with a big project. So some of those things the Council will have to consider and are you looking at bringing major developers or industrial/commercial or are we going to focus on the smaller local property owner and tell staff as we work through the economic development program. Also all the stuff that we talked about today infrastructure, the parks, police services, fire services all of these things are important to make economic development happen in our community. Also we need to work on the branding of our community. What is our brand? We have the vision here but we still need to be a bit more specific to sell our city to a larger market.

City Manager said we had a redevelopment manager position and that person is no longer here and we have been without that person for awhile so this would provide an opportunity to create a manager or director for economic development. If the Council purely wants to concentrate on economic development, then he thinks we need to look at the possibility of an economic development/redevelopment director and create plans where we are going to be at. He thinks that those are some of the challenges and some of the directions we would like to see from the Council and when he talks about that he is talking about bringing somebody in and it would be a two-year experiment and if this person doesn’t do anything in two years, then see you later because we don’t have money to keep you so they would have to bring money in to maintain their employment.

Mr. King said that one of the issues that came up earlier in the interviews was some clarity in terms of what economic development means for Banning. Clearly it has meant an emphasis on downtown improvements. He asked the Council what comes to mind when you think what is economic development and what do you want to see.

Councilmember Botts said he would disagree that we have been focused on just downtown and it has been very visible but he looks at economic development as industrial development, commercial/industrial and retail producing jobs and raising the whole economic level of the city. It seems to him if you don’t have strong economic development, we are not going to have any money to get more staff and he would happen to think this is the most important thing that we can do. He doesn’t disagree with Zai but he can say that Beaumont’s demographics are not that much different than ours and they had a new council come in and had a vision and hired staff and said go do it and you can see the result. He said that we have the assets, we have the airport, we
have Morongo that wants to work with us, we have industrial land, we have retail and part of the job is to help us sell the property and we have a significant amount of land.

Councilmember Franklin said economic development means is using the assets we have to attract businesses and create jobs.

Councilmember Machisic said that economic development to him starts with one simple word “taxes” and he doesn’t care how we get them, as long as we get them. We need to make an assessment of what is around us to the east and the west with many stores and any time we talk to a developer or retail business they want to know how many people you have and the further east you go into Banning the fewer people you have and everyone wants to be in the center and Highland Springs is essentially the center of the Pass population. People who want to come in and sell something that is where they go; they go right in the middle of population. In his opinion we have to find our niche and he doesn’t know what our niche is and maybe we will have to figure that our collectively but getting retail downtown is going to be tuff. When you look at the courthouse that is going to give us a shot in the arm but what kind of shot in the arm are you going to get. We are going to get around 300 to 400 people a day as perspective jurors so that means that they are going to come in from 8 a.m. to 3 p.m. and then you will have some court employees so the nature of the downtown might be shaped by the hours of that courthouse. So as a group collectively we need to sit down and find out what is and we need to identify that purpose and come up with one to three things and work towards that one or three things. We need to concentrate our efforts.

Mayor Hanna said one addition that she would like to make is that we may have lower income downtown but you are not taking into consideration the fact that we are right beside the I-10 freeway and there are a lot of people who get off the freeway and she thinks there will be more getting off the freeway so if we attract 1.1% or some modest percentage of the people who go passed us and got them into Banning our businesses may do much better. She said that tourism could be a part of this and there are a lot of people who go to the outlet mall who could be interested in something that we could offer and we could think about that. In terms of retail it is possible we could get a Costco or something because they want to be in this area. More likely the major thrust she thinks would be to business that are already in Banning or businesses in this region who want to expand their business by growing it and in most cases that would be a new facility so that restaurants that are family-owned that are very successful in Ontario or Temecula or whatever bring them in and they may be ready to have a second restaurant and the same for other shops that we don’t focus on. She thinks that in terms of our signature is that we play with the idea of having unique boutiques or something that is going to be different than the major stores in the area. Also the arts do attract people outside of our community and we need to work on that. The Pearlman Project is really amazing and if that comes there will be others that will want to be associated with that so that is what we should be focusing on and planning for.

There was some further discussion regarding the downtown area in attracting people, look at and use the assets we have, working with Sun Lakes in regards to the 47 acres, sales tax and point of sale.

Mr. King said what he is hearing is that clearly economic development is one of your top priorities and you will continue to put a lot of effort in the downtown area. From there on it is a lot more defused given the conversation as to where the niches area. You need more information and one of the follow-up items would be the process to do that.
Mayor Hanna said that we have had two reports in the last five years and granted things change a great deal. We had Buxton come in and do a study and it should at least be looked at and there was another one that recommended we develop infrastructure.

Mr. King said that in regards to economic development in the types of things you want there are trade-offs, the type of development you want, watching out for scams, performance, patience - protect the good land and don’t say yes to the first deal, and be realistic – can’t fight demographics.

Mayor Hanna asked if there were any public comments.

Don Smith said that he thinks to some degree your definition of economic development is too small. The departments are the closer - the police, the fire, the parks, adequate infrastructure that is all economic development because when a guy comes in he wants to know where is my trained worked force. When his family comes in he wants to know how are the schools, how is the police doing, how are community services. All these things are economic development unless you combine all the services the closer is going to have a hard time closing.

Chief Stowells said when the Mayor said to get people off the freeway; that is what we really need to focus on. What is going to attract them to get off the freeway? What drives you to get off the freeway in whatever city? You have to have something to attract people to get off the freeway and then they are going to see other things that they can buy or use, etc.

There was more discussion in regards to doing research to understand what would attract people to Banning and the use of a marking firm to do some studies for us.

4. Fiscal Stability

June Overholt, Administrative Services Director said that a Councilmember had mentioned earlier that the City had gone through some pretty significant cutbacks for the last couple of years in an effort to balance the budget and this last budget was approved after some cutbacks also. There is still remaining a structural deficit narrowed down to approximately half a million and so we are managing that and hopefully some savings will occur. We continue to use the reserves and if there are not any revenues, then we will exhaust our reserves and we won’t have some of the opportunities to use some of the thoughts that have been discussed already today. So in a perfect world when we get to an economy that can help us it will relieve some of that stress and in that way we can be more strategic on how we put together some contingencies for equipment replacement and the tools that we need. From her observation having been here for a month from an operational perspective we have very limited staff and yet some of the resources to get our jobs done is kind of clunky. She noticed in her group and probably in other groups that there are a lot of manual processes that are occurring so she is thinking at some point we will need to have some strategic decision making regarding technology to help us achieve what we need to do. It will be on a list that she will bring up periodically because it affects all of the departments. She has a better understanding of why things are not happening the way they should. She may not be able to give you timely information so you can make strategic decisions but yet the challenge is what does that mean to get there and the reality is we are not completely out of the woods when it comes to where we are at financially and you still have a structural deficit. Some of the good news is that we do have some things that occur each year that helps us
to plan for what is expected but yet everyone does manage their budget carefully and there is some savings. So when we do come at mid-year you will see that the year ended better than what was presented to you at budget time.

City Manager said in regards to the cost for financial software the cost is a quarter of a million to half a million for all the departments. We have done some general ideas and June has done some projections by looking at what she has currently and so we feel comfortable. For the department heads to manage their budget and to hold them responsible they have to have the information in order to do that and in the past they have kind of felt out of the loop in their budgeting and have felt uncomfortable and sometimes when that happens you end up putting money away here and there so you make sure that you don’t go over budget and for him he would like an accurate budget that goes to the Council. It is going to be expensive but we really need it and he thinks it will be more efficient.

There was some further discussion regarding transparency, unfunded liabilities, pensions, unknown costs, public community budget workshops, and where the State will drop some of their responsibilities.

Rates and Fees
Fred Mason said he wanted to make sure that the Council is aware that the rates we have now based on our expenses we are basically able to cover our operating expenses based on what those expenses are but at any point San Juan could have a major catastrophe and we would not be able to cover those expenses or other regulatory requirements. The EPA (Environmental Protection Agency) is putting requirements on the San Juan plant and our annual costs could increase. Also electric did not implement a solar fee to cover costs associated with that service. Mr. Mason explained other issues that could happen.

RDA
City Manager said that we will not be able to undertake large projects when the bond funds are depleted. We will need to rely on proactive marketing of the community through economic development as part of the City’s effort. Some salaries are affected such as the Gang Task Force Member because part of their salaries comes out of the CRA, as well as, code enforcement. This would also affect the Banning Chamber and the Cultural Alliance contracts and we need to start looking at it now and the need to put money back in the General Fund for some of these things. We are still talking with the Morongo Tribe to help and TASIN funds will go away eventually. Our financial condition is not great and we need to keep an eye on our purse strings and we need the tools to stay on top.

Councilmember Franklin said we ask questions as to where we are and the public is asking even more questions so we need to be constant in letting the public know the direction we are going in whether it is good or bad.

Councilmember Machisic said we talked about going out and being transparent and we always tell it from our home base – City hall, our website, our newsletter and one of the things that he has found successful is that you have to go out to the client’s turf. You have to go out to the local church, armory, or whatever. You have to put it in the middle of where they live because they are comfortable going there and they are not comfortable coming to City hall. We need to consider doing an outreach of some kind throughout the whole city or selected areas. We need to be upfront and they are more prone to ask you questions when they are on their own ground.
where they feel comfortable. We would suggest that we develop a line of communication like that and consider a location and take it out to them.

5. City Livability

General Plan
Community Development Director said that when you adopted the General Plan in 2006 and the ordinance that went with it it set a very high expectation and like she mentioned before the City is in transition and it is good to set very high expectations but it is very, very hard to accomplish like the example that Duane Burk gave in regards to Level of Service C versus D and we are clear on that and we will have to come back to the Council with a general plan amendment. She said the one thing that she has a question about is that the policy of the Council is that whenever you have a project you have to have a source of funds to pay for it like traffic circulation and you have to have a traffic study in order to back up your information and she is not sure where we can get that source of funding to do the traffic study.

Mayor Hanna said that we had the study done by SCAG (Southern California Association of Governments) for the downtown and she doesn't know if we ever saw it. It has never come back to us and we deserve to have it reported to us.

City Manager said that the City Attorney suggested that before we do capital improvements we should actually have an estimated amount and we have been trying to get that estimated amount but we have to get the engineer's estimate as opposed to anything else and that is the issue. If you want to see the EIR (Environmental Impact Report), we will bring that forward.

Councilmember Botts said that we have never seen a parking study. There are things that seem to happen that never come back to the Council at least for information only. We need to track them better.

Mr. Burk commented on the General Plan and stated that they have not met with the Council to talk about the impacts and he explained some of the issues with that and we do need to look at the General Plan annually.

Mr. King said that Zai mentioned something earlier that before the General Plan could be applied to a development that there is a continued series of EIR's (Environmental Impact Report) and how do you get out of that box. What do you want to put on the table?

Zai said in order to get out of it we have to change the General Plan and to set realistic expectations so that we don't have to do an EIR every single time and that will become a challenge as we have more developments coming in. We need to take care of that before development comes in.

City Manager said that in our staff meetings we review the agenda and we have a list of items that you have requested from the meetings and we have a list of items that we have to follow-up on so we do keep track of things and then schedule it when it is supposed to go forward and Paseco San Gorgonio has been on that list for a little bit.

Mayor Hanna said in regards to Pardee they have a Specific Plan that was approved in 1995 and it has not come back to us ever for direction and we had one meeting and she was told that the
original plan was designed in such a way with such high density that there would be no room for growth so obviously that is too high a density. But we have never given any policy direction and staff has been negotiating for the last two years at least and now she understands that they are doing an EIR and again, we have never had a chance to look at it and she finds it odd.

Mr. Burk said that Pardee has an approved plan and have improved the EIR from way back which they could move forward with 5300 homes today. From what he understands they have been working with a whole different group of staff and he has only been working with them for ten months. Pardee's position is that as they move this project forward they already have an approved project and they are doing an additional supplement EIR and whether we agree or don't agree and that is their position.

City Manager said the Council will see this and you can throw the whole thing out and send it back to the Planning Commission if you do not agree with it and that is the normal process.

Mayor Hanna said that is an immense investment of our staff time for years and then it has to be rejected. That seems absurd to her and a waste of time.

Relations with Citizens
City Manager said that our communication needs to be improved and has talked to everyone about that before and one of the things that he thinks we need to do is to get a marketing firm to do press releases because some things are so technical. He said that he will bring a request for qualifications for marketing and other things. We want to make Channel 10 and 26 more watched and get more information out there and information videos. As we grow and get bigger we can produce shows.

John McQuown, City Treasure asked about the amount of hits that our website get. City Manager said he would have to check with information services as to the amount of hits we get.

Chief Purvis said they use the website for their monthly reports which is also given to our City Council members and department heads. He said he likes to be contacted by the citizens and he considers it as a report card. They also put the press releases on the website along with policies and procedures and it is user-friendly.

Mr. King asked if there were other ideas in terms of issues with our citizens.

Daniel Savard said spoke about customer service and said that she and the City Manager have been visiting about this and the time is right now to fall in line with the “New Banning” and we really want to get a jump on that. Our idea is to not let anyone leave City hall unhappy. Yes, it is going to be a task but at the same time why should we not at that point if they are unhappy with an answer that they have been given or the level of service they received. We need to talk with them before they go out into the community and say how unfriendly Banning is. This is going to be part of the newsletter and a big push along with customer service training which will consist of a round table discussion with some staff members. This is something that she would like all of us to work on.

City Manager said customer service to him is how you treat a person and not necessarily saying “yes”. It is how you address the issue.
Councilmember Machisi said one thing that he would add is that you are talking about city hall and if at all possible, it would be anybody that comes in contact with the public outside of city hall from the various departments.

City Manager said that we have been looking at doing some reconfiguration of city hall or rehabbing which will be more user-friendly. We need to create a more friendly environment and have more seating and use a number system and more usable for staff. We need to clean up the mess and make it look open and inviting to people. He is waiting to see what happens in the budget.

Councilmember Franklin said in regards to communication one of the things that was brought up at the League of Cities last week is that we need to harness the community response also when things happen at the State and federal level. That is where people will pick up the phone and call their representatives. As a City we should be taking a lead in really getting the word out and when these changes take place this is what it means to you. We should be a part of making sure the public knows and this is how you can have an impact. We need to let the public know that they can contact their State and federal representatives.

There was further discussion regarding the phone system and the problems with it especially in customer billing and getting a live person. In terms of customer service staff needs to have a problem solving approach and problem solving. We need to incorporate two-way communication.

Mayor Hanna would like the Council to consider whether they could support something like this and not financially but by saying this is a good idea and do what the City of Beaumont is doing and that is creating a Community Foundation. It would be a non-profit foundation and not a city-related function. This non-profit would raise funds for building community activities like special events, neighborhood block parties, community forums and anything else that this organization would see as part of building a community. She said that there is a Lenders Circle in Riverside that is a community foundation and we could go and talk to them about how we should go about doing this. Beaumont said that they raised $25,000 last year and that is something she would like the Council to consider and that government can’t do everything.

7. Legislative priorities and external relations

City Manager said in regards to legislative priorities is that we need to consider 1) opposing any takeaways from the cities, and 2) there is no services that are passed down to us without a revenue source, and 3) that the State doesn’t set anything that will get in the way of development. Those are three things that we should always look at.

There was some discussion in regards to things coming down from the State in regards to inmates and parolees, the release of prisoners that are ill, the need to push the State as to how business is done. We need to do whatever we can to support the Tribe and other partnerships with the county, the library, and the schools and with other cities in the Pass area.

Mr. King said that after the break we will do a little bit of visioning of what Banning should be and finish up with what your goals are and that will lead up for the session tomorrow to talk about how the City does it’s business and to deal very specifically with strategies that will fit under the goals.
The meeting recessed at 2:40 p.m. and reconvened at 2:50 p.m.

At this time the group broke up into smaller groups to do some visioning of "What Banning Should Be".

1. I would like Banning to be a place which has:
   Self-containment: Education, jobs, home and fun.
   Sufficient jobs, retail, homes, recreation and class.
   Sustainable tax base.
   More $, shopping places, restaurants, recreation and a beautiful entry way.
   Happy residents
   Opportunities

2. I would like Banning to be a place which is:
   Which is and is perceived as business-friendly and community minded.
   Fun, safe, clean, alive, active and economically viable.
   Thriving, safe and respected.
   Ahead of its time.

3. I would like Banning to have a local government which:
   Customer friendly, transparent and visionary.
   Transparent, customer friendly, visionary and prepared for the future.
   Respected, responsive and efficient.
   Proactive, transparent, friendly and fiscally strong.
   Responsive, transparent, effective and resourceful.

4. I would like Banning to have a citizenry which:
   Part of the solution.
   Educated, more involved and integrated.
   Caring, happy, employed and live by the golden rule.
   Educated, involved, active and patient.

5. I would like Banning to have an environment which:
   Promotes community pride.
   Inviting, eager for change, enriches lives and instills community pride.
   Attracts people, environmentally friendly and has green trees.
   Promotes diversity and a friendly lifestyle.

6. I would like Banning to be different than Beaumont in these ways:
   We are incomparable -- "can't be compared" -- unique.
   More opportunities for retail, jobs, homes and activities.
   More with less; we are doing a lot more with less; more convenient, we have a unique downtown
   and are proud of our history.
   Community spirited, to have our own identity, sense of community, small town environment,
   unique, friendly and have good school systems.

Carol Newkirk said that she participated in one of the groups and said that she thought it wasn't something that we were only aspiring to be but there are many things on the list that we are
already are and she thinks that is important. We are already there and just need to continue to go forward.

Mr. King drew the group’s attention to page 1-1 which list Possible Goals for Banning. He would like the Council to make some selections and narrow it down and listed on this page are possible goals. He would like the council to determine the final list of goals and it should be noted however the overall goals or guts of the strategic plan will be the strategies which are selected for each goal. Right now you can rank these goals but the real decisions come when you have to prioritize each strategy. Right now we want some workable categories or values under which tomorrow we can take it down to more specific strategies and ultimately to specific projects to back those up. He said that he has listed six possible goals and there are different ways to phrase these things. The six possible goals he has listed are: Fiscal Stability, Public Safety, Infrastructure and City Facilities, Economic Development, City Livability/Planning and Relations with Citizens. Once the goals are established one of the assignments to staff is to come back at a later time with some narrative.

There was further discussion in regards to goals and strategies and the list ended up as follows:

Mr. King said that we have worked hard today and tomorrow we will start with how the City does it business and then we will fill in the goals with specific strategies and he hopes that Council will begin to prioritize the strategies. He asked everyone to think about the 4 or 5 most important strategies that you would like to get on the board under whatever goal they might fit under.

Meeting adjourned at 3:44 p.m.

January 28, 2011

Mayor Hanna called to order the special joint meeting of the Banning City Council and the Community Redevelopment Agency on January 28, 2011 at 8:08 a.m. at Johnny Russo’s Italian Kitchen, 1335 W. Ramsey Street, Banning, California. All Council Members were present except for Council Member Robinson who was excused.

Mr. King said that we will follow the agenda as to doing the City’s business the norms, expectation and protocols and City Council and staff expectations of each other. At this time the group broke up into smaller groups to discuss this item.

**DOING THE CITY’S BUSINESS: NORMS, EXPECTATIONS AND PROTOCOLS**

1. **Staff reports: How can they be improved to the City Council’s needs?**

Format overall good; glitches if were giving to Council; APN does not describe location well; need to clearly identify the location to assist Council and the public and provide the street address. Council needs to understand the question staff is looking for? What direction is staff seeking? Staff members should make recommendations, revisit the staff justification section; revisit the order; duplication of information and do a better job on the background. Shorten the
content, don’t need a lot of background information; directors don’t know what Council knows. Would staff rather provide more or be asked later? Which takes more time? How do you get that balance of lengthy vs. short? Staff report listing/showing detail vs. attachment detail. How long? If the transaction involves a lot of money, do we need a lot of attachments and more detail? Will depend on the subject matter.

2. Agenda setting – Is the process for establishing agenda items understood and working? If not, provide some suggestions.

Is good, some topics to discuss may be future agenda items; items that go to City Council vs. workshop meeting. There is a concern with all the things that don’t get done. Council needs to know when things are going to get done. Staff and Council should also have their own tracking method. Staff says the draft agenda is ready two weeks in advance. Perhaps have the draft agenda ready two weeks in advance for the meeting to allow time for Andy to get answers and City Attorney comments. City Attorney’s Office will now receive staff reports in advance to allow for comments and input before the public meeting. We hope to get the agenda out earlier now after the City Attorney’s review. Councilmember Botts suggested Andy share the agenda planning sheet.

3. Public comments: Are there any suggestions about how public comments and follow-up to public comments could be handled?

Speaker cards? Comment cards? Clarification is needed with regard to the three or five minute rule. Staff likes the light that keeps track of the time; easier for staff to answer questions at a later date or at the same time during the public meeting? Some can be answered on queue and some require follow-up at a later date. Public information cards have been suggested; speaker cards; keep public comments in order; not out of place. Discussion came up about being cautious with engaging in public comments or utilizing public comment cards which could possibly hinder expressions of concern; cards would allow or make people show up earlier; cards may hinder people from speaking; cards may help people who don’t want to speak on camera; cards would benefit staff by providing contact information for use in following up on requests to be contacted and requests for information; provide information and follow up request or concern in writing.
Follow-up item: Provide clarification to the 3 min. vs. 5 min. rule. Does Council want to allow five minutes? Make it 3x3 = general consensus – 3 minutes for public comment and 3 minutes for items on the agenda. Don’t preclude them from speaking.

4. Are there sufficient opportunities to brain-storm and discuss up-coming issues in advance of a “yes” or “no” vote? If not, are there any suggestions?

No opportunity at a public meeting; should be a flow of information at the meeting; limited to discussion at the dais. It was suggested that we should have an occasional study session in between meetings to allow for discussion but not vote that day; bring back the next meeting. Look to Andy for direction. Would be helpful to the public to see us talking, but we don’t seem to want to do that (discussion). Good to have discussion with respect; don’t interject personal opinions; do what is best for the public; not our own agenda. Concerns were raised with the fact that Council cannot see one another at the dais. Speaker issues – sound in audience; microphone.
5. Communication among council at dais. Are there any “ground rules” which might be appropriate for the City Council to adhere in regard to conflicting opinions at Council meetings?

Should be done in a civil manner; follow Robert’s Rules, improve upon and be mindful of body language, be respectful, everyone should get a chance to speak, minimize speaking to other Council comments; how we act is just as important as what we say, look attentive, pay attention, engage in eye contact with the speaker, don’t put your head down (to take notes) while they are speaking; give your full attention. They have a problem or they would not be there. Lay out of Council – can’t lean around to talk to one another. Important that Council is civil when they speak to one another. People think you don’t have your act together. Emotions get in the way. Take a break if an issue is heated. No matter what the topic is, everyone’s opinion matters.

6. Council-staff communication and providing direction to staff: Andy has introduced a new process. Is this working? Any suggestions for modifications?

Works as a whole; everyone likes the improvement; much better than in the past; much improvement with the Council request tracking sheet prepared and managed by the City Manager’s Office. Council now does not give direction directly to the Directors but rather all requests go through the City Manager for direction.

7. What can staff do so that that Council can maximize the assistance and resources of the staff?

Regular presentations from departments were suggested to show what the department is doing and where they are at on specific projects, tasks and goals. Council should work through Andy. Keep Council up-to-date. Give regular updates; 1 year work program should be utilized; report quarterly or some other means. Staff is not familiar with where Council is sensitive “human piñata”; don’t know about the sensitive topics. There have been problems in the past with the airport tenants being a sensitive issue. What should staff be sensitive to?

8. Staff Presentations at Council Meetings, reports, etc. How much detail is required?

It was stated that Council should know the length of a presentation in advance; make it a workshop or study session instead of an agenda item in the middle of an already lengthy meeting; directors should cut down on all presentations (15 minutes or less only); give staff a chance to present items to the Council (staff who normally don’t give presentations) to increase exposure and implement cross training measures. Narrow down to what it needs to be; keep PowerPoint presentations to highlights only; don’t have staff read the entire staff report at the public meeting. Speak clearly; give enough information that makes sense to the public; give alternatives and recommendations (this is our options, etc.). What are the pros and cons? Trying to introduce a whole new idea will take longer. We need the scalping plant – should have been a separate study session or workshop. Mayor Hanna suggests we utilize the “off” Tuesdays to have special meetings, study sessions or workshops.

Mr. King said that there were a lot of good ideas and he would urge the City Manager to spend some time with staff on these items and maybe two months from now provide an opportunity to the Council to assess some of these things.
Define and Prioritize Strategies for Achieve Goals

Mr. King said that after Daniele sent him the goals from yesterday he spent a little time drafting some narratives probably because there were so many good adjectives and words and descriptions that you had so he tired to take each of the goals and embellish them. He thought that the group could take these goals and see if it is the right direction and suggest some possible changes without getting into specifics with the idea that the City Manager and the staff would take this and your comments and later come back to the Council with a final set of goals for you to adopt.

Goals for the City of Banning

1. Fiscal Stability – Achieve fiscal sustainability by managing city finances, serves and assets to produce a balanced budget and maintain desired city services and facilities. Add revenues to the wording.
2. Public Safety – Provide police, fire and emergency services to maintain a safe and secure community.
3. Infrastructure and City Facilities – Provide infrastructure improvements needed to provide auto and pedestrian mobility, recreation opportunities, electricity and water for the community. Change recreation opportunities to recreation “facilities” and add wastewater and bicycling.
4. Economic Development – Adopt and implement marketing, investment, and planning strategies to increase Banning’s tax base, provide local jobs and increase shopping choices for residents and visitors. Add entertainment, restaurants choices. Also need to add attractions to this wording, a reason to come to Banning.
5. Quality of Life – Maintain a high standard of community appearance, character and livability by effective planning and code enforcement, attention to long term vision and citizen involvement. Add recreation services. Add to the beginning of this the word “Build” and maintain…
6. Community Relations – Implement policies and program which enhance customer-friendly service, responsiveness, two-way communication and transparency to achieve citizen trust of and respect of and involvement in the City. Change wording to “resident and citizen-friendly service,”… Add also something to be proactive.
7. Regional Cooperation and Partnerships – Advocate, create and participate in regional efforts, partnerships and cooperative arrangements to assist in achieving the City’s Goals.

There was further discussion regarding these goals being broad enough.

Meeting recessed at 10:15 a.m. and reconvened at 10:27 a.m.

Continue Strategy Discussion

Mr. King said the objective of this is to end up with specific strategies under these goals. First of all of the things you will have on there will be a projects whether they are budgeted or not and other things you may not be sure you want to go ahead with say with police staffing level and that would not necessarily mean you are going to change the staffing levels but it might mean that you are requesting information for the dialogue to lead to that discussion. There may be three different tiers of items and you may not be able to do everything you list. Also let’s not get hung up on what a strategy is versus a specific project. Right now we are just looking for
strategic priorities or strategies; things that will make the goal possible. The group listed many strategies for the goals and there was discussion. Attached is a list, preliminary draft, regarding the results from this strategic planning for each of the goals (Exhibit G).

Mr. King congratulated everyone and said that we covered a lot of stuff and there is still an awful lot of stuff to do and thanks for hanging in there. It is a great start. He read a couple of things of what he thinks some follow-up might be 1) request staff to draft a vision and mission statements for Council review and possible options, 2) critique the goals and create a narrative for formal adoption of the goals, 3) request staff to provide additional information including costs and resource requirements on the City Council’s top strategies, 4) request staff to develop a work program which will provide tracking information on the top strategies such phasing specific projects to achieve strategy, milestone targets, projected completion dates and cost information, etc., and 5) your approach to regional partnerships and that would be to mark sure that with each of the goals there is appropriate mention of those kinds of external relationships with partners that will support those goals.

There was discussion and concerns as to how long it will take to get a work plan, the need for a timeline, budgeting for things and set aside funds if we follow the plan, formal adoption no later than four weeks. This gives the City Manager a plan and if other requests are made, the City Manager can say this was not in the strategy or plan. If we want to take on something new, what needs to get pushed back and removed from the list? Use this list as a tool to manage staff workload and not take on more without removing other tasks. We need prioritization and constant management and reporting. If we put out this whole list, people think you will do the whole list. Staff needs to tie workload with goals and tasks.

ADJOURNMENT

By common consent the meeting adjourned the 12:18 p.m.

Marie A. Calderon, City Clerk

THE MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE CITY COUNCIL. AUDIOTAPE OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING IN THE OFFICE OF THE CITY CLERK.
PURPOSES OF THE CITY COUNCIL/MANAGEMENT STAFF WORKSHOP

CITY OF BANNING

JANUARY 27-28, 2011

1. To discuss key issues facing the City of Banning and which affect the City Council’s vision for Banning’s future.

2. To begin a process to create a Strategic Plan for the City of Banning.

3. To assist the City Council to define their vision for the future by establishing overall Goals for the City.

4. To establish preliminary Strategies for implementing the City Goals.

5. To establish expectations in regard to follow-up and next steps to complete the Strategic Plan, possibly including an on-going process to monitor and evaluate the implementation of the Goals once approved by the City Council.

6. To discuss City Council and City Staff norms and protocols for the conduct of city business.

7. To have fun.
COUNCIL AND STAFF RESPONSES TO NORM'S QUESTIONS

WHAT YOU TOLD ME

HOW ARE THINGS GOING GENERALLY IN BANNING?

1. After four years and two city managers it is great to have Andy and the stability he is providing.

2. Doing well on downtown projects.

3. Council doesn't always work to well together.

4. Difficult - struggling with the many budget cutbacks. Is very challenging because of layoffs.

5. Just barely holding on; rubber-band is stretched; we are in survival mode

6. Are the cuts over? - anxiousness.

7. In spite of the economy Banning is moving forward.

8. It's amazing that we are doing as well as we are - despite dismal economy.

9. Many of our citizens are in economic difficulties.

10. Pretty well; we are progressing.

11. Sometimes we have let business opportunities go by.

12. Fairly well but we will never be able to provide all of the services the citizens want.

13. We are at a crossroad - have weathered a lot; employees are still up-beat to a point; wondering what is next.

14. Community has a lot of pride.
WHAT ARE SOME GOOD THINGS/TRENDS OCCURRING IN BANNING?

1. Court building
2. Good use of CRA money
3. College
4. Investment in infrastructure
5. Pearlman Village project
6. Hospital expansion
7. New high school and facilities
8. Kept fire station open
9. Solar rebate program
10. Art museum; community is getting interested in art
11. Sense of community seems to be coming back
12. Elections are over
13. Communication among staff is more open
14. Have a great group of staff
15. Development inquiries seem to be picking up
16. Downtown revitalization; Fox Theatre; facade program; cleanup: "Each little thing helps."
17. Addition of Andy - he is taking charge/is a professional/is providing stability
18. Buying land in advance
19. Council is doing better working together in public
20. City Council has maintained focus on downtown
21. All of the City Council are smart people.
22. The Police Dept is now a real asset to the community
23. There appears to be a better chance now that the financial situation can be dealt with
24. Electrical utility is a big asset
25. People are willing to try to make things better - volunteerism
26. Council has stayed together pretty well; less instability
27. In spite of cutbacks staff still has good work ethics
28. New police station
WHAT ARE SOME NEGATIVE ISSUES OR NEGATIVE TRENDS OCCURRING IN BANNING?

1. Recent past instability of management
2. Some staff not working together as well as could be
3. Perception of how the city spent the bond funds
4. Public doesn't think we are transparent
5. Getting correct information on finances and budget (much better now)
6. Lots of people not involved - Beaumont facilities attract our citizens
7. Lack of understanding by citizens - negative feelings about council and administration
8. City's general plan and zoning map don't work together
9. Perception that developing projects in Banning is difficult
10. Fees are an issue
11. Zoning code is not user friendly
12. Lack of places to work, shop and play
13. Lay out of city hall - no place to talk to irate person
14. Big void in things for kids to do
15. Did not address the rate increases for water and power early enough - council did not get correct information
16. Many stores are vacant
17. Crime down a little but concern about possible increase in gang activity
18. Huge staff and budget cutbacks
19. Cultural Alliance program
20. Unrest on council - personalized disputes vs. differences of opinions
21. Council may not fully understand that more cuts may have to come
22. Lack of jobs
23. Morale of community is pretty low
24. No supermarket in Banning
25. The Banning Informer website putting out negative stuff about Banning
26. Sometimes we are our own worst enemy by down-playing Banning
27. Beaumont gets everything
28. Perception that Banning is not safe place
29. Perception that Banning is not taking care of blight; not cleaning up
30. Council could do more to champion what has been done
31. Some employees could take greater ownership of tasks/complaints
32. Have issued a great deal of debt
33. Dealing with the "mixed message" of spending one-time bond money and cutting operations
WHAT WORRIES YOU MOST ABOUT THE FUTURE OF BANNING?

1. Difficulty of getting correct information to the public

2. Finances/on-going deficit/balancing budget

3. Crime

4. General plan implementation - Have to do EIR on everything because there is not a workable general plan - than would make mitigation findings.

5. City does not have vision for future and is not reading for growth: Do things as we go.

6. Ability for elected officials to get along and focus on city

7. Each council member clearly wants the best thing for the city but need to work better together to accomplish it

8. Council's desire to attract retail development but will have extreme difficulty attracting it

9. Not being aggressive enough to go after new development

10. We are so desperate for growth I am afraid we may not do it well

11. Longer term water supply issues

12. Council is too committed to art park vs. real economic development

13. Have a disjointed community – Sun Lakes has few ties to community; not a lot of young people

14. Banning does not have realistic planning - a lot of talk about it but not doing it

15. Instability/turndown

16. Loss of sales tax

17. Council communication among each other

18. That the Council won't (in the future) base decisions on priorities and strategic thinking

19. Some of the economic development objective may be unachievable because of demographics
WHAT WOULD YOU MOST LIKE TO ACCOMPLISH IN YOUR ROLE AS...?

1. Airport - could be highly utilized.

2. Downtown improvements and economic development seem to be sole priorities.

3. Development of facilities citizens can enjoy and be proud of: including parks improvements.


5. Bring business and new development.

6. Let Andy run the administration.

7. Help provide direction for economic development but not be a "wheeler-dealer".

8. Make it a team effort. Be part of a team to move Banning forward.

9. Move Banning forward vs. "nothing is happening in Banning".

10. Set goals; monitor them and implement them.

11. Bring jobs and a supermarket.

12. Something for kids.

13. Need fire station on south side of Freeway.


15. Complete downtown corridor undergrounding and maintain renewable energy portfolio.

16. Have a strong infrastructure plan - appropriate fees, land banking, water etc.

17. Help the city function more efficiently.
IN YOUR OPINION DOES BANNING HAVE A STRATEGIC PLAN AND/OR SET OF PRIORITIES WHICH REPRESENT THE COUNCIL'S VISION OF THE FUTURE?

1. Yes we do - three year goals for CRA
2. No. No single vision/ five different visions to staff.
3. Parks master plan
4. Council is clearly focused on downtown improvements
5. Downtown improvements are good but council not looking beyond downtown in their priorities - single minded focus
6. Get policies staffing levels back up and move more to median in pay scale
7. Council appears to be going in different directions
8. Not really - need to be realistic
9. "Sort of" but it is soon forgotten
10. Past goal setting was sporadic went through the motions but goals were never internalized by either staff or council; not operationalized
11. Yes, but . . . they went into trash can; no follow through
12. Partially "yes" for downtown but not for rest of the city
13. Have CRA goals but have them mostly because they are required and don't necessarily represent value of city council
14. Not a set plan saying where we want to be
15. We have not captured an identity or a unified vision
16. Need a plan specifying what we want Banning to look like and the key things that will make it happen
17. Have had several scenarios in the past but ultimately has not provided direction; not implemented
18. No - no one really bought into the goals setting
19. No - everyone is not on the same page
20. No connection between the vision and how to get there
21. Yes but it has no visibility
WHAT ARE THE ISSUES, IF ANY, RELATING TO THE OPERATION OF THE CITY, SUCH AS STAFF-COUNCIL RELATIONS AND COMMUNICATION, CITIZEN EXPECTATIONS AND ATTITUDES, EFFICIENCY OF OPERATIONS ETC?

1. Efficiency of staff is much better than two years ago
2. Even after big cutbacks staff is doing well.
3. Community is getting more involved in art
4. Staff is overloaded
5. Big improvement in communications with requests coming through the city manager now/council not coming directly to staff anymore
6. Customer service - internal and external could be improved; "can we help solve your problem vs. you can't do that"
7. Occasional "scolding" from dais looks bad to public
8. Banning reputation - stigma of downtown
9. Need more code enforcement
10. Citizen expectation of higher level of city services
11. Communication from city hall
12. Articulating the direction the city should pursue regarding parks and recreation
13. Uncertainty and apprehension about possible additional staff cuts
14. Communication with citizens - don't have a forum to explain "other side" of the story; two-way communication
15. In past information from staff could not always be trusted
16. Expectation that city manager is fully aware of everything in council agenda packet and supports all of the staff recommendations
17. Some issues about communication among staff and some separation among staff
18. All staff taking ownership of complaints
19. Developing a "real" one-stop shop (and define what this means)
20. Complaint resolution process and protocols needs attention
21. Phone issues
WHAT WOULD YOU LIKE TO HAVE A DISCUSSION WITH THE CITY COUNCIL ABOUT?

1. Working together
2. Council norms and etiquette; civility; equal respect; not putting each other down
3. How to best maximize city assets
4. How to best work on a limited budget - what do you cut?
5. Importance of community services
6. Future growth as a whole - long term planning for future
7. The Council's vision - what they see the community should be in 15-20 years
8. A discussion about the issues affecting "my" department (Note: this was stated in different ways by several department heads)
9. Have council play a support role but let city manager deal with developer
10. A way to have council talk about up and coming issues before decisions have to be made. (council study sessions?)
11. Prioritization of where the city should go
12. What it means to be a team
13. Phone issues and citizen responsiveness at city hall
14. Future of city airport
15. Not to continue personal attacks (council)
16. City Council desires and expectations about what kind of information and reporting on projects they want
17. What the "new" normal will be
18. Living within our financial means
WHAT SHOULD BE THE PRIMARY PURPOSES OF THE WORKSHOP?

1. Get us working together.
2. Formulate our goals as a council: "We have never had a chance to say what our goals are for the entire city."
3. Have never individually talked about what we hope to accomplish in four year term
4. Long term planning - getting clear set of goals and objectives that are attainable
5. Motivate everyone to have same vision/direction
6. Clarify goals so employees can see how they fit into the big picture and see how various functions affect each other
7. Find out what Council's goals are: "I don't know what they expect."
8. Get Council to work better together collectively
9. Bring cohesiveness to council
10. Long range planning - clear focus; can't do everything
11. End up with 3-5 priorities and a follow-up process
12. Figure out an economic development strategy/ a way to cultivate developer interest
13. Strategic plan and commitment to goals
14. A framework so all of council is giving same message to the community
15. How do we as a council support the team to move forward
16. Arrive at realistic goals
17. That council would agree on same definition of economic development
18. Strengthen overall team - council and staff
19. Be ready for growth when it happens
20. Having clear direction for next 5 years or so
21. Concurrence on vision and priorities and acknowledge the financial constraints
22. Commitment from city manager and council to "take the plan on the road" to the community
TAG LINE

"Proud History, Prosperous Tomorrow"

VISION STATEMENT

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.

MISSION STATEMENT

Our Banning City Government is actively concerned with the quality of life offered our citizens and is constantly striving to improve that quality by:

- Maintaining the highest level of police, fire and paramedic services possible.
- Maintaining well-planned and safe neighborhoods for a strong community.
- Creating a downtown where you can live, work, shop and play.
- Generating new business opportunities and support existing businesses that generate jobs and revenue.
- Fostering post-high school education and training opportunities.
- Reducing traffic congestion and maintaining streets and sidewalks.
- Beautifying and keeping the city clean with landscaped corridors and gateways along with reducing all areas of blight.
- Maintaining City parks, recreation services and facilities.
- Improving airport, rail, streets and highways, and public transit uses for the betterment of the Pass Area residents and businesses.
- Supporting growth and maintenance of utilities and infrastructure to allow for responsible city growth and sustainability.
- Improving and creating safe public schools.
- Partnering and communicating with local entities.
- Celebrating the diversity that is the heritage of Banning's past and future.
- Overseeing revenue and budget expenditures that best serve the citizens of Banning.
- Promoting transparency and accountability as a requirement to good, fiscally responsible government.
Three Year Strategies with One Year Goals
Supporting the Vision and Mission Statements

1. Three Year Strategy – Improve the Infrastructure of the City

   One year goals:
   a. Continue to rebuild the electric infrastructure.
   b. Continue to develop and build tertiary treatment facility and pipeline to Sun Lakes
   c. Continue to design and build the pipeline to take delivery of State Water.
   d. Continue improvements of wastewater treatment plant.
   e. Plan and build the Sunset Grade Separation with alternate route.
   f. Resolve the flume issue with Southern California Edison and the Banning Heights Mutual Water District.
   g. Work with other agencies on developing I-10 Bypass plan.
   h. Develop a memorandum of understanding with the San Gorgonio Pass Water Agency.
   i. Continued to work on Highland Springs traffic circulation issues.

2. Three Year Strategy – Improve the Economy of the City

   One year goals:
   a. Implement the Airport Master and FBO Plans.
   b. Promote the revitalization of the downtown including the revised Façade Program.
   c. Promote Economic Development and bring back a staffing plan to enhance economic development activities.
   d. Development and implement a one year economic development and marketing plan citywide for retail, commercial and industrial.
   e. Develop and implement a strategy and plan to promote and recruit retail businesses citywide.
   f. Move the development of the San Gorgonio Inn project forward.
   g. Continue development of the Paseo San Gorgonio downtown plan.
   h. Work to promote the completion of Oddfellows Building, the Fox Theater, Hendon Building, Stephenson Building and the Art Park
   i. Work with residential developers to move quality housing projects forward (Pardoe and other developers)
   j. Create a “One Stop Shop” in the Planning and Development Department.
3. Three Year Strategy – Improve the Quality of Life

One year goals:

a. Explore and develop a low/mode income senior housing project.
b. Complete the Parks Master Plan and implement attainable portions.
c. Maintain recreation programs directly or through collaboration with community organizations and schools.
d. Work to improve transit choices for the Pass Area residents.

4. Three Year Strategy – Improve Government Effectiveness

One year goals:

a. Insure that government is open to the public and community.
b. Improve communications with other governmental entities.
c. Insure positive working environment.
d. Insure a business friendly and customer oriented municipal organization.
e. Work to insure a well managed City that is fiscally sound with a balanced budget.
f. Improve communications to the community.
g. Update City’s Personnel Manual.

Adopted: 5/12/09

Adopted Tag Line: 5/26/09
2.2 SUMMARY OF HISTORIC IMPLEMENTATION PLAN GOALS AND OBJECTIVES

Redevelopment plans are long-term documents and, accordingly, include generalized goals and objectives over the term of their effectiveness. The purpose and objective of the Redevelopment Plan and the Amendments was to eliminate the conditions of blight that exist in the Project Area and to prevent the recurrence of blighting conditions.

As described above, implementation plans span a period of five years; consequently, the goals and objectives set forth in these "short-term" implementation plans are more specific and are intended to be modified over time as they are met and/or events require their modification. The goals contained in the Preceding Implementation Plan follow below.

GOALS AND OBJECTIVES FOR 2005-2009 IMPLEMENTATION PLAN

GOAL NO. 1 ENCOURAGE ECONOMIC DEVELOPMENT

OBJECTIVES

1.1 Discover and implement "Marketing/Promotions" programs including a comprehensive marketing plan that includes the development of marketing and promotions materials with coordinated resources for distribution at trade shows, conferences, and direct mailing.

1.2 Provide feasibility analysis and design for railroad grade separations and bridges to support economic development.

1.3 Provide incentives for new businesses and retention/expansion of existing businesses based on return on investment through tax revenue increase and job generation.

1.4 Provide assistance with land acquisition and relocation of existing uses to support public and private development.

1.5 Facilitate and streamline permitting processes for new and expanding businesses based on prioritization of projects with significant positive economic impact.

1.6 Assist small businesses by providing training, mentoring, and counseling programs.
GOAL NO. 2  ENHANCE COMMUNITY IMAGE

OBJECTIVES

2.1 Continue and enhance code enforcement activities in the Project Area.

2.2 Develop design standards for the commercial corridors with emphasis along Ramsey Street and Interstate 10 between 8th Street and Hargrave Street.

2.3 Improve the appearance and function of the Ramsey Street and Interstate 10 commercial corridor between 8th Street and Hargrave Street by assisting with infrastructure and landscape improvements.

2.4 Establish and implement improvements to public facilities and rights-of-way at a standard that provides a model and incentive for private capital investment on private properties.

2.5 Develop and implement assistance programs in concert with private investment without unduly increasing the cost of private development.

GOAL NO. 3  INCREASE, IMPROVE, AND PRESERVE THE QUALITY OF LOW/MODERATE HOUSING THROUGHOUT THE CITY

OBJECTIVES

3.1 Provide funding and/or technical assistance for residential development and rehabilitation throughout the City including both single and multi-family units, where appropriate.

3.2 Fund infrastructure improvements in residential neighborhoods, which will promote development of affordable housing as necessary, and in accordance with available funding sources.

3.3 Implement a program of in-fill housing within targeted portions of the Project Area.

3.4 Promote and participate in public/private partnerships with non-profit and for-profit developers and/or property owners to rehabilitate existing rental units for Very Low- and Low-Income households.
KEY ISSUES AND DISCUSSION TOPICS

1. Public Safety

2. Infrastructure and City Facilities
   Streets and roads
   Parks and community facilities
   Utilities

3. Economic Development

4. Fiscal Stability
   City deficit
   RDA
   Long Term

5. City Livability
   General Plan
   Code enforcement

6. Relations with Citizens
   Citizen involvement
   Community pride
   Customer service
   Communication with public

7. Legislative priorities and external relations (Banning's foreign policy)
KEY ISSUES AND DISCUSSION TOPICS

1. Public Safety

   Police Facility complete

   Concern for pay scale to keep qualified officers

   Lack of general office hours

2. Infrastructure and City Facilities

   Streets and roads

   Priority/commitment to future roads Sun Lakes Blvd to Sunset, Sunset Grade Separation, Highland Springs.

   Parks and community facilities

   Repliler Park Place House Bowl (Prop 84 Grant) Soccer Fields Roosevelt Williams, Lions, Dysart,

   Utilities

   Scalping Plant (Eminent Domain considerations) Central Plant, SRF, what type of grant funding, Recycle Water Line (Phases) State Water Project purchase of additional Water, Drilling of additional wells, conjunctive use

3. Economic Development; The City has wonderful assets which it can tap into; however, it has major challenges that it has to overcome. They challenges include low purchasing power, low educational attainment, small number of roof-tops; too many small parcels to assemble for development; absentee landlords; old and deteriorated buildings along major corridor. These are huge barriers to overcome. Is the Council willing to focus on getting major developers for residential and commercial?

4. Fiscal Stability

   City deficit we discussed the challenge that we still have a $500k structural deficit that needs to be addressed. In addition, existing CRA costs need to be eliminated or absorbed by the GF as part of the RDA 5 year plan. NOW the State budget threatens to eliminate the CRA placing a greater burden on the City. World events may impact the City such as the US dollar being replaced as the index currency for oil, etc – this could lead to hyper inflation

   East Gate Project, Art Park, Art Alley

   Long term Stability
RDA – Will not be able to undertake large projects when the bond funds are depleted. We will need to rely on proactive marketing of the community through economic development as part of the City's effort. Incentives are a huge carrot for developers, which could be done through development agreement where payment of sales tax revenue could be tiered, development fees reduced, etc. Is the council willing to entertain this approach since the City will have to make up the difference if the revenue projections are not realized?

Long term - From the City side, it is important that there is a strategic plan with regard to land uses and capital improvement to ensure that there is sustainable revenue for long-term maintenance of the City. One way of looking at it is to make streets private with easements for utilities so the city does not have to maintain the streets. Is the Council willing to entertain this idea as part of development?

5. City Livability:

General Plan Change LOS from “C” “D” Highland Home Road interchange,

General Plan – The City is in transition. The lay of the land is unique. When the General Plan was done and adopted in 2006, there appears to be areas of the City that is overlooked which made a significant amount of non-residential properties non-conforming. Additionally, given the way the land is developed along the major streets since inception, the Circulation Element recommends wider streets above and beyond where the existing buildings are located. Additionally, Highland Home Road is in the Circulation Element. The City did a feasibility study to determine if the road could be built. It was confirmed that it cannot. As development comes in, we will have to do and EIR to override traffic impacts. EIR is time consuming (1+ years) and costly. The developer wants to move fast because time is money. Is the Council willing to amend the General Plan to address traffic circulation issues. With regard to non-conforming uses, is the Council willing to re-look at these non-conforming areas and reverse the zoning?

Code enforcement – This will need to be reevaluated to determine what we can do with only one code officer who has to cover the entire City. The Council agreed that staff needs to bring this matter back to the City Council in a few months.

6. Relations with Citizens

6. Relations with Citizens – Need to make them our ally and let them know how we are doing. We need use to various means to do this. One way is to use our website. The website is currently outdated.
Citizen involvement - In terms of development, we want to incorporate open house as part of the process. Lack of staffing is an issue. How does the Council proposed to address this?

Community pride - We need to have something that the community can champion. Currently, the community is divided on issues. How does the Council see this happens?

Customer service – Priority and instill in all staff; however, since staff are taking on more responsibilities, this area is impacted.

Communication with public – Divide the City into quadrants and do quarterly community meetings and call it “rotating city hall.” Use various mediums – website, city newsletter, water bill insert, Channel 10.

7. Legislative priorities

Oppose any State take a ways from cities.

– This is something that we should monitor more closely since we have not done this in the past since I have been here. We need to oppose any legislation that requires environmental review process above and beyond the current regulations. The process takes too long and costly. Also, opposed any future legislation related to housing element since it is costly to prepare the housing element and it takes a long time to get approval from the State Housing and Community Development. The housing element certification is a paper exercise. Many of the cities could have used the money to build housing as opposed to spending the money preparing the housing element.
1. Fiscal Stability

   Strategies:
   a. Increase Revenue Streams
   b. Regular Rate and Fee Review
   c. Eliminate Structural Deficit
   d. Advocate against State take-aways

   Under this category it should also be noted that there were two other that came up but were not selected as the highest priority: (1) Plan for acquiring software to effectively manage the City; and (2) Two-tier hiring system and employee benefits.

2. Public Safety

   Strategies:
   a. Influence perceptions (increase awareness of low crime rates, etc.)
   b. Maintain high level of fire and paramedic services (include regional cooperation)
   c. Develop/explore alternate funding sources

3. Infrastructure and City Facilities

   Strategies:
   a. Master Plan Updates (all utilities and facilities)
   b. Maintain high quality adequate water supply (Flume). In progress per Duane Burk.
   c. Apply for Park Grants (Playhouse Bowl, Soccer Fields, etc.). Grant was denied per Duane Burk.
   d. Explore and apply for any grants/other funding sources
   e. Amendment to General Plan – Infrastructure (level of service, airport, etc.)
   f. Grade Separation – Sunset
   g. Grade Separation - Hargrave
   h. Intersection – Hargrave & Ramsey
   i. Water Recycling
   j. Sun Lakes Extension – Highland Springs Modifications
   k. Utilization of Airport – Asset
4. Economic Development

Strategies:
   a. Develop and implement a marketing plan utilizing existing city assets (commercial/industrial/tourism)
   b. Hire Economic Development Manager and/or Director
   c. Business Retention and Expansion (business surveys/exit interviews)

5. Community Relations

Strategies:
   a. Develop a Marketing/Communications strategy to entice various audiences (Website/Channel 10 & Channel 29). Website is stagnant and contains old architecture.
   b. Community Involvement – Centennial Celebration
   c. Community Forums/Meetings
   d. Customer Service – Look at process (complaints, how we deal with citizens/business friendly environment)
   e. City Hall Improvements - Environment
   f. Gaining citizen support – Legislative Actions
   g. Phone System Upgrades and Interaction

6. Quality of Life

Strategies:
   a. Art in Public Places
   b. Improve parks and facilities for public use
   c. Promote our assets (accent the positives)
   d. Establish priorities for Code Enforcement (communicate with residents, be pro-active)
   e. Encourage new residential development
   f. Upgrade current housing stock (old homes) utilizing rehab programs available through the CRA and County.
   g. Expand Joint Use Agreement – Parks and Recreation (new BUSD facility); partner for programs and services to be offered for the youth.
   h. Continue to build attractive and walkable downtown.
   i. Bicycle Trail System
   j. Golf Carts
   k. Effective Planning
7. Regional Cooperation and Partnerships

Strategies:

a. Animal Control
b. County
c. League of California Cities
d. Libraries
e. MSJC – Mount San Jacinto College
f. Morongo Tribe
g. Pass Area Cities
h. RCA – Regional Conservation Authority
i. RTC – Riverside County Transportation Commission
j. RTA – Riverside Transit Authority
k. Regional Water Agencies
l. SCAG
m. SCPPA and other electric/public power related agencies
n. SGMH – San Gorgonio Memorial Hospital
o. WRCOG
A joint meeting of the Banning City Council and the Community Redevelopment Agency was called to order by Mayor Hanna on July 26, 2011 at 4:02 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Takata, City Manager/Executive Director
David J. Alcshire, City Attorney/Agency Counsel
Duane Burk, Public Works Director
Marie A. Calderon, City Clerk/Secretary

CLOSED SESSION

City Attorney said that the City Council and Agency Board will meet in closed session and for the Agency we have three cases of potential litigation pursuant to the provisions of Government Code Section 54956.9. The Agency Board will also meet pursuant to the provisions of Government Code Section 54956.8 to confer with its real property negotiator in regards to 42 W. Ramsey Street. The City Council will meet in regards to existing litigation pursuant to the provisions of Government code Section 54956.9 (a) Fields v. City of Banning, et al. Case No. RIC 11-2234.

Mayor Hanna opened the items for public comments. There were none. Meeting went into closed session at 4:04 p.m.

Councilmember/Chairman Robinson left the room when there was discussion regarding the one matter regarding property negotiations.

The meeting returned to regular session at 4:40 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:17 p.m.

Marie A. Calderon, City Clerk
A regular meeting of the Banning City Council and a Joint Meeting of the Banning City Council and Community Redevelopment Agency was called to order by Mayor Hanna on July 26, 2011 at 5:02 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: None  

OTHERS PRESENT: Andrew Takata, City Manager  
David J. Aleshire, City Attorney  
Duane Burk, Public Works Director  
Zai Abu Bakar, Community Development Director  
Fred Mason, Electric Utility  
Heidi Meraz, Community Services Director  
Steve Dukett, Consultant  
Maric A. Calderon, City Clerk  

Mayor Hanna asked for a moment of silence as the invocation and then invited the audience to join her in the Pledge of Allegiance to the Flag.  

REPORT ON CLOSED SESSION  

City Attorney said that the Agency Board met in closed session and there were three potential litigation cases and we actually only discussed one and a status report was given and there was no reportable action taken. The Agency Board also discussed real property negotiations regarding the property at 42 W. Ramsey Street and a status report was given and there was no reportable action was taken. The City Council met in closed session in regards to the Fields v. City of Banning lawsuit and a status report was given and no reportable action was taken.  

Mayor Hanna said that before moving on she wanted to discuss with the Council a slight reorganization of the agenda if they are willing and also we do have some additional items for the agenda.  

City Manager said that there are two additional items and one is a resolution for the City Council to declare a local emergency caused by significant oil spill. And the other one would
be to approve authorization for the City Manager to spend up to a certain amount for the oil spill clean up.

Motion Machisic/Botts to add these items to the agenda. Motion carried, all in favor.

City Attorneys aid that the finding is that the need to take action arose subsequent to the posting of the agenda and this was an unexpected emergency situation involving the unexpected release of this oil and that is why it was not on the agenda.

Mayor Hanna said that this two would be added after the Consent Items. Also, she wanted to note that there is a study session tonight which will be taken after the Community Redevelopment Agency Meeting. Also she would like to move the Addendum Item in regards to the Village at Paseo San Gorgonio funding after the Waste Management presentation. There was Council consensus.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

Dorothy Familetti-McLean of Banning addressed the Council as a representative of Pass Area Supporting Soldiers and Service Persons. She thanked the entire community from Calimesa to Cabazon and to the people that donated items for their service persons. They packed 56 packages and mailed them overseas this past week.

Charlene Sakurai, 4985 Bermuda Dunes addressed the Council stating that this Saturday, July 30th at the Art Gallery from 2 to 4 p.m. there will be a reception for Ginger Peña who is the latest artist that is exhibiting and she would encourage people to come out and see her and all of the other wonderful this there including the children’s art work. Also, all of the banners that will be going up on Ramsey this summer are on exhibit at the gallery right now and on Saturday everyone will be able to vote and it will be judged by popular vote this year. The Gallery is located at 130 N. San Gorgonio or approximately two doors north of Super Subs. On August 4th there will be a reception at the San Gorgonio Memorial Hospital for the Healing Arts Program which is a partnership with the hospital and the Banning Cultural Alliance to being both art and music to the hospital. There are nine artists that have their work exhibited in the hallways and they will be changed out and are for sale. There will be a reception from 5 to 7 p.m. in the courtyard and everyone is invited.

PRESENTATIONS:

1. Waste Management of the Inland Empire Awards

Steve Glenn with Waste Management said that he is here to recognize some Commercial Recycling All-Stars in the City Manager. He said that the route managers and drivers have been out inspecting bins for quite a few months and they have a couple of real superstar businesses in Banning and one they actually met at the Recycling Fair over at the Banning Chamber and were able to covert them to a pretty aggressive recycling program and that is Sunrise Mobile Home Park. They went out and met will all the residents and they are doing a
good job and see a lot of good things coming out of that mobile home park. The second business is the Sizzler Restaurant. Kathy Trublood and her aggressive staff have really bin doing a good job getting all the cardboard and metal and all that stuff into the recycling bin. These businesses will be receiving some American Express gift cards and some Waste Management Recycling Trucks so that they can display them along with some certificates. Mr. Glenn said that in about another three months they will come back to the Council with another program that they will be rolling out to residents. They will go out with the drivers and have this “Caught You” Program coming out where they will go out and give American Express gift cards and than them for being exceptional recyclers.

ADDENDUM

Mayor Hanna recessed the regular City Council Meeting and called to order a joint meeting of the Banning City Council and the Banning Community Redevelopment Agency.

REPORT

1. Resolution No. 2011-68, Confirming the City’s Approval of the Village at Paseo San Gorgonio Project and the Proposal to Utilize Loan Funding from Inland Banning Investor Visa Group I, L.P. Through the American Redevelopment Regional Center Based on the U.S. Citizenship and Immigration service EB-5 Investor Visa Program to Finance the Project.
   (Staff Report – Steve Dukett, Consultant)

Mr. Dukett addressed this item stating that most recently this project received all the necessary approvals from the City Council, Planning Commission and Redevelopment Agency to deliver the project its necessary entitlements so that it is ready to go subject to a few items not least of which is finalizing a financing package and that is really the essence before the Council and Agency Board this evening. He said that we are asking that a resolution be approved that would do two things and number one, it confirms the approvals that you have already given and secondly, in effect to provide an encouragement to the developer and to the entity that is managing the EB-5 Program to pursue that as a funding source for this particular project. In terms of background in the past when he has made presentations about the project he referred to the developer being Pearlman/Frost. He said that Pearlman and Frost are still there and Art Pearlman and Mark Frost have since that time formed a single asset entity called the JMA Village, LLC which are the same exact people and they have taken the steps necessary to put that in place. They anticipate that their project is going to be $20.5 million dollars for the entire development process and they have actually applied to the Inland Banning Investor Visa Group and they are a fundraising entity that is working through the American Redevelopment Regional Center which is a federal government endorsed entity approved under the provisions of the U.S. Citizenship and Immigration Service and it is a federal entity that deals with those kinds of matters and he explained that if you go onto their website you can look to see how they do that and there are several layers of investor related type visas that they offer. This one relates to the fifth preference (fifth category) level and they are not listed in any priority. This particular program involves seeking out investors that wish to have a family green card and they would invest in an economic development project sponsored by a regional center in an amount net to the project of $500,000 dollars and those investments are tied to job creation. In
order for them to qualify there would have to be some job production and in this case the Inland Banning Investor Visa Group has engaged the services of a federal government approved economist and that company is Evans, Carroll & Associates located in Florida and they have done an analysis of the Village at Paseo San Gorgonio and their determination in terms of direct, indirect and induced jobs this project would produce 480 jobs in Banning; that is the net effect to the community. In previous analyses that he has done he has only looked at direct jobs which were about half that so he is very pleased to see the results of the study which he has certainly reviewed and he went over the significance of that. Projects of this sort which are a mixed use and are mixed tenant type projects such as the Village at Paseo San Gorgonio qualify for this kind of project and feel confident that this is an eligible project under this program. The application has been submitted by JMA and is under review by the Inland Banning Investor Visa Group and as a part of that review and underwriting they have asked whether or not the City could provide a resolution confirming what we are speaking of that the entitlements have been granted and there is an encouragement to proceed with this particular funding source. So the resolution would do those two things but it is important to note though that this resolution does not have an economic effect to the City. The City is not providing any financing. You are only encouraging the private sector to work together well and hopefully bring the benefits of this program that has existed over a decade, sponsored by the federal government to bring those benefits to Banning. In times where it is tough to get construction financing this could be a tremendous asset for multiple projects in Banning. Staff is recommending approval of this particular matter. He said that Art Pearlman, partner with JMA is in attendance and would like to share a few words with the Council and also, there are also two other individuals Buck Johns, President of the Inland Banning Investor Group and Tom Barnett, Vice President who would like to share a few words regarding what it is they are about to do and they are about ready to go on a tour of several Asian companies later in the month of August and they wish to be able to promote Banning in general and specifically this project.

Art Pearlman addressed the Council and Agency Board stating that yes they have applied for $20.5 million dollars of funding through Buck Johns and his organization who wish to provide us with complete financing for the project. The terms are acceptable and we are in our final negotiations and discussions on the details of the document itself. Their project is still scheduled for the 2012 timeframe and that has not changed in three years and they are still working towards that and Buck Johns will talk to you about the program and the timing which matches their timing and the City’s timing.

Buck Johns addressed the Council and Agency Board stating that as you have just made reference they are gearing up for a trip to Asia and there will be a 9-member delegation leaving on the 14th of August. This will be their 5th delegation that they have sent to Asia and the program is a fabulous one and hopefully you have been able to receive some information about it. It is a unique opportunity and these are difficult times to be able to access capital. He said that they have been successful in doing this and they are excited about the program and expressed a genuine appreciation to Mayor Hanna and Councilmember Robinson for working with them today in preparing materials that will be used in this and also to Patrick the videographer who was outstanding. They have the materials that they need and are looking
forward to a delightful experience and get money to build that fabulous project as soon as we can.

Councilmember Botts said that he would like to get a copy of the Evans, Carroll & Associates study. Mr. Dukett said that he would get a copy to the Council tomorrow.

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

City Manager said just so you know this became a last minute item because we are not having our first meeting in August and because of that the time frame that they needed to have this to go to China we felt that we needed to have it on the agenda and he apologizes for not having a lot of time to read about this. This is no risk to the City at this point in time and feels the Council should go ahead and adopt it.

Motion Machisic/Robinson that Resolution No. 2011-68 be adopted confirming the City’s approval of the Village at Paseo San Gorgonio Project and the proposal to utilize loan funding from Inland Banning Investor Visa Group I, L.P. through the American Redevelopment Regional Center based on the U.S. Citizenship and Immigration Service EB-5 Investor Visa Program to finance the project. Motion carried, all in favor.

Mayor Hanna adjourned the joint meeting of the Banning City Council and the Banning Community Redevelopment Agency and reconvened the Regular City Council meeting.

CONSENT ITEMS

1. Approval of Minutes – Special Joint Meeting – 6/28/11

Recommendation: That the minutes of the Special Joint Meeting of June 28, 2011 be approved.

2. Approval of Minutes – Joint Meeting – 07/12/11

Recommendation: That the minutes of the Joint Meeting of July 12, 2011 be approved.

3. Approval of Minutes – Regular Meeting – 07/12/11

Recommendation: That the minutes of the Regular Meeting of July 12, 2011 be approved.

4. Resolution No. 2011-64, Authorizing the Submittal of the FY 2011-12 Local Transportation Fund (LTF) Claim in the amount of $1,130,537 and Approving the FY 2011/12-13/14 Short Range Transit Plan (SRTP).

Recommendation: That the City Council adopt Resolution No. 2011-64.

5. Resolution No. 2011-66, Authorizing the Purchase of One (1) 2012 Ford F-450
16500 GVW 141 Wheelbase 6.81 Truck for the Banning Transit System from Downtown Ford Sales, Sacramento, California, in the Amount “Not to Exceed” $53,033.83.

Recommendation: That the City Council adopt Resolution No. 2011-64, Authorizing the purchase of the 2012 F450 not to exceed $53,033.83. This purchase will be made through the State of California Contract 1-11-23-20. The State no longer charges a piggyback fee so there will be no additional costs for the purchase. It is staff’s recommendation that the City be authorized to proceed with this purchase without going through a formal bid process.

Motion Robinson/Machisic to approved Consent Item 1 through 5. Mayor Hanna opened the item for public comments. There were none. Motion carried, all in favor.

ADDED ITEM

City Manager said in front of the Council is a report in regards to Resolution No. 2011 (fill in bank after point in time) to declare an emergency condition existed related to a significant oil spill and authorizing the Director of Finance to make the necessary budget appropriations and transfers the amount not to exceed $500,000.00 in order to cover this expense and awarding an emergency cleanup/remediation and repair contract to HCI Environmental & Engineering, State Contractors License No. 788216. Also, the Council needs to adopt Resolution No. 2011-69, declaring a local emergency caused by a significant oil spill.

City Manager said for the audience and public we had an oil spill on Sunday where five barrels of used motor oil that was located in 55 gallon barrels, 150 gallons on private property that was spilled by vandals possibly and ended up in our storm drainage system on Ramsey from approximately 555 E. Ramsey all the way down to the other side Hathaway and then across the freeway. The oil spill was discovered on Monday morning and our fire department took action in regard to that. City Manager said that he met with the contractor today and we have some preliminary estimates at this time but until we remove dirt we don’t know exactly what the amount is going to be. These monies are coming from basically our emergency reserves. We have some decent reserves but as you know we have been concerned about spending reserves because we currently have used reserves the last few years in order to balance our budget and that is not where staff wants to be nor the Council want to be there. Our goal is to have a balanced budget and possible have money set a side in contingencies to take of these emergency issues as they come about. So in this case since we are not quite there financially we need to take it directly out of our emergency reserves. We will try to recoup these monies and the goal is to recoup it from those individuals who have caused that or other individuals that are associated with it.

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

City Manager said as a side comment Simple Green which is environmentally safe is one of the things that they are using in order to get rid of the oil so that is a good tip to those people at home that use Simple Green. Simple Green is environmentally friendly and they are able to
actually put enough Simple Green and water that it actually is no longer hazardous at that point in time once they pump it out.

Councilmember Franklin asked approximately how long is it going to take for the cleanup. City Manager said that there are several agencies involved right now we have not only the City of Banning but Fish and Game, Colorado Basin Regional Water Agency, Caltrans and Pacific Union Railroad. So there are four agencies really involved and each one has their own bureaucracy. We are hoping that this can be done within a week and a half; complete cleanup.

Motion Machisic/Franklin to adopt the resolution (Resolution No. 2011-69) declaring an emergency condition existed related to a significant oil spill; and adopt a resolution (number next in line) authorizing the Director of Finance to make the necessary budget appropriations and transfers in an amount not to exceed $500,000.00 in order to cover this expense, and awarding an Emergency Cleanup/Remediation and Repair Contract to HCI Environmental and Engineering, State Contractors License No. 788216. Motion carried, all in favor.

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

City Council

Councilmember Franklin —

- She said she had the opportunity to ride the City bus a couple of times in the last couple of weeks and would like to commend our City bus drivers because she noticed that they welcome people on to the bus, say “thank you” when they leave the bus and the four times that she has ridden she noticed that we have a lot of people who are disabled that are riding the bus who use wheelchairs, walkers and canes and the staff has been really good in making sure that people feel comfortable with getting onto the bus and not feeling rushed and really wanted to commend staff for doing such a good job in working with people who are riding our public transit system. Also the last meeting she attended they received a really good listing of transit services across Riverside County and this was provided by RTC (Riverside County Transportation Commission) and it will be available through the transit office.

- She attended the Community Action meeting last Thursday and shared that a survey was done regarding poverty and they gave some information about Riverside County shared that Riverside County cities have poverty rates above 15% although the poverty rate in Riverside County is 12.3%. One out of every seven people in the county is struggling to meet their basic needs and they are falling short and in fact there has been over a 700% increase in the number of people who are applying for assistance. One out of every five children under the age of 18 live in a poverty household. One out of every 14 seniors, 65 and older, lives in a poverty household and one out of every five single-female households live in poverty. Riverside County continues to have the highest unemployment rate among California’s 58 counties. So we have a true problem here and we talked about what the cuts at the State level and the Federal level are going to mean to people who are really trying to survive with getting these services.

Mayor Hanna added that the survey that was done by Community Action Partnership is available to download from their site.
She reminded people that we have an upcoming “Senior Scam Stopper Workshop” on August 5, 2011. There are a lot of scams going on right now so it is important to our seniors to be aware of what they are and what they can do to prevent those scams happening to them. This workshop will be held at the Senior Center from 10 a.m. to Noon and a free lunch will be provided.

Councilmember Botts –

- He stated that he represents the City Council at RCTC (Riverside County Transportation Commission) that is responsible for building roads and highways and freeways. At their special meeting on Monday they approved a light rail project (meaning a metrolink type project) from Riverside to Perris called the “Perris Valley Line”. It is a four or five year project in the planning and that will be paid for basically by the one-cent sales tax that many of us approved countywide called Measure A. The federal government is also contributing about $48 million dollars. The significance is that it extends light rail and the kind of things that are happening with metrolink that are alternatives to the freeway and though it does not directly affect us here unless you happen to go to Riverside and want to ride down to Perris or back, it will go by March Air Force Base which is projected to created something like 35,000 jobs over the years. He would say how it does relate back to us is that Banning, Beaumont and the Coachella Valley regularly bring the subject up that we need light rail from Los Angeles to Indio and back with a station in the Pass but it will take many years but there is active discussion.

Councilmember Machisic –

- The Concerts in the Park are starting a week from this Thursday. It has been held for a number of years and it is a very fine program being presented and would encourage everyone in the city to support it and it is free of charge. Come and spend a pleasant evening in the park.

Councilmember Robinson –

- He said that he was able to attend the Sun Lakes Master Board meeting the other night and Sherman Gallas gave his report for him. They have a new program now where one of the board members from Sun Lakes comes to our City Council meetings to start getting a little bit more information going back and forth. He thinks that it is a great idea and commends the Board for that.

Mayor Hanna –

- To add on to Councilmember Franklin’s comments about the transit system she was interested to see in the newspaper that we are re-starting the Sunday transit service and she wasn’t aware of that until saw it in the newspaper and that is good news.
- The City Council had begun the process of considering a scalping plant which would be part of our water reclamation and tomorrow we will have a trip to Corona to see an existing plant and it is not as quite current methodology as the one that is being proposed for us. The bus will be leaving at 10 a.m. tomorrow for those that are going on the tour.
- The Banning Library and received a grant and they have put 200 historic photos online of Banning and the Pass and you can Google www.onlinearchiveofcalifornia and go to Banning.
Library District and then click on their local history collection you can view those photos one by one. They are also in the process of adding 300 more photos.

- Along with that she has mentioned to the City Manager that perhaps the Centennial Committee could come to the Council in September and make a presentation of the ideas that are being developed at this point and see what other thought the Council might have for the Centennial which is in 2013.

City Committee Reports – There were none.

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

Report by City Manager

- Reminder that the August 9th meeting has been cancelled and your next meeting will be August 23rd.

- In regards to the scalping plant tour the idea was both the Master Board at Sun Lakes, as well as, Serrano Del Vista’s Home Association Board was invited to attend this tour and he is not sure how many are going from each one as well as the press and public members but the goal was that after that would happen that we would then have town hall meetings in regard to the scalping plant. We just wanted to make sure that the homeowner associations understand since the scalping plant would be between the two housing developments they would understand what impact, if any, they would have with that. He has toured the facility and you will find out that it is relatively odorless and the water actually goes into the Santa Ana River after it is done, if they don’t use it on the golf course. As you know, the Santa Ana Regional Water Board is very strict as to what quality of water can actually go into the Santa Anna River. You will be able to see all those things and actually it is older technology so it is actually not as good as the technology we are talking about plus we have talked about building the whole thing inside a facility versus part of it being outside of a facility. Tour is tomorrow at 10 a.m. and the public is also welcome.

ITEMS FOR FUTURE AGENDAS

New Items –

Councilmember Franklin asked if the Council would concur in asking staff at a time when we don’t have a lot of money for future projects to put together policies and procedures regarding when applicants do apply when we do have money what things we should be looking at such as credit checks, credit worthiness of the projects so that when we do have money that we have something in place to let people know what to do when they do apply.

Mayor Hanna said maybe add to that criminal background checks and previous professional histories.

Councilmember Franklin said she knows that this is not something that would be done immediately because given staff’s time it would just be something to put on the list of something to do.
City Manager suggested that this would also include our commissions and some of our committees because some of those things are important to know especially a criminal background fingerprint check.

There was Council consensus.

Mayor Pro Tem Machisic said his only concern would be if we look at the projection that we are going to talk about at the workshop you will notice at the end of a number of them they talk about that there is no staff to cover certain things. We have cut a lot of staff and there are a lot of positions that we would like to put back in but he is concerned about the amount of staff time that would be utilized because he thinks our staff is working pretty hard right now.

Councilmember Franklin said that is why she was saying that this was not something for immediate work. But especially if they receive information on this topic or they come across information that they start putting policies and procedures together and knowing that this is something that we should have for when we do have money again.

Councilmember Machisic said he would concur with that point of view but again is concern is staff time.

Councilmember Robinson said that we had passed an ordinance about a year ago for golf carts and about every two weeks or so he put in his request to discuss golf cart transportation here in Banning and he would like to see that brought back again and we have had a lot of requests at the Master Board meeting.

City Manager said that we can give you an answer of what is going on if you want a discussion and we will put it on the agenda.

Public Works Director said that we can put it on the agenda and give our latest update but primarily our current request was from Sun Lakes County Club to access Sun Lakes Boulevard. There were some joint meetings between the City and the committee for the Master Board. The recent email that we received from them is that they have it on hold for themselves. So it was a pending item just as recent as the last meeting and he requested to the City Manager and the City Clerk per the email he forward to put it on hold until the Sun Lakes Master Board comes back with a formal request to the Council. Right now he feels that it is in their court.

Councilmember Botts said he would like to see the email. He said that he was very much involved in the discussion and he doesn’t every remember Sun Lakes pulling back. He thinks that when the City said to go ahead you pay the $50,000 there was some concern on the part of Sun Lakes but he doesn’t recall that.

Mr. Burk said that it could be his misinterpretation of what they are saying but the way he reads the email is that it is kind of on hold but he can easily put it back on there.

Pending Items – City Council
1. Schedule Meetings with Our State and County Elected Officials
2. Review of Fees and Rates
3. Policy Discussion Re. Code Enforcement (study session)
4. Update on Shop Local Program
5. FEMA Training – Senior Officials (Aug. 30, 2011)
7. Update on Loans

City Manager said before adjourning he has one presentation he forgot. We received an award today and he would like for Fred Mason to present it.

Fred Mason addressed the Council stating that if they recall a few weeks back there was a press release that the City of Banning had received an award for being in the top ten in the nation for installations of solar per capita and today was the awards luncheon and they were given this award which he displayed and congratulated everyone. Interesting enough when they were showing the comparison to last year we were in 12th place last year but because we were not in the top ten he was not aware of it. We have actually been doing quite well for the past two years.

ADJOURNMENT

By common consent the meeting adjourned the meeting at 5:48 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.
MINUTES 07/26/11
COMMUNITY REDEVELOPMENT AGENCY REGULAR MEETING
BANNING, CALIFORNIA

A regular meeting of the Community Redevelopment Agency of the City of Banning and a joint meeting of the Community Redevelopment Agency and the City Council was called to order by Chairman Robinson on July 26, 2011 at 5:49 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Boardmember Botts
Boardmember Franklin
Boardmember Hanna
Boardmember Machisic
Chairman Robinson

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Takata, Executive Director
David J. Aleshire, City Attorney
Zai Abu Bakar, Community Development Director
Duane Burk, Public Works Director
Fred Mason, Electric Utility
Heidi Meraz, Community Services Director
Marie A. Calderon, City Clerk

PUBLIC COMMENTS

Dorothy Familetti-McLean commented on a Pending Item regarding the condition of parking lot next to Art Gallery (see Exhibit “A”).

CONSENT ITEMS

1. Approval of Minutes – Joint Meeting – 07/12/11

Recommendation: That the minutes of the joint meeting of July 12, 2011 be approved.

2. Approval of Minutes – Regular Meeting – 07/12/11

Recommendation: That the minutes of the regular meeting of July 12, 2011 be approved.

Motion Machisic/Franklin to approved Consent Items 1 and 2. Chairman Robinson opened the item for public comments. There were none. Motion carried, all in favor.
Chairman Robinson recessed the regular Community Redevelopment Agency meeting and called to order a joint meeting of the Community Redevelopment Agency and the Banning City Council.

CONSENT ITEM

1. Notice of Completion for Project No. 2010-04, Demolition of the Buildings Located at 150 E. Ramsey Street and 50 S. Alessandro Rd.

Recommendation: That the Agency Board and the City Council accept Project No. 2010-04, Demolition of the Building at 150 E. Ramsey Street and 50 S. Alessandro Road, as complete and direct the City Clerk to record the Notice of Completion.

Motion Hanna/Machisic to approved Consent Items 1. Chairman Robinson opened the item for public comments. There were none. Motion carried, all in favor.

Chairman Robinson adjourned the joint meeting of the Community Redevelopment Agency and the City of Banning City Council and reconvened the regular Community Redevelopment Agency meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director stated that in regards to the public comment we currently have that item scheduled for either August 23rd or September 13th regarding the loan issue.

ITEMS FOR FUTURE AGENDAS

New Items

Boardmember Hanna asked if the Executive Director could make a comment about what we are doing in terms of State's effort to eliminate Redevelopment.

Executive Director said that certainly we are going to oppose that issue but as far as the actual Agency itself he would assume. We are currently waiting and we should by the end of this week receive the financial analysis in which we discussed with the Council to bring forward. Once the financial analysis is received it is our goal to make a recommendation to the Council and the Redevelopment Agency on August 23rd. At the same time if it looks like fiscally it makes sense for us to continue, there will be on the Redevelopment Agency agenda several items that we have been holding off on because of what the State has done in regard to the takeaway.

Boardmember Hanna said the fiscally analysis is given what we have to pay the State is it worth staying in business.

Executive Director said basically the money you have left over in the bonds that will be taken into consideration, what your current tax increment is, as well as, what we have to pay in order
to stay in business from the State of California and that is roughly a $2 million dollar hit for our
Redevelopment Agency in regard to that.

Pending Items –

1. Condition of Parking Lot next to Art Gallery

ADJOURNMENT

By common consent the meeting adjourned at 5:54 p.m.

________________________________________
Marie A. Calderon, Secretary

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE AGENCY BOARD. A COPY OF THE MEETING
IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK’S OFFICE.
July 26, 2011

Members of the Council:

Before you put the condition of the parking lot next to the art gallery on the agenda, it would be wise to put the fulfillment of the contract that the Alliance had with the city regarding paying rent since last August or September. I have asked about this and it has been postponed for several months. There are also other businesses in town who have faulted on their loans. This matter should be addressed so that the people of Banning are not taken advantage of again. The matter of businesses owing back monies to the City should be addressed, and these businesses should be held accountable for their contracts.

The city has “given away” money and properties to people who have not been responsible for their parts of the bargain. Show the people of Banning that you as council members are also responsible by doing what is right and proper.

Thank you.

Dorothy Familetti-McLean

Banning
A joint special meeting (study session) of the Banning City Council and the Community Redevelopment Agency was called to order by Mayor Hanna on July 26, 2011 at 6:02 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Takata, City Manager
                                 David J. Aleshire, City Attorney
                                Duane Burk, Public Works Director
                                 Zai Abu Bakar, Community Development Director
                                Fred Mason, Electric Utility
                                 Heidi Meraz, Community Services Director
                                      Marie A. Calderon, City Clerk

PUBLIC COMMENTS – On Items Not on the Agenda

Phyllis Zakian, 1498 N. 8th Street, 17 year resident of Banning addressed the Council said that she was on the list for the home beautification program since 2008 and her name finally got called this year and by the time she got her paperwork in people were on vacation, etc. but then she received a call from Arlene Long, whom she has been working with, and she reported that these funds were still up in the air for this year and although her paperwork is in and her name came up we don’t know about the grant. She had worked diligently at preparing the paper work and her home is in disrepair at this time and she has been waiting a long time. She is requesting that the program be gravelly considered. She knows that the Council is on the strategic plan and that she knows something about budget and planning but as a resident our community is still very important.

Mayor Hanna said the City Manager will give you his business card and look forward to hearing a good report.

DISCUSSION ITEM

1. Review of the Draft 2011-2014 Strategic Plan
   (Staff Report – Andy Takata, City Manager/Executive Director)
City Manager said that this is a workshop and he is not expecting any decisions at this time. This is basically the draft of what you developed back in January with Norm King. It talks about your seven goals and what it is going to take to get those goals. There could be some grammatical issues or things that you may be concerned with that he would consider clerical in nature so please let Daniele know what those are and she would be more than happy to make those corrections. He said that he is looking for substantive changes or things that should have been placed in here or more clarification is needed. For example, Mayor Hanna pointed out that rate reviews said you would review them annually even though you adopted the rate reviews for a long period of time the Council requested that we review them on an annual basis and the first annual basis would be in October. That is the kind of input he would like to hear from the Council.

City Manager started his power-point presentation (see Exhibit “A”).

Goal #1: Fiscal Stability - the goal is to increase revenues and to maintain the desired city services and facilities. We are not telling Council that they should expand the services and we won’t until you have enough revenues to even discuss that and we want to make sure those revenues will be consistent throughout every year. City Manager went over some of the items on the list.

Councilmember Robinson asked in regards to N-1 what are we planning on doing about the submittal of grant applications. It seems like we are very successful in that area. Is there a plan of how we are going to increase that?

City Manager said that we do have E-Civics and basically we can go on there and find every grant available for what we are looking for. Public Works currently has it in their shop in which they utilize that to look for grants and then look for grants that we are available for in that point in time and make a determination on applying. His observation is that if they have a project they would Google what type of grant they want and look to see if there are any grants available for those types of uses.

Councilmember Robinson said that he knows that we have had some grant writers and we had to lay some people off that do our grant writing especially in Public Works and she has been very successful for us but we don’t have the ability to bring her back now so the goals is to bring her back on a case by case basis and is that the idea for grants.

City Manager said yes, plus many of the grants you receive are federal grants and as you know we are currently trying to do a request for qualifications for a federal lobbyist and hope to be able to bring that back to the Council by late summer.

Goal#2: Public Safety – the goal is to provide police, fire and emergency services to maintain a safe and secure community. City Manager said we have fire and police and we want to make sure that the priorities are correct. City Manager went over the list. He said that the current agreement ends that we have with both the Beaumont and the County in 2012. As you aware any monies we receive from the Tribe which we did receive $500,000.00 would go to repair them prior to us receiving any money. Obviously there should be some renegotiations at that point in time. As you know we are 29,000 and Beaumont is 36,000 and they have one station and we have two stations if you include Station 20 even though it is a Cal Fire Station it is still within what we are
paying for basically. So we need to discuss those issues. The County even though they may not use the services at Station 20 they do not have a nurse at the correctional facility and so our paramedics end up responding. That conversation will happen with Supervisor Marion Ashley with regard to the continuation of them supporting us as far as fire service goes.

Councilmember Botts said he would add that it is more than Larry D. Smith Correctional Facility. It is all of Cherry Valley and all of the unincorporated county areas that Engine 20 responds to so it is not just the jail.

City Manager said that was correct but one of the things that we are looking at and Supervisor Ashley has agreed, as well as, Beaumont and Calimesa is to look at the regional approach for this whole area and that we all share according to per capita or per call. So that is what we will probably be looking at hope to come to all three Council’s in the not too distant future. We are expecting a presentation from our fire chiefs probably in the next month with regard to that issue.

City Manager continued going over some of the items and stated that in regards to police D-2 was placed on there as a priority one and wanted to make sure the Council still wanted it there. Obviously we are talking about utility taxes or taking it to a vote of the people. The council may not want to do that and may just want to rely on the CFD’s (Community Facilities District) for in an increase in population (new developments). In regards to E-2 sales tax is obviously the same thing. He continued going over some of the items listed.

Councilmember Botts said that he doesn’t recall utility tax, sales tax and all of that being a number one priority. This does not differentiate new development versus existing folks.

City Manager said that F-2 would be CFD’s for new development.

Councilmember Botts said that in regards to utility tax and sales tax for him that is not the number one priority on existing tax payers. He doesn’t know how everyone else feels. There was Council consensus to delete those.

Mayor Hanna said that these things that are on-going like what you do in the business. She does not see these as part of a strategic plan. For example, lets say you are going to report back to us quarterly and six months has passed since we have did this so three months from now you are going to report back to us and show us all these things that are on-going; what can you report.

City Manager said any kind of progress we have made in regard to that. During the strategic planning these were items that the Council discussed.

Mayor Hanna said so we will hold you accountable for doing something regarding CFD’s, federal grants, etc.

City Manager said that is correct and it may be that we are still working with the developer on CFD’s and it looks like it is going to end up happening. In other words, CFD’s end up happening basically for new development so that when we have a new development we make sure that CFD’s are going to be in place when new development comes and Pardee is a good example in
regard to that. In regards to grants, we can give you an update on what grants we have applied for, etc.

Councilmember Botts said that he would share the same concern not that we need to toss some of these out but it just seems to get watered down. Like on the first page “Continuation of in-house review of plans” maybe there is some strategic innuendo there that we do in-house rather than out or consultant but in his mind that is not a major strategic vision for this Council to continue to review plans in-house. He said he can see major issues and see a CFD clearly because that is something the Council will need to look at but some of these are just routine.

City Manager said he has no problem taking them off and if there are certain issues such as that that you don’t think are necessary to be in there, tell us and we can take them out. That is what the work study is for.

Councilmember Machisic said one of the things about “reviewing” is that the Council on numerous occasions has asked where we are on this, review that for us, or bring us up to date. We have asked for follow-ups and all the City Manager is doing is putting it down as that is what we are going to do and he doesn’t have a problem with that because that takes time.

Councilmember Botts said that he would disagree on the interpretation of that. We asked him where are we with the specific project and that kind of thing and this just says that Public Works is going to continue to review plans in-house. That is different than we ask the City Manager or Duane where are we on the streets, or the water or undergrounding or that kind of thing.

Mayor Hanna said it is like giving us a stop description of any one staff position and would that be on it, yes it would and should you being doing it, yes you should be doing it. Will that make it more difficult to do other things; yes, and you might need to tell us that at times. But it doesn’t mean that it is part of a strategic plan that we have to review on a quarterly basis.

City Manager said that he has no problem with taking those off if that is what the Council would like for him to do. He has no problem with doing that.

Councilmember Franklin said she didn’t have a problem with taking things off as long as we remember that everything that is being done does require time so if at the end of a quarter we can’t say you only have a couple of things here, so where are you spending your time. That is here concern and she has looked t the list and it looks like there are a lot of things but all these things do take time. Even though they may not be rocket science or out of the box type of things if they are doing something that is for example under Fiscal Stability, if that is going to help us save money, then she wants to see it saving us money.

Mayor Hanna said she would agree and that is something that Duane should do but she doesn’t know that we need to have a quarterly report on it.

City Manager said he doesn’t have a problem telling the Council that we will get to it when we give you a report but it is not high on our priority list as far as getting it done and we have other things that need to get done on a day to day basis. These are things if you really want a report
back on basically as far as what he looks at; what have we accomplished and what your strategic goals are. So if there are things that the Council doesn’t really want that, then take it off and it is one less thing that he has to make sure he reports to the Council.

Mayor Pro Tem Machisic said that earlier Councilmember Franklin made a suggestion about making plans for the future when things become financially better and one of the things that he brought up was the use of staff time. He knows that on occasion the Council including himself will ask for a staff report on how we are doing on water revenue or electric revenue or whatever and so if we are not interested in doing that on a regular basis, then that should be included and if not, wipe it out and do it individually when the occasion rises. He thinks that is what Councilmember Botts is indicating is that when we want a report on water we ask Duane but it doesn’t have to be listed here.

City Manager said basically when you do ask for things we will schedule it when we can get to it. This is not everything we do obviously; these are things that the Council wants us to do. How do you judge somebody when you have an oil spill? You can’t put that on a strategic plan. That is a day to day operation type of thing. An emergency that happens and we have to take care of. He said he doesn’t have a problem with taking things off or if we miss something that needs to be added. These are things that the staff said they could accomplish. Staff looked at this plan and they could accomplish these things and they needed to put down if money was needed to accomplish it and staff also put the priorities to these items after we had the actually strategic plan.

Mayor Hanna referred the Council and City Manager to the front page regarding J-1, Reserves-Update Policy and the completion date says June 11 so that been complete and once that is reported then it would be removed. City Manager said yes and it would stay there but it would say completed because if you are going to judge him on what has been accomplished, he would need to show what was completed.

Mayor Hanna said another issue which she has a feeling doesn’t need to be on here but she is not sure is that the our Finance Director had severe issues with our financial software and is this something that needs to be on as a goal and analyzed by 2012 or a new financial software package.

City Manager said if he recalls she wanted to review it for the next couple of years that she is here and so that would probably be closer to 2013 and at that point in time we would possible be able to put some monies away in order to afford it.

Councilmember Botts asked how far out is this strategic plan. City Manager said that this is a five-year plan. Councilmember Botts said so the software ought to be included as a goal. City Manager said yes that could be included.

Councilmember Botts said that if some of us sound critical it is because he has been on this Council for five years and we have never had a strategic plan that ever got finished, that got finalized and the City Manager bought off on and that staff bought off on that this is the plan and this is how we are going to measure you by this. He said he is extra sensitive about this plan so let’s really work to get it right.
City Manager said he believes it is and it is the Council’s vision and you are the policy makers and he is going to hold staff to the fire as much as the Council is going to hold his feet to the fire.

There was Council consensus to delete M-1 under Goal #1 and add the software item and also dates and times will be added before it is finalized by the Council.

Mayor Hanna said in regards to A-2 under Goal #2 to keep current staffing when she looks at the necessary resources she thinks you are talking about union agreements/contracts. City Manager said that we contract with fire. Mayor Hanna said so we are talking about an agreement that ends in 2012 it seems to her that before the completion date in the milestone six months out you need to be developing that contract.

City Manager said he thinks in the milestones that we will have a report back to the Council where we are at with both the County and the City of Beaumont in regards to the shared contract and that is completed by obviously July 1 and it should be June 30, 2012.

**There was Council consensus to delete D-2 and E-2 from Goal #2. Also keep B-2 and C-2 as a No. 2 priority.**

Councilmember Franklin said in regards to the COPS Funding is a subject that is being discussed at the federal level and so that may make a difference as to coming back to this later on because we do get that COPS funding and if they eliminate it, that would throw a wrench in it. City Manager said that would throw a wrench in a lot of things so we would have to come back to Council with what our plan of action would be for those two positions.

Mayor Hanna said we have a three-year contact with them and is that for future grants? City Manager said that both the state and the federal usually it means after the grants are over because you have an agreement but in both the federal and state who knows exactly how it is going to end up.

Councilmember Botts said he doesn’t remember what we meant by L-2 and he doesn’t remember the discussion.

Mayor Hanna asked how are we going to judge K-2 – have city council promote crime reductions and safety to of city. City Manager said that it is actually going to be difficult for us to judge unless you are going to count the number of meetings we possibly have, community meetings, to explain what is going on and have Council Members attend those meeting. Obviously if you don’t feel that is necessary, then we can eliminate that.

Mayor Hanna said that she thinks it is something that we would probably all want to do but she doesn’t see it part of your goals.

Councilmember Botts said he would agree and if you have community meetings you want to tell everybody how safe it is but this says how are we going to reduce crime. City Manager said that it more in the way of reduction of crime. If you want to just make it “staff” and remove “city
council” we can do that and it can be based on the actual number of meetings that we actually hold. **There was Council consensus to remove “city council” and insert “staff” in K-2.**

Councilmember Botts said in regards to L-2 who do we want more interaction with the police department. It is the press or City Manager or at some point, a public information officer. City Manager said he thinks the bottom line is that we need more positive press and we talked about that at the strategic planning meeting at length about that and mainly what we had discussed was the aspect of making sure that people know about the low crime rate and those types of things.

Councilmember Botts said do we want the Chief to talk more or officers or the City Manager. City Manager said it would probably end up being the Chief or the City Manager or the Lieutenants so that is just basically your administration team for the police as far as interaction. The police do a very good job in crime reporting and those types of things but he thinks some of the things that happen and it is pretty normal to talk about crime and opposed to all those positive things that are happening such as Banning Police Activities League and other things that the police actually do. He thinks that those things need to get out more often.

**Goal #3: Infrastructure and City Facilities** – to provide infrastructure improvements needed to provide auto, bicycle and pedestrian mobility recreation opportunities, electric, water and recycled water for the community. City Manager went over the goals listed.

Councilmember Botts said in regards to Engine 20 he doesn’t remember us discussing this at the strategic planning meeting which was some time ago and he may have forgotten so why are we pressing to bring it back in because it is working quite well and close to 6,000 people at Sun Lakes and thousands in Four Seasons and Solera. It is very strategically located and you said we are moving towards a regional approach so why are we pushing this.

City Manager said it is a Priority #3 which is the least urgent. One of the issues is that we don’t know what is going to happen eventually with Station 20. They have threatened for years to close that station because it is basically a Cal Fire Station which is a temporary station which they would like to move it closer to a wild land area. So we don’t know if that is going to happen but it is our goal right now is to more administration and not move anything with the current fire unless obviously Station 20 has an issue until we have discussed what the regional approach is and once we have made the determination what the regional approach is going to be there could be a paramedic unit stationed on the south side of the freeway which most of our calls on the south side of the freeway are paramedic and we could end up being out of Station 20 in a different station. We also have the Pardoe project which we have to talk about in regards to response at that point in time. There are a lot of things in the air right now so you are right it is not a high priority right now.

Councilmember Botts said he would like to make #D-3 a No. 1 priority but the goal would be to retain Engine 20 where it is.

Mayor Hanna said that she would rather see one to have a regional fire plan in place say by July 2012.
Councilmember Botts said he would hate to have an item that says we want to move Engine 20 into the city. He agrees with the idea of a regional plan and agrees with the City Manager that there are a lot of factors here but somebody could look at this and say the Council wants to get rid of Engine 20 at that location. Even though it is a Priority 3 and we are saying we want to do that and he doesn’t.

City Manager said just so you know it is going to be Priority 1, regional plan to determine exactly where our fire station should be and that should be done by July 12th.

Councilmember Robinson said that we just passed on a fire museum at that station because the Chief wanted to hold that for a future fire station maybe some day so we gave away our fire museum to Beaumont and the income that was going to produce. He doesn’t think that we can go back to Station 20 on Wilson Street without some major improvements and he doesn’t know why we would want to go back and there are definitely better places to put it so the regional plan definitely has to happen and he thought it was on-going. But for our contractor to tell us no we are going to go back to 5162 W. Wilson, he can’t see that at all as a regional plan approach.

City Manager said he doesn’t know that until they have showed us the complete plan because Pardee is offering us property and may be better to keep the Wilson Station versus putting something on Pardee in the future with a regional plan if 5,000 homes happen. So he is not going to rule out 5162 W. Wilson because of that and part of those monies may be used to fix up that facility. He is not going to rule it out but he understands what you are saying.

Mayor Hanna said you want to move the current fire administration office to that building and where it is now is there a problem with that and what would it be used for.

City Manager said no there isn’t. One of the things with moving administration out of that building is that it would then create a community building in which non-profits could possibly use. All of you have pressed me for office spaces for non-profits and possibly that facility can create those non-profit office spaces. That has kind of been his thought in the back of his mind when he has thought about that facility.

Councilmember Franklin said that one thing we have to keep in mind and she doesn’t know how far they are going at the State level but she remembers reading that the State is talking about utilizing CDF more for wildfire and we may not have not have any options in regards to where it is going to be. She thinks the idea of saying yes, number 1 for regional plan and then Engine 20 should be how can we retain it without giving an address because we may not have any control over that.

Councilmember Botts said that we own the engine so we absolute control over the engine and where we place it.

Councilmember Franklin said she means in terms of where Station 20 is that is a CDF location. If the State says we are not going to have it in a city which is what they are writing about, that is what she is saying we may not have an option about.
Councilmember Botts said he doesn't know where this fits but whether we have a paramedic unit or service is that anywhere in this document. We have had this discussion and Beaumont has had this discussion rather than running a fire engine you put a squad on the south side of the freeway that serves Sun Lakes, Four Seasons and so forth and Beaumont seemed to be very excited about that and the discussion was that we should be doing that jointly with them. It just seems to fit our discussion here about Engine 20 because it is such a critical response time to Banning and Beaumont, Four Seasons, Solera and Sun Lakes.

City Manager said that as we go through the regional plan he is hoping that will be incorporated in it because that is one of the discussions he has had with Beaumont is placing a paramedic unit on the south side of I-10 in order to serve two areas Four Seasons in Beaumont and obviously Sun Lakes in Banning.

Councilmember Robinson said isn't that part of C-2 under Goal #2. You talk about a squad there and how much it would cost and what it is made up of. City Manager said yes.

Mayor Pro Tem Machisic said that he would like to remind the Council when we cut the fire department budget which was about two and half years ago we had the fire chief from Riverside here and he asked him that direct question because we have probably 6,000 to 7,000 calls for 911 and of the calls he thinks we only had maybe ten fires in the city of Banning and he asked him about a unit with paramedics on it. He said he asked how come you send out a fire truck when you have so many calls for paramedic services and he said there might be a fire. He asked about organizing a vehicle of some kind with paramedics on it because of the 6,000 to 7,000 calls we have almost all of them are for medical emergencies. He thinks that if we are going to go with that approach we need to get the fire chief aboard.

Mayor Hanna said the problem was that the same people are scheduled to be responsive to fires and to paramedic calls and so you can't have them go out on paramedic calls and not have anybody left to respond to fires. We are talking about something different here where there would be just a paramedic squad.

Mayor Pro Tem Machisic said that is what he talked to him about and he rejected that 100%.

Councilmember Botts said he remembered the discussion and he would suggest it is an entire different world and if Beaumont and Banning want that kind of service we can ask for it and get it. If they don't want to do it, we will start our own. He is not suggesting that but if it is good for us, then we need to say that.

Councilmember Franklin said in regards to B-3 we have a completion date of September and is that realistic. City Manager asked staff what was realistic and the response was December 2011.

Councilmember Franklin asked about I-3, the package plant. City Manager said that was basically the scalping plant.
Mayor Hanna said in regards to U-3 has Sun Lakes Blvd. with the date unknown and she thinks that it must be scheduled and we need to find out how to finance it and how to do it around the time of the Sunset underpass.

City Manager said he thinks that one of the issues was that we will have more information of actual date when we find out where the Council is on the scalping plant. He said that Sun Lakes Blvd. was kind of connected to the scalping plant because we would need access both ways. So we thinks the scalping plant probably is going to move just as quickly as the Sunset Grade Separation does so it will probably be done at the same time and that is what our goal would be.

Councilmember Botts said that we have been talking about extending Sun Lakes for years long before we ever heard what a scalping plant is.

City Manager said that they were just looking for ways to finance it and that might be an easier way to finance it.

**Councilmember Botts said if we could clarify that we are talking about the extension of it. And City Manager said to Westward.**

Mayor Hanna said that in regards to L-3 Sunset Grade Separation there is no date expect in additional comments it says December 2012. City Manager said that they will actually put the time line in there that the Council received from the County and make sure those milestones are there in regard to everything. Mayor Hanna said so the extension of Sun Lakes Blvd. could be around the same time. City Manager said that was correct.

Councilmember Machisic said that don’t forget you mentioned it was going to be Sun Lakes Blvd. into Westward and as he remembers the last plan put forth by Lennar because of the cost of bridges they were going to divert it to Lincoln as he recalls the conversation. He also thinks they cut it from five bridges to three bridges because of the costs. City Manager said that they will put it down to Sunset which allows us any place along that area.

City Manager said for Council’s information one of the issues that we need to work on with Beaumont which is not on here and staff will be doing that as part of the regional plan is not only synchronization of the signal but what are called “pre-empts”. Those are ones that actually turn the light to green so people get out of the way. We are staying at Station 20 but if we ended up some please else it would almost be as fast to leave from there as it from Station 20 sometimes because when all three lanes are filled on eastbound Ramsey no one moves because no one knows what to do. So pre-empts are something that we really have to look at for all of our signals as they come up in order for our paramedics and our firefighters to get quickly to a site. This is just a comment and should not go on the plan.

Councilmember Robinson said wouldn’t that be under N-3 Joshua Palmer? We are redoing the lighting we hope along there and synchronization so wouldn’t that be part of that all. City Manager said we would hope we could include that with Pardee. Councilmember Robinson said couldn’t we include that in N-3. City Manager said he would like to make it separate if we are going to do that.
Councilmember Botts said just as a reminder the major hang up there is Caltrans control and ownership of a couple of stop lights that are so old they cannot synchronized or used with Beaumont or Banning so that is going to be a major hurdle.

City Manager said if we are going to get some key signals obviously one of the key signals he thinks is Ramsey at Highland Springs as far as the ability to get “pre-empts”.

Mayor Hanna said in regards to Q-3 Speed Survey is that for a specific location.

City Manager said that would be throughout the city. Mayor Hanna said is that a periodic update of the speeds. City Manager said yes, we have to do speed surveys because they do expire and only in certain types of neighborhoods where the houses are so close to the street or there are so many houses on a block where you can make that determination but otherwise it goes up to 55 mph. So you could have a 35 mph zone that could actually end up being 55 mph because we don’t do speed surveys and the tickets could be thrown out.

Councilmember Botts said that this seem to fall into the category we talked a long time ago is this really a vision and a strategic plan and the same with R-3, Pavement Management. He knows we need to do and he thinks you are going to do it whether we have a vision or a plan or not. It doesn’t seem to fit. City Manager said he could take those out.

There was Council consensus to remove Q-3 and R-3 under Goal #3.

Goal #4: Economic Development – adopt and implement marketing, investment, and planning strategies to increase Banning’s tax base, provide local jobs and increase shopping, restaurants and entertainment choices. City Manager said went over the item listed and stated that some of them have already been done such as A-4 and it is staff’s goal to keep that updated on an bi-annual basis to make sure it is up to date and when we have prospective business that want move in we can actually give them that information and it is available to the public on-line.

Councilmember Botts said he supports everything we are doing here with economic development but obviously we need a director to drive this but the rest of it is that we are going to do a survey and marketing pieces and so forth but he thought our discussion was also, and if it isn’t he would like to propose it, is that we develop an aggressive marketing strategy to reach out and recruit retail, commercial, industrial, and manufacturing. We need all these tools that we have here but some how he doesn’t read into this that there is a real strategic strategy. How are we going to reach out? Who are we going to identify to go after? That to him is very critical once we get staff in place and if we agree, we need to say that.

City Manager said actually you should get the economic development plan and then the next stage after your adopt the economic development plan would be exactly how we are going to go about doing these things. He would propose that you put the economic development plan on there as far as the plan and then once that is done the new director will put it into pieces in order to bring it back to Council so that it is all part of the same thing. It should be coming back in the next month or so.
Councilmember Botts asked how soon that position will be filled. City Manager said the recruitment has been extended two weeks so it should end by the end of next week and once the Council has made the decision on where the funding is going to come from then obviously at that point in time we will begin scheduling interviews.

Councilmember Franklin said you are saying this is a Priority 1 for the economic development plan. City Manager said yes.

Mayor Hanna said in regards to the website B-4 what has been going on with that. Is our website in fact being updated? City Manager said yes, we have been looking at updating the website. Part of the budget you passed was to update that website so we are in the process of making it more user-friendly.

Councilmember Botts said in on way would he want to dilute the police department and their outreach but it seems like kind of a duplication for them to have the cost of their own website. We have a website and he is assuming there is duplication there and he would like to see if there is a way to have one website. Again, not to dilute anything from the police department but it is right there and you click on it and it goes to everything we want the police department to be talking about.

City Manager said he doesn’t have a problem in looking at that or making sure it looks more seamless than it actually is. He will talk to the Chief about that along with our IT people as to how we can make that happen.

Mayor Hanna said in regards to D-4 in regards to the ICSC memberships for 8 people she knows that if she is not attending ICSC she doesn’t need a membership.

City Manager said that he would check on the cost of the actual membership versus what the actual travel budget is and he will bring it back to the Council next time. If it looks like the membership is pretty costly, we can make some recommendations to reduce that.

Goal #5: Quality of Life – build and maintain a high standard of community appearance, character and livability by effective planning and code enforcement, attention to long term vision and citizen involvement and recreation facilities and services. City Manager went over the items listed.

Councilmember Franklin in regards to C-5 Code Enforcement she would like to see if everybody agrees with it being changed to a Priority #1. That is an on-going issue for us and she knows that there is a lot of concern across the city. Maybe we won’t be able to hire someone but there are a lot of issues with code enforcement with everything from the signs on the poles, weed abatement, etc.

Mayor Hanna said she would like to see this as part of Council’s discussion. In other words she would not consider it a priority until we have a policy on Code Enforcement as to what our approach is going to be and therefore then how it needs to be funded or whatever.
There was consensus to make C-5 a Priority #1.

Councilmember Botts said in regards to D-5 he doesn’t recall that we specifically said in order to do this it is going to take an $80,000 dollar salary and so forth. He doesn’t know where that information came from. A number of us have been involved in Art in Public Places proposals for a long time and ultimately we can come back and have some discussions about it. He is not suggesting that we raise the priority at this point but there are cities that have a large staff and there are cities with Art in Public Places that don’t have a staff person or so many hours so he is wondering how we arrived at that.

City Manager said that staff placed that in there because they felt that with the amount of work that they are doing that this is something they can’t really do and do it well so that it would take basically another person in Planning to start the implementation of that plan. Obviously that person would just work on Art in Public Places and would not end up working on other things as far as a planner would go.

Mayor Hanna said at the strategic planning session we all did indicate interest in Art in Public Places.

Community Development Director said that the way she looks at this right now we only have that requirement in the downtown zoning district and even that requirement is not really well thought out in detail as to how you implement this. So typically if you have Art in Public Places you have a series of polices and standards and requirements on how you implement this program. If we need to look at this citywide, then we probably need somebody that could staff that to make it a more viable program.

Mayor Pro Tem Machisic said that he would agree with Councilmember Botts that when you look at all these priorities there are a number of positions that we have talked about and he certainly would not put that position anywhere near the top. We are looking at economic development and other things and he doesn’t know how many positions there are in these seven pages but there must be at least ten and he wouldn’t think that position would be near the top.

Councilmember Botts said he would agree and he was not suggesting changing the priority.

Mayor Hanna asked if the $65,000 for the Assistant Planner the same Planner in B-5 and in E-5. City Manager said yes. Mayor Hanna said what she thinks we are saying in D-5 is that that can be deleted and continue to do it in downtown and is that accurate.

Councilmember Botts said we ought not to take it out. He would say you can put a lower priority on staffing it.

Councilmember Robinson said he thinks it should stay at a Priority #3 and still stay on the list but drop the citywide part of it for right now. There was Council consensus.

Mayor Hanna said we are not suggesting it go citywide so therefore we need to develop policies or the downtown from what Zai was saying. City Manager asked as far as staffing goes can you do
that with existing staff. Zai said we would not be able to get to it this year. City Manager said we won’t be able to get to it this year; it is a five-year plan. So then we will put the correct date on there so you will know when we may start working on it.

Councilmember Botts said in regards to F-5 regarding long term vision for Community Services Department he does not remember the discussion at our planning session. Could you explain hiring another position?

City Manager said since this was quality of life it is looking at doing more programs and from a fiscal point unless we can generate revenues through our program he could not recommend that and he thinks that is not a surprise to Heidi at all. This is probably something that we would like to see but he thinks the priority should be #2 or #3 for that item and there was some discussion.

Councilmember Botts said maybe we could say to the Parks and Recreation Commission to help and work with staff to develop a marketing plan to market the assets we have but we have a lot of assets but he doesn’t know if we have a marketing plan to market Dysart Park and make money there. City Manager said that would be a good thing to have the Commission look at.

Mayor Hanna said not just marketing but also what are the most critical programs that we should be doing that we are not doing.

City Manager said what he will do for the Goal, Quality of Life is to develop that goal in mind as far as the marketing and the development of programs and place that in there and there could still be that staffing but a little bit more expanded aspect of what we need to do to get certain things done.

There was Council consensus to make F-5 a Priority #3 and to what the City Manager said.

Councilmember Franklin said in regards to I-5 we have that as a Priority #1 but we have no funding for it. City Manager said depending on what you do with the Community Redevelopment Agency you may.

Councilmember Botts said is there a need to add just general monuments because we have been criticized recently for not updating the Ring of Honor and he doesn’t recall in the five year ever having a discussion about what the Ring of Honor is, what it is supposed to be and what we ever do with it.

City Manager said lets keep it to a policy issue as maybe your Quality of Life is to have staff develop a policy as to how the Ring of Honor will be utilized as far and recognition and a plan and we can put that in the strategic plan.

Mayor Hanna said we actually have it but we just don’t know it. City Manager said we will give you that policy.

Goal #6: Community Relations – implement pro-active polices and programs which enhance resident-friendly service, responsiveness, two-way communication and transparency to achieve
citizen trust of and respect of and involvement in the City. City Manager went over the item listed.

City Manager said that in regards to B-6, Utility Customer Service Software and Phone Systems one of the issues we have had challenges with and we have heard it loud and clear from at least one Councilmember and also heard it at the strategic planning is the inability to get some place and he has called and he gets frustrated also. Some of it is our phone system and we believe we may be able to upgrade our current phone system and Fred Mason is working with June Overholt to make some of this happen.

Councilmember Botts said that in regards to C-6 he would suggest that it falls in the category of is this a major strategic item. Mayor Hanna said it is part of the normal job.

City Manager said he would take C-6 off the strategic plan. There was Council consensus.

Mayor Hanna said in regards to A-6, Community Forums and Meetings she thinks that the things mentioned like having community forums in Sun Lakes and other areas regarding the drop in plant would also go under that category.

City Manager said that was correct. We are trying to have more forums on things that could be controversial to help educate people.

City Manager said in regard to D-6 Bulkly Item events and E-6 Disaster Preparedness Expo and some of these things have been taken off because those are things we help that booth so he doesn’t know if that is necessary. He said the Bulkly Item Events are actually ones that we conduct with Waste Management so those are actually events. The other ones are things we help support so he doesn’t think they actually need to be in the strategic plan.

Mayor Hanna said to her it is a standard operating procedure and she doesn’t see why it is under strategic direction.

City Manager said we can delete D-6, E-6, F-6, G-6, H-6, I-6, and J-6. We are still doing these things but it just means they won’t be in the Strategic Plan.

Councilmember Botts said you could have one overriding “Effective Management of Waste” or something like that and these could all fall under it.

City Manager said that it is under Community Relations so we will figure out something that includes everything.

There was Council consensus.

Goal #7: Regional Cooperation and Partnerships – advocate, create and participate in regional efforts, partnerships and cooperative agreements to assist in achieving the City’s Goals. City Manager went over the items listed.
City Manager said in regards to B-7, Participation in Electric industry organizations that benefit the City the Electric Dept. has all of those and some of those are day to day stuff so obviously we can take that off. Perhaps we can come back and rework that one.

City Manager said in regards to D-7, Merge Station/Equipment Costs that is something the Council has actually said that is not something you want to do so we can get rid of D-7. Also in regards to E-7 through K-7 we will include as one strategic goal to be involved in regional aspects with a certain amount of meetings.

Councilmember Botts said if you call it out, you should include RCTC (Riverside County Transportation Commission) probably. City Manager said he doesn’t think we are going to call it out but we will probably list all of them some place.

City Manager said that concludes his presentation and if you have any comments on spelling or grammar, please let us know. We will make sure there are dates and what iteration it is so that way you will know which one we are working on. We will bring this back to you with those changes and some of them may still be up in the air because we don’t have time to get to it but at least you will know which ones those are.

Mayor Hanna asked when will we have our first review from now. City Manager said it is his goal to get it to the Council by the first meeting in September. Mayor Hanna asked when will we get an update of how you are doing on this. City Manager said that would be in February and August. You will get an update in September and at the same time we will give where we are at with the actual progression.

Councilmember Botts said we have talked about this for five years and putting this in some type of format that we could hand to the public and here is our vision and our strategic plan. We have said that once we adopt this that a listing of here is where this City is going should be on every employee’s desk. We have talked about putting the five or six goals up here on the wall so when you walk in it reminds us and the public here is where this City is going. We have talked about that and he doesn’t know what format that takes but he thinks that we need to have some type of format that we can hand to people and that employees know here is the vision and here is where I fit into that and if all of a sudden you are asked to do something and it is not on here, you need to push back and let the Council know you didn’t adopt that.

City Manager said his goal once it has been adopted by Council is to make sure that all staff members know exactly what that is. He has in the past created cards that talks about the goals that you have and it is not every sub-goal but the general goals and a reminder to everybody and it is also given to the Council so they can pass it out to people. That is probably the next step of what those should be.

Mayor Hanna said that the other thing that has been done in the past and would be good to now is that whenever there is a Council report, agenda item, that is related to one of these that you note at that at the bottom of the report.

Mayor Hanna opened the item for public comments.
Don Smith, resident of Banning addressed the Council stating that he has three suggestions. He said that the police department was smart enough to put in the one way of financing expansion of the police department was to do Community Facilities Districts and so it is on the Public Safety one. He would argue that perhaps on Goal #1, the Finance one there needs to be an overall goal or thought as to when a large development comes to the City what we want to add to that CDF because it might not just be police, it might be park maintenance, or fire or maybe a more general goal in that one so that you are thinking about everything. Ultimately, the development is only going to afford whatever and you might have to prioritize those but he thinks that there should be some thought as these big developments are coming up and they are probably having these thoughts right now in discussing with Pardee what they could add to such a document or get through the developer. In Goal #3, City Facilities- T-3, Banning Water Canyon Replacement Phase 1, he always believes that a priority always has to be adequately maintaining our existing stuff so that it actually usable which is probably more important than building new stuff to make sure our existing stuff works. For budgeting reasons he guesses we pushed off the replacement or repairs of the Water Canyon main and having that as a Priority #3 causes him as a user some concern although luckily now we are connected to Beaumont so if we lose 70% of our water we can still take some of Beaumont’s. He thinks the Council needs to consider whether that is really a Priority #3 and it is only a #3 because there is no funding or whether you want to look at the Water Department’s budget and find the funds to protect our main waterline for the entire city. In the Community Development Goal #4 this is not a suggestion that you change it. He doesn’t know if you have all seen the recent Economic Development Brochure and Marketing packet that they have created, it is a really nice document and he has shown it to a couple of people now of why they should open businesses in Banning. Perhaps that packet could be sort of the stuff you put online. You did a really great job in preparing that brochure.

Councilmember Botts said he would like the staff to respond to the statement regarding CFD’s outside the police department in relationship to development.

City Manager said that is something that staff does yes and that is pretty standard right now and we are currently dealing with the Pardee Project and obviously there is a Lighting/Landscape District, Public Safety District for both police and fire, streets and the list goes on. We could create all different CFD’s but one of our concerns obviously with CFD’s is that if your tax increment is so high that people will end up defaulting on their loans because their taxes are over 2% and 2% has kind of been the industry standard that we have look at and maybe at this economic time you can afford more than the 2% because the housing values are so low but those are actually things we are looking at as we go along with this project with Pardee if it is approved by Council.

Mayor Hanna said in regard to Mr. Smith’s comment about the waterline replacement he was talking about the Water Canyon but there is also the annual waterline replacement program. She is concerned also that it is a Priority #3.

Mr. Burk said in regards to T-3 is a Priority #3 primarily because it is a 5-year strategic plan. The funding is not available at this current time because of the rates and the downside of revenues. We can raise the Priority from a #3 to a #2 but the idea of trying to complete something in the next five years is what you are saying you are going to have this on your desk and something you are
going to achieve. Until we get that funding we can always move that up later and it is a higher priority and it is on the Capital Improvement List so at your discretion we can move that up but he will leave it up to the Council.

City Manager thanked staff who worked very hard on this. Once this is adopted you will hear him say that is not part of the strategic plan and if it is easy, we can do it but if it is not easy, it may not be something we can get to. That does not include day to day stuff. This is just your strategic plan and not including what we do on a daily basis. He thanked the Council for being patient in bringing this back and it is staff's goal to bring this back to the first meeting in September.

ADJOURNMENT

By common consent the meeting adjourned the meeting at 7:33 p.m.

Marie A. Calderon, City Clerk

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

Date: August 23, 2011

TO: City Council

FROM: June Overholt, Administrative Services Director

SUBJECT: Recommendation to Adopt a Resolution of Approving a Statement of Investment Policy

RECOMMENDATION: "The City Council adopt Resolution No. 2011-67, a Resolution of the City Council of the City of Banning Adopting a Statement of Investment Policy."

JUSTIFICATION: City policy requires an annual review of the investment policy.

BACKGROUND/ANALYSIS: Our current policy focuses on safety, liquidity and availability, rather than on yield. Under the current policy, a maximum of 40% of the City’s investments may be placed in an investment other than the State of California’s Local Agency Investment Fund (LAIF). The other investments cannot exceed a 36 month maturity. Per the State Treasurer’s Office, pursuant to the California Government Code monies invested with LAIF cannot be borrowed or withheld by the State of California. These monies are protected by statute.

Currently, approximately 60 percent of the City’s available operating money is invested in authorized securities (other than LAIF). The balance is invested in LAIF. The LAIF rate has dropped from .528% percent to .448% percent from July 1, 2010 to the present. Our current average rate on investments outside of LAIF is .625%. Our current average rate on investments overall (excluding bond funds) is .482%. In 2009-10, the LAIF rate ranged from 1.035% to .528% and the City earned approximately $820,700 of interest on its investments. In 2010-11, the total interest earned has dropped to approximately $543,000.

Staff is recommending minor changes to the policy. In Section 8 AUTHORIZED AND SUITABLE INVESTMENTS, we are recommending a change in the minimum amount of funds required to be placed in LAIF (currently 60%) to 40% and a change in the maximum amount of operating funds that may be placed in other types of securities – securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government (currently 40%) to 60%. Due to the economic climate, staff feels that it is appropriate to place more of our operating moneys in investments that allow a slightly increased rate of return while still offering safety, liquidity and availability.

FISCAL DATA: No immediate fiscal impact is anticipated. The monthly Report of Investments will track any changes in investment income.
RECOMMENDED BY:

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

APPROVED BY:

[Signature]
Andy Takata
City Manager
RESOLUTION NO. 2011-67

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING ADOPTING
A STATEMENT OF INVESTMENT POLICY

WHEREAS, Under the laws of the State of California, it is the responsibility of the City Council to secure and protect the public funds of the City of Banning (hereinafter “City”), and to establish proper safeguards, controls, and procedures to maintain these funds in a lawful, rational and auspicious manner; and

WHEREAS, said maintenance shall include the prudent and secure investment of those funds that are not immediately needed to meet cash disbursements, in a manner anticipated to provide additional benefit to the electorate of the City of Banning;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANNING as follows:

Section 1.

The following shall constitute the Statement of the Investment Policy of the City of Banning:

1. SCOPE

This Statement of Investment Policy pertains to those funds under the control of the City Council, designated for the ongoing operations of the City and the City’s Redevelopment Agency; and concerns the deposit, maintenance, and safekeeping of all such funds, and the investments made with these funds. This Policy does not apply to pension moneys, deferred compensation funds, trustee, and certain other non-operating funds.

2. PURPOSE OF POLICY STATEMENT

The purpose of this Statement of Investment Policy is to provide the public and those involved in servicing the investment requirements of the City, and any other interested party, a clearer understanding of the Government Codes, regulations and internal guidelines that will be observed in maintaining and investing those funds not immediately needed to meet liabilities.

3. INVESTMENT OBJECTIVES

The underlying objective of the City Council is to protect the safety of the principal of the portfolio through the judicious purchase of those legal investments permitted to local agencies, as defined in the State of California Government Codes, consistent with current conditions and the other dominant objectives pursuant to managing a local agency portfolio, namely:
A. **Safety:** The City Council takes as its primary responsibility to maintain the safe return of all principal placed in investments by avoiding decisions that might result in losses through fraud, default, or adverse market conditions. Importance is also accorded to the protection of accrued interest earned on any investment instrument.

B. **Liquidity:** The City Council accepts as an imperative that a majority (a minimum of 60%) of all investments are in items that are immediately negotiable, as the portfolio is a cash management fund. It shall be assumed that all investments shall remain sufficiently liquid in order to meet unexpected cash calls.

C. **Availability:** Due to the nature of a public funds portfolio, the City Council finds that it is mandatory that moneys be available to meet the monetary requirements inherent to operating a public entity. Thus funds should be invested in such a manner that money will always be available without risk of trading loss to meet normal cash requirements. A vast majority of the moneys invested by the City Council should never require the realization of immoderate losses should an unforeseen cash demand require the sale of investments prior to maturity. A sufficient portion of all funds shall be invested in securities providing a high degree of availability, that is, in securities easily sold or converted to cash in a timely manner, with little or no loss of interest earnings.

D. **Yield:** While it is considered desirable to obtain a respectable yield, yield shall not be the driving force in determining which investments are to be selected for purchase. Yield is to be given lesser weight in the investment decision than safety, liquidity, or availability.

The City Council shall undertake to place investments with the objective of obtaining a reasonable rate of return under prevailing market conditions. In pursuit of this goal, maximization of yield shall be of lesser concern than either safety of principal, liquidity of the investment, or availability of the invested funds. The City Council undertakes to be prudently cognizant of those factors within the marketplace that may be indicative of either favorable or hazardous conditions relative to the City’s investments. The portfolio is to be managed under the strategy of minimal turnover in investments however, with sufficient activity to minimize losses due to adverse changes in market conditions.

4. **PRUDENCE**

The City Council recognizes that it is subject to the "Prudent Investor Standard" whenever making a decision regarding the investment of the City's funds. This rule states:

> When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, general economic conditions and the anticipated needs of the agency, that a prudent person acting in like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency (Cal. Gov. Code §53600.3).
The City Council, and those acting under the auspices of the City Council, is deemed to have a fiduciary trustee relationship with the public for the public funds, and all investment decisions will be made in a manner sustaining this responsibility.

5. DELEGATION OF AUTHORITY

While the City Council has final responsibility for all investment decisions, other City personnel are required to aid in the day to day administration of those decisions. Those staff members currently authorized to act on behalf of the City Council are listed below. This list is subject to change. Parties involved in investment transactions with the City Council are deemed to be on notice of the contents of the most current copy of this Policy, and all pertinent authorizing documents, at the time of accepting written or verbal instructions from any staff member. The Councilpersons and deputized personnel listed below are designated to perform such approved investment related tasks as the City Council shall from time to time assign, to arrange any required notifications, and to execute the documents necessary to put into effect the decisions of and for the City Council:

Title

Mayor

Mayor Pro Tem

City Councilperson

City Councilperson

City Councilperson

Administrative Services Director

City Manager

Other persons, both inside and outside City employment, may act in the role of assistant or advisor to those listed above, to aid in the timely and proper settlement of investment transactions. Such persons may not authorize, approve, or initiate any trading activities. Only the persons listed above may initiate trading activity and only in a manner consistent with the instructions of the City Council.

City Council directives to the City Manager and Administrative Services Director are as follows:

- Make investments in accordance with this policy.
- Make phone calls to, or otherwise communicate with, LAIF or brokerage firm for investment purposes and to withdrawal and deposit funds as required to meet the City’s cash flow requirements between meetings of the City Council.
- Make transaction withdrawals for cash flow requirements up to a maximum of limit of $3,000,000 per single transaction without prior approval of the City Council.
6. SECURITIES CUSTODY

As required by the Government Code, the City Council shall establish a third party custody and safekeeping account to which all negotiable instruments shall be delivered upon purchase on a payment versus delivery basis. No negotiable, deliverable, securities or investments will be left in the custody of any brokerage firm or issuing party, including any collateral from Repurchase Agreements.

7. AUTHORIZED INVESTMENTS AND LIMITATIONS

The Government Code of the State of California, primarily within sections 53600 et. seq., sets out the legal authority for inclusion of certain types of investment vehicles in a California local agency's investment portfolio. Consistent with those sections, under no circumstances will the City Council purchase an investment that is not specifically authorized for a local agency under these, or other code sections that may apply, or might later be enacted, pertaining to local agency investments. It shall be a requirement of all investment professionals performing any transaction on behalf of the City that they possess a complete understanding of the acceptability of the subject investment under those code sections.

A “Table of Investments Permitted Local Agencies by the California Government Codes” is attached hereto, marked Attachment “A” and by this reference made a part hereof. Attachment “A” briefly describes the principal types of securities legal within the Government Code sections noted above, and outlines the various limitations included in these sections. From these permitted investments, the Council shall determine those investment types that best meet the needs and abilities of the City.

8. AUTHORIZED AND SUITABLE INVESTMENTS

It is hereby determined by the City Council that, due to the exceptional safety, liquidity and availability provided by the State of California's Local Agency Investment Fund (LAIF), a minimum of 40% of the City’s operating moneys shall be placed in the LAIF, with the exception of certain bond proceeds and required deposits that pre-existing contractual obligations restrict to other investment types. Such exceptions shall comply with all appropriate Government Codes, ordinances and other restrictions inherent to the conditions requiring such exceptions.

It is hereby further determined by the City Council that not more than 60% of the City’s operating moneys may be placed in the following types of securities:

- Securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government
- Bank Certificates of Deposit
- Shares of savings certificates of savings and loan associations
- Mortgage backed securities
9. AUTHORIZED TERM OF INVESTMENTS

It is hereby determined that the maximum maturity period for any portion of invested operating moneys shall not exceed thirty-six (36) months. This shall not apply to certain bond proceeds or other non-operating moneys of the City.

10. AUTHORIZED DEALER LIST – CONFLICT OF INTEREST PROHIBITION

It is prohibited for a transaction to be entered into with any securities broker, dealer or bank investment department or subsidiary prior to that entity being designated an Authorized Dealer, and placed on the Authorized Dealer List. Authorized Dealers shall be selected on an as needed basis to meet specific needs of the City Council.

No member of the City Council, nor any other official or employee of the City, may accept any gift, honoraria, gratuity or service of value in violation of the regulations set forth by the Fair Political Practices Commission, the Government Code, additional limitations set forth by City ordinance, or internal requirements of the Treasurer and Administrative Services Director. The City Council is prohibited from conducting any business with any broker, dealer, or securities firm that has made a political contribution to the City Treasurer or any member of the City Council, or any candidate for these offices, within the 48 month period immediately following the date of the political contribution, in an amount exceeding the limitation contained in Rule G-37 of the Municipal Securities Rulemaking Board. A copy of Rule G-37 is attached hereto and incorporated herein as Attachment “B.”

11. REPORTING

The Administrative Services Director shall maintain investment records legally required or otherwise requested by the City Council and prepare a report for the Council on a monthly basis stating the holdings, status, and earnings of the portfolio. The Statement of Investment Policy will be provided at the start of each fiscal year annually for review and approval of the City Council. Should conditions arise, or legislation become effective that behooves consequential changes within the Policy during the year, the revised policy will again be addressed by the City Council.

Section 2.

This Statement of Investment Policy shall be reviewed annually and approved by the City Council in an open public meeting. Upon request, it will be provided to banks and brokers and to other effected persons or entities; and to any member of the electorate wishing to review this document. The City reserves the right to provide these documents on a cost recovery basis.

Section 3.

The Statement of Investment Policy was originally adopted under Resolution 2010-60, which expired by its terms on July 26, 2011.

Section 4.

The Statement of Investment Policy is hereby adopted.
PASSED, APPROVED AND ADOPTED this 23rd day of August, 2011.

Barbara Hanna, 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
City of Banning
CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2011-67 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 23rd day of August, 2011 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Marie A. Calderon, City Clerk
City of Banning, California
### TABLE 1

**ALLOWABLE INVESTMENT INSTRUMENTS**

**PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2010)**

**APPLICABLE TO ALL LOCAL AGENCIES**

see "Table of Notes for Figure 1" on the next page for footnotes related to this figure

<table>
<thead>
<tr>
<th>INSTRUMENT TYPE</th>
<th>MAXIMUM Maturity</th>
<th>MINIMUM CREDIT RATING</th>
<th>MINIMUM QUALITY TO BE INVESTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOCAL AGENCY BONDS</td>
<td>5 YEARS</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>U.S. TREASURY OBLIGATIONS</td>
<td>5 YEARS</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>STATE OBLIGATIONS</td>
<td>5 YEARS</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>—CA AND OTHERS</td>
<td>5 YEARS</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>CALIFORNIA LOCAL AGENCY OBLIGATIONS</td>
<td>5 YEARS</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>U.S. AGENCY OBLIGATIONS</td>
<td>5 YEARS</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>BANKERS' ACCEPTANCES</td>
<td>180 DAYS</td>
<td>40%</td>
<td>NONE</td>
</tr>
<tr>
<td>COMMERCIAL PAPER —SELECT AGENCIES</td>
<td>270 DAYS</td>
<td>25% OF THE AGENCY'S MONEY</td>
<td>A-1/P-1/F-1</td>
</tr>
<tr>
<td>COMMERCIAL PAPER —OTHER AGENCIES</td>
<td>270 DAYS</td>
<td>40% OF THE AGENCY'S MONEY</td>
<td>A-1/P-1/F-1</td>
</tr>
<tr>
<td>NEGOTIABLE CERTIFICATES OF DEPOSIT</td>
<td>5 YEARS</td>
<td>30%</td>
<td>NONE</td>
</tr>
<tr>
<td>CD PLACEMENT SERVICE</td>
<td>5 YEARS</td>
<td>30%</td>
<td>NONE</td>
</tr>
<tr>
<td>REPOURCHASE AGREEMENTS</td>
<td>1 YEAR</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>REVERSE REPURCHASE AGREEMENTS AND SECURITIES LENDING AGREEMENTS</td>
<td>92 DAYS</td>
<td>20% OF THE BASE VALUE OF THE PORTFOLIO</td>
<td>NONE</td>
</tr>
<tr>
<td>MEDIUM-TERM NOTES</td>
<td>5 YEARS</td>
<td>30%</td>
<td>&quot;A&quot; RATING</td>
</tr>
<tr>
<td>MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS</td>
<td>N/A</td>
<td>20%</td>
<td>MULTIPLE</td>
</tr>
<tr>
<td>COLLATERALIZED BANK DEPOSITS</td>
<td>5 YEARS</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>MORTGAGE PASS-THROUGH SECURITIES</td>
<td>5 YEARS</td>
<td>20%</td>
<td>&quot;AA&quot; RATING</td>
</tr>
<tr>
<td>BANK/MONEY DEPOSITS</td>
<td>5 YEARS</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>COUNTY POOLED INVESTMENT FUNDS</td>
<td>N/A</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>JOINT POWERS AUTHORITY POOL</td>
<td>N/A</td>
<td>NONE</td>
<td>MULTIPLE</td>
</tr>
<tr>
<td>LOCAL AGENCY INVESTMENT FUND (LAIF)</td>
<td>N/A</td>
<td>NONE</td>
<td>NONE</td>
</tr>
</tbody>
</table>

CALIFORNIA DEBT & INVESTMENT ADVISORY COMMISSION

87
A. Sources: Government Code Sections 16429.4, 53601, 53601.8, 53635, and 53638.

B. Municipal Utilities Districts have the authority under the Public Utilities Code Section 24871 to invest in certain securities not addressed here.

C. Government Code Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five-year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

D. Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.

E. No more than 30 percent of the agency's money may be in Bankers' Acceptances of any one commercial bank.

F. "Select Agencies" are defined as a "city, a district, or other local agency that does not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set for "Select Agencies," above.

G. No more than 10 percent of agency's money may be invested in any one issuer's commercial paper.

H. Issuing corporation must be organized and operating with the U.S. and have assets in excess of $500,000,000.

I. "Other Agencies" are counties, a city and county, or other local agency "that pools money in deposits or investment with other local agencies, including local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits for "Select Agencies," above.

J. No more than 10 percent of the of the agency's money may be invested in the Commercial Paper of any one corporate issuer.

K. No more than 30 percent of the agency's total funds may be invested in CDs authorized under Sections 53601.8, 53635.8, and 53601 (b) combined.

L. Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.

M. Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must hold the securities used for the agreements for at least 30 days.

N. "Medium-term notes" are defined in Government Code Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating with the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S."

O. No more than 10 percent invested in any one mutual fund.

P. A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years experience investing in instruments authorized by Government Code Sections 53601 and 53635.

Q. A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years experience investing in money market instruments with assets under management in excess of $500 million.

R. Issuer must have an "A" rating or better for the issuer's debt as provided by a nationally recognized rating agency.

S. A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years experience investing in instruments authorized by Government Code Section 53601, subdivisions (a) to (n).
### FIGURE 2

**ALLOWABLE SHORT-TERM INVESTMENT INSTRUMENTS**

**PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2010)**<sup>1</sup>

**APPLICABLE TO COUNTIES OR A CITY AND COUNTY**

*see "Table of Notes for Figure 2" on the next page for footnotes related to this figure*

<table>
<thead>
<tr>
<th>INVESTMENT INSTRUMENT</th>
<th>MAXIMUM DURATION</th>
<th>MAXIMUM INVESTED % OF PORTFOLIO</th>
<th>GENERAL MAXIMUM SECURITY LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. TREASURY OBLIGATIONS</td>
<td>397 DAYS</td>
<td>—NONE—</td>
<td>—NONE—</td>
</tr>
<tr>
<td>U.S. AGENCY OBLIGATIONS</td>
<td>397 DAYS</td>
<td>—NONE—</td>
<td>—NONE—</td>
</tr>
<tr>
<td>STATE OF CA OBLIGATIONS</td>
<td>397 DAYS</td>
<td>5% in any one issuer</td>
<td>—NONE—</td>
</tr>
<tr>
<td>CA LOCAL AGENCY OBLIGATIONS</td>
<td>397 DAYS</td>
<td>5% in any one issuer</td>
<td>—NONE—</td>
</tr>
<tr>
<td>BANKERS' ACCEPTANCES</td>
<td>180 DAYS</td>
<td>5% in any one issuer</td>
<td>—NONE—</td>
</tr>
<tr>
<td>COMMERCIAL PAPER</td>
<td>270 DAYS</td>
<td>5% in any one issuer</td>
<td>—NONE&lt;sup&gt;6&lt;/sup&gt;—</td>
</tr>
<tr>
<td>FIRST TIER SECURITIES</td>
<td>N/A</td>
<td>Up to 25% of the total assets of investments</td>
<td>—NONE—</td>
</tr>
<tr>
<td>NEGOTIABLE CERTIFICATES OF DEPOSIT</td>
<td>397 DAYS</td>
<td>5% in any one issuer&lt;sup&gt;16&lt;/sup&gt;</td>
<td>—NONE&lt;sup&gt;16&lt;/sup&gt;—</td>
</tr>
<tr>
<td>CD PLACEMENT SERVICE</td>
<td>—</td>
<td>30%&lt;sup&gt;6&lt;/sup&gt;</td>
<td>—</td>
</tr>
<tr>
<td>REPURCHASE AGREEMENTS&lt;sup&gt;1&lt;/sup&gt;</td>
<td>1 YEAR&lt;sup&gt;2&lt;/sup&gt;</td>
<td>—NONE—</td>
<td>—NONE—</td>
</tr>
<tr>
<td>REVERSE REPURCHASE AGREEMENTS AND SECURITIES LENDING AGREEMENTS&lt;sup&gt;8&lt;/sup&gt;</td>
<td>92 DAYS&lt;sup&gt;4&lt;/sup&gt;</td>
<td>20% of the market value of the portfolio&lt;sup&gt;4&lt;/sup&gt;</td>
<td>—NONE&lt;sup&gt;8&lt;/sup&gt;—</td>
</tr>
<tr>
<td>DEBT SECURITIES ISSUED BY CORPORATION OR DEPOSITORY INSTITUTION&lt;sup&gt;9&lt;/sup&gt;</td>
<td>397 DAYS</td>
<td>5% in any one issuer</td>
<td>—NONE—</td>
</tr>
<tr>
<td>MUTUAL FUNDS&lt;sup&gt;6&lt;/sup&gt; AND MONEY MARKET MUTUAL FUNDS</td>
<td>N/A</td>
<td>10% in any one mutual fund</td>
<td>MULTIPLE&lt;sup&gt;6&lt;/sup&gt;</td>
</tr>
<tr>
<td>CONTRACTS ISSUED BY INSURANCE COMPANIES&lt;sup&gt;5&lt;/sup&gt;</td>
<td>397 DAYS</td>
<td>5% in any one issuer</td>
<td>—NONE—</td>
</tr>
<tr>
<td>MORTGAGE AND COLLATERAL-BACKED SECURITIES&lt;sup&gt;8&lt;/sup&gt;</td>
<td>397 DAYS</td>
<td>5% in any one issuer</td>
<td>&quot;AA&quot; RATING&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>SEC RULE 2a-7 ALLOWABLE INVESTMENTS</td>
<td>397 DAYS</td>
<td>5% in any one issuer</td>
<td>—NONE—</td>
</tr>
</tbody>
</table>
A. Source: Government Code Sections 53601.7 and 53601.8

B. A county or city and county may not invest in any security under Section 53601.7 that would cause the dollar-weighted average maturity of the funds in the investment pool to exceed 90 days.

C. Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.

D. Unless otherwise specified, all corporate and depository institution investments must meet or exceed the following criteria at the time of purchase: 1) Short-term debt must be rated at least A-1, P-1, P-1, F-1; 2) If the issuer of short-term debt has issued long-term debt, the long-term debt must be rated "A" or better without respect to modifiers. Because Section 53601.7 does not define these investments, local agencies should consult with their legal counsel to determine if any investments purchased fall within this category.

E. Issuing corporation must be organized and operating within the U.S. and have assets in excess of $500,000,000.

F. Subject to the limits placed on depository funds specified in Government Code Section 53638.

G. No more than 30 percent of the agency’s total funds may be invested in CDs authorized under Sections 53601.7, 53635.8, and 53601.8, combined.

H. Eligible certificates must be issued by a nationally or state-chartered bank or a federal association, or by a state-licensed branch of a foreign bank. Investments in certificates of deposit are subject to certain restrictions on conflicts of interest as specified in Section 53601.7(c)(7).

I. Repurchase agreements, reverse repurchase agreements, or securities lending agreements must meet the delivery requirements specified in Government Code Section 53601.

J. A security underlying a repurchase agreement or a reverse repurchase agreement may exceed the 397-day term limit placed on all investments allowed under Government Code Section 53601.7.

K. Applies to reverse repurchase agreements unless the agreement includes a guarantee return for the entire period of the agreement.

L. Value of portfolio based upon investments owned and does not include securities subject to other agreements, such as securities lending agreements.

M. Investments in reverse repurchase agreements or similar investments can be made only with the approval of the governing body of the local agency and only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a "significant banking relationship" with the local agency. The local agency must have held the securities used in the agreement for at least 30 days.

N. Includes securities specified as "medium-term notes" issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.

O. The investments in securities and obligations made by the mutual fund must conform to Government Code Section 53601.7 except that the counterparty to a reverse repurchase agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company’s board of directors finds that the counterparty presents a minimal risk of default.

P. Must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC or exempt from registration, has assets under management in excess of $500 million, and has at least five years experience investing in money market instruments.

Q. These include guaranteed investment contracts.

R. Category includes mortgage pass-through security, collateralized mortgage obligation, mortgage-backed and other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bonds.

S. Issuer must have an "A" rating or better for the issuer’s debt as provided by a nationally recognized rating agency.
CITY COUNCIL AGENDA

DATE: August 23, 2011

TO: City Council

FROM: Duane Burk, Director of Public Works


RECOMMENDATION: Adopt Resolution No. 2011-76 awarding the Professional Services Agreement to LSA Associates, Inc. of Irvine, California in an amount “Not to Exceed” $238,000.00 for the preparation of an Environmental Impact Report for the Banning Circulation Element General Plan Amendment and updating the Traffic Fee Component of the Development Fee Program.

JUSTIFICATION: The award of this agreement is necessary in order to ensure compliance with California Environmental Quality Act (CEQA) and State Law Senate Bill 18.

BACKGROUND: In preparation of future development, it has been determined necessary to amend the City’s General Plan for the Traffic Circulation Element in order to accommodate future needs. Specifically, this update is necessary in order to address potential traffic conditions related to the future development of Pardee Homes.

The proposed Banning Circulation Element General Plan Amendment (GPA) will include the removal of the Highland Home Road interchange improvement at Interstate 10 (I-10) from the Proposed General Plan Street System identified in Exhibit III-6 in the existing Circulation Element and is shown in Attachment “I”. Additionally, a policy change is recommended adopting a minimum Level-of-Service (LOS) standard of D or better replacing the existing LOS C standard.

Levels-of-Service is used to qualitatively measure a particular roadway’s physical ability to handle traffic demands as well as the efficiency of traffic flow on that roadway. A number of factors, including speed, travel time, traffic interruptions, driver comfort and convenience, safety and operating costs are reflected in level-of-service. For review, the current Level-of-Service Volumes/Capacity Values for Various Roadway Classifications are shown in Attachment “IT”.

The preparation of the Environment Impact Report (EIR) for the Banning Circulation Element General Plan Amendment will address the following in accordance with California Environmental Quality Act (CEQA): traffic/circulation; changes or increases in air quality and noise; greenhouse gas (GHG) impacts, and land use impacts. Also, a section addressing cultural resources will also be included in accordance with State Law Senate Bill (SB) 18, which requires Native American consultation for any GPA.
Additionally, it is necessary to update the traffic fee component of the Development Fee Program for the City. The current Development Fee Program does not consider the cost for physical improvements required by intersections to maintain acceptable LOS standards, consistent with the City's General Plan policy, in the General Plan Build-Out Condition.

At this time, it has been determined that Pardee Homes will fund the General Plan Amendment, as well as, update the traffic fee component of the Development Fee Program. The City and Pardee negotiated with LSA Associates, Inc. of Irvine to obtain these services. LSA Associates, Inc. previously completed work for Pardee Homes related to this project, as well as, professional services related to the Butterfield Project that is currently in the planning stages. For these reasons, LSA Associates, Inc. is familiar with the City's needs and already has data on file that is prudent to successfully amending the plan. Consequently, staff respectfully requests the award of a professional services agreement to LSA Associates, Inc. in the amount of $238,000.00.

**FISCAL DATA:** Professional services provided by LSA Associates, Inc. in regard to the abovementioned services will be funded by Pardee Homes in the amount of $238,000.00. To date, Pardee has provided a deposit for these services in the amount of $50,000.00. As necessary, Pardee will continue to provide deposits for these services until the completion of work. Staff requests that all existing and future funds collected by the developer for these services be appropriated to an expenditure account determined by the Administrative Services Director to be utilized for these services by approval of this resolution.

**RECOMMENDED BY:**

Duane Burk  
Director of Public Works

**APPROVED BY:**

Andy Takata  
City Manager

**REVIEWED BY:**

June Overholt  
Administrative Services Director/Deputy City Manager

Resolution No. 2011-76
RESOLUTION NO. 2011-76

RESOLUTION OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE AWARD OF A PROFESSIONAL SERVICES AGREEMENT TO LSA ASSOCIATES, INC. FOR THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT FOR THE BANNING CIRCULATION ELEMENT GENERAL PLAN AMENDMENT AND UPDATING THE TRAFFIC FEE COMPONENT OF THE DEVELOPMENT FEE PROGRAM

WHEREAS, the proposed Banning Circulation Element General Plan Amendment (GPA) will include the removal of the Highland Home Road interchange improvement at Interstate 10 (I-10) from the Proposed General Plan Street System identified in Exhibit III-6 in the Circulation Element and is shown in Attachment “T”; and

WHEREAS, a policy change is also recommended adopting a minimum Level-of-Service (LOS) standard of D or better replacing the existing LOS C standard; and

WHEREAS, the preparation of the Environment Impact Report (EIR) for the Banning Circulation Element General Plan Amendment will address the following in accordance with California Environmental Quality Act (CEQA): traffic/circulation; changes or increases in air quality and noise; greenhouse gas (GHG0 impacts, and land use impacts and address cultural State Law Senate Bill (SB) 18, which requires Native American consultation for any GPA; and

WHEREAS, staff also recommends updating the traffic fee component of the Development Fee Program for the City since the current Development Fee Program does not consider physical improvements required by intersections to maintain acceptable LOS standards, consistent with the City’s General Plan policy, in the General Plan Build-Out condition; and

WHEREAS, it has been determined that Pardee Homes will fund the General Plan Amendment, as well as, update the traffic fee component of the Development Fee Program; and

WHEREAS, the City and Pardee negotiated with LSA Associates, Inc. of Irvine, California to obtain these services a company that previously completed work for Pardee Homes related to this project, as well as, professional services related to the Butterfield Project that is currently in the planning stages;

WHEREAS, LSA Associates, Inc. is familiar with the City’s needs and already has data on file that is prudent to successfully amending the plan; therefore, staff respectfully requests the award of a professional services agreement to LSA Associates, Inc. in the amount of $238,000.00; and

WHEREAS, to date, Pardee has provided a deposit for these services in the amount of $50,000.00 and they will continue to provide deposits for these services until the completion of work; and

WHEREAS, staff requests that all existing and future funds collected by the developer for these services be appropriated to an expenditure account determined by the Administrative Services Director to be utilized for these services by approval of this resolution.
NOW, THEREFORE, BE IT RESOLVED by the City of Banning as follows:

Section 1. The Council approves the award of the Professional Services Agreement to LSA Associates, Inc. of Irvine, California for the preparation of an Environmental Impact Report for the Banning Circulation Element General Plan Amendment and updating the Traffic Fee Component of the Development Fee Program in an amount “Not to Exceed” $238,000.00.

Section 2. The Administrative Services Director is authorized to make necessary appropriations and account transfers to fund this agreement and appropriate all funds deposited by Pardee Homes for the purpose of funding said professional services.

Section 3. The City Manager is authorized to execute the contract agreement with LSA Associates, Inc. of Irvine, California. This authorization will be rescinded if the contract agreement is not executed by the parties within ninety (90) days of the date of this resolution.

PASSED, APPROVED AND ADOPTED this 23rd day of August, 2011.

______________________________
Barbara Hanna, Mayor
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

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

ATTEST:

______________________________
Marie A. Calderon, City Clerk
CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-76 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 23rd day of August, 2011.

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
Marie A. Calderon, City Clerk
City of Banning, California
ATTACHMENT “I”

Existing Exhibit III-6 from the Banning General Plan - Proposed General Plan Street System
ATTACHMENT “II”

Level-of-Service Volumes/Capacity Values for Various Roadway Classifications
<table>
<thead>
<tr>
<th>Classification</th>
<th>Roadway Width (Ft.)</th>
<th>Number of Lanes</th>
<th>Maximum Two-Way Average Daily Traffic Volume Level of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collector</td>
<td>60</td>
<td>2</td>
<td>12,800 14,400 16,000</td>
</tr>
<tr>
<td>Secondary Highway</td>
<td>80</td>
<td>4</td>
<td>24,000 27,000 30,000</td>
</tr>
<tr>
<td>Major Highway</td>
<td>100</td>
<td>4</td>
<td>30,400 34,200 38,000</td>
</tr>
<tr>
<td>Major Highway</td>
<td>110</td>
<td>4</td>
<td>30,400 34,200 38,000</td>
</tr>
<tr>
<td>Major Highway</td>
<td>134</td>
<td>6</td>
<td>47,200 53,100 59,000</td>
</tr>
</tbody>
</table>

CITY COUNCIL AGENDA

Date: August 23, 2011

TO: City Council

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

SUBJECT: Report of Investments for May 2011

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: This report includes investments on hand at the end of May 2011. As of May 31, 2011, the City’s operating funds totaled $65,892,822. Included in operating funds is $1,801,664 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Treasurer’s Report. As of May 31, 2011 approximately 49% of the City’s unrestricted cash balances were invested in investments other than LAIF.

Presented are three months of Investment Reports. May is a first issue, while March and April are included to provide multiple months of statements for comparison.

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) decreased to 0.413 % in May. The average rate for all investments in May was 0.556%.

RECOMMENDED BY:

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

APPROVED BY:

[Signature]
Andy Takata
City Manager
## Summary Schedule of Cash and Investments

### Operating Funds

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

### Bank Accounts

<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>35,087</td>
</tr>
<tr>
<td>Wells Fargo Bank-Investment Account</td>
<td>0.100%</td>
<td>5,403,105</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
<td>18,159</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
<td>4,258</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
<td>5,808</td>
</tr>
</tbody>
</table>

**Money Market and Bank Account Sub-Total** 5,466,418

### Government Pools

| Local Agency Investment Fund: Account #1 | 0.413%       | 31,446,232 |
| Account #2 Operating Amount: 663,598    |              |            |
| Account #2 CRA Bond Cash Bal: 1,801,664 |              |            |
| Local Agency Investment Fund: Account #2| 0.413%       | 2,465,262  |

**Government Pool Sub-Total** 33,911,494

### Operating Cash Balance

39,380,217

### Restricted Operating Funds at Riverside Public Utilities

| Highmark U.S. Government Money Market Fund | 0.010%       | 1,011,348  |

### Other Investments

| Investments-US Bank/Piper Jaffray - See Page 2 | 0.843%       | 25,501,257 |

**Operating Funds Total** 65,892,822

### Fiscal Agent

<table>
<thead>
<tr>
<th>BNY Western Trust Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Bank</td>
<td>46,068,888</td>
</tr>
</tbody>
</table>

**Fiscal Agent Total** 46,079,914
## Operational Portfolio Individual Investments

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or Premium</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Accounts</td>
<td></td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>35,087</td>
<td>n/a</td>
<td>35,087</td>
</tr>
<tr>
<td>35,087</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>5,403,105</td>
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<tr>
<td>5,403,105</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>18,159</td>
<td>n/a</td>
<td>18,159</td>
</tr>
<tr>
<td>4,258</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>4,258</td>
<td>n/a</td>
<td>4,258</td>
</tr>
<tr>
<td>5,808</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>5,808</td>
<td>n/a</td>
<td>5,808</td>
</tr>
<tr>
<td>Sub-total</td>
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<td></td>
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<td>5,466,418</td>
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<tr>
<td>Government Pools</td>
<td></td>
<td>n/a</td>
<td>0.413%</td>
<td>daily</td>
<td>varies</td>
<td>31,446,232</td>
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<td>31,446,232</td>
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<tr>
<td>31,446,232</td>
<td>L.A.I.F. account #1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31,446,232</td>
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<tr>
<td>2,465,262</td>
<td>L.A.I.F. account #2</td>
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<td></td>
<td></td>
<td></td>
<td>2,465,262</td>
</tr>
<tr>
<td>Investments-US Bank/Piper Jaffray</td>
<td></td>
<td>n/a</td>
<td>0.750%</td>
<td>4/23/2013</td>
<td>10/5/2010</td>
<td>2,000,000</td>
<td>n/a</td>
<td>2,000,100</td>
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<tr>
<td>2,000,000</td>
<td>Federal Home Loan Banks</td>
<td></td>
<td>1.000%</td>
<td>10/21/2013</td>
<td>10/5/2010</td>
<td>3,000,000</td>
<td>n/a</td>
<td>2,992,080</td>
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<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
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<td>1.200%</td>
<td>8/5/2013</td>
<td>8/5/2010</td>
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<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.150%</td>
<td>9/3/2013</td>
<td>9/3/2010</td>
<td>4,000,000</td>
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<tr>
<td>3,000,000</td>
<td>FNMA MTN</td>
<td>n/a</td>
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<td>12/9/2010</td>
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<tr>
<td>4,000,000</td>
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<td>2/3/2014</td>
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<tr>
<td>6,497,077</td>
<td>Money Market</td>
<td>n/a</td>
<td>0.000%</td>
<td>daily</td>
<td>varies</td>
<td>6,497,077</td>
<td>0</td>
<td>6,497,077</td>
</tr>
</tbody>
</table>

**US Bank/Piper Jaffray Average Rate=** 0.843%

**Average Rate All=** 0.556%

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 27, 2010. 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 230 days and does not include Bond Reserve Fund Investments.
### Individual Investments with Fiscal Agent

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest May-11</th>
<th>S/31/2011 Market Value</th>
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</thead>
<tbody>
<tr>
<td>BNY WESTERN TRUST COMPANY</td>
<td>Federated U.S. Treasury Money Mkt</td>
<td>0.00%</td>
<td>daily</td>
<td></td>
<td></td>
<td>11,026</td>
</tr>
<tr>
<td>1997 Admin Building COPs Refunding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US BANK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991 Wilson St. Assessment District</td>
<td>2012 AIM U.S. Treasury Money Market</td>
<td>0.200%</td>
<td>daily</td>
<td>265,580</td>
<td>4.50</td>
<td>265,598</td>
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<tr>
<td></td>
<td>2012 US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>11.40</td>
<td></td>
<td>112,531</td>
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<tr>
<td>2005 Fair Oaks Ranch Estates</td>
<td>2035 US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>188,943</td>
<td>22.22</td>
<td>219,281</td>
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<td></td>
<td>2028 US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>2.17</td>
<td></td>
<td>919,960</td>
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<tr>
<td></td>
<td>2028 US Bank Mmkt 4-Ct</td>
<td>0.130%</td>
<td>daily</td>
<td>0.01</td>
<td></td>
<td>21,104</td>
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<tr>
<td></td>
<td>Surplus Fund</td>
<td>0.130%</td>
<td>daily</td>
<td>8</td>
<td></td>
<td>8</td>
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<tr>
<td>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Reconver Fund</td>
<td>2037 US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>1,209.02</td>
<td></td>
<td>11,928,344</td>
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<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>1,920.20</td>
<td></td>
<td>1,876,534</td>
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<tr>
<td>Special Fund</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>0.02</td>
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<td>93</td>
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<tr>
<td>Surplus Fund</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.110%</td>
<td>daily</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Account</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.140%</td>
<td>daily</td>
<td>7.00</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Principal Account</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>0.01</td>
<td></td>
<td>67,500</td>
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<tr>
<td>Principal Account</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>373.72</td>
<td></td>
<td>3,687,170</td>
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<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkt 4-Ct</td>
<td>1.200%</td>
<td>daily</td>
<td>2,310,710</td>
<td>234.51</td>
<td>2,310,972</td>
</tr>
<tr>
<td>Project Fund</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>425.33</td>
<td></td>
<td>4,196,392</td>
</tr>
<tr>
<td>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Account</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>41.03</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>Principal Account</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>0.01</td>
<td></td>
<td>357,500</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkt 4-Ct</td>
<td>1.200%</td>
<td>daily</td>
<td>2,310,710</td>
<td>234.51</td>
<td>2,310,972</td>
</tr>
<tr>
<td>Project Fund</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>425.33</td>
<td></td>
<td>4,196,392</td>
</tr>
<tr>
<td>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Interest Account</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>5.60</td>
<td></td>
<td>1,586,512</td>
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<tr>
<td>Reserve Fund</td>
<td>Reliance Trust Company # 9AMGGBEZ7</td>
<td>3.650%</td>
<td>11/17/2011</td>
<td>2,961,500</td>
<td>0.00</td>
<td>2,931,509</td>
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<tr>
<td>Acquisition &amp; Construction</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
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<td>14.32</td>
<td></td>
<td>141,327</td>
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<tr>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.120%</td>
<td>daily</td>
<td>1,558.28</td>
<td></td>
<td>15,374,194</td>
</tr>
</tbody>
</table>
*Paid Semi-Annually-Deposited into Money Mkt Account

Total: 5,829,35

46,079,914
Summary Schedule of Cash and Investments

<table>
<thead>
<tr>
<th>Operating Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>2,305</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank Accounts</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Bank</td>
<td>0.000%</td>
<td>34,856</td>
</tr>
<tr>
<td>Wells Fargo Bank-Investment Account</td>
<td>0.100%</td>
<td>858,602</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
<td>4,799</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
<td>3,247</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
<td>3,508</td>
</tr>
</tbody>
</table>

Money Market and Bank Account Sub-Total 905,011

Government Pools

Local Agency Investment Fund: Account #1 0.588% 31,446,232

<table>
<thead>
<tr>
<th>Account #2 Operating Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account #2 CRA Bond Cash Bal</td>
<td>2,015,784</td>
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</tbody>
</table>

Local Agency Investment Fund: Account #2 0.588% 5,765,262

Government Pool Sub-Total 37,211,494

Operating Cash Balance 38,118,811

Restricted Operating Funds at Riverside Public Utilities

Highmark U.S. Government Money Market Fund 0.010% 883,132

Other Investments

Investments-US Bank/Piper Jaffray - See Page 2 0.843% 25,476,327

Operating Funds Total 64,478,269

Fiscal Agent

<table>
<thead>
<tr>
<th>Fiscal Agent</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY Western Trust Company</td>
<td>4,050,979</td>
</tr>
<tr>
<td>US Bank</td>
<td>45,459,929</td>
</tr>
</tbody>
</table>

Fiscal Agent Total 49,510,908
City of Banning Investment Report

April 30, 2011

Operational Portfolio Individual Investments

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Discount or (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>34,856</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>34,856</td>
<td>n/a</td>
<td>34,856</td>
</tr>
<tr>
<td>858,602</td>
<td>Wells Fargo Bank-Investment Acct</td>
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<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>858,602</td>
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<td>858,602</td>
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<tr>
<td>4,799</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>4,799</td>
<td>n/a</td>
<td>4,799</td>
</tr>
<tr>
<td>3,247</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,247</td>
<td>n/a</td>
<td>3,247</td>
</tr>
<tr>
<td>3,508</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,508</td>
<td>n/a</td>
<td>3,508</td>
</tr>
</tbody>
</table>

Sub-total                                           905,011

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>
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<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>31,446,232</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>0.588%</td>
<td>daily</td>
<td>varies</td>
<td>31,446,232</td>
<td>n/a</td>
<td>31,446,232</td>
</tr>
<tr>
<td>5,765,262</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>0.588%</td>
<td>daily</td>
<td>varies</td>
<td>5,765,262</td>
<td>n/a</td>
<td>5,765,262</td>
</tr>
</tbody>
</table>

Sub-total                                           37,211,494

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 (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>0.750%</td>
<td>4/23/2013</td>
<td>10/5/2010</td>
<td>2,000,000</td>
<td>n/a</td>
<td>1,998,800</td>
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<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
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<td>1.000%</td>
<td>10/21/2013</td>
<td>10/5/2010</td>
<td>3,000,000</td>
<td>n/a</td>
<td>2,973,270</td>
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<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.200%</td>
<td>8/5/2013</td>
<td>8/5/2010</td>
<td>3,000,000</td>
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<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.150%</td>
<td>9/3/2013</td>
<td>9/3/2010</td>
<td>4,000,000</td>
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<tr>
<td>3,000,000</td>
<td>FNMA MTN</td>
<td>n/a</td>
<td>1.100%</td>
<td>12/9/2013</td>
<td>12/9/2010</td>
<td>3,000,000</td>
<td>n/a</td>
<td>2,992,050</td>
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<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.375%</td>
<td>2/3/2014</td>
<td>2/3/2014</td>
<td>4,000,000</td>
<td>n/a</td>
<td>4,005,840</td>
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<tr>
<td>6,497,077</td>
<td>Money Market</td>
<td>n/a</td>
<td>0.000%</td>
<td>daily</td>
<td>varies</td>
<td>6,497,077</td>
<td>n/a</td>
<td>6,497,077</td>
</tr>
</tbody>
</table>

US Bank/Piper Jaffray Average Rate= 0.843%

Average Rate All= 0.683%

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 27, 2010. 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 243 days and does not include Bond Reserve Fund Investments.
<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Bond Maturity Date</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Apr-11</th>
<th>4/30/2011</th>
<th>Market Value</th>
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</thead>
<tbody>
<tr>
<td>1997 Admin Building COPs Refunding</td>
<td></td>
<td></td>
<td>0.000%</td>
<td>daily</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US BANK</td>
<td>2012</td>
<td>AIM U.S. Treasury Money Market</td>
<td>0.200%</td>
<td>daily</td>
<td>265,580</td>
<td>4.65</td>
<td>265,594</td>
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</tr>
<tr>
<td>1991 Wilson St. Assessment District</td>
<td></td>
<td>US Bank Mmk12 Ct</td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>19.22</td>
<td>112,519</td>
<td></td>
</tr>
<tr>
<td>2005 Fair Oaks Ranch Estates</td>
<td>2035</td>
<td>US Bank Mmk12 Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>188,943</td>
<td>37.67</td>
<td>219,259</td>
<td></td>
</tr>
<tr>
<td>2003 CRA Tax Allocation Bonds</td>
<td>2028</td>
<td>U S Treasury Bill</td>
<td>0.110%</td>
<td>7/28/2011</td>
<td>971,763</td>
<td>3.63</td>
<td>21,364</td>
<td>991,901</td>
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<tr>
<td>Surplus Fund</td>
<td></td>
<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>188,943</td>
<td>37.67</td>
<td>219,259</td>
</tr>
<tr>
<td>Surplus Fund</td>
<td></td>
<td></td>
<td>0.210%</td>
<td>daily</td>
<td></td>
<td>188,943</td>
<td>37.67</td>
<td>219,259</td>
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<tr>
<td>Surplus Fund</td>
<td></td>
<td></td>
<td>0.250%</td>
<td>daily</td>
<td></td>
<td>188,943</td>
<td>37.67</td>
<td>219,259</td>
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<tr>
<td>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Redevelop Fund</td>
<td>2037</td>
<td>US Bank Mmk12 Ct</td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>2,025.63</td>
<td>11,927,135</td>
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<tr>
<td>Reserve Fund</td>
<td></td>
<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>1,880,751</td>
<td>318.67</td>
<td>1,876,344</td>
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<tr>
<td>Special Fund</td>
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<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>0.02</td>
<td>93</td>
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<tr>
<td>Surplus Fund</td>
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<td></td>
<td>0.210%</td>
<td>daily</td>
<td></td>
<td>188,943</td>
<td>37.67</td>
<td>219,259</td>
</tr>
<tr>
<td>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</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></td>
<td>0.140%</td>
<td>daily</td>
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<td>0.01</td>
<td>7</td>
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<tr>
<td>Interest Account</td>
<td></td>
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<td>0.200%</td>
<td>daily</td>
<td></td>
<td>196,548</td>
<td></td>
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<tr>
<td>Principal Account</td>
<td></td>
<td></td>
<td>0.190%</td>
<td>daily</td>
<td></td>
<td>0.01</td>
<td>52</td>
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<tr>
<td>Reserve Fund</td>
<td></td>
<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>626.14</td>
<td>3,686,796</td>
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<tr>
<td>Project Fund</td>
<td></td>
<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>712.61</td>
<td>4,195,966</td>
<td></td>
</tr>
<tr>
<td>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</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></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>0.01</td>
<td>44</td>
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</tr>
<tr>
<td>Interest Account</td>
<td></td>
<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>0.01</td>
<td>1,152,002</td>
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<tr>
<td>Principal Account</td>
<td></td>
<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>0.02</td>
<td>135</td>
<td></td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>2,310,710</td>
<td>392.90</td>
<td>2,313,425</td>
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<tr>
<td>Project Fund</td>
<td></td>
<td></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>712.61</td>
<td>4,195,966</td>
<td></td>
</tr>
<tr>
<td>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</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></td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>9.38</td>
<td>55,229</td>
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<tr>
<td>Reserve Fund</td>
<td></td>
<td>Reliance Trust Company # 9AMGGBEZ7</td>
<td>3.650%</td>
<td>11/17/2011</td>
<td>2,961,500</td>
<td>0.00</td>
<td>2,931,509</td>
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</tr>
<tr>
<td>Acquisition &amp; Construction</td>
<td></td>
<td>US Bank Mmk12 Ct</td>
<td>0.200%</td>
<td>daily</td>
<td></td>
<td>10.84</td>
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<td>Acquisition &amp; Construction</td>
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<td>daily</td>
<td></td>
<td>2,610.79</td>
<td>15,372,636</td>
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</tr>
</tbody>
</table>

*Paid Semi-Annually-Deposited into Money Mkt Account

| Total | 22,244.40 | 49,510,908 |
## Summary Schedule of Cash and Investments

### Operating Funds

#### Petty Cash

<table>
<thead>
<tr>
<th>Amount</th>
<th>2,305</th>
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</table>

#### Bank Accounts

<table>
<thead>
<tr>
<th>Interest</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Bank</td>
<td>0.000%</td>
</tr>
<tr>
<td>Wells Fargo Bank-Investment Account</td>
<td>0.100%</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
</tr>
</tbody>
</table>

**Money Market and Bank Account Sub-Total** | 2,282,224 |

#### Government Pools

<table>
<thead>
<tr>
<th>Interest</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund: Account #1</td>
<td>0.500%</td>
</tr>
<tr>
<td>Account #2 Operating Amount</td>
<td>5,114,643</td>
</tr>
<tr>
<td>Account #3 CRA Bond Cash Bal</td>
<td>2,142,350</td>
</tr>
<tr>
<td>Local Agency Investment Fund: Account #2</td>
<td>0.500%</td>
</tr>
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</table>

**Government Pool Sub-Total** | 38,663,933 |

#### Operating Cash Balance

| Amount | 40,948,462 |

#### Restricted Operating Funds at Riverside Public Utilities

<table>
<thead>
<tr>
<th>Interest</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highmark U.S. Government Money Market Fund</td>
<td>0.040%</td>
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</table>

#### Other Investments

<table>
<thead>
<tr>
<th>Interest</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments-US Bank/Piper Jaffray - See Page 2</td>
<td>0.844%</td>
</tr>
</tbody>
</table>

**Operating Funds Total** | 67,475,223 |

### Fiscal Agent

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY Western Trust Company</td>
</tr>
<tr>
<td>US Bank</td>
</tr>
</tbody>
</table>

**Fiscal Agent Total** | 44,643,167 |
# City of Banning Investment Report

## Operational Portfolio Individual Investments

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Purchase (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>153,692</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>153,692</td>
<td>n/a</td>
<td>153,692</td>
</tr>
<tr>
<td>2,116,263</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>2,116,263</td>
<td>n/a</td>
<td>2,116,263</td>
</tr>
<tr>
<td>5,281</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>5,281</td>
<td>n/a</td>
<td>5,281</td>
</tr>
<tr>
<td>3,274</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,274</td>
<td>n/a</td>
<td>3,274</td>
</tr>
<tr>
<td>3,713</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,713</td>
<td>n/a</td>
<td>3,713</td>
</tr>
<tr>
<td></td>
<td><strong>Sub-total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,282,224</td>
</tr>
<tr>
<td>31,406,941</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>0.500%</td>
<td>daily</td>
<td>varies</td>
<td>31,406,941</td>
<td>n/a</td>
<td>31,406,941</td>
</tr>
<tr>
<td>7,256,992</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>0.500%</td>
<td>daily</td>
<td>varies</td>
<td>7,256,992</td>
<td>n/a</td>
<td>7,256,992</td>
</tr>
<tr>
<td></td>
<td><strong>Investments-US Bank/Piper Jaffray</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>38,663,933</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>0.750%</td>
<td>4/23/2013</td>
<td>10/5/2010</td>
<td>2,000,000</td>
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<td>1,989,080</td>
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<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.000%</td>
<td>10/21/2013</td>
<td>10/5/2010</td>
<td>3,000,000</td>
<td></td>
<td>2,952,420</td>
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<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.200%</td>
<td>8/5/2013</td>
<td>8/5/2010</td>
<td>3,000,000</td>
<td></td>
<td>2,997,150</td>
</tr>
<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.150%</td>
<td>9/3/2013</td>
<td>9/3/2010</td>
<td>4,000,000</td>
<td></td>
<td>3,981,520</td>
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<tr>
<td>3,000,000</td>
<td>FNMA MTN</td>
<td>n/a</td>
<td>1.100%</td>
<td>12/9/2013</td>
<td>12/9/2010</td>
<td>3,000,000</td>
<td></td>
<td>2,970,930</td>
</tr>
<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.375%</td>
<td>2/3/2014</td>
<td>2/3/2014</td>
<td>4,000,000</td>
<td></td>
<td>3,977,840</td>
</tr>
<tr>
<td>6,474,577</td>
<td>Money Market</td>
<td>n/a</td>
<td>0.000%</td>
<td>daily</td>
<td>varies</td>
<td>6,474,577</td>
<td>0</td>
<td>6,474,577</td>
</tr>
</tbody>
</table>

**US Bank/Piper Jaffray Average Rate=** 0.844%

**Average Rate All=** 0.618%

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 27, 2010. 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 242 days and does not include Bond Reserve Fund Investments.
### City of Banning Investment Report
March 31, 2011

#### 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 Mar-11</th>
<th>3/31/2011</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BNY WESTERN TRUST COMPANY</strong>&lt;br&gt;1997 Admin Building COP's Refunding</td>
<td>2020</td>
<td>Republic Bank Investment Agreement&lt;br&gt;Federated U.S. Treasury Money Mkt</td>
<td>6.270%&lt;br&gt;0.000%</td>
<td>11/1/2020&lt;br&gt;daily</td>
<td>522,375&lt;br&gt;daily</td>
<td>*</td>
<td>522,562&lt;br&gt;16,200</td>
<td></td>
</tr>
<tr>
<td><strong>US BANK</strong>&lt;br&gt;1991 Wilson St. Assessment District</td>
<td>2012</td>
<td>AIM U.S. Treasury Money Market&lt;br&gt;US Bank Mmkt 4-Ct</td>
<td>0.200%&lt;br&gt;0.150%</td>
<td>daily&lt;br&gt;daily</td>
<td>265,580&lt;br&gt;112,500</td>
<td>8.85&lt;br&gt;265,589</td>
<td>265,589&lt;br&gt;112,500</td>
<td></td>
</tr>
<tr>
<td><strong>2005 Fair Oaks Ranch Estates</strong></td>
<td>2035</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>188,943</td>
<td>29.07</td>
<td>219,222</td>
<td></td>
</tr>
<tr>
<td><strong>2003 CRA Tax Allocation Bonds</strong></td>
<td>2028</td>
<td>U S Treasury Bill&lt;br&gt;US Bank Mmkt 4-Ct&lt;br&gt;US Bank Mmkt 4-Ct&lt;br&gt;US Bank Mmkt 4-Ct&lt;br&gt;US Bank Mmkt 4-Ct</td>
<td>0.150%&lt;br&gt;0.150%&lt;br&gt;0.150%&lt;br&gt;0.130%</td>
<td>7/28/2011&lt;br&gt;daily&lt;br&gt;daily&lt;br&gt;daily&lt;br&gt;daily</td>
<td>971,763&lt;br&gt;1,880,751&lt;br&gt;0.01&lt;br&gt;9</td>
<td>991,653&lt;br&gt;287.78&lt;br&gt;93&lt;br&gt;9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Surplus Fund</strong></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Redevelop Fund</td>
<td>2037</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>1,829.31</td>
<td>11,925,109</td>
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<tr>
<td>Reserve Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>287.78</td>
<td>1,876,025</td>
<td></td>
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<tr>
<td>Special Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>0.01</td>
<td>93</td>
<td></td>
<td></td>
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<tr>
<td>Surplus Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.110%</td>
<td>daily</td>
<td>8</td>
<td>8</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>
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<td></td>
<td></td>
</tr>
<tr>
<td>Bond Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.140%</td>
<td>daily</td>
<td>7</td>
<td>7</td>
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</tr>
<tr>
<td>Interest Account</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.110%</td>
<td>daily</td>
<td>9</td>
<td>9</td>
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</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
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<td>52</td>
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</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>US Bank Mmkt 4-Ct</td>
<td>0.160%</td>
<td>daily</td>
<td>0.01</td>
<td>44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Account</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.160%</td>
<td>daily</td>
<td>0.01</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>135</td>
<td>135</td>
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</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>2,310,710</td>
<td>354.82</td>
<td>2,313,032</td>
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<tr>
<td>Project Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>643.55</td>
<td>4,195,254</td>
<td></td>
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<tr>
<td><strong>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>8.47</td>
<td>55,220</td>
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<td></td>
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<tr>
<td>Reserve Fund</td>
<td></td>
<td>Reliance Trust Company # 9AMGGBEZ7&lt;br&gt;US Bank Mmkt 4-Ct</td>
<td>3.650%&lt;br&gt;0.150%</td>
<td>11/17/2011&lt;br&gt;daily</td>
<td>2,961,500&lt;br&gt;141,302</td>
<td>280.95&lt;br&gt;0.00</td>
<td>2,991,509&lt;br&gt;141,302</td>
<td></td>
</tr>
<tr>
<td>Acquisition &amp; Construction</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.150%</td>
<td>daily</td>
<td>2,357.76</td>
<td>15,370,025</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Paid Semi-Annually-Deposited into Money Mkt Account

---

Total: 6,369.39<br>44,643,167
CITY COUNCIL AGENDA

Date: August 23, 2011

TO: City Council

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

SUBJECT: Report of Investments for June 2011

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: This report includes investments on hand at the end of June 2011. As of June 30, 2011, the City's operating funds totaled $66,810,340. Included in operating funds is $1,784,650 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Treasurer's Report. As of June 30, 2011 approximately 50% of the City's unrestricted cash balances were invested in investments other than LAIF.

Presented are three months of Investment Reports. June is a first issue, while April and May are included to provide multiple months of statements for comparison.

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) increased to 0.448% in June. The average rate for all investments in June was 0.482%.

RECOMMENDED BY:

June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:

Andy Takata
City Manager
Summary Schedule of Cash and Investments

**Operating Funds**

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

<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>71,357</td>
</tr>
<tr>
<td>Wells Fargo Bank-Investment Account</td>
<td>0.100%</td>
<td>6,455,842</td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.300%</td>
<td>19,370</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
<td>5,302</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
<td>6,110</td>
</tr>
</tbody>
</table>

Money Market and Bank Account Sub-Total | 6,557,981 |

**Government Pools**

<table>
<thead>
<tr>
<th>Local Agency Investment Fund: Account #1</th>
<th>0.448%</th>
<th>31,446,232</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account #2 Operating Amount</td>
<td>680,612</td>
<td></td>
</tr>
<tr>
<td>Account #2 CRA Bond Cash Bal</td>
<td>1,784,650</td>
<td></td>
</tr>
<tr>
<td>Local Agency Investment Fund: Account #2</td>
<td>0.448%</td>
<td>2,465,262</td>
</tr>
</tbody>
</table>

Government Pool Sub-Total | 33,911,494 |

**Operating Cash Balance** | 40,471,781 |

**Restricted Operating Funds at Riverside Public Utilities**

| Highmark U.S. Government Money Market Fund | 0.010% | 819,966 |

**Other Investments**

| Investments-US Bank/Piper Jaffray - See Page 2 | 0.625% | 25,518,593 |

Operating Funds Total | 66,810,340 |

**Fiscal Agent**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>44,344,599</td>
</tr>
</tbody>
</table>

Fiscal Agent Total | 44,344,599 |
City of Banning Investment Report

June 30, 2011

Operational Portfolio Individual Investments

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase</th>
<th>Purchase 40,695</th>
<th>Discount or (Premium) Amortization</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>71,357</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>71,357</td>
<td>n/a</td>
<td>71,357</td>
<td>71,357</td>
</tr>
<tr>
<td>6,455,842</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>6,455,842</td>
<td>n/a</td>
<td>6,455,842</td>
<td>6,455,842</td>
</tr>
<tr>
<td>19,370</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>19,370</td>
<td>n/a</td>
<td>19,370</td>
<td>19,370</td>
</tr>
<tr>
<td>5,302</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>5,302</td>
<td>n/a</td>
<td>5,302</td>
<td>5,302</td>
</tr>
<tr>
<td>6,110</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>6,110</td>
<td>n/a</td>
<td>6,110</td>
<td>6,110</td>
</tr>
</tbody>
</table>

Sub-total: 6,557,981

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</th>
<th>Purchase 40,695</th>
<th>Discount or (Premium) Amortization</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>31,446,232</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>0.448%</td>
<td>daily</td>
<td>varies</td>
<td>31,446,232</td>
<td>n/a</td>
<td>31,446,232</td>
<td>31,446,232</td>
</tr>
<tr>
<td>2,465,262</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>0.448%</td>
<td>daily</td>
<td>varies</td>
<td>2,465,262</td>
<td>n/a</td>
<td>2,465,262</td>
<td>2,465,262</td>
</tr>
</tbody>
</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 Date</th>
<th>Purchase Date</th>
<th>Purchase</th>
<th>Purchase 40,695</th>
<th>Discount or (Premium) Amortization</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.000%</td>
<td>10/21/2013</td>
<td>10/5/2010</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>2,996,430</td>
<td>2,996,430</td>
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<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.200%</td>
<td>8/5/2013</td>
<td>8/5/2010</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>3,002,730</td>
<td>3,002,730</td>
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<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.375%</td>
<td>2/3/2014</td>
<td>2/3/2014</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>4,003,480</td>
<td>4,003,480</td>
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<tr>
<td>1,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>0.600%</td>
<td>6/28/2013</td>
<td>6/16/2011</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>997,850</td>
<td>997,850</td>
</tr>
<tr>
<td>1,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.000%</td>
<td>6/27/2014</td>
<td>6/16/2011</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>999,170</td>
<td>999,170</td>
</tr>
<tr>
<td>2,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.125%</td>
<td>6/30/2014</td>
<td>6/16/2011</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>1,991,440</td>
<td>1,991,440</td>
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<tr>
<td>11,527,493</td>
<td>Money Market</td>
<td>n/a</td>
<td>0.000%</td>
<td>daily</td>
<td>varies</td>
<td>11,527,493</td>
<td>0</td>
<td>11,527,493</td>
<td>11,527,493</td>
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</table>

US Bank/Piper Jaffray Average Rate= 0.625%

Average Rate All= 0.482%

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 27, 2010. 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 171 days and does not include Bond Reserve Fund Investments.
# City of Banning Investment Report

## Individual Investments with Fiscal Agent

**BNY WESTERN TRUST COMPANY**

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Jun-11</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991 Wilson St. Assessment District</td>
<td>Federated U.S. Treasury Money Mkt</td>
<td>0.000%</td>
<td>daily</td>
<td>522,375</td>
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</table>

**US BANK**

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Jun-11</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Fair Oaks Ranch Estates</td>
<td>AIM U.S. Treasury Money Market</td>
<td>0.200%</td>
<td>daily</td>
<td>265,580</td>
<td>6.33</td>
<td>265,598</td>
</tr>
<tr>
<td>2003 CRA Tax Allocation Bonds</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>188,943</td>
<td>18.62</td>
<td>219,300</td>
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</table>

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007**

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Jun-11</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redevelop Fund</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>1,013.09</td>
<td>1,013.09</td>
<td>11,929,357</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>1,880,751</td>
<td>159.38</td>
<td>1,876,694</td>
</tr>
<tr>
<td>Special Fund</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>0.01</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Surplus Fund</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.110%</td>
<td>daily</td>
<td>313.15</td>
<td>313.15</td>
<td>3,687,483</td>
</tr>
</tbody>
</table>

**BBA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES**

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Jun-11</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Account</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.130%</td>
<td>daily</td>
<td>0.54</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Principal Account</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>5.55</td>
<td></td>
<td>67,500</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>313.15</td>
<td></td>
<td>3,687,483</td>
</tr>
</tbody>
</table>

**BBA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES**

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Jun-11</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Account</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.090%</td>
<td>daily</td>
<td>3.16</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>Principal Account</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>29.38</td>
<td></td>
<td>357,529</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>2,310,710</td>
<td>196.28</td>
<td>2,311,168</td>
</tr>
<tr>
<td>Project Fund</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>356.40</td>
<td></td>
<td>4,196,748</td>
</tr>
</tbody>
</table>

**BBA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES**

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Jun-11</th>
<th>6/30/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve Fund</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>84.40</td>
<td></td>
<td>90</td>
</tr>
<tr>
<td>Reliance Trust Company # 9AMGGBEZ7</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>3.650%</td>
<td>11/17/2011</td>
<td>2,961,500</td>
<td>0.00</td>
<td>2,931,509</td>
</tr>
<tr>
<td>Acquisition &amp; Construction</td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.110%</td>
<td>daily</td>
<td>12.00</td>
<td></td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>US Bank Mmkrt 4-Ct</td>
<td>0.100%</td>
<td>daily</td>
<td>1,305.74</td>
<td></td>
<td>15,375,500</td>
</tr>
</tbody>
</table>

*Paid Semi-Annually-Deposited into Money Mkt Account

**Total** 3,515.06 44,344,599
# Summary Schedule of Cash and Investments

<table>
<thead>
<tr>
<th>Operating Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>** Petty Cash**</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>Rate</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td></td>
</tr>
<tr>
<td>Bank of America-Airport</td>
<td>0.100%</td>
</tr>
<tr>
<td>Bank of America-Parking Citations</td>
<td>0.300%</td>
</tr>
<tr>
<td>Bank of America-CNG Station</td>
<td>0.300%</td>
</tr>
<tr>
<td></td>
<td>0.300%</td>
</tr>
<tr>
<td>** Money Market and Bank Account Sub-Total**</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Government Pools</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund: Account #1</td>
<td>0.413%</td>
</tr>
<tr>
<td>Account #2 Operating Amount</td>
<td>663,598</td>
</tr>
<tr>
<td>Account #2 CRA Bond Cash Bal</td>
<td>1,801,664</td>
</tr>
<tr>
<td>Local Agency Investment Fund: Account #2</td>
<td>0.413%</td>
</tr>
<tr>
<td>** Government Pool Sub-Total**</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Cash Balance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>** Restricted Operating Funds at Riverside Public Utilities**</td>
<td></td>
</tr>
<tr>
<td>Highmark U.S. Government Money Market Fund</td>
<td>0.010%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Investments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments-US Bank/Piper Jaffray - See Page 2</td>
<td>0.843%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Funds Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>** Fiscal Agent**</td>
<td></td>
</tr>
<tr>
<td>BNY Western Trust Company</td>
<td>Amount</td>
</tr>
<tr>
<td>US Bank</td>
<td>46,068,888</td>
</tr>
<tr>
<td>** Fiscal Agent Total**</td>
<td></td>
</tr>
</tbody>
</table>
# City of Banning Investment Report

May 31, 2011

## Operational Portfolio Individual Investments

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Purchase (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>5403105.46</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>5,403,105</td>
<td>n/a</td>
<td>5,403,105</td>
</tr>
<tr>
<td>18,159</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>18,159</td>
<td>n/a</td>
<td>18,159</td>
</tr>
<tr>
<td>4,258</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>4,258</td>
<td>n/a</td>
<td>4,258</td>
</tr>
<tr>
<td>5,808</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>5,808</td>
<td>n/a</td>
<td>5,808</td>
</tr>
</tbody>
</table>

Sub-total                                                                 5,466,418

**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>Purchase (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>31,446,232</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>0.413%</td>
<td>daily</td>
<td>varies</td>
<td>31,446,232</td>
<td>n/a</td>
<td>31,446,232</td>
</tr>
<tr>
<td>2,465,262</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>0.413%</td>
<td>daily</td>
<td>varies</td>
<td>2,465,262</td>
<td>n/a</td>
<td>2,465,262</td>
</tr>
</tbody>
</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 Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Purchase (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>0.750%</td>
<td>4/23/2013</td>
<td>10/5/2010</td>
<td>2,000,000</td>
<td></td>
<td>2,000,100</td>
</tr>
<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.000%</td>
<td>10/21/2013</td>
<td>10/5/2010</td>
<td>3,000,000</td>
<td></td>
<td>2,992,080</td>
</tr>
<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.200%</td>
<td>8/5/2013</td>
<td>8/5/2010</td>
<td>3,000,000</td>
<td></td>
<td>3,004,980</td>
</tr>
<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.150%</td>
<td>9/3/2013</td>
<td>9/3/2010</td>
<td>4,000,000</td>
<td></td>
<td>4,000,200</td>
</tr>
<tr>
<td>3,000,000</td>
<td>FNMA MTN</td>
<td>n/a</td>
<td>1.100%</td>
<td>12/9/2013</td>
<td>12/9/2010</td>
<td>3,000,000</td>
<td></td>
<td>3,005,540</td>
</tr>
<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.375%</td>
<td>2/3/2014</td>
<td>2/3/2014</td>
<td>4,000,000</td>
<td></td>
<td>4,006,280</td>
</tr>
<tr>
<td>6,497,077</td>
<td>Money Market</td>
<td>n/a</td>
<td>0.000%</td>
<td>daily</td>
<td>varies</td>
<td>6,497,077</td>
<td></td>
<td>6,497,077</td>
</tr>
</tbody>
</table>

US Bank/Piper Jaffray Average Rate= 0.843%

Average Rate All= 0.556%

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 27, 2010. 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 230 days and does not include Bond Reserve Fund Investments.
# City of Banning Investment Report

## Individual Investments with Fiscal Agent

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Maturity Date</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest May-11</th>
<th>5/31/2011 Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY WESTERN TRUST COMPANY 1997 Admin Building COPs Refunding</td>
<td>2012</td>
<td>AIM U.S. Treasury Money Market</td>
<td>0.200% daily</td>
<td>265,580</td>
<td>4.50</td>
<td>265,598</td>
<td></td>
</tr>
<tr>
<td>US BANK 1991 Wilson St. Assessment District</td>
<td>2012</td>
<td>US Bank Mmk 4-Ct</td>
<td>0.200% daily</td>
<td>11.40</td>
<td>112,531</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005 Fair Oaks Ranch Estates</td>
<td>2035</td>
<td>US Bank Mmk 4-Ct</td>
<td>0.120% daily</td>
<td>188,943</td>
<td>22.22</td>
<td>219,281</td>
<td></td>
</tr>
<tr>
<td>2003 CRA Tax Allocation Bonds</td>
<td>2028</td>
<td>US Treasury Bill</td>
<td>0.040% 7/28/2011</td>
<td>971,763</td>
<td>21,366</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>US Bank Mmk 4-Ct</td>
<td>0.120% daily</td>
<td>2.17</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>US Bank Mmk 4-Ct</td>
<td>0.130% daily</td>
<td>0.01</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus Fund</td>
<td>0</td>
<td>0.130% daily</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007

| | | | | | | |
| Redevelop Fund | 2007 | US Bank Mmk 4-Ct | 0.120% daily | 1,209.02 | 11,928,344 |
| Reserve Fund | US Bank Mmk 4-Ct | 0.120% daily | 1,880.751 | 1,920.20 | 1,876,334 |
| Special Fund | US Bank Mmk 4-Ct | 0.120% daily | 0.02 | 93 |
| Surplus Fund | US Bank Mmk 4-Ct | 0.110% daily | | 9 |

### BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES

| | | | | | | |
| Interest Account | US Bank Mmk 4-Ct | 0.140% daily | 7.00 | 7 |
| Principal Account | US Bank Mmk 4-Ct | 0.120% daily | 0.01 | 67,500 |
| Reserve Fund | US Bank Mmk 4-Ct | 0.120% daily | 373.72 | 3,687,170 |
| Project Fund | US Bank Mmk 4-Ct | 0.120% daily | | |

### BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES

| | | | | | | |
| Interest Account | US Bank Mmk 4-Ct | 0.120% daily | 41.03 | 41 |
| Principal Account | US Bank Mmk 4-Ct | 0.120% daily | 0.01 | 357,500 |
| Reserve Fund | US Bank Mmk 4-Ct | 1.200% daily | 234.51 | 2,310,972 |
| Project Fund | US Bank Mmk 4-Ct | 0.120% daily | 425.33 | 4,196,392 |

### BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES

| | | | | | | |
| US Bank Mmk 4-Ct | 0.120% daily | 5.60 | 1,586,512 |
| Reserve Fund | Reliance Trust Company # 9AMGGBEZ7 | 3.650% 11/17/2011 | 2,961,500 | 0.00 | 2,931,500 |
| | US Bank Mmk 4-Ct | 0.120% daily | 14.32 | 141,327 |
| Acquisition & Construction | US Bank Mmk 4-Ct | 0.120% daily | 1,558.28 | 15,374,194 |

*Paid Semi-Annually-Deposited into Money Mkt Account

| | | | |
| Total | 5,829.35 | 46,079,914 |
Summary Schedule of Cash and Investments

<table>
<thead>
<tr>
<th>Operating Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Petty Cash</strong></td>
<td>2,305</td>
</tr>
<tr>
<td><strong>Bank Accounts</strong></td>
<td></td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td></td>
</tr>
<tr>
<td>Interest Rate</td>
<td>Amount</td>
</tr>
<tr>
<td>Wells Fargo Bank- Investment Account</td>
<td>0.000%</td>
</tr>
<tr>
<td>Bank of America - Airport</td>
<td>0.100%</td>
</tr>
<tr>
<td>Bank of America - Parking Citations</td>
<td>0.300%</td>
</tr>
<tr>
<td>Bank of America - CNG Station</td>
<td>0.300%</td>
</tr>
<tr>
<td></td>
<td>3,508</td>
</tr>
</tbody>
</table>

Money Market and Bank Account Sub-Total: 905,011

**Government Pools**

Local Agency Investment Fund: Account #1 0.588% 31,446,232

Account #2: Operating Amount 3,749,479
Account #2: CRA Bond Cash Bal 2,015,784

Local Agency Investment Fund: Account #2 0.588% 5,765,262

Government Pool Sub-Total: 37,211,494

Operating Cash Balance: 38,118,811

**Restricted Operating Funds at Riverside Public Utilities**

Highmark U.S. Government Money Market Fund 0.010% 883,132

**Other Investments**

Investments-US Bank/Piper Jaffray - See Page 2 0.843% 25,476,327

Operating Funds Total: 64,478,269

**Fiscal Agent**

<table>
<thead>
<tr>
<th>Fiscal Agent</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNY Western Trust Company</td>
<td>4,050,979</td>
</tr>
<tr>
<td>US Bank</td>
<td>45,459,929</td>
</tr>
</tbody>
</table>

Fiscal Agent Total: 49,510,908
## Operational Portfolio Individual Investments

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Investment Description</th>
<th>Coupon Rate</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Purchase (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>34,856</td>
<td>Wells Fargo Bank-Operating</td>
<td>n/a</td>
<td>0.00%</td>
<td>daily</td>
<td>varies</td>
<td>34,856</td>
<td>n/a</td>
<td>34,856</td>
</tr>
<tr>
<td>858,602</td>
<td>Wells Fargo Bank-Investment Acct</td>
<td>n/a</td>
<td>0.10%</td>
<td>daily</td>
<td>varies</td>
<td>858,602</td>
<td>n/a</td>
<td>858,602</td>
</tr>
<tr>
<td>4,799</td>
<td>Bank of America-Airport</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>4,799</td>
<td>n/a</td>
<td>4,799</td>
</tr>
<tr>
<td>3,247</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,247</td>
<td>n/a</td>
<td>3,247</td>
</tr>
<tr>
<td>3,508</td>
<td>Bank of America-Parking Citations</td>
<td>n/a</td>
<td>0.30%</td>
<td>daily</td>
<td>varies</td>
<td>3,508</td>
<td>n/a</td>
<td>3,508</td>
</tr>
</tbody>
</table>

Sub-total

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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<tbody>
<tr>
<td>905,011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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 Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Purchase (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>31,446,232</td>
<td>L.A.I.F. account #1</td>
<td>n/a</td>
<td>0.588%</td>
<td>daily</td>
<td>varies</td>
<td>31,446,232</td>
<td>n/a</td>
<td>31,446,232</td>
</tr>
<tr>
<td>5,765,262</td>
<td>L.A.I.F. account #2</td>
<td>n/a</td>
<td>0.588%</td>
<td>daily</td>
<td>varies</td>
<td>5,765,262</td>
<td>n/a</td>
<td>5,765,262</td>
</tr>
</tbody>
</table>

Sub-total

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>37,211,494</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</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 Date</th>
<th>Purchase Date</th>
<th>Purchase Cost</th>
<th>Purchase (Premium) Amortization</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>0.750%</td>
<td>4/23/2013</td>
<td>10/5/2010</td>
<td>2,000,000</td>
<td>1,998,800</td>
<td></td>
</tr>
<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.000%</td>
<td>10/21/2013</td>
<td>10/5/2010</td>
<td>3,000,000</td>
<td>2,973,270</td>
<td></td>
</tr>
<tr>
<td>3,000,000</td>
<td>Federal Home Loan Banks</td>
<td>n/a</td>
<td>1.200%</td>
<td>8/5/2013</td>
<td>8/5/2010</td>
<td>3,000,000</td>
<td>3,096,690</td>
<td></td>
</tr>
<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.150%</td>
<td>9/3/2013</td>
<td>9/3/2010</td>
<td>4,000,000</td>
<td>4,002,600</td>
<td></td>
</tr>
<tr>
<td>3,000,000</td>
<td>FNMA MTN</td>
<td>n/a</td>
<td>1.100%</td>
<td>12/9/2013</td>
<td>12/9/2010</td>
<td>3,000,000</td>
<td>2,992,050</td>
<td></td>
</tr>
<tr>
<td>4,000,000</td>
<td>FHLMC MTN</td>
<td>n/a</td>
<td>1.375%</td>
<td>2/3/2014</td>
<td>2/3/2014</td>
<td>4,000,000</td>
<td>4,005,840</td>
<td></td>
</tr>
<tr>
<td>6,497,077</td>
<td>Money Market</td>
<td>n/a</td>
<td>0.000%</td>
<td>daily</td>
<td>varies</td>
<td>6,497,077</td>
<td>0</td>
<td>6,497,077</td>
</tr>
</tbody>
</table>

US Bank/Piper Jaffray Average Rate= 0.843%

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>25,476,327</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Average Rate All= 0.683%

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 27, 2010. 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 243 days and does not include Bond Reserve Fund Investments.
# City of Banning Investment Report

## April 30, 2011

## Individual Investments with Fiscal Agent

<table>
<thead>
<tr>
<th>Bond Issue Description</th>
<th>Bond Maturity Date</th>
<th>Investment Description</th>
<th>Current Yield</th>
<th>Bond Reserve Maturity Date</th>
<th>Minimum Reserve Requirement</th>
<th>Interest Apr-11</th>
<th>4/30/2011 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>
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</tr>
<tr>
<td></td>
<td></td>
<td>Federated U.S. Treasury Money Mkt</td>
<td>0.000%</td>
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<td>4,050,979</td>
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<tr>
<td><strong>US BANK</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>1991 Wilson St. Assessment District</td>
<td>2012</td>
<td>AIM U.S. Treasury Money Market</td>
<td>0.200%</td>
<td>daily</td>
<td>265,580</td>
<td>4.65</td>
<td>265,594</td>
</tr>
<tr>
<td></td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>19.22</td>
<td>39</td>
<td>112,519</td>
</tr>
<tr>
<td>2005 Fair Oaks Ranch Estates</td>
<td>2035</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>188,943</td>
<td>37.67</td>
<td>219,259</td>
</tr>
<tr>
<td>2003 CRA Tax Allocation Bonds</td>
<td>2028</td>
<td>U S Treasury Bill</td>
<td>0.110%</td>
<td>7/28/2011</td>
<td>971,763</td>
<td>3.63</td>
<td>991,901</td>
</tr>
<tr>
<td></td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>265,580</td>
<td>4.65</td>
<td>265,594</td>
</tr>
<tr>
<td></td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>19.22</td>
<td>39</td>
<td>112,519</td>
</tr>
<tr>
<td></td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.210%</td>
<td>daily</td>
<td>188,943</td>
<td>37.67</td>
<td>219,259</td>
</tr>
<tr>
<td></td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.250%</td>
<td>daily</td>
<td>9</td>
<td>8</td>
<td></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>
</tr>
<tr>
<td>Redevelop Fund</td>
<td>2037</td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>1,880,751</td>
<td>318.67</td>
<td>1,876,344</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>971,763</td>
<td>37.67</td>
<td>991,901</td>
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<td>Special Fund</td>
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<td>0.200%</td>
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<td>39</td>
<td>93</td>
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<td>Surplus Fund</td>
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<td>0.210%</td>
<td>daily</td>
<td>265,580</td>
<td>4.65</td>
<td>265,594</td>
</tr>
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<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>
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<tr>
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<td>0.200%</td>
<td>daily</td>
<td>971,763</td>
<td>37.67</td>
<td>991,901</td>
</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.190%</td>
<td>daily</td>
<td>318.67</td>
<td>39</td>
<td>93</td>
</tr>
<tr>
<td>Surplus Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.210%</td>
<td>daily</td>
<td>265,580</td>
<td>4.65</td>
<td>265,594</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>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>2,310,710</td>
<td>392.90</td>
<td>2,313,425</td>
</tr>
<tr>
<td>Interest Account</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>712.61</td>
<td>44</td>
<td>3,686,796</td>
</tr>
<tr>
<td>Principal Account</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>712.61</td>
<td>44</td>
<td>3,686,796</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>2,310,710</td>
<td>392.90</td>
<td>2,313,425</td>
</tr>
<tr>
<td>Project Fund</td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>712.61</td>
<td>44</td>
<td>3,686,796</td>
</tr>
<tr>
<td><strong>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>11/17/2011</td>
<td>2,961,500</td>
<td>3.650%</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td>Reliance Trust Company # 9AMGGBEZ7</td>
<td>3.650%</td>
<td>11/17/2011</td>
<td>2,961,500</td>
<td>0.00</td>
<td>2,931,509</td>
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<tr>
<td></td>
<td></td>
<td>US Bank Mmkt 4-Ct</td>
<td>0.200%</td>
<td>daily</td>
<td>10.84</td>
<td>10.84</td>
<td>141,313</td>
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<tr>
<td></td>
<td></td>
<td>Acquisition &amp; Construction</td>
<td>0.200%</td>
<td>daily</td>
<td>2,610.79</td>
<td>55,229</td>
<td>55,229</td>
</tr>
</tbody>
</table>

*Paid Semi-Annually-Deposited into Money Mkt Account

| Total                                         | 22,244.40         | 49,510,908            |
CITY COUNCIL AGENDA

Date: August 23, 2011

TO: City Council

FROM: June Overholt, Administrative Services Director

SUBJECT: Approval of Accounts Payable and Payroll Warrants for Month of April 2011

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

FISCAL DATA: The reports in your agenda packet cover "Expenditure Disbursements" and "Payroll Expenses" for the month of April 2011.

The reports are:

   Expenditure approval lists
April 7, 2011  631,414.76
April 13, 2011 217,710.91
April 21, 2011 180,743.69
April 28, 2011  642,112.94

August 15, 2011 4,068,209.45  (April Month End)

   Payroll check registers
April 8, 2011  5,124.55
April 22, 2011  5,407.06

   Payroll direct deposits*
April 8, 2011  287,509.55
April 22, 2011  290,183.69
As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.

* Included on the March month end expenditure approval list of August 15, 2011.
(i) Due to Positive Pay reporting, manual checks must be recorded in the accounting system separately from the weekly check register.

Report Prepared by: Jenna Harrell, Accounts Payable

RECOMMENDED BY:  

[Signature]
June Overholt
Administrative Services Director

APPROVED BY:  

[Signature]
Andy Takata
City Manager
### Fund/Department Legend:

<table>
<thead>
<tr>
<th>General Fund – 001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Departments</strong></td>
</tr>
<tr>
<td>0001 – General</td>
</tr>
<tr>
<td>1000 – City Council</td>
</tr>
<tr>
<td>1210 – City Manager</td>
</tr>
<tr>
<td>1300 – Human Resources</td>
</tr>
<tr>
<td>1400 – City Clerk</td>
</tr>
<tr>
<td>1500 – Elections</td>
</tr>
<tr>
<td>1800 – City Attorney</td>
</tr>
<tr>
<td>1900 – Fiscal Services</td>
</tr>
<tr>
<td>1910 – Purchasing &amp; A/P</td>
</tr>
<tr>
<td>2060 – TV Government Access</td>
</tr>
<tr>
<td>2200 – Police</td>
</tr>
<tr>
<td>2210 – Dispatch</td>
</tr>
<tr>
<td>2300 – Animal Control</td>
</tr>
<tr>
<td>2400 – Fire</td>
</tr>
<tr>
<td>2700 – Building Safety</td>
</tr>
<tr>
<td>2800 – Planning</td>
</tr>
<tr>
<td>3000 – Engineering</td>
</tr>
<tr>
<td>3200 – Building Maintenance</td>
</tr>
<tr>
<td>3600 – Parks</td>
</tr>
<tr>
<td>4000 – Recreation</td>
</tr>
<tr>
<td>4010 – Aquatics</td>
</tr>
<tr>
<td>4050 – Senior Center</td>
</tr>
<tr>
<td>4060 – Sr. Center Advisory Board</td>
</tr>
<tr>
<td>4500 – Central Services</td>
</tr>
<tr>
<td>4800 – Debt Service</td>
</tr>
<tr>
<td>5400 – Community Enhancement</td>
</tr>
</tbody>
</table>

### All Other Funds

| 003 - Riverside County MOU |
| 100 – Gas Tax Street Fund |
| 101 – Measure A Street Fund |
| 103 – SB 300 Street Fund |
| 104 – Article 3 Sidewalk Fund |
| 110 – CDBG Fund |
| 111 – Landscape Maintenance |
| 132 – Air Quality Improvement Fund |
| 140 – Asset Forfeiture-Police Fund |
| 144 – Local Law Enforcement Block Grant |
| 146 – San Gorgonio Gang Task Force |
| 148 – Supplemental Law Enforcement |
| 149 – Public Safety Sales Tax Fund |
| 150 - State Park Bond Fund |
| 200 – Special Donation Fund |
| 201 – Sr. Center Activities Fund |
| 202 – Animal Control Reserve Fund |
| 203 – Police Volunteer Fund |
| 204 – D.A.R.E. Donation Fund |
| 300 – City Administration COP Debt Service |
| 360 – Sun Lakes CFD #86-1 |
| 365 – Wilson Street #91-1 Assessment Debt |
| 370 – Area Police Computer Fund |
| 375 – Fair Oaks #2004-01 Assessment Debt |
| 376 – Cameo Homes |
| 400 – Police Facilities Development |
| 410 – Fire Facility Development |
| 420 – Traffic Control Facility Fund |
| 421 – Ramsey/Highland Home Road Signal |
| 430 – General Facilities Fund |
| 441 - Sunset Grade Separation Fund |
| 444 - Wilson Median Fund |
| 451 – Park Development Fund |
| 470 – Capital Improvement Fund |
| 475 – Fair Oaks #2004-01 Assessment District |
| 600 – Airport Fund |
| 610 – Transit Fund |
| 660 – Water Fund |
| 661 – Water Capital Facilities |
| 662 – Irrigation Water Fund |
| 663 – BUA Water Capital Project Fund |
| 669 – BUA - Water Debt Service |
| 670 – Electric Fund |
| 672 – Rate Stability Fund |
| 673 – Electric Improvement Fund |
| 674 - '07 Elec Revenue Bond Project Fund |
| 675 – Public Benefit Fund |
| 678 - '07 Elec Revenue Bond Debt Service Fund |
| 680 – Wastewater Fund |
| 681 – Wastewater Capital Facility Fund |
| 683 – BUA Wastewater Capital Project Fund |
| 685 – State Revolving Loan Fund |
| 689 – BUA Wastewater Debt Service Fund |
| 690 – Refuse Fund |
| 700 – Insurance Fund |
| 702 – Fleet Maintenance |
| 703 – Information Systems Services |
| 761 – Utility Billing Administration |
| 810 – CRA – Low/Mod Fund |
| 830 – CRA – Debt Service Fund |
| 850 – CRA - Administration Fund |
| 854 – CRA Low/Mod Bond Fund |
| 855 - 2007 TABS Bond Proceeds |
| 856 – 2003 TABS Bond Proceeds |
| 857 – 2003 TABS Bond Proceeds Low/Mod |
| 860 – CRA – Project Fund |

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CITY COUNCIL AGENDA

Date: August 23, 2011

TO: City Council

FROM: June Overholt, Administrative Services Director

SUBJECT: Approval of Accounts Payable and Payroll Warrants for Month of May 2011

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

FISCAL DATA: The reports in your agenda packet cover "Expenditure Disbursements" and "Payroll Expenses" for the month of May 2011.

The reports are:

<table>
<thead>
<tr>
<th>Expenditure approval lists</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>May 5, 2011</td>
<td>173,463.36</td>
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<tr>
<td>May 11, 2011</td>
<td>2,108.00</td>
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<tr>
<td>May 12, 2011</td>
<td>1,026,581.10</td>
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<tr>
<td>May 19, 2011</td>
<td>177,312.43</td>
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<tr>
<td>May 26, 2011</td>
<td>64.00</td>
</tr>
<tr>
<td>May 26, 2011</td>
<td>536,849.56</td>
</tr>
<tr>
<td>August 15, 2011</td>
<td>4,162,985.40 (May Month End)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payroll check registers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>May 6, 2011</td>
<td>5,350.26</td>
</tr>
<tr>
<td>May 20, 2011</td>
<td>5,525.98</td>
</tr>
<tr>
<td>May 24, 2011</td>
<td>98.33</td>
</tr>
<tr>
<td>May 24, 2011</td>
<td>1,746.65</td>
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</table>

<table>
<thead>
<tr>
<th>Payroll direct deposits*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>May 6, 2011</td>
<td>304,449.00</td>
</tr>
<tr>
<td>May 20, 2011</td>
<td>283,710.15</td>
</tr>
</tbody>
</table>
As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.

* Included on the May month end expenditure approval list of August 15, 2011.

1. Due to Positive Pay reporting, manual checks must be recorded in the accounting system separately from the weekly check register.

Report Prepared by: Jenna Harrell, Accounts Payable

RECOMMENDED BY:

[Signature]
June Overholt
Administrative Services Director

APPROVED BY:

[Signature]
Andy Takata
City Manager
<table>
<thead>
<tr>
<th>Fund/Department Legend:</th>
<th></th>
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<tbody>
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<tr>
<td>0001 – General</td>
<td>2400 – Fire</td>
</tr>
<tr>
<td>1000 – City Council</td>
<td>2700 – Building Safety</td>
</tr>
<tr>
<td>1200 – City Manager</td>
<td>2800 – Planning</td>
</tr>
<tr>
<td>1300 – Human Resources</td>
<td>3000 – Engineering</td>
</tr>
<tr>
<td>1400 – City Clerk</td>
<td>3200 – Building Maintenance</td>
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<tr>
<td>1500 – Elections</td>
<td>3600 – Parks</td>
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<td>1800 – City Attorney</td>
<td>4000 – Recreation</td>
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<tr>
<td>1900 – Fiscal Services</td>
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<tr>
<td>1910 – Purchasing &amp; A/P</td>
<td>4050 – Senior Center</td>
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<td>2060 – TV Government Access</td>
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<td>2200 – Police</td>
<td>4500 – Central Services</td>
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<td>2210 – Dispatch</td>
<td>4800 – Debt Service</td>
</tr>
<tr>
<td>2300 – Animal Control</td>
<td>5400 – Community Enhancement</td>
</tr>
<tr>
<td><strong>All Other Funds:</strong></td>
<td></td>
</tr>
<tr>
<td>003 - Riverside County MOU</td>
<td>470 – Capital Improvement Fund</td>
</tr>
<tr>
<td>100 – Gas Tax Street Fund</td>
<td>475 – Fair Oaks #2004-01 Assessment District</td>
</tr>
<tr>
<td>101 – Measure A Street Fund</td>
<td>600 – Airport Fund</td>
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<tr>
<td>103 – SB 300 Street Fund</td>
<td>610 – Transit Fund</td>
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<tr>
<td>104 – Article 3 Sidewalk Fund</td>
<td>660 – Water Fund</td>
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<tr>
<td>110 – CDBG Fund</td>
<td>661 – Water Capital Facilities</td>
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<tr>
<td>111 – Landscape Maintenance</td>
<td>662 – Irrigation Water Fund</td>
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<tr>
<td>132 – Air Quality Improvement Fund</td>
<td>663 – BUA Water Capital Project Fund</td>
</tr>
<tr>
<td>140 – Asset Forfeiture-Police Fund</td>
<td>669 – BUA - Water Debt Service</td>
</tr>
<tr>
<td>144 – Local Law Enforcement Block Grant</td>
<td>670 – Electric Fund</td>
</tr>
<tr>
<td>146 – San Gorgonio Gang Task Force</td>
<td>672 – Rate Stability Fund</td>
</tr>
<tr>
<td>148 – Supplemental Law Enforcement</td>
<td>673 – Electric Improvement Fund</td>
</tr>
<tr>
<td>149 – Public Safety Sales Tax Fund</td>
<td>674 - '07 Elec Revenue Bond Project Fund</td>
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<tr>
<td>150 – State Park Bond Fund</td>
<td>675 – Public Benefit Fund</td>
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<tr>
<td>200 – Special Donation Fund</td>
<td>678 - '07 Elec Revenue Bond Debt Service Fund</td>
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<tr>
<td>201 – Sr. Center Activities Fund</td>
<td>680 – Wastewater Fund</td>
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<tr>
<td>202 – Animal Control Reserve Fund</td>
<td>681 – Wastewater Capital Facility Fund</td>
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<td>203 – Police Volunteer Fund</td>
<td>683 – BUA Wastewater Capital Project Fund</td>
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<tr>
<td>204 – D.A.R.E. Donation Fund</td>
<td>685 – State Revolving Loan Fund</td>
</tr>
<tr>
<td>300 – City Administration COP Debt Service</td>
<td>689 – BUA Wastewater Debt Service Fund</td>
</tr>
<tr>
<td>360 – Sun Lakes CFD #86-1</td>
<td>690 – Refuse Fund</td>
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<tr>
<td>365 – Wilson Street #91-1 Assessment Debt</td>
<td>700 – Insurance Fund</td>
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<td>370 – Area Police Computer Fund</td>
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</tr>
<tr>
<td>375 – Fair Oaks #2004-01 Assessment Debt</td>
<td>703 – Information Systems Services</td>
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<tr>
<td>376 – Cameo Homes</td>
<td>761 – Utility Billing Administration</td>
</tr>
<tr>
<td>400 – Police Facilities Development</td>
<td>810 – CRA – Low/Mod Fund</td>
</tr>
<tr>
<td>410 – Fire Facility Development</td>
<td>830 – CRA – Debt Service Fund</td>
</tr>
<tr>
<td>420 – Traffic Control Facility Fund</td>
<td>850 – CRA - Administration Fund</td>
</tr>
<tr>
<td>421 – Ramsey/Highland Home Road Signal</td>
<td>854 – CRA Low/Mod Bond Fund</td>
</tr>
<tr>
<td>430 – General Facilities Fund</td>
<td>855 - 2007 TABS Bond Proceeds</td>
</tr>
<tr>
<td>441 - Sunset Grade Separation Fund</td>
<td>856 - 2003 TABS Bond Proceeds</td>
</tr>
<tr>
<td>444 - Wilson Median Fund</td>
<td>857 - 2003 TABS Bond Proceeds Low/Mod</td>
</tr>
<tr>
<td>451 – Park Development Fund</td>
<td>860 – CRA - Project Fund</td>
</tr>
</tbody>
</table>
CITY COUNCIL AGENDA

Date: August 23, 2011

TO: City Council

FROM: June Overholt, Administrative Services Director

SUBJECT: Approval of Accounts Payable and Payroll Warrants for Month of June 2011

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

FISCAL DATA: The reports in your agenda packet cover "Expenditure Disbursements" and "Payroll Expenses" for the month of June 2011.

The reports are:

   Expenditure approval lists
   June 2, 2011                  458,482.27
   June 9, 2011                  274,654.15
   June 16, 2011                 241,734.33
   June 23, 2011                 1,220,389.14
   June 29, 2011                 293,874.13

   August 15, 2011               2,481,043.86 (June Month End)

   Payroll check registers
   June 3, 2011                  5,315.28
   June 17, 2011                 5,157.19
   June 22, 2011                 363.84

   Payroll direct deposits*
   June 3, 2011                  277,685.84
   June 20, 2011                 277,385.05
As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.

* Included on the June month end expenditure approval list of August 15, 2011.

(1) Due to Positive Pay reporting, manual checks must be recorded in the accounting system separately from the weekly check register.

Report Prepared by: Jenna Harrell, Accounts Payable

RECOMMENDED BY:  

[Signature]
June Overholt  
Administrative Services Director

APPROVED BY:  

[Signature]
Andy Takata  
City Manager
**Fund/Department Legend:**

<table>
<thead>
<tr>
<th>General Fund – 001</th>
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<tbody>
<tr>
<td>Departments</td>
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<tr>
<td>0001 — General</td>
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<td>1000 — City Council</td>
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<td>1200 — City Manager</td>
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<td>1400 — City Clerk</td>
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<td>1500 — Elections</td>
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<td>1800 — City Attorney</td>
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<td>1900 — Fiscal Services</td>
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<td>1910 — Purchasing &amp; A/P</td>
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<td>2060 — TV Government Access</td>
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<td>4050 — Senior Center</td>
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<td>4500 — Central Services</td>
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<td>4800 — Debt Service</td>
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<td>5400 — Community Enhancement</td>
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<tr>
<td>003 — Riverside County MOU</td>
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<tr>
<td>100 — Gas Tax Street Fund</td>
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<td>101 — Measure A Street Fund</td>
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<td>103 — SB 300 Street Fund</td>
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<td>104 — Article 3 Sidewalk Fund</td>
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<td>110 — CDBG Fund</td>
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<td>111 — Landscape Maintenance</td>
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<td>132 — Air Quality Improvement Fund</td>
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<td>140 — Asset Forfeiture-Police Fund</td>
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<td>144 — Local Law Enforcement Block Grant</td>
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<td>146 — San Gorgonio Gang Task Force</td>
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<td>148 — Supplemental Law Enforcement</td>
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<td>149 — Public Safety Sales Tax Fund</td>
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<td>150 — State Park Bond Fund</td>
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<td>200 — Special Donation Fund</td>
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<td>201 — Sr. Center Activities Fund</td>
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<td>204 — D.A.R.E. Donation Fund</td>
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<td>300 — City Administration COP Debt Service</td>
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<td>360 — Sun Lakes CFD #86-1</td>
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<td>365 — Wilson Street #91-1 Assessment Debt</td>
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<td>370 — Area Police Computer Fund</td>
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<td>375 — Fair Oaks #2004-01 Assessment Debt</td>
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<td>376 — Cameo Homes</td>
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<td>400 — Police Facilities Development</td>
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<td>410 — Fire Facility Development</td>
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<td>420 — Traffic Control Facility Fund</td>
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<td>421 — Ramsey/Highland Home Road Signal</td>
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<td>441 - Sunset Grade Separation Fund</td>
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<td>444 - Wilson Median Fund</td>
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<td>451 - Park Development Fund</td>
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<td>470 — Capital Improvement Fund</td>
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<td>475 — Fair Oaks #2004-01 Assessment District</td>
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<td>600 — Airport Fund</td>
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<td>661 — Water Capital Facilities</td>
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<td>662 — Irrigation Water Fund</td>
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<td>663 — BUA Water Capital Project Fund</td>
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<td>669 — BUA - Water Debt Service</td>
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<td>672 — Rate Stability Fund</td>
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<td>673 — Electric Improvement Fund</td>
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<td>700 — Insurance Fund</td>
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<td>703 — Information Systems Services</td>
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<td>761 — Utility Billing Administration</td>
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<td>810 — CRA – Low/Mod Fund</td>
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<td>830 — CRA – Debt Service Fund</td>
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<td>850 — CRA - Administration Fund</td>
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<td>854 — CRA Low/Mod Bond Fund</td>
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<td>855 - 2007 TABS Bond Proceeds</td>
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<td>856 — 2003 TABS Bond Proceeds</td>
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<td>857 — 2003 TABS Bond Proceeds Low/Mod</td>
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<td>860 — CRA - Project Fund</td>
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DATE: August 23, 2011

TO: Honorable Mayor and City Council Members

FROM: Zai Abu Bakar, Community Development Director

SUBJECT: Zone Text Amendment No. 11-97501:
Amendment to Municipal Code Section 17.08.050 pertaining to Accessory Structures

RECOMMENDATION: That the City Council takes the following action:

1. Adopt a Categorical Exemption in compliance with CEQA Guidelines Section 15061(b)(3); and

2. Approve Ordinance No. 1439 amending the Zoning Ordinance requirements for accessory structures.

JUSTIFICATION: Amending the Zoning Ordinance review requirements for accessory structures located in a specific plan area, a planned unit development, or other approved development plan area will streamline the permitting process.

BACKGROUND/ANALYSIS: The Planning Commission and City Council reviewed and approved the General Plan and the Zoning Ordinance on January 31, 2006. As part of the administration and implementation of the Zoning Ordinance, staff has identified that it is not necessary to review the architectural design of accessory structures, structures that are incidental to that of the primary structure such as a house or place of business, in parts of the community where local architectural review boards or committees are active. For example, the Sun Lakes community has architectural standards in place that are enforced through their covenants, conditions, and restrictions (commonly referred to as CC & R’s). An architectural review board or committee for the Sun Lakes community reviews and approves the design of all proposed structures. Therefore, it is not necessary that the City also perform a design review for accessory structures.

Section 17.04.060 of the Zoning Ordinance defines an accessory structure as follows:

Accessory or Ancillary Use or Structure is a detached, subordinate use or structure, the use of which is clearly incidental and related to that of the principal structure or use of the land, which
is located on the same lot as that of the principal structure or use, and which is not intended for human habitation.

By definition an accessory structure is placed on an improved site where parking, landscaping, and other necessary design elements have already been placed. Please note that a building permit will still be required.

Therefore staff recommends that the Zoning Ordinance be amended as follows:

17.08.050 Accessory Structures.

"Accessory structures in residential zoning districts shall be compatible with the materials and architecture of the primary dwelling of the property. Accessory structures may only be constructed on a lot containing a main dwelling unit. Accessory structures may be built to the interior side and rear property lines as long as these structures are not closer than 10 feet to any other structure. Building Code regulations may further restrict the distance to be maintained from property lines or other structures. The accessory structure may be a maximum of 50% of the footprint of the primary structure, and may be the same height as the principal structure. Second units are not considered accessory structures, and have specific development standards enumerated in Section 17.08.100. No design review shall be required for accessory structures located in a specific plan area, a planned unit development, or other approved development plan area with an active architectural review board, or committee."

PLANNING COMMISSION RECOMMENDATION: On August 3, 2011, the Planning Commission held a noticed public hearing at which time interested persons had an opportunity to testify in support of, or opposition to Zoning Text Amendment No. 11-97501. The Planning Commission considered the proposed Zoning Text Amendment and recommended City Council approval by adoption of Resolution No. 2011-05.

ENVIRONMENTAL DETERMINATION: The City Council, in light of the whole record before it, including but not limited to, the City's Local CEQA Guidelines, the recommendation of the Community Development Department as provided in the Staff Report dated August 23, 2011 and documents incorporated therein by reference, and any other evidence (within the meaning of Public Resources Code § 21080(e) and § 21082.2) within the record or provided at the public hearing of this matter, hereby finds and determines as follows:

1. California Environmental Quality Act (CEQA):

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

2. Multiple Species Habitat Conservation Plan (MSHCP).

The amendments to the Zoning Ordinance do not relate to any one physical project and are not subject to the MSHCP. Further, projects subject to this resolution will trigger individual project analysis and documentation related to the requirements of MSHCP including mitigation through payment of the MSHCP Mitigation Fee.

**REQUIRED FINDINGS FOR ZONE TEXT AMENDMENT NO. 11-97501:** The Zoning Ordinance requires that each Zone Text Amendment meet certain findings in Section 17.116.050 in order to be approved by the City Council. The following findings are provided for Council consideration:

1. The proposed Zone Text Amendment is consistent with the goals and policies of the General Plan.

   **Findings of Fact:**

   The Zone Text Amendment is consistent with the goals and policies of the General Plan, insofar as the General Plan designations and Zoning designations will not change, and the text amendments will result in clarifying the goals, policies and programs of the General Plan. The primary General Plan Land Use Goal is "A balanced, well planned community including businesses which provides a functional pattern of land uses and enhances the quality of life for all Banning residents". The design standards for a specific plan, planned unit development, or other development plan area are reviewed in accordance with General Plan requirements; therefore, any accessory structure will be required to meet the approved design standards and the General Plan Land Use Goal of a well planned community.

2. The proposed Zone Text Amendment is internally consistent with the Zoning Ordinance.

   **Findings of Fact:**

   The proposed Zone Text Amendment is consistent with the existing provisions of the Zoning Ordinance. The amendment will streamline the review and approval process by allowing the local active architectural review board or committee to be responsible for design review of accessory structures. This is consistent with other parts of the Zoning Ordinance such as the Downtown Commercial zoning district where design review is not required for the commercial development of improved sites (see Section 17.12.050H).
3. That the City Council has independently reviewed and considered the requirements of the California Environmental Quality Act.

Findings of Fact:

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

PUBLIC COMMUNICATION: The proposed Zone Text Amendment No. 11-97501 was advertised in the Record Gazette newspaper on August 12, 2011. As of the date of this report, staff has not received any verbal or written comments for or against the proposed Zone Text Amendment.

FISCAL DATA: There are no direct fiscal impacts associated with the adoption of Ordinance No. 1439.
APPROVED BY:

[Signature]
Andy Takata
City Manager

RECOMMENDED BY:

[Signature]
Zai Abu Bakar
Community Development Director

PREPARED BY:

[Signature]
Brian Guillot
Assistant Planner

CC Attachments:

1. Ordinance No. 1439
Attachment 1

(Ordinance No. 1439)
ORDINANCE NO. 1439

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING ZONING TEXT AMENDMENT NO. 11-97501 AMENDING THE REVIEW REQUIREMENTS FOR ACCESSORY STRUCTURES

WHEREAS, the proposed Zoning Text Amendment No. 11-97501 was duly initiated by the City of Banning; and

WHEREAS, the Municipal Code provides for “Zoning Ordinance” amendments consistent with the goals and policies of the General Plan; and

WHEREAS, the City desires to amend the “Zoning Ordinance” to streamline the permitting process by allowing local active architectural review boards or committees to review and approve the design of accessory structures; and

WHEREAS, on July 22, 2011, the City published a public hearing notice for Zoning Text Amendment No. 11-97501 in the Record Gazette newspaper in compliance with state law and Chapter 17.68 of the Banning Zoning Ordinance; and

WHEREAS, on 3rd day of August 2011, the Planning Commission held a noticed public hearing at which time interested persons had an opportunity to testify in support of, or opposition to Zoning Text Amendment No. 11-97501 and at which time the Planning Commission considered the proposed Zoning Text Amendment and recommended City Council approval; and

WHEREAS, on August 12, 2011, the City published a public hearing notice for Zoning Text Amendment No. 11-97501 in the Record Gazette newspaper in compliance with state law and Chapter 17.68 of the Banning Zoning Ordinance; and

WHEREAS, on August 23, 2011, 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. 11-97501; and

WHEREAS, at said public hearing on August 23, 2011, the City Council considered and heard public testimony and comments regarding Zoning Text Amendment No. 11-97501; and

WHEREAS, at this public hearing, the City Council analyzed the proposed project and 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; 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 August 23, 2011;

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

SECTION 1: ENVIRONMENTAL.

The City Council, in light of the whole record before it, including but not limited to, the City's Local CEQA Guidelines, the recommendation of the Planning Commission as adopted in Resolution No. 2011-05 and the information as provided in the Staff Report dated August 23, 2011, and documents incorporated therein by reference, and any other evidence (within the meaning of Public Resources Code § 21080(e) and § 21082.2) within the record or provided at the public hearing of this matter, hereby finds and determines as follows:

1. California Environmental Quality Act (CEQA):

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

2. Multiple Species Habitat Conservation Plan (MSHCP):

   The amendments to the Zoning Ordinance do not relate to any one physical project and are not subject to the MSHCP. Further, projects subject to this resolution will trigger individual project analysis and documentation related to the requirements of MSHCP including mitigation through payment of the MSHCP Mitigation Fee.

SECTION 2: REQUIRED FINDINGS.

1. The proposed Zone Text Amendment is consistent with the goals and policies of the General Plan.

   Findings of Fact:
The Zone Text Amendment is consistent with the goals and policies of the General Plan, insofar as the General Plan designations and Zoning designations will not change, and the text amendments will result in clarifying the goals, policies and programs of the General Plan. The primary General Plan Land Use Goal is "A balanced, well planned community including businesses which provides a functional pattern of land uses and enhances the quality of life for all Banning residents". The design standards for a specific plan, planned unit development, or other development plan area are reviewed in accordance with General Plan requirements; therefore, any accessory structure will be required to meet the approved design standards and the General Plan Land Use Goal of a well planned community.

2. The proposed Zone Text Amendment is internally consistent with the Zoning Ordinance.

Findings of Fact:

The proposed Zone Text Amendment is consistent with the existing provisions of the Zoning Ordinance. The amendment will streamline the review and approval process by allowing the local active architectural review board or committee to be responsible for design review of accessory structures. This is consistent with other parts of the Zoning Ordinance such as the Downtown Commercial zoning district where design review is not required for the commercial development of improved sites (see Section 17.12.050H).

3. That the Planning Commission has independently reviewed and considered the requirements of the California Environmental Quality Act.

Findings of Fact:

The Planning Commission 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. 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 resolution will trigger individual analysis and documentation related to CEQA through the building permit process. Therefore, it can be seen with certainty that there is no possibility that this resolution may have a significant adverse effect on the environment, and therefore the adoption of this resolution is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.
SECTION 3: ZONING ORDINANCE AMENDMENT.

Section 17.08.050 of the Municipal Code is amended to read as follows:

17.08.050 Accessory Structures.

"Accessory structures in residential zoning districts shall be compatible with the materials and architecture of the primary dwelling of the property. Accessory structures may only be constructed on a lot containing a main dwelling unit. Accessory structures may be built to the interior side and rear property lines as long as these structures are not closer than 10 feet to any other structure. Building Code regulations may further restrict the distance to be maintained from property lines or other structures. The accessory structure may be a maximum of 50% of the footprint of the primary structure, and may be the same height as the principal structure. Second units are not considered accessory structures, and have specific development standards enumerated in Section 17.08.100. No design review shall be required for accessory structures located in a specific plan area, a planned unit development, or other approved development plan area with an active architectural review board, or committee."

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 2nd reading in accordance with California law.
PASSED, APPROVED, AND ADOPTED this ___ day of __________, 2011.

Barbara Hanna, Mayor
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

____________________________________
David J. Aleshire, City Attorney
Aleshire & Wynder, LLP
City of Banning, California

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. 1439 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the ___ day of __________, 2011, and was duly adopted at a regular meeting of said City Council on the ___ day of ____________, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

____________________________________
Marie A. Calderon, City Clerk
City of Banning
Banning, California
DATE: August 23, 2011

TO: City Council

FROM: Zai Abu Bakar, Community Development Director

SUBJECT: Ordinance No. 1441 – Ordinance Regarding Voluntary Alternative Redevelopment Program as required by AB 1X 26 and AB 1X 27 for the Continued Existence of the Community Redevelopment Agency of the City of Banning

RECOMMENDATION:
That the City Council adopt Ordinance No. 1441 determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code to permit the continued existence and operation of the Community Redevelopment Agency (CRA) of the City of Banning.

JUSTIFICATION:
On June 29, 2011, Governor Brown signed AB 1X 26 and AB 1X 27. AB 1X 26 dissolves redevelopment agencies (“Agencies”) throughout the State of California effective October 1, 2011. AB 1X 27 creates an alternative to the dissolution of the Agencies by voluntarily authorizing, by ordinance, the contribution of tax increment to the county auditor controller for deposit into an Educational Revenue Augmentation Fund (ERAF) and a Special District Allocation Fund (SDAF). The State anticipated that these payments would cumulatively total $1.7 billion which would backfill the state budget shortfall.

BACKGROUND:
AB 1X 26 prescribes a strict limit on activities that may be conducted by redevelopment agencies between the effective date of June 29, 2011 and the agency’s elimination date of October 11, 2011. Under AB 1X 26, the agencies may continue to meet their existing enforceable obligations such as existing bonds and loans; however, it is prohibited from entering into new agreements or incur new debts. AB 1X 26 provides a “wind-up” process unless the City adopts an ordinance that commits to making future payments to the school districts and special districts consistent with the Voluntary Alternative Redevelopment Program (VARP) AB 1X 27. The ordinance is required to be adopted by or before November 1, 2011. Cities are required to notify the Department of Finance, the Controller and the County Auditor by November 1st of their intent to make the VARP payments.

Adoption of Ordinance No. 1441 does not constitute a waiver or disclaimer of the right of the City and the Agency to challenge the VARP legislation and/or the amounts of the continuation payments now and in the future.
FISCAL DATA:
For Fiscal year 2011-12, the estimated amount of payment required to be made by the Banning Community Redevelopment Agency in order to continue its operation is $1,664,397.00. This payment requires the agency to postpone its projects that were considered on March 8, 2011, which include Ramsey Street improvements in the redevelopment project area. This payment will be made under protest and subject to the City’s right to recover such funds should the litigation by the State CRA be resolved in favor of cities and their redevelopment agencies. Staff has filed an appeal on August 4, 2011, with the State Department of Finance on the City’s payment for FY 2011-12.

APPROVED BY:

[Signature]
Andrew J. Takata
City Manager

RECOMMENDED BY:

[Signature]
Zai Abu Bakar
Community Development Director

REVIEWS BY:

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

Attachment:
1. Ordinance No. 1441
ATTACHMENT 1

Ordinance No. 1441
ORDINANCE NO. 1441

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DETERMINING IT WILL COMPLY WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE IN ORDER TO PERMIT THE CONTINUED EXISTENCE AND OPERATION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BANNING

WHEREAS, on June 12, 1978, the City Council adopted Ordinance No. 709, which approved the Redevelopment Plan (the “Plan”) for the Downtown Redevelopment Project (the “Downtown Project Area”) and has amended the Plan for the Downtown Project Area on several occasions. On June 10, 1986, the City Council adopted Ordinance No. 906, which approved the Plan for the Midway Redevelopment Project (the “Midway Project Area”) and has amended the Plan for the Midway Project Area on several occasions. On February 26, 2002, the City Council adopted Ordinance No. 1280, which merged the Downtown Project Area and the Midway Project Area (the “Merged Project Area”) and has amended the Plan for the Merged Project Area on several occasions.

WHEREAS, the Redevelopment Agency of the City of Banning (“Agency”) is engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, et seq.) (“CRL”); and

WHEREAS, since adoption of the Redevelopment Plan, the Agency has undertaken redevelopment projects in the Project Area to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy; and

WHEREAS, over the next few years, the Agency hopes to implement a variety of redevelopment projects and programs to continue to eliminate and prevent blight, stimulate and expand the Project Area’s economic growth, create and develop local job opportunities and alleviate deficiencies in public infrastructure, to name a few; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature has recently enacted and the Governor has signed, companion bills AB 1X 26 and AB 1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, specifically, AB 1X 26 prohibits agencies from taking numerous actions, effective immediately and purportedly retroactively, and additionally provides that agencies are deemed to be dissolved as of October 1, 2011; and

WHEREAS, AB 1X 27 provides that a community may participate in an “Alternative Voluntary Redevelopment Program,” in order to enable a redevelopment agency within that
community to remain in existence and carry out the provisions of the CRL, by enacting an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code; and

WHEREAS, the Alternative Voluntary Redevelopment Program requires that the community agree by ordinance to remit specified annual amounts to the county auditor-controller; and

WHEREAS, under the threat of dissolution pursuant to AB 1X 26, and upon the contingencies and reservations set forth herein, the City shall make the Fiscal Year 2011-2012 community remittance, currently estimated to be One Million Six Hundred Forty-Four Thousand Three Hundred Ninety-Seventy Dollars ($1,644,397.00), as well as the subsequent annual community remittances as set forth in the CRL; and

WHEREAS, the City reserves the right to appeal the California Director of Finance’s determination of the Fiscal Year 2011-12 community remittance, as provided in Health and Safety Code Section 34194; and

WHEREAS, the City understands and believes that an action challenging the constitutionality of AB 1X 26 and AB 1X 27 will be filed on behalf of cities, counties and redevelopment agencies; and

WHEREAS, while the City currently intends to make these community remittances, they shall be made under protest and without prejudice to the City’s right to recover such amounts and interest thereon, to the extent there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional; and

WHEREAS, the City reserves the right, regardless of any community remittance made pursuant to this Ordinance, to challenge the legality of AB 1X 26 and AB 1X 27; and

WHEREAS, to the extent a court of competent jurisdiction enjoins, restrains, or grants a stay on the effectiveness of the Alternative Voluntary Redevelopment Program’s payment obligation of AB 1X 26 and AB 1X 27, the City shall not be obligated to make any community remittance for the duration of such injunction, restraint, or stay; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

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

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Participation in the Alternative Voluntary Redevelopment Program. In accordance with Health and Safety Code Section 34193, and based on the Recitals set forth above, the City Council hereby determines that the City shall, to the extent required by law, comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as enacted by AB 1X 27.
Section 3. Payment Under Protest. Except as set forth in Section 4, below, the City Council hereby determines that the City shall make the community remittances set forth in Health and Safety Code section 34194 et seq.

Section 4. Effect of Stay or Determination of Invalidity. City shall not make any community remittance in the event a court of competent jurisdiction either grants a stay on the enforcement of AB 1X 26 and AB 1X 27 or determines that AB 1X 26 and AB 1X 27 are unconstitutional and therefore invalid, and all appeals therefrom are exhausted or unsuccessful, or time for filing an appeal therefrom has lapsed. Any community remittance shall be made under protest and without prejudice to the City’s right to recover such amount and interest thereon in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional. If there is a final determination that AB 1X 26 and AB 1X 27 are invalid, this Ordinance shall be deemed to be null and void and of no further force or effect. This Ordinance shall not effect or give rise to any waiver of rights or remedies that the City may have, whether in law or in equity, to challenge AB 1X 26 or AB 1X 27. This Ordinance shall not be construed as the City’s willing acceptance of, or concurrence with, either AB 1X 26 or AB 1X 27; nor does this Ordinance evidence any assertion or belief whatsoever on the part of the City that said bills are constitutional or lawful.

Section 5. Implementation. The City Council hereby authorizes and directs the City Manager to take any action and execute any documents necessary to implement this Ordinance, including but not limited to notifying the Riverside County Auditor-Controller, the Controller of the State of California, and the California Department of Finance of the adoption of this Ordinance and the City’s agreement to comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as set forth in AB 1X 27.

Section 6. Additional Understandings and Intent. It is the understanding and intent of the City Council that, once the Agency is again authorized to enter into agreements under the CRL, the City will enter into an agreement with the Agency as authorized pursuant to Section 34194.2, whereby the Agency will transfer annual portions of its tax increment to the City in amounts not to exceed the annual community remittance payments to enable the City, directly or indirectly, to make the annual remittance payments. The City Council does not intend, by enactment of this Ordinance, to pledge any of its general fund revenues or assets to make the remittance payments. The City reserves the right to withdraw from making the payments required by AB 1X 27 should the amount of such payments (as will be determined by the State Department of Finance) prove to be in excess of the City’s available funds not otherwise obligated for other uses.

Section 7. CEQA. The City Council finds, under Title 14 of the California Code of Regulations, Section 15378(b)(4), that this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") in that it is not a “project,” but instead consists of the creation and continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Riverside in accordance with CEQA Guidelines.
Section 8. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings are based are located at the City Clerk’s office located at 99 E. Ramsey Street, Banning, CA 92220. The custodian for these records is Marie Calderon, City Clerk.

Section 9. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

Section 10. Certification; Publication. The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published once within 15 days of adoption in the Record Gazette, a newspaper of general circulation printed and published within the City of Banning, and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk in accordance with Government Code § 36933.

Section 11. Effective Date. This Ordinance shall become effective thirty (30) days from its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on the 23rd day of August 2011, by the following vote:

________________________________________________________________________
Barbara Hanna, Mayor
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

________________________________________________________________________
David J. Aleshire, City Attorney
Aleshire & Wynder, LLP
City of Banning, California

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. 1441 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 23rd day of August, 2011, and was duly adopted at a regular meeting of said City Council on the __________ day of ______________, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, Banning, California
DATE: August 23, 2011

TO: City Council

FROM: Zai Abu Bakar, Community Development Director

SUBJECT: Lease Agreement for a Temporary Fire Museum at 5261 W. Wilson Street

RECOMMENDATION: That the City Council enter into a lease agreement with the Fire Memories, Inc. for a temporary fire museum for a cost not to exceed $1 per year on city-owned property located at 5261 W. Wilson Street and authorize the City Manager to execute the lease agreement with Fire Memories, Inc.

JUSTIFICATION: Fire Memories currently needs a temporary museum facility to house their collections and memorabilia prior to finding a permanent site for the fire museum. Fire Memories currently has an approved Letter of Intent the City of Beaumont and the Beaumont Cherry Valley Parks and Recreation District to house the museum at the Noble Creek Park. Therefore, this use is only temporary. It is not the intent of the City to interfere with the negotiation between Fire Memories and the City of Beaumont and the Beaumont Cherry Valley Parks and Recreation District with regard to the permanent fire museum. Our City Manager has notified Alan Kapanicas, the Beaumont City Manager relative to this temporary use.

BACKGROUND: Fire Memories, Inc. has approached the City with regard to using the city-owned property at 5261 W. Wilson Street for a temporary use. The property is vacant and was previously used as a dispatch center for the Banning Police Department and the former fire station site. There is an on-going discussion that the current facility on 5261 West Wilson Street might be needed for a regional fire station in the future should the current fire station on 6th Street in Beaumont be vacated.

Fire Memories, Inc. is a non-profit organization whose mission is to maintain and enhance the arts and artifacts of the fire museum collection while preserving the history and heritage of firefighting. Fire Memories also serve as a memorial to those who have dedicated their lives to fire and emergency services while educating the public at large in fire safety and prevention. Fire Memories has more than 2,200 historical fire-related and/or memorabilia items currently being stored at various places, most of which are at Doug Hammer’s home on Banning Bench.

DISCUSSION: The lease agreement would allow the Fire Memories, Inc. to house their collections of firefighting equipment and memorabilia at 5261 W. Wilson Street. The City Manager will determine the exact space available within the building for the Fire Memories depending on the City’s needs. This facility will be a temporary museum and open to the public. The terms of the agreement are for one (1) dollar and not to exceed one (1) year. As part of the agreement, the Fire Memories, Inc. shall be solely responsible for all utility costs and insurance and liability associated with the use of the Premises. Fire Memories also shall indemnify, defend and hold harmless the City, its employees, officials and representatives from any and all injuries (whether personal or to property), claims, damages or liabilities relating to, caused by, caused to,
or arising from the presence of the public on the Premises. This lease may be revoked with a thirty (30) day notice by either party.

As the facility will be opened to the public, a courtesy notice informing the residents of the proposed temporary fire museum was mailed to the residents within a 300 foot radius of the site.

**FISCAL DATA:** The revenue from the lease is one (1) dollar a year. There is an unquantifiable benefit to the community and the public by having a fire museum open to the public.

**APPROVED BY:**

[Signature]
Andrew J. Takata  
City Manager

**RECOMMENDED BY:**

[Signature]
Zai Abu Bakar  
Community Development Director

**REVIEWED BY:**

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

Attachments:

1. City Council Resolution No. 2011-74
ATTACHMENT 1

City Council Resolution No. 2011-74
RESOLUTION NO. 2011-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH FIRE MEMORIES, INC. FOR A TEMPORARY FIRE MUSEUM ON CITY-OWNED PROPERTY LOCATED AT 5261 W. WILSON STREET / APN 408-134-009

WHEREAS, Fire Memories, Inc. is a non-profit organization whose mission is to maintain and enhance the arts and artifacts of the fire museum collection while preserving the history and heritage of firefighting. Fire Memories also serve as a memorial to those who have dedicated their lives to fire and emergency services while educating the public at large in fire safety and prevention. Fire Memories has more than 2,200 historical fire related and/or memorabilia items.

WHEREAS, Fire Memories, Inc. currently needs a temporary museum facility to house their collections and memorabilia prior to finding a permanent site for the fire museum.

WHEREAS, Fire Memories, Inc. has approached the City with regard to using the city-owned property at 5261 W. Wilson Street.

WHEREAS, the property at 5261 W. Wilson Street is vacant and was previously used as a dispatch center for the Banning Police Department and was also used as a fire station.

WHEREAS, there is an on-going discussion that the city-owned property at 5261 W. Wilson Street might be needed for a regional fire station in the future should the current fire station on 6th Street in Beaumont be vacated.

WHEREAS, pending the final decision as to whether the facility at 5261 W. Wilson Street is the appropriate location of a regional fire station, a temporary museum could be located at the facility.

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

Section 1. The Lease Agreement with Fire Memories, Inc. is approved for one (1) dollar a year and not to exceed a lease period of one year.

Section 2. The City Manager is authorized to execute the Lease Agreement with Fire Memories, Incorporated on a form as approved by the City Attorney.

PASSED, APPROVED AND ADOPTED this 23rd day of August 2011.

Barbara Hanna, Mayor
City of Banning
APPROVED AS TO FORM
AND LEGAL CONTENT:

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

ATTEST:

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

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-74 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 23rd day of August, 2011.

AYES:
NOES:
ABSENT:
ABSTAIN:

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

DATE: August 23, 2011

TO: City Council

FROM: Zai Abu Bakar, Community Development Director

SUBJECT: Consideration of Contract Services Agreement between the City of Banning and Willdan Engineering for Building and Safety Services

RECOMMENDATION:
That the City Council:

1. Adopt City Council Resolution No. 2011-73 approving the Contract Services Agreement with Willdan Engineering for staffing for Building and Safety services;
2. Authorize the City Manager to enter into contract services with Willdan Engineering on form as approved by the City Attorney; and,
3. Authorize the Administrative Services Director to make the necessary budget adjustments for FY 2010-11 and FY 2011-12 to effectuate the contract.

JUSTIFICATION:
The City contracted with Willdan Engineering for Building and Safety services for FY 2010-2011. Staff is recommending that the contract be continued for another year.

BACKGROUND/ANALYSIS:
For the period July 1-June 30, 2011, the total revenue collected from building permit fees was $131,534.06. Fees paid to Willdan Engineering for their services were $97,477.32, which is 74% of the revenue received. Staff believes that Willdan meets the City’s expectation in terms of services.

FISCAL DATA:
Funding for this contract will be provided from the monthly building permit and plan check fees as follows.

<table>
<thead>
<tr>
<th>Building Permit Fee Collected Per Month</th>
<th>Percent of Fee</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $15,000.00</td>
<td>70%</td>
<td>Fee includes front counter services, inspection services, Building Official services, and Friday inspection services.</td>
</tr>
<tr>
<td>$15,001.00 to $30,000.00</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Over $30,000.00</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Plan Check</td>
<td>75%</td>
<td>Plan check fee will be equal to 75% of the plan check fees collected by the City.</td>
</tr>
</tbody>
</table>
Attachment:

1. City Council Resolution No. 2011-73
2. Contract Services Agreement between the City of Banning and Willdan Engineering
ATTACHMENT 1

City Council Resolution No. 2011-73
RESOLUTION NO. 2011-73

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT SERVICES AGREEMENT WITH WILLDAN ENGINEERING FOR PROVISION OF BUILDING AND SAFETY SERVICES

WHEREAS, part of the City of Banning’s operation includes provision of Building and Safety services to ensure that building construction complies with the California Building Code for health, safety, and welfare of the community.

WHEREAS, the City currently contracts with Willdan Engineering for providing Building and Safety services.

WHEREAS, the City desires to continue the contract with Willdan Engineering.

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

SECTION 1. The Contract Services Agreement with Willdan Engineering for the provision of building and safety services is approved.

SECTION 2. The Administrative Services Director is authorized to make the necessary adjustments to implement the contract for FY 2010-11 and FY 2011-12.

SECTION 3. The City Manager is authorized to execute the Contract Services Agreement with Willdan Engineering. This authorization will be rescinded if the parties do not execute the contract agreement within sixty (60) days of this resolution.

SECTION 4: This contract supersedes any of the previous contracts that the City entered into with Willdan Engineering.

PASSED, APPROVED AND ADOPTED this 23rd day of August 2011.

__________________________________________
Barbara Hanna, Mayor
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

David J. Aleshere, City Attorney
Aleshere and Wynder, LLP.

ATTEST:

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

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-73 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 23rd day of August, 2011.

AYES:
NOES:
ABSENT:
ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California
ATTACHMENT 2

Contract Services Agreement between
The City of Banning and Willdan Engineering
CONTRACT SERVICES AGREEMENT

By and Between

THE CITY OF BANNING,
A MUNICIPAL CORPORATION

and

Willdan Engineering
AGREEMENT FOR CONTRACT SERVICES
BETWEEN
THE CITY OF BANNING, CALIFORNIA
AND
WILLDAN ENGINEERING

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this 13th day of July 2011 by and between the City of Banning, a municipal corporation (“City”) and Willdan Engineering, ("Consultant" or "Contractor"). City and Contractor are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.” (The term Contractor includes professionals performing in a consulting capacity.)

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Section 1 of this Agreement.

B. Contractor, following submission of a proposal or bid for the performance of the services defined and described particularly in Section 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Banning’s Municipal Code, City has authority to enter into this Agreement Services Agreement and the City Manager has authority to execute this Agreement.

D. The Parties desire to formalize the selection of Contractor for performance of those services defined and described particularly in Section 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONTRACTOR

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which services may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services
contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Contractor’s Proposal.

The Scope of Service shall include the Contractor’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Contractor shall keep itself informed concerning, and shall render all services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at City’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be
responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

1.7 Warranty.

Contractor warrants all Work under the Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Agreement, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at his sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Agreement. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstallation of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand. This provision may be waived in Exhibit “B” if the services hereunder do not include construction of any improvements or the supplying of equipment or materials.

1.8 Prevailing Wages.

Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “Public Works” and “Maintenance” projects. If the Services are being performed as part of an applicable “Public Works” or “Maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make copies of the prevailing rates of per diem wages for
each craft, classification or type of worker needed to execute the Services available to interested 
parties upon request, and shall post copies at the Contractor’s principal place of business and at 
The project site. Contractor shall defend, indemnify and hold the City, its elected officials, 
officers, employees and agents free and harmless from any claim or liability arising out of any 
failure or alleged failure to comply with the Prevailing Wage Laws.

1.9 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective 
obligations under this Agreement. Both parties agree to act in good faith to execute all 
instruments, prepare all documents and take all actions as may be reasonably necessary to carry 
out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible 
for the service of the other.

1.10 Additional Services.

City shall have the right at any time during the performance of the services, without 
invalidating this Agreement, to order extra work beyond that specified in the Scope of Services 
or make changes by altering, adding to or deducting from said work. No such extra work may be 
undertaken unless a written order is first given by the Contract Officer to the Contractor, 
incorporating therein any adjustment in (i) the Agreement Sum, and/or (ii) the time to perform 
this Agreement, which said adjustments are subject to the written approval of the Contractor. 
Any increase in compensation of up to five percent (5%) of the Agreement Sum or $25,000, 
whichever is less; or in the time to perform of up to one hundred eighty (180) days may be 
approved by the Contract Officer. Any greater increases, taken either separately or cumulatively 
must be approved by the City. It is expressly understood by Contractor that the provisions of this 
Section shall not apply to services specifically set forth in the Scope of Services or reasonably 
contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to 
be provided pursuant to the Scope of Services may be more costly or time consuming than 
Contractor anticipates and that Contractor shall not be entitled to additional compensation 
therefor.

1.11 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part her eof 
are set forth in the “Special Requirements” attached hereto as Exhibit “B” and incorporated 
herein by this reference. In the event of a conflict between the provisions of Exhibit “B” and any 
other provisions of this Agreement, the provisions of Exhibit “B” shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the 
amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and 
incorporated herein by this reference. The total compensation, including reimbursement for 
actual expenses, shall not exceed the amount as attached in Exhibits “C” (the “Contract”), unless 
additional compensation is approved pursuant to Section 1.10.
2.2 **Method of Compensation.**

The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with specified tasks or the percentage of completion of the services, (iii) payment for time and materials based upon the Contractor's rates as specified in the Schedule of Compensation, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 **Reimbursable Expenses.**

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses if an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

2.4 **Invoices.**

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, or as provided in Section 7.3. City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor's correct and undisputed invoice. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission.

2.5 **Waiver.**

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

2.6 **Time of Essence.**

Time is of the essence in the performance of this Agreement.

2.7 **Schedule of Performance.**

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this
reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

2.8 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the Agency, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer’s determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor’s sole remedy being extension of the Agreement pursuant to this Section.

2.9 Inspection and Final Acceptance.

City may inspect and accept or reject any of Contractor’s work under this Agreement, either during performance or when completed. City shall reject or finally accept Contractor’s work within forth five (45) days after submitted to City. City shall accept work by a timely written acceptance, otherwise work shall be deemed to have been rejected. City’s acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Section X, pertaining to indemnification and insurance, respectively.

2.10 Term.

Unless earlier terminated in accordance with Article 8 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit “D”).

2.11 Representatives and Personnel of Contractor.

The following principals of Contractor (Principals) are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Ronald L. Espalin
Name

Director of Building and Safety
(Title)
It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

2.12 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

2.13 Contract Officer.

The Contract Officer shall be such person as may be designated by the City Manager of City. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

2.14 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.
2.15 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the Agency to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the Agency. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of Agency. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of Agency.

2.16 Insurance Coverages.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) Comprehensive General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than $1,000,000.00 per occurrence or if a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including “any auto” and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than $1,000,000. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Professional Liability. Professional liability insurance appropriate to the Contractor's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Contractor's services or the termination of this
Agreement. During this additional 5-year period, Contractor shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) **Additional Insurance.** Policies of such other insurance, as may be required in the Special Requirements.

2.17 **General Insurance Requirements.**

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents shall apply in excess of, and not contribute with Contractor's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following “cancellation” notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed] __________________________________________

Agent Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured
retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor’s activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor’s indemnification liabilities as provided in Section 5.3.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

2.18 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents (“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable (“indemnors”), or arising from Contractor’s reckless or willful misconduct, or arising from Contractor’s indemnors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys’ fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys’ fees.
Contractor shall incorporate similar, indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

2.19 Performance Bond.

Concurrently with execution of this Agreement, and if required in Exhibit "B", Contractor shall deliver to City performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

2.20 Sufficiency of Insurer or Surety.

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the Risk Manager of City ("Risk Manager") determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond required by Section 5.4 may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of City within 10 days of receipt of notice from the Risk Manager.

2.21 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make
records and transcripts from such records. Such records shall be maintained for a period of 3 years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor’s business, custody of the books and records may be given to City, and access shall be provided by Contractor’s successor in interest.

2.22 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

2.23 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”) prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City’s sole risk and without liability to Contractor, and Contractor’s guarantee and warranties shall not extend to such use, revise or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

2.24 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed
under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Contractor's conduct.

(d) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

2.25 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

2.26 Disputes: Default.

In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

2.27 Retention of Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by
reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

2.28 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

2.29 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

2.30 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

2.31 Liquidated Damages.

Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City the sum of __________________ N/A __________________ (________________) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Schedule of Performance (Exhibit "D"). The City may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

2.32 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Contractor,
except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Contractor reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days’ written notice to Agency, except that where termination is due to the fault of the Agency, the period of notice may be such shorter time as the Contractor may determine. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

2.33 Termination for Default of Contractor.

If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

2.34 Attorneys’ Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney’s fees. Attorney’s fees shall include attorney’s fees on any appeal, and in addition a party entitled to attorney’s fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

2.35 Non-liability of Agency Officers and Employees.

No officer or employee of the Agency shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

2.36 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests
of City or which would in any way hinder Contractor’s performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the Agency shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

2.37 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

2.38 Unauthorized Aliens.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys’ fees, incurred by City.

2.39 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, CITY OF BANNING, 99 East Ramsey Street, Banning, CA 92220 and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.
2.40 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

2.41 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

2.42 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

2.43 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

2.44 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF BANNING, a municipal corporation

Andrew J. Takata, City Manager

ATTEST:

__________________________
Marie Calderon, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

__________________________
David Aleshire, City Attorney

CONTRACTOR:

Willdan Engineering

By: ________________________
Name: Ronald L. Espalin
Title: Director of Building and Safety

Address: 650 Hospitality Lane, Suite 400
San Bernardino, CA 92408
Tel: (909) 386-0200
Fax: (909) 888-5107

Two signatures are required if a corporation.

NOTE: CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER'S BUSINESS ENTITY.
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF

On the day of 2021, before me, Ronald Ethier, personally appeared Ronald Ethier, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(s), and that by his/her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: NORMA J. BARRETT

WILLDAN ENGINEERING
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF

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

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

WITNESS my hand and official seal.

Signature: ________________________________

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<tr>
<th>CAPACITY CLAIMED BY SIGNER</th>
<th>DESCRIPTION OF ATTACHED DOCUMENT</th>
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<td>☐ INDIVIDUAL</td>
<td>TITLE OR TYPE OF DOCUMENT</td>
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SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

1/9
EXHIBIT "A"
SCOPE OF SERVICES

I. Contractor will perform the following Services:

A. Plan Review Services

1. Contractor will examine building plans for compliance with the adopted Building Code, California Mechanical Code, California Plumbing Code, California Electrical Code, and the Accessibility, Noise and Energy Conservation Requirements as mandated by State Title 24 and all applicable City ordinances.

2. All plan review will comply with the City's directives, codes, and policies. Plan check will include a review of any or all of the following design elements as determine by the City:
   a. Architectural and life-safety
   b. Mechanical
   c. Structural
   d. Electrical
   e. Energy Conservation Regulations (Title 24)
   f. Plumbing
   g. Disabled Access Regulations (California Building Code Title 24)

3. Contractor is to provide an electronic plan check through its on-line plan room in either PDF or TIF format.

B. Building Inspection Services

1. Contractor is to provide certified inspectors to perform all building and safety inspections for residential and non-residential inspections for conformance with the approved plans and related documents.

2. The inspections will be performed in accordance with the City's adopted California Building Code, California Mechanical Code, California Plumbing Code, National Electrical Code, and the State and Federal Regulations for Accessibility, Noise and Energy Conservation.

3. Inspection staff is to be available on a same-day basis and must be available to meet with City staff, builders, developers, and citizens to provide assistance and resolve any inspection issues that may arise.

C. Building Official

1. Services may include, but not limited to the following:
   a. Act as a technical advisor to the City.
   b. Review proposed legislation affecting Building Code enforcement.
c. Provide over the counter plan review whenever possible.
d. Arbitrate disputes on code interpretations and resolve the more difficult and complex and engineering and code problems.
e. Meet with City staff to identify areas of mutual concerns for improving the overall permit process.
f. Attend City Council and Planning Commission meetings on an as needed basis to answer questions and provide testimony on issues pertaining to Building Code laws and regulations.
g. Assist with all administrative duties associated with the Building and Safety Division.
h. Prepare code, ordinances, and staff reports, as well as attend any meetings that may be required.
i. Prepare ordinances related to the adoption of the new or revised editions of the California Building, Plumbing, Electrical, Mechanical, Administrative, and Fire Codes, as well as any other City and State regulations.

D. Permit/Counter Technician

1. Contractor is to provide a qualified technician to serve the public during the Building and Safety counter hours. Services may include, but are not limited to the following:
   a. Respond to phone calls regarding building permits and inspection related matters.
   b. Interact with citizens, developers, contractors, etc. and answer general questions regarding plan check and permitting process.
   c. Review submittal package for completeness and route plans to appropriate City departments and/or outside agencies as appropriate.
   d. Resolve resident inquiries and complaints.
   e. Provide monthly reports of building and safety inspection activities, statistical reports, and annual reports.
   f. Review and monitor plan review turnaround times and standards.
   g. Calculate permit fees
   i. Enter plans into the City’s Building Permit System (HTE).
   j. Other duties as needed to provide customer service for the Building and Safety.

II. As part of the Services, Contractor will prepare and deliver the following tangible work products to the City:

A. Plan Review Services
1. The applicant will be provided with typewritten plan check comments in an approved format that will be prepared with the layperson in mind so that the comments are easily understood.

2. The plan check comments are to refer to appropriate sheets, details or calculations pages and the code sections of the concerns. Comments shall specify the apparent code deficiency.

3. For electronic plan check, the contractor is to review plans and transmit the electronic redlined plans back to the applicant and/or the City as directed in either electronic or hard copy format.

B. Building Inspection Services

1. Inspections are to be provided daily.

2. The building inspector shall review the permit package to verify that the on-site condition is consistent with the appropriate records of square footage, setbacks, heights, and other requirements that may be applicable to the particular request for inspections.

3. The building inspectors are to report/record the inspection results, use City inspection correction forms, make appropriate entries onto the permit documents, and follow City procedures prior to finalizing building permits.

4. Contractor and its inspectors are to maintain all inspection records, including daily records of what was inspected which will be recorded on the job card, permit copy and entered into the Building and Safety computer system.

C. Building Official

1. Provide verbal reports, written memos, staff reports, and correspondence as necessary consistent with the services to be provided as a building official for the City.

D. Permit/Counter Technician

1. Keep daily phone and counter logs related to customers served via telephone and at the building and safety counter.

2. Provide monthly reports of building and safety inspection activities, statistical reports, and annual reports.

3. Provide Permit Fees Sheet(s).

5. Enter plans into the City’s Building Permit System (HTE).

III. In addition to the requirements of Section 6.2, during performance of the Services, Contractor will keep the City appraised of the status of performance by delivering the following status reports:

A. Monthly and quarterly report of inspections and fee receipts.

B. Quarterly report on legislation that affect building and safety.

C. Suggestions/recommendation on improving building and safety customer service – internal and external.

IV. All work product is subject to review and acceptance by the City, and must be revised by the Contractor without additional charge to the City until found satisfactory and accepted by City.

V. Contractor will utilize the following personnel to accomplish the Services:

A. Ronald L. Espalin, PE Responsible Engineer/Building Official

B. Jim Barrett, Deputy Building Official, CBO/Inspection Services

C. Gary Speck, Counter/Permit Technician Services
EXHIBIT "B"
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

Section 1.1 Scope of Services is hereby amended as follows:

In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which services may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards applicable to Contractor’s profession in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

Section 5.2 is hereby amended as follows:

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents shall apply in excess of, and not contribute with Contractor’s insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by first class mail postage prepaid to the City ten (10) days notice if cancellation is due to nonpayment of premium. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.
All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN, TEN (10) DAYS IF CANCELLATION IS DUE TO NONPAYMENT OF PREMIUM.

[to be initialed] ______________________
Agent Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor's indemnification liabilities as provided in Section 5.3.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

Section 5.3 is hereby amended as follows:

5.3 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will
hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with and to the extent of the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable ("indemnors"), or arising from Contractor's reckless or willful misconduct, or arising from Contractor's indemnors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(d) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(e) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(f) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

Contractor shall incorporate similar, indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that Contractor's indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of Contractor. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

Section 5.4 is deleted in its entirety.
EXHIBIT “C”
COMPENSATION

<table>
<thead>
<tr>
<th>Building Permit Fee Collected Per Month</th>
<th>Percent of Fee</th>
<th>Comments</th>
</tr>
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<tbody>
<tr>
<td>Up to $15,000.00</td>
<td>70%</td>
<td>Fee includes front counter services, inspection services, Building Official services, and Friday inspection services.</td>
</tr>
<tr>
<td>$15,001.00 to $30,000.00</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Over $30,000.00</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Plan Check</td>
<td>75%</td>
<td>Plan check fee will be equal to 75% of the plan check fees collected by the City</td>
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</table>

I. The City will compensate Contractor for the Services performed upon submission of a valid invoice. Each invoice is to include:

A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.

B. Line items for all materials and equipment properly charged to the Services.

C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.

II. The total compensation for the Services shall not exceed the amount as provided in Section 2.1 of this Agreement.

III. The Contractor’s billing rates for all personnel are attached as Exhibits C.
EXHIBIT "D"
Schedule of Performance

Turn-Around Schedule

Plan Review
Typical turn-around time for the initial plan check is eight working days, 5 days for rechecks. This schedule is applicable for all types of construction and can be adjusted to serve the City in the most efficient manner. Willdan will provide expedited plan review if requested by the City at no additional cost to the City.

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<tr>
<th>TYPE OF PROJECT</th>
<th>INITIAL PLAN CHECK</th>
<th>SUBSEQUENT PLAN CHECKS</th>
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<tbody>
<tr>
<td>All residential and non-residential</td>
<td>Eight working days</td>
<td>Five working days or less</td>
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Inspection Review
Inspections will be provided on a same-day basis, or within 24 hours notice if necessary.

I. Contractor shall perform all services timely in accordance with the following schedule of performance in Exhibit D.

II. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.
DATE: August 23, 2011

TO: City Council

FROM: Zai Abu Bakar, Community Development Director

SUBJECT: Approval of a Contract Services Agreement between the City of Banning and Willdan Financial Services for the Preparation of the Fiscal Impact Analysis for Butterfield Specific Plan (Pardee Homes)

RECOMMENDATION:
That the City Council:
1. Adopt City Council Resolution No. 2011-75 approving the Contract Services Agreement with Willdan Financial Services for the preparation of the Fiscal Impact Analysis for the Butterfield Specific Plan;
2. Authorize the City Manager to execute the contract on form as approved by the City Attorney; and,
3. Authorize the Administrative Services Director to make the necessary budget adjustments in the amount of $49,000.00.

JUSTIFICATION:
Pardee Homes is preparing an amendment to the Deutsch Specific Plan for a development that includes residential, commercial, parks, school, and public improvements on a 1,500-acre property located at the northeast corner of Wilson Street and Highland Springs Avenue. In order to evaluate the fiscal impacts of the project on City services, Pardee Homes is required to provide a fiscal impact analysis.

Staff released the request for proposals and received proposals from Stanley R. Hoffman Associates and Willdan Financial Services. Based on review of the proposals, Willdan Financial, Inc. has been recommended to prepare the fiscal impact analysis for the Butterfield Specific Plan.

Phase I of the analysis has already begun. However, Phase II includes additional requests by the developer to analyze various alternatives that will likely cause the contract to exceed $21,000.00.

BACKGROUND/ANALYSIS:
The fiscal impact analysis will determine revenues and costs that would be generated by the Butterfield Specific Plan. The analysis will determine the actions that the project needs to implement should there be a negative impact on revenues and costs for provisions of City services to the future residents of the project. Mitigation may include the establishment of a community facility district or landscape and lighting maintenance district to off-set the City’s cost to the general fund.
FISCAL DATA:
The cost for preparation of the Fiscal Impact Analysis is between $21,000.00 and $49,000.00 which will be paid by Pardee Homes.

APPROVED BY:
Andrew J. Takata
City Manager

RECOMMENDED BY:
Zai Abu Bakar
Community Development Director

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

Attachment:
1. City Council Resolution No. 2011-75
2. Contract Services Agreement between the City of Banning and Willdan Financial Services
ATTACHMENT 1

City Council Resolution No. 2011-75
RESOLUTION NO. 2011-75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT SERVICES AGREEMENT WITH WILLDAN FINANCIAL SERVICES FOR PROVISION OF FISCAL IMPACT ANALYSIS FOR BUTTERFIELD SPECIFIC PLAN (PARDEE HOMES)

WHEREAS, Pardee Homes is processing an amendment to the Deutsch Specific Plan (renamed “Butterfield Specific Plan”) for a 1500 acre property that is located at the northeast corner of Wilson Street and Highland Springs Avenue.

WHEREAS, a Fiscal Impact Analysis is required to determine revenue projections and city service costs for future residents of the Butterfield Specific Plan and to ensure that the development does not negatively impact the City’s general fund.

WHEREAS, the cost of preparing the Fiscal Impact Analysis is not to exceed $49,000.00.

WHEREAS, Pardee Homes will fund the cost of the preparation of the Fiscal Impact Analysis.

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

Section 1. The Contract Services Agreement with Willdan Financial Services for the Preparation of the Fiscal impact Analysis for the Butterfield Specific plan (Pardee Homes) is approved for a total contract amount “Not to Exceed” $49,000.00.

Section 2. The Administrative Services Director is authorized to make the necessary adjustments to record the deposit and related expenditures in the amount of $49,000.00.

Section 3. The City Manager is authorized to execute the Contract Services Agreement with Willdan Financial Services for the Preparation of the Fiscal impact Analysis for the Butterfield Specific Plan (Pardee Homes). This authorization will be rescinded if the parties do not execute the contract agreement within sixty (60) days of this resolution.

PASSED, APPROVED AND ADOPTED this 23rd day of August 2011.

Barbara Hanna, Mayor
City of Banning
APPROVED AS TO FORM
AND LEGAL CONTENT:

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

ATTEST:

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

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-75 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 23rd day of August, 2011.

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California
ATTACHMENT 2

Contract Services Agreement between
The City of Banning and
Willdan Financial Services
CITY OF BANNING

CONTRACT SERVICES AGREEMENT FOR

FISCAL IMPACT ANALYSIS RELATED TO BUTTERFIELD
SPECIFIC PLAN (PARDEE HOMES)

THIS CONTRACT SERVICES AGREEMENT (herein “Agreement”) is made and entered into this 5th day of May, 2011, by and between the CITY OF a California municipal corporation herein (“City”) and WILLDAN FINANCIAL SERVICES, a California corporation (herein “Contractor”).

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES OF CONTRACTOR

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Contractor shall perform the work or services set forth in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by reference. Contractor warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provide in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Contractor shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.4 Warranty. The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence. Contractor warrants all work under the Agreement to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the work or nonconformance of the work to the Agreement, commence and prosecute with due diligence all work necessary to fulfill the terms of the warranty at its sole cost and expense. The 1-year warranty may be waived in Exhibit “A” if the services hereunder do not include construction of any improvements or the supplying of equipment or materials. Contractor shall perform its services in accordance with the
standard of practice ordinarily exercised by members of Contractor’s profession who perform similar services in the locality.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Contractor shall be compensated in accordance with the “Schedule of Compensation” attached hereto as Exhibit “B” and incorporated herein by this reference, but not exceeding the maximum contract amount of Forty Nine Thousand Dollars ($49,000.00) (“Contract Sum”).

2.2 Invoices. Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City’s Director of Finance. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City. City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor’s correct and undisputed invoice. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission.

2.3 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to ten percent (10%) of the Contract Sum, but not exceeding a totally contract amount of $25,000 or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City.

2.4 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “Public Works” and “Maintenance” projects. If the Services are being performed as part of an applicable “Public Works” or “Maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall determine the applicable prevailing rates and make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor’s principal place of business and at the project site. Contractor shall defend,
indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The provisions of this Section may be waived in Exhibit A if inapplicable to the services provided hereunder.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the “Schedule of Performance” attached hereto as Exhibit “C” and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the Agency, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer’s determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor’s sole remedy being extension of the Agreement pursuant to this Section.

3.4 Inspection and Final Acceptance. City may inspect and accept or reject any of Contractor’s work under this Agreement, either during performance or when completed. City shall reject or finally accept Contractor’s work within forth five (45) days after submitted to City. City shall accept work by a timely written acceptance, otherwise work shall be deemed to have been rejected. City’s acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Article 5, pertaining to indemnification and insurance, respectively.

3.5 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit “C”).

4. COORDINATION OF WORK
4.1 Representative of Contractor. Habib Isaac, Senior Project Manager is hereby designated as being the representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Contractor and any authorized agents shall be under the exclusive direction of the representative of Contractor. Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, and shall keep City informed of any changes.

4.2 Contract Officer. Zai Abu Bakar, Community Development Director is hereby designated as being the representative of the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer by providing written notice to Contractor.

4.3 Prohibition Against Subcontracting or Assignment. Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of City with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City, or that it is a member of a joint enterprise with City.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) Comprehensive General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than $1,000,000.00 per occurrence or if a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any
worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(e) Automotive Insurance (Form CA 0001 (Ed 1/87) including “any auto” and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than either (i) bodily injury liability limits of $100,000 per person and $300,000 per occurrence and property damage liability limits of $150,000 per occurrence or (ii) combined single limit liability of $1,000,000. Said policy shall include coverage for owned, non-owned, leased and hired cars.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents shall apply in excess of, and not contribute with Contractor’s insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City’s Risk Manager or other designee of the City due to unique circumstances.

5.2 Indemnification. To the full extent provided by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents against, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, including paying any legal costs, attorneys fees, or paying any judgment (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work or services of Contractor, its officers, agents, employees, agents, subcontractors, or invitees, provided for herein (“indemnors”), or arising from Contractor’s indemnors’ negligent performance of or failure to perform any term, provision, covenant, or condition of this Agreement, except claims or liabilities to the extent caused by the negligence or willful misconduct of the City indemnitees.

5.3 General Insurance Requirements. All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents shall apply in excess of, and not contribute with Contractor’s insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said
policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Contractor shall keep, and require subcontractors to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California.

7.2 Disputes: Default. In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article.
7.3 **Legal Action.** In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 **Termination Prior to Expiration of Term.** This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days’ written notice to Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Contractor reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days’ written notice to Agency, except that where termination is due to the fault of the Agency, the period of notice may be such shorter time as the Contractor may determine. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit B. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.5 **Termination for Default of Contractor.** If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

8. **MISCELLANEOUS**

8.1 **Covenant Against Discrimination.** Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that applicants are employed
and that employees are treated during employment without regard to their race, color creed, religion, sex, marital status, national origin, or ancestry.

8.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, at City of Banning City Hall, 99 East Ramsey Street, Banning, CA 92220 and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.5 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party’s consent to or approval of any act by the other party requiring the party’s consent or approval shall not be deemed to waive or render unnecessary the other party’s consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.7 Attorneys’ Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney’s fees, whether or not the matter proceeds to judgment.

8.8 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the
entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF BANNING, a municipal corporation

________________________
City Manager

ATTEST:

________________________
City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

________________________
David Aleshire, City Attorney

CONTRACTOR:

________________________
By: ______________________
Name: ____________________
Title: _____________________

________________________
By: ______________________
Name: ____________________
Title: _____________________

Address: ____________________

Two signatures are required if a corporation

NOTE: CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER'S BUSINESS ENTITY.

[END OF SIGNATURES]
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF

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

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

WITNESS my hand and official seal.

Signature: ______________________________________

_______________________________________________

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

_______________________________________________

TITLE(S)

☐ PARTNER(S) ☐ LIMITED
☐ GENERAL

☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER_______________________________________________

DESCRIPTION OF ATTACHED DOCUMENT

_______________________________________________

TITLE OR TYPE OF DOCUMENT

_______________________________________________

NUMBER OF PAGES

_______________________________________________

DATE OF DOCUMENT

_______________________________________________

SIGNER(S) OTHER THAN NAMED ABOVE

_______________________________________________

_______________________________________________

01102/0001/78639.02
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA
COUNTY OF

On ________, ______ before me, __________________, personally appeared ____________, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: __________________________________________

OPTIONAL

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CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

☐ PARTNER(S) ☐ LIMITED
☐ GENERAL

ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE
EXHIBIT "A"
SCOPE OF SERVICES

I. Contractor will perform the following Services:

A. Part I A: Provide a "Macro" Fiscal Analysis regarding costs and revenues associated with the Butterfield Specific Plan.

Task 1: Gather Data and Refine Approach

This task includes gathering data from City staff, or if not available through City staff, the Contractor conduct the research necessary to gather the data listed below, which will be used to determine the service needs for the project and the costs for the service:

- Development project description and related land use and economic data for the project and three alternatives, including:
  - Absorption by land use type;
  - Population and employment density factors by land use type;
  - Average final product sales values; and
  - City's property tax share for applicable tax rate area.
- Current City-wide population and employment estimates; and
- General Fund revenue data by source and cost data by service.

The Contractor will use the data that is collected as a basis for estimating fiscal impacts (e.g. the FY 2010-11 budget).

Task 2: Develop Revenue and Cost Model Inputs

For this task, the contractor will calculate per capita factors by dividing total annual revenues or costs by the appropriate service population. Service population will include the current residential and employment population. Employment will be weighted appropriately to reflect impacts relative to residents for each revenue or cost line item. The model will multiply these per capita factors by the projected service population associated with the PARDEE Homes development.

The contractor will develop case study revenue and factors as follows:

Property tax projections will rely on the developments proposed to be constructed within the PARDEE Homes, and will include:
Estimated market values;

Turnover rates;

Property appreciation rates; and

Property tax shares.

The contractor will incorporate constraints on assessed value imposed by Proposition 13 in the model.

The contractor will project sales tax and transient occupancy tax (TOT) projections as applicable, depending on the proposed land uses.

The contractor will discuss with City staff regarding service demands for the project. In the case of fire protection service, which is currently provided through a contract with the Riverside County Fire Department (RCFD), the Contractor will contact RCFD to determine if the magnitude or location of the proposed project is likely to change the approximate per capita contract costs for fire protection services.

Task 3: Produce, Test and Refine Model

The contractor will produce a fiscal impact model using the assumptions developed in Task 1 and the revenue and cost inputs developed in Task 2. The Contractor will run the model to analyze the proposed project and present preliminary model results to City staff for discussion of key issues and advice on model refinements.

Task 4: Prepare and Present Report

The Contractor will prepare administrative draft report explaining all results, description of approach and assumptions. The Contractor will deliver draft report to City staff for comment, modify as appropriate, and prepare a screen check draft, draft for public review and a final draft report for City Council review.

Part I B: Expanded Fiscal Analysis

The Contractor’s work plan for this task includes the fiscal analysis described above in Part I A. The following additional elements to be prepared by the Contractor in the Expanded Fiscal Analysis include.

Task 5: Prepare Cost Assumption Analysis Report

The Contractor will identify and list public facilities and services costs assumptions for the proposed Butterfield Specific Plan Project, which include municipal and other local services as follows:
• Public safety services, including law enforcement, emergency medical, fire and rescue. Service costs will be estimated based on current fiscal year per capita costs and/or case study costs as identified in Task 2. Facilities cost estimates will be limited to the City of Banning’s current impact fees for public safety facilities, if applicable.

• Social and senior services (if different from parks and recreation services).

• School facilities will be limited to a calculation of the amount of school impact fees, if any, being charged by the local school district. Note that school facilities and services are outside of the City of Banning’s budgetary responsibilities.

• Library, parks and recreation department costs. Facilities cost estimates will be limited to the City of Banning’s current impact or park in-lieu fees, if applicable.

• Building and fire inspection fees will be calculated based on the City’s most current schedule of permit and other development related fees at the time research is conducted.

• Operations and maintenance of City-owned facilities and infrastructure. Service costs will be estimated based on current fiscal year per capita costs and/or case study costs as identified in Task 2. Facilities cost estimates will be limited to the City of Banning’s current impact fees for City owned-infrastructure, if applicable.

• General administration services and facilities. Service costs will be estimated based on current fiscal year per capita costs and/or case study costs as identified in Task 2. Facilities cost estimates will be limited to the City of Banning’s current impact fees for general administrative facilities, if applicable.

The contractor shall hold two (2) Meetings: One (1) meeting to present results to and discuss with City staff and another meeting to present results to and discuss with project applicant and City staff.

The Contractor shall provide an administrative draft report explaining all results, description of approach, and assumptions. Deliver draft report to City staff for comment, modify as appropriate, and prepare a final report for presentation to project applicant.
Task 6: Prepare Alternative Revenue Assumptions Based on Value

The Contractor shall prepare up to three (3) alternative project revenue scenarios for property tax revenue based on variations in assumed market value of proposed residential and non-residential land uses within the project.

The Contractor shall provide a draft and final versions of the memorandum of the results of this task.

Task 7: Construct Alternative Fiscal Impact Scenarios

The Contractor shall prepare up to three (3) alternative fiscal impact scenarios based on variations in land use based on consultation with City staff to determine feasible allowed alternative land uses and/or various proportional mixes of proposed land uses for the Butterfield Specific Plan area. Using the fiscal model prepared in Task 3, the Contractor will conduct up to three (3) separate model runs analyzing the effects of alternative land uses.

As part of this task, the Contractor will attend one (1) meeting to present results and discuss with City staff. Also, The Contractor shall provide a draft and final versions of the memorandum of the results of this task.

Task 8: Suggest Methods to Mitigate Negative Fiscal Impacts

The Contractor will suggest methods to mitigate negative fiscal impacts identified by the fiscal analysis. If the fiscal analysis results of the proposed Butterfield Specific Plan Project are negative, we will suggest methods for mitigating the negative impacts, including but not limited to construction of different land uses or proposed land uses in different proportions (see Task 7) and implementation of a Community Facilities District (CFD) for allowable municipal services.

The Contractor shall attend one (1) meeting to present results and discuss the results of this task with City staff. The Contractor shall provide draft and final versions of the memorandum.

II. As part of the Services, Contractor will prepare and deliver the following tangible work products to the City:

A. Present model results as part of Task 3.
B. Provide a screen check draft, draft for public review, and a final draft report for City Council review on the result of revenue and cost as part of Task 4.
C. The Contractor shall provide a draft and final versions of the memorandum of the results of Task 6.
D. The Contractor shall provide a draft and final versions of the memorandum of the results of Task 7.
E. The Contractor shall provide draft and final versions of the memorandum of the result of Task 8.

III. In addition to the requirements of Section 6.2, during performance of the Services, Contractor will keep the City appraised of the status of performance by delivering the following status reports:

A. The status report shall be provided in conjunction with the Task as indicated in Exhibit C (Schedule of Performance)

IV. All work product is subject to review and acceptance by the City, and must be revised by the Contractor without additional charge to the City until found satisfactory and accepted by City.

V. Contractor will utilize the following personnel to accomplish the Services:

A. Sally Van Etten, Project Manager
B. Jonathan Young, Assistant Project Manager
C. Habib Isaac, CFD Project Manager
D. Jennifer Jones, CFD Lead Analyst

VI. The following provisions of the Agreement are revised as shown below.

A. Not Applicable.
EXHIBIT "B"
COMPENSATION

I. Contractor shall perform the following tasks:

<table>
<thead>
<tr>
<th>RATE</th>
<th>TIME</th>
<th>SUB-BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Task 1</td>
<td>See Section VI below</td>
<td>26 hours</td>
</tr>
<tr>
<td>B. Task 2</td>
<td>See Section VI below</td>
<td>18 hours</td>
</tr>
<tr>
<td>C. Task 3</td>
<td>See Section VI below</td>
<td>46 hours</td>
</tr>
<tr>
<td>D. Task 4</td>
<td>See Section VI below</td>
<td>56 hours</td>
</tr>
<tr>
<td>E. Task 5</td>
<td>See Section VI below</td>
<td>48 hours</td>
</tr>
<tr>
<td>F. Task 6</td>
<td>See Section VI below</td>
<td>20 hours</td>
</tr>
<tr>
<td>G. Task 7</td>
<td>See Section VI below</td>
<td>82 hours</td>
</tr>
<tr>
<td>H. Task 8</td>
<td>See Section VI below</td>
<td>26 hours</td>
</tr>
</tbody>
</table>

II. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 2.3.

III. The City will compensate Contractor for the Services performed upon submission of a valid invoice. Each invoice is to include:

   A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.

   B. Line items for all materials and equipment properly charged to the Services.
C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.

D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

IV. The total compensation for the Services shall not exceed $49,000.00, as provided in Section 2.1 of this Agreement.

V. The Contractor's billing rates for all personnel are listed below.

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sally Van Etten, Project Manager</td>
<td>$145.00 per hour</td>
</tr>
<tr>
<td>Jonathan Young, Assistant Project Manager</td>
<td>$130.00 per hour</td>
</tr>
<tr>
<td>Habib Isaac, CFD Project Manager</td>
<td>$165.00 per hour</td>
</tr>
<tr>
<td>Jennifer Jones, CFD Lead Analyst</td>
<td>$120.00 per hour</td>
</tr>
</tbody>
</table>
EXHIBIT "C"
SCHEDULE OF PERFORMANCE

I. Contractor shall perform all services timely in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Days to Perform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 1st week after authorization</td>
</tr>
<tr>
<td>Task 2 7 days after completion of Task 1</td>
</tr>
<tr>
<td>Task 3 14 days after completion of Task 2</td>
</tr>
<tr>
<td>Task 4 7 days after completion of Task 3</td>
</tr>
<tr>
<td>Task 5 7 days after authorization</td>
</tr>
<tr>
<td>Task 6 7 days after completion of Task 1</td>
</tr>
<tr>
<td>Task 7 14 days after completion of Task 2</td>
</tr>
<tr>
<td>Task 8 7 days after Task 7</td>
</tr>
</tbody>
</table>

II. Contractor shall deliver the following tangible work products to the City by the following dates.

A. In accordance with Tasks as described in Section 1 of Exhibit A (Scope of Services) and Section 1 above.

III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.
CITY COUNCIL/BANNING UTILITY AUTHORITY AGENDA

DATE: August 23, 2011

TO: Banning Utility Authority

FROM: Duane Burk, Director of Public Works

SUBJECT: Resolution No. 2011-12 UA, “Amending the Professional Services Agreement for the Whitewater Flume Restoration Project with Roy McDonald, Environmental and Regulatory Consultant”

RECOMMENDATION: The Utility Authority adopt Resolution No. 2011-12 UA:

I. Amending the Professional Services Agreement with Roy McDonald, Environmental and Regulatory Consultant of Sacramento, California in an amount of $50,000.00 for services related to the Whitewater Flume Restoration Project for a total contract amount “Not to Exceed” $160,900.00.

II. Authorizing the Administrative Services Director to make necessary adjustments and appropriations in an amount of $50,000.00 from the Banning Utility Authority Water Capital Facility Fund to Account No. 661-6300-471.33-11 (Professional Services).

JUSTIFICATION: It is necessary for the City to obtain an Environmental and Regulatory Consultant to assist the City with implementing its responsibilities under its Agreement with Southern California Edison (SCE) on the Whitewater Flume Restoration Project.

BACKGROUND: Southern California Edison (SCE) owns and previously operated hydroelectric facilities consisting of two small power plants. The water supply for the power plants comes from the South Fork and East Fork of the Whitewater River and is discharged into the Banning Heights Mutual Water Company’s (Banning Heights) water system as well as the Banning Water Canyon. The water that is discharged into the Banning Water Canyon replenishes the underlying groundwater subbasins, which eventually is pumped into the City of Banning’s Water System.

SCE operated the hydroelectric facilities under a permit from the Federal Energy Regulatory Commission (FERC) and previously notified FERC of its intention not to renew the permit after April of 2003. SCE has not operated the facilities to generate electricity since 1998 due to failure of a 900,000 gallon forbay tank and due to the failure of a portion of the canal. On October 8, 2003, FERC issued an order affirming the validity of an annual license for the water conveyance facilities and is requiring the filing of a Surrender of License.

The City has water rights to a section of the Whitewater River along with Banning Heights and it is prudent for the City to ensure continuous replenishment of the underlying groundwater subbasins in the Banning Water Canyon. The water supply from the SCE system is very valuable to the Banning Canyon watershed area.
In June of 2010, an Agreement for Transfer of San Gorgonio Hydroelectric Project No. 344 Water Conveyance Facilities, also known as the Whitewater Flume, was fully executed between SCE, the City of Banning, Banning Heights, and San Gorgonio Pass Water Agency (Pass Water Agency). The Participating Entities are currently evaluating the purchase and repair of the water conveyance system. The City will be responsible for ten percent of the associated costs.

As part of the project, staff determined that it was necessary to obtain a consultant to assist the City in implementing its responsibilities, including but not limited to, the following: providing information and recommendations for action to be performed by the City and its partners; supporting the City in meetings with its partners, including AD Hoc Committee meetings; assisting the City by working with SCE staff and SCE consultants to review and edit portions of the SCE application for Surrender of License that are critical to protecting continued water deliveries; assisting the City by consulting on technical, regulatory, and processing issues with the U.S. Forest Service and/or other interested agencies and/or non-governmental organizations; developing a scope of work, budget and identifying a technical support team to implement necessary updates to environmental studies that are critical to protecting continued water deliveries and avoiding substantial unnecessary future costs and delays.

In August of 2010 staff awarded an Agreement to Roy McDonald, Environmental and Regulatory Consultant in the amount of $25,000.00 to assist with and re-evaluate the project. On October 26, 2010, the Banning Utility Authority adopted Resolution No. 2010-09 UA, approving an amendment to the agreement in the amount of $85,900.00 to cover a list of tasks and services to be completed for Fiscal Year 2011.

For Fiscal Year 2012, staff has determined that additional services are necessary. The scope of work for the additional services includes, but is not limited to, the following: prepare draft application for Forest Service Easement; coordinate with the U.S. Army Corps of Engineers, Regional Water Quality Control Board, and the Department of Fish and Game to discuss permitting requirements for stream crossings and CEQA compliance issues; review and prepare comments on SCE responses to FERC Additional Information Requests (AIRs) and file with FERC; review and prepare comments on FERC Scoping Document 2 (SD-2) and coordinate with Forest Service to discuss comments, terms and conditions, and mitigation strategies; review and prepare comments on the FERC Draft EA; and support the City as necessary in miscellaneous tasks associated with the Whitewater Flume Restoration.

Staff respectfully requests an Amendment in the amount of $50,000.00 to the Professional Services Agreement with Roy McDonald for Environmental and Regulatory Consulting Services for a total contract amount of $160,900.00. These services are expected to cover the Fiscal Year 2012 period. Once completed, the project will be re-evaluated to determine if additional services are necessary. If required, staff will bring additional items to the City Council for review and approval.

**STRATEGIC PLAN INTEGRATION:** Approval of this recommendation will meet the City's goal of providing a more reliable delivery of the water supply to the present and future customers of the Water Utility.
FISCAL DATA: An appropriation in the amount of $50,000.00 from the Water Capital Facility Fund to Account No. 661-6300-471.33-11 (Professional Services) is necessary in order to fund the Amendment to the Professional Services Agreement with Roy McDonald, Environmental and Regulatory Consultant. The total contract is for an amount “Not to Exceed” $160,900.00 unless otherwise approved by City Council.

RECOMMENDED BY:

Duane Burk  
Director of Public Works

REVIEWED BY:

June Overholt  
Administrative Services Director/Deputy City Manager

APPROVED BY:

Andy Takata  
City Manager
RESOLUTION NO. 2011-12 UA

A RESOLUTION OF THE BANNING UTILITY AUTHORITY OF THE CITY OF BANNING, CALIFORNIA, AMENDING THE PROFESSIONAL SERVICES AGREEMENT FOR THE WHITewater FLUME RESTORATION PROJECT WITH ROY MCDONALD, ENVIRONMENTAL AND REGULATORY CONSULTANT

WHEREAS, Southern California Edison (SCE) owns and previously operated hydroelectric facilities consisting of two small power plants and the water supply for the power plants comes from the Whitewater River and is discharged into the Banning Heights Mutual Water Company's (Banning Heights) water system and the Banning Water Canyon; and

WHEREAS, SCE has not operated the facilities to generate electricity since 1998 and on October 8, 2003, Federal Energy Regulatory Commission (FERC) issued an order affirming the validity of an annual license for the water conveyance facilities and is requiring the filing of a Surrender of License application; and

WHEREAS, in June of 2010 an Agreement for Transfer of San Gorgonio Hydroelectric Project No. 344 Water Conveyance Facilities, also known as the Whitewater Flume, was fully executed between SCE, City of Banning, Banning Heights, and San Gorgonio Pass Water Agency; and

WHEREAS, staff has determined that it is necessary to obtain an Environmental and Regulatory Consultant to assist the City in implementing its responsibilities under its Agreement with SCE on the Whitewater Flume Restoration Project, including providing information and recommendations for actions to be performed by the City and its partners, Banning Heights Mutual Water Company, and San Gorgonio Pass Water Agency; and

WHEREAS, in August of 2010 staff awarded an Agreement to Roy McDonald, Environmental and Regulatory Consultant in the amount of $25,000.00 to assist with and evaluate the project; and

WHEREAS, on October 26, 2010, the Banning Utility Authority adopted Resolution No. 2010-09 UA, approving an amendment to the agreement in the amount of $85,900.00 to cover a list of tasks and services to be completed for the Fiscal Year 2011 period; and

WHEREAS, staff has determined for Fiscal Year 2012 that additional services are necessary including the following scope of work: prepare draft application for Forest Service Easement; coordinate with the U.S. Army Corps of Engineers, Regional Water Quality Control Board, and the Department of Fish and Game to discuss permitting requirements for stream crossings and CEQA compliance issues; review and prepare comments on SCE responses to FERC Additional Information Requests (AIRs) and file with FERC; review and prepare comments on FERC Scoping Document 2 (SD-2) and coordinate with Forest Service to discuss comments, terms and conditions, and mitigation strategies; Review and prepare comments on the FERC Draft EA; and support the City in miscellaneous tasks associates with the Whitewater Flume Restoration; and
WHEREAS, staff respectfully requests an Amendment to the Professional Services Agreement with Roy McDonald for Environmental and Regulatory Consulting Services in the amount of $50,000.00 for a total contract amount of $160,900.00; and

WHEREAS, these services are expected to cover the Fiscal Year 2012 period and once completed the project will be re-evaluated to determine if additional services are necessary.

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

Section 1. The Amendment to the Professional Services Agreement with Roy McDonald for Environmental and Regulatory Consulting Services for the Whitewater Flume Restoration project is approve in the amount of $50,000.00 for a total contract amount “Not to Exceed” 160,900.00.

Section 2. The Administrative Services Director is authorized to appropriate funds from the Water Capital Facility Fund to Account No. 661-6300-471.33-11 (Professional Services), in the amount of $50,000.00 and is authorized to make necessary budget adjustments related to these funds.

Section 3. The City Manager is authorized to execute the Amendment to Professional Services Agreement with Roy McDonald for the Whitewater Flume Restoration Project. This authorization will be rescinded if the parties do not execute the contract agreement within Ninety (90) days of this resolution.

PASSED, ADOPTED AND APPROVED this 23rd day August, 2011.

Barbara Hanna, Chairman
Banning Utility Authority

ATTEST:

Marie A. Calderon, Secretary

APPROVED AS TO FORM
AND LEGAL CONTENT:

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

I, Marie A. Calderon, Secretary to the Utility Authority of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-12 UA was adopted by the Banning Utility Authority of the City of Banning at its Joint Meeting thereof held on the 23rd day of August, 2011.

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, Secretary
Banning Utility Authority