



## AGENDA

### BUDGET AND FINANCE COMMITTEE BANNING, CALIFORNIA

**May 16, 2023**  
**5:00 p.m.**  
**In Chambers and via Zoom**

Council Chambers  
99 E. Ramsey Street  
Banning, CA 92220

*This meeting is being held in Chamber and via Video/Teleconference on Zoom so that members of the public may observe and participate in this meeting electronically. If you choose to participate in this meeting via Zoom, you are agreeing to abide by the City's Zoom Community Standards for Public Meetings (provided in full on the last page of the agenda). Esta reunión se lleva a cabo en la Cámara y a través de Video/Teleconferencia en Zoom para que los miembros del público puedan observar y participar en esta reunión de manera electrónica. Si elige participar en esta reunión a través de Zoom, acepta cumplir con los Estándares comunitarios de Zoom para reuniones públicas de la ciudad (que se proporcionan en su totalidad en la última página de la agenda).*

To observe and participate in the online video portion of the meeting through your personal computer or device, follow this link:

<https://us02web.zoom.us/j/82025635318?pwd=OEZSQ3paaENLby83N2xVQkFjamhwUT09>

**Meeting ID: 820 2563 5318**

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### **1. CALL TO ORDER**

Roll Call – Committee Members Wallace, Flynn, and Chair Geronimo

### **2. PUBLIC COMMENTS AND CITY TREASURER REPORT**

- 2.1. **PUBLIC COMMENTS – Matters Within the Purview of the Committee**
- 2.2. **CITY TREASURER REPORT**
- 2.3. **COMMITTEE MEMBER REPORTS**
- 2.4. **ADMINISTRATIVE SERVICES DIRECTOR REPORT**

### **3. ACTION ITEMS**

- 3.1. Approval of Budget and Finance Committee Meeting Minutes for April 18, 2023.....**5**

#### **4. REPORTS OF OFFICERS**

4.1. FY 2023-24 Proposed Citywide Mid-Cycle Budget ..... **9**  
*(Staff Report: Lincoln Bogard, Administrative Services Director)*

**Recommendation:** Receive and file the FY 2023-24 Proposed Citywide Mid-Cycle Budget report.

4.2. Receipts, Disbursements, and Fund Balance Report ..... **12**  
*(Staff Report: Lincoln Bogard, Administrative Services Director)*

**Recommendation:** Receive and file report on Receipts, Disbursements, and Fund Balances for April 2023.

4.3. Investment Report ..... **14**  
*(Staff Report: Lincoln Bogard, Administrative Services Director)*

**Recommendation:** Receive and file Investment Report for March 2023.

4.4. Warrant Report ..... **16**  
*(Staff Report: Lincoln Bogard, Administrative Services Director)*

**Recommendation:** Receive and file Warrant Report for March 2023.

#### **5. DISCUSSION ITEM(S)**

Macro-economic factors that may impact the budgeted results for FY 2023-24 and beyond.

#### **6. ITEMS FOR FUTURE AGENDAS**

- 6.1. FY 2023-24 Citywide Recommended Mid-Cycle Budget
- 6.2. Receipts, Disbursements, and Fund Balance Report
- 6.3. Disbursements Report
- 6.4. Investment Report
- 6.5. New Items

#### **7. ADJOURNMENT**

**Next Regular Meeting – June 20, 2023.**

**Zoom Community Standards for Public Meetings**

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- Your microphone must remain on mute, and you may only unmute your microphone when/if you are recognized by the Chair.
- Your camera must be turned off unless/until you are recognized by the Chair.
- To indicate a desire to make Public Comment, you must use the Raise Hand function. The Chair will not recognize those who have not used the Raise Hand function.
- Public Comment from Zoom attendees will immediately follow in person comment from members of the public in Council Chambers.
- If you fail to adhere to these community guidelines, **you may be removed** for disrupting the meeting occurring in Council Chambers. You may rejoin the meeting but may be removed for each violation of these community standards.
- The chat function will be disabled for all City Council meetings on Zoom.

**Estándares comunitarios de Zoom para Reuniones Públicas**

*Al participar en esta reunión en Zoom, usted acepta cumplir con los Estándares Comunitarios para Reuniones Públicas de la ciudad de Banning. Los que atienden por Zoom que no cumplan con estos estándares pueden ser retirados de la sala de reuniones.*

- Su micrófono debe permanecer en silencio, y solo puede reactivar su micrófono cuando / si es reconocido por el presidente.
- Su cámara debe estar apagada a menos que sea reconocido por el presidente.
- Para indicar el deseo de hacer un Comentario Público, debe utilizar la función Levantar la mano. El presidente no reconocerá a quienes no hayan utilizado la función Levantar la mano.
- Los comentarios públicos de lo que atienden por Zoom seguirán inmediatamente los comentarios en persona de los miembros del público en las Cámaras del Consejo.
- Si no cumple con estas pautas de la comunidad, es posible que lo destituyan por interrumpir la reunión que tiene lugar en las Cámaras del Consejo. Puede volver a unirse a la reunión, pero es posible que lo eliminan por cada violación de estos estándares de la comunidad.
- La función de chat estará deshabilitada para todas las Reuniones del Ayuntamiento en Zoom.

## **AFFIDAVIT • DECLARACIÓN JURADA**

IT IS HEREBY CERTIFIED under the laws of the State of California that the above agenda was posted on the City's website ([www.banningca.gov](http://www.banningca.gov)) as well as the Bulletin Board at Banning City Hall, located at 99 E Ramsey Street, Banning, CA 92220 by 5:00 P.M. on the 11th day of May, 2023.



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Lincoln Bogard  
Administrative Services Director

## **PUBLIC NOTICE • NOTICIA PÚBLICA**

### **Meeting Agendas and Notices**

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### **Public Comment**

#### *Agenda Items*

Any member of the public may address this meeting of the City Council on any item appearing on the agenda. A five-minute limitation shall apply to each member of the public and no member of the public shall be permitted to share their time with any other person.

### **Special Assistance/Accessibility Requests**

In compliance with the Americans with Disabilities Act, any member of the public may request that the agenda and agenda packet be mailed to them. If you need special assistance to participate in this meeting (such as translation services), please contact the Office of the City Clerk. Advanced notification of at least 48 hours prior to the meeting will allow the city to make arrangements to ensure your accessibility.

**¿Necesita servicios de traducción para participar?** Contacto Oficina del Secretario de la Ciudad.

## **CONTACT • CONTACTO**

Office of the City Clerk • 951-922-3102 • [CityClerks@banningca.gov](mailto:CityClerks@banningca.gov)  
99 East Ramsey Street, Banning, California 92220



**MINUTES  
BUDGET & FINANCE COMMITTEE**

**4/18/2023  
REGULAR MEETING**

COMMITTEE MEMBERS PRESENT: Committee Member Sheri Flynn  
Chair Alejandro Geronimo  
Committee Member Colleen Wallace (Arrival  
Time 5:15pm)

COMMITTEE MEMBERS ABSENT:

OTHERS PRESENT: Lincoln Bogard, Administrative Services Director  
Laurie Sampson, Assistant City Manager  
A'ja Wallace, Deputy Finance Director  
John Garside, Multimedia Specialist

**1. CALL TO ORDER**

Chair Geronimo called the meeting to order at 5:03 p.m.

Roll Call

COMMITTEE MEMBER	PRESENT	ABSENT
Flynn, Sheri	X	
Geronimo, Alejandro	X	
Wallace, Colleen	X	

**Committee Member Wallace arrived 5:15pm.**

**2. PUBLIC COMMENTS AND CITY TREASURER REPORT**

**2.1. PUBLIC COMMENTS**

None

**2.2. CITY TREASURER REPORT**

None

**2.3. COMMITTEE MEMBER REPORTS**

None

**2.4. ADMINISTRATIVE SERVICES DIRECTOR REPORT**

Will change the notification process separate from City Council Meetings. It will be under Budget and Finance Committee Meeting going forward. Walked through the process of how to get a notification when items are posted.

Thanks for confirming that the Brown Act was not violated. The Federal Reserve raised rates (discussed as a side note).

### **3. ACTION ITEMS**

3.1. Approval of Budget and Finance Committee Meeting Minutes for March 21, 2023.

**Motion to approve the meeting minutes.**

Motion by Committee Member Flynn  
Seconded by Committee Member Geronimo

COMMITTEE MEMBER	YES	NO	ABSTAIN	ABSENT
Flynn, Sheri	✗			
Geronimo, Alejandro	✗			
Wallace, Colleen			✗	

Motion passed by a vote of 2-0, 1 Absent (Committee Member Wallace came 5:15pm after approval of minutes).

### **4. REPORTS OF OFFICERS**

4.1. FY 2023-24 Preliminary General Fund Mid-Cycle Budget

Administrative Services Director Lincoln Bogard presented the staff report.

Public Comments  
None

4.2. Parks & Recreation Grant Funding Restrictions and Eligible Uses

Administrative Services Director Lincoln Bogard presented the staff report.

Public Comments  
None

4.3. Airport Grant Funding Restrictions and Eligible Uses

Administrative Services Director Lincoln Bogard presented the staff report.

Public Comments

Harry Sullivan-Inquired about grant funding (Bipartisan Infrastructure Law). Additionally inquired whether appropriate to apply and pay back the funds (if necessary) to fix up the hangers. Recommended taking the grant funding and pay it back upon airport closure and sale.

John Hagen- Recommended taking grant funds to make improvements and repairs to generate additional revenue.

**4.4 Animal Control Funding and Budget Presentation**

Administrative Services Director Lincoln Bogard presented the staff report.

Public Comments

Inge Schuler- Riverside County has services that we do not offer. There are requirements for animal shelters and what has to be done to make it humane and functional (Cited UC Davis and County). Recommends an approach to address the welfare of the animals.

John Hagen- Concerned that the fines and licensing fees should be recycled back into the animal shelter (if we had an internal process to distribute animal licenses).

**4.5 Opportunity Village Financial Report**

Administrative Services Director Lincoln Bogard presented the staff report.

Public Comments

Banning Resident-Inquired about replacement mattresses as an expense. Additionally, inquired about landscaping costs and location.

John Hagen-Inquired about the amount of funds designated to the nursery line item. Potential savings for the City.

**5. DISCUSSION ITEMS(S)**

Thank you for affirming to City Council that the prior meeting agenda conformed to Brown Act open meetings requirements. Decision to continue items appropriate due to lack of time for review by Committee Members. Lincoln introduced Anthony Riley (Public Information Officer) to the Committee.

**6. FUTURE AGENDA ITEMS**

- 6.1. Citywide FY2023-24 Preliminary Mid-Cycle Budget
- 6.2. Disbursement Report (Prior Month until system conversion)
- 6.3. Investment Report (Prior Month until system conversion)

#### 6.4. New Items

### **7. ADJOURNMENT**

Committee Chair Geronimo adjourned the meeting at 7:51 p.m.

**Next Regular meeting scheduled for May 16, 2023**

Minutes Prepared by:



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A'ja Wallace, Deputy Finance Director

**This entire meeting may be viewed here:**

<https://banninglive.viebit.com/index.php?folder=Budget+and+Finance>

**All documents related to this meeting are available here:**

<https://banningca.gov/Archive.aspx?ADID=2821>

### **ATTACHMENTS:**

[Airport Grant Funding Restrictions and Eligible Uses](#)

[Animal Control and Shelter Financial Update](#)

[Opportunity Village Financial Update](#)

[Parks and Recreation Grant Funding Restrictions and Eligible Uses](#)



## CITY OF BANNING STAFF REPORT

**TO:** **BUDGET & FINANCE COMMITTEE**

**FROM:** **Douglas Schulze, City Manager**

**PREPARED BY:** **Lincoln Bogard, Administrative Services Director**

**MEETING DATE:** **May 16, 2023**

**SUBJECT:** **Fiscal Year 2023-24 Proposed Mid-Cycle Budget**

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### **RECOMMENDATION:**

Receive and file the Fiscal Year 2023-24 Proposed Mid-Cycle Budget report.

### **BACKGROUND:**

Fiscal staff has continued the process of preparing the FY 2023-24 Mid-Cycle Budget. This is the second of three iterations that will be presented to the Budget & Finance Committee (BFC) as well as two more versions to the City Council. The first budget presented was a Preliminary General Fund Budget. This budget is the Citywide Proposed Budget. The third budget will be the Recommended Citywide Budget. As stated previously, staff will endeavor to hone the budget throughout the process. Our goal is to provide updates at each BFC meeting through June and to Council for both Council Meetings in June.

Staff have identified over \$1.7 million in additional revenues for the General Fund for FY 2023-24 compared to the Adopted Biennial Budget that was approved in June of 2022. We continue to look for additional revenue opportunities and expenditure cuts to help close the General Fund Adopted Budget shortfall of \$2.5 million.

The City Manager expected \$2.0 million in Exclusive Negotiating Agreement revenues in FY 2022-23; however, it is now looking like we will be able to recognize \$500,000 in this fiscal year, and \$500,000 in FY 2023-24. That will increase our General Fund Net Loss in this fiscal year but reduce it for next year.

Property Tax and various other general revenues revenues are also anticipated to come in significantly higher than the Adopted Budget.

Currently, the General Fund Net Loss has been reduced to approximately \$810,000.

Special Revenue Funds are currently expected to result in a Net Income overall of \$3.16 million. Staff are currently looking to determine if any additional projects are eligible for use of these restricted funds and whether staff has the capacity to undertake those projects in the coming year. Notably, Special Revenue Fund revenues and expenditures often do not occur in the same fiscal year, so large Net Income/Loss fluctuations are to be expected in these funds.

Capital Projects funds are primarily driven by capital expenditures, which are not included in this operating budget. Staff will bring an update of planned Capital Improvement Projects to the Budget & Finance Committee in June and to the Council at the following meeting.

The Water Enterprise overall is expecting a Net Income of \$2.40 million before capital items and the Wastewater Enterprise is expecting an overall operating Net Income of \$540,000. This includes debt service, but not any adjustments to the allowance for bad debt and related expenses. It also does not include any Capital Improvement Projects.

Electric Enterprise is currently expecting a \$4.44 million operating Net Loss. However, after the Capital Improvement Plan items, the department expects a slightly positive net income overall for the financial statements at year end. With that said, Electric has utilized most of its reserves that were dedicated to capital projects and will likely need to obtain bond financing again for future projects. To achieve the department goals, a rate increase may be required in the next year or two.

The non-major Enterprise Funds are currently budgeted for a Net Loss of \$702,000. After capital items and other full accrual differences from an operating budget, staff expects these funds to end the year near breakeven again in next year's financial statements.

Internal Service Funds are still expecting a large Net Loss overall of \$3.46 million. Staff is working with MGT on the updated Cost Allocation Plan to bring all of these funds to breakeven over the next five years. Finance has also identified two other General Fund divisions that are traditionally included in Internal Service Funds. Those are Support Services and Building Maintenance. Those funds will be new for Fiscal Year 2023-24 and will be brought to Council on June 13, 2023. The Support Services Budget is already included in the Internal Service Fund category and the Building Maintenance will be added in the coming weeks.

The results presented will continue to change as we endeavor to bring this Mid-Cycle Budget to breakeven prior to requesting Council approval on June 27, 2023.

### **JUSTIFICATION:**

The City budgets for a two-year period and FY 2023-24 is the second year of the Adopted Biennial Budget for FY 2022-23 and FY 2023-24. This mid-cycle budget helps to account for economic factors that have occurred since adoption. One final update will be done in or around January 2024 to adjust for mid-year needs.

**FISCAL IMPACT:**

There is no direct fiscal impact, but the budget sets expectations for receipts of revenues and appropriates spending authority for those funds throughout the year.

**ALTERNATIVES:**

1. Receive and file the FY 2023-24 Preliminary General Fund Mid-Cycle Budget report.
2. Provide feedback to staff.

**ATTACHMENTS:**

1. [OpenGov Citywide Proposed FY 2023-24 Mid-Cycle Budget Report](#)

Approved by:



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Douglas Schulze  
City Manager



## CITY OF BANNING STAFF REPORT

**TO:** **BUDGET & FINANCE COMMITTEE**

**FROM:** **Douglas Schulze, City Manager**

**PREPARED BY:** **Lincoln Bogard, Administrative Services Director**  
**A'ja Wallace, Deputy Finance Director**

**MEETING DATE:** **May 16, 2023**

**SUBJECT:** **Receipts, Disbursements, & Fund Balances Reporting for April 2023 and Fiscal Year-to-Date 2022-23**

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### **RECOMMENDATION:**

Receive and file Receipts, Disbursements, & Fund Balances Reporting for April 2023 and Fiscal Year-to-Date 2022-23 and provide a recommendation for Council to approve or deny.

### **BACKGROUND:**

Per Government Code Section 41004, Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances. The city treasurer shall file a copy with the legislative body. This item shall be presented to City Council at the Council meeting following this presentation with any recommendation by the Committee to approve or deny.

### **JUSTIFICATION:**

This reporting has not been performed previously. The Finance Department has historically submitted information on Investments and Disbursements monthly but did not have the ability to provide receipts and fund balance data in a timely fashion. Now that OpenGov Transparency is properly integrated with our financial Enterprise Resource Planning System, staff can provide these reports timely on a monthly basis.

### **FISCAL IMPACT:**

None. This report only shows the results of operations. Also of note is that this reporting for Receipts and Disbursements only takes into consideration money actively received or disbursed externally from or to the City during the periods reported. It does not account for transactions that are internal to the City.

**ALTERNATIVES:**

1. Receive and file Receipts, Disbursements, & Fund Balances Reporting for April 2023 and Fiscal Year-to-Date 2022-23.
2. Provide recommendation for City Council approval or denial at its next meeting.

**ATTACHMENTS:**

1. [Receipts, Disbursements, & Fund Balance Reporting](#)

Approved by:



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Douglas Schulze  
City Manager



## CITY OF BANNING STAFF REPORT

**TO:** BUDGET & FINANCE COMMITTEE

**FROM:** Douglas Schulze, City Manager

**PREPARED BY:** Lincoln Bogard, Administrative Services Director  
A'ja Wallace, Deputy Finance Director

**MEETING DATE:** May 16, 2023

**SUBJECT:** Receive and File Cash, Investments and Reserve Report for the Month of March 2023

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### **RECOMMENDATION:**

That the Budget & Finance Committee receive and file Cash, Investment and Reserve Report for **March 2023** in accordance with California Government Code 53646.

### **CASH AND INVESTMENT SUMMARY:**

Description	Current Month	Current Month
<b>Funds Under Control of the City</b>		
Cash		
Cash on Hand	\$ 4,055.00	\$ 4,055.00
Checking and Savings Accounts	\$ 4,245,780.60	\$ 5,192,597.41
Investments		
LAIF	\$ 40,189,554.08	\$ 37,189,554.08
Brokerage	\$ 18,018,911.33	\$ 18,089,842.67
<b>Total Funds Under Control of the City</b>	<b>\$ 62,458,301.01</b>	<b>\$ 60,476,049.16</b>
<b>Funds Under Control of Fiscal Agents</b>		
US Bank		
Restricted Bond Project Accounts	\$ 11,811,337.04	\$ 11,816,008.59
Restricted Bond Accounts	\$ 4,820,101.20	\$ 4,848,379.40
Union Bank & SCPPA		
Restricted Funds	\$ 4,547,765.41	\$ 4,116,578.08
<b>Total Funds Under Control of Fiscal Agents</b>	<b>\$ 21,179,203.65</b>	<b>\$ 20,780,966.07</b>
<b>Total Funds</b>	<b>\$ 83,637,504.66</b>	<b>\$ 81,257,015.23</b>

## **RESTRICTED, ASSIGNED, COMMITTED AND RESERVED SUMMARY:**

Description	Current Month	Current Month
<b>Total Funds</b>	<b>\$ 83,637,504.66</b>	<b>\$ 81,257,015.23</b>
Restricted Funds	\$ 39,519,484.91	\$ 39,070,403.78
Assigned Funds - Specific Purpose	\$ 4,751,497.77	\$ 4,221,707.01
Committed Funds - Specific Purpose	\$ 1,500,000.00	\$ 1,500,000.00
Fund Balance Reserves	\$ 13,469,579.75	\$ 13,469,579.75
<b>Total Restricted, Assigned, Committed and Reserved Funds</b>	<b>\$ 59,240,562.43</b>	<b>\$ 58,261,690.54</b>
<b>Operating Cash - Unrestricted Reserves</b>	<b>\$ 24,396,942.23</b>	<b>\$ 22,995,324.69</b>
Less Accounts held in Investments	\$ 18,018,911.33	\$ 18,089,842.67
Liquid Cash	\$ 6,378,030.90	\$ 4,905,482.02

### **ATTACHMENTS:**

1. [Cash, Investment and Reserve Report March 2023](#)
2. [Investment Report](#)
3. [City of Banning Broker Investment Report](#)
4. [LAIF Market Valuation Report](#)
5. [PMIA/LAIF Performance Report](#)

Approved by:



Douglas Schulze  
City Manager



## CITY OF BANNING STAFF REPORT

**TO:** BUDGET & FINANCE COMMITTEE

**FROM:** Douglas Schulze, City Manager

**PREPARED BY:** Lincoln Bogard, Administrative Services Director  
A'ja Wallace, Deputy Finance Director

**MEETING DATE:** May 16, 2023

**SUBJECT:** Review of Accounts Payable and Payroll Warrants Issued in the Month of March 2023

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### **RECOMMENDATION:**

That the Budget & Finance Committee review the warrants for month of **March 2023**, per California Government Code Section 37208.

### **WARRANT SUMMARY:**

Description	Payment #	Amount	Total Amount
<b>Checks:</b>			
Checks Issued during Month	186125-186532	\$ 3,511,404.59	
Voided / Reissue Check		\$ 2,510.61	
<b>Check Total</b>			\$ 3,508,893.98
<b>Wires Total</b>	1108-1111		\$ 1,224,228.01
<b>ACH payments:</b>	9007501-9007523		
Payroll Direct Deposit	3/10/2023	\$ 530,774.03	
Payroll Direct Deposit	3/24/2023	\$ 486,009.59	
Other Payments		\$ 1,213,400.85	
<b>ACH Total</b>			\$ 2,230,184.47
<b>Payroll Checks:</b>	12943-12968		
Payroll - Regular	3/10/2023	\$ 3,599.97	
Payroll - Regular	3/24/2023	\$ 3,731.86	
<b>Payroll Check Total</b>			\$ 7,331.83
<b>Total Warrants Issued for March 2023</b>			\$ 6,970,638.29

**ATTACHMENTS:**

1. [Fund List](#)
2. [Warrant Report March 2023](#)
3. [Warrant Report Detail March 2023](#)
4. [Voided Check Log, Payroll Log & Registers – March 2023](#)

Approved by:



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Douglas Schulze  
City Manager