



AGENDA

BUDGET AND FINANCE COMMITTEE BANNING, CALIFORNIA

April 18, 2023
5:00 p.m.
In Chambers and via Zoom

Council Chambers
99 E. Ramsey Street
Banning, CA 92220

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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 March 21, 2023.....**5**

4. REPORTS OF OFFICERS

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

Recommendation: Receive and file the FY 2023-24 Preliminary General Fund Mid-Cycle Budget report.

4.2. Parks & Recreation Grant Funding Restrictions and Eligible Uses **11**
(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Receive and file report on Parks & Recreation Grant Funding Restrictions and Eligible Uses.

4.3. Airport Grant Funding Restrictions and Eligible Uses **16**
(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Receive and file report on Airport Grant Funding Restrictions and Eligible Uses.

4.4. Animal Control Funding and Budget Presentation **19**
(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Receive and file report on Animal Control Funding and Budget.

4.5. Opportunity Village Financial Report **21**
(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Receive and file report on Opportunity Village financial status.

5. DISCUSSION ITEM(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.

6. ITEMS FOR FUTURE AGENDAS

- 6.1. Citywide FY 2023-24 Preliminary Mid-Cycle Budget
- 6.2. Disbursements Report (Prior Month until system conversion)
- 6.3. Investment Report (Prior Month until system conversion)
- 6.4. New Items

7. ADJOURNMENT

Next Regular Meeting – May 16, 2023.

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- 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.

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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) 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 13th day of April, 2023.



Lincoln Bogard
Administrative Services Director

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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.

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CONTACT • CONTACTO

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99 East Ramsey Street, Banning, California 92220



**MINUTES
BUDGET & FINANCE COMMITTEE**

**3/21/2023
REGULAR MEETING**

COMMITTEE MEMBERS PRESENT: Committee Member Sheri Flynn
Chair Alejandro Geronimo
Committee Member Colleen Wallace

COMMITTEE MEMBERS ABSENT: N/A

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

1. CALL TO ORDER

Chair Geronimo called the meeting to order at 5:05 p.m.

Roll Call

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

2. PUBLIC COMMENTS AND CITY TREASURER REPORT

2.1. PUBLIC COMMENTS

None

2.2. CITY TREASURER REPORT

Chair Geronimo inquired about the status OpenGov portal.

3. ACTION ITEMS

3.1. Approval of Budget and Finance Committee Meeting Minutes for January 19, 2023 and February 21, 2023

Motion to approve the meeting minutes.

Motion by Committee Member Wallace

Seconded by Committee Member Flynn

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

Motion passed by a vote of 3-0

4. REPORTS OF OFFICERS

4.1. FY 21-22 Annual Comprehensive Financial Report

Administrative Services Director Lincoln Bogard presented the staff report.

Motion to continue item to 4/18/2023 meeting by Committee Member Wallace
Seconded by Chair Geronimo

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

Motion passed by a vote of 3-0

Public Comments

None

4.2. Parks & Recreation Grant Funding Restrictions and Eligible Uses

Administrative Services Director Lincoln Bogard presented the staff report.

Motion to continue item to 4/18/2023 meeting by Committee Member Flynn
Seconded by Committee Member Wallace

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

Motion passed by a vote of 3-0

Public Comments
None

4.3. Airport Grant Funding Restrictions and Eligible Uses

Administrative Services Director Lincoln Bogard presented the staff report.

Motion to continue item to 4/18/2023 meeting by Committee Member Flynn
Seconded by Committee Member Wallace

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

Motion passed by a vote of 3-0.

Public Comments
None

5. DISCUSSION ITEMS(S)

Determined standing meeting Budget and Finance Committee meeting Third Tuesday of each month.

6. FUTURE AGENDA ITEMS

- 6.1. Animal Control Budget Discussion of positions, equipment, and animal shelter (Target presentation date April 18, 2023)
- 6.2. Homeless Shelter (Target presentation date April 18, 2023)
- 6.3. New Items

7. ADJOURNMENT

Committee Chair Geronimo adjourned the meeting at 5:22 p.m.

Next Regular meeting scheduled for April 18, 2023

Minutes Prepared by:



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=2793>

ATTACHMENTS:



CITY OF BANNING STAFF REPORT

TO: **BUDGET & FINANCE COMMITTEE**

FROM: **Douglas Schulze, City Manager**

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

MEETING DATE: **April 18, 2023**

SUBJECT: **FY 2023-24 Preliminary General Fund Mid-Cycle Budget**

RECOMMENDATION:

Receive and file the FY 2023-24 Preliminary General Fund Mid-Cycle Budget report.

BACKGROUND:

Fiscal staff has begun preparing the FY 2023-24 Mid-Cycle Budget. We plan to bring three iterations to the Budget & Finance Committee (BFC) as well as three versions to City Council. Our goal is to provide updates at each BFC meeting through June and to Council each month on the fourth Tuesday meetings.

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.

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 from 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 appropriats 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 General Fund Preliminary FY 2023-24 Mid-Cycle Budget 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**

MEETING DATE: **March 21, 2023**

SUBJECT: **Parks & Recreation Grant Funding Restrictions and Eligible Uses**

RECOMMENDATION:

Receive and file report on Parks & Recreation Grant Funding Restrictions and Eligible Uses.

BACKGROUND:

The Budget & Finance Committee placed a request to give this presentation and it was placed on Items for Future Agendas. Staff has investigated the Community Development Block Grant program and eligible uses and associated restrictions on use. We have also looked at the allocation of funds for the City and the purposes of those allocations.

The Community Development Block Grant (CDBG) Program supports community development activities to build stronger and more resilient communities. To support community development, activities are identified through an ongoing process. Activities may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc.

To meet its statutory intent, CDBG has three (3) specific national objectives. With the exception of administration and planning, every activity must meet one of them, and the grantee must document how it meets that objective.

- The first national objective is benefit to low- and moderate-income persons – that is, people with incomes below 80% of the area median. Grantees must spend at least 70% of their funds under this national objective. Grantees can meet and document the benefit to low- and moderate-income persons national objective – in shorthand “low-mod benefit” – in 4 ways.

- First, grantees can assist a primarily residential area in which at least 51% of the residents have incomes that fall below the low- and moderate-income limits. Referred to as “area benefit” this national objective is most commonly used for activities that benefit a residential neighborhood.
- Second, grantees can meet the low-mod benefit national objective by directly documenting the income of people assisted, or by assisting a population that HUD presumes to be low- or moderate-income, such as elderly persons or people with disabilities. This is common in public service programs, or in facilities like homeless or domestic violence shelters. When using this documentation method, at least 51% of the people served must meet the low-mod benefit criteria.
- You may also meet the low-mod benefit national objective through housing. Generally, every single-family house renovated needs to be occupied by people with low or moderate incomes. Apartment buildings may be of mixed income if a majority of the units are occupied by low- and moderate-income households.
- Finally, many communities meet the low-mod benefit objective by creating or retaining jobs. This means that 51% of the full-time equivalent, permanent jobs created or retained through economic development activities must be held by or made available to people with low or moderate incomes. Furthermore, public benefit standards require that at least one job be created or retained for every \$35,000 in CDBG funds spent in the aggregate.

- The second national objective of the CDBG Program is the prevention and elimination of slums and blight. This objective can be met by either addressing the blighting conditions in an area that meets the state and local definition of a slum, blighted, deteriorated, or deteriorating area and HUD's criteria for a blighted area, or by eliminating an immediate hazard on an individual structure in any location. There is also a demolition program, where we can remove vacant, unsafe structures that are located throughout the community on a slum and blight, spot removal basis.
- The third objective is meeting urgent needs. Often, it is used as a response to a natural disaster. An urgent need is defined as a serious and immediate threat to the health or welfare of the community of recent origin and with no other funding available to remediate it.

To meet these three objectives, there are 26 specific activities that can be undertaken with CDBG funds. Most CDBG activities can be grouped into seven categories: Acquisition; Economic Development; Administration and Planning; Housing; Public Improvements; Public Services; and Repayments of Section 108 Loans. And many CDBG projects combine several of these activity types.

Typically, each year, communities spend about 1/3 of CDBG funds on public facilities and

improvements. This includes facilities like neighborhood centers, health centers, water facilities, and parks, and public infrastructure improvements like roads, sidewalks, drainage, or streetlights. Let's say a grantee is building a senior center. While the primary eligible activity is public facilities, they may also need to acquire property, relocate a former tenant, dispose of the property to a non-profit, or loan funds to a non-profit to purchase the building. So, grantees may use CDBG funds for several eligible activities within one project. While there are several eligible public improvement activities, there are some things CDBG will not pay for. For example, constructing buildings for the general conduct of government, like City Halls, or purchasing furniture. And, while you may build or refurbish a road, you cannot pay for ongoing maintenance or operations.

Housing activities make up one-quarter of CDBG expenditures nationwide. Common housing activities include rehabilitation, emergency repair and reconstruction of owner-occupied homes; homeownership assistance, and lead-based paint hazard removal. Generally, grantees cannot use CDBG funds for new construction of housing. However, there are some exceptions to this rule. For example, grantees can support community-based nonprofits in their efforts to build new homes. So, understanding the details of eligible activities is important.

While recipients are limited by a 15% spending cap, grantees generally spend more than 10% of their CDBG funds on public services. Grantees may use CDBG for public services if they are new or represent an increased level of services. CDBG cannot substitute local funding. Public services range from day care to youth recreation programs and even counseling. Political activities are not eligible, nor are non-emergency payments to individuals for food, clothing, or the like.

Grantees can use CDBG funds to support economic development such as providing loans or grants directly to businesses, or to non-profit programs. In a typical year, grantees spend around 7% of their CDBG funds on economic development. These activities are designed to create and retain jobs and encourage redevelopment. In addition to the usual CDBG national objective and eligible activity requirements, public benefit standards apply to most economic development activities.

Approximately 5% of CDBG funds are used to acquire properties that are part of larger housing, economic development, and public facilities activities. The ability to acquire and redevelop underutilized land and buildings is critical to neighborhood redevelopment and quality of life improvements.

The Section 108 Loan Guarantee Program allows grantees to borrow up to five times their CDBG allocation to undertake large-scale projects. Section 108 loans may be used for certain activities eligible under the regular CDBG program. They are most often used for economic development activities, though housing rehabilitation and other activities are also eligible. Grantees use about 3.5% of their CDBG funds to repay Section 108 loans.

Administration and planning round out the list of CDBG eligible activities. While this activity does not need to meet one of the national objectives, there are other restrictions on spending. Entitlement communities cannot spend more than 20% of grant funds on administration and planning. States may spend up to 3% of grant funds on administration and/or technical assistance and must match any administrative costs over \$100,000. States independently set limits on how much units of general local government can spend on administration.

Remember, all activities must not only be eligible, but, except for administration and planning, also must meet one of the three national objectives. You can think of these rules as two sides of a coin. Every program dollar spent must both meet a national objective and be used for an eligible activity, and this must be clearly documented.

JUSTIFICATION:

Only 15% of CDBG funding can be used for public services. That amount of funding could be designated toward City programs such as day care and youth recreation programs. Of note, Public Service projects must meet criteria to provide aid to a widespread population, not a specific group.

The City Council has appropriated the CDBG funding for Fiscal Year 2023-24 as follows:

- Faith in Action will receive \$19,850 for homeless services.
- Voices for Children will receive \$10,000 for advocacy.
- ARE Animal Rescue will receive \$20,000 for shelter improvements.
 - HHPWS denied this appropriation and have been reappropriated to Sylvan Park.
- Sylvan Park Improvement project – multi-year project for park shelter replacement, basketball court rehabilitation, restrooms, and park amenities - \$149,150
 - Now \$169,150 after appropriation of ineligible ARE program.

Each year, the City must appropriate funds and submit to the State and HUD for approval. The process is fairly dynamic and flexible. Changes can sometimes be made to substitute programs. Applications are generally due in October and Council has an Ad hoc committee that evaluates the applications and recommends the authorization of selected projects and allocation levels. The Council then approves projects for submission to the Riverside County Board of Directors for its approval. The review and approval of projects usually occurs the year after applications are made and the City executes supplemental agreements with the County for each year's authorized projects.

The City as a cooperating Agency receives a population-based allocation each year and the Federal Funds are managed by the County. Last year, we anticipated an allocation of just under \$200,000. There are other CDBG funding opportunities but those are outside the annual cooperating city funding.

The selected Fiscal Year 2022-23 projects (last year's approvals for this fiscal year) were:

- The Boy's and Girl's Club of San Gorgonio Pass - \$10,000 for their Teen Leadership program (Public Service)
- Lion's Park Improvement project – Irrigation and fencing - \$104,818
- Sylvan Park Improvement project – multi-year project for Park shelter replacement, basketball court rehabilitation, restrooms, and park amenities - \$80,000

Traditionally, Council has allocated our limited CDBG funds to City park projects. This year more funding has been allocated to the community than in the past several years. Construction projects must be planned for census tracts within the City that meet low-mod income thresholds determined by HUD. The City maintains records for ten years to comply with audit requirements.

FISCAL IMPACT:

The CDBG program is the only reoccurring grant that Parks & Recreation currently obtains. The City is constantly on the lookout for additional grant opportunities. Staff recently attended the Federal Funds Fair to learn about new opportunities and Finance maintains communications with our Grant Coordinator, Jennifer Jackson, and the City departments to ensure that we are applying for eligible funding sources.

The City receives about \$200,000 per year in CDBG funding with the majority of funds used for park improvements.

ALTERNATIVES:

1. Receive and file report on Parks & Recreation Grant Funding Restrictions and Eligible Uses.

ATTACHMENTS:

1. None.

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**

MEETING DATE: **March 21, 2023**

SUBJECT: **Airport Grant Funding Restrictions and Eligible Uses**

RECOMMENDATION:

Receive and file report on Airport Grant Funding Restrictions and Eligible Uses.

BACKGROUND:

The Budget & Finance Committee has requested staff investigate the eligible uses and restrictions for Airport grant funds received. This was previously added to the Items for Future Agendas. Staff has completed its investigation into eligibility of airport hangar improvements under existing grant funding received and alternatives that may allow for that type of grant funding to occur.

The Airport Enterprise Fund receives several Primary Entitlements from the Federal Aviation Administration (FAA) plus additional discretionary and state funding. Currently, the City does not participate in any Non-Primary Entitlement Programs for the Airport.

Hangar Improvements are not an allowable use for Primary Entitlements. Discretionary and/or state funding cannot be used for hangar construction, rehabilitation, or reconstruction of any kind. However, those uses are eligible for Non-Primary Entitlements and/or Bipartisan Infrastructure Law (BIL) assigned to the City.

One point of clarification is that any Non-Primary Entitlements would be required to be repaid in the event of airport closure.

Under the Non-Primary Entitlement rules, airport hangar improvements would qualify based on meeting the following criteria:

- The hangar is owned by the sponsor (City of Banning).
- The hangar produces revenue for the sponsor.
- All other airfield needs at the airport have been met as of grant issuance.
- The hangar is solely for aeronautical use.

- The use/lease of the hangar meets the compliance requirements outlined in [FAA Order 5190.6](#).

Airport Capital Improvement Project (ACIP) funding eligible usage as determined by the FAA can only be used for projects that support aviation operations and cannot be used for projects that generate revenue for the City. The one funding approved that was close to that threshold was the funding provided to install a new fuel station.

The Airport Improvement Program (AIP) does have a local matching requirement. The FAA ACIP funding pays 90% of eligible and approved projects. Historically, it was 95%. AIP Matching is used to cover the difference. The California State AIP Matching Rate is 5.0 percent of the federal grant. Once we execute an FAA AIP Grant, the City applies to the State for an AIP matching grant. Grants are processed in the order received and awarded until all funds are fully exhausted. The City has historically taken advantage of this to cover the local match requirement. With the new thresholds, the local match will only be 50% funded at a maximum by the AIP Matching Grant.

JUSTIFICATION:

Attachment 1 shows the Primary Entitlements that the City has received since Fiscal Year 2002-2003 through Fiscal Year 2021-22. As the descriptions note, these are all projects that support aviation operations and do not generate direct revenue for the City.

Attachment 2 shows the Aeronautics Grants received per PUC 21687 for Fiscal Years 2002-03 through 2022-23. The funds have historically been dedicated to cover City Staff time at the3 airport. The AIP projects associated with the time is included at the initiation of those projects. Many projects are multi-year in nature.

FISCAL IMPACT:

The City could apply for Non-Primary Entitlement funding for the airport hangar improvements that Budget & Finance Committee members have inquired. However, according to Attachment 3 – Resolution 2017-44, it is a Council priority to close the airport as soon as legally permitted. As stated, any Non-Primary Entitlements would then transition from grant funding to a payment obligation for the City. Council has been actively working toward the stated objective of Resolution 2017-44 and many recent closed session agendas have included negotiations for the subject airport property.

Council has the choice to direct management regarding the airport closure and desires for seeking additional funding including funding that may be required to be repaid in the future.

ALTERNATIVES:

1. Receive and file report on Airport Grant Funding Restrictions and Eligible Uses.

ATTACHMENTS:

1. [Municipal Airport – FAA Grant Awards and Amortization Schedule](#)
2. [Department of Transportation – Aeronautics Program – Repayment Estimate of Aeronautics Grants \(PUC 21687\)](#)
3. [Resolution 2017-44 – RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DECLARING THAT IT SHALL BE A GOAL OF THE CITY OF BANNING TO CLOSE THE BANNING MUNICIPAL AIRPORT, AS SOON AS LEGALLY PERMITTED](#)

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
MEETING DATE: April 18, 2023
SUBJECT: Animal Control Budget History and Actual Expenditures

RECOMMENDATION:

Receive and file report on Animal Control Budgets and Actual Expenditures.

BACKGROUND:

The City of Banning previously contracted for animal control services with the City of Beaumont from July 1, 2010, to June 30, 2018. In May 2018, the City of Banning received notice from the City of Beaumont of their intention to terminate services as of June 30, 2018. The Riverside County Department of Animal Control Services was contracted to provide basic animal sheltering services, field operations and licensing services for FY 2018-19. Without a local animal shelter, the City was not able to establish internal animal control services within the short notice provided by the City of Beaumont.

In February 2020, the City received notice from Riverside County that the animal control services contract would increase from \$14,000 to \$27,000 per month effective March 1, 2020. In addition, Riverside County retains animal license fees, impound fees and other fines or penalties related to animal control services. The total cost of the contract with Riverside County for animal control services exceeds \$350,000 annually.

On September 8, 2020, the City Manager, Doug Schulze, was directed by the Council to create an Animal Control Division.

The Banning Chamber of Commerce signed a lease for the City's Animal Shelter located at 2244 Charles Avenue and began efforts to upgrade the shelter with donated materials and volunteer labor. City Staff began the recruiting process to find a non-profit group to provide shelter services. On October 13, 2020, the Council adopted Resolution No. 2020-121, approving the creation of Animal Control Officer positions.

On April 27, 2021, the City Council approved a ground lease agreement with ARE Animal Rescue for the City-owned Animal Shelter property. ARE Animal Rescue had expressed interest in operating the animal shelter. ARE had several years' experience operating an animal rescue.

A discussion with ARE Animal Rescue occurred on Monday, April 19 and it was agreed that the City of Banning will retain all animal licensing responsibility and revenue generated from animal licensing fees. The Agreement has been updated to reflect this change.

The Service Agreement is a five -year term and includes an additional one-time extension of five years. Compensation is based on the current rates/fees established by the City of Banning, plus annual compensation of \$60,000 to be paid on a quarterly basis.

ARE Animal Rescue will operate the shelter as the primary shelter for City of Banning Animal Control Services. Residents of Banning will be able to recover impounded animals locally and adopt pets from the shelter. The goal was to improve animal control services in the community by increasing the level of service with more animal control hours and local animal sheltering.

JUSTIFICATION:

The Budget & Finance Committee has requested a presentation on the budgets allocated to Animal Control and the Animal Shelter since the City brought services in house. The City is currently analyzing options for increasing funding for the Animal Shelter to improve conditions for the animals onsite. The number of animals that were brought to shelters under the previous contracts are at least threefold less than what is occurring under the City's current program.

FISCAL IMPACT:

Prior year and current year-to-date budgets and actual expenditures for Animal Control services and Animal Shelter costs combined.

<u>Year</u>	<u>Budget</u>	<u>Actuals</u>	
FY 2020-21	\$402,048	\$268,136	(County Contract)
FY 2021-22	\$440,261	\$390,470	(City Provided)
FY 2022-23	\$656,404	\$405,640	(Year-To-Date)

ALTERNATIVES:

1. Receive and file report on Animal Control Budgets and Actual Expenditures.
2. Provide feedback to staff.

ATTACHMENTS:

1. [Animal Control and Animal Shelter Program Costs](#)

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
MEETING DATE: April 18, 2023
SUBJECT: Financial Update for Opportunity Village

RECOMMENDATION:

Receive and file financial update for Opportunity Village.

BACKGROUND:

Homelessness is a growing regional and local crisis in the City of Banning. The City Council has long identified homelessness as a key issue in the community and has previously supported local efforts to address the issue. City staff identified Bryant Street, east of San Gorgonio Avenue, as an ideal location to build a homeless shelter. The site is located on a cul-de-sac street with a large enough footprint to accommodate the proposed amenities and services and it is owned by the City of Banning. The site features a level of existing infrastructure that makes it suitable for this use. Such infrastructure includes paved surface, water and sewer, partial fencing around the site and adequate lighting provided by existing streetlights.

City staff worked with Riverside County staff to re-establish a temporary emergency shelter in Banning for homeless individuals. The City Attorney's Office also reviewed the proposed site and determined that the City could use Bryant Street right-of-way for the temporary emergency shelter location. The City Council passed Resolution 2022-04 to establish the Emergency Shelter Crisis.

Bryant Street is located between I-10 and the Union Pacific Railway off San Gorgonio Avenue. There are no residential land uses near the site and the street does not provide access to any other privately owned property. Therefore, since the temporary emergency shelter was established on Bryant Street, the roadway has been closed just east of San Gorgonio Avenue and barricades were placed so unauthorized vehicles would not be able to use the roadway.

JUSTIFICATION:

The Budget & Finance Committee requested a financial update for the Opportunity Village. To date, appropriations for the program have totaled about \$1.75 million, \$1.10 million has been contracted, and the City has spent \$1.01 million. See Attachment 1, below, for a detailed accounting.

Our Grants Program Manager is currently looking for additional funding opportunities for the Opportunity Village and will submit applications for programs which the City qualifies.

FISCAL IMPACT:

None based on this report.

ALTERNATIVES:

1. Receive and file financial update for Opportunity Village.
2. Provide feedback to staff.

ATTACHMENTS:

1. [Opportunity Village Financial Update](#)

Approved by:



Douglas Schulze
City Manager