



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Robert Fisher, Acting City Manager

**PREPARED BY:** Michelle Green, Interim Administrative Services Director  
Michelle Green, Interim Administrative Services Director

**MEETING DATE:** May 13, 2025

**SUBJECT:** Consideration of Resolutions 2025-65, 2025-02 UA, and 2025-02 SA,  
Approving the Citywide Proposed Midyear Budget for Fiscal Year 2024-25

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### **RECOMMENDATION:**

Adopt Resolutions 2025-65, 2025-02 UA, and 2025-02 SA.

### **BACKGROUND:**

Each year in February or March, staff brings an updated mid-year budget that sets expectations for the ending financial results of the City. This item was originally brought forward on March 25, 2025 and pulled by Council. After further review, it is being brought back before the City Council.

### **JUSTIFICATION:**

Our proposed budget is located at the following link:  
<https://banningca.opengov.com/transparency#/139399/accountType=revenuesVersusExpenses&embed=>

A summary is also attached below. Staff is working to identify any additional reductions to close the deficit and will bring any changes to Council for the meeting.

### **FISCAL IMPACT:**

Staff has been able to close the shortfall in the General Fund to approximately \$556 thousand. Each year there remains unexpended budget. Last year the city came in around \$600 thousand better than the mid-year budget. If that were the case this year as well, this budget would result in actual results near breakeven for FY 2024-25.

Many challenges still exist:

- Electric Enterprise (originally discussed with Council on August 15, 2023)
- General Fund (discussed with Council when presenting Citywide Forensic Investigation)
- Internal Service Funds (discussed with Council over the last couple of years and when presenting Citywide Forensic Investigation)
- These same items were discussed by Urban Futures during the last City Council Meeting

There are many possible solutions to address these challenges. Currently, Mr. Deis, who has been retained by the City, is working closely with staff to analyze the issues and bring forth recommendations.

### **ALTERNATIVES:**

Provide direction and feedback.

**BUDGETED?:**

Yes

**CONTRACT/AGREEMENT:**

No

**ATTACHMENTS:**

1. [Resolution 2025-65 MidYear Budget 24-25.pdf](#)
2. [Resolution 2025-02 SA, MidYear Budget 24-25.docx](#)
3. [Resolution 2025-02 UA, MidYear Budget 24-25.docx](#)
4. [FY 2024-25 Proposed Budget.pdf](#)
5. [City-Wide Cost Allocation Plan - Full Cost FY24 Actual Expenses - 12193 - 03.14.2025 - Allocation Results.pdf](#)