



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Interim City Manager

PREPARED BY: Art Vela, Interim City Manager

MEETING DATE: January 27, 2026

SUBJECT: Consideration of Resolution 2026-23, Authorizing the City Manager to Execute the Engagement Letter with Stradling Yocca Carlson & Rauth, LLP to Serve as Bond Counsel and Disclosure Counsel to the City of Banning

RECOMMENDATION:

Adopt Resolution 2026-23

BACKGROUND:

The City of Banning periodically issues debt to finance capital improvements and infrastructure projects. The issuance of municipal bonds requires the specialized legal services of bond counsel and, when applicable, disclosure counsel to ensure compliance with federal, state, and local laws, including tax, securities, and disclosure requirements.

On March 31, 2025, NHA Advisors, LLC, acting as municipal advisor to the City of Banning, requested proposals from qualified municipal bond counsel firms to provide bond counsel and potentially disclosure counsel services. While the original request for proposals was focused on services related to the Banning Electric Utility and a potential issuance of electric utility bonds, the City also evaluated the firms' ability to provide bond and disclosure counsel services for all City bond issuances.

Following the review process, staff is recommending Stradling Yocca Carlson & Rauth, LLP ("Stradling") to serve as bond counsel and disclosure counsel for the City of Banning. Stradling is a full-service business law firm with extensive experience representing public agencies throughout California in public finance transactions, including general obligation bonds, revenue bonds, and enterprise fund financings.

Bond counsel services generally include preparing and reviewing bond documents, providing legal opinions regarding the validity and tax-exempt status of bonds, and advising on compliance with applicable federal and state laws. Disclosure counsel services typically include assisting with the preparation and review of official statements and other disclosure documents to ensure compliance with federal securities laws and continuing disclosure obligations.

JUSTIFICATION:

Legal services are exempt from the City's purchasing policy and do not require the formal solicitation of proposals. However, in the interest of transparency, due diligence, and ensuring the City engages a highly qualified and experienced firm, a competitive proposal process was conducted through the City's municipal advisor.

Stradling was selected as a result of the Request for Proposal (RFP) process. While the initial RFP was

specific to bond and disclosure counsel services related to the Banning Electric Utility, staff recommends utilizing Stradling for all City bond issuances and other financial related issues to ensure consistency, efficiency, and continuity across financial transactions.

Authorizing the City Manager to execute an engagement letter with Stradling will allow the City to move forward efficiently with future bond financings, financial strategies and ensure the City has experienced legal counsel in place as financing opportunities arise.

FISCAL IMPACT:

The total contract amount for bond counsel and disclosure counsel services is not to exceed \$200,000. Costs associated with these services will be funded by funds in which the work performed by Stradling related to (e.g. Electric, Water, Wastewater, etc.).

ALTERNATIVES:

1. Do not approve the engagement.
2. Direct staff to engage a different firm. This option would require additional time to evaluate alternative firms.

BUDGETED?:

Yes

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Resolution 2026-23.docx](#)
2. [Exhibit A to Resolution 2026-23: Engagement Letter.docx](#)
3. [RFP Bond and Disclosure Counsel.pdf](#)
4. [Stradling Response to RFP for Bond and Disclosure.pdf](#)