



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Robert Fisher, Acting City Manager

PREPARED BY: Lincoln Bogard, Administrative Services Director

MEETING DATE: March 25, 2025

SUBJECT: Consideration of Resolutions 2025-41, 2025-02 UA, and 2025-02 SA, Approving the Citywide Proposed Mid-Cycle Budget for Fiscal Year 2024-25

RECOMMENDATION:

Adopt Resolutions 2025-41, 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.

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 \$533 thousand. Each year there remains unexpended budget. Last year the city came in around \$600 thousand better than the mid-year budget. This budget should result in actual results near breakeven for FY 2024-25.

Staff would like to discuss challenges and potential solutions:

- 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

- Development Opportunities (staff had anticipated future project revenues would ensure the continued success of the turnaround for the city)
- Up To 1% Sales Tax Measure (could bring in around \$4 million dollars per year at today's sales levels and is not solely paid by City residents)
- Utility Users Tax Measure (if permitted for Municipal Utilities could add to General Fund revenues, but is only paid by municipal utility customers)

- Golden Handshake (could help reduce salaries and benefits expenses, reduce budgeted positions,

and reclass positions to better suit needs)

- CalPERS Actuarial Fresh Start (in combination with the Golden Handshake could help reduce impact of coming increases to the Unaccrued Actuarial Liability costs expected through 2034)

ALTERNATIVES:

Provide direction and feedback.

BUDGETED?:

Yes

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [Resolution 2025-41, Midyear Budget 24-25.docx](#)
2. [Resolution 2025-02 UA, Midyear Budget 24-25.docx](#)
3. [Resolution 2025-02 SA, 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](#)