



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Acting City Manager

PREPARED BY: Art Vela, Acting City Manager

MEETING DATE: August 26, 2025

SUBJECT: Approval of Amendment No. 1 to the Professional Services Agreement for Various Financial Management and Process Improvement Consulting Services By and Between the City of Banning and Russ Branson Consulting

RECOMMENDATION:

Approval of Amendment No. 1 to the Professional Services Agreement with Russ Branson

BACKGROUND:

On August 14, 2025, the City entered into a Professional Services Agreement with Russ Branson Consulting to assist the City in assessing and addressing deficiencies in its Utility Billing system and to provide financial management consulting support. The scope of work to be performed by Russ Branson Consulting includes assessment and improvement recommendations for the City's Utility Billing System; support to the Finance Director to bring accounting records current and in compliance with professional standards; and assistance with other finance-related projects and the potential to present findings publicly.

The Consultant was selected due to Consultant's extensive experience (see Attachment 3) performing the services needed by the City. The Consultant's experience includes, but is not limited to, serving as the Finance Director for the City of Roseville, CA which also had an Electrical Utility. The Consultant participated in two interviews prior to being selected by the City to perform the necessary work. The Agreement was awarded to the Consultant pursuant to the emergency purchasing provisions of the City's Procurement Policies and Procedures (Policy No. B-30).

JUSTIFICATION:

In accordance with the Procurement Policies, the initial Agreement limited the compensation to a not-to-exceed limit of \$25,000, the maximum allowed under City Manager signing authority. This was done to immediately engage the Consultant to provide the necessary services to the City. Due to current workload demands, the City Manager is no longer able to dedicate the same level of attention to Utility Billing issues as was possible during his tenure as Public Works Director. Additionally, the Administrative Services Director must now focus on critical year-end responsibilities, including the closeout of Fiscal Year 2024-25 and support for the current audit of Fiscal Year 2023-24.

Given the complexity of the Utility Billing system and ongoing compliance requirements related to State, Federal, and Generally Accepted Accounting Principles (GAAP), it is anticipated that additional time and resources will be necessary to continue this work effectively. The previously authorized expenditure of \$25,000 will not be sufficient to address these needs.

To ensure continuity of operations and maintain accurate and improved timeliness of utility billing, compliance with all applicable financial reporting standards, and enhanced support for internal processes within the Finance Department, staff recommends increasing the expenditure authority accordingly.

An increase in total compensation to a revised total of Ninety-Five Thousand Dollars (\$95,000) is warranted.

Pursuant to Section 7 of the original Agreement and Article 4, Section 13 of the City's Procurement Policies and Procedures (Policy No. B-30), changes involving an increase in compensation over \$25,000 must be approved by the City Council. The proposed First Amendment amends Section 9.01 of the Agreement accordingly to reflect this change.

FISCAL IMPACT:

Approval of the amendment will increase the maximum authorized expenditure under the Agreement from \$25,000 to \$95,000. An appropriation in the amount of \$95,000 to Account No. 001-1900-412.33-11 (Fiscal Services - Professional Services) is required to fund the PSA.

ALTERNATIVES:

Do not approve and provide staff with direction.

BUDGETED?:

No

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Branson resume \(1\).pdf](#)
2. [Amendment No. 1 PSA Russ Branson.docx](#)
3. [Executed Contract with Russ Branson.pdf](#)