



MINUTES
CITY OF NORCO
AD-HOC COMMITTEE ON
INFRASTRUCTURE NEEDS AND FUNDING OPTIONS

October 13, 2014
City Hall Conference Rooms A & B
2870 Clark Avenue, Norco, CA 92860



CALL TO ORDER: 6:30 p.m.

ROLL CALL: **Present:** Chair Jodie Filkins Webber, Vice Chair Corinne Holder, Committee Members Kevin Bash, Cathey Burt, Linda Dixon, Patricia Hedges, Herb Higgins, Bill Schwab
Absent: Committee Member John Padilla
Staff Present: City Manager Andy Okoro, Director of Parks, Recreation, and Community Services Brian Petree, Director of Public Works Lori Askew, City Clerk Cheryl Link

PLEDGE OF ALLEGIANCE: Committee Member Dixon

BUSINESS ITEMS:

1. Approval of September 15, 2014 Meeting Minutes

M/S BASH/HOLDER to approve the minutes as presented. The motion was carried by the following roll call vote:

Ayes: Bash, Burt, Dixon, Hedges, Higgins, Holder, Webber
Noes: None
Absent: Padilla
Abstain: Schwab

DISCUSSION ITEMS:

1. Trails: Update by the Director of Public Works.

Director Lori Askew presented information on a matrix prepared of every street in the City. Ms. Askew noted that the matrix contains information such as the length of the street, street classification (private, arterial, collector, etc.), trail location (one side of the street, both sides, no trail), the length of trail segment, date of trail creation, dedication, and/or installation, and other pertinent details. The majority of the trails were inspected

and given a rating. There are over 500,000 linear feet of streets in the City, which includes both public and private. Of those streets, 153 of them have trails on one side, 33 streets have trails on both sides, and 102 are streets without trails on either side. There is a small percentage of backyard trails. Director Askew provided additional information on backyard trails, amount of decomposed granite, and numbers relating to the City's trail maintenance responsibility. Director Askew briefly presented information on the trail ratings, with rating "1" on the low scale and rating "5" on the high-end of the scale of fencing being in the best condition. She noted that 19% of the trail fencing falls under the "1" rating, 14% has a rating of "2", 14% has a rating of "3", 36% has a rating of "4", and 3% has a rating of "5." Approximately 14% of the streets have not been rated.

Director Askew reported that the cost to replace the fencing with a "1" rating, would be approximately \$500,000 and fencing with a "2" rating would cost approximately \$400,000. It would cost about \$600,000 to install fencing on those streets currently without trail fencing. Director Askew also presented the Committee with information on alternative trail fencing that exists in the City.

In response to Chair Webber, Committee Member Burtt noted that the cost of the alternative PVC trail fencing is comparable to the wood fencing. Director Askew noted that the PVC fencing has required little or no repair and has held up remarkably since being installed in 1998.

In response to Committee Member Dixon, Director Askew stated that the life of trail fencing depends on several factors but the average life is 10 years.

Committee Member Dixon noted that approximately \$1.6 million is need to replace ratings "1" and "2", as well as install fencing for those segments currently without fencing. If the average life of fencing is 10 years, then a 20-year plan would call for \$3.2 million for replacement.

Glenn Hedges commented that curbs and gutters would help keep the decomposed granite on trail and help prevent bumping of the trail fencing. Mr. Hedges noted that the plastic fencing sags because the posts are set eight feet apart instead of five feet.

Ted Hoffman commented that at a recent City Council meeting, Council Member Newton expressed the need for a new vibratory roller. The roller is needed to compact the decomposed granite.

In response to Committee Member Schwab, Director Askew stated that it would cost approximately \$578,000 to install fencing on the 102 streets that do not currently have fencing.

Chair Webber referred to the handout provided by Director Askew and suggested that Landscape Maintenance Districts not be included in the percentages listed on page two.

Committee Member Dixon referred to the Capital Improvement Projects budget and asked why the funds allocated are not being spent this year when there is a definite need. Committee Member Dixon also questioned if too much is being asked for based on previous spending. City Manager Okoro stated that with the approximate calculation of \$3.2 million over twenty years, that is about \$160,000 per year.

2. Storm Drains: Presentation by the Director of Public Works Providing an Overview on Needs Assessment.

Director Askew reported on storm drains. She indicated that staff assesses needs and prioritizes based on the maximum benefits of the residents. Curbs and gutters would alleviate many of the problems. Currently, catch basins are designed and installed with curbs and gutters in mind if the City should have funds in the future for the installation.

Director Asiew stated that the major source of funding for storm drains is from the Riverside County Flood Control and Water Conservation District. They design, construct, and fund the Master Drainage Projects (MDP). For the smaller projects, the City designs, constructs, and funds the projects and then requests reimbursement. Director Askew noted several projects in the works. She stated that the City has never had issues receiving funding from Riverside County Flood Control; however, the funding is not guaranteed.

In response to Committee Member Schwab, Director Askew indicated that the City contracts out for the design and survey of the larger projects.

Chair Webber commented on aged drains and issues in Los Angeles County. Director Askew indicated that those issues involve potable water. The information presented to the Committee is run off and storm drains. Chair Webber asked if there is maintenance for storm drains. Director Askew stated that there is and it is part of the operations budget. Maintenance on the larger projects is handled by Riverside County Flood Control. City Manager Okoro indicated that the \$5.74 charge per parcel generates \$60,000 but the City is spending approximately \$120,000. That difference is met by the General Fund. It is anticipated that the \$120,000 spent will rise to \$500,000 in order for the City to meet the maintenance requirements mandated by the State.

Committee Member Bash stated that storm drain issues were discussed starting in 1997, which were due to big design flaws prior to the City's incorporation.

In response to Committee Member Dixon, City Manager Okoro indicated that the approximate \$50 that each resident pays goes into the Sewer Fund and the water fees are applied to the Water Fund. Committee Member Dixon also inquired about bond proceeds and if those were bonds previously voted on. City Manager Okoro stated that the bonds referenced are enterprise bonds that do not require a vote by residents in order to be issued. In response to Committee Member Schwab, City Manager Okoro

indicated that bonds are typically paid over 30 years.

Ted Hoffman commented that there are no dollar amounts for the projects listed. In response, Director Askew stated that over a 20-year period, the eight projects would cost \$1.75 million.

Chair Webber commented that if the City is confident that funding will be provided by Riverside County Flood Control, then what are the needs that staff is requesting. Director Askew indicated that staff is requesting funding for curbs and gutters. However, the State Regional Board is moving toward low impact development which calls for more natural development of no curbs, gutters, or catch basins.

Vice Chair Holder asked about where the money is coming from to front the funding for the projects. City Manager Okoro stated that the County has been fronting the funds and has been very flexible with the City.

3. Revenue Source Options: Presentation by the City Manager on Revenue Sources and the Ballot Process.

City Manager Okoro presented information about revenue sources and potential revenue measures. An overview was given for local government revenue sources such as property tax, sales tax, business license tax, transient occupancy tax, development impact fees, user fees, utility rates, assessments, franchise fees, grants, and bonds. Mr. Okoro also touched on infrastructure financing districts.

Ed Dixon asked what amount of increased revenue the City would receive if the sales tax was increased by 0.25 percent. City Manager Okoro stated that the City's current revenue from sales tax is approximately \$5.5 million and the increase would generate about an additional \$1.4 million. Mr. Dixon also commented on utility tax and asked if the City has a way of knowing what residents pay for utilities. City Manager Okoro stated that utility companies are required to report revenues in order to collect franchise fees. Mr. Dixon requested amounts of the potential revenue from a utility tax.

Committee Member Bash expressed concern over increasing the sales tax as it may cause purchases to be made in neighboring cities with lower sales tax rates.

Geoff Kahan commented that a 0.25 percent increase would increase the purchase of a car by \$125.

Ed Dixon commented on the cost of issuance for bonds. Mr. Okoro stated the rate is about 3-4%.

In response to Committee Member Schwab, Mr. Okoro stated that Infrastructure Maintenance Districts are not for maintenance; they are for capital improvements.

There was some discussion between Chair Webber and City Manager Okoro about Infrastructure Maintenance Districts. Mr. Okoro stated that almost all of the conditions have been met and the City is not far off from being able to consider a district.

Committee Member Schwab asked what type of district could Norco have with Corona and Eastvale. Committee Member Higgins suggested a law enforcement district.

Ted Hoffman commented that buildings and parks are short funding approximately \$400,000, about \$2 million is need for streets, and about \$258,000 is need for trails; therefore, any increases should cover those costs.

Mr. Okoro briefly discussed the approval process to impose or increase revenue. He presented various revenue items and the type of approval needed from the City Council and the registered voters.

A member of the audience asked for the cost of adding a measure to the ballot.

In response to Chair Webber, City Manager Okoro indicated that a revenue source is needed first before a bond can be issued.

Committee Member Schwab commented on revenue generation relating to user fees and asked if the 7,000 rooftops figure is accurate. Mr. Okoro stated that in 2010, the figure was 6,761 plus commercial and industrial rooftops. The Senior housing complex counts as one.

In response to Chair Webber in regards to bonds, City Manager Okoro stated that the debt payment is based on the amount of the revenue source generated annually. Chair Webber stated that the only revenue source identified thus far is the \$500,000 annually from Measure A funds. City Manager Okoro indicated that the Measure A funds are technically not guaranteed because those fund allocations could shift.

In response to Committee Member Schwab, City Manager stated that a city-wide property assessment is difficult to pass because of the difficulty in demonstrating the benefit received relating to the tax being assessed.

4. Discussion of the Final Report Outline.

Chair Webber presented a general outline of what the final report to the City Council will contain. Committee Member Higgins commented that some of the funds listed will not have funds in about two years. Chair Webber stated that the issue could be addressed in Item 3.C. – Lack of Funding - of the outline, and Item 4.F. Consequences.

Committee Bash emphasized the uniqueness of the City and that the financial issues the City is facing cannot be approached as other cities do.

COMMITTEE AND STAFF COMMENTS

Committee Member Schwab made a recommendation that the Sheriff's Department should park patrol cars throughout the City instead of having them parked at City Hall. The presence of the parked patrol cars would deter speeding and crime. This has been tried in other cities. Mr. Schwab asked that this recommendation be added to the matrix.

Chair Webber presented a brief outline of the Committee schedule of meetings through the end of the year. The City Council will need to decide the case of a fiscal emergency in order to add a measure to the June 2015 ballot or for the ballot to coincide with the consolidated November 2015 election. Chair Webber is looking for the Committee to vote on recommendations at its November 17th meeting in order for the Council to vote on the recommendations at the December 3rd meeting. Chair Webber asked that Committee Members brush up on the materials given to them and to ask questions.

Committee Member Hedges asked for ballot measure timelines for June and November 2015 elections.

Committee Member Higgins commented that there may not be a majority of the Council in favor of any particular recommendation or tax at this point

Committee Member Bash commented on increasing the hours of the Economic Development Specialist or bring in an economic expert to educate the public on revenue and the need to diversify. He stated there are a host of issues and concurred with Committee Member Higgins that the Council may not accept the recommendations at this point.

Committee Member Dixon commented the need to not rush through this process in order to get on the June ballot. The Committee is headed in the right direction but she cannot support a tax increase recommendation to the City Council if all items have not been thoroughly discussed and all budgets reviewed.

Chair Webber indicated that the City holds budget workshops each Spring and that the Committee's charge is limited to infrastructure. Committee Member Dixon indicated that the final report may have to move forward without her signature. City Manager Okoro commented that this is a tremendous budget process and encouraged Committee Members to look at the operations budget as well.

Committee Member Higgins commented that certain issues have not been addressed and that the Committee is another year and a half from being done. The City Council will look at alternatives for cuts and then forward the alternatives to the various Commissions for recommendations.

Committee Member Hedges also concurred with Committee Member Dixon stating that the residents will not approve the recommendations if all areas have not been reviewed by the Committee.

PUBLIC COMMENTS

Ed Dixon commented on the need of using volunteers.

ADJOURNMENT

Chair Webber adjourned the meeting at 9:39 p.m.

Ad-Hoc Committee and Public Suggestions Log Sheet

Streets	Trails: Fencing	Trails: DG/Materials	Trails: Programs/Fees	Water	Storm Drains	Buildings	Parks	Public Education	Misc.
Curbs and gutters	Installation of one rail versus two – cost savings.	Fine, compacted woodchips	Trails maintenance volunteer program	Reclaim storm water		Selling of advertising space at City facilities	Creation of park foundations to help fund parks	Educating the public on maintenance and funding issues (PSAs)	Use of grant funds
	Trails fencing on major roadways only	Pea gravel	Community trail clean-up program	Funding water conservation projects		Use of grant funds for the Emergency Operations Center (EOC)	Selling of advertising space at City parks	Notice in water bills regarding trail maintenance responsibility	Structured fee for horse ownership
	Priority for trail fencing given to major roadways		A fee-based Adopt-A-Trail program	Use of reclaimed water for parks				Warnings for non-compliance of trail maintenance sent in water bills.	Recreation tax per unit per lot
	Installation of rolled curbs as opposed to trail fencing – cost savings.		Trail maintenance fee					“Straight Trail Talk” flyer in water bills, on City website, and City Facebook page	Motorcycle officer
	Intermittent versus continuous trail fencing		Issuing citations and penalties for non-compliance of trail maintenance						Modifying NMC clarifying that erosion caused by property owner is not the City’s responsibility
	Define street trails		Citizens Patrol issuing trail violation citations						Park Sheriff patrol vehicles throughout City rather than at City Hall to deter speeding and crime.
			City-wide assessments similar to LMDs						