



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

November 3, 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, John Padilla, Bill Schwab
Staff Present: City Manager Andy Okoro, City Attorney John Harper, Director of Parks, Recreation, and Community Services Brian Petree, Director of Public Works Lori Askew, City Clerk Cheryl Link

PLEDGE OF ALLEGIANCE: Vice Chair Holder

BUSINESS ITEMS:

1. Approval of October 20, 2014 Meeting Minutes (City Clerk)

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

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

DISCUSSION ITEMS:

1. Presentation on Option to Form a City-Wide Landscape Maintenance District to Provide Funding for Trail Replacement and Maintenance (City Attorney)

City Attorney Harper presented a brief overview of the option of forming a city-wide landscape maintenance district. Mr. Harper indicated that all the current landscape maintenance districts (LMDs) fall under the 1972 Lighting and Landscaping Act. The law has changed since then which resulted in Proposition 218. Prior to Proposition 218,

similar findings were required to provide a benefit analysis, although not as rigorous and well-defined as Proposition 218. An engineer's report is required, which identifies general benefit and specific benefit to individual parcels, on a parcel-by-parcel basis. An assessment may only be levied for the specific benefit. The result is that a city-wide landscape maintenance district, under the current law, is virtually impossible. Mr. Harper added that when LMDs are considered by subdivision, then a legitimate analysis of the benefit of specific improvements can be performed.

Chair Webber and City Attorney Harper discussed the current LMDs. Mr. Harper stated that the LMDs may be protested and dissolved by a majority vote of 50% +1. Chair Webber asked that had the LMDs not been grandfathered in, would they be legal. In response, City Attorney Harper stated that given that each LMD is a finite development, the engineer could make findings of proportional special benefit. Chair Webber noted Mr. Harper's comment about determining benefit for a city-wide LMD being virtually impossible. Chair Webber inquired about dividing the City into parts for a specific benefit such as trails, and in response, Mr. Harper indicated it would be possible. The engineer could argue that the maintenance of a horse trail has some specific benefit to the property that is adjacent to it that is greater than the general benefit of having a horse trail. Not maintaining the trail could be of a detriment to the property; therefore, maintaining it has some specific, positive benefit to the property. The finding would have to be made for each parcel, except for those parcels without horse trails. Committee Member Higgins presented the argument of no benefit of trails for those not owning horses. Mr. Harper indicated that the benefit analysis could still find special benefit even if the property owner chose not to utilize the trail for equestrian purposes. Committee Member Higgins added that the Norco Municipal Code states that property owners are responsible for the maintenance of the trail in front of their property. City Attorney Harper stated that if property owners maintained the trail section in front of their property, the Committee would not be having the discussion regarding assessments.

In response to Committee Member Padilla's question regarding the difference between a horse trail and a right-of-way, Mr. Harper stated that horse trails were dedicated to the City. The City does not own the public right-of-way in fee but has other rights to it.

In response to Committee Member Schwab, City Attorney Harper stated that Proposition 218 defines a general tax, a special tax, an assessment, and a fee. Proposition 218 sets forth basic rules on how those taxes are implemented. A fee has to be related to a service being provided to the property owner and has to reflect the actual cost of the service. In response to the question about a horse trail fee, Mr. Harper indicated that a fee cannot be related to ownership of property. City Manager Okoro added that the property owner has to have the choice of wanting the service. In response to Committee Member Schwab, Mr. Harper stated that an infrastructure maintenance fee would be considered a special tax.

Committee Member Schwab inquired about a fee on his water bill. Initially it was a

“meter fee” and recently changed to a “fixed monthly water charge.” Mr. Okoro indicated that different cities call the charge by different names. The charge is designed to collect a minimum fee for water regardless of whether how much is used. The reason is that 70% of the City’s water structure is fixed costs. If the City does not sell a drop of water, those fixed costs would still have to be paid. The “fixed monthly water charge” is designed to recover some of those fixed costs.

Ted Hoffman commented that city-wide LMDs would never work. The engineers report would have to be divided up into sections of the city to make it applicable.

City Manager Okoro asked Mr. Harper what the impact is of currently having a horse trail system in making a benefit analysis for a special assessment. Mr. Harper stated that already having a horse trail system does not make the analysis any easier. Essentially, what the City is saying is that the horse trail system is of general benefit to residents. The Engineer’s report could argue that there is some specific benefit to the property adjacent to the horse trail.

Lance Gregory commented on the new development off of Fifth Street and Valley View Avenue and the possibility of assessing an LMD on those parcels. The City Attorney concurred that those parcels fall under Proposition 218.

Bonnie Slager commented that the discussion has been about collection additional fees. Ms. Slager discussed ideas that would bring in revenue, such as endowments.

Ted Hoffman commented that even for those residents that do not have horses, there is a benefit of the trails since they are pedestrian-equestrian trails.

Chair Webber asked Mr. Harper if there has been an instance in which a city has created a Mello-Roos district. Mr. Harper stated that it is a special tax and the city must identify what it would be used for. Mr. Harper added that it could be used for infrastructure.

2. Formulation of Infrastructure Maintenance Plans (Chair Webber):

Chair Webber commented on the vision on the recommendations that will be presented to the City Council by the Ad-Hoc Committee.

A. Streets

City Manager Okoro distributed a worksheet he created at the request of Chair Webber. The worksheet lists the various street funds indicating where the City currently stands and estimated ending balances on June 30, 2015. The worksheet will help the Committee work on whether to stay status quo or develop recommendations with the information presented by the City Engineer.

Chair Webber added that the information presented by Mr. Okoro is the big picture and gives the Committee a general idea. There needs to be discussion on current funding and what has been presented by staff as well as funding solutions.

In response to Committee Member Dixon, Mr. Okoro stated that the street funds would be depleted of money by FY 2016/2017, other than the Measure A funds received from Riverside County, assuming spending \$1.5 million over the next two fiscal years. Mr. Okoro explained further that Capital Improvement Funds are collected through development impact fees, which have restricted uses, and do not contribute to the solutions this Committee is seeking.

Committee Member Hedges asked if there is a history of the past five years of what has been spent on streets. Mr. Okoro indicated that the information has been presented to the Committee. Over \$11 million dollars has been spent, which averages to \$2.3 million per year.

Committee Member Dixon commented on the outsourcing of engineering and asked if the services are set out to bid periodically. Mr. Okoro stated that the City has the choice to go with other engineering firms. The City has been with RKA since 2004, but they are not the only firms providing engineering services to the City.

Chair Webber commented that City Engineer Milano had only recently finished the street matrix. The \$2.3 million spent each year over the past five years was based on projects not necessarily part of this matrix. Therefore the matrix is based on the whole picture. Mr. Okoro stated that the matrix is a guide and before money is spent, staff still needs to go out to the field to inspect.

Committee Member Dixon commented that the \$2 million a year will go up as the economy develops. The \$2 million does not include the personnel to get job done. Mr. Okoro stated that it is only for the construction costs.

In response to Committee Member Higgins, Mr. Okoro indicated that the Director of Public Works currently oversees construction and design is handled by RKA as well as staff. In response to Committee Member Higgins, Director of Public Works Askew stated that there is not enough staff to complete multiple projects at a time. Committee Member Higgins expressed his concern about staff being able to effectively and efficiently complete projects under budget with the current staffing levels while being able to complete other projects at the same time.

Vice Chair Holder commented on looking at other engineering projects besides streets, such as trails and sewer projects, which would require additional staff or the need to contract out more.

Committee Member Dixon asked for the amount needed for streets in order to get the job done. City Manager Okoro stated that City Engineer Milano recommended \$2

million. Factoring in an additional 15% for design, the amount would be approximately \$2.3 million for streets to bring the PCI level up to 70%. Committee Member Schwab stated it is speculation until it is known what will be done. Committee Member Dixon indicated that the information of the projects to be done was provided by City Engineer Milano in his report to the Committee. Committee Member Dixon stated that if additional staff is factored in, the amount could safely be estimated at \$2.8 million.

Committee Member Hedges asked for clarification with the amount being requested. \$2.3 million has been spent for the past five years and the streets are in poor condition. Ms. Hedges asked if \$2.8 million will make the streets better. Committee Member Higgins indicated that the streets are in poor condition because the City did not have the funds to get them above the 60% PCI. Committee Member Dixon asked how the funds were spent. It was discussed that streets with low PCI ratings require more money to bring them up to acceptable levels, which skews the averages.

Committee Member Schwab asked the Committee if they were happy with the information provided. Chair Webber indicated that what has been presented are scenarios and recommended projects that would eventually get the streets up to a PCI level of 72%, and after five years, the amount needed would decrease. Committee Member Schwab commented on the need to be able to sell a taxation to residents. Residents will want to know what they are getting in return for the taxation. Committee Member Schwab suggested a detailed five-year plan. Mr. Schwab added to take a look at the first ten projects listed and determine how many contracts are needed, inspections, staff, etc. The specifics would determine a more accurate amount of funds needed and the timeframe for completion of the projects. The PMS program could be used to generate a five-year plan. It was discussed that this detailed five-year plan would be used more for educational purposes. Committee Member Bash commented on the need of a solid year of good street maintenance performance to build the public's trust.

Vice Chair Holder commented on the need to be cautious when providing detail. There could be emergencies, for example, that would prevent some streets from being completed as scheduled, which could be an issue with residents. Specifics could create unreasonable expectations.

Committee Member Burt asked if the City has looked at other ways of funding streets, such as bike lanes. In response, Director Petree stated that bike lanes could be installed with some benefits, but as an ancillary use.

Myrna Paltza commented on the public's lack of trust and the need for transparency. Ms. Paltza stated that what Committee Member Schwab is requesting is good information.

B. Trails

Chair Webber asked if the same suggestions would be recommended for trails.

Committee Member Dixon indicated that the trails issue is different. Ms. Dixon asked if the recommended \$320,000 annually is based on existing trail fencing as is. Director Askew indicated that some rebuilding is needed and there are some trails that do not have any fencing at all. Committee Member Dixon commented on Committee Member Burt's discussion that the Streets, Trails, and Utilities Commission does an annual exercise of looking at alternative trail materials. Ms. Dixon commented on the need for the Committee to look into the Commission's research and come up with two to three scenarios on costs. Committee Member Hedges also wants to add in the costs of decomposed granite, not just trail fencing.

Ted Hoffman commented that the numbers for trails looks low. City Manager Okoro indicated that the total was estimated at \$3.2 million for ten years, not including decomposed granite. Mr. Hoffman indicated that taxation on trails will be a hard sell to the residents in the Landscape Maintenance Districts who already pay a fee. Mr. Hoffman suggested an alternative source.

Chair Webber commented on Mr. Hoffman's suggestion of an alternative for those in the LMDs. Ms. Webber indicated that a general tax for trail maintenance could be proposed contingent on dissolving the LMDs. Mr. Okoro added that the City Attorney provided some information earlier that if there is a special tax for trails, the LMDs could be excluded from paying the portion related to trail maintenance in the form of a credit.

Lou Paltza commented that the Committee needs to consider the elderly on fixed incomes and young families when discussing increasing taxes. Mr. Paltza said that taxing will drive them out of the City.

Lance Gregory commented on his experience with LMDs and that they were not created properly in the City. Mr. Gregory stated that some of the LMDs have created a deficit and are supported by the General Fund. If the City starts attaching the rest of the City with a city-wide LMD, staff will be overwhelmed because they will not be able to keep up with service. Mr. Gregory suggested including compaction with trails to increase longevity. Mr. Gregory said that the numbers presented are skewed and are not enough for what is needed.

Mike Thompson noted that he is a 30-year resident. Mr. Thompson commented that residents needs to start paying for the use of the trails.

C. Parks and Facilities

D. Drains

Items 2.C. and 2.D. were continued to a future meeting.

3. Subcommittee Report (Chair Webber)

Committee Member Dixon stated that she and Committee Member Hedges are going through operations budget in detail and have met with staff to get questions answered. Committee Member Dixon indicated that research will continue and she and Committee Member Hedges will present a report to the Committee at the first meeting in December.

COMMITTEE AND STAFF COMMENTS

Vice Chair Holder talked about transparency. Ms. Holder commented there have been recent efforts to put information in the water bills. In the past, information was also disseminated in the City's newsletter. There are many projects completed but many residents do not attend meetings or travel throughout the entire City, therefore, may not know about everything that is getting done. Use of a newsletter or the City's website are ways of getting the information out and educating the public.

PUBLIC COMMENTS

Bonnie Slager discussed endowments for trails and suggested this as a means of funding.

Myrna Paltza commented on the importance of the Committee reaching out to the public to educate them on the information discussed by the Committee.

Lance Gregory inquired about the projected completion date for the City's new website as it will help residents easily navigate for information. In response, City Manager Okoro stated the new website will be live by the end of November.

ADJOURNMENT

Chair Webber adjourned the meeting at 8:53 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					City newsletter to distribute information for public education.	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						Endowments