



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

**December 15, 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 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 Hedges

BUSINESS ITEMS:

1. Approval of December 8, 2014 Meeting Minutes (City Clerk)

M/S HOLDER/SCHWAB to approve the December 8, 2014 regular meeting minutes as presented. The motion was carried by the following roll call vote:

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

DISCUSSION ITEMS:

1. Update on Trails Maintenance Plan (Director of Public Works)

Director of Public Works Lori Askew presented information as requested by the Committee at its December 8th meeting. Director Askew presented unit costs per square foot for decomposed granite (DG). Per the request of the Ad-Hoc Committee, Ms. Askew added labor costs to the unit cost. She indicated that there are three different categories of trail maintenance. The first is aesthetic restoration, which consists of minor DG erosion, requires approximately one inch of DG at a cost of \$0.05 per square foot and an additional \$0.15 per square foot for labor and equipment. The second category is moderate erosion at \$0.09 per square foot for DG and an additional \$0.38 per square foot for labor and equipment. The third category is heavy erosion at \$0.18 per square foot for DG and an additional \$1.90 for labor and equipment. The labor costs are for City staff, not contractual work.

Committee Member Higgins requested to have the plan be reduced from a 30-year to a 20-year plan to be consistent with the other infrastructure maintenance plans. City Manager Okoro added that the information presented by Director Askew, the costs of DG, labor, and equipment, equate to

\$56,090 needed on an annual basis. Therefore, the amount needed annually for trail fence replacement, DG, labor, and equipment totals to \$266,429.

Committee Member Higgins commented that it is projected that within next five years only one Landscape Maintenance District (LMD) will have enough money to sustain itself. Director Petree indicated that if an LMD does not have enough funding in the future, the maintenance standard would have to decrease or an increase in assessments would have to go before to the residents for approval. Committee Member Higgins expressed his concerns about projecting three to five years out and suggested including the LMD trail maintenance with the City costs as a whole. He noted the option of removing the trail maintenance from the LMD costs and having it under the City's plan because it is a matter of time before the LMDs run out of funds. Director Petree added that LMDs typically require adjustments after ten years of assessments because cost-of-living increases do not keep up with the maintenance costs. Chair Webber concurred with Committee Member Higgins stating that removing the trail maintenance aspect out of the LMD is reasonable. City Manager Okoro stated that staff can look at each LMD and provide projections on cost-of-living allowances to be expected over the 20-year period and see what shortfalls there may be.

Chair Webber and City Manager Okoro discussed Prop 218, which could be considered a funding solution for shortfalls in the LMDs. Chair Webber asked if the Committee should consider how much more the City would have to pay for water, electricity, and trail maintenance should the LMDs dissolve. Chair Webber also commented on the difficulty of gaining support for a potential tax for the maintenance of trails from the residents that are under LMDs and already being assessed for trail maintenance. City Manager Okoro added that depending on the type of tax that is potentially implemented, there is a mechanism to give the residents in the LMDs a credit for trail maintenance.

Ted Hoffman commented on vinyl fencing and that costs will be reduced over the long-term since vinyl fencing has a long maintenance-free life. Mr. Hoffman said that if the City were to approve and install vinyl fencing, he suggested taking the removed wood fencing material and reinstalling it elsewhere in the city and give the LMDs credit for re-use of that fencing material. This suggestion saves money on both ends.

City Manager Okoro presented trail maintenance numbers for each LMD: LMD1: no trails; LMD 2: \$3,500; LMD 3: \$6,500; LMD 4: \$72,000; and LMD 5: \$7,000.

Committee Member Higgins requested from staff the number of linear feet of trail fencing in the LMDs and combine that annual cost with what staff has already presented on trail maintenance costs for the City.

2. Review Summary of Infrastructure Needs by Category Per Committee Resolutions (City Manager)

City Manager Okoro presented a summary of needs by infrastructure category. Based on current standards of no curbs and gutter, the annual funding needed for streets is \$2 million for a total of \$40 million over 20 years. The annual funding needed for parks and buildings is \$433,097 for a total of \$8,661,940 over 20 years. The annual funding needed for trails is \$373,860 for a total of \$7,473,600 over 20 years. Therefore, the total annual funding needed for all infrastructure, excluding storm drains, is \$2,806,77 and \$56,135,540 over 20 years.

There was some discussion regarding the streets category and the need to add 15% for design costs and 15% for additional staff, as the \$2 million figure presented only reflects construction costs. The additional 30% equates to \$2.6 million annually and \$52 million over 20 years.

Committee Member Schwab asked if the additional 30% for overhead costs should be factored in to the other infrastructure categories.

In response to Committee Member Dixon, City Manager Okoro agreed to factor in a 3% cost-of-living adjustment (COLA) annually for each infrastructure category. Director Petree added that the Parks and Public Buildings category already has the 3% COLA factored in.

3. Infrastructure Funding Per Resolutions Passed (Chair Webber)

A. Alternative Funding Solutions

Chair Webber stated that the Committee cannot discuss alternative funding solutions thoroughly until more accurate numbers for each category are brought back by staff.

Chair Webber proposed that Committee Members continue to explore alternative funding solutions. The Committee and Public Suggestions Log created is another tool as it notes what has been proposed since June of last year.

Chair Webber asked if the Subcommittee needed to have further meetings and evaluations with City departments regarding the City's operating budget. Subcommittee Member Dixon stated that there is nothing further that the Subcommittee could do that would aid Committee with their recommendations to City Council. Subcommittee Member Dixon noted that meetings with City departments could result in savings that could be brought to City Council in another forum, not related to infrastructure funding. Subcommittee Member Hedges concurred.

Chair Webber stated that this agenda item will be deferred to the next meeting.

B. Consideration of a Single Tax to Cover All Plans/Resolutions

Chair Webber stated that this agenda item will be deferred to the next meeting.

COMMITTEE AND STAFF COMMENTS

Committee Member Schwab commented on an editorial in the Press-Enterprise regarding the condition of roads in the State and the Inland Empire. The article stated that San Bernardino and Riverside counties received an overall street condition rating of 71. Although Norco was not mentioned in the article, Corona was and that the condition of the streets were good. The article also suggested that for cities that did not receive a favorable rating, to check with the cities that did receive good to high ratings to find out how they are managing their street maintenance.

Committee Member Dixon expressed the need to discuss possible scenarios of the City having to shut down facilities, parks, and/or reduce services. She suggested that the Committee discuss what would happen to City services should a tax measure failed to get approved.

December 15, 2014

Vice Chair Holder commented that regardless of what can be done, more education is needed to ensure that residents are aware of the repercussions of no action and gave the example of the closure of the Community Center pool.

Chair Webber commented on the need of a subcommittee for a public education campaign. She stated that public education is necessary to avoid a taxation measure from failing. Vice Chair Holder and Committee Member Schwab expressed their interest in being part of the public education subcommittee. Committee Member Bash noted that residents would not vote on a tax when the City had only \$63,000 in General Fund reserves. He added that the key is to diversify sales tax revenue for a healthy income.

Committee Member Schwab expressed the need to have a funding source dedicated specifically to capital improvement projects.

Committee Members Bash and Schwab asked if staff could bring back information on sales tax by business category, including what has previously been presented to the Committee on the 1/2-cent sales tax.

PUBLIC COMMENTS

Ed Dixon commented on looking for ways to not tax citizens. Mr. Dixon suggested that the Committee look into EB-5, which is a visa program that provides residency status to foreign nationals who invest money in the United States.

Ted Hoffman commented on California Statewide Communities Development Authority, which provides local governments with tools for the financing of community-based public benefit projects. Mr. Hoffman also mentioned SB628, Enhanced Infrastructure Financing Districts, which becomes effective January 1, 2015. The financing districts would give communities more authority to build infrastructure and provide a foundation for public-private partnerships. Mr. Hoffman also expressed that the City of Norco should not be an entitlement city.

Lance Gregory commented on the importance of what the Ad-Hoc Committee is tasked to do and thanked them for their work. Mr. Gregory commented that it has been interesting to hear what residents are not willing to do or pay for.

ADJOURNMENT

Chair Webber adjourned the meeting at 8:20 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, City website, and Subcommittee	Use of grant funds
Meet with neighboring cities with good street ratings for ideas	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	Compactor for DG	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.
	Trail fence post in tube above grade to prevent rotting		City-wide assessments similar to LMDs						Endowments

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.
	Different vinyl fence colors (versus white); more rural look								Venue operator to handle ticket sales for arena events
									EB-5: residency status to foreign investors
									California Statewide Communities Development Authority: infrastructure bond issuance
									SB628: Enhanced Infrastructure Financing Districts, public-private partnerships