



**CITY OF NORCO
CITY COUNCIL SPECIAL MEETING MINUTES**

**Wednesday, May 18, 2016
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

CALL TO ORDER: 4:00 p.m.

ROLL CALL: **Present:**
Kevin Bash, Mayor
Greg Newton, Mayor Pro Tem
Robin Grundmeyer, Council Member
Berwin Hanna, Council Member
Ted Hoffman, Council Member

PLEDGE OF ALLEGIANCE: Council Member Berwin Hanna

DISCUSSION ITEMS:

1. Continuation of the Draft Fiscal Year 2016-2017 Operating Budget Presentation

City Manager Okoro asked if there were any questions from the Operating Budget presentation given on May 4, 2016. There being no questions, Mayor Bash proceeded to the next agenda item.

2. Presentation of the Draft Capital Improvement Program (CIP) Budget for Fiscal Years 2017-2021

Director Chad Blais reported a summary of the CIP projects. Fiscal Year 2016-2017 estimated revenues total \$4,715,832 and estimated expenditures total \$12,880,791. City Manager Okoro said that it is important to note that most of the revenues are coming from third party agencies. The storm drain projects, in the estimated amount of \$2,504,277, is anticipated to come from Riverside County Flood Control District. Another significant item is the Measure A Projects line item, which includes only two projects that will contribute revenue to the City.

Director Blais turned the presentation over to Recreation Superintendent Michelle Anglin to report on the parks and facilities projects. Two projects are from the Park Improvements Fund. One project is the Ingalls Park Improvements project scheduled for Fiscal Year 2016-2017 in the amount of \$163,789 for sound system improvements at the arena, a maintenance yard for the event center, and restrooms with showers. The second is the Public Art Project scheduled for Fiscal Year 2016-2017 in the amount of \$202,817 for public art and future improvements at the center such as landscape, hardscape, marquee, kiosk, directional signs, etc.

Superintendent Anglin commented on the project under the General Government Projects Fund. \$103,600 is estimated for playground equipment at Neil Snipes Park. The existing equipment is the oldest equipment in the City's park system and no longer meets the current standards and guidelines. Ms. Anglin reported on the fourth project in the Facility Improvement Fund, which is for the replacement of City Hall air conditioning units in the amount of \$35,000. The project includes replacing two 7.5-ton units that are 32 years old. Ms. Anglin reported on the fifth project, which is in the Animal Control Facilities Fund for parking lot steps at the rear of the administration building. The project amount is \$19,585 for use in Fiscal Year 2016-2017.

Council Member Ted Hoffman commented that in December 2014, \$300,000 was allocated for public art from remaining Redevelopment Agency funds and asked if the amount presented today is in addition to what has been allocated. Ms. Anglin indicated that the amount of \$202,817 is the remaining balance from that original allocation plus \$10,000 which was donated from the Day of the Cowboy.

With no further questions from Council, Superintendent Anglin turned the presentation back over to Director Blais.

Director Blais reported on the Trails Improvement Fund. The estimated beginning fund balance by July 1, 2016 is \$143,107. With a transfer from the Street Fund, the total Trails Improvement Fund amount for Fiscal Year 2016-2017 is \$243,465. Mr. Blais reported on the use of funds for Fiscal Years 2016-2017 and 2017-2018 and highlighted that the City was able to include two projects suggested by the Norco Horsemen's Association; 1) Corydon – River Road to Santa Anita (new trail fence); and 2) Third Street – Corona Avenue to Temescal Avenue (new trail fence).

In response to Mayor Bash, Superintendent Terry Piorkowski indicated that Corydon is not included in the Bluff/Peninsula Trail Fence Project. Fencing on Corydon was completed approximately three years ago. Bluff is in the Peninsula Project, which will include fencing from River Road to Statecoach.

In response to Mayor Pro Tem Newton, Director Blais stated that \$300,000 was allocated for traffic calming. The current projected expenditures is approximately \$100,000 for all the associated improvements. Another \$100,000 will remain in the fund as the improvements are completed. Staff does not anticipate using the entire amount allocated. The recommendation is to move \$100,000 to complete the Peninsula Project. Mayor Pro Tem Newton expressed concerns that the \$100,000 may still be needed for the traffic calming measures.

Director Blais reported on the Water Improvement Fund. He highlighted that regarding these projects, by the end of this fiscal year, and going forward, there will be a zero balance in the funds. The estimated beginning fund balance on July 1, 2016 is \$4,427,218. With the addition of other sources of funds, the total source of funds is \$5,017,217. He reported on the use of funds with one of the main projects being the Valley View Waterline from Sixth to Seventh Street. Another project is the implementation of GIS/CMMS System software which will manage assets and infrastructure in the City.

In response to Mayor Pro Tem Newton, City Manager Okoro indicated that the repayment from Balboa for SilverLakes in the amount of \$286,000 is only half of the repayment and the other half is identified in the Sewer Fund. Accounting Manager Olivia Hoyt indicated that the interest income from the \$6,000,000 is included in the line item amount of \$286,615.

Director Blais reported on the Street Improvement Fund. The estimated beginning balance for July 1, 2016 is \$2,177,081. About \$1,000,000 worth of projects is scheduled for Fiscal Year 2016-2017, which leaves about \$1,000,000 for Fiscal Year 2017-2018. Mr. Blais commented on the street widening projects on Second Street and Sixth Street that will assist with the flow of traffic.

Director Blais reiterated that funds will be exhausted by Fiscal Year 2019-2020, or sooner if more projects are done. Staff would like the Council to consider long-term planning to put funds back in the Street Improvement Fund. Mayor Pro Tem Newton asked where the approximate \$300,000 of cash in lieu funds go to help offset some of the street improvement projects. City Manager Okoro stated that staff and auditors will take a comprehensive look at the cash in lieu funds. Each deposit will be reviewed and categorized. Staff will bring a report and recommendation back to the City Council.

Director Blais reported on Storm Drain Fund, which has an estimated beginning balance as of July 1, 2016 of \$199,483. With the addition of other source of funds, most from Riverside County Flood Control District, the total is \$2,703,759 for Fiscal Year 2016-2017. Council Member Hanna noted a correction on one of the projects. The storm drain lateral in Pedley Avenue should be corrected to Riverview Elementary, not Highland Elementary.

Director Blais reported on the Sewer Facilities Improvement Fund. The estimated beginning fund balance by July 1, 2016 is \$2,810,657 and with the addition of other sources of funds, the total source of funds amount for Fiscal Year 2016-2017 is \$3,338,549. Staff is proposing about \$2.7 million worth of projects, leaving \$1.1 million for Fiscal Year 2017-2018. Mayor Pro Tem Newton expressed concern that the fund is anticipated to be in the negative by \$4 million by Fiscal Year 2018-2019. Mayor Pro Tem Newton asked about the Navy Meter Relocation project in the amount of \$205,000. Superintendent Piorkowski indicated that the City intercepted the line flow at the pump station located on the south end of the Navy base and ran it to the college for a short distance. There is a meter there in a secure compound, which is extremely difficult for City staff to access. The meter needs to be relocated in order to gain access and properly bill the Navy. Mayor Pro Tem Newton asked if the Navy could participate in the cost associated with the relocation. Director Blais indicated that the Navy is technically our customer and the City is responsible for metering them appropriately.

Director Blais reported on Measure A Projects Fund which has an estimated beginning fund balance on July 1, 2016 of \$2,034,704. With the addition of Measure A revenues and investment earnings, the total source of funds amount is \$2,658,791. Staff is projected to spend approximately \$1.8 million in projects in Fiscal Year 2016-2017. Staff planned aggressively for project completion but suggests leaving one year's worth of Measure A funding in the fund for emergencies or special projects.

In response to Mayor Bash, Director Blais stated that there is no direct plan to rehab Third Street from Hamner Avenue to Valley View. Staff has completed the Pavement Management System and just recently received the data. Staff will need to properly analyze each street. Council Member Hoffman commented on the condition of Hidden Valley Park up to Norco Hills. He suggested some rehab and overlay before the condition worsens considering the amount of traffic on that roadway.

ADJOURNMENT

Mayor Bash adjourned the meeting at 5:25 p.m.

Cheryl L. Link, CMC, City Clerk