



MINUTES
CITY OF NORCO
SPECIAL MEETING -- TOWN HALL MEETING
CITY COUNCIL
CORONA-NORCO UNIFIED SCHOOL DISTRICT
LEARNING CENTER SOUTH
2820 CLARK AVENUE, NORCO, CA 92860
APRIL 29, 2010

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1. CALL TO ORDER: Mayor Miller called the meeting to order at 7:05 p.m.
 2. ROLL CALL: Mayor Malcolm Miller, **Present**
Mayor Pro Tem Berwin Hanna, **Present**
Council Member Kathy Azevedo, **Present**
Council Member Kevin Bash, **Present**
Council Member Harvey C. Sullivan, **Present**
 3. PLEDGE OF ALLEGIANCE: Council Member Azevedo
 4. OPENING COMMENTS:

Mayor Miller welcomed everyone in attendance and stated that the Council Meeting would be divided into two parts. First, a presentation will be made by the City Manager. Second, there will be a time for public comments. He noted that no action will be taken by the City Council and further noted that City staff is seeking direction from the Council Members and any views and input from the audience would assist them in giving that direction.

Council Member Sullivan commented on the downward trends of the economy all over the world and noted that it also has affected Norco. He stated that we are all in this together and supports cutting police by 50% and the closure of one fire station if that would help to balance the City's budget. He also stated that he supports placing a tax on the ballot if it has a time limit of 3 years.

Council Member Azevedo commented that this is a tough decision and we need to make it together. She stated that she has always said that we have a structural imbalance and the City is too dependent on the Auto mall for revenues. She further stated that there are only two dealerships left in Norco and they are both struggling. With that, she reminded everyone to shop in Norco. She noted that the choices she sees that we have are to implement a utility user tax, a parcel tax or bankruptcy and that this decision is too huge for the Council to make alone and they need input from the Community. She commented on the use of Redevelopment Agency money, which is used to promote economic development and attract auto dealerships into Norco and added that without RDA money, it would be difficult to compete with other cities.

Council Member Bash stated that we are all in this together and need to pull together. He added that it is important to note that Norco has an expensive lifestyle to maintain and we need to look into the future. He noted that a lot has been done to cut costs and it is going to require the community to come together to decide what services they want and don't want.

Mayor Pro Tem Hanna commented that when he moved to Norco in 1986, he was aware that it was an expensive place to maintain and reminded everyone that the community needs to help pay for that lifestyle. He further noted that if the community wants to keep this lifestyle, we need to work together and pitch in to save our City.

All of the Council Members stated that they encouraged comments from the audience to assist them in making a decision.

5. PRESENTATION ITEMS:

- A. City Government Funding Overview. (City Manager Groves and Deputy City Manager/Director of Finance Okoro)
- B. Potential Local Revenue Measures. (City Manager Groves and Deputy City Manager/Director of Finance Okoro)

City Manager Groves stated that City staff is in the process of putting together a balanced budget to bring to the Council for approval. She noted that there is great concern regarding falling revenues, which creates the need to seek additional revenues to balance the budget. A PowerPoint presentation provided an overview of General Fund revenues and expenditures, and overview of the Fiscal Year 2010-2011 preliminary General Fund Budget, cost containment measures implemented by the City, information on “what things cost”, and information regarding revenue that could be produced from the implementation of a utility user tax or a parcel tax.

6. PUBLIC COMMENTS AND/OR QUESTIONS REGARDING PRESENTATION ITEMS:

Mayor Miller read a letter for the record from **Roger and Maxine Levander**.

TO: NORCO CITY COUNCIL
FROM: ROGER LEVANDER
1452 FOXTROTTER
NORCO, CA. 92860

“I WANT TO STATE THAT WE ARE DEFINITELY AGAINST RAISING TAXES TO COVER THE CITY’S SHORTFALL. THE CITY DOES NOT APPLY THE FUNDS WHERE THEY ARE SUPPOSED TO GO, AND FRANKLY DOESN’T SEEM TO HAVE ANY IDEA ON HOW TO CONTROL A BUDGET. WE PAY \$900 A YEAR TO HAVE OUR HORSE TRAILS MAINTAINED, AND AFTER NUMEROUS CALLS, CAN’T GET EVEN A CALL BACK ON WHY WE ARE LEFT WITH DEEP DITCHES RUNNING THROUGH OUR TRAILS. I CAN IMAGINE THE LAW SUITS WHEN A HORSE FALLS OR BREAKS A LEG ON ONE OF THESE TRAILS. JUST TURN THE MONEY OVER TO ANY RESPONSIBLE PERSON UP HERE, AND I’M SURE THAT WE CAN GET ALL OF OUR TRAILS IN GREAT SHAPE. WITH \$900 I WILL BE GLAD TO BE RESPONSIBLE FOR MY OWN TRAIL. THE CITY HAS A DOG TAX, BUT REFUSES TO PUT IN A HORSE TAX. THAT WOULD RAISE QUITE A LOT OF REVENUE. FOR ALL OF THESE REASONS, WE ARE IN FAVOR OF LETTING THE CITY REVERT BACK TO THE COUNTY-- WE BELIEVE THAT THEY WOULD IMMEDIATELY PUT IN A HORSE TAX TO RAISE REVENUE, AND WOULD BE BETTER AT CONTROLLING A BUDGET.”

Shirley Lewis. Ms. Lewis spoke against a tax and asked for support for the seniors.

Martin Gilfix. Mr. Gilfix suggested that revenue to the City could be generated by charging people to park their horse trailers while riding on the City's trails.

Marilyn Gursha. Ms. Gursha stated that she is a member of Citizens Action Committee and noted that the Norco residents would put forth strong efforts to help balance the budget through volunteering and spoke against a tax. She noted that cutting positions and strong fiscal management of the budget would turn this financial problem around.

Alice Hathaway. Ms. Hathaway spoke against taxes and stated that we are all in this together. She added that salaries should be cut across the board along with additional cuts for public service.

Mike Francis. Mr. Francis spoke against a tax and noted that he does not want to see a cut in police and fire, but does not see where the people of Norco will come up with the money.

Vernon Showalter. Mr. Showalter supported cutting police and fire.

Emmet McKune. Mr. McKune stated that in looking at the graphs shown as part of the presentation, it would appear that the city is bankrupt. He does not support taxes and is in favor of renegotiating contracts.

Robert Snyder. Mr. Snyder spoke in favor of a "temporary" parcel tax, stating concerns for the seniors. He commented on the City's revenue problems and the costs for police and fire.

Susan Dvorak. Ms. Dvorak commented on the fact that she was informed that her position will be eliminated and stated concern regarding threats made to the Council by the Norco Firefighters to prevent them from making concessions.

Ann Marie Knudsen. Ms. Knudsen commented on the City's financial problems dating back to 2006 and noted Redevelopment Agency activity that she did not support.

Su Bacon. Ms. Bacon spoke against a tax and noted that cuts need to be made in the Fire Department as she has not seen one thing come from them to help out the City.

Jim Sassin. Mr. Sassin commented on the \$4 million shortfall and supports a ½ percent sales tax increase and the closure of one fire station. Simple way is to close one fire station and ½ point sales tax.

Warren Bacal. Mr. Bacal spoke against a tax and supported the closure of one fire station.

Greg Bowen. Mr. Bowen commented on the tough job ahead and supported raising sales tax on a temporary basis.

Robert Leonard. Mr. Leonard supported raising sales tax or a partial utility user tax, but not a parcel tax. He also spoke in support of contracting out for maintenance of the City's parks and using more volunteers to maintain the City's streets and trails. Need to figure out a way to make building department friendlier.

Karen Leonard. Ms. Leonard spoke in support of a utility user tax. She noted that the Fire Department could cut their salaries to save jobs. She also noted the strong volunteer groups in Norco that could be used to help maintain the trails.

Curtis Coombs. Mr. Coombs spoke against a tax and noted that the City cannot rely on auto dealerships for revenue and needs a broader source of income. He added that the City should be more flexible on its requirement for western architecture, as it costs additional money, and should make this a place that businesses want to seek out. He added some comments on the proposed high speed rail and how it affects the City of Norco.

Lisa Butler. Ms. Butler questioned the implementation of a temporary tax and if it would remain temporary. She supported cuts in the Fire Department.

Russ Phillips. Mr. Phillips spoke in support of a tax and noted that cuts should be implemented across-the-board.

Carol Nelson. Ms. Nelson commented on the budget cuts and stated that she did not support cutting law enforcement and fire, but would rather see parks closed. She noted the lights on Sixth Street and the new sign at Jack-in-the-Box and stated that those expenditures were a mismanagement of funds.

Lois Loock. Ms. Loock spoke against a tax and noted some "quick fixes" to save money, such as turning off street lamps on Sixth Street, turning off the flood lights on the ball fields, discontinue all informational literature, stopping all "freebees" provided to organizations, and filling the empty retail shops in Norco.

Fernando Garcia. Mr. Garcia spoke against a tax and commented on how a tax would hurt residents financially.

Mike Harris. Mr. Harris stated that he has a problem with the leadership provided by the Council, as they have known about the deficit for 5 years. He spoke against any tax and noted that the biggest job for the Council is to bring business in. He added that this problem is a challenge and the Council needs to be accountable for the success of the City.

Myrna Paakkonen. Ms. Paakkonen stated that she opposes taxes and noted that as a City, we need to look at where we can cut our expenditures and would like to see the Norco Firefighters Association step up to the plate and make true concessions. She added that the Sheriff's Department and Fire Department should not be categorized together and does not support making cuts in the Sheriff's Department.

Dale Vedomske. Mr. Vedomske supports the City's police making concessions and also spoke in support of using more volunteers.

John Box. Mr. Box commented on the need for a deficit-neutral budget to be provided to the Council and noted that the community deserves to see what that budget would look like and how it would impact the community. He spoke against a tax.

Gerry Lunde. Mr. Lunde asked for a show of hands regarding support from the audience regarding the measures discussed. In response to a parcel tax, there was no show of hands. There was very limited support of a sales tax or a utility user tax. There was also limited support for making cuts in the Fire Department, cuts in the Sheriff Department, and lowering wages and implementing new contracts. *Note that there was not an official count of hands raised.*

7. CITY COUNCIL MEMBERS' COMMENTS:

Mayor Pro Tem Hanna stated that he heard from the audience and the show of hands let him know what direction the Council should go in.

Council Member Bash stated that he is frustrated being the new council person and added that the audience does not have all of the information. He commented on the Norco Firefighters Association contract and the fact that we cannot close a station or implement any layoffs. He also commented on the option for the city to file bankruptcy and added that he would look into that. He encouraged residents to volunteer as the City will not be able to cover all of the services currently provided. He responded to many of the public comments made and stated that many of the decisions made are to make the City look better, as it will become a destination City and will then attract new businesses. He stated that he does not support charging horse trailers, as this would keep visitors away. He commented on the use of Ingalls Equestrian and Event Center and the fact that the people that live in the Norco hills are paying for it. He noted that he is against the high speed rail coming through Norco. He also noted that closing parks in the community would not help the deficit problem. He would like the City to make revisions to the current permitting process to fast track that process. He stated that if we hang in there, the community is sitting in a place that will be considered paradise. He further questioned "what are you willing to do to save this City?"

Council Member Azevedo commented on the need to bring economic development into the City, but that the problem is developers are looking at rooftops. She further commented that the goal is to make this city a destination point and we need to be proud of who we are. She noted that the street lamps on Sixth Street were constructed to attract economic development and were paid for with Redevelopment Agency funds. She stated that the numbers in the Sheriff Department were increased because of people complaining about safety on the trails. She stated that she is also opposed to the high speed rail coming through Norco as it will take out Hamner Avenue. She noted that this meeting has clearly accomplished what it needed to do as she heard from the community that they clearly do not want a tax. She further noted that the City will need to reduce public safety and close parks.

Council Member Sullivan commented that we are all in this together to survive this economic downturn. He further commented that Norco is a unique City and there is no place like it in the United States, but it has an expensive lifestyle. He spoke against the Norco Redevelopment Agency and stated that he would like to see the City do away with it, but that would be crazy as we would cut ourselves out of money. He noted that he is in favor of economic development, because the City needs to diversify. He added that because of our lot size and roof tops, it is hard to convince developers to come to Norco. He stated that the Council asked for help from citizens in making this decision and added that the Council alone cannot impose a new tax. He stated that he supports putting a tax on the ballot with a drop-dead time limit of 2 or 3 years. He commented on some of the public comments made and noted that some of the comments are “hear say” and added that the widening of Hamner Avenue will alleviate the current traffic bottleneck. He stated that the City has done some cutting and doesn’t know what else can be cut. He noted that nobody wants to close one fire station and cut the Sheriff Department by 50% to balance the budget, none of us want that and added that he was endorsed by the Norco Firefighters Association, but will vote to close a fire station and cut police if that will save the City. He did note that with only 27 public comments, he did not receive a clear indication as to what direction the community wants the Council to go.

Mayor Miller thanked City Manager Groves for the information in the presentation and also thanked the citizens for their input. He noted that times are tough, but not all is doom and gloom. He further noted that the economy is beginning to turn around and Norco will see increased visitors from the Silverlakes development next year. He also commented on potential revenues from water projects but noted that this will take time and the City needs help to get through the next three to four years. He stated that when staff cuts are made, so are services, and added that it is easy to say “cut,” but beyond a certain point, there are no cuts left. Noted was the contract with the Norco Firefighters Association that is locked in until June of 2011 and that hopefully at that time, reasonable concessions can be made. Mayor Miller asked the community to swallow hard and help the Council get through the next three years and hopefully, beyond that time, the City can get by with no tax. He stated that he would like to look at a utility user tax, as the revenues come in in a steadier fashion and each person can limit the impact on themselves through conservation. Mayor Miller stated that the Council will make a recommendation and the residents will make the final decision whether or not a revenue generating measure will pass.

8. ADJOURNMENT: There being no further business to come before the City Council, Mayor Miller adjourned the meeting at 9:55 p.m.

BRENDA K. JACOBS
CITY CLERK