



**MINUTES
CITY OF NORCO**

**CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
JUNE 16, 2010**

CALL TO ORDER: Mayor Miller called the meeting to order at 6:03 p.m.

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**

Staff Present: Carlson, Cooper, Groves, Jacobs,
King, Okoro, Oulman, Petree and Thompson

Deputy City Attorney Burns – **Present**

THE CITY COUNCIL/CRA RECESSED TO CLOSED SESSION (SECTION 54954) TO CONSIDER MATTERS:

Section 54956.8 – Conference with Real Property Negotiator

Street Address or Parcel Number: Portions of Western Avenue, Riding Ring Road, and Parkridge Avenue in the City of Norco

Negotiating Parties: City of Norco and Western Municipal Water District

Points Under Negotiation: Price and Terms of Payment

Section 54956.9 – Conference with Legal Counsel – Existing Litigation

Case Name: City of Norco vs CACERF Norco, LLC

Case Number: RIC 10010637

Section 54957.6 – Conference with Labor Negotiator

Negotiating Parties: City Manager Groves and Deputy City Manager/Director of Finance Okoro

Employee Organization: Norco Battalion Chiefs Association
Norco Firefighters Association
Norco General Employees Association
Norco Public Works & Parks Maintenance Workers Association

RECONVENE PUBLIC SESSION: With nothing to report from Closed Session, Mayor Miller reconvened the meeting at 7:07 p.m.

PLEDGE OF ALLEGIANCE: Council Member Azevedo

INVOCATION: Assembly of God – Beacon Hill
Pastor Rene Parish

PRESENTATION: City of Norco Certificate of Appreciation
Presented to Fire Prevention Specialist Sheldon Zell in recognition of his creation and implementation of the Annual Fire Safety School Award Program.

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

1. CRA CONSENT CALENDAR ITEMS:

Council Member Azevedo pulled Item 1.B.

- A. CRA Minutes:
Regular Meeting of June 2, 2010
Recommended Action: Approve the CRA Minutes (City Clerk)

M/S Sullivan/Bash to approve the CRA Minutes. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, MILLER, SULLIVAN
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

- B. Acquisition Agreement for 1497 Second Street for the Second Street Widening Project. **Recommended Action: Adopt CRA Resolution No. 2010-___, authorizing the approval of an Acquisition Agreement in the amount of \$2,318.00 and accept the offer of street dedication for the real property at 1497 Second Street (APN 125-150-019) to facilitate the Second Street Widening Project, and authorizing the Agency to enter into escrow for said property.** (City Engineer)

Agency Board Member Azevedo stated that she would be voting no on this item as she has had second feelings regarding the Second Street Widening Project since it started and has concerns that this project will continue all of the way up the street. She added that Second Street is part of rural Norco and noted that the project was approved prior to her becoming a Council Member. Council Member Azevedo stated that during this economic hardship, she cannot see spending \$2 million more on this Project and that money could be used for other redevelopment projects. Council Member Azevedo noted that if one day some of that land was rezoned as commercial development, those development fees could be used for the construction project.

Agency Board Member Sullivan stated that he was on Council in early 2000 when this Project was on the top-ten list of goals to achieve in Norco. He noted that the traffic was bad because of the backing up of the school traffic and the widening of the lanes on Second Street would help to improve the traffic flow. He commented on the fact that there are only 2 acquisitions remaining to complete this Project and received confirmation from City staff that that will conclude all of the right-of-way necessary from the I15 Freeway to Corona Avenue. Also confirmed was that the actual Second Street Widening Construction Project will be brought to the Council for approval at a later date.

Agency Board Member Bash noted that this right-of-way acquisition is important as it provides for more future options.

M/S Sullivan/Hanna to Adopt CRA Resolution No. 2010-12, authorizing the approval of an Acquisition Agreement in the amount of \$2,318.00 and accept the offer of street dedication for the real property at 1497 Second Street (APN 125-150-019) to facilitate the Second Street Widening Project, and authorizing the Agency to enter into escrow for said property. The motion was carried by the following roll call vote:

AYES: BASH, HANNA, MILLER, SULLIVAN
NOES: AZEVEDO
ABSENT: NONE
ABSTAIN: NONE

2. CONTINUED JOINT CRA/CITY COUNCIL PUBLIC HEARING:

- A. Approving and Adopting the City and the Norco Redevelopment Agency Operating Budgets Including Related Personnel Adjustments for Fiscal Year 2010-2011 and Authorizing Appropriations

On May 18, 2010, City Council/Agency Board and staff held a workshop to discuss the City and Norco Redevelopment Agency Operating Budgets for the Fiscal Year 2010-2011. A public hearing was also conducted on June 2, 2010 during which staff presented and reviewed additional information on the Operating Budgets with the City Council/Agency Board. Staff is now recommending that the City Council/Agency Board conduct additional public hearing to receive public input on the Proposed Budget and to adopt the budgets at the end of the public hearing.

Recommended Action: Adopt Resolution No. 2010- ____ approving and adopting the City Operating Budget and related personnel adjustments for Fiscal Year 2010-2011 and authorizing appropriations therefrom; and CRA Resolution No. 2010- ____, approving and adopting the Norco Redevelopment Agency Budget and related personnel adjustments for Fiscal Year 2010-2011 and authorizing appropriations therefrom. (Deputy City Manager/Director of Finance)

City Manager Groves stated that through this six-month process, this proposed budget has been prepared for the Council's approval. She re-capped the General Fund budget summary, based on the best available information as of today and noted that sales tax continues to be the greatest source of revenue, but will continue to be at an all-time low.

Estimated Shortfall before Adjustments	\$ 4,385,979
Proposed Adjustments	(2,188,217)
Remaining Shortfall	<u>2,197,762</u>
Estimated Fund Balance July 1, 2010	3,544,061
Remaining Shortfall	(2,197,762)
Estimated Fund Balance July 1, 2011	<u>1,346,299</u>
Preliminary Expenditure Budget	17,081,345
Less Proposed Expenditure Reductions	(1,770,992)
Preliminary Expenditure Budget After Adjustments	<u>15,310,353</u>
<i>Estimated Remining Fund Balance as % of Expenditures</i>	<i>8.79%</i>

Balance in Special Asset Revenue Fund \$ 1,285,538

Actions to reduce the General Fund deficit were presented as follows:

Expenditure Reductions & Deferrals:

Eliminate 3 Motor Officers (Net Savings)	\$ 479,794
Defer Other Departments Contribution to Equip. Replacement Fund	28,743
Defer Fire Department Contribution to Equip. Replacement Fund	117,000
Reduce Funding to Post Retirement Health Fund	250,000
Park Maintenance Personnel Changes	84,234
Eliminate 3 Firefighter/Paramedic Positions	389,000
Continue to Staff Fire Chief on Part Time Basis	57,766
Reduction to Fire Department Overtime Calculations	68,255
Defer Contribution to IT Fund	<u>100,000</u>
Total Estimated Expenditure Reductions/Deferrals	<u>1,574,792</u>

Revenue Enhancements:

Transfer from DAG Fund	600,000
User Fee Adjustments	<u>13,425</u>
Total Estimated Revenue Enhancements	<u>613,425</u>
Total Estimated Reduction to General Fund Deficit	<u>\$ 2,188,217</u>

City Manager Groves stated that all of these proposed actions will reduce services provided to the community and will eliminate pro-active law enforcement. The reduction of 3 Firefighter/Paramedic positions will affect Station 21 and Station 22 will remain with current staffing levels. Noted was that the total full-time staff at City Hall has been reduced from 91 to 80, some from converting from full-time to part-time and others from not filling vacant positions. Staff is in the process of looking at ways to continue to provide the necessary services to the community and beginning the week of July 12, 2010, the Planning, Building and Engineering Divisions will provide in-person interaction with customers at the counter from 10 a.m. to 4 p.m. City Manager Groves commented that if this becomes an issue, staff may look at going to an appointment-based system.

Also noted was that the Redevelopment Agency funds are also in a much more vulnerable place, largely because of actions taken by the State. \$4.9 million was paid this fiscal year for the Supplemental ERAF payment to help the State balance its budget and \$1 million will be taken away the next fiscal year. This will affect the Redevelopment Agency funding resources available for projects.

City Manager Groves acknowledged and thanked Lt. Cooper and Captain Mayman for their input and cooperation through this process. She also thanked Chief Carlson and the Norco Firefighters Association for their cooperation through this process. She added that this will be a continuous process and there is still a lot of work to do, noting that staff will continue to bring the best recommendations possible as we go forward with this budget process.

In closing, she thanked Deputy City Manager/Director of Finance Okoro for his work on a daily basis.

Mayor/Chairman Miller OPENED the public hearing, indicating that proper notification had been made and asking for the appearance of those wishing to speak.

John Box. Mr. Box applauded staff for the work they put into the preparation of this budget. He drew attention to the City Manager's budget transmittal letter stating that after this budget, the City will have meager reserves, and further on noted that tough policy decisions are necessary. He also commented on the Mayor's transmittal letter noting the statement regarding living within our means. He noted his observation at a prior meeting when a City Council Member requested to receive a deficit-neutral budget and asked if that was provided. He noted that this is critical for the City's future and the issues need to be addressed as a \$2 million deficit is nonsense. In Closing, he requested that the Council notify staff that they want to see a deficit-neutral budget and from that, make the decision on approving a budget. He added that there are a lot of areas where the Council could look at reductions.

Mike Harris. Mr. Harris thanked the Mayor for distributing his budget transmittal letter and commented on the Redevelopment Agency budget. Mr. Harris noted that he would request clarification on the level of debt carried by the Agency and added that he is lost with regards to what this budget is doing. He then commented on a document prepared by State Controller John Chang reflecting Norco's finances and asked for a bit more

transparency in the figures provided by the City. He stated that the \$240 parcel tax once noted would be insignificant in helping out the budget problems. Mr. Harris requested that a 5-10 years plan, linked to the future, be provided in order to determine what this all means to the residents.

Deputy City Manager/Director of Finance Okoro stated that the Norco Redevelopment Agency debt limit was increased in 2008 to allow for additional issuances of debt on behalf of the Corona-Norco Unified School District. He noted that those debts are secured by tax increment funds paid directly to the School District and the School District reimburses the Agency for the cost of those debt service payments. The RDA itself has not issued new debt since 2003. He commented on the total RDA outstanding debt in the amount of \$143 million including approximately \$20 million on behalf of the School District, \$40 million debt in Water and Sewer Enterprise Funds, and approximately \$80 million in debt to the Redevelopment Agency. He noted that the purpose of the Redevelopment Agency is that for it to be able to do what it does, the RDA leverages tax increment money, the bulk of which can be used for projects that benefit the community. He stated that the City issues an audited annual report brought before the Council which is available on the web site. This document states in detail all of the debt and remaining balance, along with the time it will be paid off. Noted was that the budget asked to be approved tonight has, for every fund, revenues that support the expenditures and added was that this is an annual budget that does not go beyond one year.

Mayor Miller stated we are as transparent as possible and Deputy City Manager/Director of Finance Okoro is available for discussion upon request.

Mayor/Chairman Miller CLOSED the public hearing.

Mayor Pro Tem Hanna thanked staff for working hard to present this budget.

Council Member Bash thanked Deputy City Manager/Director of Finance Okoro and staff noting that the report is outstanding. He commented on the budget stating that he is not happy with it and does not like the idea of using one-time revenues to cover shortfalls. He also noted that he also does not like dipping into reserves. Council Member Bash stated that the people in Norco need to come to grips with the fact that we are a very huge number of people living on a small amount of land. He added that Norco is about open space and we need to decide if we are going to preserve that. He stated that the Council prior to him made wise decisions but the problem is that we are still spending money we don't have. He commented that there is a need to "beef up" the Economic Development Department in order to bring in more retail noting that sales tax is our life blood. He requested quarterly reports for review from staff to see where we are at in generating revenue.

Council Member Azevedo commented on the amazing job on the budget. She noted that in this very difficult economic climate, we need to think about economic development. She stated that because we are so tight at City Hall, future cuts would only be done through public safety. She also requested that the Council be kept up-to-date on the budget and also requested a monthly status on economic development.

Council Member Sullivan thanked staff, Council Members and the public for their comments and input on the budget. He noted that we are going through tough times and we hope and pray that they will be over soon. Council Member Sullivan stated that as we have been previously told, property tax does not cut the bills and we need to be proactive in assembling parcels on Sixth Street and bring in some of the newer businesses into town. He commented that he believes that the resources available through the Silverlakes and Ingalls projects will provide great opportunities.

Mayor Miller thanked the City Manager and staff for their work on this budget. He noted that the budget is not perfect, but under the circumstances as good as it could be. He further noted that this will be an ongoing process with adjustments made as we go along. He reminded the Council Members that they currently receive a monthly report from the department heads.

M/S Bash/Sullivan to adopt Resolution No. 2010-27, approving and adopting the City Operating Budget and related personnel adjustments for Fiscal Year 2010-2011 and authorizing appropriations therefrom; and CRA Resolution No. 2010-13, approving and adopting the Norco Redevelopment Agency Budget and related personnel adjustments for Fiscal Year 2010-2011 and authorizing appropriations therefrom. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, MILLER, SULLIVAN
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

3. OTHER CRA MATTERS: No other CRA matters.

ADJOURNMENT OF CRA: 8:01 p.m.

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

4. CITY COUNCIL CONSENT CALENDAR ITEMS:

Council Member Bash requested to abstain from Item 4.D.

M/S Hanna/Sullivan to approve the items as recommended on the City Council Consent Calendar. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, MILLER, SULLIVAN
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

- A. City Council Minutes:
Regular Meeting of June 2, 2010
Recommended Action: **Approve the City Council Minutes** (City Clerk)

- B. Planning Commission Action Minutes, Regular Meeting of June 9, 2010. **Recommended Action: Receive and File** (Planning Director)
- C. Authorization for the Destruction of Certain City Records. **Recommended Action: Adopt Resolution No. 2010-28.** (City Clerk)
- D. Lease Agreement between the City of Norco and the Lake Norconian Club Foundation. **Recommended Action: Approval** (Director of Parks, Recreation & Community Services)
- E. Order of Procedure and Resolutions Necessary for The Annual Assessment Levy Continuing Landscape Maintenance Districts No. 1 – Beazer, Tract 28765; No. 2 – Western Pacific, Tract 25779; No. 3 – Centex, Tract 28826; No. 4 – Norco Ridge Ranch, Tracts 29588 and 29589; and No. 5 – Hawk’s Crest, Tract 30230. **Recommended Action: That the members of the City Council adopt the following Resolutions:**
 - A.) **Resolution No. 2010-29, (Beazer); Resolution No. 2010-30, (Western Pacific); Resolution No. 2010-31, (Centex); Resolution No. 2010-32, (Norco Ridge Ranch); Resolution No. 2010-33, (Hawk’s Crest), approving the Engineer’s Preliminary Report for the Annual Levy of Assessments for the Fiscal Year 2010-2011 in said District; and**
 - B.) **Resolution No. 2010-34, (Beazer); Resolution No. 2010-35, (Western Pacific); Resolution No. 2010-36, (Centex); Resolution No. 2010-37, (Norco Ridge Ranch), Resolution No. 2010-38, (Hawk’s Crest), declaring the City’s intention to provide for an Annual Levy and Collection of Assessments for certain maintenance in an existing District, and setting a time and place for the Public Hearing.** (City Engineer)
- F. Contract with the California Department of Corrections and Rehabilitation (CDCR) for the Collection, Removal and Disposal of Wet/Dry Garbage by the City’s Franchise Waste Hauler from July 1, 2010 through June 30, 2013. **Recommended Action: Adopt Resolution No. 2010-39 to Approve Contract** (Deputy City Manager/Director of Finance)
- G. Acceptance of Property Dedication at 2821 Hamner Avenue for the Hamner Avenue Widening Project. **Recommended Action: Authorize the City Manager to accept the dedication of street right-of-way at 2821 Hamner Avenue, authorize the City Clerk to record the Grant Deed and authorize the City Manager to execute the Certificate of Acceptance.** (Director of Public Works)

5. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR: No items pulled from the City Council Consent Calendar.

6. PUBLIC COMMENTS OR QUESTIONS:

Wendie Stevens-Rodriguez. Ms. Stevens-Rodriguez spoke regarding her support of the new Arizona Immigration law.

Pamela Smith. Ms. Smith thanked City Manager Groves for assisting with a freeway visible flag that was replaced.

Danny Azevedo. Mr. Azevedo, speaking as the Norco Horseman's Association (NHA) President, provided information on the NHA event that will be held on June 17, 2010 prior to their general business meeting. The Alltech FEI World Equestrian Games will celebrate 100 Days to go until the world's most prestigious equestrian event comes to Kentucky. Representatives from Alltech will be in Norco on June 17th to celebrate this event with the NHA members. Mr. Azevedo thanked Ray Ariss for his participation in this event and for making it happen.

Rob Koziel. Mr. Koziel commented on the stables owned by the Price family and he asked the Council to reconsider letting them stay at that site. He also commented on his concerns regarding the ingress/egress issues on southbound Hamner Avenue in front of his business relative to the Community Center Parking Lot project.

7. OTHER MATTERS – COUNCIL:

Council Member Sullivan:

- ✚ Commented on a complaint received regarding the vegetation growing on the freeway wall behind the retail center at Sixth Street and Hamner Avenue.
- ✚ Stated that he is perturbed about the Navy Base continuing to be referred as the "Corona Division" as it is located in the City of Norco. He would like to have a letter written or calls made to change this as it is an important part of our town.

Council Member Azevedo:

- ✚ Thanked Council Member Bash, Mayor Miller, the Norco Fire Department and the NHA for their contributions in making the Jazzercise with the Stars event a success. They raised over \$6,000 which will be used to provide some medical services to the underserved in the community.
- ✚ Commented on a call from a resident who purchased a golf cart and wanted to know if he could pick up his grandchild in it. Lt. Cooper responded that the golf cart would need to be licensed through the DMV, the speed limit is 25 or less and it would not be allowed on the horse trials. He added that a child would be allowed to ride in it. City Manager Groves noted a WRCOG pilot project for electric cars that will take place in a portion of Norco and added that she has invited the WRCOG consultant to come to a City Council Study Session to address this.

Mayor Pro Tem Hanna:

- ✚ Commented on the National Day of American Cowboy events at the George Ingalls Equestrian Event Center that will be held on July 24th. He added that this will be very affordable for families to attend, as the cost will be \$5 for the events. He added that they are still looking for volunteers to help out.

Council Member Bash:

- ✚ Noted that the Lake Norconian Club Foundation received \$5,000 from Supervisor John Tavaglione for its Dec 7th event.
- ✚ Stated that the Little League will be holding its closing ceremony event this Saturday.
- ✚ Commented on the letters sent out to the Norco High School All-League and All-Academic recipients and added that the coaches are thrilled with the letters.
- ✚ Thanked Public Works Director Thompson for the time he took to hold meetings with him.
- ✚ Stated that the Banner Program is a success.

City Manager Groves stated that the 41 sites for the patriotic banners on Sixth Street have all been filled and added that there were more applications received than banner spots available. She noted that the majority of the applicants are honoring military personnel. Also noted was that the banners are being made as we speak and will be hung by the end of next week and complemented by the re-striping of Sixth Street. She stated that the current commitment for the banners is for a period of 3 months and the Council would then have the option to determine if a different timeframe would be honored.

Mayor Miller:

- ✚ Commented on the upcoming Concerts in the Park Summer Series which will be held at Pikes Peak Park on July 16 & 30 and August 13 & 27.
- ✚ Provided a PowerPoint presentation on the Santa Ana River Trail Project.

John Box: Mr. Box commented on the presentation on the Santa Ana River Trail Project and noted his past experience with law enforcement in Orange, California preventing equestrians from entering into the riverbed.

8. OTHER MATTERS – STAFF:

- A. Update on Request for Proposal (RFP) for Management of the George Ingalls Equestrian Event Center – Verbal Report (City Manager)

Parks, Recreation and Community Services Director Petree stated that the committee will be meeting tomorrow for a final interview with the candidate, which will complete the first phase of the RFP process. He added that the recommendation from the committee will be brought to the Council at a later date.

Deputy City Manager/Director of Finance Okoro commented on the Super Lotto ticket received from Mr. Box at the last City Council Meeting and noted that following the drawing, the value of the ticket was \$0 and therefore did not solve the City's budget issues.

9. ADJOURNMENT: Mayor Miller Adjourned the meeting at 8:51 p.m. in memory of Edward Ramirez. Mr. Ramirez passed away on June 10, 2010 in an auto accident. He was currently serving on the Economic Development Advisory Council, was born in Norco and graduated from Norco High School. Mr. Ramirez was the current owner of Myrror Emages Signs and once stated that his interests were to promote the businesses in Norco and the overall welfare of the City.

BRENDA K. JACOBS
CITY CLERK

/bj-75855