



**AGENDA**  
**CITY OF NORCO**  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY  
REGULAR MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
MAY 18, 2011

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CALL TO ORDER: 6:00 p.m.

ROLL CALL: Mayor Berwin Hanna  
Mayor Pro Tem Kevin Bash  
Council Member Kathy Azevedo  
Council Member Greg Newton  
Council Member Harvey C. Sullivan

THE CITY COUNCIL/CRA WILL RECESS TO CLOSED SESSION (§54954) TO CONSIDER MATTERS:

**§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  
Management  
Middle Management, Professional and Confidential Service

RECONVENE PUBLIC SESSION: 7:00 p.m.

REPORT OF ACTION(S) TAKEN IN CLOSED SESSION (§54957.1)  
*City Attorney*

PLEDGE OF ALLEGIANCE: Council Member Sullivan

INVOCATION: St. Mel's Catholic Church  
*Father Declan Fogarty*

PRESENTATION: Recognition of Best of America by Horseback  
*Committee Volunteers*

**REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:**

1. **CRA CONSENT CALENDAR ITEMS:** *(All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Agency, any public comments on any of the Consent Items will be heard. There will be no separate action unless Members of the Agency Board request specific items be removed from the Consent Calendar)*

- A. **CRA Minutes:**  
Regular Meeting of May 4, 2011  
Special Meeting of May 4, 2011  
**Recommended Action: Approve the CRA Minutes** (City Clerk)

2. **OTHER CRA MATTERS:**

ADJOURNMENT OF CRA:

**REGULAR CITY COUNCIL AGENDA AS FOLLOWS:**

3. **CITY COUNCIL CONSENT CALENDAR ITEMS:** *(All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Council, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Council or the audience request specific items be removed from the Consent Calendar. Items removed from the Consent Calendar will be separately considered under Item No. 4 of the Agenda)*

- A. **City Council Minutes:**  
Regular Meeting of May 4, 2011  
Special Meeting of May 4, 2011  
Special Meeting of April 27, 2011  
**Recommended Action: Approve the City Council Minutes** (City Clerk)
- B. **Recap of Actions Taken at the Planning Commission Regular Meeting of May 11, 2011. Recommended Action: Receive and File** (Planning Director)
- C. **Appointment of One Member to the Economic Development Advisory Council. Recommended Action: Appoint Kim Calabrano to the Economic Development Advisory Council.** (Contract Economic Development Specialist)

- D. Resolution Setting the Regular Meeting Schedules for City Commissions and the Economic Development Advisory Council for Fiscal Year 2011-12. **Recommended Action: Adopt Resolution No. 2011-\_\_.** (City Clerk)
  - E. Acceptance of the Fiscal Year 2010-11 Equestrian Trail Fence Project as Complete. **Recommended Action: Accept the Fiscal Year 2010-11 Equestrian Trail Fence Project as complete and authorize the City Clerk to file the Notice of Completion with the County of Riverside.** (Public Works Director)
  - F. Approval and Adoption of the Annual Appropriation Limit for Fiscal Year 2011-2012. **Recommended Action: Adopt Resolution No. 2011-\_\_, approving the annual appropriation limit for Fiscal Year 2011-2012.** (Deputy City Manager/Director of Finance)
  - G. Establishment of Annual Special Tax for Community Facilities District No. 93-1 for the Fiscal Year 2011-2012. **Recommended: Adopt Resolution No. 2011-\_\_, Establishing Annual Special Tax for Community Facilities District No. 93-1 for the Fiscal Year 2011-2012.** (Deputy City Manager/Director of Finance)
  - H. Fiscal Year 2011 Third Quarter Budget Performance Report. **Recommended Action: Receive and File** (Deputy City manager/Director of Finance)
  - I. Addition of a Separate City Council Group with CalPERS to Implement City-Paid Benefit Reductions. **Recommended Action: Adopt the three CalPERS-required resolutions to allow the City Council to pay their full employee's share (8%) of CalPERS contributions.** (Deputy City Manager/Director of Finance)
4. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:
5. CITY COUNCIL ACTION ITEM:
- A. Third Amendment to the Agreement for Law Enforcement Services to Either: Option 1: Eliminate Two Traffic Deputy Positions, Two Community Service Officer Positions and One Community Oriented Policing Deputy Position; or Option 2: Eliminate Two Traffic Deputy Positions
- Implementing Option 1 will reduce General Fund law enforcement costs \$1,013,000 by eliminating two Traffic Deputy positions, two Community Service Officer positions, one Community Oriented Policing Deputy position, and receiving a federal grant to help retain the last remaining Community Oriented Policing deputy. Implementing Option 2 will reduce General Fund law enforcement costs \$585,000 by eliminating two Traffic*

*Deputy positions and receiving a federal grant to help retain a Community Oriented Policing deputy who would be eliminated in Option 1. Option 2 keeps the sub-station at City Hall open.*

**Recommended Action:** That the City Council select Option 1 or Option 2 and authorize the Mayor to sign the appropriate Amendment to the Agreement for Law Enforcement Services. (Lt. Cooper)

6. PUBLIC COMMENTS OR QUESTIONS - THIS IS THE TIME WHEN PERSONS IN THE AUDIENCE WISHING TO ADDRESS THE CITY COUNCIL REGARDING MATTERS NOT ON THE AGENDA MAY SPEAK. PLEASE BE SURE TO COMPLETE THE CARD IN THE BACK OF THE ROOM AND PRESENT IT TO THE CITY CLERK SO THAT YOU MAY BE RECOGNIZED.
7. OTHER MATTERS – COUNCIL:
8. OTHER MATTERS – STAFF:
9. ADJOURNMENT:

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's office, (951) 270-5623. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).*

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*Staff reports are on file in the Office of the City Clerk. Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be available for public inspection at the City Clerk's Counter in City Hall located at 2870 Clark Avenue.*

/bj-77967



**MINUTES**  
**CITY OF NORCO**  
SPECIAL MEETING  
CITY COUNCIL  
CONFERENCE ROOMS "A" & "B"  
NORCO CITY HALL – 2870 CLARK AVENUE  
APRIL 27, 2011

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1. CALL TO ORDER: Mayor Hanna called the City Council Special Meeting to order at 2:03 p.m.
  2. ROLL CALL: Mayor Berwin Hanna, **Present**  
Mayor Pro Tem Kevin Bash, **Present**  
Council Member Kathy Azevedo, **Present**  
Council Member Greg Newton, **Present**  
Council Member Harvey C. Sullivan, **Present**
  3. PLEDGE OF ALLEGIANCE: Mayor Hanna
  4. PUBLIC COMMENTS OR QUESTIONS:

**Vern Showalter.** Mr. Showalter inquired about the Frahm indebtedness to the City. City Manager Groves responded that this information was presented in the staff report at the April 20<sup>th</sup> Agency Board meeting, noting that the \$500,000 loan has been reassigned to Browning Motors and the sales tax sharing agreement is part of the agreement between Frahm and Browning. She added that the agreement between Frahm and Browning is a lease with the option to buy.

5. CITY MANAGER INTRODUCTION AND OVERVIEW

City Manager Groves stated that there are two items that will be presented, as requested by the City Council. She noted that the order of presentation has been reversed, with Item 6.B. being addressed first. General information on the topics has been prepared and City Manager Groves stated that direction from the Council is being requested from the Council regarding further staff work on the individual items.

6. CITY COUNCIL-REQUESTED CONCEPTUAL DISCUSSION ITEMS:

A. Establishment of a Water Fund Rate Stabilization Account

Deputy City Manager/Director of Finance Okoro presented a *conceptual* discussion on establishing a water fund rate stabilization account, as requested by Council Member Newton. He commented on the rate adjustments recently implemented, noting that comments were made that the rate adjustments were too big.

A 2006 resolution was adopted which requires that a minimum operating cash balance equal to 25% of operating expenditures (excluding debt service) be maintained in the Water Fund. It further requires that if projected or actual revenues are not sufficient to meet minimum cash balance, the CFO can recommend an increase in rates or expenditures reductions, and excess

cash reserves can be transferred to the Water Capital Fund. This resolution was adopted when there was an approximate \$2 million deficit in the Water Fund and the rates adopted in Fiscal Year 2006 helped eliminate that deficit by the end of Fiscal Year 2008. By the end of Fiscal Year 2009, the Water Fund had a small surplus of approximately \$200,000. Due to the increase in the purchased water cost and debt service, the Water Fund went back into a deficit by the end of Fiscal Year 2010 by approximately \$500,000. There was no real opportunity to achieve the minimum operating cash balance required by the 2006 resolution.

The potential strategy to stabilize water rates was presented, noting that the strategy must recognize the limitations of Proposition 218 and the implementation must be easy without requiring a full blown rate study.

The recommended strategies included the establishment of a rate stabilization deposit account, which could serve as a cushion against high rate adjustments.

**Council Member Newton** commented on the different cities that implement a water fund rate stabilization account and asked if staff had information on the City of Pasadena. Deputy City Manager/Director of Finance Okoro noted that they incorporate this type of account with electric rates. He further noted that the City of Garden Grove has found it to be a benefit, with no spikes in rate increases. Council Member Newton asked how the creation of this account would impact staff. Deputy City Manager/Director of Finance Okoro replied that it can be done with present staff, with the purpose of alleviating spikes in rates. Council Member Newton further commented that this is a progressive model, noting the impact to the residents using the current model. Deputy City Manager/Director of Finance Okoro added that the money in this account would be only on the commodity side of water, not the fixed rate side.

**Council Member Azevedo** stated that this appears in total violation of Proposition 218. In response Deputy City Manager/Director of Finance Okoro noted that staff would need to make sure that this is not in violation of the process before it would be implemented. Council Member Azevedo commented on the operating expenses and how they fluctuate. City Manager Groves noted that this would not change the process of how rates are set, adding that this model does allow pass-through adjustments until the next rate increase. City Manager Groves again stressed that once the rate is established, it is through a Proposition 218 adjustment, adding that the commodity of purchased water is a pass-through amount. Public Works Director Thompson stated that part of the process would be the Council identifying what the pass-through is and what the cap is.

**Council Member Sullivan** stated that he agreed with Council Member Azevedo noting that he believes that Proposition 218 is clear. He further stated that he has been telling residents that the City cannot make money in the Water Fund, adding that he is not in support of this.

**Mayor Hanna** asked Public Works Director Thompson how often there would be rate adjustments. Director Thompson replied that this would be determined by the Council, adding that the costs will increase for purchased water, but there are variables in the increases. Deputy City Manager/Director of Finance Okoro added that the percentages mentioned today are only hypothetical.

**Vern Showalter.** Mr. Showalter commented on the City going to a semi-annual adjustment on pass-through costs instead of implementing this type of account, asking if this would solve the problem, as this would be easier on the public. Public Works Director Thompson stated that this is what we attempt to do on an annual basis.

The Council Members commented and further discussed the implementation of a water fund rate stabilization account. City Manager Groves stated, in summary, that no direction has been received at this time. She further stated that at the next round of rate studies, the implementation of a water fund rate stabilization account will be worked into that study for comparison purposes.

**Vern Showalter.** Mr. Showalter commented on the fixed costs and asked if the rate would remain the same for a known period of time. Deputy City Manager/Director of Finance Okoro replied that it is a fixed rate for the next 28 years, unless we need to borrow additional money.

**Council Member Newton** commented on tiered rates and asked if a water fund rate stabilization account would be of any benefit when those type of rates are implemented. Public Works Director Thompson stated that a tiered water structure will be brought to the Council within the next two years and this account could be a part of that proposed structure. Council Member Newton stated that he would like continued study on this.

#### B. Traffic Calming Measures

Public Works Director Thompson presented an overview of traffic calming measures. Local agencies typically develop traffic calming programs utilizing a "toolbox" approach which categorize each type of measure in basic and comprehensive level 1 and level 2 categories. Each category was presented, noting what they consist of and how they are designed. The process in the development of a program for eligible traffic calming projects was presented, along with the prioritization of eligible comprehensive projects. The criterion of traffic calming measures is dependent on speed, volume, crash history, pedestrian generators and unique conditions. The City traffic calming history was listed, going back to December of 2004.

**Mayor Hanna** inquired from Director Thompson about a speed hump on the downhill portion, or both sides of Crestview Avenue at the entrance to the Moreno Arena. Director Thompson stated that he would need to evert back to an engineering study completed, adding that a policy would also need to be completed.

**Council Member Sullivan** asked when another traffic study would be completed. City Manager Groves responded that there is an RFP out for a traffic study in conjunction with the completion of an update to the Circulation Element of the General Plan. She added that the work on that traffic study should begin in July with the work to be completed in approximately one year.

**Council Member Azevedo** commented on the Horsetown USA wayfinding signs designed in 2008, adding that she wished that Whoa Drive Slow could be added on a more economical sign to remind persons to slow down when they are cutting through Norco.

**Council Member Newton** stated this was a good report. He asked about the cost of speed limit signs and also asked what the code requires. Director Thompson stated that the cost for signs is approximately \$90 per sign, with an additional \$68 to place a second sign below, adding that the code does not dictate the placement of the signs. Council Member Newton suggested that the NHA assist with the placement of the signs to help save costs. He asked if the Circulation Element would be completed in-house. Planning Director King replied that it will be completed in-house and the requirement is to update 5 elements of the General Plan every 10 years.

**Linda Dixon.** Ms. Dixon commented on the high-volume traffic on her street and asked about the long-term projection for Public Works projects and how they will be affected by the budget constraints. Public Works Director Thompson responded that he cannot state specifically which project would be affected, adding that the Measure A money is drastically down and used for Public Works street projects. He noted that the Street Fund will be hit the hardest in the proposed Capital Improvement Program Budget and the priorities will be addressed first.

**Council Member Azevedo** commented on Ms. Dixon's location in the City and the current traffic issues. She asked if a traffic study could be completed to get the speed reduced to at least 30 mph with the schools located in that same area. Director Thompson noted that it could be done, but costs would be involved.

**Council Member Sullivan** asked Lt. Cooper about signs in construction zones that state that fines will be doubled. He also commented on the same type of signs when children are present. He asked if the City of Norco could have signs placed within the City limits stating that fines will be doubled when children and horses are present. Lt. Cooper responded that this would require a change in the California Vehicle Code, adding that it would require legislation for that change to take place.

City Manager Groves stated that information was provided to the Council and the key message is that the City needs to make sure that policies are put into place and followed.

7. **ADJOURNMENT:** There being no further business to come before the City Council, Mayor Hanna adjourned the Special Meeting at 3:55 p.m.

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BRENDA K. JACOBS, CMC  
CITY CLERK



**MINUTES**  
**CITY OF NORCO**  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY  
SPECIAL MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
MAY 4, 2011

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1. CALL TO ORDER: Mayor Hanna called the Special Meeting to order at 4:04 p.m.
2. ROLL CALL: Mayor Berwin Hanna, **Present**  
Mayor Pro Tem Kevin Bash, **Present**  
Council Member Kathy Azevedo, **Present**  
Council Member Greg Newton, **Present**  
Council Member Harvey C. Sullivan, **Present**
3. PUBLIC COMMENTS OR QUESTIONS:
4. WORKSHOP TO DISCUSS THE FISCAL YEAR 2011-2012 CITY AND NORCO REDEVELOPMENT AGENCY OPERATING BUDGETS (**The PowerPoint presentation is attached hereto and incorporated herein.**)

City Manager Groves stated that prior to July 1<sup>st</sup> the City Council is required to adopt the budget for Fiscal Year 2011-12. She added that the budget process is a continuous one and we do not have a comprehensive solution as of today. The objectives were presented for reviewing and identifying the budget information presented.

Deputy City Manager/Director of Finance Okoro stated that no budget documents were distributed prior to the Budget Workshop, as the budget preparation is still in process. He noted that an overview of the City and Norco Redevelopment Agency operating funds will be presented in order for the Council to see where the budget stands presently. The summary of General Fund revenues by source and the General Fund revenue highlights were presented. He added that the revenues could be negatively affected by state budget actions.

City Manager Groves presented the General Fund expenditure highlights. She noted that the numbers presented already include \$233,000 of reductions identified through the staff budget review process. City Manager Groves stated that when staff evaluated the savings versus other factors regarding the closure of City parks, the recommendation at this point in the process is full closure of Neal Snipes Park and reduction in maintenance at the George Ingalls Equestrian and Event Center.

In response to discussions held previously regarding the closure of the City swimming pool, Parks, Recreation & Community Services Director Petree stated that the pool will remain open and swimming lessons will be held, but added that there will be reduced recreational swimming, along with other reductions and adjustments made.

City Manager Groves stated that the meet and confer process is still ongoing and the numbers do not reflect any adjustments to those contracts. The estimated budget shortfall in accordance with the numbers today is at (\$3,150,308). The Initial deficit reductions proposal items and numbers were presented, noting an estimated shortfall of (\$652,308) if they were implemented. She added that there will be impacts from all of the proposed reductions presented.

In response to questions regarding the Norco Citizens on Patrol, and if they would remain active if the Sherriff's sub-station would close, Lt. Cooper stated that they could either be combined with Jurupa or work independently at City Hall.

Deputy City Manager/Director of Finance Okoro presented summary of the Water Fund budget. He noted that the Council should keep in mind that currently there is an over \$1.6 million deficit. The Sewer Fund budget and the Gas Tax Fund budget highlights were presented.

Deputy City Manager/Director of Finance Okoro presented the Redevelopment Agency Operating Fund budget highlights. He stated that there is a structural imbalance in the Agency fund, noting the estimated current year shortfall of (\$1,511,497). The Redevelopment Agency Operating Fund budget reductions were presented. The Low-Moderate Income Fund operating budget was presented, noting that this is one of the most heavily restricted funds.

City Manager Groves stated that the budget presentation is pretty sobering, adding that we are a city and are accountable to pass budgets that balance. She reiterated that all of the proposed reductions will have impacts and there is still some work to do. She noted that there are many unknowns with the economy as it is, the state budget, and the fact that grants are harder to come by. City Manager Groves stated that the Façade Improvement Program and Restaurant Tenant Improvement Program will continue to be funded in the Redevelopment Agency budget, but there will be cuts in the contractual services and marketing/outreach line items.

In conclusion, City Manager Groves stated that the meet and confer process will continue, noting that a workshop will be held on May 18<sup>th</sup> in the same format to discuss any implementation on any labor changes. She stated that reductions in the Sheriff's contract will need to be brought to the Council for formal approval. She added that staff will bring back any additional reductions recommended and will discuss strategies to develop a balanced budget.

Discussion was held regarding the reduction in the Sherriff's contract, noting the proposed reduction of \$950,000. Council Member Newton stated that he is not in favor of closing the Norco sub-station and would be in favor of the ten percent reduction, and keeping the sub-station open.

Council Member Azevedo commented on the payoff schedule for the Redevelopment Agency loan with Browning Motors, wondering if it could be accelerated at a reduced rate. She also asked if the Animal Control facility was still moving ahead. Deputy City Manager/Director of Finance Okoro stated that the Animal Control facility is moving ahead and would be an item listed in the proposed Capital Improvement Program Budget that will be presented at the May 18<sup>th</sup> meeting. Director Petree also noted that the Animal Control facility is out to bid and the next step will be to award the contract.

5. ADJOURNMENT: There being no further business to come before the City Council /Norco Redevelopment Agency Board, Mayor/Chairman Hanna adjourned the Special Meeting at 5:15 p.m.

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BRENDA K. JACOBS, CMC  
CITY CLERK

City of Norco  
Fiscal Year 2011-2012  
Operating Budget  
Workshop

May 4, 2011

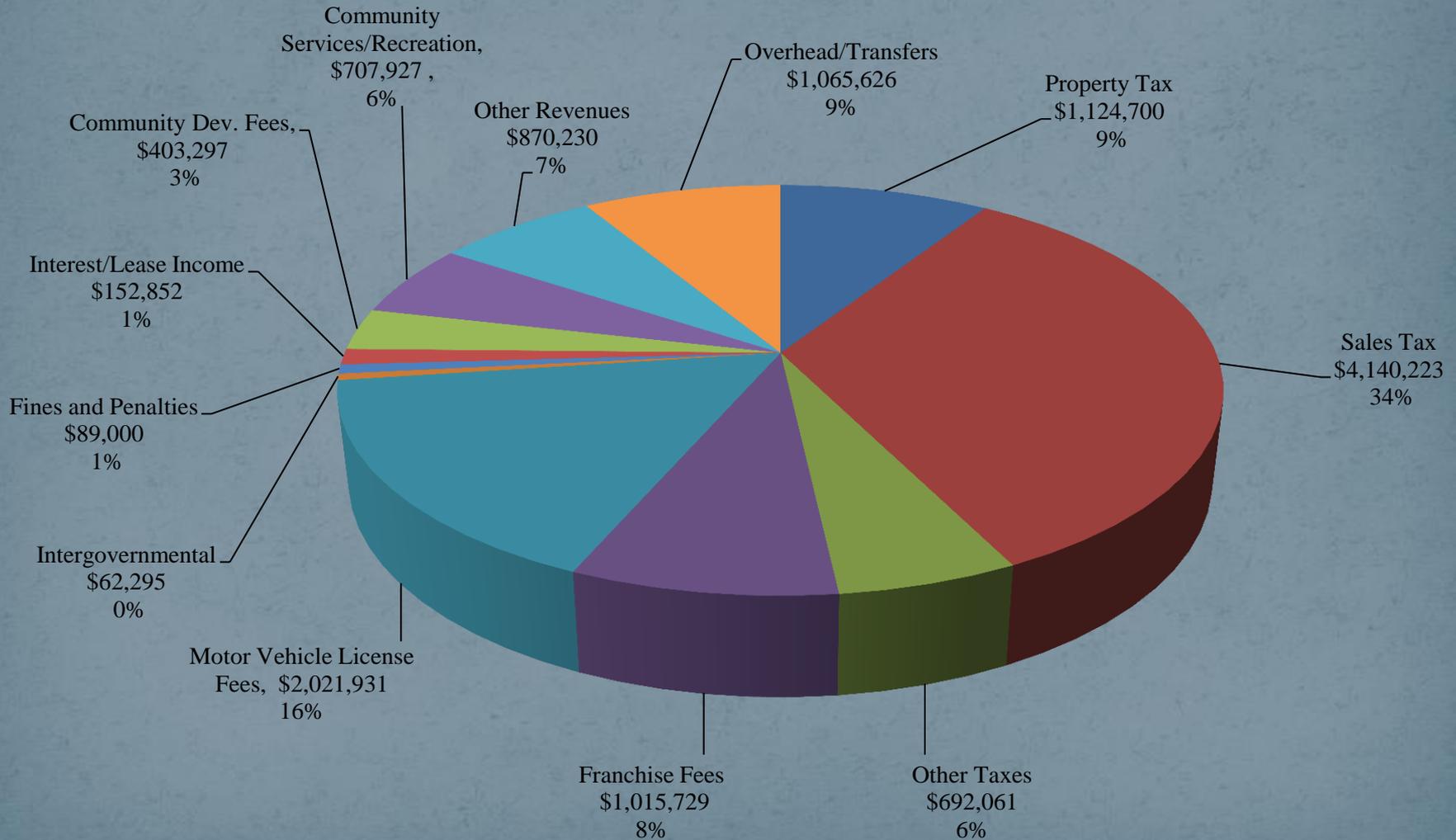
# Objectives:

1. Review Estimated Revenues for Operating Funds
2. Review Preliminary Budget Appropriation Request for Each Fund
3. Review Factors Affecting Revenues and Expenditures Estimates
4. Identify Any Budget Shortfalls
5. Review Preliminary Options for Dealing with Projected Budget Shortfall

# Summary of General Fund Revenues by Source

| Revenue Category              | FY 2010-2011<br>Budget | FY 2010-2011<br>Year-End<br>Projection | FY 2011-2012<br>Preliminary<br>Budget | Percentage<br>Change |
|-------------------------------|------------------------|--|---------------------------------------|----------------------|
| Property Tax                  | \$1,193,200            | 1,140,700                              | 1,124,700                             | -1.40%               |
| Sales Tax                     | 3,749,633              | 3,930,633                              | 4,140,223                             | 5.33%                |
| Other Taxes                   | 681,000                | 673,886                                | 692,061                               | 2.70%                |
| Franchise Fees                | 1,057,460              | 995,348                                | 1,015,729                             | 2.05%                |
| Motor Vehicle License Fees    | 2,025,756              | 2,021,931                              | 2,021,931                             | 0.00%                |
| Intergovernmental             | 80,704                 | 57,312                                 | 62,295                                | 8.69%                |
| Fines and Penalties           | 168,520                | 195,500                                | 89,000                                | -54.48%              |
| Interest/Lease Income         | 115,334                | 109,034                                | 152,852                               | 40.19%               |
| Community Development Fees    | 313,491                | 362,999                                | 403,297                               | 11.10%               |
| Community Services/Recreation | 648,582                | 637,213                                | 707,927                               | 11.10%               |
| Other Revenues                | 1,226,161              | 970,633                                | 870,230                               | -10.34%              |
| Overhead/Transfers            | 1,675,267              | 1,667,767                              | 1,065,626                             | -36.10%              |
| <b>Total</b>                  | <b>\$12,935,108</b>    | <b>12,762,956</b>                      | <b>12,345,871</b>                     | <b>-3.27%</b>        |
|                               |                        |  |                                       |                      |

# Summary of General Fund Revenues by Source



# GENERAL FUND REVENUE HIGHLIGHTS

- Except for the effect of one-time revenue items, overall revenue is essentially flat from FY 2010-2011 total
- Total FY 2011-2012 Projected Revenues of \$12.3 million FY 2010-2011 \$12.8 million

# GENERAL FUND REVENUE HIGHLIGHTS

Property Tax – FY 2011-2012 \$1.1 million;  
FY 2010-2011 \$1.1 million

- Assessed value projected to be flat
- Slight decrease due to lower projected receipt from delinquencies

# GENERAL FUND REVENUE HIGHLIGHTS

Sales Tax – FY 2011-2012 \$4.1 million;  
FY 2010-2011 \$3.9 million

- Represents 34% of total General Fund revenues
- Based on projected statewide increase and information from sales tax consultant
- Projection can negatively be impacted by overall changes in the economy including sudden significant drop in gasoline price and vehicle sales

## GENERAL FUND REVENUE HIGHLIGHTS

Other Taxes – FY 2011-2012 \$692,000;  
FY 2010-2011 \$673,000

- Projected increase due to higher anticipated receipts from TOT and public safety sales tax

Franchise Fees– FY 2011-2012 \$1 million;  
FY 2010-2011 \$1 million

- Slight increase in cable TV and Refuse franchise revenues

## GENERAL FUND REVENUE HIGHLIGHTS

Motor Vehicle – FY 2011-2012 \$2 million;  
License Fees FY 2010-2011 \$2 million

- Key revenue item which makes up 16% of total revenues
- Could be negatively affected by state budget actions

# GENERAL FUND REVENUE HIGHLIGHTS

Fines and Penalties - FY 2011-2012 \$ 89,000;  
FY 2010-2011 \$195,500

- Collections from traffic citations
- FY 2011-2012 will see full revenue impact from the elimination of Motor Officers

# GENERAL FUND REVENUE HIGHLIGHTS

|              |                |            |
|--------------|----------------|------------|
| Interest/    | – FY 2011-2012 | \$152,852; |
| Lease Income | FY 2010-2011   | \$109,034  |

- Projected increase due to new cell site leases



# GENERAL FUND REVENUE HIGHLIGHTS

Other Revenues – FY 2011-2012 \$870,230;  
FY 2010-2011 \$970,633

- Key revenues include VEMS, fire inspection fee, penalties, refuse billing/collection fee/dog license, and reimbursement from state
- Decrease is from loss of state mandated cost reimbursement and fire plan check fees

# GENERAL FUND REVENUE HIGHLIGHTS

Transfers/Reimbursement to General Fund

|                |               |
|----------------|---------------|
| - FY 2011-2012 | \$1.1 Million |
| FY 2010-2011   | \$1.7 Million |

- Represents reimbursements to the General Fund for services provided to other Funds
- Projected decrease is due to FY 2010-2011 transfer of \$600,000 from Development Agreement Account – not available in FY 2011-2012

## GENERAL FUND EXPENDITURE HIGHLIGHTS

- Total projected expenditures after staff budget review process \$15.5 million versus FY 2010-2011 projected year-end \$15.1 million
  - Includes \$233,000 of reductions through staff budget review process
  - Includes \$212,000 increase in pension costs; and \$40,000 increase in Retiree health insurance
- (continued)

# GENERAL FUND EXPENDITURE HIGHLIGHTS

- Includes projected increase of \$198,000 in law enforcement contract
- Provides \$147,100 for vehicle replacement
- Does not include items requiring policy and/or “meet and confer” actions – these are listed as additional recommended reductions

# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Summary of Reductions through Budget Review Process

|                                       |            |
|---------------------------------------|------------|
| Miscellaneous Employee Salaries       | \$ 145,000 |
| Supplies and Services                 | 22,000     |
| Maintenance and Rentals               | 9,000      |
| Contractual & Professional Services * | 57,000     |
| Total Reductions                      | \$ 233,000 |

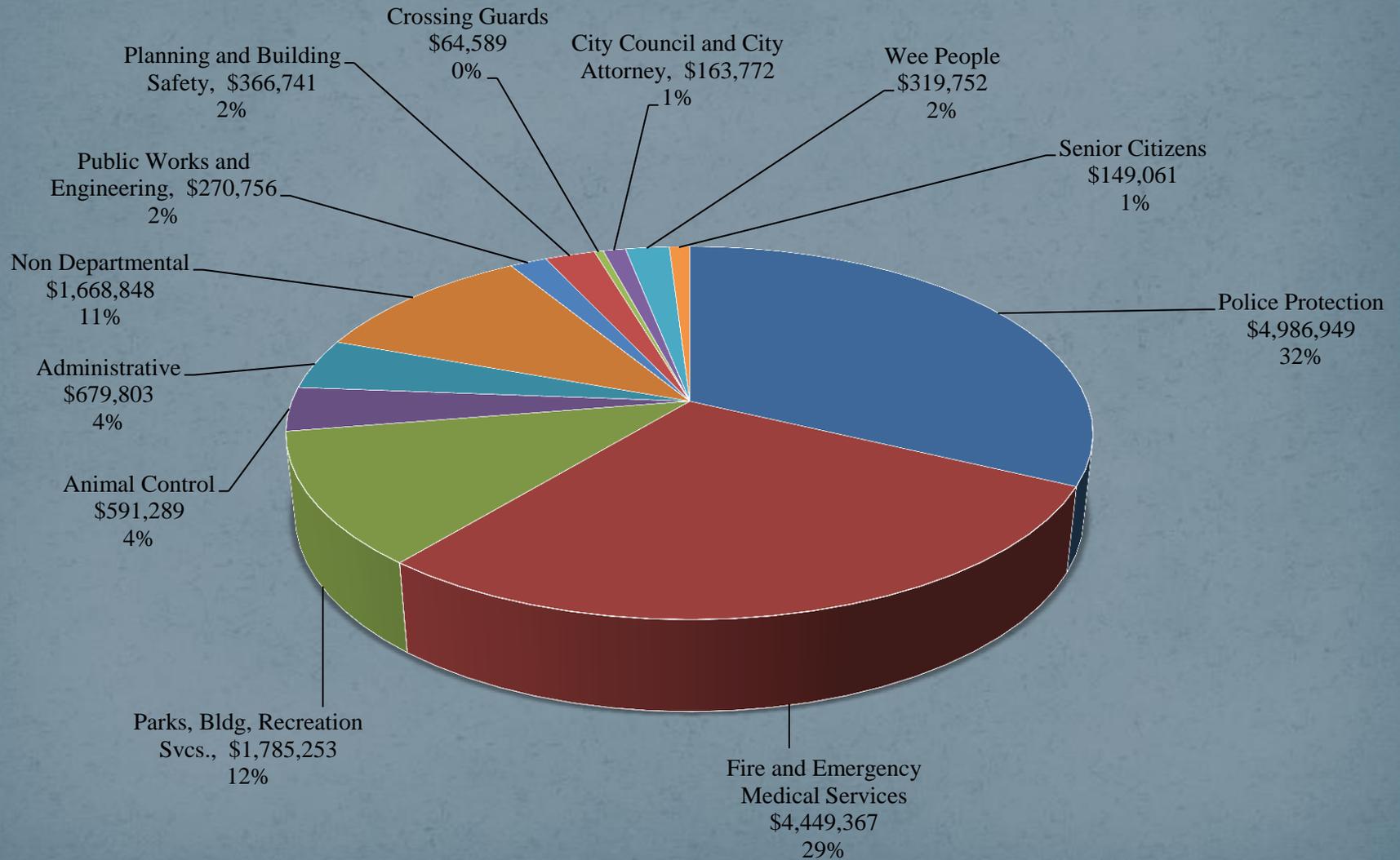
\* Includes \$54,000 for closure of parks

# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Summary of General Fund Expenditures by Program

| Program                             | FY 2010-2011 Budget | FY 2010-2011 Year-End Projection | FY 2011-2012 Preliminary Budget | Percentage Change |
|-------------------------------------|---------------------|----------------------------------|---------------------------------|-------------------|
| Police Protection                   | 4,888,455           | 4,808,082                        | 4,986,949                       | 3.72%             |
| Fire and Emergency Medical Services | 3,987,067           | 4,176,534                        | 4,449,367                       | 6.53%             |
| Parks, Bldg, Recreation Svcs.       | 1,888,364           | 1,901,520                        | 1,785,253                       | -6.11%            |
| Animal Control                      | 672,745             | 631,334                          | 591,289                         | -6.34%            |
| Administrative                      | 686,001             | 653,139                          | 679,803                         | 4.08%             |
| Non Departmental                    | 1,520,960           | 1,619,434                        | 1,668,848                       | 3.05%             |
| Public Works and Engineering        | 314,945             | 303,265                          | 270,756                         | -10.72%           |
| Planning and Building Safety        | 402,392             | 417,306                          | 366,741                         | -12.12%           |
| Crossing Guards                     | 64,589              | 64,589                           | 64,589                          | 0.00%             |
| City Council and City Attorney      | 162,134             | 170,644                          | 163,772                         | -4.03%            |
| Wee People                          | 272,733             | 276,466                          | 319,752                         | 15.66%            |
| Senior Citizens                     | 124,614             | 123,498                          | 149,061                         | 20.70%            |
| Total                               | 14,984,999          | 15,145,811                       | 15,496,179                      | 2.31%             |

# Summary of General Fund Expenditures by Category



# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Summary of General Fund Budget

|                                   |               |
|-----------------------------------|---------------|
| Preliminary Revenue Estimates     | \$12,345,871  |
| Preliminary Expenditure Estimates | (15,496,179)  |
| Estimated Budget Shortfall        | (\$3,150,308) |

# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Initial Deficit Reductions Proposal

|   |                     |
|---|---------------------|
| Fire Department Reduction                               | \$ 1,000,000        |
| Police Department Reduction                             | 950,000             |
| Use 3% instead of 5% for Law Enforcement Contract       | 80,000              |
| Add Back Loss of Police Supplement Law Grant            | (100,000)           |
| Suspend Post Retirement Healthcare Funding              | 300,000             |
| Reduce Contribution to Equipment Replacement Funding    | 100,000             |
| Anticipated Reimbursement for Plan Check and Inspection | 70,000              |
| Reduce City Attorney Services                           | 20,000              |
| Employee Share of Pension Contribution                  | 40,000              |
| Implement 34-Hour Work Week                             | 39,000              |
| Total estimated Reductions                              | 2,499,000           |
| Estimated Shortfall Remaining                           | <b>\$ (652,308)</b> |

# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Program Impact of Proposed Reductions

### General City Operations

- Availability of public counters will be reduced by 2 hours each week
- Parks and Recreation Administrative Office will be open to the public between 10:00 AM to 3:00 PM Monday - Thursday
- Online class registration will be added and reservations will need to be made by appointment only

(continued)

# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Program Impact of Proposed Reductions

### General City Operations

- Animal Shelter will be closed to the public on Mondays and Fridays but will be open to the public from 10:00 AM to 2:00 PM on Saturdays
- Adult basketball program will be limited to full cost recovery leagues and tournaments

(continued)

# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Program Impact of Proposed Reductions

### General City Operations

- Post-retirement healthcare liability would likely grow
- Employee retention and recruitment will become more challenging
- Availability of public park space would be reduced due to the closure of Neal Snipes Park and certain landscape maintenance areas at Ingalls will be modified

(continued)

# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Program Impact of Proposed Reductions

### Police Operation

- City Hall sub-station will be closed, no public lobby at City Hall
- Staffing will be through Jurupa Valley Station
- There will be significant increase in response time
- Eliminates 2 Sergeants, 3 Patrol Deputies, 2 Community Service officers & Civilian Staff

(continued)

# GENERAL FUND EXPENDITURE HIGHLIGHTS

## Program Impact of Proposed Reductions

### Police Operation

- Deputy Sheriff hours in Norco will be reduced from current 28,000 hours to 20,000 hours annually
- Civilian hours will be reduced from current 6,172 to zero hours annually
- Compliance checks will be eliminated

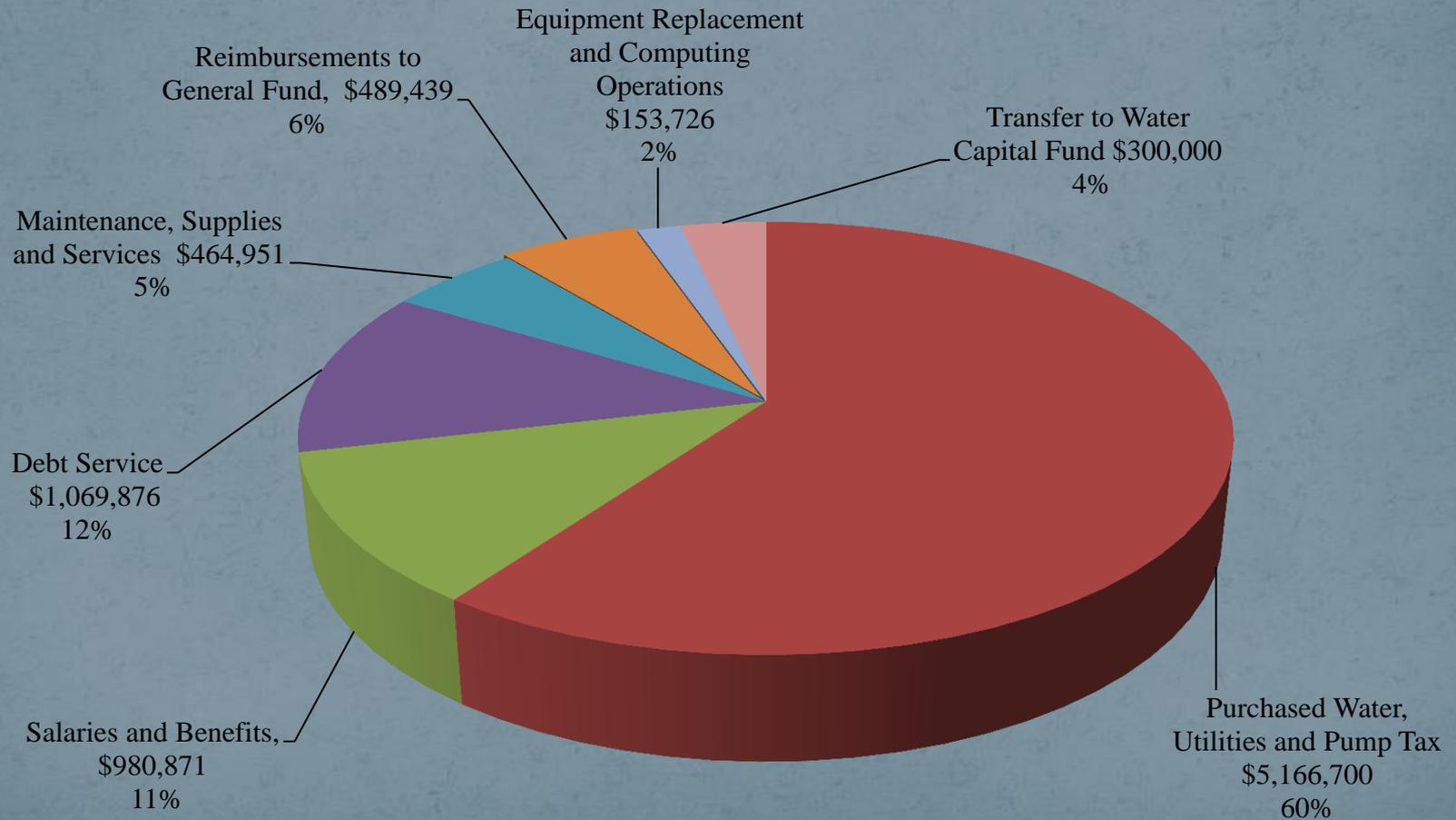
# WATER FUND BUDGET HIGHLIGHTS

## Summary of Water Fund Budget

|  |                   |
|--|-------------------|
| <b>Estimated Revenues:</b>                     |                   |
| Water Sales                                    | \$ 8,970,387      |
| Reconnection Fee                               | 33,275            |
| <b>Total Estimated Revenues</b>                | <b>9,003,662</b>  |
|  |                   |
| <b>Estimated Expenditures:</b>                 |                   |
| Purchased Water, Utilities and Pump Tax        | 5,166,700         |
| Salaries and Benefits                          | 980,871           |
| Debt Service                                   | 1,069,876         |
| Maintenance, Supplies and Services             | 464,951           |
| Reimbursements to General Fund                 | 489,439           |
| Equipment Replacement and Computing Operations | 153,726           |
| Transfer to Water Capital Fund                 | 300,000           |
| <b>Total Estimated Expenditures</b>            | <b>8,625,563</b>  |
|  |                   |
| <b>Estimated Revenues Over Expenditures</b>    | <b>\$ 378,099</b> |

# WATER FUND BUDGET HIGHLIGHTS

## Summary of Water Fund Budget



# WATER FUND BUDGET HIGHLIGHTS

- Total estimated revenues of \$9 million are based on recently approved water rates and current consumption levels
- Total expenses are projected to be \$8.6 million including \$300,000 transfer to Water Capital Fund for future capital replacement
- Purchased water, pump tax and utilities for facilities operation total \$5.2 million and represents 60% of total expenditure budget

(continued)

# WATER FUND BUDGET HIGHLIGHTS

- Other key expense categories include debt service and salaries and benefits which represent 12% and 11% of total expenditures respectively
- Total estimated working capital deficit of the Water Fund as of the end of Fiscal Year 2010-2011 is \$1.6 million
- It is estimated that this deficit will be reduced by nearly \$400,000 by the end of Fiscal Year 2011-2012

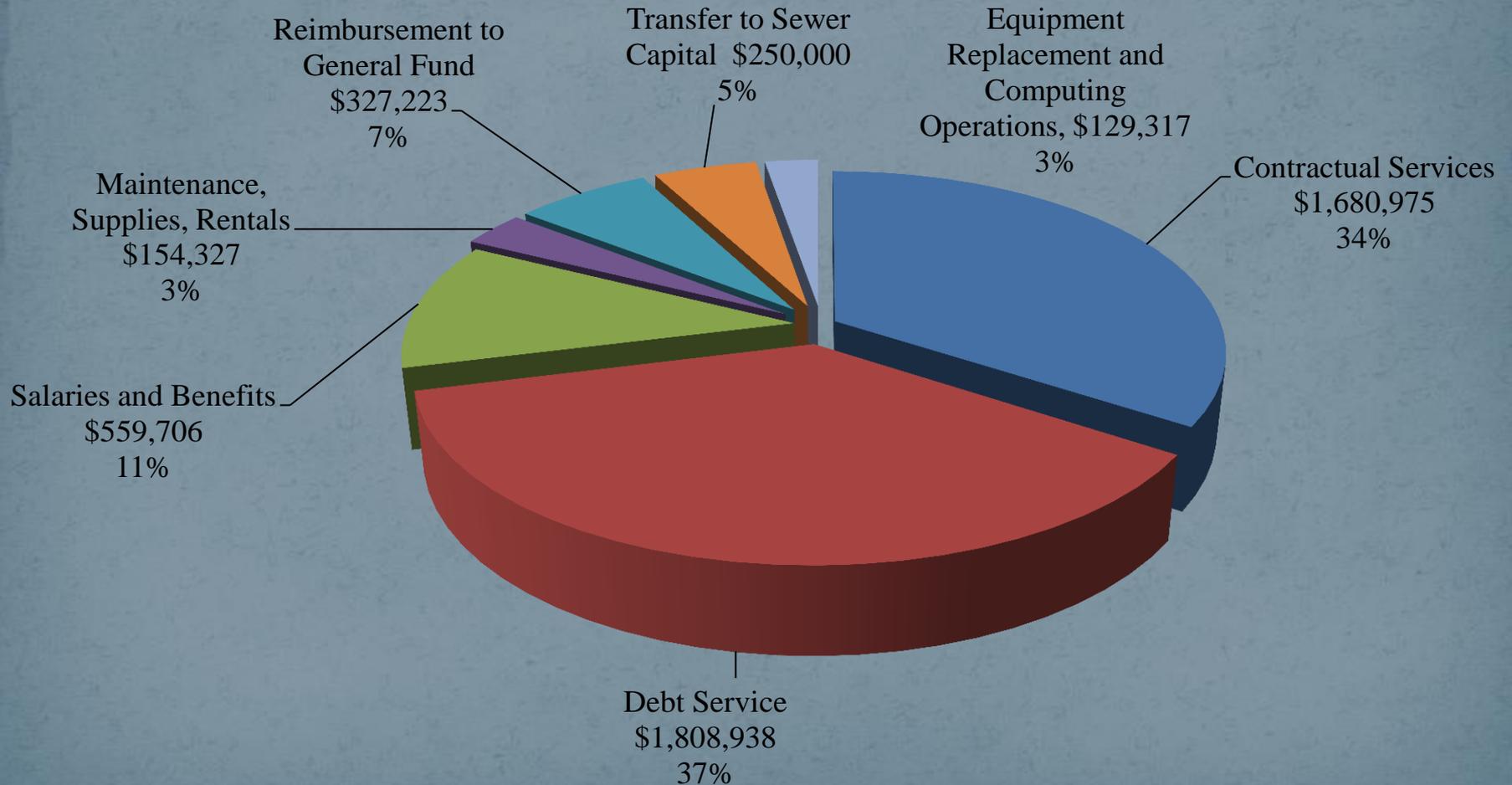
# SEWER FUND BUDGET HIGHLIGHTS

## Summary of Sewer Fund Budget

|  |              |
|--|--------------|
| Estimated Revenues:                            |              |
| Sewer Service Charges                          | \$ 4,708,882 |
| Interest Income                                | 45,000       |
| Total Estimated Revenues                       | 4,753,882    |
|  |              |
| Estimated Expenditures:                        |              |
| Contractual Services                           | 1,680,975    |
| Debt Service                                   | 1,808,938    |
| Salaries and Benefits                          | 559,706      |
| Maintenance, Supplies, Rentals                 | 154,327      |
| Reimbursement to General Fund                  | 327,223      |
| Transfer to Sewer Capital                      | 250,000      |
| Equipment Replacement and Computing Operations | 129,317      |
| Total estimated Expenditures                   | 4,910,486    |
|  |              |
| Estimated Revenues Over Expenditures           | \$ (156,604) |

# SEWER FUND BUDGET HIGHLIGHTS

## Summary of Sewer Fund Budget



# SEWER FUND BUDGET HIGHLIGHTS

- Total estimated revenues of \$4.7 million are based on recently approved sewer rates and current flow rates
- Total estimated expenses of \$4.9 million includes \$250,000 transfer to the Sewer Capital Fund
- Debt service makes up \$1.8 million or 37% of total expenses

(continued)

# SEWER FUND BUDGET HIGHLIGHTS

- Pass-through sewer plant maintenance and operations cost of \$1.7 million makes up 34% of total expenses
- Salaries and benefits and reimbursement to the General Fund make up 11% and 7% respectively of total expenses
- Projected working capital balance at the end of FY 2010-2011 is \$1.1 million which is expected to be reduced by \$156,000 by the end of FY 2011-2012

# GAS TAX FUND BUDGET HIGHLIGHTS

- Gas tax provides funding for street maintenance, tree trimming, traffic light maintenance and utilities cost
- Total estimated revenues are \$861,207
- Total estimated revenues include \$738,394 of gas tax plus \$122,813 carryover of FY 2010-2011 Prop 42 Traffic Congestion Relief allocation
- Estimated gas tax funding for FY 2011-2012 is \$110,561 higher than FY 2010-2011 allocation

(continued)

# GAS TAX FUND BUDGET HIGHLIGHTS

- Total estimated expenditures \$637,022 which includes Prop 42 expenditures of \$122,813
- Unlike FY 2010-2011, gas tax funding for FY 2011-2012 will not be delayed
- There will be no funding from Prop 42 in FY 2011-2012

# RDA OPERATING FUND BUDGET HIGHLIGHTS

## Summary of RDA Operating Fund Budget

|  |                       |
|--|-----------------------|
| <b>Estimated Revenues:</b>                     |                       |
| Property Tax Increment                         | \$ 11,602,487         |
| Reimbursement from CNUSD for Debt Service      | 2,057,441             |
| Interest Income                                | 116,000               |
| Loan Payments                                  | 85,227                |
| Contribution from Capitalized Interest Account | 715,278               |
| <b>Total Estimated Revenues</b>                | <b>14,576,433</b>     |
|  |                       |
| <b>Estimated Expenditures:</b>                 |                       |
| Pass-Through Payments                          | 8,541,735             |
| Debt Service                                   | 6,173,841             |
| Salaries and Benefits                          | 540,501               |
| Development Incentives                         | 350,000               |
| Contractual and Professional Services          | 340,434               |
| Supplies, Services, Utilities                  | 101,720               |
| Computing and Communications                   | 39,699                |
| <b>Total estimated Expenditures</b>            | <b>16,087,930</b>     |
|  |                       |
| <b>Estimated Current Year Shortfall</b>        | <b>\$ (1,511,497)</b> |

# RDA OPERATING FUND BUDGET HIGHLIGHTS

- The budget is prepared with the assumption that the Agency will continue to exist in its current form
- There is ongoing debate at the state level ranging from total elimination of Redevelopment Agencies across the state to significant restructuring of the way Redevelopment Agencies operate.
- Estimated tax increment revenues based on assessed valuation for FY 2011-2012 which is projected to remain unchanged from FY 2010-2011

(continued)

# RDA OPERATING FUND BUDGET HIGHLIGHTS

- Reimbursement from CNUSD is based on the amount of School District payment to be made by the Agency during the fiscal year
- Other key revenue item available for the year is \$715,278 to be drawn from prepaid interest account for debt service payment. This item will not be available next fiscal year

(continued)

# RDA OPERATING FUND BUDGET HIGHLIGHTS

- Total estimated expenditures of \$16.1 million include \$8.5 million of pass-through payment to other tax entities and \$6.2 million for debt service. Together, these items make up more than 91% of total expenditures
- The remainder of the expenditures consist of development incentives and cost of Agency administration
- The projected FY 2011-2012 shortfall is \$1.5 million; this amount would have been \$2.2 million without the one-time funding from prepaid interest account

# RDA OPERATING FUND BUDGET HIGHLIGHTS

| RDA Operating Fund Budget -Reductions |            |
|---------------------------------------|------------|
| Salaries and Benefits                 | \$ 130,300 |
| Supplies and Services                 | 60,607     |
| Contractual and Professional Services | 166,727    |
| Total Reductions                      | \$ 357,634 |

# LOW-MODERATE INCOME HOUSING FUND BUDGET HIGHLIGHTS

## RDA Low-Mod Fund Operating Budget

|   |                   |
|---|-------------------|
| <b>Estimated Revenues:</b>                  |                   |
| Property Tax Increment - 20% Set Aside      | \$ 2,825,249      |
| Cal Home Grant                              | 455,000           |
| Interest Income and Loan Repayments         | 39,000            |
| <b>Total estimated Revenues</b>             | <b>3,319,249</b>  |
|   |                   |
| <b>Estimated Expenditures:</b>              |                   |
| Debt Service                                | 1,029,100         |
| Cal Home - Deferred Loan Program            | 455,000           |
| Housing Grant Programs                      | 964,000           |
| Salaries and Benefits                       | 245,581           |
| Contractual and Professional Services       | 110,569           |
| Utilities, Computing and Supplies           | 21,026            |
| <b>Total Estimated Expenditures</b>         | <b>2,825,276</b>  |
|   |                   |
| <b>Estimated Revenues Over Expenditures</b> | <b>\$ 493,973</b> |

# LOW-MODERATE INCOME HOUSING FUND BUDGET HIGHLIGHTS

- Total projected revenues of \$3.3 million exceeds total expenditures of \$2.8 million by \$493,473
- Low-Moderate Income Housing Fund revenues reflects 20% set aside of gross tax increment in the amount of \$2,825,249
- Revenues also include California Home Grant in the amount of \$455,000

City of Norco  
Fiscal Year 2011-2012  
Operating Budget  
Workshop

May 4, 2011



**MINUTES  
CITY OF NORCO**

**CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY  
WORKSHOP/REGULAR MEETING  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
MAY 4, 2011**

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**CALL TO ORDER:** Mayor Hanna called the meeting to order at 6:02 p.m.

**ROLL CALL:** Mayor Berwin Hanna, **Present**  
Mayor Pro Tem Kevin Bash, **Present**  
Council Member Kathy Azevedo, **Present**  
Council Member Greg Newton, **Present**  
Council Member Harvey C. Sullivan, **Present**

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

City Attorney Harper– **Present**

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

**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  
Management  
Middle Management, Professional and Confidential Service

**RECONVENE PUBLIC SESSION:** Mayor Hanna reconvened the meeting at 7:05 p.m.

**PLEDGE OF ALLEGIANCE:** Council Member Azevedo

**INVOCATION:** Grace Fellowship Church  
*Pastor Vernie Fletcher*

**PROCLAMATIONS:** National Preservation Month – May 2011

**Mayor Hanna** presented the proclamation to Linda Dixon, representing the City of Norco Historic Preservation Commission.

Poppy Week, May 15 – 21, 2011  
*American Legion Auxiliary No. 328*

**Mayor Hanna** presented the proclamation to a representative from the American Legion Auxiliary No. 328.

Mental Health Month – May 2011  
*Carolyn Martinez, Western Regional  
Mental Health Board Member, Riverside  
County Department of Mental Health*

**Mayor Hanna** presented the proclamation to Ms. Martinez, representing the Western Regional Mental Health Board, Riverside County Department of Mental Health.

**REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:**

1. CRA CONSENT CALENDAR ITEMS:

**M/S Azevedo/Bash to approve the items as recommended on the CRA Consent Calendar. The motion was carried by the following roll call vote:**

**AYES: AZEVEDO, BASH, HANNA, NEWTON, SULLIVAN**  
**NOES: NONE**  
**ABSENT: NONE**  
**ABSTAIN: NONE**

- A. CRA Minutes:  
Regular Meeting of April 20, 2011  
Special Meeting of April 20, 2011  
**Recommended Action: Approve the CRA Minutes (City Clerk)**

2. OTHER CRA MATTERS: No other CRA matters

ADJOURNMENT OF CRA: 7:20 p.m.

**REGULAR CITY COUNCIL AGENDA AS FOLLOWS:**

City Manager Groves added Item 8.B. to the City Council Agenda, as this item came to the attention of the Council subsequent to the posting of the Agenda and requires immediate action.

3. CITY COUNCIL CONSENT CALENDAR ITEMS:

City Manager Groves pulled Item 3.C. for discussion and a presentation.

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

**AYES: AZEVEDO, BASH, HANNA, NEWTON, SULLIVAN**  
**NOES: NONE**  
**ABSENT: NONE**  
**ABSTAIN: NONE**

- A. City Council Minutes:  
Regular Meeting of April 20, 2011  
Special Meeting of April 20, 2011  
Recommended Action: **Approve the City Council Minutes** (City Clerk)
- B. Recap of Actions Taken at the Planning Commission Regular Meeting of April 27, 2011. **Recommended Action: Receive and File** (Planning Director)
- C. Accept Bids and Award the Contract for the Santa Ana River Riprap Training Dike Improvement Project. **Recommended Action: Award the contract for the Santa Ana River Riprap Training Dike Improvement Project to KIP, Incorporated in the amount of \$748,500 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.** (Senior Engineer)

4. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

- 3.C. Accept Bids and Award the Contract for the Santa Ana River Riprap Training Dike Improvement Project. **Recommended Action: Award the contract for the Santa Ana River Riprap Training Dike Improvement Project to KIP, Incorporated in the amount of \$748,500 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.** (Senior Engineer)

**City Manager Groves** commented on the flooding event that caused the need for the construction of a Riprap Training Dike. She further noted the steps made by City staff to engineer and draft a proposed Santa Ana River Riprap Training Dike. The Army Corps of Engineers signed off on the Training Dike and a proposal was then submitted to the Riverside County Flood Control District for its approval. They recommended approval of \$1.5 million for this project, followed by an RFP sent out by the City, resulting in tonight's recommended acceptance of the bid results. City Manager Groves stated she and Mayor Hanna attended the Riverside County Board of Supervisors meeting held on May 3, 2011, at which time they approved the Funding Agreement in the amount of \$1.5 million for the project.

Senior Engineer Lori Askew explained the project through a slide presentation. She stated that the Santa Ana River Riprap Training Dike is not at a 100-year level, but would protect the Silverlakes site for a 50-75 year event. Also noted was that the Santa Ana River Riprap Training Dike is not waterproof, and if the Santa Ana River rises, there is a potential for water to infiltrate slowly. Senior Engineer Askew added that it is not meant to be a flood wall.

City Manager Groves commented that there will be a few other things required to complete the overall project, such as trail access, but is not part of this specific bid. She stated that R.J. Brandes is doing final engineering for the Silverlakes project and when the Santa Ana River Riprap Training Dike begins, they will be doing some minor preparation work on the site. She added that staff is drafting documents for a potential July 6<sup>th</sup> approval of the documents to begin the Silverlakes Equestrian & Sports Park.

The City Council Members commended staff for their work on this project. In response to Council Member Newton, Public Works Director Thompson stated that the rock is not intended to be compacted on the Training Dyke. He also stated that all the necessary traffic enforcement will be realized as a part of this project.

**M/S Bash/Newton to award the contract for the Santa Ana River Riprap Training Dike Improvement Project to KIP, Incorporated in the amount of \$748,500 and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount. The motion was carried by the following roll call vote:**

**AYES: AZEVEDO, BASH, HANNA, NEWTON, SULLIVAN**  
**NOES: NONE**  
**ABSENT: NONE**  
**ABSTAIN: NONE**

5. LEGISLATIVE MATTERS -- SECOND READING: *(No new evidence will be heard from the public as the public hearing has been closed regarding all items listed.)*

- A. City-Initiated Ordinance Amending Chapter 3.50 of the Norco Municipal Code Removing the Temporary Fee Reduction Period under the Western Riverside County Transportation Uniform Mitigation Fee (TUMF) Program.  
**Recommended Action: Adopt Ordinance No. 933 for second reading.**  
(City Clerk)

**M/S Azevedo/Bash to adopt Ordinance No. 933 for second reading. The motion was carried by the following roll call vote:**

**AYES: AZEVEDO, BASH, HANNA, NEWTON, SULLIVAN**  
**NOES: NONE**  
**ABSENT: NONE**  
**ABSTAIN: NONE**

6. CITY COUNCIL CONTINUED PUBLIC HEARING:

A. Amendment to the City's Comprehensive Fee Schedule to Update and Adjust Fees for Building Division Services

*On June 2, 2010, the City Council adopted Resolution No. 2010-26, updating the fees for general City services. Following the completion of the Building Division fees review by the City-hired consulting firm of Revenue Cost Specialists ("RCS"), with assistance and final review provided by the Building Division staff, it is now necessary to update Building Division fees to reflect the results of the fee review and comply with applicable Building Codes fee structure. The recommended fee revisions are not significantly different from the fees currently being charged and are development-related fees only. Consistent with past practice, fees have been calculated based on the actual cost to provide each service combined with the percentage of authorized recovery. In this case, all of the developer fees have been recommended at 100% in order to recover all costs.*

**Recommended Action: Adopt Resolution No. 2011-\_\_\_\_, amending Resolution No. 2010-26 to update and adjust fees for Building Division services. (Contract Building Official)**

**Deputy City Manager/Director of Finance Okoro** introduced the continued public hearing noting that the fee changes are very insignificant.

**Contract Building Official Keith Clarke** commented on the recommended fee adjustments.

**Council Member Sullivan** commented on the fees that went down. Building Official Clarke noted that this was done to match the adopted fee study.

**Council Member Azevedo** thanked Building Official Clarke for completing this project and also for all the work he does. In response to her question on the Water and Sewer Connection fees, Building Official Clarke stated that they had not been changed for about 10 years.

**Council Member Newton** asked about the fixed fee benefit on the patio covers, noting that this is good thing for the residents. He also commented on the Special Inspector – Annual Registration fee, which went from \$397 to \$0. Building Official Clarke stated that this fee was not included in the fee study, so the City could not include it in this recommendation. Council Member Newton stated that it is something to look at in the future.

Mayor Hanna OPENED the continued public hearing, indicating that proper notification had been made and asked for the appearance of those wishing to speak. With no one wishing to speak, Mayor Hanna CLOSED the continued public hearing.

M/S Bash/Azevedo to adopt Resolution No. 2011-22, amending Resolution No. 2010-26 to update and adjust fees for Building Division services. The motion was carried by the following roll call vote:

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

7. CITY COUNCIL PUBLIC HEARING:

A. Ordering Abatement of Weeds on Vacant Lots

*The proposed resolution orders the abatement of weeds and authorizes the Fire Department's weed abatement contractor to begin abating weeds on vacant properties whose owners did not comply with the Notice to Abate Spring Weeds.*

**Recommended Action: Adopt Resolution No. 2011-\_\_\_\_, declaring that weeds and hazardous vegetation, upon or in front of vacant property in the City of Norco, constitute a public nuisance and ordering the abatement. (Fire Chief)**

Fire Chief Carlson presented the public hearing item.

Council Member Newton asked if the attached list states the recommended lots, noting that some of them have been cleaned. Chief Carlson responded that yes it does, and added that only the ones that need cleaning will be noticed.

Mayor Hanna OPENED the public hearing, indicating that proper notification had been made and asked for the appearance of those wishing to speak.

Linda Dixon. Ms. Dixon asked if this list includes the City-owned lots that have not been weeded. Chief Carlson noted that yes it does and added that they will get cleaned. Director Thompson noted that all of the Water lots will be cleaned on Saturday.

Mayor Hanna CLOSED the public hearing.

**M/S Sullivan/Bash to adopt Resolution No. 2011-23, declaring that weeds and hazardous vegetation, upon or in front of vacant property in the City of Norco, constitute a public nuisance and ordering the abatement. The motion was carried by the following roll call vote:**

**AYES: AZEVEDO, BASH, HANNA, NEWTON, SULLIVAN**  
**NOES: NONE**  
**ABSENT: NONE**  
**ABSTAIN: NONE**

**8. CITY COUNCIL ACTION ITEM:**

- A. Continued Discussion (*if Necessary*) Regarding the Fiscal Year 2011-2012 City and Norco Redevelopment Agency Operating Budgets. (City Manager/Deputy City Manager/Director of Finance)

City Manager Groves commented on the Workshop held, noting that it was adjourned. She stated that there will be another Budget Workshop held on May 18, 2011 at 4 p.m. to continue discussion on the Fiscal Year 2011-12 Operating Budgets and also the proposed Capital Improvement Program Budgets for the City Council and the Norco Redevelopment Agency.

- B. Discussion Regarding the Representation of a Council Member on May 10, 2011 at a Minimum Standards Roundtable Discussion Sponsored by the Pacific Coast Quarter Horse Association in Sacramento, California.

City Manager Groves stated that a request was received from the Pacific Coast Quarter Horse Association that an official representative from Norco be sent to Sacramento on Tuesday, May 10<sup>th</sup> to attend a Minimum Standard Roundtable event. The discussion will be held in response to a booklet published by UC Davis titled "Minimum Standards of Horse Care in the State of California" and addresses information of concern to the equestrian communities in California. She noted that the key recommendation will be to change the word "required" to "recommended."

**Council Member Sullivan** commented on the event and recommended that the City should send Mayor Hanna to represent Norco. He noted that if this document would become law, certain developers could use it in their favor.

**Mayor Hanna** stated that some of the information in the booklet would be good guidelines for first-time horse owners to follow. He added he wants to attend in order to help convince the authors to change the wording in the booklet.

**M/S Bash/Sullivan to send Mayor Hanna to Sacramento on May 10, 2011 to attend the Minimum Standards Roundtable event put on by the Pacific Coast Quarter Horse Association. The motion was carried by the following roll call vote:**

**AYES: AZEVEDO, BASH, HANNA, NEWTON, SULLIVAN**  
**NOES: NONE**  
**ABSENT: NONE**  
**ABSTAIN: NONE**

**9. PUBLIC COMMENTS OR QUESTIONS:**

**Aaron Peña.** Mr. Peña, a Norco High School student, commented on the current difficult economic times and noted several reasons why everyone should support the local economy and buy American-made products.

**Sarah Karsten.** Ms. Karsten, a Norco High School student, commented on products bought from outside of the USA and encouraged everyone to buy more American-made products.

**Tori Thunderburk.** Ms. Thunderburk, a Norco High School student, commented on the Agricultural Department Senior project that includes the evaluation of products that are made and manufactured in and outside of the USA. He added that the solution is changing how much and what we spend our money on.

**Katie Gonzales.** Ms. Gonzales, a Norco High School student, stated that the majority of products sold in the United States are foreign-made products. She encouraged everyone to buy more in the USA to save jobs.

**Dave Henderson.** Mr. Henderson noted he was unable to attend the workshop held regarding the creation of a Water Rate Stabilization Account and noted that he strongly stands behind this concept. He thanked staff and encouraged purchased water adjustments to prevent large increases in water rates.

**Jodie Webber.** Ms. Webber commented on the Citizens Redistricting Commission meeting on May 5<sup>th</sup> in the Council Chambers and encourage members of the public to attend. She noted that greater interest has been received from Mayors of the cities who have attended the most recent public input meetings.

**10. OTHER MATTERS – COUNCIL:**

- A. Approval of a Letter Requesting Legislation to Amend the California Vehicle Code to Raise Fines for Speeding where Children and Horses are Present. (Council Member Sullivan)

**Council Member Sullivan** requested that the Council send a letter to legislators to have signs placed at the entrance to the City stating that fines double when children and horses are present.

City Manager Groves clarified that this action would need amendments to the California Vehicle and Penal Codes. She added that the sections of the Codes that would require amending have been identified and will be included in the letter.

**Mayor Pro Tem Bash** stated that he is torn as he does not like doubling fines. He added that the only reason he would consider this is because Norco is very unique with all of the horses present.

**Council Member Newton** asked City Manager Groves if revenue doubles when fines are doubled. City Manager Groves responded that this is all defined in the California Vehicle and Penal Codes and would be dependent on how the legislation was worded, She added that at this point, the City is just looking to send the letter.

**Jodie Webber.** Ms. Webber suggested that a copy of the letter sent (not on letterhead) be available for the public to send to legislators in support of this effort.

**M/S Sullivan/Azevedo to approve the sending of a letter requesting legislation to amend the California Vehicle Code to double the fines for speeding when children and/or horses are present. The motion was carried by the following roll call vote:**

**AYES: AZEVEDO, BASH, HANNA, NEWTON, SULLIVAN**  
**NOES: NONE**  
**ABSENT: NONE**  
**ABSTAIN: NONE**

**Mayor Pro Tem Bash:**

- ↓ Commented on the ride around Lake Norconian in preparation for the Best of America by Horseback event to be held on May 6 – 8, 2011.
- ↓ Commended the City's Historic Preservation Consultant Bill Wilkman for his work with the Navy.
- ↓ Noted the California Preservation Foundation Seminar coming up in June and added that Norco is getting to be known as a City of preservation.

**Council Member Azevedo:**

- ↓ Stated that Jodie Webber presented information regarding the Citizens Redistricting Commission at the most recent WRCOG Executive Committee meeting.
- ↓ Stated that the 5.6% increase in TUMF proposed was not approved by the WRCOG Executive Committee because cities are concerned about economic development.
- ↓ Thanked the Norco High School students for attending and speaking at the Council Meeting.
- ↓ Invited everyone to attend the UNLOAD "Spring Into Awareness, The Power of Prevention" event on May 12<sup>th</sup> at 5 p.m. at Nellie Weaver Hall. She added that there will be prescription drug collection available at that event.

- ↓ Stated that the Relay for Life event is coming up and added that May is National Fitness Month. She encouraged everyone to get fit by walking at the Relay for Life event on May 14<sup>th</sup>.

**Council Member Sullivan**

- ↓ Invited everyone to attend the Extreme Mustang Makeover on May 13 - 15, 2011. He noted that there will be a Jungle Challenge obstacle course on Friday night. He added that there will also be a carnival set up in the lower parking lot at the George Ingalls Equestrian Event Center.

**Mayor Hanna**

- ↓ Encouraged everyone to get involved in the Best of America by Horseback Grand Tour event.

11. OTHER MATTERS – STAFF:

**City Manager Groves** commented on the Best of America by Horseback trail rides and all of the other activities that will be going on during the event.

12. ADJOURNMENT: There being no further business to come before the City Council, Mayor Hanna adjourned the meeting at 8:34 p.m.

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BRENDA K. JACOBS, CMC  
CITY CLERK



**RECAP OF ACTIONS TAKEN  
CITY OF NORCO  
PLANNING COMMISSION  
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE  
REGULAR MEETING  
May 11, 2011**

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1. CALL TO ORDER: 7:00 p.m.
2. ROLL CALL: Chair Hedges, Commission Members Henderson, Jaffarian and Leonard (Vice-Chair Wright absent)
3. STAFF PRESENT: Planning Director King, Senior Planner Robles, Deputy City Clerk Germain
4. PLEDGE OF ALLEGIANCE: Commissioner Jaffarian
5. APPEAL NOTICE: Read by Staff
6. HEARING FROM THE AUDIENCE ON ITEMS NOT LISTED ON THE AGENDA: None
7. APPROVAL OF MINUTES: Minutes of April 27, 2011 **Recommended Action: Approval** (Deputy City Clerk): **Approved 4-0**
8. CONTINUED ITEMS: **None scheduled**
9. PUBLIC HEARINGS: **None scheduled**
10. BUSINESS ITEMS:
  - A. **Resolution No. 2011-\_\_**; Site Plan 2011-04 (Sandidge): A Request for Approval to Allow a 160 Square-Foot Accessory Storage Shed at 4140 Crestview Drive located within the A-1-20 Zone. **Recommended Action: Approval** (SP Robles): **Approved 4-0. This action is final unless appealed to the City Council within 10 calendar days.**
  - B. Discussion on the Rear Yard Setback Requirement of 100 feet for Tract No. 30230 located at the East End of Fifth Street. Oral Report **Recommended Action: Direction** (PD King): **Direction was given to investigate the possibility of exempting attached patio covers (open on three sides) from the rear yard setback requirement only in Tract 30230.**
11. CITY COUNCIL: **Received and Filed**
  - A. Recap of Actions Taken at the May 4, 2011 City Council/Community Redevelopment Agency Meeting.
  - B. City Council Minutes dated April 20, 2011

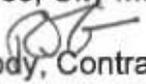
12. PLANNING COMMISSION: Oral Reports from Various Committees: **None**
13. STAFF: Current Work Program: **Received and Filed**
14. OTHER MATTERS: **Received and Filed**
  - A. Follow-up on Items from Previous Meetings (Director King)
15. ADJOURNMENT: **7:26 p.m.**

/adr-78501

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Roger Grody, Contract Economic Development Specialist 

DATE: May 18, 2011

SUBJECT: Appointment of One Member to the Economic Development Advisory Council

RECOMMENDATION: Appoint Kim Calabrano to the Economic Development Advisory Council.

**SUMMARY:** The Economic Development Advisory Council (EDAC) recommended that the City Council appoint Kim Calabrano to the EDAC to fill one of its two vacant positions and re-advertise for the remaining vacancy.

**BACKGROUND/ANALYSIS:** On February 28, 2011, the City Clerk advertised for the acceptance of applications for two vacancies on the Economic Development Advisory Council (EDAC). Two applications were received by the deadline date of March 24, 2011.

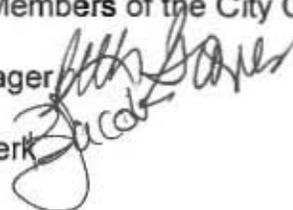
At its April 28, 2011 meeting, the EDAC reviewed the two applications and unanimously recommended that the City Council appoint Kim Calabrano, one of the applicants. Ms. Calabrano is a commercial real estate professional and a Norco resident who has expressed a strong desire to enhance the local economy. The EDAC requested that the City Clerk re-advertise for the second remaining vacancy and will review the applications submitted by the deadline of May 19, 2011 at its next meeting, scheduled for May 26, 2011.

**FINANCIAL IMPACT:** N/A

/di-78411

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Brenda Jacobs, City Clerk 

DATE: May 18, 2011

SUBJECT: Resolution Setting the Regular Meeting Schedules for City Commissions and the Economic Development Advisory Council (the "EDAC") for Fiscal Year 2011-12

RECOMMENDATION: Adopt **Resolution No. 2011-\_\_\_**, setting the regular meeting schedules for City commissions and the EDAC for Fiscal Year 2011-12.

**SUMMARY:** In order to more efficiently and fiscally manage the City staffing requirements for preparing and conducting commission and EDAC meetings, it is imperative that reductions be made in the number of regular scheduled City commission and EDAC meetings held. In preparation for the adoption of the Fiscal Year 2011-12 Operating Budgets, staff recommends that the City Council approve reducing the number of City commission and EDAC regular meetings held beginning July 1 and continuing through the fiscal year. The reduction in regular meetings would in no way lesson the importance of the commission and EDAC meetings held, but would instead provide for a more efficient way to transact City business using the current available City staff.

**BACKGROUND/ANALYSIS:** In preparation for the adoption of the Fiscal Year 2011-12 General Fund and Norco Redevelopment Agency Operating Budgets, discussions were held regarding reductions that could be made that would have little or no impact to the services rendered. As staffing in City Hall becomes more and more limited, efficient management is required for the use of the available City Staff to best determine what the priorities are and what fiscal impact would result from reductions implemented.

Currently, the Norco Municipal Code requires regular meetings for the Parks, Recreation and Community Services Commission and the Streets, Trails and Utilities Commission be held once per month. The Historic Preservation Commission currently is required to hold one meeting per quarter. The Planning commission is currently required to hold one regular meeting per month. The EDAC is required by resolution to hold not less than one regular meeting each month.

The Planning Commission has a role of higher authority and responsibilities than the other City commissions. The Planning Commission also constitutes a "legislative body" as described in the California Government Code. Planning staff has concurred that one meeting per month will enable the Planning Commission to review, approve and recommend items that come before them and special meetings can be called if necessary.

The role of the other City commissions and the EDAC is advisory in nature and its duties include reviewing and making recommendations to the City Council and professional staff. The reduction in the number of regular scheduled meetings held will not deter from, nor lessen the importance of the information discussed, approved and recommended by the City commissions and EDAC. Instead, there will be a more efficient way to transact City business using the current available City staff.

Therefore, the following regular meeting schedule is recommended to the City Council for the City commissions and the EDAC for Fiscal Year 2011-12 beginning on July 1, 2011:

|  |                                 |
|--|---------------------------------|
| Planning Commission                      | One regular meeting per month   |
| Historic Preservation Commission         | One regular meeting per quarter |
| Parks and Recreation Commission          | One regular meeting per quarter |
| Streets, Trails and Utilities Commission | One regular meeting per quarter |
| Economic Development Advisory Council    | One regular meeting per quarter |

This recommendation does not in any means limit the calling of special meetings or the meeting of commission or EDAC sub-committees.

**FINANCIAL IMPACT:** If implemented, there would be a savings to the General Fund in the amount of approximately \$11,100 and a savings to the Norco Redevelopment Agency Budget in an amount of approximately \$1,500 (based on the maximum compensation allowed at \$50 per meeting or \$100 per month/per commission member). The Historic Preservation Commission is currently compensated in the amount of \$50 per quarter and Commission compensation savings would not be realized, but contract City staff time paid to attend those meetings would be a savings to the Norco Redevelopment Agency Budget. The EDAC Members are not compensated for meeting attendance.

/bj-78434

Attachments: Resolution No. 2011-\_\_\_\_

## RESOLUTION NO. 2011-\_\_\_\_

### A RESOLUTION OF THE CITY OF NORCO, CALIFORNIA, SETTING THE REGULAR MEETING SCHEDULES FOR CITY COMMISSIONS AND THE ECONOMIC DEVELOPMENT ADVISORY COUNCIL FOR FISCAL YEAR 2011-12

WHEREAS, the Norco Municipal Code ("NMC") states the number of regular meetings City Commissions shall hold; and

WHEREAS, the number of regular meetings required for the Economic Development Advisory Council ("EDAC") is set by resolution; and

WHEREAS, the Historic Preservation Commission currently is required to hold not less than one regular scheduled meeting per quarter; and

WHEREAS, the Parks, Recreation and Community Services Commission currently is required to hold not less than one regular scheduled meeting per month; and

WHEREAS, the Planning Commission currently is required to hold not less than one regular scheduled meeting each calendar month; and

WHEREAS, the Streets, Trails and Utilities Commission currently is required to hold not less than one regular scheduled meeting per month; and

WHEREAS, the EDAC currently is required to hold not less than one regular scheduled meeting per month; and

WHEREAS, in order to more efficiently and fiscally manage the City staffing requirements for preparing and conducting commission and EDAC meetings, it is imperative that reductions be made in the number of regular scheduled meetings held; and

WHEREAS, it has been determined that the reduction in the number of regular scheduled meetings held will not deter from, nor lessen the importance of the information discussed and approved by the City commissions and the EDAC, but will instead provide for a more efficient way to transact City business using the current available City staff.

NOW, THEREFORE, the City Council of the City of Norco does hereby ordain as follows:

SECTION 1. The Historic Preservation Commission shall hold not less than one regular scheduled meeting per quarter throughout Fiscal Year 2011-12 beginning July 1, 2011; and

SECTION 2. The Parks, Recreation and Community Services Commission shall hold not less than one regular scheduled meeting per quarter throughout Fiscal Year 2011-12 beginning July 1, 2011; and

SECTION 3. The Planning Commission shall hold not less than one regular scheduled meeting each calendar month throughout Fiscal Year 2011-12 beginning July 1, 2011; and

SECTION 4. The Streets, Trails and Utilities Commission shall hold not less than one regular scheduled meeting per quarter throughout Fiscal Year 2011-12 beginning July 1, 2011.

SECTION 5. The EDAC shall hold not less than one regular scheduled meeting per quarter throughout Fiscal Year 2011-12 beginning July 1, 2011.

SECTION 6. The compensation set forth in Resolution No. 2002-29 shall remain in effect setting the compensated amount for each Commission Member at \$50 per meeting, for a maximum of \$100 per month.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 18, 2011.

\_\_\_\_\_  
Mayor of the City of Norco, California

ATTEST:

\_\_\_\_\_  
Brenda K. Jacobs, CMC, City Clerk  
City of Norco, California

Resolution No. 2011-\_\_\_\_

Page 3

May 18, 2011

I, BRENDA K. JACOBS, City Clerk of the City of Norco, California do hereby certify that the foregoing Resolution was introduced and adopted by the City Council of the City of Norco at a meeting held on May 18, 2011 by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California on May 18, 2011.

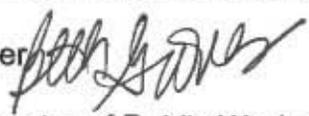
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Brenda K. Jacobs, CMC, City Clerk  
City of Norco, California

/bj-78433

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: William R. Thompson, Director of Public Works 

DATE: May 18, 2011

SUBJECT: Acceptance of the Fiscal Year 2010/11 Equestrian Trail Fence Project, as Complete

RECOMMENDATION: That the City Council accepts the Fiscal Year 2010/11 Equestrian Trail Fence Project as complete and authorize the City Clerk to file the Notice of Completion with the County Recorder's Office.

**SUMMARY:** The 2010/11 Equestrian Trail Fence Project consisted of the construction and installation of trail fence improvements at various locations throughout the City. The project also included clearing, grubbing, minor grading and removal of existing trail fence.

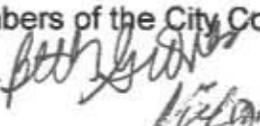
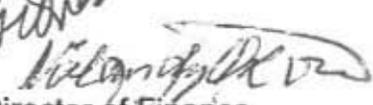
**BACKGROUND/ANALYSIS:** On November 17, 2010, the City Council awarded a public works contract to Valley Cities/Gonzales Fence, Inc. in the amount of \$68,850. The project was completed without the need for additional work or change orders. The final contract amount is \$68,850 which is the base contract award amount. The final contract amount is based on the actual quantity of material used on the project as verified by staff.

Work on the project has been completed to the satisfaction of the City Engineer and a Notice of Completion has been prepared. Staff is requesting that the City Council accept the work performed by Valley Cities/Gonzales Fence, Inc. and authorize the City Clerk to record the Notice of Completion.

**FINANCIAL IMPACT:** The City Council, at its November 17, 2010 meeting, appropriated funds available within the approved FY 2010/11 Trails Capital Improvement Fund Program (143) to complete the project.

Attachment: N/A

**CITY OF NORCO  
STAFF REPORT**

TO: Honorable Mayor and Members of the City Council  
FROM: Beth Groves, City Manager   
PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance   
DATE: May 18, 2011  
SUBJECT: Approval and Adoption of the Annual Appropriation Limit for the Fiscal Year 2011-2012  
RECOMMENDATION: Adopt Resolution No. 2011-\_\_\_\_, approving the annual appropriation limit for Fiscal Year 2011-2012.

**SUMMARY:** The City is required by Article XIII of the State Constitution to adopt an annual appropriations limit which sets the maximum appropriation for the General Fund. Staff is recommending that Council adopt the attached resolution approving \$32,200,860 as the appropriation limit for Fiscal Year 2011-2012.

**BACKGROUND/ANALYSIS:** Attached is a resolution, as required by state law to approve the appropriation limit for the Fiscal Year 2011-2012 in the amount of \$32,200,860. Staff is still going through the budget process in order to establish General Fund's final appropriation for Fiscal Year 2011-2012. However, it is important to note that the FY 2011-2012 General Fund appropriations will be significantly less than the appropriations limit calculated under state law.

The appropriations limit for FY 2011-2012 has been calculated using the change in City population of 1.13% and the state change in per capita personal income of 2.51% as provided by the State of California Department of Finance. See Exhibit "A". The information from the State is also attached.

**FINANCIAL IMPACT:** None

/jk-78463

Attachment: Resolution No. 2011-\_\_\_\_  
Dept. of Finance – Price and Population Information

## RESOLUTION NO. 2011-\_\_

### A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING AND ADOPTING THE ANNUAL APPROPRIATION LIMIT FOR THE FISCAL YEAR 2011-2012

WHEREAS, the voters of California, on November 6, 1979, added Article XIII-B to the State Constitution placing various limitations on the appropriation of the state and local governments; and

WHEREAS, Article XIII-B provides that the appropriation limit for the Fiscal Year 2011-2012 is calculated by adjusting the base year appropriation of the Fiscal Year 1978-1979 for changes in state per capita personal income statistics and population (see Exhibit "A"); and

WHEREAS, the City has selected the change in state per capita personal income and the annual percentage change in population for the City of Norco supplied by the State Department of Finance to set the appropriation limit; and

WHEREAS, the City of Norco has complied with all the provisions of Article XIII-B in determining the appropriation limit for Fiscal Year 2011-2012.

NOW, THEREFORE, BE IT RESOLVED that the appropriations limit in Fiscal Year 2011-2012 shall be \$32,200,860 for the City of Norco.

APPROVED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 18, 2011.

\_\_\_\_\_  
Mayor of the City of Norco, California

ATTEST:

\_\_\_\_\_  
Brenda K Jacobs, City Clerk  
City of Norco, California

May 18, 2011

I BRENDA K JACOBS, City Clerk of the City of Norco, California, do hereby certify that the foregoing Resolution was adopted by the City Council of the City of Norco, California, at a regular meeting thereof held on May 18, 2011, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on May 18, 2011.

---

Brenda K Jacobs, City Clerk  
City of Norco, California

/jk-78464

Attachment: Exhibit "A"



May 2011

Dear Fiscal Officer:

**Subject: Price and Population Information**

**Appropriations Limit**

The California Revenue and Taxation Code, Section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2011, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2011-2012. Enclosure I provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2011-2012 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county's and incorporated area's summed population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228 for further information regarding the appropriation limit. You can access the Code from the following website: "<http://www.leginfo.ca.gov/calaw.html>" check box: "Revenue and Taxation Code" and enter 2228 for the search term to learn more about the various population change factors available to special districts to calculate their appropriations limit. Article XIII B, Section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Consult the following website: "[http://www.leginfo.ca.gov/const/article\\_13B](http://www.leginfo.ca.gov/const/article_13B)" for additional information. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No State agency reviews the local appropriations limits.

**Population Certification**

The population certification program applies only to cities and counties. The Federal 2010 Census population counts for cities and counties have been certified to the State Controller's Office. Revenue and Taxation Code Section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2011.**

**Please Note:** The population estimates provided in this report incorporate 2010 Census numbers as benchmarks. Therefore, the population estimates for 2010 and 2011 published in this report for your jurisdiction may be noticeably different from the previous year estimates.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The cost-of-living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2011-2012 appropriation limit is:

| Per Capita Personal Income |                                   |
|----------------------------|-----------------------------------|
| Fiscal Year (FY)           | Percentage change over prior year |
| 2011-2012                  | 2.51                              |

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2011-2012 appropriation limit.

**2011-2012:**

Per Capita Cost of Living Change = 2.51 percent  
 Population Change = 0.77 percent

Per Capita Cost of Living converted to a ratio:  $\frac{2.51 + 100}{100} = 1.0251$

Population converted to a ratio:  $\frac{0.77 + 100}{100} = 1.0077$

Calculation of factor for FY 2011-2012:  $1.0251 \times 1.0077 = 1.0330$

**Enclosure II**  
**Annual Percent Change in Population Minus Exclusions**  
**January 1, 2010 to January 1, 2011 and Total Population, January 1, 2011**

| County<br>City      | <u>Percent Change</u> | <u>Population Minus Exclusions</u> |                  | <u>Total</u>     |
|---------------------|-----------------------|------------------------------------|------------------|------------------|
|                     | 2010-2011             | 1-1-10                             | 1-1-11           | 1-1-2011         |
| <b>Riverside</b>    |                       |                                    |                  |                  |
| Banning             | 1.14                  | 29,507                             | 29,844           | 29,844           |
| Beaumont            | 4.66                  | 36,496                             | 38,195           | 38,195           |
| Blythe              | 1.09                  | 13,153                             | 13,296           | 20,158           |
| Calimesa            | 1.12                  | 7,853                              | 7,941            | 7,941            |
| Canyon Lake         | 1.13                  | 10,528                             | 10,647           | 10,647           |
| Cathedral City      | 1.12                  | 50,984                             | 51,556           | 51,603           |
| Coachella           | 2.57                  | 40,464                             | 41,502           | 41,502           |
| Corona              | 1.18                  | 151,854                            | 153,649          | 153,649          |
| Desert Hot Springs  | 5.92                  | 25,852                             | 27,383           | 27,383           |
| Hemet               | 1.62                  | 78,335                             | 79,607           | 79,607           |
| Indian Wells        | 1.40                  | 4,941                              | 5,010            | 5,010            |
| Indio               | 2.72                  | 75,122                             | 77,165           | 77,165           |
| Lake Elsinore       | 2.06                  | 51,445                             | 52,503           | 52,503           |
| La Quinta           | 1.42                  | 37,307                             | 37,836           | 37,836           |
| Menifee             | 2.82                  | 77,267                             | 79,444           | 79,444           |
| Moreno Valley       | 1.33                  | 192,654                            | 195,216          | 195,216          |
| Murrieta            | 1.33                  | 103,085                            | 104,459          | 104,459          |
| Norco               | 1.13                  | 22,673                             | 22,929           | 27,060           |
| Palm Desert         | 2.03                  | 48,132                             | 49,111           | 49,111           |
| Palm Springs        | 1.39                  | 44,385                             | 45,002           | 45,002           |
| Perris              | 2.80                  | 67,879                             | 69,781           | 69,781           |
| Rancho Mirage       | 1.72                  | 17,168                             | 17,463           | 17,463           |
| Riverside           | 1.31                  | 302,814                            | 306,779          | 306,779          |
| San Jacinto         | 1.26                  | 44,043                             | 44,597           | 44,597           |
| Temecula            | 2.05                  | 99,611                             | 101,657          | 101,657          |
| Wildomar            | 1.68                  | 32,006                             | 32,543           | 32,543           |
| Unincorporated      | 1.92                  | 501,859                            | 511,518          | 511,623          |
| <b>County Total</b> | <b>1.81</b>           | <b>2,167,417</b>                   | <b>2,206,633</b> | <b>2,217,778</b> |

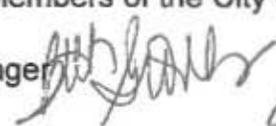
(\*) Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

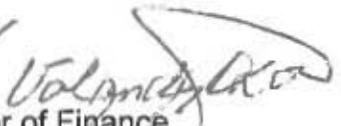
**City of Norco, California**  
**FY 2011 - 2012 Appropriations Limit Calculation**

|  |                      |
|--|----------------------|
| FY 2010-2011 Appropriations Limit (Per Resolution 2010-23) | \$ 31,060,924        |
| Change in Per Capita Personal Income                       | 2.51%                |
| Change in City Population                                  | 1.13%                |
| Calculation Factor (1.0251 x 1.01130)                      | 1.03670              |
| FY 2010-2011 Appropriations Limit                          | <u>\$ 32,200,860</u> |

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance 

DATE: May 18, 2011

SUBJECT: Establishment of Annual Special Tax for Community Facilities District No. 93-1 for the Fiscal Year 2011-2012.

RECOMMENDATION: Adopt **Resolution No. 2011-\_\_\_\_**, Establishing Annual Special Tax for Community Facilities District No. 93-1 for the Fiscal Year 2011-2012.

**SUMMARY:** Staff is recommending that the City Council adopt a resolution approving the annual special tax levy for Community Facilities District No. 93-1 for the Fiscal Year 2011-2012. The tax levy is necessary to generate funds for the payment of the debt service on the bonds issued for the construction and installation of public facilities in the district. No change in the previously approved tax rate is proposed.

**BACKGROUND/ANALYSIS:** On December 16, 1992 the City Council adopted Resolution No. 92-73 stating its intent to establish Community Facilities District 93-1 (Gateway) ("District"). A majority of the property owners within the District boundaries voted to approve CFD 93-1 in 1992. Resolution 92-73 provided for the levying of special taxes in FY 1995-96 against each parcel in the District for the construction and installation of certain public facilities, including drainage facilities improvements ("District Facilities"); intersection improvements – Hamner Avenue at First Street and Hamner Avenue at Mountain Avenue; street improvements – First Street from Hamner Avenue to existing Mountain Avenue; signal improvements – Hamner Avenue at First Street Intersection and Hamner Avenue at Mountain Avenue (Yuma Drive) intersection; and water improvements – Hamner Avenue and landscaped median improvements – Hamner Avenue and First Street.

The County of Riverside requires a resolution levying the special taxes to be adopted each fiscal year for the duration of the District. The special tax rate used in the preparation of the Special Tax Levy Report does not exceed the amount previously authorized, and does not exceed the amount approved by the qualified electors of the District. The proceeds of the special tax will be used to pay, in whole or in part, the approved costs of the District.

Adoption of Resolution No. 2011-\_\_\_\_ (attached), directs the Auditor-Controller of the County of Riverside to prepare an amended real property statement for each parcel of the District, as well as to perform other administrative actions for FY 2011-2012.

The special tax due will be listed opposite each affected lot or parcel of land as a line item designated "Public Improvements, CFD Special Tax" or any other suitable designation in accordance with the resolution. Adoption of the resolution also requires the City to issue the attached statement that CFD 93-1 charges are in compliance with Proposition 218.

FINANCIAL IMPACT: N/A

/jk-78405

Attachments: Resolution No. 2011-\_\_\_\_

Exhibit A

Compliance Statement

## RESOLUTION NO. 2011-\_\_\_

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA ESTABLISHING ANNUAL SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 93-1 FOR THE FISCAL YEAR 2011-2012

WHEREAS, the City Council of the City of Norco, California (hereinafter referred to as the "Legislative Body") has initiated proceedings, held a public hearing, conducted an election, and received a favorable vote from the qualified electors relating to the levy of a special tax in a community facilities district, all as authorized pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California. This Community Facilities District shall hereinafter be referred to as "District"; and,

WHEREAS, this Legislative Body, by Ordinance as authorized by Section 53340 of the Government Code of the State of California, has authorized the levy of a special tax to pay for costs and expenses related to said District, and this Legislative Body is desirous to establish the specific rate of the special tax to be collected for the next fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norco, does hereby accept:

SECTION 1: That the above recitals are all true and correct.

SECTION 2: That the specific rate and amount of the special tax to be collected to pay for the costs and expenses for FY 2011-2012 for the referenced District is hereby determined and established as set forth in the attached, referenced, and incorporated Exhibit "A."

SECTION 3: That the rate as set forth above does not exceed the amount as previously authorized by Ordinance of this Legislative Body and is not in excess of that as previously approved by the qualified electors of the District and is exempt from Proposition 218, Section XIID of the California State Constitution.

SECTION 4: That the proceeds of the special tax shall be used to pay, in whole or in part, the costs of the following:

- A. Payment of principal and interest on any outstanding authorized bonded indebtedness;
- B. Necessary replenishment of bond reserve funds or other reserve funds; Resolution No. 2011-\_\_\_CFD 93-1 Levying of Taxes, 2011-2012;

- C. Payment of costs and expenses of authorized public facilities;
- D. Repayment of advances and loans, if appropriate; and
- E. Costs and expenses related to the administration of the District.

The proceeds of the special taxes shall be used as set forth above and shall not be used for any other purpose.

SECTION 5: The special tax shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and same procedure and sale in cases of any delinquency for ad valorem taxes, and the Tax Collector is hereby authorized to deduct reasonable administrative costs incurred in collecting any said special tax.

SECTION 6: All monies above collected shall be paid into the District, including any bond fund and reserve fund.

SECTION 7: The Auditor of the County is hereby directed to enter in the next County assessment on which taxes will become due, opposite each lot or parcel of land affected, in a space marked "public improvements, special tax" or by any other suitable designation, the installment of the special tax, and for the exact amount of said tax, reference is made to the attached Exhibit "A."

SECTION 8: The County Auditor shall then, at the close of the tax collection period, promptly render to this Agency a detailed report showing the amount(s) of such special tax installments, interest, penalties, and percentages so collected and from which property collected, and also provide a statement of any percentages retained for the expense of making any such collection.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 18, 2011.

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Mayor of the City of Norco, California

ATTEST:

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Brenda K. Jacobs, City Clerk  
City of Norco, California

I, BRENDA K. JACOBS, City Clerk of the City of Norco, California, do hereby certify that the foregoing Resolution was adopted by the City Council of the City of Norco, California, at a regular meeting thereof held on May 18, 2011, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, on May 18, 2011.

---

Brenda K. Jacobs, City Clerk  
City of Norco, California

/jk-78405

EXHIBIT "A"

City of Norco  
Community Facilities District No. 93-1R  
Fiscal Year 2011/2012 Special Tax Rates

For Fiscal Year 2011/2012, the effective special tax rate for each taxable parcel is \$0.10 per square footage of land and the amount of special tax for each assessor's parcel number is listed below:

| APN                       | LEVY AMOUNT         |
|---------------------------|---------------------|
| 122-040-022               | \$5,052.96          |
| 122-040-023               | 3,136.32            |
| 122-040-024               | 3,702.60            |
| 122-040-030               | 3,702.60            |
| 122-040-054               | 3,963.96            |
| 122-040-055               | 4,704.48            |
| 122-040-056               | 9,539.64            |
| 122-040-057               | 20,386.08           |
| 122-050-031               | 2,787.84            |
| 122-050-033               | 2,962.08            |
| 122-050-035               | 3,441.24            |
| 122-050-045               | 2,962.08            |
| 122-050-046               | 3,005.64            |
| 122-050-047               | 4,138.20            |
| 122-050-048               | 12,545.28           |
| 122-050-049               | 6,403.32            |
| 122-070-014               | 1,481.04            |
| 122-070-016               | 5,967.72            |
| 122-070-023               | 1,524.60            |
| 122-070-026               | 217.80              |
| 122-070-028               | 5,140.08            |
| 122-070-034               | 5,730.30            |
| 122-070-035               | 3,327.10            |
| 122-070-036               | 2,634.06            |
| 122-090-053               | 10,896.52           |
| 122-090-054               | 2,249.86            |
| 122-090-055               | 3,176.38            |
| 122-090-056               | 3,176.38            |
| 122-090-057               | 5,029.00            |
| 122-090-058               | 9,661.16            |
| 122-090-059               | 352.82              |
| 122-090-062               | 6,617.18            |
| 122-090-063               | 1,764.60            |
| 122-090-068               | 135.46              |
| 122-090-069               | 1,265.40            |
| 122-090-072               | 21,621.44           |
| 122-120-002               | 392.04              |
| 125-270-025               | 3,789.72            |
| 125-270-030               | 1,089.00            |
| 125-270-034               | 6,011.28            |
| 125-270-035               | 2,047.32            |
| 126-250-029               | 1,916.64            |
| 126-250-057               | 2,003.76            |
| 126-250-058               | 3,223.44            |
| <b>Total = 44 parcels</b> | <b>\$204,876.42</b> |

## **ORDINANCE NO. 672**

### **COMMUNITY FACILITIES DISTRICT NO. 93-1**

Special taxes are for a period not to exceed 25 years from the original levy, Resolution 92-73 provided for the levying of special taxes in Fiscal Year 1995-96 to each parcel in the District.

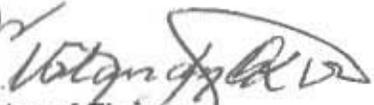
The City shall administer and collect taxes and determine the amount of special tax revenue needed for the next fiscal year to cover all costs and expenses to pay for facilities, debt service, including principal and interest and replenishment of reserve and other administrative expenses.

Bond issuance to cover various public facilities such as grading, etc. is necessary for the Gateway Specific Plan Area (The District). All properties subsequently annexed shall be subject to the original authorized special taxes, as well as increases to reflect increases in the Engineering News-Record Construction Cost Index (Los Angeles) as of May 1<sup>st</sup> of any fiscal year after 1993/1994.

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance 

DATE: May 18, 2011

SUBJECT: Fiscal Year 2010-2011 Third Quarter Budget to Actual Report

RECOMMENDATION: Staff recommends that the City Council receive and file the Fiscal Year 2010-2011 third quarter budget-to-actual report.

**SUMMARY:** This report provides a budget-to-actual update of the various Operating Funds for the first three quarters of Fiscal Year 2010-2011. As additional information, final summary year-end revenue and expenditure projection for the General Fund is also provided. Staff recommends that the City Council receive and file this report.

**BACKGROUND/ANALYSIS:** This report provides the City Council with current financial information on the City's Operating Budget for various Funds through the end of March 31, 2011. Attachment 1 provides a summary data of budget-to-actual revenues and expenditures for each Operating Fund. Using the data available through March 31, 2011, staff has also projected year-end revenues, expenditures and fund balance for the General Fund. Attachment 2 provides the year-end projections for the General Fund.

### **General Fund Revenues**

Total General Fund revenues (see attachment 2), is estimated to be \$12,762,956 compared to the approved budget amount of \$12,935,108 for an anticipated unfavorable budget variance of \$172,152. The "Other Revenues" category is the only revenue category with significant variance between approved budget and year-end estimated actual. The bulk of the unfavorable variance is due to less than anticipated collection from late utility payment penalties.

### **General Fund Expenditures**

Based on year-end projections (see attachment 2), total General Fund expenditures for FY 2010-2011 is estimated to be \$15,145,811 compared to approved budget amount of \$14,984,999 for an unfavorable budget variance of nearly \$160,812. The projected expenditure budget overage are expected to come from Park Maintenance, Building

Safety, Fire Suppression, Paramedic, Non-departmental and Citizens on Patrol Divisions.

The projected budget overages in Parks Maintenance and Building and Safety Divisions are due to accrued compensated absences paid out to employees that retired at the beginning of the fiscal year. The overage in Citizens on Patrol is due to unbudgeted workers compensation expenditures while the overage in Non-departmental is as result of increase in the number of retirees and higher than anticipated increase in health insurance premium rates. The projected overage in the Paramedics Division is due to more than anticipated increase in health insurance premium while the overage in Fire Suppression Division is due to overage in contractual services for equipment maintenance and unbudgeted non-wage replacement workers compensation expenditures.

#### **Fund Balance – General Fund**

Attachment 2 also provides projected year-end fund balance information. Fund balance amount is estimated using actual beginning fund balance at June 30, 2010; adding FY 2010-2011 estimated year-end revenues and subtracting FY 2010-2011 estimated year-end expenditures. It is estimated that fund balance will decrease by nearly \$2.4 million to \$1 million by the end of Fiscal Year 2011. The approved budget includes anticipated \$2.05 million decrease in fund balance. The additional decrease is due to the projected unfavorable revenue and expenditure balance previously discussed in this report.

#### **RDA Operating Fund**

Through March 31, 2011, the Redevelopment Agency Operating Fund has received slightly more than half of FY 2010-2011 budgeted tax increment revenues. Based on historic receipt trends, it is projected that the Agency's total tax increment revenues at year-end will be at or slightly above the amended budget amount. Including the Supplemental Revenue Augmentation Fund (SERAF) payment to the County, expenditures are anticipated to come in slightly below the approved budget due to savings in salaries, benefits and incentive programs.

#### **Water Fund**

With the rate adjustments implemented in April, it is projected that total Water Fund revenues would exceed the budget amount. Total expenditures are tracking to budget. For FY 2010-2011, total projected year-end Water Fund expenditures exceed total projected total revenues by \$736,696. This would bring the estimated working capital deficit balance to nearly \$1.6 million by June 30, 2011. Moving forward, the approved rate adjustments are expected to eliminate this working capital deficit by the end of FY 2012-2013.

#### **Sewer Fund**

Total Sewer Fund operating revenues are tracking within budget; expenditures are also tracking to budget. It is estimated that total Sewer Fund revenues will be less than total

expenditures by \$442,883 for the fiscal year. The first phase of the sewer rate adjustment approved by City Council will be implemented by the beginning of FY 2011-2012. It is anticipated that this rate adjustment will close the gap between Sewer Fund revenues and expenditures. The Sewer Fund currently has a working capital of nearly \$1 million which will cushion against the projected shortfall in revenue for FY 2010-2011

**Other Funds**

Other miscellaneous operating Funds including Gas Tax, NPDES and Miscellaneous Grant Funds are projected to end the year in line with the approved budget.

FISCAL IMPACT: This report is for information only.

/jk-78492

Attachments: Summary of Budget to Actual Report  
Summary of General Fund Year-End Projections

**City of Norco**  
**Summary Budget to Actual Report**  
**For the Three Quarters Ended March 31, 2011**

|   | Original<br>Budget | Amended<br>Budget | Year<br>to Date<br>Actual | Remaining<br>Budget | %<br>Achieved |
|---|--------------------|-------------------|---------------------------|---------------------|---------------|
| <b>GENERAL FUND</b>                       |                    |                   |                           |                     |               |
| <b>REVENUES</b>                           |                    |                   |                           |                     |               |
| Property Taxes                            | \$ 1,239,850       | 1,193,200         | 632,791                   | 560,409             | 53%           |
| Sales Taxes                               | 3,479,000          | 3,749,633         | 2,266,142                 | 1,483,491           | 60%           |
| Other taxes                               | 719,150            | 681,000           | 498,990                   | 182,010             | 73%           |
| Franchise Fees                            | 1,080,460          | 1,057,460         | 403,431                   | 654,029             | 38%           |
| Motor Vehicle in-Lieu Fees                | 2,025,756          | 2,025,756         | 1,021,240                 | 1,004,516           | 50%           |
| Intergovernmental                         | 58,704             | 80,704            | 38,093                    | 42,611              | 47%           |
| Fines and Penalties                       | 168,520            | 168,520           | 181,089                   | (12,569)            | 107%          |
| Interest income/Lease                     | 115,334            | 115,334           | 84,095                    | 31,239              | 73%           |
| Community Development Fees                | 431,435            | 313,491           | 334,726                   | (21,235)            | 107%          |
| Community Services/Recreation             | 694,914            | 648,582           | 535,165                   | 113,417             | 83%           |
| Other Revenues                            | 1,424,201          | 1,226,161         | 881,264                   | 344,897             | 72%           |
| Operating Transfers                       | 1,675,267          | 1,675,267         | 1,391,933                 | 283,334             | 83%           |
| Total revenues                            | \$ 13,112,591      | 12,935,108        | 8,268,959                 | 4,666,149           | 64%           |
| <b>EXPENDITURES</b>                       |                    |                   |                           |                     |               |
| <b>Legislative</b>                        |                    |                   |                           |                     |               |
| City Council                              | 52,146             | 52,146            | 42,367                    | 9,779               | 81%           |
| City Attorney                             | 75,722             | 109,988           | 68,848                    | 41,140              | 63%           |
| City Clerk                                | 134,360            | 134,360           | 90,250                    | 44,110              | 67%           |
| City Manager                              | 128,399            | 128,399           | 92,225                    | 36,174              | 72%           |
| Recreation                                | 856,136            | 856,088           | 531,517                   | 324,571             | 62%           |
| Youth & Teen                              | 319,065            | 272,733           | 176,242                   | 96,491              | 65%           |
| Park Maintenance                          | 663,878            | 663,878           | 459,182                   | 204,696             | 69%           |
| Senior Citizens                           | 131,189            | 124,614           | 78,131                    | 46,483              | 63%           |
| Public Buildings                          | 368,398            | 368,398           | 237,843                   | 130,555             | 65%           |
| Animal Control                            | 672,745            | 672,745           | 467,098                   | 205,647             | 69%           |
| Community Development                     | 181,437            | 181,437           | 127,268                   | 54,169              | 70%           |
| Building & Safety                         | 220,955            | 220,955           | 185,564                   | 35,391              | 84%           |
| Engineering                               | 217,864            | 217,864           | 151,525                   | 66,339              | 70%           |
| Inspection                                | 27,929             | 27,929            | 20,104                    | 7,825               | 72%           |
| Parkway Maintenance                       | 69,152             | 69,152            | 31,258                    | 37,894              | 45%           |
| Fire Suppression                          | 2,847,798          | 2,708,598         | 1,996,969                 | 711,629             | 74%           |
| Paramedic                                 | 1,391,209          | 1,277,209         | 1,009,227                 | 267,982             | 79%           |
| Emergency Services                        | 1,260              | 1,260             | 524                       | 736                 | 42%           |
| Sheriff                                   | 4,923,580          | 4,870,113         | 2,339,917                 | 2,530,196           | 48%           |
| Citizens on Patrol                        | 18,342             | 18,342            | 34,354                    | (16,012)            | 187%          |
| Crossing Guards                           | 64,589             | 64,589            | 37,282                    | 27,307              | 58%           |
| Administrative                            | 423,242            | 423,242           | 290,878                   | 132,364             | 69%           |
| Non-Departmental                          | 1,520,960          | 1,520,960         | 1,072,767                 | 448,193             | 71%           |
| Total Expenditures                        | 15,310,355         | 14,984,999        | 9,541,340                 | 5,443,659           | 64%           |
| <b>REDEVELOPMENT AGENCY</b>               |                    |                   |                           |                     |               |
| <b>REVENUES</b>                           |                    |                   |                           |                     |               |
| Tax Increment                             | 11,258,740         | 11,490,456        | 5,744,097                 | 5,746,359           | 50%           |
| Interest and Lease Income                 | 101,000            | 156,000           | 132,578                   | 23,422              | 85%           |
| Reimbursement & Loan Payments             | 66,000             | 128,278           | 64,277                    | 64,001              | 0%            |
| Transfer from Capitalized Interest        | -                  | 921,914           | 921,914                   | -                   | 100%          |
| School Bond                               | 2,054,386          | 2,054,386         | 703,817                   | 1,350,569           | 34%           |
| Total Revenues                            | 13,480,126         | 14,751,034        | 7,566,683                 | 7,184,351           | 51%           |
| <b>EXPENDITURES</b>                       |                    |                   |                           |                     |               |
| Redevelopment Administration & Incentives | 1,611,311          | 1,823,020         | 1,110,800                 | 712,220             | 61%           |
| Supplemental ERAF                         | 1,003,457          | 1,003,457         | -                         | 1,003,457           | 0%            |
| Redevelopment Agency Debt Service         | 5,853,055          | 5,853,055         | 5,853,055                 | -                   | 100%          |
| Pass Thru Agreement                       | 8,127,935          | 8,127,935         | 3,896,077                 | 4,231,858           | 48%           |
| Transfers Out                             | 25,000             | 25,000            | 18,750                    | 6,250               | 75%           |
| Total Expenditures                        | 16,620,758         | 16,832,467        | 10,878,682                | 5,953,785           | 65%           |

**City of Norco**  
**Summary Budget to Actual Report**  
**For the Three Quarters Ended March 31, 2011**

|                                      | Original<br>Budget | Amended<br>Budget | Year<br>to Date<br>Actual | Remaining<br>Budget | %<br>Achieved |
|--------------------------------------|--------------------|-------------------|---------------------------|---------------------|---------------|
| <b><u>LOW-MOD INCOME HOUSING</u></b> |                    |                   |                           |                     |               |
| <b><u>REVENUES</u></b>               |                    |                   |                           |                     |               |
| Tax Increment                        | 2,754,571          | 2,754,571         | 1,398,338                 | 1,356,233           | 51%           |
| Interest and Lease Income            | 20,000             | 20,000            | 6,054                     | 13,946              | 30%           |
| Neighborhood Stabilization Grant     | 700,000            | 760,000           | 108,622                   | 651,378             | 14%           |
| Transfer from Capitalized Interest   | -                  | 230,479           | 230,479                   | -                   | 100%          |
| Other Revenue                        | 72,000             | 72,000            | 40,229                    | 31,771              | 56%           |
| Total Revenues                       | 3,546,571          | 3,837,050         | 1,783,722                 | 2,053,328           | 46%           |
| <b><u>EXPENDITURES</u></b>           |                    |                   |                           |                     |               |
| Low-Mod Income Housing Program       | 475,259            | 475,259           | 313,927                   | 161,332             | 66%           |
| Grant Programs                       | 1,422,500          | 1,785,966         | 942,160                   | 843,806             | 53%           |
| Redevelopment Agency Debt Service    | 719,189            | 949,668           | 949,668                   | -                   | 100%          |
| Total Expenditures                   | 2,616,948          | 3,210,893         | 2,205,755                 | 1,005,138           | 69%           |
| <b><u>COMMUNITY DEVELOPMENT</u></b>  |                    |                   |                           |                     |               |
| <b><u>BLOCK GRANT</u></b>            |                    |                   |                           |                     |               |
| Revenues                             | 221,141            | 221,141           | 55,140                    | 166,001             | 25%           |
| Expenditures                         | 221,141            | 221,141           | 5,665                     | 215,476             | 3%            |
| <b><u>WATER FUND</u></b>             |                    |                   |                           |                     |               |
| Revenues                             | 7,344,077          | 6,700,000         | 4,620,803                 | 2,079,197           | 69%           |
| Expenditures                         | 7,562,045          | 8,163,595         | 5,379,815                 | 2,783,780           | 66%           |
| <b><u>SEWER FUND</u></b>             |                    |                   |                           |                     |               |
| Revenues                             | 4,246,242          | 4,246,242         | 2,853,154                 | 1,393,088           | 67%           |
| Expenditures                         | 4,599,175          | 4,599,175         | 2,754,894                 | 1,844,281           | 60%           |
| <b><u>GAS TAX</u></b>                |                    |                   |                           |                     |               |
| Revenues                             | 707,026            | 707,026           | 369,599                   | 337,427             | 52%           |
| Expenditures                         | 685,066            | 685,066           | 443,198                   | 241,868             | 65%           |
| <b><u>NPDES FUND</u></b>             |                    |                   |                           |                     |               |
| Revenues                             | 110,000            | 110,000           | 100,622                   | 9,378               | 91%           |
| Expenditures                         | 104,146            | 104,146           | 87,891                    | 16,255              | 84%           |
| <b><u>MISCELLANEOUS GRANTS</u></b>   |                    |                   |                           |                     |               |
| Revenues                             | 220,382            | 287,882           | 212,705                   | 75,177              | 74%           |
| Expenditures                         | 220,382            | 287,882           | 228,655                   | 59,227              | 79%           |

**Summary of General Fund Year-End Projections**

|                                  | <i>FY 2011</i>       |                   |                    |                 |
|----------------------------------|----------------------|-------------------|--------------------|-----------------|
|                                  | <i>Amended</i>       | <i>Actuals at</i> | <i>Estimated</i>   |                 |
| <i>Revenue Summary</i>           | <i>Budget</i>        | <i>3/31/2011</i>  | <i>FYE 6/30/11</i> | <i>Variance</i> |
| Property Taxes                   | \$ 1,193,200         | 632,791           | 1,140,700          | -4.40%          |
| Sales Taxes                      | 3,749,633            | 2,266,142         | 3,930,633          | 4.83%           |
| Other Taxes                      | 681,000              | 498,990           | 673,886            | -1.04%          |
| Franchise Fees                   | 1,057,460            | 403,431           | 995,348            | -5.87%          |
| Motor Vehicle in- Lieu Fees      | 2,025,756            | 1,021,240         | 2,021,931          | -0.19%          |
| Intergovernmental                | 80,704               | 38,093            | 57,312             | -28.98%         |
| Fines & Penalties                | 168,520              | 181,089           | 195,500            | 16.01%          |
| Interest Income/Lease            | 115,334              | 84,095            | 109,034            | -5.46%          |
| Community Development Fees       | 313,491              | 334,726           | 362,999            | 15.79%          |
| Community Services/Recreation    | 648,582              | 535,165           | 637,213            | -1.75%          |
| Other Revenues                   | 1,226,161            | 881,264           | 970,633            | -20.84%         |
| Administrative O/H and Transfers | 1,675,267            | 1,391,933         | 1,667,767          | -0.45%          |
| <b>Total</b>                     | <b>\$ 12,935,108</b> | <b>8,268,959</b>  | <b>12,762,956</b>  | <b>-1.33%</b>   |

***Expenditure Summary***

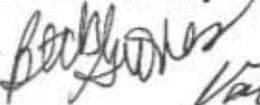
|                             |                      |                  |                   |              |
|-----------------------------|----------------------|------------------|-------------------|--------------|
| City Council                | \$ 52,146            | 42,367           | 60,656            | 16.32%       |
| City Attorney               | 109,988              | 68,848           | 109,988           | 0.00%        |
| City Clerk                  | 134,360              | 90,250           | 121,313           | -9.71%       |
| City Manager                | 128,399              | 92,225           | 129,197           | 0.62%        |
| Recreation                  | 856,088              | 531,517          | 833,696           | -2.62%       |
| Youth & Teen                | 272,733              | 176,242          | 276,466           | 1.37%        |
| Park Maintenance            | 663,878              | 459,182          | 694,681           | 4.64%        |
| Senior Citizens             | 124,614              | 78,131           | 123,498           | -0.90%       |
| Public Buildings            | 368,398              | 237,843          | 373,143           | 1.29%        |
| Animal Control              | 672,745              | 467,098          | 631,334           | -6.16%       |
| Community Development       | 181,437              | 127,268          | 184,657           | 1.77%        |
| Building and Safety         | 220,955              | 185,564          | 232,649           | 5.29%        |
| Engineering                 | 217,864              | 151,525          | 211,747           | -2.81%       |
| Inspection                  | 27,929               | 20,104           | 27,523            | -1.45%       |
| Parkway Maintenance         | 69,152               | 31,258           | 63,995            | -7.46%       |
| Fire Suppression            | 2,708,598            | 1,996,969        | 2,854,936         | 5.40%        |
| Paramedic                   | 1,277,209            | 1,009,227        | 1,320,338         | 3.38%        |
| Emergency Services          | 1,260                | 524              | 1,260             | 0.00%        |
| Sheriff                     | 4,870,113            | 2,339,917        | 4,755,480         | -2.35%       |
| Citizens on Patrol          | 18,342               | 34,354           | 52,602            | 186.78%      |
| Fiscal and Support Services | 423,242              | 290,878          | 402,629           | -4.87%       |
| Non-Departmental            | 1,520,960            | 1,072,767        | 1,619,434         | 6.47%        |
| Crossing Guards             | 64,589               | 37,282           | 64,589            | 0.00%        |
| <b>Total Expenditures</b>   | <b>\$ 14,984,999</b> | <b>9,541,340</b> | <b>15,145,811</b> | <b>1.07%</b> |

***Estimated General Fund Balance***

|  |                   |
|--|-------------------|
| Beginning Balance June 30, 2010          | \$ 3,382,363      |
| FY 2011 Estimated Revenues/Transfers     | 12,762,956        |
| FY 2011 Estimated Expenditures/Transfers | (15,145,811)      |
| Ending Fund Balance 6/30/11              | <u>\$ 999,508</u> |

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Andy Okoro, Deputy City Manager/Director of Finance 

DATE: May 18, 2011

SUBJECT: Addition of a Separate City Council Group with CalPERS to Implement City-Paid Benefit Reductions

RECOMMENDATION: Adopt the three CalPERS-required resolutions to allow the City Council to pay their full employee's share (8%) of CalPERS contributions.

**SUMMARY:** On April 20, 2011 the City Council approved reducing City Council benefits including a requirement for Council Members to pay for their full 8% share of pension contribution. The attached resolutions are required by California Public Employees Retirement System (CalPERS) in order to implement this change to City Council benefits.

**BACKGROUND/ANALYSIS:** The City currently pays the employee and employer pension contribution rates. On April 20, 2011, the City Council voted to require City Council Members to pay for their full employee's share (8%) of pension contribution. As a procedural matter, CalPERS requires the attached Council resolutions in order to implement this change.

**FINANCIAL IMPACT:** The change to pension contribution rates will result in estimated annual savings of \$2,952.

/mp-78380

Attachments: Resolutions

## RESOLUTION NO. 2011-\_\_\_\_\_

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, FOR EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the City of Norco has the authority to implement Government Code Section 20691; and

WHEREAS, the governing body of the City of Norco has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of Norco of a Resolution to commence said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the City of Norco has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all City Council employees.
- This benefit shall consist of paying 0% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be July 1, 2011.

NOW THEREFORE, BE IT RESOLVED that the governing body of the City of Norco elects to pay EPMC, as set forth above.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 18, 2011.

\_\_\_\_\_  
Mayor of the City of Norco, California

ATTEST:

\_\_\_\_\_  
Brenda K. Jacobs, City Clerk  
City of Norco, California

Resolution No. 2011-\_\_\_\_\_

Page 2

May 18, 2011

I, BRENDA K. JACOBS, City Clerk of the City of Norco, California do hereby certify that the foregoing Resolution was introduced and adopted by the City Council of the City of Norco at a regular meeting held on May 18, 2011 by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California on May 18, 2011.

\_\_\_\_\_  
Brenda K. Jacobs, City Clerk  
City of Norco, California

/mp-78379

## RESOLUTION NO. 2011-\_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO,  
CALIFORNIA, ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES'  
MEDICAL AND HOSPITAL CARE ACT AND FIXING THE EMPLOYER'S  
CONTRIBUTION AT AN AMOUNT AT OR GREATER THAN THAT  
PRESCRIBED BY SECTION 22892(b)(1) OF THE GOVERNMENT  
CODE**

WHEREAS, (1) Government Code Section 22922(a) provides the benefits of the Public Employees' Medical and Hospital Care Act to employees and annuitants of local agencies contracting with the Public Employees' Retirement System on proper application by a local agency; and

WHEREAS, (2) Section 22892(a) of the Act provides that a local contracting agency shall fix the amount of the employer's contribution; and

WHEREAS, (3) The City of Norco, hereinafter referred to as Public Agency, is a local agency contracting with the Public Employees' Retirement System; and

WHEREAS, (4) The Public Agency desires to obtain for its employees and annuitants the benefit of the Act and to accept the liabilities and obligations of an employer under the Act and Regulations; now, therefore, be it

RESOLVED, (a) That the Public Agency elect, and it does hereby elect, to be subject to the provisions of the Act; and be it further

RESOLVED, (b) That the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of:

| <u>Code Bargaining Unit</u> | <u>Contribution<br/>Per Month</u> |
|-----------------------------|-----------------------------------|
| City Council                | \$1,250                           |

And that the contributions for employees and annuitants shall be in addition to those amounts contributed by the Public Agency for administrative fees and to the Contingency Reserve Fund; and be it further

RESOLVED, (c) That the City of Norco has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the Deputy City Manager/Director of Finance to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said Public Agency all functions required of it under the Act and Regulations of the Board of Administration; and be it further

RESOLVED, (e) That coverage under the Act be effective on July 1, 2011.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 18, 2011.

\_\_\_\_\_  
Mayor of the City of Norco, California

ATTEST:

\_\_\_\_\_  
Brenda K. Jacobs, City Clerk  
City of Norco, California

I, BRENDA K. JACOBS, City Clerk of the City of Norco, California do hereby certify that the foregoing Resolution was introduced and adopted by the City Council of the City of Norco at a regular meeting held on May 18, 2011 by the following vote of the City Council:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California on May 18, 2011.

\_\_\_\_\_  
Brenda K. Jacobs, City Clerk  
City of Norco, California

/mp-78377

## RESOLUTION NO. 2011-\_\_\_\_\_

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, ELECTING TO ESTABLISH A HEALTH BENEFIT VESTING REQUIREMENT FOR FUTURE RETIREES UNDER PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

- WHEREAS, (1) Government Code 22893 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act may amend its resolution to provide a post retirement vesting requirement, and
- WHEREAS, (2) The City of Norco is a local agency contracting under the Act, and
- WHEREAS, (3) The City of Norco certifies, certain employees are represented by a bargaining unit and subject to a memorandum of understanding, and
- WHEREAS, (4) The credited service for purposes of determining the percentage of employer contributions shall mean service as defined in Section 20069, except that not less than five years of that service shall be performed entirely with the City of Norco; and
- WHEREAS, (5) The contribution for active employees shall not be less then what is defined in Government Code Section 22892(b); now therefore it be
- RESOLVED, (a) That the employer's contribution for each **retired** employee first hired on or after the effective date of this resolution shall be as listed:

| CODE | BARGAINING UNIT | CONTRIBUTION PER MONTH |
|------|-----------------|------------------------|
|      | City Council    | Full Premium           |

plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than the 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrollments; and be it further

- RESOLVED, (b) That the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be

based on the employee's completed years of credited service based upon Government Code Section 22893; plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (c) That the City of Norco has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (d) That coverage under the Act be effective on July 1, 2011.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 18, 2011.

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Mayor of the City of Norco, California

ATTEST:

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Brenda K. Jacobs, City Clerk  
City of Norco, California

I, BRENDA JACOBS, City Clerk of the City of Norco, California do hereby certify that the foregoing Resolution was introduced and adopted by the City Council of the City of Norco at a regular meeting held on May 18, 2011 by the following vote of the City Council:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California on May 18, 2011.

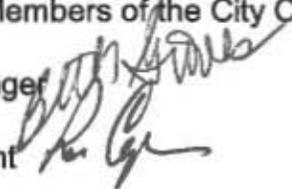
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Brenda K. Jacobs, City Clerk  
City of Norco, California

/mp-78378

## CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Ross Cooper, Lieutenant 

DATE: May 18, 2011

SUBJECT: Third Amendment to Agreement for Law Enforcement Services to Either:

- 1) Eliminate two Traffic Deputy positions, two Community Service Officer positions and one Community Oriented Policing Deputy position; or
- 2) Eliminate two Traffic Deputy positions

RECOMMENDATION: City Council select Option 1 or Option 2 and authorize the Mayor to sign the appropriate Amendment to the Agreement

**SUMMARY:** Implementing Option 1 will reduce General Fund law enforcement costs \$1,013,000 by eliminating two Traffic Deputy positions, two Community Service Officer positions, one Community Oriented Policing Deputy position, and receiving a federal grant to help retain the last remaining Community Oriented Policing deputy. It will result in moving patrol operations and both sergeants from the sub-station in City Hall, which will be closed, to the Jurupa Valley Station in Riverside. Patrol staffing will average two deputy sheriffs on-duty in Norco 24 hours a day. In addition, there would be one lieutenant to manage the Norco operation and one deputy sheriff assigned to community oriented policing and problem solving.

Implementing Option 2 will reduce General Fund law enforcement costs \$585,000 by eliminating two Traffic Deputy positions and receiving a federal grant to help retain a Community Oriented Policing deputy who would be eliminated in Option 1. Option 2 keeps the sub-station at City Hall open. Patrol staffing will average two deputy sheriffs on-duty in Norco 24 hours a day. In addition, there would be one lieutenant to manage the Norco operation, two sergeants to supervise Norco and other Jurupa Valley Station staff, two deputy sheriffs assigned to community oriented policing and problem solving, two community service officers, and one executive secretary and part-time office staff to assist the public and sheriff staff.

**BACKGROUND/ANALYSIS:** As a result of the economic downturn and the projected reduction in city revenue, staff has been reducing General Fund expenditures and funding high priority programs with grants. In an effort to not negatively impact Priority 1 response times or traffic safety, the first positions considered for elimination were our six civilian

### Third Amendment to Agreement for Law Enforcement Services

Page 2

May 18, 2011

Community Service Officers. Community Service Officers do not respond to Priority 1 calls for service and although they investigate traffic collisions, they do not take enforcement action on hazardous or moving violations. Three Community Service Officers were eliminated in January 2009 resulting in an annual cost reduction of \$300,000. In July 2009 overtime was reduced and one motor officer position was eliminated resulting in an additional annual cost reduction of \$250,000.

During the Fiscal Year 2010-2011 budget process staff implemented Council's direction to continue reducing expenditures. Our three remaining motor officers were eliminated in June 2010 resulting in an annual net cost reduction of \$480,000. In August 2010 the Community Service Officer position at the public counter of the Sheriff's Office in City Hall was eliminated and replaced with a part-time City employee resulting an additional annual cost reduction of \$50,000.

During the Fiscal Year 2011-2012 budget process staff reviewed several staffing options, costs and impacts. The Departmental budget request for \$5,178,567 includes a projected 5% contract cost increase and funds all current staff and programs.

Option 1 will eliminate five additional sheriff staff, move both sergeants and all of patrol operations to the Jurupa Valley Station, close the sub-station in City Hall, eliminate the executive secretary and office staff, and reduce general fund costs \$1,013,000. This option leaves 12.3 full-time-equivalent supported deputy sheriffs assigned to patrol operations, one lieutenant to manage the operation, and one deputy sheriff assigned to community oriented policing and problem solving.

Implementing Option 1 will leave a patrol force which is essentially reactive in nature. Uniformed staff assigned to Norco will be reduced more than 50%, from the 30 staff in 2008 to just 14 staff in 2011.

Staff, at prior budget workshops, proposed a second option to City Council which allows us to keep the sub-station at City Hall open and continue many of our proactive enforcement programs. Costs would be reduced \$585,000 by eliminating two deputy sheriff positions (\$470,000), program and special event overtime (\$52,000), and by receiving a FY2011 COPS Hiring federal grant (totaling \$268,800 over three years, \$63,000 in FY2011/12) to prevent the lay-off of the Community Oriented Policing Deputy scheduled for elimination in Option 1.

Option 2 keeps the sub-station at City Hall open. Most of patrol staffing would continue to be deployed from City Hall. Staffing would average two deputy sheriffs on-duty in Norco 24 hours a day. In addition, there would be one lieutenant to manage the Norco operation; two sergeants, who would have both Norco and other Jurupa Valley Station responsibilities, would be deployed from City Hall as long as staffing levels at the Jurupa Valley Station permitted; two deputy sheriffs would be assigned to community oriented policing; two community service officers would be assigned to patrol; and one executive

Third Amendment to Agreement for Law Enforcement Services

Page 3

May 18, 2011

secretary and part-time office staff would assist the public and sheriff staff.

Grant applications for the FY2011 COPS Hiring Program are currently being accepted. Norco is eligible to apply for up to one full-time deputy sheriff. This funding can only be used to increase sworn staffing, to rehire a laid-off officer, or to "rehire" an officer scheduled to be laid off. This grant could fund \$83,992 the first federal fiscal year (October 2011 to September 2012), \$90,200 the second year, and \$94,600 the third and final year. This grant may not supplant existing funding (replace general fund or other revenue that would have been used to fund the officer had the grant not been funded). It requires the City to keep the officer for one year beyond the end of the grant.

Staff recommends applying for this grant in either staffing option to prevent the elimination of another deputy sheriff. This grant would begin October 1, 2011; a funding decision will not be made prior to the adoption of our City budget. Should Option 2 be chosen, and this grant request not receive funding, staff recommends City Council reconsider implementing Option 1 and closing the sub-station at City Hall.

**FINANCIAL IMPACT:** Cost reductions of \$1,013,000 or \$585,000 will be included in the FY2011/12 budget.

**Attachments:**           Option 1: Third Amendment to Agreement for Law Enforcement Services between the County of Riverside and City of Norco

                                  Option 2: Third Amendment to Agreement for Law Enforcement Services between the County of Riverside and City of Norco



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Supervisors, has caused this Agreement to be signed by the Chairman of said Board and sealed and attested by the Clerk of said Board, all on the dates indicated below.

CITY OF NORCO

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Mayor

ATTEST:

Name        Brenda K. Jacobs  
Title        City Clerk

By: \_\_\_\_\_

COUNTY OF RIVERSIDE

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

Kecia Harper-Ihem  
Clerk of the Board

By: \_\_\_\_\_  
Deputy



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Supervisors, has caused this Agreement to be signed by the Chairman of said Board and sealed and attested by the Clerk of said Board, all on the dates indicated below.

CITY OF NORCO

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Mayor

ATTEST:

Name        Brenda K. Jacobs  
Title        City Clerk

By: \_\_\_\_\_

COUNTY OF RIVERSIDE

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

Kecia Harper-Ihem  
Clerk of the Board

By: \_\_\_\_\_  
Deputy