



MINUTES
CITY OF NORCO
SPECIAL MEETING
CITY COUNCIL
CONFERENCE ROOMS "A" & "B"
NORCO CITY HALL – 2870 CLARK AVENUE
MARCH 23, 2011

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1. CALL TO ORDER: Mayor Hanna called the Special Meeting to order at 2:01 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: No public comments or questions received.

Council Member Azevedo reported that Maud Ingalls passed away and services will be held on Tuesday at 10 a.m. at the church located on the corner of Sixth and Valley View, with the reception to follow immediately after.

5. DISCUSSION ITEM:

A. City Manager's Overview

City Manager Groves introduced the information that will be presented. She commented on the budget process and noted that the directors have evaluated and put together budgets based on the current revenue projections and looked at both 10 percent and 20 percent reduction scenarios. She stated that the General Fund is anticipating a \$3 million shortfall, which results in a 23 percent reduction over current budget levels. There will be impacts in this budget and as the City does provide services, when expenditure cuts occur, there will be cuts to services. .

City Manager Groves stated that this is a staff process and no decisions will be asked to be made at this meeting. She noted that at the same time, efforts are underway with negotiations and contracts for services. The information presented at this meeting will be good examples of the types of things that are impacted under these ten and twenty percent cut scenarios. She noted that Parks and Recreation is the largest non-safety general fund budget in the City.

The objectives of this meeting is to identify the program impacts based on General fun reduction proposals and to report back to the City council on an alternative business model by implementing "Cost Centers".

B. Parks, Receptions and Community Services Budget Issues

Director of Parks, Recreation and Community Services Petree presented information on the proposed budget reductions by division operation. He commented on how revenues are tied to

each division operation and most of them are maintenance and service areas. The proposed budget for each division was shown, followed by the increase or decrease from the FY 2011 budget. The policy action for the proposed budget was presented, along with the amended revenues projected for FY 2011. The final column provided information regarding the net cost recovered to policy action.

The impacts to Fund 730 – Recreation -- include the reorganization of personnel and programming operations and hours; administrative office availability will be reduced to Monday – Thursday from 10 a.m. to 3 p.m.; online registration will be added to the budget to assist residents and reservations will need to be made by appointment only; and all special events will be required to recover direct costs or be cancelled.

Council Member Azevedo acknowledged and recognized Bob Hicks and Wanda Crowson for sponsoring the Horsetown Parade of Lights.

The impacts to Fund 730 – Recreation, Community Center Pool Closure -- include the closure of the City pool and cancelation of swim lessons, recreation swim, swim rentals, senior swim, family fun night and dive in night; and the pool will be emptied. The closure of the pool will reduce operational and maintenance cost in both Recreation and Parks divisions.

Discussion was held regarding options to closing the pool, including the use of the Norco High School pool. Director Petree noted that there would not be a real cost savings, as the staffing is the main costs. He also noted that there are significant costs related to emptying the pool.

The impacts to Fund 733 – Parks Division includes the closure of parks along with recommended operations costs. Director Petree will be discussing with the Parks and Recreation Commission the development of a “Friends of the Park” annual endowment program to sustain the City parks. The list of potential parks that would be impacted was presented, noting that 10 of the 14 would not need to be fenced, or fencing is already in existence.

The impacts to Fund 765 – Animal Control Division include the reorganization of personnel and programming operations and hours resulting in the Shelter office being closed to the public on Mondays and Fridays; the Shelter would be open on Saturday from 10 a.m. to 2 p.m. to the public; and possible impacts to call out and stand by time.

Discussion was held regarding a Ranch License and staff noted that there are positive and negative sides to holding that license. City Manager Groves noted that none of these are things that staff wants to recommend, but if the service does not pay for itself, and staffing levels go down, it needs to be reviewed. Mayor Hanna asked how many call outs Animal Control gets. Director Petree responded that about 290 after hour calls are responded to per year.

City Manager Groves commented on an alternative business model by implementing “Cost Centers” which is more of a business model. She noted that this model recovers the costs for services, adding that if they recover 85% of the direct costs, we would be much better off.

The biggest piece would be the George Ingalls Equestrian Event Center. The future operation would need to be based on a cost Center model that generates revenues to recover personnel, maintenance and operational costs. The costs would be based on an adopted fee structure. To accomplish this, the City would need to contract for services and concession, promote, market and secure dates that recover costs. There is also a need to identify alternatives for security and insurance requirements that meet Sheriff and Risk Management needs, which will provide for a more attractive and affordable venue.

City Manager Groves stated that every function in the City will have proposed impacts. Priorities need to be addressed and the Council will need to provide input. No decisions will be made today; however, the recommendations will be brought to the Council that will include service impacts.

Council Member Newton asked if there was any one program at the City pool that generates the bulk of the revenue. Director Petree responded that the swimming lessons do. Council Member Newton stated that he would like to look at keeping the swimming lessons. He also stated that Director Petree should investigate how they winterize swimming pools in the colder areas of the nation.

Mayor Hanna asked if NART could do more to assist Animal Control. Director Petree responded that there would be workers compensation issues involved.

Council Member Bash asked what the cost would be to endow the pool for swim lessons. Director Petree responded that the interest alone could run the pool. He commented on the need to keep the Senior Garden and asked if there were any updates on Neil Snipes Park. City Manager Groves stated that the Council would need to provide direction to convert Neil Snipes Park and that decision would need to go back to the federal agency that is in control.

Council Member Azevedo commented on the aquatic programs and said it would be great to find other sources for lessons. Discussion took place regarding holding the swimming lessons at other locations. Director Petree responded that there would be the same costs for required certified staff. Council Member Azevedo stated that she believes that closing Neil Snipes would have the least impact.

Council Member Sullivan asked if the City's costs for Animal Control services compare to other cities. Director Petree responded that a comparison is done each year in preparation for the City's Comprehensive Fee Resolution.

Director Petree stated that a modified program could be run at the pool that would recover the costs. He further stated that his sense from the Council is to not reduce the hours at Animal Control, look into a modified aquatics program, and discuss with the Parks and Recreation Commission the implementation of a "Friends of the Park" program.

Deputy City Manager/Director of Finance Okoro stated that the purpose of these discussions is to bring ideas to the Council for feedback, with the objective of reducing budget, keeping in mind that some of the ideas presented will have impacts to the community. He added that some of these ideas have already been incorporated into the budget administratively and if there are any

significant concerns, staff needs to know now. He commented on the "Cost Centers" noting that in order to benefit from this perspective, we have to create a situation where it allows us to generate more revenues and staff will need latitude to adjust fees in order to make them work.

In response to Mayor Hanna, Director Petree stated that swimming lessons run 5 days per week, with some private lessons given on Saturday. In response to Mayor Hanna's question if the pool could remain open a few days per week, Director Petree stated that if that is what the Council requests, that is what would be put into the final budget proposal.

Concerns over the cost of the George Ingalls Equestrian and Event Center were discussed. Deputy City Manager/Director of Finance Okoro stated that this is where the Cost Center would be most appropriate; adding that the fees charged will need to meet that target.

Discussion was held regarding the creation of an endowment fund for the City parks and Mayor Pro Tem Bash noted that he would like to see what the cost would be for people to take care of neighborhood parks. Director Petree responded that that amount would be the annual contractual cost, noting that for Pacer Park for instance, if each household would pay \$120 per year, it would pay for the park. City Attorney Harper commented on the benefit analysis and law specific for forming assessment districts for parks.

Council Member Azevedo stated that it is hard to take this portion of the budget, not knowing the other impacts of the budget. She noted that she would consider closing the pool before closing parks, with the exception of Neil Snipes. City Manager Groves responded that there will be cuts and impacts in all services in every department. Director Petree added that the budget impacts will not just effect parks, noting that all of the medians we just landscaped will be cut down.

Council Member Sullivan stated that we have waited too long and need to take this to the people at a town hall meeting to let them know how bad the situation is. He also stated that he would recommend putting a measure on the ballot for a parcel tax, with a drop dead timeframe of maybe 3 years. He stated that we have already cut as much as we can and are not going to make it with the small staff. City Manager Groves responded that this recommendation would need to be brought to a regular City Council meeting for direction.

Council Member Newton commented on the medians and asked why they are not covered under developer impact fees. City Attorney Harper responded that the impact fees get spent on capital costs and not on maintenance costs.

Kaye O'Mara. Ms. O'Mara commented on the community service and youth groups in the City that could assist in the maintenance of the parks. City Attorney Harper responded that the liability is not the biggest issues, it is the expertise and other costs involved.

City Manager Groves added that these are all models that will be looked at, noting that the City has trained consistent volunteers that have stepped up to help in other areas. City Manager Groves also commented on the process involved to use volunteers. She stated that staff will be reviewing all of the comments and suggestions, but right now we need to look at what the budget is going to look like on July 1.

Recess: Mayor Hanna recessed the City Council Special Meeting at 3:36 p.m.

Reconvene: Mayor Hanna reconvened the City Council Special Meeting at 3:50 p.m.

6. THE CITY COUNCIL RECESSED TO CLOSED SESSION (SECTION 54954) TO CONSIDER THE FOLLOWING 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

7. ADJOURNMENT: With nothing to report from Closed Session, and there being no further business to come before the City Council, Mayor Hanna adjourned the meeting at 6:40 p.m.

BRENDA K. JACOBS, CMC
CITY CLERK