



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

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: No public comments or questions received
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 1st 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 18th 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 18th 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.

BRENDA K. JACOBS, CMC
CITY CLERK