



MINUTES
CITY OF NORCO
CITY COUNCIL SPECIAL MEETING
NORCO CITY HALL
CONFERENCE ROOMS "A" AND "B"
2870 CLARK AVENUE
NORCO, CA 92860
JANUARY 11, 2012

1. CALL TO ORDER: Mayor Bash called the meeting to order at 6:00 p.m.

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

PLEDGE OF ALLEGIANCE: Vern Showalter

3. CITY COUNCIL PRESENTATION:

A. Update on the Status of the Norco Community Redevelopment Agency following the California Supreme Court Ruling on Assembly Bill 26 (the "Dissolution Act")

City Manager Groves presented an update regarding Assembly Bill 26. She noted that this is the best information staff has to present to this date and time, adding that timing is critical and some actions will depend on the possibility of the dissolution date being moved to April 15th. The roles of the Successor Agency were presented, as well as information regarding AB 26. The benefits and downsides of becoming the Successor Agency and the Successor Housing Agency were presented and discussed, as well as the key dates that will need to be met.

Discussion took place regarding entering into any new contracts, as well as existing contracts, in regards to fulfilling the Agency's financial obligations. City Attorney Harper stated that the legislature cannot impair contracts and those payments will be made, with any excess going to the taxing entities.

Deputy City Manager/Director of Finance Okoro added that once the Agency dissolves, the Agency fund balance will be transferred back to the County, who is then responsible to distribute it to taxing entities. He added that going forward, the County will keep the tax increment in a fund established and will allocate the funds in accordance with the adopted Recognized Obligation Payment Schedule ("ROPS").

The property and title held by the Norco CRA was presented for information purposes, followed by the status of the Norco CRA Bond Proceeds and Capital Projects as of December 31, 2011.

Mayor Pro Tem Azevedo stated that she supports staff's recommendations.

Council Member Sullivan stated that everyone needs to work together to do what is best for the City of Norco in order to get through these challenging times.

4. PUBLIC COMMENTS:

Vern Showalter. Mr. Showalter asked if there would be any tax increment money left over after paying debt service. Deputy City Manager/Director of Finance Okoro responded that based on projected tax increment, after all the other taxing entities receive pass through payments and other amounts due, the amount left over for the City to pay the remaining debt service is lower than the amount required. He added that the remaining fund balance is what has been sustaining the Agency and eventually that remaining balance will run out.

5. CITY COUNCIL ACTION ITEM:

- A. Election Regarding the City of Norco Serving as Successor Agency to the Norco Community Redevelopment Agency

Recommended Action: Adopt Resolution No. 2012-01, electing to serve as the Successor Agency of the Norco Community Redevelopment Agency; and adopt Resolution No. 2012-02, electing not to serve as the Successor Housing Agency of the Norco Community Redevelopment Agency. (City Manager and Deputy City Manager/Director of Finance)

M/S Sullivan/Bash to adopt Resolution No. 2012-01, electing to serve as the Successor Agency of the Norco Community Redevelopment Agency; and adopt Resolution No. 2012-02, electing not to serve as the Successor Housing Agency of the Norco Community Redevelopment Agency. The motion was carried by the following roll call vote:

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

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

Section 54956.9 – Conference with Legal Counsel – Existing Litigation

Case Name: City of Norco vs All Persons Interested

Case Number: RIC 1112463

REPORT OF ACTION(S) TAKEN IN CLOSED SESSION (§54957.1) City Attorney Harper stated that there were no reportable actions resulting from the item discussed in Closed Session.

7. ADJOURNMENT: There being no further business to come before the City Council, Mayor Bash adjourned the meeting at 7:41 p.m.