



AGENDA

CITY OF NORCO

CITY COUNCIL

REGULAR MEETING

CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE

MAY 16, 2012

CALL TO ORDER: 6:00 p.m.

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

THE CITY COUNCIL WILL RECESS TO CLOSED SESSION (SECTION 54954) TO CONSIDER MATTERS:

Section 54956.9(a) – Conference with Legal Counsel – Existing Litigation

Case Number: ADJ6926594

RECONVENE PUBLIC SESSION: 7:00 p.m.

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

PLEDGE OF ALLEGIANCE: Council Member Hanna

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

PRESENTATION: Eastvale Elementary Students
Donation to Norco Animal Shelter

PROCLAMATION: Dr. Lawrence C. Nelson

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

1. 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.2 of the Agenda)*

A. City Council Minutes:
Regular Meeting of May 2, 2012
Special Meeting of April 30, 2012
Recommended Action: **Approve the City Council Minutes** (City Clerk)

- B. Recap of Actions Taken at the Planning Commission Regular Meeting of May 9, 2012. **Recommended Action: Receive and File** (Planning Director)
 - C. Procedural Step to Approve Ordinance after Reading of Title Only. **Recommended Action: Approval** (City Clerk)
 - D. Annual Adoption of the City Investment Policy. **Recommended Action: Approve and adopt the Investment Policy with a minor modification** (Deputy City Manager/Director of Finance)
 - E. Approval and Adoption of the Annual Appropriation Limit for Fiscal Year 2012-2013. **Recommended Action: Adopt Resolution No. 2012-___, approving the annual appropriation limit for Fiscal Year 2012-2013.** (Deputy City Manager/Director of Finance)
 - F. Sheriff's Department Annual Report for 2011. **Recommended Action: Receive and File** (Lt. Cooper)
 - G. Approval of a Contract for Code Enforcement Services. **Recommended Action: Approve a Contract with Mr. Kenneth Swank for code enforcement services.** (Deputy City Manager/Director of Finance)
 - H. Approval of City Manager Employment Agreement. **Recommended Action: Approve the City Manager Employment Agreement.** (City Attorney)
 - I. Approval of the City Attorney Amended Agreement for Fiscal Year 2012-2013. **Recommended Action: Approve the City Attorney Amended Agreement** (Deputy City Manager/Director of Finance)
 - J. Resolution Setting the Regular Meeting Schedules for City Commissions and the Economic Development Advisory Council for Fiscal Year 2012-2013. **Recommended Action: Adopt Resolution No. 2012-___.** (City Clerk)
 - K. Resolution Requiring a Four-Fifths (4/5) Super Majority Approval of the City Council For all Future Use of Principal from the Special Asset Revenue Fund. **Recommended Action: Adopt Resolution No. 2012-___.** (Deputy City Manager/Director of Finance)
 - L. Amendment No. 1 to the Contract Agreement for the Energy Efficient Lighting Project. **Recommended Action: Approve Amendment No. 1 to the Contract Agreement for the Energy Efficient Lighting Project. (Director of Parks, Recreation & Community Services)**
2. ITEM(S) PULLED FROM CITY COUNCIL CONSENT CALENDAR:

3. CITY COUNCIL DISCUSSION/ACTION ITEMS:

- A. Resolution Approving the Installation of “No Parking” Signs on Belgian Drive, Stallion Drive Dales Drive and Lonestar Drive in the Vicinity of Norco College. **Recommended Action: Adopt Resolution No. 2012-____**
(Deputy Public Works Director/Senior Engineer)
- B. Update on the George Ingalls Equestrian Event Center Management and Operation Plans (Presentation). **Recommended Action: Receive and File** (Director of Parks, Recreation & Community Services)

4. 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.

5. **OTHER MATTERS – CITY COUNCIL, CITY MANAGER AND STAFF:**

- A. City Council Updates from Regional Boards and Commissions
- B. City Council Other Matters
- C. Staff Other Matters

6. 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).

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.



MINUTES
CITY OF NORCO
CITY COUNCIL
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
MAY 2, 2012

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

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**

THE CITY COUNCIL 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 Organizations: Norco General Employees Association
Norco Public Works & Parks Maintenance
Workers Association
Management
Middle Management, Professional and Confidential
Service

Section 54957.6 – Terms of City Manager Contract

Designated Representative: City Attorney John Harper

Unrepresented Employee: City Manager

RECONVENE PUBLIC SESSION: 7:00 p.m.

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

PLEDGE OF ALLEGIANCE: Ms. Kelli Newton

INVOCATION: Grace Fellowship Church
Pastor Vernie Fletcher

RECOGNITIONS: Norco High School Girls Basketball Team
CIF State Finals

Mayor Bash presented certificates of recognition to the members of the Norco High School Girls Basketball Team for their season accomplishments. He also presented a proclamation to Coach Rick Thompson in recognition of his accomplishments as the Norco High School Girls Basketball Coach.

California Park & Recreation Society
District 11 Awards

The announcement was made that the Lions Club and Mr. Bob Hicks each received a 2012 District 11 Volunteer Layman Award through the California Park & Recreation Society's (CPRS) Awards Program, nominated by the City of Norco Department of Parks, Recreation & Community Services. Mr. Hicks and representatives of the Lions Club were present to receive the awards.

George Alan Ingalls Memorial Scholarship Program

Mayor Bash presented Council Member Higgins with a plaque in recognition of his donation to the George Alan Ingalls Memorial Scholarship program.

PROCLAMATIONS: May – Mental Health Month
Riverside County Department of Mental Health

Perinatal Depression Awareness Month
Riverside County Department of Mental Health

Poppy Week May 13 – 19, 2012
American Legion Auxiliary

Mayor Bash presented yellow ribbon pins to the Council, staff and those in attendance at the meeting to be worn as a symbol of remembrance of men and women who serve in the military abroad and in times of war.

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

1. CITY COUNCIL CONSENT CALENDAR ITEMS:

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

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

- A. City Council Minutes:
Regular Meeting of April 18, 2012
Recommended Action: Approve the City Council Minutes (City Clerk)
 - B. Procedural Step to Approve Ordinance after Reading of Title Only.
Recommended Action: Approval (City Clerk)
 - C. Quarterly Investment Report for Quarter Ended March 31, 2012. **Recommended Action: Staff recommends that the City Council receive and file the Quarterly Investment Report for the Quarter Ended March 31, 2012.** (Deputy City Manager/Director of Finance)
 - D. Acceptance of Bids and Award of Contract for the Energy Efficient Lighting Retrofit Project. **Recommended Action: Accept bids submitted for the retrofit of existing lighting with energy efficient lighting fixtures and award a contract to Regency Pacific Development Corporation of Beaumont, CA, in the amount of \$55,391, and authorize the City Manager to approve contract change orders up to 10 percent of the contract amount.** (Director of Parks, Recreation and Community Services)
 - E. Proposed Cancellation of the July 4, 2012 City Council Regular Meeting.
Recommended Action: Cancel the July 4, 2012 City Council regular meeting. (City Clerk)
 - F. Acceptance of the Norco Senior Center Renovation Project as Complete,
Recommended Action: Accept the Senior Center Renovation Project as complete and authorize the City Clerk to file the Notice of Completion with the County Recorder's Office. (Director of Parks, Recreation and Community Services)
 - G. Approval of Amendment No. 1 to the City-Wide Fiber Optics Project Contract Awarded March 7, 2012 to Authorize the Contractor to Add a Sub-Contractor, Resulting in no Change to the Current Contract Amount. **Recommended Action: Approval** (IT Manager)
 - H. Establishment of Annual Special Tax for Community Facilities District No. 93-1 for the Fiscal Year 2012-2013. **Recommended Action: Adopt Resolution No 2012-34.** (Deputy City Manager/Director of Finance)
2. ITEM(S) PULLED FROM CITY COUNCIL CONSENT CALENDAR: **NONE**
3. LEGISLATIVE MATTERS: **(No new evidence will be heard from the public as the public hearing has been closed regarding all items listed.)**
- A. Ordinance replacing Title 15, Chapter 15.09 (Fire Code) of the Norco Municipal Code. **Recommended Action: Adopt Ordinance No. 948 for second reading.** (City Clerk)

M/S Hanna/Higgins to adopt Ordinance No. 948 for second reading. The motion was carried by the following roll call vote:

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

- B. Ordinance approving Revised Zone Change 2012-06/Gateway Specific Plan 90-01, Amendment No. 10 (City of Norco). **Recommended Action: Adopt Ordinance No. 949 for second reading.** (City Clerk)

M/S Azevedo/Hanna to adopt Ordinance No. 949 for second reading. The motion was carried by the following roll call vote:

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

- C. Ordinance approving Zone Change 2012-07 which includes Hospitality Development Specific Plan – 1 (HDSP – 1). **Recommended Action: Adopt Ordinance No. 950 for second reading.** (City Clerk)

M/S Higgins/Hanna to adopt Ordinance No. 950 for second reading. The motion was carried by the following roll call vote:

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

4. CITY COUNCIL PUBLIC HEARINGS:

- A. Public Hearing 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. 2012-___, 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 Pemberton introduced and presented the public hearing item.

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

Jodie Webber. Ms. Webber received confirmation from Chief Pemberton that the parcels identified on Exhibit "A" were the only parcels that were notified and included in this public hearing. She also received confirmation that any additional properties that are not included on Exhibit "A" would need to be notified.

Mayor Bash CLOSED the public hearing.

Council Member Higgins received confirmation that the costs include time, materials and a small administration fee.

M/S Hanna/Higgins to adopt Resolution No. 2012-35, 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, HIGGINS, SULLIVAN
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

5. PUBLIC COMMENTS OR QUESTIONS:

Pat Overstreet. Ms. Overstreet requested that the owner of the commercial property located at the corner of Valley View and Sixth Street be presented with a commendation for his cooperative efforts during City parades. She also commented on the former Arby's property location on Hamner Avenue that is in need of weed abatement.

Roy Hungerford. Mr. Hungerford presented the Council with a plaque in appreciation of its support of the Norco Horsemen's Association Casino Night.

Don Bowker. Mr. Bowker commented on the Ranch Tour that will be taking place on Saturday May 19.

6. OTHER MATTERS – CITY COUNCIL, CITY MANAGER AND STAFF:

A. City Council Updates from Regional Boards and Commissions

Mayor Pro Tem Azevedo:

- Noted that the WRCOG General Assembly will be held on June 21st where General Colin L. Powell, US Army (Ret.) will be the keynote speaker.
- Presented information regarding the UNLOAD event that will be held on May 10.

B. City Council Other Matters

Council Member Sullivan:

- Commented on the May 18–20 Fifth Annual Extreme Mustang Makeover events in Norco.

Mayor Bash:

- Commented on a meeting held with Warden Tampkins at the California Rehabilitation Center (the “CRC”) in Norco at which time she stated that there was a vacancy on the CRC Community Council. He stated that he would be recommending that Mayor Pro Tem Kathy Azevedo serve on that committee.
- Briefly commented on the Community Workshop meeting that was held and his support for City staff. He noted that in his personal opinion, this staff is extraordinary and there should not be any cuts made.
- Provided some details on an interview he had with Channel 7 regarding the CRC future closing.

C. Staff Other Matters.

Parks, Recreation & Community Services Director Petree

- Stated that Julie Goodnight will be conducting a horsemanship clinic on May 4-5 at the George Ingalls Equestrian Event Center.

7. ADJOURNMENT: There being no further business to come before the City Council, Mayor Bash adjourned the meeting at 8:10 p.m.

BRENDA K. JACOBS, CMC
CITY CLERK



MINUTES
CITY OF NORCO
CITY COUNCIL SPECIAL MEETING
COMMUNITY WORKSHOP
CORONA-NORCO UNIFIED SCHOOL DISTRICT
LEARNING CENTER SOUTH -- 2820 CLARK AVENUE -- NORCO, CA 92860
APRIL 30, 2012

1. CALL TO ORDER: Mayor Bash called the meeting to order at 6:10 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**
3. PLEDGE OF ALLEGIANCE: Fire Chief Geoff Pemberton
4. PRESENTATION -- THE ROAD TO FISCAL SUSTAINABILITY

City Manager Groves and Deputy City Manager/Director of Finance Okoro presented an overview of the City budget structure, a financial overview of the General Fund, cost containment measures implemented to this date, a preview of the FY 2012-2013 General Fund Budget, fiscal challenges, examples of balancing measures, and next steps in reaching fiscal sustainability by 2017.

Council Member Sullivan commented on the public safety information provided and requested some clarification from Lt. Cooper. Lt. Cooper stated that in the case of the Sherriff sub-station closing in Norco, there would be 2 officers on duty 24 hours per day to respond to calls for service at a minimum staffing level. Council Member Sullivan further commented on the low property tax received due to the large redevelopment Project Area in Norco. He also noted that money could be saved by a reduction in Fire services.

Mayor Pro Tem Azevedo received confirmation from Director Petree that the charges for service revenues include the George Ingalls Equestrian Event Center. She commented on the impacts to residents if staff was reduced. She noted her concerns regarding the use of the funds held in the Special Asset Revenue Fund, noting the aging infrastructure throughout the City that may need to be repaired or replaced. She added that she is not prepared to reduce Fire services.

Council Member Hanna received confirmation from Director Petree that the cost to fence off closed parks and maintain them would vary. He also stated that medians would be cleared of live plants and trees and in response to the question regarding emergency responses from Animal Control, there would be limited standby service and emergency response, both dependent on what the Council approves in the budget.

5. PUBLIC COMMENTS: Public comments were received from seven persons in attendance. Comments included:
 - Could consider general obligation bonds.
 - Concerned about fire and safety services.
 - Cannot look at cutting anything in public works as the streets have gone from bad to worst.

- Recommendation made to look at using the Special Asset Revenue Fund to fill the gap for the "fix" this year.
- Not in favor of pulling out landscape in medians.
- Recommendation made to approve a tax for a couple of years.
- Suggestion made to share the Sheriff sub-station with another agency.
- Norco should be a self-sufficient City and should stop acting haphazardly in regards to litigation.
- Should receive a registration fee for horses.
- Not many great options; the problems are masked by the great job done by employees.
- Not in favor of cutting trees down and clearing medians.

6. CITY COUNCIL CLOSING REMARKS:

Mayor Pro Tem Azevedo stated that the people are what make Norco special, adding that there is a shiny future ahead for the City. She stated that the problem is getting through the next few years, noting that she is concerned about using the money in the Special Asset Revenue Fund. There is a need to promote economic development and there needs to be City functions to assist with that.

Council Member Hanna stated that he is upset that the City may lose the Sheriff sub-station, noting that he is a strong supporter of public safety. He added that he could not support closing a fire station. He further stated that he does not believe in taxes, but if that will save the City, he would think seriously about placing it on the ballot.

Council Member Higgins commented on the need for a priority list regarding what could be cut, adding that he heard no Council Member consensus. He stated that he does not want a tax and would not vote for one, adding that he would only consider a tax after depleting every avenue, junction and flow chart position and there is nothing left. He briefly commented on the large amount of parks acreage in the City. He stated that he does not believe the City has reached the limit in staff cuts, adding that it is time to right-size what we have, noting that you don't balance a budget by bringing funds in from other sources.

Council Member Sullivan briefly commented on the number of rooftops in Norco in comparison to other cities, noting that he is concerned about property tax numbers. He stated that he is not in favor of using the Special Asset Revenue Fund to balance the budget, nor in favor of using the reserves. He added that there is a need to budget money for City lawsuits. He stated that he would vote to place a tax on the ballot, but not this year as it would be fruitless. He commented on the need to attract big box stores to raise the sales tax base. He also noted that Silverlakes and the potential closing of the prison will not generate immediate revenues to the City. He stated that he is concerned about the maintenance of roads, adding that the City needs to start putting money away for infrastructure.

Mayor Bash commented on development in the Norco hills, noting that the residents in the hills pay a tax for maintenance of the trails, which is not collected elsewhere in the City. He further commented on the potential closure of the California Rehabilitation Center and the cleanup process that will follow. He stated that the City is not close to going bankrupt and this meeting

was held to discuss what can be done to balance the budget. He stated that there is nothing saved by closing parks. He also stated that he does not believe that the City abused redevelopment. He briefly commented on his opposition to closing the Sheriff sub-station. He further commented on any City's pending litigation items, noting that the City has insurance to cover those expenditures. He stated that in terms of City staff, they are needed to take care of processing future development in the City.

7. ADJOURNMENT: There being no further business to come before the City Council, Mayor Bash adjourned the special meeting at 8:35 p.m.

BRENDA K. JACOBS, CMC
CITY CLERK

/bj-81008



RECAP OF ACTIONS TAKEN
CITY OF NORCO
PLANNING COMMISSION
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
REGULAR MEETING
May 9, 2012

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1. **CALL TO ORDER: 7:00 p.m.**
 2. **ROLL CALL: Chair Wright, Vice-Chair Henderson, Commission Members Jaffarian, Leonard, and Hedges**
 3. **STAFF PRESENT: Planning Director King, Senior Planner Robles, and Deputy City Clerk Germain**
 4. **PLEDGE OF ALLEGIANCE: Vice-Chair Henderson**
 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 11, 2012: Recommended Action: Approval (Deputy City Clerk): Approved 5-0**
 8. **CONTINUED ITEMS: None**
 9. **PUBLIC HEARINGS**
 - A. **Conditional Use Permit 2012-06 (Pricota): A Request for Approval to Allow Vehicle Service and Repair at 1830 Town and Country Drive Located within the M-1 (Heavy Commercial/Light Manufacturing) Zone. Item Withdrawn (SP Robles): No action required**
 - B. **Resolution 2012-___; Zone Code Amendment 2012-02 (City of Norco): A City-Initiated Proposal to Amend Chapter 18.23 - C-4 (Commercial) Zone of the Norco Municipal Code by Adding Hotels, Motels and Bed and Breakfasts as Allowed Uses. Recommended Action: Approval (PD King): Recommendation for approval 5-0. This item will be scheduled for a public hearing before the City Council in June 2012.**
 - C. **Resolution 2012-___; Zone Change 2012-08 (City of Norco): A Request for Approval to Change the Zoning from A-1 (Agricultural Low-Density) to H-D (Hospitality Development) Including the Adoption of a Specific Plan for Regulations on about 6.76 Acres Located at 1510 and 1550 Second Street (APNs 125-180-007 and -010). Recommended Action: Continue to June 13, 2012 (PD King): Continued 5-0**

10. BUSINESS ITEMS:

- A. **Resolution 2012-___**; Site Plan 2012-08 (Farmer): A Request for Approval to Allow an Accessory Building Consisting of a 384 Square-Foot Barn at 3981 Rocky View Drive Located within the A-1-20 (Agricultural Low-Density) Zone. **Recommended Action: Approval (SP Robles): Approved 5-0**
- B. **Resolution 2012-___**; Site Plan 2012-09 (De Rojas): A Request for Approval to Allow an Accessory Building Consisting of a 240 Square-Foot Pergola at 3300 Cutting Horse Road Located within the Norco Ridge Ranch Specific Plan (NRRSP). **Recommended Action: Approval (SP Robles): Approved 5-0**
- C. First Review of Draft Sign Ordinance. **Recommended Action: Provide Comments and Set for Public Hearing (SP Robles): Comments were provided but public hearing not set due to further revisions required.**

11. CITY COUNCIL: **Received and Filed**

- A. Recap of Actions Taken at the May 2, 2012 City Council Meeting.
- B. City Council Minutes dated April 4 and April 18, 2012

12. PLANNING COMMISSION: Oral Reports from Various Committees: **None**

13. STAFF: Current Work Program: **Received and Filed**

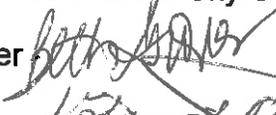
14. OTHER MATTERS **Received and Filed**

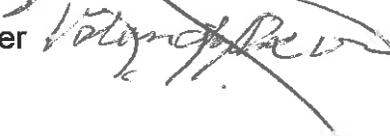
- A. Follow-up on Items from Previous Meetings (Director King)

15. ADJOURNMENT: **8:40 p.m.**

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Andy Okoro, City Treasurer 

DATE: May 16, 2012

SUBJECT: Annual Adoption of the City Investment Policy.

RECOMMENDATION: Approve and adopt Investment Policy with a minor modification

SUMMARY: This report provides for an annual review and adoption of the policy governing investment of surplus funds for the City as required by the City of Norco Investment Policy.

BACKGROUND/ANALYSIS: Section 53646(a)(2) of the Government Code states that the Treasurer or Chief Fiscal Officer of the local agency may annually render to the legislative body of that local agency a Statement of Investment Policy. Attached is the City's Investment Policy. While state law no longer requires annual review and approval of the Investment Policy or quarterly investment report by the legislative body, staff is recommending that the current process of annual review and quarterly reporting of the investment portfolio be continued.

Minor changes as highlighted have been recommended to this year's Investment Policy to recognize the creation of the Successor Agency and the dissolution of the Norco Community Redevelopment Agency. Staff recommends approval of this Investment Policy as amended.

FINANCIAL IMPACT: None.

/jk-81069

Attachment: Investment Policy – Annual Adoption 2012



CITY OF NORCO ADMINISTRATIVE POLICY STATEMENT

CATEGORY: FISCAL & SUPPORT SERVICES

POLICY NO. 8

SUBJECT: INVESTMENT POLICY

DATE ISSUED: June 7, 2000

LAST DATE MODIFIED: May 16, 2012

PURPOSE:

The purpose of this policy is to provide guidelines to the City Treasurer for the investment of surplus funds not required for immediate necessities of the City of Norco. All investment of such surplus funds is governed by state law and by this policy.

INTRODUCTION:

The City Treasurer is responsible for administering the City of Norco investments. State law and this policy shall determine the type of investments in which the City Treasurer may participate with idle City funds. The City Treasurer shall issue and administer detailed investment instructions which may change periodically and which will supplement, but conform to the provisions of, this Investment Policy. The investment of bond or Certificates of Participation (COP) proceeds will be further restricted by the provisions of relevant bond or COP documents.

POLICY:

It is the policy of the City of Norco, and the Successor Agency to the former Norco Redevelopment Agency, (together, the "CITY") to meet the short and long term cash flow demands of the City in a manner which will provide for the safety of principal and sufficient liquidity, while providing a reasonable return on the City's investment. The purpose of the Statement of Investment Policy ("Investment Policy") is to outline a process for the investment of City funds in a prudent manner in order to meet City objectives. This Investment Policy will also govern all funds held in trust by the City.

This Investment Policy applies to all investment activities and financial assets of the City, hereinafter, the "funds." Bond and Certificates of Participation (COP) proceeds shall be invested in accordance with the requirements and restrictions outlined in the bond and COP documents and are not considered part of the funds nor subject to this Investment Policy. However, bond and COP proceeds will be included in the monthly report to the City Council per California Government Code Section 53646(b).

PROCEDURE:

I. DELEGATION OF AUTHORITY

The City Treasurer is authorized to invest the City's ~~and Redevelopment Agency's~~ funds in accordance with City of Norco Resolution 79-25 and California Government Code Sections 53600, 16429.1 and 53684 et seq.

II. PRUDENCE

Investments shall be made in the context of the "Prudent Investor Standard" which states:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City within the limitations of this section, and considering individual investments as authorized by law."

All investments purchased shall have daily liquidity or final stated maturity date, upon which the full principal value of the security will be received. Although the investment will mature at full principal value, it is recognized the market value will vary throughout the life of the security. In a diversified portfolio it must be further recognized that occasional measured losses are inevitable in a diversified portfolio due to economic, bond market, or individual security credit analysis. These occasional losses must be evaluated and considered within the context of the overall investment return.

The "Prudent Investor" standard shall be applied in the context of managing the funds. The Treasurer, acting within the intent and scope of the Investment Policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

III. INVESTMENT PORTFOLIO OBJECTIVES

The objective of the investment portfolio is to meet the short and long-term cash flow demands of the City. To achieve this objective, the portfolio will be structured to provide safety of principal and liquidity, while providing a return on investments.

- A. Safety of Principal: Investments of the City shall be undertaken in a manner that seeks to ensure that capital losses are minimized, whether from institution default, broker-dealer default, or erosion of the market value of securities. The Treasurer

shall seek to preserve principal by mitigating two types of risk: Credit Risk and Market Risk.

1. Credit Risk – Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by purchasing U.S. Treasury Securities, or high-grade securities. All investments beyond Treasury securities will be diversified so that the failure of any one issuer would not unduly harm the City's cash flow. Credit risk shall also be mitigated by pre-qualifying financial institutions, broker/dealers, intermediaries and advisors with which the City Conduct its business.
2. Market or Interest Rate Risk – Interest rate risk is the risk the market value of securities in the portfolio will decline due to changes in general interest rates. Interest rate risk may be mitigated by structuring the funds so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities. The cash flow is updated on a daily basis and will be considered prior to the investment of securities, which will reduce the necessity to sell investments for liquidity purposes.

Long-term securities shall not be purchased for the sole purpose of short-term speculation. Securities shall not be sold prior to maturity with the following exceptions: 1) a declining credit security should be sold early to minimize loss of principal; 2) a security swap would improve the quality, yield, or target duration in the portfolio; or 3) liquidity needs of the portfolio require that the security be sold.

- B. Liquidity: The funds shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the funds will maintain a liquidity buffer and invest primarily in securities with active secondary or resale markets (dynamic liquidity).
- C. Return on Investments (Yield): The funds shall be designed to attain a return on investment through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk assumed.

IV. ETHICS AND CONFLICTS OF INTEREST

The Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair his/her ability to make impartial investment decisions. The Treasurer shall disclose any material interests in financial institutions with which he/she conduct business. He/She shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual or financial institution with whom business is conducted on behalf of the City.

The Treasurer is required to file an annual State of California Form 700 "Statement of Economic Interest Disclosure," as required by the Fair Political Practices Commission ("FPPC"). During the course of the year, if there is an event subject to disclosure that could impair the ability of the Treasurer to make impartial decisions, the City Manager will be notified in writing within 10 days of the event.

V. SAFEKEEPING OF SECURITIES

To protect against fraud, embezzlement, or losses caused by collapse of individual securities dealers, all securities owned by the City shall be held in safekeeping by the City's custodial bank or a third party bank trust department, acting as agent for the City under the terms of a custody agreement. This provision will not be applicable for certain investments held as a result of credit agreements entered into by the City. Such custodial bank must be a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state or with any Federal Reserve Bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System.

All securities will be received and delivered using standard delivery versus payment ("DVP") procedures which ensures that securities are deposited with the third party custodian prior to the release of funds. Securities will be held by a third party custodian as evidenced by safekeeping receipts. Investments in the State Pool or money market mutual funds are undeliverable and are not subject to delivery or third party safekeeping. The Treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the Treasurer.

VI. FINANCIAL REPORTING

The Treasurer shall render a report (the "Report") to the City Council and the City Manager containing detailed information on all securities, investments, and monies of the City. The Report will be submitted on a quarterly basis and be provided to the City Manager and City Council within 30 days following the end of the quarter.

The Report will contain the following information on the funds that are subject to this Investment Policy: 1) the type of investment, name of the issuer, date of maturity, par and cost of each investment, 2) the market value and source of the valuation, 3) a description of the compliance with the statement of investment policy, 4) a statement denoting the City's ability to meet its expenditure requirements for the next six months, and 5) if any City monies are invested in the County Pool, the investment report provided by the County Treasurer pursuant to Government Code Section 53684.

VII. INTERNAL CONTROLS

The Treasurer shall maintain a system of internal investment controls and a segregation of responsibilities of investment functions in order to assure an adequate system of internal control over the investment function. Internal control procedures shall address wire transfer controls, separation of duties, delivery of securities to a third party for custodial safekeeping, and written procedures for placing investment transactions.

VIII. EXTERNAL CONTROLS

The independent City auditor will review and verify the City's investment activity, holdings and compliance with this Investment Policy as part of the City's annual independent audit and submit a report to the City Council relating thereto as part of their annual report on internal controls.

IX. QUALIFIED DEALERS AND INSTITUTIONS

The City shall transact business only with banks, savings and loans, and registered investment securities dealers. The purchase of any investment, other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporation Code, who is a member of the National Association of Securities Dealers, or a member of a federally-regulated securities exchange, a national or state-chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or a securities dealer designated as a Primary Government Dealer by the New York Federal Reserve Bank. Regional dealers may also qualify under the Securities and Exchange Commission Rule 15-3-1 (uniform net capital rule).

The Treasurer shall investigate all institutions that wish to do business with the City, in order to determine if they are adequately capitalized, make markets in securities appropriate to the City's needs, and agree to abide by the conditions set forth in this Investment Policy. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must provide a current audited financial statement. Public deposits shall be made in qualified public depositories as established by California Government Code. The purchase of an authorized investment subject to the limitations of this Policy can be purchased directly from issuers in compliance with California Government Code 53603 and 53635.5.

X. COLLATERAL REQUIREMENTS

California Government Code Sections 53652 through 53667 require depositories to post certain types and levels of collateral for public funds above the Federal Deposit Insurance Corporation ("FDIC") insurance amounts. The collateral requirements apply to bank deposits, both active (checking and savings accounts) and inactive (non-negotiable time certificates of deposit).

XI. AUTHORIZED INVESTMENTS

The investments set forth in this section are authorized investments pursuant to Section 53601 of the Government Code and are authorized investments for the City subject, however, to the prohibitions set forth in Section XII of this Investment Policy.

1. City Issued Debt: Bonds issued by the City, ~~or the Norco Redevelopment Agency~~, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the City.
2. United States Treasury Securities: United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
3. State of California or Municipal Debt: Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
4. United States Government Agency Securities: Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participation, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participation, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise.
5. Bankers Acceptances: Bills of exchange or time drafts drawn on and accepted by major commercial banks in California. Purchases of bankers' acceptances may not exceed 180 days maturity or 40 percent of the agency's surplus money that may be invested pursuant to this section. However, no more than 30 percent of the City's surplus funds may be invested in the banker's acceptances of any one commercial bank pursuant to this section.
6. Commercial Paper: Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors

Service, Inc., or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of \$500,000,000 and having an "A" or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 25 percent of the agency's' surplus money that may be invested pursuant to this section and must be of the highest rating (A-1 or P-1) as rated by Moody's or Standard and Poor's Investors Service.

7. Negotiable Certificates of Deposit: Negotiable certificates of deposits issued by a U.S. national or state-chartered bank or a state or federal association (as defined by Section 5102 of the Financial Code) or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the City's surplus money that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. Investments in negotiable certificates of deposits shall include investments made under the Certificate of Deposit Account Registry Service (CDARS) Program as approved by State law.
8. Medium Term Notes: Medium-term notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. Purchases of medium-term notes may not exceed 30 percent of the City's surplus money that may be invested pursuant to this section.
9. Money Market Mutual Funds: Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by Government Code Section 53601 subdivisions (a) to (j) or (m) or (n), and that comply with the investment restrictions of Government Code Section 53600 and Section 53630. To be eligible for investment pursuant to this subdivision, these companies must carry the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services.

The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that these companies may charge and

shall not exceed 20 percent of the City's surplus money that may be invested pursuant to this section. However, no more than 10 percent of the City's funds may be invested in shares of beneficial interest of any one mutual fund.

10. Receivable-Backed Securities: Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the City's surplus money that may be invested pursuant to this section

11. Repurchase Agreements: Investments in repurchase agreements of any securities authorized by this section, so long as the agreements are subject to this subdivision, including, the delivery requirements specified in this section.

Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement must be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly.
 - A. "Repurchase agreement" means a purchase of securities by the City pursuant to an agreement by which the counter-party seller will repurchase the securities on or before a specified date and for a specified amount and the counter-party will deliver the underlying securities to the City by book entry, physical delivery, or by third party custodial agreement. The transfer of underlying securities to the counter-party bank's customer book-entry account may be used for book-entry delivery.
 - B. "Securities," for purpose of repurchase securities of the same issuer, under this subdivision, means description, issue date, and maturity.
 - C. Repurchase agreements shall only be made with primary dealers of the Federal Reserve Bank of New York.

12. Local Agency Investment Fund: The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum permitted by state law.

13. Riverside County Investment Fund: The City may invest in the Riverside County Investment Pool established by the County Treasurer for the benefit of cities.

XII. INVESTMENT RESTRICTIONS AND PROHIBITED TRANSACTIONS

The following types of transactions are restricted or prohibited:

1. Reverse Repurchase Agreements, as defined by California Government Code Sections 53601(5)(c) and 53635(i) or otherwise are prohibited.
2. Instruments known as "Structured Notes" (e.g. inverse floaters, leveraged floaters, structured certificates of deposit, equity-linked securities) and "Derivatives" (e.g. options, futures, swaps, caps, floors, collars) are prohibited. For the purpose of identifying ineligible securities, the definition of prohibited Structured Notes and Derivatives includes all floating-rate, adjustable-rate or variable-rate securities in which a change in interest rates or other variables that can reasonably be foreseen to occur during their term would result in their market value not returning to par at the time of each interest rate adjustment as defined by California Government Code Section 53601.6.

Simple "floating rate notes," whose periodic coupon adjustment is based on a short-term (one-year or less) rate index (such as Treasury bills, federal funds, prime rate of LIBOR) and which have a reasonable expectation of maintaining a value of par at each interest rate adjustment through final maturity, are considered an eligible investment. Eligible floating rate notes (U.S. Government Agencies, Certificates of Deposit, Medium-Term Notes, etc.), must meet all quality, maturity and percent limitations assigned to their respective security category.

Callable securities, which otherwise meet the quality, maturity and percent limitations assigned to their respective security category, are considered to be an acceptable investment. U.S. Treasury zero-coupon bonds, U.S. Treasury strips and Resolution Funding Corporation (REFCORP) strips are considered to be an acceptable investment. No investment prohibited by California Government Code Sections 53601.6 or 53631.5 shall be permitted herein.

3. The average maturity of all instruments, on a dollar-weighted basis, will not exceed 365 days.
4. The maximum maturity of any portfolio instrument will be 5 years or less. The maturity of a variable-rate security may be considered to be its next interest rate reset date, if there is a reasonable expectation that the security will maintain an

approximate value of par upon each adjustment of the security's interest rate at any time until final maturity.

5. All investments will be U.S. dollar denominated.
6. Any investment transactions, credit risk criterion, or market valuation that are not in compliance with this Investment Policy must be documented and approved by the Treasurer in writing. Thereafter, action shall be taken by the Treasurer to advise the City Manager.
7. Securities that are downgraded below the minimum acceptable rating levels must be reviewed for possible sale within a reasonable amount of time.

It is acknowledged that investment pools in which the City invests may invest funds in any of the securities set forth in Government Coded Section 53601.

XIII. POLICY REVIEW

This Investment Policy shall be reviewed at least annually by the Treasurer, City Manager and City Council to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law, financial and economic trends, and to meet the needs of the City. The Investment Policy shall be presented to and annually reviewed and approved by the City Council in an open session.

XIV. LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment type or percentage allocations will, upon effectiveness, be incorporated into the City's Investment Policy Statement and supersede any and all previous applicable language.

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 16, 2012

SUBJECT: Approval and Adoption of the Annual Appropriation Limit for the Fiscal Year 2012-2013

RECOMMENDATION: **Adopt Resolution No. 2012-___**, approving the annual appropriation limit for Fiscal Year 2012-2013.

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 \$33,675,659 as the appropriation limit for Fiscal Year 2012-2013.

BACKGROUND/ANALYSIS: Attached is a resolution, as required by state law to approve the appropriation limit for the Fiscal Year 2012-2013 in the amount of \$33,675,659. Staff is still going through the budget process in order to establish General Fund's final appropriation for Fiscal Year 2012-2013. However, it is important to note that the FY 2012-2013 General Fund appropriations will be significantly less than the appropriations limit calculated under state law.

The appropriations limit for FY 2012-2013 has been calculated using the change in City population of 0.78% and the state change in per capita personal income of 3.77% 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-81040

Attachment: Resolution No. 2012-____
Dept. of Finance – Price and Population Information

RESOLUTION NO. 2012-__

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING AND ADOPTING THE ANNUAL APPROPRIATION LIMIT FOR THE FISCAL YEAR 2012-2013

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 2012-2013 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 2012-2013.

NOW, THEREFORE, BE IT RESOLVED that the appropriations limit in Fiscal Year 2012-2013 shall be \$33,675,659 for the City of Norco.

APPROVED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 16, 2012.

Mayor of the City of Norco, California

ATTEST:

Brenda K Jacobs, City Clerk
City of Norco, California

Resolution No. 2012-___

Page 2

May 16, 2012

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 16, 2012, 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 16, 2012.

Brenda K Jacobs, City Clerk
City of Norco, California

/jk-81042

Attachment: Exhibit "A"

City of Norco, California
FY 2012 - 2013 Appropriations Limit Calculation

FY 2011-2012 Appropriations Limit (Per Resolution 2011-38)	\$ 32,200,860
Change in Per Capita Personal Income	3.77%
Change in City Population	0.78%
Calculation Factor (1.0377 x 1.0078)	1.04580
FY 2012-2013 Appropriations Limit	<u>\$ 33,675,659</u>



May 2012

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, 2012, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2012-2013. 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 2012-2013 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county and incorporated areas' summed population percentage change. 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 appropriations 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" 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. 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, 2012.**

Please Note: Prior year's city population estimates may be revised.

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

ANA J. MATOSANTOS
Director

By:


MICHAEL COHEN
Chief Deputy Director

Enclosures

May 2012

Enclosure I

- 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 2012-2013 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2012-2013	3.77

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2012-2013 appropriation limit.

2012-2013:

Per Capita Cost of Living Change = 3.77 percent
Population Change = 0.68 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.77 + 100}{100} = 1.0377$

Population converted to a ratio: $\frac{0.68 + 100}{100} = 1.0068$

Calculation of factor for FY 2012-2013: $1.0377 \times 1.0068 = 1.0448$

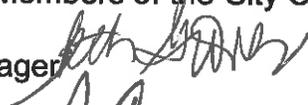
Enclosure II
Annual Percent Change in Population Minus Exclusions
January 1, 2011 to January 1, 2012 and Total Population, January 1, 2012

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2011-2012	1-1-11	1-1-12	1-1-2012
Riverside				
Banning	0.81	29,723	29,965	29,965
Beaumont	2.15	38,034	38,851	38,851
Blythe	0.98	13,201	13,330	20,400
Calimesa	1.11	7,910	7,998	7,998
Canyon Lake	0.78	10,606	10,689	10,689
Cathedral City	1.07	51,353	51,901	51,952
Coachella	1.37	41,339	41,904	41,904
Corona	0.96	153,047	154,520	154,520
Desert Hot Springs	1.32	27,277	27,638	27,638
Eastvale	2.80	54,090	55,602	55,602
Hemet	0.98	79,309	80,089	80,089
Indian Wells	0.90	4,990	5,035	5,035
Indio	1.62	76,817	78,065	78,065
Lake Elsinore	1.40	52,149	52,879	53,024
La Quinta	1.03	37,688	38,075	38,075
Menifee	1.83	79,139	80,589	80,589
Moreno Valley	1.05	194,451	196,495	196,495
Murrieta	0.90	104,051	104,985	104,985
Norco	0.78	22,837	23,015	27,053
Palm Desert	1.13	48,920	49,471	49,471
Palm Springs	1.00	44,829	45,279	45,279
Perris	0.97	69,506	70,180	70,180
Rancho Mirage	0.60	17,399	17,504	17,504
Riverside	0.80	306,010	308,452	308,511
San Jacinto	0.86	44,421	44,803	44,803
Temecula	1.81	101,255	103,092	103,092
Wildomar	0.94	32,414	32,719	32,719
Unincorporated	3.05	451,347	452,725	453,089
County Total	0.99	2,194,112	2,215,850	2,227,577

(*) 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 STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Ross Cooper, Lieutenant 

DATE: May 16, 2012

SUBJECT: Sheriff's Department Annual Report for 2011

RECOMMENDATION: Receive and file

SUMMARY: Even though staffing has been reduced in the last three years, arrests increased and crime has correspondingly gone down every year since 2005. Crime has not been this low at any time in the last 20 years. Since 2005:

- Crime is down 42% from 1171 crimes to 684 crimes;
- Arrests are up 13% from 409 arrests to 464 arrests;
- Traffic safety improved from 82 injury collisions with 5 fatalities to only 49 injury collisions with 3 fatalities;
- City Council's goal to reduce emergency response times has been achieved. In 2011, deputies arrived at high-priority calls for service in 5.5 minutes.

BACKGROUND/ANALYSIS: The crime rate across the nation and in Norco rose through the 1980s and leveled off between 1990 and 1995. Major reductions in crime followed the City Council decisions to start the Norco Citizen's Patrol in 1995, and to add a two-deputy Community Oriented Policing and Problem Solving team in 1998. Citizen's Patrol helps suppress crime by providing high visibility patrol; our two-deputy Community Oriented Policing and Problem Solving team works on addressing the root-causes of crime and on problems before they result in crime. Crime fell 20% in 1996, which followed the start of Norco Citizen's Patrol; crime fell another 20% in 1998 following the implementation of the Community Oriented Policing and Problem Solving team.

Crime began to increase again at a rate of about 7% per year from 2000 to 2005 when two deputies were added to the midnight patrol shift, one deputy was added to the evening traffic shift, two motor officers were added to the daytime traffic shift, and a sergeant was added. As a result, crime went down, traffic safety improved, response times to calls for service improved and arrests increased. In spite of budget reductions which led to the elimination of four motor officers, two traffic deputies and four community service officers in the last three years, crime has remained at a very low level.

The attached charts provide a historical perspective on crime, traffic, and Sheriff's services. The first chart shows the total number of incidents handled by Sheriff's staff. Traffic citations are excluded from this chart because the number of citations issued depends on the amount of time dedicated to traffic enforcement; including citation numbers in this chart can cause a misperception of incident trends in Norco.

Chart 1, "Total Norco Sheriff Incidents Excluding Traffic Citations" shows total incidents handled has been declining as sheriff's staffing has been reduced.

Charts 2 through 4 are based on statistics reported to the U.S. Department of Justice and published in the "Crime in the United States - Uniform Crime Reports." The crime index total includes only specific crimes as defined by the U.S. Department of Justice. Violent crime includes murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault; property crime includes burglary, larceny-theft, motor vehicle theft, and arson.

Chart 2, "Uniform Crime Report – Crime Index Total for Norco" shows the 4% decrease in crime from 2010 to 2011. This chart shows the 20-year crime trends; that neither violent crime nor property crime have ever been as low as they were in 2011. Crime reached its lowest level in a decade in 2000 and then began to increase an average of 7% per year until 2005. That five-year trend of increasing crime was reversed in 2006. Crime is down 42% compared to 2005. Crime is down 48% compared to 1991.

Chart 3, "UCR Part I Violent Crimes" shows the 17% reduction in violent crime from 41 crimes in 2010 to 34 crimes in 2011. Violent crime is down 62% compared to 2005; violent crime decreased 78% from its high of 152 violent crimes in 1991.

Chart 4, "UCR Part I Property Crimes" shows the 3% reduction in total property crime from 2010 to 2011. Property crime is down 40% compared to 2005; property crime is down 44% compared to 1991.

Charts 5 through 8 show the average amount of time it takes deputies to arrive at calls for service. Total response times have two parts: 1) the dispatch time, which is the amount of time it takes from when the dispatch center receives the phone call until an available patrol unit is found and assigned to the incident, and 2) the response time, which is the amount of time it takes the responding patrol unit from being assigned to the incident to arriving at the incident location.

Responses are prioritized so that citizens in life-threatening situations are helped prior to those with less urgent needs. Priority 1 calls are the most critical and include situations where there is imminent threat to life, serious injury, or in-progress serious property crimes like burglaries. Priority 2 calls are comprised of robbery alarms and serious felonies that have just occurred where the suspect has recently fled and a quick response may help in identification or apprehension. Priority 3 calls include loud parties and disturbing the peace

calls where physical violence has not been reported. Priority 4 calls include all past calls - situations where the crime or incident is over. Examples include: a person returned home from vacation and found his garage was broken into, property stolen, and the suspect was no longer present; or a person went to the mailbox and found it broken open, the mail had been stolen sometime in the past, and there were no suspects or suspicious people in the area.

Chart 8, "Response Times In Minutes - Priority 1 Calls" shows responses to our most serious, life-threatening, incidents averaged 5.5 minutes in 2011. While this is similar to response times in 2008 and 2009, it is a 0.4 minute (8%) increase in response time over 2010.

Chart 9, "Norco Traffic Citations" shows the 79% decrease in the number of citations issued, from 4,595 citations in 2010 to 954 in 2011. The last three motor officers were eliminated in June 2010 and the last two traffic cars were eliminated in 2011.

Chart 10, "Norco Traffic Collisions" shows that what had been a long-term trend of traffic collisions increasing by 10% per year through 2005 was reversed in 2006. The City Council added two motor officers in 2006 and reduced speed limits on several roadways. There were 301 fewer reportable traffic collisions in Norco in 2011 than in 2005, a 45% decrease.

Fatal collisions decreased from five in 2005 to two in 2006, to one in 2007, to two in 2008, to zero in 2009 and to zero in 2010. However, in 2011, traffic fatalities increased from zero to three.

Chart 11, "Traffic Citations By Type of Violation" shows that almost half of all citations are for hazardous moving violations; 22% of the citations issued were for speeding. Without motor officers our ability to enforce primary collision factor violations is impacted.

Although our traffic enforcement priority continues to emphasize speeding vehicles and hazardous moving violations, 52% of the citations issued were for non-hazardous violations such as registration or equipment violations. Almost one-third of all citations included more than one violation.

Chart 12, "Traffic Citations By Violator's City Of Residence" shows that only 28% of the violators live in Norco; 72% of the violators live outside of Norco, confirming resident suspicions that out-of-towners are speeding through Norco.

Chart 13, "Adult DUI Arrests In Norco" shows the 46% increase in DUI arrests from 125 in 2005 to 182 in 2011. City Council partnered with the California Office of Traffic Safety who provided grant funding for DUI checkpoints and additional patrol time during the evenings which is dedicated to DUI enforcement.

Sheriff's Department Annual Report for 2011

Page 4

May 16, 2012

Chart 14, "Adults Arrested And Booked For New Offenses" shows the number of adults arrested and booked by Norco deputies for new (non-DUI) felony and misdemeanor crimes. Norco deputies arrested more suspects for crimes in 2010 and 2011 than in 2008 and 2009. This resulted in a 42% reduction in total crime in 2011 compared to 2005.

In summary, thanks in large part to the activities of Norco Citizen's Patrol, Council's direction to implement Community Oriented Policing and Problem Solving programs and the hard work of sheriff's deputies, significant improvements to the safety and quality of life in Norco have been achieved in 2011.

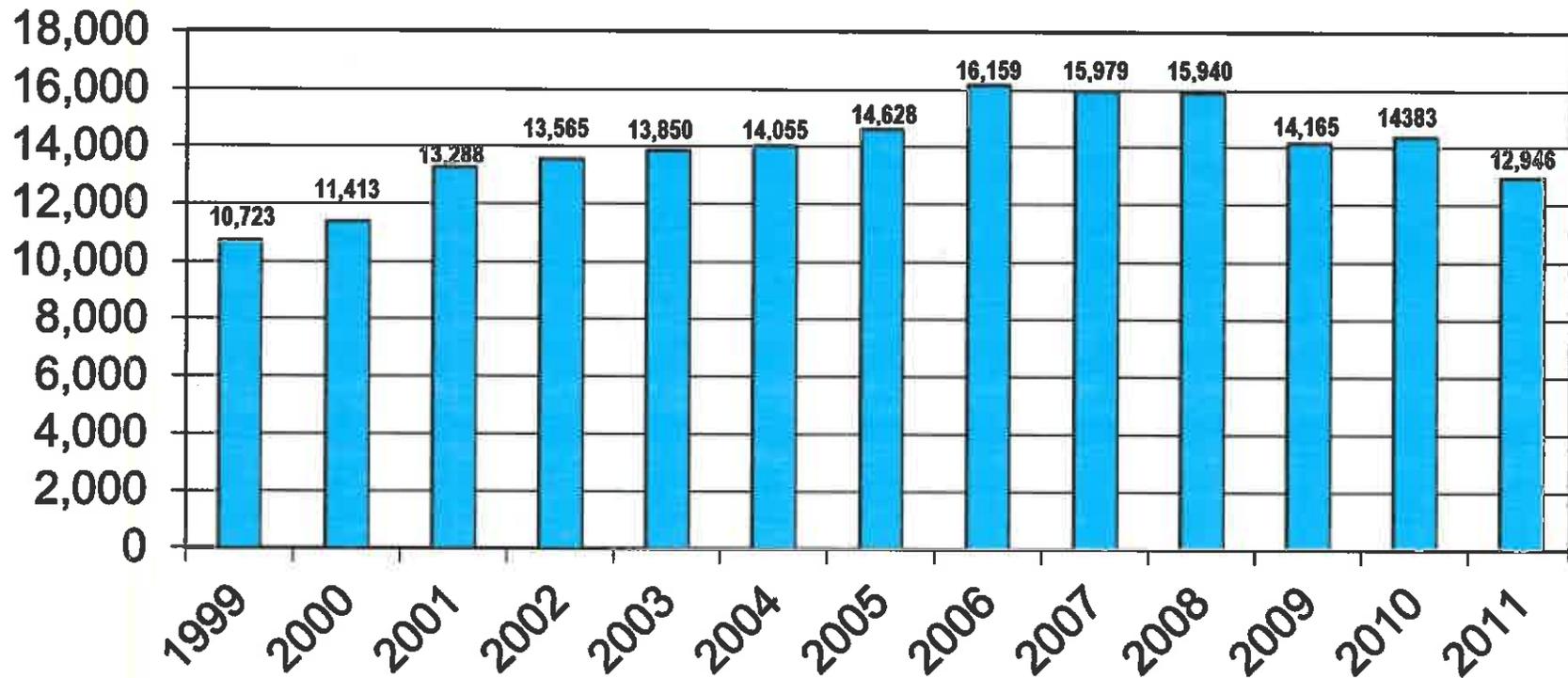
In spite of staffing and budget challenges, response times are good; traffic safety has improved; arrests are up; and crime is lower than at any time in the last 20 years.

FINANCIAL IMPACT: None

/rlf - 80430

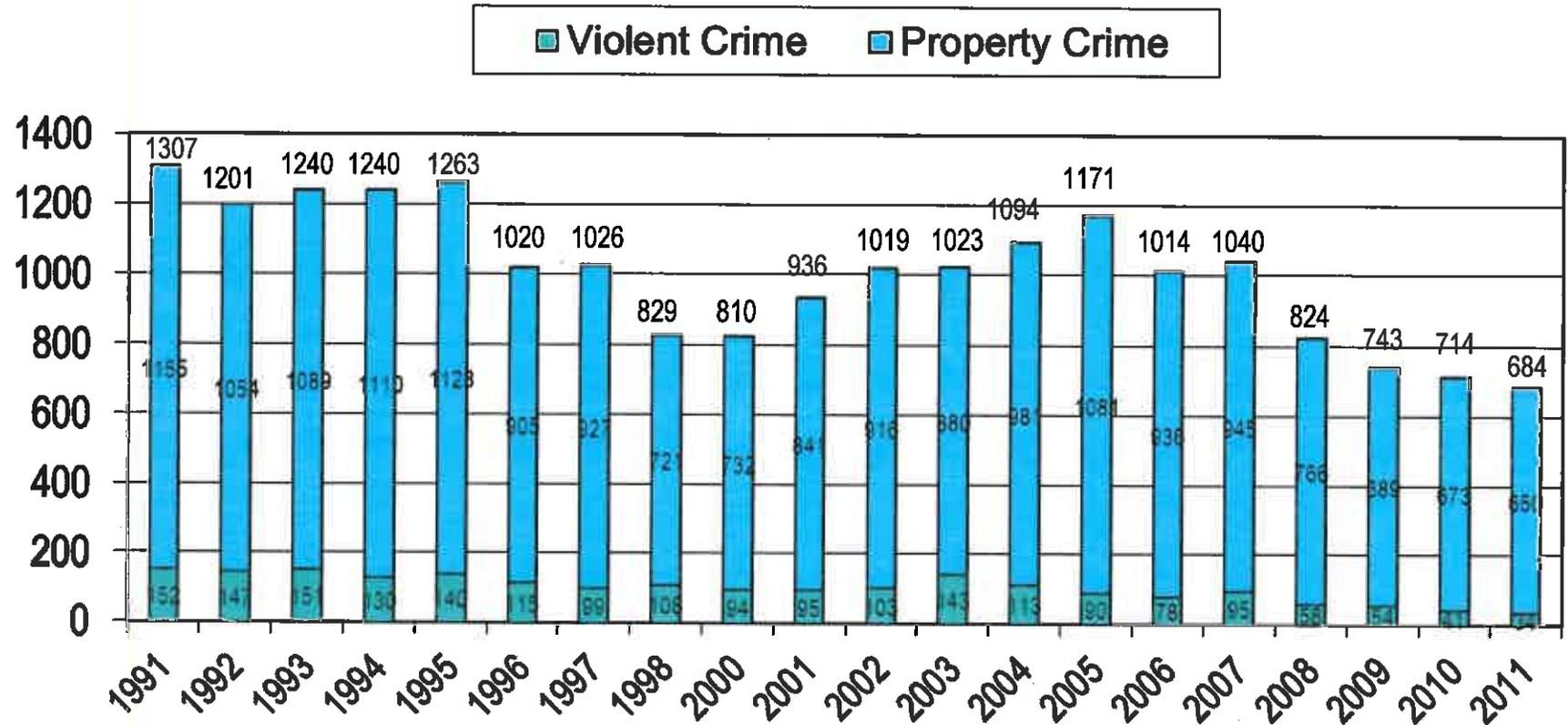
Attachment: 14 charts

TOTAL NORCO SHERIFF INCIDENTS EXCLUDING TRAFFIC CITATIONS



- 21% more incidents in 2011 than 1999
- The long term trend of a 5% increase per year ended in 2006

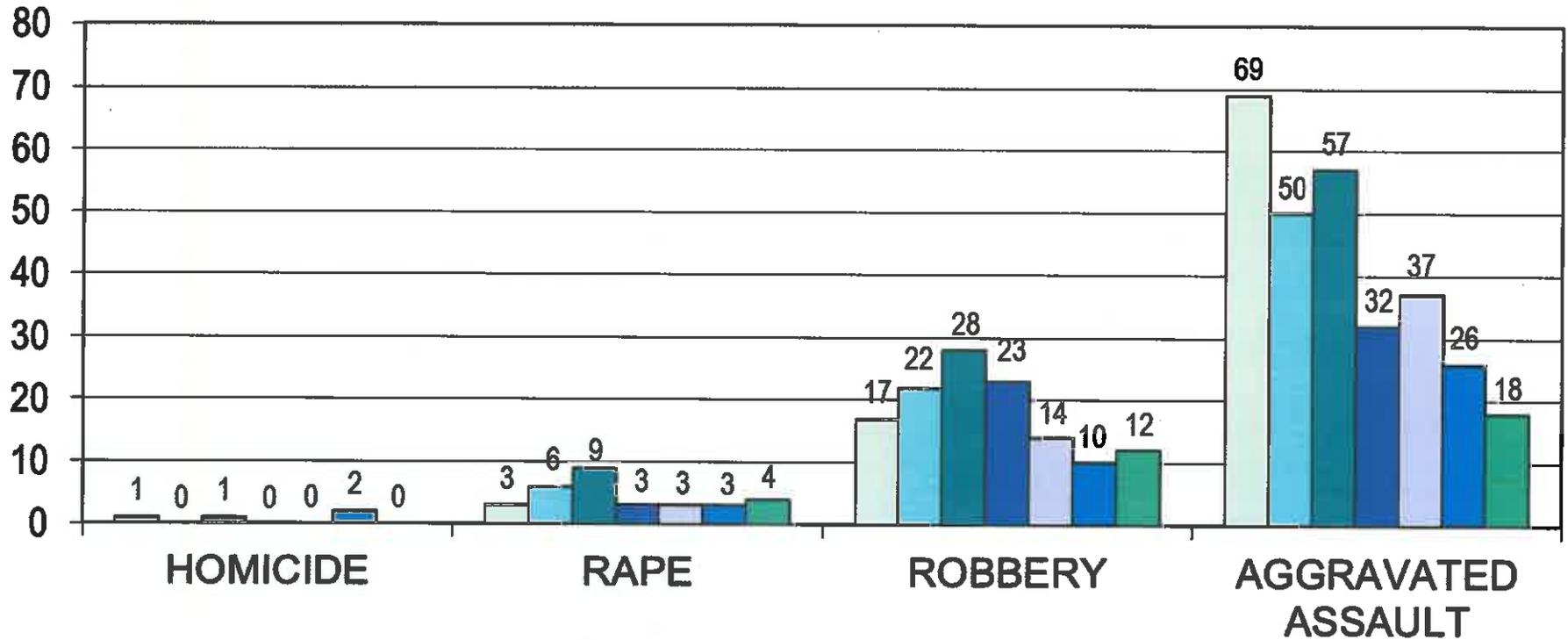
UNIFORM CRIME REPORT CRIME INDEX TOTAL FOR NORCO



- 5-year trend of decreasing crime
- Crime is down 42% compared to 2005
- Crime is down 48% compared to 1991

Chart 2

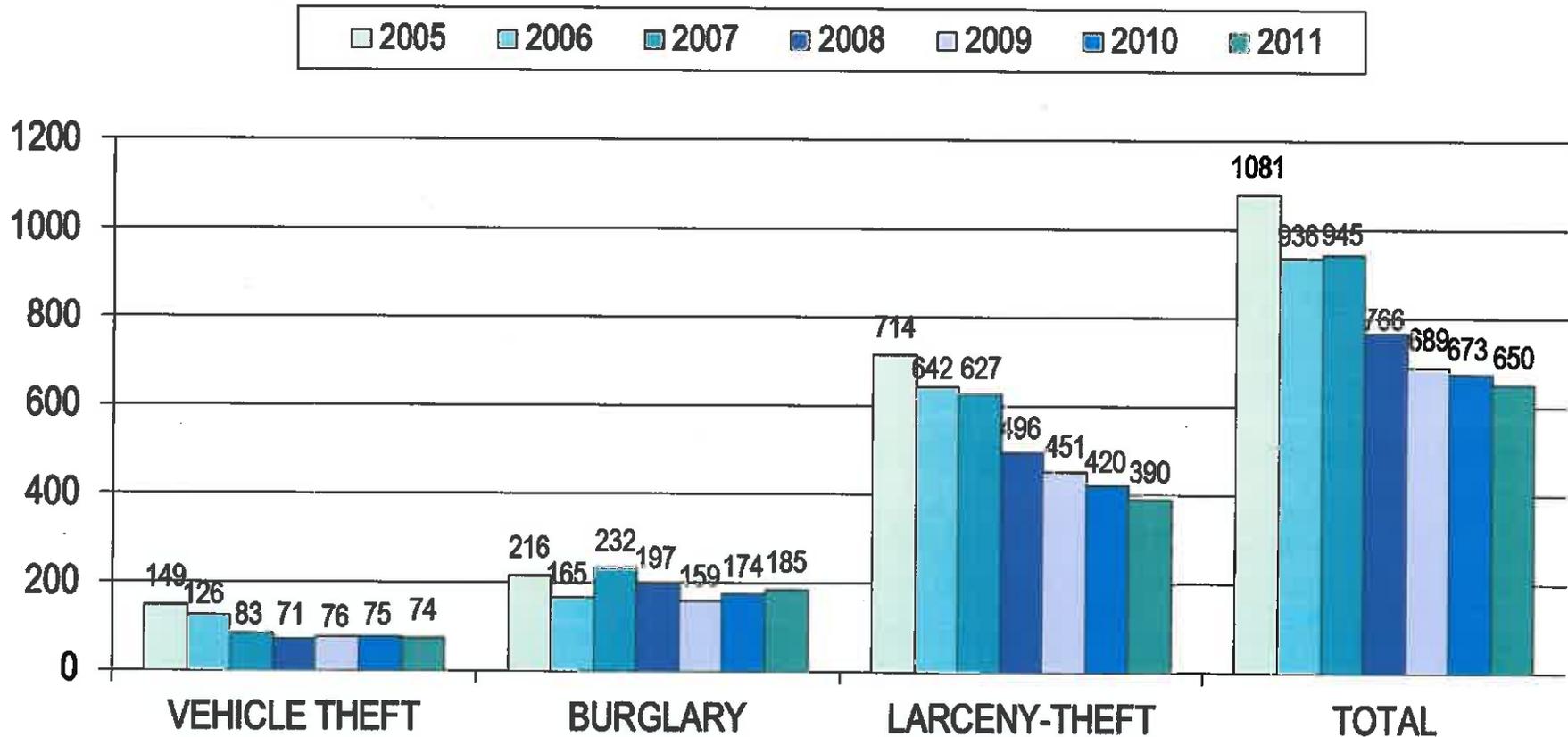
UCR PART 1 VIOLENT CRIMES



- Violent crime is down 17% from last year
- Violent crime is down 62% from 2005
- Violent crime is down 78% from 1991

Chart 3

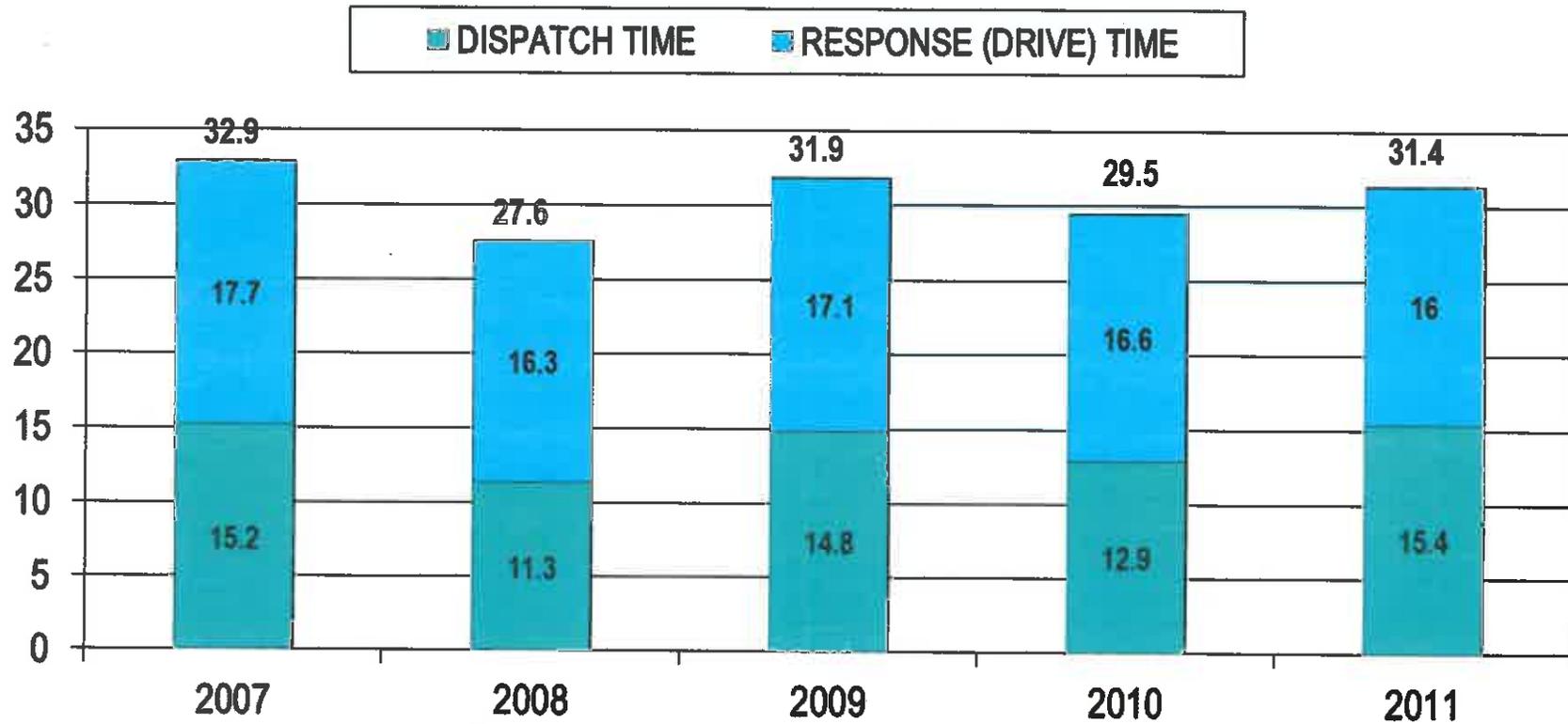
UCR PART 1 PROPERTY CRIMES



- Property crime is down 3% from last year
- Property crime is down 39% from 2005
- Property crime is down 44% from 1991

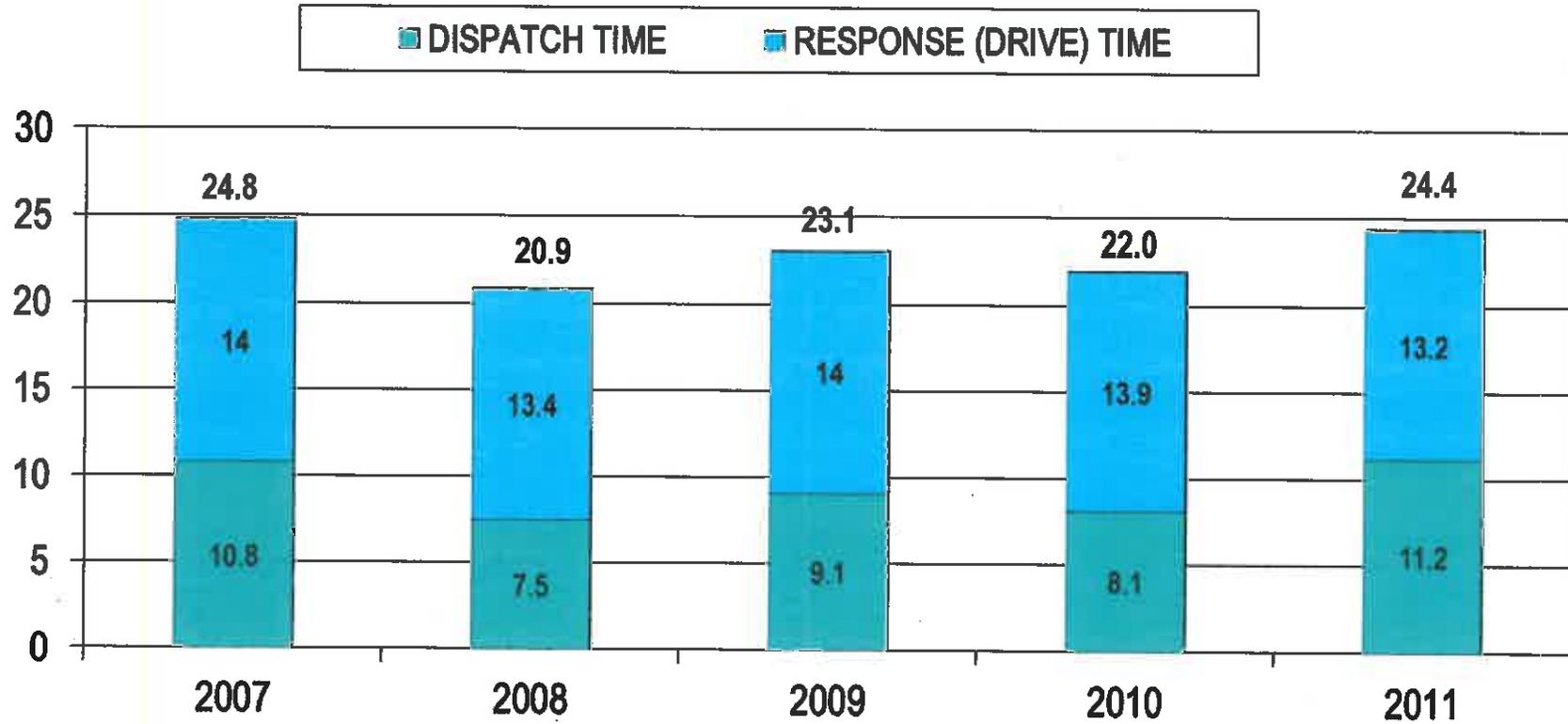
Chart 4

RESPONSE TIMES IN MINUTES PRIORITY 4 CALLS



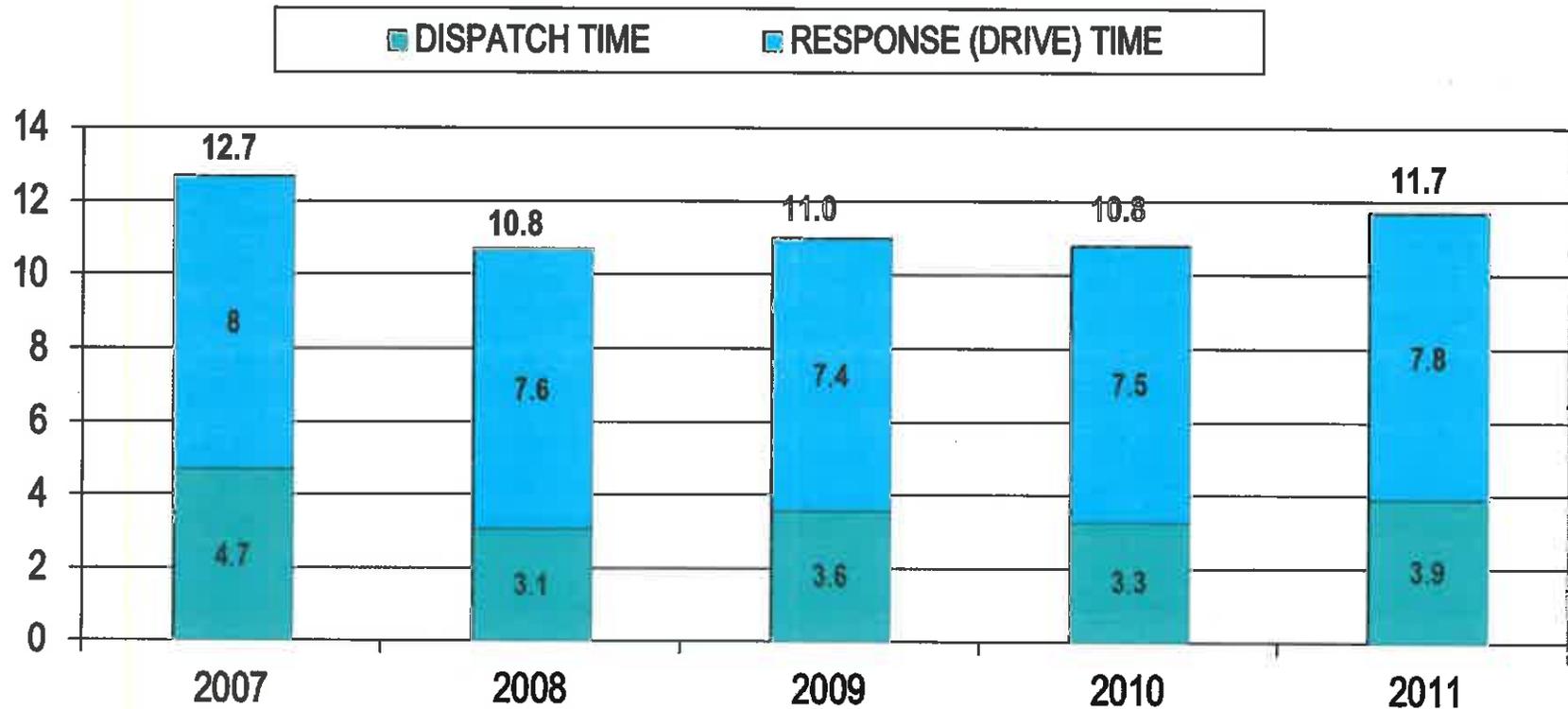
•Includes past calls – situations where crime or incident is over

RESPONSE TIMES IN MINUTES PRIORITY 3 CALLS



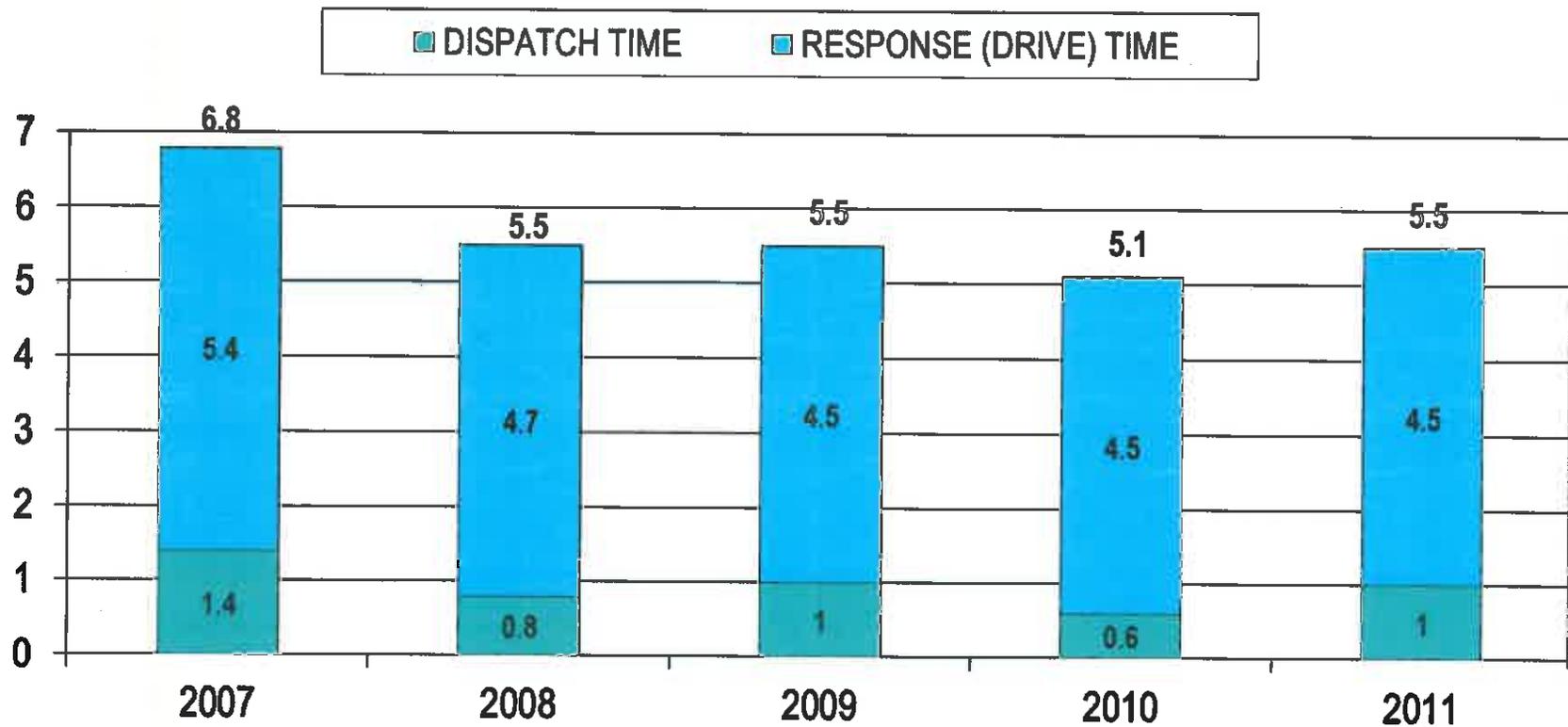
•Includes loud parties and disturbing the peace calls where violence has not been reported

RESPONSE TIMES IN MINUTES PRIORITY 2 CALLS



• Includes robbery alarms and serious felonies that have just occurred where the suspect has recently fled and a quick response may help in identification or apprehension

RESPONSE TIMES IN MINUTES PRIORITY 1 CALLS



•Most critical calls, including situations with imminent threat to life or serious injury

NORCO TRAFFIC CITATIONS

■ SPEEDING VIOLATIONS ■ TOTAL CITATIONS

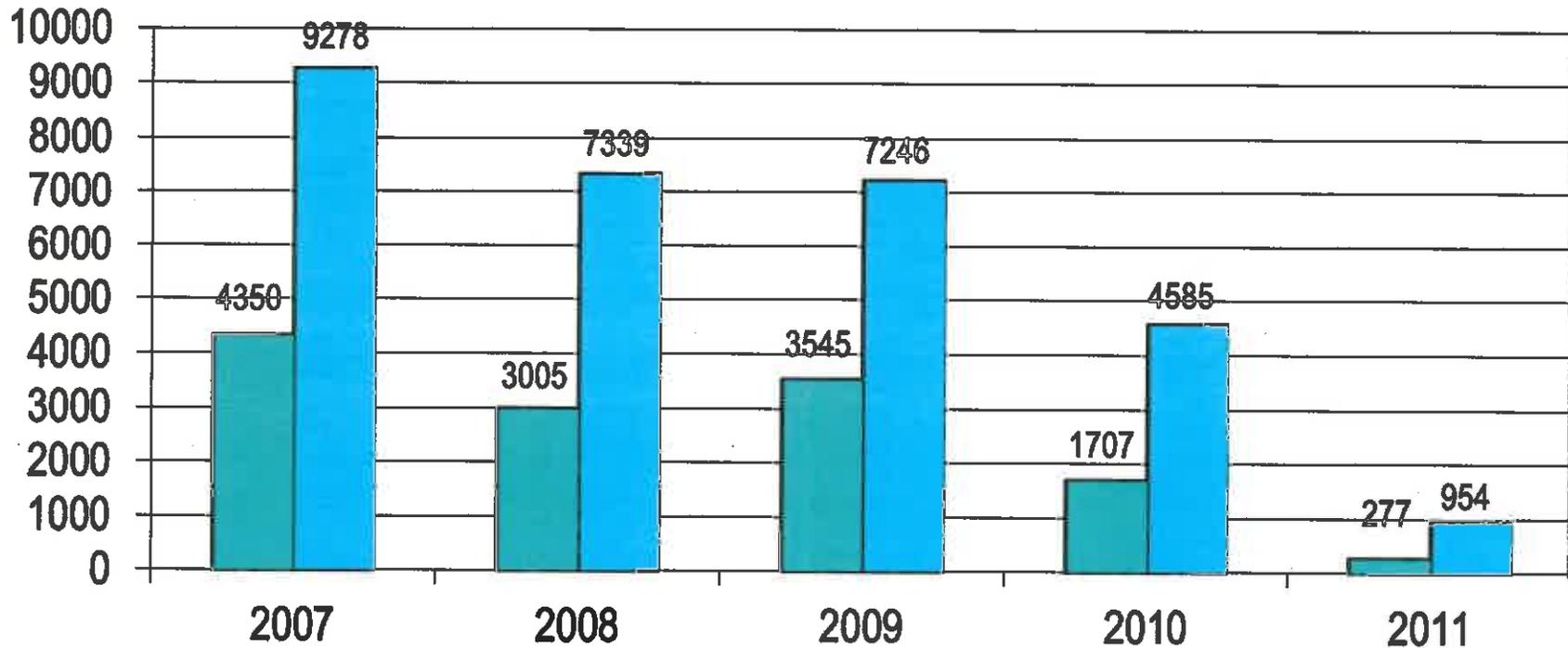
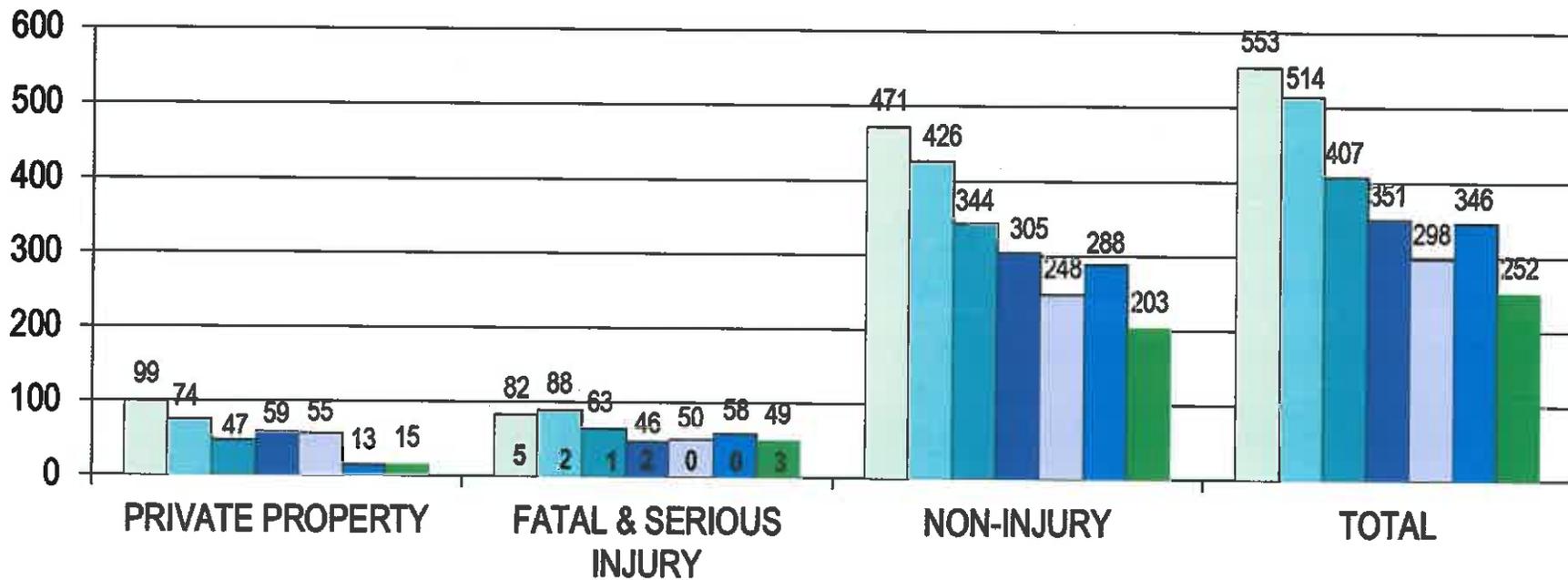


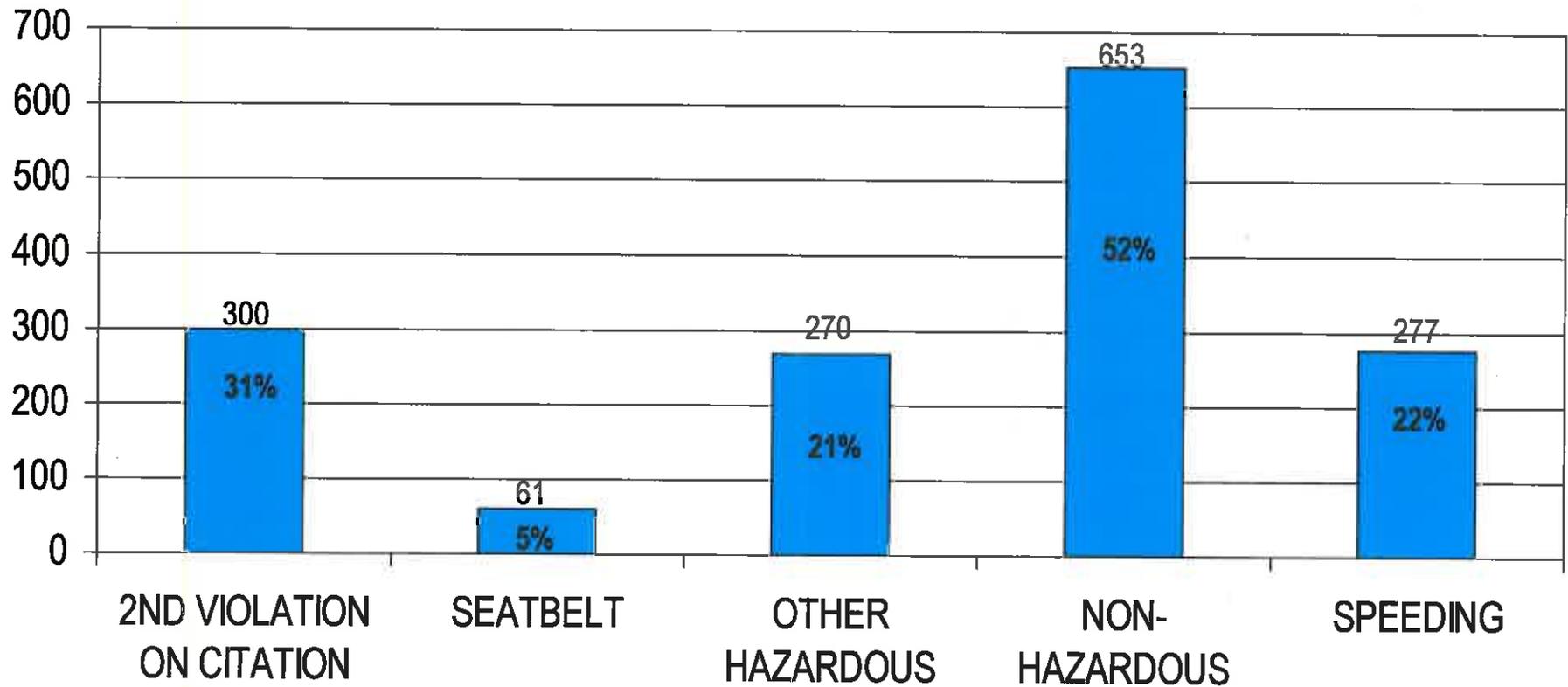
Chart 9

NORCO TRAFFIC COLLISIONS



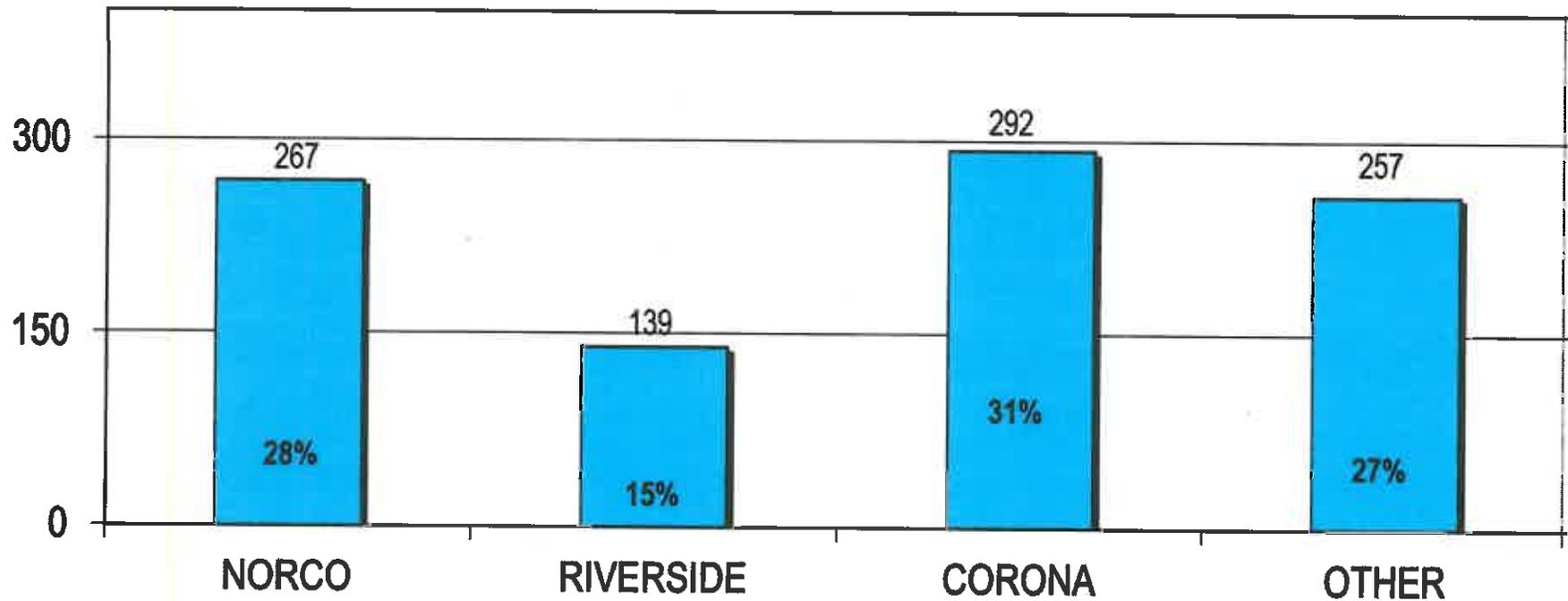
- Aggressive enforcement of primary collision factor violations by motor officers and traffic deputies reversed the long-term trend of a 10% increase in collisions per year in 2005
- Fatalities decreased from 5 in 2005 to averaging only 1 in each of the next 5 years.

2011 TRAFFIC CITATIONS BY TYPE OF VIOLATION



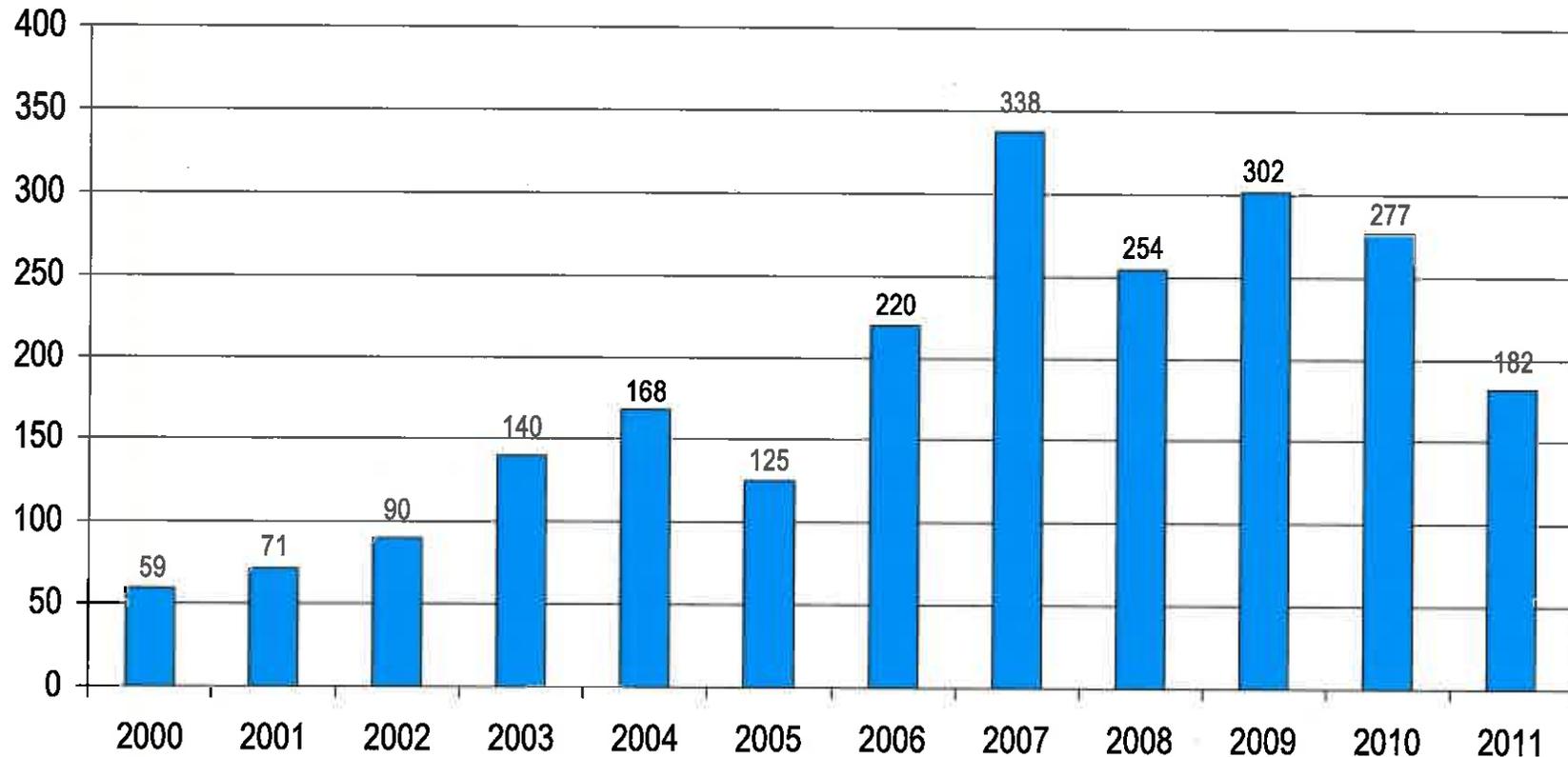
•Speeding, stop sign and other hazardous violations account for about half of all citations

2011 TRAFFIC CITATIONS BY VIOLATOR'S CITY OF RESIDENCE



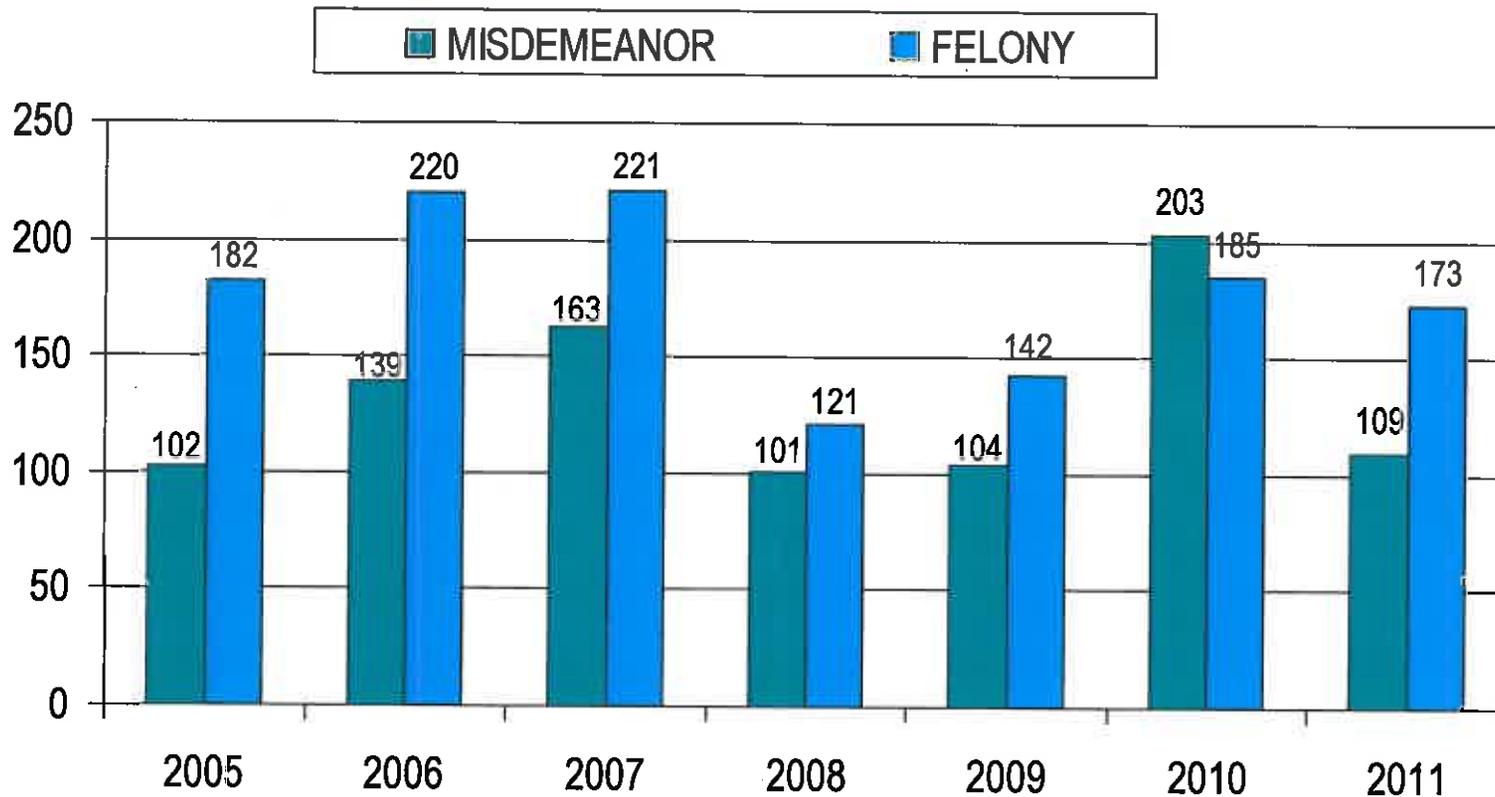
•72% of all violators live outside of Norco

ADULT DUI ARRESTS IN NORCO



- 44% increase in DUI arrests from 2005 to 2011
- Related to the OTS Grant Funding for DUI Checkpoints and Saturation Patrols

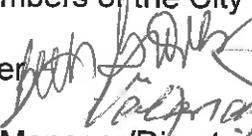
ADULTS ARRESTED AND BOOKED FOR NEW OFFENSES EXCLUDING DUI



- Total crime is down 42% from 2005
- Non-DUI arrests are unchanged from 2005

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 16, 2012

SUBJECT: Approval of a Contract for Code Enforcement Services

RECOMMENDATION: Approve a Contract with Mr. Kenneth Swank for code enforcement services.

SUMMARY: Staff recommends that the City Council approve a personal services contract with Mr. Kenneth Swank for code enforcement services.

BACKGROUND/ANALYSIS: Staff has negotiated scope of services, terms and conditions for code enforcement services with Mr. Kenneth Swank. The proposed contract will commence on July 1, 2012 and continue until June 30, 2013 unless terminated sooner by either party. Mr. Swank is a retired Police Captain with several years of experience investigating and enforcing violations of Municipal, Business Licenses, Building, Housing, Health, Zoning and Vehicle Codes and Ordinances. His primary function would be to carry out code compliance activities as necessary to protect the health and safety of the citizens of Norco.

FINANCIAL IMPACT: In consideration for the services to be performed, City will pay Mr. Swank a monthly retainer of \$3,333. Payments to him shall not exceed \$40,000 during the term of this contract.

/mp-81075

Attachment: Contract for Services

CONTRACT FOR SERVICES

This AGREEMENT made this 1st day of July 2012, between:

City of Norco (City), having a principal place of business at: 2870 Clark Avenue, Norco, California 92860.

And

Kenneth Swank (Consultant), having a principal place of business at: 2933 Hillside Avenue, Norco, CA 92860-2167

ARTICLE 1: TERM OF CONTRACT

This agreement will become effective on July 1, 2012 and will continue in effect until June 30, 2013 unless terminated sooner by either party in accordance with the provisions of Article 7 of this agreement.

ARTICLE 2: INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that Consultant is an Independent Contractor and not an employee, agent, joint venture or partner of City. Nothing in this agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between City and Consultant or any employee or agent of Consultant. Both parties acknowledge that Consultant is not an employee for state or federal tax purposes. Consultant shall retain the right to perform services for others during the term of this agreement.

ARTICLE 3: SERVICE TO BE PERFORMED BY CONSULTANT

SPECIFIC SERVICES

Consultant agrees to: investigate and enforce violations of Municipal, Business Licenses, Building, Housing, Health, Zoning and Vehicle codes and ordinances to protect citizen health and safety for the City of Norco. Consultant agrees to devote a minimum of 20 hours each week towards the performance of services described in this agreement.

METHOD OF PERFORMING SERVICES

Consultant shall determine the means, methods and details for accomplishing the scope of services. Consultant will work closely with and continue to update City's managers and department heads when asked to do so.

PLACE OF WORK

Consultant shall perform the services required by this agreement at any place or location and at such times as Consultant shall determine.

ARTICLE 4: COMPENSATION

In consideration for the services to be performed by Consultant, City agrees to pay Consultant a monthly retainer of \$3,333. Payments to Consultant shall not exceed \$40,000 during any fiscal year.

INVOICES

Consultant shall submit invoices for all services rendered on a monthly basis. Such invoice shall include summary of activities performed for the month.

DATE FOR PAYMENT OF COMPENSATION

The City shall pay Consultant's invoice within 30 days of approval. Invoices not paid within 30 days of approval shall be deemed past due.

EXPENSES

Consultant shall be responsible for all costs and expenses incident to the performance of services for City, including but not limited to, all costs of equipment provided by Consultant, all fees, fines, licenses, bonds or taxes required of or imposed against Consultant and all other of Consultant's costs of doing business. City shall be responsible for no expenses incurred by Consultant in performing services for City.

ARTICLE 5: OBLIGATIONS OF CONSULTANT

TOOLS AND INSTRUMENTALITIES

Consultant will supply all tools and instrumentalities required to perform the services under this agreement. Consultant is not required to purchase or rent any tools, equipment or services from City.

WORKER'S COMPENSATION

Consultant agrees to provide workers' compensation insurance for Consultant's employees and agents and agrees to hold harmless and indemnify City for any and all claims arising out of any injury, disability, or death of any of Consultant's employees or agents.

INDEMNIFICATION OF LIABILITY

Consultant shall indemnify and hold City harmless against any and all liability imposed or claimed, including attorney's fees and other legal expenses, arising directly or indirectly from any act or failure of Consultant or Consultant's assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property. Consultant agrees to maintain a policy of insurance as follows:

\$2,000,000 General Aggregate/\$1,000,000 each occurrence; \$1,000,000
Products/Completed operations; \$1,000,000 Personal & Advertising Injury; \$100,000
rented premises; \$5,000 Medical Payments.

City shall reimburse Consultant for the actual cost of general liability insurance coverage up to \$1,132.50 during the term of this contract.

ASSIGNMENT

Neither this agreement nor any duties or obligations under this agreement may be assigned by Consultant without the prior written consent of City.

STATE AND FEDERAL TAXES

As Consultant is not a City employee, Consultant is responsible for paying all required state and federal taxes. In particular:

- City will not withhold FICA (Social Security) from Consultant's payments;
- City will not make state or federal unemployment insurance contributions on Consultant's behalf;
- City will not withhold state or federal income tax from payment to Consultant;
- City will not make disability insurance contributions on behalf of Consultant;
- City will not obtain workers' compensation insurance on behalf of Consultant;
- Consultant shall not be eligible to participate in any City sponsored pension program.

ARTICLE 6: OBLIGATIONS OF CITY

COOPERATION OF CITY

City agrees to comply with all reasonable requests of Consultant, and provide access to all documents reasonably necessary to the performance of Consultant's duties under this agreement.

ASSIGNMENT

Neither this agreement nor any duties or obligations under this agreement may be assigned by the consultant without the prior written consent of the City.

ARTICLE 7: TERMINATION OF AGREEMENT

TERMINATION

Either party to this agreement may terminate this agreement at any time without cause upon provision of written notice. This agreement shall terminate automatically on the occurrence of any of the following events:

1. Bankruptcy or insolvency of either party;
2. Sale of the business of Consultant;
3. Death of Consultant.

TERMINATION BY CITY FOR DEFAULT OF CONSULTANT

Should Consultant default in the performance of this agreement or materially breach any of its provisions, City, at City's option, may terminate this agreement by giving written notification to Consultant. For the purposes of this section, material breach of this agreement shall include, but not limited to the following:

1. Failure to meet time lines and due dates;
2. Incompetence;
3. Working in the public sector requires a City Consultant to perform his/her duties under a code of good conduct such as "treat others as you would like to be treated." Failure to conduct oneself in a businesslike manner at all times will be considered a material breach of this agreement.

TERMINATION FOR FAILURE TO MAKE AGREED-UPON PAYMENTS

Should City fail to pay Consultant all or any part of the compensation set forth in Article 4 of this agreement on the date due, Consultant, at the Consultant's option, may terminate this

agreement if the failure is not remedied by City within thirty (30) days from the date payment is due.

ARTICLE 8: GENERAL PROVISIONS

NOTICES

Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepared with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of this agreement, but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of two days after mailing.

Normal communiques such as updates, written drafts, instructions and suggestions can be sent via email or the telephone.

ENTIRE AGREEMENT OF THE PARTIES

This agreement supersedes any and all agreements, either oral or written, between the parties hereto with respect to the rendering of services by Consultant for City and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement, or promise not contained in this agreement shall be valid or binding. Any modification of this agreement will be effective only if it is in writing signed by the party to be changed.

PARTIAL INVALIDITY

If any provision in this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

ATTORNEYS' FEES

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this agreement, the prevailing party will be entitled to reasonable attorney's fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

GOVERNING LAW

This agreement will be governed by and construed in accordance with the laws of the State of California.

Executed at NORCO California: Date: _____

CONSULTANT:
Kenneth Swank

CITY:
City of Norco, California

By: _____
Kenneth Swank

By: _____
Beth Groves, City Manager

/mp-81073

**CITY OF NORCO
STAFF REPORT**

TO: Honorable Mayor and Members of the City Council

FROM: John Harper, City Attorney

DATE: May 16, 2012

SUBJECT: Approval of City Manager Employment Agreement

RECOMMENDATION: That the City Council approve the City Manager Employment Agreement

SUMMARY: On November 4, 2009, the City Council appointed Beth Groves to the position of City Manager. The current contract is set to expire on June 30, 2012. Therefore, this new employment agreement is being recommended. It would be effective on July 1, 2012 for a term of two years.

BACKGROUND/ANALYSIS: On November 4, 2009, the City Council unanimously voted to appoint Beth Groves to the position of City Manager. (She had been serving as the Interim City Manager since June 18, 2009). That 2009 contract was amended twice — on April 6, 2011 and again on June 1, 2011. The amendments reduced salary or benefit provisions and extended the original two-year contract to June 30, 2012.

FINANCIAL IMPACT: The cost of salary and benefits for the position of the City Manager will be included in the fiscal year 2012-2013 Operating Budget. In this proposal, there is no change in the salary level from the current contract, and there is a reduction in benefits of \$5,608.

/81063

Attachment: City Manager Employment Agreement

EMPLOYMENT AGREEMENT

This Agreement is effective July 1, 2012 by and between the City of Norco, a municipal corporation (hereinafter "City") and Beth Groves, an individual (hereinafter "Groves").

The parties hereto agree as follows:

1. RECITALS: This Agreement is made and entered into with respect to the following facts:
 - a. That City desires to obtain the services of a qualified individual to act as the City Manager for said City; and
 - b. Based on Groves' education, training and experience, the City Council determined that Groves is well qualified to perform the duties assigned to the office of City Manager.
 - c. That Groves has agreed to perform the same on the terms and conditions hereinafter set forth; and
 - d. That the public interest, convenience and necessity require the execution of this Agreement.
2. TERM: The term of this Agreement shall be two years. In the event the City Council takes no action either to renew the Agreement, or to notify Groves that it will not extend the Agreement, then the Agreement will automatically be extended one year. Nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of Groves to resign at any time from her position with City, subject only to the provisions set forth in this Agreement.
3. OTHER EMPLOYMENT: The city Council acknowledges that Groves serves as a lecturer with a part time university teaching commitment. She may continue to do so under this agreement.
4. TERMINATION: This Agreement may be terminated by:
 - a. Mutual agreement of the parties hereto, expressed in writing; or
 - b. Forty-five day written notice given by Groves. The said termination shall be effective upon the forty-sixth day after the giving of such notice; or
 - c. Unilateral action of the City Council. In the event the involuntary termination is not for cause during the period of this agreement, Groves shall receive a total of six months' severance pay, including all fringe benefits and accrued leaves. In the event that said involuntary termination

is for cause, as defined in Exhibit A of this agreement, Groves shall be entitled to compensation for that period actually worked prior to said termination, plus all accrued and vested benefits.

- d. If Groves receives paid leave during a pending investigation, funds for legal criminal defense, or any cash settlement related to termination, these specific funds must be reimbursed to the City if she is convicted of a crime involving abuse of her office or position.
5. **COMPENSATION:** Groves shall be required to devote her full time (other than as stipulated in section 3 of this Agreement)) to the position of City Manager. For, and in consideration of, Groves' services to be rendered pursuant to this Agreement, she will be paid an annual salary of \$162,984. The City Manager shall be paid in the same manner and at the same times as other salaries of the City employees are paid. City agrees not to reduce the salary or fringe benefits of Groves at any time during employment.
 6. **BENEFITS:** Groves shall be provided with the following benefits in addition to the compensation specified in Paragraph 4 above:
 - a. **LEAVE:** Administrative leave shall be accrued at a rate of 6.67 hours per month and vacation leave at a rate of 10 hours per month. Unused administrative leave days may not be carried over from one contract year to the next. Vacation days accrued but not taken may be carried over from one contract year to the next up to a maximum of 240 hours. Sick leave shall accrue at the same rate as City department heads. Any vacation leave to be taken that exceeds two weeks must be approved in advance by the City's Mayor.
 - b. **INSURANCE:** Groves shall receive the same benefits of life, dental, health, vision, disability, and worker's compensation as is now, or which may hereafter be, in effect for the department heads of the City, except Groves shall also receive term life insurance coverage in the amount of \$125,000 during the period covered by this Agreement.
 - c. **AUTOMOBILE ALLOWANCE:** Groves shall receive a monthly automobile allowance of \$500.
 - d. **DEFERRED COMPENSATION:** Groves shall be entitled to participate in the City's 457 Deferred Compensation Plan.
 - e. **PERS RETIREMENT:** City shall pay 4% of Groves' share in PERS, 2.7% at 55 Retirement Formula.

7. PERFORMANCE EXPECTATIONS AND EVALUATION:

- a. The City shall make a reasonable effort to review and evaluate Groves' performance annually prior to June 30, during the term of this Agreement. The Mayor shall provide Groves with a summary written statement of findings of the evaluation and provide an adequate opportunity for Groves to discuss her evaluation with the City Council in closed session. Failure to perform the annual evaluation shall not be a condition to any termination pursuant to Section 4, hereof.
- b. The City Council and Groves shall define the goals and performance objectives that they determine necessary for the proper operation of the City and for the attainment of the City Council's policy objectives. The City Council shall further establish a relative priority among those goals and objectives and shall establish the priorities in writing.

8. OFFICE AND PROFESSIONAL DEVELOPMENT EXPENSES: City agrees to pay for her travel expenses for professional and official travel for meetings that she may participate in through the course of her work on behalf of the City.

9. INDEMNIFICATION: City shall defend, hold harmless, and indemnify Groves against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of her duties in accordance with California Government Code Section 825 and other applicable provisions of state law. City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom.

10. BONDING: The City shall bear the full cost of any fidelity or other bonds required of Groves under any applicable law or ordinance.

11. OTHER TERMS AND CONDITIONS: All provisions of the Norco Municipal Code and regulations and rules of the City related to other fringe benefits and working conditions as they now exist or hereafter may be amended, shall also apply to Groves as they would to any department head of the City, in addition to the benefits enumerated herein.

12. GENERAL PROVISIONS:

- a. The text herein shall constitute the entire Agreement between two parties.
- b. This Agreement shall be binding upon and shall inure to the benefits of the heirs at law and executors or administrators of the estate of Groves.

13. NOTICES:

- a. CITY: Mayor of the City of Norco
2870 Clark Avenue
Norco CA 92860
- b. GROVES: Beth Groves
2870 Clark Avenue
Norco, CA 92860

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as applicable to civil judicial process. Notice shall be deemed given as of the date of personal service, or if by mail, pursuant to the provisions of the California Code of Civil Procedure, Section 1013. The address for service of any party hereto may be changed at any time by giving written notice to the other party.

Executed on _____, 2012 at Norco, California.

CITY OF NORCO

BY: _____
Kevin Bash, Mayor

Beth Groves

ATTEST:

Brenda Jacobs, City Clerk of
the City of Norco, California

APPROVED AS TO FORM:

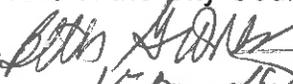
John Harper, City Attorney

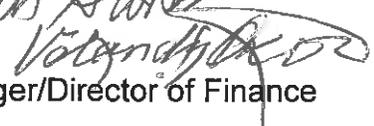
EXHIBIT A
GROUNDS FOR TERMINATION

1. Misfeasance or malfeasance in office.
2. Conviction of a felonious crime.
3. Willful breach or habitual neglect of duties agreed to under this Agreement, after receipt of written notice of the specific improvements required to correct the performance deficiencies.
4. Refusal to follow the reasonable directives of the City Council, after receipt of written notice of the corrections required.
5. Abuse of office or position including waste, fraud, violation of the law under color of authority or a crime against public justice, including, but not limited to those specified under Title 7 of the California Penal Code, commencing with Section 92 of Part 1.

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 16, 2012

SUBJECT: Approval of the FY 2012-2013 Amendment to the Agreement for Services of City Attorney

RECOMMENDATION: Approve the City Attorney FY 2012-2013 Amended Agreement

SUMMARY: The City of Norco engages an Attorney to perform and fulfill all duties and obligations of the Office of the City Attorney. The proposed City Attorney FY 2012-2013 Amended Agreement defines the scope of services for the City Attorney and in the compensation section, states that all general City Attorney services will be provided for the annual retainer amount of \$200,000, including litigation services that are not initiated by the City or for litigation defense which would otherwise be provided through the City's participation in the Public Entity Risk Management Authority ("PERMA"). All other terms and conditions set forth in the Agreement approved in FY 2011-2012 remain effective.

BACKGROUND/ANALYSIS: Given the current economic circumstances faced by the City of Norco, the City Manager and City Attorney have explored alternatives to both providing the best utilization of City Attorney services by the City Council and staff, as well as providing certainty in the amount of attorney's fees.

To that end, last fiscal year the City Council approved an Agreement that provided better clarity to the way litigation hours were paid. All general City Attorney services are currently provided by the City Attorney for the annual retainer amount of \$200,000, payable on a monthly basis, including 100 hours of litigation services annually. Should the amount of litigation exceed 100 hours, litigation is charged on an hourly basis at a rate of \$145 per hour.

The City Attorney is proposing to amend the Agreement (the "Amended Agreement") to include all litigation services in the \$200,000 retainer compensation for Fiscal Year 2012-2013. This does not, however, include litigation initiated by the City for litigation defense which would otherwise be provided through PERMA. Any litigation services not covered will be charged on an hourly basis at a rate of \$145 per hour.

Staff is recommending that the City Council approved the City Attorney Amended Agreement for Fiscal Year 2012-2013.

FINANCIAL IMPACT: Funds for the City Attorney compensation shall be included in the Fiscal Year 2012-2013 General Fund Operating Budget.

/bj-81058

Attachment: City Attorney Amended Agreement

**FY 2012-2013 AMENDMENT
TO THE
AGREEMENT FOR SERVICES
OF CITY ATTORNEY**

THIS FY 2012-2013 AMENDMENT TO THE AGREEMENT FOR SERVICES OF CITY ATTORNEY (“Amended Agreement”) is made and entered into this 16th day of May, 2012, by and between the City of Norco, a Municipal Corporation, Riverside County, California (the “City”) and Harper & Burns LLP, Orange, California (the “Attorney”).

RECITALS

WHEREAS, the compensation for all general City Attorney services, including 100 hours of litigation, has been paid on a monthly retainer basis since Fiscal Year 2010-2011; and

WHEREAS, the parties desire to modify certain compensation provisions, but continue the retainer; and

WHEREAS, It is the purpose of this Amended Agreement and the belief of the parties that a retainer agreement under the current economic circumstances faced by the City and the Successor Agency will provide both certainty in the amount of annual attorney’s fees to the City and Successor Agency and will allow for the City Council and City Staff to more effectively utilize the services of the City Attorney.

COVENANTS

NOW, THEREFORE, it is mutually agreed by the Parties that Section 6, Compensation; and Section 7, Term, shall be amended as follows:

SECTION 6. COMPENSATION. All general City Attorney services will be provided by the Firm for the annual retainer amount of \$200,000. This retainer amount shall include all litigation services provided by the Firm. It shall not, however, include litigation initiated by the City or for litigation defense which would otherwise be provided through the City’s participation in the Public Entity Risk Management Authority, it shall not include any specialized litigation services, provided by a third-party law firm, hired directly by the City or associated with the Firm at the request of the City. Litigation services does not include out-of-the pocket expenses or payments to third parties (i.e. expert witnesses). Any litigation services not covered will be charged on an hourly basis at a rate of \$145 per hour. The Firm shall be entitled to reimbursement for actual out-of-pocket expenses (i.e., mileage, fees).

SECTION 7. TERM. The term of this Amended Agreement shall be from July 1, 2012 through June 30, 2013. If not terminated by either party, or mutually modified, this Amended Agreement will be automatically renew for successive twelve (12) month periods with the same terms and conditions.

NOW, THEREFORE, all other terms and conditions set forth in the Agreement dated June 15, 2011 shall remain effective.

IN WITNESS WHEREOF, the parties hereto have executed this Amended Agreement on the day and year first written above.

Dated: _____, 2012

CITY OF NORCO

By: _____
Kevin Bash, Mayor

Dated: _____, 2012

HARPER & BURNS LLP

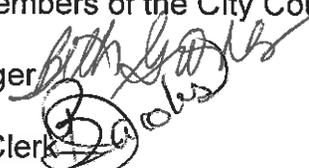
By; _____
John R. Harper, City Attorney

ATTEST:

Brenda K. Jacobs, CMC, City Clerk

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Brenda K. Jacobs, City Clerk 

DATE: May 16, 2012

SUBJECT: Resolution Setting the Regular Meeting Schedules for City Commissions and the Economic Development Advisory Council (the "EDAC") for Fiscal Year 2012-13

RECOMMENDATION: Adopt **Resolution No. 2012-___**, setting the regular meeting schedules for City commissions and the EDAC for Fiscal Year 2012-13.

SUMMARY: A resolution was adopted reducing the number of City commission and EDAC meetings for Fiscal Year 2011-12 in order to more efficiently and fiscally manage the City staffing requirements for preparing and conducting commission meetings. This reduction in regular meetings provided for a more efficient way to transact City business using the current available City staff. As the City continues to face the same financial and staffing challenges, staff is recommending that the City Council adopt a resolution to continue this regular meeting schedule for City commissions and the EDAC for Fiscal Year 2012-13.

BACKGROUND/ANALYSIS: On May 18, 2011, Resolution No. 2011-24 setting the regular meeting schedule for City commissions and the EDAC as follows:

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

The purpose of this reduction in meetings was to provide a more efficient way to transact City business using the current available City staff. As the City continues to face the same fiscal and staffing challenges, it is recommended that this regular meeting schedule be continued for Fiscal Year 2012-13. This recommendation does not 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 based on the maximum compensation allowed at \$50 per meeting or \$100 per month/per commission member. The EDAC Members are not compensated for meeting attendance.

/bj-81045

Attachments: Resolution No. 2012-___

RESOLUTION NO. 2012-____

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 2012-13

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 2012-13 beginning July 1, 2012; and

SECTION 2. The Parks, Recreation and Community Services Commission shall hold not less than one regular scheduled meeting per quarter throughout Fiscal Year 2012-13 beginning July 1, 2012; and

SECTION 3. The Planning Commission shall hold not less than one regular scheduled meeting each calendar month throughout Fiscal Year 2012-13 beginning July 1, 2012; and

SECTION 4. The Streets, Trails and Utilities Commission shall hold not less than one regular scheduled meeting per quarter throughout Fiscal Year 2012-13 beginning July 1, 2012.

SECTION 5. The EDAC shall hold not less than one regular scheduled meeting per quarter throughout Fiscal Year 2012-13 beginning July 1, 2012.

SECTION 6. The compensation set forth for each commission member shall remain in effect.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 16, 2012.

Mayor of the City of Norco, California

ATTEST:

Brenda K. Jacobs, CMC, 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 meeting held on May 16, 2012 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 16, 2012.

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

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 16, 2012

SUBJECT: Resolution Requiring a Four-Fifths (4/5) Super Majority Approval of the City Council For all Use of Principal from the Special Asset Revenue Fund

RECOMMENDATION: Adopt **Resolution No. 2012-___**

SUMMARY: In 2007, the Special Asset Revenue Fund (the "Fund") was created as part of the budget process to deposit revenues from the sale of several City-owned real properties. The proceeds of each sale are deposited in the Fund and interest earnings are transferred to the General Fund to pay for ongoing City operations. The FY 2007-2008 Budget Message included a section on the Fund, stating the intent to include in the Budget Resolution a requirement that any future use of principal from this Fund will require a four-fifths (4/5) super majority approval by the City Council, but was inadvertently left out. Staff is now recommending that the City Council adopt a Resolution confirming this requirement.

BACKGROUND/ANALYSIS: The Special Asset Revenue Fund was created in 2007 to deposit funds received from the sale of City-owned properties. Proceeds of each sale are deposited in the Fund and interest earnings are transferred to the General Fund to pay for ongoing City operations. It is anticipated that investment earnings derived from the Fund will be an ongoing revenue source to the General Fund for years to come.

The FY 2007-2008 Budget Message included the following section:

- **Special Asset Revenue Fund.** The City has initiated an effort to declare several real properties as surplus to the City's needs in order to sell the assets. The proceeds of each sale will be deposited into a Special Asset Revenue Fund and interest earnings will be transferred to the General Fund to pay for ongoing City operations. As part of the Budget Resolution to be adopted by the City Council, staff will recommend that any future use of principal from this Fund will require a four-fifths (4/5) super majority approval the City Council.

As this provision was inadvertently left out of the 2007 budget resolution, staff is now recommending that the City Council adopt a resolution confirming that any future use of principal from the Fund will require a four-fifths (4/5) super majority approval by the City Council.

FINANCIAL IMPACT: The Special Asset Revenue Fund currently has a \$1.4 million balance originating from one-time asset sales and other revenues.

/bj-81087

Attachment: Resolution No. 2012-___

RESOLUTION NO. 2012-____

A RESOLUTION OF THE CITY OF NORCO, CALIFORNIA, REQUIRING A FOUR-FIFTHS (4/5) SUPER MAJORITY APPROVAL THE CITY COUNCIL TO DRAW ANY PRINCIPAL FROM THE SPECIAL ASSET REVENUE FUND

WHEREAS, the City has initiated an effort to declare several real properties as surplus to the City's needs in order to sell the assets; and

WHEREAS, the proceeds of each sale are deposited into a Special Asset Revenue Fund and interest earnings will be transferred to the General Fund to pay for ongoing City operations; and

WHEREAS, the intent of the Special Asset Revenue Fund created in 2007 was that future use of principal from the Special Asset Revenue Fund requires a four-fifths (4/5) super majority approval the City Council and was never formally adopted.

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

SECTION 1. Any future use of principal from the Special Asset Revenue Fund will require a four-fifths (4/5) super majority approval the City Council.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 16, 2012.

Mayor of the City of Norco, California

ATTEST:

Brenda K. Jacobs, CMC, 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 meeting held on May 16, 2012 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 16, 2012.

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

/bj-81086

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Brian K. Petree, Director
Parks, Recreation and Community Services

DATE: May 16, 2012

SUBJECT: Amendment No. 1 to the Contract Agreement for the Energy Efficient Lighting Project

RECOMMENDATION: Approve Amendment No. 1 to the Contract Agreement for the Energy Efficient Lighting Project

SUMMARY: On May 2, 2012, Regency Pacific Development Corporations was awarded a contract for the Energy Efficient Lighting Project. After assessing the project, the contractor has determined that it would be feasible and beneficial to retrofit the sports lights in Riley Gym with energy efficient fixtures which is reimbursable through the approved Energy Efficient Community Block Grant (EECBG).

BACKGROUND/ANALYSIS: The plans and specifications prepared for the construction of the electrical lighting retrofit in city buildings did not include Riley Gym court lighting. After assessing the project, the contractor has determined that it is feasible to provide energy efficient sports court lighting that will meet industry court qualifications standards and save money on electricity. The proposed addition to the contract will increase the project cost by \$23,769 and meets the EEDBG grant requirements. After re-assessing the existing conditions, the contractor has determined that by adding these proposed fixtures to the scope of work we will save approximately 29,598 kWh in electricity annually.

FINANCIAL IMPACT: The increase in cost of \$23,769 brings the total contract amount to \$79,160 which is within the grant allocation of \$153,259. This change will not create any additional financial impact to the City.

/bkp-81085

Attachments: Amendment No. 1 to the Contract Agreement
Contract Agreement for Energy Efficient Lighting Project No. PR-2012.01

**AMENDMENT NO. 1 TO THE CONTRACT AGREEMENT
FOR
THE ENERGY EFFICIENT LIGHTING RETROFIT PROJECT**

PROJECT No. PR- 2012.01

CONTRACT SERVICES AMENDMENT

PARTIES AND DATE

This Amendment No. 1 to the Contract Agreement for Energy Efficient Lighting Retrofit for City Buildings is made and entered into as of this 16th day of **May, 2012**, by and between the CITY OF NORCO (*the "City"*) and Regency-Pacific Development Corporation (*the "Contractor"*).

RECITALS

The City and the Contractor have previously entered into a Contract Agreement dated May 2, 2012, for the purpose of furnishing all labor and materials for retrofitting existing lighting in public facilities; and

The City and the Contractor now desire to amend the Contract Agreement in order to modify the compensation to be paid to contractor as set forth in the Section 3 of the Contract (the "Amended Agreement").

TERMS

The term of the Amended Agreement shall remain until June 8, 2012.

Consideration to the City for entering into this Amended Agreement shall be twenty-three thousand seven hundred sixty-eight dollars and ninety-nine cents (\$23,768.99) to be paid to the contractor net thirty (30) days from completion of work and submittal of invoice to the City.

All other work and conditions shall be performed as set forth in the Contract Agreement.

Except as included in this Amended Agreement, all provisions of the Contract Agreement, including without limitation the indemnity and insurance provisions, bonds and conditions shall remain in full force and effect and shall govern the actions of the Parties under this Amended Agreement.

The Amended Agreement between the City of Norco and Regency-Pacific Development Corporation provides for court lighting at Riley Gym that meets California Energy Commission requirements for energy efficient sports court lighting.

The Amended Agreement provides for materials and labor in the amount of \$23,769.99 for a total contract amount of \$79,160.99 and authorizes the City Manager to approve change orders up to 10% of the revised contract.

The Amended Agreement provides approximately 29,598 kWh in annual electricity savings, resulting in savings of approximately \$1,800 to \$2,500 per year.

IN WITNESS WHEREOF the parties hereto have caused this Amended Agreement to be executed the day and year first written.

CITY:

CONTRACTOR:

Kevin Bash
Mayor, City of Norco

(Corporate Name, Type)

BY: _____

ATTEST:

TITLE: _____

Brenda K. Jacobs
City Clerk, City of Norco

BY: _____

TITLE: _____

NOTE: SIGNATURES OF CORPORATE OFFICIALS MUST BE NOTARIZED.

Subscribed before me on the _____ day of _____, 2012.

Notary Public

My commission expires:

:/bcp81093

**CITY OF NORCO
CONTRACT AGREEMENT
FOR
ENERGY EFFICIENT LIGHTING RETROFIT
PROJECT # PR-2012.01**

THIS CONTRACT AGREEMENT is made and entered into for the above stated project this 2nd day of May, 2012, BY AND BETWEEN THE CITY OF NORCO, hereinafter called the "CITY", and Regency-Pacific Development Corporation, hereinafter called the "CONTRACTOR".

WITNESSETH:

That the CITY and the CONTRACTOR have mutually agreed as follows:

CONTRACT

ARTICLE I

The Contract Documents for the aforesaid project shall consist of the Notice Inviting Sealed Bids, Instructions to Bidders, Proposal, General Specifications, Standard Specifications, Special Provisions, and all referenced Specifications, details, standard drawings, and appendices including all applicable State and Federal requirements; together with this Contract Agreement and all required bonds, insurance certificates, permits, notices, and affidavits; and also including any and all addenda or supplemental agreements clarifying, amending, or extending the work contemplated as may be required to ensure its completion in an acceptable manner. All of the provisions of said Contract Documents are made a part hereof as though fully set forth herein.

ARTICLE II

TIME FOR COMPLETION: The work shall be commenced on a date to be specified in a written order from the CITY and shall be completed by June 8, 2012.

ARTICLE III

COMPENSATION TO BE PAID TO CONTRACTOR: The CITY agrees to pay and the CONTRACTOR agrees to accept in full consideration for the performance of the Contract, subject to additions and deductions as provided in the General Conditions, the sum of: FIFTY-FIVE THOUSAND THREE HUNDRED NINETY-ONE DOLLARS (\$55,391).

ARTICLE IV

For and in consideration of the payments and agreements to be made and performed by the CITY, CONTRACTOR agrees to furnish all materials and perform all work required for the above stated project, and to fulfill all other obligations as set forth in the

aforesaid Contract Documents.

ARTICLE V

CONTRACTOR agrees to receive and accept the prices set forth in the Proposal as full compensation for furnishing all materials, performing all work, and fulfilling all obligations hereunder:

Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the aforesaid Contract Documents; and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work.

ARTICLE VI

The CITY hereby promises and agrees to employ, and does hereby employ, **CONTRACTOR** to provide the materials, do the work, and fulfill the obligations according to the terms and conditions herein contained and referred to, for the prices aforesaid, and hereby contracts to pay the same at the time, in the manner, and upon the conditions set forth in the Contract Documents.

ARTICLE VII

Contractor specifically acknowledges and agrees to be bound by the Wage Rates and Labor Code Requirements section of the General Conditions for this project.

ARTICLE VIII

CONTRACTOR acknowledges the provisions of the State Labor Code requiring every employer to be insured against liability for worker's compensation, or to undertake self-insurance in accordance with the provisions of that code, and certifies compliance with such provisions.

ARTICLE IX

CONTRACTOR agrees to indemnify and hold harmless the CITY and all of its officers and agents from any claims, demands, or causes of action; including related expenses, attorney's fees, and costs; based on, arising out of, or in any way related to the work undertaken by **CONTRACTOR** hereunder.

ARTICLE X

CONTRACTOR affirms that the signatures, titles, and seals set forth hereinafter in execution of this Contract Agreement represent all individuals, firm members, partners, joint venturers, and/or corporate officers having a principal interest herein and that each is fully authorized to sign on behalf of any business entity that he may represent.

ARTICLE XI

CONTRACTOR represents and agrees that it does not and will not discriminate against any subcontractor, consultant, employee, or applicant for employment because of race, religion, color, sex, or national origin in any matter including without limitation employment upgrading, demotion, transfers, recruitment, recruitment advertising, layoff, termination, rates of pay, or other forms of compensation and selection for training, including apprenticeship.

ARTICLE XII

CONTRACTOR warrants that all principals to this Contract are duly organized and validly existing business entities and that each such entity has full right and authority to enter into this Contract.

CONTRACT AGREEMENT

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first written.

CITY:


Kevin Bash
Mayor, City of Norco

CONTRACTOR:

RESNENCY-PAGLEIS DEVELOPMENT CORP.
(Corporate Name, Type)

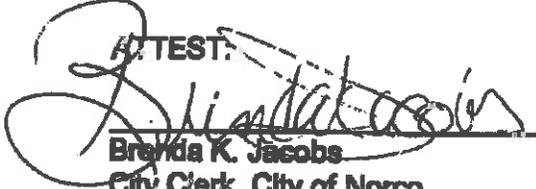
BY: 

TITLE: PRESIDENT

BY: _____

TITLE: _____

ATTEST:


Brenda K. Jacobs
City Clerk, City of Norco

NOTE: SIGNATURES OF CORPORATE OFFICIALS MUST BE NOTARIZED.

Subscribed before me on the 2nd day of May, 2012.




Notary Public

My commission expires:

08/03/2013

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

PREPARED BY: Lori J. Askew, Deputy Public Works Director/Senior Engineer 

DATE: May 16, 2012

SUBJECT: Resolution Approving the Installation of "No Parking" Signs on Belgian Drive, Stallion Drive Dales Drive and Lonestar Drive in the Vicinity of Norco College

RECOMMENDATION: Adopt **Resolution No. 2012-___**.

SUMMARY: The proposed resolution has been prepared authorizing staff to install "No Parking" signs along certain portions of Stallion Drive, Belgian Drive, Lonestar Drive, and Dales Drive with parking restrictions Monday through Friday, from 8 a.m. to 7 p.m. The residents along those streets will be provided with two parking permits for their use during the posted hours.

BACKGROUND/ANALYSIS: Residents that live on Belgian and Stallion Drive, in the vicinity of Norco College, requested that the City place some kind of parking restrictions on these streets to minimize student parking on the streets, which is also generating litter on and along those streets. At its April 18, 2012 meeting, the City Council directed staff to prepare a resolution to restrict parking on certain streets near the Norco College campus, Monday through Friday, during the hours of 8 a.m. to 7 p.m. However, due to some of the residents stating that there is a need to have parking available for their use during this time, it was determined that two parking permits per affected residence would be issued granting the residents the ability to park on the streets during these restricted times.

The parking restrictions will apply to Stallion Drive between Dales Drive and cul-de-sac; Lonestar Drive between Dales Drive and Maricopa Street; Belgian Drive between Lonestar and cul-de-sac; and Dales Drive between Lonestar Drive and Stallion Drive. Signs will be installed along these streets at appropriate intervals. Sign material costs are approximately \$76 per sign.

FINANCIAL IMPACT: Funds are available in the adopted FY 2012-2016 CIP Budget Capital Improvement Fund 137 (Measure "A"), and from Capital Improvement Fund 133 (Gas Tax) for this project.

lja/81088

Attachments: Resolution 2012-___
Vicinity Map

RESOLUTION NO. 2012-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING THE INSTALLATION OF "NO PARKING" SIGNS DURING CERTAIN TIMES ALONG STALLION DRIVE, BELGIAN DRIVE, LONESTAR DRIVE AND DALES DRIVE IN THE VICINITY OF THE NORCO COLLEGE CAMPUS

WHEREAS, Section 22507 of the California Vehicle Code authorizes agencies, by Resolution, to control the parking or standing of vehicles on local streets; and

WHEREAS, the parking of vehicles on Stallion Drive, Belgian Drive, Lonestar Drive, and Dales Drive in the vicinity of the Norco College campus has resulted in an inconvenience for the residents in addition to a litter problem; and

WHEREAS, the installation of "No Parking" signs during certain days and hours will be beneficial to the local residents; and

WHEREAS, supplying the residents on those posted streets with two parking permits per household will allow them to still park on the local streets.

NOW, THEREFORE, BE IT RESOLVED that the City council of the City of Norco does hereby find, determine, order and resolve as follows:

SECTION 1. That there be established a "No Parking Zone" Monday through Friday between the hours of 8 a.m. and 7 p.m.; and

SECTION 2. That the restricted streets include Stallion Drive between Dales Drive and cul-de-sac; Lonestar Drive between Dales Drive and Maricopa Street; Belgian Drive between Lonestar Drive and cul-de-sac; and Dales Drive between Lonestar Drive and Stallion Drive; and

SECTION 3. That each affected residence will be given two parking permits for their use during the posted hours.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held on May 16, 2012.

Mayor of the City of Norco, California

ATTEST:

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

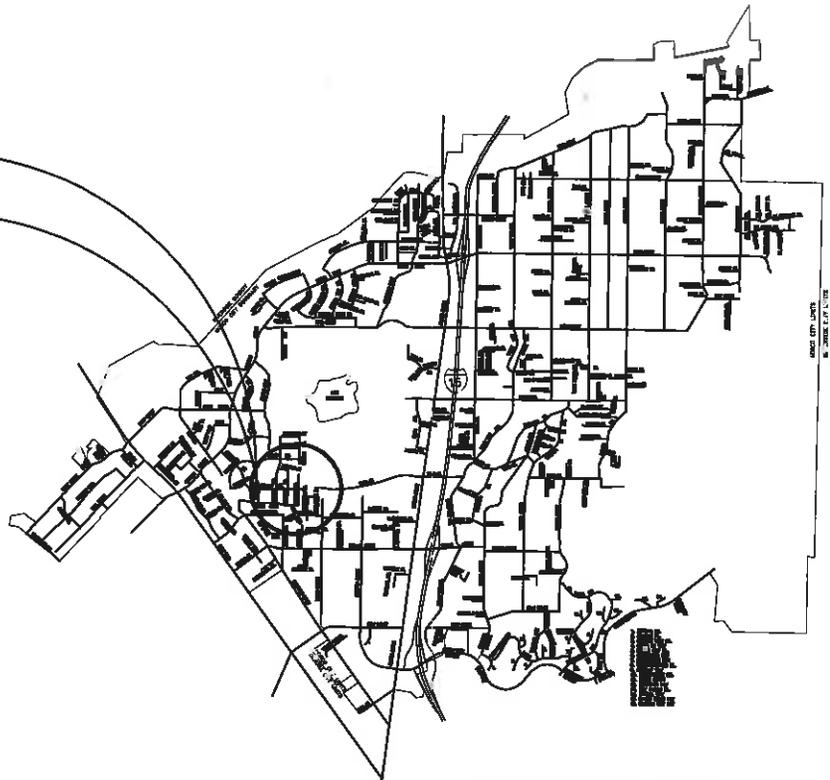
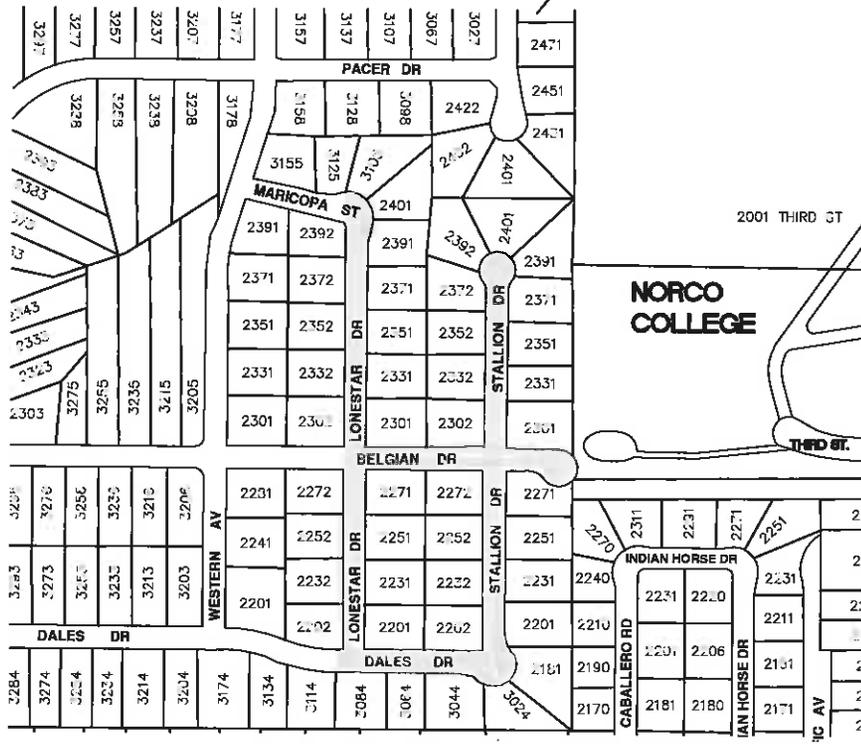
I, BRENDA K. JACOBS, City Clerk of the City of Norco, California, do hereby certify that the foregoing Resolution was adopted by the City Council of the City of Norco, California, at a regular meeting thereof held on May 16, 2012 by the following vote of the City Council:

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 16, 2012.

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

/lja-81089

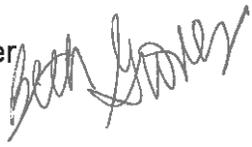


SCALE 1"=500'

NORCO CITY MAP
 © 2000, 2001, 2002

CITY OF NORCO STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Beth Groves, City Manager 

DATE: May 16, 2012

SUBJECT: Update on the George Ingalls Equestrian Event Center Management and Operation Plans

RECOMMENDATION: Receive and File

SUMMARY: The City Manager and Director of Parks, Recreation & Community Services will provide an update to the City Council on various plans and activities regarding the operations at the George Ingalls Equestrian Event Center.

Topics include the recruitment and scheduling of multi-day events, an arena banner sponsorship program, update on the second arena and an update on the "Park Pride" program.

/81110