



MINUTES
CITY OF NORCO
CITY COUNCIL
SPECIAL MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
MAY 15, 2013

CALL TO ORDER: Mayor Azevedo called the meeting to order at 4:00 p.m.

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

1. WORKSHOP PRESENTATION OF THE FISCAL YEAR 2013-2014 BUDGETS.

A. Additional information on General Fund Revenues/Operating Budgets

City Manager Groves and Deputy City Manager/Director of Finance Okoro presented some follow-up information on the Operating Budget showing the City of Norco sales tax receipts compared to the average statewide totals. It was noted that the City's revenues are driven by auto sales and fuel/service stations, which are at risk to the City in the case of a recession, while also providing the opportunity to attract new businesses to diversify sales tax revenues.

B. Presentation of Capital Improvement Program (CIP) Budgets

Information was presented on the proposed CIP Budgets including the following:

Sources of Capital Projects Funding:

- Development Impact Fees
 - a) Amount charged in connection with land development to pay for facilities or services needed to serve the new development.
 - b) Fee structure governed by AB 1600.
 - c) Fee can be charged on residential, industrial and commercial developments.
 - d) Due to very limited new development in the City in recent years, minimal amount received.
- Bonds (Borrowing)
 - a) Long-term borrowing (usually 30 years) to finance infrastructure projects.
 - b) Must have pledged revenue source for payment (sewer and water revenues).
 - c) Ability to borrow is based on revenue coverage.
 - d) Use of bond proceeds restricted to projects that benefit the major activity; Water Fund bond proceeds cannot be used to do park projects.
 - e) City ability to issue new bonds is almost non-existent because of revenues to make debt service payments.
- Measure A Transportation Sales Tax
 - a) Derived from ½% County sales tax add-on.

- b) County is responsible for allocation based upon agreed formula.
 - c) Use is restricted to streets and roads projects.
 - d) Requires Maintenance of Efforts matching funds.
 - e) City receives monthly allocation – current annual estimated allocation is \$533,000.
- Grants/Other – Federal, State and Local
 - a) For specific purposes.
 - b) May require local matching funds.
 - c) Becoming harder to get.
 - d) Other sources include TUMF and funding from other regional governments such as the Flood Control District.
 - Local Funds
 - a) Government's own local revenues set aside for capital projects.
 - b) City has no policy of setting local revenues aside for capital projects (except for Water and Sewer Funds).
 - c) As other funding sources become very limited or unavailable, this will have to become the way to fund future capital projects.

Key Projects in Summary:

- Park Improvements Projects
 - a) Ingalls Park Improvements
 - b) Wayne Makin Field Lights
- Water Fund Improvements Projects
 - a) Bluff Street 4 MG Reservoir
 - b) Water Treatment Arsenic/Fluoride/Chlorine
 - c) Transmission Pipeline – Bronco Ln to Corydon Ave.
 - d) Reservoir Maintenance
- Street improvement Fund Projects
 - a) Street Widening
 - Third St. – Valley View Ave. to Corona
 - Norconian Dr.
 - Hamner Ave. – North of the River
 - b) Rehab and Overlay Projects
 - c) Reconstruction
 - Norconian Dr.
 - Third Street – Valley View to Corona
 - Santa Ana River Trails
- Storm Drain Projects
 - a) Hillside Ave. at Seventh St.
 - b) Center Ave. at Seventh St.
 - c) Temescal Ave. at Wrangler Wy.
 - d) Center Ave. South of Seventh St.
 - e) Kingman Dr.

- f) Temescal Ave. – High School
- g) Various Drain Improvements
- h) Bluff Stabilization – Funds Match
- i) Bluff Stabilization Maintenance
- Sewer Fund Projects
 - a) WRCRWA Improvements
 - b) Meters/SCADA
 - c) Recycled Water – Corona Connection
 - d) Purchase Additional WRCRWA Capacity
 - e) CRC/Navy Facilities
- Measure A Funded Projects
 - a) Unspecified Rehab and Overlay
 - b) Corona Ave. – First St. to Second St.
 - c) Third St. – Valley View Ave. to Corona Ave.
 - d) Norconian Dr.
 - e) Various Reconstruction Projects

Vern Showalter. Mr. Showalter asked about the cell towers at Wayne Makin. In response, Director Petree stated they will help offset the costs and the funds will go back into recovery of costs.

2. PUBLIC COMMENTS OR QUESTIONS:

Sharon Higman. Ms. Higman asked when the Third Street, from Valley View to Corona, project is it going to happen. In response, Director Thompson stated that it is designed and ready to go out to bid and waited for funding to move forward, adding that it will be September 1st at the earliest.

3. ADJOURNMENT: There being no further business to come before the City Council, Mayor Azevedo adjourned the meeting at 5:31 p.m.

BRENDA K. JACOBS, CMC
CITY CLERK