



MINUTES  
CITY OF NORCO  
CITY COUNCIL

October 16, 2013

City Council Chambers  
2820 Clark Avenue, Norco, CA 92860

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

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CALL TO ORDER: Mayor Azevedo called the meeting to order at 6:03 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**

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

**Section 54956.8 – Conference with Real Property Negotiator**

Street Address / Parcel Number: 2000 Hamner Avenue, Norco, CA 92860  
APN 126-120-015

City Negotiator: Andy Okoro, City Manager

Points Under Negotiation: Price and Terms of Payment

**Section 54957(b)(4) – Evaluation of Performance** City Attorney

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 item discussed in Closed Session. Mayor Azevedo stated that the City Attorney performance review will be continued.**

PLEDGE OF ALLEGIANCE: Council Member Bash

INVOCATION: Grace Fellowship Church  
*Pastor Vernie Fletcher*

PRESENTATIONS: Proclamation for Red Ribbon Week  
*October 23 – 31, 2013*

**A proclamation was presented to representatives of the Corona-Norco Unified School District and the individuals further provided information regarding the festivities held during Red Ribbon Week.**

American Cancer Society

**The Chairman of Norco Relay for Life 2014 was in attendance and provided information regarding the event. She requested a proclamation from the City Council for this year's event.**

Legislative Update

**Mario Herrera, representing Assemblyman Eric Linder, provided an update on AB401 and SB359, both relieving traffic and bringing jobs in to the Inland Empire. He further commented on the Inland Empire being a hub for trucking, noting that Sacramento has imposed regulations for these hubs to come into compliance.**

CITY COUNCIL BUSINESS ITEMS AS FOLLOWS:

1. CITY COUNCIL COMMUNICATIONS / REPORTS ON REGIONAL BOARDS AND COMMISSIONS:

**Mayor Pro Tem Hanna:**

- Reported on the RCTC meeting he attended at which time it was approved to begin the planning for rail service from the Coachella Valley to Riverside.
- Reported that on December 11, 2013, the ground breaking ceremony for the 91 Freeway Expansion Project will be held.
- Reported on the Northwest Mosquito Abatement District meeting he attended, noting that three (3) birds have tested positive for West Nile in Riverside County.
- Reported that NART has purchased new equipment, adding that there are two (2) new members.
- Reported that he attended a meeting with the County to discuss gourmet food trucks, noting that the County is proposing a resolution to control the food trucks. He added that Norco will also need to discuss this to prevent taking patrons away from the local businesses.

**Council Member Bash:**

- Reported on the November 2, 2013 Gala event that will be held celebrating the 125-year history of the Corona Norco Unified School District. He further encouraged support for the Districts educational foundation.
- Reported on the meeting to be held on October 24<sup>th</sup> at Norco High School regarding the Corona-Norco Unified School District Board of Education Trustee Area proposed maps.

- Commented on the ROTC program at Norco High School and requested a proclamation honoring Lt. Col. Kenneth M. Francis at the next meeting.

**Mayor Azevedo:**

- Reported on the WRCOG meeting she attended, noting the key note speaker from AT&T that spoke regarding accidents caused by using cell phones while driving. She further commented on the WRCOG HERO Program, noting the high participation in this Program, adding that Norco has over 300 homes that have participated in the Program.
- Reported on the City's 50<sup>th</sup> Birthday celebration meeting held, noting that there were approximately 50 persons in attendance representing City organizations.

CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS (Agenda Item moved by Mayor Azevedo):

City Manager Okoro presented information regarding the following updates:

**Silverlakes Equestrian & Sports Park:**

- The plan was to have the Balboa project developer at this meeting to provide an update, but because there is nothing substantial to report, they are not in attendance.
- The documents relevant to the project were approved by the City Council on July 6, 2011 between Balboa Management Group, LLC and the City.
- The Ground Lease lays out the terms and conditions for Balboa's lease from the City. The original term of the Lease calls for 30 years, with the option to renew for 13, 5-year additional terms, up to 99 years in total. The Lease payments are set initially at \$396,480 annually and paid monthly. The Lease payment escalates at the beginning of years 6, 16, 26 and every five years thereafter, depending on the CPI in the previous 5 year payment period. The Lease payments began on January 1, 2012 and have all been made through September of 2013. To this date, including the security deposit amount of \$198,240, and the \$33,040 in monthly payments received, a total of \$892,080 has been received from Balboa.
- The Funding, Construction & Acquisition Agreement outlines how the City's on-site improvements will be funded, constructed and reimbursed. Balboa is responsible for building the on-site city public infrastructure improvements which include sewer and water improvements. These improvements are funded by existing City bond proceeds in an amount not exceeding \$6 million. Balboa will repay the bonds in equal monthly installments over the remaining term of the existing bonds, which is October 1, 2039 (amortized based upon an interest rate of 5.9% per annum) and shall commence thirty (30) days from the date on which the City Council takes a final action to accept dedication of, or transfer of title, to the facilities constructed. To this date, \$5,575,884 has been made available to Balboa based on actual work completed.

**City Manager Okoro** stated that he has been in contact with Balboa on a weekly basis and is communicating with the appraiser that is working for the bank that Balboa is in the process of securing a loan from. As soon as the loan is secured, work on the project will commence again.

**Council Member Sullivan** asked about the appraiser, noting that if the City owns the land, what would an appraised value be worth to Balboa. In response, City Attorney Harper stated that Balboa pays proprietary tax, based on the value of the land.

**Council Member Bash** commented on the loan, noting how the invoices were reviewed and paid from actual expenses. City Attorney Harper added that there is no profit for Balboa on the construction project. Council Member Bash received confirmation on Balboa's Lease payments to the City coming out of its own pocket, which provide revenue to the General Fund. He also noted the fast-tracking and regional involvement in the Hamner Avenue Widening Project and the Hamner Avenue Bridge project. He further commented on the previous condition of the property, noting the cost to the City for maintaining the property and how it has been vastly improved. Council Member Bash commented on the funding to Balboa, noting that a conscious decision was made to move forward on the project, rather than step back, partly based on the public improvements.

**Mayor Azevedo** stated that all the decisions that have been made were all unanimous by the City Council

**Council Member Sullivan** noted that yes, when he signed the contract he believed at the time that the bond money drawn on the City was to be used to put in the water and sewer infrastructure at Silverlakes. He further commented on the language on the official bond statement regarding what the money is required to be used for, as guaranteed by the rate payers, adding that none of the water and sewer infrastructure has been put in. He noted that he does not agree with how the money was spent, as he believes it was mostly spent on dirt. He stated that he wants the business to be successful; noting that he does not believe the Funding, Construction and Acquisition Agreement was clear regarding how the loan should be administered and was not administered properly.

**Council Member Bash** stated that he has requested documents from Public Works Director Askew that should clear up this issue regarding the infrastructure and grading on the site.

**Council Member Sullivan** stated that he spoke with Public works Director Askew and looked at the plans noting that none of the water and sewer infrastructure has been put in on the site, only on Hamner Avenue.

**Public Works Director Askew** commented that she did speak with Council Member Sullivan, noting the discussions regarding the existing points of connection for the water and sewer lines and the infill dirt that was brought in on the Silverlakes property. She also confirmed that no onsite water and sewer infrastructure has been constructed on the site. She also stated that there are wells on the property which will be owned by the City when Balboa vacates the property, noting that test wells have been dug and there is one existing well on the site.

**Navy Sign:**

- Commented on the complaints received from residents regarding the Navy sign and the signed petition by 27 residents. The Navy was surprised by the residents' reaction as they believed it was a patriotic action. The decision to remove the sign will be made by Captain Hardy, located at Seal Beach, and they are willing to take action if the City Council asks them to do so.

**Council Member Sullivan** stated that maybe the Council should wait to hear back from Seal Beach.

**Council Member Bash** stated that his concern is not just the sign, but also the storage units, noting that they need to be removed.

**M/S Bash/Higgins to agendize a discussion regarding the Navy sign and the storage units on the Base. The motion was carried by the following roll call vote:**

**AYES: AZEVEDO, BASH, HANNA, HIGGINS, SULLIVAN**

**NOES: NONE**

**ABSENT: NONE**

**ABSTAIN: NONE**

**Broken Arrow Group Home:**

- As a result of public safety concerns, letters, accompanied by the audio of the August 7, 2013 City Council meeting were sent to the regulatory licensing agencies. Communications were received in response from the State Department of Social Services and the Inland Regional Center. As a result of the concerns, a complaint has been opened regarding lack of supervision to determine if sufficient supervision is being provided to the residents. The findings of the investigation will be sent to the City following the investigation.

**2. CITY COUNCIL CONSENT ITEMS:**

Council Member Higgins pulled Item 2.F. for discussion; Council Member Bash pulled Items 2.A. and 2.G. for discussion; and Mayor Pro Tem Hanna pulled Item 2.H. for discussion.

**M/S Hanna/Bash to adopt the remaining 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 October 2, 2013  
Special Meeting of September 25, 2013  
Recommended Action: **Approve the City Council Minutes** (City Clerk)  
**PULLED FOR DISCUSSION**
- B. Procedural Step to Approve Ordinance after Reading of Title Only.  
**Recommended Action: Approval** (City Clerk)
- C. Recap of the Planning Commission Meeting of October 9, 2013.  
**Recommended Action: Receive and File** (Planning Director)
- D. Quarterly Investment Report for Quarter Ended September 30, 2013.  
**Recommended Action: Receive and File** (City Manager)
- E. Contract for Design Services for the Bluff Street and Western Avenue Waterline Project. **Recommended Action: Award of Contract to RKA Consulting Group in the amount of \$47,750 for Engineering and Design Services for the Bluff Street 16" waterline from Bronco Lane to Vine Street; and Western Avenue 12" waterline from Appaloosa Street to Bluff Street.** (Public Works Director)
- F. Approval of Projects for Use of Community Development Block Grant (CDBG) Funds (Program Year 2014-2015) Through the U. S. Department of Housing and Urban Development and the County of Riverside Economic Development Agency. **Recommended Action: Approve the following projects be submitted for funding through the CDBG Program for Program Year 2014-2015: 1. Norco Party Partners (\$10,000); 2. Senior Citizens Recreation and Community Service Leader (\$10,000); and 3. Ingalls Park ADA Restroom Project (\$110,000).** (Parks, Recreation and Community Services Director)  
**PULLED FOR DISCUSSION**
- G. Approval of the Standard Agreement for Refuse Removal and Disposal Services Provided to the California Department of Corrections and Rehabilitation Center (CDCR), California Rehabilitation Center. **Recommended Action: Adopt Resolution No. 2013-61 approving Standard Agreement #5600004113 between the City of Norco and the California Department of Corrections and Rehabilitation Center (CDCR) for Solid Waste Collection Services at California Rehabilitation Center (CRC) Norco.** (City Manager) **PULLED FOR DISCUSSION**
- H. Memorandum of Understanding between the City of Norco and Western Municipal Water District. **Recommended Action: Approve the Memorandum of Understanding between the City of Norco and Western Municipal Water District (WMWD) for the assignment and exchange of water produced from the Arlington Desalter and the**

**Chino Desalters; and, authorize the City Manager to execute the Agreement. (Water & Sewer Manager) PULLED FOR DISCUSSION**

- I. Approval of Amendment to the Implementation Agreement for the Santa Ana Region Municipal NPDES Permit – 2010. **Recommended Action: Approve the First Amendment to the NPDES Urban Runoff Discharge Permit Implementation Agreement, Santa Ana Region.** (Public Works Director)

3. ITEM(S) PULLED FROM CITY COUNCIL CONSENT CALENDAR:

**Item 1.A.** City Council Minutes:  
Regular Meeting of October 2, 2013  
Special Meeting of September 25, 2013

**Council Member Bash** requested that a statement he made “we can bale if we want to” be added to the Special Meeting minutes of September 25, 2013.

**M/S Bash/Higgins to approve the Regular Meeting Minutes of October 2, 2013 and the Regular Meeting Amended Minutes of September 25, 2013. The motion was carried by the following roll call vote:**

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

**Item 1.F.** Approval of Projects for Use of Community Development Block Grant (CDBG) Funds (Program Year 2014-2015) Through the U. S. Department of Housing and Urban Development and the County of Riverside Economic Development Agency.

**Council Member Higgins** asked for clarification regarding the job requirements of the staff person and how much of the salary is covered by the General Fund. He also inquired about the hours of operation at the Senior Center.

**Director Petree** stated that this is the position of the Senior Citizens Recreation and Community Services Leader, adding that approximately \$2,000 of the salary comes out of the general fund. Director Petree also confirmed that this position is currently being funded by CDBG funds and the hours at the Senior Center will remain the same.

**M/S Higgins/Bash to approve the following projects be submitted for funding through the CDBG Program for Program Year 2014-2015: 1. Norco Party Partners (\$10,000); 2. Senior Citizens Recreation and Community Service Leader (\$10,000); and 3. Ingalls Park ADA Restroom Project (\$110,000). The motion was carried by the following roll call vote:**

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

**Item 1.G.** Approval of the Standard Agreement for Refuse Removal and Disposal Services Provided to the California Department of Corrections and Rehabilitation Center (CDCR), California Rehabilitation Center.

**Council Member Bash** asked if we agree to this and don't go with Waste Management, are we still tied into this agreement. In response, City Manager Okoro noted that no, we are not tied to Waste Management; however, the State has reviewed its options and has found the best rates with Waste Management, rather than the option to select their own hauler.

**Mayor Azevedo** asked for confirmation on the billing. In response, City Manager Okoro stated that the City does the billing for Waste Management, adding that as part of the proposed contract, the City will receive an increased amount from Waste Management for doing the billing, which is an advantage to the City.

**M/S Bash/Hanna to adopt Resolution No. 2013-61 approving Standard Agreement #5600004113 between the City of Norco and the California Department of Corrections and Rehabilitation Center (CDCR) for Solid Waste Collection Services at California Rehabilitation Center (CRC) Norco. The motion was carried by the following roll call vote:**

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

**Item 1.H.** Memorandum of Understanding between the City of Norco and Western Municipal Water District.

**Mayor Pro Tem Hanna** asked Water & Sewer Manager Thompson to explain this item to the audience. In response, Mr. Thompson commented on the agreement which memorializes the transfer of a capacity right and conveys the water into the City for its use.

**M/S Hanna/Higgins to approve the Memorandum of Understanding between the City of Norco and Western Municipal Water District (WMWD) for the assignment and exchange of water produced from the Arlington Desalter and the Chino Desalters; and, authorize the City Manager to execute the Agreement. 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 DISCUSSION / ACTION ITEMS:**

- A. Fiscal Year 2012-2013 Year-End Budget to Actual Report.  
**Recommendation: Receive and file.** (City Manager)

**City Manager Okoro** presented information regarding the Fiscal Year 2012-2013 Year-End budget to Actual report. He noted that this report provides information that compares how the City did on an actual basis. In general, the news is very good in regards to financial performance and is much better than the budget as approved. The revenue totaled \$15.9 million and exceeded the \$13.9 million expenditures by \$2 million. However, approximately \$1.2 million of the increase to the fund balance came from one-time revenues. Property tax revenues exceeded the budget by \$234,000 and increased as a result of the dissolution of the Redevelopment Agency. Sales tax continues to improve and increased by nearly \$500,000 since the last fiscal year. On the expenditure side, actual expenditures came in below budget by \$342,000 for various programs and services.

City Manager Okoro stated that the current Fiscal Year 2013-14 relied on borrowing from the fund balance to balance the budget, and he is hoping that this will not be necessary to use. In regards to the Special Asset Revenue Fund, it was anticipated borrowing \$500,000 from this Fund into the General Fund and it looks like this will not be necessary and will be recommended to transfer this amount back.

The Water and Sewer Funds performed well. In regards to the Water Fund, this is the first time in 10 years that the amount spent on purchased water went down from previous years resulting in a cash reserve. He noted that the unit cost of purchased water is still going up. In regards to the Sewer Fund, revenues exceeded expenditures and ended the year with \$2.1 million cash in the Fund.

City Manager Okoro commented on the practice of reporting on Landscape Maintenance Districts, noting that the revenue and expenditures numbers came in reasonably close to the amount of the City Engineer's estimates.

**Council Member Higgins** commented on the LMD budgets, asking if this will be distributed to the residents that live in the LMDs. In response, City Manager Okoro noted that this report is on the City's website and can also be mailed out, noting the expenses involved in the mailing. Council Member Higgins stated that it should be made available in the City Clerk's office to provide to the residents.

**Mayor Azevedo** commented on how well Norco has done, attributing this to staff and volunteers. She commented on the cost of letters sent and added that an email blast could be sent out for communication purposes.

**M/S Sullivan/Higgins to receive and file the report. The motion was carried by the following roll call vote:**

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

- B. Discussion regarding the Adopted Sheriff's Department / City Towing Company Tow Policy. **No staff recommendation.** (City Council)

**City Manager Okoro** provided information as presented in the staff report. He stated that based on a review by the Planning Director, there are only two (2) locations in the City where vehicle storage facilities could be located.

**Council Member Higgins** stated that the Council was under the assumption the last time this item was discussed that all the tow companies were in compliance, noting that based on this report, only one (1) out of five (5) tow companies are in compliance. He commented on his concerns regarding compliance issues with the CUPs and asked if these will be reviewed by the Planning Commission.

**Planning Director King** stated, in response, that each has different circumstances, noting that one was operating under a CUP that was approved a long time ago and one is operating with a site plan, as allowed at that time and not in compliance with conditions, which now would require a CUP. He noted another facility was held up due to City public improvements. He noted the different situations for each facility that is not in compliance.

**Council Member Sullivan** stated that if some of the tow companies are out of compliance, give them reasonable time to come into compliance.

**Council Member Bash** commented on his visit to one of the sites, noting that in talking with the tow company, he wants to make sure services are provided. He also commented on the needs of the City and what each tow company can provide.

**Mayor Azevedo** commented on Hamner Towing, noting that they did not have the opportunity to speak at the last meeting. She added that they are an outstanding tow company.

**Joe Fernandes.** Mr. Fernandes, owner of Norco Auto Towing, commented on Hamner Towing moving and noted that there is no need for five (5) or six (6) tow yards in the City.

**Casey Horvath.** Mr. Horvath commented on the history behind Hamner Towing's move from Norco to Corona. He noted that they are in compliance with the Administrative Policy, but are located outside of the City. He asked for the Tow Rotation Policy to be kept status quo with the five (5) original companies and amended to state that any new company need to be located in the City. He stated that he feels left out with any merit. In response to Mayor Pro tem Hanna, he stated that there are not many calls for big rigs in Norco and they are not a part of the Freeway Patrol. In response to Council Member Higgins, he stated they chose to buy land in Corona.

**Mayor Azevedo** stated that when a business has been doing business in town since 1996, it should be grandfathered in.

**Council Member Bash** noted that he has to protect the Norco brick and mortar businesses.

**Council Member Higgins** stated that originally he heard that Hamner Towing was forced to move to Corona and then heard that they chose to move, adding that is why he asked for clarification that they chose to move to Corona. He stated that this is why he recommends to receive and file the report.

**M/S Higgins/Sullivan to receive and file the report. The motion was carried by the following roll call vote:**

**Under Discussion:**

**Council Member Sullivan** stated that some decisions are difficult to make, but must be made based on what is best for the City. He added that Hamner Towing has been a great giver and participated in a lot of programs in the City.

**Mayor Azevedo** noted that the towing businesses in town are not a business that are encouraged to come into town.

**AYES: BASH, HANNA, HIGGINS, SULLIVAN**

**NOES: AZEVEDO**

**ABSENT: NONE**

**ABSTAIN: NONE**

**5. PUBLIC COMMENTS OR QUESTIONS:**

**Ken Ferris.** Mr. Ferris commented on his opposition to the Navy sign and also his correspondence with the Seal Beach Commander. He recommended that a letter be sent asking that the sign be removed and trees be planted to hide the containers.

**Karen Leonard.** Ms. Leonard commented on some inconsistency regarding persons addressing the City Council exercising their first amendment rights. She added that the outburst at the last City Council meeting was embarrassing to her and others in attendance and it would be helpful and in everyone's best interest to have guidelines for everyone to follow.

**Julie Waltz.** Ms. Waltz thanked staff for removing the tree. She further commented on the abuse going on at the Broken Arrow Group Home.

**Linda Dixon.** Ms. Dixon announced the Oktoberfest fund raiser put on by the Lake Norconian Club Foundation on Tuesday, October 24<sup>th</sup> at the Sons of Liberty Aleworks where Assemblyman Eric Linder will be the guest speaker. She also invited everyone to the USO Canteen Dinner and Dance on November 16<sup>th</sup> at Nellie Weaver Hall, which will be the kick-off for the Veterans Memorial fundraising.

6. CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS:

**Mayor Azevedo** commented on a radio interview she participated in, noting that all 51 cities in the Inland Empire will be interviewed and was kicked off with the City of Norco.

7. ADJOURNMENT: There being no further business to come before the City Council, Mayor Azevedo adjourned the meeting at 9:35 p.m.

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BRENDA K. JACOBS, CMC  
CITY CLERK