



MINUTES
CITY OF NORCO
CITY COUNCIL
SUCCESSOR AGENCY TO THE NORCO COMMUNITY REDEVELOPMENT AGENCY

November 20, 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

CALL TO ORDER: Mayor Azevedo called the meeting to order at 7:00 p.m.

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

PLEDGE OF ALLEGIANCE: Council Member Sullivan

INVOCATION: Corona Church of the Open Doors
Pastor Fred Griffin

INTRODUCTION: Javier Rodriguez, Code Enforcement Officer

PRESENTATION: **Tony Barreto, representing Norco Horseweek, presented a check in the amount of \$2,200 for the Norco Senior Citizens and Pet Relief Fund.**

RECOGNITION: Honoring Council Member Sullivan

With this being his last Regular City Council Meeting, Council Member Sullivan was honored for his 12 years of service as a Council Member. He was recognized by the City, local, regional and state officials; as well as his family, for his service to the City of Norco. Council Member Sullivan served as Mayor in 2003 and 2007, and Mayor Pro-Tem in 2002 and 2006.

CITY COUNCIL BUSINESS ITEMS AS FOLLOWS:

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

Council Member Bash:

- Invited everyone to the National Pearl Harbor Remembrance Day event to be held on December 7th on the grounds of the Navy Base.

Mayor Pro Tem Hanna:

- Stated that he missed the last Riverside County Transportation Commission (RCTC), but wanted to inform everyone that the ground breaking ceremony for the 91 Freeway Expansion Project will take place on December 11th.

Council Member Sullivan:

- Reported on the Riverside Transit Agency (RTA) meeting he attended at which time they approved \$69 million dollars for a continued Dial-a-Ride Program in Riverside County, which provides a valuable service to seniors and persons with disabilities.
- He thanked his wife for standing beside him through his years on the City Council.

Mayor Azevedo:

- Reported that she attended the RCTC meeting at which time the 91 Freeway Expansion Project was discussed, noting the eminent domain process going on.
- Reported that she attended the WRCOG Administration & Finance Committee, noting the success of the HERO program.
- Reported that the UNLOAD held an event where the bullying problem was addressed.
- Thanked the committee that put on the USO Canteen Dinner & Dance event held on November 16th.

2. CITY COUNCIL CONSENT ITEMS:

Council Member Hanna pulled item 1.F. and 1.H. and abstained on 1.A.

M/S Sullivan/Higgins 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: HANNA, ON ITEM 1.A.

- A. City Council Minutes:
Regular Meeting of November 6, 2013
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. Proposed Cancellation of the January 1, 2014 City Council Regular Meeting.
Recommended Action: Cancel the January 1, 2014 City Council Regular meeting. (City Clerk)
- D. First Amendment to the Water, Sewer and Recycled Utilities Service Contract Number N62473-11-C-3809 between the City of Norco and the Naval Weapons Station (NWS) Seal Beach Detachment Corona, California.
Recommended Action: Approve the First Amendment to the Water, Sewer and Recycled Utilities Service Contract between the City of Norco and the Naval Weapons Station (NWS) Seal Beach Detachment Corona, California; and, authorize the City Manager to execute the agreement. (Water & Sewer Manager)
- E. Execution of a Sanitary Sewer Discharge Agreement between the City of Norco and the California Department of Corrections and Rehabilitation.
Recommended Action: Approve the Sanitary Sewer Discharge Agreement between the City of Norco and the California Department of Corrections and Rehabilitation (CDCR); and, authorize the City Manager to execute the Agreement. (Water & Sewer Manager)
- F. Approval for a Waiver of Variance Application Fees for property located at 2398 Buckboard Lane. **Recommended Action: Approve the waiver.** (Planning Director) **PULLED FOR DISCUSSION**
- G. Approval to Declare Various City Assets as Surplus Property.
Recommended Action: Declare Various City Assets as Surplus and authorize the City Manager/Director of Finance to dispose of surplus assets through auction, donation to charitable organizations or electronic recycling (e-cycle). (City Manager)
- H. Recap of Actions Taken of the Planning Commission Meeting of November 13, 2013. **Recommended Action: Receive and File** (Planning Director) **PULLED FOR DISCUSSION**

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

- 1.F. Approval for a Waiver of Variance Application Fees for property located at 2398 Buckboard Lane.

Mayor Pro tem Hanna asked Planning Director King if there would be room for the animal-keeping portion of the property. In response, Director King noted that it will not affect the animal-keeping property because of the way the yard is designed and added that there is plenty of room to accommodate the animal keeping.

M/S Hanna/Bash to approve the waiver. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS, SULLIVAN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

1.H. Recap of Actions Taken at the Planning Commission Meeting of November 13, 2013.

Mayor Pro Tem Hanna inquired about Item 5.C. regarding a conditional use permit for Brothers Towing, asking about the size of the trucks. In response, Planning Director King commented on the size and class of the trucks, noting that they have other sites that they can park the extra heavy-duty trucks on.

Mayor Azevedo asked about item 5.A. regarding a request for approval to allow a detached accessory building consisting of a 1,620 square-foot storage garage. In response, Director King stated this size storage garage can be granted with a conditional use permit, noting that there was enough room left for animal-keeping.

M/S Hanna/Azevedo to receive and file the Recap of Actions taken at the Planning Commission Meeting of November 13, 2013. The motion was carried by the following roll call vote:

AYES: AZEVEDO, BASH, HANNA, HIGGINS, SULLIVAN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

CITY MANAGER COMMUNICATION (Listed on the Agenda as Item No. 9):

City Manager Okoro presented an update on the Silverlakes Equestrian & Sports Park. He noted that it was planned that representatives of Balboa Management, LLC would be at this meeting to provide an update on their financing efforts for the Silverlakes project but due to a scheduling conflict, they could not attend. He added that they will be at the December 4th City Council Meeting to provide an update. He stated that a lot has happened with respect to their efforts to secure funding for the project since the last time they were here, noting that the loan process in this current credit environment is very challenging and for Silverlakes, the banks have to perform an extensive due diligence review including corporate and personal credit reviews; multiple layers of underwriting; appraisal reviews; project analysis, board reviews and site visits. City Manager Okoro stated that he has been told that the bank's Board of Directors completed a Silverlakes site visit yesterday and from what he has been told, they were very impressed. He also stated that it is his understanding that a final funding decision will be made in a matter of days. In response to Council Member Bash, City Manager Okoro stated that the appraisal for the Silverlakes property came in at about \$30 million. City Attorney Harper added that the number may be a result of the combination of the appraisal and the lease.

4. **LEGISLATIVE MATTERS – ORDINANCE SECOND READING: (No new evidence will be heard from the public as the public hearing has been closed regarding the items listed.)**

- A. Ordinance Replacing Title 15, Chapter 15.09 (Fire Code) of the Norco Municipal Code. **Recommended Action: Adopt Ordinance No. 966.** (City Clerk)

M/S Bash/Higgins to adopt Ordinance No. 966. The motion was carried by the following roll call vote:

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

- B. **Zone Code Amendment 2013-15 (City):** A City-initiated proposal to amend Title 18 (Zoning) Chapter 18.64 (Housing Development Overlay zone) to adjust the density allowances in accordance with General Plan Amendment 2013-01A (Housing Element Update). **Recommended Action: Adopt Ordinance No. 967.** (City Clerk)

M/S Higgins/Bash to adopt Ordinance No. 967. The motion was carried by the following roll call vote:

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

- C. **Code Change 2013-04 (S&S Ventures, CA LLC):** A request to change Chapter 9.24 (Gaming) of Title 9 of the Norco Municipal Code to allow mini-satellite off-track pari-mutuel wagering for horse races as an ancillary use to an otherwise permitted full-service restaurant in accordance with the requirements of the California Horse Racing Act as regulated by the California Horse Racing Board. **Recommended Action: Adopt Ordinance No. 968.** (City Clerk)

M/S Higgins/Sullivan to adopt Ordinance No. 968. The motion was carried by the following roll call vote:

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

5. CITY COUNCIL / SUCCESSOR AGENCY CONSENT ITEM:

- A. Resolutions Approving the Governmental Purpose Property Quitclaim Deed Transfer of APNs 126-120-033 & 034 from the Successor Agency to the Norco Community Redevelopment Agency to the City of Norco. **Recommended Action: Adopt SA Resolution No. 2013-01 and Resolution No. 2013-63, approving the governmental purpose property Quitclaim Deed transfer of APNs 126-120-033 & 034 from the Successor Agency to the City of Norco.** (City Manager / Executive Director)

City Manager Okoro presented the item as presented in the staff report.

M/S Sullivan/Higgins to adopt SA Resolution No. 2013-01 and Resolution No. 2013-63, approving the governmental purpose property Quitclaim Deed transfer of APNs 126-120-033 & 034 from the Successor Agency to the City of Norco. The motion was carried by the following roll call vote:

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

6. CITY COUNCIL DISCUSSION / ACTION ITEM:

- A. **CONTINUED** Appointment to Fill One Unscheduled Vacancy on the Planning Commission. **Recommended Action: Staff recommends that the City Council make one appointment to the Planning Commission to fill the term through June 2015.** (City Clerk)

The City Council voted by ballot as follows:

Mayor Azevedo:	Ted Hoffman
Mayor Pro Tem Hanna:	Ted Hoffman
Council Member Bash:	Ted Hoffman
Council Member Higgins:	James M. Wilson
Council Member Sullivan:	James M. Wilson

Resulting in the appointment of Ted Hoffman to the Planning Commission to fill the term through June 2015.

7. CITY COUNCIL PUBLIC HEARING:

- A. Consideration of all Protests and Objections Concerning the Proposed Rates for Solid Waste/Manure Removal and Disposal Services through a Contract with USA Waste of California, Inc.; and, Adoption of a Resolution Approving an Amended and Restated Agreement between the City of Norco and USA Waste of California, Inc. for the Provision of Integrated Waste Management Services.

The current exclusive franchise agreement extension with USA Waste of California for waste collection, transportation and disposal services is set to expire on December 31, 2013. On March 25, 2013, staff conducted a public study session during which time presentations were made by staff and USA Waste of California regarding the existing franchise agreement and potential benefits for contract renewal. On May 15, 2013, a similar presentation was made during the City Council meeting and the City Council approved a six (6) month contract extension, and further directed staff to negotiate a long-term contract with USA Waste of California for the provision of integrated waste management services. This decision was based on the residents' positive customer service experience with USA Waste of California and USA Waste of California's industry leadership, financial strength and commitment to meeting the needs of the City, its residents and businesses while offering competitive and stable rates.

Following the completion of a tentative contract negotiation, another public workshop was held on September 25, 2013 to review the key terms and conditions of the proposed contract and to discuss USA Waste of California's proposed service rates. Following the presentation, the City Council directed staff to initiate the Proposition 218 Protest Hearing process to notify rate payers of the new proposed contract service rates. In compliance with Article XIID of the California State Constitution and the Proposition 218 Omnibus Implementation Act, the City has notified all affected rate payers of the proposed refuse, recycling, green waste and manure collection and disposal services and rates. Staff is now recommending that the City Council conduct the Proposition 218 Hearing and that at the end of the hearing approve, a new contract with USA Waste of California for the provision of integrated waste management services. The recommended term of the new contract is 10 years with the option to renew for an additional five (5) years.

Recommended Action: Adopt Resolution No. 2013-64, approving an Amended and Restated Agreement between the City of Norco and USA Waste of California for the provision of Integrated Waste Management Services. (City Manager)

City Manager Okoro presented the public hearing item. He noted that if approved, the proposed rates will become effective January 1, 2014. He commented on the negotiations process that took place, as well as the previous public City Council study sessions that were held throughout the process. He further commented on the terms of the contract and the services that will be provided. He stated that there has been minimal customer service complaints received throughout the years; adding that this decision was also based on their industry leadership, financial strength and commitment to meeting the needs of the City, its residents and businesses while offering competitive and stable rates. He further stated that Waste Management will partner with the City for future technology regarding manure disposal, adding that the new contract will financially benefit the City with additional incentives and benefits, and the franchise fee will be increased to slightly over \$1 million annually.

Council Member Sullivan asked if the contract includes an evergreen clause. In response, City Manager Okoro noted that it does not, but includes a ten year initial contract term with the option to renew for a 5 year extension.

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

Lisa Campbell. Ms. Campbell commented in opposition of the proposed contract and rates.

Kerry Bolle. Mr. Bolle commented in opposition of the proposed contract and rates.

Bill Schwab. Mr. Schwab commented in opposition of the proposed contract and rates.

Julie Waltz. Ms. Waltz commented in opposition of the proposed contract and rates.

Ted Hoffman. Mr. Hoffman commented in opposition of the proposed contract and rates.

Kathleen Kay. Ms. Kay commented in opposition of the proposed contract and rates.

Karen Leonard. Ms. Leonard commented in opposition of the proposed contract and rates.

Don Bowker. Mr. Bowker commented in opposition of the proposed contract and rates.

Jacqui Tarpley. Ms. Tarpley commented in opposition of the proposed contract and rates.

Greg Bowen. Mr. Bowen commented in opposition of the proposed contract and rates.

Julie Reyes, representing Waste Management. Ms. Reyes thanked staff for diligently working with Waste Management through this process. She noted that they tried to incorporate the agreement with what they heard from the City Council and staff.

Marquel Bright. Mr. Bright commented as a representative of the Waste Management drivers, noting that they attempt to provide the best service as possible to the City.

Steve Bryan. Mr. Bryan commented in opposition of the proposed contract and rates.

Mayor Azevedo CLOSED the public hearing.

Council Member Higgins stated that in the early discussions, as he said at the workshops, he asked to see the best offer they have, adding that he does not see that and added that they could have done better. He noted that the reason why he said that is that if they have confidence that the rates they are presenting are good, why was there no reply to his call requesting the breakdown in the rates. He stated that it does not need to be the Monday pickup; noting that they should get off the high end days. He also stated that he does not agree with the scout service. In the discussions that were held, he stated

that he wanted a manure-to-energy resolution, noting that the disposal is the biggest issue for the City. Council Member Higgins stated that he has never spent this amount of money without getting at least three bids across the board in order to compare apples-to-apples. He stated that he also has a problem with trucks spilling oil and manure on the streets. He further stated that not going out to bid is insane; you have to be competitive. He added that his biggest issue is the franchise fee increase, noting it is a tax, adding why it is not designated in a contingency fund for road maintenance caused by the damage from the trucks. He stated that he wants to send it out to bid.

Council Member Bash stated that he is happy with Waste Management's service, adding that waste disposal in Norco is complex, but is an essential service. He noted that his goal is to get the best service for the lowest price. He commented on the following: the City's Code requirements regarding the competitive bid process; reviewing Waste Management's books; if there are additional fees to be collected; do rate payers actually pay for philanthropy; and is there a low price guarantee. He commented on the ten-year contract, suggesting five years with an option to renew. He noted concern for businesses with the increased rates, asking if it is wise to continually ask businesses to pass on fees. He further commented on the diversion process and percentages noted, asking what does the City get for staying in compliance and further noting that by January 2014, a plan needs to be in place for diversion rates. Council Member Bash noted concerns regarding the potential closing of Viramontes and the fact that manure will need to be hauled somewhere else. He further commented on the following: his concern if there is strong enough language in the contract regarding a manure-to-energy plant; concern with a breach of contract; the earmarking of the franchise fees; street sweeping; replacement of bins; and scout service, which is essential for Norco. He stated that, at this point, there are so many questions that this should go out to bid.

Council Member Hanna commented on the rates, noting that he has a problem with everyone in town paying for scout service if they do not use it. He stated that he agrees that this will need to go out to bid in order to be fair to everybody. He further commented on his concerns regarding manure disposal, noting the need for a manure-to-energy plant.

Council Member Sullivan noted that when the process started, he almost made up his mind that this should go out to bid, adding that he then decided that he wanted to see what the best offer was that Waste Management would provide. He commended staff for negotiating this contract with Waste Management, noting that he does not think the Proposition 218 process is fair. He stated that it appears to him that there are a few things in the contract that are not right and would like to see it go out to bid; but, should take a good look at this proposed contract. He noted that he labored over the scout trucks, adding that this is a benefit to the City. He further commented on the diversion rate problems that could occur. He stated that it would be the downfall to Norco if we lose a place to take the manure and also commented on the cost for a new company to purchase scout trucks. He stated that we have something that is so close to being perfect and asked for show of hands of those in favor of this going out to bid, resulting in the majority of those in attendance with raised hands.

City Manager Okoro stated that the current contract will expire on December 1, 2013 and does not know the terms for the contract to be extended through Waste Management.

City Attorney Harper stated that theoretically, Waste Management could decide to stop picking up trash on January 1, 2014.

Mayor Azevedo stated that she really did not look at her own rates, but looked at how the contract would affect Norco, Horsetown USA, noting that Norco can't be compared to other cities. She further commented on the good relationship with Waste Management, adding that she worries about the safety of this town when it goes to a lesser business than Waste Management. She commented on her concern for the increased fees and businesses that will not even want to come to Norco. She highlighted the increased franchise fees proposed. She stated that Waste Management is a huge partner with the City. Mayor Azevedo commented on the RFP process, noting that this will cost approximately \$50,000. She further commented on the cost of scout trucks, noting that she is afraid of the service from a lesser hauler and the costs involved. She asked if the City would be required to take the lowest submitted bid.

City Manager Okoro stated that we are not required to take the lowest bid as this is for a City service, adding that the proposals would be judged based on the criteria requested by the City Council, with service as a critical component. He stated that before it is sent out, the proposed RFP will come back to the City Council to discuss what rules will be used to judge the contract, as well as what the City is asking for in regards to the franchise fee, services, etc. He addressed the manure-to-energy plant, adding that staff worked diligently to secure a \$750,000 grant from the Department of Energy to fund a manure-to-energy feasibility study, noting that even though it was determined that it is technologically feasible, that project did not move forward because of the issues regarding where it would be located, including environmental issues. He cautioned everyone to not have over optimism regarding this technology, as it is not in operation anywhere in the United States. He further stated that he does not believe that any franchise waste hauler would agree to provide this operation by a date certain commitment. As far as the issue regarding rates, City Manager Okoro stated that the RFP should clearly define what will be asked for in the potential contract. He further commented on the current franchise fee, which was negotiated in 1993, noting the cost to the General Fund for the maintenance and repairs of streets and compliance with NPDES. He stated that staff will discuss with Waste Management in terms of their ability to extend the contract, noting that the Council needs to be cautious with their expectations regarding what the City can achieve through the RFP process.

M/S Higgins/Sullivan to send this out to bid.

Under Discussion:

Council Member Bash commented on the Los Alamitos lawsuit resulting from not selecting the lowest bid and asked if the City is required to take the lowest bid. In response, **City Attorney Harper** noted that the City does not need to take the lowest responsible bid, but the burden is heavy on the City to prove that the lowest bid is not responsible. Consideration for the rates and the service included in the proposal would be evaluated in accordance with what was stated in the RFP.

Mayor Azevedo noted that some of the companies do not even have scout trucks, adding that she feels torn, and further added that she believes the City should stay with Waste Management for our lifestyle and safety, but she represents the residents and they want to take that gamble. She wondered if the City should wait two weeks and form an ad hoc committee.

City Manager Okoro stated that in order to put together a professionally done request for proposals (RFP), he is recommending that the City Council authorize funds for this service. He is also recommending that the winning bidder reimburse the City for the cost of going through that process.

The motion was carried by the following roll call vote:

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

M/S Higgins/Sullivan to set aside \$50,000 to \$75,000 to hire a consultant that is familiar with trash collection RFPs. The motion was carried by the following roll call vote:

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

RECESS: Mayor Azevedo recessed the meeting at 9:50 p.m.

RECONVENE: Mayor Azevedo reconvened the meeting at 10:04 p.m. and continued Item 7.A.

M/S Azevedo/Higgins to direct staff to meet with Waste Management to discuss the extension of the current contract. The motion was carried by the following roll call vote:

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

8. PUBLIC COMMENTS OR QUESTIONS:

Karen Leonard. Ms. Leonard commented on the changes in the Norco Municipal Code regarding cash for gold stores and asked if the businesses in Norco are complying.

9. CITY COUNCIL / CITY MANAGER / STAFF COMMUNICATIONS:

Council Member Sullivan:

- Suggested that the Council discuss districts when they discuss the election cycle.
- Recommended that the Council look into the appearance of a conflict of interest regarding individuals that serve on the Council or on City Commissions that have contracts with the City.

Mayor Pro Tem Hanna:

- Commented on the National "Justin Footing Award" received, noting that Director Petree and Supervisor Koke should personally go to receive the award.

Mayor Azevedo:

- Invited everyone to attend the Parade of Lights and Winter Festival on December 7th.

10. ADJOURNMENT: There being no further business to come before the City Council/Successor Agency, Mayor/Chairman Azevedo adjourned the meeting at 10:20 p.m.

BRENDA K. JACOBS, CMC
CITY CLERK