

**CITY OF ONTARIO, CALIFORNIA**

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# **CREATING OPPORTUNITY BUILDING VALUE**



**2012-13 ADOPTED ANNUAL OPERATING BUDGET  
SUMMARY**



Paul S. Leon  
Mayor



Sheila Mautz  
Mayor pro Tem



Alan D. Wapner  
Council Member



Jim W. Bowman  
Council Member



Debra Dorst-Porada  
Council Member



*City of Ontario*  
*List of Principal Officials*

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*Elected Officials*

Paul S. Leon .....	Mayor
Sheila Mautz .....	Mayor pro Tem
Alan D. Wapner .....	Council Member
Jim W. Bowman.....	Council Member
Debra Dorst-Porada .....	Council Member
James R. Milhiser.....	City Treasurer
Mary E. Wirtes .....	City Clerk

*Administrative Staff*

Chris Hughes .....	City Manager
	Executive Director of the Housing Authority
Al Boling.....	Deputy City Manager
John E. Brown.....	City Attorney
Eric V. Hopley.....	Police Chief
Floyd E. Clark.....	Fire Chief
Mark Chase.....	Community & Public Services Director
Scott Burton .....	Utilities General Manager
Brent D. Schultz .....	Housing and Neighborhood Revitalization Director
John P. Andrews.....	Economic Development Director
Otto Kroutil.....	Development Director
Elliott Ellsworth.....	Information Technology Director
Grant D. Yee.....	Administrative Services/Finance Director

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# ***Introduction***



## *Adopted Fiscal Year 2012-13 Annual Operating Budget*

### **To The Honorable Mayor and City Council:**

It is my pleasure to present to you the Adopted Operating Budget for the City of Ontario and the Ontario Housing Authority for Fiscal Year 2012-13. This Document implements the Policy direction provided by the Mayor and City Council through their adopted goals and objectives, and serves as a financial plan for the continued improvement of the quality of life for Ontario's residents and commercial climate of its businesses. Most importantly, this document implements the City's primary goal to *Develop Strategies and Take Actions, Including Regaining Local Control of the Ontario International Airport, to Minimize the Negative Impacts of the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health.*

### ***Citywide Budget***

The Operating Budget document is comprised of three separate volumes: Operating Budget Summary; Operating Budget Detail; and Five-Year Capital Improvement Program. The Operating Budget Summary provides a high-level overview of each operational unit's activities and programs included in the budget for the upcoming year. The Operating Budget Detail includes detailed information at the revenue and expenditure account levels. The City's comprehensive capital spending plan for the forthcoming years is presented in the Five-Year Capital Improvement Program.

The Fiscal Year 2012-13 Adopted Operating Budget is balanced, with the planned use of reserves, and consistent with the Mayor and City Council's goals and objectives – minimize the negative impacts that the global economy is having on the City's fiscal health in order to preserve public safety levels, meeting community and cultural needs, and delivering on critical capital projects. The City of Ontario's Adopted Operating Budget, including transfers, for Fiscal Year 2012-13 is **\$396,907,263** (this includes **\$163,022,811** in the General Fund and **\$233,884,452** in other funds such as Special Revenue, Capital Project, Enterprise Operations, Internal Services, and Fiduciary). The Adopted Operating Budget for Fiscal Year 2012-13 for the Ontario Housing Authority is **\$19,805,759**, and for the Redevelopment Successor Agency is **\$25,979,327**. The total overall budget is **\$442,692,349**.

As outlined in the Five-Year Budget Action Plan developed in Fiscal Year 2009-10, the Adopted General Fund Budget for Fiscal Year 2012-13 includes the use of approximately \$5.9 million of the City's Economic Uncertainties Reserves to maintain current service levels. The City Council's prior actions, to reduce costs and build the Economic Uncertainties Reserves (total funding of \$24.6 million) to quickly address the economic downturn, have prepared the City to develop budgets over the next few years that are projected to be balanced, while carefully considering any impacts on the delivery of services, programs and capital projects to the community.

This upcoming fiscal year represents year four of the Five-Year Budget Action Plan. The continued success of the City's Five-Year Action Plan, however, was contingent upon moderate economic growth returning within the five-year period and no actions by the State of

California to take additional revenues away from local government. The City was ahead of schedule with its Five-Year Action Plan until the State's recent action to eliminate Redevelopment Agencies as of February 1, 2012. It is projected that the elimination of the Ontario Redevelopment Agency will negatively impact the City by approximately \$5 million a year in loss interest income from City loans, funding of economic development programs, and reimbursement of administrative overhead costs.

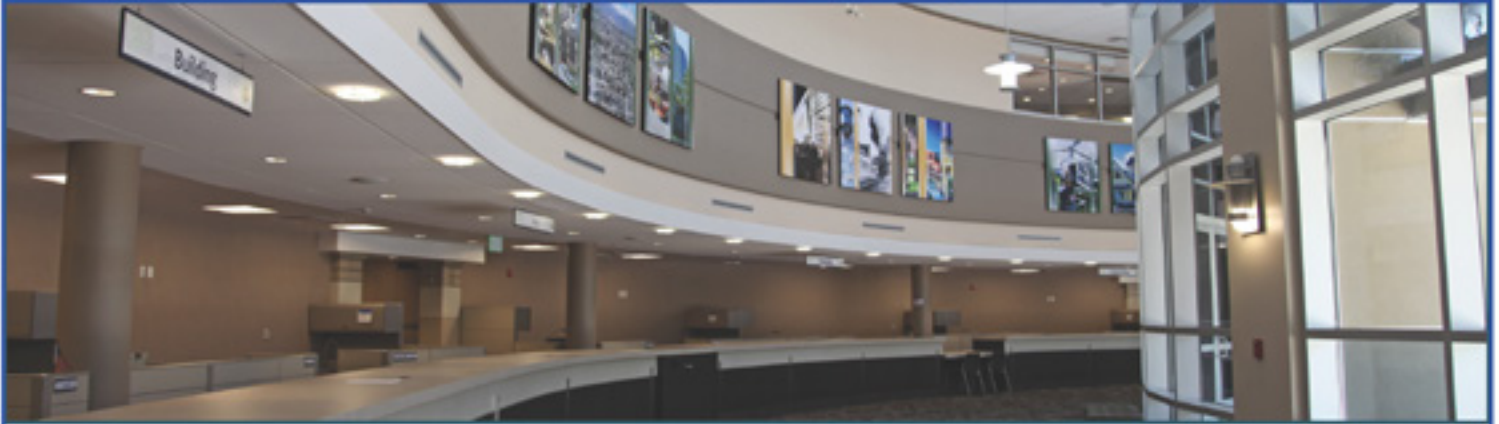
As a result of this negative fiscal impact, it is projected that the City's Five-Year Action Plan may be extended by two additional years (to Fiscal Year 2015-16) before the City's structural deficit is eliminated. As a result of better than projected sales tax revenues this past fiscal year and the City's efforts to reduce costs for the past several years, the current balance of approximately \$17.5 million in the

<i>Funding Sources</i>	<i>Total Revenues &amp; Transfers-In</i>			<i>Total Expenditures &amp; Transfers-Out</i>		
	Adopted 2011-2012	Adopted 2012-13	Change	Adopted 2011-2012	Adopted 2012-13	Change
General Fund <sup>a</sup>	\$ 151,340,715	\$ 157,125,399	\$ 5,784,684	\$ 158,424,234	\$ 163,022,811	\$ 4,598,577
Special Revenues Fund	38,508,307	41,627,629	3,119,322	41,834,641	46,138,170	4,303,529
Capital Project Funds	1,959,817	7,476,400	5,516,583	2,600,717	9,301,165	6,700,448
Enterprise Funds	126,460,718	118,617,874	(7,842,844)	143,027,480	144,516,477	1,488,997
Internal Service Funds	28,396,789	28,867,143	470,354	29,611,928	30,628,640	1,016,712
Fiduciary Fund	8,266,194	8,153,459	(112,735)	3,300,000	3,300,000	-
<b>Total City Ontario</b>	<b>\$ 354,932,540</b>	<b>\$ 361,867,904</b>	<b>\$ 6,935,364</b>	<b>\$ 378,799,000</b>	<b>\$ 396,907,263</b>	<b>\$ 18,108,263</b>
Redevelopment	64,954,052	-	(64,954,052)	78,237,636	-	(78,237,636)
Redevelopment Successor Agency <sup>b</sup>	-	25,979,327	25,979,327	-	25,979,327	25,979,327
Housing Authority	25,145,501	\$ 5,213,477	(19,932,024)	25,145,501	19,805,759	(5,339,742)
<b>Total</b>	<b>\$ 445,032,093</b>	<b>\$ 393,060,708</b>	<b>\$ (51,971,385)</b>	<b>\$ 482,182,137</b>	<b>\$ 442,692,349</b>	<b>\$(39,489,788)</b>

<sup>a</sup> Excluding transfers-in from economic uncertainties reserves of \$7,083,519 in FY 2011-12 and \$5,897,412 in FY 2012-13, and General Fund Trust transfers.

<sup>b</sup> Excluding Redevelopment Successor Agency transfers.





Economic Uncertainties Reserves is higher than previously estimated and is projected to be sufficient to fund the structural deficit for the next several years. This projection, however, is contingent upon continued moderate economic growth, no further State "takeaways", and no additional planned increases in the CalPERS' rates.

Although we are experiencing improvement in the economic recovery, serious challenges still remain. The economy will struggle to expand over the next couple years due to a continued weak job market, expiration of Federal stimulus programs, increased energy and commodity prices, and the ongoing financial crisis in Europe. Due to these potential fiscal challenges and until the structural deficit is eliminated, the City should continue to maintain its conservative fiscal approach with the budget



and consider the need to take further actions in the future to reduce costs should economic growth slow or decline beyond current expectations.

#### ***Fiscal Year 2012-13 Adopted Budget***

The economy continues to present serious challenges in the preparation and development of the Adopted Fiscal Year 2012-13 Operating and Capital Budgets. The challenges include: estimating the rate of growth and corresponding needs in the City; the ongoing requirements of maintaining service levels to the Community; and focusing the appropriate level of resources in the City's business sector. Contributing to these challenges are the loss of the Redevelopment Agency as a result of the State's action to dissolve the Agency, the expected slow or no growth in the City's major revenue sources and rising expenditures due to higher commodity costs, and rapidly growing retirement and health benefit costs.

Accordingly, the adopted overall budget for Fiscal Year 2012-13 is consistent with the Five-Year Budget Action Plan, (an estimated total funding of \$24.6 million from the Economic Uncertainties Reserves), while still maintaining critical Public Safety services at their current

levels; continuing to target investment in capital projects to improve public facilities and infrastructure; and providing critical reserves for other liabilities, including future retiree medical costs, accrued employee leave, and replacement of public safety and communications equipment.



The City's Fiscal Year 2012-13 Adopted Budget, does not provide for further State "takeaways". The State of California's elimination of Redevelopment Agencies as of February 1, 2012 will negatively impact the City's ability to remove blighted areas, acquire property, build public improvements and infrastructure, partner with private enterprise to reinvest in communities, and develop affordable housing projects for low- and moderate-income families. Due to the ambiguity and lack of clear guidelines in the dissolution bill, Assembly Bill 1X 26, the exact fiscal impact from the dissolution of the Agency is still uncertain. Moreover, subsequent redevelopment agency reform bills have been introduced, including Assembly Bill 1585,

which would protect the affordable housing funds; and a draft California Department of Finance (DOF) bill that would make significant changes to the redevelopment dissolution statutes by expanding the already substantial power of the DOF, including granting it the unprecedented ability to divert local sales and property taxes. As additional information and clarification becomes available, it is anticipated that further analysis of the fiscal impact and any proposed budgetary actions will be forthcoming in future quarterly budget updates.

### ***General Fund***

Consistent with the Mayor and City Council's conservative approach to prudent fiscal management, the Fiscal Year 2012-13 Adopted Operating Budget includes General Fund revenues and transfers-in of **\$157,125,399**, and reflects a small increase of 3.8 percent when compared to Fiscal Year 2011-12 Adopted Budget. The Adopted Fiscal Year 2012-13 General Fund expenditure budget, including transfers-out, is **\$163,022,811**. This recommended amount included no "automatic" increases to the City Agencies' General Fund operating budgets. With the exception of contractual personnel costs, this is the fourth consecutive year the Agencies were asked to hold their operating budgets to "zero growth". The increase 2.9% to the overall General Fund expenditure budget was primarily due to the shift in funding of the Economic Development Agency's expenditure budget as a result of the

elimination of the Redevelopment Agency and contractual increases scheduled in the City's employment contracts.

The City's projected General Fund Unreserved Ending Fund Balance as of June 30, 2013 is **\$32,128,031** and is approximately 20 percent of General Fund appropriations. This achieves the City's budget policy guideline of establishing a prudent General Fund balance reserve level of 18 percent of annual appropriations. The General Fund Unreserved Fund Balance is intended to be used for specific and defined emergency events, such as an earthquake, and to address immediate needs in resources without impacting City services.

### ***Fiscal Year 2012-13 Budget Highlights***

In spite of the state of economy, Ontario continues its transformation as the next urban center in Southern California. As part of this transformation, and the City Council's goal to *Focus Resources in Ontario's Commercial and Residential Neighborhoods*, the Adopted Budget for Fiscal Year 2012-13 includes enterprise utility funding of \$2.6 million for the San Antonio Avenue Water Transmission Main project. This project will replace existing pipeline in San Antonio Avenue that was constructed in 1957 and is near the end of its useful life. The new pipeline will increase reliability and deliver water from the reservoirs to provide better water service to Ontario businesses and residents.

Improvements to community facilities and parks continue to be priority to the City, as directed by the City Council's goal to *Encourage, Provide or Support Enhanced Recreational, Educational, Cultural and Healthy City Programs, Policies and Activities*. The Civic Center Community Conservation Park project, adopted at approximately \$3 million, will include a conservation art mural wall, wind sculptures that are energy generators, and a California native and water wise garden. This project is funded through a grant award from the California State Parks Office.



Consistent with the City Council's goal to *Maintain the Current High Level of Public Safety*, the Adopted Budget for Fiscal Year 2012-13 allocates \$6 million to develop a new Emergency Operations Center in the City Hall Annex facility, \$600,000 to replace the roof at Fire Station No. 1, and \$180,000 to replace the parking lot light concrete foundations at the Police Department. The Adopted Budget also includes the replacement of 33 police vehicles and 3 Fire vehicles.

Additionally, the Adopted Budget for Fiscal Year 2012-13 achieves the City Council's goal of *Invest in the City's Infrastructure* by allocating over \$27 million in various capital improvement projects throughout the City with more than \$6 million in street projects. Several noteworthy street projects include the relocation of utilities for the South Milliken Avenue Grade Separation Project, and pavement rehabilitation projects along portions of Guasti Road, Milliken Avenue, Philadelphia Street, Airport Drive, Rockefeller Avenue, Ontario Mills Parkway, and Francis Street.

Finally, the Adopted Budget for Fiscal Year 2012-13 includes funds to facilitate the City's efforts to transition the management and operation of the Ontario International Airport from Los Angeles World Airports to local control under the proposed Ontario Airport Authority. To further this endeavor, the City has launched an innovative campaign dedicated to returning the Ontario Airport to local control – Set ONTario Free. Since the long-term success of the Ontario International Airport is critical to Ontario's economy and future, it is the best interest of the City and the Inland Empire to gain local control of the airport. This endeavor is align with the City Council's primary goal: *Develop Strategies and Take Actions, Including Regaining Local Control of the Ontario International Airport, to Minimize the Negative Impacts of the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health*. In addition, this effort is consistent with the City's Council's goals to *Invest in the Growth and Evolution of the City's Economy and Pursue City's Goals and Objectives by Working with Other Governmental Agencies*.



**Conclusion**

The Adopted Operating Budget addresses City Council priorities; and despite the economic impacts of one of the most difficult financial downturns experienced by the Region, State, Country, and worldwide, it is balanced and continues to support high quality municipal services, maintenance and expansion needs of the City's infrastructure and facilities, and the investment and reinvestment of City resources into the Community.

I am pleased to report that the City has received distinguished budget awards from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers Association (CSMFO) for its Fiscal Year 2011-12 Adopted Operating Budget. This is the thirteenth consecutive year in which the City has been bestowed these prestigious awards. These awards are presented to cities whose budget documents meet program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. Staff believes that the Adopted Operating Budget for Fiscal Year 2012-13 continues to conform to the program requirements for both awards.

Lastly, I want to thank all of the City's Labor Groups who partnered with the Mayor and City Council, by forgoing cost of living wage increases during the last three fiscal years along with Fiscal Year 2012-13, to minimize the financial impacts from the Great Recession because they cared strongly about preserving the service levels provided to our community. It is an indication of the character of the employees that we are fortunate to have as part of the City of Ontario family. Moreover, I wish to express my sincere appreciation to the Mayor and City Council for providing clear and outstanding leadership, goals and direction which have been incorporated into the Adopted Operating Budget for Fiscal Year 2012-13, and to the staff members who have contributed in the preparation of this budget.

Due to the continued strong, responsible leadership and prudent fiscal policy direction of the Mayor and City Council, the City of Ontario is better positioned to continue withstanding this ongoing global economic downturn.

Respectfully submitted,



Chris Hughes  
City Manager

# Council's City Goals

## **Primary Goal**

*Develop Strategies and Take Actions, Including Regaining Local Control of the Ontario International Airport, to Minimize the Negative Impacts of the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health*



## **Supporting Goals**

- 1. Invest in the Growth and Evolution of the City's Economy*
- 2. Maintain the Current High Level of Public Safety*
- 3. Operate in a Businesslike Manner*
- 4. Pursue City's Goals and Objectives by Working with Other Governmental Agencies*
- 5. Focus Resources in Ontario's Commercial and Residential Neighborhoods*
- 6. Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)*
- 7. Encourage, Provide or Support Enhanced Recreational, Educational, Cultural and Healthy City Programs, Policies and Activities*
- 8. Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in the New Model Colony*



# Annual Budget Awards Achieved

The Government Finance Officers Association of the United States and Canada (GFOA) and separately the California Society of Municipal Finance Officers (CSMFO) both presented awards to the City, recognizing the high standards the City exhibited in the development of the City's Annual Operating and Capital Budgets for the fiscal year beginning July 1, 2011.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA and CSMFO to determine its eligibility for another award.



### ***Business Principle***

Our job is to create, maintain and grow economic value and we do our job by providing infrastructure and services. The better we do our job, the more investment we will attract and the more revenue it will generate for investment, creating a self-sustaining cycle.

*-Adopted by City Council  
January 27, 2010*

*Governance Principles, The Ontario Plan*

### ***Vision Statement***

Founded as a model colony, based on innovation, planned development, community services and family values, the City of Ontario has become the economic heart of the region. The City Council is committed to maintain Ontario's leadership role in the Inland Empire, by continuing to invest in the growth and evolution of the area's economy while providing a balance of jobs, housing, and educational and recreational opportunities for the residents in a safe, well-maintained community.

*-Adopted by City Council  
January 20, 1998*

## ***Approach to Public Service***

**Choose public service to make a positive impact on the community.**

---

**Be Committed to the Community.**

***Whatever job you do, do it well!***

**Achieve Excellence Through Teamwork.**

***Take ownership of your job and support other team members.***

**Do the Right Think the Right Way.**

***Focus on what is important and never compromise integrity.***



# ***Budget Overview***

# Budget Overview

Budget guidelines are developed for use in preparing the annual budget and are evaluated each year to ensure adherence to the Mayor and City Council Goals and Objectives.

In the City Council approved Budget Development Guidelines, an ultimate goal for a General Fund reserve of 18 percent of annual appropriations was established. The Adopted Budget for Fiscal Year 2012-13 reflects a projected ending General Fund undesignated balance exceeding the Mayor and City Council's Goal.

## **Budget Policy Guidelines**

Adopted General Fund Operating Budget for Fiscal Year 2012-13 provides for no general increase to Agency General Fund budgets. The only increase to any of the General Fund Operating categories are in the Personnel Services category to account for merit increases and other labor group negotiated contract costs. All City Labor groups voted to forgo scheduled cost of living wage increases and, accordingly, there currently are no other general salary increases built into the personnel numbers. Agencies have been instructed to operate within their Fiscal Year 2011-12 General Fund Operating budgeted amounts. All other fund budgets have been prepared with a goal of having no City funds in a deficit fund balance position.

All appropriations lapse at fiscal year end. Outstanding encumbrance balances at fiscal year end require re-approval by the Mayor and City Council as part of the First Quarter Budget Report. Budget reports are presented to the City Council and the public on a quarterly basis; however the City Council may amend the budget at any time during the fiscal year. Budget reports include appropriations

adjustments and revised revenue projections as needed.

The following list (in no priority order) will be used to evaluate all future funding alternatives generated from budget savings.

- ♦ **Fund Balance Reserve** - Establish a prudent General Fund balance reserve level of 18 percent of annual appropriations.
- ♦ **Equipment Replacement** - Maintain adequate reserves to replace vehicles and equipment when they become obsolete.
- ♦ **Infrastructure** - Provide the Mayor and City Council with a minimum of 10 percent of annual General Fund appropriations to be applied to discretionary infrastructure projects as defined in the Five-Year Capital Improvement Program.
- ♦ **Investment in Productivity Enhancing Equipment (Software, Tools, etc.)** - Invest in new technology to promote maximum efficiency.
- ♦ **Enhance Neighborhood and Commercial Programs** - Invest in the general appearance of Ontario's neighborhood and commercial areas.
- ♦ **Community Based Recreational and Cultural Services** - Provide increased funding for recreational and cultural services.
- ♦ **Fully Fund Liabilities** - Ensure sound fiscal health. Liabilities, such as retiree medical and accrued leave balances, must be fully funded.

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# Annual Budget Development Process

The Ontario Municipal Code, Title 2, Chapter 3, Section 107, requires that the City Manager present the Annual Operating Budget to the Mayor and City Council for approval. The Administrative Services Agency, under the direction of the Administrative Services/Finance Director, is responsible for compiling the estimated revenues and appropriations for the City Manager. Prior to the beginning of the new fiscal year, the Mayor and City Council adopts the Annual Operating Budget at a public budget workshop.

One of the City's budget policies is that all appropriations lapse at fiscal year end. Outstanding encumbrance balances at fiscal year end require re-approval by the Mayor and City Council as part of the First Quarter Budget Report. The Mayor and City Council may amend the budget at any time during the fiscal year. Budget reports are presented to the Mayor and City Council and the public on a quarterly basis which include appropriations adjustments and revised revenue projections as needed.

The City Manager may authorize budget transfers between line items, programs and agencies as long as the total budget has not exceeded the amount approved by Mayor and City Council. Budgetary changes between funds require Mayor and City Council approval. The level of budgetary controls is set at the Agency level by fund to ensure compliance with the budget as approved by the Mayor and City Council.

The development of the Annual Operating Budget begins in February with the dissemination of the budget preparation guidelines, including the policies and procedures to ensure that the preparation of the budget conforms to fiscal policies and guidelines established by the Mayor and City Council. Following the distribution of the budget development guidelines, a budget "kick-off" meeting is held with Agency Heads and other key City staff members to review the budget development guidelines.

Additionally, justifications and explanations are required for the following:

- ✦ Any staffing level changes
- ✦ Purchase of capital equipment
- ✦ Contractual professional services
- ✦ Travel and conferences

Before the Agency budget requests are submitted to the City Manager, the Administrative Services Agency reviews and analyzes all Agency budget requests. This review includes comparative analysis of historical and current expenditure levels. The City Manager and the Administrative Services staff then hold meetings with each Agency Head to discuss the budget requests and obtain additional information to assist in the assessment of the requests. Following the meetings, the Agency Head adjusts line item requests in accordance with the City Manager's direction. Finally, the Annual Operating Budget is presented to the Mayor and City Council for consideration and approval at a public workshop.



# Economic Outlook

The current economic data indicates that the economy is growing at a slow rate. Factors affecting the economy include consumer spending, Gross Domestic Product, unemployment, and real estate market. The main economic drivers in the Inland Empire are construction, manufacturing, and logistics industries. Airport travel is another key factor specifically for the City of Ontario. The following is the City's review of the main economic indicators affecting the local area.

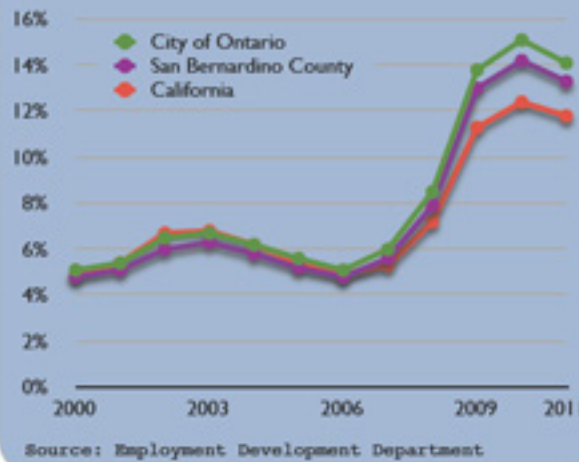
## Consumer Spending

The Consumer Confidence Index for May 2012 is at 64.9. This is a decrease from the 71.6 in February 2012. Consumers are less positive about current business and labor markets conditions and more pessimistic about short-term outlook. The Consumer Confidence Index of 90 and above is considered an indication of solid economic growth.

## Gross Domestic Product (GDP)

GDP represents the total dollar value of goods and services produced in a specific period of time. It is a way to assess a country's economic health. The estimate of the 2012 first quarter GDP increased at an annual rate of 1.9 percent from the fourth quarter in 2011. This increase is a result of increases in private inventory and personal consumption expenditures.

**Unemployment Rate by Month**



## Unemployment

The unemployment rate in the State of California, and the Riverside - San Bernardino - Ontario area as of April 2012 was at 10.9 percent and 11.7 percent, respectively. These rates have slightly increased compared to the end of 2011, with the overall trend improving.

## Risk of Stagflation

Rising costs plus a high unemployment rate increase the risk of stagflation. There are two situations where stagflation may occur. First, when the productive capacity of an economy is reduced, such as an increase in the price of imported oil, it raises prices and slows the economy by making production more costly and less profitable.

Second, it is a result of macroeconomic policies. For example, central banks can cause inflation by permitting excessive growth of the money supply, and the government can cause stagnation by excessive regulation of goods and labor markets.

Currently, the Federal Reserve has been maintaining low interest rates to stimulate the economy. We are also experiencing a continued increase in the

Consumer Price Index and a high unemployment rate. In addition, Federal Reserve officials have indicated that the central bank could take further steps in helping the economy by reducing interest rates.

## Real Estate Market

In the Inland Empire region, the median price of existing single-family homes for April 2012 was \$181,770, which was 7.3 percent improvement from April 2011 and 1.3 percent improvement from March 2012. The continued low mortgage rate and the introduction

**Office Vacancy and Industrial Availability Percentage  
Fourth Quarter 2011**

	Office Vacancy						Industrial Availability	
	Downtown		Suburban		Metropolitan		10Q4	11Q4
	10Q4	11Q4	10Q4	11Q4	10Q4	11Q4		
Inland Empire	N/A	N/A	23.5	22.8	23.5	22.8	14.3	11.9
Los Angeles Metro	17.7	17.3	17.6	17.4	17.6	17.4	7.7	6.8
Orange County	N/A	N/A	17.4	15.3	17.4	15.3	9.2	8.1
San Diego	18.7	18.3	18.1	16.3	18.2	16.6	16.4	15.5
National Average	13.3	12.7	18.2	17.8	16.5	16.0	14.3	13.6

Source: California Economic Indicators

## Economic Outlook

of the new mortgage modification programs contributed to the real estate market improvements. Another factor that contributed to the real estate market improvement is the strong sale of distressed properties.

Office vacancy rates decreased slightly to 22.8 percent compared to prior year, while industrial availability showed more of a decrease at 11.9 percent compared to prior year at 14.3 percent.

### Construction

Historically, the construction industry has brought employment and billions of dollars into the Inland Empire. Today, with the high unemployment rate and the weak real estate market, the construction industry continues to struggle. The number of construction jobs in the Riverside and San Bernardino County areas was 55,800 in April 2012, which declined from 58,400 jobs during the same period a year ago. This total is comparable to the number of jobs back in the late 1990s.

### Manufacturing

The Purchasing Managers Index is another indicator of economic activity. This index is used to gauge manufacturing activity. The May 2012 PMI was 53.5, which was a slight decline from 54.2 during the same period a year ago. The PMI has been above 50 since August 2009. This is an indication that manufacturing in the nation is generally expanding, but at a slow pace.

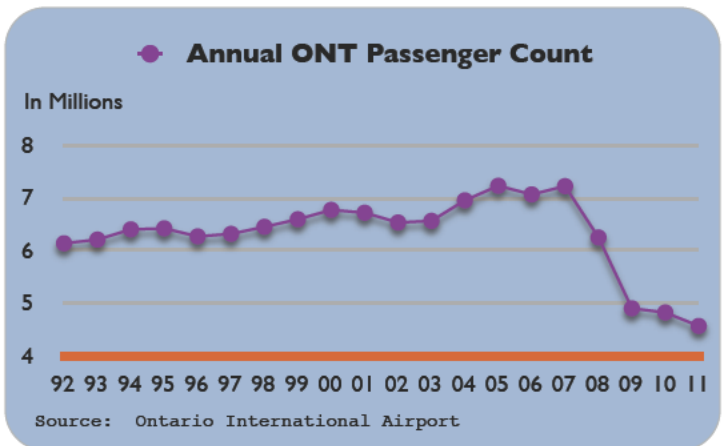
### Logistics

The logistics industry is another critical component of the Inland Empire's economy - comprised of companies dealing in transport, warehouse facilities, and brokers dealing with freight related assignments. The Ontario International Airport is a major gateway for logistic companies, including UPS and FedEx. Calendar year 2011 freight activity of 417,476 tons was 25,049 tons or approximately 6 percent more than 2010. Average Freight traffic in 2011 was 34,790 tons per month. April 2012 activity totaled 37,425 tons.

### Airport Travel

Unlike air cargo volume discussed earlier, the Ontario International Airport (ONT) passenger count has

continued to decline. ONT serves as a catalyst for the economic growth in the City of Ontario and its surrounding communities. The City's revenue and employment is negatively impacted by the decrease in passenger count. Both transient occupancy tax and parking tax revenue sources have declined significantly. Total economic impact of ONT was \$849 million in 2011, which was \$494 million less than 2007. Calendar year 2011 passenger traffic of 4.5 million was approximately 5 percent less than 2010. Average passenger traffic in 2011 was 379,323 per month. February 2012 activity totaled 320,012; a decline of almost 16 percent compared to the 2011 monthly average. The passenger count at ONT has ranged from 6.1 million in 1992, to a high of 7.2 million in 2005, to a low of 4.5 million in 2011. This is approximately a 37 percent decline from 2005.



### Closing Thoughts

In summary, the current economic data indicates slow growth. The local economy faces other serious headwinds and challenges ahead. Due to inflationary pressures, weak job growth, reduced government stimulus and spending, and the ongoing financial crisis in Europe, the economic recovery over the past year may be unsustainable and stall in the forthcoming months. The continuation of the economic recovery will be dependent upon increased jobs in the private sector and higher wages.

Staff will continue to monitor the economy at all levels for signs of any additional negative impact on the City's budget, and recommend additional action to the City Council accordingly.

# Key Budget Issues Ahead

The City will continue with its conservative budgeting approach as more challenges are anticipated. While proactive measures have been taken to stabilize the City's fiscal condition, several challenges still remain.

## Redevelopment Agency

On December 29, 2011, the California Supreme Court rendered its decision regarding the constitutionality of Assembly Bills 1X 26 and 1X 27. It upheld Assembly Bill 1X 26 regarding the dissolution of redevelopment agencies, but it declared Assembly Bill 1X 27, relating to the continuance of redevelopment agencies by participation in the Voluntary Alternative Redevelopment Program (VARP) and paying of the voluntary payment, to be invalid in its entirety. While the Court was reviewing the petition regarding the constitutionality of Assembly Bills 1X 26 and 1X 27, the implementation of their provisions was stayed. Now that the Court has issued its ruling, the effective dates related to Assembly Bill 1X 26 have been extended by the Court by four months for those dates arising before May 1, 2012. As a result, the Ontario Redevelopment Agency was dissolved as of February 1, 2012 rather than the initial October 2011 date.

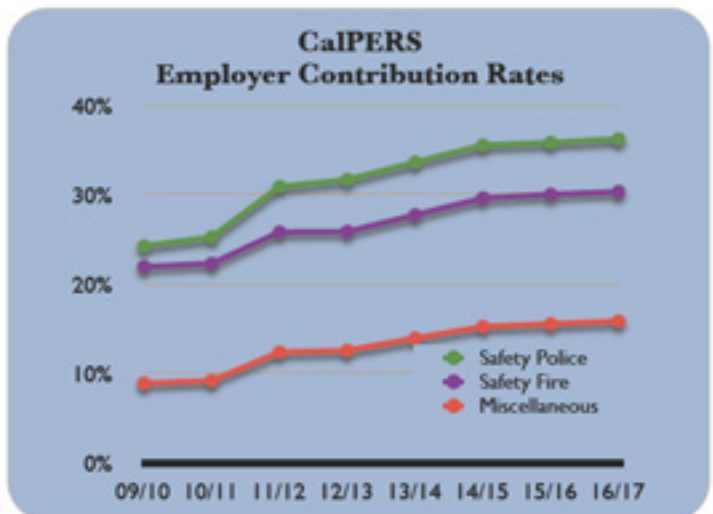
On January 10, 2012, the City declared it would serve as the Successor Agency for the Ontario Redevelopment Agency. Subject to monitoring by an Oversight Board, the Successor Agency is responsible for winding down the Agency's existing obligations and liquidating the Agency's assets. All the assets, properties, contracts, and records of the Agency would be transferred to the City. Agency staff believes that it is in best interest of Ontario that the City serve as the Successor Agency. In conjunction with this action, the Ontario Housing Authority was designated to receive the transfer of all the housing assets, obligations and housing related functions previously performed by the Agency.

The elimination of the Ontario Redevelopment Agency will negatively impact the City's ability to remove blighted areas and develop affordable housing projects for low- and moderate-income families. Due to ambiguity and lack of clear

guidelines in Assembly Bill 1X 26 regarding outstanding projects, and the assets and liabilities of redevelopment agencies, the exact fiscal impact from the dissolution of the Agency is still uncertain. Moreover, subsequent redevelopment agency reform bills have been introduced, including Assembly Bill 1585 which would protect the affordable housing funds; and a draft California Department of Finance (DOF) bill that would make significant changes to the redevelopment dissolution statutes by expanding the already substantial power of the DOF, including granting it the unprecedented ability to divert local sales and property taxes. As additional information and clarification becomes available, it is anticipated that further analysis of the fiscal impact and any proposed budgetary actions will be forthcoming in future quarterly budget updates.

## CalPERS

The California State Public Employees Retirement System (CalPERS) is considerably underfunded, primarily due to unrealistic projected earning rates combined with significant investment losses incurred during the Great Recession. All of this has contributed to dramatic increases to the City's CalPERS contribution rates. Prior to the discount rate change in March 2012 from 7.75 percent to 7.50 percent, CalPERS estimated rates for Safety Police, Safety Fire, and Miscellaneous Plans to increase to 33.3, 27.4, and 13.9 percent respectively by Fiscal Year 2016-17. CalPERS estimated that the lowered discount rate will increase the City's CalPERS contribution rates by an additional 2.0 percent for



## **2012-13 Operating Budget Calendar**

### **September 2012**

- › Departments submit 1st Quarter Budget Requests

### **November 2012**

- › Council meets to consider the 1st Quarter Budget Report

### **January 2013**

- › Departments submit Mid-Year Budget Requests

### **February 2013**

- › Council meets to consider the Mid-Year Budget Report
- › Budget Guidelines are developed
- › Hold Budget Kick-off meeting and provide Budget Preparation Manual

### **March 2013**

- › Open access to the On-Line Budget System
- › Departmental Budget preparation begins
- › Personnel Assumptions are provided

### **April 2013**

- › Close access to the On-Line Budget System
- › Departments submit Expenditure Budget, Personnel Requests, Capital Improvement Projects, Revenue Projections, Accomplishments, Performance Measures, and Major Goals
- › Begin review of Departmental Budgets
- › Departments submit 3rd Quarter Budget Requests

### **May 2013**

- › Council meets to consider the 3rd Quarter Budget Report
- › Prepare Recommended Operating and Capital Improvement Budgets
- › Conduct Agency Budget meetings with the City Manager
- › Revise Recommended Operating and Capital Improvement Budgets

### **June 2013**

- › Finalize Recommended Operating and Capital Improvement Budgets
- › Mayor and City Council consider the Recommended Operating and Capital Improvement Budgets
- › Mayor and City Council adopt the Operating and Capital Improvement Budgets
- › Publish Final Budget documents 60 days after Adoption

Miscellaneous plan and 3.0 percent for Safety plans. These rates are dependent upon CalPERS earning a 7.50 percent return on their investments in the future. For 2011, CalPERS investments earned only about 1.1 percent as its stock portfolio slumped – significantly less than the 7.50 percent rate CalPERS relies on for its actuarial assumptions. In addition, a Stanford University report released in December 2011 reported that CalPERS had only about 58 percent of the funds needed to cover retirement benefits promised to state and local government employees.

To address increasing retirement costs, Governor Brown has proposed a 12-point pension reform plan that will apply to all California state, local, school, and other public entities. If approved the plan will result in reduced benefits and require employees to pay a greater share of their pension benefit costs. Although the City had anticipated a significant portion of the projected CalPERS rate increase in its Five-Year Budget Action Plan, staff will continue to monitor actual earnings and plan for future fiscal impact.

### ***Retiree Medical***

The City offers retiree medical benefits to its employees and assists them with their health care premiums. Over the years, the City has been allocating funds toward the liabilities to minimize the unfunded percentage. A recent retiree medical actuarial report for Fiscal Year 2009-10 indicated that the City liability was \$135 million. As of June 30, 2011, the City has funded \$55.1 million of assets toward this liability. The City will have to continue to allocate money toward the liabilities to reach a more favorable funded percentage.

### ***Where Are Things Going?***

The City's projected figures for Fiscal Year 2012-13 are consistent with the figures outlined in the City's Five-Year Budget Action Plan. Although the City is on target, there is still a General Fund structural deficit. This deficit is expected to continue to grow into the next fiscal year due to higher CalPERS costs and the unfavorable economic outlook. Therefore, it is recommended that the City maintain its conservative fiscal approach with the budget and consider the need to take further actions in the future to minimize possible negative impacts to the City.

***Expenditures  
& Revenue***



# Expenditures Overview - General Fund

The General Fund provides most of the services commonly associated with governmental activities, such as Fire, Police, Library, Recreation and Community Services, Parks and Maintenance, and Development (Planning, Building, and Engineering). Funding sources for the General Fund include Sales Tax, Property Tax, Transient Occupancy Tax, Business License Tax, Parking Tax, Franchise Fees, and Development related fees. The Undesignated Fund Balance of the General Fund is the City's reserve for providing cash flow and unforeseen contingencies, such as natural disasters and significant economic contractions. The total Adopted General Fund appropriations, including transfers-out, are \$163,022,811 for Fiscal Year 2012-13. Highlights of changes within the specific expenditure categories are described in the following section.

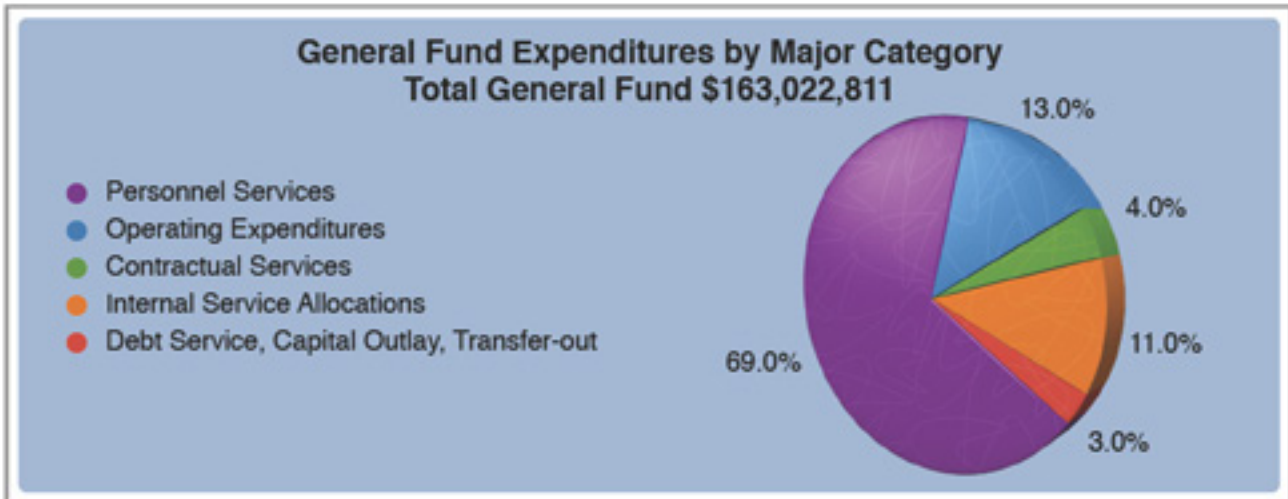
## Personnel Services

Personnel Services category represents the largest share of General Fund dollars: \$112,542,670 or 69 percent of the total Fiscal Year 2012-13 Adopted General Fund Budget. Increases in health and workers' compensation insurance costs, retirement benefits costs, and costs associated with recent labor groups contract negotiations are reflected in the Adopted General Fund Personnel Services budget for FY 2012-13. Included in the Adopted Personnel Services Budget, across all funds, is a net decrease of 15 positions, primarily the result of redevelopment due to recent State of California budget actions. In addition, the funding for an equivalent of 6.5 full-time positions (FTE's) was transferred to the General Fund. (The details of these approved personnel changes are found on

Total General Fund Expenditures by Fiscal Year



## Expenditures Overview - General Fund



page 33.) The sum of all these changes amounts to an approximate additional \$4.3 million to the General Fund Personnel Services adopted budget.

The City's labor groups are categorized into three major groups: Miscellaneous, Police Safety, and Fire Safety. There are a total of ten individual labor groups with six for Miscellaneous, two for Police Safety, and two for Fire Safety. Employee compensation and benefits include salary, overtime, compensatory time, skill and certification pay, special assignment pay, merit increase, paid and unpaid leaves, medical and retirement benefits, and tuition reimbursement.

The retiree health benefits continue to accumulate through personnel budgets based on an actuarial study the City had previously completed and account for almost \$8 million of the Adopted Fiscal Year 2012-13 Personnel Budget. For the General Fund, the amount set-aside for future retiree health benefits is approximately \$7.2 million, as Police and Fire account for the majority of retiree health benefit costs.

### ***Operating Expenditures***

General Fund Operating Expenditure are adopted at \$21,896,430 or 13 percent of the total FY 2012-13 Adopted General Fund Budget. The City Agencies have worked together to maintain status quo in the overall General Fund budget, despite the continued rising costs. This recommended amount included no "automatic" increases to the City Agencies' General Fund operating budget – this is the fourth consecutive year the Agencies were asked to hold their operating budgets to "zero growth". Although the adopted budget is a "zero growth" budget, included is an additional \$700,000 in the adopted General Fund Operating Expenditures budget for funding Economic Development operations that were formerly funded by the Ontario Redevelopment Agency, which has since been eliminated as a result of recent State of California budget actions.

### ***Internal Service Allocations***

The General fund portion of the Internal Service Allocations is recommended in the amount of \$18,339,506 or 11 percent of the total Fiscal Year 2012-13 General Fund Adopted Budget. Internal Service Allocations accounts for costs of goods and services provided by one department to another department. These goods and services include Equipment Services, Information Services, Risk Liability/Safety, Workers' Compensation, and Disability/Unemployment Insurance. Equipment Services accounts for the replacement cost for City vehicles, such as Police patrol vehicles, Fire trucks and engines, and solid waste trucks, as well as their vehicles' maintenance and repair, including the costs for fuel and oil. Information Services supports

## *Expenditures Overview - General Fund*

technology advances made throughout the City, such as network switch replacements, replacement of Public Safety mobile data computers (MDC's), server replacements, upgrades of many departmental hardware infrastructure needed for City employees to provide service to the public, and GIS/mapping related activities. Approximately 80 percent of the internal service allocation for Information Services is charged to the General Fund.

### ***Contractual Services***

Contractual Services, in the amount of \$7,074,780, comprises of approximately 4 percent of the total General Fund Adopted Budget for Fiscal Year 2012-13. Included in the Contractual Services category include school crossing guard services, contract costs for recreation class instructors, installation of sidewalks and ADA ramps, tree trimming services, park maintenance services, animal control services, and legal services. In addition, Contractual Services includes: Airport Transit consulting services; update of the City's housing element; funding of contract services related to Economic Development; and municipal election costs related to upcoming November election.

### ***Capital Outlay***

The Capital Outlay category adopted amount is \$50,000 for Fiscal Year 2012-13. It is for the annual replacement of Lifepak defibrillator and monitors for the Emergency Management Services division of the Fire Department.

### ***Transfers-Out***

The Fiscal Year 2012-13 Adopted Budget for General Fund Transfers-Out is \$3,092,425. Contributing items include funding toward the annual pavement management program (\$900,000), annual facility maintenance program (\$497,790), leave liability reserve (\$300,000), and public safety equipment reserves (\$1,150,000).



## Expenditures Overview - General Fund

### 2012-13 Total General Fund Expenditure by Major Category

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
<b>Personnel Services</b>						
51010 Salaries-Full Time	\$ 55,823,019	\$ 56,548,079	\$ 57,070,022	\$ 56,969,669	\$ 58,024,257	1.7%
51020 Salaries-Temporary/Part Time	1,430,691	1,506,257	1,742,827	1,745,384	1,742,172	-0.0%
51030 Salaries-Overtime	10,661,139	11,344,102	10,361,245	10,361,245	10,485,262	1.2%
51100 Fringe Benefits	35,375,268	36,124,435	38,559,726	38,523,781	41,756,461	8.3%
51210 Auto Allowance	100,648	101,883	98,552	98,552	105,197	6.7%
51310 Uniform Allowance	418,673	429,650	428,982	428,982	429,321	0.1%
<b>Total Personnel Services</b>	<b>\$ 103,809,439</b>	<b>\$ 106,054,406</b>	<b>\$ 108,261,354</b>	<b>\$ 108,127,613</b>	<b>\$ 112,542,670</b>	<b>4.0%</b>
<b>Operating Expenditures</b>						
52010 Computer Supplies	\$ 89,181	\$ 121,973	\$ 26,328	\$ 30,236	\$ 35,848	36.2%
52020 Office Supplies	177,375	159,071	350,094	351,729	329,854	-5.8%
52030 Books/Publications	24,118	33,217	43,025	43,025	36,550	-15.0%
52031 Library Books Adult	147,838	146,959	157,900	157,900	132,000	-16.4%
52032 Library Books Children	73,112	65,539	82,000	82,000	84,500	3.0%
52033 Magazines/Periodicals	35,709	22,970	33,155	33,155	32,955	-0.6%
52034 Videos/Cassettes	80,039	67,181	73,400	73,400	73,500	0.1%
52050 Uniforms	117,022	130,431	184,215	184,215	184,815	0.3%
52110 Materials	947,766	927,220	1,373,558	1,357,558	1,365,614	-0.6%
52120 Fuel & Oil	205,912	229,339	193,865	193,865	194,145	0.1%
52140 Chemicals	24,897	35,926	37,000	37,000	28,000	-24.3%
52160 Equipment Under \$5,000	210,397	280,207	342,833	346,213	342,590	-0.1%
52190 Misc Materials/Supplies	782,211	882,791	1,047,155	1,082,529	1,071,765	2.4%
52210 Maintenance & Repairs	931,373	1,062,102	1,432,815	1,407,369	1,411,265	-1.5%
52310 Electric Services	2,412,274	2,209,536	2,579,120	2,579,120	2,579,120	0.0%
52320 Natural Gas Services	71,404	73,454	95,832	95,832	95,632	-0.2%
52330 Telecommunication Services	337,375	341,892	420,720	419,220	403,375	-4.1%
52341 City Utilities Service	1,089,396	1,114,664	1,510,386	1,510,386	1,510,688	0.0%
52410 Advertising/Promotional	117,174	95,144	202,040	211,323	756,635	274.5%
52510 Travel/Conference/Training	360,754	408,203	566,807	578,697	679,900	20.0%
52520 Dues and Memberships	115,156	109,707	151,874	151,874	177,609	16.9%
52530 Employee Education	8,727	7,182	10,000	10,000	10,000	0.0%
52610 Rental/Lease Expense	4,599,539	4,618,442	4,625,505	4,620,801	3,383,848	-26.8%
52710 Duplicating Expense	80,748	95,737	118,871	123,288	120,816	1.6%
52720 Postage Expense	410,375	427,422	440,252	440,252	464,252	5.5%
52730 Booking Fees-Police	0	0	118,155	0	0	-100.0%
52740 Landfill Disposal	13,346	49,843	43,295	43,295	40,110	-7.4%
52990 Miscellaneous Services	2,290,261	2,411,999	2,584,087	2,597,681	2,517,285	-2.6%
52991 Maintenance Services	1,254,307	1,223,955	1,452,710	1,443,287	1,458,960	0.4%

## Expenditures Overview - General Fund

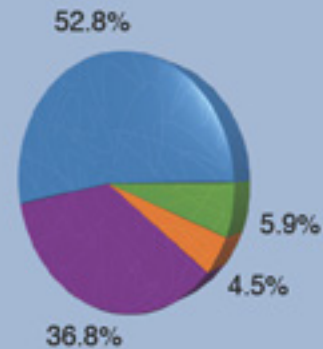
### 2012-13 Total General Fund Expenditure by Major Category

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
53730 Property Tax Assessment	146,259	150,497	151,800	151,800	151,800	0.0%
53990 Other Expense	<u>1,925,150</u>	<u>2,056,916</u>	<u>2,082,308</u>	<u>2,117,468</u>	<u>2,222,999</u>	6.8%
<b>Total Operating Expenditures</b>	<b>\$ 19,079,198</b>	<b>\$ 19,559,521</b>	<b>\$ 22,531,105</b>	<b>\$ 22,474,518</b>	<b>\$ 21,896,430</b>	<b>-2.8%</b>
<b>Contractual Services</b>						
55010 Legal Services	\$ 901,416	\$ 820,880	\$ 1,161,995	\$ 1,258,282	\$ 1,281,995	10.3%
55020 Accounting & Auditing Services	51,758	53,438	56,100	56,100	58,350	4.0%
55110 Architect & Engineer Services	0	23,722	8,000	30,124	6,165	-22.9%
55120 Construction Contracts	38,181	0	85,000	85,000	0	-100.0%
55130 Improvement Costs	639,989	645,000	645,152	645,152	645,152	0.0%
55140 Environmental Remediation	30,556	34,261	71,475	71,475	71,475	0.0%
55150 Site Clearance Costs	1,480	2,621	20,600	22,100	20,600	0.0%
55310 Other Professional Services	3,832,606	3,566,249	4,276,678	5,462,414	4,945,123	15.6%
55330 Property Management Services	<u>6,701</u>	<u>4,680</u>	<u>45,920</u>	<u>45,920</u>	<u>45,920</u>	0.0%
<b>Total Contractual Services</b>	<b>\$ 5,502,687</b>	<b>\$ 5,150,851</b>	<b>\$ 6,370,920</b>	<b>\$ 7,676,567</b>	<b>\$ 7,074,780</b>	<b>11.0%</b>
<b>Internal Service Allocations</b>						
57010 Equipment Services-City	\$ 4,887,798	\$ 4,599,512	\$ 4,587,799	\$ 4,587,799	\$ 4,587,799	0.0%
57110 Information Services-City	7,165,177	6,772,994	6,732,962	6,732,962	6,898,621	2.5%
57210 Risk Liability-City	2,529,697	2,129,927	2,123,304	2,123,304	2,134,376	0.5%
57310 Workers Compensation	4,093,527	4,142,318	3,931,338	3,927,910	4,032,234	2.6%
57410 Disability/Unemployment	<u>447,371</u>	<u>448,671</u>	<u>644,027</u>	<u>642,712</u>	<u>686,476</u>	6.6%
<b>Total Internal Service Allocations</b>	<b>\$ 19,123,569</b>	<b>\$ 18,093,422</b>	<b>\$ 18,019,430</b>	<b>\$ 18,014,687</b>	<b>\$ 18,339,506</b>	<b>1.8%</b>
<b>Debt Service</b>						
58110 Reimbursement Agreements	\$ 32,537	\$ 21,889	\$ 27,000	\$ 27,000	\$ 27,000	0.0%
<b>Total Debt Service</b>	<b>\$ 32,537</b>	<b>\$ 21,889</b>	<b>\$ 27,000</b>	<b>\$ 27,000</b>	<b>\$ 27,000</b>	<b>0.0%</b>
<b>Capital Outlay</b>						
60010 Office Equipment & Furniture	\$ 38,947	\$ 8,411	\$ 0	\$ 0	\$ 0	0.0%
61010 Vehicles	0	11,302	0	3,573,404	0	0.0%
62010 Other Equipment	<u>44,622</u>	<u>93,058</u>	<u>105,000</u>	<u>155,014</u>	<u>50,000</u>	-52.4%
<b>Total Capital Outlay</b>	<b>\$ 83,569</b>	<b>\$ 112,770</b>	<b>\$ 105,000</b>	<b>\$ 3,728,418</b>	<b>\$ 50,000</b>	<b>-52.4%</b>
<b>TOTAL</b>	<b><u>\$ 147,631,000</u></b>	<b><u>\$ 148,992,858</u></b>	<b><u>\$ 155,314,809</u></b>	<b><u>\$ 160,048,803</u></b>	<b><u>\$ 159,930,386</u></b>	<b>3.0%</b>
<b>Transfers-Out</b>	<b>\$ 3,788,689</b>	<b>\$ 8,547,073</b>	<b>\$ 3,109,425</b>	<b>\$ 3,126,464</b>	<b>\$ 3,092,425</b>	<b>-0.5%</b>
<b>TOTAL &amp; TRANSFERS-OUT</b>	<b><u>\$ 151,419,689</u></b>	<b><u>\$ 157,539,931</u></b>	<b><u>\$ 158,424,234</u></b>	<b><u>\$ 163,175,267</u></b>	<b><u>\$ 163,022,811</u></b>	<b>2.9%</b>

# Expenditures Overview - Citywide

## City, Redevelopment Successor Agency and Ontario Housing Authority Expenditure Summary by Fund Type Total \$442,692,349

- General Fund
- Other Funds
- Redevelopment Successor Agency
- Housing Authority



The City's Operating Budget is a flexible spending plan and services as the legal authority for departments to commit financial resources in providing services to the residents and businesses of Ontario. The Fiscal Year 2012-13 Adopted Budget, included transfers-out, for the City of Ontario, Redevelopment Successor Agency (RDA), and Ontario Housing Authority (OHA) is at \$442,692,349. This includes \$396,907,263 for the City (\$163,022,811 in the General Fund and \$233,884,452 in Other Funds including Enterprise Operations, Quiet Home Program, Gas Tax, Capital Projects, and Internal Services). Adopted for RDA is \$25,979,327 (excluding RDA transfers-out) and for OHA is \$19,805,759. The City's General Fund Budget of \$163,022,811 (excluding General Fund Trust transfers-out) is 36.8 percent of the total City, RDA, and OHA Budgets. The City's General Fund Budget provides most of the services commonly associated with government (public safety, recreation, parks, library, city administration, planning, and development). The Adopted Fiscal Year 2012-13 Capital Improvement expenditures of \$27,465,894 have also been included in the Operating Budget, and are further explained both within this Summary Budget and in the accompanying Capital Improvement Program Budget.

Highlights of the Fiscal Year 2012-13 Adopted Budget for the City of Ontario, RDA, and OHA include:

- ▶ \$5.0 million Improvements to the Mill Creek Wetlands, which include a wetland ecosystem comprises of a series of water quality treatment ponds, and providing a natural treatment system for storm water and urban runoff
- ▶ \$6.0 million Reconfiguration of the City Hall Annex basement facility and its systems to house the permanent Emergency Operations Center (EOC)
- ▶ \$3.0 million Development of a Civic Center Community Conservation Park which will include a demonstration water collection system, orchard fruit tree maze, California native and water wise gardens, conservation art mural wall, and wind sculptures that are energy generators
- ▶ \$2.6 million Replacement of outdated water transmission main along San Antonio Avenue to increase reliability and improve water service to Ontario's businesses and residents
- ▶ \$2.2 million Increased personnel related expenditures due to rising retirement and health insurance costs, scheduled City employee merit increases, and costs associated with recent City labor groups contract negotiations

*Expenditures Overview - Citywide*

**2012-13 Total Expenditure by Major Category**

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
<b>Personnel Services</b>						
51010 Salaries-Full Time	\$ 72,990,535	\$ 72,346,780	\$ 74,920,823	\$ 74,771,330	\$ 74,419,175	-0.7%
51020 Salaries-Temporary/Part Time	1,478,234	1,540,678	1,807,952	1,791,855	1,762,390	-2.5%
51030 Salaries-Overtime	11,904,894	12,835,491	11,864,038	12,349,143	11,889,419	0.2%
51050 Compensated Absence	74,758	344	0	0	0	0.0%
51100 Fringe Benefits	42,881,698	43,218,773	47,568,628	47,522,683	50,278,742	5.7%
51140 Disability Benefits Payments	177,486	149,155	210,000	210,000	210,000	0.0%
51160 Retired Employee Group Ins	2,541,039	2,759,230	3,300,000	3,300,000	3,300,000	0.0%
51210 Auto Allowance	141,372	136,399	145,477	145,477	144,682	-0.5%
51310 Uniform Allowance	425,000	433,200	434,900	434,900	434,100	-0.2%
<b>Total Personnel Services</b>	<b>\$ 132,615,016</b>	<b>\$ 133,420,051</b>	<b>\$ 140,251,818</b>	<b>\$ 140,525,388</b>	<b>\$ 142,438,508</b>	<b>1.6%</b>
<b>Operating Expenditures</b>						
52010 Computer Supplies	\$ 139,529	\$ 187,998	\$ 64,428	\$ 68,336	\$ 64,348	-0.1%
52020 Office Supplies	242,778	202,895	504,604	508,378	470,811	-6.7%
52030 Books/Publications	32,953	45,502	61,195	63,695	54,330	-11.2%
52031 Library Books Adult	154,025	146,959	159,900	163,400	136,000	-14.9%
52032 Library Books Children	75,907	65,539	82,000	82,000	84,500	3.0%
52033 Magazines/Periodicals	35,709	23,063	33,155	33,155	32,955	-0.6%
52034 Videos/Cassettes	85,947	69,680	73,400	73,400	73,500	0.1%
52050 Uniforms	119,779	131,921	188,572	188,572	189,172	0.3%
52110 Materials	3,310,729	3,218,306	4,063,036	4,158,317	3,941,704	-3.0%
52120 Fuel & Oil	1,335,362	1,647,371	1,968,365	1,968,365	2,228,645	13.2%
52130 Tires	350,903	343,175	375,000	375,000	450,000	20.0%
52140 Chemicals	84,177	91,141	172,000	172,000	160,500	-6.7%
52150 Water Purchases	7,317,122	12,995,371	18,756,800	18,756,800	20,006,800	6.7%
52160 Equipment Under \$5,000	1,222,551	3,452,666	1,686,859	3,499,233	1,390,375	-17.6%
52190 Misc Materials/Supplies	1,192,195	1,401,370	1,913,621	2,035,551	1,938,985	1.3%
52210 Maintenance & Repairs	3,651,256	3,730,436	5,587,559	5,772,173	5,689,335	1.8%
52310 Electric Services	5,108,191	4,826,886	6,116,270	6,131,830	6,125,373	0.1%
52320 Natural Gas Services	479,359	461,419	770,197	770,197	769,147	-0.1%
52330 Telecommunication Services	779,469	913,032	1,047,185	1,091,557	1,008,340	-3.7%
52340 Sewage Treatment Services	7,392,686	7,296,201	7,800,000	7,800,000	8,982,750	15.2%
52341 City Utilities Service	1,370,451	1,397,563	1,916,436	1,920,196	1,886,534	-1.6%
52410 Advertising/Promotional	745,036	767,074	1,045,748	1,076,715	841,985	-19.5%
52510 Travel/Conference/Training	501,536	614,716	887,212	938,249	865,705	-2.4%
52520 Dues and Memberships	167,928	160,504	218,724	220,724	218,829	0.0%
52530 Employee Education	8,727	7,182	10,000	10,000	10,000	0.0%
52610 Rental/Lease Expense	4,743,557	4,760,895	4,749,769	4,774,922	3,506,612	-26.2%

## Expenditures Overview - Citywide

### 2012-13 Total Expenditure by Major Category

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
52620 Insurance Premium	1,529,911	1,605,338	1,750,000	1,750,000	1,750,000	0.0%
52630 Settlement Claims Expense	5,720,743	7,130,401	3,855,000	3,655,000	4,230,000	9.7%
52710 Duplicating Expense	136,103	114,043	170,431	177,148	163,816	-3.9%
52720 Postage Expense	433,975	442,279	581,580	593,860	522,052	-10.2%
52730 Booking Fees-Police	0	0	118,155	0	0	-100.0%
52740 Landfill Disposal	7,275,838	7,229,250	7,773,795	7,773,795	7,773,110	-0.0%
52750 S.B. County Household Hazard	253,328	234,041	270,000	270,000	270,000	0.0%
52990 Miscellaneous Services	4,033,316	4,197,804	5,010,452	5,204,754	5,052,012	0.8%
52991 Maintenance Services	2,398,919	2,425,230	2,592,559	2,583,986	2,604,122	0.4%
53010 Property Acquisition Expense	6,883,699	3,176,982	10,945,046	13,119,886	7,677,770	-29.9%
53020 Relocation Services Costs	64,965	360,865	156,000	151,000	105,000	-32.7%
53030 Relocation Payments	182,780	183,896	415,000	424,000	344,706	-16.9%
53210 Loans	0	20,940	312,083	312,083	112,043	-64.1%
53211 H.O.M.E. Loan	0	0	134,470	134,470	67,979	-49.4%
53212 Rehabilitation Loan M/F	6,569,666	1,480,056	352,348	352,348	0	-100.0%
53213 Rehabilitation Loan S/F	122,341	101,223	0	0	0	0.0%
53220 Rehabilitation Grants	977,783	1,152,124	1,980,000	1,981,950	2,000,000	1.0%
53240 Rehabilitation Costs	0	1,716,829	4,857,982	4,334,919	0	-100.0%
53310 Debt Issuance Expense	23,965	23,965	0	0	0	0.0%
53410 Administrative Expense	3,932,334	4,355,374	3,810,832	3,810,832	10,399	-99.7%
53510 Depreciation	8,278,496	8,308,912	8,351,525	8,351,525	8,465,000	1.4%
53610 Bad Debt Expense	356,201	246,987	265,000	265,000	258,000	-2.6%
53710 County Tax Collection Fee	928,102	824,549	983,050	983,050	0	-100.0%
53720 RDA Pass-Thru Expense	5,832,700	5,911,331	5,127,690	5,127,690	0	-100.0%
53725 ERAF Tax Increment Reduction	16,394,862	3,375,413	0	18,230,606	0	0.0%
53730 Property Tax Assessment	165,331	175,989	176,800	176,800	186,800	5.7%
53990 Other Expense	7,296,548	7,492,951	28,284,893	29,316,564	9,646,498	-65.9%
<b>Total Operating Expenditures</b>	<b>\$ 120,439,767</b>	<b>\$ 111,245,639</b>	<b>\$ 148,526,726</b>	<b>\$ 171,734,031</b>	<b>\$ 112,366,542</b>	<b>-24.3%</b>
<b>Contractual Services</b>						
55010 Legal Services	\$ 1,872,565	\$ 2,080,360	\$ 2,315,495	\$ 2,932,539	\$ 2,421,995	4.6%
55020 Accounting & Auditing Services	69,709	76,520	94,400	94,400	97,221	3.0%
55110 Architect & Engineer Services	2,893,406	5,239,735	3,514,000	18,912,929	7,177,048	104.2%
55120 Construction Contracts	18,130,626	30,440,728	23,472,937	89,290,521	38,143,301	62.5%
55130 Improvement Costs	871,497	796,616	645,152	1,206,644	745,152	15.5%
55140 Environmental Remediation	63,644	57,304	209,025	209,025	209,025	0.0%
55150 Site Clearance Costs	238,411	248,925	818,070	812,071	590,220	-27.9%
55310 Other Professional Services	7,733,864	8,108,464	10,117,817	13,220,603	8,958,273	-11.5%
55320 Property Acquisition Services	138,957	339,016	176,500	594,086	101,500	-42.5%

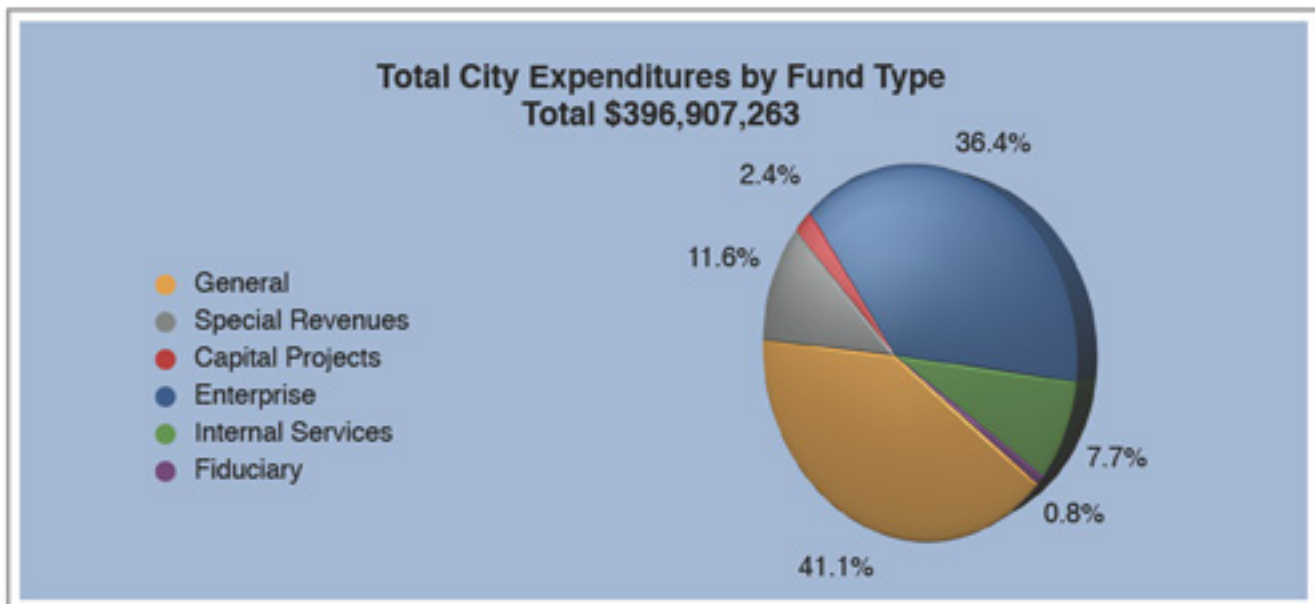


## Expenditures Overview - Citywide

### 2012-13 Total Expenditure by Major Category

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
55330 Property Management Services	70,779	74,834	159,420	159,420	134,920	-15.4%
<b>Total Contractual Services</b>	<b>\$ 32,083,458</b>	<b>\$ 47,462,500</b>	<b>\$ 41,522,816</b>	<b>\$ 127,432,238</b>	<b>\$ 58,578,655</b>	<b>41.1%</b>
<b>Internal Service Allocations</b>						
57010 Equipment Services-City	\$ 10,971,742	\$ 10,701,575	\$ 10,701,577	\$ 10,701,577	\$ 10,672,692	-0.3%
57110 Information Services-City	8,938,866	8,508,021	8,545,619	8,545,619	8,362,483	-2.1%
57210 Risk Liability-City	3,233,349	2,825,903	2,833,354	2,833,354	2,814,238	-0.7%
57310 Workers Compensation	4,770,009	4,730,266	4,603,033	4,599,705	4,858,579	5.6%
57410 Disability/Unemployment	582,762	574,690	935,167	933,952	972,701	4.0%
<b>Total Internal Service Allocations</b>	<b>\$ 28,496,728</b>	<b>\$ 27,340,455</b>	<b>\$ 27,618,750</b>	<b>\$ 27,614,207</b>	<b>\$ 27,680,693</b>	<b>0.2%</b>
<b>Debt Service</b>						
58010 Debt - Principal	\$ 2,622,906	\$ 2,601,938	\$ 4,166,259	\$ 4,166,259	\$ 4,201,758	0.9%
58011 Debt - City Advance Repayments	5,350,286	5,080,004	5,849,751	5,849,751	0	-100.0%
58020 Interest Expense	14,892,132	15,197,825	14,551,508	14,551,508	11,475,043	-21.1%
58110 Reimbursement Agreements	17,646,132	11,118,218	25,972,847	53,863,345	24,705,698	-4.9%
<b>Total Debt Service</b>	<b>\$ 40,511,456</b>	<b>\$ 33,997,985</b>	<b>\$ 50,540,365</b>	<b>\$ 78,430,863</b>	<b>\$ 40,382,499</b>	<b>-20.1%</b>
<b>Capital Outlay</b>						
60010 Office Equipment & Furniture	\$ 51,809	\$ 94,315	\$ 0	\$ 51,255	\$ 84,000	100.0%
61010 Vehicles	989,133	1,674,791	3,032,000	8,912,982	2,763,000	-8.9%
62010 Other Equipment	581,133	1,596,256	1,265,000	2,654,930	1,060,000	-16.2%
63010 Building & Structures	0	159,337	0	0	0	0.0%
<b>Total Capital Outlay</b>	<b>\$ 1,622,075</b>	<b>\$ 3,524,698</b>	<b>\$ 4,297,000</b>	<b>\$ 11,619,167</b>	<b>\$ 3,907,000</b>	<b>-9.1%</b>
<b>TOTAL EXPENDITURE</b>	<b>\$ 355,768,500</b>	<b>\$ 356,991,330</b>	<b>\$ 412,757,475</b>	<b>\$ 557,355,894</b>	<b>\$ 385,353,897</b>	<b>-6.6%</b>
<b>Transfers-Out</b>	<b>\$ 44,594,674</b>	<b>\$ 44,601,371</b>	<b>\$ 60,654,876</b>	<b>\$ 50,440,538</b>	<b>\$ 57,338,452</b>	<b>-5.5%</b>
<b>TOTAL &amp; TRANSFERS-OUT</b>	<b>\$ 400,363,174</b>	<b>\$ 401,592,701</b>	<b>\$ 473,412,351</b>	<b>\$ 607,796,432</b>	<b>\$ 442,692,349</b>	<b>-6.5%</b>

# Expenditures Overview - Fund Types



## **General Fund**

The Adopted Fiscal Year 2012-13 General Fund Expenditure Budget of \$163,022,811, including transfers-out, reflects increases in personnel expenditures as a result of rising retirement and health insurance costs, along with scheduled City employee merit increases, and costs associated with recent City labor groups contract negotiations, and additional funding for the Economic Development Agency, as a result of the elimination of redevelopment by the state. The City's projected ending General Fund Balance as of June 30, 2013 will be \$32,128,031, which is approximately 20 percent of the total recommended General Fund expenditures. This is well above the 18 percent goal set forth in the City's Budget Policy Guidelines by the Mayor and City Council.

The General Fund Unreserved Fund Balance is intended to be used for specific and defined emergency events, such as an earthquake and to address immediate needs in resources without impacting City services (such as personnel or programs). To minimize the potential for disruption of municipal services to its citizens, it is recommended that the City continue to exercise fiscal prudence by ensuring that an adequate level of unreserved fund balance is available in the event of an emergency.

For fifteen years and through the adoption of the annual operating budget, the City has enhanced services, established prudent financial reserves, eliminated fund deficits, reduced unfunded liabilities, and completed several key community facility projects. Examples include: sidewalk repairs and replacement; pavement management improvements; technology upgrades; vehicle replacements; employee leave liability and retiree health benefit reserve funding; replacement of public safety equipment, including the replacement of fire engines and police helicopters; and the construction of the Community Events Center and the Soccer Complex. With this said, however, there are still substantial needs in the community that need to be addressed.



### **Special Revenue Funds**

The Adopted Special Revenue Funds Budget for Fiscal Year 2012-13 of \$46,138,170, including transfers-out, consists of restricted funds including the Quiet Home Program (funded through Federal Aviation Agency and Los Angeles World Airports programs), Community Development Block Grant (C.D.B.G.) funds from HUD, Gas Tax, Measure I, General Fund Grants, Facility Maintenance, and Asset Seizure. The expenditure budgets for Special Revenue Funds are typically funded from either an increase in revenues and/or the use of residual fund balances.

Approximately 30 percent of FY 2012-13 Special Revenue Funds adopted budget is attributed to the Quiet Home Program, which has insulated over 1,250 houses, purchased 241 properties (52 acres), and relocated approximately 1,147 residents from the neighborhoods closest to the west end of the airport.

General Fund Grants comprises approximately 17 percent of FY

2012-13 Special Revenue Funds adopted budget; included are funding for two capital improvement projects. One project, funded by the California State Parks' Office of Grants and Local Services (Proposition 84), is the Civic Center Community Conservation Park project. This project will include a demonstration water collection system, orchard fruit tree maze, California native and water wise gardens, conservation art mural wall, and wind sculptures. The second project, funded by a State Water Grant, is the Mills Creek wetland project that will address the requirements of the regional storm water permit by providing regional water quality treatment for storm water and urban runoff discharges from existing and future developed areas in the City.

### **Capital Project Funds**

The five-year Capital Improvement Program (CIP) is a companion volume to this document and provides a summary of capital spending for the City in the current and forthcoming years. The CIP addresses the growing needs of

the community and quality of life enhancements through major public investment, and is an essential ingredient in the City's service delivery plan. The CIP is closely aligned with the General Plan and integrates a number of specialized facility and infrastructure master plans.

As presented in the adopted budget, the CIP for Fiscal Year 2012-13 totals \$27,465,894 for all categories of capital improvement projects across all funds. The Capital Project Fund accounts for capital expenditures that are primarily funded from the General Fund and/or other one-time monies. Due to restricted revenue sources, other capital expenditures are accounted for in the Special Revenue Funds, Enterprise Funds and Internal Service Funds.

The total Adopted Capital Project Funds Budget for Fiscal Year 2012-13 of \$9,301,165, including transfers-out, contributes approximately 34 percent toward the Adopted CIP total. Major projects included in this amount

## *Expenditures Overview - Fund Types*

are: Emergency Operations Center at the City Hall Annex; Fire Station No. 1 roof replacement; and Francis Street storm drain and street improvements.

### ***Enterprise Funds***

The City's Enterprise Funds include operating and capital funds for water, sewer, and solid waste. The total Adopted Budget for Fiscal Year 2012-13 of \$144,516,477, including transfers-out, reflect the continued increase in utility costs as well as capital projects to preserve and rehabilitate existing infrastructure. New projects included in the budget are the NPDES Bioswale project to treat storm water runoff and Phase I of the Water Transmission Main project to replace undersized and aged pipelines.



### ***Internal Service Funds***

The Internal Service Funds include the Equipment Services Fund, Self-Insurance Fund, and Information Technology Fund. The total Adopted Internal Service Funds Budget for Fiscal Year 2012-13 is \$30,628,640, including transfers-out. This amount reflects cost associated with replacing and equipping the City's fleet including police safety, fire safety, Utilities, and Parks and Maintenance vehicles, and the rising cost of fuel.

The budget in the Information Technology Fund includes support for technology advances throughout the City, such as several replacements and upgrades of department hardware infrastructure needed for City employees to provide service to the public. Additions to the Information Technology Fund budget

include: the investment of the electronic patient care report to facilitate reporting process for fire inspection and patient care; the Tiburon MobileCom to improve mobile data communications capabilities in the Dispatch Center and in field units; and the telestaff scheduling software for the Police Department to improve schedule and overtime management.



### ***Fiduciary***

Adopted for the Fiscal Year 2012-13 Fiduciary Budget is \$3,300,000 for anticipated out-of-pocket retiree health benefit costs. Included in the Fiscal Year 2012-13 Adopted Personnel Budget is almost \$8 million allocated toward future retiree health benefit costs. A recent retiree medical actuarial report for Fiscal Year 2009-10 indicated that the City liability was \$135 million. As of June 30, 2011, the City has funded \$55.1 million of assets toward this liability.



## Expenditures Overview - Fund Types

### 2012-13 Total Expenditure by Fund

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
<b>General</b>						
001 General Fund	\$ 147,631,000	\$ 148,992,858	\$ 155,314,809	\$ 160,048,803	\$ 159,930,386	3.0%
<b>Total General</b>	<b>\$ 147,631,000</b>	<b>\$ 148,992,858</b>	<b>\$ 155,314,809</b>	<b>\$ 160,048,803</b>	<b>\$ 159,930,386</b>	<b>3.0%</b>
<b>General Transfers-Out</b>	<b>3,788,689</b>	<b>8,547,073</b>	<b>3,109,425</b>	<b>3,126,464</b>	<b>3,092,425</b>	<b>-0.5%</b>
<b>Total General &amp; Transfers-Out</b>	<b>\$ 151,419,689</b>	<b>\$ 157,539,931</b>	<b>\$ 158,424,234</b>	<b>\$ 163,175,267</b>	<b>\$ 163,022,811</b>	<b>2.9%</b>
<b>Special Revenue</b>						
002 Quiet Home Program	\$ 4,556,327	\$ 5,979,156	\$ 13,181,000	\$ 20,624,980	\$ 13,973,000	6.0%
003 Gas Tax	4,969,182	3,001,366	5,175,778	6,069,264	4,135,164	-20.1%
004 Measure I	1,568,282	2,461,332	2,820,000	5,100,516	4,344,000	54.0%
005 Measure I Valley Major Project	246,920	2,547,472	4,176,800	10,966,264	800,000	-80.8%
007 Park Impact/Quimby	59,236	21,407	0	8,422,294	0	0.0%
008 C.D.B.G	2,320,978	3,171,717	3,411,051	3,876,378	3,423,793	0.4%
009 HOME Grants	2,679,713	1,825,833	1,017,080	1,017,080	2,347,076	130.8%
010 Asset Seizure	350,728	363,133	425,587	866,756	509,587	19.7%
011 Neighborhood Stabilization Prg	1,968,442	449,665	1,872,853	1,872,853	1,314,633	-29.8%
013 A.D. Administration	102,281	82,588	198,375	198,375	199,134	0.4%
014 Mobile Source Air	459,239	21,387	73,262	638,850	32,490	-55.7%
015 General Fund Grants	1,962,256	4,704,410	2,201,173	8,593,474	8,037,700	265.2%
018 Building Safety	705,812	539,994	1,170,731	1,170,731	1,177,812	0.6%
019 Parkway Maintenance	564,908	568,775	667,887	667,887	673,187	0.8%
070 Street Light Maintenance	227,468	232,946	337,241	337,241	339,335	0.6%
076 Facility Maintenance	368,487	389,091	499,100	577,845	748,340	49.9%
077 Storm Drain Maintenance	1,209,450	1,179,906	1,460,878	1,569,777	1,476,734	1.1%
<b>Total Special Revenue</b>	<b>\$ 24,319,708</b>	<b>\$ 27,540,178</b>	<b>\$ 38,688,796</b>	<b>\$ 72,570,565</b>	<b>\$ 43,531,985</b>	<b>12.5%</b>
<b>Special Revenue Transfers-Out</b>	<b>3,472,916</b>	<b>3,252,518</b>	<b>3,145,845</b>	<b>3,179,521</b>	<b>2,606,185</b>	<b>-17.2%</b>
<b>Total Special Revenue &amp; Transfers-Out</b>	<b>\$ 27,792,624</b>	<b>\$ 30,792,696</b>	<b>\$ 41,834,641</b>	<b>\$ 75,750,086</b>	<b>\$ 46,138,170</b>	<b>10.3%</b>
<b>Capital Project</b>						
016 Ground Access	\$ 5,265,881	\$ 3,702,316	\$ 0	\$ 3,814,438	\$ 0	0.0%
017 Capital Projects	4,835,949	17,583,377	1,177,000	8,689,948	6,867,500	483.5%
071 CFD No. 10 - Public Services	750	14	0	0	0	0.0%
072 NMC - CFD	6,019	6,567	19,577	19,577	21,328	8.9%
102 Fire Impact	82,450	0	0	0	0	0.0%
103 OMC Street Impact	180,785	2,046,187	772,708	18,442,261	148,000	-80.8%
107 General Facility Impact	2,071	0	0	0	0	0.0%
108 Library Impact	26,555	0	0	0	0	0.0%

## Expenditures Overview - Fund Types

### 2012-13 Total Expenditure by Fund

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
111 OMC Storm Drainage Impact	0	105,409	30,000	7,084,091	1,830,000	6,000.0%
115 NMC Street Impact	59,232	0	271,492	398,317	52,000	-80.8%
116 NMC Water Impact	788,325	0	0	9,337	0	0.0%
118 NMC Storm Drainage Impact	1,163,253	0	0	0	0	0.0%
121 Community Events Center	22,961	0	0	0	0	0.0%
<b>Total Capital Project</b>	<b>\$ 12,434,230</b>	<b>\$ 23,443,870</b>	<b>\$ 2,270,777</b>	<b>\$ 38,457,969</b>	<b>\$ 8,918,828</b>	<b>292.8%</b>
<b>Capital Project Transfers-Out</b>	<b>60,776,604</b>	<b>299,358</b>	<b>329,940</b>	<b>329,940</b>	<b>382,337</b>	<b>15.9%</b>
<b>Total Capital Project &amp; Transfers-Out</b>	<b>\$ 73,210,834</b>	<b>\$ 23,743,228</b>	<b>\$ 2,600,717</b>	<b>\$ 38,787,909</b>	<b>\$ 9,301,165</b>	<b>257.6%</b>
<b>Enterprise</b>						
024 Water Operating	\$ 20,480,296	\$ 25,743,428	\$ 34,909,289	\$ 34,950,944	\$ 36,633,945	4.9%
025 Water Capital	10,847,627	9,277,007	13,933,890	54,160,075	14,884,845	6.8%
026 Sewer Operating	10,502,946	10,320,754	12,357,784	12,361,629	13,642,706	10.4%
027 Sewer Capital	1,159,909	4,229,428	3,657,033	7,133,652	3,747,503	2.5%
029 Solid Waste	23,237,879	22,598,713	24,939,818	26,991,013	25,189,973	1.0%
031 Solid Waste Facilities	0	0	0	94,868	0	0.0%
<b>Total Enterprise</b>	<b>\$ 66,228,658</b>	<b>\$ 72,169,329</b>	<b>\$ 89,797,814</b>	<b>\$ 135,692,181</b>	<b>\$ 94,098,972</b>	<b>4.8%</b>
<b>Enterprise Transfers-Out</b>	<b>30,256,465</b>	<b>31,662,422</b>	<b>53,229,666</b>	<b>53,829,666</b>	<b>50,417,505</b>	<b>-5.3%</b>
<b>Total Enterprise &amp; Transfers-Out</b>	<b>\$ 96,485,123</b>	<b>\$ 103,831,751</b>	<b>\$ 143,027,480</b>	<b>\$ 189,521,847</b>	<b>\$ 144,516,477</b>	<b>1.0%</b>
<b>Internal Service</b>						
032 Equipment Services	\$ 9,512,454	\$ 10,769,932	\$ 13,921,300	\$ 15,656,415	\$ 14,113,305	1.4%
033 Self Insurance	8,038,510	9,452,352	6,579,387	6,579,387	6,959,353	5.8%
034 Information Technology	6,336,992	7,021,012	8,271,241	9,290,660	8,715,982	5.4%
<b>Total Internal Service</b>	<b>\$ 23,887,955</b>	<b>\$ 27,243,296</b>	<b>\$ 28,771,928</b>	<b>\$ 31,526,462</b>	<b>\$ 29,788,640</b>	<b>3.5%</b>
<b>Internal Service Transfers-Out</b>	<b>1,000,000</b>	<b>840,000</b>	<b>840,000</b>	<b>875,324</b>	<b>840,000</b>	<b>0.0%</b>
<b>Total Internal Service &amp; Transfers-Out</b>	<b>\$ 24,887,955</b>	<b>\$ 28,083,296</b>	<b>\$ 29,611,928</b>	<b>\$ 32,401,786</b>	<b>\$ 30,628,640</b>	<b>3.4%</b>
<b>Fiduciary</b>						
099 Other Post Employment Benefits	\$ 2,541,039	\$ 2,759,230	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000	0.0%
<b>Total Fiduciary</b>	<b>\$ 2,541,039</b>	<b>\$ 2,759,230</b>	<b>\$ 3,300,000</b>	<b>\$ 3,300,000</b>	<b>\$ 3,300,000</b>	<b>0.0%</b>
<b>TOTAL CITY FUNDS</b>	<b>\$ 321,637,265</b>	<b>\$ 346,750,133</b>	<b>\$ 378,799,000</b>	<b>\$ 502,936,895</b>	<b>\$ 396,907,263</b>	<b>4.8%</b>

## Expenditures Overview - Fund Types

### 2012-13 Total Expenditure by Fund

		2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
<b>REDEVELOPMENT SUCCESSOR AGENCY (RDA)</b>							
<b>Debt Service</b>							
054	RDA Project 2 Debt Service	\$ 2,103,253	\$ 2,120,820	\$ 1,883,080	\$ 1,883,080	\$ 0	-100.0%
059	RDA Guasti Debt Service	265,121	259,274	484,261	484,261	0	-100.0%
062	RDA Ctr City Debt Service	2,317,123	2,791,500	2,109,377	2,109,377	0	-100.0%
063	RDA Project 1 Debt Service	39,782,919	26,766,680	24,603,117	42,833,723	0	-100.0%
064	RDA Cimarron Debt Service	964,707	951,849	861,874	861,874	0	-100.0%
159	Guasti Successor/Debt Svc	0	0	0	0	220,000	100.0%
162	Ctr City Successor/Debt Svc	0	0	0	0	708,748	100.0%
163	PA#1 Successor/Debt Svc	0	0	0	0	12,217,556	100.0%
164	Cimarron Successor/Debt Svc	0	0	0	0	221,052	100.0%
<b>Total Debt Service</b>		<b>\$ 45,433,122</b>	<b>\$ 32,890,121</b>	<b>\$ 29,941,709</b>	<b>\$ 48,172,315</b>	<b>\$ 13,367,356</b>	<b>-55.4%</b>
<b>Capital Project</b>							
039	Redevelopment Agency	\$ 2,887,401	\$ 2,574,497	\$ 3,101,482	\$ 3,125,606	\$ 0	-100.0%
040	RDA Project Area No. 2	663,649	146,012	414,953	455,178	0	-100.0%
041	RDA Guasti Project Area	3,012	8,104	131,376	131,376	0	-100.0%
043	RDA Project Area No. 1	8,930,082	6,018,963	3,748,778	6,956,326	0	-100.0%
044	RDA Cimarron Project Area	677,980	318,655	323,987	769,816	0	-100.0%
061	RDA Center City	2,133,389	917,130	1,707,557	1,707,557	0	-100.0%
066	Housing Set Aside	9,037,045	7,992,960	30,098,008	29,789,009	0	-100.0%
139	Redev Successor Agency	0	0	0	0	586,761	100.0%
140	PA#2 Successor/Capital	0	0	0	0	191,500	100.0%
141	Guasti Successor/Capital	0	0	0	0	57,500	100.0%
143	PA#1 Successor/Capital	0	0	0	0	6,435,288	100.0%
144	Cimarron Successor/Capital	0	0	0	0	105,750	100.0%
161	Ctr City Successor/Capital	0	0	0	0	508,008	100.0%
299	Redev Obligation Retirement Fd	0	0	0	0	4,727,164	100.0%
<b>Total Capital Project</b>		<b>\$ 24,332,558</b>	<b>\$ 17,976,321</b>	<b>\$ 39,526,141</b>	<b>\$ 42,934,868</b>	<b>\$ 12,611,971</b>	<b>100.0%</b>
<b>TOTAL RDA</b>		<b>\$ 69,765,680</b>	<b>\$ 50,866,442</b>	<b>\$ 69,467,850</b>	<b>\$ 91,107,183</b>	<b>\$ 25,979,327</b>	<b>100.0%</b>
<b>ONTARIO HOUSING AUTHORITY (OHA)</b>							
048	Ontario Housing Authority	\$ 8,960,229	\$ 3,976,126	\$ 25,145,501	\$ 24,652,731	\$ 19,805,759	-21.2%
<b>TOTAL OHA</b>		<b>\$ 8,960,229</b>	<b>\$ 3,976,126</b>	<b>\$ 25,145,501</b>	<b>\$ 24,652,731</b>	<b>\$ 19,805,759</b>	<b>-21.2%</b>
<b>GRAND TOTAL ALL FUNDS</b>		<b>\$ 400,363,174</b>	<b>\$ 401,592,701</b>	<b>\$ 473,412,351</b>	<b>\$ 618,696,809</b>	<b>\$ 442,692,349</b>	<b>-6.5%</b>

# Expenditures Overview - Citywide Personnel Changes

Personnel changes are routinely considered in conjunction with the annual operating budget. The Adopted Fiscal Year 2012-13 Operating Budget has been developed using current employment contracts, and the continuation of the current work schedules. The following is a list of adopted full-time position changes subsequent to the last quarterly budget adjustment. When comparing to Fiscal Year 2011-12 Current Budget, the overall net change is a reduction of 15 positions. This reduction of personnel is primarily the result of the elimination of the Ontario Redevelopment Agency due to recent State of California budget actions.

Part-time position changes include the addition of two Administrative Interns. One Administrative Intern is adopted to be added to the Utilities-Engineering Division under the Ontario Municipal Utilities Company to provide support for the continuing in-house design projects. The second Administrative Intern is adopted to be added to the Information Technology Agency to provide support for the City's Web development and maintenance.





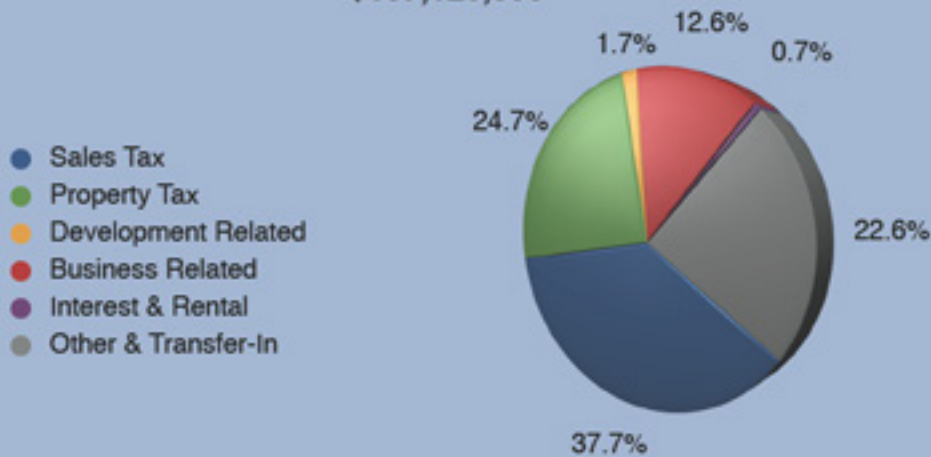
## *Expenditures Overview - Citywide Personnel Changes*

<b>Agency</b>	<b>Position Title</b>	<b>Position Count</b>
<b>Additions:</b>		
Economic Development	Business Operations Director	1
Information Technology	Web Developer	1
Municipal Utilities - Utilities Administration	Utilities Program Analyst	1
Police - Administrative Services	Senior Management Analyst	1
<b>Total Additions</b>		<b><u>4</u></b>
<b>Deletions:</b>		
Economic Development	Economic Development Administrator	-1
Economic Development	Economic Development Manager	-1
Economic Development	Office Specialist	-1
Economic Development	Redevelopment Program Analyst	-1
Housing - Administration	Administrative Aide	-1
Housing - Administration	Administrative Specialist	-1
Housing - Administration	Management Analyst	-1
Housing - Administration	Office Assistant	-1
Housing - Administration	Office Specialist	-1
Housing - Administration	Senior Management Analyst	-1
Housing - Administration	Senior Project Manager	-1
Housing - Grants Administration	Project Coordinator	-1
Housing - Neighborhood Revitalization	Neighborhood Improvement Specialist	-2
Housing - Quiet Home	Office Specialist	-1
Information Technology	Web Technician	-1
Municipal Utilities - Municipal Services	Senior Solid Waste Collector	-1
Municipal Utilities - Municipal Services	Solid Waste Collector	-1
Police - Administrative Services	Management Analyst	-1
<b>Total Deletions</b>		<b><u>-19</u></b>
<b>Reclassifications/Realignment:</b>		
Housing - Code Enforcement	Realign 1 Senior Neighborhood Improvement Specialist from Housing - Administration to Code Enforcement	
Housing - Code Enforcement	Realign 1 Neighborhood Improvement Specialist from Housing - Administration to Code Enforcement	
Police - Special Operations Bureau	Realign salary range for 1 Helicopter Mechanic	
Police - Special Operations Bureau	Realign salary range for 1 Senior Helicopter Mechanic	
<b>Net Change</b>		<b><u>-15</u></b>

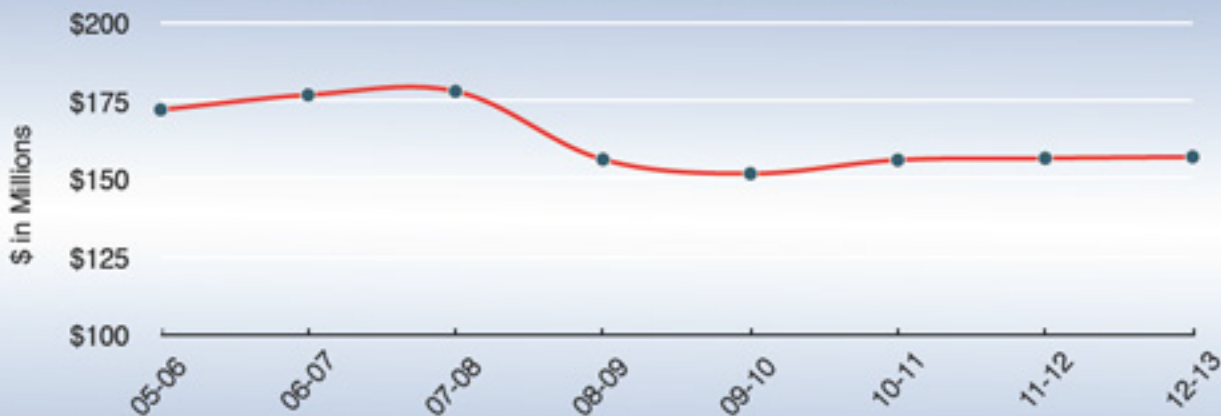
# Revenues Overview - General Fund

The City receives a multitude of revenue from many sources, most of which must be accounted for separately. Revenue projections in the Adopted Fiscal Year 2012-13 Budget are estimated using historical information, data collected from the Office of the Governor, the State Controller, the State Department of Finance, the League of California Cities, the San Bernardino County Auditor-Controller's Office, and numerous financial indicators. The City's budget staff produced a financially conservative picture of the near future utilizing historical revenue data, a general sense of the economic status of the local community, and other indicators noted above.

**Total Adopted FY 2012-13 General Fund Revenue and Transfers-in  
\$157,125,399**

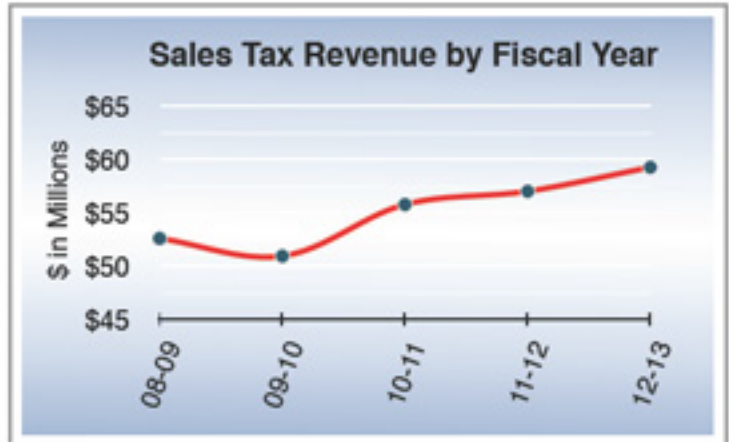


**General Fund Revenue and Transfers-in by Fiscal Year**

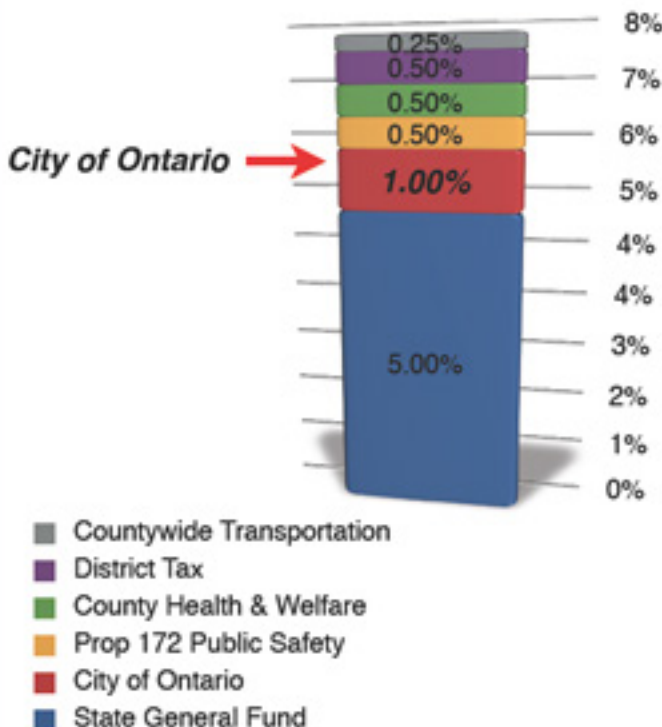


**Sales Tax**

In accordance with the California Revenue and Taxation Code, the State of California collects a 7.75 percent Sales and Use Tax on all taxable sales. The City, in turn, receives from the State 1.0 percent of the taxable sales within the City limits. Sales tax is the City's largest revenue source – representing 37.7 percent or \$59,250,000 of the total Adopted General Fund Revenues for Fiscal Year 2012-13. The City's aggressive economic development efforts over the years have contributed to business enterprises of all sizes locating in Ontario, bringing with them additional sales tax revenue as well as jobs. New businesses migrating to Ontario contribute not only to retail sales, but direct sales to the public by non-retail outlets, such as construction contractors, and manufacturing and distribution firms, thereby generating significant sales tax revenue for the City. The City's sales tax base is expected to continue to gain ground as increases in new auto sales and purchases of apparel, and rising gas prices are reflected in the recent gains seen in sales tax. The City's sales tax for calendar year 2011 reported gains of approximately 10 percent compared to 2010. Also, with the new auto dealership of Fletcher-Jones Mercedes, scheduled to open-up in summer of 2012, additional sales tax revenue will be generated for the City. Although the City does not anticipate sales tax revenues to be at the high level experienced before the "Great Recession", there has been some significant improvement over the last year.



**“What portion of the 7.75% sales tax you pay within the City, goes to the City?”**



**Development Related**

The City charges fees for permits and/or services for development related activities. While the City's attractive location increased demand for industrial and office real estate in past years, the collapse of the overall housing and construction industry has reduced Development Related revenues, as well as dramatically impacted the growth in development in the New Model Colony. The Fiscal Year 2012-13 adopted Development Related revenue of \$2,681,700 is comparable to current revenue projections. Although slight gains have been seen in Development Related revenues, projected revenue still reflects a significant decline of 80 percent compared to the high amount collected in Fiscal Year 2006-07 of \$13.5 million. Development Related revenues now represent only 1.7 percent of total General Fund revenues. When the housing market picks up and healthy development resumes in the New Model Colony, the City anticipates a return to a more positive growth in Development Related Revenue.

**Business License Tax**

Section 1 of the Ontario Municipal Code authorizes the City to levy a license tax on all businesses operating within the City. The license tax is based on either a flat tax or a graduated gross receipt basis, depending on the type of

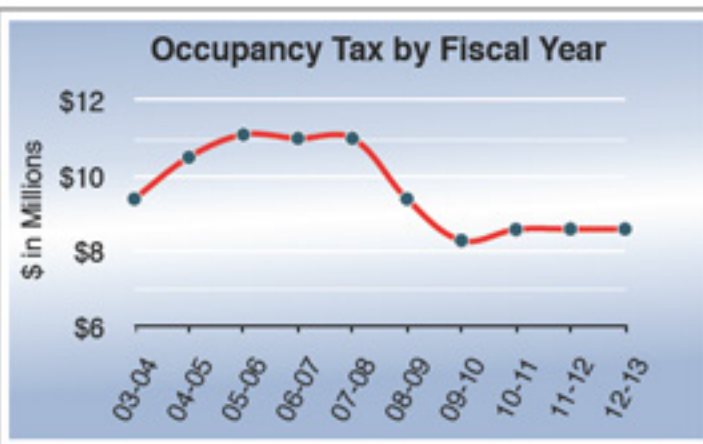
## Revenues Overview - General Fund

business. The adopted Business License revenue of \$5.5 million for Fiscal Year 2012-13 comprises approximately 3.5 percent of the total General Fund revenues. Recent gains have been reflected in Business License revenue, as some businesses have reported increased gross receipts, and it is in line with current projections.

### Occupancy Tax

Section 3-6.03 of the Ontario Municipal Code authorizes the City to levy a tax for the privilege of occupying lodgings on a transient basis. The tax, typically paid by out-of-town travelers, is assessed at a rate of 11.75 percent of the rent charged by hotel operators. The adopted Transient Occupancy Tax (TOT) revenue for Fiscal Year 2012-13 is \$8,600,000, which represents 5.5 percent of the total General Fund revenue. TOT revenue is projected to be on target with current estimates. However, it is still a significant reduction when compared to Fiscal Year 2007-08 (before the "Great Recession"), which reflects a major 22.0 percent decrease.

Factors contributing to the fluctuation of the Occupancy Tax include the rapidly rising cost of airfare, travel cut backs by businesses and consumers, new hotels constructed in surrounding communities, and passenger traffic at the Ontario International Airport (ONT).



### Parking Tax

Section 3-8.01 of the Ontario Municipal Code authorizes the City to levy a tax for the rental of parking spaces within the City. The tax is assessed at a rate of \$1.75 per vehicle per day or 12.5 percent of

the monthly parking charge. The adopted Parking Tax revenue of \$2.9 million for Fiscal Year 2012-13 is an indication of the continued decline of the Ontario International Airport (ONT) and is comparable to current revenue projections. Similar to TOT revenue, Parking Tax revenue is also affected by passenger traffic at the Ontario International Airport. The Parking Tax revenue collected from the airport parking lots alone accounts for approximately 80 percent of total Parking Tax revenue for the City. This projection reflects a decrease of approximately 47 percent compared to the amount received in Fiscal Year 2007-08. The Parking Tax revenue for Ontario accounts for 1.8 percent of the total General Fund revenue.

### Franchises

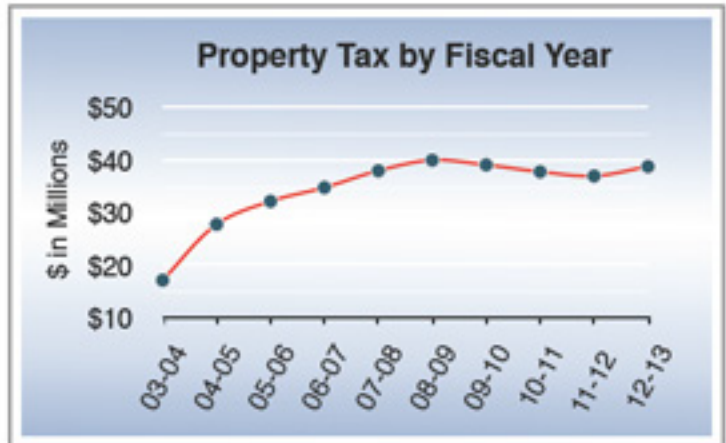
The State Public Utilities Code provides cities the ability to impose fees on gas, electric, cable television, and fiber-optic companies operating within a City. The fees range from 0.5 percent to 5.0 percent of gross receipts derived from business activities conducted within the City limits. Franchise Fee revenue of \$2,850,000 adopted for Fiscal Year 2012-13 represents 1.8 percent of the General Fund revenues and is in line with current revenue projections.

### Interest & Rentals

The City pools its available cash from various funds and invests in the financial instruments provided for in the City's Investment Policy as approved by the Mayor and City Council. Earnings are allocated to various funds on the basis of the proportionate cash balances in each fund. The projected Interest Revenue was based on a conservative rate of return of 0.5 percent on the City's portfolio, a rate historically lower than in the past due to the current economic market trends. The Adopted Fiscal Year 2012-13 revenue of \$1,030,000 reflects a significant decline as a result of the loss of interest income from Ontario Redevelopment Agency promissory notes payable to the City – a loss of approximately 3 million due to the elimination of redevelopment by the State. The projected Interest Income and Rentals income for Fiscal Year 2012-13 comprises less than one percent of the total General Fund Revenue.

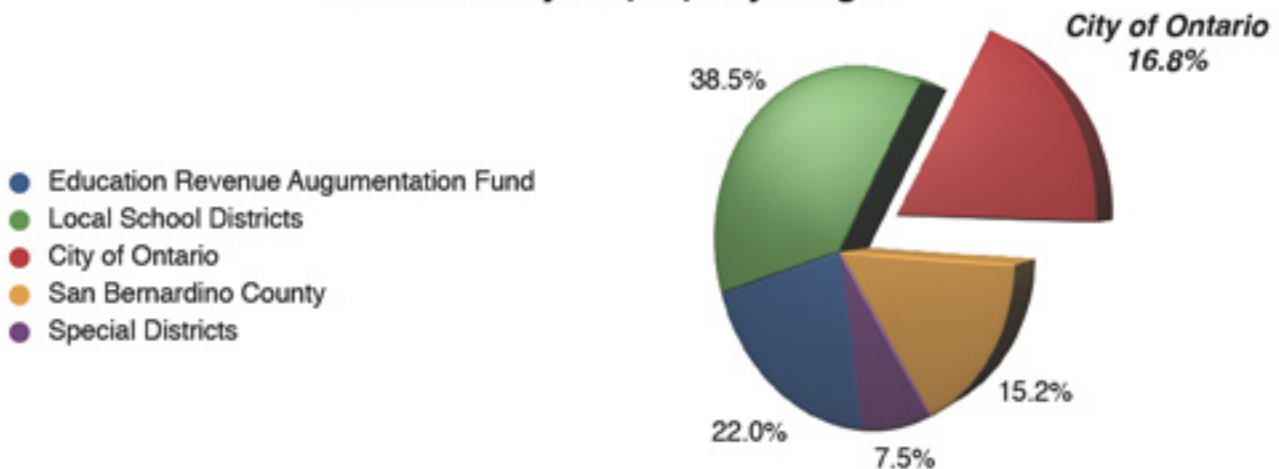
**Property Taxes**

The valuation of property within the City is determined by the San Bernardino County Tax Assessor, who levies a base tax at the rate of one percent of the assessed valuations. Approximately 16.8 percent of the base one percent levy is allocated to the City. The Fiscal Year 2012-13 adopted for property tax revenue is \$38,750,000. Although this is a slight increase from current projections, it actually reflects a decrease in assessed valuations. The slim gain is due to projected additional property tax revenue as the result of the elimination of redevelopment. Without the estimated additional property tax revenue from redevelopment, revenue projections include an expected 2 percent decline of assessed valuations as result of the continued decline in median home prices and anticipated devaluations resulting from resolved property tax assessment appeals from the County Assessor.



Property taxes contribute 24.7 percent to the total General Fund revenue.

**“Where does your property tax go?”**



**Reimbursables**

These revenues include the recovering of personnel and overhead costs allocated to various agencies, such as providing fire dispatch service to neighboring cities. Also included in this category are various reimbursements for Police, Fire, and Library services. The Adopted Fiscal Year 2012-13 Reimbursables revenue is \$2,907,859.

**Recreation Program**

The City offers a comprehensive array of public recreation programs and events throughout the year for every age group. The City rents sports fields, such as soccer and baseball fields to local leagues and associations. The Recreation Program revenue accounts for registration and rental fees collected from these recreational activities. The Adopted Fiscal Year 2012-13 Recreation Program revenue is \$792,200.

## Revenues Overview - General Fund

### Miscellaneous Revenues

The Miscellaneous Revenues accounts for all other ancillary revenues that the City generates and collects. Adopted for Fiscal Year 2012-13 General Fund Revenue, Miscellaneous Revenues is approximately \$4.7 million. It represents 3 percent of total General Fund revenues. A major new revenue for this category is fees collected from Abandoned & Distressed Properties violations – projected for Fiscal Year 2012-13 at \$1.25 million. In addition, fees collected for the signage rental of the Citizens Business Bank Arena, fines from Vehicle Code violations, fees from vehicle towing, and Property Transfer Tax are included in the Miscellaneous revenue category.

### Motor Vehicle License Fees

The allocation of Motor Vehicle License Fees have gone through many changes. In 2004, the allocation of the Vehicle License Fee (VLF) changed pursuant to State legislation. Most of the funds previously received by municipalities were swapped for additional property tax shares. These amounts adjust annually with the change in assessed valuation in each jurisdiction. As such, this "property tax in lieu of VLF" is categorized as property tax. In late June 2011, the State of California approved Senate Bill 89 which eliminated VLF revenues, effective July 1, 2011, in order to fund law enforcement grants that previously had been paid by a temporary state tax.

### 2012-13 General Fund Revenue Summary

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
Sales Tax	\$ 50,932,011	\$ 55,755,932	\$ 52,250,000	\$ 54,750,000	\$ 59,250,000	13.4%
Property Tax	39,002,655	37,706,348	36,900,000	36,900,000	38,750,000	5.0%
Development Related	3,255,006	3,132,483	1,734,000	2,849,000	2,681,700	54.7%
Business Related:						
Business License Tax	5,170,173	5,496,576	5,300,000	5,500,000	5,500,000	3.8%
Occupancy Tax	8,398,053	8,790,219	8,250,000	8,250,000	8,600,000	4.2%
Parking Tax	3,613,498	3,479,707	3,100,000	2,900,000	2,900,000	-6.5%
Franchises	2,741,116	2,879,831	2,600,000	2,600,000	2,850,000	9.6%
Interest & Rentals	4,197,369	5,081,066	3,811,570	1,361,570	1,030,000	-73.0%
Other:						
Motor Vehicle License Fees	510,057	883,460	500,000	0	0	-100.0%
Recreation Program	784,782	887,592	744,000	744,000	792,200	6.5%
Miscellaneous Revenues	8,525,074	8,155,202	6,970,533	9,085,133	4,770,200	-31.6%
Reimbursables	6,273,453	5,247,900	4,695,161	4,703,461	2,907,859	-38.1%
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$ 133,403,248</b>	<b>\$ 137,496,317</b>	<b>\$ 126,855,264</b>	<b>\$ 129,643,164</b>	<b>\$ 130,031,959</b>	<b>2.5%</b>
<b>Transfers-In</b>	<b>\$ 18,304,586</b>	<b>\$ 22,076,125</b>	<b>\$ 24,485,451</b>	<b>\$ 26,987,803</b>	<b>\$ 27,093,440</b>	<b>10.7%</b>
<b>TOTAL &amp; TRANSFERS-IN</b>	<b>\$ 151,707,834</b>	<b>\$ 159,572,442</b>	<b>\$ 151,340,715</b>	<b>\$ 156,630,967</b>	<b>\$ 157,125,399</b>	<b>3.8%</b>

# Revenues Overview - Other Funds

Other Funds adopted revenue budget, including transfers-in, account for \$204,742,505 or approximately 52 percent of the total adopted City (\$361,867,904), Redevelopment Successor Agency (\$25,979,327), and Ontario Housing Authority (\$5,213,477) revenue budget of \$393,060,708. Some of the main revenue funds are described below.

## Grants

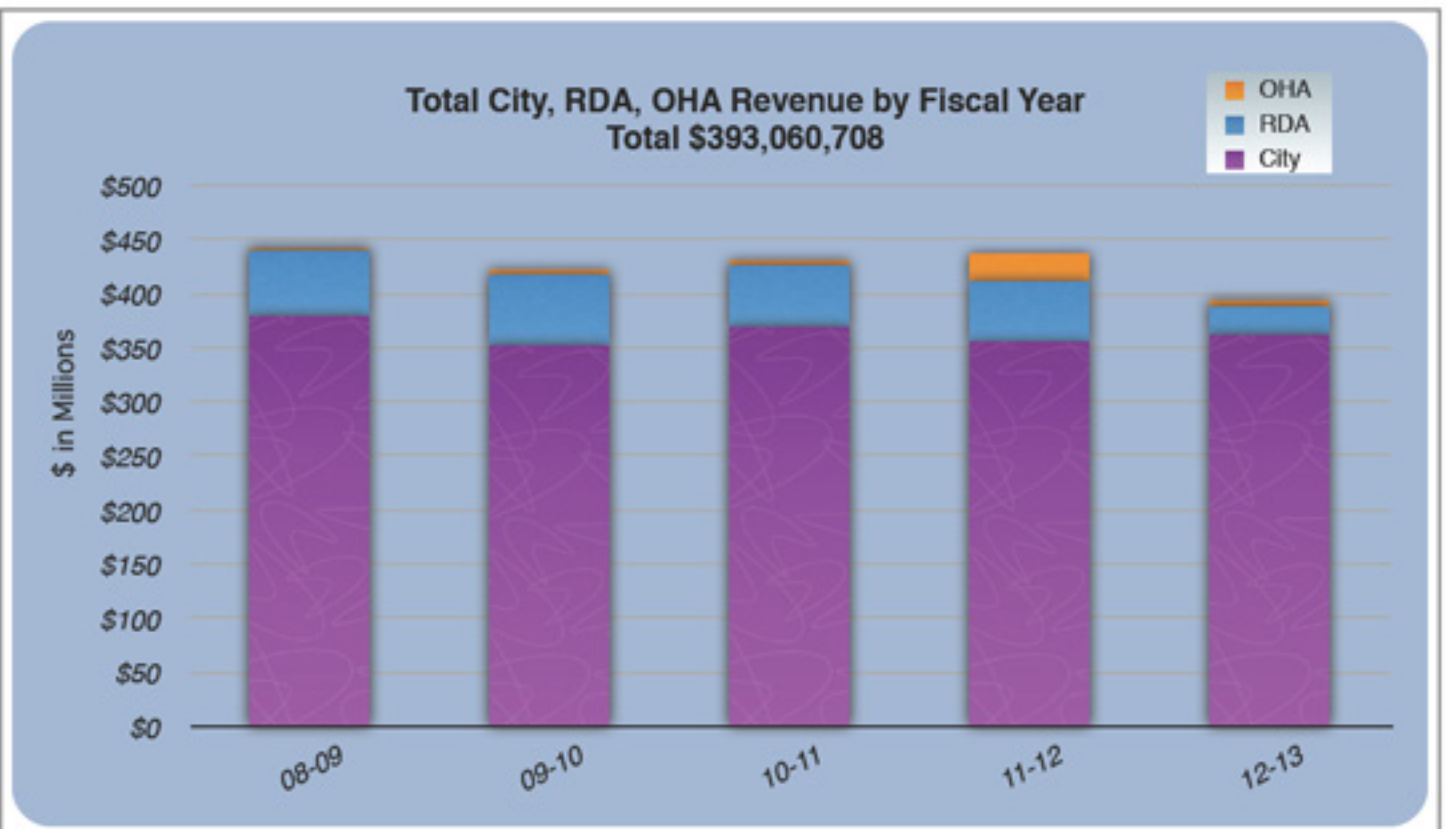
The City receives various grant funds from federal and state governments, including funding for programs such as housing rehabilitation; front-line law enforcement equipment and related support services; police technology capital expenditures; conservation park; and noise insulation and property acquisition near the Ontario International Airport. Total adopted Grants revenues are approximately \$29 million.

## Charges for Services

The City imposes service charges or fees on users of specific services such as water, sewer, and refuse which are represented in the Enterprise Funds. Charges for Services in the Enterprise Funds is projected to fluctuate marginally (trending down overall) due to the impacts of the economic downturn. The Adopted Enterprise Funds' Revenue Budget for Fiscal Year 2012-13 is approximately \$118.6 million (including transfers-in of \$20.6 million), of which approximately \$97 million represents charges for services revenue.

## Gas Tax

The State of California assesses a tax on gasoline purchases as authorized by Sections 2103, 2105, 2106, 2107, and 2107.5 of the California Streets and Highway Code. A portion of this tax is allocated to cities based on a per capita formula. The City's estimated allocation of Gas Tax revenues for Fiscal Year 2012-13 is at \$4,557,885.



# Revenues Overview - Fund Types

## 2012-13 Total Revenue by Fund

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
<b>CITY OF ONTARIO</b>						
<b>General</b>						
001 General Fund	\$ 133,403,248	\$ 137,496,317	\$ 126,855,264	\$ 129,643,164	\$ 130,031,959	2.5%
098 General Fund Trust	1,944,084	250,000	0	0	0	0.0%
<b>Total General</b>	<b>\$ 135,347,332</b>	<b>\$ 137,746,317</b>	<b>\$ 126,855,264</b>	<b>\$ 129,643,164</b>	<b>\$ 130,031,959</b>	<b>2.5%</b>
<b>General Transfers-In</b>	<b>18,304,586</b>	<b>22,076,071</b>	<b>24,485,451</b>	<b>26,987,803</b>	<b>27,093,440</b>	<b>10.7%</b>
<b>Total General &amp; Transfers-In</b>	<b>\$ 153,651,918</b>	<b>\$ 159,822,388</b>	<b>\$ 151,340,715</b>	<b>\$ 156,630,967</b>	<b>\$ 157,125,399</b>	<b>3.8%</b>
<b>Special Revenue</b>						
002 Quiet Home Program	\$ 4,506,114	\$ 5,979,156	\$ 13,181,000	\$ 20,624,980	\$ 13,973,000	6.0%
003 Gas Tax	3,917,391	4,379,498	4,698,566	4,698,566	4,557,885	-3.0%
004 Measure I	2,137,262	2,172,011	2,028,728	2,028,728	2,164,910	6.7%
005 Measure I Valley Major Project	147,293	2,118,046	4,176,800	10,966,264	800,000	-80.8%
007 Park Impact/Quimby	1,527,953	528,587	115,000	115,000	112,000	-2.6%
008 C.D.B.G	2,479,224	3,329,963	3,523,035	3,988,362	3,423,793	-2.8%
009 HOME Grants	2,570,596	1,860,250	1,058,547	1,058,547	2,347,076	121.7%
010 Asset Seizure	655,948	876,140	0	0	0	0.0%
011 Neighborhood Stabilization Prg	1,968,442	449,665	1,872,853	1,872,853	1,314,633	-29.8%
013 A.D. Administration	120,796	97,227	90,000	90,000	80,000	-11.1%
014 Mobile Source Air	219,242	204,552	209,000	209,000	204,500	-2.2%
015 General Fund Grants	2,048,397	4,729,108	2,237,546	8,611,161	8,037,700	259.2%
018 Building Safety	1,070,246	1,405,184	1,367,000	967,000	860,000	-37.1%
019 Parkway Maintenance	574,115	580,524	602,668	602,668	597,668	-0.8%
021 Storm Drain Dist.	1,869	1,199	500	500	500	0.0%
070 Street Light Maintenance	411,505	430,748	476,639	476,639	472,639	-0.8%
077 Storm Drain Maintenance	1,329,223	1,279,326	1,178,000	1,178,000	1,021,400	-13.3%
114 Historic Preservation	33,100	8,094	3,000	3,000	1,500	-50.0%
119 NMC Public Services	150,594	89,299	30,000	30,000	16,000	-46.7%
<b>Total Special Revenue</b>	<b>\$ 25,869,310</b>	<b>\$ 30,518,577</b>	<b>\$ 36,848,882</b>	<b>\$ 57,521,268</b>	<b>\$ 39,985,204</b>	<b>8.5%</b>
<b>Special Revenue Transfers-In</b>	<b>16,543,124</b>	<b>1,333,824</b>	<b>1,659,425</b>	<b>1,711,788</b>	<b>1,642,425</b>	<b>-1.0%</b>
<b>Total Special Revenue &amp; Transfers-In</b>	<b>\$ 42,412,434</b>	<b>\$ 31,852,401</b>	<b>\$ 38,508,307</b>	<b>\$ 59,233,056</b>	<b>\$ 41,627,629</b>	<b>8.1%</b>
<b>Capital Project</b>						
016 Ground Access	\$ 5,299,764	\$ 2,053,971	\$ 0	\$ 3,814,438	\$ 0	0.0%
017 Capital Projects	166,905	420,055	0	1,300,000	0	0.0%
071 CFD No. 10 - Public Services	9,645	9,609	9,956	9,956	10,165	2.1%
072 NMC - CFD	197,015	296,162	339,561	339,561	393,500	15.9%
101 Law Enforcement Impact	90,845	52,463	500	500	500	0.0%
102 Fire Impact	133,456	72,969	300	300	700	133.3%



## Revenues Overview - Fund Types

### 2012-13 Total Revenue by Fund

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
103 OMC Street Impact	\$ 1,776,458	\$ 603,660	\$ 150,000	\$ 150,000	\$ 73,800	-50.8%
104 OMC Water Impact	424,367	241,571	80,000	80,000	36,000	-55.0%
105 OMC Sewer Impact	142,058	95,540	30,000	30,000	14,000	-53.3%
106 Solid Waste Impact	120,809	47,558	8,000	8,000	3,600	-55.0%
107 General Facility Impact	328,675	80,605	500	500	1,300	160.0%
108 Library Impact	181,548	30,101	500	500	350	-30.0%
109 Public Meeting Impact	122,949	45,477	9,000	9,000	3,800	-57.8%
110 Aquatic Impact	15,536	5,779	1,000	1,000	500	-50.0%
111 OMC Storm Drainage Impact	560,541	347,537	150,000	150,000	80,000	-46.7%
112 Species Habitat Impact	5,823	3,735	2,000	2,000	1,000	-50.0%
113 Fiber Impact	(2,386)	3,058	0	0	0	0.0%
115 NMC Street Impact	(38,734)	239,425	10,000	10,000	6,500	-35.0%
116 NMC Water Impact	(342,529)	0	0	0	0	0.0%
117 NMC Sewer Impact	30,320	26,389	1,500	1,500	885	-41.0%
118 NMC Storm Drainage Impact	(195,522)	151,843	10,000	10,000	5,500	-45.0%
120 Affordability In-Lieu	293,560	168,843	10,000	10,000	6,800	-32.0%
505 CFD No.13-Commerce Center	0	0	0	0	0	0.0%
<b>Total Capital Project</b>	<b>\$ 9,321,104</b>	<b>\$ 4,996,351</b>	<b>\$ 812,817</b>	<b>\$ 5,927,255</b>	<b>\$ 638,900</b>	<b>-21.4%</b>
<b>Capital Project Transfers-In</b>	<b>5,371,974</b>	<b>3,905,494</b>	<b>1,147,000</b>	<b>1,582,000</b>	<b>6,837,500</b>	<b>496.1%</b>
<b>Total Capital Project &amp; Transfers-In</b>	<b>\$ 14,693,078</b>	<b>\$ 8,901,845</b>	<b>\$ 1,959,817</b>	<b>\$ 7,509,255</b>	<b>\$ 7,476,400</b>	<b>281.5%</b>
<b>Enterprise</b>						
024 Water Operating	\$ 46,135,619	\$ 50,762,509	\$ 44,600,000	\$ 44,600,000	\$ 47,880,000	7.4%
025 Water Capital	1,474,455	8,148,500	310,000	310,000	225,000	-27.4%
026 Sewer Operating	18,158,473	18,502,373	17,885,000	17,885,000	19,537,000	9.2%
027 Sewer Capital	461,565	256,977	170,000	170,000	82,000	-51.8%
029 Solid Waste	32,344,760	31,503,123	30,518,718	30,629,134	30,305,000	-0.7%
031 Solid Waste Facilities	18,430	11,822	7,000	7,000	3,000	-57.1%
<b>Total Enterprise</b>	<b>\$ 98,593,302</b>	<b>\$ 109,185,304</b>	<b>\$ 93,490,718</b>	<b>\$ 93,601,134</b>	<b>\$ 98,032,000</b>	<b>4.9%</b>
<b>Enterprise Transfers-In</b>	<b>16,543,124</b>	<b>16,535,874</b>	<b>32,970,000</b>	<b>33,570,000</b>	<b>20,585,874</b>	<b>-37.6%</b>
<b>Total Enterprise &amp; Transfers-In</b>	<b>\$ 115,136,426</b>	<b>\$ 125,721,178</b>	<b>\$ 126,460,718</b>	<b>\$ 127,171,134</b>	<b>\$ 118,617,874</b>	<b>-6.2%</b>
<b>Internal Service</b>						
032 Equipment Services	\$ 12,800,093	\$ 12,201,081	\$ 11,251,577	\$ 11,251,577	\$ 11,400,346	1.3%
033 Self Insurance	8,966,528	8,534,811	8,373,453	8,373,453	8,669,326	3.5%
034 Information Technology	9,762,128	9,117,070	8,681,759	8,681,759	8,707,471	0.3%
<b>Total Internal Service</b>	<b>\$ 31,528,749</b>	<b>\$ 29,852,962</b>	<b>\$ 28,306,789</b>	<b>\$ 28,306,789</b>	<b>\$ 28,777,143</b>	<b>1.7%</b>
<b>Internal Service Transfers-In</b>	<b>250,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>0.0%</b>
<b>Total Internal Service &amp; Transfers-In</b>	<b>\$ 31,778,749</b>	<b>\$ 29,942,962</b>	<b>\$ 28,396,789</b>	<b>\$ 28,396,789</b>	<b>\$ 28,867,143</b>	<b>1.7%</b>

## Revenues Overview - Fund Types

### 2012-13 Total Revenue by Fund

	2009-10 Actual	2010-11 Actual	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
<b>Fiduciary</b>						
099 Other Post Employment Benefits	\$ 9,401,933	\$ 9,114,311	\$ 8,266,194	\$ 8,266,194	\$ 8,153,459	-1.4%
<b>Total Fiduciary</b>	\$ 9,401,933	\$ 9,114,311	\$ 8,266,194	\$ 8,266,194	\$ 8,153,459	-1.4%
<b>TOTAL CITY FUNDS</b>	<b>\$ 352,215,714</b>	<b>\$ 365,355,139</b>	<b>\$ 354,932,540</b>	<b>\$ 382,592,552</b>	<b>\$ 361,867,904</b>	2.0%
<b>REDEVELOPMENT SUCCESSOR AGENCY (RDA)</b>						
<b>Debt Service</b>						
054 RDA Project 2 Debt Service	\$ 4,107,624	\$ 3,867,557	\$ 3,594,110	\$ 3,594,110	\$ 0	-100.0%
059 RDA Guasti Debt Service	839,471	657,574	605,665	605,665	0	-100.0%
062 RDA Ctr City Debt Service	2,826,925	2,852,498	2,703,230	2,703,230	0	-100.0%
063 RDA Project 1 Debt Service	37,532,453	31,691,918	31,556,960	31,556,960	0	-100.0%
064 RDA Cimarron Debt Service	1,628,159	1,409,342	1,321,910	1,321,910	0	-100.0%
<b>Total Debt Service</b>	\$ 46,934,632	\$ 40,478,889	\$ 39,781,875	\$ 39,781,875	\$ 0	-100.0%
<b>Capital Project</b>						
039 Redevelopment Agency	\$ 80,697	\$ 67,460	\$ 50,000	\$ 50,000	\$ 0	-100.0%
040 RDA Project Area No. 2	579,041	440,359	363,178	363,178	0	-100.0%
041 RDA Guasti Project Area	86,957	62,860	97,982	97,982	0	-100.0%
043 RDA Project Area No. 1	3,118,294	2,906,271	4,396,933	4,396,933	0	-100.0%
044 RDA Cimarron Project Area	214,725	667,732	198,410	198,410	0	-100.0%
061 RDA Center City	1,513,757	1,622,276	1,121,418	1,121,418	0	-100.0%
066 Housing Set Aside	11,975,866	10,673,135	10,174,470	10,174,470	0	-100.0%
299 Redev Obligation Retirement Fd	0	0	0	0	25,979,327	100.0%
<b>Total Capital Project</b>	\$ 17,569,336	\$ 16,440,093	\$ 16,402,391	\$ 16,402,391	\$ 25,979,327	58.4%
<b>TOTAL RDA FUNDS</b>	<b>\$ 64,503,968</b>	<b>\$ 56,918,982</b>	<b>\$ 56,184,266</b>	<b>\$ 56,184,266</b>	<b>\$ 25,979,327</b>	-53.8%
<b>ONTARIO HOUSING AUTHORITY (OHA)</b>						
48 Ontario Housing Authority	\$ 4,882,966	\$ 4,184,892	\$ 25,145,501	\$ 23,888,564	\$ 5,213,477	-79.3%
<b>TOTAL OHA FUNDS</b>	<b>\$ 4,882,966</b>	<b>\$ 4,184,892</b>	<b>\$ 25,145,501</b>	<b>\$ 23,888,564</b>	<b>\$ 5,213,477</b>	-79.3%
<b>GRAND TOTAL ALL FUNDS</b>	<b>\$ 421,602,649</b>	<b>\$ 426,458,959</b>	<b>\$ 445,032,093</b>	<b>\$ 465,698,225</b>	<b>\$ 393,060,708</b>	-11.7%

***Fund Balance  
& Interfund  
Transfer***

# *Fund Balance & Interfund Transfers*

Fund Balance reflects the difference between revenues and expenditures, as well as interfund to transfers within a adopted fund. Beginning Fund balance is the cumulation of previous years differences. The Adopted Budget for Fiscal Year 2012-13 reflect projected funds balances and interfund transfers as shown in the following schedules.



# Fund Balance

## 2012-13 Unreserved Fund Balances

	Estimated Total Unreserved Fund Balance July 1, 2012	Revenues	Operating Transfer-In	Operating Transfer- Out	Available	Expenditures	Estimated Undesignated and Reserves June 30, 2013
<b>CITY OF ONTARIO</b>							
<b>General</b>							
001 General Fund	\$ 32,128,031	\$ 130,031,959	\$ 32,990,852	\$ 3,092,425	\$ 192,058,417	\$ 159,930,386	\$ 32,128,031
098 General Fund Trust	42,833,992	0	7,926,713	12,734,912	38,025,793	0	38,025,793
<b>Total General</b>	<b>\$ 74,962,023</b>	<b>\$ 130,031,959</b>	<b>\$ 40,917,565</b>	<b>\$ 15,827,337</b>	<b>\$ 230,084,210</b>	<b>\$ 159,930,386</b>	<b>\$ 70,153,824</b>
<b>Special Revenue</b>							
002 Quiet Home Program	\$ 0	\$ 13,973,000	\$ 0	\$ 0	\$ 13,973,000	\$ 13,973,000	\$ 0
003 Gas Tax	1,904,941	4,557,885	900,000	2,302,437	5,060,389	4,135,164	925,225
004 Measure I	2,298,600	2,164,910	0	0	4,463,510	4,344,000	119,510
005 Measure I Valley Major Project	0	800,000	0	0	800,000	800,000	0
007 Park Impact/Quimby	1,654,552	112,000	0	0	1,766,552	0	1,766,552
008 C.D.B.G	0	3,423,793	0	0	3,423,793	3,423,793	0
009 HOME Grants	0	2,347,076	0	0	2,347,076	2,347,076	0
010 Asset Seizure	1,752,148	0	0	0	1,752,148	509,587	1,242,561
011 Neighborhood Stabilization Prg	0	1,314,633	0	0	1,314,633	1,314,633	0
013 A.D. Administration	823,670	80,000	0	0	903,670	199,134	704,536
014 Mobile Source Air	434,948	204,500	0	1,617	637,831	32,490	605,341
015 General Fund Grants	0	8,037,700	0	0	8,037,700	8,037,700	0
018 Building Safety	906,373	860,000	0	55,309	1,711,064	1,177,812	533,252
019 Parkway Maintenance	743,172	597,668	225,945	153,579	1,413,206	673,187	740,019
021 Storm Drain Dist.	66,163	500	0	0	66,663	0	66,663
070 Street Light Maintenance	1,258,039	472,639	18,690	93,243	1,656,125	339,335	1,316,790
076 Facility Maintenance	437,715	0	497,790	0	935,505	748,340	187,165
077 Storm Drain Maintenance	1,190,651	1,021,400	0	0	2,212,051	1,476,734	735,317
114 Historic Preservation	315,473	1,500	0	0	316,973	0	316,973
119 NMC Public Services	3,283,837	16,000	0	0	3,299,837	0	3,299,837
<b>Total Special Revenue</b>	<b>\$ 17,070,282</b>	<b>\$ 39,985,204</b>	<b>\$ 1,642,425</b>	<b>\$ 2,606,185</b>	<b>\$ 56,091,726</b>	<b>\$ 43,531,985</b>	<b>\$ 12,559,741</b>
<b>Capital Project</b>							
017 Capital Projects	\$ 8,607,666	\$ 0	\$ 6,837,500	\$ 0	\$ 15,445,166	\$ 6,867,500	\$ 8,577,666
071 CFD No. 10 - Public Services	0	10,165	0	10,165	0	0	0
072 NMC - CFD	0	393,500	0	372,172	21,328	21,328	0
101 Law Enforcement Impact	71,230	500	0	0	71,730	0	71,730
102 Fire Impact	78,347	700	0	0	79,047	0	79,047

## 2012-13 Unreserved Fund Balances

	Estimated Total Unreserved Fund Balance July 1, 2012	Revenues	Operating Transfer-In	Operating Transfer- Out	Available	Expenditures	Estimated Undesignated and Reserves June 30, 2013
103 OMC Street Impact	\$ (2,641,843)	\$ 73,800	\$ 0	\$ 0	\$ (2,568,043)	\$ 148,000	\$ (2,716,043)
104 OMC Water Impact	7,181,946	36,000	0	0	7,217,946	0	7,217,946
105 OMC Sewer Impact	2,778,290	14,000	0	0	2,792,290	0	2,792,290
106 Solid Waste Impact	694,337	3,600	0	0	697,937	0	697,937
107 General Facility Impact	113,613	1,300	0	0	114,913	0	114,913
108 Library Impact	46,817	350	0	0	47,167	0	47,167
109 Public Meeting Impact	757,233	3,800	0	0	761,033	0	761,033
110 Aquatic Impact	98,658	500	0	0	99,158	0	99,158
111 OMC Storm Drainage Impact	8,952,806	80,000	0	0	9,032,806	1,830,000	7,202,806
112 Species Habitat Impact	206,551	1,000	0	0	207,551	0	207,551
113 Fiber Impact	13,527	0	0	0	13,527	0	13,527
115 NMC Street Impact	620,884	6,500	0	0	627,384	52,000	575,384
117 NMC Sewer Impact	143,220	885	0	0	144,105	0	144,105
118 NMC Storm Drainage Impact	1,083,642	5,500	0	0	1,089,142	0	1,089,142
120 Affordability In-Lieu	1,259,333	6,800	0	0	1,266,133	0	1,266,133
501 CFD No. 9-Edenglen	0	0	0	0	0	0	0
502 CFD No. 10-OAT	0	0	0	0	0	0	0
503 CFD No. 11-Armada	0	0	0	0	0	0	0
504 CFD No. 12-Ontario Festival	0	0	0	0	0	0	0
505 CFD No. 13-Commerce Center	9,065	0	0	0	9,065	0	9,065
<b>Total Capital Project</b>	<b>\$ 30,075,322</b>	<b>\$ 638,900</b>	<b>\$ 6,837,500</b>	<b>\$ 382,337</b>	<b>\$ 37,169,385</b>	<b>\$ 8,918,828</b>	<b>\$ 28,250,557</b>
<b>Enterprise</b>							
024 Water Operating	\$ 18,325,984	\$ 47,880,000	\$ 0	\$ 25,675,753	\$ 40,530,231	\$ 36,633,945	\$ 3,896,286
025 Water Capital	194,682	225,000	17,615,874	3,138,068	14,897,488	14,884,845	12,643
026 Sewer Operating	13,196,603	19,537,000	0	7,118,431	25,615,172	13,642,706	11,972,466
027 Sewer Capital	8,389,862	82,000	2,970,000	891,320	10,550,542	3,747,503	6,803,039
029 Solid Waste	30,793,838	30,305,000	0	13,593,933	47,504,905	25,189,973	22,314,932
031 Solid Waste Facilities	552,084	3,000	0	0	555,084	0	555,084
<b>Total Enterprise</b>	<b>\$ 71,453,053</b>	<b>\$ 98,032,000</b>	<b>\$ 20,585,874</b>	<b>\$ 50,417,505</b>	<b>\$ 139,653,422</b>	<b>\$ 94,098,972</b>	<b>\$ 45,554,450</b>
<b>Internal Service</b>							
032 Equipment Services	\$ 27,456,992	\$ 11,400,346	\$ 0	\$ 0	\$ 38,857,338	\$ 14,113,305	\$ 24,744,033
033 Self Insurance	10,115,670	8,669,326	0	0	18,784,996	6,959,353	11,825,643
034 Information Technology	22,498,265	8,707,471	90,000	840,000	30,455,736	8,715,982	21,739,754
<b>Total Internal Service</b>	<b>\$ 60,070,927</b>	<b>\$ 28,777,143</b>	<b>\$ 90,000</b>	<b>\$ 840,000</b>	<b>\$ 88,098,070</b>	<b>\$ 29,788,640</b>	<b>\$ 58,309,430</b>

# Fund Balance

## 2012-13 Unreserved Fund Balances

	Estimated Total Unreserved Fund Balance July 1, 2012	Revenues	Operating Transfer-In	Operating Transfer- Out	Available	Expenditures	Estimated Undesignated and Reserves June 30, 2013
<b>Fiduciary</b>							
099 Other Post Employment Benefits	\$ 42,285,854	\$ 8,153,459	\$ 0	\$ 0	\$ 50,439,313	\$ 3,300,000	\$ 47,139,313
<b>Total Fiduciary</b>	<b>\$ 42,285,854</b>	<b>\$ 8,153,459</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 50,439,313</b>	<b>\$ 3,300,000</b>	<b>\$ 47,139,313</b>
<b>TOTAL CITY FUNDS</b>	<b>\$ 295,917,461</b>	<b>\$ 305,618,665</b>	<b>\$ 70,073,364</b>	<b>\$ 70,073,364</b>	<b>\$ 601,536,126</b>	<b>\$ 339,568,811</b>	<b>\$ 261,967,315</b>
<b>REDEVELOPMENT SUCCESSOR AGENCY (RDA)</b>							
<b>Debt Service</b>							
154 PA#2 Successor/Debt Svc	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
159 Guasti Successor/Debt Svc	0	0	220,000	0	220,000	220,000	0
162 Ctr City Successor/Debt Svc	0	0	708,748	0	708,748	708,748	0
163 PA#1 Successor/Debt Svc	0	0	12,217,556	0	12,217,556	12,217,556	0
164 Cimarron Successor/Debt Svc	0	0	221,052	0	221,052	221,052	0
<b>Total Debt Service</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,367,356</b>	<b>\$ 0</b>	<b>\$ 13,367,356</b>	<b>\$ 13,367,356</b>	<b>\$ 0</b>
<b>Capital Project</b>							
139 Redev Successor Agency	\$ 0	\$ 0	\$ 586,761	\$ 0	\$ 586,761	\$ 586,761	\$ 0
140 PA#2 Successor/Capital	0	0	191,500	0	191,500	191,500	0
141 Guasti Successor/Capital	0	0	57,500	0	57,500	57,500	0
143 PA#1 Successor/Capital	0	0	6,435,288	0	6,435,288	6,435,288	0
144 Cimarron Successor/Capital	0	0	105,750	0	105,750	105,750	0
161 Ctr City Successor/Capital	0	0	508,008	0	508,008	508,008	0
299 Redev Obligation Retirement	0	25,979,327	0	21,252,163	4,727,164	4,727,164	0
<b>Total Capital Project</b>	<b>\$ 0</b>	<b>\$ 25,979,327</b>	<b>\$ 7,884,807</b>	<b>\$ 21,252,163</b>	<b>\$ 12,611,971</b>	<b>\$ 12,611,971</b>	<b>\$ 0</b>
<b>TOTAL RDA FUNDS</b>	<b>\$ 0</b>	<b>\$ 25,979,327</b>	<b>\$ 21,252,163</b>	<b>\$ 21,252,163</b>	<b>\$ 25,979,327</b>	<b>\$ 25,979,327</b>	<b>\$ 0</b>
<b>ONTARIO HOUSING AUTHORITY (OHA)</b>							
048 Ontario Housing Authority	\$ 17,644,622	\$ 5,213,477	\$ 0	\$ 0	\$ 22,858,099	\$ 19,805,759	\$ 3,052,340
<b>TOTAL OHA FUNDS</b>	<b>\$ 17,644,622</b>	<b>\$ 5,213,477</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 22,858,099</b>	<b>\$ 19,805,759</b>	<b>\$ 3,052,340</b>
<b>GRAND TOTAL ALL FUNDS</b>	<b>\$ 313,562,083</b>	<b>\$ 336,761,469</b>	<b>\$ 91,325,527</b>	<b>\$ 91,375,527</b>	<b>\$ 650,323,552</b>	<b>\$ 385,353,897</b>	<b>\$ 265,019,655</b>

## 2012-13 Summary of Fund Balances

	2009-10 Actuals	2010-11 Actuals	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget
<b>General Funds</b>					
<b>Revenues:</b>					
Sales Tax	\$ 50,932,011	\$ 55,755,932	\$ 52,250,000	\$ 54,750,000	\$ 59,250,000
Business License Tax	5,170,173	5,496,576	5,300,000	5,500,000	5,500,000
Occupancy Tax	8,398,053	8,790,219	8,250,000	8,250,000	8,600,000
Parking Tax	3,613,498	3,479,707	3,100,000	2,900,000	2,900,000
Franchises	2,741,116	2,879,831	2,600,000	2,600,000	2,850,000
Motor Vehicle License Fees	510,057	883,460	500,000	0	0
Property Tax	39,002,655	37,706,348	36,900,000	36,900,000	38,750,000
Development Related	3,255,006	3,132,483	1,734,000	2,849,000	2,681,700
Recreation Program	784,782	887,592	744,000	744,000	792,200
Interest & Rentals	4,197,369	5,081,066	3,811,570	1,361,570	1,030,000
Miscellaneous Revenues	8,750,074	8,405,202	6,970,533	9,085,133	4,770,200
Reimbursables	6,273,453	5,247,900	4,695,161	4,703,461	2,907,859
Enterprise Revenue	0	0	0	0	0
Other Revenue	1,719,084	0	0	0	0
<b>Total Revenues</b>	<b>\$ 135,347,332</b>	<b>\$ 137,746,317</b>	<b>\$ 126,855,264</b>	<b>\$ 129,643,164</b>	<b>\$ 130,031,959</b>
<b>Expenditures:</b>					
Personnel Services	\$ 103,809,439	\$ 106,054,406	\$ 108,261,354	\$ 108,127,613	\$ 112,542,670
Operating Expenditures	19,079,198	19,559,521	22,578,075	22,521,488	21,896,430
Contractual Services	5,502,687	5,150,851	6,323,950	7,629,597	7,074,780
Internal Service Allocations	19,123,569	18,093,422	18,019,430	18,014,687	18,339,506
Debt Service	32,537	21,889	27,000	27,000	27,000
Capital Outlay	83,569	112,770	105,000	3,728,418	50,000
<b>Total Expenditures</b>	<b>\$ 147,631,000</b>	<b>\$ 148,992,858</b>	<b>\$ 155,314,809</b>	<b>\$ 160,048,803</b>	<b>\$ 159,930,386</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (12,283,668)</b>	<b>\$ (11,246,541)</b>	<b>\$ (28,459,545)</b>	<b>\$ (30,405,639)</b>	<b>\$ (29,898,427)</b>
<b>Other Sources/Uses:</b>					
Operating Transfers-In	\$ 25,747,895	\$ 26,047,349	\$ 33,018,970	\$ 30,583,970	\$ 40,917,565
Operating Transfers-Out	8,788,689	15,322,356	11,339,944	9,323,307	15,827,337
<b>Total Other Sources (Uses)</b>	<b>\$ 16,959,206</b>	<b>\$ 10,724,993</b>	<b>\$ 21,679,026</b>	<b>\$ 21,260,663</b>	<b>\$ 25,090,228</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ 4,675,538</b>	<b>\$ (521,548)</b>	<b>\$ (6,780,519)</b>	<b>\$ (9,144,976)</b>	<b>\$ (4,808,199)</b>



# Fund Balance

## 2012-13 Summary of Fund Balances

	2009-10 Actuals	2010-11 Actuals	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget
<b>Special Revenue Funds</b>					
Revenues:					
Parking Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Property Tax	964,399	997,098	1,031,307	1,031,307	1,031,307
Development Related	2,324,821	1,457,514	996,000	996,000	871,700
Recreation Program	0	0	0	0	0
Interest & Rentals	932,383	809,069	303,500	303,500	215,200
Miscellaneous Revenues	1,405,359	1,713,716	1,622,000	1,222,000	1,102,000
Reimbursables	14,253,072	21,069,692	26,220,836	39,920,998	29,904,364
Enterprise Revenue	6,221	6,258	0	0	0
Other Revenue	5,983,054	4,465,230	6,675,239	14,047,463	6,860,633
Total Revenues	\$ 25,869,310	\$ 30,518,577	\$ 36,848,882	\$ 57,521,268	\$ 39,985,204
Expenditures:					
Personnel Services	\$ 4,284,233	\$ 3,653,616	\$ 4,422,225	\$ 4,826,797	\$ 4,088,863
Operating Expenditures	9,607,753	9,122,588	16,338,513	21,060,467	10,949,538
Contractual Services	8,996,461	12,979,166	16,755,868	42,797,146	27,862,883
Internal Service Allocations	372,965	307,383	565,630	565,830	546,701
Debt Service	45,000	0	96,560	470,559	0
Capital Outlay	1,013,297	1,477,424	510,000	2,849,766	84,000
Total Expenditures	\$ 24,319,708	\$ 27,540,178	\$ 38,688,796	\$ 72,570,565	\$ 43,531,985
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,549,602	\$ 2,978,399	\$ (1,839,914)	\$ (15,049,297)	\$ (3,546,781)
Other Sources/Uses:					
Operating Transfers-In	\$ 1,684,303	\$ 1,847,101	\$ 1,659,425	\$ 1,711,788	\$ 1,642,425
Operating Transfers-Out	3,472,916	3,252,518	3,145,845	3,179,521	2,606,185
Total Other Sources (Uses)	\$ (1,788,613)	\$ (1,405,417)	\$ (1,486,420)	\$ (1,467,733)	\$ (963,760)
Net Increase (Decrease) in Fund Balance	\$ (239,011)	\$ 1,572,982	\$ (3,326,334)	\$ (16,517,030)	\$ (4,510,541)

## 2012-13 Summary of Fund Balances

	2009-10 Actuals	2010-11 Actuals	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget
<b>Capital Project Funds</b>					
Revenues:					
Property Tax	\$ 208,917	\$ 305,895	\$ 349,517	\$ 349,517	\$ 403,665
Development Related	2,179,693	1,387,786	0	0	0
Interest & Rentals	1,512,941	1,006,832	463,300	463,300	235,235
Miscellaneous Revenues	24,142	0	0	0	0
Reimbursables	5,320,104	1,596,704	0	5,032,556	0
Other Revenue	<u>75,306</u>	<u>699,133</u>	<u>0</u>	<u>81,882</u>	<u>0</u>
Total Revenues	\$ 9,321,104	\$ 4,996,351	\$ 812,817	\$ 5,927,255	\$ 638,900
Expenditures:					
Personnel Services	\$ 260,418	\$ 136,465	\$ 0	\$ 0	\$ 0
Operating Expenditures	1,337,775	2,483,507	1,219,599	1,571,081	2,532,720
Contractual Services	8,695,265	20,707,689	1,051,178	36,835,633	6,386,108
Internal Service Allocations	32,551	30,304	0	0	0
Debt Service	2,108,222	0	0	0	0
Capital Outlay	<u>0</u>	<u>85,905</u>	<u>0</u>	<u>51,255</u>	<u>0</u>
Total Expenditures	\$ 12,434,230	\$ 23,443,870	\$ 2,270,777	\$ 38,457,969	\$ 8,918,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,113,127)	\$ (18,447,519)	\$ (1,457,960)	\$ (32,530,714)	\$ (8,279,928)
Other Sources/Uses:					
Operating Transfers-In	\$ 5,371,974	\$ 3,905,494	\$ 1,147,000	\$ 1,582,000	\$ 6,837,500
Operating Transfers-Out	<u>6,076,604</u>	<u>299,358</u>	<u>329,940</u>	<u>329,940</u>	<u>382,337</u>
Total Other Sources (Uses)	\$ (704,630)	\$ 3,606,136	\$ 817,060	\$ 1,252,060	\$ 6,455,163
Net Increase (Decrease) in Fund Balance	<u>\$ (3,817,757)</u>	<u>\$ (14,841,383)</u>	<u>\$ (640,900)</u>	<u>\$ (31,278,654)</u>	<u>\$ (1,824,765)</u>

# Fund Balance

## 2012-13 Summary of Fund Balances

	2009-10 Actuals	2010-11 Actuals	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget
<b>Enterprise Funds</b>					
Revenues:					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Development Related	24,940	21,932	20,000	20,000	25,000
Interest & Rentals	3,564,543	2,622,488	1,267,000	1,267,000	702,000
Miscellaneous Revenues	1,616,319	1,557,111	1,100,000	1,100,000	1,100,000
Reimbursables	1,638,307	2,196,600	93,936	204,825	0
Enterprise Revenue	91,749,192	102,746,522	90,840,000	90,840,000	96,205,000
Other Revenue	0	40,652	169,782	169,309	0
Total Revenues	\$ 98,593,302	\$ 109,185,304	\$ 93,490,718	\$ 93,601,134	\$ 98,032,000
Expenditures:					
Personnel Services	\$ 13,672,385	\$ 13,322,295	\$ 15,453,016	\$ 15,455,755	\$ 15,830,613
Operating Expenditures	33,533,843	38,518,763	49,034,588	49,531,966	51,334,080
Contractual Services	5,892,557	6,070,682	12,906,000	33,916,299	14,221,213
Internal Service Allocations	8,071,388	8,029,349	8,112,378	8,112,378	8,296,672
Debt Service	5,050,769	6,220,909	4,291,832	28,600,783	4,296,394
Capital Outlay	7,717	7,331	0	75,000	120,000
Total Expenditures	\$ 66,228,658	\$ 72,169,329	\$ 89,797,814	\$ 135,692,181	\$ 94,098,972
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 32,364,643	\$ 37,015,975	\$ 3,692,904	\$ (42,091,047)	\$ 3,933,028
Other Sources/Uses:					
Operating Transfers-In	\$ 16,543,124	\$ 16,535,874	\$ 32,970,000	\$ 33,570,000	\$ 20,585,874
Operating Transfers-Out	30,256,465	31,662,422	53,229,666	53,829,666	50,417,505
Total Other Sources (Uses)	\$ (13,713,341)	\$ (15,126,548)	\$ (20,259,666)	\$ (20,259,666)	\$ (29,831,631)
Net Increase (Decrease) in Fund Balance	\$ 18,651,302	\$ 21,889,426	\$ (16,566,762)	\$ (62,350,713)	\$ (25,898,603)

## 2012-13 Summary of Fund Balances

	2009-10 Actuals	2010-11 Actuals	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget
<b>Internal Service Funds</b>					
Revenues:					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Development Related	152	34	0	0	0
Interest & Rentals	1,490,251	1,110,655	400,000	400,000	175,000
Miscellaneous Revenues	855,500	792,361	150,000	150,000	500,000
Reimbursables	305,710	167,910	136,140	136,140	208,861
Internal Services Revenue	28,877,135	27,782,002	27,620,649	27,620,649	27,893,282
Other Revenue	0	0	0	0	0
Total Revenues	\$ 31,528,749	\$ 29,852,962	\$ 28,306,789	\$ 28,306,789	\$ 28,777,143
Expenditures:					
Personnel Services	\$ 5,458,383	\$ 5,373,056	\$ 5,877,261	\$ 5,877,261	\$ 6,074,413
Operating Expenditures	16,992,649	19,111,245	17,730,169	17,960,636	18,327,760
Contractual Services	514,817	519,256	1,049,550	2,340,889	1,292,050
Internal Service Allocations	409,759	398,471	432,948	432,948	441,417
Debt Service	0	0	0	0	0
Capital Outlay	512,347	1,841,268	3,682,000	4,914,728	3,653,000
Total Expenditures	\$ 23,887,955	\$ 27,243,296	\$ 28,771,928	\$ 31,526,462	\$ 29,788,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 7,640,793	\$ 2,609,665	\$ (465,139)	\$ (3,219,673)	\$ (1,011,497)
Other Sources/Uses:					
Operating Transfers-In	\$ 250,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
Operating Transfers-Out	1,000,000	840,000	840,000	875,324	840,000
Total Other Sources (Uses)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (785,324)	\$ (750,000)
Net Increase (Decrease) in Fund Balance	\$ 6,890,793	\$ 1,859,665	\$ (1,215,139)	\$ (4,004,997)	\$ (1,761,497)

# Fund Balance

## 2012-13 Summary of Fund Balances

	2009-10 Actuals	2010-11 Actuals	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget
<b>Fiduciary Funds</b>					
<b>Revenues:</b>					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest & Rentals	737,050	526,146	300,000	300,000	196,000
Miscellaneous Revenues	0	0	0	0	0
Internal Services Revenue	8,664,883	8,588,164	7,966,194	7,966,194	7,957,459
Total Revenues	\$ 9,401,933	\$ 9,114,311	\$ 8,266,194	\$ 8,266,194	\$ 8,153,459
<b>Expenditures:</b>					
Personnel Services	\$ 2,541,039	\$ 2,759,230	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000
Operating Expenditures	0	0	0	0	0
Contractual Services	0	0	0	0	0
Internal Service Allocations	0	0	0	0	0
Debt Service	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	\$ 2,541,039	\$ 2,759,230	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 6,860,894	\$ 6,355,081	\$ 4,966,194	\$ 4,966,194	\$ 4,853,459
<b>Other Sources/Uses:</b>					
Operating Transfers-In	\$ 0	\$ 2,950,836	\$ 0	\$ 0	\$ 0
Operating Transfers-Out	0	0	0	0	0
Total Other Sources (Uses)	\$ 0	\$ 2,950,836	\$ 0	\$ 0	\$ 0
Net Increase (Decrease) in Fund Balance	\$ 6,860,894	\$ 9,305,916	\$ 4,966,194	\$ 4,966,194	\$ 4,853,459

## 2012-13 Summary of Fund Balances

	2009-10 Actuals	2010-11 Actuals	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget
<b>City of Ontario Funds</b>					
Revenues:					
Sales Tax	\$ 50,932,011	\$ 55,755,932	\$ 52,250,000	\$ 54,750,000	\$ 59,250,000
Business License Tax	5,170,173	5,496,576	5,300,000	5,500,000	5,500,000
Occupancy Tax	8,398,053	8,790,219	8,250,000	8,250,000	8,600,000
Parking Tax	3,613,498	3,479,707	3,100,000	2,900,000	2,900,000
Franchises	2,741,116	2,879,831	2,600,000	2,600,000	2,850,000
Motor Vehicle License Fees	510,057	883,460	500,000	0	0
Property Tax	40,175,971	39,009,341	38,280,824	38,280,824	40,184,972
Development Related	7,784,613	5,999,749	2,750,000	3,865,000	3,578,400
Recreation Program	784,782	887,592	744,000	744,000	792,200
Interest & Rentals	12,434,538	11,156,257	6,545,370	4,095,370	2,553,435
Miscellaneous Revenues	12,651,395	12,468,390	9,842,533	11,557,133	7,472,200
Reimbursables	27,790,646	30,278,806	31,146,073	49,997,980	33,021,084
Enterprise Revenue	91,755,413	102,752,780	90,840,000	90,840,000	96,205,000
Internal Services Revenue	37,542,018	36,370,166	35,586,843	35,586,843	35,850,741
Other Revenue	<u>7,777,445</u>	<u>5,205,015</u>	<u>6,845,021</u>	<u>14,298,654</u>	<u>6,860,633</u>
Total Revenues	\$ 310,061,728	\$ 321,413,822	\$ 294,580,664	\$ 323,265,804	\$ 305,618,665
Expenditures:					
Personnel Services	\$ 130,025,897	\$ 131,299,068	\$ 137,313,856	\$ 137,587,426	\$ 141,836,559
Operating Expenditures	80,551,217	88,795,624	106,900,944	112,645,638	105,040,528
Contractual Services	29,601,787	45,427,644	38,086,546	123,519,564	56,837,034
Internal Service Allocations	28,010,232	26,858,930	27,130,386	27,125,843	27,624,296
Debt Service	7,236,528	6,242,797	4,415,392	29,098,342	4,323,394
Capital Outlay	<u>1,616,930</u>	<u>3,524,698</u>	<u>4,297,000</u>	<u>11,619,167</u>	<u>3,907,000</u>
Total Expenditures	\$ 277,042,591	\$ 302,148,762	\$ 318,144,124	\$ 441,595,980	\$ 339,568,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 33,019,138	\$ 19,265,060	\$ (23,563,460)	\$ (118,330,176)	\$ (33,950,146)
Other Sources/Uses:					
Operating Transfers-In	\$ 49,597,296	\$ 51,376,654	\$ 68,885,395	\$ 67,537,758	\$ 70,073,364
Operating Transfers-Out	<u>49,594,674</u>	<u>51,376,654</u>	<u>68,885,395</u>	<u>67,537,758</u>	<u>70,073,364</u>
Total Other Sources (Uses)	\$ 2,622	\$ 0	\$ 0	\$ 0	\$ 0
Net Increase (Decrease) in Fund Balance	<u>\$ 33,021,759</u>	<u>\$ 19,265,060</u>	<u>\$ (23,563,460)</u>	<u>\$ (118,330,176)</u>	<u>\$ (33,950,146)</u>

# Fund Balance

## 2012-13 Summary of Fund Balances

	2009-10 Actuals	2010-11 Actuals	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget
<b>Ontario Housing Authority Funds</b>					
<b>Revenues:</b>					
Development Related	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest & Rentals	47,668	121,924	0	0	401,845
Miscellaneous Revenues	557,966	0	1,482,313	586,439	4,811,632
Reimbursables	4,277,332	4,062,968	23,613,188	23,302,125	0
Other Revenue	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
Total Revenues	\$ 4,882,966	\$ 4,184,892	\$ 25,145,501	\$ 23,888,564	\$ 5,213,477
<b>Expenditures:</b>					
Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 296,057
Operating Expenditures	4,601,867	3,538,675	5,047,001	4,469,231	2,318,100
Contractual Services	244,703	403,972	565,000	650,000	640,000
Internal Service Allocations	0	0	0	0	4,633
Debt Service	4,113,659	33,478	19,533,500	19,533,500	16,546,969
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ 8,960,229	\$ 3,976,126	\$ 25,145,501	\$ 24,652,731	\$ 19,805,759
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,077,263)	\$ 208,766	\$ 0	\$ (764,167)	\$ (14,592,282)
<b>Other Sources/Uses:</b>					
Operating Transfers-In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers-Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Increase (Decrease) in Fund Balance	<u>\$ (4,077,263)</u>	<u>\$ 208,766</u>	<u>\$ 0</u>	<u>\$ (764,167)</u>	<u>\$ (14,592,282)</u>

# Interfund Transfer

## City of Ontario

Fund Number Fund Name	Purpose	Transfers In 2011-12	Transfers Out 2011-12	Transfers In 2012-13	Transfers Out 2012-13
<b>Fund 001 General Fund</b>					
003	Gas Tax Street Maintenance	\$ 1,461,114	\$ 0	\$ 1,397,722	\$ 0
003	Gas Tax Traffic Management	120,978	0	123,755	0
003	Gas Tax Paint & Striping	400,846	0	382,020	0
003	Gas Tax Sign Repair and Construction	356,949	0	398,940	0
003	Gas Tax Pavement Management Program	0	900,000	0	900,000
007	Park Development CAP General Fund Allocation	0	0	0	0
008	C.D.B.G. CAP General Fund Allocation	111,984	0	0	0
009	HOME Grants CAP General Fund Allocation	41,467	0	0	0
014	Mobile Source Air CAP General Fund Allocation	7,236	0	1,617	0
015	General Fund Grants Operating Transfer - Anti-Drug Abuse (ADA)	53,373	0	0	0
015	General Fund Grants Grant Match Funding - Holt Blvd Corridor Pedestrian Mobili	0	17,000	0	0
018	Dangerous Buildings CAP General Fund Allocation	26,647	0	55,309	0
019	Parkway Maintenance CAP General Fund Allocation	153,579	0	153,579	0
019	Parkway Maintenance General Fund Contribution	0	225,945	0	225,945
024	Water Operating CAP General Fund Allocation	5,921,386	0	7,076,679	0
024	Water Operating Billing & Collection	949,040	0	963,200	0
024	Water Operating Billing & Collection	18,334	0	0	0
025	Water Capital CAP General Fund Allocation	2,540,203	0	3,138,068	0
026	Sewer Operating CAP General Fund Allocation	2,523,902	0	3,165,232	0
026	Sewer Operating Billing & Collection	949,039	0	963,199	0
026	Sewer Operating Billing & Collection	18,333	0	0	0
027	Sewer Capital CAP General Fund Allocation	767,048	0	891,320	0
029	Solid Waste CAP General Fund Allocation	5,301,456	0	5,890,468	0
029	Solid Waste Pavement Preservation	213,553	0	213,553	0
029	Solid Waste Billing & Collection	949,039	0	963,199	0
029	Solid Waste Billing & Collection	18,333	0	0	0
034	Information Technology IT/Communication/Radio Replacement Reserve	840,000	0	840,000	0
070	Street Light Maintenance CAP General Fund Allocation	93,243	0	93,243	0
070	Street Light Maintenance General Fund Contribution	0	18,690	0	18,690
071	CFD No. 10 - Public Services General Fund Contribution	9,956	0	10,165	0
072	NMC - CFD General Fund Contribution	319,984	0	372,172	0
076	Facility Maintenance Facilities Maintenance	0	497,790	0	497,790
077	Storm Drain Maintenance CAP General Fund Allocation	295,265	0	0	0
077	Storm Drain Maintenance Operating Transfer - Storm Drain Maintenance	23,164	0	0	0



# Interfund Transfer

## City of Ontario

Fund Number	Fund Name	Purpose	Transfers In 2011-12	Transfers Out 2011-12	Transfers In 2012-13	Transfers Out 2012-13
098	General Fund Trust	Leave Liability	\$ 0	\$ 300,000	\$ 0	\$ 300,000
098	General Fund Trust	Reserve/Communications Computer	0	150,000	0	150,000
098	General Fund Trust	Public Safety Equipment Reserve	0	1,000,000	0	1,000,000
098	General Fund Trust	Economic Uncertainties	5,583,519	0	5,897,412	0
098	General Fund Trust	Development Revenue Reserve	1,500,000	0	0	0
			<u>\$31,568,970</u>	<u>\$ 3,109,425</u>	<u>\$32,990,852</u>	<u>\$ 3,092,425</u>
<b>Fund 003 Gas Tax</b>						
001	General Fund	Street Maintenance	\$ 0	\$ 1,461,114	\$ 0	\$ 1,397,722
001	General Fund	Traffic Management	0	120,978	0	123,755
001	General Fund	Paint & Striping	0	400,846	0	382,020
001	General Fund	Sign Repair and Construction	0	356,949	0	398,940
001	General Fund	Pavement Management Program	900,000	0	900,000	0
			<u>\$ 900,000</u>	<u>\$ 2,339,887</u>	<u>\$ 900,000</u>	<u>\$ 2,302,437</u>
<b>Fund 008 Community Development Block Grant</b>						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 111,984	\$ 0	\$ 0
			<u>\$ 0</u>	<u>\$ 111,984</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund 009 HOME Grants</b>						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 41,467	\$ 0	\$ 0
			<u>\$ 0</u>	<u>\$ 41,467</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund 014 Mobile Source Air Pollution</b>						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 7,236	\$ 0	\$ 1,617
			<u>\$ 0</u>	<u>\$ 7,236</u>	<u>\$ 0</u>	<u>\$ 1,617</u>
<b>Fund 015 General Fund Grants</b>						
001	General Fund	Operating Transfer - Anti-Drug Abuse (ADA)	\$ 0	\$ 53,373	\$ 0	\$ 0
001	General Fund	Grant Match Funding - Holt Blvd Corridor Pedestrian Mobili:	17,000	0	0	0
			<u>\$ 17,000</u>	<u>\$ 53,373</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund 017 Capital Projects</b>						
098	General Fund Trust	Capital Projects	\$ 1,147,000	\$ 0	\$ 6,837,500	\$ 0
			<u>\$ 1,147,000</u>	<u>\$ 0</u>	<u>\$ 6,837,500</u>	<u>\$ 0</u>
<b>Fund 018 Dangerous Buildings</b>						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 26,647	\$ 0	\$ 55,309
			<u>\$ 0</u>	<u>\$ 26,647</u>	<u>\$ 0</u>	<u>\$ 55,309</u>

*Interfund Transfer*

**City of Ontario**

Fund Number Fund Name	Purpose	Transfers In 2011-12	Transfers Out 2011-12	Transfers In 2012-13	Transfers Out 2012-13
<b>Fund 019 Parkway Maintenance</b>					
001 General Fund	CAP General Fund Allocation	\$ 0	\$ 153,579	\$ 0	\$ 153,579
001 General Fund	General Fund Contribution	225,945	0	225,945	0
		<u>\$ 225,945</u>	<u>\$ 153,579</u>	<u>\$ 225,945</u>	<u>\$ 153,579</u>
<b>Fund 024 Water Operating</b>					
001 General Fund	CAP General Fund Allocation	\$ 0	\$ 5,921,386	\$ 0	\$ 7,076,679
001 General Fund	Billing & Collection	0	949,040	0	963,200
001 General Fund	Billing & Collection	0	18,334	0	0
025 Water Capital	Water Capital Transfer	0	30,000,000	0	17,615,874
034 Information Technology	Communication/Radio Replacement Reserve	0	20,000	0	20,000
		<u>\$ 0</u>	<u>\$36,908,760</u>	<u>\$ 0</u>	<u>\$25,675,753</u>
<b>Fund 025 Water Capital</b>					
001 General Fund	CAP General Fund Allocation	\$ 0	\$ 2,540,203	\$ 0	\$ 3,138,068
024 Water Operating	Water Capital Transfer	30,000,000	0	17,615,874	0
		<u>\$30,000,000</u>	<u>\$ 2,540,203</u>	<u>\$17,615,874</u>	<u>\$ 3,138,068</u>
<b>Fund 026 Sewer Operating</b>					
001 General Fund	CAP General Fund Allocation	\$ 0	\$ 2,523,902	\$ 0	\$ 3,165,232
001 General Fund	Billing & Collection	0	949,039	0	963,199
001 General Fund	Billing & Collection	0	18,333	0	0
027 Sewer Capital	Sewer Capital Transfer	0	2,970,000	0	2,970,000
034 Information Technology	Communication/Radio Replacement Reserve	0	20,000	0	20,000
		<u>\$ 0</u>	<u>\$ 6,481,274</u>	<u>\$ 0</u>	<u>\$ 7,118,431</u>
<b>Fund 027 Sewer Capital</b>					
001 General Fund	CAP General Fund Allocation	\$ 0	\$ 767,048	\$ 0	\$ 891,320
026 Sewer Operating	Sewer Capital Transfer	2,970,000	0	2,970,000	0
		<u>\$ 2,970,000</u>	<u>\$ 767,048</u>	<u>\$ 2,970,000</u>	<u>\$ 891,320</u>
<b>Fund 029 Solid Waste</b>					
001 General Fund	CAP General Fund Allocation	\$ 0	\$ 5,301,456	\$ 0	\$ 5,890,468
001 General Fund	Pavement Preservation	0	213,553	0	213,553
001 General Fund	Billing & Collection	0	949,039	0	963,199
001 General Fund	Billing & Collection	0	18,333	0	0
034 Information Technology	Communication/Radio Replacement Reserve	0	50,000	0	50,000
098 General Fund Trust	Pavement Preservation - Capital Facilities	0	0	0	6,476,713
		<u>\$ 0</u>	<u>\$ 6,532,381</u>	<u>\$ 0</u>	<u>\$13,593,933</u>

# Interfund Transfer

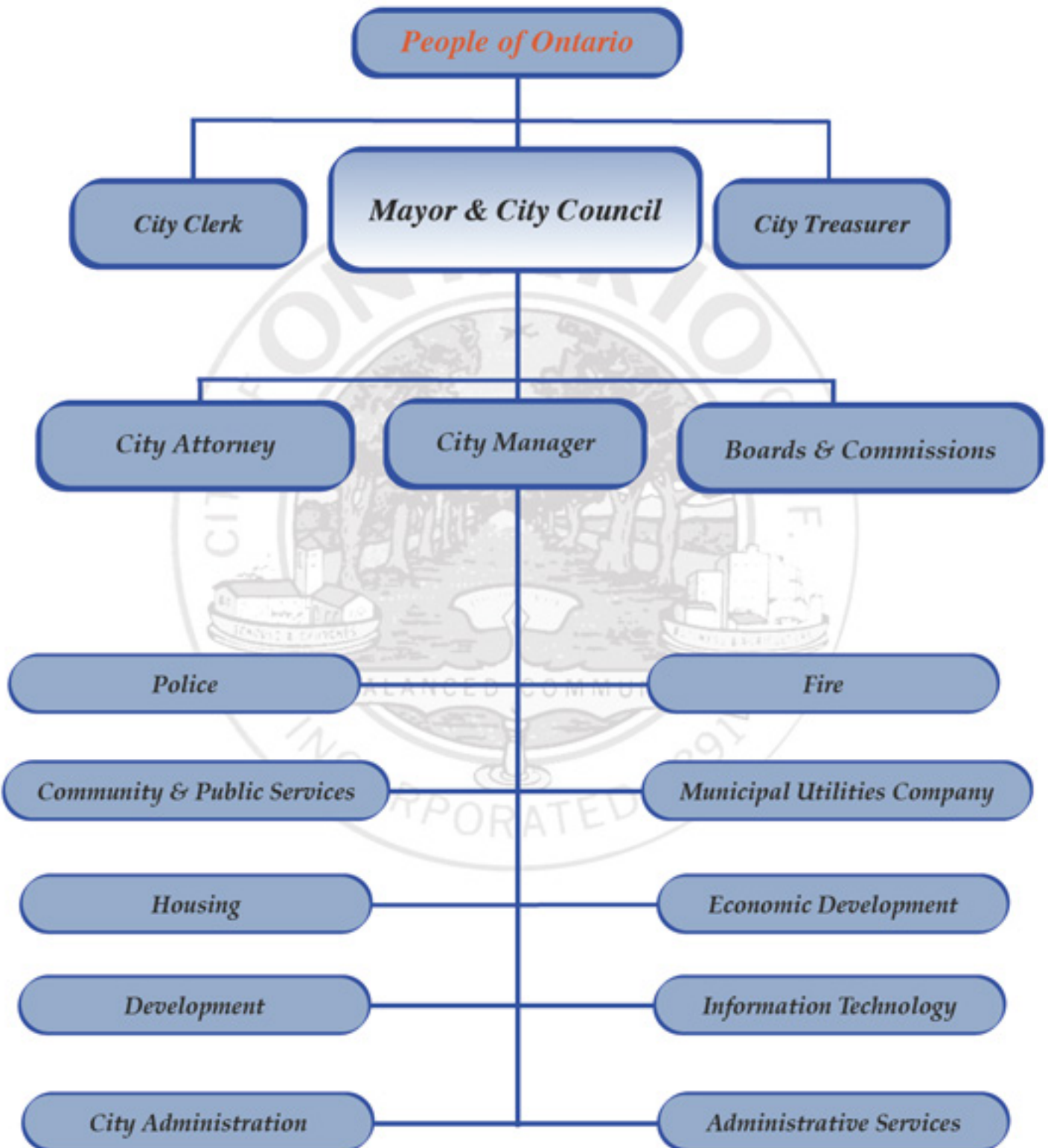
## City of Ontario

Fund Number	Fund Name	Purpose	Transfers In 2011-12	Transfers Out 2011-12	Transfers In 2012-13	Transfers Out 2012-13
<b>Fund 034 Information Technology</b>						
001	General Fund	IT/Communication/Radio Replacement Reserve	\$ 0	\$ 840,000	\$ 0	\$ 840,000
024	Water Operating	Communication/Radio Replacement Reserve	20,000	0	20,000	0
026	Sewer Operating	Communication/Radio Replacement Reserve	20,000	0	20,000	0
029	Solid Waste	Communication/Radio Replacement Reserve	50,000	0	50,000	0
			<u>\$ 90,000</u>	<u>\$ 840,000</u>	<u>\$ 90,000</u>	<u>\$ 840,000</u>
<b>Fund 070 Street Light Maintenance</b>						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 93,243	\$ 0	\$ 93,243
001	General Fund	General Fund Contribution	18,690	0	18,690	0
			<u>\$ 18,690</u>	<u>\$ 93,243</u>	<u>\$ 18,690</u>	<u>\$ 93,243</u>
<b>Fund 071 CFD No. 10 - Public Services</b>						
001	General Fund	General Fund Contribution	\$ 0	\$ 9,956	\$ 0	\$ 10,165
			<u>\$ 0</u>	<u>\$ 9,956</u>	<u>\$ 0</u>	<u>\$ 10,165</u>
<b>Fund 072 NMC - CFD</b>						
001	General Fund	General Fund Contribution	\$ 0	\$ 319,984	\$ 0	\$ 372,172
			<u>\$ 0</u>	<u>\$ 319,984</u>	<u>\$ 0</u>	<u>\$ 372,172</u>
<b>Fund 076 Facility Maintenance</b>						
001	General Fund	Facilities Maintenance	\$ 497,790	\$ 0	\$ 497,790	\$ 0
			<u>\$ 497,790</u>	<u>\$ 0</u>	<u>\$ 497,790</u>	<u>\$ 0</u>
<b>Fund 077 Storm Drain Maintenance</b>						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 295,265	\$ 0	\$ 0
001	General Fund	Operating Transfer - Storm Drain Maintenance	0	23,164	0	0
			<u>\$ 0</u>	<u>\$ 318,429</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund 098 General Fund Trust</b>						
001	General Fund	Leave Liability	\$ 300,000	\$ 0	\$ 300,000	\$ 0
001	General Fund	Reserve - Communications Computer	150,000	0	150,000	0
001	General Fund	Public Safety Equipment Reserve	1,000,000	0	1,000,000	0
001	General Fund	Economic Uncertainties Reserves	0	7,083,519	0	5,897,412
017	Capital Projects	Capital Projects	0	1,147,000	0	6,837,500
029	Solid Waste	Pavement Preservation - Capital Facilities	0	0	6,476,713	0
			<u>\$ 1,450,000</u>	<u>\$ 8,230,519</u>	<u>\$ 7,926,713</u>	<u>\$ 12,734,912</u>
<b>TOTAL TRANSFERS ALL CITY FUNDS</b>			<u><b>\$68,885,395</b></u>	<u><b>\$68,885,395</b></u>	<u><b>\$70,073,364</b></u>	<u><b>\$70,073,364</b></u>

***Citywide***

# CITYWIDE

## Fiscal Year 2012-13 Organization Chart



# Personnel Count List

**Total Citywide Authorized  
Full-Time Positions: 1,044**



	<i>Adopted 2010-11</i>	<i>Adopted 2011-12</i>	<i>Current 2011-12</i>	<i>Adopted 2012-13</i>
<b><u>Elected Officials</u></b>				
Mayor	1	1	1	1
City Council Member	4	4	4	4
City Treasurer/City Clerk	2	2	2	2
<b><i>Total Elected Officials</i></b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b><u>Police Department</u></b>				
Office of the Police Chief	12	6	6	7
Police Administrative Services	62	65	65	69
Field Operations Bureau	135	136	136	134
Investigations Bureau	66	71	71	69
Special Operations Bureau	65	62	62	61
<b><i>Total Police Department</i></b>	<b>340</b>	<b>340</b>	<b>340</b>	<b>340</b>
<b><u>Fire Department</u></b>				
Fire Administration	4	4	4	4
Bureau of Operations	130	130	130	130
Bureau of Fire Prevention	12	12	12	12
Bureau of Technical Services/E.M.S.	4	4	4	4
Bureau of Emergency Management	2	2	2	2
<b><i>Total Fire Department</i></b>	<b>152</b>	<b>152</b>	<b>152</b>	<b>152</b>

*Personnel Count List*

	<i>Adopted 2010-11</i>	<i>Adopted 2011-12</i>	<i>Current 2011-12</i>	<i>Adopted 2012-13</i>
<b>Community &amp; Public Services</b>				
Community & Public Services Administration	3	3	3	3
Recreation & Community Services	19	20	20	20
Library	33	32	31	31
Museum	3	3	3	3
Parks and Maintenance	64	64	64	64
<b><i>Total Community &amp; Public Services</i></b>	<b><i>122</i></b>	<b><i>122</i></b>	<b><i>121</i></b>	<b><i>121</i></b>
<b>Municipal Utilities Company</b>				
Municipal Utilities Administration	2	3	3	3
Administrative Services	16	16	16	17
Municipal Services	138	133	133	131
Utilities Engineering	9	9	9	9
Utilities Operations	53	50	50	50
<b><i>Municipal Utilities Company</i></b>	<b><i>218</i></b>	<b><i>211</i></b>	<b><i>211</i></b>	<b><i>210</i></b>
<b>Housing</b>				
Administration	5	5	5	3
Code Enforcement	28	28	27	29
Housing Development/Grants Administration/ Neighborhood Revitalization	12	12	12	2
Quiet Home	4	4	4	3
<b><i>Total Housing</i></b>	<b><i>49</i></b>	<b><i>49</i></b>	<b><i>48</i></b>	<b><i>37</i></b>
<b>Economic Development</b>				
Economic Development	7	7	7	5
Redevelopment Department	2	2	2	1
<b><i>Total Economic Development</i></b>	<b><i>9</i></b>	<b><i>9</i></b>	<b><i>9</i></b>	<b><i>6</i></b>

## Personnel Count List

	<i>Adopted 2010-11</i>	<i>Adopted 2011-12</i>	<i>Current 2011-12</i>	<i>Adopted 2012-13</i>
<b>Development</b>				
Administration	3	4	4	4
Planning	19	19	20	20
Building	13	13	13	13
Engineering	38	38	38	38
<i>Total Development</i>	<i>73</i>	<i>74</i>	<i>75</i>	<i>75</i>
<b>Information Technology</b>				
Information Technology	23	25	25	25
<i>Total Information Technology</i>	<i>23</i>	<i>25</i>	<i>25</i>	<i>25</i>
<b>City Manager/City Administration</b>				
City Manager Office/City Administration	5	5	5	5
Human Resources	7	7	7	7
Risk Management	5	5	5	5
Records Management	6	6	6	6
<i>Total City Manager/City Administration</i>	<i>23</i>	<i>23</i>	<i>23</i>	<i>23</i>
<b>Administrative Services</b>				
Administrative Services	2	2	2	2
Management Services	8	9	9	9
Fiscal Services	11	11	11	11
Revenue Services	26	26	26	26
<i>Total Administrative Services</i>	<i>47</i>	<i>48</i>	<i>48</i>	<i>48</i>
<i>Total Citywide Authorized Full-Time Positions</i>	<i>1,063</i>	<i>1,060</i>	<i>1,059</i>	<i>1,044</i>



# Economic and Community Profile

Founded as a "Model Colony" and one of California's first planned communities, the City of Ontario was incorporated in 1891. Today, Ontario has been named by the Southern California Association of Governments as the "Next Urban Center in Southern California" and the urban core of the Inland Empire. The City's founding concepts of innovation, planned development, community service and family values are clearly evident in the Mayor and City Council's commitment to: "Maintaining Ontario's leadership role in the Inland Empire and the region, continued investment in the growth and evolution of the area's economy, and reinvestment to provide a balance of jobs, housing, and educational and recreational opportunities for residents in a safe, well-maintained community."

Located in western San Bernardino County at the base of the San Gabriel Mountains, Ontario is located approximately 35 miles inland from downtown Los Angeles and encompasses nearly 50 square miles. Strategically situated in the heart of Southern California and within the hub of Los Angeles, Orange,

San Bernardino and Riverside Counties, Ontario is home to an estimated 164,836 people and over 11,000 businesses. Ontario is advantageously positioned with unique, convenient access to the major I-10, I-210, I-15 and Route 60 freeway systems as well as the Ontario International Airport (ONT).

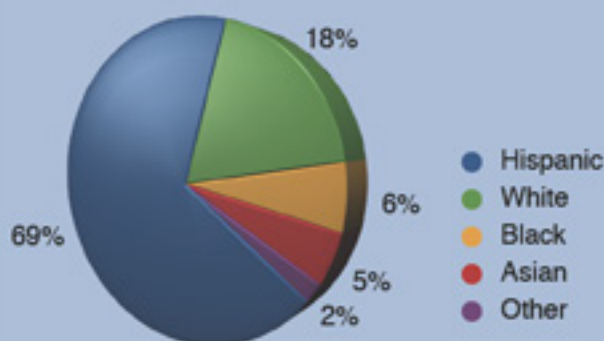
Within an easy drive of Ontario are all the recreational and cultural opportunities Southern California has to offer: mountains, beaches, desert playgrounds, major attractions, theme parks, historical sites and more. Also within minutes of Ontario is an innovation corridor of colleges and universities: *California State Polytechnic University, Pomona*, the State University's premier engineering college; *University of California, Riverside*, a center of engineering, agricultural genomics, environmental and information research; *Harvey Mudd College*, the nation's top private undergraduate school of science and engineering; *Loma Linda University Medical School*, an internationally known research facility; *Keck Graduate School of Applied Life Science*, endowed with \$50 million to train biotechnology executives; *Claremont Graduate University* with its *Peter Drucker Graduate School of Management*; and the *University of La Verne College of Law* located in downtown Ontario.

City-owned Citizens Business Bank Arena continues to attract a variety of annual events such as concerts like Neil Diamond, Carrie Underwood and the Eagles, sporting competitions such as the Lakers and Ontario's very own Ontario Reign, as well as family shows such as Disney on Ice and American Idol. Plus the Arena created over 400 jobs for the area.

In August 2009, Ontario celebrated the grand opening of the much anticipated Ontario Soccer Park. The twenty acre soccer park includes two lighted, tournament sized, synthetic turf fields; one natural turf, tournament sized field; two mid-sized, natural turf fields; two smaller sized, natural turf fields; lighting for practice areas; shade structures; and concession and restroom facilities.

Conveniently located at the intersection of Interstate 10 and 15 freeways, the Ontario Mills Mall maintains its acclaim as one of California's largest tourist attractions. The 1.7 million square-foot Mills is

## 2011 Ethnic Distribution by Residents



## 2011 MEDIAN HOUSEHOLD INCOME

Total Number of Households	45,503
Median Household Income	\$57,771
Total Household Income	\$2,628,753,813
Per Capita Income	\$19,534

## *Economic and Community Profile*

Southern California's largest shopping mall and entertainment destination. Just a few of the major anchor and inline stores are Nordstrom Rack, Polo Ralph Lauren, Banana Republic Factory Store, Betsey Johnson Outlet, Coach Factory Store, J. Crew Factory, BCBG Max Azaria, Off 5<sup>th</sup> (Saks Fifth Avenue Outlet), AMC 30-screen theaters, GameWorks, and the latest addition, Last Call by Neiman Marcus. Ontario is investing \$4.5 million of redevelopment agency funds into Ontario Mills. The investment is part of collaboration with The Mills, a Simon Company, that adds new stores, creates jobs, and enhances the Ontario Mills shopping experience.

In the southern part of the City, development continues at the 8,200-acre former agricultural preserve now known as the New Model Colony. This significant area has been purposefully designed to advance the economic dynamics of the City, and at build-out, will add approximately 31,000 homes and 120,000 new residents to Ontario. Among the numerous features of this master-planned community will be an extensive system of pathways, over 500 acres of parklands, conveniently situated retail centers, health facilities, a high technology business park and primary and secondary schools, including a multi-jurisdictional college campus. As critical infrastructure improvements are completed, neighborhoods are beginning to be developed. Edenglen, by Brookfield Homes and Standard Pacific Homes, continues to sell the first phase of its upscale community, and additional specific

plans are currently under review.

Ontario also provides companies with strategic global access with the Ontario International Airport (ONT). The airport is currently home to UPS' Western Regional hub and its third party logistics operation, and Federal Express' Inland Empire operations. ONT served over 4 million people in 2011. The success of the airport translates to economic benefits for the Inland Empire through directly related airport business and generates far reaching economic impacts for the region.



Steady growth and rapid development adjacent to the airport, along freeway corridors and throughout Ontario reflect the City's distinctive advantages. Due to Ontario's prime location and transportation infrastructure, the City garners national presence as a first class logistics, distribution and cargo center. Trucking and integrated carriers, a rapidly developing network of national and international freight forwarders, and the Union Pacific Railway all service Ontario. With exceptional convenience to major regional, national and international markets, and modern facilities, Ontario has

become the place to be for manufacturing, warehousing and distribution. City records show that Ontario is home to over 11,000 businesses which account for approximately 108,000 jobs. The growing list of national and international companies that have made Ontario their home now includes the expansions and relocations of companies such as: West Coast University, Toyota Motor Sales, Nissan, Home Depot, North American Medical Management, AECOM, First Mortgage Corp, Fletcher Jones Motorcars and Embassy Suites.

Ontario is attractive for both tenants and builders alike. In 2007, Ontario saw a growing demand for office space due to the expansion of population-serving office firms, large back-office operations, corporate offices, professional groups and knowledge based industries. As of 2011, office inventory in Ontario totaled 3,208,711 square feet. The highly sought after Class A office sector consists of 1,703,268 square feet in 18 buildings. There are 65 Class B buildings that total 1,350,842 square feet and the Class C sector consists of 154,601 square feet in 52 buildings.

Ontario has some of the region's strongest, competitive advantages for professional firms. These start with ONT - a crucial factor as corporate headquarters, technology firms and professionals often need to rapidly fly-in customers and investors or fly-out products, sales staffs and technicians. In addition, Ontario has access to a highly skilled workforce, and graduates from 14

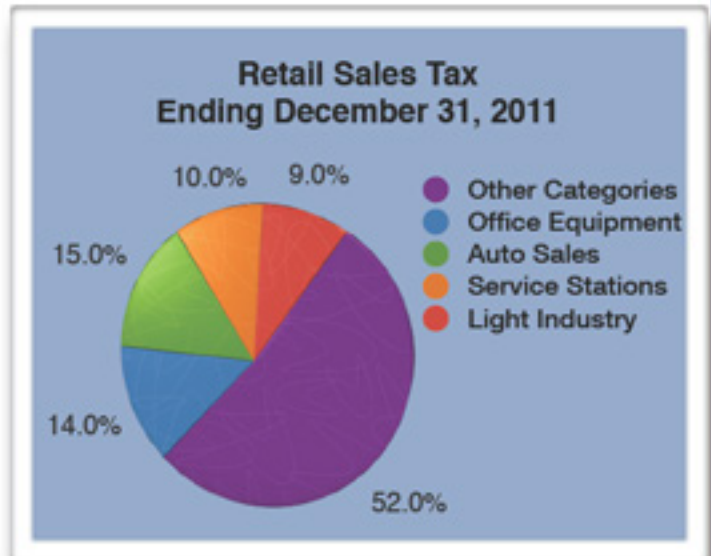
colleges and universities. Every new Ontario office building has broadband communications, and similar connections are required in all of the homes being built in the New Model Colony.

Companies find that space in Ontario is much more affordable than its coastal neighbors. As of 2012 first quarter, Ontario's average lease rates for office, retail, and industrial spaces were \$1.74, \$1.40, and \$0.36 per square foot, respectively. This is considerably less than lease rates offered in neighboring areas: \$1.92, \$1.87, and \$0.55 in Orange County, and \$2.31, \$2.05, and \$0.54 in Los Angeles County.

Ontario's taxable sales continue to rank first in the Inland Empire region due to a large number of manufacturers and distributors selling directly to retail customers, the Ontario Mills Mall and its adjacent centers, plus several successful automobile franchises. In the calendar year ending December 31, 2011, taxable sales reached approximately \$5.3 billion. Ontario's 2010 per capita taxable sales average of \$29,668 was well above the \$12,068 per capita sales level for San Bernardino County.

The City's population continues to grow steadily, rising from 158,007 in 2000 to 164,836 in 2011. Its ethnic diversity remains somewhat consistent as in recent years, with the Hispanic population making up 69 percent of the total population. Looking further ahead, the City's 8,200-acre New Model Colony, a planned upscale residential development, will add about 120,000 middle and upper-middle class residents and bring the City's population to approximately 300,000.

Making the most of Ontario's resources for the benefit of the entire community is at the heart of the Mayor and City Council's commitment to business and economic development. This is evident in the continuing investment and reinvestment in necessary infrastructure and amenities to attract higher paying employers such as high-technology and engineering firms. The City's business and economic development strategies are successfully yielding a return on investment to be funneled back into new community facilities, programs and neighborhood improvements that enable Ontario to retain the charm and warmth of a small town while providing big city resources and services. True to the vision of its



founding fathers to create and sustain a broadly diverse and balanced city, Ontario is prepared to face its opportunities and challenges with pride, purpose, conviction, and commitment, as it builds itself as the next urban center.

The City's strategic location, competitive cost structure, and logistics advantages have made it one of the nation's fastest growing population centers and Southern California's top jobs generator. Firms needing to locate in California, while avoiding its higher costs of doing business, are finding Ontario an excellent place to locate. Since the mid-1990's, Ontario has experienced balanced growth in retail, commercial and industrial development.

To create a sustainable jobs/housing balance, Ontario is strategically planning for more efficient hubs of activity that make it easier to live, work and play, all without having to get on the freeway. Communities such as Piemonte, the Euclid Avenue District, Historic Guasti District and the New Model Colony will promote less travel time and a more enjoyable lifestyle with amenities such as luxury and neighborhood retail, fitness centers and recreational activities, high quality restaurants and modern living facilities. Homes will be built within walking distance to shopping and dining, and new office space will be built with housing elements to promote 24-hour hubs of activity. Ontario's workforce and residential population will benefit from a healthier lifestyle that encourages less of a commute and more time spent with families.

## *Economic and Community Profile*

Some of Ontario's new mixed-use projects are highlighted below, however, the loss of redevelopment may impact the funding and/or phasing of these projects:

### ***Piemonte at the Ontario Center***

The Piemonte at The Ontario Center is Ontario's new upscale, pedestrian-oriented lifestyle center. Phase 1 is completed and features power retailers such as Target, and Petsmart. In addition, Piemonte features One Piemonte - a 125,000-square foot Class A office building that is almost 90% leased. Upon completion, Piemonte will consist of approximately 1.5 million square feet of new office, hotels, residential units, restaurants, entertainment, theaters and retail shops. Adjacent to Piemonte is the new City-built and owned Citizens Business Bank Arena. Managed by AEG, the Arena hosts more than 140 events annually including concerts, sporting events and Ontario's new minor league hockey team, the Ontario Reign.

### ***Ontario's Euclid Avenue District***

Construction is underway to transform the City's Euclid Avenue District into a 24/7 'walkable' hub of housing, business and lifestyle amenities. In addition to the City's investment in the University of La Verne Law School, the Ontario Senior Center, the Ovitt Family Community Library and a newly renovated City Hall, Ontario has completed two urban housing projects: The Ontario Town Square Kincaid Series Townhomes and Colony Apartments; and the 76-unit City Center Senior Apartment

project. Once built out, this vibrant district is slated to include 70,000 square feet of ground floor retail, 2 restaurants and a community plaza.

### ***Historic Guasti District***

The Historic Guasti District will feature almost 400,000 square feet of retail, restaurant and entertainment facilities; 600,000 square feet of office space; 400 residential units; and 2 hotels. Existing historical stone winery buildings will be integrated, maintaining the Tuscan charm and elegance with which the Guasti turn-of-the-century town was originally founded.



### ***New Model Colony***

The City's 8,200-acre master-planned New Model Colony is becoming a reality with its first development completed and infrastructure under construction. The New Model Colony will house 120,000 new residents in a sustainable urban village. The long term plan provides for high intensity job centers linked to a vibrant community with rich amenities and educational opportunities. Eight Specific Plans approved to date encompass 2,611 acres with a projected 1.6 million square feet of

commercial/office space and 550,000 square feet of business park/light industrial space. Total buildout projects 16.5 million square feet of commercial/office space and 19.8 million square feet of business park/light industrial space.

### ***The Ontario Plan***

On January 27, 2010, Ontario's Mayor and City Council approved the City's forward-thinking General Plan update, *The Ontario Plan*. The Mayor and City Council believe that it is the City's job to create, maintain and grow the economic value of the Community. To help accomplish this, Ontario is committed to thinking and planning long-term to create certainty and a stable environment for investment. Rather than creating a General Plan that will sit on a shelf at City Hall, Ontario has developed a comprehensive business strategy that will institutionalize Ontario's business-friendly approach and serve as a framework for the City's long-term investment strategies for the next 30 to 40 years. *The Ontario Plan* builds on the strength of the City's location and transportation assets. It establishes a clear vision of the City's future as a distinct urban center - a 'complete community' that creates places where residents and businesses can thrive, with a variety of housing choices, diverse job opportunities, entertainment and amenities. *The Ontario Plan* is a bold vision. Ontario is currently one of the 150 largest cities in the United States. The vision will add 190,000 residents and 230,000 jobs, which will move it well into the top 50.

# ***Elected Officials***

***Mayor/Council/Commissions  
City Clerk/City Treasurer***

# Elected officials

## Mayor/Council/City Clerk/City Treasurer/Commissioners

On December 10, 1891, Ontario was incorporated as a City of the sixth class under the California Constitution. It adopted a City Council-City Manager form of government. The Mayor was at first called the "President of the Board," and was chosen by the Council, or the Board of Trustees as it was then called, from among their number. Subsequently, the law was changed to allow the People to elect the Mayor directly. Today, the Mayor and two of the four Council Members are elected on one 2-year cycle with the remaining two Council Members, the City Clerk and the City Treasurer being elected also on a 2-year, but alternating cycle. All elected officials serve four-year terms.

Ontario first developed as an agricultural community, largely but not exclusively devoted to citrus. A few of the lovely Victorian "grove houses" still survive today, relics of the days when growers could pretend that they were living the graceful lives of the old Spanish dons—until it came time for harvest.

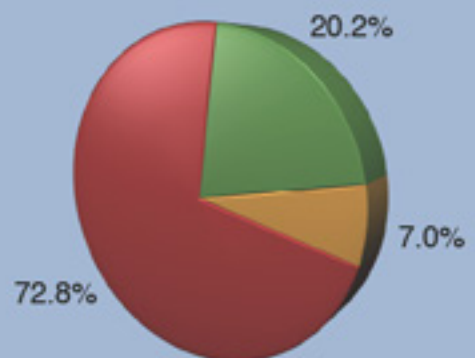
Chaffey College, which was located where the Chaffey brothers put it until 1960, originally emphasized agricultural subjects to give the growers a hand. It was there that Professor George Weldon developed the Babcock peach, an adaptation to California's mild winters. The College has since moved to Rancho Cucamonga, but Chaffey High School is still on what was originally a joint campus.

In 1923, Judge Archie Mitchell, Waldo Waterman, and some other airplane enthusiasts established Latimer Field. From that time on, the town became increasingly aviation conscious. Urban growth pushed the fliers progressively east, until they took up their present location, the Ontario International Airport. During World



### ANNUAL OPERATING BUDGET

	<u>FY11-12</u>	<u>FY12-13</u>
Total Funds:	\$ 439,855	\$ 440,707
General Fund:	\$ 439,855	\$ 440,707
Full Time Employees:	7	7



● Mayor and City Council    
 ● City Treasurer/City Clerk    
 ● Planning Commissioners

## *Elected Officials*

War II, this was a busy training center for pilots of the hot Lockheed P-38 "Lightening" twin-boom fighter.

Since World War II, Ontario has become a much more diversified community. The City has expanded from the 0.38 square mile area incorporated back in 1891, up to almost 50 square miles. The economy now reflects an industrial and manufacturing base. Ten thousand acres are zoned for industrial use. With three major railroads, the San Bernardino, Pomona, and Interstate Freeways (10, 60, and 15), and the Ontario International Airport, Ontario is well provided with major transportation resources. Its proximity to Los Angeles ensures that Ontario will continue to grow in the years ahead.

Ontario's official song is "Beautiful Ontario," written by Paul Coronel in 1960. The official flower is the Charlotte Armstrong rose, developed by local nurseryman John Armstrong and named for his first

wife. At different times, Ontario has adopted as its slogan or motto as each of the following: The Model Colony; The Model City; The City That Charms; Ontario Offers Opportunity; Pulse of the Inland Empire; Stop and Grow with Ontario; Gateway to the Inland Empire; A Balanced Community; The Gateway to Southern California; The Next Urban Center; and Complete Community.

In 1887, Ontario's unique "gravity mule car" made its first run on Euclid Avenue. Charles Frankish and Godfrey Stamm established the Ontario and San Antonio Heights R.R. Co. and Engineer John Tays of Upland added the pull-out trailer that allowed the mules to coast downhill after each laborious pull from Holt to Twenty-Fourth Street. The mule car served until 1895, when it was replaced by an electric streetcar and returned temporarily when a flood damaged the electrical generator in the powerhouse.



***Agency  
Overviews***





# *Agency Overviews*



# ***POLICE DEPARTMENT***

***Eric V. Hopley, Police Chief***

*Office of the Police Chief, Field Operations,  
Investigations, Special Operations*

## ***Agency Highlights***

The Ontario Police Department's mission is to protect life and property, solve neighborhood problems, and enhance the quality of life in our Community. To accomplish these objectives, the Police Department has developed a multi-faceted approach to meeting the needs of the community by utilizing a combination of Area Command, Community Oriented Policing and traditional geographic deployment models. The Police Department's law enforcement strategy is built upon supporting the diverse and dynamic nature of our balanced community while creating growth and building economic value.

## ***Major Accomplishments***

The Police Department continues its successful support of the City Council's direction to "Maintain the Current High Level of Public Safety," showing an estimated 3% drop in reported serious crimes in 2011 (refer to Department of Justice Part I crimes in Performance Measures). This marks the 8<sup>th</sup> straight year of significant reduction in reported crimes for the City of Ontario.

The suppression of local crime is just one aspect of how the Police Department serves our community. The Ontario Police Department has established regional partnerships with local, state and federal agencies to combat the proliferation of illegal narcotics, to quickly apprehend dangerous fugitives and to develop a coordinated response to regional disasters. This comprehensive approach to serving our

community is a key component of the Department's success in a wide range of law enforcement challenges.

The Field Operations Bureau continues to utilize the Area Command model to encourage innovation and smart policing practices while providing accountability from leadership and staff. During the previous fiscal year, proactive efforts in the Patrol Division led to arrests in regional criminal enterprises impacting commercial and industrial trade throughout the Inland Empire. The Field Operations Bureau also continues to encourage and support local educational partnership through the School Resource Officer program.

The Special Operations Bureau continues to leverage regional partnerships and inter-agency cooperation to address high-impact criminal activities and quality of life issues for the City of Ontario. The Community Oriented Policing (COPS) Unit received grant funding through Alcohol Beverage Control (ABC) to enforce local and state regulations on alcohol sales and service, helping to avert underage drinking, driving under the influence and other criminal activity linked to ABC violations. The COPS Unit has also continued their local coordination with the Crime Free Multi-Housing Program, the City's Trespassing Program (over 100 actively involved property/local business owners), Rental Nuisance Abatement Program, Noise Ordinance Enforcement, Clean Streets Program, Clean

Parks Detail (Citywide effort), and Anti-Graffiti Enforcement & Graffiti Restitution Task Force.

The Air Support Unit implemented its widely anticipated Regional Video Downlink System Project, which is funded under the Department of Homeland Security Urban Area Security Initiative, receiving over \$2 million in federal and state grant funding since FY2009-10. During the previous fiscal year the Air Support Unit successfully tested the regional interoperability of the downlink system, which integrates with Air Support Units from Los Angeles, Orange, Riverside and Santa Barbara Counties.

The Police Department's traffic safety efforts continue to improve the safety of all motorists traveling through Ontario. The Traffic Division conducted public education and traffic safety enforcement events funded by the State of California Office of Traffic Safety Grant. In 2012, the Traffic Division was awarded the distinction of managing the regional "Avoid the 25" traffic safety grant, providing additional resources to ensure the safety of regional roadways.

An area of focus for the Department in FY2012 was enhancement of training tools and facilities for Police



### Agency Mission working with Council's City Goals

(See page 8 for list of Council's City Goals)

- ✓ Preserve and improve the safety, quality of life, and economic value of those who live, work, and do business in the City of Ontario; **Council's Primary Goal and Goal #2**
- ✓ Continue to develop regional partnerships to track early release offenders, monitor criminal activity and create effective crime mitigation strategies. **Council's City Goals #2 and #4**
- ✓ Leverage grant funding to procure advanced equipment and maintain community programs that enhance the safety and effectiveness of law enforcement efforts; **Council's City Goal #4**
- ✓ Utilize Smart Policing Initiative practices to develop deployment strategies that are responsive to changes in crime trends and activity; **Council's City Goal #2**
- ✓ Continue the effective use of Area Command resource management to ensure accountability, encourage innovation and promote community partnerships; **Council's City Goals #2 and #5**

personnel. Officer training is a key component in providing effective police services to the community while ensuring public and responder safety. During the previous fiscal year the Department has begun the construction of a Police Firearms Training Facility capable of providing state-of-the-art live firearms and simulated force-on-force training. The use of an on-site range is expected to dramatically reduce the Department's current overtime and rental expenses from relying on the Prado Shooting Range in Chino for Officer firearm qualifications and training. The project embodies the Council's primary goal to Develop Strategies and Take Actions, Including Regaining Local Control of the Ontario International Airport, to Minimize the Negative Impacts of the Global Financial Downturn on Ontario's Economy and the City's Fiscal Health. Over 90% of the project was funded through the use of state and federal grants and narcotics asset seizure funds, minimizing cost for the City while maximizing return on investment in the City's infrastructure.

During the past year, the Forensic Services Division responded to 4,073 calls for service and conducted 21,387 fingerprint examinations resulting in 520 identifications. The Division continues to build upon its

### ANNUAL OPERATING BUDGET

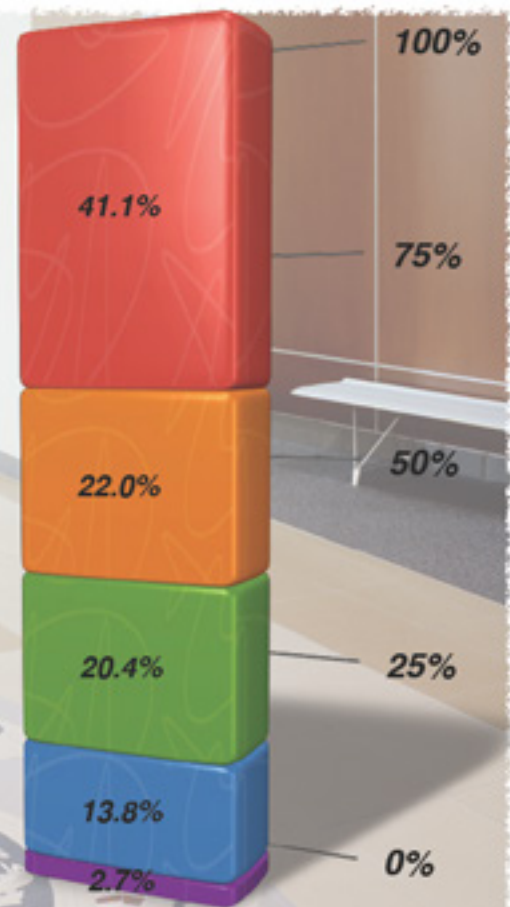
	FY11-12	FY12-13
Total Funds:	\$ 65,467,764	\$ 65,843,095
General Fund:	\$ 63,899,787	\$ 65,177,404
Other Funds:	\$ 1,567,977	\$ 665,691
Full Time Employees	340	340

#### OTHER FUNDS CONSIST OF:

C.D.B.G	\$ 156,104
Asset Seizure	\$ 509,587

#### Agency Divisions

- Office of the Police Chief
- Special Operations Bureau
- Field Operations Bureau
- Police Administrative Services
- Investigation Bureau



latent print services; two Specialists have completed competency training and are now completing examinations. An automated tracking system for documenting the location and chain of custody of all latent prints in the custody of the Forensic Services Unit was recently developed.

The cold case homicide program continues to review cases, transfer old 35 mm photographs into a digital format and search old latent prints through the Automated Fingerprint Identification System (AFIS). These efforts have provided follow up opportunities on two cold case homicides.

The Evidence Section has completed its transfer to a fully automated evidence tracking system and is exploring ways to take the system mobile and provide access to personnel in remote locations. The new system is currently being utilized to conduct an in house audit of all property held by the Department.



**FBI part I Crimes <sup>1</sup>**

Actual FY10-11	5,580
Projected FY11-12	5,376
Estimated FY12-13	5,290

**Performance Measures**

(See page 8 Goal #1 3)

**Traffic Collision**

**Index Clearance Rate <sup>3</sup>**

Actual FY10-11	37
Projected FY11-12	23
Estimated FY12-13	25

**Median Time for  
Priority E call-for-service <sup>2</sup>**

Actual FY10-11	2 min. 43 sec.
Projected FY11-12	2 min. 33 sec.
Estimated FY12-13	2 min. 19 sec.

**Percentage of Part 1 crime rate  
from Ontario Mills Mall & vicinity <sup>4</sup>**

Actual FY10-11	11.20%
Projected FY11-12	10.20%
Estimated FY12-13	10.60%

**Hours donated by  
departmental volunteers**

Actual FY10-11	11,737
Projected FY11-12	14,186
Estimated FY12-13	16,000

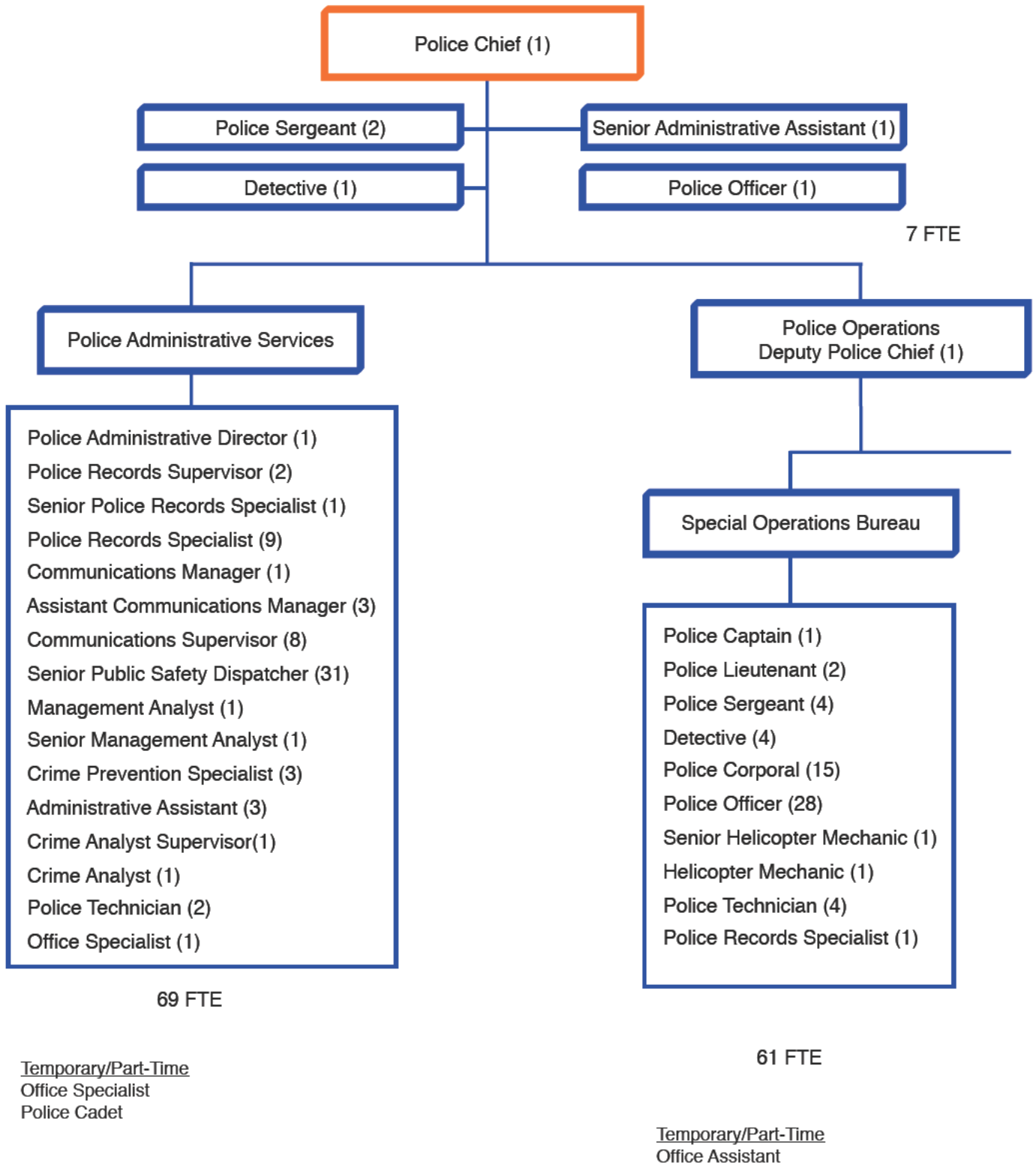
<sup>1</sup> FBI Part I Crimes include homicide forcible rape robbery aggravated assault burglary motor vehicle theft larceny theft arson. FBI Part I Crimes for 2011 are preliminary counts and are based on the monthly UCR Part I Crimes submitted to DOJ. The FBI's Crime Report for 2010 will not be published until September 2012.

<sup>2</sup> Priority E Calls include Aircraft Crash Code 3 Assist Other Jurisdiction Code 3 Pursuit Assist Shooting Stabbing Officer Down Code 3 Fire Dept Assist Earthquake no previous data is available since this is a new priority definition. Response time includes from time call is dispatched to officer to time officer arrives on scene.

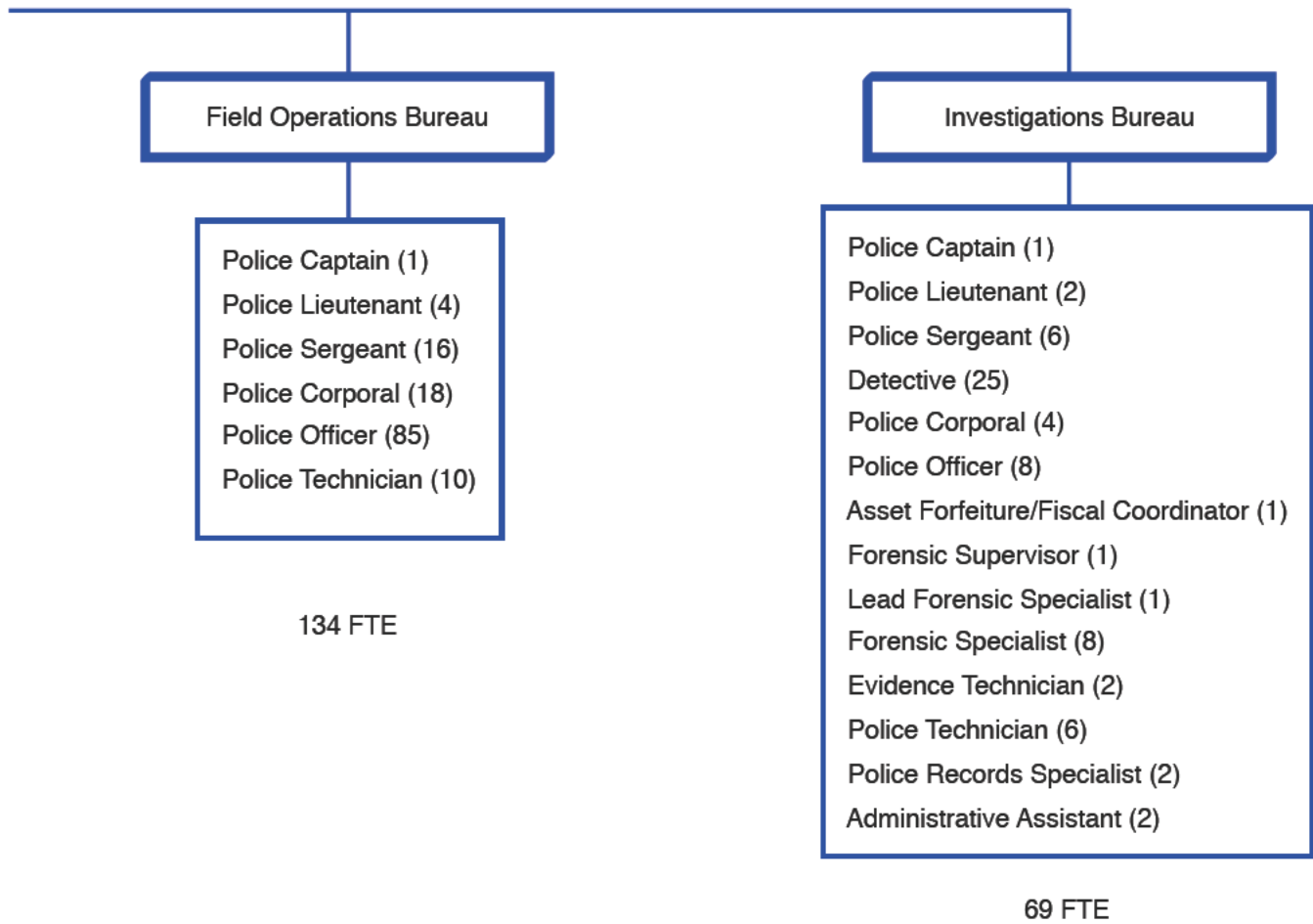
<sup>3</sup> Traffic Collision Index Clearance Rate determined by dividing the number of hazardous traffic cites by the number of injury/fatal traffic collisions.

<sup>4</sup> Area boundaries east side of Milliken to 15 Fwy; 10 Fwy to 4th Street.

**2012-13 Organizational Chart**  
**Police Department**  
 (340 Full-time Employees)  
 Effective July 1, 2012



2012-13 Organizational Chart  
**Police Department**  
(340 Full-time Employees)  
Effective July 1, 2012





# ***FIRE DEPARTMENT***

***Floyd E. Clark, Fire Chief***

*Bureaus of Operations, Fire Prevention,  
Technical Services/E.M.S., and Emergency Management*

## ***Agency Highlights***

The Ontario Fire Department provides fire suppression and medical response services to the residents, businesses and visitors of our community. Broad in scope, the Department is staffed with individuals highly trained in many disciplines. All uniformed department members are trained in basic firefighting skills and techniques while many continue their training in specialized areas including Para medicine, Hazardous Materials, Bomb Squad, Heavy Rescue, and Fire Investigation.

The Ontario Fire Department team is comprised of four Bureaus: Operations (includes Training), Fire Prevention, Technical Services/Emergency Medical Services (EMS), and Emergency Management. Each Bureau supports the goals of the Fire Department with specialized services and activities.

The Bureau of Operations oversees the majority of uniformed Fire Department personnel, including all shift assigned Firefighters, Engineers, Captains, and Battalion Chiefs. The Training Division provides a high standard of training while meeting mandates and recommendations set by various regulatory agencies.

The Bureau of Fire Prevention is responsible for developing and implementing programs and policies that prevent or reduce the magnitude of emergency incidents. Various databases are used

in conjunction with other City Departments to identify the most hazardous occupancies in the City. Codes are periodically updated and comprehensive inspections are performed throughout the community to ensure safety measures are in place and in compliance. Public education is provided through various outreach programs in order to maintain the highest level of public safety.

The Bureau of Technical Services/EMS supports internal Department Bureaus as well as other City Departments. Technical Services supports the areas of emergency mapping, radio communications, emergency alerting, and the fire records management system (RMS). The Bureau also interfaces with the City's Information Technology Department, Ontario's Communications Division, and numerous outside agencies. EMS evaluates new medical technologies, provides continuing medical education, maintains medical qualification records and provides quality improvement reviews of medical operations. EMS also provides assistance to other City Departments in managing infection control and employee exposure incidents.

The Bureau of Emergency Management is responsible for preparing the City to respond to and recover from emergency/disaster/catastrophic events through education, training, exercises, and planning. The Bureau is also responsible for the development and implementation of many different



## Agency Mission working with Council's City Goals

(See page 8 for list of Council's City Goals)

- ✓ Replace emergency response vehicles, through the equipment replacement program, as they reach the end of their planned service life; **Council's City Goal #2**
- ✓ Complete design, development, and construction of the new City primary Emergency Operations Center (EOC) and expand WebEOC use in City operations; **Council's City Goal #2, 6**
- ✓ Continue emergency management planning, training, and exercises to improve the emergency preparedness disaster resilience of the whole community, including disaster economic recovery and community outreach; **Council's City Goal #2, 4, 5**
- ✓ Maintain an active inspection program to identify dangerous circumstances and prevent damage resulting from emergency incidents; **Council's City Goal #4**
- ✓ Replace or upgrade City's cardiac monitors with latest technology in STEMI care; **Council's City Goal #2**

preparedness, response, recovery, and mitigation plans and procedures. Emergency Management promotes a prepared, disaster-resilient community.

### Major Accomplishments

The Fire Department has begun work on development of its future as a department, through strategic planning. By utilizing the "Ontario Plan" and the "Approach to Public Service" as framework and with team effort, the department has successfully defined its Strategic Vision, Mission Statement, and Core Values. This Strategic planning process will take a considerable amount of time, commitment, and dedication from the entire department to successfully complete and implement.

During Fiscal Year 2011-12, with funding provided by a Fire Station Construction Grant through FEMA's American Recovery and Reinvestment Act, the Bureau of Operations completed the process of renovating Fire Station No. 5.

The Bureau of Operations, Emergency Services division continues to achieve the goal of maintaining a 10-minute or less response-time, while continually providing a high standard of emergency services. Operations Support Services was able to replace Medic Engine 136 and Medic Engine 138 through the City's Equipment Replacement Program. The Bureau has further enhanced its specialty response capabilities through special team station assignments and by taking delivery of a new hazardous response vehicle. This unit was paid for with grant funding, provided through the Urban Area Security Initiative (UASI) Grant Program.



The Bureau of Operations, Training Division offered a fitness training class to Fire personnel. This class provided an overview of fitness theory and application, demonstrating various exercise techniques for work activities. The Training Division assisted with development and proctoring of the Lateral Firefighter recruitment testing in October 2011 and continued to host a number of classes to assist in meeting the training goals of the department.

The Bureau of Fire Prevention's Fire Plan Check process is streamlined providing residents and businesses a more user-friendly environment. Plans are returned, with comments, within 10 working days. Customers

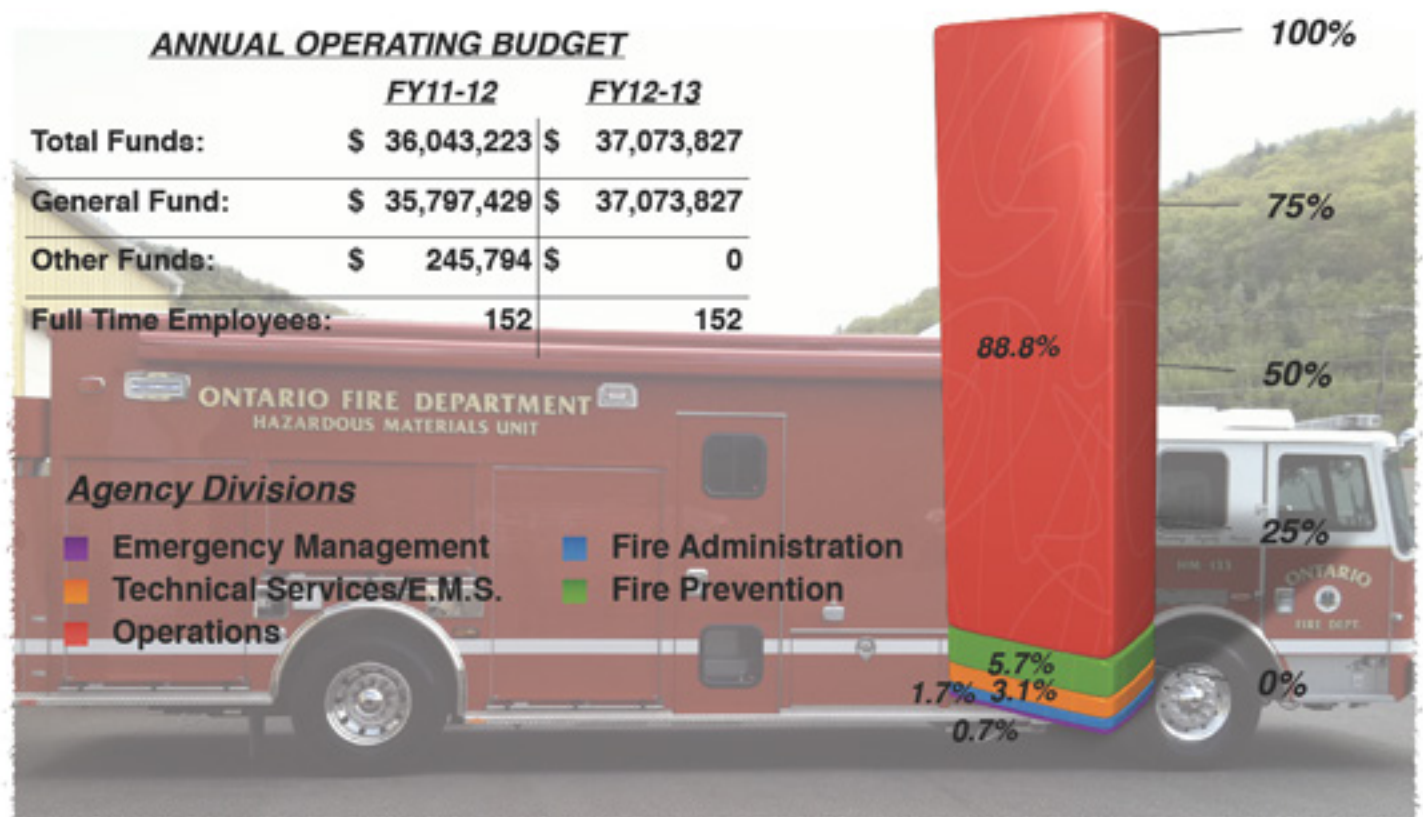
can conveniently begin the process online prior to visiting City Hall, saving both time and money. Grant funding continues to allow expansion of the Fire Investigation program. Timely and accurate investigations serve as a deterrent to the crime of arson, resulting in decreased insurance costs for all members of our community. A Public Relations intern program was created to enhance public service announcements, improve distribution of safety information, and develop relevant educational materials.

The Bureau of Technical Services/EMS continues to participate in the countywide ST-Elevation Myocardial Infarction (STEMI) program. To

date, Ontario Fire Department Paramedics continue to detect an average of 1-2 heart attacks per month, resulting in some patients being discharged within 1-3 days of surgical intervention with almost full recovery. The EMS Division has introduced new advanced medical technologies to ensure patient safety and quality care for persons requiring advanced airway management. This new technology is called capnography and is used to detect adverse changes in endotracheal tube placement that may occur during transport to the hospital. The Technical Services Division is working with the County to upgrade the countywide medical information system to an electronic-based format. In June 2011, the

**ANNUAL OPERATING BUDGET**

	<i>FY11-12</i>	<i>FY12-13</i>
<b>Total Funds:</b>	\$ 36,043,223	\$ 37,073,827
<b>General Fund:</b>	\$ 35,797,429	\$ 37,073,827
<b>Other Funds:</b>	\$ 245,794	\$ 0
<b>Full Time Employees:</b>	152	152



## Performance Measures

(See page 8 Goal #1 3)

### Maintain fractal response-time of 10 minutes or less, 90% of time (time of call to arrival)

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

### Conduct training to meet or exceed State and Federal standards

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

### Provide development review and plan check services with a goal of a 10 day turn-around

Actual FY10-11	90%
Projected FY11-12	100%
Estimated FY12-13	100%

### Respond to requests for building and fire protection systems inspections within 48 hours

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

### Conduct Emergency Operations Center training sessions

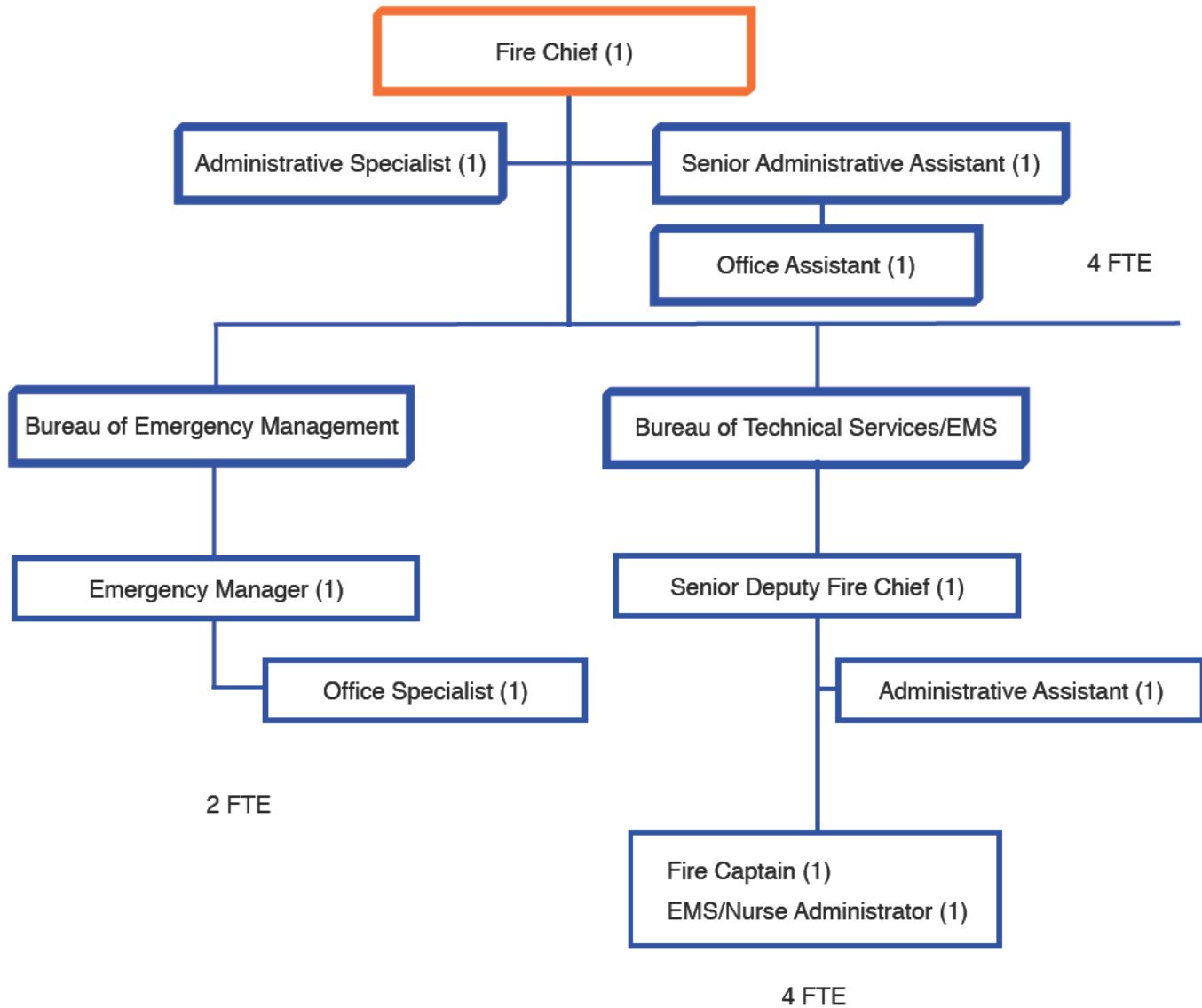
Actual FY10-11	6
Projected FY11-12	6
Estimated FY12-13	6

Bureau participated in successfully hosting two major events in Ontario; a statewide pre-hospital care conference and the National Police/Fire Olympic Games. The Bureau continues to assist the Fire Chief in developing emergency response benchmarks to evaluate and improve services.

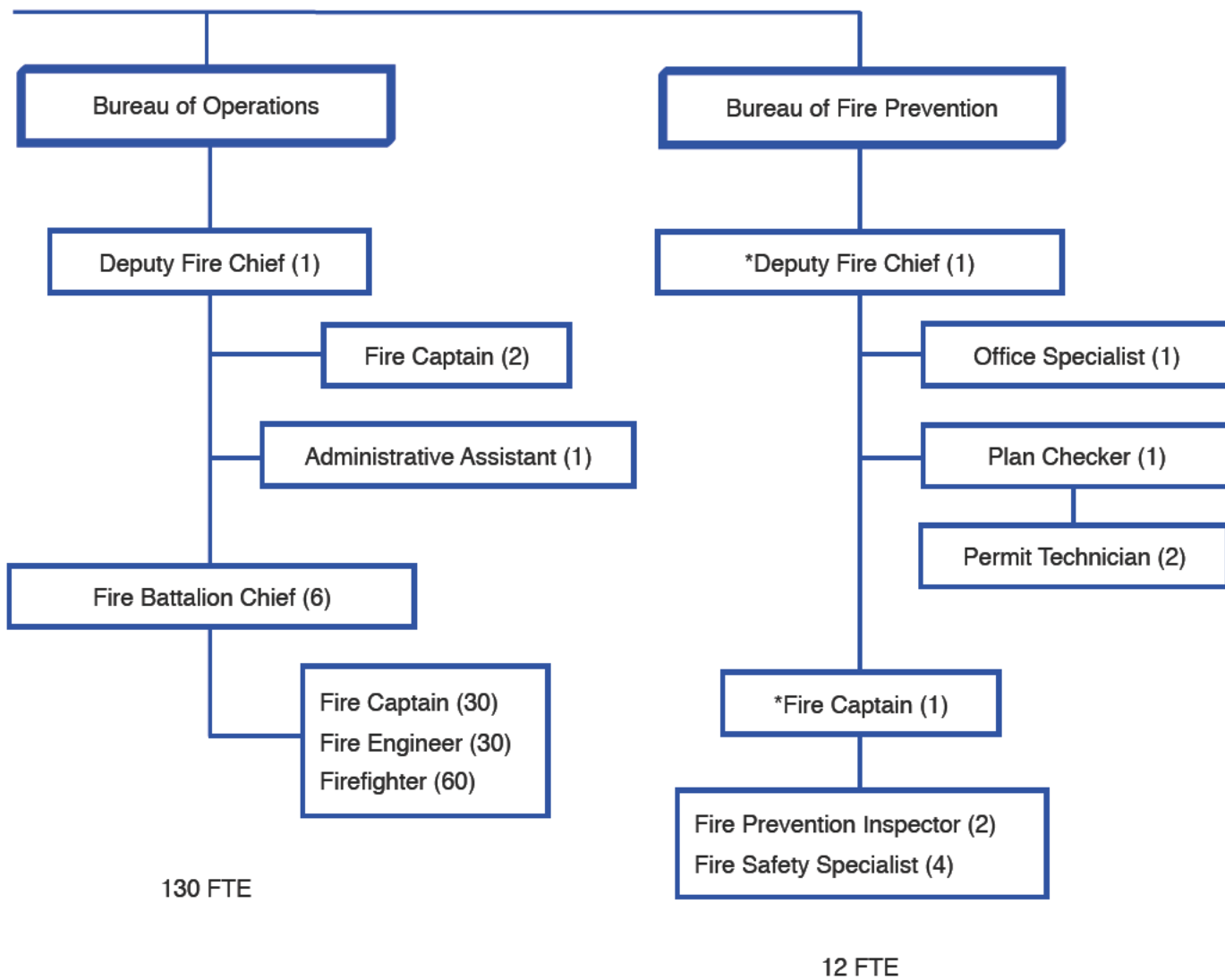
The Bureau of Emergency Management updated the Emergency Management Strategic Plan, Emergency Management Training and Exercise Plan, and City Hazard Mitigation Plan; commenced design and development work on the new City Primary Emergency Operations Center (EOC); developed several new emergency procedures and manuals; conducted many coordination, planning, and training meetings with a variety of City Departments, and public/private partners; continued upgrades and improvements to the WebEOC emergency management software; and enhanced the emergency management infrastructure, equipment, facilities, and emergency response capabilities.



2012-13 Organizational Chart  
**Fire Department**  
 (152 Full-time Employees)  
 Effective July 1, 2012



2012-13 Organizational Chart  
**Fire Department**  
 (152 Full-time Employees)  
 Effective July 1, 2012



\*Deputy Fire Chief and Fire Captain perform duties associated with Fire Marshal and Deputy Fire Marshal, respectively.



## **COMMUNITY & PUBLIC SERVICES**

*Mark Chase, Director*

*Recreation & Community Services, Library,  
Museum of History and Art, Parks & Maintenance*

### ***Agency Highlights***

The Community and Public Services Agency continues to provide its residents, customers and businesses exemplary educational, recreational, cultural and maintenance services. In the Agency's mission to achieve exceptional services and amenities, the departments have been diligently working on building collaborations, encouraging volunteerism and obtaining new funding opportunities that support the City and Agency goals. On behalf of the City, the Agency has been awarded several grants in the last year with the most significant being a \$2.98 million dollar grant for the construction of the Civic Center Community Conservation Park to be located in the City Hall south lawn.

The Conservation Park includes a small outdoor amphitheater, orchard fruit tree maze, metered walking path, interpretive play area, vegetative swale, interpretive water agricultural aqueduct, solar shade area and California native garden. In addition, the Library has received two grants totaling \$20,000 for early childhood learning and development. The grants will provide programming that promotes building knowledge on the needs of good health, early learning, parental involvement and supportive communities in a family friendly atmosphere. Finally, in collaboration with other city agencies, Ontario-Montclair School District and Kaiser, the Recreation department received approximately \$180,000 of a \$1 million grant to promote healthy

activities and amenities by creating metered walking paths and outdoor fitness equipment at the De Anza and/or Dorothy A. Quesada Community Centers. In coordination with the new amenities, the grant will provide training to staff on building family fitness programming and healthy nutrition planning, such as providing healthier after school snacks and ensuring our vending machines contain healthier options for our community.

### ***Major Accomplishments***

Throughout the 2011-2012 fiscal year, the Parks and Maintenance department has been working on several park and facility designs to enhance our community. The most prominent project this year would be the Ontario Town Square, which will be focal point of the downtown core. The design is in its final phase and includes an amphitheater with band shell, palm court for vendors, children's interactive area with water feature, clock tower and gazebo. In addition, the department has finalized the design of South Bon View Park and moved forward with construction following the groundbreaking in May 2011. The 5 acre park will include a restroom, playground area, parking lot, picnic areas and open green space.

Finally, the Parks and Maintenance department continues its pursuit to promote water conservation throughout the City. With the implementation of Calsense at Westwind Park, the department has completed its conversion on city

parks to a more efficient and centralized irrigation system, which allows improved monitoring of water flow, rainfall, precipitation and evaporation that creates healthier landscapes throughout the city.

The Museum of History and Art, Ontario continued to implement two important grant programs, a grant funded by the Institute of Museum and Library Services to improve development of in-house exhibitions; and another funded by

the National Endowment for the Humanities to develop long-term, sustainable strategies for care of the museum's collection of local history artifacts and archives. With each grant implementation, the potential to obtain additional grant funds is highly possible to continue the advancement of the Museum. In addition to these beneficial funding opportunities, the museum continues to receive support from the Associates group and strengthens its volunteer base through the Docent Program. With volunteers and the expanded fundraising achieved by the Associates, the Museum of History and Art, Ontario received an increase of supplemental funds to provide some earned-income activities and programming throughout the year.

The Library has worked diligently throughout the year to create a community of readers by providing a multitude of reading programs and scheduling author visits to inspire interest and the imagination. The most significant events this year was the Teen Book Fest last summer and the visit by the book author, Dave Pelzer. Both events provided our residents and customers with inspiration through the meeting and interaction with one of their five favorite authors or to hear a compelling story how to overcome a tragic past and move forward. Dave Pelzer, the author of *A Child Called It*, filled the Chaffey High School's Gardiner Spring Auditorium with 1,700 people to hear his stories, be encouraged by his accomplishments and to have a book signed or a photograph taken with him. In addition to these fun events, the Library has been



### Agency Mission working with Council's City Goals

(See page 8 for list of Council's City Goals)

- ✓ Complete the integration, implementation and installation of the new Polaris Integrated Library System to improve access and expand services to our library users; **Council's City Goal #3**
- ✓ Partner with Ontario Montclair School District for the Annual 5K Run/Walk to benefit the Promise Scholars program to increase participation and promote education awareness; **Council's City Goal #7**
- ✓ Continue building a strong volunteer program throughout the Agency, particularly the Docent Corps and VIP program; **Council's City Goal #7**
- ✓ Finalize the plans and specifications for the Ontario Town Square Plaza and the Civic Center Community Conservation Park and begin construction; **Council's City Goal #6**
- ✓ Complete construction on the South Bon View Park and Whispering Lakes Golf Course Improvement projects; **Council's City Goal #6**



coordinating with the Museum, Recreation department and Ontario-Montclair School District to promote early childhood literacy and parental involvement.

Through this collaboration, the further development of early childhood, birth to 5 year olds, programs and activities are essential to promoting continued reading and development through a child's educational experience. The Library has already begun its literacy promotion through programs such as the *Día De Los Niños / Libros* (Children's Day / Book Day), the nationally sponsored event has evolved from its Latin beginnings to become a celebration emphasizing the importance of literacy and reading for children and families of all linguistic and cultural backgrounds. With the collaboration, the Library hopes to provide programming that increases its participation to over the estimated 10,000 community members and children that attended our programs and activities this year.



While Recreation continues its collaboration efforts with other departments and agencies, they have done outstanding work on the Teen Action Committee (TAC) expansion. In recognition of their efforts to organize teens dedicated to enhancing their lives through leadership, volunteerism, and social activities, the Recreation department was awarded a 2011 CPRS (California Park & Recreation Society) award of excellence. In addition to this achievement, the department received a second award of excellence from CPRS for its development of a new Department Logo that exemplified the City Councils goals and objectives as stated in The Ontario Plan and implementing a new marketing campaign utilizing the new logo. Finally, the department was fortunate in receiving a donation in the amount of \$10,000 that allowed for the purchase of new portable movie equipment and the implementation of the Movies in the Park program. The program shows great promise with an average attendance of 250 residents and looks to increase next year with the collaboration with the Library movie programs.





## ANNUAL OPERATING BUDGET

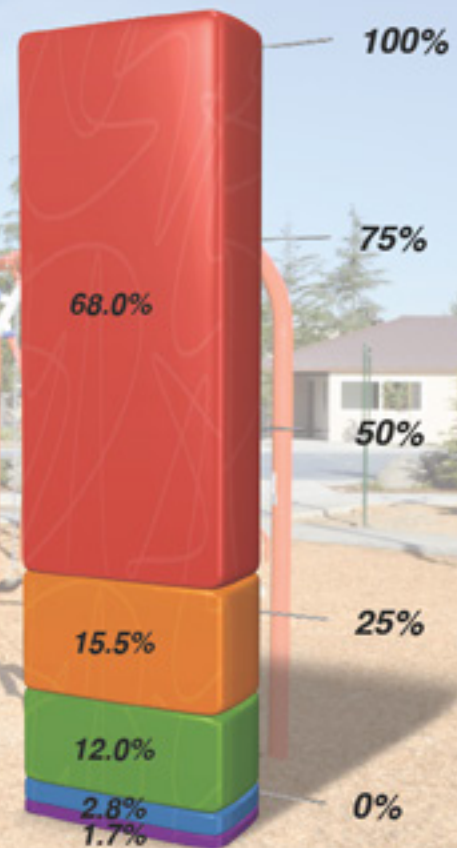
	<u>FY11-12</u>	<u>FY12-13</u>
Total Funds:	\$ 24,116,315	\$ 27,223,388
General Fund:	\$ 19,812,312	\$ 19,944,492
Other Funds:	\$ 4,304,003	\$ 7,278,896
Full Time Employees:	122	121

### OTHER FUNDS CONSIST OF:

Gas Tax	\$ 1,050,925
C.D.B.G.	\$ 215,000
General Fund Grants	\$ 3,037,700
Parkway Maintenance	\$ 628,185
Solid Waste	\$ 1,809,395
Facility Maintenance	\$ 94,150
Storm Drain Maintenance	\$ 443,541

### Agency Divisions

■	Museum	■	Community & Public Svcs Admin
■	Recreation & Community Services	■	Library
■	Parks Maintenance		



### Agency volunteer hours contributed

Actual FY10-11	25,423
Projected FY11-12	28,031
Estimated FY12-13	28,250

### Performance Measures

(See page 8, Goal #1.3)

### Number of Teen participants in Agency programs

Actual FY10-11	5,202
Projected FY11-12	5,534
Estimated FY12-13	5,709

### Circulation of Library materials to the public

Actual FY10-11	637,012
Projected FY11-12	620,000
Estimated FY12-13	630,000

### Number of Senior participants in Recreation Programs

Actual FY10-11	7,958
Projected FY11-12	8,000
Estimated FY12-13	8,500

### Number of collaborations/partnerships

Actual FY10-11	174
Projected FY11-12	185
Estimated FY12-13	177

2012-13 Organizational Chart  
**Community & Public Services**  
 (121 Full-time Employees)  
 Effective July 1, 2012

**Community & Public Services Director (1)**

**Administration**

Administrative Assistant (1)  
 Management Analyst (1)

3 FTE

**Parks & Maintenance**

Maintenance Superintendent (2)  
 Public Services Project Manager (1)  
 Parks & Maintenance Supervisor (4)  
 Street Maintenance Supervisor (2)  
 Irrigation Conservation Specialist (1)  
 Senior Park Maintenance Technician (2)  
 Senior Street Maintenance Technician (3)  
 Park Maintenance Technician (6)  
 Street Maintenance Technician (8)  
 Senior Park Maintenance Worker (8)  
 Senior Street Maintenance Worker (9)  
 Maintenance Worker (16)  
 Office Specialist (2)

64 FTE

**Recreation/Community Services**

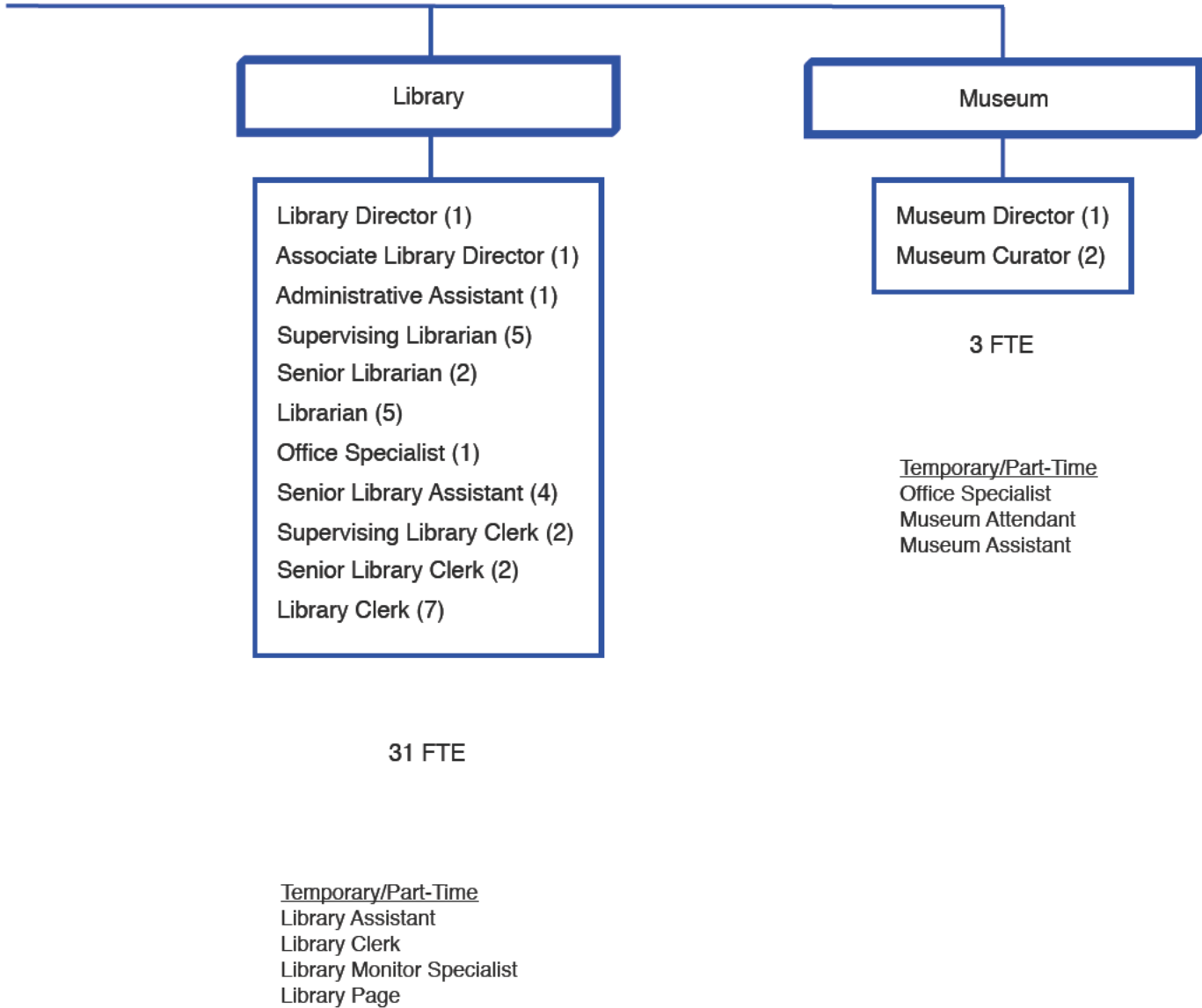
Assistant Recreation Community Services Director (2)  
 Senior Recreation/Community Services Supervisor (5)  
 Recreation/Community Services Supervisor (3)  
 Recreation/Community Services Coordinator (7)  
 Office Specialist (3)

20 FTE

Temporary/Part-Time

Recreation Assistant  
 Recreation Leader  
 Senior Recreation Leader  
 Lifeguard  
 Instructor/Guard  
 Senior Pool Manager  
 Pool Manager

2012-13 Organizational Chart  
**Community & Public Services**  
(121 Full-time Employees)  
Effective July 1, 2012





# MUNICIPAL UTILITIES COMPANY

*Scott Burton, Utilities General Manager*

*Municipal Services, Utilities Engineering,  
Utilities Operations*

## **Agency Highlights**

The Ontario Municipal Utilities Company provides water, sewer, trash collection and recycling services to the Citizens and Businesses of Ontario. It also maintains City-owned buildings, street lights, vehicles and equipment. The Utilities Company is committed to protecting the health and welfare of the community by providing cost effective, safe and reliable services.

The Utilities Company provides approximately 12.3 billion gallons of drinking water annually, through the operation and maintenance of 23 active groundwater wells, 556 miles of water pipelines, and 12 water reservoirs that store 75 million gallons of water. Most of Ontario's drinking water comes from two local groundwater sources: Ontario's groundwater wells and the Chino Basin Desalter Authority. Ontario also imports drinking water from the Northern California Bay Delta through the State Water Project. Water treatment occurs through the City's ion-exchange water treatment plant and the two Chino Desalter Authority water treatment plants. In addition, imported water supplies are treated at the Water Facilities Authority's Agua de Lejos Water Treatment Plant.

The Utilities Company provides recycled water for non-potable uses, such as outdoor irrigation and some industrial applications. During the past 5

years, more than 180 recycled water service connections have been completed, supplying nearly 10% of Ontario's total water demand.

Ontario's Sewer Collection System consists of more than 400 miles of sewer pipelines. Sewer operations include sewer line cleaning, video inspection, and maintenance and repairs. Treatment of wastewater is conducted by the Inland Empire Utilities Agency (IEUA).

Management of Ontario's water and wastewater systems requires on-going investment to: comply with federal and state regulations; maintain existing facilities; and construct new facilities to meet future demands. For example, a new state law requires a 20% per capita reduction in potable (drinking) water use by the year 2020. This requirement will be satisfied through the expanded use of recycled water and investments in water use efficiency. Aging infrastructure is also a concern as 6 of the City's 23 active groundwater wells, 60 miles of water main pipelines, and 100 miles of sewer pipelines are more than 40 years old.

The Utilities Company also provides Citywide refuse or solid waste services, collecting approximately 143,000 tons of trash, 22,450 tons of greenwaste, and 12,000 tons of recyclable materials per year. The Household Hazardous Waste Facility accepted approximately



200,000 pounds of material, including used motor oil, paint, household chemical products, pharmaceuticals, and fluorescent lights from nearly 3,000 Ontario residents and businesses.

The Municipal Services Department of the Utilities Company is responsible for maintaining 40 City-owned buildings, including police, fire, community centers, and general government facilities housing city staff and serving the public, approximately 11,000 street lights, 600 vehicles and 440 pieces of equipment. The Department also operates and maintains a public-access compressed natural gas (CNG) fueling station located at 1425 South Cucamonga Avenue.

### **Major Accomplishments**

The Municipal Utilities Company focuses on projects aimed at the preservation and rehabilitation of existing infrastructure, resource conservation, energy efficiency, and supporting growth and development within Ontario. Fiscal Year 2011-12 accomplishments include:

- ◆ Completed updates to the Water, Sewer and Recycled Water Master Plans and the 2011 Urban Water Management Plan correlating to The Ontario Plan to help identify the most efficient and cost-effective means of maintaining existing system reliability. The Master Plans help to meet today's customer service needs, while identifying the infrastructure needs for future development.



### **Agency Mission working with Council's City Goals**

(See page 8 for list of Council's City Goals)

- ✓ Operate and maintain the infrastructure required to provide water, wastewater and solid waste services; **Council's City Goal #6**
- ✓ Pursue grant opportunities to support the infrastructure and operational priorities of the Utility Company; **Council's City Goal #4**
- ✓ Develop a Municipal Climate Action Plan; **Council's City Goal #6**
- ✓ Implement conservation strategies to protect resources and reduce cost of services for Utility Company customers; **Council's City Goal #1, 6**

- ◆ Completed the rehabilitation of the 5.5 million gallon water reservoir located at Campus Ave and Main St that was originally built in 1983. The \$800,000 project included repairs, site security and seismic performance improvements to extend the service life of the above ground steel water reservoir.
- ◆ Constructed 4,200 feet of recycled water pipeline to provide approximately 110 acre-feet per year of additional recycled water to existing Ontario customers and to new development projects such as the Ontario Airport Towers, Guasti Village, and Haven Gateway.
- ◆ Received \$775,000 in reimbursement grant funds to offset expenses related to Ontario's share of the Chino Desalter Authority Phase III Expansion Project. When completed, the Expansion Project will provide Ontario residents and businesses with an additional 3,533 acre-feet of water per year, the equivalent of about 7,000 single family residents per year.
- ◆ Completed upgrades to two (2) sewer lift stations to expand capacity at the Edenglen lift station and install safety improvements like fall protection at the Magnolia lift station.

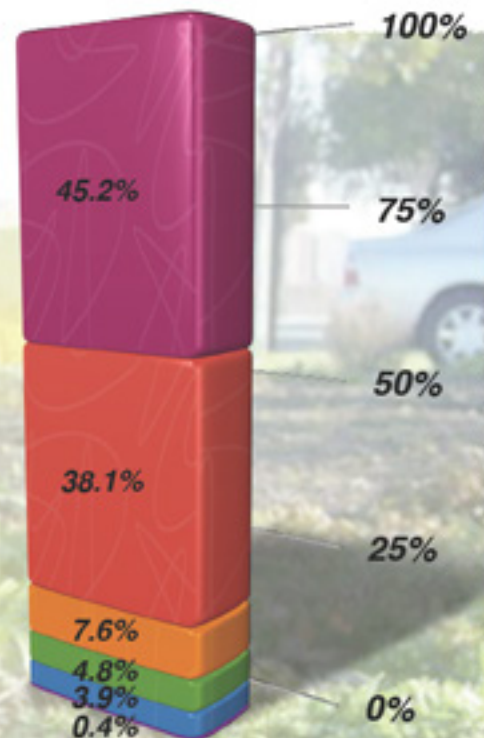
### ANNUAL OPERATING BUDGET

	FY11-12	FY12-13
Total Funds:	\$ 107,272,599	\$ 111,873,922
General Fund:	\$ 5,029,367	\$ 5,068,088
Other Funds:	\$ 102,243,232	\$ 106,805,834
Full Time Employees:	211	210

\* \$4,587,799 of this fund impacts General Fund indirectly

#### OTHER FUNDS CONSIST OF:

Capital Projects	\$ 810,000
Water Operating	\$ 36,633,945
Water Capital	\$ 14,224,355
Sewer Operating	\$ 13,642,706
Sewer Capital	\$ 3,080,889
Solid Waste	\$ 23,380,578
Equipment Services*	\$ 14,113,305
Street Light Maintenance	\$ 265,866
Facility Maintenance	\$ 654,190



#### Agency Divisions

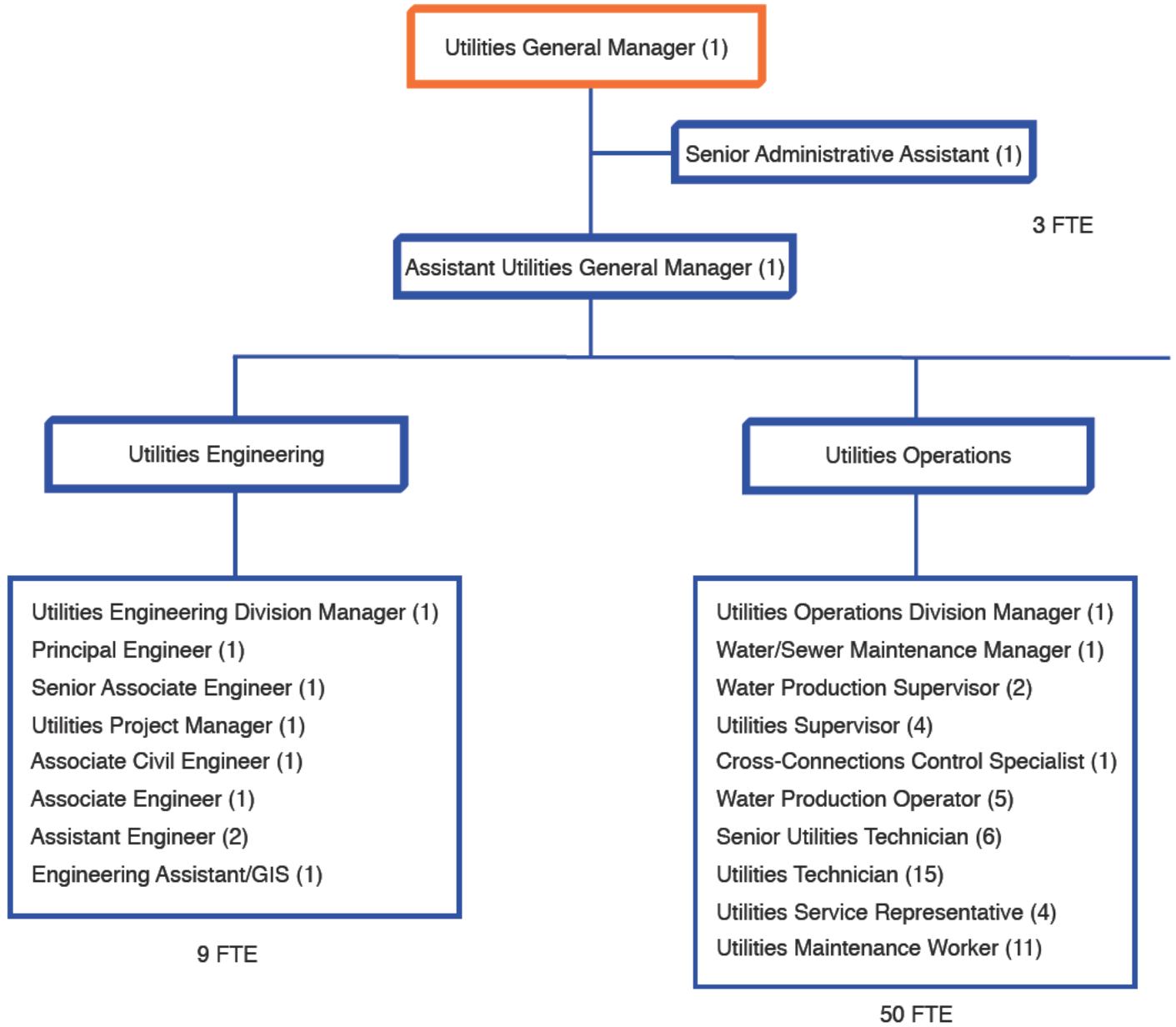
- Utilities Operations
- Municipal Services
- Municipal Utilities Programs
- Utilities Engineering
- Municipal Utilities Projects
- Municipal Utilities Administration

- ◆ Replaced 30,000 square feet of deteriorating roofs at Westwind Community Center and the Fire Department Training Center for about \$600,000 with new energy-efficient "Cool Roofs" that meet California Title 24 specifications.
- ◆ Secured grant funds in the amount of \$180,000 from the South Coast Air Quality Management District (AQMD) Mobile Source Air Pollution Reduction Committee (MSRC) to offset the cost to purchase six (6) refuse collection trucks equipped with Compressed Natural Gas (CNG) fuel systems and an additional \$400,000 for upgrades to Ontario's CNG fueling station.
- ◆ Purchased and placed into service 46 vehicles and pieces of specialty equipment totaling approximately \$2.7 million.
- ◆ Continued to exceed California State AB 939 requirements including diversion of approximately 1.6 million pounds of additional materials away from landfills through increased recycling. This was largely due to increases in commercial recycling and the completion of efforts related to a \$250,000 grant program that successfully doubled the number of multi-family customers utilizing recycling services.



<b>Complete water quality monitoring and reporting requirements</b>		<b><u>Performance Measures</u></b> <small>(See page 8, Goal #1-3)</small>		<b>Complete vehicle emissions inspections per State requirements</b>	
Actual FY10-11	100%			Actual FY10-11	100%
Projected FY11-12	100%			Projected FY11-12	100%
Estimated FY12-13	100%			Estimated FY12-13	100%
		<b>Complete water supply assessments and planning documents per State requirements</b>			
		Actual FY10-11	100%	<b>Meet State mandated diversion and per capita disposal requirements</b>	
		Projected FY11-12	100%	Actual FY10-11	100%
		Estimated FY12-13	100%	Projected FY11-12	100%
<b>Complete emergency repairs for the Sewer System</b>				Estimated FY12-13	100%
Actual FY10-11	100%				
Projected FY11-12	100%				
Estimated FY12-13	100%				

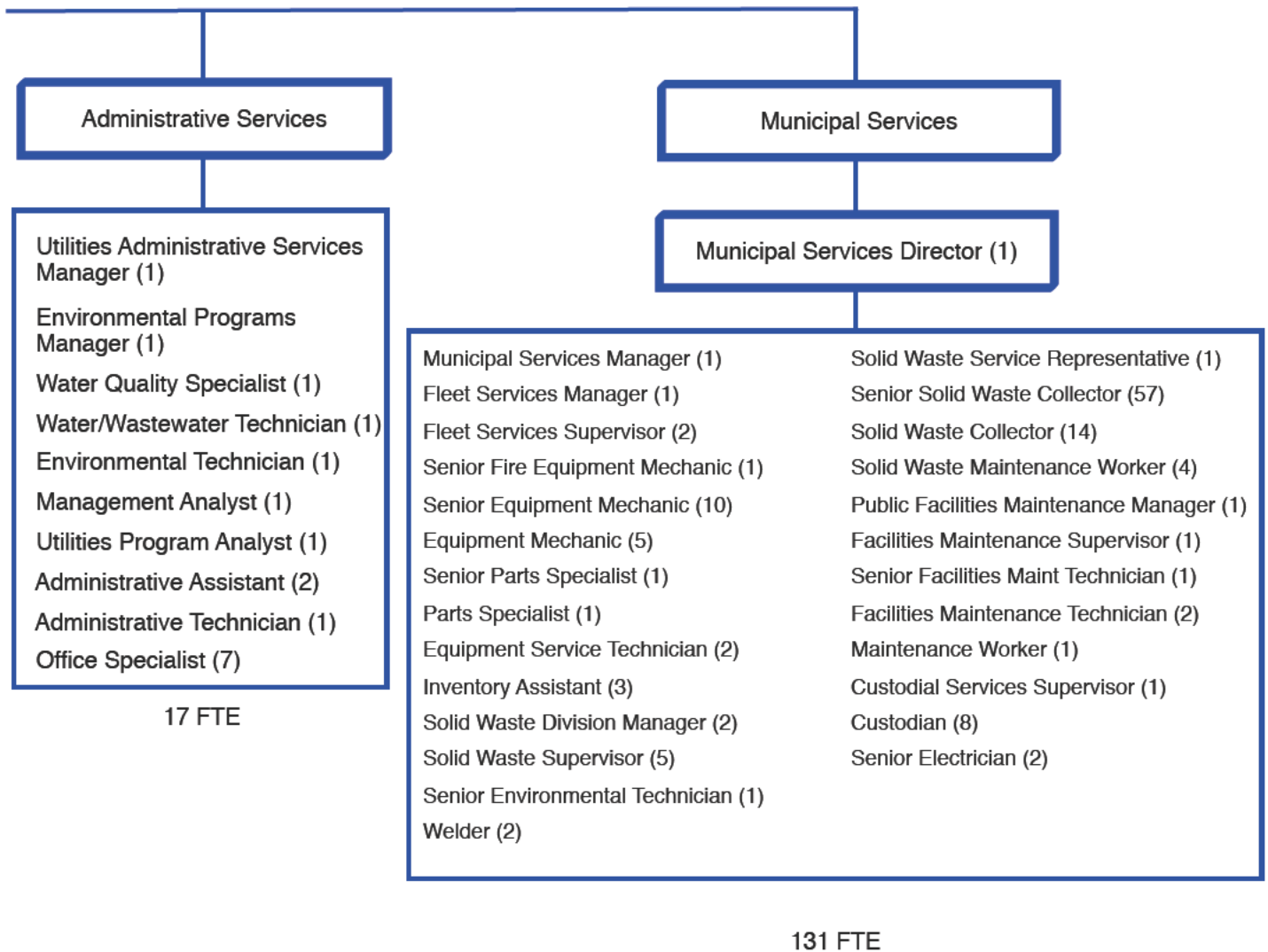
2012-13 Organizational Chart  
**Municipal Utilities Company**  
 (210 Full-time Employees)  
 Effective July 1, 2012



Temporary/Part-Time  
 Administrative Intern



2012-13 Organizational Chart  
**Municipal Utilities Company**  
 (210 Full-time Employees)  
 Effective July 1, 2012





# HOUSING

**Brent D. Schultz, Director**

*Code Enforcement,  
Housing Development/Grants Administration/  
Neighborhood Revitalization, Quiet Home*

## **Agency Highlights**

The primary objective of the Housing Agency is to improve neighborhoods throughout Ontario by removing blighted conditions, rehabilitating the current housing stock, and creating new housing types with a range of affordability. The Housing Agency addresses these objectives through the following programs: 1) Housing Development; 2) Ontario CARES; 3) Code Enforcement; 4) Quiet Home; and 5) Grants Management.

A critical program to preserve and protect Ontario neighborhoods is the CARES program. This widely utilized program has resulted in the re-painting and re-landscaping of over 3,200 homes with a \$22.4 million investment into neighborhoods. **CARES** is an acronym which stands for **C**ode Enforcement, **A**rterial Street Improvement, **RE**-Leaf Program, **E**xterior Improvement Program, **S**idewalk Program – Safe Route to School. Qualified homeowners in focus neighborhoods receive grants for exterior paint and landscape improvements to homes. Approximately 200 homeowners annually utilize the program. Due to the abolishment of redevelopment agencies by the California Legislature and Governor, this program has been put on hold until other housing funding is secured.

The Agency also administers the City's code enforcement program to protect the public's health,

safety and welfare, and work with property owners to improve their properties. Code Enforcement staff continued operation of the Abandoned and Distressed Properties Program which involves the identification and improvement of vacant or foreclosed properties. The Systematic Health and Safety Inspection Program, started in 2009, requires periodic inspection of all rental properties. Staff also continues to ensure the smooth operation of the Temporary Homeless Services Area (THSA), and works proactively with the City Attorney to update and improve ordinances that enhances community aesthetics and public safety. Staff is currently reviewing the City's contracted weed abatement service and is analyzing the possibility of a City-operated Weed and Fire Hazard Abatement Program.



The Quiet Home Program provides aircraft noise relief to eligible homeowners through its voluntary sound insulation and land acquisition/relocation efforts. The program enhances compatibility between airport operations and surrounding residential land uses and improves the quality of life for noise impacted residents through noise mitigation improvements, acquisition, and relocation in most noise impacted areas. The Agency received \$1 million in grant fund to implement a Quiet Home Owner-Occupied Rehabilitation ("OOR") Loan Program. This Program provides a loan to qualified households to abate existing building



## Agency Mission working with Council's City Goals

(See page 8 for list of Council's City Goals)

- ✓ Create new mixed-use multifamily and senior housing development to improve existing housing stock through acquisition and/or rehabilitation projects; **Council's City Goal #5**
- ✓ Complete the CARES Exterior Beautification Program in the Jay Littleton Phase II Focus Area by providing neighborhood improvements, preservation, and enforcement; **Council's City Goal #5**
- ✓ Continue to provide assistance to extremely low income households in need of food, housing, child care, rent subsidy, etc; **Council's City Goal #5**
- ✓ Continue voluntary property acquisitions in neighborhoods west of ONT, complete sound insulation work on up to 130 homes and secure additional FAA and LAWA noise mitigation grant funding; **Council's City Goal #4, 5**
- ✓ Work cooperatively with other Agencies and Departments to resolve substandard, dangerous, and unhealthy conditions; **Council's City Goal #2, 5**

code violations that may eliminate eligibility of a homeowner from participating in the Quiet Home Program's Residential Sound Insulation Program.

Agency staff is committed to actively pursuing all funding sources that leverage local resources to implement programs and projects that strengthen our local economy and protect our tax base. Staff was successful in receiving financial grant awards to do down payment assistance for First-time Homebuyers, rehab loans and downtown revitalization from the following programs: Neighborhood Stabilization Program 3 (NSP3), Catalyst Project for California Sustainable Strategies Pilot Program, CalHome Program and BEGIN Program. Also, staff continues to focus efforts on new development opportunities citywide, and for the Ontario Downtown area to bring new housing, retail and other development to improve and expand business opportunities and to acquire affordable housing units.

### **Major Accomplishments**

For Fiscal Year 2011-12, the total investment of all Housing Agency projects and programs was approximately \$14.5 million.

Some of the other significant accomplishments under the Housing Development/Grant Administration during Fiscal Year 2011-12 included the following:

- ◆ Completion of substantial rehabilitation and leasing efforts of 47 apartment units located on Begonia Avenue and Francis Street.
- ◆ The Agency expended approximately \$454,540 to provide essential services to the homeless and to at-risk households using various federally funded programs (HPRP, CDBG, and ESG).



- ◆ Prevented 73 persons from being homeless through the Homelessness Prevention and Rapid Re-Housing (HPRP) Program.
- ◆ Completed monitoring on 1,743 affordable housing units.
- ◆ Assisted five households with downpayment assistance through the BEGIN program in the Edenglen development.
- ◆ Completed paint and landscape improvements on approximately eight households through the CARES Beautification Program.

Code Enforcement improved the multi-family housing stock by inspecting over 4,200 residential rental units through the Systematic Health and Safety Inspection Program. Staff conducted 2,746 field inspections and responded to over 20,000 citizen's complaints and inquiries. The Community Improvement Team (CIT) worked with other City agencies to respond to raw sewage spills, vacant and unsecured buildings, and illegal vendors. In addition, Code Enforcement investigated 964 substandard housing complaints and continued the Abandoned and Distressed Property Program, which resulted in the registration of 2,000 properties. Lastly, Code Enforcement implemented new ordinances and resolutions to increase the penalty amounts of administrative citations and parking tickets and established fees for nuisance abatement activities.



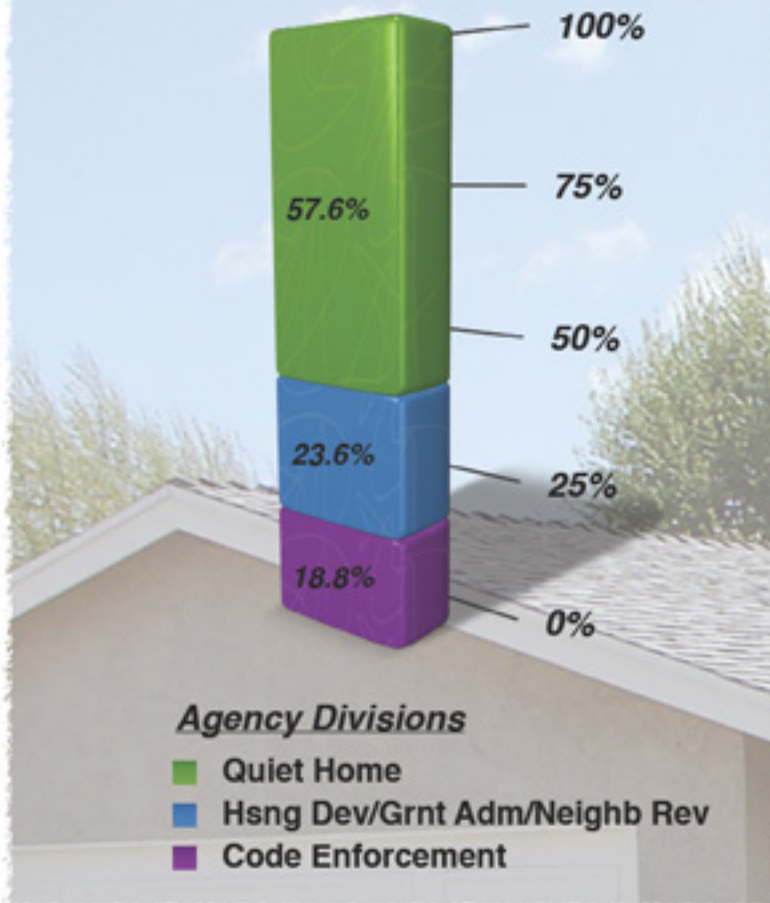
The Quiet Home Program staff secured \$7.5 million in new federal and airport noise mitigation funds in Fiscal Year 2011-12. The Department completed sound insulation work on 150 houses with a total expenditure of approximately \$3.5 million and two sound insulation contracts totaling \$3.1 million and completed 114 houses. In addition, Quiet Home acquired 6 properties, relocated approximately 35 residents from the noise impacted neighborhoods, and expended approximately \$1.8 million in acquisition/relocation activities. To date, the Quiet Home Program has expended \$115 million to sound insulate over 1,250 houses, purchased 241 properties (52 acres), and relocated approximately 1,147 residents from the neighborhoods closest to the west end of the airport.

## ANNUAL OPERATING BUDGET

	FY11-12	FY12-13
Total Funds:	\$ 52,612,011	\$ 24,267,056
General Fund:	\$ 2,265,270	\$ 2,802,440
Other Funds:	\$ 50,346,741	\$ 21,464,616
Full Time Employees:	49	37

### OTHER FUNDS CONSIST OF:

Quiet Home Program	\$	13,973,000
C.D.B.G.	\$	2,652,095
HOME Grants	\$	2,347,076
Neighborhood Stabilization Prg	\$	1,314,633
Building Safety	\$	1,177,812



## Performance Measures

(See page 8 Goal #1.3)

**Respond to dangerous building complaints within 24 hours and all other complaints within 3 days**

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

**Monitor all outside funded programs for compliance**

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

**Sound insulation of homes in airport noise impacted neighborhoods**

Actual FY10-11	85
Projected FY11-12	150
Estimated FY12-13	160

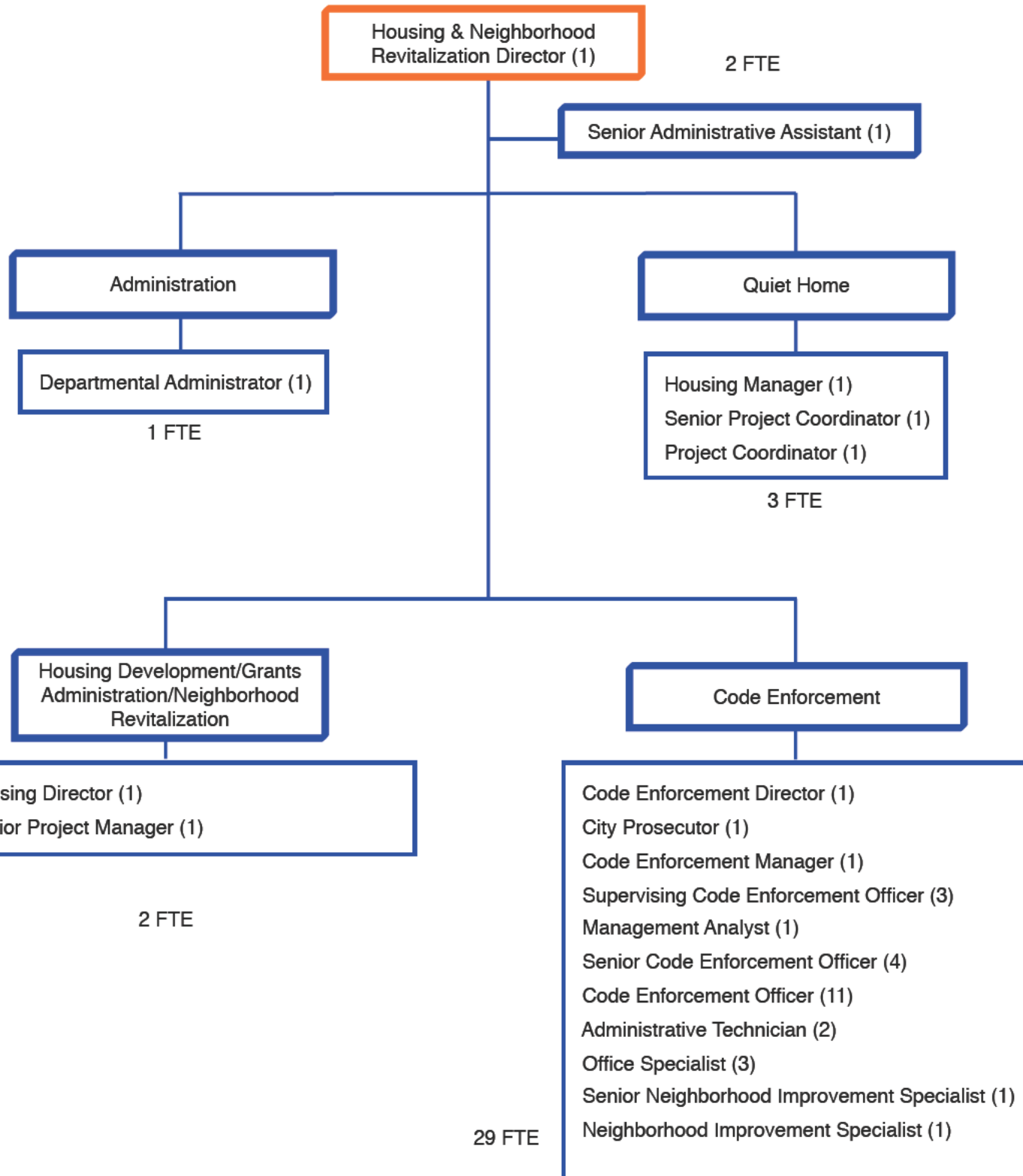
**Comply with federal and state regulations and ensure funds met timeliness and the required reports are submitted**

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

**Monitor affordable housing units for compliance with affordability covenants**

Actual FY10-11	1,743
Projected FY11-12	1,743
Estimated FY12-13	1,743

2012-13 Organizational Chart  
**Housing Agency**  
 (37 Full-time Employees)  
 Effective July 1, 2012





# ONTARIO

SOUTHERN CALIFORNIA'S  
NEXT URBAN CENTER



# ECONOMIC DEVELOPMENT

*John P. Andrews, Director*  
*Economic Development, Redevelopment*

## **Agency Highlights**

The primary goal of the Ontario Economic Development Agency is to create, maintain and grow the economic value of the City. The Agency provides services to the City's residents and businesses, including the attraction of potential business and investment, new development, adaptive reuse projects, the retention and expansion of current businesses, workforce development, tourism and public relations. This also results in job creation and a revitalized business climate.

The Agency promotes Ontario as the location of choice for doing business in Southern California by highlighting its strong fundamentals: a growing population; a diverse business community; a lower cost alternative to coastal markets; a highly trained and available workforce; lower housing costs; an efficient transportation system; the City's proximity to the Port of Los Angeles and Port of Long Beach; and being home to Ontario International Airport.

The Agency's strategies, implemented through its Economic Development programs are designed to attain the Mayor and City Council's long term vision of a 'Complete Community' and include:

- ◆ Building and maintaining relationships with key decision makers to ensure that Ontario stays at the top of their mind for corporate relocations and expansions.

- ◆ Working with government and educational organizations to enhance the regional workforce.
- ◆ Fast track development meetings to provide companies and developers with an efficient, business friendly permitting experience.
- ◆ Events, such as Ontario's annual State of the City, to connect investors, developers, and local businesses and stakeholders.
- ◆ Building relationships with regional and national press to ensure that Ontario remains a leader in the field of economic development.
- ◆ Partnering with private investors to implement improvements to deteriorated areas resulting in increased property values within those areas.
- ◆ Build public improvements and infrastructure and perform additional activities necessary to improve property conditions.

Although the economic downturn has affected many of the private projects taking place in the community, the Agency has provided valuable assistance to stabilize development efforts taking place in the City. Several projects are planned or underway, including a renovation of the Ontario Mills Mall, façade enhancements at 317 North Euclid Avenue, a three-story office building located at the southeast corner of Euclid Avenue and Holt



Boulevard, acquisition of the former Sunkist Fruit Packing and Distribution Facility, and projects in the Euclid Avenue District (Historic Downtown) and the East Holt Boulevard Corridor.

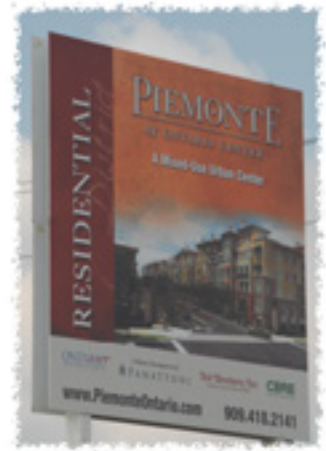
Ontario's Mayor and City Council run the City like a business. The Agency's strategies are therefore driven by its ability to anticipate and produce the infrastructure and amenities that companies need to grow and expand their operations, all contributing to Ontario's thriving and highly successful business community.

### **Major Accomplishments**

The Economic Development Agency accomplished the following for Fiscal Year 2011-12:

#### **Business Attraction**

The Agency developed strategic relationships with corporate real estate executives through leadership in organizations such as CoreNet Global (CoreNet), International Council of Shopping Centers (ICSC), Industrial Asset Management Council (IAMC), National Association of Industrial and Office Properties (NAIOP), Distribution Management Association (DMA), Milken Institute California Advisory Council and through local and regional tenant representative broker luncheons and meetings with national real estate firms and site selection consultants.



### **Agency Mission working with Council's City Goals**

(See page 8 for list of Council's City Goals)

- ✓ Leverage Ontario's local attractions (Ontario International Airport, Citizens Business Bank Arena, Ontario Mills Mall, and Ontario Convention Center) to further expand the City as a destination for business and leisure travels; **Council's City Goal #1**
- ✓ Actively recruit leading employers and businesses to strengthen the local economy with higher paying jobs to facilitate creating a "Complete Community"; **Council's City Goal #1**
- ✓ Position the City of Ontario as a leader in the region and raise awareness of Ontario as a growing hub of industry and commerce ideally situated to handle Southern California's future growth; **Council's City Goal #1**
- ✓ Visit Ontario Businesses to strengthen relationships, collect data, educate managers regarding economic development resources, and maintain an early warning system for businesses considering leaving Ontario, going out of business or those affected by the current recession; **Council's City Goal #1**

The Ontario Economic Development Agency pro-actively reached out to Fortune 500 and other large corporations across the United States through personal meetings, email and telephone correspondence. Relationships have been built and maintained through continued meetings with companies in Chicago, New York, New England, Atlanta, and the Southwest.

The Agency successfully organized the City's annual Economic Leadership Conference "State of the City" business networking event, attracting over 775 attendees. Economic Development efforts, including assisting the businesses with site selection, permitting, and employee hiring and training resources, resulted in many new businesses located in Ontario.

**Corporate Branding & Public Relations**

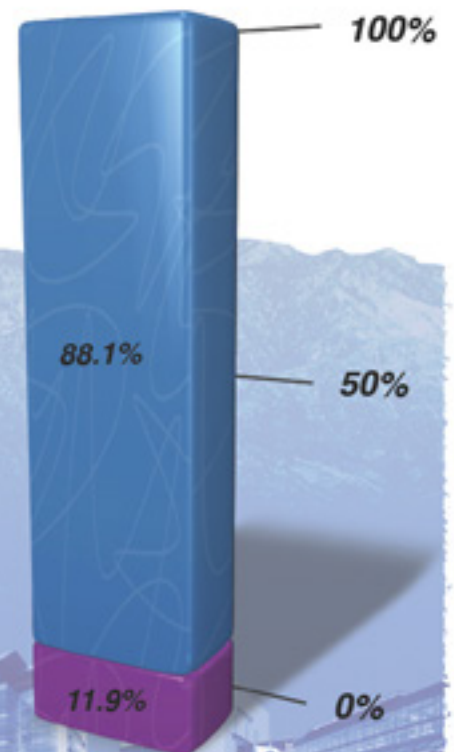
The Agency continued to distinguish Ontario as a leader in the region. Based on a targeted public relations strategy focused on corporate real estate, investment, and business attraction, the Agency placed advertisements in publications which include Los Angeles Business Journal, Orange County Business Journal, Financial Executive Magazine, and Inland Empire Magazine. In addition, the Agency authored articles for publications such as Financial Executive Magazine and Shopping Center Business. Public relations efforts through local news outlets resulted in 64 article placements and over 300 media mentions, with an advertising cost equivalent to approximately \$250,000.

**ANNUAL OPERATING BUDGET**

	<u>FY11-12</u>	<u>FY12-13</u>
Total Funds:	\$ 41,227,543	\$ 29,529,713
General Fund:	\$ 1,857,701	\$ 3,550,386
Other Funds:	\$ 39,369,842	\$ 25,979,327
Full Time Employees:	9	6

**OTHER FUNDS CONSIST OF:**

Redevelopment Successor Agency	\$ 586,761
Project Area No. 1 Successor	\$ 18,652,844
Project Area No. 2 Successor	\$ 191,500
Center City Project Area Successor	\$ 1,216,756
Cimarron Project Area Successor	\$ 326,802
Guasti Project Area Successor	\$ 277,500
Redevelopment Obligation Retirement Fund	\$ 4,727,164



**Agency Divisions**

- Redevelopment
- Economic Development



### **Business Retention and Expansion**

The Economic Development Agency managed the Ontario Chamber of Commerce Business Retention Committee, which resulted in 489 business visits, and 229 referrals for business assistance. The Agency also held quarterly business workshops, sent monthly business newsletters, and partnered with community organizations to provide workshops and opportunities for local businesses.

### **Workforce Development**

As part of the Mayor and City Council's commitment to a 'Complete Community', the Agency worked in conjunction with the West End Workforce Collaborative, which continues to provide education and training opportunities for Ontario students and employers. The Agency has also maintained its relationship with the County's Alliance for Education in order to increase Science, Technology, Engineering and Math (STEM) programs in Ontario schools. The Online to College Program at Corona Elementary School in the Ontario-Montclair School District has continued in its third year, and will provide those students with the opportunity to attend Chaffey College at no cost after completing the program grades 5-12. The program is currently being expanded to all cover all schools in the Ontario-Montclair School District as well as Chaffey High School.

### **Successor Agency to the Ontario Redevelopment Agency**

For more than 30 years the Ontario Redevelopment Agency has worked diligently to improve the quality of life for all people that live, work and play in Ontario. On February 1, 2012 the tools in the "Redevelopment Toolbox" were eliminated. After a longstanding battle with the State of California, the decision was made by the California Supreme Court to abolish redevelopment across the State. This was a fierce blow to the powerful effect that redevelopment activities brought to the community. Redevelopment was one of the most effective ways to breathe new life into deteriorated areas plagued by social, physical, environmental or economic conditions which act as a barrier to

## ***Performance Measures***

(See page 8 Goal #1.3)

### **Articles/Placements**

Actual FY10-11	62
Projected FY11-12	80
Estimated FY12-13	64

### **Successful Attractions**

Actual FY10-11	62
Projected FY11-12	90
Estimated FY12-13	89

### **Successful Expansions**

Actual FY10-11	24
Projected FY11-12	25
Estimated FY12-13	27

### **Advertising Cost Equivalent**

Actual FY10-11	\$400,000
Projected FY11-12	\$500,000
Estimated FY12-13	\$415,000

### **Business Retention Visits**

Actual FY10-11	850
Projected FY11-12	865
Estimated FY12-13	759

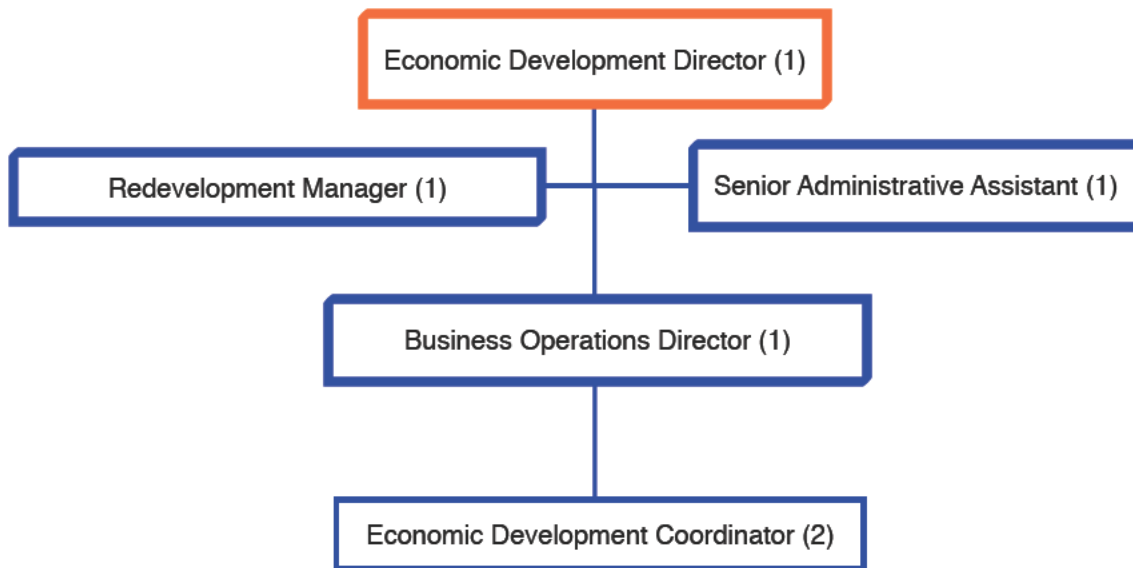
new investment by private enterprise. Through California Community Redevelopment Law communities had the ability to focus their attention on reversing trends of physical and economic deterioration through financial investment, in turn, revitalizing the overall climate of the community. By partnering with the private sector to acquire property, build public improvements and infrastructure, clean-up contaminated soil and do other things necessary to improve the conditions of the property it created a chain reaction where the ultimate economic output was larger than the original public investment.

Over the last several years the Ontario Redevelopment Agency invested over \$16 million in public facilities and vital infrastructure, generated thousands of jobs, and helped create over 4,000 affordable and senior housing units. Like the accomplishments above the former Ontario Redevelopment Agency has many success stories to tell and is very proud of the positive impact the tremendous work program had on the community. The Agency is hopeful a new era of economic development tools will emerge allowing its passionate and committed staff to continue to improve the quality of life for City of Ontario residents and businesses.

Pursuant to Assembly Bill 1X 26 the City Council, as Successor Agency to the Redevelopment Agency, and a newly formed Oversight Board will be responsible for the winding down the Agency's existing obligations and liquidation of assets. Policies and procedures will adopted to ensure the dissolution of the former Redevelopment Agency is accomplished in a transparent, pragmatic, and consistent manner.



2012-13 Organizational Chart  
**Economic Development**  
(6 Full-time Employees)  
Effective July 1, 2012



6 FTE



## DEVELOPMENT

*Otto Kroutil, Director*

*Building, Engineering, Planning*

### **Agency Highlights**

The Development Agency and its Departments (Building, Engineering, and Planning) play a lead role in all activities involving land development and infrastructure construction in the City, both public and private. This includes a full range of activities from policy and long-range planning, through master plans, design/development review, permitting, construction and inspection. Consistent with City Council goals, the Development Agency's main objective is to ensure that the City continues to develop as a well-planned, balanced, and sustainable community in concert with "The Ontario Plan".

Development Agency staff works closely with project proponents to ensure all new development meets the City's adopted land use, infrastructure and other plans. The Development Agency also works with other City staff to ensure effective coordination of the entitlement, permitting, and inspections programs for both on-site private construction and infrastructure work done in public right-of-ways. These efforts are meant to ensure quality development consistent with the City's vision, plans and operational needs, while providing clarity and predictability to our residents, businesses, developers, and investment partners. This approach is applicable to the full range of private development activities, from simple building additions to massive mixed-use developments in the New Model Colony (NMC) and elsewhere.

The Development Agency is also responsible for a wide range of public sector projects including design, development and construction of City-owned buildings and facilities, and the heavy infrastructure required to support the efficient functioning of the City's fifty square mile land area, as identified in the City's Capital Improvement Program. These include storm drains, grade separations, freeway interchanges, roadway reconstructions, signalization and lighting, and other publicly owned facilities.

Finally, the Agency is heavily involved in regional planning, transportation, and infrastructure financing efforts to protect and enhance Ontario's leadership position in the Inland Empire. This includes active participation with SCAG, SANBAG, CALTRANS, US Army Corps of Engineers, San Bernardino County, Omnitrans, Metro Gold Line and many others.

### **Major Accomplishments**

In FY 2011-12, \$6.1 million of public infrastructure and street improvements were completed, including the \$4.4 million citywide pavement rehabilitation and slurry seal program, the \$1 million for new and upgraded traffic signals and intersection improvements on Grove Avenue at Sixth and Princeton Streets and on Vineyard Avenue at Francis Street, and the \$700,000 in CDBG and Federal Stimulus money to convert nearly 2,000 additional street lights to energy saving Light Emitting Diode technology.

In addition, two major storm drain projects have had the design and bid documents completed in-house. They are the \$2 million Fifth Street Storm Drain Project from Berlyn Avenue east to West Cucamonga Channel and the \$5.7 million Sixth Street Storm Drain Project from Glenn Avenue east to Cucamonga Channel.

Significant progress continues to be made on multiple major railroad grade separation projects. With 50% of the North Milliken Avenue Grade Separation Project now completed, the construction is progressing on schedule and within budget with the expected completion date in June 2013. Located in the proximity of two major truck stops, the grade separation will relieve traffic congestion, minimize delays, improve air quality and open access to the City's industrial core. In addition significant progress was made on the South Milliken and North Vineyard Avenue railroad Grade Separation projects. Design plans for both projects have progressed to 65%. Right of way acquisition for the Vineyard project is complete and appraisals and negotiations are underway for the Milliken required right of way. A total of \$2.76 million of federal funds was secured to proceed with the Project Approval and Environmental Document phase for the I-10 at Grove/Fourth Street Interchange and Grove Avenue Corridor project.

Despite the continued economic downturn, there were 58 development and land use applications submitted in FY 2011-12, showing increased activity in industrial projects. Projects approved this year



## Agency Mission working with Council's City Goals

(See page 8 for list of Council's City Goals)

- ✓ Provide professional, timely, consistent and predictable development services; **Council's City Goal #1, 3, 4, 5**
- ✓ Complete The Ontario Plan Implementation programs, including a web-based Development Code, and related infrastructure Master Plans. Complete General Plan/Zoning Consistency program. Begin work on two-year Housing Element update; **Council's City Goal #1, 2, 3, 4, 5, 6, 7, 8**
- ✓ Complete all projects under the approved Capital Improvement Program, including annual Pavement Management projects and the Fifth Street Storm Drain. If private funding available, begin construction of Mill Creek Wetlands in Prado basin; **Council's City Goal #1, 2, 3, 4, 5, 6,**
- ✓ Continue planning for NMC development and infrastructure; **Council's City Goal #1, 3, 4, 5, 7, 8**
- ✓ Complete the City's Climate Action Plan; **Council's City Goal #3, 4, 8**

include four Hillwood-Hofer and Newcastle Partners industrial buildings totaling about 891,000 square feet, and the mixed use Tuscana Village Specific Plan consisting of both residential and commercial uses.

Over \$100 million in building permit valuation is anticipated by the end of the fiscal year, representing about 1,800 plan checks, 40,000 inspections and 8,000 service counter visits for the Building Department alone. Through March, the Building Department issued over 2,300 permits, valued at \$69 million, again showing a trend toward numerous smaller projects. Most notable projects completed this fiscal year included Fletcher Jones Mercedes-Benz and Fiat dealerships, Kaiser Permanente Vineyard Medical Center, and Neiman Marcus store and major façade improvements at Ontario Mills.

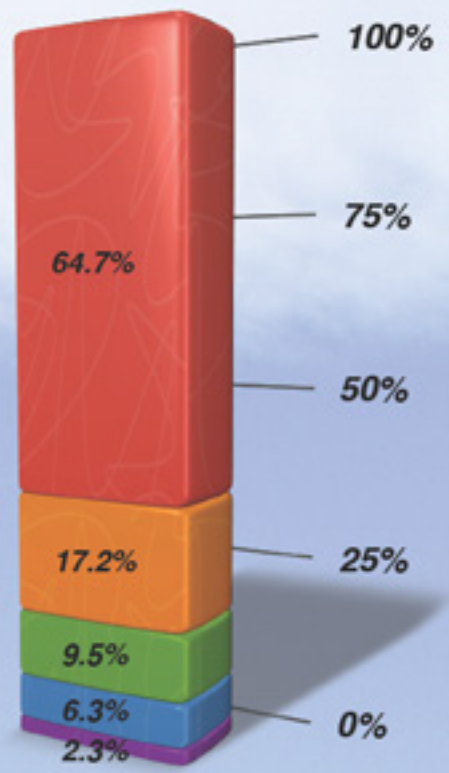
A very substantial staff effort was again dedicated to work on various New Model Colony (NMC) programs. While actual residential construction was limited to the Edenglen community, staff and NMC Builders, LLC have been engaged in detailed and comprehensive re-examination of existing construction and development agreements and the underlining assumptions

about timing, phasing and cost of required infrastructure. A new Development Agreement was approved for Forestar Countryside, and an existing agreement with Brookfield was amended to ensure availability of necessary infrastructure and funding of services. Work also continued on several planned communities in the NMC.

The adoption of The Ontario Plan necessitated the updating of several infrastructure Master Plans in the NMC as well as the rest of the City. The work necessary to update these Master Plans (water, sewer, streets and storm drains) has been completed this Fiscal Year. Approvals were finally obtained from the U.S. Army Corps of Engineers to begin construction of the Mill Creek Wetlands project envisioned to provide an innovative centralized natural biotreatment facility for storm water and urban runoff from developments in the NMC.

Substantial progress was made on The Ontario Plan Implementation Programs. The Development Code draft has been completed and associated City-wide zoning consistency program is under way, as is the implementation of multi-jurisdictional agreements under the new Airport Land Use Compatibility Plan. Work is also under way on the





**Agency Divisions**

- Engineering
- Public Facilities Project
- Planning
- Building
- Administration

**ANNUAL OPERATING BUDGET**

	<u>FY11-12</u>	<u>FY12-13</u>
Total Funds:	\$ 26,184,678	\$ 35,181,809
General Fund:	\$ 10,484,003	\$ 11,105,179
Other Funds:	\$ 15,700,675	\$ 24,076,630
Full Time Employees:	74	75

**OTHER FUNDS CONSIST OF:**

Gas	\$ 3,084,239	Water Capital	\$ 660,490
Measure I	\$ 4,344,000	Sewer Capital	\$ 666,614
Measure I Valley Major Project	\$ 800,000	Storm Drain Maintenance	\$ 1,033,193
C.D.B.G.	\$ 400,594	OMC Street Impact	\$ 148,000
General Fund Grants	\$ 5,000,000	OMC Storm Drainage Impact	\$ 1,830,000
Capital Projects	\$ 6,057,500	NMC Street Impact	\$ 52,000

## Performance Measures

(See page 8 Goal #1.3)

### **Respond to questions from counter and phone calls within one day**

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

### **Provide 1<sup>st</sup> plan check service for residential, industrial and commercial improvements/projects within 15 days (of submittal)**

Actual FY10-11	70%
Projected FY11-12	75%
Estimated FY12-13	85%

### **Provide next-day workday field inspections of construction projects under approved building permits**

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

### **Review Development plans within 10 days (of submittal)**

Actual FY10-11	88%
Projected FY11-12	90%
Estimated FY12-13	90%

### **Process site plans within 180 days, Conditional Use Permits within 60 days, Tract Maps within 120 days (of submittal)**

Actual FY10-11	95%
Projected FY11-12	95%
Estimated FY12-13	95%

Complete Streets Study for Holt Blvd., funded under a \$200,000 CalTrans grant.

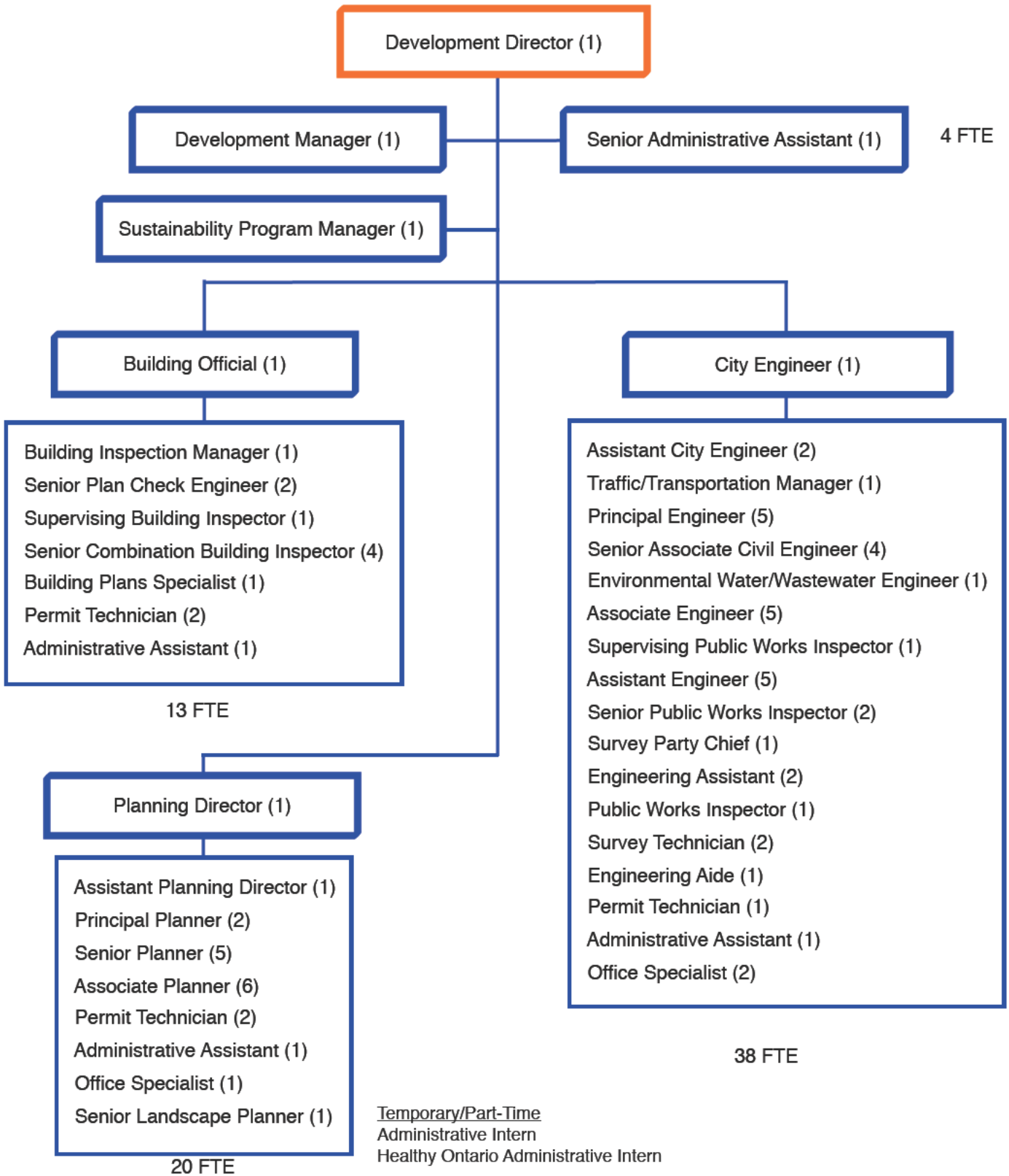
Planning is also implementing the Heal Zone project, under a one million dollar grant from Kaiser Permanente, in addition to the Healthy Ontario program.

Application was submitted to the United States Green Building Council for certification of the newly reconstructed City Hall under the Leadership in Energy and Environmental Design (LEED) program. Recently, the City was awarded a LEED GOLD Certification for the project, in recognition of cutting-edge sustainable and energy-saving design, construction and operational practices.

Finally, significant progress was made on preparation of mandated Community Climate Action Plan, including active participation in a county-wide program to develop standard Climate Action Plans for each city in San Bernardino County, led by SANBAG. The first phase of this program, the Municipal Climate Action Plan, which will guide the City's operations, has been completed.



**2012-13 Organizational Chart**  
**Development**  
 (75 Full-time Employees)  
 Effective July 1, 2012





# INFORMATION TECHNOLOGY

*Elliott Ellsworth, Director*  
*Information Technology*

## ***Agency Highlights***

The Information Technology (IT) Department is responsible for 24 hours, 7 days a week operational support of technology solutions used by all departments of the City. Information technology has proven to be essential to day-to-day operations and communications between staff, and with customers and residents. The IT Department maintains and supports state of the art solutions in networks, telecommunications, servers, computers, software, and mobile and field equipment. The IT team supports the City's systems that manage the financial and human resource assets. IT also maintains the Geographic Information Systems (GIS) that provide the foundational data used for land management, case management, public works infrastructure, and 911 dispatching for Police and Fire. The IT staff supports dozens of applications, hundreds of computer, phones and radios.

The City of Ontario continues to make considerable investments in modernizing its information systems. With tremendous backing and support of the City Council, these investments help to keep Ontario as a leader in the use of state of the art tools and technologies.

Information technology impacts all aspects of City operations and service delivery. Information technology tools help to create, manipulate, organize, transmit, store and act on information in digital form in supporting traditional business

techniques as well as providing new alternative and more efficient ways of doing business. Core technologies (processors, drives, and peripherals) continue to get smaller, better, faster, cheaper and easier to use enabling new ideas and techniques to be introduced on a regular basis.

The role of the IT Department is to support the operational departments with reliable systems and information on a daily basis. The most critical support required of IT being network, communications and applications support. The IT Department provides short and long term direction in planning, researching, selecting and deploying future technologies. IT strives to accommodate improved business process automation, self-service and quality customer service through a variety of hardware and software solutions.

## ***Major Accomplishments***

During Fiscal Year 2011-12, the Information Technology staff assisted the Police Department with wiretap support and the implementation of "ProQA" priority dispatch and "FileOnQ" barcode based evidence tracking systems. IT upgraded Fire RMS systems of each agency dispatched by the Ontario Dispatch Center. IT played a key role in supporting the SetONTarioFree campaign and 2012 State of the City. The Cityview and Accela Automation case management systems are scheduled to go live at the end of this fiscal year. The City's website was migrated to a new backend system, enhancing existing capabilities and

## Agency Mission working with Council's City Goals

(See page 8 for list of Council's City Goals)

- ✓ Support the technical requirements of the Set ONTario Free campaign; **Council's City Goal #1**
- ✓ Coordination with County Radio on implementing a 700 MHz encrypted digital public safety radio solution; **Council's City Goal #2**
- ✓ Fiber optics master planning, Metro Ring design/build/construction; **Council's City Goal #3, 6**
- ✓ Library backbone network (E-Rate) and software upgrade; **Council's City Goal #7**
- ✓ Town Square Wi-Fi; **Council's City Goal #1**
- ✓ Video streaming and digital signage; **Council's City Goal #3**

supporting new web techniques. Council Chambers speaker/audio was upgraded to remedy identified problems.

IT is preparing for work on the following project in the upcoming fiscal year:

- ◆ Support the Set ONTario Free campaign
- ◆ Coordination with County Radio on implementing a 700 MHz encrypted digital public safety radio solution
- ◆ Fiber optics master planning, Metro Ring design/build/construction
- ◆ Library backbone network (E-Rate) and software upgrade
- ◆ Town Square Wi-Fi
- ◆ Video streaming and digital signage
- ◆ PD Telestaff project
- ◆ PD Tiburon MobileCom project
- ◆ Fire Field Inspections and Electronic Patient Care Reporting Project



## Performance Measures

(See page 8 Goal #1.3)

### Average time to close "priority" work orders (hours)

Actual FY10-11	20
Projected FY11-12	19
Estimated FY12-13	24

### Total number of "help desk" work orders received/completed

Actual FY10-11	7,353
Projected FY11-12	7,000
Estimated FY12-13	7,500



### In-house training provided to City staff in use of applications (man hours)

Actual FY10-11	2,000
Projected FY11-12	2,000
Estimated FY12-13	2,400

### Number of moves, adds, and changes (MACs) on telecom services

Actual FY10-11	350
Projected FY11-12	360
Estimated FY12-13	350

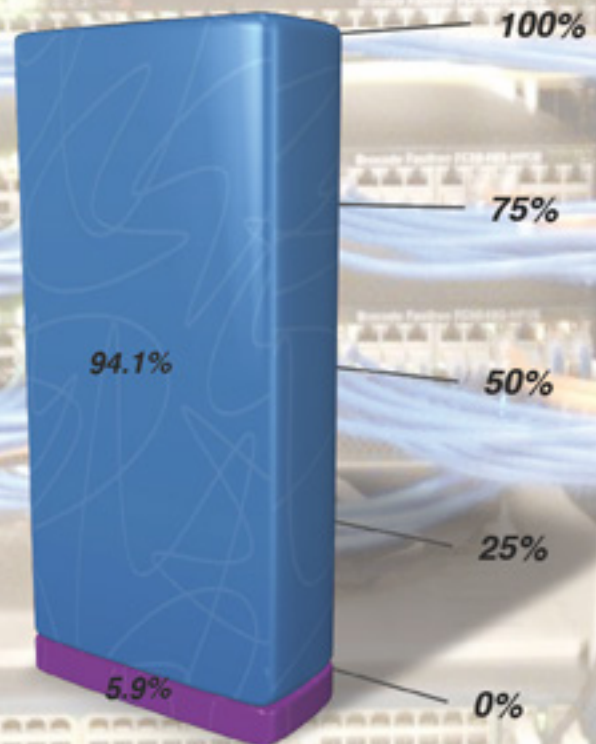
## ANNUAL OPERATING BUDGET

	FY11-12	FY12-13
Total Funds:	\$ 8,271,241	\$ 8,715,982
General Fund:	\$ 0	\$ 0
Other Funds:	\$ 8,271,241	\$ 8,715,982
Full Time Employees:	25	25

### OTHER FUNDS CONSIST OF:

Information Technology\* \$ 8,715,982

\* \$6,898,821 of this fund impacts General Fund indirectly



### Agency Divisions

- Information Technology
- Information Technology Project

2012-13 Organizational Chart  
**Information Technology Department**  
 (25 Full-time Employees)  
 Effective July 1, 2012

**Information Technology Director (1)**

1 FTE

**Information Technology Operation Manager (1)**

**Information Technology Systems Manager (1)**

Senior Information Technology Specialist (2)  
 Web Developer (1)  
 Information Technology Specialist (3)  
 Information Technology Technician (1)

Database Administrator (1)  
 Senior Systems Analyst (1)  
 Systems Analyst (1)  
 Information Technology Technician (1)

8 FTE

5 FTE

Temporary/Part-Time  
 Administrative Intern

**Information Technology Applications Manager (1)**

**Telecommunications Manager (1)**

Senior Systems Analyst (4)  
 Systems Analyst (1)  
 GIS Specialist (2)

Systems Analyst (1)  
 Senior Information Technology Specialist (1)

8 FTE

3 FTE



## **CITY ADMINISTRATION**

*Chris Hughes, City Manager  
Al C. Boling, Deputy City Manager*

*City Manager, Human Resources, Risk Management,  
Records Management, City Attorney*

### ***Agency Highlights***

City Administration includes City Manager, City Attorney, Human Resources, Records Management, and Risk Management.

The City Manager's Office implements the goals and direction of the City Council through professional administration and leadership of the City's executive team and staff.

The City Attorney's office provides legal guidance to the City Council and staff to ensure the City operates in compliance with federal, state and local laws and regulations. City Attorney functions are contracted through the law firm of Best Best & Krieger LLP.

Human Resources recruits, develops and retains a highly qualified City workforce committed to service to the community. Key functions include recruitment and selection, performance management, organizational development and training, classification and compensation, and labor relations.

Records Management supports the elected City Clerk and provides a comprehensive records management program for the City. Key functions include: keeping accurate records of City Council proceedings; coordinating City elections; administering the Conflict of Interest Code, Fair Political Practices Commission filings, and retention and destruction of official records in accordance with applicable laws and regulations; and receiving and processing public records

requests, claims, subpoenas and special event applications.

Risk Management identifies and minimizes exposures that could result in physical and financial loss to the City. Key functions include general liability and insurance administration, public loss prevention, workers' compensation, leave and disability coordination, and employee safety and benefit programs.

### ***Major Accomplishments***

In line with the City Council's primary goal to develop strategies and take actions, including regaining local control of the Ontario International Airport, to minimize the negative impacts of the global financial downturn on Ontario's economy and the City's Fiscal Health, the City Manager's Office launched an innovative campaign to regain local control of the Ontario International Airport. Utilizing an extensive social media presence, live presentations to community groups and governmental agencies and local media commercial spots, the importance of local control of ONT has gained widespread public understanding and support. The Set ONTario free campaign continues to gain momentum.

Actions taken by the State of California resulted in dissolution of the Ontario Redevelopment Agency. Human Resources worked closely with impacted departments to transfer several employees into vacant positions throughout the City. These transfers are just one part of a comprehensive plan developed following City Council direction to



implement the forced dissolution of the Redevelopment Agency. Further related personnel actions are included in this budget for City Council consideration.

In order to address the financial impact of rising pension and retiree medical costs, the City Manager initiated discussions with employee groups to explore ways to reduce these costs for the future. Those discussions resulted in a tiered retiree medical benefit and a reduction to the CalPERS pension formula. These cost reduction measures will result in significant cost savings as new safety employees are hired into the restructured benefits program.

The City implemented the "Approach to Public Service," written guidelines for employees that emphasizes importance of service to the community. To support this effort, the City also implemented a new citywide employee development process called PACE (Performance and Coaching Excellence). The new process emphasizes alignment with City goals and preparing the workforce for the future.

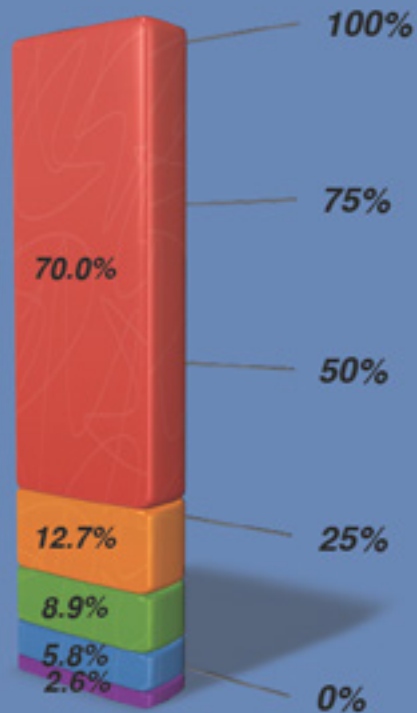
The Agency continued to leverage technology to streamline operations. Over 1,000 documents were recorded online with the San Bernardino County Recorder's Office, reducing cycle time and eliminating the 50-mile round trip drive to the Recorder's Office. Employee enrollment in benefit plans was conducted online through a newly developed website, [www.ontariocityemployees.org](http://www.ontariocityemployees.org). The website improves accuracy and efficiency of the benefits open enrollment process, provides greater access to information for employees, and reduces the need for vehicle trips required to submit paper enrollment forms.

### Agency Mission working with Council's City Goals (See page 8 for list of Council's City Goals)

- ✓ Review and update Citywide policies and procedures; **Council's City Goal #3**
- ✓ Expand the Citywide online employee injury reporting system; **Council's City Goal #3**
- ✓ Reduce the cost of responding to public records requests by offering more information online and at the public counter; **Council's City Goal #3**

Finally, the Records Management Department assisted City Departments with streamlining records processing and purging outdated and obsolete materials. The Department also continued its commitment to community by responding to nearly 1,000 public records requests in a timely manner.





## ANNUAL OPERATING BUDGET

	FY11-12	FY12-13
Total Funds:	\$ 14,420,968	\$ 15,058,622
General Fund:	\$ 7,809,149	\$ 4,766,779
Other Funds:	\$ 6,611,819	\$ 10,291,843
Full Time Employees	23	23

### Agency Divisions

- Risk Management
- City Manager/City Administration
- Human Resources
- Records Management
- City Attorney

### OTHER FUNDS CONSIST OF:

Mobile Source Air	\$	32,490
Self Insurance*	\$	6,959,353
Other Post Employment Benefits	\$	3,300,000

\* \$5 499 481 of this fund impacts General Fund indirectly

## Performance Measures

(See page 8 Goal #1 3)

### Handle liability claims within 45 days of receipt

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

### Respond to Public Records requests within 10 days of receipt

Actual FY10-11	97%
Projected FY11-12	97%
Estimated FY12-13	100%

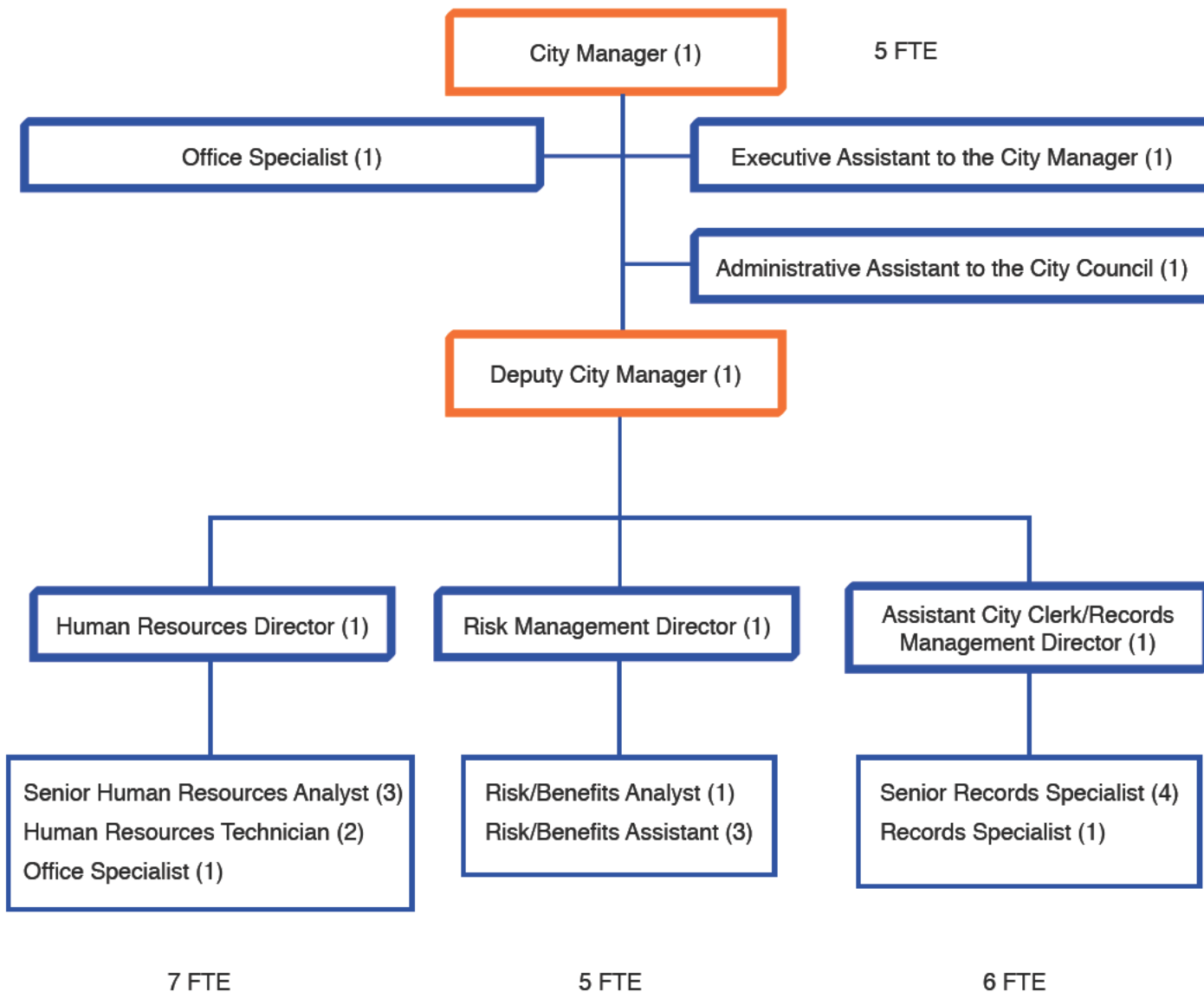
### Open recruitment and send eligibility list within one week of receiving approved personnel requisition

Actual FY10-11	77%
Projected FY11-12	78%
Estimated FY12-13	80%

### Ensure safety inspections are conducted at all City Facilities in compliance with California OSHA Standards

Actual FY10-11	100%
Projected FY11-12	100%
Estimated FY12-13	100%

2012-13 Organizational Chart  
**CITY ADMINISTRATION**  
 (23 Full-time Employees)  
 Effective July 1, 2012



Temporary/Part-Time  
 Administrative Intern



# ADMINISTRATIVE SERVICES

*Grant D. Yee, Director*

*Management Services, Fiscal Services,  
Revenue Services*

## **Agency Highlights**

The Administrative Service Agency provides support services to the citizens and businesses of Ontario, as well as to City Departments, with financial, budget development, procurement, accounting, internal audit, and revenue services. The Agency's service objective is to direct the financial affairs of the City of Ontario, under the direction provided by the Mayor and City Council through their goals and objectives, in a timely, accurate, cost effective and efficient manner. In doing so, the Agency safeguards the City's assets by establishing, implementing and following sound financial practices and procedures. Administrative Services is comprised of three departments: Fiscal Services, Management Services, and Revenue Services.

The City's Fiscal Services Department is responsible for four key areas: Budget, Accounting, Accounts Payable, and Payroll. The Budget Office coordinates and develops the City's annual operating and capital budget, and provides analysis support to other City departments. Accounting monitors, records and reports all financial transactions, safeguards the City's assets, and coordinates and prepares the City's annual financial statements. The Accounts Payable division provides professional and

courteous customer service while facilitating timely and accurate payment of the City's financial obligations. Payroll generates timely and accurate payments to City employees utilizing an automated timekeeping system, while maintaining compliance with City policies and procedures, labor agreements, and State and Federal laws.

Management Services includes Internal Audit, Investment Services, Purchasing, and Debt Management/Special Districts. The Internal Audit division coordinates audits of internal controls citywide. Investment Services manages the City's investment portfolio of approximately \$500 million. The Purchasing area provides the supply management and services needs for all City Agencies. The Debt Management/Special Districts section is responsible for the financial administration of the City's Assessment Districts, Community Facilities Districts, Parkway Maintenance Districts, and Street Light Maintenance Districts, which provide funding for a variety of public improvements and services.

The Revenue Services Department provides customer service, billing, and collection services for the Ontario Municipal Utilities at the Utility and Customer Services Center. They also manage the Business Licenses Program for over 11,000 businesses in the City, handle the accounts receivable function, collect and deposit all City



receipts and through the Central Services area supplies all mailing and printing services Citywide.

### **Major Accomplishments**

While the City's Administrative Services Agency has concentrated its efforts on managing and improving the City's fiscal health, there have been a number of accomplishments this past year. The City received awards for "Excellence in Reporting" for the thirteenth consecutive year from both the California Society of Municipal Finance Officers and the Government Finance Officer Association for the development and presentation of its Fiscal Year 2011-12 Annual Operating Budget. In addition, the Agency produced an award winning Comprehensive Annual Financial Report for the fiscal year ending June 30, 2010; representing the twenty-third consecutive year the Government Finance Officer Association recognized the City of Ontario for its financial reporting.

Fiscal Services assisted with other City staff in the compiling of data, processing of transactions, and providing financial reporting and analysis as a result of the recent elimination of redevelopment and the related requirements. The Accounting division continued to make progress on the completion of the Fiscal Services Departmental policy and procedures manual. The Payroll division assisted in the implementation of a new CalPERS system for reporting payroll and benefit data.

The Purchasing division of Management Services continued the implementation of an on-line bid management system, which increased the transparency of City procurement activities to the public, created a greater opportunity of procurement competition, and formed a larger awareness of purchasing activities citywide. In addition, an updated Purchasing intranet site has been developed and will be available soon to City departments. Internal Audit continued to promote compliance throughout the City departments with City, State and Federal regulations.

The Revenue Services Department continues to be driven by "Service Excellence" along with the new Approach to Public Service. The Utility & Customer Services Center has developed new policies to empower employees with an innovative tool chest of solutions to assist our customers in need. The Business License area has made changes to various forms and pamphlets as part of the continuing effort to help businesses more easily understand and comply to the business license regulations. The Central Services area, which provides mailing and printing services citywide, moved from the City Hall Annex to the Utility & Customer Services Center this past year.

## **Agency Mission working with Council's City Goals**

(See page 8 for list of Council's City Goals)

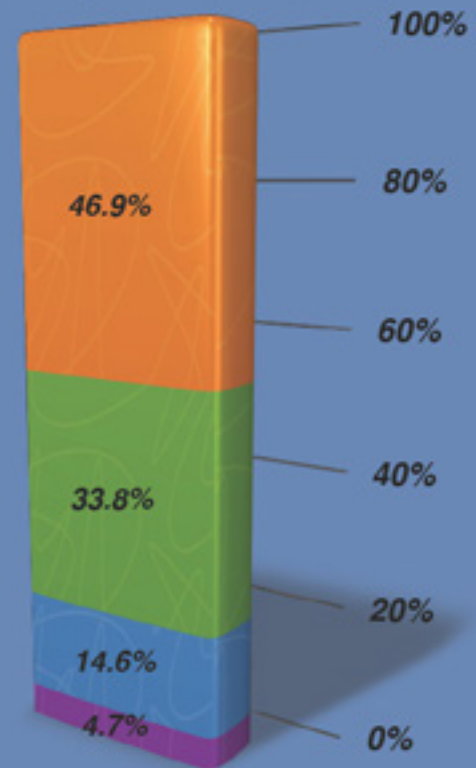
- ✓ Finalize the Fiscal Services Departmental policy and procedures manual; **Council's City Goal #3**
- ✓ Increase outreach to Ontario vendors by increasing the number of local vendors registered on the on-line bid management system; **Council's City Goal #1**
- ✓ Update Ontario Municipal Utilities portion of the City's website with more detailed information that residential and business customers regarding water, waste water, and solid waste services, allowing customers access to information 24-hours a day: **Council's City Goal #3**
- ✓ Upgrade Business License to enhance automation software, including on-line applications and renewals; **Council's City Goal #3**

**ANNUAL OPERATING BUDGET**

	<u>FY11-12</u>	<u>FY12-13</u>
<b>Total Funds:</b>	\$ 11,555,777	\$ 10,340,017
<b>General Fund:</b>	\$ 11,219,936	\$ 10,001,084
<b>Other Funds:</b>	\$ 335,841	\$ 338,933
<b>Full Time Employees:</b>	48	48

**OTHER FUNDS CONSIST OF:**

A.D. Administration	\$	199,134
Parkway Maintenance	\$	45,002
Street Light Maintenance	\$	73,469
NMC-CFD	\$	21,328



**Agency Divisions**

- Administration
- Fiscal Services
- Revenue Services
- Management Services

**Financial Year End  
Audit Adjustment**

Actual FY10-11	0
Projected FY11-12	0
Estimated FY12-13	0

**Performance Measures**

(See page 8 Goal #1 3)

**Number of Business  
Licenses in City**

Actual FY10-11	11,196
Projected FY11-12	11,747
Estimated FY12-13	11,800

**General Fund  
Unreserved Fund Balance  
(% of Expenditures)**

Actual FY10-11	21.6%
Projected FY11-12	20.1%
Estimated FY12-13	20.0%

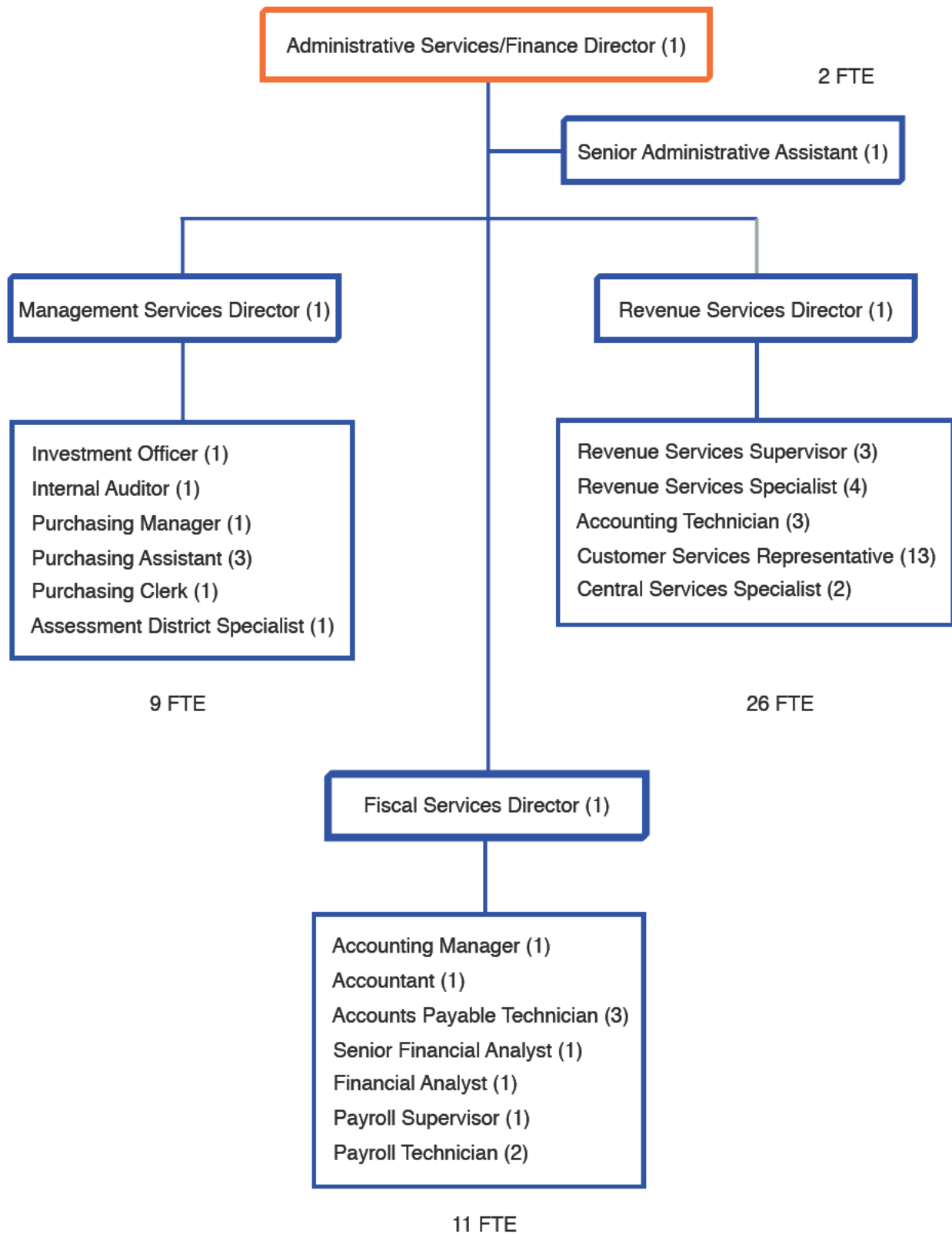
**Average Wait Time  
for Utility Customers**

Actual FY10-11	1 min. 57 sec.
Projected FY11-12	1 min. 17 sec.
Estimated FY12-13	1 min. 59 sec.

**Percentage of Customer  
Comment Cards with rating  
of Exceeds Expectations**

Actual FY10-11	89%
Projected FY11-12	94%
Estimated FY12-13	99%

2012-13 Organizational Chart  
**Administrative Services Department**  
 (48 Full-time Employees)  
 Effective July 1, 2012



# SET ONTario FREE!



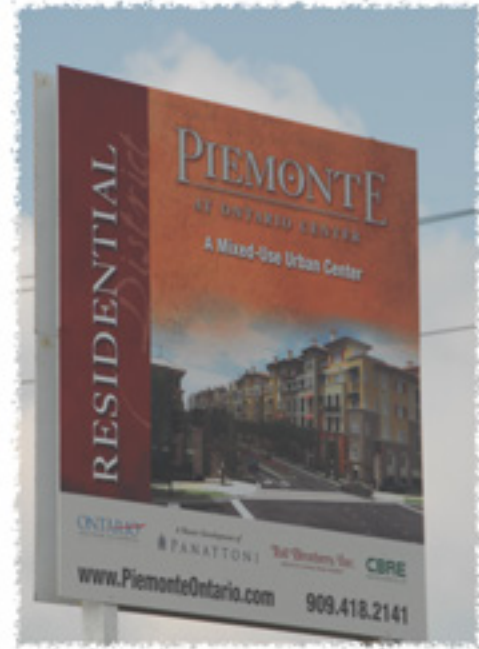


***Redevelopment  
Successor  
Agency***

# Redevelopment Successor Agency



The Redevelopment Successor Agency was established after California State actions eliminated all redevelopment agencies in California. The former Ontario Redevelopment Agency (ORA) was established on November 16, 1971, to provide affordable housing, revitalize communities, eliminate blight, and fuel economic growth through focused reinvestment of local funds back into local projects and programs that supported job growth and private investment. There were five project areas throughout the City, including Project Area No. 1, Project Area No. 2, Center City Project Area, Cimarron Project Area, and Guasti Project Area. Over the years, ORA was active in implementing housing programs, business incentive programs, commercial improvement programs, planning and development of projects, capital improvement projects, and property acquisition in the Project Areas.



On June 29, 2011, Governor Brown signed Assembly Bill 1X 26 (AB 1X 26) eliminating redevelopment agencies throughout the State and Assembly Bill 1X 27 (AB 1X 27) allowing for a Voluntary Alternative Redevelopment Program (VARP) by which Agencies could avoid elimination by agreeing to make voluntary payments to the State. On July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities filed a lawsuit against the State of California in response to the passage of AB 1X 26 and 27.

On December 29, 2011, the Supreme Court upheld the major provisions of AB 1X 26 and invalidated AB 1X 27 in its entirety. The effect of the ruling was that redevelopment agencies throughout the State have been abolished and will not be able to be resurrected under the provisions of AB 1X 27. As a result, all California redevelopment agencies were dissolved, effective February 1, 2012.

## *Redevelopment Successor Agency*

The City of Ontario is the Successor Agency to its former Redevelopment Agency pursuant to action taken on January 10, 2012. The Successor Agency has certain powers and duties, including but not limited to, making payments and performing responsibilities required by enforceable redevelopment obligations, administer the dissolution, and wind down the affairs of the former Redevelopment Agency.

AB 1X 26 requires that each successor agency have an oversight board, composed of seven members appointed by specific governmental agencies. Each member of the Oversight Board serves at the pleasure of the entity that appointed such member. The Oversight Board is generally intended to supervise the activities of the successor agency and ensure the former Redevelopment Agency's assets are distributed to the taxing entities expeditiously and in a manner that maximizes value. The Oversight Board has a fiduciary responsibility to holders of enforceable obligations of the former Redevelopment Agency and to the taxing entities that would benefit from the distribution of revenues generated by the liquidation of redevelopment assets.

Every six months the Oversight Board will approve a Recognized Obligation Payment Schedule (ROPS), which then is forwarded to the County and the State of California Department of Finance for their review and approval. Based on the total enforceable obligation payable submitted and approved, the County will distribute property tax revenues to the Successor Agency so funds are available to make payments toward these approved enforceable obligations. Property tax will be distributed to the Successor Agency twice: June 1st and January 15th for funding of those six-month payment obligations.

Since 1971, the Ontario Redevelopment has worked diligently to improve the quality of life for all people that live, work and play in Ontario. On February 1, 2012, the tools in the "Redevelopment Toolbox" were eliminated. The abolishment of redevelopment was a significant blow to the powerful effect that redevelopment activities brought to the community.

Pursuant to Assembly Bill 1X 26 the City Council, as Successor Agency to the former Ontario Redevelopment Agency, and the new formed Oversight Board will be responsible for winding down the Agency's existing obligations and liquidation of assets. Policies and procedures will be adopted to ensure the dissolution of the former Ontario Redevelopment Agency is accomplished in a transparent, pragmatic, and consistent manner.

***Ontario  
Housing  
Authority***

# Ontario Housing Authority

## Fiscal Year 2012-13 Budget Overview

### I. Introduction

The Ontario Housing Authority (OHA) is a separate legal entity governed by California State Housing Authority law. OHA was formed on December 2, 1997, by City of Ontario Resolution No. 97-098, declaring that there is a "need" for a Housing Authority within the City of Ontario and declaring City Council Members to be Commissioners of the Ontario Housing Authority. Adoption of Resolution No. OHA-1 by the Ontario Housing Authority on December 2, 1997, established the time and place of its regular meetings and established organization bylaws.

As the Ontario Housing Authority implements various programs and projects, certain funding sources are also identified to finance these activities. The primary funding sources are the Ontario Redevelopment Agency's Low and Moderate Income Housing Fund, CDBG funds and HOME funds.

It is the mission of the Ontario Housing Authority to acquire selective properties for the implementation of affordable housing.

### II. Staffing

The Ontario Housing Authority activities are administered by the City's Housing Agency. Housing Agency employees are assigned as needed to pro-actively administering and managing various Housing Authority programs, projects and activities.

### III. Financial Overview

The Ontario Housing Authority's established source of funds for Fiscal Year 2012-13 principally consists of low and moderate housing set aside funds. Total estimated revenues in Fiscal Year 2012-13 are \$19,805,759. Total Fiscal Year 2012-13 recommended appropriations are \$19,805,759.

### IV. Housing Authority Programs

The Adopted Fiscal Year 2012-13 Budget provides funds to finance selected projects for the Housing Authority as follows:

- ◆ Acquisition of selective buildings and providing relocation assistance
- ◆ Use of Housing Authority powers to implement affordable housing projects through developer loans, reimbursement agreements and other covenants
- ◆ The Ontario Housing Authority will contribute \$15.6 million for the continued development of Ontario Town Square that will include a mixed-use residential project with 153 high density residential units and approximately 31,000 square feet of new retail, including an underground parking.

#### Organization Chart

People of Ontario

Chairman and Board Members

Executive Director of the Housing Authority

#### Adopted Budget Expenditures \$19,805,759

100.0%

● Operating Expenditures

**RESOLUTION NO. OHA-072**

**A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING A BUDGET FOR SAID AUTHORITY FOR THE FISCAL YEAR 2012-13.**

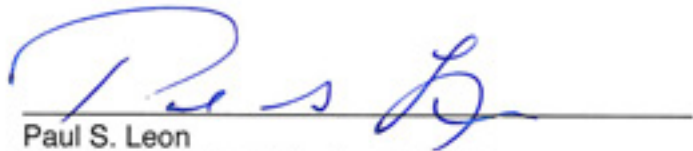
WHEREAS, Ontario Housing Authority is comprised of the Housing Authority Fund with an appropriation of \$19,805,759 for departmental activities, shall be as set forth in the budget summaries; and

WHEREAS, the Authority hereby determines, in accordance with Section 33334.3(d) of the California Redevelopment Law, that the planning and administrative expenses provided in the Budget to be made from the Low and Moderate Income Housing Fund are necessary for the production, improvement, or preservation of low-and-moderate income housing.

NOW, THEREFORE, be it resolved, determined, and ordered by the Housing Authority of the City of Ontario that the Housing Authority's Operating Budget for the Fiscal Year 2012-13, submitted by the Executive Director to the Housing Authority, is herewith adopted for the Housing Authority of the City of Ontario for the Fiscal Year 2012-13.

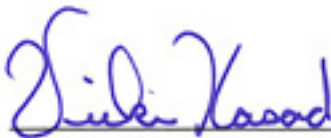
NOW, THEREFORE, be it also resolved, that the 2012-13 Operating Budget Appropriation is \$19,805,759.

APPROVED AND ADOPTED this 22<sup>nd</sup> day of June, 2012.



Paul S. Leon  
Chairman, Ontario Housing Authority

ATTEST:



Asst. Authority Secretary

***Capital  
Improvement  
Program***

# Capital Improvement Program (CIP)

The City of Ontario develops its Five-Year Capital Improvement Program (CIP) consistent with the goals and objectives established by the Mayor and City Council. The Adopted Five-Year Plan is subject to change during the budget year to reflect fluctuations in City needs and priorities. Projects are included in the CIP based on an assessment of needs and available funding. Projects with limitations on the use of funds are considered on an individual basis, while those without such funding limitations are considered relative to the overall needs of the City. The CIP is used as a planning tool by the City to: (1) identify capital improvement needs and (2) coordinate the financing and timing of those needs in a manner that ensures the most responsible and efficient use of the City's limited resources.

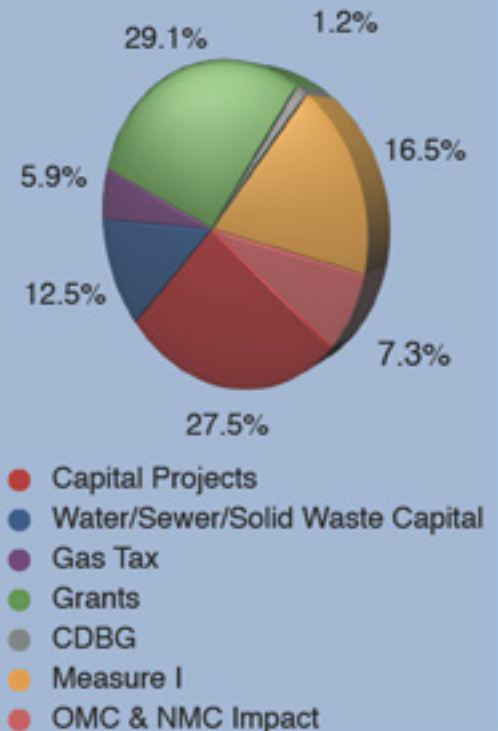
The Five-Year CIP is reviewed annually to allow the Mayor and City Council the opportunity to reassess projects in the program and for effective implementation of the City's immediate *Goals and Objectives*. The current year of the CIP is the funded portion and is referred to as the Capital Budget, consisting of the planned expenditures for the fiscal year for adopted projects. Projects and expenditures identified in future fiscal years are adopted on a planning basis only and do not receive expenditure authority until they are included in the Adopted Capital Budget for the subject fiscal year.

As presented in the Adopted Operating Budget for Fiscal Year 2012-13, the Capital Budget totals \$27,465,894 for all categories of capital improvement projects across all funds. The amount of the projects, \$27,465,894, reflects an 85% increase over the previous fiscal year's Capital Budget of \$14,843,000. The increase (difference between the two years) is primarily attributed to the projects for the Civic Center Community Conversation Park and the Mills Creek Wetlands of \$2,998,000 and \$5,000,000 respectively; both of which are funded by grants awarded to the City. In addition, the adopted capital budget includes \$6 million for the development of a new Emergency Operations Center in the City Hall Annex facility.

Where applicable, the annual operating cost for each capital project has been incorporated into each project, representing the preliminary estimate for operating and maintenance (O&M) costs. The cost estimates are determined by the department responsible for the project. Actual O&M costs to be budgeted in future years may vary from these initial estimates. Annual operating and maintenance costs for the Fiscal Year 2012-13 Capital Budget are already factored into the Adopted Operating Budget for Fiscal Year 2012-13. The following components are included in the calculation of annual operating and maintenance costs:

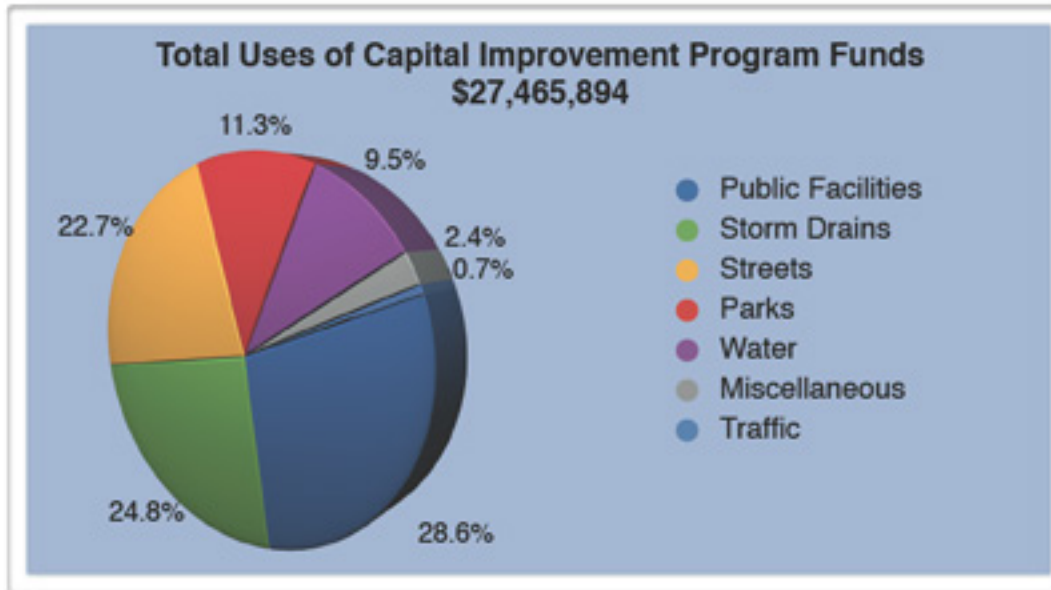
- ◆ **Operating** – The operating costs directly associated with the project/facility upon completion.
- ◆ **Maintenance** – The funding required to maintain the project/facility upon completion.
- ◆ **Cost Offset** – Revenues associated with the project/facility or cost reductions due to increased operating efficiencies upon completion.

**Total Sources of Capital Improvement Program Funds  
\$27,465,894**





## Capital Improvement Program



## Capital Budget Summary

Fund/Description	Project Category							Total
	Parks	Public Facilities	Storm Drains	Streets	Traffic	Water	Misc	
Gas Tax	\$ 0	\$ 0	\$ 0	\$ 1,420,000	\$ 200,000	\$ 0	\$ 0	\$ 1,620,000
Measure I	0	0	0	3,734,000	0	0	0	3,734,000
Measure I-VMP	0	0	0	800,000	0	0	0	800,000
C.D.B.G.	115,000	0	0	70,594	0	0	150,000	335,594
General Fund Grants	2,998,000	0	5,000,000	0	0	0	0	7,998,000
Capital Projects	0	6,837,500	0	0	0	0	0	6,837,500
Water Capital	0	370,000	0	0	0	2,600,000	0	2,970,000
Sewer Capital	0	92,500	0	0	0	0	0	92,500
Solid Waste	0	370,000	0	0	0	0	0	370,000
Equipment Services	0	192,500	0	0	0	0	0	192,500
Information Technology	0	0	0	0	0	0	515,800	515,800
OMC Street Impact	0	0	0	148,000	0	0	0	148,000
OMC Storm Drainage Impact	0	0	1,800,000	0	0	0	0	1,800,000
NMC Street Impact	0	0	0	52,000	0	0	0	52,000
<b>Total</b>	<b>\$ 3,113,000</b>	<b>\$ 7,862,500</b>	<b>\$ 6,800,000</b>	<b>\$ 6,224,594</b>	<b>\$ 200,000</b>	<b>\$ 2,600,000</b>	<b>\$ 665,800</b>	<b>\$ 27,465,894</b>

**Annual Operating & Maintenance Impact Summary**

The table below indicates the impact, of the Fiscal Year 2012-13 Capital Budget, with respect to operating and maintenance (O&M) costs, on the City's operating budgets in the fiscal year the project is completed. Annual operating and maintenance costs shown below for Fiscal Year 2012-13 are already factored into the Adopted Operating Budget for Fiscal Year 2012-13.

Fund Type	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
General Fund	\$ 7,300	\$ 0	\$ 30,000	\$ 0	\$ 0
Special Revenue Funds	0	0	0	0	0
Enterprise Funds	12,000	0	0	0	0
Internal Service Funds	57,800	0	0	0	0
<b>Total</b>	<b>\$ 77,100</b>	<b>\$ 0</b>	<b>\$ 30,000</b>	<b>\$ 0</b>	<b>\$ 0</b>



## Capital Improvement Program

### Five-Year Capital Improvement Program Summary

Project Description	Fund	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
James R. Bryant Park Tot Lot <i>Annual O&amp;M \$7,000</i>	008	\$ 115,000	\$ 0	\$ 0	\$ 0	\$ 0
Civic Center Community Conservation Park <i>Annual O&amp;M \$30,000</i>	015	2,998,000	0	0	0	0
Emergency Operations Center	017	6,000,000	0	0	0	0
Ontario Convention Center Solar Roof Installation	017	57,500	0	0	0	0
Roof Replacement at Fire Station No. 1	017	600,000	0	0	0	0
Fleet Shop Upgrades (Design)	032	100,000	0	0	0	0
NPDES Bioswale <i>Annual O&amp;M \$20,000</i>	025/027/029/032	925,000	0	0	0	0
Concrete Replacement on Parking Lot Light Foundations at Police Department	017	180,000	0	0	0	0
Francis Street Storm Drain and Street Improvements (Design and Right of Way)	111	1,800,000	0	0	0	0
Mill Creek Wetlands	015	5,000,000	0	0	0	0
South Milliken Avenue Grade Separation (Utilities Relocation) <i>Annual O&amp;M \$45,000</i>	005/103/115	1,000,000	0	0	0	0
Begonia Alley Slurry and Street Lighting <i>Annual O&amp;M \$300</i>	008	70,594	0	0	0	0
Milliken Avenue Pavement Rehabilitation I-10 Freeway to Fourth Street	004	925,000	0	0	0	0
Guasti Road Pavement Rehabilitation West of Milliken Avenue to West End	004	823,000	0	0	0	0
Philadelphia Street Pavement Rehabilitation Euclid Avenue to Campus Avenue	004	448,000	0	0	0	0
Philadelphia Street Pavement Rehabilitation Grove Avenue to Vineyard Avenue	004	638,000	0	0	0	0
Airport Drive Pavement Rehabilitation Wineville Avenue to Etiwanda Avenue	004	900,000	0	0	0	0
Rockefeller Avenue Pavement Rehabilitation Jurupa Street to Airport Drive	003	637,000	0	0	0	0
Ontario Mill Parkway Pavement Rehabilitation Rochester Avenue to Barrington Avenue	003	610,000	0	0	0	0
Francis Street Pavement Rehabilitation Vineyard Avenue to Baker Avenue	003	173,000	0	0	0	0
Traffic Signal Management System Upgrade (Phase Two)	003	200,000	0	0	0	0
San Antonio Avenue 1212 PZ, 30" Water Transmission Main (Phase I)	025	2,600,000	0	0	0	0

## Capital Improvement Program

### Five-Year Capital Improvement Program Summary

Project Description	Fund	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Energy Efficient Lighting	008	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 0
Electronic Patient Care Reporting <i>Annual O&amp;M \$31,000</i>	034	216,000	0	0	0	0
Tiburon MobileCom <i>Annual O&amp;M \$1,800</i>	034	101,800	0	0	0	0
Police Department Telestaff Scheduling Software <i>Annual O&amp;M \$17,000</i>	034	198,000	0	0	0	0
Fire Training Center Tower Replacement	017	0	2,240,000	0	0	0
Fire Station No. 2 Renovation	017	0	845,000	0	0	0
North Vineyard Avenue Grade Separation (Utilities Relocation) <i>Annual O&amp;M \$25,000</i>	005/103	0	6,000,000	0	0	0
Mountain Avenue Pavement Rehabilitation Holt Boulevard to Fifth Street	004	0	1,200,000	0	0	0
Etiwanda Avenue Pavement Rehabilitation Airport Drive to Loop Road	004	0	400,000	0	0	0
Vineyard Avenue Pavement Rehabilitation Philadelphia Street to Mission Boulevard	003	0	800,000	0	0	0
Relocation of Fire Administration Offices	017/102	0	0	5,586,500	0	0
Convention Center Way Pavement Rehabilitation Holt Boulevard to Vineyard Avenue	003	0	0	500,000	0	0
Airport Drive Pavement Rehabilitation Haven Avenue to Commerce Parkway	004	0	0	800,000	0	0
Milliken Avenue Pavement Rehabilitation Jurupa Street to Airport Drive	004	0	0	700,000	0	0
Fire Station No. 9 <i>Annual O&amp;M \$257,772</i>	102	0	0	0	6,383,867	0
Airport Drive Pavement Rehabilitation Milliken Avenue to Doubleday Avenue	004	0	0	0	400,000	0
Mission Boulevard Pavement Rehabilitation Bon View Avenue to Grove Avenue	004	0	0	0	800,000	0
Philadelphia Street Pavement Rehabilitation Archibald Avenue to Turner Avenue	003/004	0	0	0	700,000	0
Fire Station No. 10 <i>Annual O&amp;M \$257,772</i>	102	0	0	0	0	3,782,821
Bon View Avenue Pavement Rehabilitation Francis Street to Philadelphia Street	004	0	0	0	0	700,000
Fourth Street Pavement Rehabilitation Corona Avenue to Archibald Avenue	004	0	0	0	0	1,200,000
<b>Total</b>		<b>\$27,465,894</b>	<b>\$11,485,000</b>	<b>\$ 7,586,500</b>	<b>\$ 8,283,867</b>	<b>\$ 5,682,821</b>

## Capital Improvement Program

### Status of Open Projects From Prior Years

Project Description	Project Status	Estimated Project Completion
<b>Parks</b>		
Town Square Park (Downtown Plaza)	Construction	September 2013
South Bon View Park	Construction	August 2012
Whispering Lakes Golf Course Improvements	Construction	August 2012
OMS-Tot Lot Playground Renovation	Pending Outside Funding	TBD
Calsense Central Irrigation Retrofit	Completed	
<b>Public Facilities</b>		
PWA Service Center Renovation	Phased Design & Construction	June 2013
PWA Service Center Security	Phased Design & Construction	June 2013
Upgrade CNG Fueling Station-Phase II	Design	December 2012
City Hall Annex Reconfiguration	Design & Construction	December 2012
Debris Storage/Drying Facility	Deferred	TBD
Fire Station 5 Renovation	Construction	September 2012
NPDES Water Clarifier System	Construction	June 2013
Upgrade CNG Fueling System	Phased Design & Construction	December 2013
Fire Training Center Expansion	Design	June 2013
Generator Replacement	Installation	December 2012
Westwind Community Center Roof Replacement	Completed	
Fire Training Center Roof Replacement	Completed	
Emergency Operations Center	Design & Construction	December 2012
<b>Sewer</b>		
Brooks St Sewer Replacements	Replaced with Boulder-Holt Sewer Diversion Project	N/A
27-Inch Haven Sewer Relocation	Deferred	TBD
Magnolia Pump Station Improvement	Completed	
Boulder-Holt Sewer Diversion	Planning and Design	June 2013
<b>Storm Drains</b>		
5th Street Storm Drain	Construction	September 2012
6th Street Storm Drain	Planning and Design	September 2013

**Status of Open Projects From Prior Years**

Project Description	Project Status	Estimated Project Completion
<b>Streets</b>		
Milliken Grade Separation	Construction	June 2013
Grove/I-10 Interchange-Corridor	Project Approval and Environmental Document (PA&ED)	December 2014
S Milliken Grade Separation	Plan, Specifications and Estimates (PS&E) 85% Right of Way (ROW) 35%	PS&E Dec 2012 ROW April 2013
S Archibald Grade Separation	Closed	N/A
N Vineyard Grade Separation	Plan, Specifications and Estimates (PS&E) 85% Right of Way (ROW) 35%	PS&E October 2012 ROW April 2013
SR60 Frwy @ Euclid Ramp Widening	Completed	
I-10/Archibald Interchange Landscaping	Construction	June 2012
Grove Ave Grade Separation	Closed	N/A
Mission Blvd Widening/Reconstruction	Construction (Utilities Relocation)	December 2012
Haven Ave Rehab: Guasti/750' North of I-10	Completed	
Archibald Ave Rehab: Mission/SR60	Completed	
Grove Ave Rehab: 8th/6th	Completed	
Mission Blvd Rehab: Baker/Grove	Completed	
Mission Blvd Rehab: 1500' E/O Haven/Milliken	Completed	
Airport Dr Rehab: Commerce/Doubleday	Completed	
San Antonio Ave Rehab: Phillips/Francis	Completed	
Mountain Ave Rehab: Holt/Mission	Completed	
Caltrans Bridge Repairs	Completed	
Dec Winter Storm-Street/Asphalt Repairs	Completed	
Dec Winter Storm-Street/Asphalt Repairs	Completed	
Melrose Plaza Public Street Improvement	Pending DOF Approval RDA-ROPS	TBD
Jurupa Rehab: Day Creek/Sara Place	Planning and Design	October 2012
Philadelphia Rehab: Grove/Campus	Planning and Design	October 2012
Airport Rehab: Wineville/Milliken	Planning and Design	October 2012
Fourth Rehab: Ontario Mills/Wineville	Planning and Design	October 2012
Milliken Rehab: Francis/Jurupa	Planning and Design	October 2012
Mission Rehab: 800' W/O Haven/Archibald	Planning and Design	October 2012
Holt Rehab: Cucamonga/Vineyard	Planning and Design	October 2012

## Capital Improvement Program

### Status of Open Projects From Prior Years

Project Description	Project Status	Estimated Project Completion
<b>Traffic</b>		
Etiwanda/Airport Intersection	Design (City of Fontana is the lead agency)	TBD
Traffic Signal Lighting & EVP Vineyard	Completed	
Traffic Signal Install Grove/Princeton	Completed	
Traffic Signal Modification Grove/6th St	Completed	
Traffic Street Sign Reflectivity	Construction	September 2012
Traffic Signal Management System Upgrade	Construction	June 2012
<b>Water</b>		
Recycled Water Service Main Extension	Phased Design & Construction	June 2014
Airport Metering/Backflow Prevention	Project Study (LAWA pending agreement)	TBD
Chino Basin Desalter Facility Expansion	Phased Design & Construction	June 2015
Zone Boundary Change	Cancelled	N/A
1010' 1A Reservoir Piping Seismic	Completed	
New Well No. 43	Deferred	TBD
13th Street Underground Reservoir Retrofit	Pending Grant Funding	TBD
Pressure Reducing System	Phased Design & Construction	March 2014
Emergency Water Interconnections	Phased Design & Construction	June 2013
Abandon Out-of-Service Wells	Planning and Design	March 2013
Aged Reservoir Abandonment [1212'PZ]	Deferred	TBD
Well Drilling @ 3 Locations	Deferred	TBD
<b>Miscellaneous</b>		
High Speed Telecommunication System	Masterplan / Design	December 2012
On-Line Permitting	Final Development	December 2012
Energy Efficient Public Facilities Lighting	Completed	
Energy Efficient Street Lighting	Construction	September 2012
Police Firearms Training Range	Construction	November 2012
Town Center Bus Stop Improvements	Construction	September 2012
Fuel Management System	Construction	December 2012
CityView System Upgrade	Development and Training	December 2012

***Ontario  
Convention  
Center***





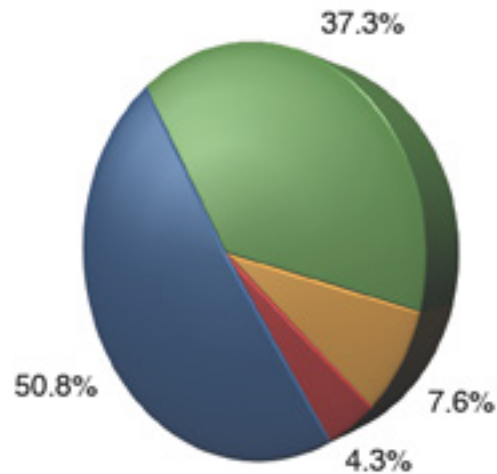
## Ontario Convention Center

The goal of the Ontario Convention Center is to attract events that will provide substantial economic impact to the Community, while maintaining its cost so that its operations will minimize City subsidies.

The marketing strategy of the Ontario Convention Center is to establish Ontario as a quality and affordable destination alternative in Southern California due to its strategic location between Los Angeles and Palm Springs, targeting the Regional, State, and West markets.



### Adopted Budget Expenditures \$6,577,773



- Personnel Costs
- Operating Expenditures
- Capital Outlay
- Contractual Services

Revenue Detail

	2011-12 Adopted Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
Rental Income	\$ 1,734,073	\$ 1,803,939	4.0%
Services Revenue	288,735	221,237	-23.4%
Concessions & Catering	1,363,179	1,354,829	-0.6%
Parking	618,250	645,104	4.3%
Telecommunications	66,653	75,944	13.9%
Electrical	366,881	388,082	5.8%
Audio/Visual	150,000	153,980	2.7%
Internet Revenue	86,100	119,831	39.2%
Equipment Rental	151,308	165,120	9.1%
Interest Income	3,000	3,000	0.0%
Miscellaneous	2,850	3,450	21.1%
Other Rental Income	70,800	70,800	0.0%
	<u>\$ 4,901,829</u>	<u>\$ 5,005,316</u>	2.1%

Expenditure Summary

	Detail Book Page Number	2011-12 Adopted Budget	2011-12 Current Budget	2012-13 Adopted Budget	% Change to Adopted Budget 2011-12
Ontario Convention Center (295)	319	\$ 6,474,555	\$ 6,474,555	\$ 6,577,773	1.6%
<b>Total Ontario Convention Center</b>		<u>\$ 6,474,555</u>	<u>\$ 6,474,555</u>	<u>\$ 6,577,773</u>	1.6%

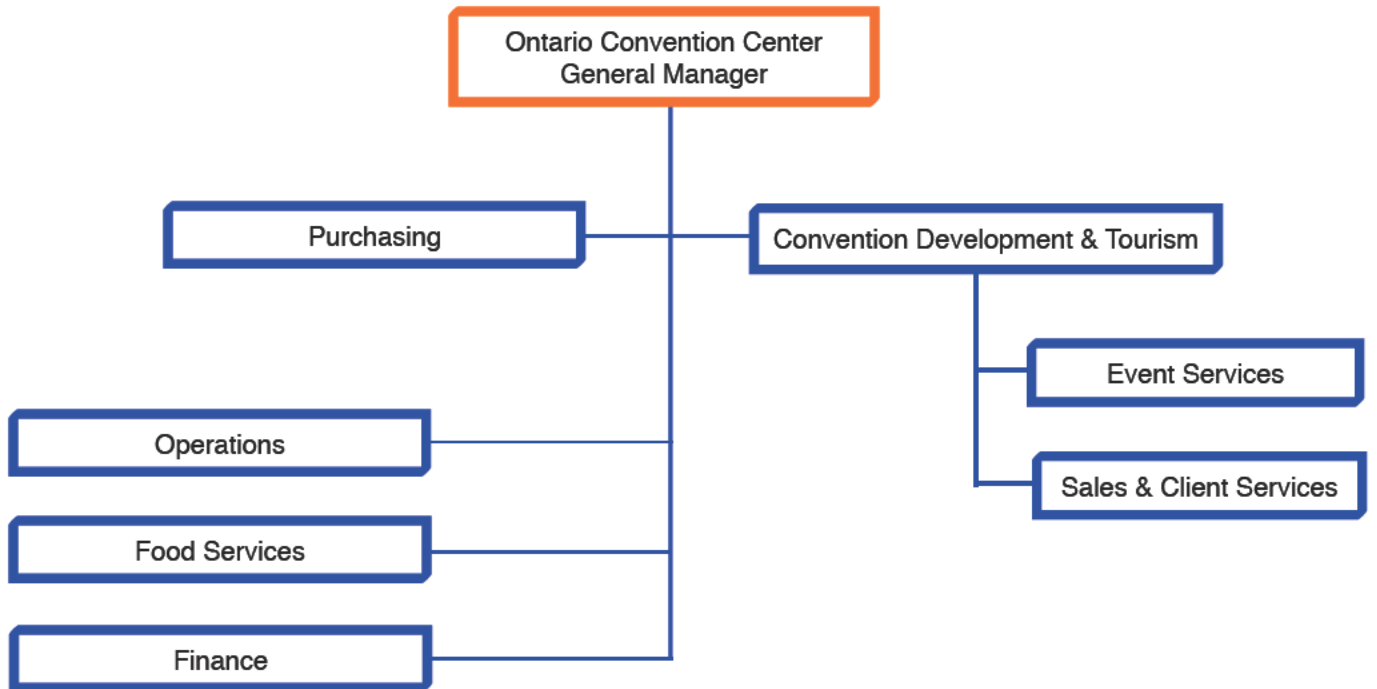


### Capital Improvement Projects

Number	Project Description	Fiscal Year 2012-13
2013-01	Compressor replacement	\$ 54,000
2013-02	Glass door entrance replacement	58,000
2013-03	Network storage	86,000
2013-04	Firebox refractory replacement: ajax boiler	27,000
2013-05	Communication equipment: two-way radios	58,000
2013-06	Parking lot refurbishment	69,000
2013-07	Kitchen equipment: steamer and ovens	49,000
2013-08	Dishware set	99,000
	<b>Total Projects</b>	<b>\$ 500,000</b>



2012-13 Organizational Chart  
**Ontario Convention Center**  
Effective July 1, 2012



# ***Appendices***



# *Appendices*

# Constitutional Spending Limit

Article XIII(B) of the California Constitution provides that the City's annual appropriations be subject to certain state limitations. This appropriations limit is often referred to as the GANN Limitation. The City's limitation is calculated each year and is established by a resolution of the City Council as a part of the Annual Operating Budget process.

Using the population and per capita personal income data provided by the California Department of Finance, the City's appropriation limit for Fiscal Year 2012-13 is \$218,471,086. Appropriations subject to the limitation in the 2012-13 Adopted Budget total \$115,113,992 which is \$103,357,094 or 47.31 percent less than the computed allowable limit.

The Article XIII(B) limitation is not a restricting factor for the City of Ontario, but will be monitored annually, and budget adjustments will be recommended if they are required in future years.

## APPROPRIATIONS LIMIT COMPUTATION FOR FY 2012-13

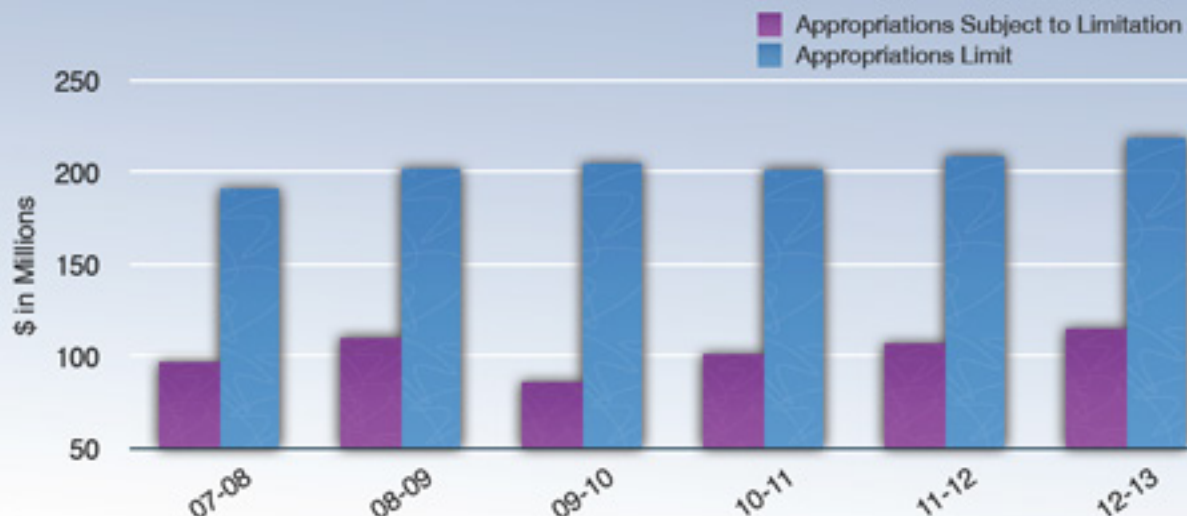
### Appropriations Limits

2011-2012 Appropriations Limits		\$208,738,802
2012-2013 Adjustment Factors		
Population	1.0086	
Per Capita Income Change	1.0377	
Total Adjustment (1.0086 x 1.0377)	X	1.0466
2012-2013 Appropriations Limits		<u>\$218,471,086</u>

### Appropriations Subject to Limitation

Proceeds of Taxes	\$115,796,901
Less: Qualified Capital Outlay	(683,144)
Appropriations Subject to Limit	<u>\$115,113,757</u>
Percentage of Appropriations Limit Used	52.69%

## Appropriations Limit 5-Year Historical Information



**RESOLUTION NO. 2012-051**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE CITY OF ONTARIO FOR FISCAL YEAR 2012-13.**

WHEREAS, Section 1.5 of Article XIII B of the Constitution of the State of California imposes upon units of State and Local Government the obligation to limit each fiscal year's appropriations of the proceeds of taxes to the amount of such appropriations in Fiscal Year 1986-87 as adjusted for changes in cost of living and population; and

WHEREAS, Section 7910 of the Government Code of the State of California directs the governing body of each local jurisdiction to establish its appropriation limit by resolution each year; and

WHEREAS, said section of the Government Code allows the governing body to choose between various factors to be used in the calculation of said appropriation limit; and

WHEREAS, the Administrative Services/Finance Director of the City of Ontario has determined the City's appropriations limit for Fiscal Year 2012-13 in accordance with the said provisions of the Constitution and laws of the State of California and the documentation used in said determination has been available to the public since June 13, 2012, in the office of the Administrative Services/Finance Director.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ontario, as follows: (1) calculation of said limit for the City shall be determined by using the California Per Capita Income and the population growth of the County of San Bernardino, both as determined by the California Department of Finance; and (2) based upon the factors, the appropriations limit of the City of Ontario for the Fiscal Year 2012-13 is hereby found and determined to be \$218,471,086.

APPROVED AND ADOPTED this 22<sup>nd</sup> day of June, 2012.

  
\_\_\_\_\_  
Paul S. Leon  
Mayor of the City of Ontario

ATTEST:

  
\_\_\_\_\_  
Asst. City Clerk of the City of Ontario



## *City's Fiscal Year 2012-13 Operating Budget*

### **RESOLUTION NO. 2012-052**

#### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE OPERATING BUDGET OF SAID CITY FOR THE FISCAL YEAR 2012-13.**

WHEREAS, the General Fund group is comprised of the General Fund and General Fund Trust; and

WHEREAS, the Special Revenue Funds group is comprised of the following funds: Quiet Home Program, Gas Tax, Measure I, Measure I Valley Major Project, Park Impact/Quimby, Community Development Block Grant, HOME Grants, Asset Seizure, Neighborhood Stabilization Program, Assessment District Administration, Mobile Source Air, General Fund Grants, Building Safety, Parkway Maintenance, Storm drain District, Street Light Maintenance, Facility Maintenance, Storm Drain Maintenance, Historic Preservation, and NMC Public Services; and

WHEREAS, the Capital Project Funds group is comprised of the following funds: Capital Projects, Community Facilities District No. 10 - Public Services, New Model Colony – Community Facilities District, Law Enforcement Impact, Fire Impact, Old Model Colony Street Impact, Old Model Colony Water Impact, Old Model Colony Sewer Impact, Solid Waste Impact, General Facility Impact, Library Impact, Public Meeting Impact, Aquatics Impact, Old Model Colony Storm Drainage Impact, Species Habitat Impact, Fiber Impact, New Model Colony Street Impact, New Model Colony Sewer Impact, New Model Colony Storm Drainage Impact, Affordability In-Lieu, Community Facilities District No. 9, Community Facilities District No. 10, Community Facilities District No. 11, Community Facilities District No. 12, and Community Facilities District No. 13; and

WHEREAS, the Enterprise Funds group is comprised of the following funds: Water Operating, Water Capital, Sewer Operating, Sewer Capital, Solid Waste, and Solid Waste Facilities; and

WHEREAS, the Internal Service Funds group is comprised of the following funds: Equipment Services, Self Insurance, and Information Technology; and

WHEREAS, the Fiduciary Fund group is comprised of the following fund: Other Post Employment Benefits.

NOW THEREFORE, be it resolved, determined and ordered by the City Council of the City of Ontario that, the City's Operating Budget for the Fiscal Year 2012-13, submitted by the City Manager to the City Council, is herewith adopted for the City of Ontario for the Fiscal Year 2012-13.

NOW, THEREFORE, be it also resolved, that the 2012-13 Operating Budget Appropriations are as follows:

*City's Fiscal Year 2012-13 Operating Budget*

General Fund	\$163,022,811
Special Revenue Funds	46,138,170
Capital Project Funds	9,301,165
Enterprise Funds	144,516,477
Internal Service Funds	30,628,640
Fiduciary Fund	<u>3,300,000</u>
Total Operating Budget	<u>\$396,907,263</u>

APPROVED AND ADOPTED this 22<sup>nd</sup> day of June, 2012.



Paul S. Leon  
Mayor of the City of Ontario

ATTEST:



Asst. City Clerk of the City of Ontario

# *Financial Policy*

## **Description of Entity**

The reporting entity is a municipal corporation governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, the City's financial statements present the City of Ontario (the City), its component units, and entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the Government's operations and so data from these units are combined therein. The following criteria were used in the determination of blended units:

- ◆ The Mayor and the City Council also act as the governing body of the Industrial Development Authority, the Ontario Redevelopment Financing Authority, and the Ontario Housing Authority.
- ◆ The City and Authorities, are financially interdependent.
- ◆ The Authorities are managed and staffed by employees of the City.

The City of Ontario was incorporated on December 10, 1891, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities.

## **Blended Component Units**

The Industrial Development Authority was established on August 18, 1981, pursuant to the California Industrial Development Financing Act (AB74). The law authorizes limited issuance of small issue industrial development bonds to assist private industry. The sole function of the Authority is to review and approve the issuance of bonds to finance eligible projects.

The Ontario Redevelopment Financing Authority was established on November 5, 1991, pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, in order to jointly exercise powers of the Authority and the City and to establish a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments.

The Ontario Housing Authority was established on December 2, 1997. Declaring that there was a "need" for a housing authority within the City of Ontario, adoption of Resolution No. OHA-1 by the Ontario Housing Authority on December 2, 1997, established the time and place of its regular meeting and established organizational bylaws.

Since the governing body of the Authorities are the same, their data has been blended into that of the financial reporting entity. Complete financial statements for the individual blended component units can be obtained by visiting the City's website at [www.ci.ontario.ca.us](http://www.ci.ontario.ca.us) or by writing to:

City of Ontario  
Fiscal Services Department  
303 East "B" Street  
Ontario, CA 91764

Other governmental agencies providing services either to the City in its entirety or to a portion thereof are:

State of California  
Metropolitan Water District of Southern California  
Cucamonga School District  
Monte Vista Water District  
Chaffey Joint Union High School District  
Cucamonga Valley Water District  
Chaffey Community College District  
San Bernardino County Vector Control Program

County of San Bernardino  
Inland Empire Utilities Agency  
Chino Valley Unified School District  
Chino Desalter Authority  
Jurupa Community Services District  
Ontario-Montclair School District  
Mountain View School District

### ***Measurement Focus***

Measurement Focus is used to describe the types of transactions and events that are reported in a fund's operating statement. All governmental funds are focused on changes in current financial resources. This means that the operating statement of a governmental fund includes all transactions and events that affect the fund's current financial resources, even though they may have no effect on net assets (for example, the issuance of debt, debt service payments, and capital outlay expenditures). Governmental funds do not attempt to match revenues and related cost. They focus instead on increases and decreases in current financial resources. Therefore, the principal of deferral and amortization does not apply to governmental funds.

The operating statement of a proprietary fund focuses on changes in economic resources, much like that of a private-sector business. The goal of the proprietary fund operating statement is to determine what transactions and events have increased or decreased the fund's total economic resources during the reporting period. Net assets are used as a practical measure of economic resources for this purpose. Unlike the governmental funds, the operating statement of a proprietary fund does not report the issuance of debt, debt service principal payments, or capital outlay expenditures. Proprietary funds attempt to match the cost of providing goods and services with the resulting revenues received from customers. Therefore, certain transactions and events such as debt issuance related costs or prepaid items are deferred or amortized over subsequent periods.

Agency Funds are used to account for situations where the government's role is purely custodial. All assets reported in an Agency Fund are offset by a liability to the party on whose behalf they are held. Agency Funds have no measurement focus.

### ***Basis of Accounting***

Basis of Accounting describes the criteria governing the timing of the recognition of transactions and events. A fund's basis of accounting is inseparably tied to its measurement focus. Funds that focus on current financial resources (governmental funds) use the modified accrual basis of accounting, thus revenues are recognized when they are available to finance expenditures of the current fiscal period, and liabilities are recognized as expenditures when payment is due. Funds that focus on total economic resources (proprietary funds) employ the full accrual basis of accounting, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs, regardless of the timing of related cash inflows and outflows. Agency funds use the accrual basis of accounting to recognize receivables and payables.

## *Financial Policy*

### **Description of Funds**

The City of Ontario records cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein in a series of funds. Each fund is considered a separate fiscal and accounting entity with a self-balancing set of accounts. The operations of each fund are established in accordance with legal and professional accounting standards. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds in the City's financial statements are grouped into various fund types within three broad fund categories. The fund types and account groups are described as follows:

### **Government Fund Types**

**General Fund:** The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds:** Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Debt Service Funds:** Debt Service Funds are used to account for the accumulation of resources for, and the payment of General Long-term Debt.

**Capital Projects Funds:** Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Funds used in government are classified into three broad categories: governmental, proprietary, and fiduciary. Governmental funds include activities usually associated with a state or local government operations (public safety, general government activities, etc.). Proprietary funds are used in government to account for activities often found in private sector (examples: utilities, stadiums and golf courses). Fiduciary funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent.

The funds utilized by the City of Ontario, governmental, proprietary, and fiduciary, are detailed below.

### **Governmental Funds**

#### **General Fund**

- 001 General Fund** - this is the general operating fund for the City, utilized to account for all resources not required to be accounted for in another fund. It is used to account for all of the general revenues of the City not specifically levied or collected for other funds and for expenditures related to the rendering of general services.
- 098 General Fund Trust** - accounts for resources allocated for long-term General Fund designated uses and liabilities.

**Special Revenue Funds**

- 002 Quiet Home Program** - accounts for revenues received primarily from federal sources and the Los Angeles World Airports which are designated for specified airport noise mitigation programs, especially property acquisition, land use conversion and the noise insulation of residences.
- 003 Gas Tax** - accounts for the financial transactions as prescribed by the State of California Statute on California Streets and Highways.
- 004 Measure I** - revenues from a one-half percent sales tax on all retail transactions within the County. The proceeds are to be used for transportation improvements and traffic management programs. Measure I expires March 31, 2040.
- 005 Measure I Valley Major Project** - accounts for the financial transactions related to railroad grade separation projects.
- 007 Park Impact/Quimby** - financial transactions associated with the acquisition and development of new parks and the initial purchase and/or installation of equipment in new and existing parks.
- 008 Community Development Block Grants** - financial transactions as prescribed by the Federal Housing and Urban Development Block Grants.
- 009 HOME Grants** - accounts for the financial transactions related to single- and multi-family rehabilitation loans funded from Federal Housing and Urban Development.
- 010 Asset Seizure** - accounts for assets seized during police narcotic interdiction activities.
- 011 Neighborhood Stabilization Program** - accounts for financial transactions related to a program created by Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties.
- 013 Assessment District Administration** - represents Assessment District funds established to account for the administrative activities of all districts.
- 014 Mobile Source Air** - accounts for financial transactions as prescribed by the Air Quality Management District and California Clean Air Act.
- 015 General Fund Grants** - accounts for the financial transactions related to grant-funded activities in departments such as Police, Fire, Library, and the Museum.
- 018 Building Safety** - accounts for financial transactions associated with the elimination of dangerous structures throughout the City.
- 019 Parkway Maintenance** - accounts for revenues from assessments for the operation and landscape maintenance of certain parkways.
- 021 Storm Drain District** - accounts for revenues from developer-paid impact fees for construction of storm drains.
- 048 Ontario Housing Authority** - accounts for the financial transactions for the Ontario Housing Authority.
- 070 Street Light Maintenance** - accounts for revenues from assessments for the operation and maintenance of certain street lights.

## *Financial Policy*

- 071 CFD No. 10 - Public Services** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 10 in the Ontario Airport Towers development. (This fund replaces Fund 502 Community Facilities District No. 10 – Ontario Airport Towers.)
- 072 NMC – CFD** - accounts for the financial transactions relating to the establishment and funding of services for the New Model Colony (NMC) Community Facilities District (CFD).
- 076 Facility Maintenance** - accounts for financial activities of the City's Public Facility Maintenance Program.
- 077 Storm Drain Maintenance** - accounts for storm drain maintenance and capital activities.
- 114 Historic Preservation** - accounts for the City's historic preservation related activities.
- 119 NMC Public Services** - accounts for revenues from developers to finance City services as development proceeds in the New Model Colony.

### **Capital Projects Funds**

- 016 Ground Access** - accounts for financial transactions of roadway (major streets and highways) capital improvements.
- 017 Capital Projects** - accounts for financial transactions of general capital improvements.
- 039 Redevelopment Agency** - represents the former Redevelopment Agency funds established to account for the administrative activities of project areas.
- 040 Project Area No. 2** - represents the former Redevelopment Agency project area funds established to account for financing, construction and administrative activities of Project Area 2.
- 041 Gusti Project Area** - represents the former Redevelopment Agency project area funds established to account for financing, construction and administrative activities of the Guasti Project Area.
- 043 Project Area No. 1** - represents the former Redevelopment Agency project area funds established to account for financing, construction and administrative activities of the Project Area 1.
- 044 Cimarron Project Area** - represents the former Redevelopment Agency project area funds established to account for financing, construction and administrative activities of the Cimarron Project Area.
- 061 Center City Project Area** - represents the former Redevelopment Agency project area funds established to account for financing, construction, and administrative activities of the Center City Project Area.
- 066 Housing Set Aside** - financial transactions of the former Redevelopment Agency Low/Moderate Income Housing Funds.
- 101 Law Enforcement Impact** - accounts for revenues from developer-paid impact fees for law enforcement activities.
- 102 Fire Impact** - accounts for revenues from developer-paid impact fees for fire prevention activities.
- 103 OMC Street Impact** - accounts for revenues from developer-paid impact fees for street construction in the Old Model Colony.

- 104 **OMC Water Impact** - accounts for revenues from developer-paid impact fees for water facilities construction in the Old Model Colony.
- 105 **OMC Sewer Impact** - accounts for revenues from developer-paid impact fees for sewer facilities construction in the Old Model Colony.
- 106 **Solid Waste Impact** - accounts for revenues from developer-paid impact fees for solid waste facilities construction.
- 107 **General Facility Impact** - accounts for revenues from developer-paid impact fees for the construction of additional or expanded general facilities needed to extend the same level of services to the newly developed community.
- 108 **Library Impact** - accounts for revenues from developer-paid impact fees for the construction of libraries and the additional resources necessary for the library.
- 109 **Public Meeting Impact** - accounts for revenues from developer-paid impact fees for the construction of public meeting facilities or community public use centers.
- 110 **Aquatics Impact** - accounts for revenues from developer-paid impact fees for the construction of aquatics facilities.
- 111 **OMC Storm Drainage Impact** - accounts for revenues from developer-paid impact fees for the construction of storm drain infrastructure in the Old Model Colony.
- 112 **Species Habitat Impact** - accounts for revenues from developer-paid impact fees to finance the purchase of land and conservation easements to mitigate the loss of open space, to protect endangered and threatened species and their habitat, to promote open space conservation and its inherent benefits, and to mitigate some of the more generalized adverse environmental impacts associated with development.
- 113 **Fiber Impact** - accounts for revenues from developer-paid impact fees for the fiber pipeline construction.
- 115 **NMC Street Impact** - accounts for revenues from developer-paid impact fees for street construction in the New Model Colony.
- 116 **NMC Water Impact** - accounts for revenues from developer-paid impact fees for water facilities construction in the New Model Colony.
- 117 **NMC Sewer Impact** - accounts for revenues from developer-paid impact fees for sewer facilities construction in the New Model Colony.
- 118 **NMC Storm Drainage Impact** - accounts for revenues from developer-paid impact fees for storm drain construction in the New Model Colony.
- 120 **Affordability In-Lieu** - accounts for revenues from developer fees to fund the construction of affordable housing.
- 139 **Redevelopment Successor Agency** - represents the Redevelopment Successor Agency funds established to account for the administrative activities of project areas.
- 140 **Project Area No. 2 Successor/Capital** - represents the Redevelopment Successor Agency project area funds established to account for financing and administrative activities of Project Area 2.



## *Financial Policy*

- 141 Gusti Project Area Successor/Capital** - represents the Redevelopment Successor Agency project area funds established to account for financing and administrative activities of the Guasti Project Area.
- 143 Project Area No. 1 Successor/Capital** - represents the Redevelopment Successor Agency project area funds established to account for financing and administrative activities of the Project Area 1.
- 144 Cimarron Project Area Successor/Capital** - represents the Redevelopment Successor Agency project area funds established to account for financing, construction and administrative activities of the Cimarron Project Area.
- 161 Center City Project Area Successor/Capital** - represents the Redevelopment Successor Agency project area funds established to account for financing and administrative activities of the Center City Project Area.
- 299 Redevelopment Obligation Retirement Fund** - accounts for the property tax allocations from the County to pay obligations specified on the Recognized Obligation Payment Schedule (ROPS).
- 501 Community Facilities District No. 9 - Edenglen** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 9 in the Edenglen development. (This fund has been recategorized as part of Fund 072 NMC - CFD.)
- 502 Community Facilities District No. 10 - Ontario Airport Towers** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 10 in the Ontario Airport Towers development. (This fund was replaced with Fund 071 CFD No. 10 - Public Services.)
- 503 Community Facilities District No. 11 - Armada** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 11 in the Armada development.
- 504 Community Facilities District No. 12 - Ontario Festival** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 12 in the Ontario Festival development.
- 505 Community Facilities District No. 13 - Commerce Center** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 13 in the Commerce Center development.
- 506 Community Facilities District No. 14 - West Haven I** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 14 in the West Haven I development.

### **Debt Service**

- 054 Project Area No. 2 Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debts.
- 059 Guasti Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debts.
- 062 Center City Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debts.

- 063 Project No. 1 Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debts.
- 064 Cimarron Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debt.
- 154 Project Area No. 2 Successor/Debt Service** - represents the Redevelopment Successor Agency funds received to pay bond and other project area debts for the Project Area No. 2.
- 159 Guasti Successor/Debt Service** - represents the Redevelopment Successor Agency funds received to pay bond and other project area debts for the Guasti project area.
- 162 Center City Successor/Debt Service** - represents the Redevelopment Successor Agency funds received to pay bond and other project area debts for the Center City project area.
- 163 Project Area No. 1 Successor/Debt Service** - represents the Redevelopment Successor Agency funds received to pay bond and other project area debts for the Project Area No. 1.
- 164 Cimarron Successor/Debt Service** - represents the Redevelopment Successor Agency funds received to pay bond and other project area debts for the Cimarron project area.

## **Proprietary Funds**

### **Enterprise Funds**

- 024 Water Operating** - accounts for the operation and maintenance of the City's water distribution system.
- 025 Water Capital** - accounts for the capital activities of the City's water distribution system.
- 026 Sewer Operating** - accounts for the operation and maintenance of the City's water waste collection system.
- 027 Sewer Capital** - accounts for the capital activities of the City's water waste collection system.
- 029 Solid Waste** - accounts for the collection and disposal of solid waste from industrial, commercial and residential users throughout the Ontario area.
- 031 Solid Waste Facilities** - accounts for funds received from the county landfill for environmental mitigation.

## **Fiduciary Funds**

- 099 Other Post Employment Benefits** - supports the reporting requirements of GASB Statement 43 to separately identify the costs and activities related to employee post-employment benefits other than pensions.

## *Financial Policy*

### **Account Groups**

**093 General Fixed Assets Account Group** - accounts for fixed assets of the City, Redevelopment Agency, and Housing Authority.

**095 General Long-Term Debt Account Group** - accounts for long-term debt of the City, Redevelopment Agency, and Housing Authority.

### ***Budgetary Accounting***

The annual budget adopted by the City Council provides for the general operation of the City. It includes adopted expenditures and the means of financing them.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. All amendments made during the year are included in the budgetary amounts reported herein. The “appropriated budget” covers all City expenditures. Actual expenditures may not exceed budgeted appropriations at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations that are encumbered lapse at year end, and then are added to the following year budgeted appropriations.

Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

The major differences between budgetary and GAAP accounting listed below are similar to many other local governments largely because they provide a more conservative view of revenues and expenditures and because they provide greater administrative controls.

1. Grant revenues are budgeted on a modified cash basis. GAAP recognizes grant revenues on an accrual basis.
2. For budgetary purposes, encumbrances are treated as expenditures while encumbrances are never classified as expenditures under the GAAP basis of accounting.
3. Fund balances reserved for inventories, bonded debt and unrealized gains or losses on investments are not recognized in the budget.
4. For budgetary purposes, all fixed assets are fully expensed in the year acquired.

Capital projects are budgeted through the Capital Projects Fund. Appropriations for capital projects authorized but not constructed or completed during the year lapse at year end.

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the

taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2011, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

### ***Fund Balance Policy***

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of the fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Administrative Services/Fiscal Services Department to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

- ◆ Nonspendable fund balance (inherently nonspendable)
- ◆ Restricted fund balance (externally enforceable limitations on use)
- ◆ Committed fund balance (self-imposed limitations on use)
- ◆ Assigned fund balance (limitation resulting from intended use)
- ◆ Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is inventory. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

### **Committed Fund Balance**

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by a formal action. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however the amount can be determined subsequently.

- ◆ General Fund Contingency

The City's General Fund Contingency consists of amounts formally set aside and/or arrangements to maintain amounts for working capital needs, contingencies and contractual obligations. Committed amounts under General Fund Contingency include: Economic Uncertainties, Compensated Absences, Contractual Obligations, Public Safety Equipment, Communications/Computer Dispatch, City Facilities Project, Events Center Capital Equipment, Ontario Motor Speedway, Development Activities, etc.

## *Financial Policy*

- ◆ Capital Projects  
Amounts that fall under the Capital Projects classification of the Committed Fund balance come from developer paid impact fees and roadway (major streets and highways) funding for construction of capital improvement projects.
- ◆ Designated Revenues  
Amounts from specific revenue sources that are committed to expenditures for specified purposes. A few examples are funds committed to Other Post Employment Benefits (OPEB), Parkway and Street Light Maintenance Districts, etc.

### **Assigned Fund Balance**

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager or Finance Director for the purpose of reporting these amounts in the annual financial statements. A few examples of assigned fund balance are as follow.

- ◆ Continuing Appropriations  
Fund balance levels must be sufficient to meet funding requirements for projects approved in prior years and which must be carried forward into the new fiscal year.
- ◆ 18 Percent Stabilization Plan  
It is the City Council's goal to achieve a minimum of 18 percent of the annual general fund appropriations, as Assigned Fund Balance in the general fund. This is intended to be used for specific and defined emergency events, such as an earthquake, to address immediate needs in resources without impacting City services and to minimize the potential for disruption of municipal services to its citizens.
- ◆ Debt Service  
Funds established to provide for future debt service obligations.

### **Unassigned Fund Balance**

These are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.

### **Fund Balance Classification**

The accounting policies of the City consider restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

This policy is in place to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54. No other policy or procedure supersedes the authority and provision of this policy.

### **Internal Service Funds**

Internal Service Funds are typically used to account for and facilitate the reimbursement of costs for goods and services provided by one City Agency / Department to another City Agency / Department. The City of Ontario has three Internal Service Funds to separately capture the costs of the Equipment Services Department, the Information Technology Department, and the City's Self Insurance Program. Each is further discussed as follows.

### **Equipment Services**

The City of Ontario maintains a separate fund to account for the accumulation and expenditure of monies related to the ongoing maintenance and replacement of the City's fleet, with the exception of Police helicopters. A separate Public Safety Equipment Replacement Fund reserve was established in Fiscal Year 2001-02 to accumulate replacement costs for the helicopters and certain fire apparatus. One million dollar has been allocated to the reserve fund each fiscal year thereafter.

The City maintains its vehicles and equipment in a comprehensive fleet maintenance system, FleetAnywhere. Vehicle and equipment maintenance and overhead costs are tracked in the system, and depreciation is calculated for each vehicle. Each year, an equipment replacement rate is calculated for each vehicle based on its class (type of the vehicle), annual maintenance costs, and depreciation amount. The rate is then adjusted by inflation, replacement contingency rate, and a Citywide full-cost general and administrative overhead rate to arrive at a Class Average. The Class Average amount is totaled by the agency or department to which the vehicles belong, then allocated based on the number of full-time employees of that agency or department for inclusion in the Annual Operating Budget. Equipment Services expenditures for annual operating and maintenance costs are recorded as internal services charges in their respective funds. These internal services charges then become a source of monies for the Equipment Services Fund.

Depreciation schedules used for the Equipment Services Fund coincide with the City's Depreciation Policy. Over time, depreciation expenses accumulate within this fund to provide for equipment replacement. Replacement vehicles are purchased from the Equipment Services Fund in accordance with established replacement schedules. Police vehicles scheduled for replacement that are still in serviceable condition may be rotated into the City's fleet vehicle inventory for use by City staff. Vehicles and rolling stock which are beyond economical repair are sold at public auction. New vehicle and rolling stock purchases that are non-replacement items are budgeted for by the departments when submitting their annual operating budgets.

### **Information Technology**

The Information Technology Department is responsible for all maintenance and support of the City's information technology resources as well as providing support services for Public Safety computer aided dispatch and records systems. Specifically, the Information Technology Department supports computer systems, software, telecommunications, computer networks, and provides technology consulting resources for all other City agencies and departments.

Information Technology Department expenditures for annual operating and maintenance costs are recorded as internal services charges in their respective funds. These charges then become a source of monies for the Information Technology Fund. Each year, Information Technology internal services charges are calculated by agency or department based on the agency or department's prior year usage of IT resources, allocated by the number of full-time employees for that department. The allocation is then included in the respective department's annual operating budget.

## Financial Policy

### Self Insurance (Liability, Workers' Compensation and Safety Program)

#### Liability

Each department is charged for liability expenses for property insurance coverage, automobile liability, general liability, and excess liability. Charges are determined by review of the department's five-year loss summary maintained by NovaPro Risk Solutions, the City's third-party liability administrator. The number of employees and facilities utilized are factors that are taken into consideration for those departments that have little or no loss history.

#### Workers' Compensation

The City utilizes five workers compensation job codes to determine cost allocations. The classifications are: Police, Fire, Clerical, Non-manual Labor, and Manual Labor. When the allocations are made, there is a cross-check made with the pure premium rates published by the Workers' Compensation Insurance Rate Bureau of California. Payroll dollars and percentage of total payroll are factors used in the allocations to agencies and departments.

#### Safety Program

Safety allocations are made by analysis of which departments historically utilize the Risk Management Department's resources regarding education, instruction, and monitoring of communicable disease exposures, equipment training, and accident history.

### Cost Allocation

The Cost Allocation Plan is a basic information tool in a number of financial and budgetary decision making situations. The Cost Allocation Plan can be used to identify indirect costs incurred by the City in administering and providing support services to special projects, funds, and contracts. By identifying total project costs, the Cost Allocation Plan can be used to determine the level of support and to reimburse the General Fund for the indirect costs incurred.

<b>Citywide General and Administrative (G&amp;A) Rates</b>			
Full Cost	25.28%	OMB A-87	24.31%
<b>Departmental Overhead Rates</b>			
<b>Development</b>		<b>Community &amp; Public Services</b>	
Planning	27.63%	Parks & Maintenance	31.36%
Building	29.03%	Recreation & Community Services	4.89%
Engineering	21.18%	Library	49.14%
		Museum	16.06%
<b>Housing</b>		<b>Municipal Utilities Company</b>	
Housing	24.35%	Equipment & Facilities Services	12.20%
Code Enforcement	19.55%	Utilities Engineering & Operations	16.97%
Quiet Home Program	18.04%		
Neighborhood Revitalization/ Neighborhood Stabilization/ CDBG/HUD Grants/Set Aside	15.28%	<b>Police</b>	16.74%
<b>Economic Development Agency</b>	30.00%	<b>Fire</b>	8.64%

\*These rates are subject to further review.

An indirect cost rate is a means for determining fairly and conveniently, within the boundaries of sound administrative principles, what proportion of indirect costs each project or activity should bear. It is the ratio of total indirect expenses to a direct cost base. By applying the indirect cost rate to any particular cost objective, the total cost of the project or activity can be calculated. Indirect costs are categorized as Departmental Overhead and General and Administrative (G & A) cost. Departmental Overhead is allocated on the basis of direct personnel costs, while G & A cost is allocated based on the total project or activity costs. This cost allocation methodology assumes that all indirect costs are incurred proportionately to the direct cost base of the project or activity up to \$1 million.

The first step in the preparation of the City's Cost Allocation Plan is the determination of direct and indirect costs. The cost of departments or projects that primarily provide services to the public are identified as direct costs; whereas, the costs of departments or projects that primarily provide services to those inside the City are identified as indirect costs. Once that determination is made, overhead costs are separately identified from G & A expenses. Indirect costs allocable only to a specific operating department are used to determine the associated Departmental Overhead rate. The base for applying the Departmental Overhead rate is direct personnel costs. The G & A rate is computed on a Citywide basis and is applied to a project's total costs up to a base of \$1 million. As with any allocation process, the bases used must be: (1) reasonable and consistently applied, (2) supported by accurate and current data, (3) appropriate to the particular cost being distributed, and (4) must result in an accurate measure of the benefits provided to each activity of the organization.

The Cost Allocation Plan is designed to assist management in developing more comprehensive cost accounting information. Such information should enhance the ability of decision makers to identify, analyze, and control the causes of costs, as well as establish links between cost information and program efficiency and effectiveness.

### ***Investments***

The investment policy applies to all monies belonging to the City of Ontario, the City of Ontario as Successor Redevelopment Agency, and proceeds from bonds or notes issued by the City of Ontario, the City of Ontario as Successor Redevelopment Agency, and any authorized special districts. Bond proceeds and any funds associated with bond issues and other monies arising from bond indebtedness are further restricted by the pertinent bond indenture.

The City complies with all applicable sections of the Internal Revenue Code of 1986, Arbitrage Rebate Regulations and bond covenants with regard to the investment of bond proceeds.

All monies entrusted to the City Treasurer will be pooled in an actively managed portfolio and will be referred to as the "fund" or the "portfolio" throughout the remainder of this document.

In accordance with State law and under the authority granted by the City Council in its resolution dated February 17, 2004, the City Treasurer and Deputy City Treasurer(s) are authorized to invest the unexpended cash in the City treasury. The responsibility for the day to day investment of the City's funds is delegated to the Investment Officer. In the absence of the Investment Officer, the Deputy City Treasurers will be responsible for the investment function.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be



## *Financial Policy*

derived. The standard of prudence to be used by investment officials shall be the “prudent investor” standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio.

Safety of principal is the foremost objective of the investment policies and practices of the City of Ontario. Investment decisions shall seek to minimize net capital losses on a portfolio basis. The City shall seek to preserve principal by mitigating credit risk and market risk.

Credit risk shall be mitigated by diversifying the fund so that the failure of any one issuer would not unduly harm the City’s cash flow. No more than 5 percent of the portfolio may be invested (at time of purchase) in the securities of any one single issuer except the U.S. Government, its agencies, or the State of California Local Agency Investment Fund.

Market risk will be mitigated by limiting the weighted average maturity of the fund to 2 ½ years.

The City’s fund will be structured to ensure that the projected expenditure requirements of the City for the next six months can be met with a combination of anticipated revenues, maturing securities, principal and interest payments and liquid instruments as required by California Government Code Section 53646.

The performance of the City’s investment portfolio will be measured on a total return basis.

With the exception of insured Certificates of Deposit and the Local Agency Investment Fund of the State of California, all securities owned by the City including collateral for repurchase agreements shall be held in safekeeping by the City’s custodial bank of a third party bank trust department acting as agent for the City under terms of a custody or trustee agreement executed by the bank and the City.

The City Treasurer is required to submit an investment report on a quarterly basis to the City Manager, the Internal Auditor, and the City Council, in accordance with California Government Code Section 53646. The City Treasurer has chosen to provide this report monthly.

The Investment Officer shall maintain a list of financial institutions qualified to do business with the City. Banks and broker/dealers will be selected on the basis of creditworthiness, experience, and capitalization.

Under the provisions of the City’s investment policy, and in accordance with Section 53600 of the California Government Code, the City may invest in the following types of investments:

United States Treasury Bills, Notes and Bonds	Federal Agency Obligations
Banker’s Acceptances	Commercial paper
Negotiable Certificates of Deposit	Repurchase Agreements
Local Agency Investment Fund (LAIF)	Collateralized Time Deposits
Medium-term notes	Collateralized Mortgage Obligations

**Capital Assets**

Capital assets include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, drainage systems, water and sewer systems, etc.). In accordance with GASB Statement No. 34, the City has elected the Modified Approach for reporting its governmental-activities infrastructure assets. To use the modified approach, the City is required to (a) maintain an up-to-date inventory of infrastructure assets; (b) regularly assess the condition of all infrastructure assets and summarize the results using a measurement scale; and (c) each year, estimate the annual cost required to maintain and preserve the assets at a minimum condition level established by the City. The modified approach to valuing capital assets incorporates the benefits, or value, of maintenance activities into the reporting process.

According to GASB Statement No. 34, the assessment of infrastructure conditions must be conducted at least once every three years. In March 2010, the City commissioned the latest study to update the physical condition assessment of the streets. Streets, primarily surfaced with asphalt and concrete, were defined as all physical features associated with the operation of motorized vehicles that exist within the limits of right of way. Currently, 50% of the City's arterial and collectors and 25 percent of the local streets and alleys are being assessed each year. Each street was assigned a physical condition based on 17 potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street. The City's policy is to maintain the existing weighted average rating of "Good" (a PCI rating within 56-70) for all streets.

As a result of the employment of the modified approach, no accumulated depreciation or depreciation expense has been recorded for the City's governmental-activities infrastructure. All other capital assets were reported using the basic approach, whereby accumulated depreciation and depreciation expense has been recorded. The table below presents summary information on the governmental activity infrastructure assets for the fiscal year ending June 30, 2011.

Description	Net Cost at June 30, 2010	Net Cost at June 30, 2011
<b>Governmental Activities</b>		
<b>Modified Approach:</b>		
Street Pavement System	\$ 295,352,386	\$ 296,013,615
<b>Basic Approach:</b>		
Curbs	39,338,315	38,143,227
Storm drains and gutters	21,458,721	20,808,943
Sidewalks and handicap ramps	31,620,543	30,765,239
Bridges	86,910,573	84,302,407
Traffic signals / street lighting	11,799,198	11,645,520
	<u>\$ 486,479,736</u>	<u>\$ 481,678,951</u>

## Financial Policy

The City is continuously taking actions to assess the deterioration of street and other infrastructure assets through short-term maintenance activities. The table below summarizes the estimated and actual infrastructure maintenance expenditures for Fiscal Years 2008 through 2012.

### Infrastructure Maintenance Estimated and Actual Expenditures (\$000)

	2008	2009	2010	2011	2012
Streets:					
Estimated	\$ 12,607	\$ 17,926	\$ 8,166	\$ 10,290	\$ 15,916
Actual	12,079	11,338	8,244	6,874	
Sidewalks:					
Estimated	2,265	2,854	1,740	1,495	1,393
Actual	2,047	2,158	1,596	1,433	
Storm Drain:					
Estimated	1,463	1,584	1,325	1,590	1,607
Actual	1,338	1,292	1,209	1,281	
Traffic Signal/Street Lights:					
Estimated	2,741	3,386	2,532	4,159	3,215
Actual	2,695	2,580	2,419	3,035	

# Long-Term Debt

Pursuant to State of California Government Code Section 43605, the City's legal bonded indebtedness shall not exceed 15 percent of the assessed value of all real and personal property in the City. This code section, however, does not apply to bonded indebtedness of the City of Ontario as Successor Redevelopment Agency. As of June 30, 2011, the City had no bonded indebtedness against its debt limit of \$521,618,000. The City has no single, comprehensive debt policy statement. Accordingly, State law pertaining to local government debt and past City debt transactions serve as a de facto policy. The City's strategy is not to enter into bonded indebtedness against the General Fund, but to finance Capital Improvement projects on a "pay as you go" basis or through other means - such as through Assessment Districts, Community Facilities District, and/or Enterprise Funds financing. These funds have resources that can directly support the financing of long-term debt. The City's practice is not to obligate the resources of the General Fund for the purpose of financing long-term debt. General Fund resources are allocated toward the City's provision of basic municipal services, such as Public Safety, Parks and Maintenance, Library, Recreation & Community Services, and Citywide Administration.

Ontario's long-term obligations are directly or indirectly related to activities of the Ontario Redevelopment Agency. This debt is serviced primarily from property tax revenues. The City is under no obligation for the principal of the Redevelopment obligations. The total indebtedness has been segregated on the following schedule and summarized as to the changes therein during the Fiscal Year Ended June 30, 2011. This schedule contains audited numbers from the June 30, 2011 Comprehensive Annual Financial Report (CAFR).

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

## Computation of Legal Debt Margin June 30, 2011 (dollars in thousands)

Assessed valuation (a)	\$ 13,476,497
Conversion percentage (b)	25%
Adjusted assessed valuation	\$ 3,369,124
Debt limit percentage (c)	15%
Debt limit	\$ 505,369
Total net debt applicable to limit:	61,995
Legal debt margin	\$ 443,374
Total debt applicable to the limit as a percentage of debt limit	13.98%

**Notes:**

- a) Assessed valuation includes the City portion only.
- b) The California Code Section 43605 provides for a legal debt limit of 15 percent of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25 percent of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100 percent of market value (as of the most recent change in ownership for that parcel). The computation shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 2 percent level that was in effect at the time that the legal debt margin was enacted by the state of California for local governments located within the state.
- c) The legal debt limit of 15 percent is established by the State of California Code Section 4360.

## Long-Term Debt

### Long-Term Debt Governmental Activities June 30, 2011

The following is a summary of changes in Long-Term Debt of the City for the Fiscal Year ended June 30, 2011:

	Balance 7/1/2010	Accreted Interest	Additions	Deletions	Balance 6/30/2011	Due within One Year
Tax Alloc Bonds Payable	\$ 52,150,191	\$ 14,909	\$ -	\$ 3,200,000	\$ 48,965,100	\$ 225,200
Revenue Bonds	82,965,651	1,468,944	-	2,274,073	82,160,522	4,791,818
Loans Payable	12,824,492	-	-	375,710	12,448,782	395,623
Other Post Employment Benefits Obligation	20,623,347	-	9,045,465	-	29,668,812	-
Claims & Judgements	13,436,086	-	7,130,401	4,849,487	15,717,000	5,673,000
Compensated Absences	9,674,109	-	475,131	411,253	9,737,987	430,000
<b>Total</b>	<b>\$ 191,673,876</b>	<b>\$ 1,483,853</b>	<b>\$ 16,650,997</b>	<b>\$ 11,110,523</b>	<b>\$ 198,698,203</b>	<b>\$ 11,515,641</b>
				<i>Plus Unamortized Bond Premium of</i>	<b>\$ 1,551,066</b>	
					<b>\$ 200,249,269</b>	

## Long-Term Debt-Government Activities

### TAX ALLOCATION BONDS

#### Project Area No. 1

The 1992 Tax Allocation Bonds were issued to defease the Tax Allocation Bond Issue of 1985 and 1987. In February 2002, the Ontario Redevelopment Financing Authority issued the 2002 Revenue Bonds to refund a portion of the 1992 Tax Allocation Bonds. As a result, except for the 1992 Tax Allocation Capital Appreciation Bonds capital appreciation bonds, the 1992 Tax Allocation Bonds are considered to be defeased and the liability of these bonds have been removed from long-term debt. The balance at June 30, 2011 was paid in full.

The 1993 Tax Allocation Bonds in the amount of \$45,708,900 were issued on June 11, 1993 to finance redevelopment activities related to Project Area No. 1. The Ontario Redevelopment Agency sold the bonds to the Ontario Redevelopment Financing Authority at a purchase price equal to the principal amount of the bonds plus a premium. The investment by the Authority in the bonds is held in an agency fund. The terms were renegotiated in a prior year and outstanding principal balance was reduced by \$800. Additionally, the maturity date was extended two years to August 1, 2025. The interest is paid semi-annually at the stated rate of 12 percent. The balance at June 30, 2011 is:

**\$44,987,149**

The 1993 Tax Allocation Bonds in the amount of \$45,708,900 were issued on June 11, 1993 to finance redevelopment activities related to Project Area No. 1. The Ontario Redevelopment Agency sold the bonds to the Ontario Redevelopment Financing Authority at a purchase price equal to the principal amount of the bonds plus a premium. The investment by the Authority in the bonds is held in an agency fund. The terms were renegotiated in a prior year and outstanding principal balance was reduced by \$800. Additionally, the maturity date was extended two years to August 1, 2025. The interest is paid semi-annually at the stated rate of 12 percent. The balance at June 30, 2011 is:

\$ 3,977,951

***Cimarron Project Area***

The 1992 Tax Allocation Bonds were issued to defease the Agency's Tax Allocation Bond Issue of 1985 and to finance public improvement projects in the Center City Project Area. In February 2002, the Ontario Redevelopment Financing Authority issued the 2002 Revenue Bonds to refund a portion of the 1992 Tax Allocation Bonds. As a result, except for the 1992 Tax Allocation Capital Appreciation Bonds, the 1992 Tax Allocation Bonds are considered to be defeased and the liability of those bonds have been removed from long term debt. The balance at June 30, 2011 was paid in full.

***Center City Project Area***

The 1992 Tax Allocation Bonds were issued to defease the Agency's Tax Allocation Bond Issue of 1985 and to finance public improvement projects in the Center City Project Area. In February 2002, the Ontario Redevelopment Financing Authority issued the 2002 Revenue Bonds to refund a portion of the 1992 Tax Allocation Bonds. As a result, except for the 1992 Tax Allocation Capital Appreciation Bonds, the 1992 Tax Allocation Bonds are considered to be defeased and the liability of those bonds have been removed from long term debt. The balance at June 30, 2011 was paid in full.

**Total Tax Allocation Bonds: \$48,965,100**

**REVENUE BONDS**

In January 1992, the Ontario Redevelopment Financing Authority issued revenue bonds in order to advance refund the 1985 Certificates of Participation in the amount of \$2,735,000. The Certificates were originally sold to finance the construction of the Police/Fire Facilities, which were leased by the Ontario Redevelopment Agency to the City of Ontario. In order to provide for the repayment of the bonds, the City has entered into a capital lease agreement with the Authority. The total lease is for \$3,167,290, for a term of twenty years with variable, semi-annual payments. The balance at June 30, 2011 is:

\$ 255,000

In August 2001, the Ontario Redevelopment Financing Authority issued revenue bonds in the amount of \$31,705,000 to provide funds to finance the cost of acquisition, construction, and installation of certain capital improvements, including public safety, City library, public recreation and redevelopment improvements, facilities and equipments. The bonds dated August 1, 2001 and issued at a premium of \$417,024 mature in 2029 and are payable from rental payments to be made by the City of Ontario for the right to the use of certain property and facilities pursuant to a lease agreement dated November 1, 2001. The balance at June 30, 2011, including the unamortized bond premium of \$275,533, is:

\$25,805,533

## *Long-Term Debt*

In February 2002, the Ontario Redevelopment Financing Authority issued revenue bonds in the amount of \$35,290,000 to provide funds to concurrently refund on a current basis a portion of the Authority's 1992 Revenue Bonds and certain outstanding tax allocation bonds of the Ontario Redevelopment Agency and to finance redevelopment activities within the Agency's Project Area No. 1, Center City and Cimarron redevelopment areas. The bonds are secured by a pledge and lien on a portion of the taxes levied upon all taxable property within the related project area of the Agency. The bonds issued at a net premium of \$1,702,231, mature in 2021 with interest paid semi-annually. The balance at June 30, 2011, including the unamortized bond premium of \$893,668, amounted to:

\$20,165,522

In August 2007, the Ontario Redevelopment Financing Authority issued revenue bonds in the amount of \$37,535,000 to provide funds to finance the cost of acquisition, construction and installation of certain capital improvements, including a soccer/sports complex, City Hall Improvements and such other public facilities as may from time to time be designated by the City. The bonds dated August 1, 2007, and issued at a premium of \$440,617 mature in 2036, and are payable semiannually on February 1 and August 1 of each year, commencing February 2008, from certain rental payments to be made by the City for the right to the use of properties and facilities pursuant to the 2001 Lease Agreement and First Amendment to the Lease Agreement dated as of September 1, 2007. The balance at June 30, 2011, including the unamortized bond premium of \$381,865, amounted to:

\$36,591,865

**Total Tax Allocation Bonds: \$82,817,920**

### **LOAN PAYABLE**

#### ***Redevelopment Agency Loan***

Pursuant to a loan agreement dated February 1, 2002, the Ontario Redevelopment Agency issued the Ontario Redevelopment Project No. 1 2002 Housing Set-Aside loan in the amount of \$15,145,000 to finance low and moderate income activities of the Agency within or of the benefit to the Agency's Redevelopment Project Area No. 1. The loan matures in 2029 and is payable from Housing Tax Revenues allocated to the Agency. Interest is paid semi-annually at a rate of 5.3 percent per annum. The balance at June 30, 2011 is:

\$12,448,782

**Total Loans Payable: \$12,448,782**

**SUMMARY OF DEBT SERVICE REQUIREMENTS**

The annual debt service requirement to maturity for government activity long-term debt outstanding as of June 30, 2011 are summarized below:

June 30,	Tax Alloc Bonds	Revenue Bonds	Loans Payable	Total
2012	\$ 6,087,500	\$ 8,664,823	\$ 1,044,924	\$ 15,797,247
2013	6,080,874	7,825,974	1,044,369	14,951,217
2014	6,084,052	7,536,104	1,043,783	14,663,939
2015	6,075,146	7,279,008	1,043,168	14,397,322
2016	6,078,100	7,029,857	1,042,519	14,150,476
2017-2021	42,116,130	25,343,204	5,201,593	72,660,927
2022-2026	38,033,856	21,674,602	5,179,364	64,887,822
2027-2031		20,793,635	4,123,146	24,916,781
2032-2036		20,262,088		20,262,088
2037-2041		4,038,875		4,038,875
<b>Total</b>	<b>\$ 110,555,658</b>	<b>\$ 130,448,170</b>	<b>\$ 19,722,866</b>	<b>\$ 260,726,694</b>
Less Interest	61,590,558	48,287,648	7,274,084	117,152,290
<b>Debt Principal Balance</b>	<b>\$ 48,965,100</b>	<b>\$ 82,160,522</b>	<b>\$ 12,448,782</b>	<b>\$ 143,574,404</b>

**LONG-TERM DEBT - BUSINESS-TYPE ACTIVITIES**

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due Within One Year
2004 COP - Water System Improvement Project	\$ 46,735,000	\$ 0	\$ 1,055,000	\$ 45,680,000	\$ 1,100,000
Compensated Absences	1,044,196	11,327	25,514	1,030,009	83,000
<b>Total</b>	<b>\$ 47,779,196</b>	<b>\$ 11,327</b>	<b>\$ 1,080,514</b>	<b>\$ 46,710,009</b>	<b>\$ 1,183,000</b>
				1,079,744	
				<b>\$ 47,789,753</b>	



## Long-Term Debt

### SPECIAL ASSESSMENT BONDS

The City has entered into a number of Special Assessment Bond programs. The City of Ontario is not obligated in any manner for the Special Assessment Bonds, as the bonds are secured by unpaid assessments against the property owners. Accordingly, the City is only acting as an agent for the property owners/bond holders in collecting and forwarding the special assessments. Special Assessment Bonds payable at June 30, 2011 totaled \$21,920,000. The construction phase is reported in the Capital Project Funds, likewise, amounts recorded in the Agency Funds represent only debt service activities, i.e. collection from property owners and payment to bond holders.

### OTHER BOND AND LOAN PROGRAMS

The City has entered into a number of bond programs to provide low-interest financing for various residential and industrial developments within the City. Although the City has arranged these financing programs, these debts are not payable from any revenues or assets of the City. Neither the faith or credit, nor the taxing power of the City, or any political subdivision of the City is pledged to repay the indebtedness. Generally, the bondholders may look only to assets held by trustees for security on the indebtedness. Accordingly, these debts do not constitute an obligation of the City.

### Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years (Dollars in thousands, except per capita)

Fiscal Year Ended June 30	General Bonded Debt Outstanding				% of Assessed Value of Property	Population	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Revenue Bonds	Total			
2002	33,717	55,119	34,880	123,716	1.18%	163,244	757.86
2003	33,057	60,883	24,775	118,715	1.04%	166,137	714.56
2004	32,187	61,588	22,703	116,478	0.95%	168,285	692.15
2005	31,282	62,337	20,430	114,049	0.87%	170,069	670.60
2006	29,997	63,133	18,295	111,425	0.77%	170,529	653.41
2007	29,191	60,681	18,582	108,454	0.69%	171,828	631.18
2008	65,905	58,046	18,908	142,859	0.80%	172,530	828.02
2009	64,504	55,139	19,277	138,920	0.73%	172,908	803.44
2010	63,270	52,150	19,696	135,116	0.71%	163,924	824.26
2011	61,995	48,965	20,166	131,126	0.71%	164,836	795.49

**Note:** General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in an enterprise fund (of which the City has none).

Source: City of Ontario, Administrative Services Agency

**Schedule of Payments on Long-Term Debt  
Fiscal Year 2012-13**

Due Date	Fund	Description	Principal	Interest	Total
07/01/2012	025	ORFA 2004 Water System Improvement Project Certificate of Participation	\$ 1,100,000	\$ 1,154,956	\$ 2,254,956
07/15/2012	050	ORFA 2007 Lease Revenue Bond	420,000	845,920	1,265,920
08/01/2012	163	ORA 1993 Tax Allocation Bond	226,842	2,681,892	2,908,734
08/01/2012	163	ORA 1995 Tax Allocation Bond	20,058	242,502	262,560
08/01/2012	050	ORFA 2001 Lease Revenue Bond	870,000	624,653	1,494,653
08/01/2012	048	ORA 2002 Housing Set-Aside Loan	416,591	319,409	736,000
08/01/2012	163	ORA 2002 Revenue Bonds - Project Area No. 1	967,852	2,302,248	3,270,100
08/01/2012	162	ORA 2002 Revenue Bonds - Center City Project Area	445,000	137,826	582,826
08/01/2012	164	ORA 2002 Revenue Bonds - Cimarron Project Area	230,000	26,234	256,234
01/01/2013	025	ORFA 2004 Water System Improvement Project Certificate of Participation		1,132,956	1,132,956
01/15/2013	050	ORFA 2007 Lease Revenue Bond		837,520	837,520
02/01/2013	163	ORA 1993 Tax Allocation Bond		2,667,078	2,667,078
02/01/2013	163	ORA 1995 Tax Allocation Bond		242,502	242,502
02/01/2013	050	ORFA 2001 Lease Revenue Bond		606,818	606,818
02/01/2013	048	ORA 2002 Housing Set-Aside Loan		308,369	308,369
02/01/2013	162	ORA 2002 Revenue Bonds - Center City Project Area		125,922	125,922
02/01/2013	164	ORA 2002 Revenue Bonds - Cimarron Project Area		20,082	20,082
		<b>Total Payments</b>	<b>\$ 4,696,343</b>	<b>\$ 14,276,887</b>	<b>\$ 18,973,230</b>

## *List of Acronyms*

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<b>ABC</b>	Alcohol Beverage Commission	<b>CalPERS</b>	California Public Employee Retirement System	<b>FEMA</b>	Federal Emergency Management Agency
<b>ADA</b>	American Disabilities Act				
<b>AFSCME</b>	American Federation of State, County, and Municipal Employees	<b>CNG</b>	Compressed Natural Gas	<b>FTE</b>	Full-Time Equivalent
		<b>COLA</b>	Cost of Living Allowance	<b>FY</b>	Fiscal Year
		<b>COP</b>	Certificate of Participation	<b>G&amp;A</b>	General and Administrative
<b>AQMD</b>	Air Quality Management District	<b>COPS</b>	Community Oriented Problem Solving	<b>GAAP</b>	Generally Accepted Accounting Principles
<b>ARRA</b>	American Recovery and Reinvestment Act	<b>CPI</b>	Consumer Price Index	<b>GASB</b>	Governmental Accounting Standards Board
<b>CAFR</b>	Comprehensive Annual Financial Report	<b>CSMFO</b>	California Society of Municipal Finance Officers	<b>GDP</b>	Gross Domestic Product
<b>CALTRANS</b>	California Department of Transportation	<b>DIF</b>	Developer Impact Fee	<b>GFOA</b>	Government Finance Officers Association
<b>CAP</b>	Cost Allocation Plan	<b>DMA</b>	Distribution Management Association	<b>GIS</b>	Geographic Information System
<b>CARES</b>	Code Enforcement Arterial Street Improvement Releaf Program; Exterior Improvement Program; Sidewalk Program	<b>DMV</b>	Department of Motor Vehicles	<b>HazMat</b>	Hazardous Material
		<b>DOJ</b>	Department of Justice	<b>HERA</b>	Housing and Economic Recovery Act of 2008
		<b>EMS</b>	Emergency Medical Services		
		<b>EOC</b>	Emergency Operations Center	<b>HPRP</b>	Homelessness Prevention and Rapid Re-Housing Program
<b>CDBG</b>	Community Development Block Grant	<b>ERAF</b>	Educational Revenue Augmentation Fund	<b>HOME</b>	Home Investment Partnership Program
<b>CIP</b>	Capital Improvement Program	<b>FAA</b>	Federal Aviation Administration		
<b>CIT</b>	Community Improvement Team	<b>FBI</b>	Federal Bureau of Investigation	<b>HUD</b>	Housing and Urban Development

## List of Acronyms

<b>IAMC</b>	Industrial Asset Management Council	<b>OHA</b>	Ontario Housing Authority	<b>SBPEA</b>	San Bernardino Public Employees Association
<b>ICSC</b>	International Council of Shopping Centers	<b>OMC</b>	Old Model Colony	<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>IEUA</b>	Inland Empire Utilities Agency	<b>ONT</b>	Ontario International Airport	<b>SCAG</b>	Southern California Association of Governments
<b>IT</b>	Information Technology	<b>OPEB</b>	Other Post-Employment Benefits	<b>STEMI</b>	ST-Segment-Elevation Myocardial Infarction
<b>LAIF</b>	Local Agency Investment Fund	<b>ORFA</b>	Ontario Redevelopment Finance Authority	<b>TAC</b>	Teen Action Committee
<b>LAWA</b>	Los Angeles World Airport	<b>OSHA</b>	Occupational Safety and Health Administration	<b>TCRP</b>	Transit Cooperative Research Program
<b>LED</b>	Light Emitting Diode	<b>PCI</b>	Pavement Condition Index	<b>TOT</b>	Transient Occupancy Tax
<b>LEED</b>	Leadership in Energy and Environmental Design	<b>PMI</b>	Purchasing Managers Index	<b>UASI</b>	Urban Area Security Initiative
<b>W/F</b>	Multi-Family	<b>PUD</b>	Plan Unit Development	<b>UCR</b>	Uniform Crime Reporting
<b>MAC</b>	Moves, Adds, and Changes	<b>RMS</b>	Records Management System	<b>VLF</b>	Vehicle License Fee
<b>MDC</b>	Mobile Data Computer	<b>ROPS</b>	Recognized Obligation Payment Schedule		
<b>NAIOP</b>	National Association of Industrial and Office Properties	<b>ROW</b>	Right-Of-Way		
<b>NMC</b>	New Model Colony	<b>RPTTF</b>	Redevelopment Property Tax Trust Fund		
<b>NPDES</b>	National Pollutant Discharge Elimination System	<b>S/F</b>	Single Family		
<b>NSP</b>	Neighborhood Stabilization Program	<b>SANBAG</b>	The San Bernardino Associated Governments		
<b>O&amp;M</b>	Operating and Maintenance	<b>SB</b>	Senate Bill		

# Glossary

**A-87 Cost Allocation Plan:** Circular published by the Federal Government's Office of Management and Budget (OMB), establishing principles and standards for determining costs applicable to Federal grants, contracts, and other agreements. These principles and standards recognize "Total Cost" as allowable direct costs plus allowable indirect costs, less applicable credits. The significant difference between this plan and a "Full Cost Allocation Plan" is that "Legislative" costs are not allowable under the A-87 Plan.

**Account Number:** A numeric identification of an account, typically a unique number or series of numbers. Ontario's number structure is comprised of five fields of characters. The first field is five characters and identifies the Expenditure/Revenue Account within the accounting system. The next field contains three characters and identifies the Funds. The third field contains three characters and identifies the Department number. The fourth field contains six characters and identifies a specific Project, or Grant if, needed. The last field contains five characters and identifies a specific task, program, or function, if needed.

**Accrual Basis or Accrual Method:** Accounting method whereby income and expense items are recognized as they are earned or incurred, even though they may not yet have been received or actually paid in cash. The alternative is the Cash Basis. The City of Ontario uses the widely recognized method of "Modified Accrual."

**Actual Cost:** The amount paid for an asset, which is not its market value, insurable value or retail value. It generally includes freight-in and installation costs but not interest on the debt to acquire it.

**Administrative Expense:** Often grouped with General Expenses, expenses that are not as easily associated with a specific function as are the direct costs of providing services.

**Adopted Budget:** A budget which typically has been available for review by the public and "Adopted" (approved) by the City Council prior to the start of the fiscal year. It serves legal authority to expend money for specified purposes in the stated fiscal year.

**Allocation:** A distribution of funds or an expenditure limit established for an organizational unit.

**Allocable Costs:** Costs of a particular cost objective to the extent that there are benefits received by such objective.

**Appropriation:** An authorization by the Mayor and City Council to make expenditures and to incur obligations for specific amounts and purposes. For most local governments, the Adopted Budget document is the source for all or most appropriations. All annual appropriations lapse at fiscal year end.

**Appropriations Limit:** As defined by Section 8, Article XIII B of the California Constitution, the growth in the level of certain appropriations from tax proceeds generally limited to the level of the prior year's appropriation limit as adjusted for changes in the cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another.

**Appropriation Resolution:** The official enactment by the Mayor and City Council to establish the legal authority to obligate and expend City resources.

**Assessed Valuation:** An official value established for real estate or other property as a basis for levying property taxes.

**Assessment:** A charge made for actual services or benefits received.

**Audit (Financial):** A review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations.

**Authorized Position:** A position which is approved in the final budget adopted by the Mayor and City Council.

**Balance Available:** Funds available for appropriation or encumbrance. It is the excess of cash and near-cash assets of a fund over its liabilities and reserves; or commonly called surplus available for appropriation. It is also the unobligated balance of an appropriation which may be encumbered for the purposes of the specific appropriation.

**Balanced Budget:** The total of adopted expenditures shall not exceed the total of estimated income and fund balances.

**Baseline Budget:** A Baseline Budget reflects the anticipated costs of carrying out the current level of service or activities as authorized by the Mayor and City Council in the current budget. It may include an adjustment for cost increases, but does not include changes in service levels or authorized positions over that authorized by the Mayor and City Council.

**Bond (Municipal):** A written promise from a local government to repay a sum of money on a specific date at a specified interest rate. Bonds are frequently used to finance capital improvement projects such as buildings and streets.

**Budget:** A plan of financial operation, for a set time period, which identifies specific types and levels of services to be provided; adopted appropriations or expenses; and the recommended means of financing them.

**Budget Amendment:** The Mayor and City Council has the sole authority for adopting the City's budget and may amend or supplement the budget at any time after adoption by a majority vote. The City Manager has the authority to approve line item budgetary transfers between expenditure objects of the budget as long as it is in the same fund.

**Budget Calendar:** The schedule of key dates which City departments follow in the preparation, revision, adoption, and administration of the budget.

**Budget Detail:** A support document to the published budget that details the line item approved expenditures.

**Budget Transmittal:** The opening section of the budget providing the Mayor and City Council and the public with a general summary of the most important aspects of the budget, changes from previous fiscal years, and presents recommendations made by the City Manager.

**Budget Year:** This is the fiscal year for which the budget is being considered; the fiscal year following the current year.

**Budgetary Unit:** An organizational component budgeted separately, usually an agency, a department or further subdivision.

**Cafeteria Benefit Plan:** Qualified benefit package as defined by Section 125 of the Internal Revenue Code. This includes Ontario employee benefits for deferred compensation, disability, health, dental, life and vision insurance.

**CalPERS:** California Public Employees Retirement System, which provides retirement and health benefit services for full time City employees and retirees.

**Capital Expenditure:** An acquisition or an improvement (as distinguished from a repair) that will generally have a life of five years or more. The City of Ontario's Operating Budget defines "Capital" as acquisitions costing \$5,000 or more.

**Capital Improvement Budget:** A financial plan of authorized expenditures for tangible, long-term construction of, or improvements to, public facilities and infrastructure.

## *Glossary*

**Capital Improvement Program (CIP):** A long-term plan (usually of five years) for significant projects such as street or park improvements, building construction, and various major facility repairs. The projects set out in the plan usually require funding beyond a one-year period; and the plan details funding sources and expenditure amounts.

**Capital Outlay:** Expenditures which result in the acquisition of, or addition to, fixed assets. A capital item is tangible, durable, non-consumable, costs \$5,000 or more, and generally has a useful life of five years or more.

**Capital Project Fund:** A governmental fund used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Carryover or Carryforward:** Process of carrying a budgeted and encumbered item from the current fiscal year to the next fiscal year.

**Certificate of Participation (COP):** Obligations of a public entity based on a lease or installment sale agreement.

**Comprehensive Annual Financial Report (CAFR):** The official annual financial report of a government presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

**Contractual Services:** A series of expenditure accounts, including legal, professional services, and other services procured independently by contract or agreement with persons, firms, corporations or other governmental units.

**Consumer Price Index (CPI):** A measure of the change in prices paid by consumers as determined by a monthly survey of the U. S. Bureau of Labor Statistics. Many pension and employment contracts are tied to changes in consumer prices as protection against inflation and reduced purchasing power. Among the CPI components are the costs of housing, food, transportation and electricity. It is also known as the Cost-of-Living Index.

**Cost Accounting:** The continuous process of analyzing, classifying, recording and summarizing cost data within the confines and controls of a formal cost accounting system and reporting them to users on a regular basis.

**Cost Allocation:** Method for identifying and distributing indirect costs to agencies and departments.

**Cost Basis:** Original price of an asset, used in determining depreciation and capital gains or losses.

**Cost of Living Allowance (COLA):** Adjustment of wages designed to offset changes in the cost of living, usually as measured by the Consumer Price Index. COLAs are key bargaining tools used in labor contracts and are politically sensitive elements of social security payments and federal pensions because they affect millions of people.

**Debt Service:** The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.

**Debt Service Fund:** A governmental fund used to account for the accumulation of resources and payment of bond principal and interest from governmental resources.

**Deficit:** (1) Insufficiency in an account, whether as the result of increased costs, insufficient revenues, or shrinkage in value; (2) excess of the government's spending over its revenues.

**Department:** A basic organizational unit of government which is functionally unique in its delivery of services.

**Departmental Overhead:** Cost of a Department's Indirect Labor and Material/Supplies divided by the Department's Direct Salary and Wages cost. The result is expressed as a percentage to be applied to direct salary and wages.

**Depreciation:** Loss in value of an asset, whether due to physical changes, obsolescence, or factors outside of the asset.

**Development:** The process of placing improvements on or to a parcel of land or projects where such improvements are made, such as drainage, utilities, subdividing, access, buildings, or any combination of these elements.

**Division:** An organizational component of an agency or department.

**Economic Growth Rate:** Rate of change in the Gross Domestic Product (GDP) as expressed in an annual percentage. If adjusted for inflation, it is called the *Real Economic Growth Rate*.

**Encumbrance:** Commitment of appropriated funds to purchase goods or services. An encumbrance is not an expenditure but reserves funds to be expended.

**Enterprise Fund:** A proprietary fund used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the legislative body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

**Expenditure/Expense:** The outflow of governmental funds paid or to be paid for goods or services obtained regardless of when the expenditure is actually paid (an encumbrance is not an expenditure).

**Expenditure Account Number:** Unique identification number and title for a minor expenditure category; represents the most detailed level of budgeting and recording of expenditures and is referred to as a "line item".

**Fiscal Year (FY):** A 12-month period for recording financial transactions; specified by the City of Ontario as beginning on July 1<sup>st</sup> and ending on the following June 30<sup>th</sup>.

**Fixed Asset:** Asset of long-term character such as land, buildings, machinery, equipment, and furniture.

**Fixed Asset Management:** Tagging and preparing asset ledgers for plant, facilities, and equipment; recording changes in asset status; and conducting periodic inventories of assets.

**Forecast:** Estimate of the future impact of current revenue and expenditure policies based on specific assumptions about future conditions such as inflation or population growth. Forecasts are neither predictions about the future nor a statement of policy intentions.

**Franchise Fee:** A fee charged for the privilege of using public rights-of-way and property within the City for public or private purposes. The City currently assesses franchise fees on cable television and utilities.

**Fringe Benefit:** Compensation an employer contributes to its employees such as retirement or life/health insurance.

**Full-time Equivalent (FTE):** Positions or fractions thereof based on a full-time definition of forty hours of work per week.

**Fund:** A separate accounting entity with a self-balancing set of accounts to record all financial transactions (revenues and expenditures) for specific activities or government functions.



## *Glossary*

**Fund Accounting:** System used by nonprofit organizations, particularly governments, for financial reporting. As there is no profit motive, accountability is measured instead of profitability, with the main purpose being stewardship of financial resources received and expended in compliance with legal requirements and on behalf of the general public.

**Fund Balance:** Excess of assets over liabilities and reserves, also known as surplus funds (governmental funds only).

**General Fund:** A governmental fund used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**Generally Accepted Accounting Principles (GAAP):** Conventions, rules and procedures that define accepted accounting practice, including broad guidelines as well as detailed procedures.

**General Obligation Bond:** Bonds that are limited by State law as to the amount as well as the length of indebtedness that a government can have. These "Full Faith and Credit" bonds are secured by all of the financial assets of the local government, including property taxes.

**Grant:** Contributions or gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose or activity, such as Community Development Block Grants awarded by the federal government.

**Gross Domestic Product (GDP):** Total value of goods and services produced within a country's economy over a particular period of time, usually one year. GDP measures a country's economic activity regardless of who owns the productive assets in that country and is the primary indicator of the status of the economy.

**Historical Cost:** Actual expenses incurred during the previous fiscal year and the basis for how trends are determined. Accounting principles require that all financial statement items be based on original or acquisition costs.

**Indirect Cost:** Costs which are not easily seen in the product or service. Utility, hazard insurance on a building, and data processing costs are examples of this.

**Indirect Labor:** Wages and related costs of support for administrative employees whose time is not charged directly to a project or service; the efforts of such personnel benefit the products or services and direct charging to the project is not feasible.

**Infrastructure:** The physical assets of the City (i.e., streets, water, sewer, public buildings, and parks) and the support structures within a development.

**Inflation:** A rise in the prices of goods and services, as what may happen when spending increases relative to the supply of goods on the market.

**Interest Revenues:** Revenues received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

**Internal Services Fund:** A proprietary fund used to account for the financing of goods and services provided by one department to another department, on a cost-reimbursement basis; examples include Information Technology or Equipment Services.

**Jurisdiction:** Geographic or political entity governed by a particular legal system or body of laws.

**Line Item Budget:** A budget listing detailed expenditure categories (personnel, operating, contractual) separately, along with the amount budgeted for each specific category. The City uses line item budgeting.

**Modified Accrual Basis or Modified Accrual Method:** An accounting method whereby income and expense items are recognized as they are available and measurable.

**Objective:** Measurable statement of the intended beneficial and tangible effects of a program's activities; a specific target toward which a manager can plan, schedule work activities, and make staff assignments; is stated in quantifiable terms such that it is possible to know when it has been achieved, i.e., to increase an activity by a specific amount by a certain date; all of which the emphasis is on performance and its measurability.

**Operating Expense:** A series of account numbers which include expenditures for items which primarily benefit the current period and are not defined as personnel services; contractual services; or capital outlays.

**Organizational Chart:** A chart showing the interrelationships of positions within an organization in terms of authority and responsibilities.

**Overtime:** Time worked in excess of an agreed upon time for normal working hours by an employee. Hourly or non-exempt employees must be compensated at one and one-half their normal hourly rate for overtime work beyond 40 hours in a work week (based on a traditional work schedule).

**Performance Measure:** Specific quantitative measure of work performed within a program (i.e., miles of streets cleaned); specific quantitative measures of results obtained through a program (i.e., percent reduction in response time compared to a previous period).

**Personnel Year:** The actual or estimated portion of a position expended for the performance of work. For example, a full-time position which was filled by an employee for half of a year would result in an expenditure of 0.5 personnel years. Generally, one personnel year equals 2,080 hours of compensated work and leave time.

**Program:** An accounting and reporting level related to a specific activity or function.

**Project:** An accounting, reporting, and/or budgeting level related to a specific activity, program, and/or grant.

**Proprietary Fund:** A fund to account for operations similar to those found in a business, such as an Enterprise or Internal Services fund.

**Purchase Order:** A requisition issued authorizing the acquisition of specific goods or services, and the incurrence of a debt for them. A purchase order typically encumbers budgeted funds.

**Reserve:** The portion of a fund's balance legally restricted for a specific purpose, therefore, not available for general appropriation.

**Resolution:** Legal order by a government entity.

**Retained Earnings:** The accumulated earnings of an Enterprise or Internal Service fund which have been retained in the fund and are not reserved for any specific purpose.

**Revenue:** Funds received from various sources and treated as income to the City and used to finance expenditures. Examples are tax payments, fees for services, fines, grants, licenses, permits, and interest income.

**Revenue Source:** Specific area from which revenue is derived, i.e. ad valorem taxes.

**Salary and Wages:** An employee's monetary compensation for employment. Examples are compensation paid by the City for full-time employees, part-time employees, overtime, special duty pay, uniform allowance and annual leave payoff.

**Salary Savings:** Personnel cost savings resulting from position vacancies resulting from employee turnover.

## *Glossary*

**Special Assessment Fund:** Funds used to account for monies received from special charges levied on property owners who benefit from a particular capital improvement or service.

**Special District:** A designated geographic area established to provide a specialized service (e.g., Landscape Maintenance District).

**Special Revenue Fund:** A governmental fund type used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Subvention:** That portion of revenue collected by other government agencies on the City's behalf.

**Transient Occupancy Tax:** A tax, collected from the operators of hotels and motels located within the City, charged to those individuals staying at hotels and motels located within the City. The tax is authorized and established in accordance with the Ontario Municipal Code.

**Trust and Agency Fund:** Also known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies.



MAYOR  
Paul S. Leon

MAYOR PRO TEM  
Sheila Mautz

COUNCIL MEMBERS  
Alan D. Wapner  
Jim W. Bowman  
Debra Dorst-Porada

CITY TREASURER  
James R. Milhiser

CITY CLERK  
Mary E. Wirtes

CITY MANAGER  
Chris Hughes

ADMINISTRATIVE SERVICES/  
FINANCE DIRECTOR  
Grant D. Yee

