

CITY OF ONTARIO, CALIFORNIA

FOCUSED ON JOBS, SERVICE AND THE FUTURE



2013-14 ADOPTED ANNUAL OPERATING BUDGET
SUMMARY



Paul S. Leon
Mayor



Jim W. Bowman
Mayor pro Tem



Alan D. Wapner
Council Member



Debra Dorst-Porada
Council Member



Paul Vincent Avila
Council Member



City of Ontario
List of Principal Officials

Elected Officials

Paul S. Leon	Mayor
Jim W. Bowman	Mayor pro Tem
Alan D. Wapner	Council Member
Debra Dorst-Porada	Council Member
Paul Vincent Avila.....	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 C. Boling	Deputy City Manager
Jacob Green.....	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 & Municipal Services 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 2013-14 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 2013-14. 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 2013-14 Adopted Operating Budget is structurally balanced, 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 2013-14 is **\$423,826,981** (this includes **\$168,997,116** in the General Fund and **\$254,829,865** in other funds that includes Special Revenue, Capital Project, Enterprise Operations, Internal Services, and Fiduciary). The Adopted Operating Budget for Fiscal Year 2013-14 for the Ontario Housing Authority is **\$19,375,799**, and

for the Redevelopment Successor Agency it is **\$19,306,474**. The total overall budget is **\$462,509,254**.

Balanced Budget

Consistent with the projections outlined in the Five-Year Budget Action Plan developed in Fiscal Year 2009-10, I am pleased to report that the Adopted Fiscal Year 2013-14 General Fund Budget is structurally balanced without the use of reserves or one-time monies. The Five-Year Budget Action Plan consisted of a combination of cost reductions and strategic allocation of the Economic Uncertainties Reserves. As a result of the City Council's conservative fiscal policies and early preparation of the economic downturn, the City has maintained its fiscal health while minimizing any impacts on the delivery of services, programs, and capital projects to the

community. In addition to withstanding the global economic downturn for the past several years, the Five Year Budget Action Plan also helped position the City to take advantage of the next economic growth cycle.

Economy Improving

Based on current economic data, the local economy is showing signs of steady improvements, with stronger gains reported in sales tax revenues, growth in home prices, and decline in the unemployment rate. Sales tax revenues for the 4th quarter of 2012 grew approximately seven percent compared to a year ago. This growth is primarily attributed to higher consumer spending in retail and new auto sales. In March 2013, median home prices for the San Bernardino County area increased to \$190,000 from \$150,000 a year earlier. This significant increase of

<i>Funding Sources</i>	<i>Total Revenues & Transfers-In</i>			<i>Total Expenditures & Transfers-Out</i>		
	Adopted 2012-13	Adopted 2013-14	Change	Adopted 2012-13	Adopted 2013-14	Change
General Fund ^a	\$ 157,125,399	\$ 168,997,116	\$ 11,871,717	\$ 163,022,811	\$ 168,997,116	\$ 5,974,305
Special Revenues Fund	41,627,629	39,208,630	(2,418,999)	46,138,170	42,156,263	(3,981,907)
Capital Project Funds	7,476,400	33,726,358	26,249,958	9,301,165	31,948,708	22,647,543
Enterprise Funds	118,617,874	121,994,500	3,376,626	144,516,477	146,984,059	2,467,582
Internal Service Funds	28,867,143	28,786,303	(80,840)	30,628,640	30,440,835	(187,805)
Fiduciary Fund	8,153,459	8,250,840	97,381	3,300,000	3,300,000	0
Total City Ontario	\$ 361,867,904	\$ 400,963,747	\$ 39,095,843	\$ 396,907,263	\$ 423,826,981	\$ 26,919,718
Redevelopment Successor Agency ^b	25,979,327	19,306,474	(6,672,853)	25,979,327	19,306,474	(6,672,853)
Housing Authority	5,213,477	\$ 958,641	(4,254,836)	19,805,759	19,375,799	(429,960)
Total	\$ 393,060,708	\$ 421,228,862	\$ 28,168,154	\$ 442,692,349	\$ 462,509,254	\$ 19,816,905

^a Excluding transfers-in from economic uncertainties reserves of \$5,897,412 in FY12-13 and General Fund Trust transfers.

^b Excluding Redevelopment Successor Agency transfers.



approximately 27% is attributed to lower mortgage rates and reduced inventory. Finally, the unemployment rate for the City continues to decline with a rate of 10.5 percent in March 2013, down from a rate of 12.4 percent reported a year ago.

Based on the current economic data, it appears that the Federal Reserve's actions to lower interest rates to historical lows are working in stimulating growth in the economy. The real estate market, mortgage refinancing business, auto industry, and stock market have benefitted from the low interest rate environment.

Although the economy is improving, there are some concerns relating to the continued progress. It is projected that interest rates may rise in the near future when the market anticipates the Federal Reserve's actions to begin reducing its bond purchasing programs. A quick and significant increase in the interest rates may have a negative impact on the housing market and consumer spending. Moreover, the recent economic benefit from mortgage refinancing activities to take advantage of lower interest rates will no longer be available to stimulate the economy.

Budget Issues Ahead

Due to budget issues ahead, it is recommended that the City continue with its conservative budgeting approach as more challenges are anticipated. While proactive measures have been taken to successfully maintain the City's fiscal health, several challenges still remain, such as:

- Significant increases in the City's CalPERS retirement cost in future fiscal years
- Rising cost of medical benefits
- Decline in passenger traffic at the Ontario International Airport

- Outstanding matters with the State regarding financial obligations of the Ontario Redevelopment Agency
- Unfunded liabilities for medical retirement benefits

General Fund

Consistent with the Mayor and City Council's conservative approach to prudent fiscal management, the Fiscal Year 2013-14 Adopted Operating Budget includes General Fund revenues and transfers-ins of **\$168,997,116**, and reflects an increase of 7.6 percent when compared to Fiscal Year 2012-13 Adopted Budget. This recommended amount reflects anticipated modest growth in Sales Tax, Property Tax, and Development revenues. The Adopted Fiscal Year 2013-14 General Fund expenditure budget, including transfers-out, is **\$168,997,116**. This recommended amount included no program increases to the City Agencies' General Fund operating budgets.

With the exception of contractual personnel and utility costs, Agencies were asked to hold their operating budget with no additional program costs. The increase of 3.7% percent to the overall General Fund expenditure was primarily in Debt Service, as a result of additional bond payments associated with an upcoming bond issuance that will finance various capital improvement projects.

Personnel Services also increased due to contractual employment contracts, higher rates in health and retirement benefits, and added positions needed in anticipation of development growth in the New Model Colony. The Adopted Operating Budget for Fiscal Year 2013-14 also reflects several organizational changes between various Agencies that will enhance program operations and efficiencies.

The City's projected General Fund Unreserved Ending Fund Balance as of June 30, 2014 is approximately **\$35,297,660** and is 21.3 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 2013-14 Budget Highlights

As the economy improves, 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 2013-14 includes \$3.8 million for street pavement rehabilitation, traffic signage, handicap access ramps and other street related improvements.

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 Anthony Munoz Community Center Rehabilitation Project, adopted at approximately \$7.2 million, will include the construction of a new community center. The adopted budget also includes appropriations for new playground and outdoor fitness equipment at Ontario Motor Speedway and Centennial Parks.



Consistent with the City Council's goal to *Maintain the Current High Level of Public Safety*, the Adopted Budget for Fiscal Year 2013-14 allocates \$2.5 million toward the construction of a new fire training tower. The Adopted Budget also includes the replacement of 32 police vehicles and 4 fire vehicles. The upcoming bond issuance will also fund the construction of a new \$6 million Emergency Operations Center.

Moreover, the Adopted Budget for Fiscal Year 2013-14 achieves the City Council's goal of *Invest in the City's Infrastructure* by allocating approximately \$49 million in various capital improvement projects throughout the City, including \$16.6 million allocated to construct Francis Street Storm Drain Facility. This project will greatly reduce the excess run off from storm water, and significantly improve safety and traffic flow in this area. In addition, \$13 million is recommended for the design and installation of solar roof systems on both the Police Headquarters and Ontario Convention Center buildings. This investment will generate a positive financial return and environmental benefit as a result of significant savings in energy costs and lower greenhouse gas emissions.

Finally, the Adopted Budget for Fiscal Year 2013-14 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 Ontario Airport Authority. To further this endeavor, the City has continued its 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 in the best interest of the City and the Inland Empire to gain local control of the airport. This endeavor is aligned 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, 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 (CSMFOA) for its Fiscal Year 2012-13 Adopted Operating Budget. This is the fourteenth 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 a communications device. Staff believes that the Adopted Operating Budget for Fiscal Year 2013-14 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 four fiscal years, 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 2013-14, 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 prepared to take advantage of opportunities in the next economic growth cycle.

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*

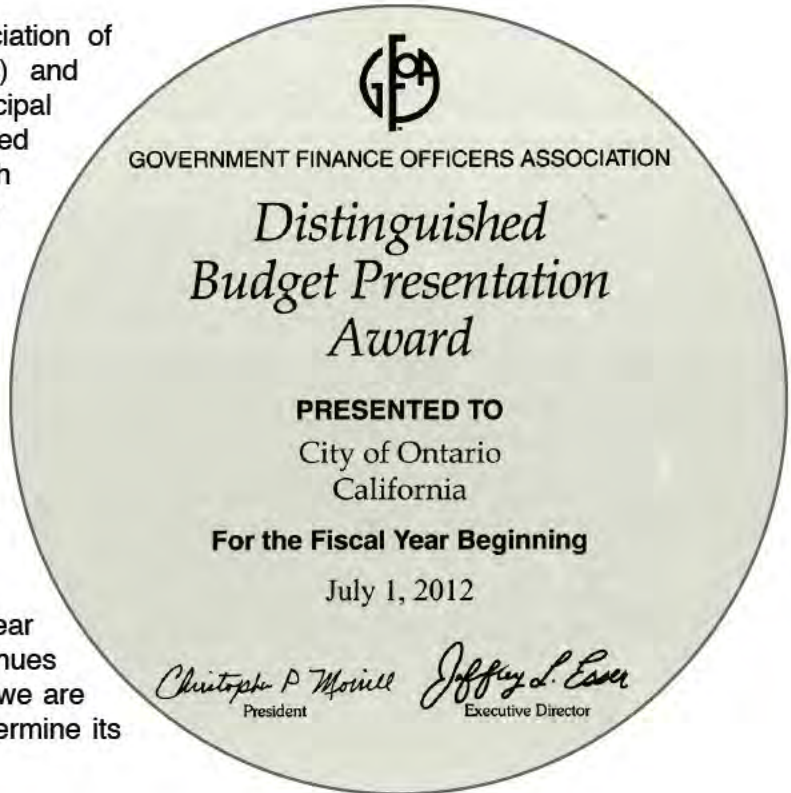


Annual Budget Awards Achieved

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, 2012.

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 2013-14 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 2013-14 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. Agencies have been instructed to operate within their Fiscal Year 2012-13 General Fund Operating budgeted amounts.

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.

INVEST

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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 budget 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

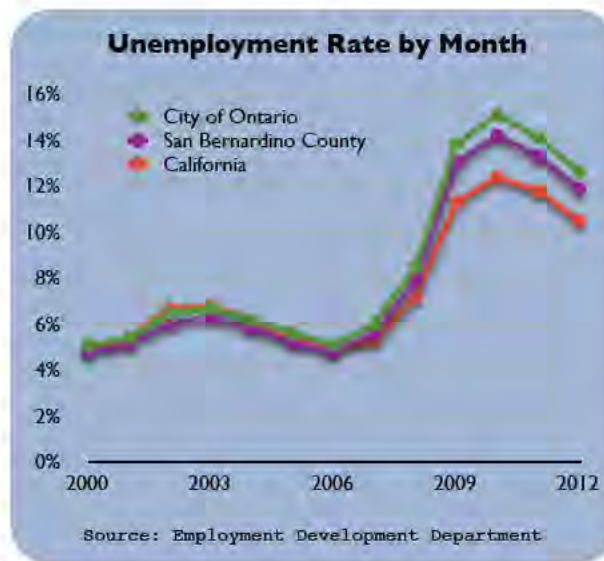
The Consumer Confidence Index for the month of April 2013 was 68.1. This is an increase from March's index of 61.9. Consumer confidence challenges remain with the federal deficit and potential budget cuts. The CCI of 90 and above is considered an indication of solid economic growth.

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 estimated 2013 first quarter GDP increased at an annual rate of 2.5 percent. This improvement is attributed to businesses replenishing inventories that were drawn down at the end of 2012 and consumers spending in housing and utility costs.

Unemployment

The unemployment rate in the State of California, the County of San Bernardino, and the City of Ontario as of March 2013 was at 9.4 percent, 11.2 percent, and 10.5 percent, respectively. Although jobless rates are gradually decreasing, they are still high compared to the years prior to the economic crisis.



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.

Construction

Historically, the construction industry has brought employment and billions of dollars into the Inland Empire. Although the construction industry showed a slight increase of jobs from the prior month, it was not comparable to the jobs a year ago. In March 2013, the number of construction jobs in the Riverside and San Bernardino County areas slightly increased to 57,600 from 57,500, compared to February 2013.

However, this was still less than a year ago of 58,700, in March 2012.

Manufacturing

The Purchasing Managers Index (PMI) is another indicator of economic activity. The April 2013 PMI was 50.7, which was a decrease compared to 54.1 a year ago and a slight decline compared to 51.3 a month ago. Generally a PMI higher than 50 is an indication that manufacturing in the nation is expanding.

Economic Outlook

Real Estate Market

In March 2013, the median price for a home in San Bernardino increased to \$190,000 from \$150,000, up 26.7 percent from a year earlier. Los Angeles County and Riverside County median home prices rose 24.2 and 22.5 percent, respectively. During March, home prices hit their highest levels in nearly five years.

Office vacancy rates for fourth quarter 2012 were the lowest since 2009.

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. The passenger count at the Ontario International Airport for first quarter 2013 reached a record low at 950,000. Passenger count at ONT has reached a high of 7.2 million in 2005, to a low of 4.3 million in 2012, a 40 percent decrease.

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. Freight activity for July 2012 to March 2013 was 343,017 tons, which was approximately 12,000 tons

or 4 percent more than a year ago during the same period. Although the volume increased from the prior year, it is still low and comparable to the late 1990s level.

**Office Vacancy and Industrial Availability Percentage
Fourth Quarter 2012**

	Office Vacancy						Industrial	
	Downtown		Suburban		Metropolitan		Availability	
	11Q4	12Q4	11Q4	12Q4	11Q4	12Q4	11Q4	12Q4
Inland Empire	N/A	N/A	22.8	21.3	22.8	21.3	11.9	11.4
Los Angeles Metro	18.5	18.9	17.4	16.4	17.6	16.8	6.8	6.6
Orange County	N/A	N/A	15.3	13.1	15.3	13.1	8.1	6.9
San Diego	18.3	17.6	16.3	14.7	16.6	15.2	15.5	14.1
National Average	12.8	12.4	17.8	17.1	16.0	15.4	13.5	12.8

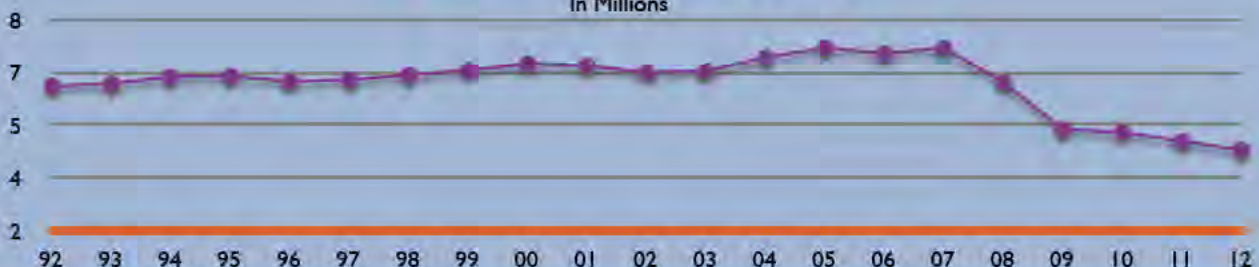
Source: California Economic Indicators

Closing Thoughts

The economy is showing some signs of recovery. The continuation of the recovery is still dependent on how the Federal government addresses their deficit, increase jobs in the private sector and higher wages. The City still needs to be attentive during this economic recovery stage to ensure that the City of Ontario is positioned to take advantage of opportunities in the next economic growth cycle.

◆ Annual ONT Passenger Count

In Millions



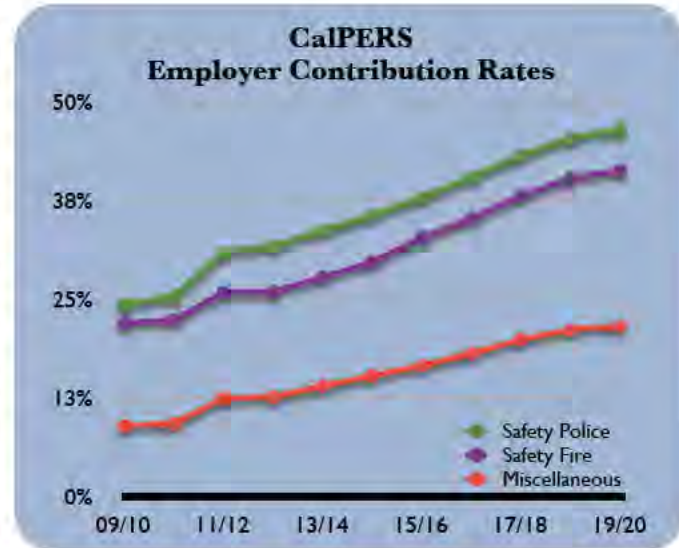
Source: Ontario International Airport

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.

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. With the recent adoption of amortization and smoothing policy changes by the CalPERS Board to address the severity of the underfunding, significant employer contribution rate increases will begin in Fiscal Year 2015-16. CalPERS proposed rates will increase by approximately 50% by Fiscal Year 2019-20. These rates are dependent upon CalPERS earning a 7.5 percent return on their investments in the future.



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 2011-12 indicated that the City liability was \$157 million. As of June 30, 2012, the City has funded \$71.3 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.

2013-14 Operating Budget Calendar

September 2013

- Departments submit 1st Quarter Budget Requests

November 2013

- Council meets to consider the 1st Quarter Budget Report

January 2014

- Departments submit Mid-Year Budget Requests

February 2014

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

March 2014

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

April 2014

- Close access to the On-Line Budget System

- Departments submit Expenditure Budget, Capital Projects, Revenue Projections, Accomplishments, Performance Measures, and Major Goals
- Begin review of Departmental Budgets
- Departments submit 3rd Quarter Budget Requests

May 2014

- 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 2014

- 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



***Expenditures
& Revenue***

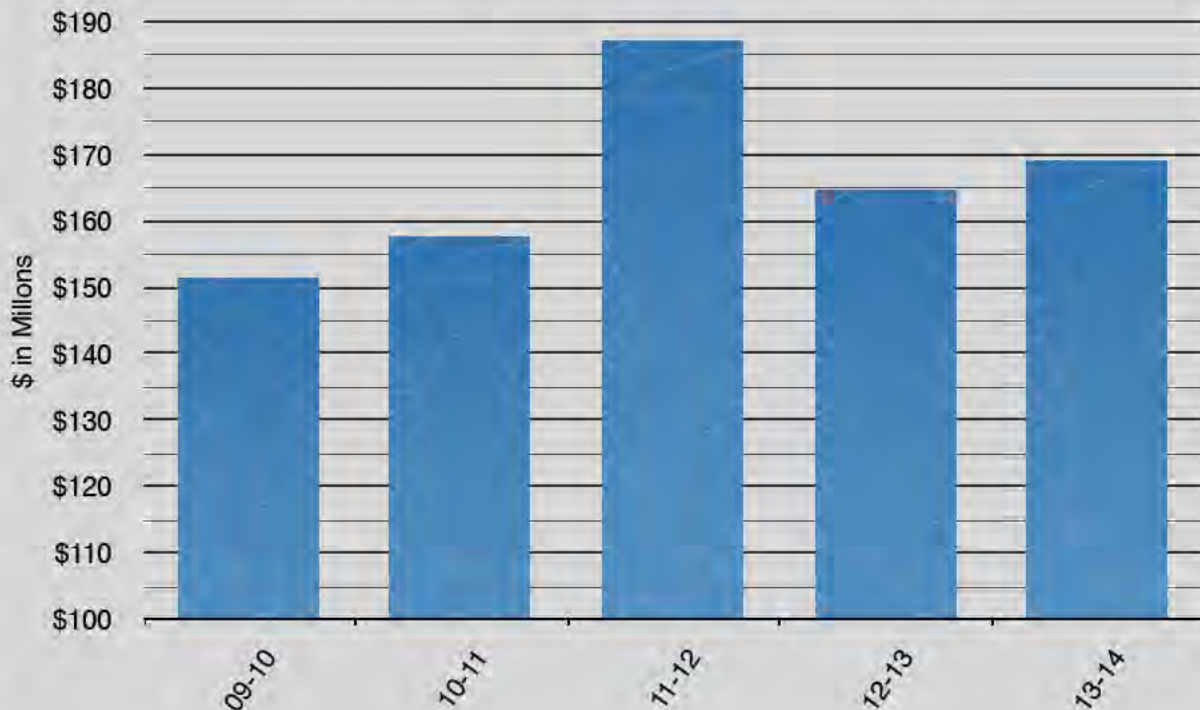
Expenditures Overview - General Fund

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 \$168,997,116 for Fiscal Year 2013-14. Highlights of changes within the specific expenditure categories are described in the following section.

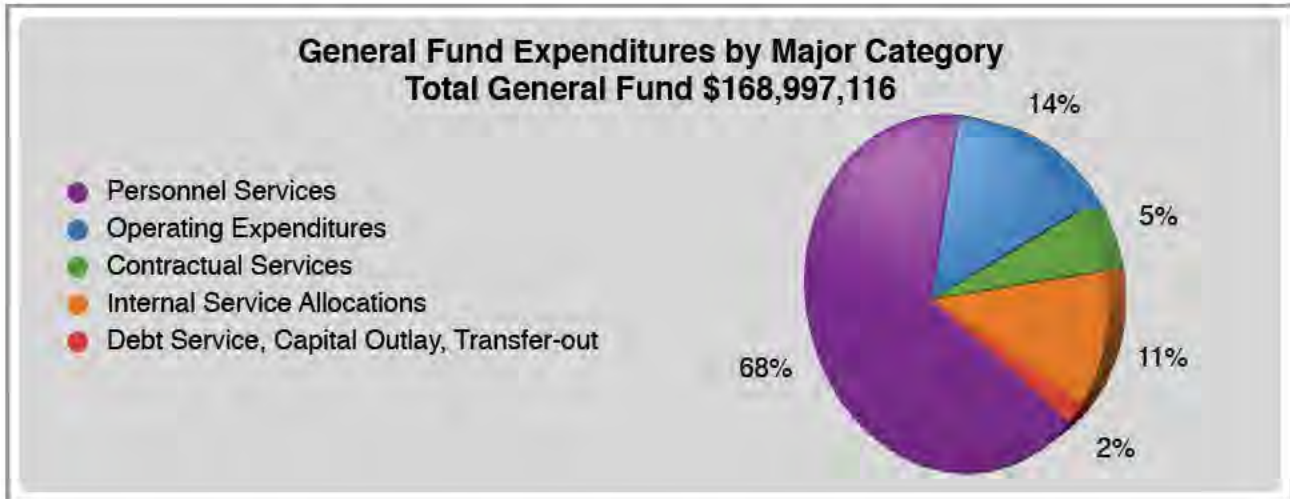
Personnel Services

Personnel Services category represents the largest share of General Fund dollars: \$115,257,566 or 68 percent of the total Fiscal Year 2013-14 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 2013-14. Included in the adopted Personnel Services Budget, across all funds, is a net increase of 6 positions: Four additional positions in the Development Agency for anticipated development growth and two additional positions in the City Administration Agency. (The details of these approved personnel changes are found on page 33.) The additional amount for these changes is approximately \$800,000 to the General Fund Personnel Services adopted budget.

Total General Fund Expenditures by Fiscal Year



Expenditures Overview - General Fund



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 approximately \$8 million of the Adopted Fiscal Year 2013-14 Personnel Budget. For the General Fund, the amount set-aside for future retiree health benefits is approximately \$7.3 million, as Police and Fire account for the majority of retiree health benefit costs.

Operating Expenditures

General Fund Operating Expenditures are adopted at \$24,086,365 or 14 percent of the total FY 2013-14 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 includes no additional program costs; however, there is an additional \$300,000 for the expenditures related to the former Ontario Redevelopment Agency in which funding has been disallowed for the Redevelopment Successor Agency. Also, included in the adopted operating expenditures is \$2 million related to the upcoming bond issuance which will fund various City facilities improvements.

Contractual Services

Contractual Services, in the amount of \$8,226,287, comprises of approximately 5 percent of the total General Fund Adopted Budget for Fiscal Year 2013-14. Included in the Contractual Services category are school crossing guard services, contract costs for recreation class instructors, installation of sidewalks and ADA ramps, tree trimming services, animal control services, and legal services. In addition, Contractual Services includes: Airport Transit consulting and litigation services (\$1,135,000); and funding of contract services related to the former Ontario Redevelopment Agency in which funding has been disallowed for the Redevelopment Successor Agency (\$741,200).

Internal Service Allocations

The General Fund portion of the Internal Service Allocations is recommended in the amount of \$18,425,767 or 11 percent of the total Fiscal Year 2013-14 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 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.

Capital Outlay

The Capital Outlay category adopted amount is \$50,000 for Fiscal Year 2013-14. This is for the annual replacement of Lifepak defibrillator and monitors for the Emergency Medical Services division of the Fire Department.

Transfers-Out

The Fiscal Year 2013-14 Adopted Budget for General Fund Transfers-Out is \$2,924,131. Contributing items include funding toward the annual pavement management program (\$675,000), annual facility maintenance program (\$497,790), leave liability reserve (\$300,000), and public safety equipment reserves (\$1,150,000).



Expenditures Overview - General Fund

2013-14 Total General Fund Expenditure by Major Category

	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
Personnel Services						
51010 Salaries-Full Time	\$ 56,548,079	\$ 56,456,312	\$ 58,024,257	\$ 57,999,202	\$ 59,206,078	2.0%
51020 Salaries-Temporary/Part Time	1,506,257	1,495,841	1,742,172	1,734,172	1,750,276	0.5%
51030 Salaries-Overtime	11,344,102	11,452,848	10,485,262	10,485,262	10,485,616	0.0%
51100 Fringe Benefits	36,124,435	38,231,658	41,756,461	41,749,590	43,275,103	3.6%
51210 Auto Allowance	101,883	101,525	105,197	105,197	110,677	5.2%
51310 Uniform Allowance	429,650	429,426	429,321	429,321	429,816	0.1%
Total Personnel Services	\$ 106,054,406	\$ 108,167,611	\$ 112,542,670	\$ 112,502,744	\$ 115,257,566	2.4%
Operating Expenditures						
52010 Computer Supplies	\$ 121,973	\$ 94,367	\$ 31,728	\$ 34,318	\$ 31,225	-1.6%
52020 Office Supplies	159,071	188,413	333,974	333,974	333,799	-0.1%
52030 Books/Publications	33,217	29,797	36,550	36,550	36,525	-0.1%
52031 Library Books Adult	146,959	144,039	132,000	132,000	132,000	0.0%
52032 Library Books Children	65,539	73,840	84,500	84,500	84,500	0.0%
52033 Magazines/Periodicals	22,970	31,451	32,955	32,955	32,955	0.0%
52034 Media	67,181	72,702	73,500	73,609	73,500	0.0%
52050 Uniforms	130,431	138,617	184,815	186,576	184,815	0.0%
52110 Materials	927,220	884,673	1,365,614	1,475,430	1,343,987	-1.6%
52120 Fuel & Oil	229,339	282,404	194,145	194,145	194,250	0.1%
52140 Chemicals	35,926	35,265	28,000	28,000	28,000	0.0%
52160 Equipment Under \$5,000	280,207	286,242	342,590	376,901	364,590	6.4%
52190 Misc Materials/Supplies	882,791	895,674	1,071,765	1,102,175	1,084,925	1.2%
52210 Maintenance & Repairs	1,062,102	1,117,112	1,411,368	1,422,260	1,469,130	4.1%
52310 Electric Services	2,209,536	2,169,120	2,579,120	2,579,120	2,589,120	0.4%
52320 Natural Gas Services	73,454	64,488	95,632	95,632	95,632	0.0%
52330 Telecommunication Services	341,892	326,172	403,375	403,375	399,925	-0.9%
52341 City Utilities Service	1,114,664	1,205,933	1,510,585	1,510,585	1,538,585	1.9%
52410 Advertising/Promotional	95,144	8,249	756,635	760,848	754,885	-0.2%
52510 Travel/Conference/Training	408,203	450,038	679,900	679,900	668,550	-1.7%
52520 Dues and Memberships	109,707	139,859	177,609	177,609	189,479	6.7%
52530 Employee Education	7,182	8,218	10,000	10,000	10,000	0.0%
52610 Rental/Lease Expense	4,618,442	4,589,113	3,383,848	3,396,565	5,385,578	59.2%
52710 Duplicating Expense	95,737	93,097	120,816	129,182	120,816	0.0%
52720 Postage Expense	427,422	433,655	464,252	464,252	444,040	-4.4%
52740 Landfill Disposal	49,843	27,878	40,110	44,540	40,910	2.0%
52990 Miscellaneous Services	2,411,999	2,366,107	2,517,285	2,537,937	2,525,875	0.3%
52991 Maintenance Services	1,223,955	1,380,100	1,458,960	1,428,660	1,535,872	5.3%

Expenditures Overview - General Fund

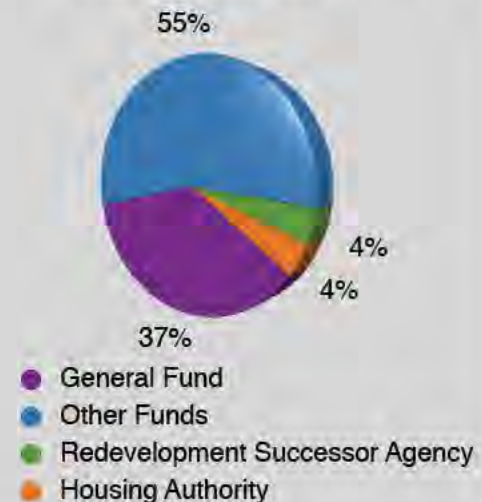
2013-14 Total General Fund Expenditure by Major Category

	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
53010 Property Acquisition Expense	0	3,100	0	0	0	0.0%
53730 Property Tax Assessment	150,497	153,494	151,800	151,800	161,800	6.6%
53990 Other Expense	2,056,916	1,993,243	2,222,999	2,262,659	2,231,097	0.4%
Total Operating Expenditures	\$ 19,559,521	\$ 19,686,459	\$ 21,896,430	\$ 22,146,057	\$ 24,086,365	10.0%
Contractual Services						
55010 Legal Services	\$ 820,880	\$ 1,272,058	\$ 1,281,995	\$ 1,318,625	\$ 2,181,995	70.2%
55020 Accounting & Auditing Services	53,438	55,028	58,350	58,350	56,915	-2.5%
55110 Architect & Engineer Services	23,722	8,692	6,165	33,174	156,165	2,433.1%
55120 Construction Contracts	0	0	0	85,000	0	0.0%
55130 Improvement Costs	645,000	645,153	645,152	645,152	645,152	0.0%
55140 Environmental Remediation	34,261	11,278	71,475	71,475	71,475	0.0%
55150 Site Clearance Costs	2,621	22,231	20,600	19,400	20,600	0.0%
55310 Other Professional Services	3,566,249	4,177,813	4,945,123	6,183,037	4,998,065	1.1%
55330 Property Management Services	4,680	4,683	45,920	45,920	95,920	108.9%
Total Contractual Services	\$ 5,150,851	\$ 6,196,935	\$ 7,074,780	\$ 8,460,133	\$ 8,226,287	16.3%
Internal Service Allocations						
57010 Equipment Services-City	\$ 4,599,512	\$ 4,587,798	\$ 4,587,799	\$ 4,587,799	\$ 4,587,799	0.0%
57110 Information Services-City	6,772,994	6,732,959	6,898,621	6,898,621	6,898,621	0.0%
57210 Risk Liability-City	2,129,927	2,123,301	2,134,376	2,134,376	2,134,376	0.0%
57310 Workers Compensation	4,142,318	4,234,561	4,032,234	4,030,533	4,100,352	1.7%
57410 Disability/Unemployment	448,671	460,804	686,476	686,159	704,619	2.6%
Total Internal Service Allocation	\$ 18,093,422	\$ 18,139,422	\$ 18,339,506	\$ 18,337,488	\$ 18,425,767	0.5%
Debt Service						
58010 Debt - Principal	\$ 0	\$ 19,611,973	\$ 0	\$ 0	\$ 0	
58110 Reimbursement Agreements	21,889	32,904	27,000	27,000	27,000	0.0%
Total Debt Service	\$ 21,889	\$ 19,644,877	\$ 27,000	\$ 27,000	\$ 27,000	0.0%
Capital Outlay						
60010 Office Equipment & Furniture	\$ 8,411	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
61010 Vehicles	11,302	3,505,983	0	0	0	0.0%
62010 Other Equipment	93,058	68,424	50,000	106,733	50,000	0.0%
Total Capital Outlay	\$ 112,770	\$ 3,574,407	\$ 50,000	\$ 106,733	\$ 50,000	0.0%
TOTAL	\$ 148,992,858	\$ 175,409,712	\$ 159,930,386	\$ 161,580,155	\$ 166,072,985	3.8%
Transfers-Out	\$ 8,547,073	\$ 11,786,178	\$ 3,092,425	\$ 3,110,230	\$ 2,924,131	-5.4%
TOTAL & TRANSFERS-OUT	\$ 157,539,931	\$ 187,195,890	\$ 163,022,811	\$ 164,690,385	\$ 168,997,116	3.7%

Expenditures Overview - Citywide

The City's Operating Budget is a flexible spending plan and serves as the legal authority for departments to commit financial resources in providing services to the residents and businesses of Ontario. The Fiscal Year 2013-14 Adopted Budget, including transfers-out, for the City of Ontario, Redevelopment Successor Agency (Successor), and Ontario Housing Authority (OHA) is at \$462,509,254. This includes \$423,826,981 for the City (\$168,997,116 in the General Fund and \$254,829,865 in Other Funds including Enterprise Operations, Quiet Home Program, Gas Tax, Capital Projects, and Internal Services). Adopted for Successor is \$19,306,474 and for OHA is \$19,375,799. The City's General Fund Budget of \$168,997,116 is 37 percent of the total City, Successor, 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 2013-14 Capital Improvement expenditures of \$49,370,000 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.

City, Redevelopment Successor Agency and Ontario Housing Authority Expenditure Summary by Fund Type
Total \$462,509,254



Highlights of the Fiscal Year 2013-14 Adopted Budget for the City of Ontario, Successor, and OHA include:

- ▶ \$16.6 million Construction of a storm drain facility, and widening and improvement of Francis Street from Bon View Avenue to Grove Avenue, which will greatly reduce excess run off from storm water, and significantly improve safety and traffic flow in this area
- ▶ \$13.0 million Design and install Solar Photovoltaic systems on both the Police Facility and Ontario Convention Center buildings, which will provide a significant energy usage savings for the City and will be consistent with the City's Municipal Climate Action Plan in regards to greenhouse gas reduction measures
- ▶ \$7.2 million Rehabilitation and improvement to the Anthony Munoz Community Center and Park, including the demolition of the existing community center and construction of a new community center
- ▶ \$3.4 million Increase personnel related expenditures due to higher retirement and health insurance rates, and costs associated with recent City labor groups contract negotiations
- ▶ \$3.0 million Rehabilitation of existing pavement at the Ontario Municipal Services Center which has exceeded its service life and is severely deteriorated; project will include the public and employee parking area, and storm drain improvements

Expenditures Overview - Citywide

2013-14 Total Expenditure by Major Category

	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
Personnel Services						
51010 Salaries-Full Time	\$ 72,346,780	\$ 72,108,634	\$ 74,419,175	\$ 74,439,299	\$ 75,947,839	2.1%
51020 Salaries-Temporary/Part Time	1,540,678	1,511,802	1,762,390	1,754,390	1,770,494	0.5%
51030 Salaries-Overtime	12,835,491	13,051,216	11,889,419	12,692,958	11,757,980	-1.1%
51050 Compensated Absence	344	(16,997)	0	0	0	0.0%
51100 Fringe Benefits	43,218,773	45,740,306	50,278,742	50,322,580	52,132,166	3.7%
51140 Disability Benefits Payments	149,155	207,111	210,000	210,000	210,000	0.0%
51160 Retired Employee Group Ins	2,759,230	2,967,790	3,300,000	3,300,000	3,300,000	0.0%
51210 Auto Allowance	136,399	141,646	144,682	144,682	145,476	0.5%
51310 Uniform Allowance	433,200	433,350	434,100	434,100	434,100	0.0%
Total Personnel Services	\$ 133,420,051	\$ 136,144,858	\$ 142,438,508	\$ 143,298,009	\$ 145,698,055	2.3%
Operating Expenditures						
52010 Computer Supplies	\$ 187,998	\$ 148,246	\$ 60,228	\$ 64,818	\$ 59,725	-0.8%
52020 Office Supplies	202,895	230,557	474,931	476,931	471,384	-0.7%
52030 Books/Publications	45,502	38,005	54,330	54,330	53,730	-1.1%
52031 Library Books Adult	146,959	146,525	136,000	136,914	136,000	0.0%
52032 Library Books Children	65,539	73,840	84,500	87,500	84,500	0.0%
52033 Magazines/Periodicals	23,063	31,451	32,955	32,955	32,955	0.0%
52034 Media	69,680	72,702	73,500	73,609	73,500	0.0%
52050 Uniforms	131,921	139,953	189,172	191,733	188,415	-0.4%
52110 Materials	3,218,306	3,074,092	3,941,704	4,190,489	3,932,842	-0.2%
52120 Fuel & Oil	1,647,371	1,932,986	2,228,645	2,229,867	2,178,750	-2.2%
52130 Tires	343,175	366,165	450,000	450,000	440,000	-2.2%
52140 Chemicals	91,141	72,937	160,500	160,500	160,500	0.0%
52150 Water Purchases	12,995,371	10,198,985	20,006,800	20,006,800	20,906,800	4.5%
52160 Equipment Under \$5,000	3,452,666	2,559,428	1,390,375	2,747,852	1,557,945	12.1%
52190 Misc Materials/Supplies	1,401,370	1,511,988	1,938,985	1,984,242	2,082,495	7.4%
52210 Maintenance & Repairs	3,730,436	4,063,097	5,689,438	5,917,183	6,003,140	5.5%
52310 Electric Services	4,826,886	4,515,513	6,125,373	6,122,973	6,143,973	0.3%
52320 Natural Gas Services	461,419	401,255	769,147	769,147	738,432	-4.0%
52330 Telecommunication Services	913,032	709,319	1,008,340	1,010,540	972,535	-3.6%
52340 Sewage Treatment Services	7,296,201	7,771,242	8,982,750	8,982,750	9,707,750	8.1%
52341 City Utilities Service	1,397,563	1,540,068	1,886,431	1,894,033	1,886,431	0.0%
52410 Advertising/Promotional	767,074	867,103	841,985	904,334	834,235	-0.9%
52510 Travel/Conference/Training	614,716	651,199	865,705	894,456	863,505	-0.3%
52520 Dues and Memberships	160,504	213,787	218,829	221,629	222,184	1.5%
52530 Employee Education	7,182	8,218	10,000	10,000	10,000	0.0%
52610 Rental/Lease Expense	4,760,895	4,743,357	3,506,612	3,532,626	5,504,802	57.0%

Expenditures Overview - Citywide

2013-14 Total Expenditure by Major Category

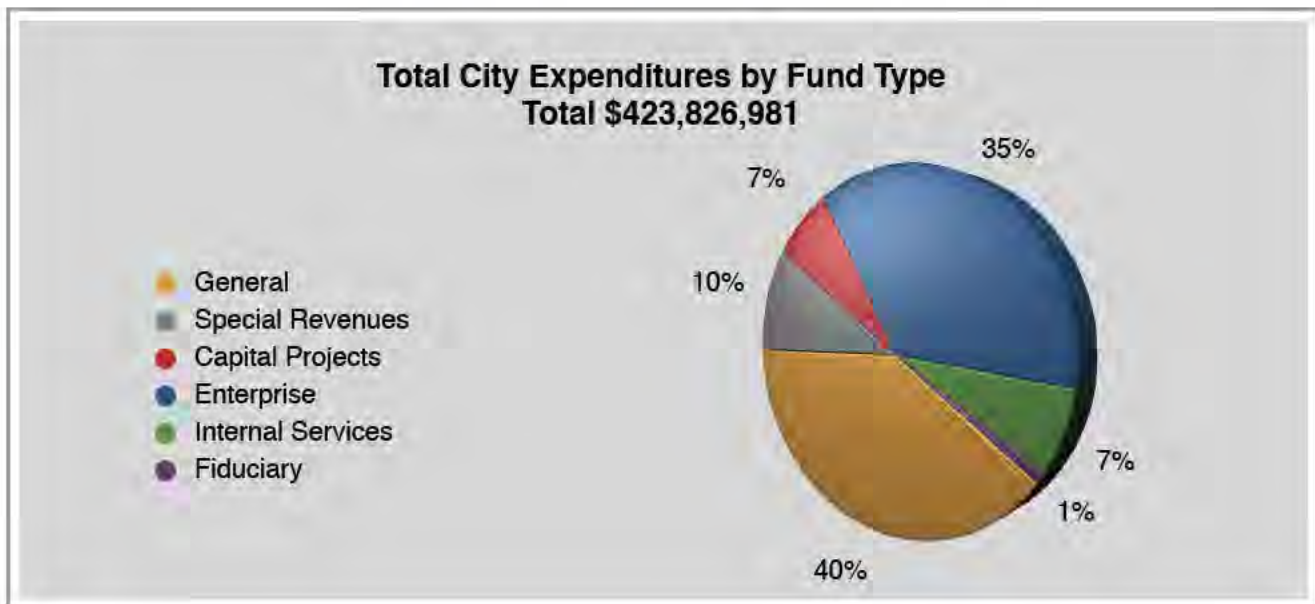
	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
52620 Insurance Premium	1,605,338	1,584,772	1,750,000	1,750,000	1,750,000	0.0%
52630 Settlement Claims Expense	7,130,401	3,748,427	4,230,000	4,230,000	4,230,000	0.0%
52710 Duplicating Expense	114,043	123,239	163,816	194,482	160,816	-1.8%
52720 Postage Expense	442,279	448,487	522,052	530,813	499,740	-4.3%
52730 Booking Fees-Police	0	569	0	0	0	0.0%
52740 Landfill Disposal	7,229,250	6,952,916	7,773,110	8,034,555	7,773,910	0.0%
52750 S.B. County Household Hazard	234,041	242,160	270,000	270,000	270,000	0.0%
52990 Miscellaneous Services	4,197,804	4,278,130	5,052,012	5,202,948	4,742,614	-6.1%
52991 Maintenance Services	2,425,230	2,201,867	2,604,122	2,604,776	2,478,634	-4.8%
53010 Property Acquisition Expense	3,176,982	4,318,434	7,677,770	12,655,266	5,044,797	-34.3%
53020 Relocation Services Costs	360,865	20,092	105,000	175,000	150,000	42.9%
53030 Relocation Payments	183,896	372,776	344,706	419,706	466,003	35.2%
53210 Loans	20,940	0	112,043	362,043	740,666	561.1%
53211 H.O.M.E. Loan	0	0	67,979	67,979	64,580	-5.0%
53212 Rehabilitation Loan M/F	1,480,056	2,046,474	0	0	0	0.0%
53213 Rehabilitation Loan S/F	101,223	460	0	0	0	0.0%
53220 Rehabilitation Grants	1,152,124	15,980	2,000,000	2,000,000	2,000,000	0.0%
53240 Rehabilitation Costs	1,716,829	3,158,982	0	1,175,814	902,952	0.0%
53310 Debt Issuance Expense	23,965	23,965	0	0	0	0.0%
53410 Administrative Expense	4,355,374	5,282,917	10,399	10,399	10,400	0.0%
53510 Depreciation	8,308,912	8,536,697	8,465,000	8,465,000	9,095,000	7.4%
53610 Bad Debt Expense	246,987	252,818	258,000	258,000	256,500	-0.6%
53710 County Tax Collection Fee	824,549	627,931	0	0	0	0.0%
53720 RDA Pass-Thru Expense	5,911,331	4,734,158	0	0	0	0.0%
53725 ERAF Tax Increment Reduction	3,375,413	0	0	0	0	0.0%
53730 Property Tax Assessment	175,989	169,198	186,800	186,800	186,800	0.0%
53990 Other Expense	7,492,951	8,791,038	9,646,498	10,499,609	4,642,624	-51.9%
Total Operating Expenditures	\$ 111,245,639	\$ 104,014,506	\$ 112,366,542	\$ 122,241,401	\$ 110,712,564	-1.5%
Contractual Services						
55010 Legal Services	\$ 2,080,360	\$ 2,252,310	\$ 2,421,995	\$ 3,086,763	\$ 3,214,495	32.7%
55020 Accounting & Auditing Services	76,520	72,648	97,221	99,021	80,986	-16.7%
55110 Architect & Engineer Services	5,239,735	6,036,218	7,177,048	17,613,599	2,807,889	-60.9%
55120 Construction Contracts	30,440,728	16,279,532	38,143,301	230,373,945	65,253,686	71.1%
55130 Improvement Costs	796,616	722,155	745,152	1,556,348	745,152	0.0%
55140 Environmental Remediation	57,304	33,563	209,025	209,025	197,525	-5.5%
55150 Site Clearance Costs	248,925	376,092	590,220	581,020	650,322	10.2%
55310 Other Professional Services	8,108,464	7,300,678	8,958,273	13,234,738	9,017,805	0.7%
55320 Property Acquisition Services	339,016	84,539	101,500	767,316	139,500	37.4%

Expenditures Overview - Citywide

2013-14 Total Expenditure by Major Category

	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
55330 Property Management Services	74,834	77,588	134,920	159,920	138,420	2.6%
Total Contractual Services	\$ 47,462,500	\$ 33,235,323	\$ 58,578,655	\$ 267,681,695	\$ 82,245,780	40.4%
Internal Service Allocations						
57010 Equipment Services-City	\$ 10,701,575	\$ 10,689,539	\$ 10,672,692	\$ 10,672,692	\$ 10,672,692	0.0%
57110 Information Services-City	8,508,021	8,325,391	8,362,483	8,362,483	8,362,483	0.0%
57210 Risk Liability-City	2,825,903	2,805,006	2,814,238	2,814,238	2,814,238	0.0%
57310 Workers Compensation	4,730,266	4,830,141	4,858,579	4,859,451	4,931,815	1.5%
57410 Disability/Unemployment	574,690	587,459	972,701	973,725	996,970	2.5%
Total Internal Service Allocations	\$ 27,340,455	\$ 27,237,536	\$ 27,680,693	\$ 27,682,589	\$ 27,778,198	0.4%
Debt Service						
58010 Debt - Principal	\$ 2,601,938	\$ 22,678,231	\$ 4,201,758	\$ 4,201,758	\$ 4,283,740	2.0%
58011 Debt - City Advance Repayments	5,080,004	15,992,148	0	0	0	0.0%
58020 Interest Expense	15,197,825	30,426,405	11,475,043	11,475,043	11,391,146	-0.7%
58110 Reimbursement Agreements	11,118,218	39,642,544	24,705,698	28,204,317	22,521,923	-8.8%
Total Debt Service	\$ 33,997,985	\$ 108,739,329	\$ 40,382,499	\$ 43,881,118	\$ 38,196,809	-5.4%
Capital Outlay						
60010 Office Equipment & Furniture	\$ 94,315	\$ 20,274	\$ 84,000	\$ 1,150,148	\$ 0	100.0%
61010 Vehicles	1,674,791	6,493,325	2,763,000	4,749,445	2,649,500	-4.1%
62010 Other Equipment	1,596,256	1,058,364	1,060,000	2,959,197	1,389,000	31.0%
63010 Building & Structures	159,337	0	0	19,226	0	0.0%
Total Capital Outlay	\$ 3,524,698	\$ 7,571,963	\$ 3,907,000	\$ 8,878,016	\$ 4,038,500	3.4%
TOTAL EXPENDITURE	\$ 356,991,330	\$ 416,943,514	\$ 385,353,897	\$ 613,662,828	\$ 408,669,906	6.1%
Transfers-Out	\$ 44,601,371	\$ 68,053,809	\$ 57,338,452	\$ 66,362,489	\$ 53,839,348	-6.1%
TOTAL & TRANSFERS-OUT	\$ 401,592,701	\$ 484,997,323	\$ 442,692,349	\$ 680,025,317	\$ 462,509,254	4.5%

Expenditures Overview - Fund Types



General Fund

The Adopted Fiscal Year 2013-14 General Fund Expenditure Budget of \$168,997,116, including transfers-out, reflects increases in personnel expenditures as a result of rising retirement and health insurance costs, along with costs associated with recent City labor group negotiations. The City's projected ending General Fund Balance as of June 30, 2014 will be \$35,297,660, which is approximately 21.3 percent of the total recommended General Fund expenditures. This is 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 many years 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.



Special Revenue Funds

The Adopted Special Revenue Funds Budget for Fiscal Year 2013-14 of \$42,156,263, 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 2013-14 Special Revenue Funds adopted budget is attributed to the Quiet Home Program, which has insulated over 1,399 houses, purchased 243 properties (53 acres), and relocated approximately 1,160 residents from the neighborhoods closest to the west end of the airport.

Gas Tax recommended budget, including transfers-out, comprises approximately 11 percent of FY 2013-14 Special Revenue Funds adopted budget; included are funding for five capital improvement projects and \$2.3 million for City street maintenance services.

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 2013-14 totals \$49,370,000 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 2013-14 of \$31,948,708, including transfers-out, contributes approximately 65 percent toward the Adopted CIP total. Major projects included in this amount are: solar roof installations at the Police Facility and the Ontario Convention Center; Anthony Munoz Community Center rehabilitation and park improvements; and construction of a storm drain facility and street improvements on Francis Street.

Enterprise Funds

The City's Enterprise Funds include operating and capital funds for water, sewer, and solid waste. The total Adopted Budget

Expenditures Overview - Fund Types

for Fiscal Year 2013-14 of \$146,984,059, 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 rehabilitation of the severely deteriorated pavement at the Ontario Municipal Services Center and Phase II of the Water Transmission Main project to replace undersized and aged pipelines.

Internal Service Funds

The Internal Service Funds includes the Equipment Services Fund, Self-Insurance Fund, and Information Technology Fund. The total Adopted Internal Service Funds Budget for Fiscal Year 2013-14 is \$30,440,835, 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.

Fiduciary

Recommended for the Fiscal Year 2013-14 Fiduciary Budget is \$3,300,000 for anticipated out-of-pocket retiree health benefit costs. Included in the Fiscal Year 2013-14 Adopted Personnel Budget is \$8 million allocated toward future retiree health benefit costs. A recent retiree medical actuarial report for Fiscal Year 2011-12 indicated that the City liability was \$157 million. As of June 30, 2012, the City has funded \$71.3 million of assets toward this liability.



Expenditures Overview - Fund Types

2013-14 Total Expenditure by Fund

		2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
General							
001	General Fund	\$ 148,992,858	\$ 175,409,712	\$ 159,930,386	\$ 161,580,155	\$ 166,072,985	3.8%
Total General		\$ 148,992,858	\$ 175,409,712	\$ 159,930,386	\$ 161,580,155	\$ 166,072,985	3.8%
General Transfers-Out		8,547,073	11,786,178	3,092,425	3,110,230	2,924,131	-5.4%
Total General & Transfers-Out		\$ 157,539,931	\$ 187,195,890	\$ 163,022,811	\$ 164,690,385	\$ 168,997,116	3.7%
Special Revenue							
002	Quiet Home Program	\$ 5,979,156	\$ 7,198,511	\$ 13,973,000	\$ 14,413,000	\$ 12,461,000	-10.8%
003	Gas Tax	3,001,366	2,493,795	4,135,164	7,955,060	4,450,728	7.6%
004	Measure I	2,461,332	1,602,405	4,344,000	6,593,837	2,760,000	-36.5%
005	Measure I Valley Major Project	2,547,472	4,564,636	800,000	99,631,871	0	0.0%
007	Park Impact/Quimby	21,407	2,712,907	0	5,709,388	0	0.0%
008	C.D.B.G	3,171,717	2,280,086	3,423,793	3,634,827	2,917,305	-14.8%
009	HOME Grants	1,825,833	1,304,207	2,347,076	1,236,260	1,920,239	-18.2%
010	Asset Seizure	363,133	513,185	509,587	1,221,625	515,587	1.2%
011	Neighborhood Stabilization Prg	449,665	784,182	1,314,633	1,314,633	518,011	-60.6%
013	A.D. Administration	82,588	67,851	199,134	198,800	197,668	-0.7%
014	Mobile Source Air	21,387	107,343	32,490	542,149	332,582	923.6%
015	General Fund Grants	4,704,410	5,106,640	8,037,700	13,968,604	8,909,500	10.8%
018	Building Safety	539,994	727,446	1,177,812	1,427,812	1,542,064	30.9%
019	Parkway Maintenance	568,775	615,843	673,187	673,104	670,467	-0.4%
070	Street Light Maintenance	232,946	179,307	339,335	339,196	339,022	-0.1%
076	Facility Maintenance	389,091	516,444	748,340	766,120	504,650	-32.6%
077	Storm Drain Maintenance	1,179,906	1,353,176	1,476,734	1,525,717	1,449,711	-1.8%
114	Historic Preservation	0	2,250	0	0	0	
Total Special Revenue		\$ 27,540,178	\$ 32,130,214	\$ 43,531,985	\$ 161,152,003	\$ 39,488,534	-9.3%
Special Revenue Transfers-Out		3,252,518	3,434,659	2,606,185	2,612,417	2,667,729	2.4%
Total Special Revenue & Transfers-Out		\$ 30,792,696	\$ 35,564,873	\$ 46,138,170	\$ 163,764,420	\$ 42,156,263	-8.6%
Capital Project							
016	Ground Access	\$ 3,702,316	\$ 108,360	\$ 0	\$ 5,021,095	\$ 0	0.0%
017	Capital Projects	17,583,377	4,288,878	6,867,500	11,113,562	28,945,000	321.5%
071	CFD No. 10 - Public Services	14	0	0	0	0	0.0%
072	NMC - CFD	6,567	7,874	21,328	21,328	21,328	0.0%
102	Fire Impact	0	0	0	0	2,500,000	0.0%
103	OMC Street Impact	2,046,187	4,941,594	148,000	39,682,697	0	0.0%
111	OMC Storm Drainage Impact	105,409	478,868	1,830,000	8,803,220	30,000	0.0%
115	NMC Street Impact	0	0	52,000	3,882,317	0	0.0%
Total Capital Project		\$ 23,443,870	\$ 9,825,575	\$ 8,918,828	\$ 68,524,219	\$ 31,496,328	253.1%
Capital Project Transfers-Out		299,358	341,646	382,337	9,382,337	452,380	18.3%
Total Capital Project & Transfers-Out		\$ 23,743,228	\$ 10,167,221	\$ 9,301,165	\$ 77,906,556	\$ 31,948,708	243.5%

Expenditures Overview - Fund Types

2013-14 Total Expenditure by Fund

	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
Enterprise						
024 Water Operating	\$ 25,743,428	\$ 21,808,525	\$ 36,633,945	\$ 36,900,243	\$ 38,641,363	5.5%
025 Water Capital	9,277,007	14,341,022	14,884,845	53,269,341	14,405,149	-3.2%
026 Sewer Operating	10,320,754	10,922,739	13,642,706	13,702,900	14,830,341	8.7%
027 Sewer Capital	4,229,428	1,228,824	3,747,503	7,259,639	3,939,435	5.1%
029 Solid Waste	22,598,713	22,427,743	25,189,973	27,413,145	28,212,663	12.0%
031 Solid Waste Facilities	0	31,030	0	63,838	0	0.0%
Total Enterprise	\$ 72,169,329	\$ 70,759,883	\$ 94,098,972	\$ 138,609,106	\$ 100,028,951	6.3%
Enterprise Transfers-Out	31,662,422	51,651,326	50,417,505	50,417,505	46,955,108	-6.9%
Total Enterprise & Transfers-Out	\$ 103,831,751	\$ 122,411,209	\$ 144,516,477	\$ 189,026,611	\$ 146,984,059	1.7%
Internal Service						
032 Equipment Services	\$ 10,769,932	\$ 12,387,540	\$ 14,113,305	\$ 16,374,427	\$ 13,940,946	-1.2%
033 Self Insurance	9,452,352	6,329,806	6,959,353	6,959,353	6,964,823	0.1%
034 Information Technology	7,021,012	7,091,305	8,715,982	9,900,206	8,695,066	-0.2%
Total Internal Service	\$ 27,243,296	\$ 25,808,651	\$ 29,788,640	\$ 33,233,986	\$ 29,600,835	-0.6%
Internal Service Transfers-Out	840,000	840,000	840,000	840,000	840,000	0.0%
Total Internal Service & Transfers-Out	\$ 28,083,296	\$ 26,648,651	\$ 30,628,640	\$ 34,073,986	\$ 30,440,835	-0.6%
Fiduciary						
099 Other Post Employment Benefits	\$ 2,759,230	\$ 2,967,790	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000	0.0%
Total Fiduciary	\$ 2,759,230	\$ 2,967,790	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000	0.0%
TOTAL CITY FUNDS INCLUDING						
TRANSFERS-OUT	\$ 346,750,133	\$ 384,955,634	\$ 396,907,263	\$ 632,761,958	\$ 423,826,981	6.8%

Expenditures Overview - Fund Types

2013-14 Total Expenditure by Fund

		2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
REDEVELOPMENT SUCCESSOR AGENCY (SUCCESSOR)							
054	RDA Project 2 Debt Service	\$ 2,120,820	\$ 9,007,417	\$ 0	\$ 0	\$ 0	0.0%
059	RDA Guasti Debt Service	259,274	475,015	0	0	0	0.0%
062	RDA Ctr City Debt Service	2,791,500	9,985,916	0	0	0	0.0%
063	RDA Project 1 Debt Service	26,766,680	44,188,394	0	0	0	0.0%
064	RDA Cimarron Debt Service	951,849	2,621,500	0	0	0	0.0%
154	PA#2 Successor/Debt Svc	0	68,189	191,500	191,500	0	-100.0%
159	Guasti Successor/Debt Svc	0	4,990	277,500	277,500	220,000	-20.7%
162	Ctr City Successor/Debt Svc	0	865,679	1,216,756	1,216,756	706,638	-41.9%
163	PA#1 Successor/Debt Svc	0	9,714,640	18,652,844	20,014,662	16,511,088	-11.5%
164	Cimarron Successor/Debt Svc	0	72,064	326,802	382,065	279,732	-14.4%
039	Redevelopment Agency	2,574,497	1,331,528	0	0	0	0.0%
040	RDA Project Area No. 2	146,012	1,368,493	0	0	0	0.0%
041	RDA Guasti Project Area	8,104	38,148	0	0	0	0.0%
043	RDA Project Area No. 1	6,018,963	3,859,192	0	0	0	0.0%
044	RDA Cimarron Project Area	318,655	1,823,257	0	0	0	0.0%
061	RDA Center City	917,130	410,552	0	0	0	0.0%
066	Housing Set Aside	7,992,960	7,809,269	0	0	0	0.0%
139	Successor Agency RDA-Admin	0	1,102,673	586,761	586,761	545,232	-7.1%
266	LMI Successor Agency	0	273,210	0	0	1,043,784	0.0%
299	Redev Obligation Retirement Fd	0	0	4,727,164	4,727,164	0	-100.0%
TOTAL SUCCESSOR		\$ 50,866,442	\$ 95,020,126	\$ 25,979,327	\$ 27,396,408	\$ 19,306,474	-25.7%
ONTARIO HOUSING AUTHORITY (OHA)							
048	Ontario Housing Authority	\$ 3,976,126	\$ 4,591,113	\$ 19,805,759	\$ 19,866,951	\$ 1,737,511	-91.2%
166	Housing Asset Fund	0	430,449	0	0	17,638,288	0.0%
TOTAL OHA		\$ 3,976,126	\$ 5,021,562	\$ 19,805,759	\$ 19,866,951	\$ 19,375,799	-2.2%
GRAND TOTAL ALL FUNDS		\$ 401,592,701	\$ 484,997,323	\$ 442,692,349	\$ 680,025,317	\$ 462,509,254	4.5%

Expenditures Overview - Citywide Personnel Changes

Personnel changes are routinely considered in conjunction with the annual operating budget. The Adopted Fiscal Year 2013-14 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 2012-13 Current Budget, the overall net change is an increase of 6 positions: four additional positions in the Development Agency for anticipated development growth and two additional positions in the City Administration Agency. Also included are organizational changes necessary to enhance program operations and efficiencies, which include the transfer of Municipal Services to the Housing and Municipal Services Agency, Code Enforcement and Emergency Management to the City Administration Agency, and Benefits Administration to Human Resources located within the City Administration Agency. The additional cost to the City, across all funds, is approximately \$725,000.

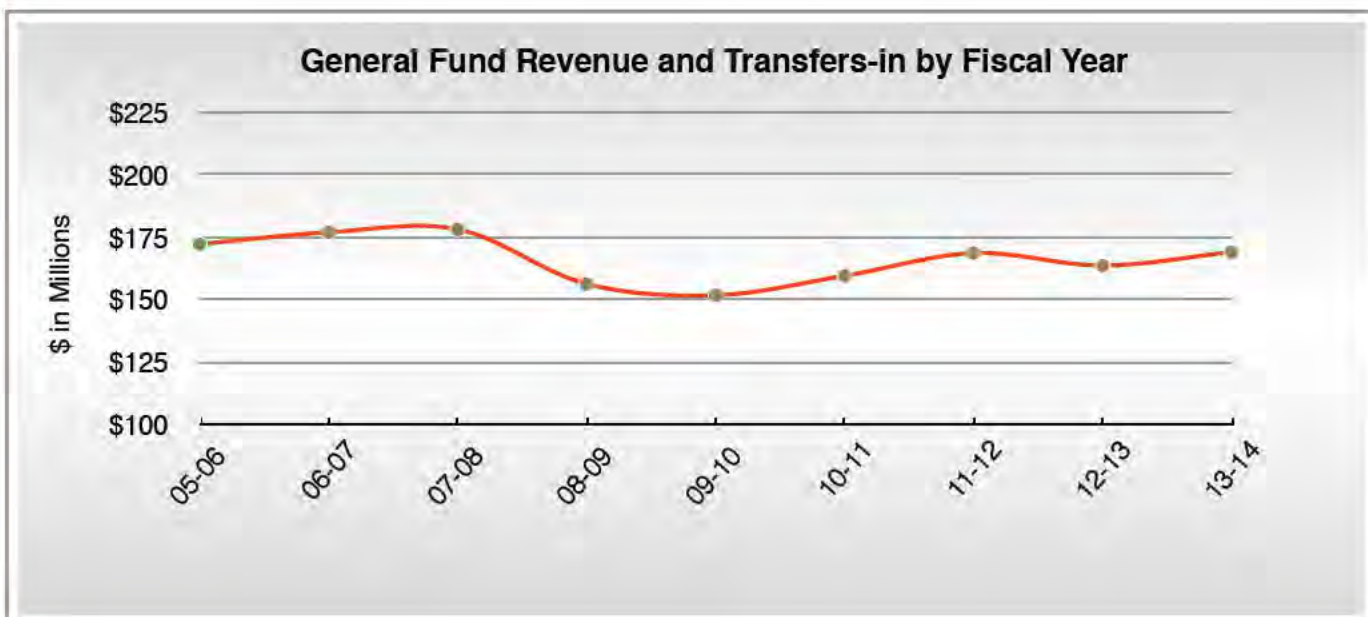
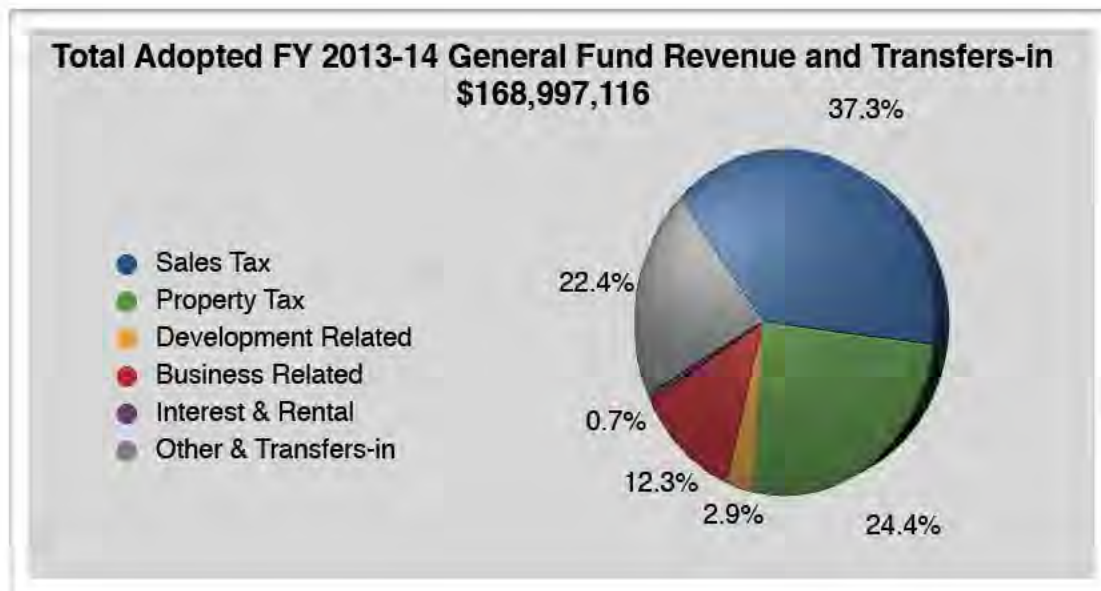


Expenditures Overview - Citywide Personnel Changes

Agency	Position Title	Position Count
Additions:		
City Administration	Deputy City Manager	1
City Administration	Administrative Specialist	1
City Administration	Human Resources Technician	1
Development	Associate Landscape Planner	1
Development	Office Specialist	1
Development	Senior Planner	1
Development	Senior Public Works Inspector	1
Fire Department	Management Analyst	1
Municipal Utilities Company	Water Resources Manager	1
Total Additions:		10
Deletions:		
City Administration	Risk/Benefits Assistant	-1
Fire Department	Administrative Specialist	-1
Housing & Municipal Services	Senior Equipment Mechanic	-1
Municipal Utilities Company	Assistant Utilities General Manager	-1
Total Deletions		-4
Reclassifications/Realignment:		
City Administration	Realign Emergency Manager from Fire Department to City Administration	
City Administration	Realign Code Enforcement Department from Housing & Municipal Services to City Administration	
City Administration	Title change from Risk/Benefits Analyst to Benefits Supervisor	
City Administration	Title change from Risk/Benefits Assistant to Risk Management Assistant	
Housing & Municipal Services	Realign Fleet Services and Facilities Services Departments from Municipal Utilities Company to Housing & Municipal Services	
Housing & Municipal Services	Realign 1 Administrative Technician from Municipal Utilities Company to Housing & Municipal Services	
Housing & Municipal Services	Realign 1 Senior Neighborhood Improvement Specialist from Code Enforcement Department / City Administration to Quiet Home Department / Housing & Municipal Services	
Housing & Municipal Services	Realign 1 Office Specialist from Municipal Utilities Company to Housing & Municipal Services	
Housing & Municipal Services	Realign 1 Public Services Project Manager from Community & Public Services to Housing & Municipal Services	
Housing & Municipal Services	Title change from Housing & Neighborhood Revitalization Director to Housing & Municipal Services Director	
Net Change		6

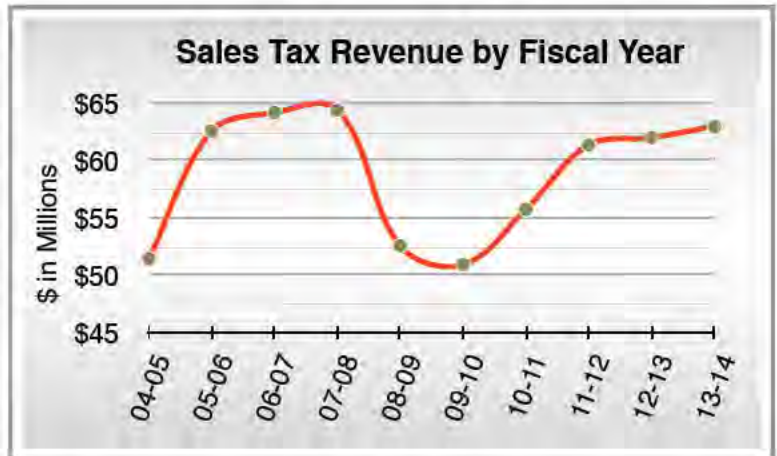
Revenues Overview - General Fund

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 2013-14 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.



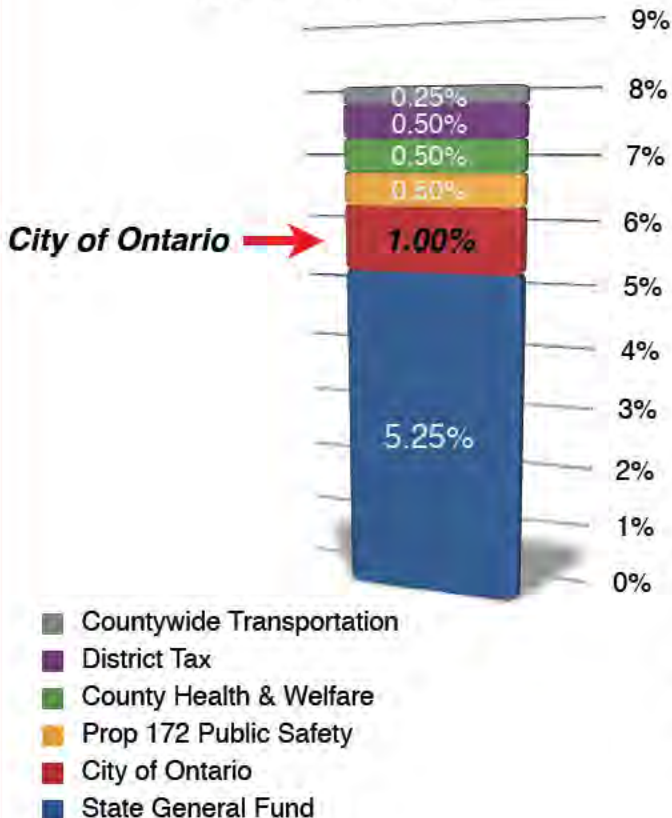
Sales Tax

In accordance with the California Revenue and Taxation Code, the State of California collects an 8 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 37.3 percent or \$63,000,000 of the total Adopted General Fund Revenues for Fiscal Year 2013-14. 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 office equipment, and rising gas prices are reflected in the recent gains seen in sales tax. The City's sales tax for calendar year 2012 reported a gain of approximately 9 percent compared to 2011.



The City's sales tax for calendar year 2012 reported a gain of approximately 9 percent compared to 2011.

“What portion of the 8% 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 2013-14 estimated Development Related revenue of \$4,878,600 is comparable to current revenue projections. Although recent growth has been reflected in Development Related revenues, projected revenue is still down by 64 percent compared to the high amount received in Fiscal Year 2006-07 of \$13.5 million. Development Related revenues now represent only 2.9 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 business. The adopted Business License revenue of \$5.8 million for Fiscal Year 2013-14 comprises approximately 3.4 percent of the total General Fund

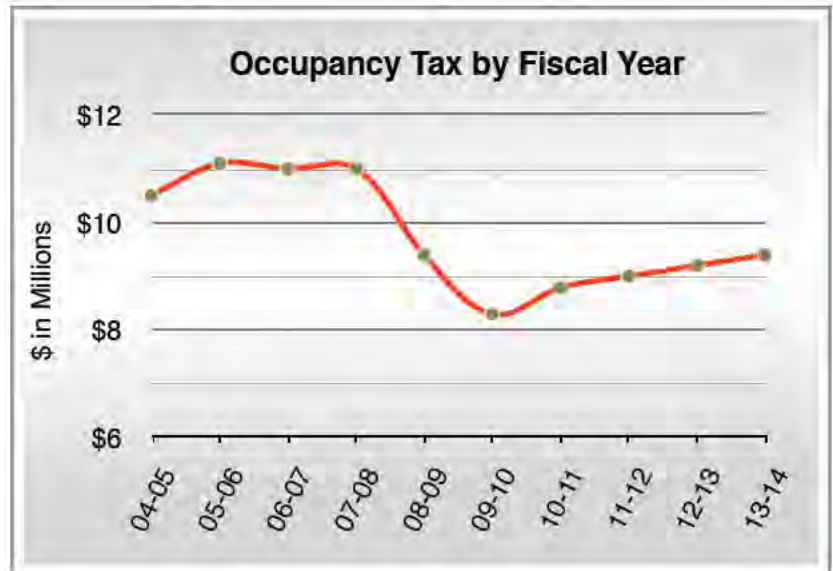
Revenues Overview - General Fund

revenues. Recent growth 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 2013-14 is \$9,300,000, which represents 5.5 percent of the total General Fund revenue. TOT revenue is projected to be slightly higher than current estimates. However, it is still a decline when compared to the high recorded in Fiscal Year 2007-08 (before the "Great Recession"), which reflects a decrease of approximately 16 percent. 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 \$2.8 million for Fiscal Year 2013-14 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 reduction of approximately 50 percent compared to the amount received in Fiscal Year 2006-07. The Parking Tax revenue for Ontario accounts for 1.7 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 \$2,900,000 adopted for Fiscal Year 2013-14 represents 1.7 percent of the General Fund revenues and is in line with current revenue projections.

Interest & Rentals

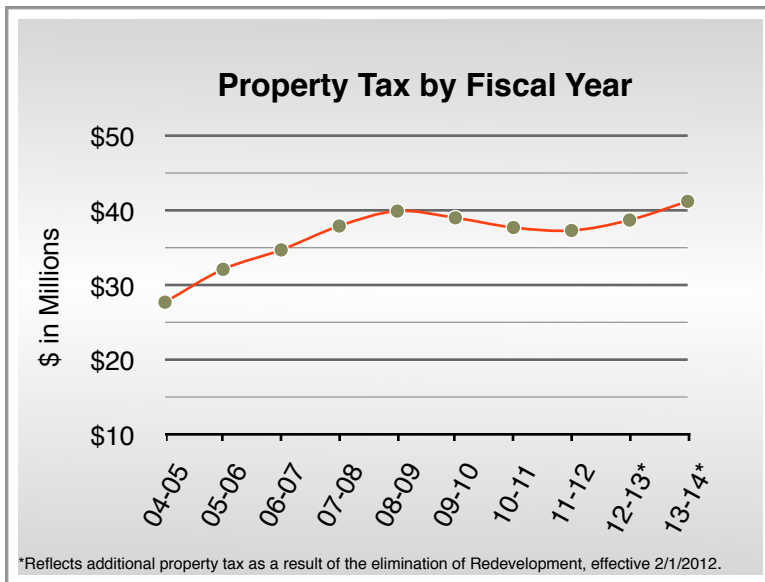
The City pools its available cash from various funds and invests in the financial instruments provided for in the City's Investment Policy as approved by the Mayor and City Council. Earnings are allocated to various funds on the basis of the proportionate cash balances in each fund. The projected Interest 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

Revenues Overview - General Fund

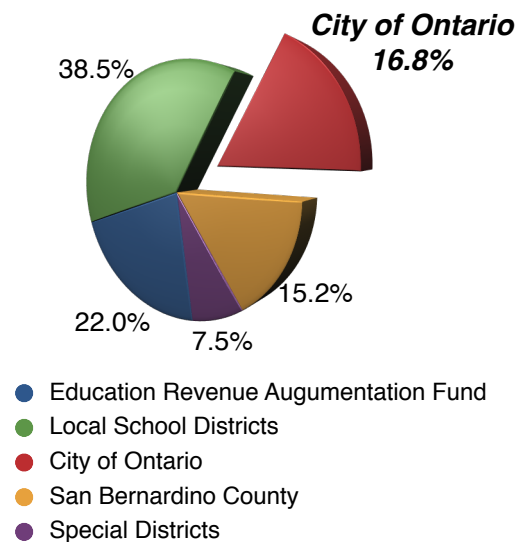
the current economic market trends. The Adopted Fiscal Year 2013-14 revenue of \$1,130,000 reflects a continued significant reduction as a result of the loss of interest income from the former Ontario Redevelopment Agency promissory notes payable to the City – a loss of approximately \$3 million due to the elimination of redevelopment by the State. The projected Interest Income and Rentals income for Fiscal Year 2013-14 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 Adopted Fiscal Year 2013-14 property tax revenue is \$41,250,000. This increase of 6.5 percent is due to the projected increases to the 2013 assessed valuations per the San Bernardino County Assessor's office; a sign that the real estate market is beginning to show signs of recovery. The growth in property taxes is also due to the additional amount anticipated to be received as a result from the elimination of redevelopment, which is slightly larger than originally estimated. Property taxes contribute 24.4 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 Dispatch services. The Adopted Fiscal Year 2013-14 Reimbursables revenue is \$2,986,099.

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 2013-14 Recreation Program revenue is \$830,000.

Revenues Overview - General Fund

Miscellaneous Revenues

Miscellaneous Revenues accounts for all other ancillary revenues that the City generates and collects. Adopted for Fiscal Year 2013-14 General Fund Revenue, Miscellaneous Revenues is approximately \$4.4 million. It represents 2.6 percent of total General Fund revenues. Fees collected for the signage rental of the Citizens Business Bank Arena, fines from Vehicle Code violations, fees from vehicle towing, Property Transfer Tax, and fees collected for Abandoned and Distressed Property violations 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.

2013-14 General Fund Revenue Summary

	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
Sales Tax	\$ 55,755,932	\$ 61,362,958	\$ 59,250,000	\$ 62,000,000	\$ 63,000,000	6.3%
Property Tax	37,706,348	37,366,303	38,750,000	38,750,000	41,250,000	6.5%
Development Related	3,132,483	3,636,142	2,681,700	3,558,518	4,878,600	81.9%
Business Related:						
Business License Tax	5,496,576	5,610,738	5,500,000	5,500,000	5,800,000	5.5%
Occupancy Tax	8,790,219	9,148,976	8,600,000	8,900,000	9,300,000	8.1%
Parking Tax	3,479,707	3,221,546	2,900,000	2,900,000	2,800,000	-3.4%
Franchises	2,879,831	2,897,780	2,850,000	2,850,000	2,900,000	1.8%
Interest & Rentals	5,081,066	2,133,111	1,030,000	1,030,000	1,130,000	9.7%
Other:						
Motor Vehicle License Fees	883,460	89,471	0	0	0	0.0%
Recreation Program	887,592	916,071	792,200	792,200	830,000	4.8%
Miscellaneous Revenues	8,155,203	11,505,479	4,770,200	4,775,200	4,397,200	-7.8%
Reimbursables	5,247,900	5,081,441	2,907,859	2,940,859	2,986,099	2.7%
TOTAL GENERAL FUND REVENUE	\$ 137,496,317	\$ 142,970,016	\$ 130,031,959	\$ 133,996,777	\$ 139,271,899	7.1%
Transfers-In	\$ 22,076,071	\$ 25,606,989	\$ 27,093,440	\$ 29,644,025	\$ 29,725,217	9.7%
TOTAL & TRANSFERS-IN	\$ 159,572,388	\$ 168,577,005	\$ 157,125,399	\$ 163,640,802	\$ 168,997,116	7.6%

Revenues Overview - Other Funds

Other Funds adopted revenue budget, including transfers-in, account for \$231,966,631 or approximately 55 percent of the total adopted City (\$400,963,747), Redevelopment Successor Agency (\$19,306,474), and Ontario Housing Authority (\$958,641) revenue budget of \$421,228,862. Some of the main revenue funds are described below.

Grants

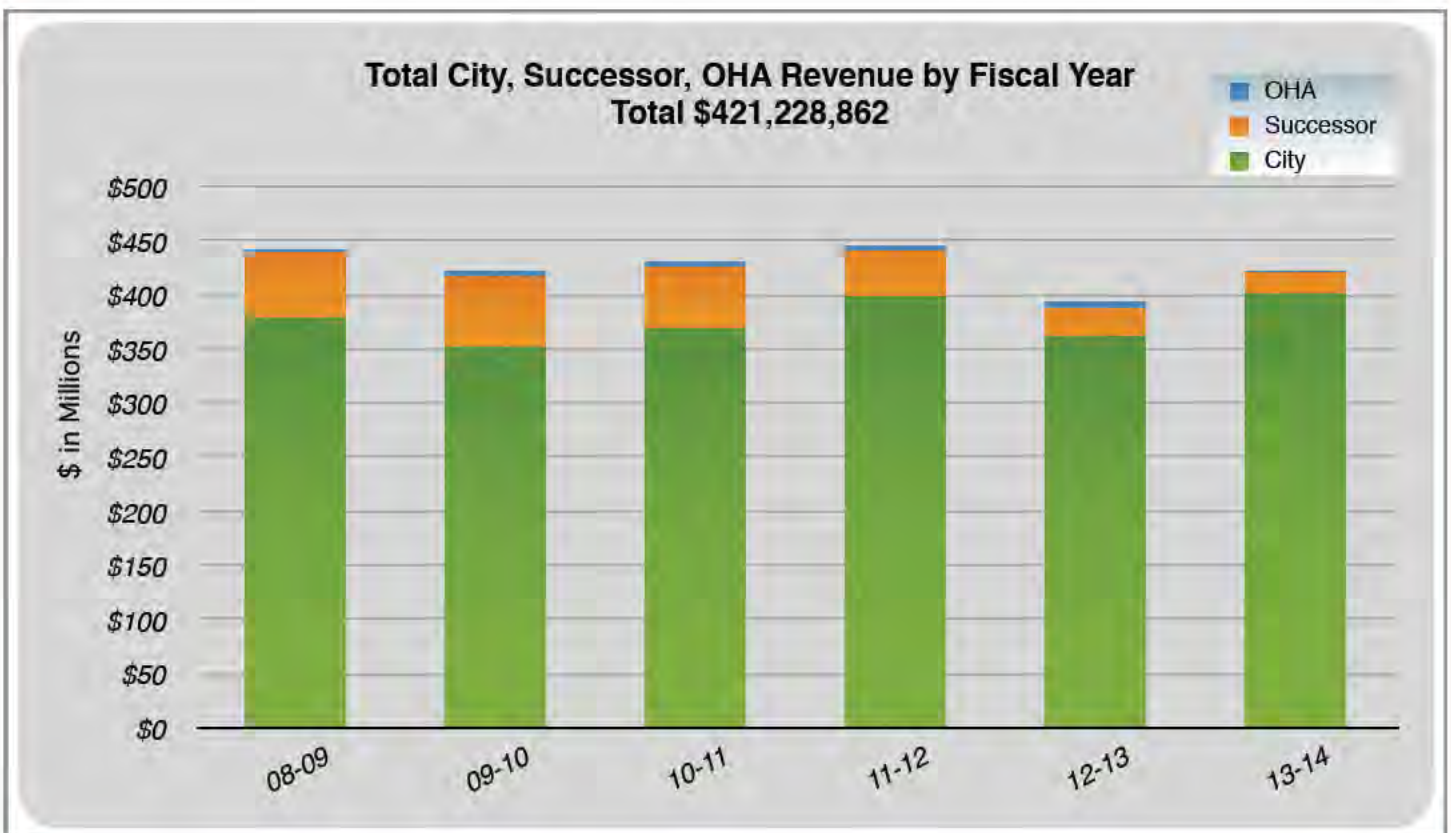
The City receives various grant funds from federal and state governments, including funding for programs such as housing rehabilitation; front-line law enforcement equipment and related support services; police technology capital expenditures; conservation park; and noise insulation and property acquisition near the Ontario International Airport. Total Adopted Grants revenues are approximately \$26.8 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. The Adopted Enterprise Funds' Revenue Budget for Fiscal Year 2013-14 is approximately \$122 million (including transfers-in of \$21.1 million), of which approximately \$100.2 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 2013-14 is at \$5,077,974.



Revenues Overview - Fund Types

2013-14 Total Revenue by Fund

	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
CITY OF ONTARIO						
General						
001 General Fund	\$ 137,496,317	\$ 142,970,016	\$ 130,031,959	\$ 133,996,777	\$ 139,271,899	7.1%
098 General Fund Trust	250,000	250,000	0	0	0	0.0%
Total General	\$ 137,746,317	\$ 143,220,016	\$ 130,031,959	\$ 133,996,777	\$ 139,271,899	7.1%
General Transfers-In	22,076,071	25,606,989	27,093,440	29,644,025	29,725,217	9.7%
Total General & Transfers-In	\$ 159,822,388	\$ 168,827,005	\$ 157,125,399	\$ 163,640,802	\$ 168,997,116	7.6%
Special Revenue						
002 Quiet Home Program	\$ 5,979,156	\$ 7,198,511	\$ 13,973,000	\$ 14,413,000	\$ 12,461,000	-10.8%
003 Gas Tax	4,379,498	4,928,204	4,557,885	4,883,805	5,077,974	11.4%
004 Measure I	2,172,011	2,279,634	2,164,910	2,164,910	2,429,200	12.2%
005 Measure I Valley Major Project	2,118,046	5,237,589	800,000	99,631,871	0	0.0%
007 Park Impact/Quimby	528,587	462,887	112,000	112,000	40,000	-64.3%
008 C.D.B.G	3,329,963	2,392,070	3,423,793	3,634,827	2,917,305	-14.8%
009 HOME Grants	1,860,250	1,115,722	2,347,076	1,236,260	1,920,239	-18.2%
010 DOJ Asset Seizure	644,639	803,082	0	0	0	0.0%
011 Neighborhood Stabilization Prg	449,665	784,182	1,314,633	1,314,633	618,011	-53.0%
013 A.D. Administration	97,227	87,085	80,000	80,000	10,000	-87.5%
014 Mobile Source Air	204,552	220,972	204,500	204,500	203,500	-0.5%
015 General Fund Grants	4,729,108	5,218,815	8,037,700	13,635,031	8,909,500	10.8%
018 Building Safety	1,405,184	866,129	860,000	860,000	860,000	0.0%
019 Parkway Maintenance	580,524	585,315	597,668	597,668	584,341	-2.2%
021 Storm Drain Dist.	1,199	886	500	500	300	-40.0%
023 Treasury Asset Seizure	171,501	5,975	0	0	0	0.0%
036 State Asset Seizure	60,000	12,162	0	0	0	0.0%
070 Street Light Maintenance	430,748	437,911	472,639	472,639	454,129	-3.9%
077 Storm Drain Maintenance	1,279,326	1,275,489	1,021,400	1,021,400	1,231,500	20.6%
114 Historic Preservation	8,094	4,184	1,500	1,500	1,500	0.0%
119 NMC Public Services	89,299	65,752	16,000	16,000	16,000	0.0%
Total Special Revenue	\$ 30,518,577	\$ 33,982,557	\$ 39,985,204	\$ 144,280,544	\$ 37,734,499	-5.6%
Special Revenue Transfers-In	1,333,824	1,693,681	1,642,425	1,660,230	1,474,131	-10.2%
Total Special Revenue & Transfers-In	\$ 31,852,401	\$ 35,676,238	\$ 41,627,629	\$ 145,940,774	\$ 39,208,630	-5.8%
Capital Project						
016 Ground Access	\$ 2,053,971	\$ 482,567	\$ 0	\$ 5,021,095	\$ 0	0.0%
017 Capital Projects	420,055	(1,588,680)	0	847,930	33,000,000	0.0%
071 CFD No. 10 - Public Services	9,609	9,957	10,165	10,165	10,368	2.0%
072 NMC - CFD	296,162	339,512	393,500	393,500	463,340	17.7%
101 Law Enforcement Impact	52,463	90,410	500	500	2,000	300.0%
102 Fire Impact	72,969	131,601	700	700	2,000	185.7%

Revenues Overview - Fund Types

2013-14 Total Revenue by Fund

		2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
103 OMC Street Impact	\$	603,660	\$ 4,125,957	\$ 73,800	\$ 73,800	\$ 82,000	11.1%
104 OMC Water Impact		241,571	583,357	36,000	36,000	40,000	11.1%
105 OMC Sewer Impact		95,540	269,262	14,000	14,000	15,000	7.1%
106 Solid Waste Impact		47,558	135,191	3,600	3,600	4,000	11.1%
107 General Facility Impact		80,605	386,896	1,300	1,300	4,000	207.7%
108 Library Impact		30,101	30,783	350	350	450	28.6%
109 Public Meeting Impact		45,477	40,954	3,800	3,800	4,000	5.3%
110 Aquatic Impact		5,779	5,465	500	500	500	0.0%
111 OMC Storm Drainage Impact		347,537	975,409	80,000	80,000	76,000	-5.0%
112 Species Habitat Impact		3,735	2,761	1,000	1,000	1,000	0.0%
113 Fiber Impact		3,058	2,183	0	0	0	0.0%
115 NMC Street Impact		239,425	357,104	6,500	6,500	6,500	0.0%
116 NMC Water Impact		0	24,052	0	0	0	0.0%
117 NMC Sewer Impact		26,389	26,065	885	885	1,000	13.0%
118 NMC Storm Drainage Impact		151,843	63,703	5,500	5,500	6,500	18.2%
120 Affordability In-Lieu		168,843	172,552	6,800	6,800	7,700	13.2%
Total Capital Project	\$	4,996,351	\$ 6,667,058	\$ 638,900	\$ 6,507,925	\$ 33,726,358	5,178.8%
Capital Project Transfers-In		3,905,494	1,582,000	6,837,500	15,837,500	0	-100.0%
Total Capital Project & Transfers-In	\$	8,901,845	\$ 8,249,058	\$ 7,476,400	\$ 22,345,425	\$ 33,726,358	351.1%
Enterprise							
024 Water Operating	\$	50,762,509	\$ 55,102,831	\$ 47,880,000	\$ 47,880,000	\$ 50,480,000	5.4%
025 Water Capital		8,148,500	(2,622,557)	225,000	1,690,600	227,000	0.9%
026 Sewer Operating		18,502,373	19,392,697	19,537,000	19,537,000	20,362,500	4.2%
027 Sewer Capital		256,977	1,512,410	82,000	82,000	87,000	6.1%
029 Solid Waste		31,503,123	30,623,175	30,305,000	30,485,029	29,735,000	-1.9%
031 Solid Waste Facilities		11,822	8,255	3,000	3,000	3,000	0.0%
Total Enterprise	\$	109,185,304	\$ 104,016,810	\$ 98,032,000	\$ 99,677,629	\$ 100,894,500	2.9%
Enterprise Transfers-In		16,535,874	33,570,000	20,585,874	20,585,874	21,100,000	2.5%
Total Enterprise & Transfers-In	\$	125,721,178	\$ 137,586,810	\$ 118,617,874	\$ 120,263,503	\$ 121,994,500	2.8%
Internal Service							
032 Equipment Services	\$	12,201,081	\$ 11,705,084	\$ 11,400,346	\$ 11,400,346	\$ 11,354,692	-0.4%
033 Self Insurance		8,534,811	8,703,789	8,669,326	8,669,326	8,770,267	1.2%
034 Information Technology		9,117,070	8,926,270	8,707,471	8,707,471	8,571,344	-1.6%
Total Internal Service	\$	29,852,962	\$ 29,335,143	\$ 28,777,143	\$ 28,777,143	\$ 28,696,303	-0.3%
Internal Service Transfers-In		90,000	90,000	90,000	90,000	90,000	0.0%
Total Internal Service & Transfers-In	\$	29,942,962	\$ 29,425,143	\$ 28,867,143	\$ 28,867,143	\$ 28,786,303	-0.3%

Revenues Overview - Fund Types

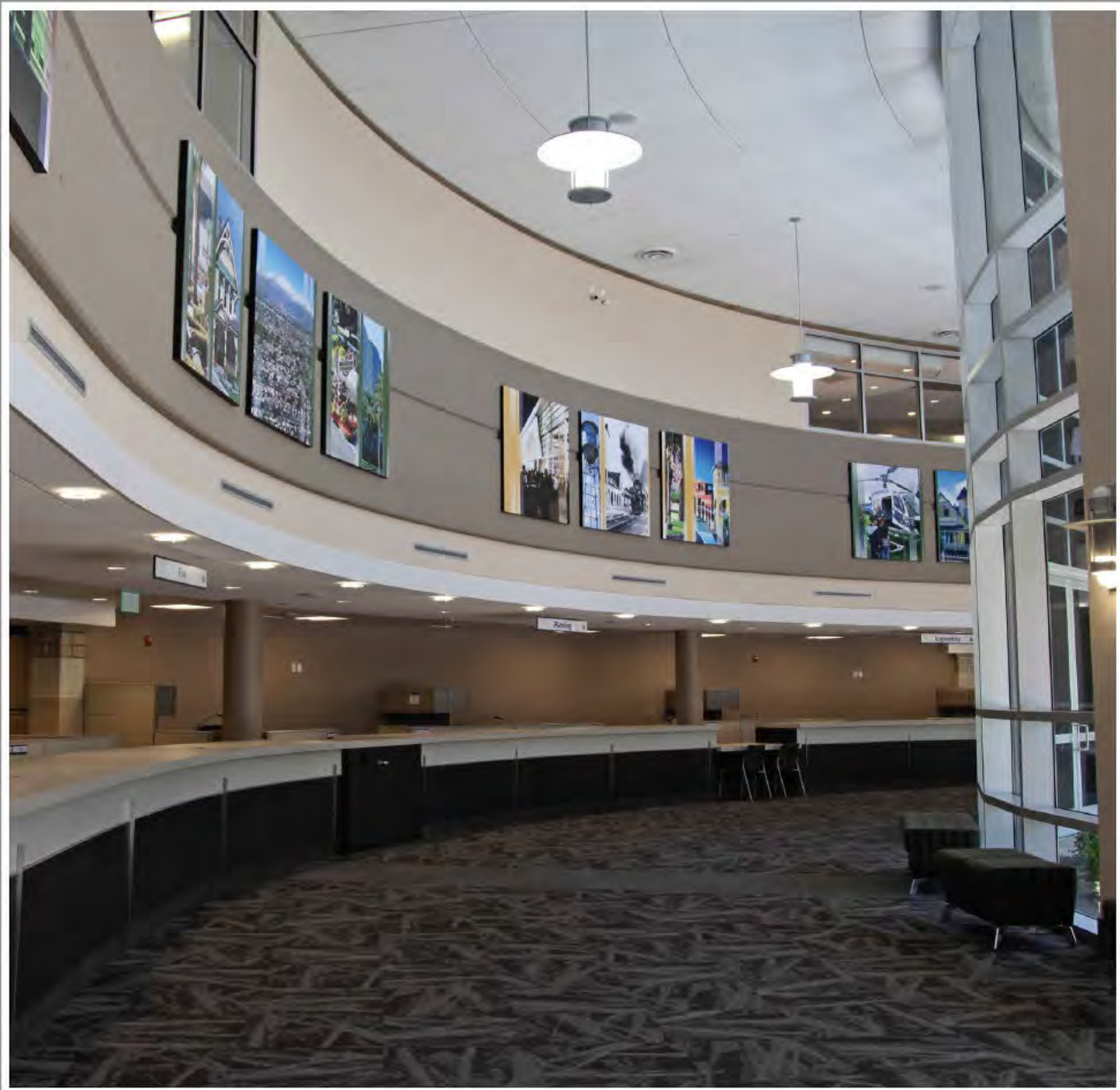
2013-14 Total Revenue by Fund

	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
Fiduciary						
099 Other Post Employment Benefits	\$ 9,114,311	\$ 9,538,825	\$ 8,153,459	\$ 8,153,459	\$ 8,250,840	1.2%
Total Fiduciary	\$ 9,114,311	\$ 9,538,825	\$ 8,153,459	\$ 8,153,459	\$ 8,250,840	1.2%
Fiduciary Transfers-In	0	8,631,850	0	0	0	
Total Fiduciary & Transfers-In	\$ 9,114,311	\$ 18,170,675	\$ 8,153,459	\$ 8,153,459	\$ 8,250,840	
TOTAL CITY FUNDS	\$ 365,355,085	\$ 397,934,929	\$ 361,867,904	\$ 489,211,106	\$ 400,963,747	10.8%
REDEVELOPMENT SUCCESSOR AGENCY (SUCCESSOR)						
054 RDA Project 2 Debt Service	\$ 3,867,557	\$ 1,805,497	\$ 0	\$ 0	\$ 0	0.0%
059 RDA Guasti Debt Service	657,574	275,189	0	0	0	0.0%
062 RDA Ctr City Debt Service	2,852,498	1,597,311	0	0	0	0.0%
063 RDA Project 1 Debt Service	31,691,918	18,188,360	0	0	0	0.0%
064 RDA Cimarron Debt Service	1,409,342	662,744	0	0	0	0.0%
154 PA#2 Successor/Debt Svc	0	774	0	0	0	0.0%
159 Guasti Successor/Debt Svc	0	4,384	0	0	0	0.0%
162 Ctr City Successor/Debt Svc	0	10,157	0	0	0	0.0%
163 PA#1 Successor/Debt Svc	0	(20,892)	0	0	0	0.0%
164 Cimarron Successor/Debt Svc	0	(486)	0	0	0	0.0%
039 Redevelopment Agency	67,460	43,744	0	0	0	0.0%
040 RDA Project Area No. 2	440,359	(14,175)	0	0	0	0.0%
041 RDA Guasti Project Area	62,860	6,583	0	0	0	0.0%
043 RDA Project Area No. 1	2,906,271	17,601	0	0	0	0.0%
044 RDA Cimarron Project Area	667,732	(4,371)	0	0	0	0.0%
061 RDA Center City	1,622,276	(10,505)	0	0	0	0.0%
066 Housing Set Aside	10,673,135	6,227,817	0	0	0	0.0%
139 Successor AgencyFor RDA-Adm	0	7,405	0	0	0	0.0%
299 Redev Obligation Retirement Fd	0	13,796,564	25,979,327	25,979,327	19,306,474	-25.7%
TOTAL SUCCESSOR FUNDS	\$ 56,918,982	\$ 42,593,702	\$ 25,979,327	\$ 25,979,327	\$ 19,306,474	-25.7%
ONTARIO HOUSING AUTHORITY (OHA)						
048 Ontario Housing Authority	\$ 4,184,892	\$ 4,848,084	\$ 5,213,477	\$ 5,463,477	\$ 848,641	-83.7%
166 Housing Asset Fund	0	426,487	0	0	110,000	0.0%
TOTAL OHA FUNDS	\$ 4,184,892	\$ 5,274,570	\$ 5,213,477	\$ 5,463,477	\$ 958,641	-81.6%
GRAND TOTAL ALL FUNDS	\$ 426,458,959	\$ 445,803,201	\$ 393,060,708	\$ 520,653,910	\$ 421,228,862	7.2%

***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 2013-14 reflect projected funds balances and interfund transfers as shown in the following schedules.



Fund Balance

2013-14 Unreserved Fund Balances

	Estimated Total Unreserved Fund Balance July 1, 2013	Revenues	Operating Transfer-In	Operating Transfer- Out	Available	Expenditures	Estimated Undesignated and Reserves June 30, 2014
CITY OF ONTARIO							
General							
001 General Fund	\$ 35,297,660	\$ 139,271,899	\$ 29,725,217	\$ 2,924,131	\$ 201,370,645	\$ 166,072,985	\$ 35,297,660
098 General Fund Trust	42,017,318	0	1,450,000	0	43,467,318	0	43,467,318
Total General	\$ 77,314,978	\$ 139,271,899	\$ 31,175,217	\$ 2,924,131	\$ 244,837,963	\$ 166,072,985	\$ 78,764,978
Special Revenue							
002 Quiet Home Program	\$ 0	\$ 12,461,000	\$ 0	\$ 0	\$ 12,461,000	\$ 12,461,000	\$ 0
003 Gas Tax	1,236,356	5,077,974	675,000	2,325,971	4,663,359	4,450,728	212,631
004 Measure I	419,867	2,429,200	0	0	2,849,067	2,760,000	89,067
005 Measure I Valley Major Project	19,580	0	0	0	19,580	0	19,580
007 Park Impact/Quimby	2,114,439	40,000	0	0	2,154,439	0	2,154,439
008 C.D.B.G	0	2,917,305	0	0	2,917,305	2,917,305	0
009 HOME Grants	0	1,920,239	0	0	1,920,239	1,920,239	0
010 Asset Seizure	1,639,313	0	0	0	1,639,313	515,587	1,123,726
011 Neighborhood Stabilization Prg	0	618,011	0	0	618,011	518,011	100,000
013 A.D. Administration	826,527	10,000	0	0	836,527	197,668	638,859
014 Mobile Source Air	619,702	203,500	0	16,625	806,577	332,582	473,995
015 General Fund Grants	0	8,909,500	0	0	8,909,500	8,909,500	0
018 Building Safety	1,143,532	860,000	0	74,025	1,929,507	1,542,064	387,443
019 Parkway Maintenance	761,238	584,341	259,234	157,826	1,446,987	670,467	776,520
021 Storm Drain Dist.	67,049	300	0	0	67,349	0	67,349
070 Street Light Maintenance	1,479,854	454,129	18,943	93,282	1,859,644	339,022	1,520,622
076 Facility Maintenance	145,785	0	497,790	0	643,575	504,650	138,925
077 Storm Drain Maintenance	776,434	1,231,500	23,164	0	2,031,098	1,449,711	581,387
114 Historic Preservation	315,907	1,500	0	0	317,407	0	317,407
119 NMC Public Services	3,396,789	16,000	0	0	3,412,789	0	3,412,789
Total Special Revenue	\$ 14,962,372	\$ 37,734,499	\$ 1,474,131	\$ 2,667,729	\$ 51,503,273	\$ 39,488,534	\$ 12,014,739
Capital Project							
016 Ground Access	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
017 Capital Projects	6,459,844	33,000,000	0	0	39,459,844	28,945,000	10,514,844
071 CFD No. 10 - Public Services	0	10,368	0	10,368	0	0	0
072 NMC - CFD	0	463,340	0	442,012	21,328	21,328	0
101 Law Enforcement Impact	408,643	2,000	0	0	410,643	0	410,643

2013-14 Unreserved Fund Balances

	Estimated Total Unreserved Fund Balance July 1, 2013	Revenues	Operating Transfer-In	Operating Transfer- Out	Available	Expenditures	Estimated Undesignated and Reserves June 30, 2014
102 Fire Impact	\$ 440,590	\$ 2,000	\$ 0	\$ 0	\$ 442,590	\$ 2,500,000	\$ (2,057,410)
103 OMC Street Impact	(12,023,462)	82,000	0	0	(11,941,462)	0	(11,941,462)
104 OMC Water Impact	7,896,795	40,000	0	0	7,936,795	0	7,936,795
105 OMC Sewer Impact	3,115,918	15,000	0	0	3,130,918	0	3,130,918
106 Solid Waste Impact	976,401	4,000	0	0	980,401	0	980,401
107 General Facility Impact	887,753	4,000	0	0	891,753	0	891,753
108 Library Impact	109,118	450	0	0	109,568	0	109,568
109 Public Meeting Impact	832,903	4,000	0	0	836,903	0	836,903
110 Aquatic Impact	103,623	500	0	0	104,123	0	104,123
111 OMC Storm Drainage Impact	7,304,708	76,000	0	0	7,380,708	30,000	7,350,708
112 Species Habitat Impact	208,311	1,000	0	0	209,311	0	209,311
113 Fiber Impact	16,193	0	0	0	16,193	0	16,193
115 NMC Street Impact	1,678,837	6,500	0	0	1,685,337	0	1,685,337
116 NMC Water Impact	(302,792)	0	0	0	(302,792)	0	(302,792)
117 NMC Sewer Impact	241,676	1,000	0	0	242,676	0	242,676
118 NMC Storm Drainage Impact	390,422	6,500	0	0	396,922	0	396,922
120 Affordability In-Lieu	1,623,838	7,700	0	0	1,631,538	0	1,631,538
170 OMC-Regional Streets	139,858	0	0	0	139,858	0	139,858
171 OMC-Local Adjacent Streets	59,927	0	0	0	59,927	0	59,927
172 OMC-Regional Storm Drains	458	0	0	0	458	0	458
173 OMC-Local Adjacent Storm Drains	8,676	0	0	0	8,676	0	8,676
174 OMC-Regional Water	38,427	0	0	0	38,427	0	38,427
175 OMC-Local Adjacent Water	9,599	0	0	0	9,599	0	9,599
176 OMC-Regional Sewer	6,536	0	0	0	6,536	0	6,536
177 OMC-Local Adjacent Sewer	9,755	0	0	0	9,755	0	9,755
180 NMC-Regional Streets	0	0	0	0	0	0	0
181 NMC-Local Adjacent Streets	0	0	0	0	0	0	0
182 NMC-Regional Storm Drains	0	0	0	0	0	0	0
183 NMC-Local Adjacent Storm Drains	0	0	0	0	0	0	0
184 NMC-Regional Water	0	0	0	0	0	0	0
185 NMC-Local Adjacent Water	0	0	0	0	0	0	0
186 NMC-Regional Sewer	0	0	0	0	0	0	0
187 NMC-Local Adjacent Sewer	0	0	0	0	0	0	0
188 NMC-Regional Fiber	0	0	0	0	0	0	0
189 NMC-Local Adjacent Fiber	0	0	0	0	0	0	0
501 CFD No. 9-Edlenglen	0	0	0	0	0	0	0
502 CFD No. 10-OAT	0	0	0	0	0	0	0

2013-14 Unreserved Fund Balances

	Estimated Total Unreserved Fund Balance July 1, 2013	Revenues	Operating Transfer-In	Operating Transfer- Out	Available	Expenditures	Estimated Undesignated and Reserves June 30, 2014
503 CFD No. 11-Armada	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
504 CFD No. 21-Festival/Parkside	0	0	0	0	0	0	0
505 CFD No. 13-Commerce Center	9,065	0	0	0	9,065	0	9,065
506 CFD No. 14-West Haven I	0	0	0	0	0	0	0
507 CFD No. 15-Historic Guasti Dist	0	0	0	0	0	0	0
508 CFD No. 20-Walmart	0	0	0	0	0	0	0
Total Capital Project	\$ 20,651,620	\$ 33,726,358	\$ 0	\$ 452,380	\$ 53,925,598	\$ 31,496,328	\$ 22,429,270
Enterprise							
024 Water Operating	\$ 46,160,982	\$ 50,480,000	\$ 0	\$ 26,124,511	\$ 70,516,471	\$ 38,641,363	\$ 31,875,108
025 Water Capital	16,370,738	227,000	17,600,000	4,918,235	29,279,503	14,405,149	14,874,354
026 Sewer Operating	16,502,314	20,362,500	0	7,488,426	29,376,388	14,830,341	14,546,047
027 Sewer Capital	15,759,204	87,000	3,500,000	1,431,050	17,915,154	3,939,435	13,975,719
029 Solid Waste	29,567,472	29,735,000	0	6,992,886	52,309,586	28,212,663	24,096,923
031 Solid Waste Facilities	559,443	3,000	0	0	562,443	0	562,443
Total Enterprise	\$ 124,920,153	\$ 100,894,500	\$ 21,100,000	\$ 46,955,108	\$ 199,959,545	\$ 100,028,951	\$ 99,930,594
Internal Service							
032 Equipment Services	\$ 29,963,471	\$ 11,354,692	\$ 0	\$ 0	\$ 41,318,163	\$ 13,940,946	\$ 27,377,217
033 Self Insurance	7,535,048	8,770,267	0	0	16,305,315	6,964,823	9,340,492
034 Information Technology	23,620,532	8,571,344	90,000	840,000	31,441,876	8,695,066	22,746,810
Total Internal Service	\$ 61,119,051	\$ 28,696,303	\$ 90,000	\$ 840,000	\$ 89,065,354	\$ 29,600,835	\$ 59,464,519
Fiduciary							
099 Other Post Employment Benefits	\$ 75,882,137	\$ 8,250,840	\$ 0	\$ 0	\$ 84,132,977	\$ 3,300,000	\$ 80,832,977
Total Fiduciary	\$ 75,882,137	\$ 8,250,840	\$ 0	\$ 0	\$ 84,132,977	\$ 3,300,000	\$ 80,832,977
TOTAL CITY FUNDS	\$ 374,850,311	\$ 348,574,399	\$ 53,839,348	\$ 53,839,348	\$ 723,424,710	\$ 369,987,633	\$ 353,437,077

Fund Balance

2013-14 Unreserved Fund Balances

	Estimated Total Unreserved Fund Balance July 1, 2013	Revenues	Operating Transfer-In	Operating Transfer- Out	Available	Expenditures	Estimated Undesignated and Reserves June 30, 2014
REDEVELOPMENT SUCCESSOR AGENCY (SUCCESSOR)							
139 Successor Agency/RDA-Admin	\$ 0	\$ 0	\$ 545,232	\$ 0	\$ 545,232	\$ 545,232	\$ 0
159 Guasti Successor/Debt Svc	0	0	220,000	0	220,000	220,000	0
162 Ctr City Successor/Debt Svc	0	0	706,638	0	706,638	706,638	0
163 PA#1 Successor/Debt Svc	0	0	16,511,088	0	16,511,088	16,511,088	0
164 Cimarron Successor/Debt Svc	0	0	279,732	0	279,732	279,732	0
266 LMI Successor Agency	0	0	1,043,784	0	1,043,784	1,043,784	0
299 Redev Oblig Retirement Fd	0	19,306,474	0	19,306,474	0	0	0
TOTAL SUCCESSOR FUNDS	\$ 0	\$ 19,306,474	\$ 19,306,474	\$ 19,306,474	\$ 19,306,474	\$ 19,306,474	\$ 0
ONTARIO HOUSING AUTHORITY (OHA)							
048 Ontario Housing Authority	\$ 2,073,837	\$ 848,641	\$ 0	\$ 0	\$ 2,922,478	\$ 1,737,511	\$ 1,184,967
166 Housing Asset Fund	22,009,190	110,000	0	0	22,119,190	17,638,288	4,480,902
TOTAL OHA FUNDS	\$ 24,083,027	\$ 958,641	\$ 0	\$ 0	\$ 25,041,668	\$ 19,375,799	\$ 5,665,869
GRAND TOTAL ALL FUNDS	\$ 398,933,338	\$ 368,839,514	\$ 73,145,822	\$ 73,145,822	\$ 767,772,852	\$ 408,669,906	\$ 359,102,946

2013-14 Summary of Fund Balances

	2010-11 Actuals	2011-12 Actuals	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget
General Funds					
Revenues:					
Sales Tax	\$ 55,755,932	\$ 61,362,958	\$ 59,250,000	\$ 62,000,000	\$ 63,000,000
Business License Tax	5,496,576	5,610,738	5,500,000	5,500,000	5,800,000
Occupancy Tax	8,790,219	9,148,976	8,600,000	8,900,000	9,300,000
Parking Tax	3,479,707	3,221,546	2,900,000	2,900,000	2,800,000
Franchises	2,879,831	2,897,780	2,850,000	2,850,000	2,900,000
Motor Vehicle License Fees	883,460	89,471	0	0	0
Property Tax	37,706,348	37,366,303	38,750,000	38,750,000	41,250,000
Development Related	3,132,483	3,636,142	2,681,700	3,558,518	4,878,600
Recreation Program	887,592	916,071	792,200	792,200	830,000
Interest & Rentals	5,081,066	2,133,111	1,030,000	1,030,000	1,130,000
Miscellaneous Revenues	8,405,202	11,755,479	4,770,200	4,770,200	4,397,200
Reimbursables	5,247,900	5,081,441	2,907,859	2,945,859	2,986,099
Total Revenues	\$ 137,746,317	\$ 143,220,016	\$ 130,031,959	\$ 133,996,777	\$ 139,271,899
Expenditures:					
Personnel Services	\$ 106,054,406	\$ 108,167,611	\$ 112,542,670	\$ 112,502,744	\$ 115,257,566
Operating Expenditures	19,559,521	19,686,459	21,896,430	22,146,057	24,086,365
Contractual Services	5,150,851	6,196,935	7,074,780	8,460,133	8,226,287
Internal Service Allocations	18,093,422	18,139,422	18,339,506	18,337,488	18,425,767
Debt Service	21,889	19,644,877	27,000	27,000	27,000
Capital Outlay	112,770	3,574,407	50,000	106,733	50,000
Total Expenditures	\$ 148,992,858	\$ 175,409,712	\$ 159,930,386	\$ 161,580,155	\$ 166,072,985
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (11,246,541)	\$ (32,189,696)	\$ (29,898,427)	\$ (27,583,378)	\$ (26,801,086)
Other Sources/Uses:					
Operating Transfer-In	\$ 26,047,349	\$ 27,067,637	\$ 40,917,565	\$ 37,570,738	\$ 31,175,217
Operating Transfer-Out	15,322,356	16,367,536	15,827,337	12,492,083	2,924,131
Total Other Sources (Uses)	\$ 10,724,993	\$ 10,700,100	\$ 25,090,228	\$ 25,078,655	\$ 28,251,086
Net Increase (Decrease) in Fund Balance	\$ (521,548)	\$ (21,489,596)	\$ (4,808,199)	\$ (2,504,723)	\$ 1,450,000

Note: FY 2013-14 net increase is the result of Transfers-In to the General Trust Fund for: Public Safety Equipment Reserve (\$1,000,000); Leave Liability (\$300,000); and Communications Computer Reserve (\$150,000).

Fund Balance

2013-14 Summary of Fund Balances

	2010-11 Actuals	2011-12 Actuals	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget
Special Revenue Funds					
Revenues:					
Property Tax	\$ 997,098	\$ 1,013,484	\$ 1,031,307	\$ 1,031,307	\$ 1,028,470
Development Related	1,457,514	1,378,355	871,700	871,700	1,026,000
Interest & Rentals	809,069	657,618	215,200	215,200	136,300
Miscellaneous Revenues	1,713,716	1,138,195	1,102,000	1,102,000	1,058,500
Reimbursables	21,069,692	20,246,598	29,904,364	33,729,502	31,241,218
Enterprise Revenue	6,258	6,179	0	0	0
Other Revenue	4,465,230	9,542,128	6,860,633	107,330,835	3,244,011
Total Revenues	\$ 30,518,577	\$ 33,982,557	\$ 39,985,204	\$ 144,280,544	\$ 37,734,499
Expenditures:					
Personnel Services	\$ 3,653,616	\$ 3,534,436	\$ 4,088,863	\$ 4,987,230	\$ 4,021,204
Operating Expenditures	9,122,588	11,522,655	10,949,538	16,556,551	10,442,050
Contractual Services	12,979,166	15,346,665	27,862,883	136,393,632	24,488,201
Internal Service Allocations	307,383	427,673	546,701	550,297	537,079
Debt Service	0	0	0	422,768	0
Capital Outlay	1,477,424	1,298,785	84,000	2,241,525	0
Total Expenditures	\$ 27,540,178	\$ 32,130,214	\$ 43,531,985	\$ 161,152,003	\$ 39,488,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,978,399	\$ 1,852,343	\$ (3,546,781)	\$ (16,871,459)	\$ (1,754,035)
Other Sources/Uses:					
Operating Transfer-In	\$ 1,847,101	\$ 1,693,681	\$ 1,642,425	\$ 1,660,230	\$ 1,474,131
Operating Transfer-Out	3,252,518	3,434,659	2,606,185	2,612,417	2,667,729
Total Other Sources (Uses)	\$ (1,405,417)	\$ (1,740,978)	\$ (963,760)	\$ (952,187)	\$ (1,193,598)
Net Increase (Decrease) in Fund Balance	\$ 1,572,982	\$ 111,365	\$ (4,510,541)	\$ (17,823,646)	\$ (2,947,633)

2013-14 Summary of Fund Balances

	2010-11 Actuals	2011-12 Actuals	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget
Capital Project Funds					
Revenues:					
Property Tax	\$ 305,895	\$ 349,377	\$ 403,665	\$ 403,665	\$ 473,708
Development Related	1,387,786	6,787,203	0	0	0
Interest & Rentals	1,006,832	(1,906,241)	235,235	235,235	252,650
Miscellaneous Revenues	0	0	0	0	33,000,000
Reimbursables	1,596,704	1,356,842	0	4,764,125	0
Other Revenue	<u>699,133</u>	<u>79,877</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	\$ 4,996,351	\$ 6,667,058	\$ 638,900	\$ 5,403,025	\$ 33,726,358
Expenditures:					
Personnel Services	\$ 136,465	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenditures	2,483,507	235,945	2,532,720	3,326,626	651,150
Contractual Services	20,707,689	5,561,298	6,386,108	61,002,368	30,645,178
Internal Service Allocations	30,304	0	0	0	0
Debt Service	0	4,008,058	0	3,075,851	0
Capital Outlay	<u>85,905</u>	<u>20,274</u>	<u>0</u>	<u>1,119,374</u>	<u>200,000</u>
Total Expenditures	\$ 23,443,870	\$ 9,825,575	\$ 8,918,828	\$ 68,524,219	\$ 31,496,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (18,447,519)	\$ (3,158,517)	\$ (8,279,928)	\$ (63,121,194)	\$ 2,230,030
Other Sources/Uses:					
Operating Transfer-In	\$ 3,905,494	\$ 1,582,000	\$ 6,837,500	\$ 15,837,500	\$ 0
Operating Transfer-Out	<u>299,358</u>	<u>341,647</u>	<u>382,337</u>	<u>9,382,337</u>	<u>452,380</u>
Total Other Sources (Uses)	\$ 3,606,136	\$ 1,240,353	\$ 6,455,163	\$ 6,455,163	\$ (452,380)
Net Increase (Decrease) in Fund Balance	<u>\$ (14,841,383)</u>	<u>\$ (1,918,163)</u>	<u>\$ (1,824,765)</u>	<u>\$ (56,666,031)</u>	<u>\$ 1,777,650</u>

Fund Balance

2013-14 Summary of Fund Balances

	2010-11 Actuals	2011-12 Actuals	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget
Enterprise Funds					
Revenues:					
Development Related	\$ 21,932	\$ 24,618	\$ 25,000	\$ 25,000	\$ 27,000
Interest & Rentals	2,622,488	2,155,706	702,000	702,000	690,000
Miscellaneous Revenues	1,557,111	2,919,055	1,100,000	1,100,000	1,100,000
Reimbursables	2,196,600	(2,493,848)	0	1,645,629	0
Enterprise Revenue	102,746,522	101,215,113	96,205,000	96,205,000	99,077,500
Other Revenue	40,652	196,165	0	0	0
Total Revenues	\$ 109,185,304	\$ 104,016,810	\$ 98,032,000	\$ 99,677,629	\$ 100,894,500
Expenditures:					
Personnel Services	\$ 13,322,295	\$ 13,708,449	\$ 15,830,613	\$ 15,814,409	\$ 16,530,119
Operating Expenditures	38,518,763	35,873,346	51,334,080	52,268,434	53,612,052
Contractual Services	6,070,682	4,184,291	14,221,213	57,812,879	17,149,102
Internal Service Allocations	8,029,349	7,989,565	8,296,672	8,296,990	8,324,999
Debt Service	6,220,909	9,002,423	4,296,394	4,296,394	4,297,679
Capital Outlay	7,331	1,809	120,000	120,000	115,000
Total Expenditures	\$ 72,169,329	\$ 70,759,883	\$ 94,098,972	\$ 138,609,106	\$ 100,028,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 37,015,975	\$ 33,256,927	\$ 3,933,028	\$ (38,931,477)	\$ 865,549
Other Sources/Uses:					
Operating Transfer-In	\$ 16,535,874	\$ 33,570,000	\$ 20,585,874	\$ 20,585,874	\$ 21,100,000
Operating Transfer-Out	31,662,422	51,651,326	50,417,505	50,417,505	46,955,108
Total Other Sources (Uses)	\$ (15,126,548)	\$ (18,081,326)	\$ (29,831,631)	\$ (29,831,631)	\$ (25,855,108)
Net Increase (Decrease) in Fund Balance	\$ 21,889,426	\$ 15,175,601	\$ (25,898,603)	\$ (68,763,108)	\$ (24,989,559)

2013-14 Summary of Fund Balances

	2010-11 Actuals	2011-12 Actuals	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget
Internal Service Funds					
Revenues:					
Interest & Rentals	\$ 1,110,655	\$ 834,594	\$ 175,000	\$ 175,000	\$ 182,000
Miscellaneous Revenues	792,395	499,738	500,000	500,000	500,000
Reimbursables	167,910	217,325	208,861	208,861	208,861
Internal Services Revenue	<u>27,782,002</u>	<u>27,783,485</u>	<u>27,893,282</u>	<u>27,893,282</u>	<u>27,805,442</u>
Total Revenues	\$ 29,852,962	\$ 29,335,143	\$ 28,777,143	\$ 28,777,143	\$ 28,696,303
Expenditures:					
Personnel Services	\$ 5,373,056	\$ 5,682,895	\$ 6,074,413	\$ 6,091,677	\$ 6,100,575
Operating Expenditures	19,111,245	16,015,717	18,327,760	19,183,703	18,464,563
Contractual Services	519,256	1,035,261	1,292,050	2,226,805	926,441
Internal Service Allocations	398,471	398,090	441,417	441,417	435,756
Capital Outlay	<u>1,841,268</u>	<u>2,676,688</u>	<u>3,653,000</u>	<u>5,290,384</u>	<u>3,673,500</u>
Total Expenditures	\$ 27,243,296	\$ 25,808,651	\$ 29,788,640	\$ 33,233,986	\$ 29,600,835
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,609,665</u>	<u>\$ 3,526,492</u>	<u>\$ (1,011,497)</u>	<u>\$ (4,456,843)</u>	<u>\$ (904,532)</u>
Other Sources/Uses:					
Operating Transfer-In	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
Operating Transfer-Out	<u>840,000</u>	<u>840,000</u>	<u>840,000</u>	<u>840,000</u>	<u>840,000</u>
Total Other Sources (Uses)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)
Net Increase (Decrease) in Fund Balance	<u>\$ 1,859,665</u>	<u>\$ 2,776,492</u>	<u>\$ (1,761,497)</u>	<u>\$ (5,206,843)</u>	<u>\$ (1,654,532)</u>

Fund Balance

2013-14 Summary of Fund Balances

	2010-11 Actuals	2011-12 Actuals	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget
Fiduciary Funds					
Revenues:					
Interest & Rentals	\$ 526,146	\$ 666,477	\$ 196,000	\$ 196,000	\$ 262,400
Internal Services Revenue	<u>8,588,164</u>	<u>8,872,348</u>	<u>7,957,459</u>	<u>7,957,459</u>	<u>7,988,440</u>
Total Revenues	\$ 9,114,311	\$ 9,538,825	\$ 8,153,459	\$ 8,153,459	\$ 8,250,840
Expenditures:					
Personnel Services	\$ 2,759,230	\$ 2,967,790	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000
Total Expenditures	\$ 2,759,230	\$ 2,967,790	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 6,355,081	\$ 6,571,035	\$ 4,853,459	\$ 4,853,459	\$ 4,950,840
Other Sources/Uses:					
Operating Transfer-In	\$ 2,950,836	\$ 8,631,850	\$ 0	\$ 0	\$ 0
Operating Transfer-Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	\$ 2,950,836	\$ 8,631,850	\$ 0	\$ 0	\$ 0
Net Increase (Decrease) in Fund Balance	<u>\$ 9,305,916</u>	<u>\$ 15,202,885</u>	<u>\$ 4,853,459</u>	<u>\$ 4,853,459</u>	<u>\$ 4,950,840</u>

2013-14 Summary of Fund Balances

	2010-11 Actuals	2011-12 Actuals	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget
City of Ontario Funds					
Revenues:					
Sales Tax	\$ 55,755,932	\$ 61,362,958	\$ 59,250,000	\$ 62,000,000	\$ 63,000,000
Business License Tax	5,496,576	5,610,738	5,500,000	5,500,000	5,800,000
Occupancy Tax	8,790,219	9,148,976	8,600,000	8,900,000	9,300,000
Parking Tax	3,479,707	3,221,546	2,900,000	2,900,000	2,800,000
Franchises	2,879,831	2,897,780	2,850,000	2,850,000	2,900,000
Motor Vehicle License Fees	883,460	89,471	0	0	0
Property Tax	39,009,341	38,729,165	40,184,972	40,184,972	42,752,178
Development Related	5,999,749	11,826,319	3,578,400	4,455,218	5,931,600
Recreation Program	887,592	916,071	792,200	792,200	830,000
Interest & Rentals	11,156,257	4,541,266	2,553,435	2,553,435	2,653,350
Miscellaneous Revenues	12,468,390	16,312,468	7,472,200	7,472,200	40,055,700
Reimbursables	30,278,806	24,408,358	33,021,084	43,293,976	34,436,178
Enterprise Revenue	102,752,780	101,221,292	96,205,000	96,205,000	99,077,500
Internal Services Revenue	36,370,166	36,655,833	35,850,741	35,850,741	35,793,882
Other Revenue	<u>5,205,015</u>	<u>9,818,169</u>	<u>6,860,633</u>	<u>107,330,835</u>	<u>3,244,011</u>
Total Revenues	\$ 321,413,822	\$ 326,760,409	\$ 305,618,665	\$ 420,288,577	\$ 348,574,399
Expenditures:					
Personnel Services	\$ 131,299,068	\$ 134,061,181	\$ 141,836,559	\$ 142,696,060	\$ 145,209,464
Operating Expenditures	88,795,624	83,334,122	105,040,528	113,481,371	107,256,180
Contractual Services	45,427,644	32,324,450	56,837,034	265,895,817	81,435,209
Internal Service Allocations	26,858,930	26,954,751	27,624,296	27,626,192	27,723,601
Debt Service	6,242,797	32,655,359	4,323,394	7,822,013	4,324,679
Capital Outlay	<u>3,524,698</u>	<u>7,571,963</u>	<u>3,907,000</u>	<u>8,878,016</u>	<u>4,038,500</u>
Total Expenditures	\$ 302,148,762	\$ 316,901,825	\$ 339,568,811	\$ 566,399,469	\$ 369,987,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 19,265,060	\$ 9,858,583	\$ (33,950,146)	\$ (146,110,892)	\$ (21,413,234)
Other Sources/Uses:					
Operating Transfer-In	\$ 51,376,654	\$ 72,635,167	\$ 70,073,364	\$ 75,744,342	\$ 53,839,348
Operating Transfer-Out	<u>51,376,654</u>	<u>72,635,167</u>	<u>70,073,364</u>	<u>75,744,342</u>	<u>53,839,348</u>
Total Other Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Increase (Decrease) in Fund Balance	<u>\$ 19,265,060</u>	<u>\$ 9,858,583</u>	<u>\$ (33,950,146)</u>	<u>\$ (146,110,892)</u>	<u>\$ (21,413,234)</u>

Fund Balance

2013-14 Summary of Fund Balances

	2010-11 Actuals	2011-12 Actuals	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget
Ontario Housing Authority Funds					
Revenues:					
Interest & Rentals	\$ 121,924	\$ 355,829	\$ 401,845	\$ 401,845	\$ 653,641
Miscellaneous Revenues	0	(516,262)	4,811,632	4,811,632	55,000
Reimbursables	4,062,968	5,435,003	0	0	0
Other Revenue	0	0	0	250,000	250,000
Total Revenues	\$ 4,184,892	\$ 5,274,570	\$ 5,213,477	\$ 5,463,477	\$ 958,641
Expenditures:					
Personnel Services	\$ 0	\$ 277,919	\$ 296,057	\$ 296,057	\$ 164,206
Operating Expenditures	3,538,675	4,500,397	2,318,100	3,752,116	3,439,152
Contractual Services	403,972	207,647	640,000	684,257	640,000
Internal Service Allocations	0	2,122	4,633	4,633	2,553
Debt Service	33,478	33,478	16,546,969	15,129,888	15,129,888
Total Expenditures	\$ 3,976,126	\$ 5,021,562	\$ 19,805,759	\$ 19,866,951	\$ 19,375,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 208,766	\$ 253,008	\$ (14,592,282)	\$ (14,403,474)	\$ (18,417,158)
Other Sources/Uses:					
Operating Transfer-In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfer-Out	0	0	0	0	0
Total Other Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Increase (Decrease) in Fund Balance	\$ 208,766	\$ 253,008	\$ (14,592,282)	\$ (14,403,474)	\$ (18,417,158)

Interfund Transfer

City of Ontario

Fund Number Fund Name	Purpose	Transfers In 2012-13	Transfers Out 2012-13	Transfers In 2013-14	Transfers Out 2013-14
Fund 001 General Fund					
003 Gas Tax	Street Maintenance	\$ 1,397,722	\$ 0	\$ 1,409,897	\$ 0
003 Gas Tax	Traffic Management	123,755	0	126,276	0
003 Gas Tax	Paint & Striping	382,020	0	789,798	0
003 Gas Tax	Sign Repair and Construction	398,940	0	0	0
003 Gas Tax	Pavement Management Program	0	900,000	0	675,000
014 Mobile Source Air	CAP General Fund Allocation	1,617	0	16,625	0
018 Dangerous Buildings	CAP General Fund Allocation	55,309	0	74,025	0
019 Parkway Maintenance	CAP General Fund Allocation	153,579	0	157,826	0
019 Parkway Maintenance	General Fund Contribution	0	225,945	0	259,234
024 Water Operating	CAP General Fund Allocation	7,076,679	0	7,523,511	0
024 Water Operating	Billing & Collection	963,200	0	981,000	0
025 Water Capital	CAP General Fund Allocation	3,138,068	0	4,918,235	0
026 Sewer Operating	CAP General Fund Allocation	3,165,232	0	2,987,427	0
026 Sewer Operating	Billing & Collection	963,199	0	980,999	0
027 Sewer Capital	CAP General Fund Allocation	891,320	0	1,431,050	0
029 Solid Waste	CAP General Fund Allocation	5,890,468	0	5,748,334	0
029 Solid Waste	Pavement Preservation	213,553	0	213,553	0
029 Solid Waste	Billing & Collection	963,199	0	980,999	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	93,282	0
070 Street Light Maintenance	General Fund Contribution	0	18,690	0	18,943
071 CFD No. 10 - Public Services	General Fund Contribution	10,165	0	10,368	0
072 NMC - CFD	General Fund Contribution	372,172	0	442,012	0
076 Facility Maintenance	Facilities Maintenance	0	497,790	0	497,790
077 Storm Drain Maintenance	Operating Transfer - Storm Drain Maintenance	0	0	0	23,164
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	5,897,412	0	0	0
		<u>\$32,990,852</u>	<u>\$ 3,092,425</u>	<u>\$29,725,217</u>	<u>\$ 2,924,131</u>

Interfund Transfer

City of Ontario

Fund Number	Fund Name	Purpose	Transfers In 2012-13	Transfers Out 2012-13	Transfers In 2013-14	Transfers Out 2013-14
Fund 003 Gas Tax						
001	General Fund	Street Maintenance	\$ 0	\$ 1,397,722	\$ 0	\$ 1,409,897
001	General Fund	Traffic Management	0	123,755	0	126,276
001	General Fund	Paint & Striping	0	382,020	0	789,798
001	General Fund	Sign Repair and Construction	0	398,940	0	0
001	General Fund	Pavement Management Program	900,000	0	675,000	0
			<u>\$ 900,000</u>	<u>\$ 2,302,437</u>	<u>\$ 675,000</u>	<u>\$ 2,325,971</u>
Fund 014 Mobile Source Air Pollution						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 1,617	\$ 0	\$ 16,625
			<u>\$ 0</u>	<u>\$ 1,617</u>	<u>\$ 0</u>	<u>\$ 16,625</u>
Fund 017 Capital Projects						
098	General Fund Trust	Capital Projects	\$ 6,837,500	\$ 0	\$ 0	\$ 0
			<u>\$ 6,837,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund 018 Dangerous Buildings						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 55,309	\$ 0	\$ 74,025
			<u>\$ 0</u>	<u>\$ 55,309</u>	<u>\$ 0</u>	<u>\$ 74,025</u>
Fund 019 Parkway Maintenance						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 153,579	\$ 0	\$ 157,826
001	General Fund	General Fund Contribution	225,945	0	259,234	0
			<u>\$ 225,945</u>	<u>\$ 153,579</u>	<u>\$ 259,234</u>	<u>\$ 157,826</u>
Fund 024 Water Operating						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 7,076,679	\$ 0	\$ 7,523,511
001	General Fund	Billing & Collection	0	963,200	0	981,000
025	Water Capital	Water Capital Transfer	0	17,615,874	0	17,600,000
034	Information Technology	Communication/Radio Replacement Reserve	0	20,000	0	20,000
			<u>\$ 0</u>	<u>\$25,675,753</u>	<u>\$ 0</u>	<u>\$26,124,511</u>
Fund 025 Water Capital						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 3,138,068	\$ 0	\$ 4,918,235
024	Water Operating	Water Capital Transfer	17,615,874	0	17,600,000	0
			<u>\$17,615,874</u>	<u>\$ 3,138,068</u>	<u>\$17,600,000</u>	<u>\$ 4,918,235</u>

Interfund Transfer

City of Ontario

Fund Number	Fund Name	Purpose	Transfers In 2012-13	Transfers Out 2012-13	Transfers In 2013-14	Transfers Out 2013-14
Fund 026 Sewer Operating						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 3,165,232	\$ 0	\$ 2,987,427
001	General Fund	Billing & Collection	0	963,199	0	980,999
027	Sewer Capital	Sewer Capital Transfer	0	2,970,000	0	3,500,000
034	Information Technology	Communication/Radio Replacement Reserve	0	20,000	0	20,000
			<u>\$ 0</u>	<u>\$ 7,118,431</u>	<u>\$ 0</u>	<u>\$ 7,488,426</u>
Fund 027 Sewer Capital						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 891,320	\$ 0	\$ 1,431,050
026	Sewer Operating	Sewer Capital Transfer	2,970,000	0	3,500,000	0
			<u>\$ 2,970,000</u>	<u>\$ 891,320</u>	<u>\$ 3,500,000</u>	<u>\$ 1,431,050</u>
Fund 029 Solid Waste						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 5,890,468	\$ 0	\$ 5,748,334
001	General Fund	Pavement Preservation	0	213,553	0	213,553
001	General Fund	Billing & Collection	0	963,199	0	980,999
034	Information Technology	Communication/Radio Replacement Reserve	0	50,000	0	50,000
098	General Fund Trust	Pavement Preservation - Capital Facilities	0	6,476,713	0	0
			<u>\$ 0</u>	<u>\$ 13,593,933</u>	<u>\$ 0</u>	<u>\$ 6,992,886</u>
Fund 034 Information Technology						
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>
Fund 070 Street Light Maintenance						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 93,243	\$ 0	\$ 93,282
001	General Fund	General Fund Contribution	18,690	0	18,943	0
			<u>\$ 18,690</u>	<u>\$ 93,243</u>	<u>\$ 18,943</u>	<u>\$ 93,282</u>
Fund 071 CFD No. 10 - Public Services						
001	General Fund	General Fund Contribution	\$ 0	\$ 10,165	\$ 0	\$ 10,368
			<u>\$ 0</u>	<u>\$ 10,165</u>	<u>\$ 0</u>	<u>\$ 10,368</u>
Fund 072 NMC - CFD						
001	General Fund	General Fund Contribution	\$ 0	\$ 372,172	\$ 0	\$ 442,012
			<u>\$ 0</u>	<u>\$ 372,172</u>	<u>\$ 0</u>	<u>\$ 442,012</u>

Interfund Transfer

City of Ontario

Fund Number	Fund Name	Purpose	Transfers In 2012-13	Transfers Out 2012-13	Transfers In 2013-14	Transfers Out 2013-14
Fund 076 Facility Maintenance						
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>
Fund 077 Storm Drain Maintenance						
001	General Fund	CAP General Fund Allocation	\$ 0	\$ 0	\$ 23,164	\$ 0
			<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,164</u>	<u>\$ 0</u>
Fund 098 General Fund Trust						
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	5,897,412	0	0
017	Capital Projects	Capital Projects	0	6,837,500	0	0
029	Solid Waste	Pavement Preservation - Capital Facilities	6,476,713	0	0	0
			<u>\$ 7,926,713</u>	<u>\$12,734,912</u>	<u>\$ 1,450,000</u>	<u>\$ 0</u>
TOTAL TRANSFERS ALL CITY FUNDS			<u>\$70,073,364</u>	<u>\$70,073,364</u>	<u>\$53,839,348</u>	<u>\$53,839,348</u>



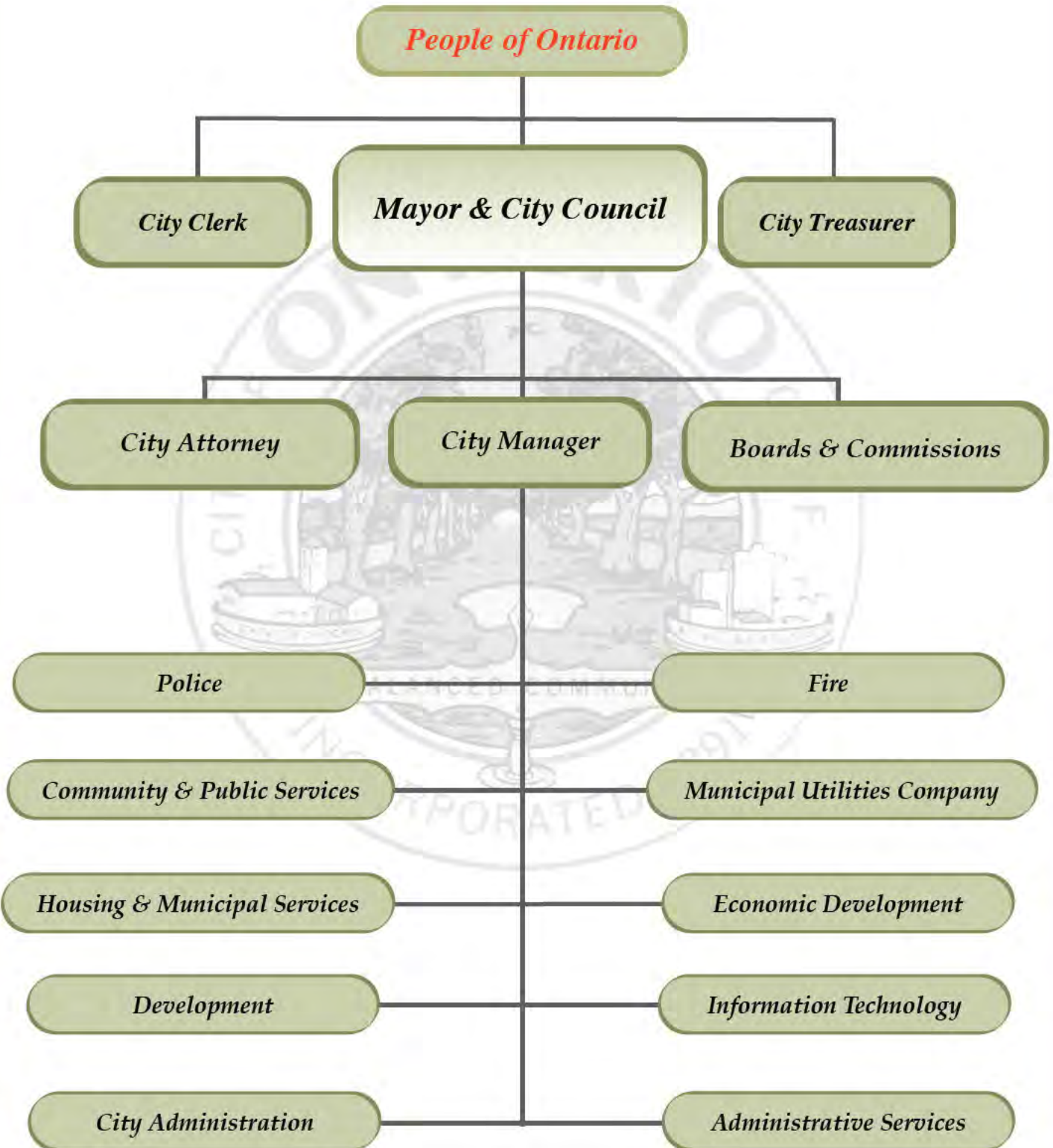
CITY OF
ONTARIO
SOUTHERN CALIFORNIA

The logo for the City of Ontario, Southern California, features a stylized sun with yellow rays rising behind a red mountain silhouette. A red diagonal line cuts across the word 'ONTARIO'.

Citywide

CITYWIDE

Fiscal Year 2013-14 Organization Chart



Personnel Count List

**Total Citywide Authorized
Full-Time Positions: 1,053**



	<i>Adopted 2011-12</i>	<i>Adopted 2012-13</i>	<i>Current 2012-13</i>	<i>Adopted 2013-14</i>
<u>Elected Officials</u>				
Mayor	1	1	1	1
City Council Member	4	4	4	4
City Treasurer/City Clerk	2	2	2	2
<i>Total Elected Officials</i>	7	7	7	7
<u>Police Department</u>				
Office of the Police Chief	6	7	7	7
Police Administrative Services	65	69	69	70
Field Operations Bureau	136	134	134	134
Investigations Bureau	71	69	69	68
Special Operations Bureau	62	61	61	61
<i>Total Police Department</i>	340	340	340	340
<u>Fire Department</u>				
Fire Administration	4	4	4	5
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	0
<i>Total Fire Department</i>	152	152	152	151

Personnel Count List

	<i>Adopted 2011-12</i>	<i>Adopted 2012-13</i>	<i>Current 2012-13</i>	<i>Adopted 2013-14</i>
<u>Community & Public Services</u>				
Community & Public Services Administration	3	3	3	3
Recreation & Community Services	20	20	21	21
Library	32	31	31	31
Museum	3	3	3	3
Parks and Maintenance	64	64	64	63
<i>Total Community & Public Services</i>	<i>122</i>	<i>121</i>	<i>122</i>	<i>121</i>
<u>Municipal Utilities Company</u>				
Municipal Utilities Administration	3	3	3	3
Administrative Services	16	17	17	15
Municipal Services	133	131	131	0
Utilities Engineering	9	9	9	9
Utilities Operations	50	50	50	50
Solid Waste Operations	0	0	0	86
<i>Municipal Utilities Company</i>	<i>211</i>	<i>210</i>	<i>210</i>	<i>163</i>
<u>Housing & Municipal Services</u>				
Administration	5	3	3	4
Code Enforcement	28	29	31	0
Housing Development/Grants Administration/ Neighborhood Revitalization	12	2	2	2
Quiet Home	4	3	3	4
Municipal Services	0	0	0	47
<i>Total Housing & Municipal Services</i>	<i>49</i>	<i>37</i>	<i>39</i>	<i>57</i>
<u>Economic Development</u>				
Economic Development	7	6	6	6
Redevelopment Department	2	0	0	0
<i>Total Economic Development</i>	<i>9</i>	<i>6</i>	<i>6</i>	<i>6</i>

Personnel Count List

	<i>Adopted 2011-12</i>	<i>Adopted 2012-13</i>	<i>Current 2012-13</i>	<i>Adopted 2013-14</i>
<u>Development</u>				
Administration	4	4	4	4
Planning	19	20	20	23
Building	13	13	13	13
Engineering	38	38	38	39
<i>Total Development</i>	<i>74</i>	<i>75</i>	<i>75</i>	<i>79</i>
<u>Information Technology</u>				
Information Technology	25	25	25	25
<i>Total Information Technology</i>	<i>25</i>	<i>25</i>	<i>25</i>	<i>25</i>
<u>City Administration</u>				
Office of the City Manager	5	5	5	7
Human Resources	7	7	7	9
Risk Management	5	5	5	3
Emergency Management	0	0	0	1
Records Management	6	6	6	6
Code Enforcement	0	0	0	30
<i>Total City Administration</i>	<i>23</i>	<i>23</i>	<i>23</i>	<i>56</i>
<u>Administrative Services</u>				
Administrative Services	2	2	2	2
Management Services	9	9	8	8
Fiscal Services	11	11	11	11
Revenue Services	26	26	27	27
<i>Total Administrative Services</i>	<i>48</i>	<i>48</i>	<i>48</i>	<i>48</i>
<i>Total Citywide Authorized Full-Time Positions</i>	<i>1,060</i>	<i>1,044</i>	<i>1,047</i>	<i>1,053</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,

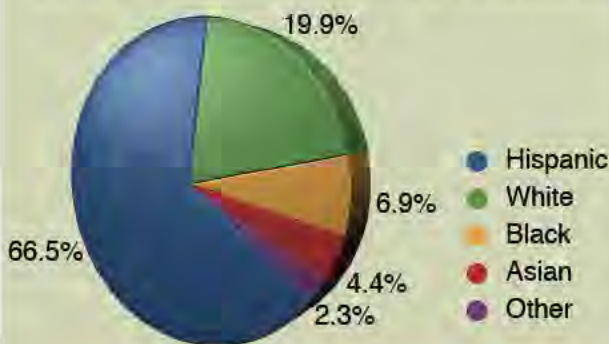
San Bernardino and Riverside Counties, Ontario is home to an estimated 166,866 people and over 11,000 businesses. Ontario is advantageously positioned with unique, convenient access to the major I-10, I-210, I-15 and Route 60 freeway systems as well as the Ontario International Airport (ONT).

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.

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 Southern California's largest shopping mall and entertainment destination. Just a few of the major anchor and inline stores include Last Call by Neiman Marcus, Saks Fifth Avenue OFF 5TH, Coach Factory Store, Tommy Bahama Outlet, Nordstrom Rack, H&M, Forever 21, J.Crew Factory, Tommy Hilfiger Company Store, Abercrombie & Fitch Outlet, Sports Authority and Nike Factory Store. Also, entertainment venues including Market Broiler, Rainforest Cafe,

2012 Ethnic Distribution by Residents



2012 MEDIAN HOUSEHOLD INCOME

Total Number of Households	45,283
Median Household Income	\$55,902
Total Household Income	\$2,531,410,266
Per Capita Income	\$19,123

Source: US Census Bureau/Community Facts

Economic and Community Profile

Dave & Busters, GameWorks, AMC 30 Theaters, and Improv Comedy Club & Dinner Theater. Ontario has recently invested \$4.5 million of former 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 2012. 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. Ontario currently has 5.2 million square feet of office space and 1 million square feet under development. Ontario expects to realize 15 to 25 million square feet of new office space over the next 25 years to accommodate expected business and population growth. Companies such as Merrill Lynch, Chapman University and the Brady Corporation are just a few examples of companies who have relocated to Ontario for its corporate advantages.

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.

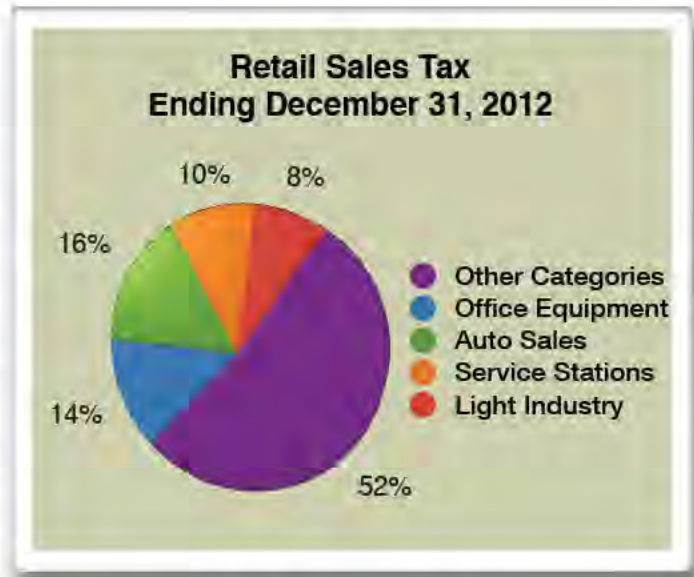
Economic and Community Profile

Companies find that space in Ontario is much more affordable than its coastal neighbors. As of the 4th quarter of 2012, Ontario's average lease rates for office, retail, and industrial spaces were \$1.75, \$1.47, and \$0.34 per square foot, respectively. This is considerably less than lease rates offered in neighboring areas: \$1.88, \$1.85, and \$0.58 in Orange County, and \$2.44, \$1.95, and \$0.50 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 the successful Ontario Auto Center. In the calendar year ending December 31, 2012, taxable sales reached approximately \$5.8 billion. Ontario's 2011 per capita taxable sales average of \$32,257 was well above the \$13,396 per capita sales level for San Bernardino County.

The City's population continues to grow steadily, rising from 158,007 in 2000 to 165,790 in 2012. Its ethnic diversity remains somewhat consistent as in recent years, with the Hispanic population making up 67 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 develops 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 professional hockey team, the Ontario Reign, and the new soccer team.

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. Finally, the groundbreaking on a new 56,000 square foot office development at Holt Boulevard and Euclid Avenue was held on June 7, 2013.

Historic Guasti District

The Historic Guasti District will feature retail, restaurant, office and entertainment facilities. Along with residential units and 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, which means "the City on the side of a mountain," was founded in September of 1881 by George Chaffey Jr. and his brother William. The brothers purchased the "San Antonio lands", 6,218 acres with water rights. This purchase would become the center of the "Model Colony". The Chaffey brothers also expanded their holdings to include the land south of the Southern Pacific Railroad and north to the San Antonio Canyon, an important source of water.

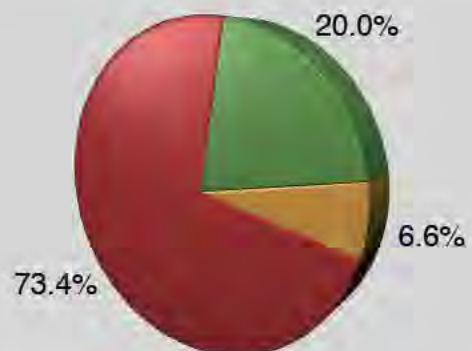
In 1903 Ontario was proclaimed a "Model Irrigation Colony" by an act of Congress. The Ontario planned community had many modern innovations, which still show merit today. Euclid Avenue, which is included on the National Register List of Historic Places, was the stately back-bone of the colony with provisions for an electric railway, water rights for each landowner, a local educational institution, electric lights, and one of the first long distance telephone lines. The location near water and transportation ensured the success of the Model Colony and it set new standard for rural communities and irrigation practices that were followed for many years.

Ontario first developed as an agricultural community, largely, but not exclusively devoted to the citrus industry. The Sunkist water tower remains to this day, a reminder of the heydays. In addition to oranges, the production of peaches, walnuts, lemons, olives and grapes were also important to the growth of Ontario.

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. Engineer John Tays of Upland added the pull-out trailer that allowed the mules to coast downhill after each laborious pull from Holt to

ANNUAL OPERATING BUDGET

	<u>FY12-13</u>	<u>FY13-14</u>
Total Funds:	\$ 440,707	\$ 471,683
General Fund:	\$ 440,707	\$ 471,683
Full Time Employees:	7	7



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

Elected Officials

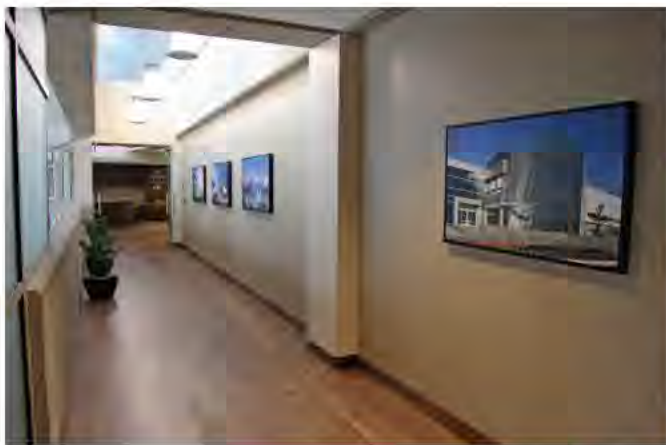
Twenty-Fourth Street. The mule car served until 1895, when it was replaced by an electric streetcar and returned temporarily when a flood damaged the electrical generator in the powerhouse.

Chaffey College, which was located where the Chaffey brothers put it until 1960, originally emphasized agricultural subjects. 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.

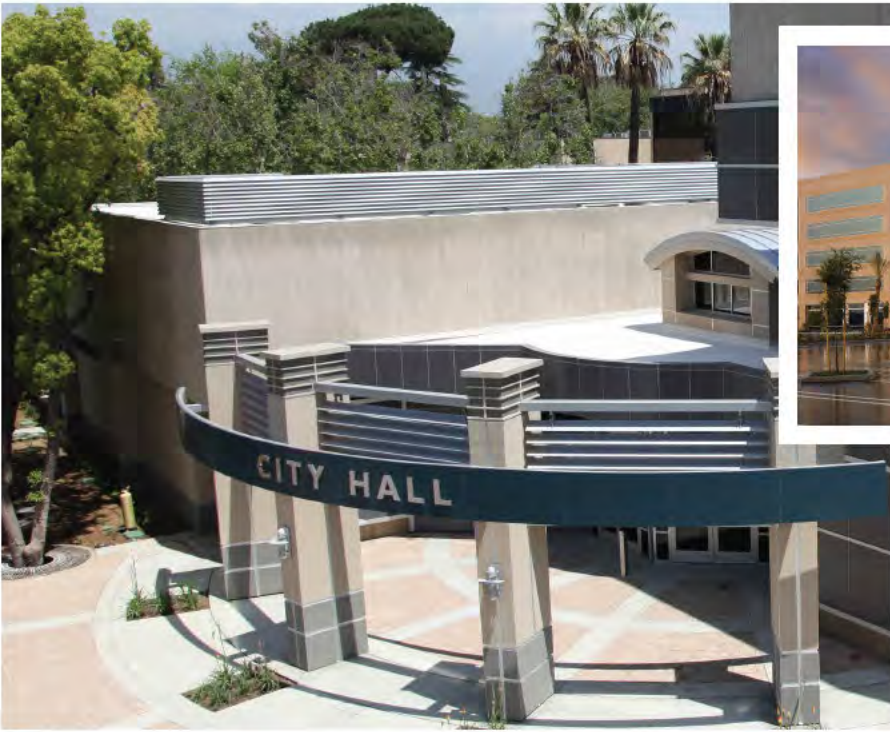
In 1923, Judge Archie Mitchell, Waldo Waterman, and other airplane enthusiasts established Latimer Field. From that time on, the town became increasingly aviation conscious. Urban growth pushed the fliers progressively east, until they took up their present location, the Ontario International Airport.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



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 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. The Field Operations Bureau also continues to encourage and support local educational partnership through the School Resource Officer program, working to ensure the safety of our local schools and providing guidance for our student population.

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 continues to receive grant funding through Alcohol Beverage Control (ABC) to enforce local and state regulations on alcohol sales and service and has recently expanded to include underage tobacco consumption and sales of other age restricted commodities. The COPS Unit has 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 has expanded use of its Regional Video Downlink System Project with continued funding from the Department of Homeland Security Urban Area Security Initiative. Over the past year, the Air Support Unit utilized this technology to coordinate mutual aid with regional partners throughout the Inland Empire, providing well coordinated response to multi-jurisdictional events affecting our community.



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. During the previous year, the Traffic Division successfully managed the regional "Avoid the 25" traffic safety grant, providing additional resources to ensure the safety of regional roadways. The Traffic Division also, in coordination with California Office of Traffic Safety and Highway Patrol, re-introduced the "Every 15 Minutes" program, providing a high-impact to teenage drivers on the real impacts of distracted and drunk driving.



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, 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, 5**

At the direction of our City Council, the Police Department continues to leverage grant funding and other resources to ensure our personnel have access to the most advanced, state-of-the-art training facilities in the region. In late 2012, the Police Department completed construction of our Police Firearms Training Facility, providing an on-site facility for instruction, training and practice in officer safety and response techniques. Additional training investments include an on-site weaponless defense training area and a fully implemented laser-shot virtual firearms decision making simulator.

The Investigations Bureau continues to lead the region in solving complex cases and taking high risk offenders off the streets through solid case work. In 2012, the Investigations Bureau expanded their efforts, using a variety of investigative tools and regional partnerships, to address the growing threat of human trafficking. The Investigations Bureau also expanded efforts in combating the expanding threats of cyber-crime and financial fraud. The Forensic Services Division also continues to build upon its latent print services, assisting with solvability in current cases and providing new means of solving cold-case files.

ANNUAL OPERATING BUDGET

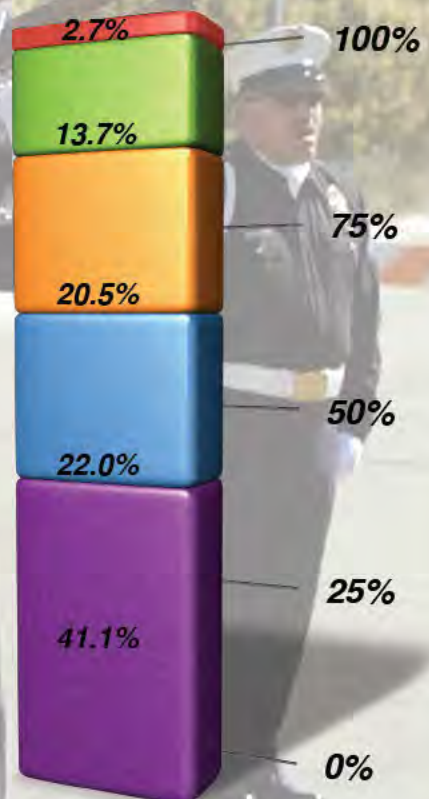
	<i>FY12-13</i>	<i>FY13-14</i>
Total Funds:	\$ 65,843,095	\$ 66,824,832
General Fund:	\$ 65,177,404	\$ 66,157,480
Other Funds:	\$ 665,691	\$ 667,352
Full Time Employees	340	340

OTHER FUNDS CONSIST OF:

C.D.B.G	\$ 151,765
Asset Seizure	\$ 515,587

Agency Divisions

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





Performance Measures

(See page 8 Goal #1 3)

FBI part I Crimes ¹

Actual FY11-12	5,373
Projected FY12-13	5,620
Estimated FY13-14	5,360

Median Time for Priority E call-for-service ²

Actual FY11-12	2 min. 23 sec.
Projected FY12-13	2 min. 14 sec.
Estimated FY13-14	2 min. 6 sec.

Percentage of Part 1 crime rate from Ontario Mills Mall & vicinity ⁴

Actual FY11-12	10.20%
Projected FY12-13	8.70%
Estimated FY13-14	8.50%

Traffic Collision Index Clearance Rate ³

Actual FY11-12	23
Projected FY12-13	14
Estimated FY13-14	16

Hours donated by departmental volunteers

Actual FY11-12	17,342
Projected FY12-13	13,562
Estimated FY13-14	15,000

¹ FB Part Crimes include homicide forcible rape robbery aggravated assault burglary motor vehicle theft larceny theft arson FB Part Crimes for 2012 are preliminary counts and are based on the monthly UCR Part Crimes submitted to DOJ The FB s Crime Report for 2012 will not be published until September 2013

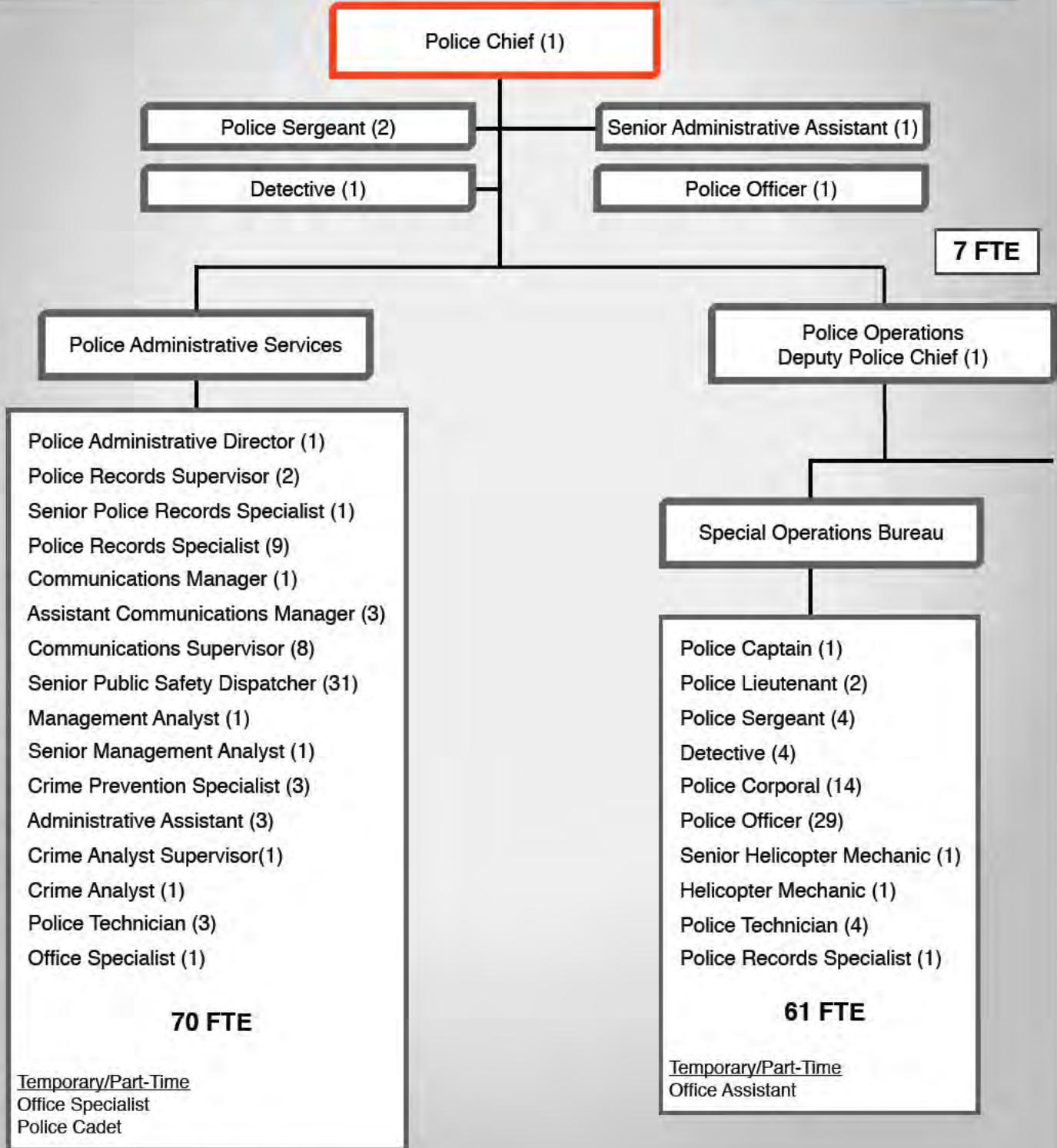
² Priority E Calls include Aircraft Crash Code 3 Assist Other Jurisdiction Code 3 Pursuit Assist Shooting Stabbing Officer Down Code 3 Fire Dept Assist Earthquake no previous data is available since this is a new priority definition Response time includes from time call is dispatched to officer to time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

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

⁴ Area boundaries east side of Milliken to 15 Fwy; 10 Fwy to 4th Street

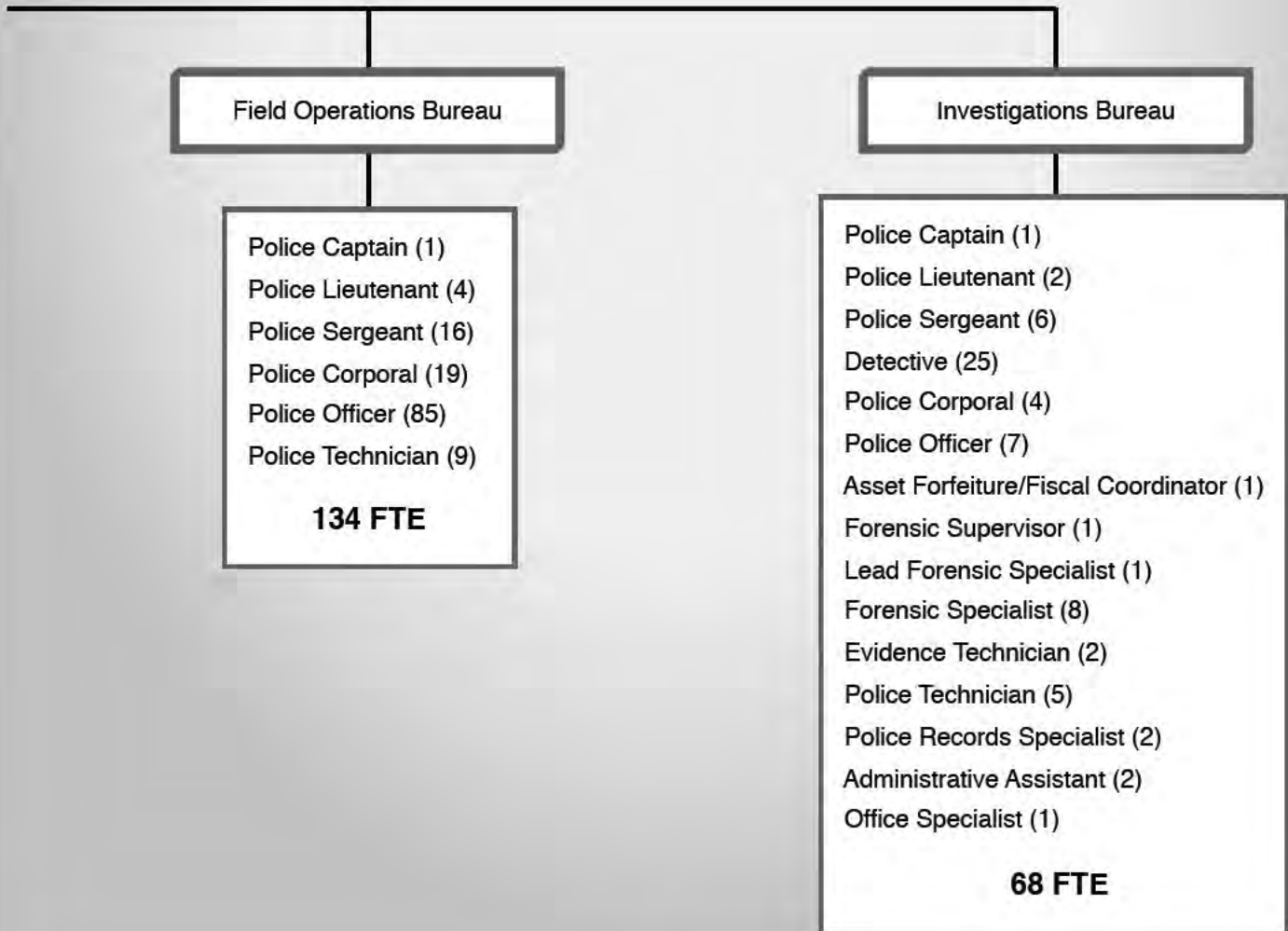


2013-14 Organizational Chart
Police Department
(340 Full-time Employees)
Effective July 1, 2013





2013-14 Organizational Chart
Police Department
(340 Full-time Employees)
Effective July 1, 2013





FIRE DEPARTMENT

Floyd E. Clark, Fire Chief

Bureaus of Operations, Fire Prevention, Technical Services/E.M.S.

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 basic life support techniques while many continue their training in specialized areas including Paramedicine, Hazardous Materials, Bomb Squad, Heavy Rescue, and Fire Investigation.

The Ontario Fire Department team is comprised of three Bureaus: Operations (includes Training), Fire Prevention, and Technical Services/Emergency Medical Services (EMS). 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 and community risk reduction.

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.

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. With the assistance of Human Resources, the Operations Bureau developed a job analysis for the ranks of Battalion Chief and Fire Captain. Promotional examinations were designed that better reflect the core performance



Agency Mission working with Council's City Goals

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

- ➔ Work with the Inland Counties Emergency Medical Agency (ICEMA) to develop new approaches to provide EMS to the Community. Introduce a new program called Community Paramedicine; **Council's City Goal #2, 4, 7**
- ➔ Maintain an active inspection program to identify dangerous circumstances and prevent damage resulting from emergency incidents; **Council's City Goal #4**
- ➔ Identify guidelines for developing a Community Risk Reduction criterion. Conduct a community risk analysis based on local data; **Council's City Goal #2, 7**
- ➔ Work with other City agencies to design and erect a new Training Tower at the Fire Training Center facility; **Council's City Goal #2, 3**

dimensions for each position. The Operations Bureau has further enhanced its Urban Search and Rescue capabilities by receiving Type I Heavy Rescue status through the state OES mutual aid system. Landscaping was updated at Fire Station No. 8 and the grant funded Fire Station No. 5 renovation project has been completed.

The Bureau of Operations, Training Division provided monthly department wide training to include the development of two major training cadres: Fire Control and Wildland Firefighting. The

Training Division continued its commitment to career development by providing both Fire Captain and Fire Engineer mentoring programs and also developed, administered, and proctored both Fire Engineer and Firefighter recruitment testing.

The Bureau of Fire Prevention's Fire Plan Check process is streamlined providing residents and businesses a more user-friendly environment. A robust business inspection program allows an opportunity for trained professionals to conduct a site safety inspection in an effort to identify and prevent

injuries or other loss of business resulting from unsafe conditions. Timely and accurate investigations serve as a deterrent to the crime of arson, resulting in decreased insurance costs for all members of our community. Community Risk Reduction (CRR) programs offered to the community, such as the Fire Department Open House, the Fire Safety Trailer, and the Senior Smoke Detector program allows residents an opportunity to receive education regarding safety measures to be implemented within their individual residence.

ANNUAL OPERATING BUDGET

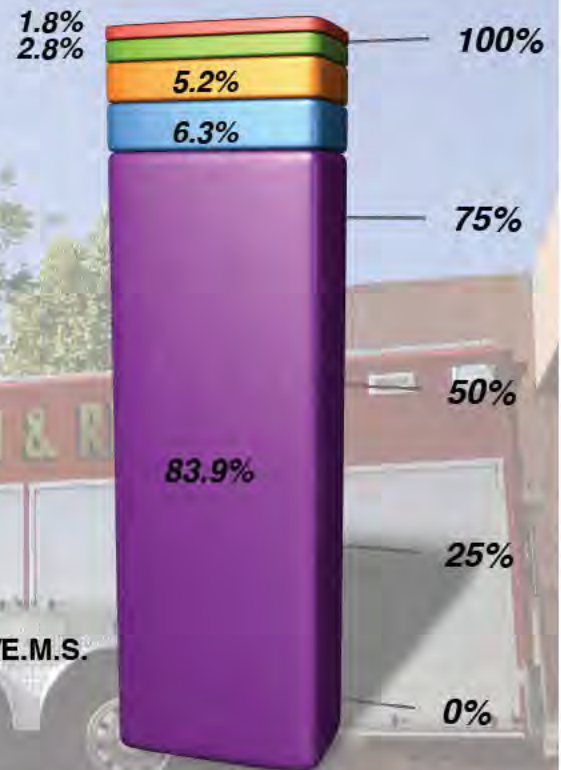
	FY12-13	FY13-14
Total Funds:	\$ 36,821,625	\$ 39,747,058
General Fund:	\$ 36,821,625	\$ 37,247,058
Other Funds:	\$ 0	\$ 2,500,000
Full Time Employees:	152	151

OTHER FUNDS CONSIST OF:

Fire Impact \$ 2,500,000

Agency Divisions

- Fire Administration
- Technical Services/E.M.S.
- Fire Prevention
- Fire Projects
- Operations



Performance Measures

(See Appendix Table A1.3)

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

Actual FY11-12	87.5%
Projected FY12-13	100%
Estimated FY13-14	100%

Conduct training to meet or exceed State and Federal standards

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

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

Actual FY11-12	98%
Projected FY12-13	100%
Estimated FY13-14	100%

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

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Provide minimum hours of EMT-1 and Paramedic training (12 hours of EMT-1 and 24 hours of paramedic)

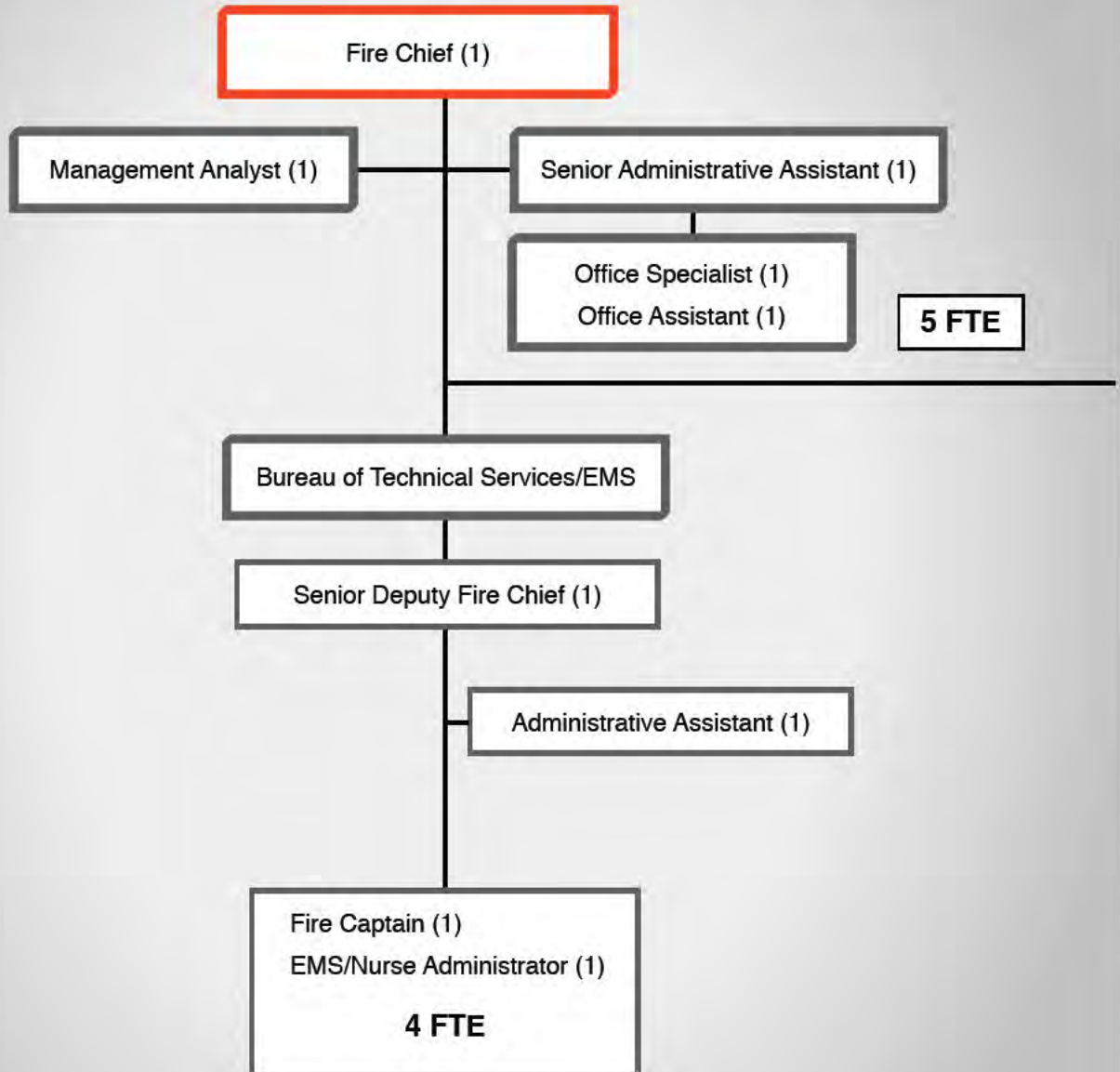
Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

The Bureau of Technical Services/EMS was involved in many significant projects in Fiscal Year 2012-13. First, the EMS Bureau continues to support the countywide ST-Elevation Myocardial Infarction (STEMI) and Stroke programs. 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. Second, the Technical Services/EMS and Operations Bureaus are part of a countywide effort to introduce a new integrated electronic patient care reporting (E-PCR) system into San Bernardino County. This new system is called Image Trend. Next, in conjunction with Image Trend the EMS Bureau is working with ICEMA to develop new approaches to provide EMS to the community. The new program is called Community Paramedicine. Last, the Technical Services/EMS Bureau has assisted the City's 9-1-1 dispatch center in implementing a new emergency medical dispatch (EMD) system. Together E-PCR, Community Paramedicine, and EMD reflect the City's Approach to Public Service.



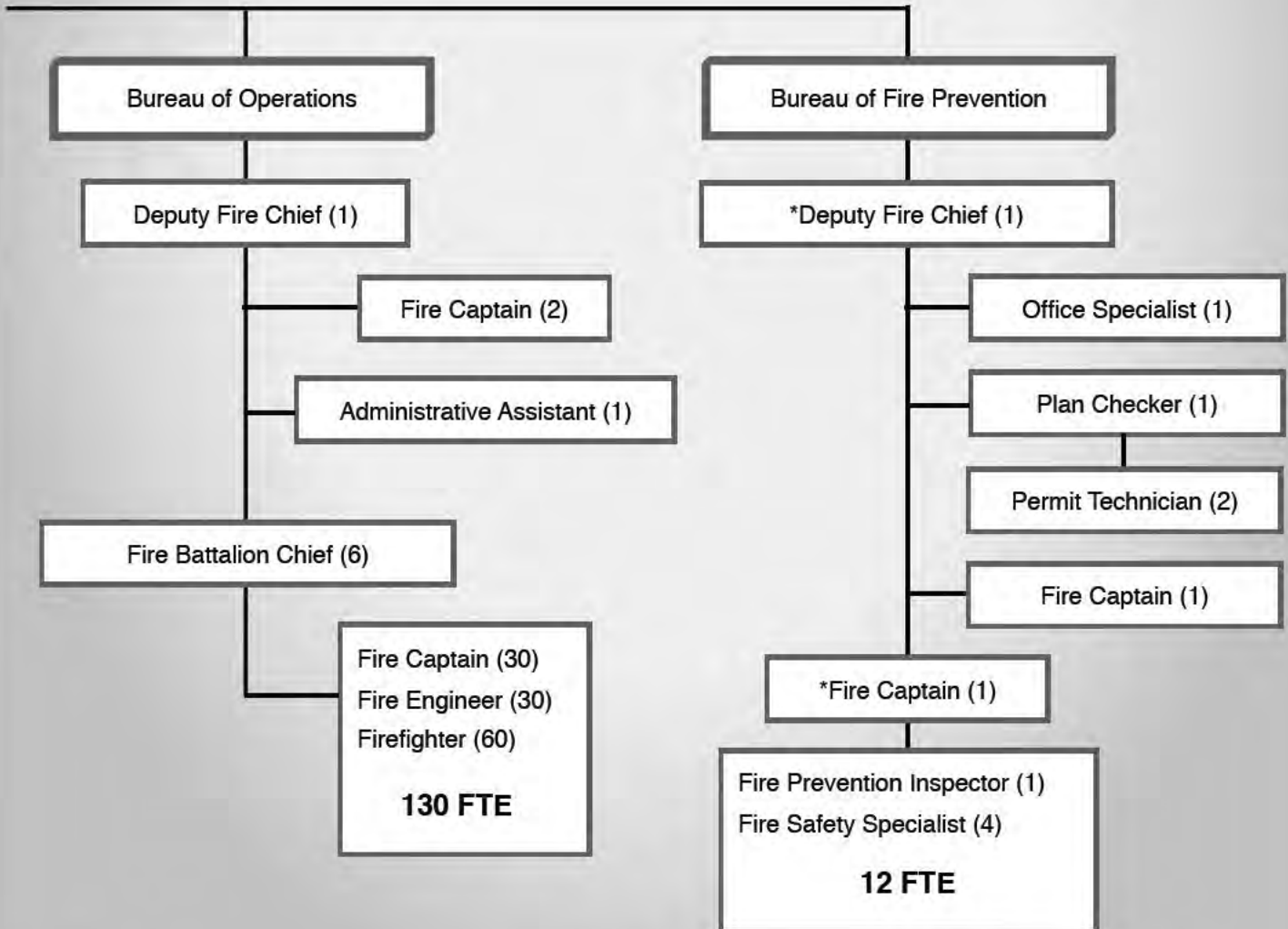


2013-14 Organizational Chart
Fire Department
(151 Full-time Employees)
Effective July 1, 2013





2013-14 Organizational Chart
Fire Department
(151 Full-time Employees)
Effective July 1, 2013



*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 encouraging volunteerism, building community involvement and promoting the City's Approach to Public Service throughout our departments. Each of our departments have worked diligently to create our own goals and commitment statements on how we can best serve our community and have been instilling these attitudes and values in our business culture regularly throughout the year.

Our commitment to the community is reflected in our efforts to provide collaborators, programs and activities that promote community spirit and involvement. Fiscal Year 2012-13 began the first year of a three (3) year progressive program through the HEAL grant promoting healthy living and community engagement within a coordinated area of Ontario involving the De Anza Community Center and Park and Bon View Park. The Community Kick Off was attended by hundreds of residents in the area and demonstrated the upcoming changes that will benefit the

community, such as outdoor fitness equipment and walking trail at De Anza Park and the development of a community garden located just west of Bon View Park. In addition, the community came out in support of the Ontario 5K Reindeer Run/Walk promoting continued education and encouragement of a healthier lifestyle for our families.

In collaboration with Ontario Montclair School District (OMSD) and Promise Scholars, the agency promoted continued education opportunities for our students through our annual 5K Reindeer Run/Walk. The event was a huge success with many sponsors, educators and community out in support of this goal to provide continued education for the kids. Partnering with OMSD and involving the community increased the 5K run/walk participation to over 1,000 people and helped Promise Scholars raised over \$16,000 for the future education of our children.

Major Accomplishments

The Library has excelled through Fiscal Year 2012-13. One of their major accomplishments was the adoption of Polaris, a new integrated library system. Patron accessibility to the Library was of great importance this year and the new Polaris system allows patrons easier access to searching

for materials, managing their accounts, and creating lists of material to check out. In addition, the system provides more flexibility for staff to provide improved services and allowing for a higher level of customer service to our patrons. To continue this level of connection with the community, the library continues to create programming that promotes health, learning and literacy to all our patrons and people within the community.

At the end of Fiscal Year 2011-12, the library was named a California Family Place Library, an honor which came with a \$15,000 grant available for use in Fiscal Year 2012-13. Youth Services librarians used the funding to create an early childhood space within the library that included age-appropriate toys, books, furniture, music and multimedia materials for babies, toddlers, their parents and service providers. As part of the grant, staff presented several workshops aimed at parents and caregivers of children from the ages of newborn to five, which featured local professionals who served as resources and taught strategies for early health, learning and literacy.

The Museum of History and Art, Ontario worked throughout the year finding ways to promote it's future development. With the launch of the Institutional Assessment and Strategic Planning project, the Museum collaborated with over 30 volunteers and community leaders in assessing the museum's current practices in relation to professional museum standards. These assessment findings will provide a strategic planning process to guide the Agency in the museum's future development. While planning for the future, the Museum works to provide unique and inspiring exhibitions to the community.



Agency Mission working with Council's City Goals

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

- ➔ Support and foster early childhood education and literacy through programming and partnerships; **Council's City Goal #7**
- ➔ Complete the construction of Ontario Town Square Plaza and begin the design and specifications for the Civic Center Community Conservation Park Projects; **Council's City Goal #6**
- ➔ Work with the California Parks and Recreation Society to plan and successfully host the 2014 California & Pacific Southwest Recreation & Park Training Conference at the Ontario Convention Center; **Council's City Goal #7**
- ➔ Work with the IT Department to research, purchase and implement a new registration software program to improve customer services to our recreation program participants; **Council's City Goal #7**
- ➔ Implement the 2nd year of the HEAL grant for the De Anza Community Center & Park and Dorothy Quesada Center & Bon View park to include trails, nutrition/activity policies and community engagement; **Council's City Goal #7**

In addition to its permanent exhibitions on local history, the museum featured five temporary exhibitions providing diverse cultural experiences for our residents. Topics included Lasting Light: 125 years of Grand Canyon Photography that highlighted framed photographs of the unique wonder and majesty of the Grand Canyon and Quilt Stories from the Inland Empire, which featured the fascinating history and artful creations of fiber artists and coincided with a quilters meeting at the convention center. In winter and spring of 2012, an exhibit called Seaweed, Salmon and Manzanita Cider: A California Indian Feast showcased how California Indians traditional hunting, collection and presentation of food through displays, photography and other artifacts. Ontario's biennial Open Art Exhibition will close out the year by presenting local and regional artwork, in various media formats, in a community exhibition.

The Parks and Maintenance department has completed several projects in the last year, which has provided increased outdoor play and recreational amenities for our community. In November 2012, the new five (5) acre South Bon View Park was completed. The park provided additional green space and play equipment for the adjacent Bon View Elementary School and local residents. The park included picnic areas with barbecues, play equipment, restroom, walking trail, outdoor fitness equipment and parking lot. Also for the sports community, Whispering Lakes Golf Course improvements were completed in February 2013. The improvements included a new clubhouse with dining area and pro shop, landscaping, outside patio with seating area, and improvements to the parking lot.

Finally, through Community Development Block Grant funding, the Parks department was able to install outdoor fitness and playground equipment at James Bryant Park. The equipment consisted of eight (8) pieces of outdoor fitness equipment and the installation of a new playground structure for children from the ages of 2 to 5 and 5 to 12 years, which will offer our residents an opportunity to work out and still watch their kids play in the confines of their local park.

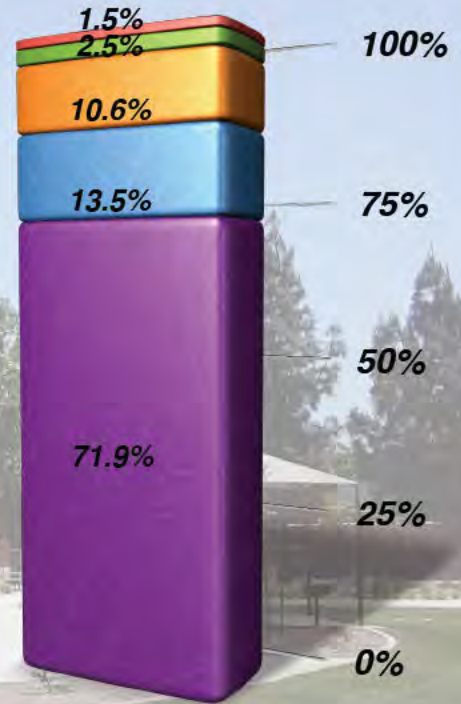


ANNUAL OPERATING BUDGET

	<u>FY12-13</u>	<u>FY13-14</u>
Total Funds:	\$ 27,223,388	\$ 31,911,833
General Fund:	\$ 19,944,492	\$ 20,150,118
Other Funds:	\$ 7,278,896	\$ 11,761,715
Full Time Employees:	121	121

OTHER FUNDS CONSIST OF:

Gas Tax	\$ 1,050,925
C.D.B.G.	\$ 100,000
General Fund Grants	\$ 39,500
Capital Projects	\$ 7,645,000
Parkway Maintenance	\$ 626,264
Solid Waste	\$ 1,821,741
Facility Maintenance	\$ 70,750
Storm Drain Maintenance	\$ 407,535



Agency Divisions

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

Performance Measures

(See page 8 Goal #1-3)

Agency volunteer hours contributed

Actual FY11-12	27,942
Projected FY12-13	27,284
Estimated FY13-14	27,950

Number of Senior participants in Recreation Programs

Actual FY11-12	8,384
Projected FY12-13	8,500
Estimated FY13-14	8,750

Number of Teen participants in Agency Programs

Actual FY11-12	6,611
Projected FY12-13	6,650
Estimated FY13-14	6,900

Circulation of library materials to the public

Actual FY11-12	557,711
Projected FY12-13	540,000
Estimated FY13-14	550,000

Number of collaborations/partnerships

Actual FY11-12	170
Projected FY12-13	194
Estimated FY13-14	196



2013-14 Organizational Chart
Community & Public Services
(121 Full-time Employees)
Effective July 1, 2013



Community & Public Services Director (1)

Administration

Administrative Assistant (1)
 Management Analyst (1)

3 FTE

Parks & Maintenance

Maintenance Superintendent (2)
 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)

63 FTE

Library

Library Director (1)
 Associate Library Director (1)
 Administrative Assistant (1)
 Supervising Librarian (5)
 Senior Librarian (2)
 Librarian (5)
 Office Specialist (1)
 Senior Library Assistant (4)
 Supervising Library Clerk (2)
 Senior Library Clerk (2)
 Library Clerk (7)

31 FTE

Temporary/Part-Time
 Library Assistant
 Library Clerk
 Library Monitor Specialist
 Library Page



2013-14 Organizational Chart
Community & Public Services
(121 Full-time Employees)
Effective July 1, 2013



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)
 - Administrative Assistant (1)
 - Office Specialist (3)
- 21 FTE**
- Temporary/Part-Time
 Recreation Assistant
 Recreation Leader
 Senior Recreation Leader
 Lifeguard
 Instructor/Guard
 Senior Pool Manager
 Pool Manager

Museum

- Museum Director (1)
 - Museum Curator (2)
- 3 FTE**
- Temporary/Part-Time
 Office Specialist
 Museum Attendant
 Museum Assistant



MUNICIPAL UTILITIES COMPANY

Scott Burton, Utilities General Manager

Utilities Engineering, Utilities Operations, Solid Waste Operations

Agency Highlights

The Ontario Municipal Utilities Company provides water, sewer, trash collection and recycling services to the Citizens and Businesses of Ontario. 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 12.8 billion gallons of water annually, through the operation and maintenance of 24 active groundwater wells, 572 miles of potable and recycled 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 200 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 ongoing 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 5 of the City's 24 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 140,000 tons of trash, 23,000 tons of greenwaste, and 13,000 tons of recyclable materials per year. The Household Hazardous Waste Facility accepted approximately 204,000 pounds of material, including used motor oil, paint, household chemical products, pharmaceuticals, and fluorescent lights from over 3,000 Ontario residents.

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 2012-13 accomplishments include:

- Constructed 3,300 linear feet of sewer pipeline to provide increased sewer capacity in the City's Sewer Collection System.
- Constructed 4,200 linear feet of replacement potable water pipeline, including 54 meter services to provide increased water capacity and maintain water system reliability; and 400 linear feet of emergency potable water pipeline replacement to avoid imminent pipe failure.
- Secured \$20 million from the State of California Department of Public Health in Proposition 50 Grant funding and \$2.6 million in reimbursement agreement funds for the Chino Desalter Authority Phase III Expansion Project to help offset the City's projected capital cost. 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.



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**

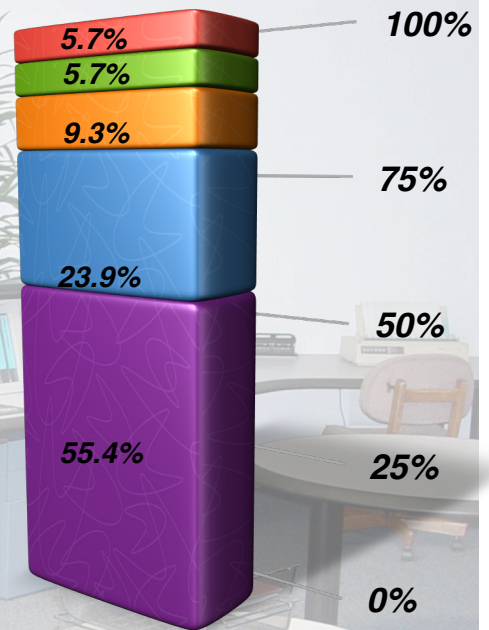
- Secured \$1.5 million for the State of California Department of Public Health (CDPH) matching grant funds under the Proposition 50 Funding Program for wellhead treatment at Well 41. This groundwater treatment system will maximize the City’s beneficial use of its local groundwater resources and address water quality changes over time.
- Completed facility improvements at the Ontario Municipal Service Center (OMSC) property to improve security and bring the Center into conformance with current development standards and consistent with surrounding properties. This project included a site perimeter block wall, tubular steel fencing along Cucamonga Avenue, and security site lighting in employee and public parking lots.
- Constructed 600-foot long by 45 feet wide bioswale and two clarifiers at the OMSC to treat storm water runoff and protect the OMSC building front entrance and parking lot against flooding from heavy rainfall.

ANNUAL OPERATING BUDGET

	<u>FY12-13</u>	<u>FY13-14</u>
Total Funds:	\$ 91,964,973	\$ 97,261,948
General Fund:	\$ 0	\$ 0
Other Funds:	\$ 91,964,973	\$ 97,261,948
Full Time Employees:	210	163

OTHER FUNDS CONSIST OF:

Mobile Source Air	\$ 300,000
Capital Projects	\$ 30,000
Water Operating	\$ 38,641,363
Water Capital	\$ 13,718,225
Sewer Operating	\$ 14,830,341
Sewer Capital	\$ 3,247,653
Solid Waste	\$ 26,390,922
Equipment Services	\$ 103,444



Agency Divisions

- Municipal Utilities Projects
- Utilities Engineering
- Municipal Utilities Programs
- Solid Waste Operations
- Utilities Operations

- Continued to exceed California State AB 939 requirements for landfill diversion.
- Met California State AB 341 compliance requirements which mandate commercial recycling.
- In accordance with the City’s Sewer System Management Plan (SSMP), approximately 1.2 million linear feet of sewer collection pipelines were cleaned in order to prevent the build up of debris such as sand, silt, grease, roots and rocks that can significantly reduce the capacity of the pipes causing blockages and overflows.
- Continued ongoing operational changes and completed equipment upgrades that generated approximately \$100,000 in annual energy savings, including the replacement of a 600 hp motor at Well 31.



Performance Measures

(See page 6 - Goal #1 -3)

Complete water quality monitoring and reporting requirements

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Meet State mandated diversion and per capita disposal requirements

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Complete emergency repairs for the Sewer System

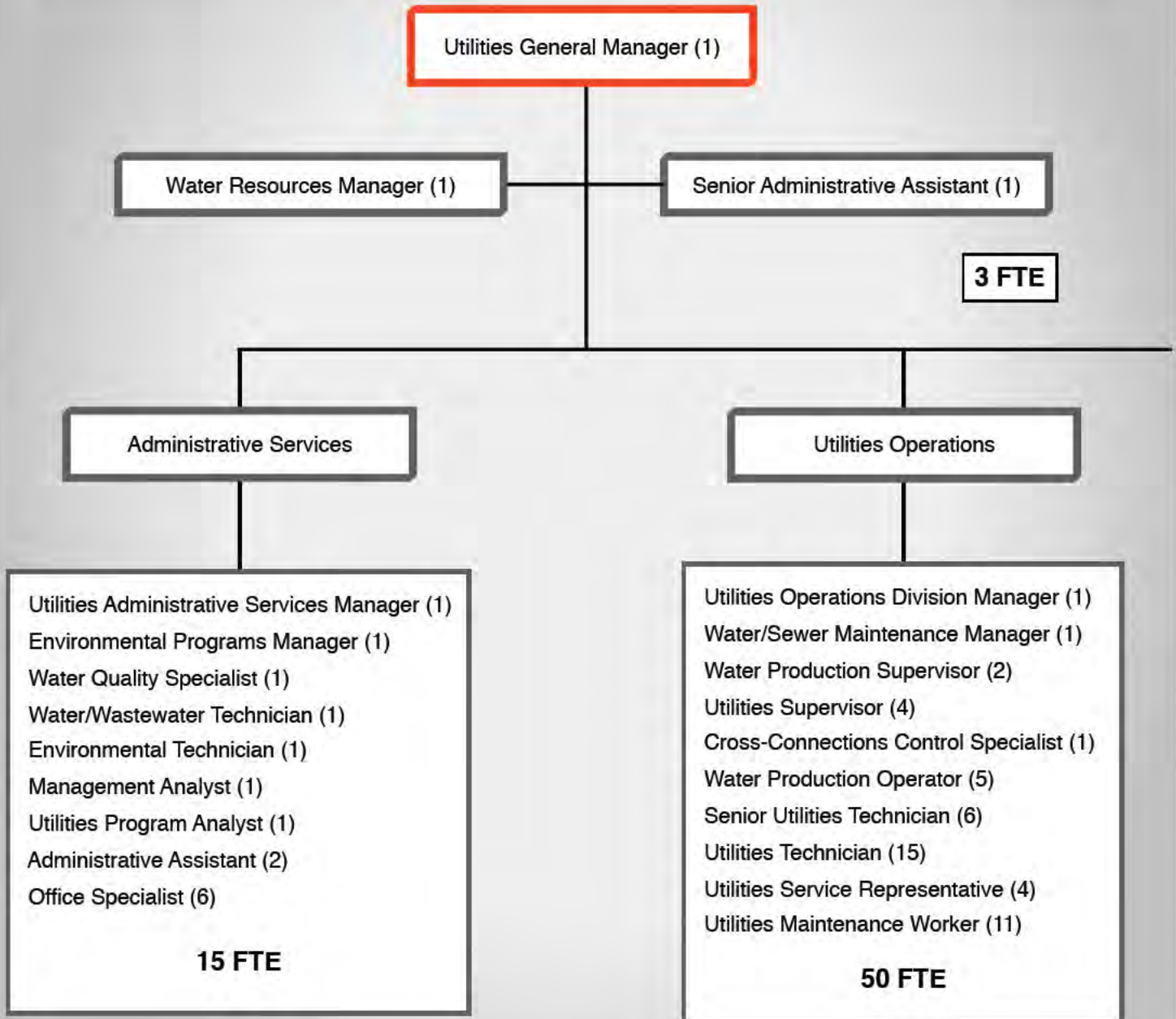
Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Complete water supply assessments and planning documents per State requirements

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

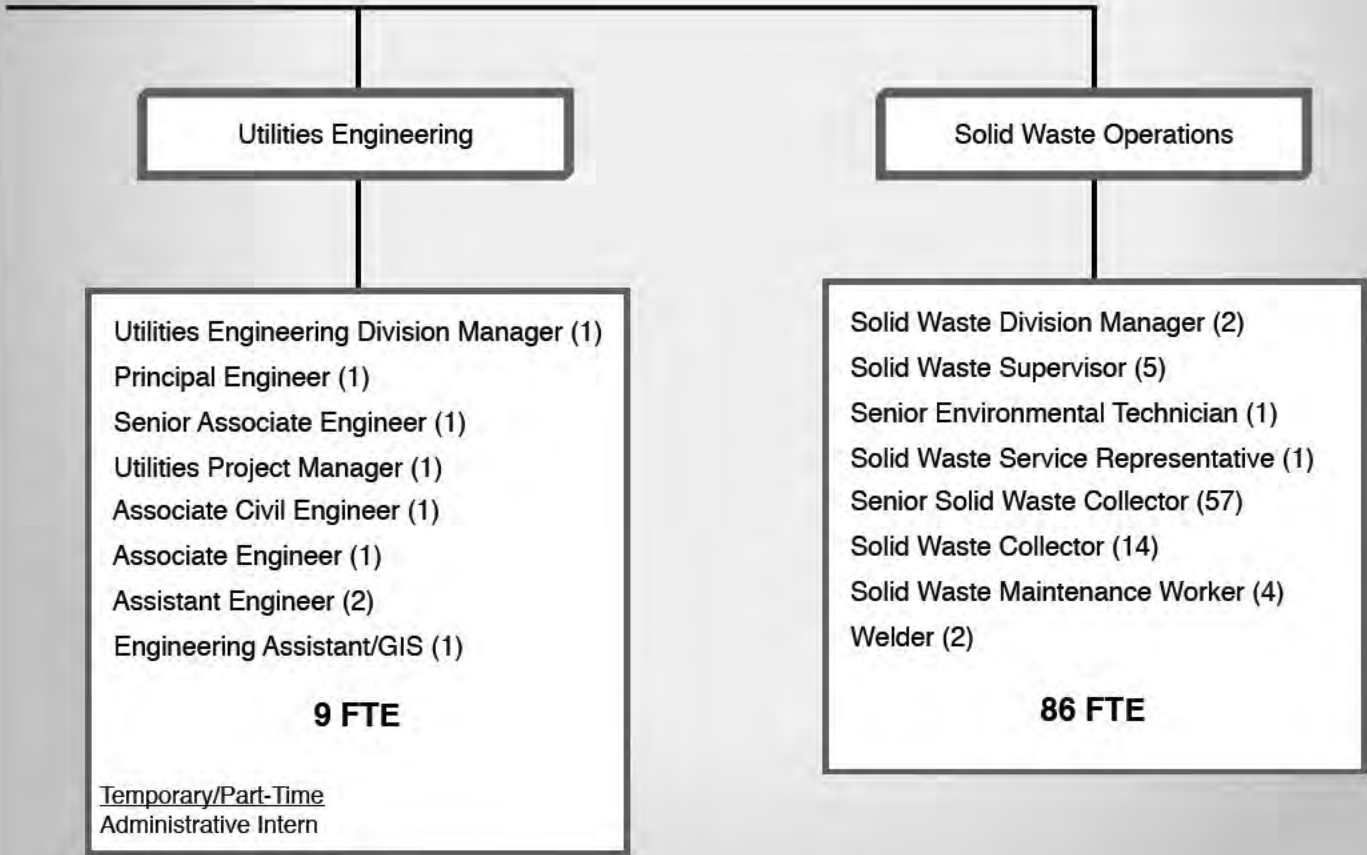


2013-14 Organizational Chart
**Municipal Utilities
 Company**
(163 Full-time Employees)
Effective July 1, 2013





2013-14 Organizational Chart
**Municipal Utilities
Company**
*(163 Full-time Employees)
Effective July 1, 2013*





HOUSING & MUNICIPAL SERVICES

Brent D. Schultz, Director

Housing Development/Grants Administration/Neighborhood Revitalization, Quiet Home, Municipal Services

Agency Highlights

The primary objective of the Housing & Municipal Services 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. It also maintains City-owned buildings, street lights, vehicles and equipment. The Housing & Municipal Services Agency addresses these objectives through the following programs: 1) Housing Development; 2) Facilities and Vehicle Maintenance; 3) Quiet Home; 4) Grants Management; 5) First-Time Homebuyer Assistance; and 6) Homeless Services Continuum of Care.

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 and implementing projects funded through the following programs: Community Block Grant, HOME, Emergency Solutions, LAWA/FAA, Neighborhood Stabilization Program 3 (NSP3), Catalyst Project for California Sustainable Strategies Pilot Program, CalHome Program and BEGIN Program. We continue to focus efforts on funding capital improvements and new housing development citywide.

A new Homeless Outreach Service Center will be completed in this fiscal year. The Center has been designed for the intake offices for the entire Continuum and providing services to Ontario's chronically homeless. The primary focus is to assist and transition persons out of homelessness and into more stable housing options. This Center will provide case management offices, showers, lockers, laundry facilities and staff will work with local churches and non-profit organizations to provide additional programs and food distribution services.

The Quiet Home Program provides aircraft noise relief to eligible homeowners through its voluntary sound insulation and land acquisition/relocation efforts. The program's focus is to improve compatibility between the airport and the community to improve the quality of life for noise impacted residents through noise mitigation improvements, acquisition, and relocation from most noise impacted areas. The Agency received \$1 million in grant funds to implement a Quiet Home Owner-Occupied Rehabilitation ("OOR") Loan Program. This Program provides a loan to qualified households to abate existing building code violations that may eliminate eligibility of a homeowner from participating in the Quiet Home Program.

The Municipal Services Department 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 450 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

Some of the significant accomplishments under the Housing & Municipal Services Agency during Fiscal Year 2012-13 included the following:

Housing:

- Completed and leased-up of 47 apartment units located on Begonia Avenue and Francis Street.
- Completed design, awarded contract and commenced construction rehabilitation of eight apartments units, located on Vesta Avenue and Hollowell Street.
- Completed the design and commenced construction of the new Homeless Outreach Service Center at 435 S. Bon View Avenue.
- The Agency expended approximately \$240,621 to provide essential services to the homeless and to at-risk households using various federally funded programs (CDBG, and ESG).
- Completed monitoring on 1,743 affordable housing units.
- Assisted three households to obtain down payment assistance through the OPEN House and BEGIN Program.
- Completed HOME Participation Agreement with Mercy House.

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**
- ➔ 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 150 homes and secure additional LAWA noise mitigation grant funding; **Council's City Goal #4, 5**
- ➔ Maintain and repair City facilities in a manner that continues to improve energy and operational efficiencies; **Council's City Goal #6**



Quiet Home:

- Completed sound insulation work on 58 houses with a total construction cost of approximately \$1.6 million.
- Began sound insulation work on a 98 unit condominium project with a contract amount of \$2.6 million.
- Acquired one property, relocated approximately 14 residents from the noise impacted neighborhoods, and expended approximately \$180,000 in acquisition/relocation activities.
- To date, expended over \$110 million to sound insulate 1,379 houses, purchased 243 properties (53 acres), and relocated approximately 1,160 residents.

Municipal Services:

- Replaced 18,600 square feet of deteriorating roof at Fire Station No. 1 for about \$273,000 with new energy-efficient “Cool Roofs” that meet California Title 24 specifications.
- Secured grant funds in the amount of \$75,000 from the South Coast Air Quality Management District (AQMD) Mobile Source Air Pollution Reduction Committee (MSRC) for Maintenance Facility Modifications to help accommodate future expansion of the City’s CNG fleet.
- Completed Phase 1 and began Phase 2 of the Compressed Natural Gas Station upgrades to support the ongoing transition of the City’s fleet to CNG; increase the reliability of the station and meet the latest safety requirements; and promote greater public consumption of this alternative fuel supply.
- Purchased and placed into service 71 vehicles and pieces of specialty equipment totaling approximately \$2.5 million.



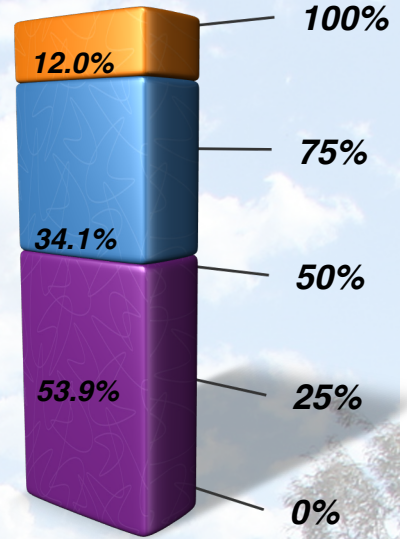
ANNUAL OPERATING BUDGET

	<u>FY12-13</u>	<u>FY13-14</u>
Total Funds:	\$ 39,605,744	\$ 36,751,575
General Fund:	\$ 5,068,088	\$ 5,148,552
Other Funds:	\$ 34,537,656	\$ 31,603,023
Full Time Employees:	37	57

OTHER FUNDS CONSIST OF:

Quiet Home Program	\$ 12,461,000
C.D.B.G.	\$ 1,965,540
HOME Grants	\$ 1,920,239
Neighborhood Stabilization Program	\$ 518,011
Capital Projects	\$ 200,000
Equipment Services*	\$ 13,837,502
Street Light Maintenance	\$ 266,831
Facility Maintenance	\$ 433,900

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



Agency Divisions

- Hsng Dev/Grnt Adm/Neighb Rev
- Quiet Home
- Municipal Services

Performance Measures

(See page 8, Goal #1, 3)

Monitor all outside funded programs for compliance

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Sound insulation of homes in airport noise impacted neighborhoods

Actual FY11-12	138
Projected FY12-13	58
Estimated FY13-14	150

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

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Monitor affordable housing units for compliance with affordability covenants

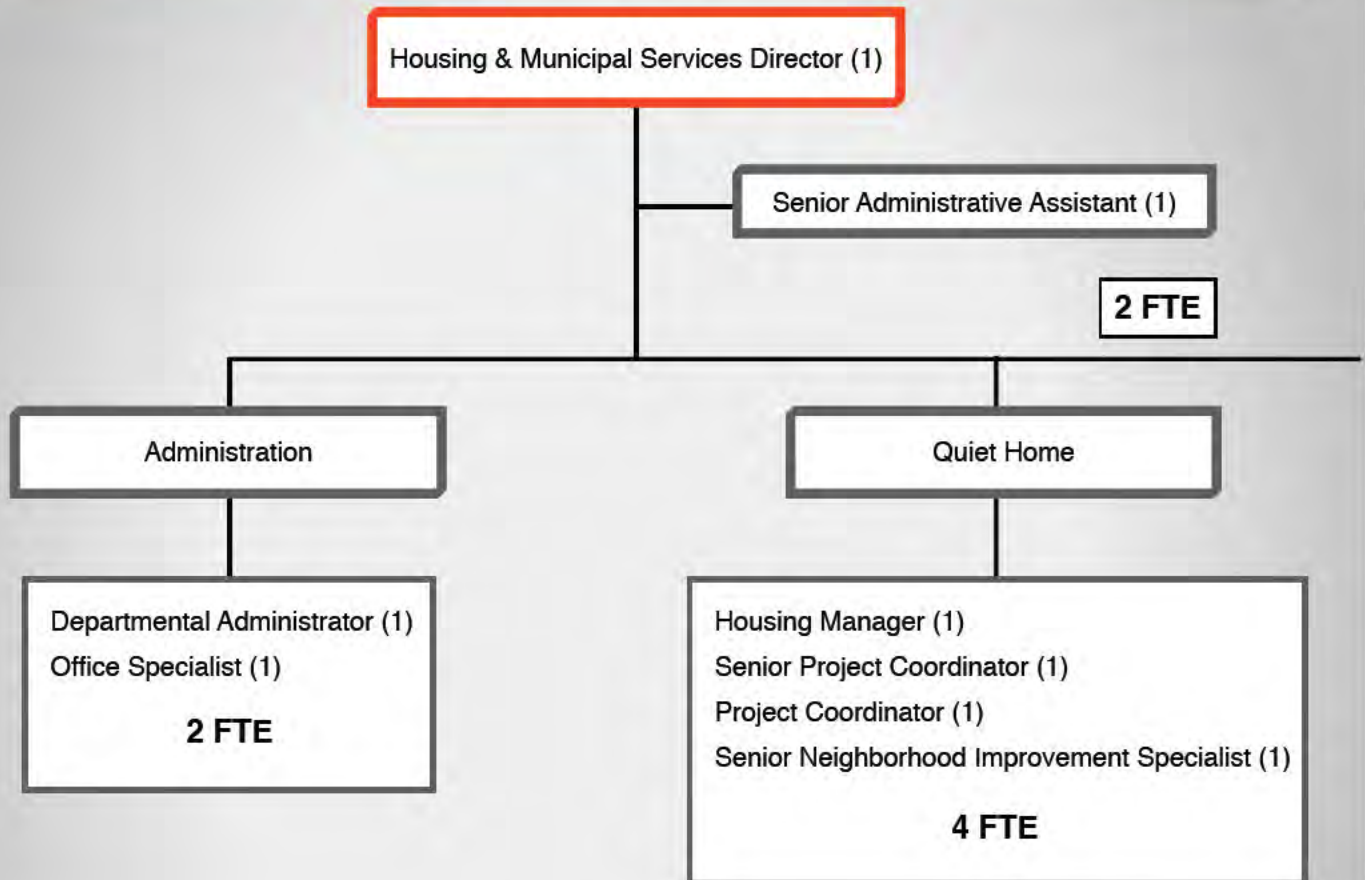
Actual FY11-12	1,743
Projected FY12-13	1,743
Estimated FY13-14	1,743

Complete vehicle emissions inspections per State requirements

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

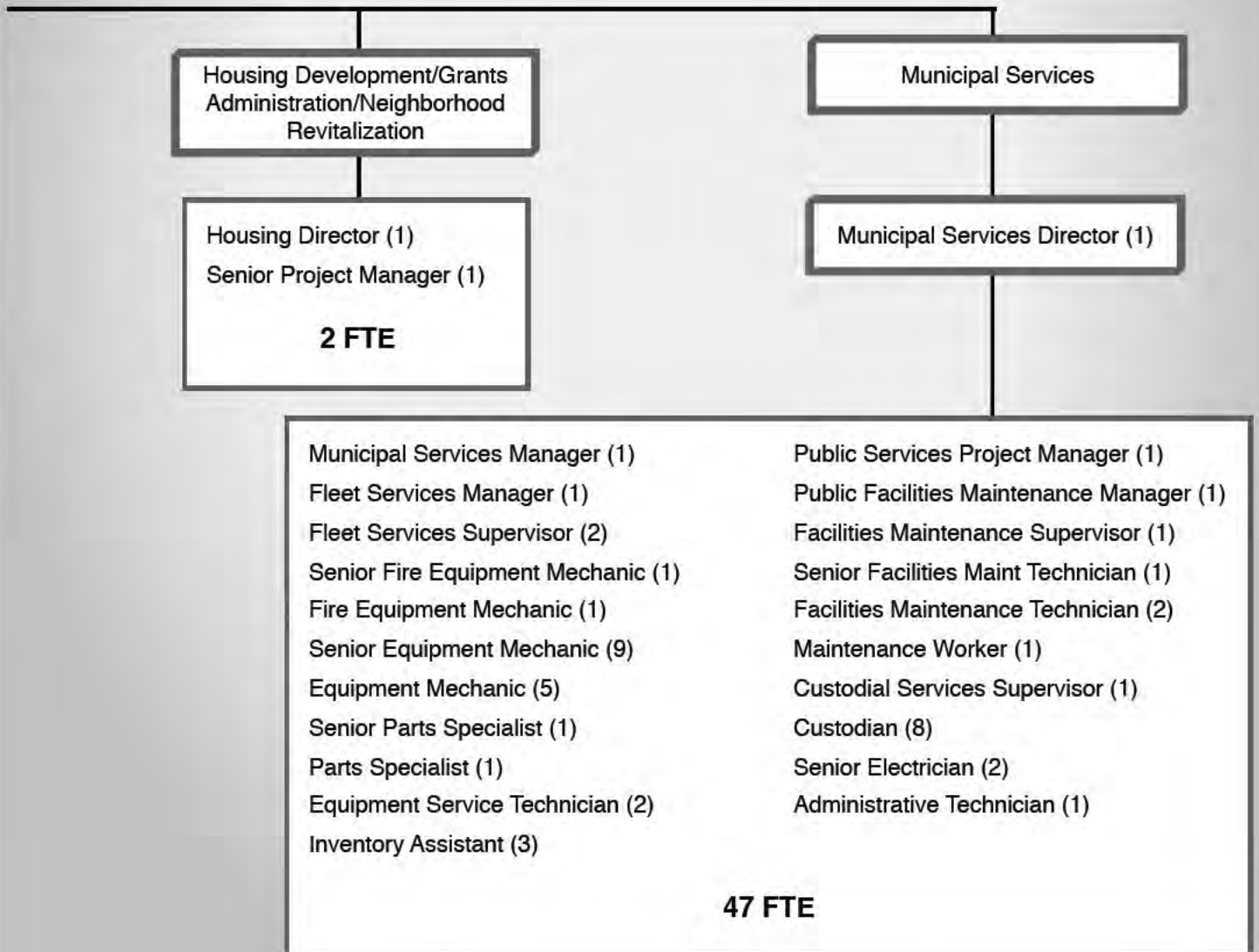


2013-14 Organizational Chart
**Housing & Municipal Services
Agency**
(57 Full-time Employees)
Effective July 1, 2013





2013-14 Organizational Chart
Housing & Municipal Services
Agency
(57 Full-time Employees)
Effective July 1, 2013





ECONOMIC DEVELOPMENT

John P. Andrews, Director

Economic Development, Redevelopment Successor Agency

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-like 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 56,000 square foot three-story office building located at the southeast corner of Euclid Avenue and Holt Boulevard, a new general merchandise store on the southwest corner of Holt Boulevard and Bon View Avenue, redevelopment of the former Sunkist Fruit Packing and Distribution Facility, new commercial uses on southwest corner of Mountain Avenue and Sixth Street, projects in the Euclid Avenue District (Historic Downtown) and East Holt Boulevard Corridor, and in Ontario Industrial/Logistics area near Ontario Airport.

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.



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**

Major Accomplishments

The Economic Development Agency accomplished the following for Fiscal Year 2012-13:

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), and through local and regional tenant representative broker luncheons and meetings with national real estate firms and site selection consultants.

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.

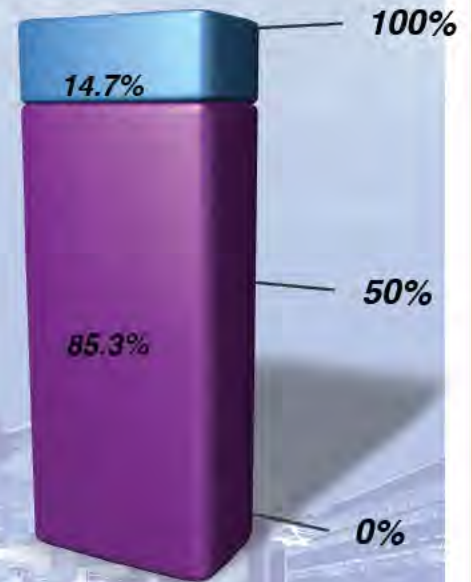
The Agency successfully organized the City’s annual Economic Leadership Conference “State of the City” business networking event, attracting over 700 attendees. Economic Development efforts, including assisting the businesses with site selection, permitting, and employee hiring and training resources, resulted in many new businesses located in Ontario.

ANNUAL OPERATING BUDGET

	<u>FY12-13</u>	<u>FY13-14</u>
Total Funds:	\$ 29,529,713	\$ 23,849,089
General Fund:	\$ 3,550,386	\$ 4,542,615
Other Funds:	\$ 25,979,327	\$ 19,306,474
Full Time Employees:	6	6

OTHER FUNDS CONSIST OF:

Successor Agency for RDA-Admin	\$ 545,232
Guasti Successor/Debt Service	\$ 220,000
Center City Successor/Debt Service	\$ 706,638
Project Area #1 Successor/Debt Service	\$ 16,511,088
Cimarron Successor/Debt Service	\$ 279,732
Low-Mod Income Successor Agency	\$ 1,043,784



Agency Divisions

- Economic Development
- Successor Agency



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 over thirty five advertisements in publications which include Site Selection Magazine, Shopping Center Business Magazine, Orange County Business Journal, Los Angeles Business Journal, Shopping Center Today, and the Inland Valley Daily Bulletin Newspaper. Agency staff was also responsible for the circulation of over seventy press releases.

Business Retention and Expansion

The Economic Development Agency managed the Ontario Chamber of Commerce Business Retention Committee, which resulted in 760 business visits, 421 job placement referrals, and 279 referrals to the San Bernardino County Workforce Development Department. 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 fourth year, and provides students with the opportunity to attend Chaffey College at no cost after completing the grades 5-12 program. This program is in the process of being expanded to all cover all Ontario-Montclair School District schools, as well as Chaffey High School, through the Promise Scholars program. Promise Scholars has served over 4,500 students who took part in college tours, business leader college/career presentations, FAFSA application events, and college application processes.

Successor Agency to the Ontario Redevelopment Agency

For more than 30 years the Ontario Redevelopment Agency had worked diligently to improve the quality of life for all people that live, work and play in Ontario. In February 2012 the tools in the "Redevelopment Toolbox" were eliminated. 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 new investment by private enterprise. Through California Community

Performance Measures

(See page 8 Goal #1 3)

The Ontario Economic Development Agency will continue to support the City Council's commitment to business attraction, business retention, and workforce development programs. This will be achieved through an aggressive marketing and communications platform, business retention visits, business attraction industry specific outreach, and the pursuit of strategic partnerships that bolster Ontario's workforce and job development opportunities. All of these efforts will be tracked and promoted through the newly developed Economic Development website at www.OntarioThinksBusiness.com

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.



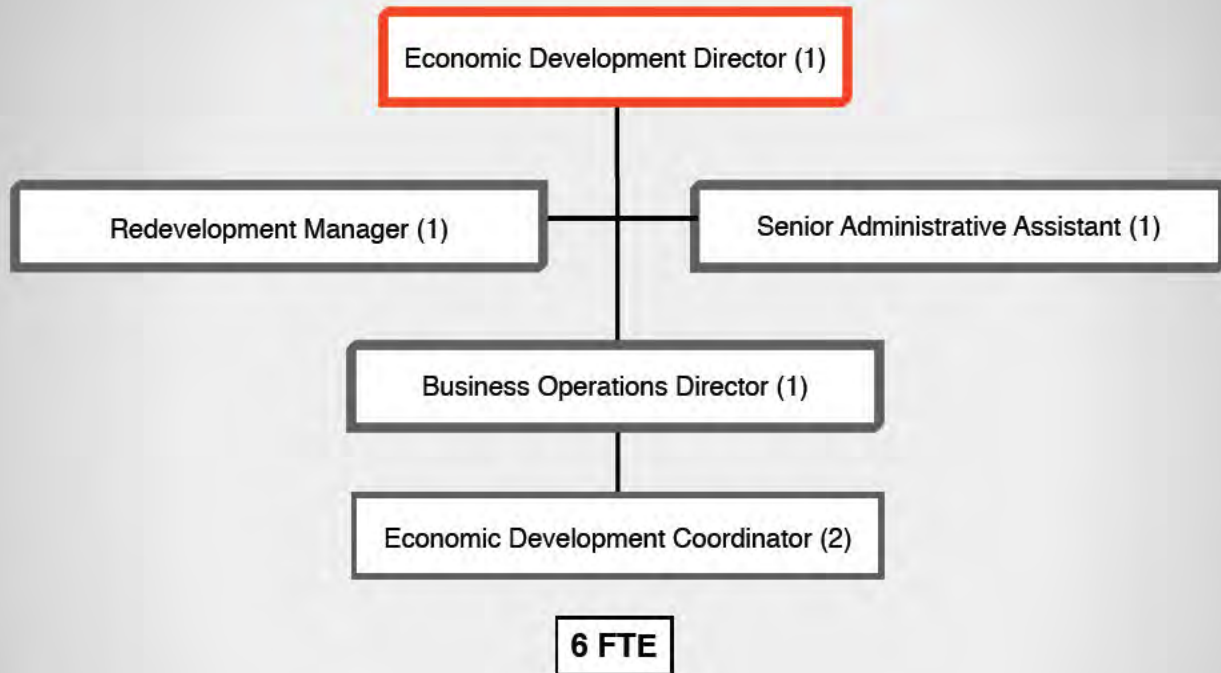
Façade Enhancement at 317 North Euclid

Over the last decade 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 and Assembly Bill 1484 the City Council, as Successor Agency to the Redevelopment Agency, and the Oversight Board to the Successor Agency are responsible for winding down the Agency's existing obligations and liquidation of its assets. Policies and procedures continue to be adopted to ensure the dissolution of the former Redevelopment Agency is accomplished in a transparent, pragmatic, and consistent manner.



2013-14 Organizational Chart
Economic Development
(6 Full-time Employees)
Effective July 1, 2013





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 such as community centers, fire stations, public spaces, etc.

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 Fiscal Year 2012-13, \$8 million of public infrastructure and street improvements were completed, including the \$5.1 million citywide pavement rehabilitation, the \$1.1 million slurry seal program, the \$1.8 million construction of the Fifth Street Storm Drain Project from Berlyn Avenue east to West Cucamonga Channel, the \$475,000 upgrade of five existing bus stops with seven new lighted, decorative passenger shelters and related amenities in the Town Center area on Holt/Euclid/Sultana Avenues and the \$220,000 in CDBG funds to convert 400 additional street lights to energy saving Light Emitting Diode technology.

The \$15 million Mill Creek Wetlands project is currently under construction with about 70% complete. An additional \$1.5 million grant, for a total of \$7.5 million in grants received, was awarded to this project for landscape and other enhancements. It is anticipated to be completed in June 2014. The wetlands will provide an innovative centralized natural biotreatment facility for storm water and urban runoff as well as a regional amenity providing opportunities for habitat enhancement, recreation, and public education.

Engineering completed the Fiber Optic Master Plan as part of the vision to construct a high-speed Municipal Fiber Optic Network for communications capabilities between city facilities in both the City's Old and New Model Colony. The Plan will provide cost effective, secure, fast and reliable centralized network and communications management, for the City's Traffic Control Systems and potential use for Residential and Commercial internet needs.

A \$3 million contract has been awarded for initial design work on the I-10/Grove interchange and Grove Corridor project. Project Approval and Environmental Documentation (PA&ED) will be completed in early 2015, a prerequisite to final construction documents. Federal transportation dollars and local development impact fees are funding this project.

Significant progress continues to be made on multiple major railroad grade separation projects. With 100% of the North Milliken Avenue Grade Separation Project now completed on time and within budget, the dedication ceremony is scheduled for the early



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. Complete General Plan/Zoning Consistency program and 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 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**



part of July 2013. The South Milliken Avenue and North Vineyard Avenue highway-railroad grade separation projects 100% design and Right-of-Way acquisition are complete and the construction work will begin in late 2013. The total cost for both projects including design and construction is estimated to be \$130 million with 80% of the funding from non-city sources and 20% paid by development impact fees.

Construction plans and bid package for the Ontario Town Square project have been completed and are ready for construction. The project is the focal point of the City's downtown revitalization efforts and will provide an open space amenity for local residents and a gathering place for a variety of community-based activities. Completion is anticipated in spring of 2014.



Construction plans and bid package for the City Hall Annex and Emergency Operations Center (EOC) have been completed and are ready for construction. The project will create a state of the art multi-use EOC facility and is planned to be completed and made operational in FY 2013-14.

Despite the continued economic downturn, there were 62 development and land use applications submitted in FY 2012-13, showing increased activity in industrial and residential projects. Projects approved this year include industrial buildings totaling about 1.5 million square feet, and the redesign of the Ontario Festival Specific Plan.

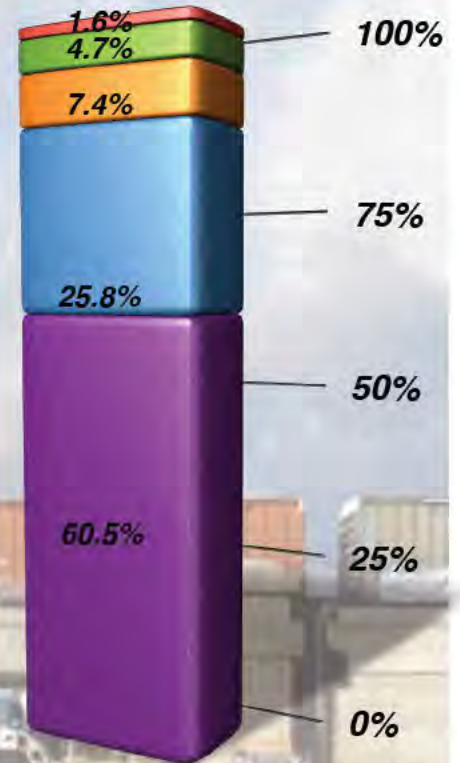
Over \$100 million in building permit valuation is again anticipated by the end of the fiscal year, representing about 2,000 plan checks, 45,000

ANNUAL OPERATING BUDGET

	<i>FY12-13</i>	<i>FY13-14</i>
Total Funds:	\$ 35,181,809	\$ 50,345,622
General Fund:	\$ 11,105,179	\$ 11,394,937
Other Funds:	\$ 24,076,630	\$ 38,950,685
Full Time Employees:	75	79

OTHER FUNDS CONSIST OF:

Gas Tax	\$	3,399,803
Measure I	\$	2,760,000
C.D.B.G.	\$	400,000
General Fund Grants	\$	8,870,000
Capital Projects	\$	21,070,000
Water Capital	\$	686,924
Sewer Capital	\$	691,782
Storm Drain Maintenance	\$	1,042,176
OMC Storm Drainage Impact	\$	30,000



Agency Divisions

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

inspections and 5,000 service counter visits for the Building Department alone. Through March, the Building Department issued over 2,100 permits, valued at \$75 million. Projects completed this fiscal year included the 600,000 sq. ft. Hofer Ranch distribution buildings, extensive remodels and upgrades at Ontario Mills, Cardenas Market relocation, numerous smaller industrial and commercial buildings, and 50 new residential units.

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. 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 was used to support an update of the Development Impact Fee Program.

Performance Measures

(See page 8 Goal #1 3)

Review Development plans within 10 days (of submittal)

Actual FY11-12	90%
Projected FY12-13	90%
Estimated FY13-14	90%

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

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Respond to questions from counter and phone calls within one day

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Provide 1st plan check service for residential, industrial and commercial improvements/projects within 15 days

Actual FY11-12	75%
Projected FY12-13	85%
Estimated FY13-14	90%

Process site plans within 180 days, Conditional Use Permits within 60 days, Tract Maps within 120 days

Actual FY11-12	95%
Projected FY12-13	95%
Estimated FY13-14	95%



Substantial progress was made on The Ontario Plan Implementation Programs. A draft, comprehensive update of the Development Code, using Planning staff instead of outside consultants, was prepared and is currently in review prior to going to public hearings in mid-2013. A companion web-based version of the Development Code is also in production to better serve the many varied customers who will use the updated code.

The Draft Housing Element update was completed and transmitted to State Housing and Community Department (HCD). Neighborhood meetings began to discuss the General Plan/Zoning Consistency program with effected property owners. This program will review some 5,000 properties for possible zone and/or general plan changes over the next 18 months.

The Euclid Avenue Historic District was adopted, the City's seventh such district. The draft Historic Preservation Ordinance was completed and approval received from the State Office of Historic Preservation.

The Holt Boulevard Mobility and Streetscape Strategic Plan (Complete Streets Program) was completed, which will guide future development of transportation and transit programs along this corridor.

The Ontario Airport Land Use Compatibility Plan was completed and State Division of Aeronautics approval received.

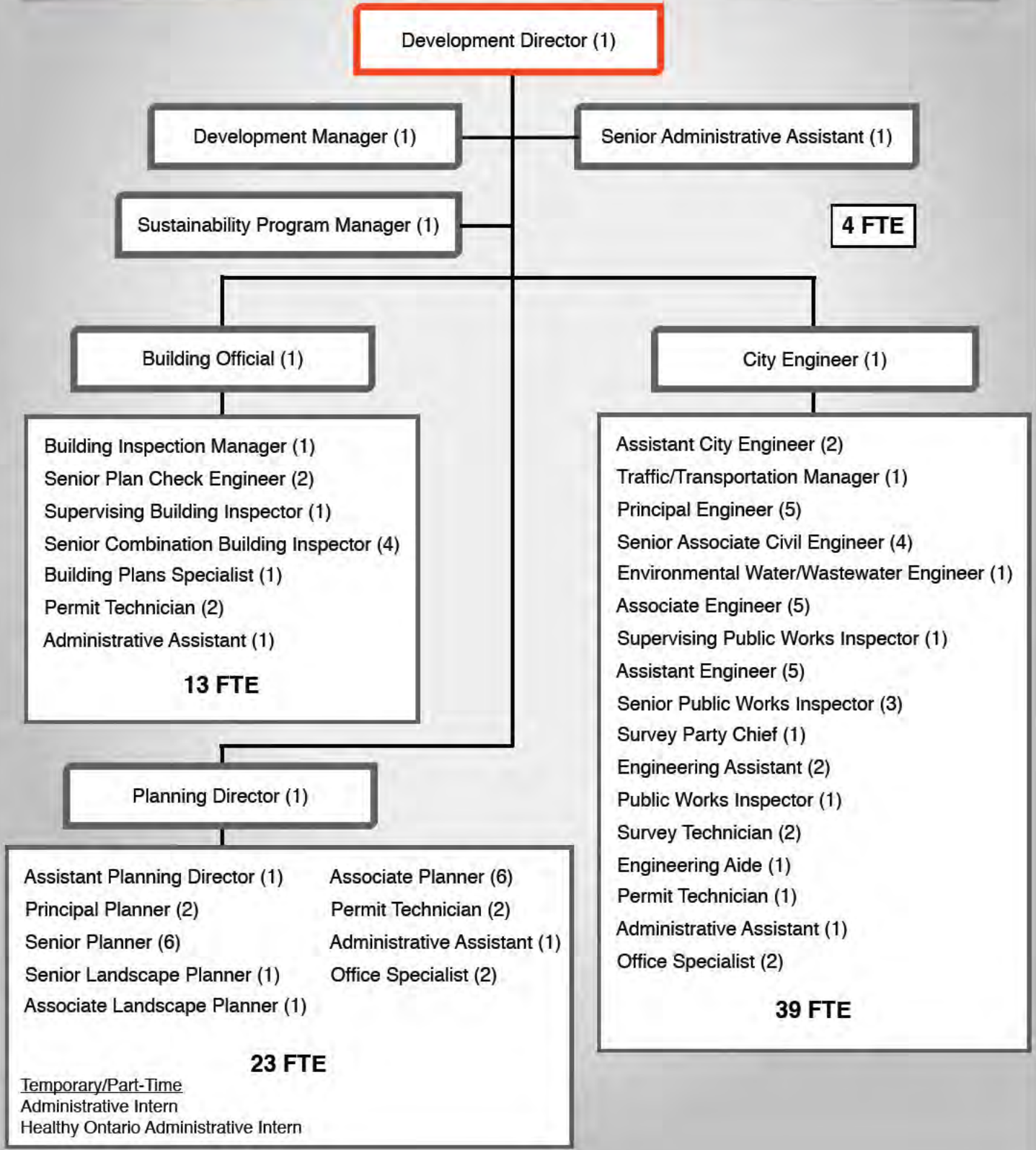
Planning is also implementing the Heal Zone project, under a one million dollar grant from Kaiser Permanente, in addition to the Healthy Ontario program.



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 implemented.



2013-14 Organizational Chart
Development
(79 Full-time Employees)
Effective July 1, 2013



Online Utility Payment



My Ontario Phone App



**STAY INFORMED.
GET CONNECTED.**

Like Us on Facebook

INFORMATION TECHNOLOGY

*Elliott Ellsworth, Director
Information Technology*

Agency Highlights

The Ontario Information Technology Department provides reliable and innovative information systems and support to improve business operations, performance and outcomes. Information technology impacts all aspects of City operations, efficiency and customer service. IT provides 24 hours, 7 days a week operational support of technology solutions used by all departments of the City. Our extensive information infrastructure includes networks, telecommunications, servers, computers, software, and mobile and field equipment. As a department we strive to always exhibit integrity, professionalism and teamwork.

Technology continues to evolve at a very aggressive pace which can be both advantageous and disruptive. Change can prove to have positive outcomes with improvements to the way we do business. It is our goal to accommodate desired improvements and organizational changes while providing stability and minimizing any disruptive, negative impacts of change. The Information Technology teams work with departments to have positive outcomes, improved business processes and efficient staff.



Information Systems are an integral part of the way the City delivers service to the residents and businesses. We strive to keep pace with emerging technologies that are widely used in both the consumer and business markets. At the same time, we embrace successful, proven, older, cost effective technologies that continue to add value and have a place in our organization.

With an established, strong and dedicated team, Ontario IT continues the tradition of reliable and stable operational support in an environment of changing demands and new technologies. As the City of Ontario strives to be responsive to the needs of its citizens and businesses we continue to make considerable investments in information technology to deliver great service. With tremendous backing and support of the City Council, these investments help to keep Ontario as a leader in the use of effective methods, tools and technologies.

As part of the vision to invest in infrastructure and operate in a businesslike manner, the Engineering and IT Departments are working to prepare a Fiber Optic Master Plan for a long term investment in communications infrastructure that will serve as a network backbone to provide high speed

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**
- ➔ Fire Field Inspections and Electronic Patient Care Reporting Project, PD Telestaff, Access Control, Security and Surveillance; **Council's City Goal #2**
- ➔ Fiber optics master planning, Metro Ring design/build/construction; **Council's City Goal #3, 6**
- ➔ Recreation Software upgrade; **Council's City Goal #7**
- ➔ Town Square Wi-Fi; **Council's City Goal #1**
- ➔ Online payment solutions, Accela Citizen Access; **Council's City Goal #3**

data and voice communications far into the future. The City Fiber Optic network will result in cost effective, secure, fast and reliable communications capabilities between City facilities, reducing the reliance on expensive and limited 3rd party service.

There continues to be an increase in the number of threats and risks that must be monitored and addressed to keep our systems safe and operational. Over the fiscal year, the City of Ontario received approximately 5.5 million emails. Of these, 2.8 million were filtered as spam or virus. Significant efforts are made to ensure that the network remains secure despite constant attacks and threats. Our Enterprise Security Manager monitored 6 Trillion network security related events last year. These events are gathered from 14 domain controllers, 13 different firewalls, 3 VPNs appliances, our Anti Virus system, network intrusion detection system and a number of other critical servers. Virtual (production, test and development) environments, archiving, restoration and backup solutions are critical to successful daily operations. Network storage capacity to house and backup systems and data continues to grow each year and is now at approximately 421 TB (1 TeraByte = 1,099,511,627,776 bytes = 1,073,741,824 KB = 1,048,576 MB = 1,024 GB).



1 Byte = 8 bits
1 KB = 1024 bytes
1 MB = 1024 KB
1 GB = 1024 MB
1 TB = 1024 GB
1 PetaByte = 1024 TB
1 Exabyte = 1024 Petabyte
1 Zattabyte = 1024 Exabyte
1 Yottabyte = 1024 Zattabyte

Major Accomplishments

During Fiscal Year 2012-13, IT played a key role in supporting the SetONTarioFree campaign and State of the City event (with an Economic Development website, including virtual tours and 3D mapping). Upgraded software solutions for Code Enforcement (Cityview) and Development (Accela Automation) case management systems were implemented. Other completed projects included an upgraded mobile mapping solution (PD Tiburon MobileCom), Library backbone network (E-Rate) enhancements and Library ILS software upgrade, County radio upgrades, and upgraded web content management system.

Upcoming Work

The Information Technology Department is preparing for work on the following project in the upcoming fiscal year:

- Support the SetONTarioFree campaign
- Fiber Optics Backbone design/build/construction
- Town Square Wi-Fi
- Police Department Telestaff project
- Fire Field Inspections and Electronic Patient Care Reporting Project
- Recreation program software upgrade
- Online payment solutions
- Accela Citizen Access Module
- Access Control, Security and Surveillance
- Staff Training Videos

ANNUAL OPERATING BUDGET

	<u>FY12-13</u>	<u>FY13-14</u>
Total Funds:	\$ 8,715,982	\$ 8,695,066
General Fund:	\$ 0	\$ 0
Other Funds:	\$ 8,715,982	\$ 8,695,066
Full Time Employees:	25	25

OTHER FUNDS CONSIST OF:

Information Technology* \$ 8,695,066

* \$6,898,621 of this fund impacts General Fund indirectly



Agency Divisions

■ Information Technology

Performance Measures

(See page 8 Goal #1 3)

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

Actual FY11-12	2,000
Projected FY12-13	2,400
Estimated FY13-14	2,000

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

Actual FY11-12	7,682
Projected FY12-13	7,500
Estimated FY13-14	7,500

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

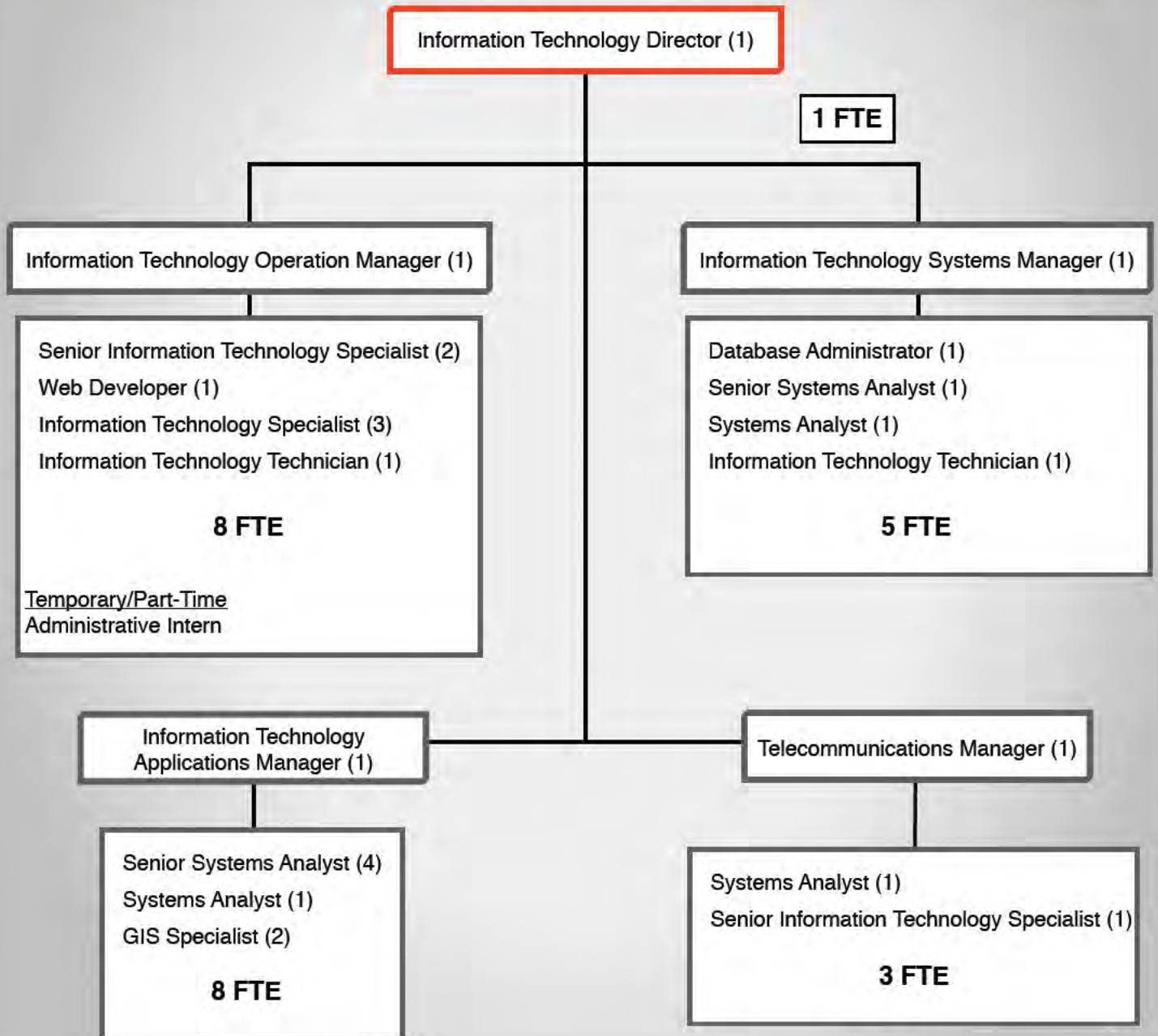
Actual FY11-12	250
Projected FY12-13	350
Estimated FY13-14	300

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

Actual FY11-12	9
Projected FY12-13	9
Estimated FY13-14	10



2013-14 Organizational Chart
**Information Technology
Department**
(25 Full-time Employees)
Effective July 1, 2013





CITY ADMINISTRATION

Chris Hughes, City Manager,

Al C. Boling, Deputy City Manager; Jacob Green, Deputy City Manager

Office of the City Manager, Human Resources, Risk Management, Emergency Management, Records Management, Code Enforcement, City Attorney

Agency Highlights

City Administration includes Office of the City Manager, Human Resources, Risk Management, Emergency Management, Records Management, Code Enforcement, and City Attorney.

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

Human Resources recruits and assists departments Citywide with the development and retention of a highly qualified workforce committed to service the community. Key functions include performance, organizational development and training, classification and compensation reviews, labor relations, leave and disability coordination, and administrative employee benefit programs.

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, and workers' compensation.

The Emergency Management department is responsible for preparing the City to respond to and recover from emergency/disaster/catastrophic events through education, training, exercises, and planning. The department is also responsible for

the development and implementation of many different preparedness, response, recovery, and mitigation plans and procedures. Emergency Management promotes a prepared, disaster-resilient community.

Records Management supports the elected City Clerk, the Oversight Board of the Ontario Redevelopment Successor Agency, the Ontario International Airport Authority Board, 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, 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.

As an addition to the Office of the City Manager, the Code Enforcement Department continues to focus on the public's health, safety and welfare working with property owners to improve their properties. Code Enforcement staff operates the Abandoned and Distressed Properties Program, which involves the identification and improvement of vacant or foreclosed properties as well as the Systematic Health and Safety Inspection Program, which conducts periodic inspection of all rental properties. Code Enforcement coordinates the operation of the Temporary Homeless Services

Area (THSA), and works proactively to enforce ordinances that enhance community aesthetics and public safety. Staff has recently implemented the City’s Weed Abatement and Refuse Removal Services Program and works with the Fire Department to address issues that may pose a fire hazard.

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.

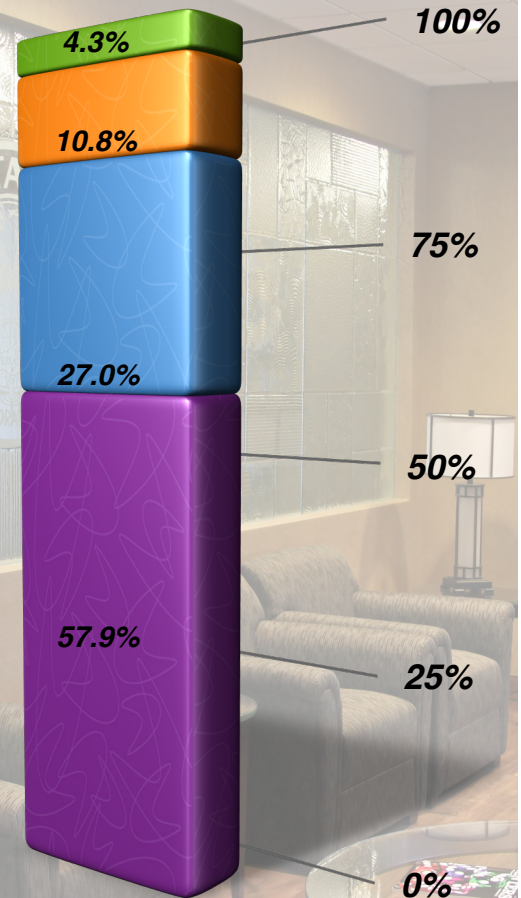
ANNUAL OPERATING BUDGET

	<i>FY12-13</i>	<i>FY13-14</i>
Total Funds:	\$ 19,881,085	\$ 20,896,989
General Fund:	\$ 7,821,421	\$ 8,757,520
Other Funds:	\$ 12,059,664	\$ 12,139,469
Full Time Employees	23	56

OTHER FUNDS CONSIST OF:

C.D.B.G.	\$	300,000
Mobile Source Air	\$	32,582
Building Safety	\$	1,542,064
Self Insurance*	\$	6,964,823
Other Post Employment Benefits	\$	3,300,000

* \$5,502,210 of this fund impacts General Fund indirectly



Agency Divisions

- City Attorney
- Office of the City Manager
- Code Enforcement, Records
- HR, Risk, Emergency Management

Agency Mission working with Council's City Goals

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

- ➔ Design, discuss and implement changes related to the California Public Employees' Pension Reform Act (PEPRA) for all employee groups; **Council's City Goal #3**
- ➔ Mitigate rising workers' compensation costs by participating in programs such as access to a consolidated network of medical providers; **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**
- ➔ Address Code complaints and respond back in a timely manner to resolve issues related to rental inspection, abandoned and distressed properties, weed abatement, vendors, etc; **Council's City Goal #5**
- ➔ Work cooperatively with other Agencies and Departments to resolve substandard, dangerous, and unhealthy conditions; **Council's City Goal #2, 5**
- ➔ Complete design, development, and construction of the new City primary Emergency Operations Center (EOC) and 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, 6**

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 intensified the 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 and now includes participation in the Ontario International Airport Authority.

The Human Resources Department developed recruitment and selection tools which include or aligned with the City's Approach to Public Service; implemented tiered retirement benefits and related tax documentation; addressed impacts of the California Public Employees' Pension Reform Act (PEPRA) on newly hired employees; continued to focus on employee development by offering employee participation in: Leadership Investment and Knowledge sharing (LIInKS), Southern California Local Government Supervisory Program, and Southern California Local Government Leadership Program; and completed negotiations with bargaining units representing both sworn and miscellaneous employees.

The Agency continued to leverage technology to streamline operations. Employee enrollment in benefit plans was conducted exclusively on-line through a web portal, www.ontariocityemployees.org. The website improves accuracy and efficiency of the benefits open enrollment process, provides year-round access to information for employees, and reduces the need for vehicle trips required to submit paper enrollment forms.

The Emergency Management Department updated the Emergency Operations Plan; continued design and development work on the new City primary Emergency Operations Center (EOC); developed new emergency procedures/policies; conducted many coordination, planning, and training meetings with a variety of City Departments, and public/private partners; and enhanced the emergency management infrastructure, equipment, facilities, and emergency response capabilities.

The Records Management Department assisted City Departments with streamlining records processing and purging outdated and obsolete materials. Over 1,300 documents were recorded online with the San Bernardino County Recorder’s Office, reducing cycle time and eliminating the 40-mile round trip drive to the Recorder’s Office. The Department also continued its commitment to community by responding to nearly 1,200 public records requests in a timely manner.

The Code Enforcement Department inspected over 2,900 residential rental units through the Systematic Health and Safety Inspection Program; conducted 8,130 field inspections and responded to over 20,000 citizen’s complaints and inquiries; and investigated 808 substandard housing complaints and continued the Abandoned and Distressed Property Program, which resulted in the registration of 2,000 properties and collected approximately \$1,200,000 in registration fees and civil penalties. The Community Improvement Team (CIT) worked with other City agencies to respond to raw sewage spills, vacant and unsecured buildings, and illegal vendors. The department also established the Weed Abatement and Refuse Removal Program to address the overgrown weeds on major corridors and vacant land in the City.

Performance Measures

(See page 8 Goal #1 3)

Handle liability claims within 45 days of receipt

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

Respond to Public Records requests within 10 days of receipt

Actual FY11-12	97%
Projected FY12-13	98%
Estimated FY13-14	99%

Conduct Emergency Operations Center training sessions

Actual FY11-12	6
Projected FY12-13	6
Estimated FY13-14	6

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

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

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

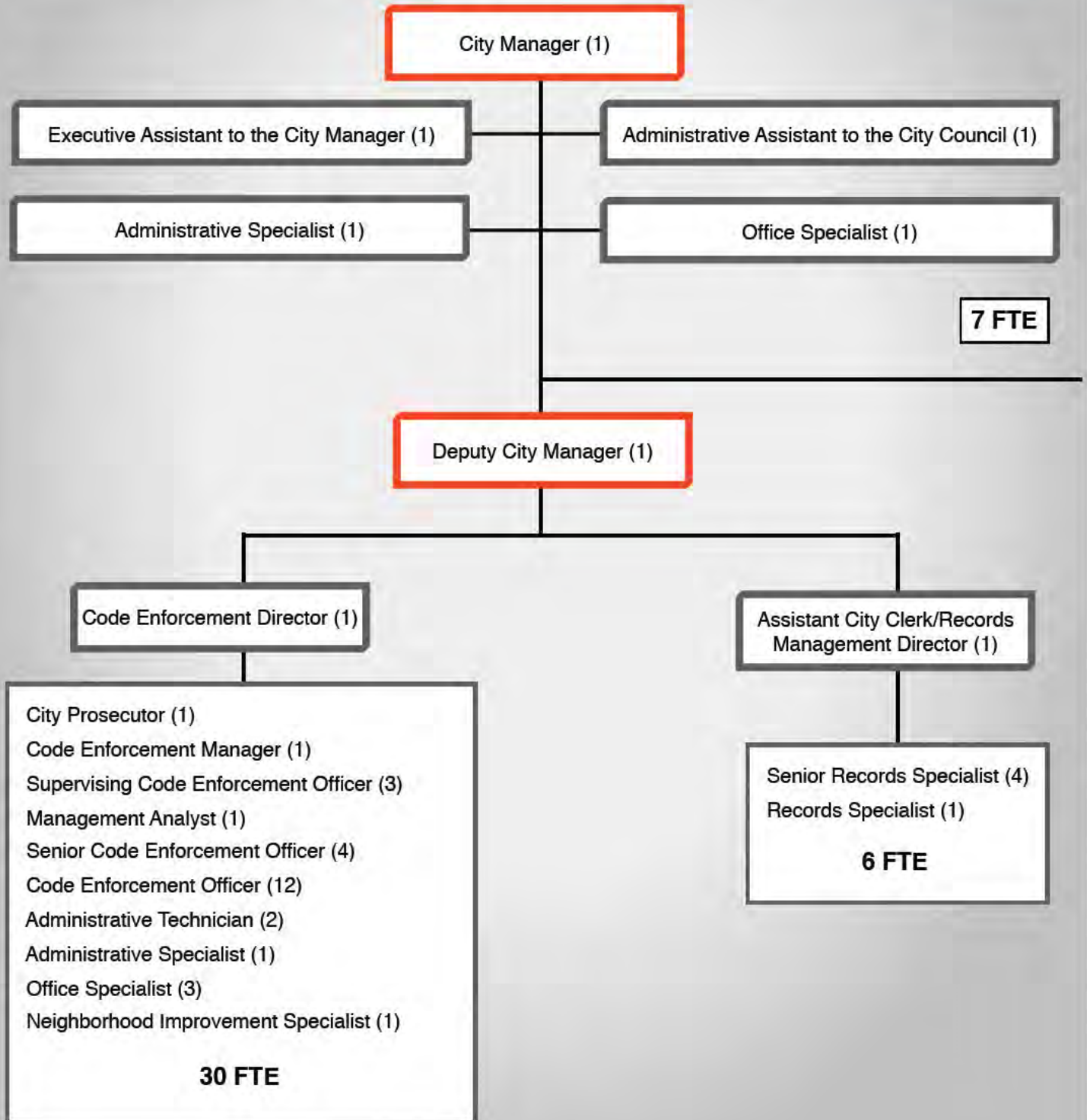
Actual FY11-12	74%
Projected FY12-13	80%
Estimated FY13-14	80%

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

Actual FY11-12	100%
Projected FY12-13	100%
Estimated FY13-14	100%

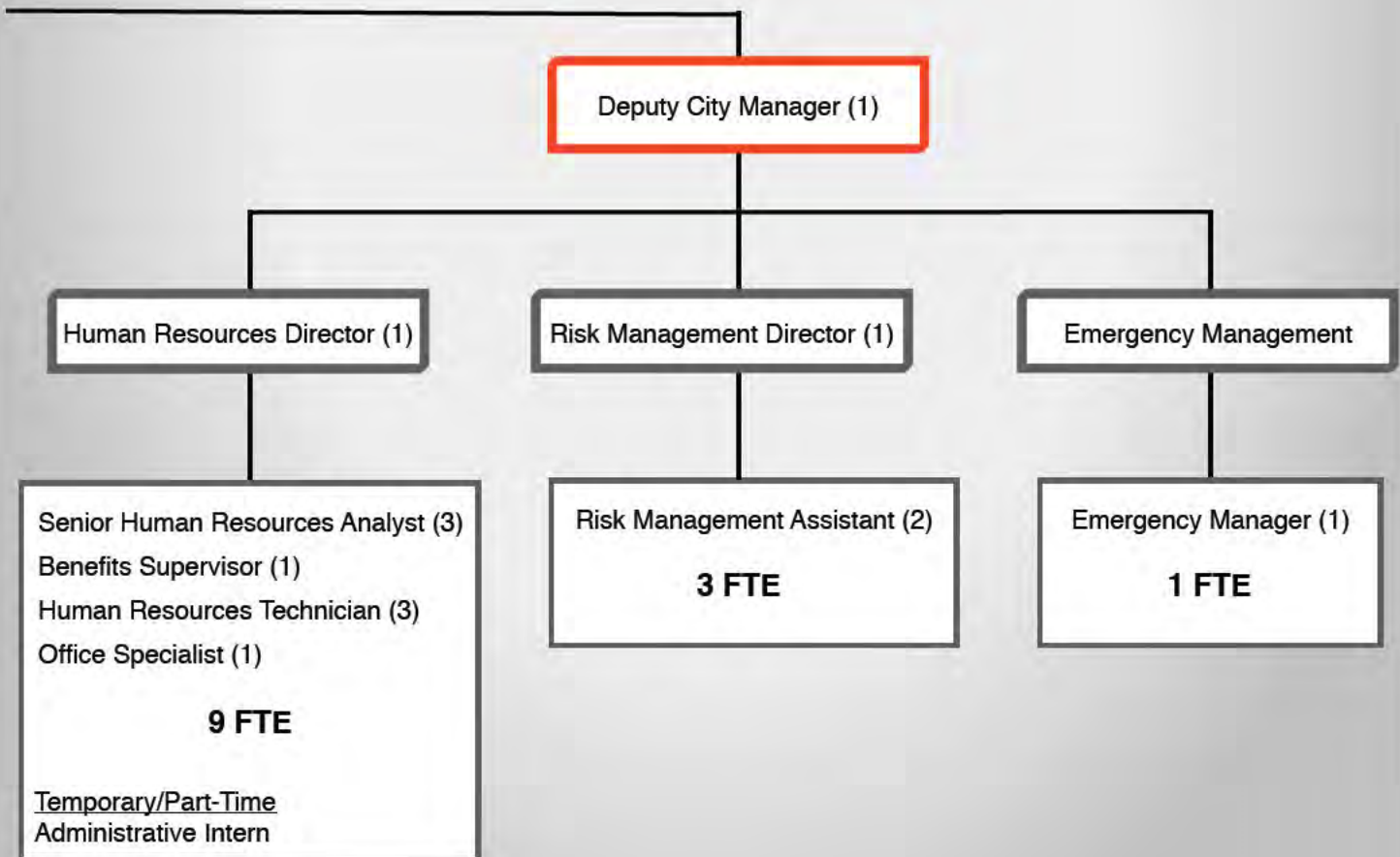


2013-14 Organizational Chart
CITY ADMINISTRATION
(56 Full-time Employees)
Effective July 1, 2013





2013-14 Organizational Chart
CITY ADMINISTRATION
(56 Full-time Employees)
Effective July 1, 2013





ADMINISTRATIVE SERVICES

Grant D. Yee, Director

Management Services, Fiscal Services, Revenue Services

Agency Highlights

The Administrative Services 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: Management Services, Fiscal Services, and Revenue Services.

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 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.

The Revenue Services Department provides customer service, billing, and collection services for over 33,000 customers of 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.

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 automated payment system, both on-line and over the phone, which will add more reliability to the system, make it more customer friendly, and add more information that customers can access 24-hours a day; **Council's City Goal #3**
- ➔ Research Business License systems to enhance on-line services to our businesses, including on-line applications and renewals; **Council's City Goal #3**

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 fourteenth 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 2012-13 Annual Operating Budget. In addition, the Agency produced an award winning Comprehensive Annual Financial Report for the fiscal year ending June 30, 2011; representing the twenty-fifth consecutive year the Government Finance Officer Association recognized the City of Ontario for its financial reporting.

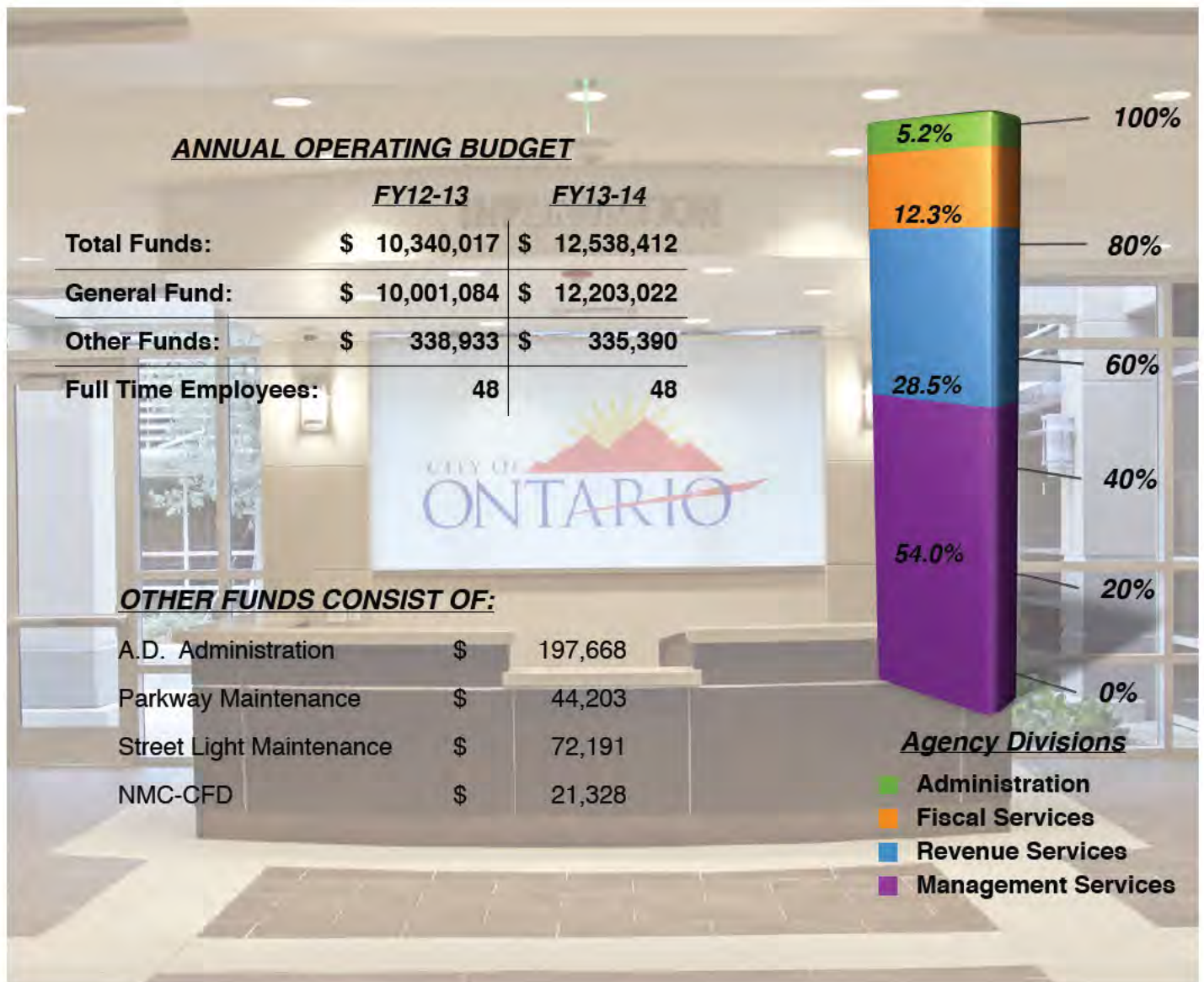
The Purchasing division of Management Services continued the implementation of an on-line bid management system, which increased the transparency of City procurement activities to the public, created a greater opportunity of procurement competition, and formed a larger awareness of purchasing activities 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.

Fiscal Services continued to assist with other City staff in the compiling of data, processing of transactions, and providing financial reporting and analysis as a result of the elimination of the Ontario Redevelopment Agency. The Accounting division continued to make progress on the

Financial year end audit adjustment	<i>Performance Measures</i>	Number of business licenses in City
Actual FY11-12 0	(See page 8 Goal #1 3)	Actual FY11-12 11,297
Projected FY12-13 0		Projected FY12-13 11,650
Estimated FY13-14 0		Estimated FY13-14 11,800
General Fund Unreserved Fund Balance (% of Expenditures)	Average wait time for utility customers	Percentage of Customer Comment Cards with rating of Exceeds Expectations
Actual FY11-12 20.8%	Actual FY11-12 1 min. 01 sec.	Actual FY11-12 100%
Projected FY12-13 21.9%	Projected FY12-13 1 min. 17 sec.	Projected FY12-13 94%
Estimated FY13-14 21.9%	Estimated FY13-14 0 min. 59 sec.	Estimated FY13-14 99%

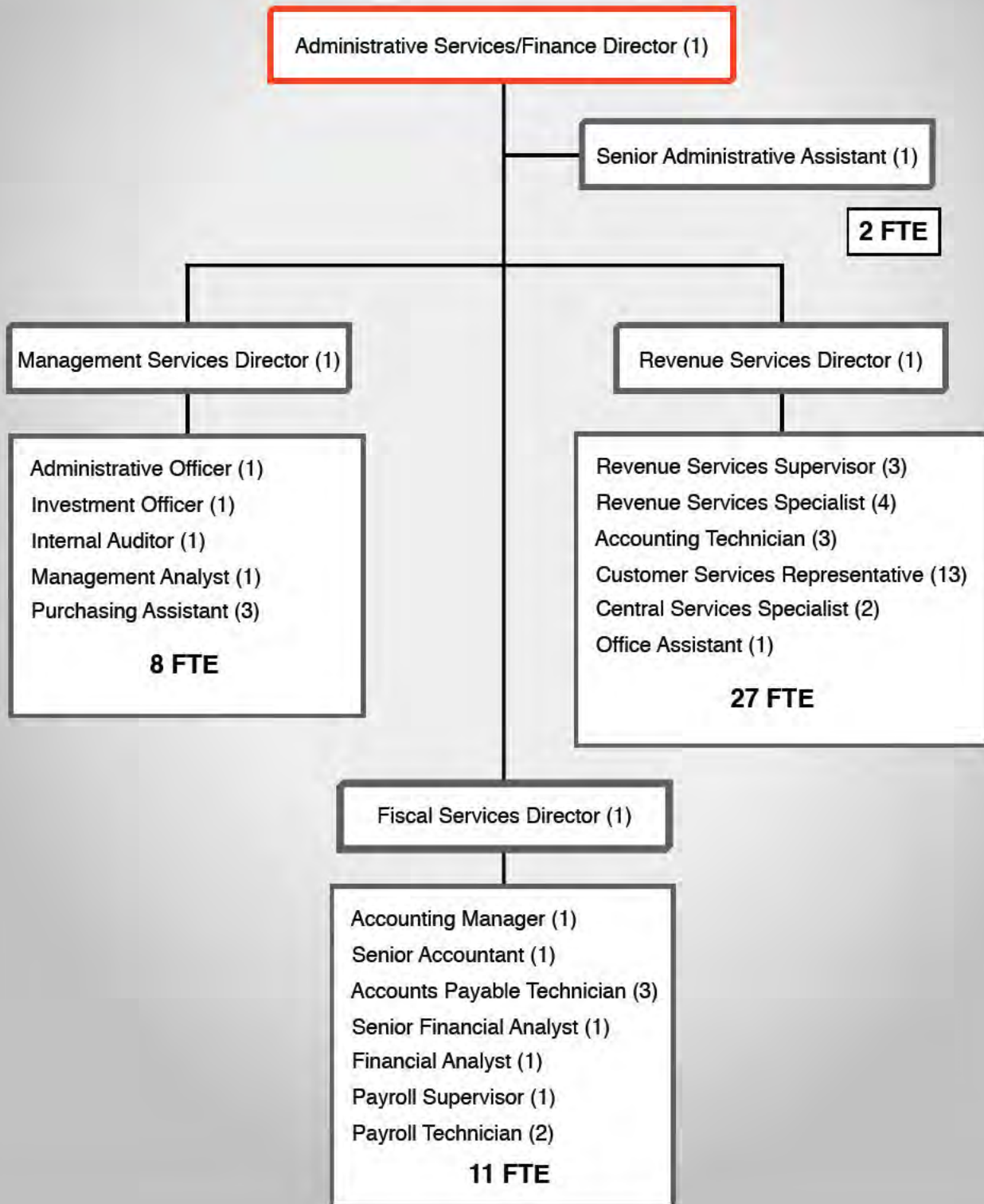
completion of the Fiscal Services Departmental policy and procedures manual. The Payroll division assisted with the implementation of additional regulations resulting from the State of California's Public Employee Pension Reform Act (PEPRA) and the Federal Patient Protection and Affordable Care Act.

The Revenue Services Department, comprised of Utilities, Business License, and Central Services, has focused on the City's Approach to Public Service by concentrating its efforts in promoting teamwork and providing exceptional customer service. As a result, the City has received many positive comments and feedback this past year from the citizens and businesses regarding the quality of the City's customer service and staff's commitment to the community.





2013-14 Organizational Chart
Administrative Services
Department
(48 Full-time Employees)
Effective July 1, 2013

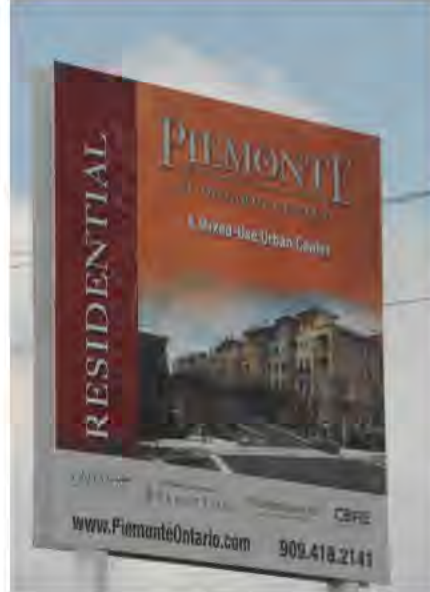


SET ONTario FREE!



***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.

Pursuant to California Assembly Bill 1X 26 and subsequent Assembly Bill 1484, all California

Redevelopment Agencies were dissolved, effective February 1, 2012.

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

Redevelopment Successor Agency

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 approves 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 distributes property tax revenues to the Successor Agency so funds are available to make payments toward these approved enforceable obligations. Property tax is distributed to the Successor Agency twice: June 1st and January 15th.

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. 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 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 decade 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 and Assembly Bill 1484 the City Council, as Successor Agency to the former Ontario Redevelopment Agency, and the Oversight Board to the Successor Agency are responsible for winding down the Agency’s existing obligations and liquidation of assets. Policies and procedures continue to 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 2013-14 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 residual balance from the former 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.

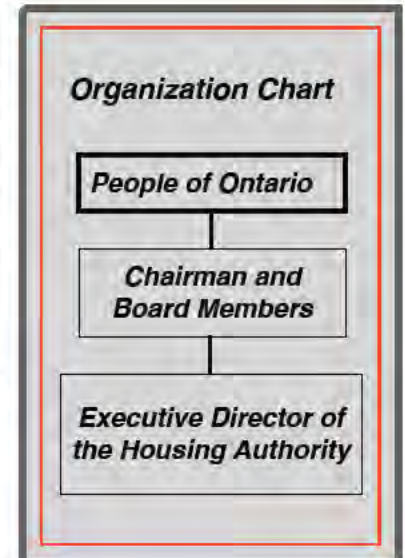
III. Financial Overview

The Ontario Housing Authority’s established source of funds for Fiscal Year 2013-14 principally consists of the residual balance from the former Ontario Redevelopment Agency’s low and moderate housing set aside funds. Total estimated revenues in Fiscal Year 2013-14 are \$958,641. Total Fiscal Year 2013-14 recommended appropriations are \$19,375,799.

IV. Housing Authority Programs

The Adopted Fiscal Year 2013-14 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.



Ontario Housing Authority

RESOLUTION NO. OHA-077

A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING A BUDGET FOR SAID AUTHORITY FOR THE FISCAL YEAR 2013-14.

WHEREAS, Ontario Housing Authority is comprised of the Housing Authority Fund with an appropriation of \$19,375,799 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 2013-14, 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 2013-14.

NOW, THEREFORE, be it also resolved, that the 2013-14 Operating Budget Appropriation is \$19,375,799.

The Secretary of the Ontario Housing Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 19th day of June 2013



PAUL S. LEON, CHAIRMAN

ATTEST:



MARY E. WIRTES, AUTHORITY SECRETARY

APPROVED AS TO FORM:



AUTHORITY COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, MARY E. WIRTES, Secretary of the Ontario Housing Authority, DO HEREBY CERTIFY that the foregoing Resolution No. OHA-077 was duly passed and adopted by the Board Members of the Ontario Housing Authority at a special meeting held June 19, 2013, by the following roll call vote, to wit:

AYES: CHAIRMAN/BOARD MEMBERS: LEON, BOWMAN, WAPNER,
DORST-PORADA AND AVILA
NOES: BOARD MEMBERS: NONE
ABSENT: BOARD MEMBERS: NONE



MARY E. WIRTES, AUTHORITY SECRETARY

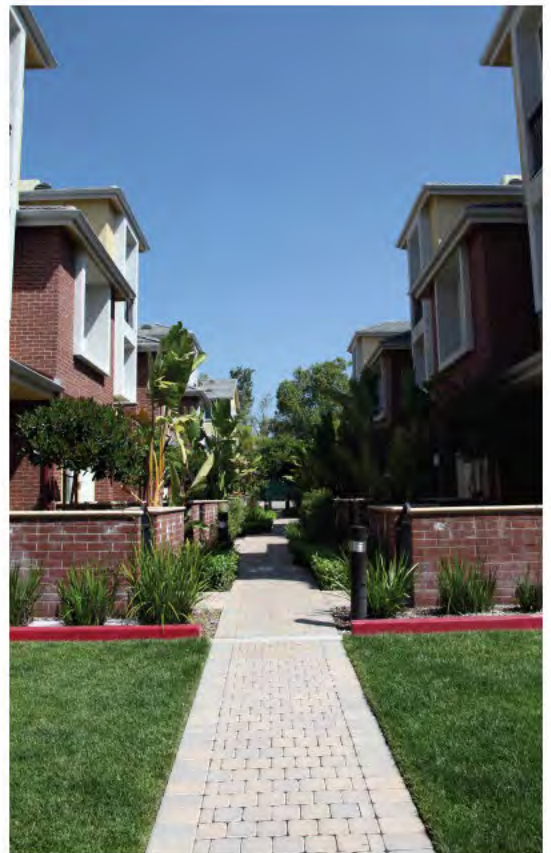
(SEAL)

The foregoing is the original of Resolution No. OHA-077 duly passed and adopted by the Ontario Housing Authority at a special meeting held June 19, 2013.



MARY E. WIRTES, AUTHORITY SECRETARY

(SEAL)



***Capital
Improvement
Program***

Capital Improvement Program (CIP)

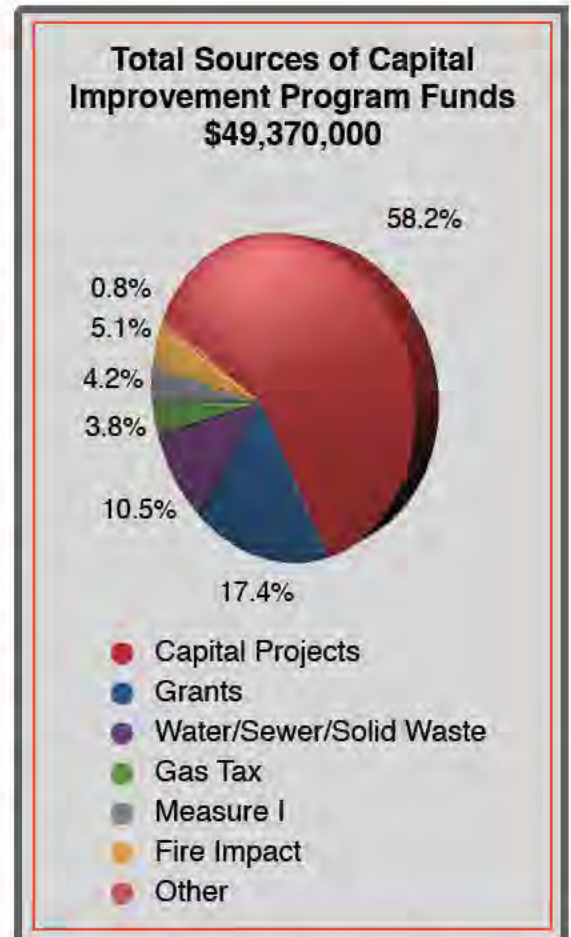
The City of Ontario develops its Five-Year Capital Improvement Program (CIP) consistent with the goals and objectives established by the Mayor and City Council. The Adopted Five-Year Plan is subject to change during the budget year to reflect fluctuations in City needs and priorities. Projects are included 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 2013-14, the Capital Budget totals \$49,370,000 for all categories of capital improvement projects across all funds. The amount of the projects, \$49,370,000, reflects an 80 percent increase over the previous fiscal year's Capital Budget of \$27,465,894. The increase (difference between the two years) is primarily attributed to the projects for the Francis Street Storm Drain and Ely Basin Flood Control and Aquifer Recharge project of \$16,640,000; the Solar Roof Installations at the Police Facility and the Ontario Convention Center of \$13,000,000; the Anthony Munoz Community Center Rehabilitation and Park Improvements of \$7,150,000; and the Fire Training Center Tower Replacement of \$2,500,000. In addition, the adopted capital budget includes \$3 million for the pavement rehabilitation at the Ontario Municipal Services Center and \$2 million for the water pipeline replacement in Fourth Street.

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 2013-14 Capital Budget are already factored into the Adopted Operating Budget for FY 2013-14. 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.



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	\$ 1,900,000	\$ 0	\$ 0	\$ 1,900,000
Measure I	0	0	0	2,100,000	0	0	2,100,000
Mobile Source Air	0	300,000	0	0	0	0	300,000
Grants	0	0	8,570,000	0	0	0	8,570,000
Capital Projects	7,535,000	13,110,000	8,070,000	0	0	0	28,715,000
Water Capital	0	0	0	0	2,000,000	52,075	2,052,075
Sewer Capital	0	0	0	0	0	8,444	8,444
Solid Waste	0	3,000,000	0	0	0	121,037	3,121,037
Equipment Services	0	95,000	0	0	0	8,444	103,444
Fire Impact	0	2,500,000	0	0	0	0	2,500,000
Total	\$ 7,535,000	\$ 19,005,000	\$ 16,640,000	\$ 4,000,000	\$ 2,000,000	\$ 190,000	\$ 49,370,000

Annual Operating & Maintenance Impact Summary

The table below indicates the impact, of the Fiscal Year 2013-14 Adopted Capital Budget, with respect to operating and maintenance (O&M) costs, on the City's operating budgets in the fiscal year when projects are completed.

Fund Type	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
General Fund	\$ 20,000	\$ 24,000	\$ 0	\$ 0	\$ 0
Special Revenue Funds	0	0	0	0	0
Enterprise Funds	10,000	0	0	0	0
Internal Service Funds	0	0	0	0	0
Total	\$ 30,000	\$ 24,000	\$ 0	\$ 0	\$ 0



Capital Improvement Program

Five-Year Capital Improvement Program Summary

Project Description	Fund	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
Parks						
Tot Lot Playground Renovation and Outdoor Fitness Equip - Ontario Motor Speedway & Centennial Parks	017	\$ 385,000	\$ 0	\$ 0	\$ 0	\$ 0
Anthony Munoz Community Center Rehabilitation and Park Improvements	017	7,150,000	0	0	0	0
Public Facilities						
Fire Training Center Tower Replacement	102	2,500,000	0	0	0	0
Ontario Convention Center Solar Roof	017	6,500,000	0	0	0	0
Fleet Shop Upgrades (Construction Phase I)	014/032	395,000	0	0	0	0
Police Facility Solar Roof	017	6,500,000	0	0	0	0
Ontario Municipal Services Center Pavement Rehabilitation	029	3,000,000	0	0	0	0
Museum Building Assessment	017	110,000	0	0	0	0
Museum of History and Art - Ontario Sustainable Landscape and Education Gardens	015/007	0	1,098,387	0	0	0
Fire Station No. 2 Renovation	017	0	995,000	0	0	0
Relocation of Fire Administration Offices	102/017	0	0	5,586,500	0	0
Fire Station No. 9	102	0	0	0	6,707,320	0
Storm Drains						
Francis Street Storm Drain and Ely Basin Flood Control and Aquifer Recharge	015/017	16,640,000	0	0	0	0
Streets						
Etiwanda Avenue Pavement Rehabilitation Airport Drive to Loop Road	003	400,000	0	0	0	0
Mountain Avenue Pavement Rehabilitation Holt Boulevard to Fifth Street	004	1,200,000	0	0	0	0
Airport Drive Pavement Rehabilitation Haven Avenue to Commerce Parkway	004	600,000	0	0	0	0
Airport Drive Pavement Rehabilitation Milliken Avenue to Doubleday Avenue	003	400,000	0	0	0	0
Milliken Avenue Pavement Rehabilitation 60 Freeway to Greystone Drive	003	400,000	0	0	0	0
Mission Boulevard Pavement Rehabilitation Bon View Avenue to Grove Avenue	003/004	800,000	0	0	0	0
Vineyard Avenue Pavement Rehabilitation Philadelphia Street to Mission Boulevard	004	0	800,000	0	0	0
Convention Center Way Pavement Rehabilitation Holt Boulevard to Vineyard Avenue	003	0	500,000	0	0	0

Capital Improvement Program

Five-Year Capital Improvement Program Summary

Project Description	Fund	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
Milliken Avenue Pavement Rehabilitation Jurupa Street to Airport Drive	004	\$ 0	\$ 700,000	\$ 0	\$ 0	\$ 0
Bon View Avenue Pavement Rehabilitation Francis Street to Philadelphia Street	003	0	0	700,000	0	0
Fourth Street Pavement Rehabilitation Corona Avenue to Archibald Avenue	004	0	0	1,200,000	0	0
Grove Avenue Pavement Rehabilitation Fourth Street to Holt Boulevard	004	0	0	1,000,000	0	0
Inland Empire Boulevard Pavement Rehabilitation Haven Avenue to Archibald Avenue	003	0	0	0	750,000	0
Sixth Street Pavement Rehabilitation Grove Avenue to Baker Avenue	004	0	0	0	450,000	0
Concours Drive Pavement Rehabilitation Haven Avenue to Milliken Avenue	004	0	0	0	650,000	0
Philadelphia Street Pavement Rehabilitation Archibald Avenue to Turner Avenue	004	0	0	0	700,000	0
Wineville Avenue Pavement Rehabilitation Airport Drive to Santa Ana Avenue	004	0	0	0	0	400,000
Phillips Street Pavement Rehabilitation Euclid Avenue to Mountain Avenue	003	0	0	0	0	650,000
"D" Street Pavement Rehabilitation Sultana Avenue to Grove Avenue	004	0	0	0	0	550,000
Santa Ana Avenue Pavement Rehabilitation Etiwanda Avenue to Wineville Avenue	004	0	0	0	0	850,000
Traffic						
Traffic Signal Management System Upgrade (Phase Three)	003	200,000	0	0	0	0
Water						
Fourth Street [1212PZ] Water Pipeline Replacement (Phase II)	025	2,000,000	0	0	0	0
Miscellaneous						
Automatic Vehicle Location Program	025/027/ 029/032	190,000	0	0	0	0
Total		\$49,370,000	\$ 4,093,387	\$ 8,486,500	\$ 9,257,320	\$ 2,450,000

Capital Improvement Program

Status of Open Projects From Prior Years

Project Description	Project Status	Estimated Project Completion
Parks		
Town Square Park (Downtown Plaza)	Planning & Design	September 2014
South Bon View Park	Completed	
Whispering Lakes Golf Course Improvements	Completed	
James R. Bryant Park Tot Lot	Installation of playground equipment	June 2013
Civic Center Community Conservation Park	Planning & Design	June 2014
Public Facilities		
PWA Service Center Renovation	Phased Design & Construction	June 2014
PWA Service Center Security	Phased Design & Construction	June 2014
Upgrade CNG Fueling Station-Master Plan	Planning & Design	December 2015
City Hall Annex Reconfiguration	Planning & Design	March 2014
Debris Storage/Drying Facility	Deferred	TBD
City Hall Basement Reconfiguration	Planning & Design	March 2014
Fire Station 5 Renovation	Completed	
NPDES Water Clarifier System	Phased Planning & Design	June 2014
Upgrade CNG Fueling System	Phased Planning & Design	December 2013
Fire Training Center Tower Replacement	Planning & Design	June 2014
Generator Replacement	Completed	
Emergency Operations Center	Planning & Design	March 2014
Ontario Convention Center Solar Roof	Planning & Design	February 2014
Roof Replacement Fire Station No. 1	Completed	
Fleet Shop Upgrades	Phased Design & Construction	December 2015
NPDES Bioswale	Phased Design & Construction	June 2014
Concrete Replacement-PD Parking Lot	Planning & Design	July 2013
Police Facility Solar Roof	Planning & Design	February 2014
CNG Station Expansion	Phased Design & Construction	December 2013
Sewers		
27-Inch Haven Sewer Relocation	Deferred	TBD
Removal Abandoned Sewer Lift Station	Deferred	TBD
Boulder-Holt Sewer Diversion	Completed	
Storm Drains		
5th Street Storm Drain	Completed	
6th Street Storm Drain	Planning & Design	September 2013
Francis Street Storm Drain and Ely Basin Flood Control and Aquifer Recharge	Pending Funding	TBD
Mills Creek Wetlands	Construction	June 2014
Mountain Avenue Storm Drain Repairs	Construction	September 2013

Status of Open Projects From Prior Years

Project Description	Project Status	Estimated Project Completion
Streets		
Mission Boulevard Widening/Reconstruction	Utility Relocation 100% Complete Project On Hold Pending Funding	TBD
North Milliken Avenue Grade Separation	Construction	June 2013
Grove Avenue/I-10 Interchange-Corridor	Project Approval and Environmental Document (PA&ED) Project On Hold Pending Funding	December 2016 (PA&ED)
South Milliken Avenue Grade Separation	Plan, Specifications & Estimates (PS&E) 100% Complete Start Construction January 2014	January 2017
South Archibald Avenue Grade Separation	Project On Hold Pending Funding	TBD
North Vineyard Avenue Grade Separation	Plan, Specifications & Estimates (PS&E) 100% Complete Start Construction January 2014	January 2017
SR60 Frwy @ Euclid Avenue Ramp Widening	Completed	
I-10/Archibald Avenue Interchange Landscaping	Completed	
DecWinter Storm-Street/Asphalt Repair	Completed	
Melrose Plaza Public Street Improvement	Project On Hold	TBD
Jurupa Rehab: Day Creek/Sara Place	Completed	
Philadelphia Rehab: Grove/Campus	Completed	
Airport Rehab: Wineville/Milliken	Completed	
Fourth Rehab: Ontario Mills/Wineville	Completed	
Milliken Rehab: Francis/Jurupa	Completed	
Mission Rehab: 800'woHaven/Archibald	Completed	
Holt Rehab: Cucamonga/Vineyard	Completed	
Begonia Slurry & Street Light	Construction	September 2013
Millken Rehab: I-10/Fourth St	Construction	August 2013
Guasti Rehab: W Milliken/West End	Construction	August 2013
Philadelphia Rehab: Euclid/Campus	Construction	August 2013
Philadelphia Rehab: Grove/Vineyard	Construction	August 2013
Airport Rehab: Wineville/Etiwanda	Construction	August 2013
Rockefeller Rehab: Jurupa/Airport	Construction	August 2013
Ontario Mills Pkwy Rehab: Rochester/Barrington	Construction	August 2013
Francis Rehab: Vineyard/Baker	Construction	August 2013

Capital Improvement Program

Status of Open Projects From Prior Years

Project Description	Project Status	Estimated Project Completion
Traffic		
Etiwanda/Airport Intersection	City of Fontana Lead Agency	TBD
Traffic Street Sign Reflectivity	Completed	
Traffic Signal Management System Upgrade	Completed (Phase One and Two)	
Traffic Signal: Philadelphia/Cypress	Preliminary Engineering 25% Complete	August 2015
Traffic Signal: Mission/Mountain	Preliminary Engineering 25% Complete	August 2015
Water		
Recycled Water Service Main Extension	Phased Design & Construction	TBD
Airport Metering/Backflow Prevention	Deferred	TBD
Dry-Year Yield Groundwater Wells	Completed	
Chino Basin Desalter Facility Expansion	Phased Design & Construction	December 2015
New Well No. 43	Project On Hold	TBD
13th Street Underground Reservoir Retrofit	Project On Hold	TBD
Pressure Reducing System	Phased Design & Construction	December 2014
Emergency Water Interconnections	Phased Design & Construction	December 2016
Abandon Out-of-Service Wells	Design	June 2014
Aged Reservoir Abandonment [1212'PZ]	Deferred	TBD
Monitoring Wells (formerly Well Drilling @ 3 Locations)	Phased Design & Construction	TBD
San Antonio [1212'PZ]	Construction	June 2014
Wellhead Treatment System (Well No. 41)	Design	December 2014
Miscellaneous		
High Speed Telecommunication System	Master Plan 90% Complete	July 2018
On-Line Permitting	Implementation	July 2014
Energy Efficient Street Lighting	Construction	September 2013
Police Firearms Training Range	Completed	
Town Center Bus Stop Improvements	Completed	
Fuel Management System	Construction	July 2013
CityView System Upgrade	Completed	
Electronic Patient Care Report	Procurement & Installation	July 2014
Tiburon MobileCom	Completed	
Police Telestaff Scheduling	Design	July 2014

***Ontario
Convention
Center***

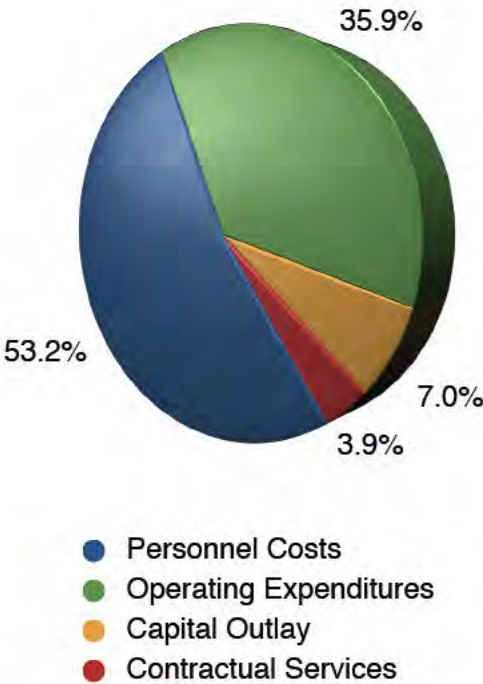
Ontario Convention Center



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
\$7,188,918**



Revenue Detail

	2012-13 Adopted Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
Rental Income	\$ 1,803,939	\$ 1,931,560	7.1%
Services Revenue	221,237	222,867	0.7%
Concessions & Catering	1,354,829	1,723,226	27.2%
Parking	645,104	815,726	26.4%
Telecommunications	75,944	14,800	-80.5%
Electrical	388,082	445,487	14.8%
Audio/Visual	153,980	125,265	-18.6%
Internet Revenue	119,831	80,041	-33.2%
Equipment Rental	165,120	169,325	2.5%
Interest Income	3,000	2,000	-33.3%
Miscellaneous	3,450	5,000	44.9%
Other Rental Income	70,800	98,356	38.9%
	\$ 5,005,316	\$ 5,633,653	12.6%

Expenditure Summary

	Detail Book Page Number	2012-13 Adopted Budget	2012-13 Current Budget	2013-14 Adopted Budget	% Change to Adopted Budget 2012-13
Ontario Convention Center	307	\$ 6,577,773	\$ 6,577,773	\$ 7,188,918	9.3%
Total Ontario Convention Center		\$ 6,577,773	\$ 6,577,773	\$ 7,188,918	9.3%



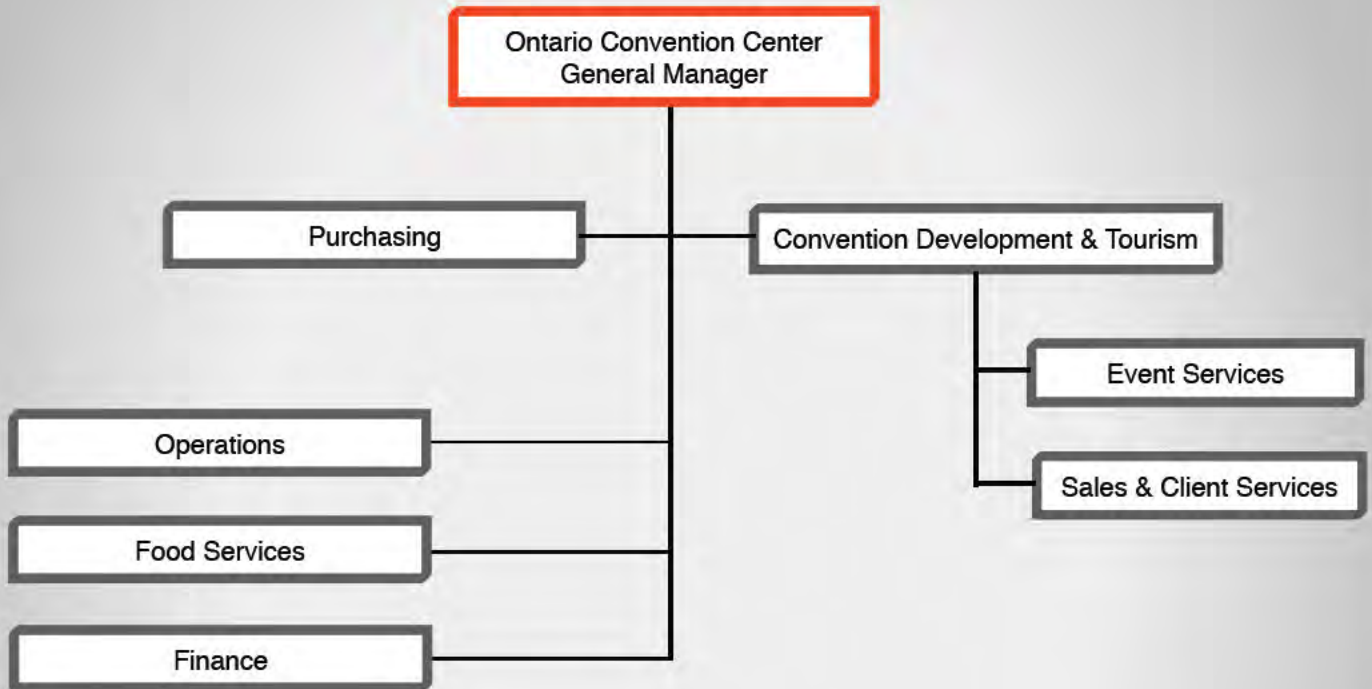
Capital Outlay

Capital Description	Fiscal Year 2013-14
Marquee, O Tower, Parking Lot Signs	\$ 225,000
Second Floor Carpeting	203,000
Riding Scrubbers Interior Concrete	15,000
Audio System Amplifiers	40,000
Kitchen Equipment	17,000
Total Capital	\$ 500,000

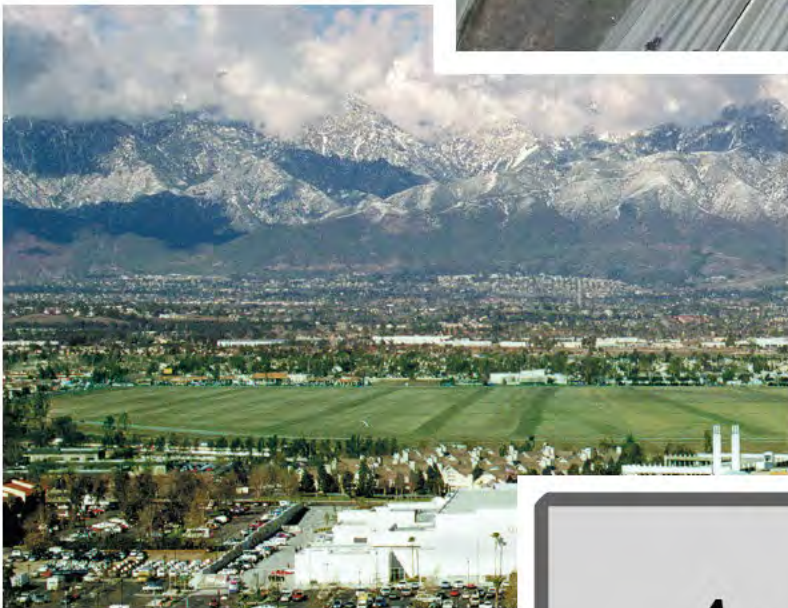




2013-14 Organizational Chart
Ontario Convention Center
Effective July 1, 2013



Appendices



Appendices

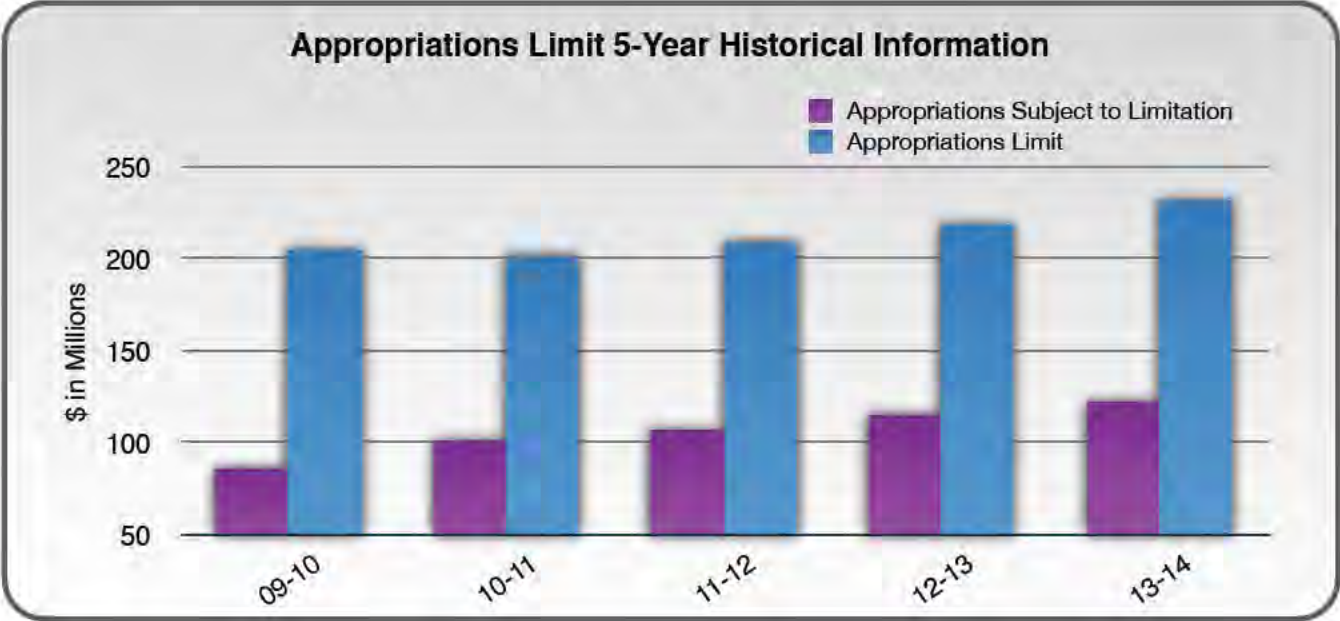
Constitutional Spending Limit

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 2013-14 is \$231,608,888. Appropriations subject to the limitation in the 2013-14 Adopted Budget total \$122,244,147 which is \$109,364,741 or 47.22 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 2013-14			
<u>Appropriations Limits</u>			
2012-2013 Appropriations Limits			\$218,471,086
2013-2014 Adjustment Factors			
Population		1.0085	
Per Capita Income Change		1.0512	
Total Adjustment (1.0085 x 1.0512)	X	1.0601	
2013-2014 Appropriations Limits			\$231,608,888
<u>Appropriations Subject to Limitation</u>			
Proceeds of Taxes			\$122,969,147
Less: Qualified Capital Outlay			(725,000)
Appropriations Subject to Limit			\$122,244,147
Percentage of Appropriations Limit Used			52.78%



RESOLUTION NO. 2013-065

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE CITY OF ONTARIO FOR FISCAL YEAR 2013-14.

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

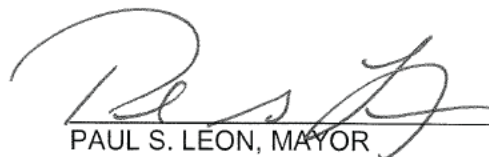
WHEREAS, the Administrative Services/Finance Director of the City of Ontario has determined the City's appropriations limit for Fiscal Year 2013-14 in accordance with the said provisions of the Constitution and laws of the State of California and the documentation used in said determination has been available to the public since June 4, 2013, 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 2013-14 is hereby found and determined to be \$231,608,888.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 19th day of June 2013.

ATTEST:

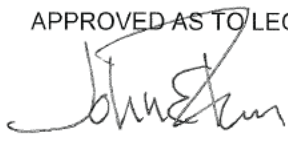


PAUL S. LEON, MAYOR



MARY E. WIRTES, MMC, CITY CLERK

APPROVED AS TO LEGAL FORM:



BEST BEST & KRIEGER LLP
CITY ATTORNEY

Constitutional Spending Limit

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, MARY E. WIRTES, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2013-065 was duly passed and adopted by the City Council of the City of Ontario at a special meeting held June 19, 2013 by the following roll call vote, to wit:

AYES: MAYOR/COUNCIL MEMBERS: LEON, BOWMAN, WAPNER,
DORST-PORADA AND AVILA

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE



MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2013-065 duly passed and adopted by the Ontario City Council at a special meeting held June 19, 2013.



MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

RESOLUTION NO. 2013-066

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE OPERATING BUDGET OF SAID CITY FOR THE FISCAL YEAR 2013-14.

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 New Model Colony Public Services; and

WHEREAS, the Capital Project Funds group is comprised of the following funds: Ground Access, 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 Water Impact, New Model Colony Sewer Impact, New Model Colony Storm Drainage Impact, Affordability In-Lieu, Old Model Colony-Regional Streets, Old Model Colony-Local Adjacent Streets, Old Model Colony-Regional Storm Drains, Old Model Colony-Local Adjacent Storm Drains, Old Model Colony-Regional Water, Old Model Colony-Local Adjacent Water, Old Model Colony-Regional Sewer, Old Model Colony-Local Adjacent Sewer, New Model Colony-Regional Streets, New Model Colony-Local Adjacent Streets, New Model Colony-Regional Storm Drains, New Model Colony-Local Adjacent Storm Drains, New Model Colony-Regional Water, New Model Colony-Local Adjacent Water, New Model Colony-Regional Sewer, New Model Colony-Local Adjacent Sewer, New Model Colony-Regional Fiber, New Model Colony-Local Adjacent Fiber, Community Facilities District No. 10, Community Facilities District No. 11, Community Facilities District No. 12, Community Facilities District No. 13, Community Facilities District No. 14, Community Facilities District No. 15, and Community Facilities District No. 20; 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

City's Fiscal Year 2013-14 Operating Budget

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 2013-14, submitted by the City Manager to the City Council, is herewith adopted for the City of Ontario for the Fiscal Year 2013-14.

NOW, THEREFORE, be it also resolved, that the 2013-14 Operating Budget Appropriations are as follows:

General Fund	\$168,997,116
Special Revenue Funds	42,156,263
Capital Project Funds	31,948,708
Enterprise Funds	146,984,059
Internal Service Funds	30,440,835
Fiduciary Fund	<u>3,300,000</u>
Total Operating Budget	<u>\$423,826,981</u>

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 19th day of June 2013.



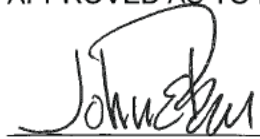
PAUL S. LEON, MAYOR

ATTEST:



MARY E. VIRTES, MMC, CITY CLERK

APPROVED AS TO LEGAL FORM:



BEST BEST & KRIEGER LLP
CITY ATTORNEY

City's Fiscal Year 2013-14 Operating Budget

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, MARY E. WIRTES, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2013-066 was duly passed and adopted by the City Council of the City of Ontario at a special meeting held June 19, 2013 by the following roll call vote, to wit:

AYES: MAYOR/COUNCIL MEMBERS: LEON, BOWMAN, WAPNER,
DORST-PORADA AND AVILA
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE



MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2013-066 duly passed and adopted by the Ontario City Council at a special meeting held June 19, 2013.



MARY E. WIRTES, MMC, CITY CLERK

(SEAL)

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 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.
- 166 Housing Asset Fund** - financial transactions of the former Redevelopment Agency Low/Moderate Income Housing Funds.

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.
- 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.
- 170 **OMC Regional Streets** - accounts for revenues from developer-paid development impact fees for the construction of street infrastructure projects that serve a larger, regional area in the Old Model Colony.
- 171 **OMC Local Adjacent Streets** - accounts for revenues from developer-paid development impact fees for the construction of street infrastructure projects that serve a local area in the Old Model Colony.
- 172 **OMC Regional Storm Drains** - accounts for revenues from developer-paid development impact fees for the construction of storm drain infrastructure projects that serve a larger, regional area in the Old Model Colony.
- 173 **OMC Local Adjacent Storm Drains** - accounts for revenues from developer-paid development impact fees for the construction of storm drain infrastructure projects that serve a local area in the Old Model Colony.
- 174 **OMC Regional Water** - accounts for revenues from developer-paid development impact fees for the construction of water infrastructure projects that serve a larger, regional area in the Old Model Colony.
- 175 **OMC Local Adjacent Water** - accounts for revenues from developer-paid development impact fees for the construction of water infrastructure projects that serve a local area in the Old Model Colony.
- 176 **OMC Regional Sewer** - accounts for revenues from developer-paid development impact fees for the construction of sewer infrastructure projects that serve a larger, regional area in the Old Model Colony.
- 177 **OMC Local Adjacent Sewer** - accounts for revenues from developer-paid development impact fees for the construction of sewer infrastructure projects that serve a local area in the Old Model Colony.

Financial Policy

- 180 NMC Regional Streets** - accounts for revenues from developer-paid development impact fees for the construction of street infrastructure projects that serve a larger, regional area in the New Model Colony.
- 181 NMC Local Adjacent Streets** - accounts for revenues from developer-paid development impact fees for the construction of street infrastructure projects that serve a local area in the New Model Colony.
- 182 NMC Regional Storm Drains** - accounts for revenues from developer-paid development impact fees for the construction of storm drain infrastructure projects that serve a larger, regional area in the New Model Colony.
- 183 NMC Local Adjacent Storm Drains** - accounts for revenues from developer-paid development impact fees for the construction of storm drain infrastructure projects that serve a local area in the New Model Colony.
- 184 NMC Regional Water** - accounts for revenues from developer-paid development impact fees for the construction of water infrastructure projects that serve a larger, regional area in the New Model Colony.
- 185 NMC Local Adjacent Water** - accounts for revenues from developer-paid development impact fees for the construction of water infrastructure projects that serve a local area in the New Model Colony.
- 186 NMC Regional Sewer** - accounts for revenues from developer-paid development impact fees for the construction of sewer infrastructure projects that serve a larger, regional area in the New Model Colony.
- 187 NMC Local Adjacent Sewer** - accounts for revenues from developer-paid development impact fees for the construction of sewer infrastructure projects that serve a local area in the New Model Colony.
- 188 NMC Regional Fiber** - accounts for revenues from developer-paid development impact fees for the construction of fiber optic infrastructure projects that serve a larger, regional area in the New Model Colony.
- 189 NMC Local Adjacent Fiber** - accounts for revenues from developer-paid development impact fees for the construction of fiber optic infrastructure projects that serve a local area in the New Model Colony.
- 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. 21 - Festival/Parkside** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 21 in the Festival/Parkside 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.
- 507 Community Facilities District No. 15 Historic Guasti District** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 15 in the Historic Guasti District development.
- 508 Community Facilities District No. 20 Walmart** - accounts for the financial transactions relating to the establishment and funding of services for Community Facilities District (CFD) No. 20 in the Walmart development.

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.
- 139 Successor Agency for RDA** - represents the Redevelopment Successor Agency funds established to account for the administrative activities of project areas.
- 159 Guasti Successor/Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debts.
- 162 Center City Successor/Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debts.

Financial Policy

- 163 Project No. 1 Successor/Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debts.
- 164 Cimarron Successor/Debt Service** - the former Redevelopment Agency fund that received tax increment for paying bond and other project area debt.
- 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).

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, 2012, 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. Each fiscal year thereafter \$1 million dollars has been allocated to the reserve fund.

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.

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. The following table summarizes the indirect cost rates applicable to Fiscal Year 2013-14.

Citywide General and Administrative (G&A) Rates			
Full Cost	22.32%	OMB A-87	21.19%
Departmental Overhead Rates			
Development		Community & Public Services	
Planning	23.53%	Parks & Maintenance	26.03%
Building	27.74%	Recreation & Community Services	4.45%
Engineering	22.95%	Library	23.92%
		Museum	14.34%
Housing		Municipal Utilities Company	
Housing	27.57%	Equipment & Facilities Services	10.30%
Code Enforcement	17.84%	Utilities Engineering & Operations	16.83%
Quiet Home Program	27.85%		
Neighborhood Revitalization/ Neighborhood Stabilization/ CDBG/HUD Grants/Set Aside	17.33%	Police	19.60%
Economic Development Agency	18.46%	Fire	10.29%

*These rates are subject to further review.

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,

Financial Policy

but for investment, considering the probable safety of their capital as well as the probable income to be 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 May 2012, 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 of June 30, 2012, the City’s average street and its related subsystem’s PCI ratings was 71.1.

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, 2012.

Description	Net Cost at June 30, 2011	Net Cost at June 30, 2012
Governmental Activities		
<u>Modified Approach:</u>		
Street Pavement System	\$ 296,013,615	\$ 297,018,892
<u>Basic Approach:</u>		
Curbs	38,143,227	36,948,143
Storm drains and gutters	20,808,943	20,427,898
Sidewalks and handicap ramps	30,765,239	29,807,522
Bridges	84,302,407	82,225,947
Traffic signals / street lighting	11,645,520	12,211,901
	\$ 481,678,951	\$ 478,640,303

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 2009 through 2013.

Infrastructure Maintenance Estimated and Actual Expenditures (\$000)

	2009	2010	2011	2012	2013
Streets:					
Estimated	\$ 17,926	\$ 8,166	\$ 10,290	\$ 12,228	\$ 11,048
Actual	11,338	8,244	6,874	9,181	
Sidewalks:					
Estimated	2,854	1,740	1,495	1,495	1,414
Actual	2,158	1,596	1,433	1,284	
Storm Drain:					
Estimated	1,584	1,325	1,590	1,590	1,556
Actual	1,292	1,209	1,281	1,428	
Traffic Signal/Street Lights:					
Estimated	3,386	2,532	4,159	2,985	2,882
Actual	2,250	2,419	3,035	2,558	

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, 2012, the City had no bonded indebtedness against its debt limit of \$508,579,000. 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, 2012. This schedule contains audited numbers from the June 30, 2012 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, 2012 (dollars in thousands)

Assessed valuation (a)	\$ 13,562,118
Conversion percentage (b)	25%
Adjusted assessed valuation	\$ 3,390,530
Debt limit percentage (c)	15%
Debt limit	\$ 508,579
Total net debt applicable to limit:	41,285
Legal debt margin	\$ 467,294
Total debt applicable to the limit as a percentage of debt limit	8.83%

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, 2012

The following is a summary of changes in Long-Term Debt of the City for the Fiscal Year ended June 30, 2012:

	Balance 7/1/2011	Accreted Interest	Additions	Deletions	Transfers to Successor Agency*	Balance 6/30/2012	Due within One Year
Tax Alloc Bonds Payable	\$ 48,965,100	\$ 0	\$ 0	\$ 225,200	\$ 48,739,900	\$ 0	\$ 0
Revenue Bonds	82,160,522	857,277		24,634,200	17,098,599	41,285,000	1,290,000
Loans Payable	12,448,782			395,623	12,053,159		
Other Post Employment Benefits Obligation	29,668,812		13,960,458	2,967,790		40,661,480	
Claims & Judgements	15,717,000		2,511,840	2,511,840		15,717,000	2,512,000
Compensated Absences	9,737,987		248,982	100,644		9,886,325	132,000
Total	\$ 198,698,203	\$ 857,277	\$ 16,721,280	\$ 30,835,297	\$ 77,891,658	\$ 107,549,805	\$ 3,934,000
						<i>Plus Unamortized Bond Premium of</i>	
						\$ 450,560	
						\$ 108,000,365	

*As a result of the dissolution of the Redevelopment Agency, indebtedness of the former Redevelopment Agency was transferred to the Successor Agency.

Long-Term Debt-Government Activities

REVENUE BONDS

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. On April 2012, the City partially redeemed its bonds in the amount of \$19,215,000 plus 1% premium in the amount of \$192,150. The bonds will mature in August 2018. The balance at June 30, 2012, including the unamortized bond premium of \$83,383, amounted to:

\$ 5,563,383

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, 2012, including the unamortized bond premium of \$367,177, amounted to:

\$36,172,177

Total Revenue Bonds:

\$41,735,560

SUMMARY OF DEBT SERVICE REQUIREMENTS

The annual debt service requirement to maturity for government activity long-term debt outstanding as of June 30, 2012 are summarized below:

June 30,	Revenue Bonds		Total
2013	\$ 3,221,758	\$ 3,221,758	
2014	3,226,513	3,226,513	
2015	3,225,778	3,225,778	
2016	3,225,753	3,225,753	
2017	3,222,190	3,222,190	
2017-2022	11,241,369	11,241,369	
2022-2027	10,475,663	10,475,663	
2027-2032	14,394,435	14,394,435	
2032-2037	20,245,213	20,245,213	
Total	\$ 72,478,672	\$ 72,478,672	
Less Interest	31,193,672	31,193,672	
Debt Principal Balance	\$ 41,285,000	\$ 41,285,000	

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, 2012:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
2004 COP - Water System Improvement Project	\$ 45,680,000	\$ 0	\$ 1,100,000	\$ 44,580,000	\$ 1,145,000
Compensated Absences	1,030,009	13,651	34,108	1,009,552	81,000
Total	\$ 46,710,009	\$ 13,651	\$ 1,134,108	\$ 45,589,552	\$ 1,226,000
				1,034,755	
				\$ 46,624,307	

LONG-TERM DEBT - FIDUCIARY ACTIVITIES

The following debts were transferred from the Redevelopment Agency to the Successor Agency as of February 1, 2012 as a result of dissolution:

	Balance July 1, 2011	Transfers from City	Additions	Deletions	Balance June 30, 2012	Due Within One Year
Fiduciary Activities Successor Agency of the Former RDA						
Tax Allocation Bonds						
1993 TABs	\$ 0	\$ 44,780,244	\$ 0	\$ 0	\$ 44,780,244	\$ 226,842
1995 TABs		3,959,656			3,959,656	20,058
2002 Refunding Revenue Bonds		17,098,599	612,340 *		17,710,939	3,852,141
Loans Payable		12,053,159			12,053,159	416,591
Total	\$ 0	\$ 77,891,658	\$ 612,340	\$ 0	\$ 78,503,998	\$ 4,515,632
					808,558	
					\$ 79,312,556	

*Additions of \$612,340 relates to Refunding Revenue Bonds accretion of interest.

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, 2012 totaled \$19,990,000. 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			Total	% of Assessed Value of Property	Population	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Revenue Bonds				
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
2012(a)	41,285	-	-	41,285	0.22%	165,790	248.50

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).

(a) Outstanding long term debts of the Redevelopment Agency were transferred to the Successor Agency on February 1, 2012 as a result of dissolution of Redevelopment Agencies in California.

Source: City of Ontario, Administrative Services Agency

**Schedule of Payments on Long-Term Debt
Fiscal Year 2013-14**

Due Date	Fund	Description	Principal	Interest	Total
07/01/2013	025	ORFA 2004 Water System Improvement Project Certificate of Participation	\$ 1,145,000	\$ 1,132,956	\$ 2,277,956
07/15/2013	050	ORFA 2007 Lease Revenue Bond	440,000	837,520	1,277,520
08/01/2013	163	ORA 1993 Tax Allocation Bond (a)	258,907	2,667,078	2,925,985
08/01/2013	163	ORA 1995 Tax Allocation Bond (a)	22,893	242,502	265,395
08/01/2013	050	ORFA 2001 Lease Revenue Bond	910,000	115,241	1,025,241
08/01/2013	166	ORA 2002 Housing Set-Aside Loan (a)	438,670	308,369	747,039
08/01/2013	163	ORA 2002 Revenue Bonds - Project Area No. 1 (a)	860,297	2,405,703	3,266,000
08/01/2013	162	ORA 2002 Revenue Bonds - Center City Project Area (a)	465,000	125,922	590,922
08/01/2013	164	ORA 2002 Revenue Bonds - Cimarron Project Area (a)	245,000	20,081	265,081
01/01/2014	025	ORFA 2004 Water System Improvement Project Certificate of Participation		1,104,331	1,104,331
01/15/2014	050	ORFA 2007 Lease Revenue Bond		827,620	827,620
02/01/2014	163	ORA 1993 Tax Allocation Bond (a)		2,650,170	2,650,170
02/01/2014	163	ORA 1995 Tax Allocation Bond (a)		242,502	242,502
02/01/2014	050	ORFA 2001 Lease Revenue Bond		96,131	96,131
02/01/2014	166	ORA 2002 Housing Set-Aside Loan (a)		296,744	296,744
02/01/2014	162	ORA 2002 Revenue Bonds - Center City Project Area (a)		113,716	113,716
02/01/2014	164	ORA 2002 Revenue Bonds - Cimarron Project Area (a)		13,650	13,650
		Total Payments	\$ 4,785,767	\$ 13,200,236	\$ 17,986,003

(a) Obligations of the Redevelopment Successor Agency

List of Acronyms

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

List of Acronyms

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

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.

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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".

Fiduciary Fund: To account for resources held for the benefit of parties outside the City.

Fiscal Year (FY): A 12-month period for recording financial transactions; specified by the City of Ontario as beginning on July 1st and ending on the following June 30th.

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.

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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.

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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.



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ADMINISTRATIVE SERVICES/
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