

**CITY OF ONTARIO
CITY COUNCIL AND HOUSING AUTHORITY
AGENDA
FEBRUARY 18, 2020**

Paul S. Leon
Mayor

Debra Dorst-Porada
Mayor pro Tem

Alan D. Wapner
Council Member

Jim W. Bowman
Council Member

Ruben Valencia
Council Member



Scott Ochoa
City Manager

Scott E. Huber
City Attorney

Sheila Mautz
City Clerk

James R. Milhiser
Treasurer

WELCOME to a meeting of the Ontario City Council.

- All documents for public review are on file with the Records Management/City Clerk's Department located at 303 East B Street, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Clerk will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1 minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with State Law, remarks during public comment are to be limited to subjects within Council's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council and Staff need to be recognized by the Chair before speaking.

ORDER OF BUSINESS The regular City Council and Housing Authority meeting begins with Closed Session and Closed Session Comment at 6:00 p.m., Public Comment at 6:30 p.m. immediately followed by the Regular Meeting and Public Hearings. No agenda item will be introduced for consideration after 10:00 p.m. except by majority vote of the City Council.

(EQUIPMENT FOR THE HEARING IMPAIRED AVAILABLE IN THE RECORDS MANAGEMENT OFFICE)

CALL TO ORDER (OPEN SESSION)

6:00 p.m.

ROLL CALL

Dorst-Porada, Wapner, Bowman, Valencia, Mayor/Chairman Leon

CLOSED SESSION PUBLIC COMMENT The Closed Session Public Comment portion of the Council/Housing Authority meeting is limited to a maximum of 3 minutes for each speaker and comments will be limited to matters appearing on the Closed Session. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

CLOSED SESSION

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: APN 0218-261-24; 9131 East Merrill Avenue; City/Authority Negotiator: Scott Ochoa or his designee; Negotiating parties: Mr. Joseph Garcia; Under negotiation: Price and terms of payment.
- GC 54956.9 (d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *One case.*

In attendance: Dorst-Porada, Wapner, Bowman, Valencia, Mayor/Chairman Leon

PLEDGE OF ALLEGIANCE

Council Member Dorst-Porada

INVOCATION

Pastor Dr. Brian Kennedy, Mt. Zion Baptist Church

REPORT ON CLOSED SESSION

City Attorney

PUBLIC COMMENTS

6:30 p.m.

The Public Comment portion of the Council/Housing Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, Council is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Council, fill out one of the blue slips at the rear of the chambers and give it to the City Clerk.

AGENDA REVIEW/ANNOUNCEMENTS The City Manager will go over all updated materials and correspondence received after the Agenda was distributed to ensure Council Members have received them. He will also make any necessary recommendations regarding Agenda modifications or announcements regarding Agenda items to be considered.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below – there will be no separate discussion on these items prior to the time Council votes on them, unless a member of the Council requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the City Council on items listed on the Consent Calendar will be given a total of 3 minutes.

1. APPROVAL OF MINUTES

Minutes for the regular meeting of the City Council and Housing Authority of January 21, 2020, approving same as on file in the Records Management Department.

2. BILLS/PAYROLL

Bills January 17, 2020 through January 30, 2020 and **Payroll** January 5, 2020 through January 18, 2020, when audited by the Finance Committee.

3. AN ORDINANCE ESTABLISHING THE DEVELOPMENT IMPACT FEE DEFERRAL PROGRAM

That the City Council consider and adopt an ordinance establishing the Development Impact Fee Deferral Program.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ESTABLISHING THE DEVELOPMENT IMPACT FEE (“DIF”) DEFERRAL PROGRAM.

4. A DEVELOPMENT IMPACT FEE CREDIT AGREEMENT (FILE NO. PDIF19-004) BETWEEN THE CITY OF ONTARIO AND WESTERN PACIFIC HOUSING, INC., FOR FACILITY CONSTRUCTION ASSOCIATED WITH TRACT MAP 18419 (FILE NO. PMTT06-066) LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND SCHAEFER AVENUE, WITHIN THE AVENUE SPECIFIC PLAN

That the City Council approve the Development Impact Fee Credit Agreement (File No. PDIF19-004) between the City of Ontario and Western Pacific Housing, Inc., for facility construction associated with Tract Map 18419 (File No. PMTT06-066) located at the southeast corner of Archibald Avenue and Schaefer Avenue, within The Avenue Specific Plan; and authorize the City Manager to execute the agreement.

5. A DEVELOPMENT IMPACT FEE CREDIT AND REIMBURSEMENT AGREEMENT (FILE NO. PDIF19-006) BETWEEN THE CITY OF ONTARIO AND PALMETTO OFFICES, LLC, FOR FACILITY CONSTRUCTION ASSOCIATED WITH THE DEVELOPMENT PLAN (FILE NO. PDEV18-004), LOCATED AT 1515 NORTH PALMETTO AVENUE, WITHIN THE MOUNTAIN VILLAGE SPECIFIC PLAN

That the City Council approve the Development Impact Fee Credit and Reimbursement Agreement (File No. PDIF19-006) between the City of Ontario and Palmetto Offices, LLC, for facility construction associated with the Development Plan (File No. PDEV18-004), located at 1515 North Palmetto Avenue, within the Mountain Village Specific Plan, and authorize the City Manager to execute the agreement.

6. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARK ALVARADO FOR FINANCIAL CONSULTING SERVICES

That the City Council authorize the City Manager to execute Amendment No. 4 adding \$50,000 to the Professional Services Agreement (on file in the Records Management Department) with Mark Alvarado, for the provision of financial consulting services, for a revised contract authority of \$150,000.

7. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH WESTIN TECHNOLOGY SOLUTIONS FOR PROJECT MANAGEMENT SUPPORT ON CIS INFINITY UTILITY BILLING IMPLEMENTATION

That the City Council authorize the City Manager to execute Amendment No. 3 adding \$55,800 to the existing agreement (on file in the Records Management Department) with Westin Technology Solutions, of Milwaukee, Wisconsin, for project management support on the CIS Infinity Utility Billing Implementation for a not-to-exceed limit of \$410,480.

8. FISCAL YEAR 2019-20 MID-YEAR BUDGET UPDATE REPORT

That the City Council approve the budget adjustments and recommendations as listed in the Fiscal Year 2019-20 Mid-Year Budget Update Report.

9. AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH M JACK BROOKS, JD FOR FINANCIAL CONSULTING SERVICES

That the City Council authorize the City Manager to execute Amendment No. 2 adding \$65,000 to the Professional Services Agreement (on file in the Records Management Department) with M Jack Brooks, JD, of Costa Mesa, California, for the provision of financial consulting services, for a revised contract authority of \$150,000.

10. LICENSE AGREEMENT RENEWAL FOR MICROSOFT PRODUCTS

That the City Council approve and authorize the City Manager or his designee to renew a three-year license agreement with Crayon Software Experts, LLC of Dallas, Texas for Microsoft Office 365, Windows 10 and Microsoft Server subscriptions in the estimated amount of \$1,150,000.

11. A RESOLUTION APPROVING THE SUBMITTAL OF AN APPLICATION TO PARTICIPATE IN THE BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT PROGRAM (FISCAL YEAR 2019-20) FROM THE STATE OF CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVER (CALRECYCLE)

That the City Council adopt a resolution approving the submittal of an application for approximately \$44,000 from the Beverage Container Recycling City/County Payment Program (Fiscal Year 2019-20), and authorize the City Manager or his designee to execute all necessary documents to participate in the program.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING THE SUBMITTAL OF AN APPLICATION TO PARTICIPATE IN THE BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT PROGRAM (FISCAL YEAR 2019-20) FROM THE STATE OF CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE).

12. PRE-AUTHORIZED LIST OF VENDORS TO PROVIDE CANINES AND TRAINING EQUIPMENT, SUPPLIES, AND UNIFORMS FOR SWORN POLICE STAFF

That the City Council approve the attached list of pre-authorized vendors to provide canines and training equipment, supplies, and uniforms for the Ontario Police Department.

13. APPLICATION FOR GRANT FROM THE CALIFORNIA OFFICE OF TRAFFIC SAFETY (OTS) FY2021 SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (STEP) GRANT PROGRAM

That City Council authorize the City Manager or his designee to execute all documents necessary to apply for and accept a 12-month grant in the amount of \$848,339 from the California Office of Traffic Safety (OTS) for participation in the FY2021 Selective Traffic Enforcement Program (STEP) Grant Program.

14. APPLICATION FOR GRANT FROM THE CALIFORNIA OFFICE OF TRAFFIC SAFETY (OTS) FY2021 TRAFFIC RECORDS IMPROVEMENT PROJECT GRANT PROGRAM

That City Council authorize the City Manager or his designee to execute all documents necessary to apply for and accept a 12-month grant in the amount of \$25,000 from the California Office of Traffic Safety (OTS) for participation in the FY2021 Traffic Records Improvement Project Grant Program.

PUBLIC HEARINGS

Pursuant to Government Code Section 65009, if you challenge the City's zoning, planning or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the public hearing.

15. A PUBLIC HEARING TO CONSIDER AN ORDINANCE AMENDING CHAPTER 19 OF TITLE 4 OF THE ONTARIO MUNICIPAL CODE RELATING TO PROCEDURES FOR THE SETTING OF ADMINISTRATIVE FEES FOR ROTATIONAL TOWING SERVICES

That the City Council introduce and waive further reading of an ordinance amending Chapter 19 of Title 4 of the Ontario Municipal Code regarding procedures for the setting of administrative fees for rotational towing services.

Notice of public hearing has been duly given and affidavits of compliance are on file in the Records Management Department.

Written communication.

Oral presentation.

Public hearing closed.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING SECTION 4-19.13 AND 4-19.14 OF THE ONTARIO MUNICIPAL CODE, RELATING TO PROCEDURES FOR THE SETTING OF ADMINISTRATIVE FEES FOR ROTATIONAL TOWING SERVICES.

STAFF MATTERS

City Manager Ochoa

COUNCIL MATTERS

Mayor Leon
Mayor pro Tem Dorst-Porada
Council Member Wapner
Council Member Bowman
Council Member Valencia

ADJOURNMENT

**CITY OF ONTARIO
CLOSED SESSION REPORT**
City Council // Housing Authority // Other // (GC 54957.1)
February 18, 2020

ROLL CALL: Dorst-Porada __, Wapner __, Bowman __, Valencia __, Mayor / Chairman Leon __.

STAFF: City Manager / Executive Director __, City Attorney __

In attendance: Dorst-Porada __, Wapner __, Bowman __, Valencia __, Mayor / Chairman Leon __.

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: APN 0218-261-24; 9131 East Merrill Avenue; City/Authority Negotiator: Scott Ochoa or his designee; Negotiating parties: Mr. Joseph Garcia; Under negotiation: Price and terms of payment.

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

In attendance: Dorst-Porada __, Wapner __, Bowman __, Valencia __, Mayor / Chairman Leon __.

- GC 54956.9 (d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *One case.*

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

Reported by:

City Attorney / City Manager / Executive Director

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: AN ORDINANCE ESTABLISHING THE DEVELOPMENT IMPACT FEE DEFERRAL PROGRAM

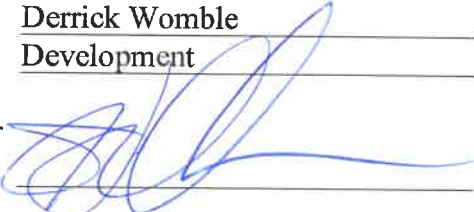
RECOMMENDATION: That the City Council consider and adopt an ordinance establishing the Development Impact Fee Deferral Program.

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: The proposed Development Impact Fee ("DIF") Deferral Program permits deferral of the payment of DIF from the time of building permit issuance to the time of final inspection. This action will impact the potential interest earnings the City would have received during the period of deferral (not to exceed two [2] years from the effective date of a fee deferral agreement). However, this loss of earnings would not impact the City's General Fund revenues as interest earnings on DIF must be segregated from other City revenues and remain in the DIF program accounts. A proposed DIF Administrative Fee of \$7,500 for those that participate in the DIF Deferral Program will offset the City's costs for initiating and administering the fee deferral agreements. No changes are proposed to any City DIF amounts. The proposed DIF Deferral Program will continue to address the City Council's long-standing direction that new development generates enough revenue to fund required City infrastructure without reliance on the financial resources of the City General Fund.

BACKGROUND: On February 4, 2020, the City Council introduced and waived further reading of an ordinance approving the Development Impact Fee Deferral Program. On June 23, 2003, the City Council adopted Resolution No. 2003-039 establishing policies for the implementation of the DIF Program for new development. The resolution recognizes the need to finance adequate infrastructure and other public facilities made necessary by new development. The resolution further identifies the

STAFF MEMBER PRESENTING: Scott Murphy, AICP, Executive Director Development Agency

Prepared by: Derrick Womble
Department: Development
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

3

requirement for the payment of DIF at the time of building permit issuance. Specifically, requiring for payment of DIF no more than five (5) days prior to the issuance of building permits.

In response to the recession of 2008, the City Council established a temporary Economic Stimulus Program for residential and non-residential development (the "DIF Deferral Program"), which began May 6, 2008 and expired December 31, 2014. During that interim period, the DIF Deferral Program provided developers with the option to defer payment of all DIF fees (except the IEUA Sewer Capacity Fee and the City's Species, Habitat Conservation, and Open Space Mitigation fees) on the construction of residential and non-residential development. The deferred DIF fees were due when final inspection was requested on the first completed unit or building, or after 12 months, whichever occurred first.

In discussions with the Building Industry Association of Southern California (BIA) and NMC Builders, LLC (NMC Builders), concerns were expressed regarding payment of DIF at the time of building permit issuance creating a significant financial burden on developers during the pre-construction phase. The BIA and NMC Builders both mutually requested the City consider allowing developers to defer DIF until the request for the first final inspection within a phase of the project.

In weighing the needs of private development and the needs for public infrastructure throughout the City, staff determined that deferring DIF payments to final inspection adequately accomplishes the City's need to obtain funding for needed public infrastructure while providing developers with a mechanism to better manage their cash flow than by paying DIF at building permit issuance.

Therefore, staff is proposing the re-establishment of the DIF Deferral Program and make it available to all developers city-wide. The DIF Deferral Program shall apply to residential and non-residential development city-wide to provide developers the option to defer DIF for a maximum period of two (2) years from the effective date of a deferral agreement (the "DIF Deferral Agreement") or until a final inspection is requested for the first unit or building within a construction phase, whichever occurs first. The DIF Deferral Program shall be limited to only City DIF and any other fees assessed at building permit issuance (e.g. IEUA Sewer Capacity Fee) shall remain in full force and effect and not subject to deferment. DIF for the Species, Habitat Conservation, and Open Space Mitigation categories are excluded from the deferral option and shall continue to be due and payable upon the issuance of a grading permit.

In order to qualify for the DIF Deferral Program, developers shall be required to enter into a DIF Deferral Agreement with the City, which will be recorded on the property to secure the developer's payment of DIF. The amount of DIF due and payable to the City will be determined in accordance with the DIF schedule in effect at the time of payment, and not at the time of building permit issuance. Additionally, the City Manager shall have the administrative authority to execute DIF Deferral Agreements without further action of the City Council.

Lastly, should the City Council choose to re-establish the DIF Deferral Program as presented, the DIF Deferral Program shall continue in perpetuity and be made available to developers city-wide, unless and until further action is taken by the City Council to modify the program.

Staff finds this proposal is consistent with The Ontario Plan and the City's DIF Program and recommends City Council adoption of the ordinance as presented.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO,
CALIFORNIA, ESTABLISHING THE DEVELOPMENT IMPACT FEE
("DIF") DEFERRAL PROGRAM.

WHEREAS, on June 23, 2003, the City Council of the City of Ontario (the "City Council") adopted Resolution No. 2003-039 to establish policies for the implementation of the new and modified Development Impact Fees ("DIF"). Resolution No. 2003-039 requires the payment of DIF no more than five (5) days prior to the issuance of building permits; and

WHEREAS, on July 1, 2003, the City Council adopted Ordinance Nos. 2779 and 2780 to implement new and modified DIF in recognition of the need to finance adequate infrastructure and other public improvements and facilities made necessary by new development in the City of Ontario (the "City"); and

WHEREAS, during the recession of 2008, the City Council adopted Resolution Nos. 2008-035, 2008-078, 2009-031, 2009-032, 2010-102, 2011-072, 2012-087, and 2013-130, to establish a temporary Economic Stimulus Program for residential and non-residential development (the "DIF Deferral Program"), which provided for the temporary deferment of DIF until requests for final inspection; and

WHEREAS, the temporary DIF Deferral Program began on May 6, 2008, and expired on December 31, 2014; and

WHEREAS, the City Council recognizes the importance of encouraging continuing investments in the City's residential, commercial, and industrial development, throughout the City; and

WHEREAS, the City Council further recognizes the importance of providing for needed infrastructure that is made necessary by new development within the City; and

WHEREAS, the City Council determines that deferring the timing of DIF payments to the time of requests for final inspection adequately accomplishes the needs of obtaining funding for needed public infrastructure while providing developers with a mechanism to manage their cash flow by paying DIF at building final inspections; and

WHEREAS, a permanent DIF Deferral Program provides an option for developers to defer payment of certain DIF until the time of requests for a final inspection, contingent upon developer's execution of a deferral agreement with the City; and

WHEREAS, the City Council, as the City's governing body, has the authority to establish and modify policies for the implementation of the City's DIF Program; and

WHEREAS, City of Ontario Development Code Division 2.03 (Public Hearings) prescribes the manner in which public notification shall be provided and hearing procedures to be followed, and all such notifications and procedures have been completed; and

WHEREAS, on February 4, 2020, the City Council of the City of Ontario conducted a hearing to consider the Project and concluded said hearing on that date; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND ORDAINED by the City Council of the City of Ontario, as follows:

SECTION 1. *DIF Deferral Program.* The DIF Deferral Program shall apply to residential and non-residential development city-wide to provide developers the option to defer certain DIF.

SECTION 2. *Limitations.* The DIF Deferral Program shall be limited to only City DIF and any other fees assessed at building permit issuance, including fees assessed on behalf of other agencies, shall remain in full force and effect and not subject to deferment. The payment of DIF for residential and non-residential development may be deferred for all fee categories, except the Species, Habitat Conservation, and Open Space Mitigation fee. DIF for the Species, Habitat and Open Space Mitigation categories are excluded from the deferral option and shall continue to be due and payable upon the issuance of a grading permit. In no case will a certificate of occupancy be issued for any unit or building within the phase(s), unless and until all fees due to the City for such phase(s) have been paid. A final inspection shall not occur until the applicable DIF is paid in full by the developer.

SECTION 3. *Residential Developments.* For a developer of residential development, the determination of deferred DIF shall be assessed for the entire phase(s) included in the project development and identified in the DIF Deferral Agreement. Any deferred DIF shall be due and payable when the first unit within a phase(s) requests its final inspection, or at the end of the deferral period, whichever occurs first.

SECTION 4. *Non-Residential Developments.* For a developer of a non-residential development, the determination of deferred DIF shall be assessed for each building included within the phase(s) and identified in the DIF Deferral Agreement. Any deferred DIF shall be due and payable when the first building within the phase(s) requests its final inspection, or at the end of the deferral period, whichever occurs first.

SECTION 5. *Payment of DIF.* The deferred DIF shall become due and payable on: (1) the end of the deferral period of a maximum period of two (2) years from the effective date of the DIF Deferral Agreement or (2) the date a final inspection is requested for the first unit or building within the phase(s), whichever occurs first. The determination of the DIF shall be the DIF in effect at the time of payment, and not at the time of building permit issuance. Deferred fees are subject to change due to modifications in the DIF Program and application of DIF Credits.

SECTION 6. *DIF Deferral Agreement.* Prior to issuance of any building permit for construction of any residential unit or portion of a non-residential development for which any DIF are requested for deferral pursuant to this program, the City shall require the developer, as a condition prior to issuance of that first building permit, to execute a DIF Deferral Agreement (Attachment "A") to pay the DIF, or applicable portion thereof, prior to: (1) the end of the deferral period of a maximum period of two (2) years from the effective date of the DIF Deferral Agreement or (2) the date a final inspection is requested for the first unit or building within the phase(s), whichever occurs first. The obligation to pay the DIF shall inure to the benefit of, and be enforceable by, the City. The DIF Deferral Agreement shall contain a legal description of the property affected and shall be recorded in the San Bernardino County Recorder's Office. The City, in its sole and absolute discretion, may require that the DIF Deferral Agreement contain a provision, which provides that from the date of recordation, the agreement shall constitute a first priority lien for the payment of the DIF, which lien shall be enforceable against successors-in-interest to the property owner. The DIF Deferral Agreement shall be recorded in the grantor-grantee index in the name of the City as grantee and in the name of the property owner or lessee as grantor. In the event the City requires first priority lien status in the DIF Deferral Agreement, the City shall require an executed subordination agreement from any and all encumbrancers for value that the City Manager or designee deem necessary. The City shall record a release of the obligation, containing a legal description of the property, in the event the DIF obligation is paid in full. The DIF Deferral Agreement shall require the property owner to provide written notification to the City of the opening of any escrow for the sale of any portion of property for which the building permit was issued and to provide in the escrow instructions that the DIF shall be paid to the City from the sale proceeds in escrow prior to disbursing proceeds to the seller or any other party. Such agreement may, in the City Manager's discretion, also require the developer to provide security up to the amount of the deferred DIF. The DIF Deferral Agreement shall also provide that the developer agrees to indemnify, defend and hold harmless the City and its officials, officers, agents, and employees for any claims, causes of action or damages/costs arising from the City's deferral of DIF pursuant to this program. The City Manager shall be authorized to execute a standardized DIF Deferral Agreement, without further action of the City Council.

SECTION 7. *Processing and Administration Fee.* A processing and administration fee of seven thousand five hundred dollars (\$7,500) is hereby authorized to be collected at the time the agreement is executed. This fee is based upon the City's estimated costs to process and administer the individual agreements between the City and the participating developer and the costs of tracking and eventual collection of the deferred fees.

SECTION 8. *Indemnification.* The developer shall agree to defend, indemnify and hold harmless, the City of Ontario or its agents, officers, and employees from any claim, action or proceeding against the City of Ontario or its agents, officers or employees to attack, set aside, void, or annul this approval. The City of Ontario shall promptly notify the applicant of any such claim, action, or proceeding, and the City of Ontario shall cooperate fully in the defense.

SECTION 9. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Ontario City Hall, 303 East "B" Street, Ontario, California 91764. The custodian for these records is the City Clerk of the City of Ontario.

SECTION 10. Severability. If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The People of the City of Ontario hereby declare that they would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 11. Effective Date. This Ordinance shall become effective 30 days following its adoption.

SECTION 12. Publication and Posting. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within 15 days following the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this 18th day of February 2020.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

COLE HUBER LLP
CITY ATTORNEY

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

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. 3156 was duly introduced at a regular meeting of the City Council of the City of Ontario held February 4, 2020 and adopted at the regular meeting held February 18, 2020 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. 3156 duly passed and adopted by the Ontario City Council at their regular meeting held February 18, 2020 and that Summaries of the Ordinance were published on February 11, 2020 and February 25, 2020, in the Inland Valley Daily Bulletin newspaper.

SHEILA MAUTZ, CITY CLERK

(SEAL)

ATTACHMENT A:

**DEVELOPMENT IMPACT FEE “DIF”
DEFERRAL AGREEMENT**

(Sample Document follows this page)

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

CITY OF ONTARIO
CITY CLERK/ RECORDS MANAGEMENT
303 EAST "B" STREET
ONTARIO, CA 91764

Space above this line for Recorder's Use

Exempt from Fees Per Gov. Code § 6301

**DEVELOPMENT IMPACT FEE "DIF"
DEFERRAL AGREEMENT**

By and Between

**City of Ontario,
a municipal corporation**

and

("Owner")

_____, 2020

San Bernardino County, California

DEVELOPMENT IMPACT FEE DEFERRAL AGREEMENT

This Development Impact Fee Deferral Agreement (the "Agreement") is made and entered into by and between the City of Ontario, a California municipal corporation ("City") and _____ ("Owner") collectively, the ("Parties") with reference to the following facts:

RECITALS

- A. The recording of this document is for the benefit of the City to secure Owner's payment of Development Impact Fees ("DIF").
- B. Owner is the owner of that certain real property in the City of Ontario, County of San Bernardino, State of California, more particularly described on the attached Exhibit "A" (the "Property").
- C. Owner has requested the deferment of DIF on _____ permits/buildings (collectively the "building permits") within the Property.
- D. The building permits applicable to deferral are more particularly described on Exhibit "B" attached.
- E. Pursuant to the DIF Deferral Program, the City Manager may defer the payment of certain DIFs for a maximum period of two (2) years from the effective date of this Agreement, or until a final inspection is requested for the first building permit within the phase(s), whichever occurs first.

AGREEMENT

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. All the above recitals are true and correct and are fully incorporated into this Agreement by reference and made a part hereof.
- 2. City agrees to defer collection of the payment of the DIFs identified in Exhibit "B" for a maximum period of two (2) years from the effective date of this Agreement or until a final inspection is requested for the first building permit within the phase(s), whichever occurs first.
- 3. Owner shall pay a non-refundable administrative processing fee totaling Seven Thousand Five Hundred Dollars (\$7,500) to process this Agreement.
- 4. Owner, on behalf of itself and its successors and assigns, agrees to pay the DIFs on the building permits identified in Exhibit "B" with a cashiers/certified check concurrent with the request for final inspection for the first building permit within a phase(s) or within two (2) years from the effective date of this Agreement, whichever occurs first. A final inspection may not be scheduled until the DIFs for the building permits in Exhibit "B" are paid in full by the Owner.

5. For payment of DIFs at the time the building permits identified in Exhibit "B" become payable, the amount of the DIFs for the building permits shall be determined in accordance with the DIF schedule in effect at the time of payment.
6. This Agreement shall be recorded against the Property in the Office of the San Bernardino County Recorder and shall constitute a lien for the payment of the DIFs binding upon, and running with, the Property. If Owner sells all or any portion of the Property, Property shall not be released of any obligations under this Agreement relating to the Property or the portion of the Property which is being acquired. This Agreement shall be binding upon, and the benefits of this Agreement shall inure, to the Parties and all successors in interest to the Parties.
7. The burden of this Agreement shall be released from title to the Property upon full payment of the DIFs for the Building permits in Exhibit "B". Within a reasonable time, following payment of the DIFs, the City shall execute a lien release releasing the burden of this Agreement from the title to the Property.
8. The person signing on behalf of Owner certifies that s/he can legally bind Owner and agrees to hold City harmless if it is later determined that such authority does not exist.
9. Owner agrees to indemnify, defend and hold harmless the City and its officials, officers, agents, and employees for any claims, causes of action or damages/costs arising from the City's deferral of DIF pursuant to this Agreement.
10. This Agreement shall be effective upon the date it is executed by the City Manager.

IN WITNESS WHEREOF, the parties hereto have executed this Development Impact Fee Deferral Agreement as of the date below, the ("Effective Date").

**SIGNATURE PAGE
TO DEVELOPMENT IMPACT FEE
DEFERRAL AGREEMENT**

"OWNER"

By: _____
Name: _____
Title: Authorized Representative
Date: _____

"CITY"

CITY OF ONTARIO

By: _____
Scott Ochoa, City Manager

Date: _____

ATTEST:

City Clerk, Ontario

**APPROVED AS TO FORM:
COLE HUBER, LLP**

City Attorney

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 20____, before me, _____,
Date *Insert Name and Title of the Officer*

personally appeared _____
Name(s) of Signer(s)

_____, who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 20____, before me, _____,
Date *Insert Name and Title of the Officer*

personally appeared _____
Name(s) of Signer(s)

_____, who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

Exhibit "A"
Legal Description

Exhibit “B”
Permits/Buildings
Subject to DIF Deferral ⁽¹⁾

Tract/Parcel Number(s)	Lot/Phase Number(s)	Developer	Dwelling Type	Units
------------------------	---------------------	-----------	---------------	-------

- (1). The deferred DIF shall become due and payable on: (a) the date that a final inspection of the first unit or building within the project phase(s) is requested; or (b) the date that is two [2] years following the effective date of the DIF Deferral Agreement, whichever occurs first. The determination of the DIF shall be the DIF in effect at the time of payment, and not at the time of building permit issuance. Deferred fees are subject to change due to modifications in the DIF Program and application of DIF Credits.

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

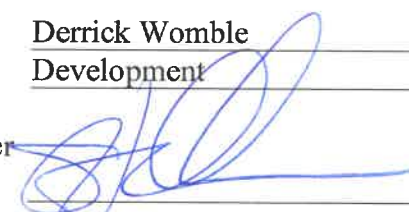
SUBJECT: A DEVELOPMENT IMPACT FEE CREDIT AGREEMENT (FILE NO. PDIF19-004) BETWEEN THE CITY OF ONTARIO AND WESTERN PACIFIC HOUSING, INC., FOR FACILITY CONSTRUCTION ASSOCIATED WITH TRACT MAP 18419 (FILE NO. PMTT06-066) LOCATED AT THE SOUTHEAST CORNER OF ARCHIBALD AVENUE AND SCHAEFER AVENUE, WITHIN THE AVENUE SPECIFIC PLAN

RECOMMENDATION: That the City Council approve the Development Impact Fee Credit Agreement (File No. PDIF19-004) between the City of Ontario and Western Pacific Housing, Inc., for facility construction associated with Tract Map 18419 (File No. PMTT06-066) located at the southeast corner of Archibald Avenue and Schaefer Avenue, within The Avenue Specific Plan; and authorize the City Manager to execute the agreement.

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner
Focus Resources in Ontario's Commercial and Residential Neighborhoods
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains, and Public Facilities)
Ensure the Development of a Well Planned, Balanced, and Self-Sustaining Community in Ontario Ranch

FISCAL IMPACT: Approval of the proposed Development Impact Fee ("DIF") Credit Agreement (File No. PDIF19-004) will result in no fiscal impact to the City's General Fund. The project's Development Agreement (File No. PDA07-001) and related conditions requires Western Pacific Housing, Inc. ("Developer") to construct DIF Program infrastructure with estimated costs of \$1,730,133. The proposed DIF Credit Agreement defines the amount of DIF Credit that the Developer may be eligible to receive for construction of these DIF improvements. The DIF Credit that the Developer will receive upon completion of the improvements may be exchanged for a refund of DIF that was paid by the Developer (up to the Developer's maximum DIF obligation) in the respective DIF category.

STAFF MEMBER PRESENTING: Scott Murphy, AICP, Executive Director Development Agency

Prepared by: Derrick Womble
Department: Development
City Manager: 
Approval: _____

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

4

BACKGROUND: On June 19, 2007, the City Council approved the Development Agreement (File No. PDA07-001) between the City of Ontario and Distinguished Land Development, Inc., the original applicant for the property. In December 2010, Ontario Schaefer Holdings, LLC acquired the property from Distinguished Land Development, Inc. On March 4, 2014, the City Council approved a First Amendment to the Development Agreement that included updates to certain provisions of the Development Agreement to conform to the Construction Agreement with NMC Builders, LLC. On October 3, 2017, Ontario Schaefer Holdings, LLC, transferred the property to Western Pacific Housing, Inc., and assigned certain rights and obligations of the Development Agreement to Western Pacific Housing, Inc. On June 19, 2018, the City Council approved a Second Amendment to the Development Agreement, that extended the term of the Development Agreement for an additional five (5) years. Per the Development Agreement and related conditions, the Developer is required to construct DIF Program infrastructure to serve Tract Map 18419. Improvements include the installation of fiber optic facilities and water lines in Schaefer Avenue, full-width street improvements for Schaefer Avenue, and signal installations at Archibald Avenue/Schaefer Avenue and Archibald Avenue/La Avenida Drive intersections.

Pursuant to the City's adopted DIF Credit policies, construction of DIF Program Facilities requires the Developer and the City enter into a DIF Credit Agreement ("Agreement"). The terms of the proposed Agreement specify the defined portion of the infrastructure to be constructed by the Developer in the Local Adjacent or Regional DIF categories and includes an estimate of the maximum DIF Credit (not reimbursement) that may be applied in the respective Local Adjacent or Regional DIF category. This infrastructure is within Ontario Ranch Water, Sewer, Storm Drain, Streets and Fiber Optic System categories. Since the maximum eligible costs in the Agreement for the required infrastructure exceeds the Developer's DIF obligation, the Developer is eligible to receive DIF Credit under the proposed Agreement.

The proposed Agreement complies with the City's DIF Policies and is in conformance with the approved Development Agreement and related conditions. Under the provisions of the City's DIF Program, the City Manager is authorized to execute such agreements upon approval by the City Council.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

CITY OF ONTARIO
CITY CLERK / RECORDS MANAGEMENT
303 EAST "B" STREET
ONTARIO, CA 91764-4196

Space above this line for Recorder's Use

Exempt from Fees Per Gov. Code § 6103

FILE NO. PDIF19-004

**DEVELOPMENT IMPACT FEE CREDIT AGREEMENT
FOR FACILITY CONSTRUCTION**

By and Between

**City of Ontario
a California municipal corporation**

and

**Western Pacific Housing, Inc.
a Delaware corporation**

_____, 2020

San Bernardino County, California

**DEVELOPMENT IMPACT FEE CREDIT AGREEMENT FOR FACILITY
CONSTRUCTION BY AND BETWEEN THE CITY OF ONTARIO AND
WESTERN PACIFIC HOUSING, INC.
FILE NO. PDIF19-004**

This DEVELOPMENT IMPACT FEE CREDIT AGREEMENT ("Fee Credit Agreement"), entered into this _____ day of _____, 2020, between the CITY OF ONTARIO, a California municipal corporation, hereinafter referred to as the "City," and WESTERN PACIFIC HOUSING, INC., a Delaware corporation, hereinafter referred to as "Developer."

RECITALS

A. Developer is the developer of property located within the City, which property has received development approvals from the City, including The Avenue Specific Plan ("Specific Plan") and Tract Map No. 18419 (the "Tract Map"). A legal description of the property is attached as Exhibit 1 (the "Property"). A map of the Property is attached as Exhibit 2.

B. As a condition of the development approvals for the Property, including the Specific Plan and Tract Map approvals, Developer is required to construct those public improvements identified on Exhibit 3, consisting of certain master planned public infrastructure and Improvements, hereinafter referred to as the "Improvements." The estimated costs for the design and construction of the Improvements are set forth in Exhibit 4.

C. On July 1, 2003, City Ordinance No. Ordinance No. 2779 was adopted establishing certain development impact fees ("DIF Fees") to be paid as a condition to the issuance of certain entitlements within the City. Section 7 of Ordinance 2779 authorizes the City Manager, when he or she determines that the public interest among other reasons would be served by such an agreement, to execute agreements on behalf of the City with applicants in order to provide a credit to the applicant against certain DIF Fees in exchange for the applicant's construction and dedication of public improvements, upon reasonable terms and conditions as may be determined on a case by case basis.

D. The City and the previous owner of the Property have previously entered into a statutory Development Agreement (File No. PDA07-001 dated June 19, 2007), pursuant to Section 65864, *et seq.*, of the Government Code, (the "Development Agreement") and such Development Agreement has been assigned to Developer and Developer has assumed all rights, duties and obligations of such previous owner under the Development Agreement, including the design and construction of the Improvements identified in Exhibit 3 and such improvements are included in the City's Development Impact Fee (DIF) Program as a project, or a portion of a project and eligible for credit against DIF Fees.

E. The City and Developer have agreed that the costs to design and construct the Improvements shall be eligible for DIF Credit in accordance with the City's Ontario Ranch DIF Credit policies as contained in the City's DIF Program and Resolution No. 2019-135.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and the mutual promises contained herein, it is agreed as follows:

1. Definitions: For purposes of this Agreement, the terms below shall be defined as follows:

"Acceptable Title" means title to land or an interest therein required for the construction, operation and maintenance of an Improvement, in form acceptable to the City Manager, free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether or not recorded, but subject to any exceptions determined by the City Manager as not materially interfering with the actual or intended use of the land or interest therein required for the operation of an Improvement. Notwithstanding the foregoing, an irrevocable offer of dedication may constitute "Acceptable Title."

"Acceptance Date" means the earlier of (i) date the City Manager or his/her designee takes final action, in writing, to accept dedication or transfer of an Improvement or (ii) the date determined pursuant to Section 3 below.

"Bid Documents" means all designs, bid documents, construction plans and specifications, system layout drawings and other construction documents and permits approved by the City relating to an Improvement.

"Certificate of DIF Credit" means a City certificate for the issuance of DIF Credit to Developer in the form attached hereto as Exhibit 5.

"City DIF Program and Policies" or "DIF Program" means Ordinance Nos. 2779 and 2780 and Resolution No. 2019-135, as they may be amended from time to time and as DIF Fees and the capital improvement projects and public infrastructure identified therein may be revised by Resolution.

"City Manager" means the City Manager of the City or his or her designee.

"City Engineer" means the City's City Engineer or his or her designee.

"Completed", "Complete" and "Completion" with respect to an Improvement mean that such Improvement has been completed in accordance with its Bid Documents, including any final "punch list" items, as approved in writing by the City Engineer, which approval shall not be unreasonably withheld, and that such

Improvement is Usable. Notwithstanding the foregoing, if an Improvement which Developer is obligated to construct pursuant to the applicable conditions of approval for a portion of the Property is only a portion of a larger work of improvement, then a determination of “Completed” or “Completion” with respect to that Improvement shall be made only as to that Improvement and not with respect to the larger work of improvement of which it is a portion.

“Credit Request” means a document, substantially in the form of Exhibit 6, to be used by Developer in requesting DIF Credits with respect to one or more Improvements.

“Days” shall mean business days unless otherwise stated.

“Developer Contract” means a contract between Developer and a qualified contractor awarded to the qualified contractor for the construction of the Improvements at the direction of Developer.

“Development Agreement” has the meaning set forth in Recital D above.

“DIF” or “DIF Fees” means the development impact fees imposed within the Ontario Ranch area pursuant to City Ordinance Nos. 2779 and 2780 and City Resolution No. 2019-135 and any subsequent City ordinances and resolutions lawfully adopted by the City Council to update or modify such development impact fees.

“DIF Credit” means credits earned against the payment of DIF pursuant to this Agreement.

“DIF Obligation” means the amount of Developer’s total obligation for Development Impact Fees in either the Regional or Local Adjacent portion of a DIF category for the Property. Developer’s DIF Obligation Amounts for each DIF Category shall be as provided in Exhibit 4.

“Effective Date” means the date set forth in the first paragraph of this Agreement.

“Eligible Cost” means the substantiated cost of an Improvement to be used in calculating DIF Credit amounts, which costs may include: (i) the costs for the construction (including grading) of such Improvement, (ii) costs directly related to the construction and/or acquisition of the Improvement, such as costs of payment, performance and/or maintenance bonds, the professional costs of material testing, and insurance costs (including costs of any title insurance required); (iii) the cost of acquiring any real property or interest therein in order to construct or operate the Improvement, (iv) the costs incurred in preparing Bid Documents and the related costs of geotechnical and environmental evaluations of the Improvement, (v) the fees paid to the City and any other governmental agencies for, and all other costs incurred in connection with obtaining permits, licenses or other governmental approvals for

such Improvement, (vi) costs of construction and project management, administration and supervision (but only up to five percent (5%) of the costs described in clause (i) above) incurred for the construction of such Improvement, and (vii) professional costs associated with such Improvement, such as design, engineering, accounting, inspection, construction staking, and similar professional services including legal services related to the review of construction contracts. The maximum amount of Eligible Costs described in clauses (iv) through (vii) shall be limited to a total of fifteen percent (15%) of the costs described in clause (i).

“Improvement” or “Improvements” means the public improvements required to support the development of the Property as described in Exhibit 3 to the extent required by the applicable conditions of approval.

“Program Cost” or “DIF Program Cost” means the estimated cost of an Improvement identified in the “Nexus Study” referenced in City Resolution No. 2019-135 as it may be modified, supplemented or superseded from time to time. The Program Cost to be applied shall be the Program Cost in effect at the time the DIF Credit Request is submitted to the City.

“Usable” shall mean that, with respect to any particular Improvement, the Improvement is actually usable for its intended purposes, and includes, for water Improvements, connection to the applicable water supply, for sewer Improvements connection to an applicable disposal system, and for recycled water Improvements connection to a treated water supply and distribution system as those connections are set out in the project approvals. Notwithstanding the foregoing, if an Improvement which Developer is obligated to construct pursuant to the applicable conditions of approval for a portion of the Property is only a portion of a larger work of improvement, then a determination by the City Engineer of whether that Improvement is “Usable” shall be made only with respect to that Improvement and not with respect to the larger work of improvement of which it is a portion.

2. Construction and Funding of Improvements by Developer.

(a) Construction of Improvements by Developer. Developer shall commence each Improvements in accordance with the terms of the conditions of approval, Development Agreement and individual Tract or Parcel Maps, including any extension thereof. In the event of any conflict between these documents, the soonest date of commencement shall apply. Upon commencement of the Improvement(s), Developer shall proceed expeditiously with the construction of the Improvement(s) under the terms herein.

(b) For the purposes of this Agreement, commencement of the Improvements shall mean when Developer receives the first permit from the City for any grading of the Property.

(c) The City and Developer agree that Developer shall award, or cause to be awarded, all contracts for the construction and Completion of the

Improvements as necessary to assure the timely and satisfactory completion of such Improvements. Developer shall perform all of its obligations hereunder and shall conduct all operations with respect to the construction of the Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken.

(d) Developer shall not be relieved of its obligation to construct the Improvements and shall cause title to the Improvements to be conveyed to the City even if the DIF Credit Amount is less than the actual cost of the Improvements.

(e) If Developer is unable or unwilling to proceed with, and Complete, the construction of the Improvement(s) for any reason, and subject to the provisions in Section 14 below, Developer shall be considered to be in default of this Agreement.

3. Inspection and Acceptance of Completed Improvement by City. City shall make or shall cause to be made periodic site inspections of Developer's construction work. The Acceptance Date for each Improvement constructed by Developer shall be no later than twenty (20) Days following the last to occur of the following requirements:

(a) the City Engineer's determination the Improvement is Complete;

(b) the City Engineer's determination that Acceptable Title with respect to the Improvement is available for acceptance;

(c) Developer's provision of one (1) set of "as-built" or record drawings or plans for the Improvement, certified and reflecting the condition of the Improvement as constructed; and

(d) Developer's provision of such evidence or proof as the City Manager shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the Improvement have been paid and that no claims or liens have been recorded by or on behalf of any such person, firm or corporation. Alternatively, rather than await the expiration of the time for the recording of claims of liens, Developer may elect to provide a title insurance policy or other security acceptable to the City Manager guaranteeing that no such claims of liens will be recorded or become a lien upon any of the real property required for the Improvement.

4. Conveyance of Acceptable Title to City. Acceptable Title to all property on, in or over which the Improvement is located, shall, prior to and as a condition precedent to the City's acceptance of any Improvement, be conveyed to the City by way of dedication of such property on the Tract or Parcel Map or by a separate recorded instrument, to permit the City to properly own, operate and maintain such Improvement. Developer shall assist the City in obtaining such documents as are

required to obtain Acceptable Title. Completion of the transfer of Acceptable Title shall be evidenced by recordation of the acceptance thereof by the City Engineer.

5. Maintenance and Warranties to be provided to City. Developer shall maintain the Improvement in good and safe condition until the Acceptance Date of the Improvement. Prior to the Acceptance Date, Developer shall, at its sole cost and expense, be responsible for performing any required maintenance on the Improvement. On or before the Acceptance Date of the Improvement, Developer shall assign to the City all of Developer's rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to such Improvement, if and to the extent assignable and without any express or implied representations or warranties by Developer regarding assignability. Subject to the foregoing, all warranties, guarantees or other evidences of contingent obligations of third persons with respect to the Improvement shall be delivered to the City Engineer, in writing, as part of the transfer of title.

(a) After the Acceptance Date, the City shall be solely responsible for maintenance of the Improvement.

(b) With respect to the Improvement, Developer shall warrant that the Improvement is free from defects in materials and construction defects (and shall correct or cause to be corrected any such defects at Developer's expense) for a period of one year from the Acceptance Date thereof (the "Warranty Period") and Developer shall provide a bond or other security reasonably acceptable in form and substance to the City for such period and such purpose to insure that such defects that appear within said period will be repaired, replaced or corrected by Developer, at its own cost and expense, to the reasonable satisfaction of the City Manager. During the Warranty Period, Developer shall continue to repair, replace or correct any such defects within thirty (30) Days after written notice thereof by the City Engineer to Developer, and shall complete such repairs, replacement or correction as soon as practicable.

(c) In the event that Developer does not repair, replace or correct defects after such written notice, in addition to the provisions of Section 14 below, the City may repair, replace or correct the defects in the Improvement and charge Developer for the actual cost of such repair, replacement or correction plus City staff time and overhead.

6. Issuance of DIF Credit to Developer. Developer shall receive DIF Credits based upon the verified Eligible Costs of the Improvement (or accepted portion of the Improvement). Issued DIF Credits shall specify the DIF Credit infrastructure category and whether the DIF Credit is for construction of a Regional or Local Adjacent DIF Program Improvement.

7. Limitations on the Issuance of DIF Credit to Developer upon Completion of an Improvement. The amount of DIF Credit to be issued by City shall be limited to the amount of the DIF Program Costs for the Improvement or segment

cost for the percentage of the Program Costs proportional to the segment of improvement constructed or accepted. The DIF Program Costs identified in the City's DIF Program shall be subject to change, from time to time, as part of the continuing update of the City's DIF Program. The DIF Program Costs for the Improvement (or accepted portion of the Improvement) shall be those in effect at the time the DIF Credit Request is submitted to the City.

(a) To the extent that NMC Builders LLC incurred the costs for the design of the Improvements, Developer agrees that the DIF Credit, up to ten (10%) of the DIF Program Costs, for those design costs portion of the Improvements shall be issued to NMC Builders LLC.

8. Issuance of a DIF Credit Certificate. When an Improvement is Complete, Developer shall submit a DIF Credit Request to the City with all supporting documentation evidencing the total actual Eligible Costs of the Improvement at the time of submittal. The City Manager shall determine the completeness of the DIF Credit Request and notify Developer of whether the DIF Credit Request is considered complete or if additional information is needed from Developer. Once the DIF Credit Request is considered complete, the City Manager shall use his or her best efforts to determine the total actual Eligible Costs of the Improvements and provide Developer with a Certificate of DIF Credit within twenty (20) Days following receipt of the completed DIF Credit Request.

9. DIF Program Modifications. The estimated cost in the City's DIF Program for DIF Improvements (or defined portions of DIF Improvements) as listed in Exhibit 4 and Developer's total DIF Obligation amount may be modified from time to time based on modifications to the City's DIF Program.

10. Assignment of DIF Credits. Developer shall have the right to sell, transfer or assign DIF Credits provided for herein, to any person, partnership, limited liability company, joint venture, firm or corporation; provided, however, that any such sale, transfer or assignment shall only be made in strict compliance with the following:

(a) Concurrent with any such sale, transfer or assignment, or within fifteen (15) business days thereafter, Developer (i) shall notify the City Manager, in writing, of such sale, transfer or assignment and (ii) shall provide the City with an executed agreement between Developer and the purchaser, transferee or assignee that identifies the amount of DIF Credits transferred, as provided in Exhibit 8 of this Agreement.

(b) Except for the limited assignment of DIF Credits under subsection 10 (a) above, any assignment by Developer of any of the obligations of Developer under this Agreement (a "DIF Improvement Assignment") with regards to the Improvements listed in Exhibit 3, shall identify the Improvements that are the subject of the Assignment Agreement and require the prior written approval of the City Manager, which approval shall not be unreasonably withheld so long as adequate security as determined by the City in its sole discretion, is in place to secure

the Completion of the subject Improvements. Any DIF Improvement Assignment not made in strict compliance with the foregoing conditions (other than a transfer under Section 23 below) shall, unless such obligations are performed by Developer when required by this Agreement notwithstanding such assignment, constitute a default by Developer under Section 14 below. In such event, City shall have no further obligations with regard to acceptance of Certificates of DIF Credit issued to Developer, including any DIF Credit assigned or transferred by Developer.

(c) If Developer enters into a DIF Improvement Assignment with a successor in interest with respect to all or a part of the Property (a "Successor Developer") in accordance with subsection 10(b) above, and the Successor Developer obtains DIF Credit pursuant to this Agreement upon its completion of the Improvements identified in the DIF Improvement Assignment, then

(i) such Successor Developer shall have the right to sell, transfer or assign to Developer, and Developer shall have the right to acquire from such Successor Developer, all or a portion of such DIF Credit by complying only with Section 10(a) above, and

(ii) Developer shall have the right to sell, transfer or assign all or a portion of such DIF Credit to other Successor Developers who acquire other portions of the Property by complying only with Section 10(a) above, if the sale, transfer or assignment of such DIF Credit occurs concurrently with the conveyance of another portion of the Property to the other Successor Developer.

11. Additional Documents/Actions. The City Manager is authorized to approve and execute any documents and to take any actions necessary to effectuate the purposes of this Agreement.

12. Integration. This Agreement reflects the complete understanding of the parties with respect to the subject matter hereof. In all other respects, the parties hereto re-affirm and ratify all other provisions of the Development Agreement.

13. Prevailing Wages. Developer is aware of the requirements of California Labor Code Section 1720, et seq. (as amended by Stats 2001 ch. 938 § 2 (S.B. 975)), through 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq. and Labor Code Sections 1810, 1811, 1813, 1814; (collectively, the "Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. The Bid Documents and each Developer's Contract shall require all contractors for the construction of Improvements to register with the Department of Industrial Relations and to pay and report prevailing wages in accordance with the applicable provisions of the Labor Code. Developer shall obtain from the City and make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the services available to interested parties upon request, and shall post copies at Developer's principal place of business and at the project site. Developer shall defend, indemnify and hold the City, its officials, officers, employees,

agents, contractors, attorneys and volunteers free and harmless from any fine, penalty claim or liability of any kind arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

14. Default and Force Majeure.

(a) Default. Failure or delay by Developer or the City to perform any of its obligations under this Agreement constitutes a default by such party under this Agreement. The party alleged to be in default shall have thirty (30) Days after the date of the written notice by the other party to commence to cure such default. The party alleged to be in default shall diligently pursue such cure to completion within a reasonable timeframe as established in the written notice provided by the party asserting the default. If the party alleged to be in default has not cured its default within the cure period set forth therein, the defaulting party shall be deemed in breach. Any failure or delay in giving such notice or in asserting any rights and remedies as to any default shall not constitute a waiver of any default, nor shall it change the time of default, nor shall it deprive the party not in default of its rights to institute and maintain any actions or proceeding which it may deem necessary to protect, assert or enforce any of its rights or remedies. If any default by Developer is not cured within the time period provided by the City, City shall be entitled to terminate this Agreement in its entirety and thereafter, the City shall be under no obligation to perform any of City's obligations hereunder, including, but not limited to, the issuance of DIF Credits and DIF Reimbursements that Developer may claim.

(b) Force Majeure. Notwithstanding the provisions contained in the foregoing paragraph, performance by either party hereunder shall not be deemed to be in default where delay or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation brought by a third party, unusually severe weather, reasonably unforeseeable property conditions, acts of the other party, acts or failure to act of the other party or any other public or governmental agency or entity, or any causes beyond the control or without the failure of the party claiming an extension of time to perform (a "Force Majeure Event"). An extension of time for any such cause (an "Excusable Delay") shall be for the time period of the delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of knowledge of the commencement of the cause or from the date of the notice if provided after such thirty-day period. Notwithstanding the foregoing, none of the foregoing events shall constitute an Excusable Delay unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming an Excusable Delay shall make a good faith effort to deliver such written notice within thirty (30) Days after it obtains actual knowledge of the event. Times of performance under this Agreement may also be extended in writing by City and Developer. The Parties hereto expressly acknowledge and agree that changes in

either general economic conditions or changes in the economic assumptions of any of them (unless such conditions were caused by a Force Majeure Event) that may have provided a basis for entering into this Agreement and that occur at any time after the execution of this Agreement are not Force Majeure Events and do not provide any Party with grounds for asserting the existence of a delay in the performance of any covenant or undertaking that may arise under this Agreement. Each Party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions relating to the terms and covenants of this Agreement could impose an inconvenience or hardship on the continued performance of such Party under this Agreement, but that such inconvenience or hardship is not a force majeure event and does not excuse the performance by such Party of its obligations under this Agreement. Without limiting the nature of the foregoing, the parties agree that the inability of Developer to obtain a satisfactory commitment from a construction lender for the improvement of the Property or to satisfy any other condition of this Agreement relating to the development of the Property shall not be deemed to be a force majeure event or otherwise provide grounds for the assertion of the existence of a delay under this Section 14.

15. Licenses and Permits. Developer shall secure (or shall cause to be secured) any and all permits that may be required by the City or any other governmental agency for the construction of the Improvements. Developer shall be responsible for paying all applicable fees and charges to the City or other governmental agency to obtain any land use entitlements and permits that are necessary to construct the Improvements, although a portion of such costs may be recoverable as DIF credits.

16. Indemnification. Developer shall protect, indemnify, defend and hold the City, and its respective officials, officers, employees, agents, contractors, attorneys and volunteers, and each of them, harmless from and against any and all claims, losses, expenses, suits, actions, fines, penalties decrees, judgments, awards, attorney's fees (to Counsel chosen by City), expert and court costs (collectively "Damages") that the City, or its respective officers, officials, employees, agents, contractors and volunteers or any combination thereof, may suffer or that may be sought against or recovered or obtained from the City, or its respective officers, officials employees, agents, contractors, attorneys or volunteers or any combination thereof, as a result of or by reason of or arising out of or in consequence of (a) the acquisition, construction, or installation of the Improvements; (b) the untruth or inaccuracy of any representation or warranty made by Developer in this Agreement or in any certifications delivered by Developer hereunder; or (c) any act or omission of Developer or any of its subcontractors, or their respective officers, employees, agents, or contractors in connection with the Improvements. If Developer fails to do so, the City shall have the right, but not the obligation, to defend the same and charge all of the direct, indirect and incidental costs of such defense, including any reasonable attorney fees expert or court costs, to and recover the same from Developer. Notwithstanding the foregoing, neither the City nor its respective officers, officials employees, agents, contractors, attorneys or volunteers shall be indemnified, defended or held harmless against such Damages to the extent that such Damages

have been caused by their sole active negligence or sole willful misconduct. The parties acknowledge and agree that Developer shall be released from the indemnity, defense and hold harmless obligations set forth herein upon the acceptance of the Completed Improvements by the City and completion of the Warranty Period for such Improvements.

17. Developer as a Private Developer. In performing under this Agreement, it is mutually understood that Developer is acting as a private developer, and not as an agent of the City or as a joint venturer with City. The City shall have no responsibility for payment to any contractor, subcontractor or supplier of Developer. Accordingly, this Agreement does not constitute a debt or liability of the City. The City shall not be obligated to advance any of its own funds or any other costs incurred in connection with the Property. No member, official, employee, agent, contractor, attorney or volunteer of the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or for any amount that may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

18. Other Obligations. Nothing contained herein shall be construed as affecting Developer's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to the development of the Property, which obligations are and shall remain independent of Developer's rights and obligations, and the City's rights and obligations, under this Agreement; provided, however, that Developer shall use its reasonable and diligent efforts to perform each and every covenant to be performed by it under any lien or encumbrance, instrument, declaration, covenant, condition, restriction, license, order, or other agreement, the nonperformance of which could reasonably be expected to materially and adversely affect the design, acquisition, construction and installation of the Improvements. This Agreement is not, and shall not be construed as, a statutory development agreement as authorized by Government Code sections 65864 et seq., and this Agreement shall not be interpreted as limiting the authority of the City to adopt and amend regulations concerning permitted uses of property, the density or intensity of use, the maximum height and size of proposed buildings, provisions for the reservation or dedication of land or the payment of impact fees for public purposes.

19. Binding on Successors and Assigns. Except as set forth in Section 10 or Section 23 hereof, neither this Agreement nor the duties and obligations of Developer hereunder may be assigned to any person or legal entity other than an affiliate of Developer without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. Neither this Agreement nor the duties and obligations of the City hereunder may be assigned to any person or legal entity, without the written consent of Developer, which consent shall not be unreasonably withheld or delayed. The agreements and covenants included herein shall be binding on and inure to the benefit of any partners, permitted and accepted assigns, and successors-in-interest of the parties hereto.

20. Amendments. This Agreement can only be amended by an instrument in writing executed and delivered by the City and Developer.

21. Waivers. No waiver of, or consent with respect to, any provision of this Agreement by a party hereto shall in any event be effective unless the same shall be in writing and signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

22. No Third Party Beneficiaries. No person or entity, other than the City, shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than the City and Developer (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

23. Mortgagee Protection. The parties hereto agree that this Agreement shall not prevent or limit Developer, at Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. Developer shall have the right to encumber and assign its rights and interests hereunder to the lenders providing such financing as security for such financing without the consent of the City and without complying with Section 10 hereof. The City acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Developer and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. The City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. A mortgagee of the Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage or deed of trust on the Property made in good faith and for value, unless otherwise required by law.

(b) The mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from the City of any default by Developer in the performance of Developer's obligations under this Agreement.

(c) If the City timely receives a request from a mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, the City shall provide a copy of that notice to the mortgagee within ten (10) days following the sending of the notice of default to Developer. The mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.

(d) Any mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no mortgagee shall have an obligation or duty under this Agreement to perform any of Developer's obligations or other affirmative covenants of Developer hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and further provided that any sale, transfer or assignment by any mortgagee in possession shall be subject to the provisions of Section 10 of this Agreement.

24. Notices. Any written notice, statement, demand, consent approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

Developer:

Western Pacific Housing, Inc.
2280 Wardlow Circle, Suite 100
Corona, CA 92880
Attn: Rudy Provoost
Email: rprovoost@drhorton.com

with a copy to:

Western Pacific Housing, Inc.
2280 Wardlow Circle, Suite 100
Corona, CA 92880
Attn: Marianne F. Adriatico, Division Counsel
Email: mfadriatico@drhorton.com

City:

City of Ontario
Attn: City Manager
303 East "B" Street
Ontario, CA 91764
Phone: (909) 395-2000

with a copy to:

Scott Huber, City Attorney
Cole Huber, LLP
2281 Lava Ridge Court, Ste. 300
Roseville, CA 95661

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery; (b) if given by e-mail communication upon the sender's receipt of an appropriate answerback or other written acknowledgment; (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail; (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier; or (e) if given by any other means, upon delivery at the address specified in this Section.

25. Jurisdiction and Venue. City and Developer (a) agree that any suit, action or other legal proceeding arising out of or relating to this Agreement shall be brought in state or local court in the County of San Bernardino or in the Courts of the United States of America in the district in which the City is located, (b) each consents to the jurisdiction of each such court in any suit, action or proceeding, and (c) each waives any objection that it may have to the venue or any suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Each of City and Developer agrees that a final and non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

26. Attorneys' Fees. If any action is instituted to interpret or enforce any of the provisions of this Agreement, the prevailing party in such action shall be entitled to recover from the other party thereto reasonable attorney's fees and costs of such suit (including both prejudgment and post judgment fees and costs) as determined by the court as part of the judgment.

27. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

28. Usage of Words. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine and the non-gender specific.

29. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

30. Severability. If any section, sentence, clause or phrase of this Agreement or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Agreement that can be given effect without the invalid provision of application, and to this end the provisions of this Agreement are severable. The City Council hereby declares that they would have adopted this Agreement and each section, sentence, clause or phrase thereof,

irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

31. Incorporation by Reference. The following Exhibits attached hereto and the Recitals of this Agreement are hereby incorporated by reference as though fully set forth herein:

- Exhibit 1 – Legal Description of Property
- Exhibit 2 – Map of Property
- Exhibit 3 – Description of Improvements
- Exhibit 4 – Estimated Costs of Improvements
- Exhibit 5 – Certificate of DIF Credit
- Exhibit 6 – DIF Credit Request
- Exhibit 7 – none referenced
- Exhibit 8 – DIF Improvement Assignment

[Signatures On Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the respective dates set forth below.

“CITY”

CITY OF ONTARIO, a California municipal corporation

Dated: _____

By: _____
Scott Ochoa, City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:
COLE HUBER, LLP

By: _____
City Attorney

“DEVELOPER”

WESTERN PACIFIC HOUSING, INC.,
a Delaware corporation

Dated: _____

By: _____

Name: _____

Its: _____

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 20____, before me, _____,
Date *Insert Name and Title of the Officer*

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 20____, before me, _____,
Date *Insert Name and Title of the Officer*

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

Exhibit 1

Legal Description of Property

Real property in the City of Ontario, County of San Bernardino, State of California, described as follows:

LOTS 1 THROUGH 229, INCLUSIVE, AND LETTERED LOTS "D" THROUGH "Y", INCLUSIVE AND "AA" THROUGH "DD", INCLUSIVE, OF TRACT NO. 18419 IN THE CITY OF ONTARIO, AS PER MAP RECORDED IN BOOK 348, PAGES 79 THROUGH 91, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ANY AND ALL (I) OIL RIGHTS, (II) MINERAL RIGHTS, (III) NATURAL GAS RIGHTS, (IV) RIGHTS TO ALL OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, (V) GEOTHERMAL HEAT RIGHTS OR GEOTHERMAL SUBSTANCES THAT MAY BE PRODUCED FROM THE PROPERTY, (VI) WATER RIGHTS AND CLAIMS OR RIGHTS TO WATER AND (VII) ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING (COLLECTIVELY, "SUBSURFACE RESOURCES") LOCATED IN OR UNDER THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN (THE "PROPERTY"), TO THE EXTENT SUCH SUBSURFACE RESOURCES HAVE NOT BEEN PREVIOUSLY RESERVED AS CONVEYED TO DRH ENERGY, INC., A COLORADO CORPORATION IN THE DEED RECORDED OCTOBER 03, 2017 AS INSTRUMENT NO. 2017-0407806 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THE PERPETUAL RIGHT TO DRILL, MINE, EXPLORE AND OPERATE FOR AND PRODUCE, STORE AND REMOVE ANY OF THE SUBSURFACE RESOURCES ON OR FROM THE PROPERTY, INCLUDING WITHOUT LIMITATION THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE, FROM LANDS OTHER THAN THE PROPERTY, WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE PROPERTY, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS WITHIN OR BEYOND THE EXTERIOR LIMITS OF THE PROPERTY, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, BUT WITHOUT THE RIGHT TO DRILL, MINE, EXPLORE, OPERATE, PRODUCE, STORE OR REMOVE ANY OF THE SUBSURFACE RESOURCES THROUGH OR IN THE SURFACE OF THE PROPERTY OR THE UPPER FIVE HUNDRED (500) FEET OF THE SUBSURFACE OF THE PROPERTY AS CONVEYED TO DRH ENERGY, INC., A COLORADO CORPORATION BY DEED RECORDED OCTOBER 03, 2017 AS INSTRUMENT NO. 2017-0407806 OF OFFICIAL RECORDS.

APN: 218-201-15 AND 0218-201-44

Exhibit 2 Map of Property

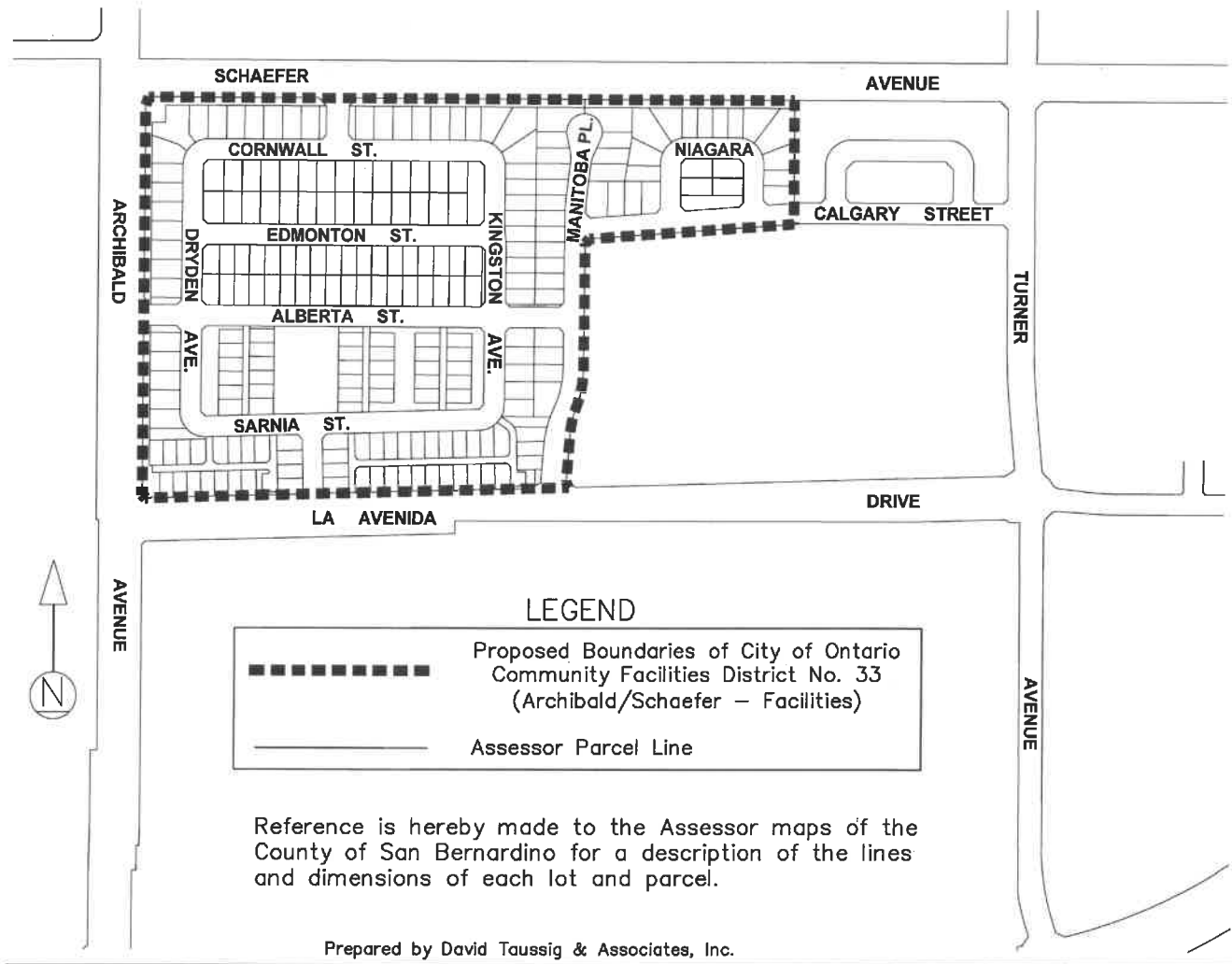


Exhibit 3

Description of Improvements

DIF Eligible Facilities: The DIF Eligible Facilities consist of the following Components and Segments; provided, however, that each such Segment described below shall constitute a Segment for purposes of this Agreement only if such Segment was constructed by or on behalf of Developer

Local Adjacent Water and Recycled Water Facilities					
<u>Project</u>	<u>DIF Category</u>	<u>DIF Program Project No.</u>	<u>DIF Project Description</u>	<u>Segment Description</u>	<u>Project Scope/Length [LF]</u>
TM 18419	Local Adjacent Water	WT-011	Francis Zone Water Transmission Mains	Construction of 12-inch Water line in Schaefer Avenue from connection to the existing Water line at the eastern limits of Tract 18419 to connection with Water line in Archibald Avenue	2,000 Linear Feet

Local Adjacent Streets and Bridges Facilities					
<u>Project</u>	<u>DIF Category</u>	<u>DIF Program Project No.</u>	<u>DIF Project Description</u>	<u>Segment Description</u>	<u>Project Scope/Length [LF]</u>
TM 18419	Local Adjacent Streets	ST-020	Schaefer Avenue from Euclid to Haven	Construction of portion of Full Street width improvements on Schaefer Avenue from Eastern boundary of Tract 18419 to intersection with Archibald Avenue	1,896 Linear feet
TM 18419	Local Adjacent Streets	ST-024	Ontario Ranch Traffic Control System	Construction of Signalized Intersection improvements at Schaefer Avenue and Archibald Avenue	Four-way full Signalized Intersection
TM 18419	Local Adjacent Streets	ST-024	Ontario Ranch Traffic Control System	Construction of Signalized Intersection improvements at La Avenida and Archibald Avenue	Four-way full Signalized Intersection

Fiber Optic Communications Facilities					
<u>Project</u>	<u>DIF Category</u>	<u>DIF Program Project No.</u>	<u>DIF Project Description</u>	<u>Segment Description</u>	<u>Project Scope/Length [LF]</u>
TM 18419	Local Adjacent Fiber Optic Communications	FO-04	Fiber Optic System Distribution Network	Construction of Fiber Optic Conduit in Schaefer Avenue from eastern boundary of Tract 18419 to connection to existing system in Archibald Avenue	2,000 Linear Feet

Exhibit 4

Estimated Costs of Improvements

Water and Recycled Water Facilities								
<u>Project</u>	<u>DIF Category</u>	<u>DIF Program Project No.</u>	<u>DIF Project Description</u>	<u>Segment Description</u>	<u>Project Scope/Length [LF]</u>	<u>Total DIF Project Costs</u>	<u>Segment Cost Percentage</u>	<u>Maximum Eligible Costs</u>
TM 18419	Local Adjacent Water	WT-011	Francis Zone Water Transmission Mains	Construction of 12-inch Water line in Schaefer Avenue from connection to the existing Water line at the eastern limits of Tract 18419 to connection with Water line in Archibald Avenue	2,000	\$ 40,033,253	0.9100%	\$ 364,320
Subtotal Local Adjacent Water and Recycled Water								\$ 364,320

Streets and Bridges Facilities								
<u>Project</u>	<u>DIF Category</u>	<u>DIF Program Project No.</u>	<u>DIF Project Description</u>	<u>Segment Description</u>	<u>Project Scope/Length [LF]</u>	<u>Total DIF Project Costs</u>	<u>Segment Cost Percentage</u>	<u>Maximum Eligible Costs</u>
TM 18419	Local Adjacent Streets	ST-020	Schaefer Avenue from Euclid to Haven	Construction of portion of Full Street width improvements on Schaefer Avenue from Eastern boundary of Tract 18419 to intersection with Archibald Avenue	1,896	\$ 7,386,070	8.4513%	\$ 624,218
TM 18419	Local Adjacent Streets	ST-024	Ontario Ranch Traffic Control System	Construction of Signalized Intersection improvements at Schaefer Avenue and Archibald Avenue	Four-way full Signalized Intersection	\$ 27,201,323	1.2182%	\$ 331,355
TM 18419	Local Adjacent Streets	ST-024	Ontario Ranch Traffic Control System	Construction of Signalized Intersection improvements at La Avenida and Archibald Avenue	Four-way full Signalized Intersection	\$ 27,201,323	1.3073%	\$ 355,600
Subtotal Local Adjacent Street and Bridge Facilities								\$ 1,311,173

Fiber Optic Communications Facilities								
<u>Project</u>	<u>DIF Category</u>	<u>DIF Program Project No.</u>	<u>DIF Project Description</u>	<u>Segment Description</u>	<u>Project Scope/Length [LF]</u>	<u>Total DIF Project Costs</u>	<u>Segment Cost Percentage</u>	<u>Maximum Eligible Costs</u>
TM 18419	Local Adjacent Fiber Optic Communications	FO-04	Fiber Optic System Distribution Network	Construction of Fiber Optic Conduit in Schaefer Avenue from eastern boundary of Tract 18419 to connection to existing system in Archibald Avenue	2,000	9,819,358	1.2251%	\$ 54,640
Subtotal Local Adjacent Fiber Optic Communications								\$ 54,640

Exhibit 4 continued

Total DIF Eligible Facilities - Western Pacific Housing, Inc.			
Tract Map 18419	DIF Eligible Improvements to be Constructed or Funded		
Infrastructure Category	Total DIF Eligible Costs	DIF Obligations - Maximum DIF Credit	DIF Credit in Excess of Obligation
Local Adjacent Water and Recycled Water Facilities	\$ 364,320	\$ 618,071	\$ -
Local Adjacent Streets and Bridges Facilities	\$ 1,311,173	\$ 665,932	\$ 645,241
Local Adjacent Fiber Optic Facilities	\$ 54,640	\$ 196,940	\$ -
Totals	\$ 1,730,133	\$ 1,480,943	\$ 645,241

Exhibit 5

FORM OF CERTIFICATE OF REGIONAL OR LOCAL ADJACENT DIF CREDIT

Pursuant to Section 6 of the Development Impact Fee Credit Agreement for Facility Construction by and between the City of Ontario and _____ dated _____, 20__, the terms and definitions of which are hereby incorporated herein by this reference and hereinafter called the "Fee Credit Agreement", the City of Ontario hereby certifies that Developer is entitled to the following amount and nature of DIF Credits:

Amount of Credit: \$ _____
Infrastructure Category of DIF: _____
Local Adjacent or Regional Category of DIF: _____

Scott Ochoa, City Manager

Dated: _____

Exhibit 6

FORM OF DIF CREDIT REQUEST

DIF Project Name & Number: _____

The undersigned (the "Developer"), hereby requests DIF Credits in the DIF categories and amounts specified in Attachment 1 hereto, attached and incorporated. In connection with this Credit Request, the undersigned hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized officer or representative of Developer, qualified to execute this Credit Request on behalf of Developer and is knowledgeable as to the matters set forth herein.

2. All costs of the Improvements for which credit is requested hereby are Eligible Costs (as defined in the Fee Credit Agreement) and have not been inflated in any respect. The Eligible Costs for which credit is requested have not been the subject of any prior credit request submitted to the City.

3. Supporting documentation (such as the applicable Developer Contract, third party invoices, lien releases and cancelled checks or other evidence of payment) is attached with respect to each cost for which credit is requested.

4. The Improvement for which credit is requested was constructed in accordance with the requirements of the Fee Credit Agreement.

5. Please issue a Certificate of DIF Credit to Developer in the amount requested.

I declare under penalty of perjury that the above representations and warranties are true and correct.

DEVELOPER:

CITY:

[INSERT ENTITY]

Credit Request Approved

By: _____
Authorized Representative of Developer
Date: _____

Scott Ochoa, City Manager
Date: _____

ATTACHMENT 1 to Form of DIF Credit Request

SUMMARY OF IMPROVEMENTS AND REQUESTED DIF CREDITS

Improvement	Eligible Costs/Contract Amount	DIF Credit Requested
-------------	--------------------------------	----------------------

[List here all Improvements for
which credit is requested, and attach support documentation]

Exhibit 8

FORM OF ASSIGNMENT, SALE, OR TRANSFER OF DIF CREDIT

FROM _____ **to** _____

This Sale or Transfer of DIF Credit ("DIF Credit Transfer") is entered into as of _____, 20__, between _____, a _____
"Transferor")
and _____ ("Transferee").

A. NMC Builders, LLC is a limited liability company formed under the laws of the state of California, the business affairs of which are governed by that certain Amended and Restated Limited Liability Company Agreement of NMC Builders, LLC dated as of March 31, 2005, as amended ("NMC Agreement").

B. Transferor is a Member of the NMC Builders, LLC.

C. Pursuant to that certain Certificate of DIF Credit (the "Certificate") issued by the City of Ontario to NMC Builders, LLC, dated _____, an amount of DIF Credit was made available to the Transferor for use in the eastern portion of the New Model Colony. A copy of the Certificate is DIF Credit issued to NMC Builders, LLC by CITY is attached hereto and incorporated herein as Exhibit "C-2".

D. Transferee is owner of real property within the eastern portion of the New Model Colony of the City of Ontario and further described as Tract Map No. _____. (*or other description of the property*).

D. Pursuant to the terms of this DIF Credit Assignment, Transferee desires to receive from the Transferor, a share of the DIF Credit issued to Transferor by NMC Builders LLC.

For good, valuable and sufficient consideration received, the receipt of which is hereby acknowledged, the Transferor and Transferee hereby agree as follows:

1. TRANSFER

The Transferor hereby assigns, transfers and conveys to Transferee the DIF Credit of:

DIF Credit Category

DIF Credit Amount

2. ACCEPTANCE

Transferee hereby accepts and assumes DIF Credit as listed above. Transferee and CITY shall track DIF Credit as it is redeemed, and the remaining balance to be used, by completing, dating and initialing Exhibit "D-3" attached hereto and incorporated herein. The original Exhibit "C-2" shall not be removed from this Transfer Agreement.

3. EFFECTIVE DATE.

This Transfer Agreement shall become effective as of the date first above written.

4. TRANSFEROR'S REPRESENTATIONS AND WARRANTIES.

The Transferor makes the following representations and warranties, which representations and warranties shall survive this DIF Credit Transfer:

The Transferor has the full power and authority to enter into this DIF Credit Transfer.

The execution, delivery and performance of this DIF Credit Transfer will not result in any violation or default under its organizational documents or any instruments to which the Transferor is a party.

From and after the date of this DIF Credit Transfer, the Transferor shall have no further rights, title or interest in or to the DIF Credit.

5. TRANSFEREE'S REPRESENTATION AND WARRANTIES.

Transferee makes the following representations and warranties, which representations and warranties shall survive this Transfer:

Transferee is the owner of Tract No. _____ (or other property description) in the eastern portion of the New Model Colony, City of Ontario.

Transferee has the full power and authority to enter into this DIF Credit Transfer.

This DIF Credit Transfer, when executed, shall constitute a valid and legal obligation binding as to Transferee.

6. NOTICES.

All notices, consents, waivers and other communications under this DIF Credit Transfer must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses set forth below (or to such other addresses as a party may designate by notice to the other parties); (c) when received by the addresses as confirmed by a confirmation receipt, if sent by facsimile to the appropriate facsimile number designated below (or to such other facsimile number as the parties may designate by notice to the other parties).

If to the Transferor: Entity Name: _____
Address: _____

Attention: _____
Phone: _____
Email: _____

If to Transferee: Entity Name: _____
Address: _____

Attention: _____
Phone: (____) _____
Email: _____

7. GENERAL PROVISIONS.

Severability. In the event that the application of any of the provisions of this DIF Credit Transfer are held to be unenforceable or invalid, the validity and enforceability of other applications of that provision and of the remaining provisions shall not be affected.

Counterparts. This DIF Credit Transfer may be executed in counterparts.

Entire Agreement. This DIF Credit Transfer contains the entire final understanding of and between the parties and supersedes any prior written or oral agreements between them respecting the subject matter of this DIF Credit Transfer. There are no representations, agreements, arrangements or understandings, oral or written, between the parties that are not fully set forth herein.

Construction. Every covenant, term and provision of this DIF Credit Transfer shall be construed simply according to its fair meaning and not strictly for or against any party.

No Modifications. No supplement, modifications or amendment to this DIF Credit Transfer shall be binding unless executed in writing by both parties.

Further Assurances. The Transferor and Transferee each agree to execute such other documents and perform such other acts as may be necessary or desirable to effectuate this DIF Credit Transfer.

Effect of NMC Agreement and Certificate. This DIF Credit Transfer Agreement is, and shall remain, subject to the terms and conditions of the DIF Credit Certificate and the NMC Agreement, as may be amended by the parties thereto from time to time.

No Third Party Beneficiaries. This DIF Credit Transfer Agreement is made and entered into for the sole protection and benefit of the parties hereto, the City of Ontario, and their respective successors and assigns. No other person or entity shall have any right of action based upon any provision of this DIF Credit Transfer Agreement.

IN WITNESS WHEREOF, the Transferor and Transferee have duly executed this DIF Credit Transfer as of the date first written above.

TRANSFEROR:

Entity Name (NMC Builders Member) a _____

By: _____

By: _____

TRANSFEEE:

Entity Name _____ a, _____

By: _____

By: _____

(All Signatures must be notarized)

EXHIBIT "C-2" to Transfer of DIF Credit

(Certificate of DIF Credit)

(Original DIF Credit Certificate issued by City must be attached).

EXHIBIT "D-3" to Transfer of DIF Credit
Available DIF Credit Reconciliation

DIF Credit Category _____

Assigned to: _____ **(NMC Member)**

Date Assigned to NMC Member: _____

Transferee: _____

Date Transferred: _____

Starting DIF Credit Balance	Amount Redeemed	Date	Remaining DIF Credit Balance	City's Initials	Transferee's Initials

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR


SUBJECT: A DEVELOPMENT IMPACT FEE CREDIT AND REIMBURSEMENT AGREEMENT (FILE NO. PDIF19-006) BETWEEN THE CITY OF ONTARIO AND PALMETTO OFFICES, LLC, FOR FACILITY CONSTRUCTION ASSOCIATED WITH THE DEVELOPMENT PLAN (FILE NO. PDEV18-004), LOCATED AT 1515 NORTH PALMETTO AVENUE, WITHIN THE MOUNTAIN VILLAGE SPECIFIC PLAN

RECOMMENDATION: That the City Council approve the Development Impact Fee Credit and Reimbursement Agreement (File No. PDIF19-006) between the City of Ontario and Palmetto Offices, LLC, for facility construction associated with the Development Plan (File No. PDEV18-004), located at 1515 North Palmetto Avenue, within the Mountain Village Specific Plan, and authorize the City Manager to execute the agreement.

COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner
Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains, and Public Facilities)

FISCAL IMPACT: The Development Plan (File No. PDEV18-004) and related conditions require Palmetto Offices, LLC ("Developer") to construct master planned water infrastructure with an estimated cost of \$136,916. The proposed DIF Credit and Reimbursement Agreement (File No. PDIF19-006) defines the amount of DIF Credit and DIF Reimbursement that the Developer may be eligible to receive. The DIF Credit that the Developer will receive upon completion of the water improvements may be exchanged for a refund of DIF that was paid by the Developer (up to the Developer's maximum DIF obligation) in the Local Adjacent Water DIF Category. Additionally, the Developer will be constructing a portion of water improvements at the intersection of Palmetto Avenue and Sixth Street that are included in the OMC Local Adjacent Water fund (Project No. WT-022). The Fiscal Year 2019-20 Third Quarter Budget Update Report to the City Council will include appropriations of \$136,916 from the OMC Local Adjacent Water fund to reimburse the developer for the water improvements. The final reimbursement amount will be determined by the Ontario Municipal Utilities Company (OMUC) and the City's Engineering Department upon review and approval of the actual eligible costs for the water

STAFF MEMBER PRESENTING: Scott Murphy, AICP, Executive Director Development Agency

Prepared by: Derrick Womble
Department: Development
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

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improvements. The Developer's total reimbursement shall not exceed the City's DIF Program cost for the water improvements and has no immediate impact or obligation on the City's General Fund.

BACKGROUND: On July 2, 2018, the Development Advisory Board (DAB) approved the Development Plan (PDEV18-004) to construct a 10,858 square foot office building on 0.71 acres of land within the Sixth Street District land use designation of the Mountain Village Specific Plan, at 1515 North Palmetto Avenue, near the northwest corner of Palmetto Avenue and Sixth Street (the "Project"). The Project conditions include requirements for the construction of master planned water improvements to serve the Project and surrounding area. The proposed infrastructure is located within the General City and is necessary for the Project site to be developed.

Pursuant to the City's adopted DIF Credit and Reimbursement policies, construction of DIF Program Facilities requires the Developer and the City enter into a DIF Credit and Reimbursement Agreement ("Agreement"). The proposed Agreement specifies the infrastructure to be constructed by the Developer in the Local Adjacent DIF category and includes an estimate of the maximum DIF Credit and/or DIF Reimbursement that may be applied in the Local Adjacent DIF category. Since the maximum eligible costs in the Agreement for the required infrastructure exceeds the Developer's DIF obligation, the Developer is also eligible to receive DIF Reimbursement under the proposed Agreement.

The proposed Agreement complies with the City's DIF Policies and is in conformance with the approved Development Plan and related conditions. Under the provisions of the City's DIF Program, the City Manager is authorized to execute such agreements upon approval by the City Council.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

CITY OF ONTARIO
CITY CLERK / RECORDS MANAGEMENT
303 EAST "B" STREET
ONTARIO, CA 91764-4196

Space above this line for Recorder's Use

Exempt from Fees Per Gov. Code § 6103

FILE NO. PDIF19-006

**DEVELOPMENT IMPACT FEE CREDIT AND REIMBURSEMENT
AGREEMENT FOR FACILITY CONSTRUCTION**

By and Between

**City of Ontario
a California municipal corporation**

and

**Palmetto Offices, LLC
a California limited liability company**

_____, 2020

San Bernardino County, California

**DEVELOPMENT IMPACT FEE CREDIT AND REIMBURSEMENT AGREEMENT
FOR FACILITY CONSTRUCTION BY AND BETWEEN THE CITY OF ONTARIO
AND PALMETTO OFFICES, LLC
FILE NO. PDIF19-006**

This DEVELOPMENT IMPACT FEE CREDIT AND REIMBURSEMENT AGREEMENT ("Fee Credit Agreement"), entered into this _____ day of _____, 2020, between the CITY OF ONTARIO, a California municipal corporation, hereinafter referred to as the "City," and PALMETTO OFFICES, LLC, a California limited liability company, hereinafter referred to as the "Developer."

RECITALS

A. Developer is the owner and developer of property located within the City, which property has received development approvals from the City, including the Mountain Village Specific Plan ("Specific Plan") and development plan (File No. PDEV18-004) (the "Development Plan"). A legal description of the property is attached as Exhibit 1 (the "Property"). A map of the Property is attached as Exhibit 2.

B. As a condition of the development approvals for the Property, including the Specific Plan and Development Plan (File No. PDEV18-004) approvals, the Developer is required to construct those public improvements identified on Exhibit 3, consisting of certain master planned public infrastructure and Improvements, (hereinafter referred to as the "Improvements"). The estimated costs for the design and construction of the Improvements are set forth in Exhibit 4.

C. On July 1, 2003, City Ordinance No. Ordinance No. 2779 was adopted establishing certain development impact fees ("DIF Fees") to be paid as a condition to the issuance of certain entitlements within the City. Section 7 of Ordinance 2779 authorizes the City Manager, when he or she determines that the public interest among other reasons would be served by such an agreement, to execute agreements on behalf of the City with applicants in order to provide a credit to the applicant against certain DIF Fees in exchange for the applicant's construction and dedication of public improvements, upon reasonable terms and conditions as may be determined on a case by case basis.

D. Developer has assumed all rights, responsibilities and obligations, including the design and construction of the Improvements identified in Exhibit 3 and such improvements are included in the City's Development Impact Fee (DIF) Program as a project, or a portion of a project and eligible for credit against DIF Fees.

E. City and Developer have agreed that the costs to design and construct the Improvements shall be eligible for DIF Credit in accordance with the City's DIF Credit policies as contained in the City's DIF Program and Resolution No. 2019-135.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and the mutual promises contained herein, it is agreed as follows:

1. Definitions. For purposes of this Agreement, the terms below shall be defined as follows:

“Acceptable Title” means title to land or an interest therein required for the construction, operation and maintenance of an Improvement, in form acceptable to the City Manager, free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether or not recorded, but subject to any exceptions determined by the City Manager as not materially interfering with the actual or intended use of the land or interest therein required for the operation of an Improvement. Notwithstanding the foregoing, an irrevocable offer of dedication may constitute “Acceptable Title.”

“Acceptance Date” means the earlier of (i) date the City Manager or his/her designee takes final action, in writing, to accept dedication or transfer of an Improvement or (ii) the date determined pursuant to Section 3 below.

“Bid Documents” means all designs, bid documents, construction plans and specifications, system layout drawings and other construction documents and permits approved by the City relating to an Improvement.

“Certificate of DIF Credit” means a City certificate for the issuance of DIF Credit to Developer in the form attached hereto as Exhibit 5.

“City DIF Program and Policies” or “DIF Program” means Ordinance Nos. 2779 and 2780 and Resolution No. 2019-135, as -it may be amended from time to time and as DIF Fees and the capital improvement projects and public infrastructure identified therein may be revised by Resolution.

“City Manager” means the City Manager of the City or his or her designee.

“City Engineer” means the City’s City Engineer or his or her designee.

“Completed”, “Complete” and “Completion” with respect to an Improvement mean that such Improvement has been completed in accordance with its Bid Documents, including any final “punch list” items, as approved in writing by the City Engineer, which approval shall not be unreasonably withheld, and that such Improvement is Usable. Notwithstanding the foregoing, if an Improvement which Developer is obligated to construct pursuant to the applicable conditions of approval for a portion of the Property is only a portion of a larger work of improvement, then a determination of “Completed” or “Completion” with respect to that Improvement shall

be made only as to that Improvement and not with respect to the larger work of improvement of which it is a portion.

“Credit Request” means a document, substantially in the form of Exhibit 6, to be used by Developer in requesting DIF Credits with respect to one or more Improvements.

“Days” shall mean business days unless otherwise stated.

“Developer Contract” means a contract between the Developer and a qualified contractor awarded to the qualified contractor for the construction of the Improvements at the direction of Developer.

“Development Plan” has the meaning set forth in Recital A above.

“DIF” or “DIF Fees” means the development impact fees imposed within the [General City] area pursuant to City Ordinance Nos. 2779 and 2780 and City Resolution No. 2019-135 and any subsequent City ordinances and resolutions lawfully adopted by the City Council to update or modify such development impact fees.

“DIF Credit” means credits earned against the payment of DIF pursuant to this Agreement.

“DIF Obligation” means the amount of Developer’s total obligation for Development Impact Fees in either the Regional or Local Adjacent portion of a DIF category for the Property. Developer’s DIF Obligation Amounts for each DIF Category shall be as provided in Exhibit 4.

“Effective Date” means the date set forth in the first paragraph of this Agreement.

“Eligible Cost” means the substantiated cost of an Improvement to be used in calculating DIF Credit amounts, which costs may include: (i) the costs for the construction (including grading) of such Improvement, (ii) costs directly related to the construction and/or acquisition of the Improvement, such as costs of payment, performance and/or maintenance bonds, the professional costs of material testing, and insurance costs (including costs of any title insurance required); (iii) the cost of acquiring any real property or interest therein in order to construct or operate the Improvement, (iv) the costs incurred in preparing Bid Documents and the related costs of geotechnical and environmental evaluations of the Improvement, (v) the fees paid to the City and any other governmental agencies for, and all other costs incurred in connection with obtaining permits, licenses or other governmental approvals for such Improvement, (vi) costs of construction and project management, administration and supervision (but only up to five percent (5%) of the costs described in clause (i) above) incurred for the construction of such Improvement, (vii) professional costs associated with such Improvement, such as design, engineering, accounting, inspection, construction staking, and similar professional services including legal

services related to the review of construction contracts. The maximum amount of Eligible Costs described in clauses (iv) through (vii) shall be limited to a total of fifteen percent (15%) of the costs described in clause (i).

“Improvement” or “Improvements” means the public improvements required to support the development of the Property as described in Exhibit 3 to the extent required by the applicable conditions of approval.

“Program Cost” or “DIF Program Cost” means the estimated cost of an Improvement identified in the “Nexus Study” referenced in City Resolution No. 2019-135 as it may be modified, supplemented or superseded from time to time. The Program Cost to be applied shall be the Program Cost in effect at the time the DIF Credit Request is submitted to the City.

“Usable” shall mean that, with respect to any particular Improvement, the Improvement is actually usable for its intended purposes, and includes, for water Improvements, connection to the applicable water supply, for sewer Improvements connection to an applicable disposal system, and for recycled water Improvements connection to a treated water supply and distribution system as those connections are set out in the project approvals. Notwithstanding the foregoing, if an Improvement which Developer is obligated to construct pursuant to the applicable conditions of approval for a portion of the Property is only a portion of a larger work of improvement, then a determination by the City Engineer of whether that Improvement is “Usable” shall be made only with respect to that Improvement and not with respect to the larger work of improvement of which it is a portion.

2. Construction and Funding of Improvements by Developer.

(a) Construction of Improvements by Developer. Developer shall commence each Improvements in accordance with the terms of the conditions of approval, Development Plan, including any extension thereof. In the event of any conflict between these documents, the soonest date of commencement shall apply. Upon commencement of the Improvement(s), Developer shall proceed expeditiously with the construction of the Improvement(s) under the terms herein.

(b) For the purposes of this Agreement, commencement of the Improvements shall mean when Developer receives the first permit from City for any grading of the Property.

(c) City and Developer agree that Developer shall award, or cause to be awarded, all contracts for the construction and Completion of the Improvements as necessary to assure the timely and satisfactory completion of such Improvements. The Developer shall perform all of its obligations hereunder and shall conduct all operations with respect to the construction of the Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially

reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken.

(d) The Developer shall not be relieved of its obligation to construct the Improvements and shall cause title to the Improvements to be conveyed to the City even if the DIF Credit Amount is less than the actual cost of the Improvements.

(e) If Developer is unable or unwilling to proceed with, and Complete, the construction of the Improvement(s) for any reason, and subject to the provisions in Section 16 below, Developer shall be considered to be in default of this Agreement.

3. Inspection and Acceptance of Completed Improvement by City. City shall make or shall cause to be made periodic site inspections of Developer's construction work. The Acceptance Date for each Improvement constructed by Developer shall be no later than twenty (20) Days following the last to occur of the following requirements:

(a) the City Engineer's determination the Improvement is Complete;

(b) the City Engineer's determination that Acceptable Title with respect to the Improvement is available for acceptance;

(c) Developer's provision of one (1) set of "as-built" or record drawings or plans for the Improvement, certified and reflecting the condition of the Improvement as constructed; and

(d) Developer's provision of such evidence or proof as the City Manager shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the Improvement have been paid and that no claims or liens have been recorded by or on behalf of any such person, firm or corporation. Alternatively, rather than await the expiration of the time for the recording of claims of liens, Developer may elect to provide a title insurance policy or other security acceptable to the City Manager guaranteeing that no such claims of liens will be recorded or become a lien upon any of the real property required for the Improvement.

4. Conveyance of Acceptable Title to City. Acceptable Title to all property on, in or over which the Improvement is located, shall, prior to and as a condition precedent to the City's acceptance of any Improvement, be conveyed to City by way of dedication of such property on the Development Plan or by a separate recorded instrument, to permit the City to properly own, operate and maintain such Improvement. Developer shall assist the City in obtaining such documents as are required to obtain Acceptable Title. Completion of the transfer of Acceptable Title shall be evidenced by recordation of the acceptance thereof by the City Engineer.

5. Maintenance and Warranties to be provided to City. Developer shall maintain the Improvement in good and safe condition until the Acceptance Date of

the Improvement. Prior to the Acceptance Date, Developer shall, at its sole cost and expense, be responsible for performing any required maintenance on the Improvement. On or before the Acceptance Date of the Improvement, Developer shall assign to the City all of Developer's rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to such Improvement. All warranties, guarantees or other evidences of contingent obligations of third persons with respect to the Improvement shall be delivered to the City Engineer, in writing, as part of the transfer of title.

(a) After the Acceptance Date, City shall be solely responsible for maintenance of the Improvement.

(b) With respect to the Improvement, Developer shall warrant that the Improvement is free from defects in materials and construction defects (and shall correct or cause to be corrected any such defects at Developer's expense) for a period of one year from the Acceptance Date thereof (the "Warranty Period") and Developer shall provide a bond or other security reasonably acceptable in form and substance to the City for such period and such purpose to insure that such defects that appear within said period will be repaired, replaced or corrected by Developer, at its own cost and expense, to the reasonable satisfaction of the City Manager. During the Warranty Period, Developer shall continue to repair, replace or correct any such defects within thirty (30) Days after written notice thereof by the City Engineer to Developer, and shall complete such repairs, replacement or correction as soon as practicable.

(c) In the event that Developer does not repair, replace or correct defects after such written notice, in addition to the provisions of Section 16 below, City may repair, replace or correct the defects in the Improvement and charge the Developer for the cost of such repair, replacement or correction plus City staff time and overhead.

6. Issuance of DIF Credit to Developer. Developer shall receive DIF Credits based upon the verified Eligible Costs of the Improvement (or accepted portion of the Improvement). Issued DIF Credits shall specify the DIF Credit infrastructure category and whether the DIF Credit is for construction of a Regional or Local Adjacent DIF Program Improvement.

7. Limitations on the Issuance of DIF Credit to Developer upon Completion of an Improvement. The amount of DIF Credit to be issued by City shall be limited to the amount of the DIF Program Costs for the Improvement or segment cost for the percentage of the Program Costs proportional to the segment of improvement constructed or accepted. The DIF Program Costs identified in the City's DIF Program shall be subject to change, from time to time, as part of the continuing update of the City's DIF Program. The DIF Program Costs for the Improvement (or accepted portion of the Improvement) shall be those in effect at the time the DIF Credit Request is submitted to the City.

(a) To the extent that NMC Builders LLC incurred the costs for the design of the Improvements, Developer agrees that the DIF Credit, up to ten (10%) of the DIF Program Costs, for those design costs portion of the Improvements shall be issued to NMC Builders LLC.

8. Issuance of a DIF Credit Certificate. When an Improvement is Complete, Developer shall submit a DIF Credit Request to City with all supporting documentation evidencing the total actual Eligible Costs of the Improvement at the time of submittal. The City Manager shall determine the completeness of the DIF Credit Request and notify Developer of whether the DIF Credit Request is considered complete or if additional information is needed from Developer. Once the DIF Credit Request is considered complete, the City Manager shall use his or her best efforts to determine the total actual Eligible Costs of the Improvements and provide Developer with a Certificate of DIF Credit within twenty (20) Days following receipt of the completed DIF Credit Request.

9. DIF Program Modifications. The estimated cost in the City's DIF Program for DIF Improvements (or defined portions of DIF Improvements) as listed in Exhibit 4 and Developer's total DIF Obligation amount may be modified from time to time based on modifications to the City's DIF Program.

10. Assignment of DIF Credits. Developer shall have the right to sell, transfer or assign DIF Credits provided for herein, to any person, partnership, limited liability company, joint venture, firm or corporation; provided, however, that any such sale, transfer or assignment shall only be made in strict compliance with the following:

(a) Concurrent with any such sale, transfer or assignment, or within fifteen (15) business days thereafter, Developer (i) shall notify the City Manager, in writing, of such sale, transfer or assignment and (ii) shall provide the City with an executed agreement between Developer and the purchaser, transferee or assignee that identifies the amount of DIF Credits transferred, as provided in Exhibit 8 of this Agreement.

(b) Except for the limited assignment of DIF Credits under subsection 10 (a) above, any assignment by Developer of any of the obligations of Developer under this Agreement (a "DIF Improvement Assignment") with regards to the Improvements listed in Exhibit 3, shall identify the Improvements that are the subject of the Assignment Agreement and require the prior written approval of the City Manager, which approval shall not be unreasonably withheld so long as adequate security as determined by City in its sole discretion, is in place to secure the Completion of the subject Improvements. Any DIF Improvement Assignment not made in strict compliance with the foregoing conditions (other than a transfer under Section 25 below) shall, unless such obligations are performed by Developer when required by this Agreement notwithstanding such assignment, constitute a default by Developer under Section 16 below. In such event, City shall have no further obligations with regard to acceptance of Certificates of DIF Credit issued to Developer, including any DIF Credit assigned or transferred by Developer.

(c) If Developer enters into a DIF Improvement Assignment with a successor in interest with respect to all or a part of the Property (a "Successor Developer") in accordance with subsection 10(b) above, and the Successor Developer obtains DIF Credit pursuant to this Agreement upon its completion of the Improvements identified in the DIF Improvement Assignment, then

(i) such Successor Developer shall have the right to sell, transfer or assign to Developer, and Developer shall have the right to acquire from such Successor Developer, all or a portion of such DIF Credit by complying only with Section 10(a) above, and

(ii) Developer shall have the right to sell, transfer or assign all or a portion of such DIF Credit to other Successor Developers who acquire other portions of the Property by complying only with subsection 10(a) above, if the sale, transfer or assignment of such DIF Credit occurs concurrently with the conveyance of another portion of the Property to the other Successor Developer.

11. DIF Reimbursements. Developer shall only be eligible to receive DIF reimbursement when Developer's total verified Eligible Costs for all DIF Program Improvements constructed and completed by Developer within the Regional or Local Adjacent DIF category exceeds Developer's total DIF Obligation for Regional or Local Adjacent portion of such DIF category. Developer's Regional and Local Adjacent DIF Obligations shall be as defined in Exhibit 4. If any amount of DIF Reimbursement is issued, the amount and nature of the DIF Reimbursement shall be evidenced by a Certificate of DIF Reimbursement, in the form set forth in Exhibit 7. The Certificate of DIF Reimbursement that is issued by the City shall specify that the DIF Reimbursement shall only apply to the Regional or Local Adjacent portion of the respective DIF category for the completed Improvement(s). Prior to issuance of a Certificate of DIF Reimbursement, the City Manager, shall review and approve the total amount of the actual Eligible Costs of the completed and accepted Improvement(s). Any DIF Reimbursement amount paid to Developer is to be paid from the Regional or Local Adjacent respective DIF category collected by the City and designated for the cost of construction of DIF Program Improvement(s), and the City shall not be obligated to pay the DIF Reimbursements amount except from the Regional or Local Adjacent respective DIF category fees collected and held by the City. The amount of DIF Reimbursement to be issued by City shall be limited to the amount of the DIF Program Costs for the Improvement (or accepted portion of the Improvement).

12. Terms of Reimbursement.

12.1 Reimbursement Procedure. City shall reimburse to Developer the DIF Reimbursement amount (without interest) only from the Regional or Local Adjacent respective DIF category, as defined in Exhibit 4, for which the Certificate of DIF Reimbursement is issued.

12.2 Review and Determination of Availability of Funds. On the first July 1st that is at least on year after the Effective Date of this Agreement, City shall conduct a review to determine the availability of funds, if any, for reimbursement. The City will perform a review of the amount of DIF that have been received for the applicable Regional or Local Adjacent portion of the DIF category. No interest will be credited on any outstanding DIF Reimbursements amounts. Thereafter, on each July 1st and upon written request from Developer, City shall conduct a review to determine the availability of funds, if any, for reimbursement. Such funds shall be determined to be available for reimbursement to Developer only after the satisfaction of any pre-existing City reimbursement obligations. The Developer is entitled to receive reimbursement for a period not to exceed ten (10) years following the date of Completion of the Improvement(s) identified in Exhibit 4, up to the total DIF Reimbursement amount.

12.3 Order of Priority for Reimbursement. When it is determined by the City that funds are available for reimbursement, the priority for reimbursement shall be based upon the date of issuance of the Certificate of DIF Reimbursement with the earliest date of issuance being reimbursed in full before the next Certificate of DIF Reimbursement is paid.

13. Additional Documents/Actions. The City Manager is authorized to approve and execute any documents and to take any actions necessary to effectuate the purposes of this Agreement.

14. Integration. This Agreement reflects the complete understanding of the parties with respect to the subject matter hereof. In all other respects, the parties hereto re-affirm and ratify all other provisions of the Development Plan.

15. Prevailing Wages. Developer is aware of the requirements of California Labor Code Section 1720, et seq. (as amended by Stats 2001 ch. 938 § 2 (S.B. 975)), through 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq. and Labor Code Sections 1810, 1811, 1813, 1814; (collectively, the "Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. The Bid Documents and each Developer's Contract shall require all contractors for the construction of Improvements to register with the Department of Industrial Relations and to pay and report prevailing wages in accordance with the applicable provisions of the Labor Code. Developer shall obtain from the City and make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the services available to interested parties upon request, and shall post copies at the Developer's principal place of business and at the project site. Developer shall defend, indemnify and hold the City, its officials, officers, employees, agents, contractors, attorneys and volunteers free and harmless from any fine, penalty claim or liability of any kind arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

16. Default and Force Majeure.

(a) Default. Failure or delay by Developer or City to perform any of its obligations under this Agreement constitutes a default by such party under this Agreement. The party alleged to be in default shall have thirty (30) Days after the date of the written notice by the other party to commence to cure such default. The party alleged to be in default shall diligently pursue such cure to completion within a reasonable timeframe as established in the written notice provided by the party asserting the default. If the party alleged to be in default has not cured its default within the cure period set forth therein, the defaulting party shall be deemed in breach. Any failure or delay in giving such notice or in asserting any rights and remedies as to any default shall not constitute a waiver of any default, nor shall it change the time of default, nor shall it deprive the party not in default of its rights to institute and maintain any actions or proceeding which it may deem necessary to protect, assert or enforce any of its rights or remedies. If any default by Developer is not cured within the time period provided by the City, City shall be entitled to terminate this Agreement in its entirety and thereafter, the City shall be under no obligation to perform any of City's obligations hereunder, including, but not limited to, the issuance of DIF Credits and DIF Reimbursements that Developer may claim.

(b) Force Majeure. Notwithstanding the provisions contained in the foregoing paragraph, performance by either party hereunder shall not be deemed to be in default where delay or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation brought by a third party, unusually severe weather, reasonably unforeseeable property conditions, acts of the other party, acts or failure to act of the other party or any other public or governmental agency or entity, or any causes beyond the control or without the failure of the party claiming an extension of time to perform (a "Force Majeure Event"). An extension of time for any such cause (an "Excusable Delay") shall be for the time period of the delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of knowledge of the commencement of the cause or from the date of the notice if provided after such thirty-day period. Notwithstanding the foregoing, none of the foregoing events shall constitute an Excusable Delay unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming an Excusable Delay shall make a good faith effort to deliver such written notice within thirty (30) Days after it obtains actual knowledge of the event. Times of performance under this Agreement may also be extended in writing by City and Developer. The Parties hereto expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of any of them (unless such conditions were caused by a Force Majeure Event) that may have provided a basis for entering into this Agreement and that occur at any time after the execution of this Agreement are not Force Majeure Events and do not

provide any Party with grounds for asserting the existence of a delay in the performance of any covenant or undertaking that may arise under this Agreement. Each Party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions relating to the terms and covenants of this Agreement could impose an inconvenience or hardship on the continued performance of such Party under this Agreement, but that such inconvenience or hardship is not a force majeure event and does not excuse the performance by such Party of its obligations under this Agreement. Without limiting the nature of the foregoing, the parties agree that the inability of Developer to obtain a satisfactory commitment from a construction lender for the improvement of the Property or to satisfy any other condition of this Agreement relating to the development of the Property shall not be deemed to be a force majeure event or otherwise provide grounds for the assertion of the existence of a delay under this Section 16.

17. Licenses and Permits. The Developer shall secure (or shall cause to be secured) any and all permits that may be required by the City or any other governmental agency for the construction of the Improvements. The Developer shall be responsible for paying all applicable fees and charges to the City or other governmental agency to obtain any land use entitlements and permits that are necessary to construct the Improvements, although a portion of such costs may be recoverable as DIF credits.

18. Indemnification. The Developer shall protect, indemnify, defend and hold the City, and its respective officials, officers, employees, agents, contractors, attorneys and volunteers, and each of them, harmless from and against any and all claims, losses, expenses, suits, actions, fines, penalties, decrees, judgments, awards, attorney's fees (to Counsel chosen by City), expert and court costs (collectively "Damages") that the City, or its respective officers, officials, employees, agents, contractors and volunteers or any combination thereof, may suffer or that may be sought against or recovered or obtained from the City, or its respective officers, officials, employees, agents, contractors, attorneys or volunteers or any combination thereof, as a result of or by reason of or arising out of or in consequence of (a) the acquisition, construction, or installation of the Improvements; (b) the untruth or inaccuracy of any representation or warranty made by the Developer in this Agreement or in any certifications delivered by the Developer hereunder; or (c) any act or omission of the Developer or any of its subcontractors, or their respective officers, employees, agents, or contractors in connection with the Improvements. If the Developer fails to do so, the City shall have the right, but not the obligation, to defend the same and charge all of the direct, indirect and incidental costs of such defense, including any reasonable attorney fees, expert or court costs, to and recover the same from the Developer. Notwithstanding the foregoing, neither the City nor its respective officers, officials, employees, agents, contractors, attorneys or volunteers shall be indemnified, defended or held harmless against such Damages to the extent that such Damages have been caused by their sole active negligence or sole willful misconduct. The parties acknowledge and agree that the Developer shall be released from the indemnity, defense and hold harmless obligations set forth herein upon the acceptance of the Completed Improvements by the City and completion of the

Warranty Period for such Improvements.

19. Developer as a Private Developer. In performing under this Agreement, it is mutually understood that the Developer is acting as a private developer, and not as an agent of the City or as a joint venturer with City. The City shall have no responsibility for payment to any contractor, subcontractor or supplier of the Developer. Accordingly, this Agreement does not constitute a debt or liability of the City. The City shall not be obligated to advance any of its own funds or any other costs incurred in connection with the Project. No member, official, employee, agent, contractor, attorney or volunteer of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount that may become due to the Developer or its successors, or on any obligations under the terms of this Agreement.

20. Other Obligations. Nothing contained herein shall be construed as affecting the Developer's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to the development of the Property, which obligations are and shall remain independent of the Developer's rights and obligations, and the City's rights and obligations, under this Agreement; provided, however, that the Developer shall use its reasonable and diligent efforts to perform each and every covenant to be performed by it under any lien or encumbrance, instrument, declaration, covenant, condition, restriction, license, order, or other agreement, the nonperformance of which could reasonably be expected to materially and adversely affect the design, acquisition, construction and installation of the Improvements. This Agreement is not, and shall not be construed as, a statutory development agreement as authorized by Government Code sections 65864 et seq., and this Agreement shall not be interpreted as limiting the authority of the City to adopt and amend regulations concerning permitted uses of property, the density or intensity of use, the maximum height and size of proposed buildings, provisions for the reservation or dedication of land or the payment of impact fees for public purposes.

21. Binding on Successors and Assigns. Except as set forth in Section 10 or Section 25 hereof, neither this Agreement nor the duties and obligations of the Developer hereunder may be assigned to any person or legal entity other than an affiliate of the Developer without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. Neither this Agreement nor the duties and obligations of the City hereunder may be assigned to any person or legal entity, without the written consent of the Developer, which consent shall not be unreasonably withheld or delayed. The agreements and covenants included herein shall be binding on and inure to the benefit of any partners, permitted and accepted assigns, and successors-in-interest of the parties hereto.

22. Amendments. This Agreement can only be amended by an instrument in writing executed and delivered by the City and the Developer.

23. Waivers. No waiver of, or consent with respect to, any provision of this

Agreement by a party hereto shall in any event be effective unless the same shall be in writing and signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

24. No Third Party Beneficiaries. No person or entity, other than the City, shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than the City and the Developer (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

25. Mortgagee Protection. The parties hereto agree that this Agreement shall not prevent or limit Developer, at Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. Developer shall have the right to encumber and assign its rights and interests hereunder to the lenders providing such financing as security for such financing without the consent of the City and without complying with Section 10 hereof. City acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Developer and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. A mortgagee of the Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage or deed of trust on the Property made in good faith and for value, unless otherwise required by law.

(b) The mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by Developer in the performance of Developer's obligations under this Agreement.

(c) If City timely receives a request from a mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, City shall provide a copy of that notice to the mortgagee within ten (10) Days following the sending of the notice of default to Developer. The mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.

(d) Any mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms

of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no mortgagee shall have an obligation or duty under this Agreement to perform any of Developer's obligations or other affirmative covenants of Developer hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and further provided that any sale, transfer or assignment by any mortgagee in possession shall be subject to the provisions of Section 10 of this Agreement.

26. Notices. Any written notice, statement, demand, consent approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

Developer:

Palmetto Offices, LLC
19519 Red Tail Court
Walnut, CA 91789
Attn: Ken Cheng
Email: kenc@akwa.com
Phone: 626-905-3406

City:

City of Ontario
Attn: City Manager
303 East "B" Street
Ontario, CA 91764
Phone: (909) 395-2000

with a copy to:

Scott Huber, City Attorney
Cole Huber, LLP
2281 Lava Ridge Court, Ste. 300
Roseville, CA 95661

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery; (b) if given by electronic communication, whether by telex, or telecopy, upon the sender's receipt of an appropriate answerback or other written acknowledgment; (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail; (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier; or (e) if given by

any other means, upon delivery at the address specified in this Section.

27. Jurisdiction and Venue. City and the Developer (a) agree that any suit, action or other legal proceeding arising out of or relating to this Agreement shall be brought in state or local court in the County of San Bernardino or in the Courts of the United States of America in the district in which the City is located, (b) each consents to the jurisdiction of each such court in any suit, action or proceeding, and (c) each waives any objection that it may have to the venue or any suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Each of the City and the Developer agrees that a final and non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

28. Attorneys' Fees. If any action is instituted to interpret or enforce any of the provisions of this Agreement, the prevailing party in such action shall be entitled to recover from the other party thereto reasonable attorney's fees and costs of such suit (including both prejudgment and post judgment fees and costs) as determined by the court as part of the judgment.

29. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

30. Usage of Words. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine and the non-gender specific.

31. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

32. Severability. If any section, sentence, clause or phrase of this Agreement or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Agreement that can be given effect without the invalid provision of application, and to this end the provisions of this Agreement are severable. The City Council hereby declares that they would have adopted this Agreement and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

33. Incorporation by Reference. The following Exhibits attached hereto and the Recitals of this Agreement are hereby incorporated by reference as though fully set forth herein:

- Exhibit 1 – Legal Description of Property
- Exhibit 2 – Map of Property
- Exhibit 3 – Description of Improvements
- Exhibit 4 – Estimated Costs of Improvements
- Exhibit 5 – Certificate of DIF Credit
- Exhibit 6 - DIF Credit Request
- Exhibit 7 - Certificate of DIF Reimbursement
- Exhibit 8 - DIF Improvement Assignment

[Signatures On Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the respective dates set forth below.

“CITY”

CITY OF ONTARIO, a California municipal corporation

Dated: _____

By: _____
Scott Ochoa, City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:
COLE HUBER, LLP

By: _____
City Attorney

“DEVELOPER”

PALMETTO OFFICES, LLC
a California limited liability company

Dated: _____

By: _____

Name: _____

Its: _____

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 20____, before me, _____,
Date *Insert Name and Title of the Officer*

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, 20____, before me, _____,
Date *Insert Name and Title of the Officer*

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

Exhibit 1

Legal Description of Property

PARCELS 5 AND 6 INCLUSIVES, OF PARCEL MAP NO. 13960, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 166 OF PARCEL MAPS, PAGES 90 TO 91, OF MAPS, IN THE COUNTY RECORDER OFFICE OF SAID COUNTY.

APN: 1008-261-47-0-000 AND 1008-261-048-0-000

Exhibit 2
Map of Property

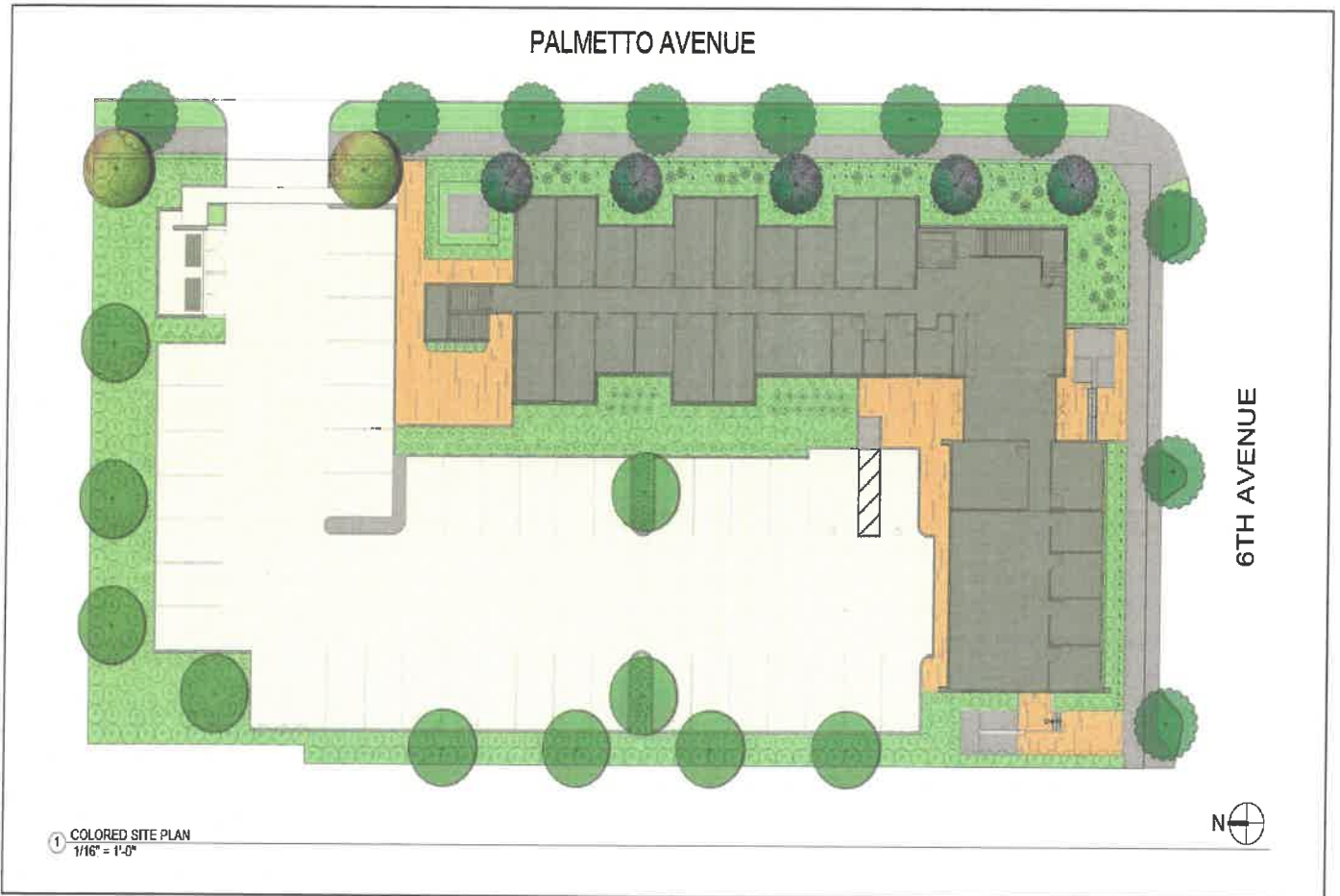


Exhibit 3

Description of Improvements

DIF Eligible Facilities: The DIF Eligible Facilities consist of the following Components and Segments; provided, however, that each such Segment described below shall constitute a Segment for purposes of this Agreement only if such Segment was constructed by or on behalf of the Developer

Local Adjacent Water and Recycled Water System Facilities					
Project	DIF Category	DIF Program Project No.	DIF Project Description	DIF Segment Description	Project Scope/length
PDEV18-004	Local Adjacent Water and Recycled Water	WT-022	Water Source, Storage and Distribution System	Upsizing an existing 6 inch water main to a 12 inch water main along Palmetto Street	195 Linear Feet

Exhibit 4

Estimated Costs of Improvements

Water and Recycled Water System Facilities								
<u>Project</u>	<u>DIF Category</u>	<u>DIF Program Project No.</u>	<u>DIF Project Description</u>	<u>Segment Description</u>	<u>Project Scope/Length [LF]</u>	<u>Total DIF Project Costs</u>	<u>Segment Cost Percentage</u>	<u>Maximum Eligible Costs</u>
PDEV18-004	Local Adjacent Water	WT-022	Water Source, Storage and Distribution System	Upsizing an existing 6-inch water main to a 12-inch water main along Palmetto Street	195 linear feet	\$ 5,925,291	2.31070%	\$ 136,916
Subtotal Local Adjacent Water								\$ 136,916

Total DIF Eligible Facilities - Palmetto Offices, LLC			
PDEV18-004	DIF Eligible Improvements to be Constructed		
Infrastructure Category	Total DIF Eligible Costs	DIF Obligations - Maximum DIF Credit	DIF Reimbursement
Local Adjacent Water System Facilities	\$ 136,916	\$ 1,194	\$ 135,721

Exhibit 5

FORM OF CERTIFICATE OF REGIONAL OR LOCAL ADJACENT DIF CREDIT

Pursuant to Section 6 of the Development Impact Fee Credit Agreement for Facility Construction by and between the City of Ontario and _____ dated _____, 20__, the terms and definitions of which are hereby incorporated herein by this reference and hereinafter called the "Fee Credit Agreement", the City of Ontario hereby certifies that Developer is entitled to the following amount and nature of DIF Credits:

Amount of Credit: \$ _____
Infrastructure Category of DIF: _____
Local Adjacent or Regional Category of DIF: _____

Scott Ochoa, City Manager

Dated: _____

Exhibit 6

FORM OF DIF CREDIT REQUEST

DIF Project Name & Number: _____

The undersigned (the "Developer"), hereby requests DIF Credits in the DIF categories and amounts specified in Attachment 1 hereto, attached and incorporated. In connection with this Credit Request, the undersigned hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized officer or representative of the Developer, qualified to execute this Credit Request on behalf of the Developer and is knowledgeable as to the matters set forth herein.

2. All costs of the Improvements for which credit is requested hereby are Eligible Costs (as defined in the Fee Credit Agreement) and have not been inflated in any respect. The Eligible Costs for which credit is requested have not been the subject of any prior credit request submitted to the City.

3. Supporting documentation (such as the applicable Developer Contract, third party invoices, lien releases and cancelled checks or other evidence of payment) is attached with respect to each cost for which credit is requested.

4. The Improvement for which credit is requested was constructed in accordance with the requirements of the Fee Credit Agreement.

5. Please issue a Certificate of DIF Credit to the Developer in the amount requested.

I declare under penalty of perjury that the above representations and warranties are true and correct.

DEVELOPER:

CITY:

[INSERT ENTITY]

Credit Request Approved

By: _____
Authorized Representative of Developer
Date: _____

Scott Ochoa, City Manager
Date: _____

ATTACHMENT 1 to Form of DIF Credit Request

SUMMARY OF IMPROVEMENTS AND REQUESTED DIF CREDITS

Improvement	Eligible Costs/Contract Amount	DIF Credit Requested
-------------	--------------------------------	----------------------

[List here all Improvements for
which credit is requested, and attach support documentation]

Exhibit 7

FORM OF CERTIFICATE OF DIF REIMBURSEMENT

DIF Project Name & Number: _____

Pursuant to Section 11 of the Development Impact Fee Credit and Reimbursement Agreement for Facility Construction by and between the City of Ontario and _____ dated _____ 20__ the terms and definitions of which are hereby incorporated herein by this reference and hereinafter called the "Fee Credit Agreement", the City of Ontario hereby certifies that Developer is entitled to the following amount and nature of DIF Reimbursements:

Amount of Reimbursement: \$ _____

Infrastructure Category of DIF: _____

Local Adjacent or Regional Category of DIF: _____

By: _____
Scott Ochoa, City Manager

Dated: _____

Exhibit 8

FORM OF ASSIGNMENT, SALE, OR TRANSFER OF DIF CREDIT

FROM _____ **to** _____

This Sale or Transfer of DIF Credit ("DIF Credit Transfer") is entered into as of _____, 20__, between _____, a _____
"Transferor")
and _____ ("Transferee").

A. NMC Builders, LLC is a limited liability company formed under the laws of the state of California, the business affairs of which are governed by that certain Amended and Restated Limited Liability Company Agreement of NMC Builders, LLC dated as of March 31, 2005, as amended ("NMC Agreement").

B. Transferor is a Member of the NMC Builders, LLC.

C. Pursuant to that certain Certificate of DIF Credit (the "Certificate") issued by the City of Ontario to NMC Builders, LLC, dated _____, an amount of DIF Credit was made available to the Transferor for use in the eastern portion of the New Model Colony. A copy of the Certificate is DIF Credit issued to NMC Builders, LLC by CITY is attached hereto and incorporated herein as Exhibit "C-2".

D. Transferee is owner of real property within the eastern portion of the New Model Colony of the City of Ontario and further described as Tract Map No. _____. (or other description of the property).

D. Pursuant to the terms of this DIF Credit Assignment, Transferee desires to receive from the Transferor, a share of the DIF Credit issued to Transferor by NMC Builders LLC.

For good, valuable and sufficient consideration received, the receipt of which is hereby acknowledged, the Transferor and Transferee hereby agree as follows:

1. TRANSFER

The Transferor hereby assigns, transfers and conveys to Transferee the DIF Credit of:

DIF Credit Category

DIF Credit Amount

2. ACCEPTANCE

Transferee hereby accepts and assumes DIF Credit as listed above. Transferee and CITY shall track DIF Credit as it is redeemed, and the remaining balance to be used, by completing, dating and initialing Exhibit "D-3" attached hereto and incorporated herein. The original Exhibit "C-2" shall not be removed from this Transfer Agreement.

3. EFFECTIVE DATE.

This Transfer Agreement shall become effective as of the date first above written.

4. TRANSFEROR'S REPRESENTATIONS AND WARRANTIES.

The Transferor makes the following representations and warranties, which representations and warranties shall survive this DIF Credit Transfer:

The Transferor has the full power and authority to enter into this DIF Credit Transfer.

The execution, delivery and performance of this DIF Credit Transfer will not result in any violation or default under its organizational documents or any instruments to which the Transferor is a party.

From and after the date of this DIF Credit Transfer, the Transferor shall have no further rights, title or interest in or to the DIF Credit.

5. TRANSFEREE'S REPRESENTATION AND WARRANTIES.

Transferee makes the following representations and warranties, which representations and warranties shall survive this Transfer:

Transferee is the owner of Tract No. _____ (or other property description) in the eastern portion of the New Model Colony, City of Ontario.

Transferee has the full power and authority to enter into this DIF Credit Transfer.

This DIF Credit Transfer, when executed, shall constitute a valid and legal obligation binding as to Transferee.

6. NOTICES.

All notices, consents, waivers and other communications under this DIF Credit Transfer must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses set forth below (or to such other addresses as a party may designate by notice to the other parties); (c) when received by the addresses as confirmed by a confirmation receipt, if sent by facsimile to the appropriate facsimile number designated below (or to such other facsimile number as the parties may designate by notice to the other parties).

If to the Transferor: Entity Name: _____
Address: _____

Attention: _____
Phone: _____
Email: _____

If to Transferee: Entity Name: _____
Address: _____

Attention: _____
Phone: (____) _____
Email: _____

7. GENERAL PROVISIONS.

Severability. In the event that the application of any of the provisions of this DIF Credit Transfer are held to be unenforceable or invalid, the validity and enforceability of other applications of that provision and of the remaining provisions shall not be affected.

Counterparts. This DIF Credit Transfer may be executed in counterparts.

Entire Agreement. This DIF Credit Transfer contains the entire final understanding of and between the parties and supersedes any prior written or oral agreements between them respecting the subject matter of this DIF Credit Transfer. There are no representations, agreements, arrangements or understandings, oral or written, between the parties that are not fully set forth herein.

Construction. Every covenant, term and provision of this DIF Credit Transfer shall be construed simply according to its fair meaning and not strictly for or against any party.

No Modifications. No supplement, modifications or amendment to this DIF Credit Transfer shall be binding unless executed in writing by both parties.

Further Assurances. The Transferor and Transferee each agree to execute such other documents and perform such other acts as may be necessary or desirable to effectuate this DIF Credit Transfer.

Effect of NMC Agreement and Certificate. This DIF Credit Transfer Agreement is, and shall remain, subject to the terms and conditions of the DIF Credit Certificate and the NMC Agreement, as may be amended by the parties thereto from time to time.

No Third Party Beneficiaries. This DIF Credit Transfer Agreement is made and entered into for the sole protection and benefit of the parties hereto, the City of Ontario, and their respective successors and assigns. No other person or entity shall have any right of action based upon any provision of this DIF Credit Transfer Agreement.

IN WITNESS WHEREOF, the Transferor and Transferee have duly executed this DIF Credit Transfer as of the date first written above.

TRANSFEROR:

Entity Name (NMC Builders Member) a _____

By: _____

By: _____

TRANSFEEE:

Entity Name _____ a, _____

By: _____

By: _____

(All Signatures must be notarized)

EXHIBIT "C-2" to Transfer of DIF Credit

(Certificate of DIF Credit)

(Original DIF Credit Certificate issued by City must be attached).

EXHIBIT "D-3" to Transfer of DIF Credit

Available DIF Credit Reconciliation

DIF Credit Category _____

Assigned to: _____ **(NMC Member)**

Date Assigned to NMC Member: _____

Transferee: _____

Date Transferred: _____

Starting DIF Credit Balance	Amount Redeemed	Date	Remaining DIF Credit Balance	City's Initials	Transferee's Initials

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARK ALVARADO FOR FINANCIAL CONSULTING SERVICES

RECOMMENDATION: That the City Council authorize the City Manager to execute Amendment No. 4 adding \$50,000 to the Professional Services Agreement (on file in the Records Management Department) with Mark Alvarado, for the provision of financial consulting services, for a revised contract authority of \$150,000.

COUNCIL GOALS: Operate in a Businesslike Manner

FISCAL IMPACT: This amendment increases the total authorized contract amount from \$100,000 to \$150,000. The Fiscal Year 2019-20 Adopted Budget includes appropriations of \$50,000 in the General Fund for this amendment.

BACKGROUND: The City had contracted with Mark Alvarado for financial professional services to provide the following financial consulting services: conduct research, prepare and present studies to staff, provide status reports, develop proposed policies, procedures and ordinances as needed; advise the City with financial compliance and financial planning strategies; advise the City on best practices.

Mr. Alvarado is currently consulting for the City regarding the issuance of pension obligation bonds for the refinancing of certain pension obligations of the City of Ontario. Amendment 1, 2 and 3 extended the agreement date and increased the amount of paid services to \$100,000. Amendment 4 will extend the agreement date to June 30, 2020 and increase the contract amount by an additional \$50,000 for a not to exceed amount of \$150,000.

STAFF MEMBER PRESENTING: Armen Harkalyan, Executive Director of Finance

Prepared by: Armen Harkalyan
Department: Financial Services

City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020

Approved: _____

Continued to: _____

Denied: _____

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH WESTIN TECHNOLOGY SOLUTIONS FOR PROJECT MANAGEMENT SUPPORT ON CIS INFINITY UTILITY BILLING IMPLEMENTATION

RECOMMENDATION: That the City Council authorize the City Manager to execute Amendment No. 3 adding \$55,800 to the existing agreement (on file in the Records Management Department) with Westin Technology Solutions, of Milwaukee, Wisconsin, for project management support on the CIS Infinity Utility Billing Implementation for a not-to-exceed limit of \$410,480.

COUNCIL GOALS: Operate in a Businesslike Manner

FISCAL IMPACT: This amendment increases the total authorized contract amount from \$354,680 to \$410,480. The Fiscal Year 2019-20 Capital Improvement Program includes appropriations in the amount of \$55,800 in the Information Technology Fund for these services. The total project cost is estimated to be \$6.5 million.

BACKGROUND: In February 2018, the City retained the services of Westin Technology Solutions to assist and support the City with the CIS Infinity Utility Billing Implementation, which includes the Planning, Design and Test phases. On July 2, 2019, Amendment No. 1 was approved by the City Council to increase the not-to-exceed contract amount to \$195,380. On August 20, 2019, Amendment No. 2 was approved by the City Council to increase the not-to-exceed contract amount to \$354,680. Westin's expertise in the Planning and Design phases added value and helped the project stay on track by recommending tighter milestones and deliverable dates for the vendor, Advanced Utilities Systems (AUS), and providing valuable input for mobile (paperless field orders) and customer self-service information design, along with interface development for Finance, GIS, and parts and equipment inventories. The Test Phase of the project continues to assist the Project Team with Implementation Management and Test Preparation Management support in evaluating current "best practices" in utilities; offer testing scenario recommendations; and provide project management support.

STAFF MEMBER PRESENTING: Armen Harkalyan, Executive Director of Finance

Prepared by: Armen Harkalyan
Department: Financial Services

City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020

Approved: _____

Continued to: _____

Denied: _____

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Westin Technology's services for the CIS Infinity Utility Billing Implementation will provide additional support to the City team during the test and training phases of this project. In this capacity, Westin will work with the project team to add another consultant to provide additional implementation management and to assist in completing time consuming tasks that have to be done by the Core Team.

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: FISCAL YEAR 2019-20 MID-YEAR BUDGET UPDATE REPORT

RECOMMENDATION: That the City Council approve the budget adjustments and recommendations as listed in the Fiscal Year 2019-20 Mid-Year Budget Update Report.

COUNCIL GOALS: Operate in a Businesslike Manner

FISCAL IMPACT: The recommended actions will affect several fund budgets as outlined in the Fiscal Year 2019-20 Mid-Year Budget Update Report and supporting schedules.

BACKGROUND: The Fiscal Year 2019-20 Mid-Year Budget Update Report reflects the Financial Services Agency's continued efforts to provide timely, accurate, and understandable financial information to assist the City Council with decision making and achieve their core goals. All funds have been reviewed in preparing this report. The emphasis of this report is on the General Fund, which funds the majority of government services including public safety, recreation, library, museum, parks, building, and planning. This report also discusses prior year results, budget trends, and the economic outlook that may impact the City's resources.

The primary purposes of this report are to:

- Revise the City's budget to reflect the City Council's actions taken since the First Quarter Budget Update Report;
- Recommend personnel and organizational changes to enhance program operations and efficiency.
- Recommend financial and budget adjustments that are consistent with City Council goals and objectives;
- Recommend for approval the attached Salary Grade Report; and,
- Comment on significant budget and economic trends which may impact this fiscal year's budget.

Mid-Year Budget Update Recommendations

Recommendations in this mid-year report are routine in nature and mainly comprised of previously approved City Council actions, adjustments in the revenue budget to reflect estimates based on current

STAFF MEMBER PRESENTING: Armen Harkalyan, Executive Director of Finance

Prepared by: Claudia Hernandez
Department: Fiscal Services

City Manager
Approval:



Submitted to Council/O.H.A. 02/18/2020

Approved: _____

Continued to: _____

Denied: _____

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trends, and additional appropriations for new or ongoing programs/projects. For the General Fund, these actions will bring the General Fund estimated available ending fund balance to \$51,053,207; this amount achieves the 18 percent goal set by City Council as a reserve for specific and defined emergency events (such as an earthquake) and to address immediate needs in resources without impacting City Services.

General Fund Highlights

- \$130,000 Replacement of vandalized/knockdown streetlight poles
- \$75,000 Professional services for Continuum of Care Services
- \$60,000 Equipment for concerts at Celebration Park
- \$50,000 Participation agreement for road improvements at Remington Ave/Cucamonga Creek Channel (offset with pass-thru revenue collected from developer)
- \$35,000 Security services at Lewis Branch Library

Other Funds (Non-General Fund) Highlights

- \$9.7 million Revenue from the prepayment of park development impact fees
- \$9.3 million Wellhead Treatment Facilities project
- \$500,000 Recycled Water Improvement project
- \$402,500 Ontario Great Park master plan

Interim budget updates also present recommendations for personnel and organizational changes necessary to enhance program operations and efficiency. Current recommendations for this mid-year report includes organizational changes for Community Life & Culture, Financial Services, Human Resources, Management Services, and Public Works agencies. The proposed recommendations will result in a net increase of four positions and an overall net annual impact to the General Fund of \$161,540 (net impact includes salary offsets from salary savings, cost recovery through the cost allocation plan, and salaries from frozen vacant positions). The total annual impact across all funds, is an increase of \$915,968.

The transfer of the Ontario International Airport Authority (OIAA) to local control was critical to its successful operation and for the region to regain its status as the economic engine for the Inland Empire. As a result, the Ontario City Council made a strategic and bold decision to obtain local control of the Airport from the Los Angeles World Airports (LAWA). Upon the successful transfer of the Airport to local control the City paid \$42 million in settlement and other transfer costs which were inadvertently characterized as an asset and recorded such as an account receivable. Accordingly, the City is in the process of correcting the treatment of such expenses as the sums spent had always been considered necessary to the success of the transfer of the Airport. At this time, the City does not consider OIAA indebted to it for the \$42 million settlement and transfer costs. The City of Ontario and OIAA share a unique and mutually beneficial relationship originating at the inception of the Authority and continuing to the present time, resulting in positive impacts directly to the City and its residents and reaching throughout the Southern California region.

Economy

Economic growth continues to be steady with job gains, consistent consumer spending, and improvement in the housing market. However, the U.S. trade dispute with China, political uncertainty, and inflationary risks are factors that can slowdown the economy. The following economic indicators are the most recent measures of economic activity.

- Gross Domestic Product (GDP): the broadest measure of economic output, increased at an annual rate of 2.1 percent in the fourth quarter of 2019 (advance estimate), same as that of

the third quarter of 2019. Positive contributions from consumer spending, federal, state and local government expenditures buttressed GDP. Imports, which are a reduction to GDP, decreased during the fourth quarter.

- U.S. Trade Deficit: during the fourth quarter of 2019 decreased by \$0.9 billion, but the deficit from November to December increased as imports grew at a higher rate than exports. The deficit increased 11.9 percent, or \$5.2 billion, from November to December. The deficit from calendar year 2018 to 2019 decreased 1.7 percent, or \$10.9 billion, largely due to 10 year high trade deficit spike in December 2018. Increases in the trade deficit have a negative impact on the GDP calculation but short-term losses have so far been smoothed out over the long-term.
- Unemployment Rate: the seasonally adjusted national rate for January ticked up to 3.6 percent from 3.5 percent in December. California's preliminary seasonally adjusted unemployment rate did not change in December, holding steady at 3.9 percent. Locally, preliminary December estimates show a decrease in unemployment to 3.5 percent from 3.6 percent November. The national labor market's unemployment rate was affected by an increase in the number of people looking for work.
- Consumer Confidence Index (CCI): has increased in January to 131.6 from December's index of 128.2 primarily due to optimism in the current and future job market.
- Purchasing Manager's Index (PMI): for January increased by 3.1 percentage points to 50.9 percent from the December's reading of 47.8 percent, nationally. The local region's PMI rose slightly from 53.6 percent in December to 54.4 percent in January. Increases in new orders and production are boosting the national index, while decreases in the same categories locally indicate slower growth in the local index.
- Housing market: home sales and median prices are increasing across the board. Nationally, housing inventory declined 13 percent due to demand and the median price increased 3.4 percent year-over-year in January. In California, the year-over-year increase in single family home sales was 7.4 percent and the median price grew by 10.3 percent in December. The Inland Empire experienced year-over-year home sales increase of 13.3 percent and median price increase of 6.9 percent in December.

CalPERS

The California State Public Employees Retirement System (CalPERS) is considerably underfunded, primarily due to the lower than projected earning rates combined with significant investment losses incurred during the Great Recession. Over the last several years, CalPERS has made significant changes to the assumptions used in the calculations of local agencies' pension liabilities. These changes have resulted in (1) an increased overall unfunded pension liability as the discount rate has been reduced from 7.5 percent to 7.0 percent, and (2) sharp increases in annual payments to CalPERS in earlier years followed by declining payments in later years due to the method of amortizing the UAL (Unfunded Accrued Liability) payments. CalPERS' proposed rates will increase by nearly 45 percent by Fiscal Year 2024-25 and more than 80 percent by Fiscal Year 2030.

As of June 30, 2018, which is the most current financial information available, the City's UAL for all citywide employees and retirees has increased 21 percent to approximately \$323 million. The City's UAL

is expected to be \$337 million by June 30, 2020. Approximately 70 percent of the UAL is related to public safety (police and fire) employees and 30 percent to non-safety employees.

To address the difficulty of paying these large amounts to CalPERS over the next 10 to 15 years, City Council approved a resolution on October 1, 2019, to begin the process of issuing pension obligation bonds for the refinancing of certain pension obligations of the City of Ontario, which will allow the City to prepay up to 100 percent of its three CalPERS plans' (police, fire, and miscellaneous) projected UAL, based on the 2018 valuation date report just released by CalPERS.

Conclusion

Economic growth for 2020 is showing steady growth with a healthy job market, rebounding housing market and resilient consumer spending. However, over the next several years, the economy will grow more slowly. According to the most recent released GDP projections growth will slow to 2.0 percent in 2020 from 2.1 percent in 2019. It will be 1.9 percent in 2021 and 1.8 percent in 2022. As a result, Ontario needs to be cognizant of a modest or flat growth in sales tax revenues for calendar year 2020. The City will also be experiencing rapidly increasing pension expenses that will out-pace the growth in revenue in the forthcoming fiscal years. Other major challenges the City continues to contend with locally are the rising cost of medical benefits as well as the overall cost of labor. In addition, the City should be mindful that in providing services to OIAA and Ontario Ranch, there is an absorption cost factor to consider as service demands continue to grow and evolve. In order for the City to successfully manage these significant budget issues, it is recommended that Ontario practice fiscal discipline and establish proactive measures to safely navigate these upcoming fiscal challenges.

The Adopted Operating Budget for Fiscal Year 2019-20, as modified through this Mid-Year Budget Update, reflects the City Council's continued commitment to foster steady, managed growth and to provide the highest level of service to the community within the City's fiscal constraints. With the City Council's leadership and their prudent fiscal policies, the City's long-term fiscal health will further solidify its standing as the economic leader in the Inland Empire, and a formidable player in California and the nation.

Fiscal Year 2019-20 Mid-Year Budget Update

The image shows the exterior of a modern city hall building at dusk. The building features a prominent curved canopy over the entrance, supported by several columns. The canopy is dark green and has the words "CITY HALL" written in white, uppercase letters. The building's facade is made of light-colored concrete or stone with large glass windows. The sky is a deep blue, and the building's interior lights are visible through the glass doors. The foreground shows a paved plaza area with some small plants and a flagpole in the distance.

CITY HALL

February 18, 2020

**City of Ontario
Five-Year General Fund Financial Forecast
Fiscal Year 2019-20
Mid-Year Budget Update**

	FY 2019-20 Revised Budget	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
Total Revenues	\$ 237,512,024	\$ 242,623,719	\$ 248,691,100	\$ 258,011,899	\$ 267,803,905	\$ 276,905,673
Transfers-In	<u>58,033,612</u>	<u>21,602,266</u>	<u>22,823,159</u>	<u>23,358,932</u>	<u>23,670,850</u>	<u>23,839,685</u>
Total Revenues & Transfers-In	<u>\$ 295,545,636</u>	<u>\$ 264,225,985</u>	<u>\$ 271,514,259</u>	<u>\$ 281,370,831</u>	<u>\$ 291,474,755</u>	<u>\$ 300,745,358</u>
Total Expenditures	\$ 269,580,545	\$ 263,776,648	\$ 272,119,594	\$ 277,950,613	\$ 285,261,427	\$ 292,989,181
Transfers-Out	<u>14,048,382</u>	<u>10,097,620</u>	<u>10,175,172</u>	<u>10,254,276</u>	<u>10,334,961</u>	<u>10,417,260</u>
Total Expenditures & Transfers-Out	<u>\$ 283,628,927</u>	<u>\$ 273,874,268</u>	<u>\$ 282,294,766</u>	<u>\$ 288,204,889</u>	<u>\$ 295,596,388</u>	<u>\$ 303,406,441</u>
Less: Economic Uncertainties Reserve Transfer	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Fund Balance	<u>\$ 8,083,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Surplus/(Deficit)	<u>\$ -</u>	<u>\$ (9,648,283)</u>	<u>\$ (10,780,507)</u>	<u>\$ (6,834,058)</u>	<u>\$ (4,121,633)</u>	<u>\$ (2,661,083)</u>

**City of Ontario
General Fund Revenue Budget
Fiscal Year 2019-20
Mid-Year Budget Update**

	FY 2019-20 Adopted Budget	First Quarter Adjustments	Recommended Mid-Year Adjustments	FY 2019-20 Revised Budget	Actuals as of 12/31/2019	Percent of Budget Received
Sales Tax	\$ 96,155,000			\$ 96,155,000	\$ 25,703,665	27%
Property Tax	65,325,000			65,325,000	19,808,680	30%
Transient Occupancy Tax	15,500,000			15,500,000	5,645,711	36%
Business License Tax	8,211,000			8,211,000	805,156	10%
Parking Tax	3,350,000			3,350,000	1,253,976	37%
Other Taxes	4,078,000			4,078,000	196,973	5%
Licenses & Permits	3,675,000			3,675,000	3,553,302	97%
Intergovernmental	222,200			222,200	204,543	92%
Charges for Services	31,075,615	263,955		31,339,570	12,861,457	41%
Use of Money & Property	2,864,185			2,864,185	1,264,290	44%
Fines & Forfeitures	928,800			928,800	371,816	40%
Miscellaneous	5,169,859	643,410	50,000	5,863,269	2,034,772	35%
Transfers-In	36,683,335	21,350,277		58,033,612	41,741,939	72%
Total Revenues & Transfers-In	\$ 273,237,994	\$ 22,257,642	\$ 50,000	\$ 295,545,636	\$ 115,446,280	39%

**City of Ontario
General Fund Budget by Category
Fiscal Year 2019-20
Mid-Year Budget Update**

	FY 2019-20 Adopted Budget	First Quarter Adjustments	Recommended Mid-Year Budget Update Adjustments	FY 2019-20 Revised Budget	Actuals as of 12/31/2019	Percent of Budget Received
Personnel Costs	\$ 185,385,140	\$ 238,242	\$ 262,700	\$ 185,886,082	\$ 87,285,279	47%
Operating Expenditures	28,992,598	1,031,205	205,000	30,228,803	10,457,543	35%
Contractual Services	11,930,984	2,770,917	95,000	14,796,901	5,683,678	38%
Internal Service Allocations	22,591,566	-	-	22,591,566	11,270,777	50%
Reimbursement Agreements	7,427,000	1,968,168	50,000	9,445,168	163,730	2%
Capital Outlay	5,230,000	1,402,025	-	6,632,025	125,836	2%
Transfers-Out	13,858,182	190,200	-	14,048,382	13,857,380	99%
Total General Fund	\$ 275,415,470	\$ 7,600,757	\$ 612,700	\$ 283,628,927	\$ 128,844,223	45%

**City of Ontario
General Fund Budget by Agency
Fiscal Year 2019-20
Mid-Year Budget Update**

	FY 2019-20 Adopted Budget	First Quarter Adjustments	Recommended Mid-Year Budget Update Adjustments	FY 2019-20 Revised Budget	Actuals as of 12/31/2019	Percent of Budget Received
Community Life & Culture	\$ 12,498,050	\$ 443,543	\$ 66,342	\$ 13,007,935	\$ 5,908,201	45%
Development	18,247,610	1,290,570	50,000	19,588,180	7,575,620	39%
Economic Development	13,166,096	2,449,657	-	15,615,753	2,670,970	17%
Elected Officials	614,688	-	-	614,688	250,852	41%
Financial Services	13,835,483	477,469	53,302	14,366,254	4,921,172	34%
Fire Department	65,960,208	339,046	-	66,299,254	31,003,954	47%
Housing & Neighborhood Preservation	5,369,355	424,833	75,000	5,869,188	2,668,468	45%
Human Resources	3,349,765	225,762	80,612	3,656,139	1,655,175	45%
Management Services	4,798,973	360,761	122,444	5,282,178	2,042,181	39%
Police Department	102,378,675	1,234,815	35,000	103,648,490	46,773,862	45%
Public Works	21,338,385	164,101	130,000	21,632,486	9,516,388	44%
Transfers-Out	13,858,182	190,200	-	14,048,382	13,857,380	99%
Total General Fund	\$ 275,415,470	\$ 7,600,757	\$ 612,700	\$ 283,628,927	\$ 128,844,223	45%

City of Ontario
Detail of Recommended Budget Adjustments by Fund
Fiscal Year 2019-20
Mid-Year Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 001 - General Fund					
Additional maintenance services for Citywide vandalized/knockdown streetlight poles	130,000				(130,000)
Professional services for Continuum of Care Services	75,000				(75,000)
Equipment for concerts at Celebration Park	60,000				(60,000)
Roadway rights-of-way agreement (pass-thru)	50,000	50,000			-
Additional security services at Lewis Branch Library	35,000				(35,000)
Additional Part-Time Salaries/Human Resources	31,761				(31,761)
Recommended Personnel Changes	230,939				(230,939)
GENERAL FUND TOTAL	612,700	50,000	-	-	(562,700)
Fund 007 - Park Impact/Quimby					
Prepayment revenue for Ontario Great Park Development Impact Fee		9,729,408			9,729,408
Professional services for Ontario Great Park Master Plan (CC Apprvd 11/19/2019)	402,500				(402,500)
Great Park land purchase contractual costs	100,000				(100,000)
	<u>502,500</u>	<u>9,729,408</u>	-	-	<u>9,226,908</u>
Fund 008 - Community Development Block Grants					
Community Development Block Grants various projects/Revise budget	(31,223)	(31,223)			-
	<u>(31,223)</u>	<u>(31,223)</u>	-	-	-
Fund 010 - Asset Seizure					
Professional services for Police Headquarters Master Plan/Revise budget	152,650				(152,650)
	<u>152,650</u>	-	-	-	<u>(152,650)</u>
Fund 015 - General Fund Grants					
COPS/ELEAS FY 19-20 (CC Apprvd 12/3/2019)	270,171	270,171			-
California Library Shared Vision/Bringing the Library to You Grant	62,430	62,430			-
Homeland Security Grant Program FY 2020 (Portable X-ray equipment)	28,766	28,766			-
Every 15 Minutes Grant (CC Apprvd 12/17/2019)	8,500	8,500			-
Carryforward Grant Appropriations from FY 2018-19/Revise budget	(10,903)	(10,903)			-
	<u>358,964</u>	<u>358,964</u>	-	-	-
Fund 119 - NMC Public Services					
Public Services Development Impact Fee Refunds	473,013				(473,013)
	<u>473,013</u>	-	-	-	<u>(473,013)</u>
SPECIAL REVENUE FUNDS TOTAL	1,455,904	10,057,149	-	-	8,601,245

City of Ontario
Detail of Recommended Budget Adjustments by Fund
Fiscal Year 2019-20
Mid-Year Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 173 - OMC Local Adjacent Storm Drains					
Carryforward CIP Appropriations from FY 2018-19/Revise budget	(11,000)				11,000
	(11,000)	-	-	-	11,000
Fund 182 - Regional Storm Drains					
Regional Storm Drains Development Impact Fee Refunds	605,000				(605,000)
	605,000	-	-	-	(605,000)
Fund 184 - NMC Regional Water					
Wellhead Treatment Facilities project	3,069,000				(3,069,000)
	3,069,000	-	-	-	(3,069,000)
CAPITAL PROJECTS FUND TOTAL	3,663,000	-	-	-	(3,663,000)
Fund 024 - Water Operating					
Recommended personnel changes	8,290				(8,290)
	8,290	-	-	-	(8,290)
Fund 025 - Water Capital					
Wellhead Treatment Facilities project	6,231,000				(6,231,000)
Recycled water improvement/Additional funding ref: Creekside community	500,000				(500,000)
	6,731,000	-	-	-	(6,731,000)
Fund 026 - Sewer Operating					
Recommended personnel changes	2,369				(2,369)
	2,369	-	-	-	(2,369)
Fund 027 - Sewer Capital					
Carryforward CIP Appropriations from FY 2018-19/Revise budget	(12,376)				12,376
	(12,376)	-	-	-	12,376
Fund 029 - Integrated Waste					
Recommended personnel changes	13,029				(13,029)
Carryforward CIP Appropriations from FY 2018-19/Revise budget	(37,264)				37,264
	(24,235)	-	-	-	24,235
ENTERPRISE FUNDS TOTAL	6,705,048	-	-	-	(6,705,048)

City of Ontario
Detail of Recommended Budget Adjustments by Fund
Fiscal Year 2019-20
Mid-Year Budget Update

Description	Appropriation Adjustments	Revenue Adjustments	Operating Transfers-In	Operating Transfers-Out	Fund Balance Impact
Fund 032 - Equipment Services					
Recommended personnel changes	1,849				(1,849)
	<u>1,849</u>	-	-	-	<u>(1,849)</u>
Fund 033 - Self Insurance					
Recommended personnel changes	48,847				(48,847)
Additional Part-Time Salaries	7,525				(7,525)
	<u>56,372</u>	-	-	-	<u>(56,372)</u>
INTERNAL SERVICES FUND TOTAL	58,221	-	-	-	(58,221)
TOTAL CITY FUNDS BUDGET ADJUSTMENTS	12,494,873	10,107,149	-	-	(2,387,724)
AGENCY FUNDS (OHA)					
Fund 048 - Ontario Housing Authority					
Community Benefit District for Downtown Ontario OHA-owned properties	27,300	27,300			-
	<u>27,300</u>	<u>27,300</u>	-	-	<u>-</u>
Agency Funds Total	27,300	27,300	-	-	-
TOTAL ALL FUNDS BUDGET ADJUSTMENTS	12,522,173	10,134,449	-	-	(2,387,724)

City of Ontario
 Recommended Personnel and Organizational Changes
 Fiscal Year 2019-20
 Mid-Year Budget Update

Agency	Proposed Change	Position	Action	Salary Range
Community Life & Culture	(1)	Library Clerk	Deletion	\$ 3,009 - \$ 3,656
	1	Senior Library Assistant	Addition	\$ 4,155 - \$ 5,103
	(1)	Office Specialist	Deletion	\$ 3,635 - \$ 4,418
	1	Assistant Curator	Addition	\$ 4,094 - \$ 4,978
	(1)	Supervising Librarian	Deletion	\$ 6,358 - \$ 7,807
	1	Senior Management Analyst	Addition	\$ 7,197 - \$ 8,746
	-			
Financial Services	(1)	Accounts Payable Technician	Deletion	\$ 4,619 - \$ 5,614
	1	Senior Accounts Payable Technician	Addition	\$ 4,872 - \$ 5,923
	(1)	Revenue Services Director	Deletion	\$10,804 - \$ 13,130
	1	Utilities Customer Services Director	Addition	\$10,478 - \$ 12,733
	1	Purchasing Manager	Addition	\$ 8,055 - \$ 9,790
		Revenue Services Specialist to Business License Specialist	Title Change	
		Revenue Services Specialist to Utilities Customer Services Specialist	Title Change	
		Revenue Services Supervisor to Business License Supervisor	Title Change	
		Revenue Services Supervisor to Utilities Customer Services Supervisor	Title Change	
		1		
Human Resources	1	Assistant Human Resources Director	Addition	\$11,835 - \$ 14,386
	1	Human Resources Analyst	Addition	\$ 6,401 - \$ 7,777
	2			

City of Ontario
Recommended Personnel and Organizational Changes
Fiscal Year 2019-20
Mid-Year Budget Update

Agency	Proposed Change	Position	Action	Salary Range	
Management Services	1	Chief Innovation Officer (CC Apprvd 8/20/2019)	Addition	\$14,638 - \$ 19,613	
		Community Information Specialist to	Title Change		
		Senior Community Information Specialist			
		Community Outreach Coordinator to	Title Change		
		Community Information Specialist			
	<u>1</u>				
Public Works	(1)	Fire Equipment Mechanic	Deletion	\$ 4,872 - \$ 5,923	
	1	Senior Fire Equipment Mechanic	Addition	\$ 5,384 - \$ 6,543	
	-				
Total Additions/(Deletions)	<u>4</u>				
	<u>Impact by Fund</u>		<u>Current</u>	<u>Annual</u>	
			<u>(4 months)</u>	<u>Net FTE</u>	
				<u>Change</u>	
	Fund 001	General Fund	\$ 230,939	\$ 692,817	2.84
	Fund 024	Water Operating	8,290	24,870	0.17
	Fund 026	Sewer Operating	2,369	7,107	0.05
	Fund 029	Integrated Waste	13,029	39,087	0.28
	Fund 032	Equipment Services	1,849	5,547	-
	Fund 033	Self Insurance	48,847	146,540	0.66
	Total		<u>\$ 305,323</u>	<u>\$ 915,968</u>	<u>4.00</u>

CITY OF ONTARIO
Salary Grade Report

Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Accountant	07/07/2019	CON	\$31.79	\$38.64	Step 1	\$31.79
					Step 2	\$33.38
					Step 3	\$35.06
					Step 4	\$36.82
					Step 5	\$38.64
Accounting Manager	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
Accounting Technician	07/07/2019	CON	\$26.65	\$32.39	Step 1	\$26.65
					Step 2	\$27.98
					Step 3	\$29.38
					Step 4	\$30.85
					Step 5	\$32.39
Accounts Payable Technician	07/07/2019	CON	\$26.65	\$32.39	Step 1	\$26.65
					Step 2	\$27.98
					Step 3	\$29.38
					Step 4	\$30.85
					Step 5	\$32.39
Administrative Assistant	07/07/2019	CON	\$25.35	\$30.81	Step 1	\$25.35
					Step 2	\$26.62
					Step 3	\$27.94
					Step 4	\$29.34
					Step 5	\$30.81
Administrative Assistant to the City Council	07/07/2019	CON	\$35.77	\$43.45	Step 1	\$35.77
					Step 2	\$37.56
					Step 3	\$39.43
					Step 4	\$41.40
					Step 5	\$43.45
Administrative Assistant to the City Manager	07/07/2019	CON	\$35.77	\$43.45	Step 1	\$35.77
					Step 2	\$37.56
					Step 3	\$39.43
					Step 4	\$41.40
					Step 5	\$43.45
Administrative Intern	12/22/2019	PT	\$14.02	\$17.03	Step 1	\$0.01
					Step 2	\$0.01
					Step 3	\$0.01
					Step 4	\$0.01
					Step 5	\$0.01
					Step 6	\$14.02
					Step 7	\$14.71
					Step 8	\$15.45
					Step 9	\$16.23
					Step 10	\$17.03
Administrative Officer	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30

CITY OF ONTARIO
Salary Grade Report

Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Administrative Specialist	07/07/2019	TMTR	\$27.45	\$33.36	Step 1	\$27.45
					Step 2	\$28.81
					Step 3	\$30.26
					Step 4	\$31.77
					Step 5	\$33.36
Administrative Specialist - Confidential	07/07/2019	CON	\$27.45	\$33.36	Step 1	\$27.45
					Step 2	\$28.81
					Step 3	\$30.26
					Step 4	\$31.77
					Step 5	\$33.36
Administrative Technician	07/07/2019	TMTR	\$23.62	\$28.72	Step 1	\$23.62
					Step 2	\$24.83
					Step 3	\$26.05
					Step 4	\$27.35
					Step 5	\$28.72
Asset Forfeiture Fiscal Coordinator	07/07/2019	TMTR	\$35.40	\$43.01	Step 1	\$35.40
					Step 2	\$37.14
					Step 3	\$39.01
					Step 4	\$40.96
					Step 5	\$43.01
Assistant Building Official	07/07/2019	AOME	\$60.45	\$73.46	Step 1	\$60.45
					Step 2	\$63.47
					Step 3	\$66.64
					Step 4	\$69.97
					Step 5	\$73.46
Assistant City Clerk / Records Management Director	07/07/2019	DH	\$60.45	\$73.46		
Assistant City Engineer	07/07/2019	AOME	\$70.01	\$85.09	Step 1	\$70.01
					Step 2	\$73.51
					Step 3	\$77.19
					Step 4	\$81.05
					Step 5	\$85.09
Assistant City Manager	07/07/2019	EX	\$84.45	\$113.15		
Assistant Curator	07/07/2019	TMTR	\$23.62	\$28.72	Step 1	\$23.62
					Step 2	\$24.83
					Step 3	\$26.05
					Step 4	\$27.35
					Step 5	\$28.72
Assistant Director of Housing & Neighborhood Preservation	07/07/2019	DH	\$66.13	\$80.39		
Assistant Engineer	07/07/2019	TMTR	\$42.23	\$51.34	Step 1	\$42.23
					Step 2	\$44.36
					Step 3	\$46.57
					Step 4	\$48.91
					Step 5	\$51.34
Assistant Library Director	07/07/2019	AOME	\$45.88	\$55.77	Step 1	\$45.88
					Step 2	\$48.19
					Step 3	\$50.57
					Step 4	\$53.11
					Step 5	\$55.77

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Assistant Parks and Maintenance Director	07/07/2019	AOME	\$50.97	\$61.96	Step 1	\$50.97
					Step 2	\$53.51
					Step 3	\$56.19
					Step 4	\$58.99
					Step 5	\$61.96
Assistant Planner	07/07/2019	TMTR	\$33.09	\$40.23	Step 1	\$33.09
					Step 2	\$34.75
					Step 3	\$36.50
					Step 4	\$38.32
					Step 5	\$40.23
Assistant Planning Director	07/07/2019	AOME	\$66.13	\$80.39	Step 1	\$66.13
					Step 2	\$69.45
					Step 3	\$72.92
					Step 4	\$76.55
					Step 5	\$80.39
Assistant Recreation/Community Services Director	07/07/2019	AOME	\$50.97	\$61.96	Step 1	\$50.97
					Step 2	\$53.51
					Step 3	\$56.19
					Step 4	\$58.99
					Step 5	\$61.96
Associate Civil Engineer	07/07/2019	TMTR	\$46.47	\$56.48	Step 1	\$46.47
					Step 2	\$48.78
					Step 3	\$51.23
					Step 4	\$53.79
					Step 5	\$56.48
Associate Engineer	07/07/2019	TMTR	\$46.47	\$56.48	Step 1	\$46.47
					Step 2	\$48.78
					Step 3	\$51.23
					Step 4	\$53.79
					Step 5	\$56.48
Associate Landscape Planner	07/07/2019	TMTR	\$37.40	\$45.47	Step 1	\$37.40
					Step 2	\$39.28
					Step 3	\$41.25
					Step 4	\$43.31
					Step 5	\$45.47
Associate Planner	07/07/2019	TMTR	\$40.60	\$49.33	Step 1	\$40.60
					Step 2	\$42.62
					Step 3	\$44.75
					Step 4	\$46.98
					Step 5	\$49.33
Broadband Operations Director	07/07/2019	DH	\$62.33	\$75.75		
Broadband Operations Manager	07/07/2019	AOME	\$57.59	\$69.99	Step 1	\$57.59
					Step 2	\$60.47
					Step 3	\$63.49
					Step 4	\$66.66
					Step 5	\$69.99
Budget Manager	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Building Inspection Manager	07/07/2019	AOME	\$53.48	\$65.01	Step 1	\$53.48
					Step 2	\$56.16
					Step 3	\$58.96
					Step 4	\$61.91
					Step 5	\$65.01
Building Inspector	07/07/2019	TMTR	\$29.73	\$36.14	Step 1	\$31.21
					Step 2	\$32.77
					Step 3	\$34.42
					Step 4	\$36.14
					Step 5	\$37.95
Building Official	07/07/2019	DH	\$71.59	\$87.02		
Building Plans Examiner	07/07/2019	TMTR	\$42.89	\$52.13	Step 1	\$42.89
					Step 2	\$45.04
					Step 3	\$47.28
					Step 4	\$49.66
					Step 5	\$52.13
Building Plans Specialist	07/07/2019	TMTR	\$32.83	\$39.90	Step 1	\$32.83
					Step 2	\$34.47
					Step 3	\$36.20
					Step 4	\$38.01
					Step 5	\$39.90
Business Operations Director	07/07/2019	DH	\$60.45	\$73.46		
Central Services Specialist	07/07/2019	TMTR	\$20.98	\$25.49	Step 1	\$20.98
					Step 2	\$22.03
					Step 3	\$23.12
					Step 4	\$24.27
					Step 5	\$25.49
Chief Innovation Officer	08/18/2019	EX	\$84.45	\$113.15		
City Clerk - Elected	05/26/2019	EL	\$6.54	\$6.54		
City Engineer	07/07/2019	DH	\$82.26	\$99.98		
City Manager	07/07/2019	EX	\$158.13	\$170.86		
City Prosecutor	07/07/2019	DH	\$65.44	\$79.53		
City Treasurer	09/01/2016	ELE	\$6.54	\$6.54		
Combination Building Inspector	07/07/2019	TMTR	\$34.46	\$41.88	Step 1	\$34.46
					Step 2	\$36.19
					Step 3	\$38.00
					Step 4	\$39.89
					Step 5	\$41.88
Communications and Community Relations Director	07/07/2019	DH	\$62.33	\$75.75		
Community Improvement Director	07/07/2019	DH	\$62.33	\$75.75		
Community Improvement Manager	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
Community Improvement Officer	07/07/2019	TMTR	\$29.13	\$35.42	Step 1	\$29.13
					Step 2	\$30.59
					Step 3	\$32.12
					Step 4	\$33.73
					Step 5	\$35.42

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Community Improvement Supervisor	07/07/2019	AOME	\$38.47	\$46.76	Step 1	\$38.47
					Step 2	\$40.38
					Step 3	\$42.40
					Step 4	\$44.52
					Step 5	\$46.76
Community Information Specialist	07/07/2019	SCN	\$34.17	\$41.51	Step 1	\$34.17
					Step 2	\$35.87
					Step 3	\$37.67
					Step 4	\$39.55
					Step 5	\$41.51
Community Life and Culture Officer	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
Community Outreach Specialist	06/26/2019	CON	\$27.45	\$33.36	Step 1	\$27.45
					Step 2	\$28.81
					Step 3	\$30.26
					Step 4	\$31.77
					Step 5	\$33.36
Community Relations and Communications Manager	07/07/2019	AOME	\$54.36	\$66.07	Step 1	\$54.36
					Step 2	\$57.08
					Step 3	\$59.92
					Step 4	\$62.91
					Step 5	\$66.07
Community Service Officer	07/07/2019	TMTR	\$22.82	\$27.73	Step 1	\$22.82
					Step 2	\$23.95
					Step 3	\$25.15
					Step 4	\$26.41
					Step 5	\$27.73
Council Member	12/18/2018	EL	\$10.87	\$10.87		
Crime Analysis Supervisor	07/07/2019	AOME	\$41.72	\$50.71	Step 1	\$41.72
					Step 2	\$43.80
					Step 3	\$46.00
					Step 4	\$48.29
					Step 5	\$50.71
Crime Analyst	07/07/2019	TMTR	\$33.49	\$40.71	Step 1	\$33.49
					Step 2	\$35.17
					Step 3	\$36.93
					Step 4	\$38.77
					Step 5	\$40.71
Crime Prevention Specialist	07/07/2019	TMTR	\$25.99	\$31.58	Step 1	\$25.99
					Step 2	\$27.28
					Step 3	\$28.64
					Step 4	\$30.08
					Step 5	\$31.58
Cross-Connection Control Specialist	07/07/2019	TMTR	\$34.54	\$41.98	Step 1	\$34.54
					Step 2	\$36.26
					Step 3	\$38.07
					Step 4	\$39.99
					Step 5	\$41.98

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Custodial Services Supervisor	07/07/2019	TMTR	\$28.20	\$34.26	Step 1	\$28.20
					Step 2	\$29.60
					Step 3	\$31.07
					Step 4	\$32.63
					Step 5	\$34.26
Custodian	07/07/2019	AFSCME	\$17.97	\$21.84	Step 1	\$17.97
					Step 2	\$18.87
					Step 3	\$19.82
					Step 4	\$20.80
					Step 5	\$21.84
Customer Services Representative	07/07/2019	TMTR	\$20.97	\$25.49	Step 1	\$20.97
					Step 2	\$22.03
					Step 3	\$23.12
					Step 4	\$24.27
					Step 5	\$25.49
Database Administrator	07/07/2019	CON	\$49.09	\$59.68	Step 1	\$49.09
					Step 2	\$51.56
					Step 3	\$54.14
					Step 4	\$56.85
					Step 5	\$59.68
Departmental Administrator	07/07/2019	DH	\$60.45	\$73.46		
Deputy City Manager (DH)	11/24/2019	DH	\$65.03	\$79.04		
Deputy City Manager (EXEC)	11/24/2019	EX	\$75.27	\$100.84		
Deputy Fire Chief - 40 hr	01/05/2020	FMG	\$84.54	\$102.75	Step 1	\$84.54
					Step 2	\$88.77
					Step 3	\$93.20
					Step 4	\$97.85
					Step 5	\$102.75
Deputy Fire Chief - 53 hr	01/05/2020	FMG	\$63.80	\$77.55	Step 1	\$63.80
					Step 2	\$66.99
					Step 3	\$70.34
					Step 4	\$73.84
					Step 5	\$77.55
Deputy Fire Marshal	07/07/2019	AOME	\$48.38	\$58.82	Step 1	\$48.38
					Step 2	\$50.81
					Step 3	\$53.35
					Step 4	\$56.02
					Step 5	\$58.82
Deputy Police Chief	01/05/2020	DH	\$83.74	\$112.20		
Design and Construction Director	07/07/2019	DH	\$62.33	\$75.75		
Development Manager	07/07/2019	AOME	\$58.96	\$71.65	Step 1	\$58.96
					Step 2	\$61.91
					Step 3	\$65.01
					Step 4	\$68.24
					Step 5	\$71.65
Economic Development Coordinator	07/07/2019	AOME	\$41.52	\$50.46	Step 1	\$41.52
					Step 2	\$43.60
					Step 3	\$45.78
					Step 4	\$48.06
					Step 5	\$50.46

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Economic Development Manager	07/07/2019	AOME	\$54.36	\$66.07	Step 1	\$54.36
					Step 2	\$57.08
					Step 3	\$59.92
					Step 4	\$62.91
					Step 5	\$66.07
Economic Development Specialist	07/07/2019	CON	\$30.96	\$37.64	Step 1	\$30.96
					Step 2	\$32.51
					Step 3	\$34.13
					Step 4	\$35.84
					Step 5	\$37.64
Emergency Manager	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
EMS/Nurse Administrator	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
Engineering Aide	07/07/2019	TMTR	\$31.24	\$37.98	Step 1	\$31.24
					Step 2	\$32.81
					Step 3	\$34.44
					Step 4	\$36.17
					Step 5	\$37.98
Engineering Assistant	07/07/2019	TMTR	\$35.21	\$42.78	Step 1	\$35.21
					Step 2	\$36.97
					Step 3	\$38.82
					Step 4	\$40.75
					Step 5	\$42.78
Engineering Assistant/GIS	07/07/2019	TMTR	\$35.21	\$42.78	Step 1	\$35.21
					Step 2	\$36.97
					Step 3	\$38.82
					Step 4	\$40.75
					Step 5	\$42.78
Environmental Programs Manager	07/07/2019	AOME	\$44.34	\$53.87	Step 1	\$44.34
					Step 2	\$46.55
					Step 3	\$48.88
					Step 4	\$51.31
					Step 5	\$53.87
Environmental Technician	07/07/2019	TMTR	\$25.64	\$31.15	Step 1	\$25.64
					Step 2	\$26.92
					Step 3	\$28.26
					Step 4	\$29.68
					Step 5	\$31.15
Environmental Water/Wastewater Engineer	07/07/2019	AOME	\$46.42	\$56.41	Step 1	\$46.42
					Step 2	\$48.72
					Step 3	\$51.17
					Step 4	\$53.72
					Step 5	\$56.41

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Equipment Mechanic	07/07/2019	AFSCME	\$25.45	\$30.94	Step 1	\$25.45
					Step 2	\$26.73
					Step 3	\$28.07
					Step 4	\$29.46
					Step 5	\$30.94
Equipment Service Technician	07/07/2019	AFSCME	\$23.05	\$28.00	Step 1	\$23.05
					Step 2	\$24.19
					Step 3	\$25.39
					Step 4	\$26.67
					Step 5	\$28.00
Evidence Technician	07/07/2019	TMTR	\$25.34	\$30.81	Step 1	\$25.34
					Step 2	\$26.62
					Step 3	\$27.94
					Step 4	\$29.34
					Step 5	\$30.81
Executive Assistant to the City Manager	07/07/2019	SCN	\$53.04	\$64.46	Step 1	\$53.04
					Step 2	\$55.70
					Step 3	\$58.48
					Step 4	\$61.40
					Step 5	\$64.46
Executive Director Community Life and Culture	07/07/2019	EX	\$75.27	\$100.84		
Executive Director Development	07/07/2019	EX	\$84.45	\$113.15		
Executive Director Economic Development	07/07/2019	EX	\$75.27	\$100.84		
Executive Director Housing & Neighborhood Preservation	07/07/2019	EX	\$75.27	\$100.84		
Executive Director Human Resources	07/07/2019	EX	\$75.27	\$100.84		
Executive Director Information Technology	07/07/2019	EX	\$75.27	\$100.84		
Executive Director of Finance	07/07/2019	EX	\$84.45	\$113.15		
Executive Director Public Works	07/07/2019	EX	\$75.27	\$100.84		
Facilities Maintenance Supervisor	07/07/2019	TMTR	\$32.83	\$39.90	Step 1	\$32.83
					Step 2	\$34.47
					Step 3	\$36.20
					Step 4	\$38.00
					Step 5	\$39.90
Facilities Maintenance Technician	07/07/2019	AFSCME	\$23.96	\$29.13	Step 1	\$23.96
					Step 2	\$25.19
					Step 3	\$26.42
					Step 4	\$27.75
					Step 5	\$29.13
Fiber Field Technician	07/07/2019	AFSCME	\$31.95	\$38.82	Step 1	\$31.95
					Step 2	\$33.54
					Step 3	\$35.20
					Step 4	\$36.97
					Step 5	\$38.82
Financial Analyst	07/07/2019	CON	\$41.94	\$50.96	Step 1	\$41.94
					Step 2	\$44.03
					Step 3	\$46.23
					Step 4	\$48.55
					Step 5	\$50.96
Fire Administrative Director	07/07/2019	DH	\$60.45	\$73.46		

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Fire Battalion Chief - 40 hr	01/05/2020	FMG	\$69.57	\$84.54	Step 1	\$69.57
					Step 2	\$73.04
					Step 3	\$76.69
					Step 4	\$80.52
					Step 5	\$84.54
Fire Battalion Chief - 53 hr	01/05/2020	FMG	\$52.50	\$63.81	Step 1	\$52.50
					Step 2	\$55.13
					Step 3	\$57.88
					Step 4	\$60.77
					Step 5	\$63.81
Fire Captain - 40 hr	01/05/2020	FFA	\$53.67	\$65.23	Step 1	\$53.67
					Step 2	\$56.36
					Step 3	\$59.17
					Step 4	\$62.13
					Step 5	\$65.23
Fire Captain - 53 hr	01/05/2020	FFA	\$40.50	\$49.24	Step 1	\$40.50
					Step 2	\$42.54
					Step 3	\$44.66
					Step 4	\$46.90
					Step 5	\$49.24
Fire Chief	01/05/2020	EX	\$116.24	\$151.43		
Fire Communications Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27
Fire Dispatcher	07/07/2019	TMTR	\$25.08	\$30.80	Step 1	\$25.08
					Step 2	\$26.40
					Step 3	\$27.79
					Step 4	\$29.25
					Step 5	\$30.80
Fire Dispatcher Trainee	07/07/2019	TMTR	\$22.77	\$27.94	Step 1	\$22.77
					Step 2	\$23.95
					Step 3	\$25.23
					Step 4	\$26.55
					Step 5	\$27.94
Fire Dispatch Supervisor	07/07/2019	TMTR	\$38.94	\$47.31	Step 1	\$38.94
					Step 2	\$40.85
					Step 3	\$42.91
					Step 4	\$45.06
					Step 5	\$47.31
Fire Engineer - 53 hr	01/05/2020	FFA	\$34.26	\$41.64	Step 1	\$34.26
					Step 2	\$35.99
					Step 3	\$37.78
					Step 4	\$39.66
					Step 5	\$41.64
Fire Equipment Mechanic	07/07/2019	AFSCME	\$28.11	\$34.17	Step 1	\$28.11
					Step 2	\$29.51
					Step 3	\$31.00
					Step 4	\$32.55
					Step 5	\$34.17

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Firefighter - 40 hr	01/05/2020	FFA	\$38.11	\$46.30	Step 1	\$38.11
					Step 2	\$40.00
					Step 3	\$42.00
					Step 4	\$44.10
					Step 5	\$46.30
Firefighter - 53 hr	01/05/2020	FFA	\$28.76	\$34.96	Step 1	\$28.76
					Step 2	\$30.20
					Step 3	\$31.70
					Step 4	\$33.29
					Step 5	\$34.96
Fire Investigation Supervisor - 40 hr	01/05/2020	FFA	\$53.67	\$65.23	Step 1	\$53.67
					Step 2	\$56.36
					Step 3	\$59.17
					Step 4	\$62.13
					Step 5	\$65.23
Fire Investigation Supervisor - 53 hr	01/05/2020	FFA	\$40.50	\$49.24	Step 1	\$40.50
					Step 2	\$42.54
					Step 3	\$44.66
					Step 4	\$46.90
					Step 5	\$49.24
Fire Prevention Inspector	01/06/2019	FFA	\$43.22	\$52.55	Step 1	\$43.22
					Step 2	\$45.39
					Step 3	\$47.66
					Step 4	\$50.04
					Step 5	\$52.55
Fire Protection Analyst	07/07/2019	AOME	\$46.47	\$56.48	Step 1	\$46.47
					Step 2	\$48.78
					Step 3	\$51.23
					Step 4	\$53.79
					Step 5	\$56.48
Fire Safety Specialist	07/07/2019	TMTR	\$32.83	\$39.90	Step 1	\$32.83
					Step 2	\$34.47
					Step 3	\$36.20
					Step 4	\$38.01
					Step 5	\$39.90
Fire Safety Technician	06/26/2019	TMTR	\$27.45	\$33.36	Step 1	\$27.45
					Step 2	\$28.81
					Step 3	\$30.26
					Step 4	\$31.77
					Step 5	\$33.36
Fiscal Services Director	07/07/2019	DH	\$62.33	\$75.75		
Fleet Services Coordinator	07/07/2019	TMTR	\$28.11	\$34.17	Step 1	\$28.11
					Step 2	\$29.51
					Step 3	\$31.00
					Step 4	\$32.55
					Step 5	\$34.17
Fleet Services Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27

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Salary Grade Report

Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Fleet Services Supervisor	07/07/2019	TMTR	\$34.52	\$41.97	Step 1	\$34.52
					Step 2	\$36.26
					Step 3	\$38.07
					Step 4	\$39.98
					Step 5	\$41.97
Forensic Field Supervisor	12/19/2019	TMTR	\$38.94	\$47.31	Step 1	\$38.94
					Step 2	\$40.85
					Step 3	\$42.91
					Step 4	\$45.06
					Step 5	\$47.31
Forensics Manager	12/19/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
Forensic Specialist	07/07/2019	TMTR	\$29.35	\$36.02	Step 1	\$29.35
					Step 2	\$30.90
					Step 3	\$32.52
					Step 4	\$34.23
					Step 5	\$36.02
Forensic Specialist Trainee	07/07/2019	TMTR	\$27.45	\$33.36	Step 1	\$27.45
					Step 2	\$28.81
					Step 3	\$30.26
					Step 4	\$31.77
					Step 5	\$33.36
Forensic Supervisor	07/07/2019	TMTR	\$37.49	\$45.58	Step 1	\$37.49
					Step 2	\$39.38
					Step 3	\$41.35
					Step 4	\$43.41
					Step 5	\$45.58
General Services Director	07/07/2019	DH	\$62.33	\$75.75		
GIS Analyst	07/07/2019	TMTR	\$34.17	\$41.52	Step 1	\$34.17
					Step 2	\$35.88
					Step 3	\$37.67
					Step 4	\$39.55
					Step 5	\$41.52
GIS Specialist	07/07/2019	TMTR	\$29.27	\$35.58	Step 1	\$29.27
					Step 2	\$30.73
					Step 3	\$32.27
					Step 4	\$33.88
					Step 5	\$35.58
Government Affairs Director	07/07/2019	AOME	\$54.36	\$66.07	Step 1	\$54.36
					Step 2	\$57.08
					Step 3	\$59.92
					Step 4	\$62.91
					Step 5	\$66.07
Graphic and Marketing Specialist	07/07/2019	TMTR	\$27.45	\$33.36	Step 1	\$27.45
					Step 2	\$28.81
					Step 3	\$30.26
					Step 4	\$31.77
					Step 5	\$33.36

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Helicopter Mechanic	07/07/2019	AFSCME	\$38.82	\$47.18	Step 1	\$38.82
					Step 2	\$40.75
					Step 3	\$42.78
					Step 4	\$44.93
					Step 5	\$47.18
Housing Director	07/07/2019	DH	\$60.45	\$73.46		
Housing Manager	07/07/2019	AOME	\$54.36	\$66.07	Step 1	\$54.36
					Step 2	\$57.08
					Step 3	\$59.92
					Step 4	\$62.91
					Step 5	\$66.07
Human Resources Analyst	07/07/2019	SCN	\$36.93	\$44.87	Step 1	\$36.93
					Step 2	\$38.77
					Step 3	\$40.71
					Step 4	\$42.73
					Step 5	\$44.87
Human Resources Analyst Trainee	07/07/2019	CON	\$30.89	\$37.56	Step 1	\$30.89
					Step 2	\$32.44
					Step 3	\$34.06
					Step 4	\$35.78
					Step 5	\$37.56
Human Resources Technician	07/07/2019	CON	\$29.43	\$35.78	Step 1	\$29.43
					Step 2	\$30.89
					Step 3	\$32.44
					Step 4	\$34.06
					Step 5	\$35.78
Integrated Waste Supervisor	08/04/2019	TMTR	\$32.83	\$39.90	Step 1	\$32.83
					Step 2	\$34.47
					Step 3	\$36.20
					Step 4	\$38.00
					Step 5	\$39.90
Instructor / Guard	12/22/2019	PT	\$13.82	\$15.23	Step 1	\$0.01
					Step 2	\$0.01
					Step 3	\$13.82
					Step 4	\$14.51
					Step 5	\$15.23
Integrated Waste Assistant Division Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27
Integrated Waste Collector	08/04/2019	AFSCME	\$20.45	\$24.86	Step 1	\$20.45
					Step 2	\$21.46
					Step 3	\$22.54
					Step 4	\$23.66
					Step 5	\$24.86
Integrated Waste Division Manager	07/07/2019	AOME	\$50.97	\$61.96	Step 1	\$50.97
					Step 2	\$53.51
					Step 3	\$56.19
					Step 4	\$58.99
					Step 5	\$61.96

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Integrated Waste Lead Collector	07/07/2019	AFSCME	\$26.49	\$32.18	Step 1	\$26.49
					Step 2	\$27.81
					Step 3	\$29.21
					Step 4	\$30.66
					Step 5	\$32.18
Integrated Waste Maintenance Worker	08/04/2019	AFSCME	\$19.65	\$23.87	Step 1	\$19.65
					Step 2	\$20.63
					Step 3	\$21.66
					Step 4	\$22.74
					Step 5	\$23.87
Integrated Waste Service Representative	08/04/2019	AFSCME	\$22.58	\$27.45	Step 1	\$22.58
					Step 3	\$23.28
					Step 2	\$23.73
					Step 4	\$26.14
					Step 5	\$27.45
Internal Auditor	07/07/2019	SCN	\$37.20	\$45.20	Step 1	\$37.20
					Step 2	\$39.06
					Step 3	\$41.00
					Step 4	\$43.05
					Step 5	\$45.20
Inventory Assistant	07/07/2019	AFSCME	\$17.60	\$21.38	Step 1	\$17.60
					Step 2	\$18.48
					Step 3	\$19.40
					Step 4	\$20.37
					Step 5	\$21.38
Investment Officer	12/08/2019	SCN	\$46.47	\$56.48	Step 1	\$46.47
					Step 2	\$48.78
					Step 3	\$51.23
					Step 4	\$53.79
					Step 5	\$56.48
Irrigation Conservation Specialist	07/07/2019	TMTR	\$28.20	\$34.26	Step 1	\$28.20
					Step 2	\$29.60
					Step 3	\$31.07
					Step 4	\$32.63
					Step 5	\$34.26
IT Applications Director	12/08/2019	DH	\$62.33	\$75.75		
IT Applications Manager	07/07/2019	AOME	\$57.59	\$69.99	Step 1	\$57.59
					Step 2	\$60.47
					Step 3	\$63.49
					Step 4	\$66.66
					Step 5	\$69.99
IT Operations Director	07/07/2019	DH	\$62.33	\$75.75		
IT Operations Manager	07/07/2019	AOME	\$57.59	\$69.99	Step 1	\$57.59
					Step 2	\$60.47
					Step 3	\$63.49
					Step 4	\$66.66
					Step 5	\$69.99
IT Specialist	07/07/2019	CON	\$30.96	\$37.64	Step 1	\$30.96
					Step 2	\$32.51
					Step 3	\$34.13
					Step 4	\$35.84
					Step 5	\$37.64

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
IT Systems Director	07/07/2019	DH	\$62.33	\$75.75		
IT Systems Manager	07/07/2019	AOME	\$57.59	\$69.99	Step 1	\$57.59
					Step 2	\$60.47
					Step 3	\$63.49
					Step 4	\$66.66
					Step 5	\$69.99
IT Technician	07/07/2019	CON	\$27.87	\$33.86	Step 1	\$27.87
					Step 2	\$29.26
					Step 3	\$30.71
					Step 4	\$32.25
					Step 5	\$33.86
Landscape Planner	07/07/2019	TMTR	\$33.09	\$40.23	Step 1	\$33.09
					Step 2	\$34.75
					Step 3	\$36.50
					Step 4	\$38.32
					Step 5	\$40.23
Lead Forensic Specialist	07/07/2019	TMTR	\$32.61	\$39.64	Step 1	\$32.61
					Step 2	\$34.24
					Step 3	\$35.95
					Step 4	\$37.74
					Step 5	\$39.64
Legislative Analyst	07/07/2019	CON	\$33.49	\$40.71	Step 1	\$33.49
					Step 2	\$35.17
					Step 3	\$36.93
					Step 4	\$38.77
					Step 5	\$40.71
Librarian	07/07/2019	TMTR	\$29.02	\$35.60	Step 1	\$29.02
					Step 2	\$30.53
					Step 3	\$32.14
					Step 4	\$33.83
					Step 5	\$35.60
Library Assistant	07/07/2019	TMTR	\$21.08	\$25.62	Step 1	\$21.08
					Step 2	\$22.12
					Step 3	\$23.23
					Step 4	\$24.39
					Step 5	\$25.62
Library Clerk	07/07/2019	TMTR	\$17.36	\$21.09	Step 1	\$17.36
					Step 2	\$18.22
					Step 3	\$19.13
					Step 4	\$20.09
					Step 5	\$21.09
Library Director	07/07/2019	DH	\$62.33	\$75.75		
Library Monitor Specialist	12/24/2017	PT	\$16.80	\$20.43	Step 1	\$16.80
					Step 2	\$17.65
					Step 3	\$18.53
					Step 4	\$19.45
					Step 5	\$20.43
Library Page	12/22/2019	PT	\$13.35	\$13.35	Step 1	\$0.01
					Step 2	\$0.01
					Step 3	\$0.01
					Step 4	\$0.01
					Step 5	\$13.35

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Lifeguard	12/22/2019	PT	\$13.51	\$14.20	Step 1	\$0.01
					Step 2	\$0.01
					Step 3	\$0.01
					Step 4	\$13.51
					Step 5	\$14.20
Maintenance Worker	07/07/2019	AFSCME	\$19.65	\$23.87	Step 1	\$19.65
					Step 2	\$20.63
					Step 3	\$21.66
					Step 4	\$22.74
					Step 5	\$23.87
Management Analyst	07/07/2019	TMTR	\$33.49	\$40.71	Step 1	\$33.49
					Step 2	\$35.17
					Step 3	\$36.93
					Step 4	\$38.77
					Step 5	\$40.71
Management Analyst - Confidential	07/07/2019	CON	\$33.49	\$40.71	Step 1	\$33.49
					Step 2	\$35.17
					Step 3	\$36.93
					Step 4	\$38.77
					Step 5	\$40.71
Mayor	12/18/2018	EL	\$29.22	\$29.22		
Municipal Services Director	07/07/2019	DH	\$60.45	\$73.46		
Municipal Services Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27
Museum Assistant	12/24/2017	PT	\$15.74	\$19.14	Step 1	\$15.74
					Step 2	\$16.53
					Step 3	\$17.36
					Step 4	\$18.23
					Step 5	\$19.14
Museum Attendant	12/22/2019	PT	\$13.35	\$13.35	Step 1	\$0.01
					Step 2	\$0.01
					Step 3	\$0.01
					Step 4	\$0.01
					Step 5	\$13.35
Museum Curator	07/07/2019	TMTR	\$26.38	\$32.38	Step 1	\$26.38
					Step 2	\$27.76
					Step 3	\$29.23
					Step 4	\$30.75
					Step 5	\$32.38
Museum Director	07/07/2019	DH	\$41.41	\$50.33		
Neighborhood Improvement Specialist	07/07/2019	TMTR	\$29.13	\$35.42	Step 1	\$29.13
					Step 2	\$30.59
					Step 3	\$32.12
					Step 4	\$33.73
					Step 5	\$35.42

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Office Assistant	07/07/2019	TMTR	\$17.36	\$21.09	Step 1	\$17.36
					Step 2	\$18.22
					Step 3	\$19.13
					Step 4	\$20.09
					Step 5	\$21.09
Office Assistant - Confidential	07/07/2019	CON	\$17.36	\$21.09	Step 1	\$17.36
					Step 2	\$18.22
					Step 3	\$19.13
					Step 4	\$20.09
					Step 5	\$21.09
Office Specialist	07/07/2019	TMTR	\$20.97	\$25.49	Step 99	\$28.48
					Step 1	\$20.97
					Step 2	\$22.03
					Step 3	\$23.12
					Step 4	\$24.27
Office Specialist - Confidential	07/07/2019	CON	\$20.97	\$25.49	Step 5	\$25.49
					Step 1	\$20.97
					Step 2	\$22.03
					Step 3	\$23.12
					Step 4	\$24.27
Park Maintenance Technician	07/07/2019	AFSCME	\$23.96	\$29.13	Step 5	\$25.49
					Step 1	\$23.96
					Step 2	\$25.19
					Step 3	\$26.42
					Step 4	\$27.75
Parks & Maintenance Supervisor	07/07/2019	TMTR	\$32.83	\$39.90	Step 5	\$29.13
					Step 1	\$32.83
					Step 2	\$34.47
					Step 3	\$36.20
					Step 4	\$38.00
Parks and Maintenance Director	07/07/2019	DH	\$60.45	\$73.46	Step 5	\$39.90
					Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
Parks and Maintenance Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 5	\$52.27
					Step 1	\$23.49
					Step 2	\$24.65
					Step 3	\$25.90
					Step 4	\$27.19
Parts Specialist	07/07/2019	AFSCME	\$23.49	\$28.55	Step 5	\$28.55
					Step 1	\$33.49
					Step 2	\$35.17
					Step 3	\$36.93
					Step 4	\$38.77
Payroll Analyst	07/07/2019	CON	\$33.49	\$40.71	Step 5	\$40.71
					Step 1	\$24.23
					Step 2	\$25.43
					Step 3	\$26.71
					Step 4	\$28.04
Payroll Clerk	07/07/2019	CON	\$24.23	\$29.44	Step 5	\$29.44
					Step 1	\$24.23
					Step 2	\$25.43
					Step 3	\$26.71
					Step 4	\$28.04

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Payroll Manager	07/07/2019	AOME	\$41.52	\$50.46	Step 1	\$41.52
					Step 2	\$43.60
					Step 3	\$45.78
					Step 4	\$48.06
					Step 5	\$50.46
Payroll Supervisor	07/07/2019	CON	\$36.92	\$44.87	Step 1	\$36.92
					Step 2	\$38.76
					Step 3	\$40.70
					Step 4	\$42.73
					Step 5	\$44.87
Payroll Technician	07/07/2019	CON	\$29.43	\$35.78	Step 1	\$29.43
					Step 2	\$30.89
					Step 3	\$32.44
					Step 4	\$34.06
					Step 5	\$35.78
Permit Technician	07/07/2019	TMTR	\$26.17	\$31.81	Step 1	\$26.17
					Step 2	\$27.50
					Step 3	\$28.87
					Step 4	\$30.31
					Step 5	\$31.81
Plan Check Engineer	07/07/2019	AOME	\$46.47	\$56.48	Step 1	\$46.47
					Step 2	\$48.78
					Step 3	\$51.23
					Step 4	\$53.79
					Step 5	\$56.48
Plan Checker	07/07/2019	TMTR	\$38.08	\$46.29	Step 1	\$38.08
					Step 2	\$40.00
					Step 3	\$41.99
					Step 4	\$44.08
					Step 5	\$46.29
Planning Director	07/07/2019	DH	\$75.17	\$91.37		
Police Administrative Director	07/07/2019	DH	\$60.45	\$73.46		
Police Cadet	12/24/2017	PT	\$13.80	\$18.48	Step 1	\$13.80
					Step 2	\$14.49
					Step 3	\$15.21
					Step 4	\$15.98
					Step 5	\$16.75
					Step 6	\$17.58
					Step 7	\$18.48
Police Captain	01/05/2020	PMG	\$76.02	\$92.42	Step 1	\$76.02
					Step 2	\$79.83
					Step 3	\$83.82
					Step 4	\$88.02
					Step 5	\$92.42
Police Chief	01/05/2020	EX	\$119.80	\$160.52		
Police Communications Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Police Corporal	01/05/2020	POA	\$41.66	\$50.64	Step 1	\$41.66
					Step 2	\$43.75
					Step 3	\$45.93
					Step 4	\$48.23
					Step 5	\$50.64
Police Detective	01/05/2020	POA	\$46.03	\$55.94	Step 1	\$46.03
					Step 2	\$48.34
					Step 3	\$50.75
					Step 4	\$53.28
					Step 5	\$55.94
Police Dispatcher	07/07/2019	TMTR	\$25.08	\$30.80	Step 1	\$25.08
					Step 2	\$26.40
					Step 3	\$27.79
					Step 4	\$29.25
					Step 5	\$30.80
Police Dispatcher Trainee	07/07/2019	TMTR	\$22.77	\$27.94	Step 1	\$22.77
					Step 2	\$23.95
					Step 3	\$25.23
					Step 4	\$26.55
					Step 5	\$27.94
Police Dispatch Supervisor	07/07/2019	TMTR	\$38.94	\$47.31	Step 1	\$38.94
					Step 2	\$40.85
					Step 3	\$42.91
					Step 4	\$45.06
					Step 5	\$47.31
Police Grants Analyst	07/07/2019	TMTR	\$33.49	\$40.71	Step 1	\$33.49
					Step 2	\$35.17
					Step 3	\$36.93
					Step 4	\$38.77
					Step 5	\$40.71
Police Lieutenant	01/05/2020	PMG	\$66.02	\$80.22	Step 1	\$66.02
					Step 2	\$69.32
					Step 3	\$72.77
					Step 4	\$76.40
					Step 5	\$80.22
Police Officer	01/05/2020	POA	\$37.70	\$45.83	Step 1	\$37.70
					Step 2	\$39.59
					Step 3	\$41.57
					Step 4	\$43.64
					Step 5	\$45.83
Police Records Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27
Police Records Specialist	07/07/2019	TMTR	\$20.97	\$25.49	Step 1	\$20.97
					Step 2	\$22.03
					Step 3	\$23.12
					Step 4	\$24.27
					Step 5	\$25.49

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Police Records Specialist Trainee	07/07/2019	TMTR	\$19.49	\$23.69	Step 1	\$19.49
					Step 2	\$20.46
					Step 3	\$21.48
					Step 4	\$22.55
					Step 5	\$23.69
Police Records Supervisor	07/07/2019	TMTR	\$30.66	\$37.26	Step 1	\$30.66
					Step 2	\$32.18
					Step 3	\$33.79
					Step 4	\$35.48
					Step 5	\$37.26
Police Recruit	01/05/2020	POA	\$34.13	\$41.49	Step 1	\$34.13
					Step 2	\$35.83
					Step 3	\$37.63
					Step 4	\$39.52
					Step 5	\$41.49
Police Sergeant	01/05/2020	PMG	\$56.72	\$68.93	Step 1	\$56.72
					Step 2	\$59.54
					Step 3	\$62.52
					Step 4	\$65.65
					Step 5	\$68.93
Pool Manager	12/24/2017	PT	\$15.06	\$18.30	Step 1	\$15.06
					Step 2	\$15.82
					Step 3	\$16.61
					Step 4	\$17.44
					Step 5	\$18.30
Principal Engineer	07/07/2019	AOME	\$59.50	\$72.31	Step 1	\$59.50
					Step 2	\$62.46
					Step 3	\$65.60
					Step 4	\$68.87
					Step 5	\$72.31
Principal IT Analyst	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
Principal Planner	07/07/2019	AOME	\$60.14	\$73.07	Step 1	\$60.14
					Step 2	\$63.13
					Step 3	\$66.28
					Step 4	\$69.60
					Step 5	\$73.07
Principal Project Manager	07/07/2019	AOME	\$57.59	\$69.99	Step 1	\$57.59
					Step 2	\$60.47
					Step 3	\$63.49
					Step 4	\$66.66
					Step 5	\$69.99
Project Coordinator	07/07/2019	TMTR	\$34.17	\$41.51	Step 1	\$34.17
					Step 2	\$35.87
					Step 3	\$37.67
					Step 4	\$39.55
					Step 5	\$41.51

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Project Manager	07/07/2019	AOME	\$45.69	\$55.51	Step 1	\$45.69
					Step 2	\$47.95
					Step 3	\$50.36
					Step 4	\$52.87
					Step 5	\$55.51
Public Facilities Maintenance Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27
Public Services Project Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27
Public Works Inspector	07/07/2019	TMTR	\$34.46	\$41.88	Step 1	\$34.46
					Step 2	\$36.19
					Step 3	\$38.00
					Step 4	\$39.89
					Step 5	\$41.88
Purchasing Assistant	07/07/2019	TMTR	\$24.85	\$30.18	Step 1	\$24.85
					Step 2	\$26.08
					Step 3	\$27.38
					Step 4	\$28.75
					Step 5	\$30.18
Purchasing Manager	12/08/2019	AOME	\$46.47	\$56.48	Step 1	\$46.47
					Step 2	\$48.78
					Step 3	\$51.23
					Step 4	\$53.79
					Step 5	\$56.48
Purchasing Team Leader	07/07/2019	TMTR	\$33.49	\$40.71	Step 1	\$33.49
					Step 2	\$35.17
					Step 3	\$36.93
					Step 4	\$38.77
					Step 5	\$40.71
Records Coordinator	07/07/2019	CON	\$29.32	\$35.63	Step 1	\$29.32
					Step 2	\$30.79
					Step 3	\$32.33
					Step 4	\$33.94
					Step 5	\$35.63
Records Manager	07/07/2019	AOME	\$31.90	\$38.77	Step 1	\$31.90
					Step 2	\$33.49
					Step 3	\$35.17
					Step 4	\$36.93
					Step 5	\$38.77
Records Specialist	07/07/2019	CON	\$22.62	\$27.49	Step 1	\$22.62
					Step 2	\$23.76
					Step 3	\$24.94
					Step 4	\$26.17
					Step 5	\$27.49

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Salary Grade Report

Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Recreation/Community Services Coordinator	07/07/2019	TMTR	\$24.86	\$30.19	Step 1	\$24.86
					Step 2	\$26.08
					Step 3	\$27.39
					Step 4	\$28.75
					Step 5	\$30.19
Recreation/Community Services Director	07/07/2019	DH	\$60.45	\$73.46		
Recreation/Community Services Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27
Recreation/Community Services Supervisor	07/07/2019	TMTR	\$26.37	\$32.04	Step 1	\$26.37
					Step 2	\$27.68
					Step 3	\$29.07
					Step 4	\$30.52
					Step 5	\$32.04
Recreation Assistant	12/22/2019	PT	\$13.35	\$13.35	Step 1	\$0.01
					Step 2	\$0.01
					Step 3	\$0.01
					Step 4	\$0.01
					Step 5	\$13.35
Recreation Leader	12/22/2019	PT	\$13.51	\$14.20	Step 1	\$0.01
					Step 2	\$0.01
					Step 3	\$0.01
					Step 4	\$13.51
					Step 5	\$14.20
Revenue Services Director	07/07/2019	DH	\$62.33	\$75.75		
Revenue Services Specialist	07/07/2019	TMTR	\$25.11	\$30.52	Step 1	\$25.11
					Step 2	\$26.37
					Step 3	\$27.68
					Step 4	\$29.07
					Step 5	\$30.52
Revenue Services Supervisor	07/07/2019	AOME	\$37.49	\$45.58	Step 1	\$37.49
					Step 2	\$39.38
					Step 3	\$41.35
					Step 4	\$43.41
					Step 5	\$45.58
Risk/Safety Manager	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
Risk Management Coordinator	07/07/2019	SCN	\$36.93	\$44.87	Step 1	\$36.93
					Step 2	\$38.77
					Step 3	\$40.71
					Step 4	\$42.73
					Step 5	\$44.87
Risk Management Director	07/07/2019	DH	\$60.45	\$73.46		

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Risk Management Technician	07/07/2019	CON	\$29.43	\$35.78	Step 1	\$29.43
					Step 2	\$30.89
					Step 3	\$32.44
					Step 4	\$34.06
					Step 5	\$35.78
Senior Accountant	07/07/2019	CON	\$36.92	\$44.87	Step 1	\$36.92
					Step 2	\$38.76
					Step 3	\$40.70
					Step 4	\$42.73
					Step 5	\$44.87
Senior Administrative Assistant	07/07/2019	CON	\$27.88	\$33.87	Step 1	\$27.88
					Step 2	\$29.27
					Step 3	\$30.72
					Step 4	\$32.26
					Step 5	\$33.87
Senior Associate Civil Engineer	07/07/2019	AOME	\$51.49	\$62.57	Step 1	\$51.49
					Step 2	\$54.07
					Step 3	\$56.77
					Step 4	\$59.60
					Step 5	\$62.57
Senior Associate Engineer	07/07/2019	AOME	\$51.49	\$62.57	Step 1	\$51.49
					Step 2	\$54.07
					Step 3	\$56.77
					Step 4	\$59.60
					Step 5	\$62.57
Senior Combo Building Inspector	07/07/2019	TMTR	\$38.47	\$46.76	Step 1	\$38.47
					Step 2	\$40.38
					Step 3	\$42.40
					Step 4	\$44.52
					Step 5	\$46.76
Senior Community Improvement Officer	07/07/2019	TMTR	\$32.03	\$38.92	Step 1	\$32.03
					Step 2	\$33.63
					Step 3	\$35.30
					Step 4	\$37.06
					Step 5	\$38.92
Senior Custodian	06/26/2019	AFSCME	\$21.71	\$26.38	Step 1	\$21.71
					Step 2	\$22.79
					Step 3	\$23.92
					Step 4	\$25.11
					Step 5	\$26.38
Senior Deputy Fire Chief	01/05/2020	FMG	\$88.85	\$108.00	Step 1	\$88.85
					Step 2	\$93.30
					Step 3	\$97.97
					Step 4	\$102.86
					Step 5	\$108.00
Senior Electrician	07/07/2019	AFSCME	\$31.95	\$38.82	Step 1	\$31.95
					Step 2	\$33.54
					Step 3	\$35.20
					Step 4	\$36.97
					Step 5	\$38.82

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Senior Environmental Technician	07/07/2019	TMTR	\$28.20	\$34.26	Step 1	\$28.20
					Step 2	\$29.60
					Step 3	\$31.07
					Step 4	\$32.63
					Step 5	\$34.26
Senior Equipment Mechanic	07/07/2019	AFSCME	\$28.11	\$34.17	Step 1	\$28.11
					Step 2	\$29.51
					Step 3	\$31.00
					Step 4	\$32.55
					Step 5	\$34.17
Senior Facilities Maintenance Technician	07/07/2019	AFSCME	\$26.49	\$32.18	Step 1	\$26.49
					Step 2	\$27.81
					Step 3	\$29.21
					Step 4	\$30.66
					Step 5	\$32.18
Senior Facilities Maintenance Worker	07/07/2019	AFSCME	\$21.71	\$26.38	Step 1	\$21.71
					Step 2	\$22.79
					Step 3	\$23.92
					Step 4	\$25.11
					Step 5	\$26.38
Senior Financial Analyst	07/07/2019	AOME	\$46.47	\$56.48	Step 1	\$46.47
					Step 2	\$48.78
					Step 3	\$51.23
					Step 4	\$53.79
					Step 5	\$56.48
Senior Fire Dispatcher	07/07/2019	TMTR	\$27.58	\$33.86	Step 1	\$27.58
					Step 2	\$29.04
					Step 3	\$30.57
					Step 4	\$32.17
					Step 5	\$33.86
Senior Fire Equipment Mechanic	07/07/2019	AFSCME	\$31.06	\$37.75	Step 1	\$31.06
					Step 2	\$32.61
					Step 3	\$34.24
					Step 4	\$35.95
					Step 5	\$37.75
Senior Fire Safety Specialist	07/07/2019	TMTR	\$36.27	\$44.08	Step 1	\$36.27
					Step 2	\$38.08
					Step 3	\$40.00
					Step 4	\$41.99
					Step 5	\$44.08
Senior Helicopter Mechanic	07/07/2019	AFSCME	\$42.89	\$52.13	Step 1	\$42.89
					Step 2	\$45.04
					Step 3	\$47.28
					Step 4	\$49.66
					Step 5	\$52.13
Senior Human Resources Analyst	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Senior Information Technology Specialist	07/07/2019	CON	\$34.17	\$41.52	Step 1	\$34.17
					Step 2	\$35.88
					Step 3	\$37.67
					Step 4	\$39.55
					Step 5	\$41.52
Senior Integrated Waste Collector	08/04/2019	AFSCME	\$22.58	\$27.45	Step 1	\$22.58
					Step 2	\$23.73
					Step 3	\$24.91
					Step 4	\$26.14
					Step 5	\$27.45
Senior Landscape Architect	07/07/2019	AOME	\$46.47	\$56.48	Step 1	\$46.47
					Step 2	\$48.78
					Step 3	\$51.23
					Step 4	\$53.79
					Step 5	\$56.48
Senior Landscape Planner	07/07/2019	TMTR	\$43.56	\$52.94	Step 1	\$43.56
					Step 2	\$45.73
					Step 3	\$48.00
					Step 4	\$50.42
					Step 5	\$52.94
Senior Legislative Analyst	07/07/2019	AOME	\$41.52	\$50.46	Step 1	\$41.52
					Step 2	\$43.60
					Step 3	\$45.78
					Step 4	\$48.06
					Step 5	\$50.46
Senior Librarian	07/07/2019	TMTR	\$31.90	\$39.18	Step 1	\$31.90
					Step 2	\$33.58
					Step 3	\$35.35
					Step 4	\$37.23
					Step 5	\$39.18
Senior Library Assistant	07/07/2019	TMTR	\$23.97	\$29.44	Step 1	\$23.97
					Step 2	\$25.25
					Step 3	\$26.57
					Step 4	\$27.97
					Step 5	\$29.44
Senior Library Clerk	07/07/2019	TMTR	\$19.07	\$23.18	Step 1	\$19.07
					Step 2	\$20.03
					Step 3	\$21.04
					Step 4	\$22.08
					Step 5	\$23.18
Senior Management Analyst	07/07/2019	AOME	\$41.52	\$50.46	Step 1	\$41.52
					Step 2	\$43.60
					Step 3	\$45.78
					Step 4	\$48.06
					Step 5	\$50.46
Senior Neighborhood Improvement Specialist	07/07/2019	TMTR	\$32.18	\$39.12	Step 1	\$32.18
					Step 2	\$33.80
					Step 3	\$35.49
					Step 4	\$37.26
					Step 5	\$39.12

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Senior Network Engineer	07/07/2019	AOME	\$50.43	\$61.30	Step 1	\$50.43
					Step 2	\$52.96
					Step 3	\$55.60
					Step 4	\$58.39
					Step 5	\$61.30
Senior Park Maintenance Technician	07/07/2019	AFSCME	\$26.49	\$32.18	Step 1	\$26.49
					Step 2	\$27.81
					Step 3	\$29.21
					Step 4	\$30.66
					Step 5	\$32.18
Senior Park Maintenance Worker	07/07/2019	AFSCME	\$21.71	\$26.38	Step 1	\$21.71
					Step 2	\$22.79
					Step 3	\$23.92
					Step 4	\$25.11
					Step 5	\$26.38
Senior Parts Specialist	07/07/2019	AFSCME	\$25.96	\$31.55	Step 1	\$25.96
					Step 2	\$27.25
					Step 3	\$28.61
					Step 4	\$30.04
					Step 5	\$31.55
Senior Permit Technician	07/07/2019	TMTR	\$29.13	\$35.42	Step 1	\$29.13
					Step 2	\$30.59
					Step 3	\$32.12
					Step 4	\$33.73
					Step 5	\$35.42
Senior Plan Check Engineer	07/07/2019	AOME	\$52.03	\$63.24	Step 1	\$52.03
					Step 2	\$54.63
					Step 3	\$57.37
					Step 4	\$60.24
					Step 5	\$63.24
Senior Planner	07/07/2019	AOME	\$49.72	\$60.44	Step 1	\$49.72
					Step 2	\$52.22
					Step 3	\$54.83
					Step 4	\$57.55
					Step 5	\$60.44
Senior Police Dispatcher	07/07/2019	TMTR	\$27.58	\$33.86	Step 1	\$27.58
					Step 2	\$29.04
					Step 3	\$30.57
					Step 4	\$32.17
					Step 5	\$33.86
Senior Police Records Specialist	07/07/2019	TMTR	\$24.30	\$29.56	Step 1	\$24.30
					Step 2	\$25.53
					Step 3	\$26.81
					Step 4	\$28.14
					Step 5	\$29.56
Senior Pool Manager	12/24/2017	PT	\$16.39	\$19.92	Step 1	\$16.39
					Step 2	\$17.19
					Step 3	\$18.08
					Step 4	\$18.97
					Step 5	\$19.92

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Senior Project Coordinator	07/07/2019	AOME	\$37.40	\$45.47	Step 1	\$37.40
					Step 2	\$39.28
					Step 3	\$41.25
					Step 4	\$43.31
					Step 5	\$45.47
Senior Project Manager	07/07/2019	AOME	\$50.46	\$61.34	Step 1	\$50.46
					Step 2	\$52.99
					Step 3	\$55.65
					Step 4	\$58.43
					Step 5	\$61.34
Senior Public Works Inspector	07/07/2019	TMTR	\$38.47	\$46.76	Step 1	\$38.47
					Step 2	\$40.38
					Step 3	\$42.40
					Step 4	\$44.52
					Step 5	\$46.76
Senior Records Specialist	07/07/2019	CON	\$26.67	\$32.40	Step 1	\$26.67
					Step 2	\$28.00
					Step 3	\$29.40
					Step 4	\$30.86
					Step 5	\$32.40
Senior Recreation/Community Services Supervisor	07/07/2019	TMTR	\$34.46	\$41.87	Step 1	\$34.46
					Step 2	\$36.19
					Step 3	\$38.00
					Step 4	\$39.89
					Step 5	\$41.87
Senior Recreation Leader	12/24/2017	PT	\$13.31	\$16.18	Step 1	\$13.31
					Step 2	\$13.98
					Step 3	\$14.67
					Step 4	\$15.42
					Step 5	\$16.18
Senior Street Maintenance Technician	07/07/2019	AFSCME	\$26.49	\$32.18	Step 1	\$26.49
					Step 2	\$27.81
					Step 3	\$29.21
					Step 4	\$30.66
					Step 5	\$32.18
Senior Street Maintenance Worker	07/07/2019	AFSCME	\$21.71	\$26.38	Step 1	\$21.71
					Step 2	\$22.79
					Step 3	\$23.92
					Step 4	\$25.11
					Step 5	\$26.38
Senior Systems Analyst	07/07/2019	CON	\$45.89	\$55.78	Step 1	\$45.89
					Step 2	\$48.20
					Step 3	\$50.60
					Step 4	\$53.12
					Step 5	\$55.78
Senior Telecommunications Analyst	07/07/2019	CON	\$45.89	\$55.78	Step 1	\$45.89
					Step 2	\$48.20
					Step 3	\$50.60
					Step 4	\$53.12
					Step 5	\$55.78

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Senior Utilities Technician	07/07/2019	AFSCME	\$27.51	\$33.43	Step 1	\$27.51
					Step 2	\$28.88
					Step 3	\$30.36
					Step 4	\$31.83
					Step 5	\$33.43
Street Maintenance Supervisor	07/07/2019	TMTR	\$32.83	\$39.90	Step 1	\$32.83
					Step 2	\$34.47
					Step 3	\$36.20
					Step 4	\$38.00
					Step 5	\$39.90
Street Maintenance Technician	07/07/2019	AFSCME	\$23.96	\$29.13	Step 1	\$23.96
					Step 2	\$25.19
					Step 3	\$26.42
					Step 4	\$27.75
					Step 5	\$29.13
Supervising Building Inspector	07/07/2019	AOME	\$44.66	\$54.27	Step 1	\$44.66
					Step 2	\$46.88
					Step 3	\$49.24
					Step 4	\$51.69
					Step 5	\$54.27
Supervising Librarian	07/07/2019	TMTR	\$36.68	\$45.04	Step 1	\$36.68
					Step 2	\$38.62
					Step 3	\$40.65
					Step 4	\$42.78
					Step 5	\$45.04
Supervising Library Clerk	07/07/2019	TMTR	\$21.08	\$25.62	Step 1	\$21.08
					Step 2	\$22.12
					Step 3	\$23.23
					Step 4	\$24.39
					Step 5	\$25.62
Supervising Public Works Inspector	07/07/2019	AOME	\$44.66	\$54.27	Step 1	\$44.66
					Step 2	\$46.88
					Step 3	\$49.24
					Step 4	\$51.69
					Step 5	\$54.27
Survey Party Chief	07/07/2019	TMTR	\$35.30	\$42.91	Step 1	\$35.30
					Step 2	\$37.06
					Step 3	\$38.93
					Step 4	\$40.88
					Step 5	\$42.91
Survey Technician	07/07/2019	TMTR	\$32.10	\$39.02	Step 1	\$32.10
					Step 2	\$33.71
					Step 3	\$35.41
					Step 4	\$37.16
					Step 5	\$39.02
Sustainability Program Manager	07/07/2019	AOME	\$60.14	\$73.07	Step 1	\$60.14
					Step 2	\$63.13
					Step 3	\$66.28
					Step 4	\$69.60
					Step 5	\$73.07

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Systems Analyst	07/07/2019	CON	\$34.17	\$41.52	Step 1	\$34.17
					Step 2	\$35.88
					Step 3	\$37.67
					Step 4	\$39.55
					Step 5	\$41.52
Systems Specialist	07/07/2019	CON	\$30.96	\$37.64	Step 1	\$30.96
					Step 2	\$32.51
					Step 3	\$34.13
					Step 4	\$35.84
					Step 5	\$37.64
Telecommunications Analyst	07/07/2019	CON	\$34.17	\$41.52	Step 1	\$34.17
					Step 2	\$35.88
					Step 3	\$37.67
					Step 4	\$39.56
					Step 5	\$41.52
Telecommunications Manager	07/07/2019	AOME	\$57.59	\$69.99	Step 1	\$57.59
					Step 2	\$60.47
					Step 3	\$63.49
					Step 4	\$66.66
					Step 5	\$69.99
Traffic/Transportation Manager	07/07/2019	AOME	\$70.01	\$85.09	Step 1	\$70.01
					Step 2	\$73.51
					Step 3	\$77.19
					Step 4	\$81.05
					Step 5	\$85.09
Utilities Administrative Services & Integrated Waste Director	07/07/2019	DH	\$70.01	\$85.09		
Utilities Assistant General Manager	07/07/2019	DH	\$81.37	\$99.91		
Utilities Engineering Division Manager	07/07/2019	AOME	\$70.01	\$85.09	Step 1	\$70.01
					Step 2	\$73.51
					Step 3	\$77.18
					Step 4	\$81.05
					Step 5	\$85.09
Utilities General Manager	07/07/2019	EX	\$85.66	\$114.77		
Utilities Maintenance Worker	07/07/2019	AFSCME	\$22.54	\$27.39	Step 1	\$22.54
					Step 2	\$23.66
					Step 3	\$24.86
					Step 4	\$26.08
					Step 5	\$27.39
Utilities Operations Assistant Division Manager	07/07/2019	AOME	\$43.01	\$52.27	Step 1	\$43.01
					Step 2	\$45.15
					Step 3	\$47.42
					Step 4	\$49.77
					Step 5	\$52.27
Utilities Operations Division Manager	07/07/2019	AOME	\$54.34	\$66.04	Step 1	\$54.34
					Step 2	\$57.06
					Step 3	\$59.90
					Step 4	\$62.89
					Step 5	\$66.04

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Utilities Project Manager	07/07/2019	AOME	\$48.31	\$58.74	Step 1	\$48.31
					Step 2	\$50.74
					Step 3	\$53.27
					Step 4	\$55.93
					Step 5	\$58.74
Utilities Service Representative	07/07/2019	AFSCME	\$24.87	\$30.20	Step 1	\$24.87
					Step 2	\$26.09
					Step 3	\$27.40
					Step 4	\$28.76
					Step 5	\$30.20
Utilities Supervisor	07/07/2019	TMTR	\$34.54	\$41.98	Step 1	\$34.54
					Step 2	\$36.26
					Step 3	\$38.07
					Step 4	\$39.99
					Step 5	\$41.98
Utilities Technician	07/07/2019	AFSCME	\$24.90	\$30.26	Step 1	\$24.90
					Step 2	\$26.14
					Step 3	\$27.45
					Step 4	\$28.81
					Step 5	\$30.26
Water/Sewer Maintenance Manager	07/07/2019	AOME	\$48.31	\$58.74	Step 1	\$48.31
					Step 2	\$50.74
					Step 3	\$53.27
					Step 4	\$55.93
					Step 5	\$58.74
Water/Wastewater Technician	07/07/2019	TMTR	\$29.76	\$36.17	Step 1	\$29.76
					Step 2	\$31.24
					Step 3	\$32.81
					Step 4	\$34.44
					Step 5	\$36.17
Water Production Manager	07/07/2019	AOME	\$54.34	\$66.04	Step 1	\$54.34
					Step 2	\$57.06
					Step 3	\$59.90
					Step 4	\$62.89
					Step 5	\$66.04
Water Production Operator	07/07/2019	TMTR	\$29.59	\$35.95	Step 1	\$29.59
					Step 2	\$31.07
					Step 3	\$32.61
					Step 4	\$34.24
					Step 5	\$35.95
Water Production Supervisor	07/07/2019	TMTR	\$34.54	\$41.98	Step 1	\$34.54
					Step 2	\$36.26
					Step 3	\$38.07
					Step 4	\$39.99
					Step 5	\$41.98
Water Quality Specialist	07/07/2019	TMTR	\$36.27	\$44.08	Step 1	\$36.27
					Step 2	\$38.08
					Step 3	\$40.00
					Step 4	\$41.99
					Step 5	\$44.08

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Classification	Effective	Group	Hourly Minimum	Hourly Maximum	Compensation Steps	
					Step	Amount
Water Resources Coordinator	07/07/2019	TMTR	\$36.27	\$44.08	Step 1	\$36.27
					Step 2	\$38.08
					Step 3	\$40.00
					Step 4	\$41.99
					Step 5	\$44.08
Water Resources Manager	07/07/2019	AOME	\$59.50	\$72.31	Step 1	\$59.50
					Step 2	\$62.46
					Step 3	\$65.60
					Step 4	\$68.87
					Step 5	\$72.31
Web Developer	07/07/2019	CON	\$34.17	\$41.52	Step 1	\$34.17
					Step 2	\$35.88
					Step 3	\$37.67
					Step 4	\$39.55
					Step 5	\$41.52
Web Technician	07/07/2019	CON	\$27.87	\$33.86	Step 1	\$27.87
					Step 2	\$29.26
					Step 3	\$30.71
					Step 4	\$32.25
					Step 5	\$33.86
Welder	07/07/2019	AFSCME	\$23.06	\$28.01	Step 1	\$23.06
					Step 2	\$24.21
					Step 3	\$25.40
					Step 4	\$26.69
					Step 5	\$28.01

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH M JACK BROOKS, JD FOR FINANCIAL CONSULTING SERVICES


RECOMMENDATION: That the City Council authorize the City Manager to execute Amendment No. 2 adding \$65,000 to the Professional Services Agreement (on file in the Records Management Department) with M Jack Brooks, JD, of Costa Mesa, California, for the provision of financial consulting services, for a revised contract authority of \$150,000.

COUNCIL GOALS: Operate in a Businesslike Manner

FISCAL IMPACT: This amendment increases the total authorized contract amount from \$85,000 to \$150,000. The Fiscal Year 2019-20 Adopted Budget includes appropriations of \$65,000 in the General Fund for this amendment.

BACKGROUND: Over the past year, the City of Ontario's Financial Services Agency has experienced some challenges including departure of key finance personnel, new leadership direction, and reorganization of the agency. This has resulted in the need to contract for professional financial consulting services to ensure the City's financial activities continue to operate effectively and efficiently. These services have included assisting with month-end closing of the City's books, updating the Financial Policies and Procedure Manual, operational reviews and other necessary consulting services in support of the Financial Services Agency. Since April 2019, the City has contracted M Jack Brooks, JD to provide these services; however, the contract has exhausted its original limits of compensation and time of performance. For continuity in providing effective and efficient financial services to the City, an extension of their services is recommended.

STAFF MEMBER PRESENTING: Armen Harkalyan, Executive Director of Finance

Prepared by: Doreen M. Nunes
Department: Fiscal Services
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: LICENSE AGREEMENT RENEWAL FOR MICROSOFT PRODUCTS

RECOMMENDATION: That the City Council approve and authorize the City Manager or his designee to renew a three-year license agreement with Crayon Software Experts, LLC of Dallas, Texas for Microsoft Office 365, Windows 10 and Microsoft Server subscriptions in the estimated amount of \$1,150,000.


COUNCIL GOALS: Operate in a Businesslike Manner

FISCAL IMPACT: The terms of the licensing agreement with Crayon Software Experts will include Microsoft Windows 10, Office 365 and Server products for 1,250 users at an annual estimated cost of \$370,975 for the first year, \$387,060 for the second year and \$387,060 for the third year. Appropriations for the first year have been included in Fiscal Year 2019/20 Adopted Operating Budget, and will be included in subsequent years budgets for City Council approval for the remaining two years of the agreement. The total annual cost will increase proportionately as new staff are approved and positions added to the City's workforce.

BACKGROUND: The City is standardizing on the Microsoft Windows 10 operating system and Office 365 products. This software includes Word, Excel, Powerpoint, Outlook as well as Windows and SQL Database Server. In addition, the City's email and Sharepoint servers will be hosted in the "Cloud" minimizing server equipment in the City's computer room and ensuring high levels of availability and redundancy.

Microsoft Office 365 is the standard in desktop productivity and the citywide upgrade brings new technological advances to enhance the administration of citywide services, while helping to ensure that the City is utilizing the most secure software available. The cost of the proposed subscription includes any future updates to the software, so the City will be kept up-to-date on the most current versions.

STAFF MEMBER PRESENTING: Colin Fernandes, Executive Director Information Technology

Prepared by: Dale Wishner
Department: Information Technology
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

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On January 24, 2020, four bids were received for the Microsoft Product Licensing. The bid results are as follows. Note that for comparison purposes the prices reflect the annual amounts for a three year agreement.

<u>Vendor</u>	<u>Location</u>	<u>Amount</u>
Crayon Software Experts, LLC	Dallas, TX	\$370,975
Softchoice Corp	Chicago, IL	\$383,811
Dell, Inc	Round Rock, TX	\$385,066
Zones, Inc	Auburn, WA	\$395,137

Staff recommends award bid No. 1259 to Crayon Software Experts, LLC. as they submitted the lowest responsive bid.

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: A RESOLUTION APPROVING THE SUBMITTAL OF AN APPLICATION TO PARTICIPATE IN THE BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT PROGRAM (FISCAL YEAR 2019-20) FROM THE STATE OF CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVER (CALRECYCLE)


RECOMMENDATION: That the City Council adopt a resolution approving the submittal of an application for approximately \$44,000 from the Beverage Container Recycling City/County Payment Program (Fiscal Year 2019-20), and authorize the City Manager or his designee to execute all necessary documents to participate in the program.

COUNCIL GOALS: Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: The City is eligible to receive approximately \$44,000 of per capita grant funds through the Beverage Container Recycling City/County Payment Program (Fiscal Year 2019-20) for advertising and educational programming on beverage container recycling and litter cleanup. There are no additional costs or matching fund requirements for the City to participate in this grant program. If approved, the associated revenue and expenditure appropriations will be included in the subsequent quarterly budget update report to the City Council. There is no impact to the General Fund.

BACKGROUND: Through the California Beverage Container Recycling and Litter Reduction Act, CalRecycle distributes annual payments to local governments for the implementation of Beverage Container Recycling and Litter cleanup activities. Eligible costs covered by this grant include public education promoting beverage container recycling, curbside recycling programs, litter reduction, and cleanup where the waste stream includes beverage containers that will be recycled. The program works to assist the state in maintaining the goals to reduce the amount of waste sent to landfills by 50%, and an 80% recycling rate for all California Refund Value beverage containers.

STAFF MEMBER PRESENTING: Scott Burton, Utilities General Manager

Prepared by: Thomas Coates
Department: MU/Integrated Waste
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, APPROVING THE SUBMITTAL OF AN APPLICATION TO PARTICIPATE IN THE BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT PROGRAM (FISCAL YEAR 2019-20) FROM THE STATE OF CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE).

WHEREAS, pursuant to Public Resources Code §14581 the Department of Resources Recycling and Recovery (CalRecycle) has established the Beverage Container Recycling City/County Payment Program to make payments to qualifying jurisdictions for implementation of their beverage container recycling and litter cleanup activities; and

WHEREAS, in furtherance of this authority, CalRecycle is required to establish procedures governing the administration of the Beverage Container Recycling City/County Payment Programs; and

WHEREAS, CalRecycle's procedures for administering the Beverage Container Recycling City/County Payment Program require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of the Beverage Container Recycling City/County Payment; and

NOW, THEREFORE, BE IT RESOLVED that the City of Ontario is authorized to submit an application to CalRecycle for the Beverage Container City/County Payment Program; and

BE IT FURTHER RESOLVED that the City Manager or his designee is hereby authorized and empowered to execute in the name of the City of Ontario all documents, including but not limited to applications, agreements, annual reports including expenditure reports and amendments necessary to secure said payments to support our Beverage Container Recycling Program; and

BE IT FURTHER RESOLVED that this authorization is effective until rescinded by the signature authority or this Governing Body.

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

PASSED, APPROVED AND ADOPTED this 18th day of February 2020.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

COLE HUBER LLP
CITY ATTORNEY

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

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2020- was duly passed and adopted by the City Council of the City of Ontario at their regular meeting held February 18, 2020 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2020- duly passed and adopted by the Ontario City Council at their regular meeting held February 18, 2020.

SHEILA MAUTZ, CITY CLERK

(SEAL)

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: PRE-AUTHORIZED LIST OF VENDORS TO PROVIDE CANINES AND TRAINING EQUIPMENT, SUPPLIES, AND UNIFORMS FOR SWORN POLICE STAFF

RECOMMENDATION: That the City Council approve the attached list of pre-authorized vendors to provide canines and training equipment, supplies, and uniforms for the Ontario Police Department.

COUNCIL GOALS: Maintain the Current High Level of Public Safety
Operate in a Businesslike Manner


FISCAL IMPACT: None. The designation of pre-authorized vendors to provide products and services for the Police Department does not affect appropriations and does not commit the City to any specific level of future expenditures with these vendors.

BACKGROUND: The Police Department employs 302 sworn staff. To ensure the staff have the equipment to perform their job duties safely, supplies and training are necessary; and undue time delays affect the City's ability to provide services to the community. Due to specialized equipment and service animals used for police work, there is a limited number of authorized vendors that can provide them. In many cases, there is only a single vendor that is qualified or approved to provide the equipment or animal. These vendors have been selected and vetted after product and service evaluations, or they meet federal requirements.

For those reasons, it is not cost-effective for the City to follow its standard purchasing procedures to solicit bids or requests for proposals. Establishing a pre-authorized list of vendors will facilitate the following:

- Ensure the sworn staff have the equipment needed to perform their job duties safely;
- Decrease the timeline on purchase and training of service animals enabling more assets to serve the community

STAFF MEMBER PRESENTING: Derek Williams, Chief of Police

Prepared by: Christine Booker
Department: Police Department
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

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The attached list was developed based on the City's past procurement history with these vendors. If approved by the City Council, purchase orders (within approved budget amounts), will be issued annually to each vendor without quotes for the purchase of individual equipment, animals, and training services.

Ontario Municipal Code Section 2-6.23(b) and 2-6.23(c) authorizes the Purchasing Officer to make purchases without following the standard purchasing procedures whenever (1) the goods can be obtained from only one source, and/or (2) a breakdown in machinery, equipment or an essential service which requires an immediate purchase of supplies and equipment to protect public health, safety and welfare generates circumstances that a competitive process would be unavailing or would not produce an advantage, and the advertisement for competitive bid would thus be undesirable, impractical, or impossible.

**APPROVED LIST OF AUTHORIZED VENDORS
FOR CANINES AND TRAINING, SUPPLIES, AND UNIFORMS**

Sole Source Vendors

AARDVARK

1935 Puddingstone Dr.
La Verne, CA 91750

Adlerhorst

3951 Vernon Ave.
Jurupa Valley, CA 92509

Blankenship Police Supplies

2165 E. Colton Ave.
Mentone, CA 92359

Keystone Uniform Depot

125 S. Citrus Ave.
Covina, CA 91723

Motorport

340 Rancheros Dr. Ste. 184
San Marcos, CA 92069

Motorola Solutions Inc.

13108 Collections Center Dr.
Chicago, IL 60693

PepperBall

28101 Ballard Drive, Unit F
Lake Forest, IL 60045

Safariland Ltd., Inc.

3208 E. Clear Lake Rd.
Ontario, CA 91761

Equipment/Animal/Training

Law Enforcement equipment and supplies

Police Canine and training

Custom SWAT vests

Uniforms

Custom motors, Kevlar jackets and pants

Handheld Radios

Law Enforcement equipment and supplies

Law Enforcement equipment and supplies

CITY OF ONTARIO

Agenda Report
February 18, 2020

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPLICATION FOR GRANT FROM THE CALIFORNIA OFFICE OF TRAFFIC SAFETY (OTS) FY2021 SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (STEP) GRANT PROGRAM


RECOMMENDATION: That City Council authorize the City Manager or his designee to execute all documents necessary to apply for and accept a 12-month grant in the amount of \$848,339 from the California Office of Traffic Safety (OTS) for participation in the FY2021 Selective Traffic Enforcement Program (STEP) Grant Program.

COUNCIL GOALS: Maintain the Current High Level of Public Safety
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: Grant awards will be announced in July 2020 and the grant period is October 1, 2020 – September 30, 2021. These grants are reimbursable on a quarterly basis and fund police overtime, education, equipment, supplies, and training to conduct DUI saturation patrols, special traffic enforcements, field enforcements and education, and sobriety checkpoints. The approximate grant funding reimbursement is \$848,339. The City is not required to provide matching funds for the grants. If awarded, the revenue and associated expenditure adjustments will be included in a subsequent quarterly budget report to City Council.

BACKGROUND: The California Office of Traffic Safety (OTS), through the National Highway Traffic Safety Administration (NHTSA), offers local law enforcement agencies overtime grants to mitigate traffic safety program deficiencies, expand ongoing activities, develop new programs, and conduct sobriety checkpoints. The grant period includes two "National Impaired Driving Campaign" mobilization periods: the Winter Mobilization which occurs around Christmas and New Year's Eve, and the Summer Mobilization which occurs around Labor Day. Sobriety checkpoints, DUI saturation patrols and special traffic enforcements will be scheduled during each of the highly publicized mobilization periods, and additional operations will continue to be conducted outside the mobilization periods. Each overtime operation and checkpoint will be conducted accordingly to each operation's specific needs, which may require supervisors, officers, technicians, and/or clerical/other staff members.

STAFF MEMBER PRESENTING: Derek Williams, Chief of Police

Prepared by: Douglas Sorel
Department: Police
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

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The goals of the grant program include reducing the number of people killed in alcohol-involved crashes through the combined efforts of local law enforcement agencies, California Highway Patrol, and OTS; reducing the total number of traffic collisions that occur in the city; informing drivers about increased enforcement periods and warn drivers that the only way to “Avoid” arrest and/or injury or death is to drive sober; and network law enforcement agencies regionally and conduct multiple joint operations to decrease alcohol related issues such as DUI’s and underage drinking.

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
CONSENT CALENDAR

SUBJECT: APPLICATION FOR GRANT FROM THE CALIFORNIA OFFICE OF TRAFFIC SAFETY (OTS) FY2021 TRAFFIC RECORDS IMPROVEMENT PROJECT GRANT PROGRAM

RECOMMENDATION: That City Council authorize the City Manager or his designee to execute all documents necessary to apply for and accept a 12-month grant in the amount of \$25,000 from the California Office of Traffic Safety (OTS) for participation in the FY2021 Traffic Records Improvement Project Grant Program.


COUNCIL GOALS: Maintain the Current High Level of Public Safety
Pursue City's Goals and Objectives by Working with Other Governmental Agencies

FISCAL IMPACT: Grant awards will be announced in July 2020 and the grant period is October 1, 2020 – September 30, 2021. The approximate grant funding is \$25,000, which is expected to entirely cover the amount of the project. This grant is reimbursable upon the purchase, implementation, and successful demonstration of improvements to the existing traffic collision database system. The City is not required to provide matching funds for the grants. If awarded, the revenue and associated expenditure appropriations will be included in a subsequent quarterly budget report to City Council.

BACKGROUND: The California Office of Traffic Safety (OTS), through the National Highway Traffic Safety Administration (NHTSA), offers local law enforcement agencies grants to initiate traffic records improvement projects such as the purchase and implementation of traffic crash reporting systems. Improvements in collision reporting data provides state and local agencies with timely, accurate, complete, accessible and uniform traffic records in order to identify and prioritize traffic safety issues, to choose appropriate traffic safety countermeasures, and evaluate their effectiveness.

The Ontario Police Department currently relies on Records Department personnel to batch print and ship collision reports to the California Highway Patrol on a monthly basis, which decreases the efficiency of the traffic crash reporting system and delays traffic safety data reporting. If awarded, this grant would fully fund an electronic solution to export all traffic crash reports from the existing traffic crash reporting

STAFF MEMBER PRESENTING: Derek Williams, Chief of Police

Prepared by: Douglas Sorel
Department: Police
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

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system to the California Highway Patrol's Statewide Integrated Traffic Records System (SWITRS), increasing the efficiency of Police Department personnel and increasing the accuracy and timeliness of data that contribute to overall traffic safety improvements.

CITY OF ONTARIO

Agenda Report
February 18, 2020

SECTION:
PUBLIC HEARINGS

SUBJECT: A PUBLIC HEARING TO CONSIDER AN ORDINANCE AMENDING CHAPTER 19 OF TITLE 4 OF THE ONTARIO MUNICIPAL CODE RELATING TO PROCEDURES FOR THE SETTING OF ADMINISTRATIVE FEES FOR ROTATIONAL TOWING SERVICES


RECOMMENDATION: That the City Council introduce and waive further reading of an ordinance amending Chapter 19 of Title 4 of the Ontario Municipal Code regarding procedures for the setting of administrative fees for rotational towing services.

COUNCIL GOALS: Maintain the Current High Level of Public Safety
Operate in a Businesslike Manner

FISCAL IMPACT: None. This recommended action removes the adoption of the revenue fee structure from Chapter 19 of Title 4 of the Ontario Municipal Code and provides for the revenue fee structure to instead be updated and approved through the City Fee Schedule periodically adopted by resolution of the City Council.

BACKGROUND: In January 2020, the City Council adopted a resolution approving a citywide fee schedule. The citywide fee schedule sets both the tow rates and the administrative fee. This update to the Ontario Municipal Code will amend Sections 13 and 14 of Chapter 19 of Title 4 to remove references regarding the setting of annual tow rate and administrative fee changes by ordinance and include language directing the adoption of such fees through the citywide fee schedule, which may be revised from time to time by resolution of the City Council.

STAFF MEMBER PRESENTING: Derek Williams, Police Chief

Prepared by: Douglas Sorel
Department: Police Department
City Manager Approval: 

Submitted to Council/O.H.A. 02/18/2020
Approved: _____
Continued to: _____
Denied: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING SECTION 4-19.13 AND 4-19.14 OF THE ONTARIO MUNICIPAL CODE, RELATING TO PROCEDURES FOR THE SETTING OF ADMINISTRATIVE FEES FOR ROTATIONAL TOWING SERVICES.

WHEREAS, in December 2014, the City Council of the City of Ontario adopted Ordinance No. 3008 amending Chapter 19 to Title 4 of the City of Ontario Municipal Code pertaining to rotational towing services including procedures for the setting of administrative fees; and

WHEREAS, Section 4-19.13 of the Municipal Code currently states that tow rates shall be set annually by the City Council following a tow rate survey and recommendation by the Chief of Police; and

WHEREAS, Section 4-19.14 of the Municipal Code currently states that the towing carrier administrative fee shall be adjusted annually by resolution of the City Council to reflect the City and Police Department costs for operating the towing program; and

WHEREAS, the City now wishes to amend Chapter 19 to Title 4 of the Ontario Municipal Code to reflect the procedures for the setting of administrative fees; and

WHEREAS, on February 18, 2020, the City Council conducted a public hearing to introduce and waive further reading of an ordinance relating to rotational towing services.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND ORDAINED by the City Council of the City of Ontario as follows:

SECTION 1. Findings. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. Section 13, Chapter 19 of Title 4 of the Ontario Municipal Code is hereby amended to read as follows:

Sec. 4-19.13 Tow rates.

The tow rates set forth in this section shall be specified in the City Fee Schedule, which may only be revised by a duly-adopted resolution of the City Council. For purposes of this subsection, "rates" and "fees" include any type or class of fee and includes late charges.

SECTION 3. Section 14, Chapter 19 of Title 4 of the Ontario Municipal Code is hereby amended to read as follows:

Sec. 4-19.14 Payment of administrative fees to the City.

(a) The towing carrier shall pay an administrative fee per vehicle towed to the City in connection with the award of this permit, and according to the terms of the towing services agreement, in an amount specified in the City Fee Schedule. These administrative fees shall be paid on a monthly basis to the City's Financial Services Agency on or before the 15th day following the end of each month. The towing carrier shall not be responsible for payment of an administrative fee to the City for the towing of vehicles in certain specified circumstances as more fully set forth in its towing services agreement.

(b) The administrative fee shall be adjusted by resolution of the City Council to reflect the City and the Police Department's current costs for operating the towing program and such adjustment shall be applicable to the towing carrier upon ten (10) days' written notice of the adoption of such resolution.

(c) Late charges on delinquent accounts shall be subject to penalties outlined in § 1-2.07, or as it may hereinafter be amended.

(d) The City shall retain the right to impose alternative forms of taxes and/or fees, to the extent permitted by law, in the event that the fees provided for in the towing services agreements are no longer assessable due to a subsequent change in federal, state or local law.

(e) The towing carrier must make available to the Police Department, the City or their designated representative(s), upon three (3) days' written notice, its accounting records and books for inspection and audit. The Police Department, the City or their designated representative(s) agree to maintain the confidentiality of such accounting records and books. The towing carrier shall submit monthly documentation detailing its operations on behalf of the City in a format that is acceptable to the Traffic Division of the Department. Such documentation shall include the following information: the date, time, location, case number (if any), vehicle description (including make, model and vehicle license number) and a brief description of the circumstances surrounding the tow (traffic collision, Department impound, and the like). Towing carriers shall maintain these records for a period of three (3) years. If the results of the audit show an administrative fee underpayment of greater than two percent (2%), the towing carrier will pay the cost of the audit plus fifty percent (50%) of the total error as a penalty in addition to any amount owed as shown by the audit. If the results of the audit show an underpayment of less than two percent (2%) or an overpayment, the City shall pay its own costs associated with the audit. Any underpayment and resulting penalty shall accrue interest at the rate of ten percent (10%) per annum, compounded daily from the date the underpayment should have been paid pursuant to subsection (a) above.

(f) In the event the results of the audit are disputed, the City may, at its sole discretion, elect to arbitrate the dispute. In the event the City elects to arbitrate, the City and the towing carrier shall each select an independent auditor at their own cost. The two (2) auditors shall agree upon the results of the audit. If the two (2) independent auditors cannot agree upon the results of the audit, a third auditor will

be selected by the two (2) independent auditors to make a final determination. The determination of the third independent auditor shall be final.

(g) By accepting any towing carrier permit granted pursuant to this chapter, the towing carrier irrevocably waives the defenses of any statute of limitation, laches, waiver or other equitable doctrine of similar import or effect in any action brought by the City to recover any fees, interest or penalties due under this section.

SECTION 4. CEQA. This Ordinance is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly. The City Council further finds, under Title 14 of the California Code of Regulations, Section 15061(b)(3), that this Ordinance is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of San Bernardino in accordance with CEQA Guidelines.

SECTION 5. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings and this Ordinance are based are located at the City Clerk's office located at 303 East "B" Street, Ontario, CA 91764. The custodian of these records is the City Clerk.

SECTION 6. Severability. If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The People of the City of Ontario hereby declare that they would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 7. Effective Date. This Ordinance shall become effective thirty (30) days following its adoption.

SECTION 8. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2020.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

COLE HUBER LLP
CITY ATTORNEY

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

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. _____ was duly introduced at a regular meeting of the City Council of the City of Ontario held _____ and adopted at the regular meeting held _____, 2020 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. _____ duly passed and adopted by the Ontario City Council at their regular meeting held _____ and that Summaries of the Ordinance were published on _____ and _____, in the Inland Valley Daily Bulletin newspaper.

SHEILA MAUTZ, CITY CLERK

(SEAL)