

**SPECIAL ONTARIO CITY COUNCIL/  
ONTARIO HOUSING AUTHORITY  
MINUTES  
June 24, 2019**

**JOINT MEETINGS**

Special meetings of the Ontario City Council/Ontario Housing Authority were held on Monday, June 24, 2019, in the Community Conference Rooms at the Ontario City Hall, 303 East B Street, Ontario, California.

**CALL TO ORDER – OPEN SESSION**

The Mayor called the special Ontario City Council/Ontario Housing Authority meetings to order at 4:00 p.m., and requested the Assistant City Clerk/Assistant Secretary call the roll.

**PRESENT:** Mayor/Chairman Paul S. Leon  
Mayor pro Tem/Vice Chairman Ruben Valencia  
Council/Authority Members: Jim W. Bowman, and  
Debra Dorst-Porada

**ABSENT:** Council/Authority Members: Alan D. Wapner (Council Member  
Wapner arrived at 4:15 p.m.)

Also present were City Manager/Executive Director Scott Ochoa, City Attorney/Legal Counsel Scott E. Huber and Assistant City Clerk/Assistant Secretary Vicki Kasad.

The Pledge of Allegiance was led by Mayor pro Tem Valencia.

**PUBLIC COMMENTS**

There were no public comments.

**AGENDA REVIEW/ANNOUNCEMENTS**

There were no updates or announcements.

**ADMINISTRATIVE REPORTS/DISCUSSION/ACTION**

**1. REVIEW AND ADOPTION OF THE CITY'S FISCAL YEAR 2019-20 BUDGET AND APPROVAL OF BUDGET-RELATED ACTIONS.**

City Council and Housing Authority Board:

- (A) Adopted resolutions establishing the appropriations limit of the City of Ontario for Fiscal Year 2019-20 and approve the operating budgets of the City of Ontario and Ontario Housing Authority for Fiscal Year 2019-20; and

- (B) Approved the annual budget of the Ontario Convention Center for Fiscal Year 2019-20.

Mayor Leon inquired of the City Council what departments they had questions of or would like to speak with, so that any other departments' staff could be dismissed if not needed. He inquired of City Manager Ochoa to see if Council Member Wapner's budget questions directed to staff had been answered and addressed. City Manager Ochoa responded that he believed all of Mr. Wapner's questions of staff had been addressed. Council Member Dorst-Porada expressed her general concern with rising future costs and the City's financial liabilities, and indicated that the City Manager or Finance staff could probably respond to her concerns. Mayor Leon then indicated that staff from the operating departments could be released.

Council Member Dorst-Porada addressed the most recent round of pay raises for employees and suggested that they were approved by City Council without her full understanding about the City's \$267 million pension and retiree medical obligation to CalPERS. She suggested that the next time raises are considered that the City Council needs to better understand the context and extent of the future costs involved. She inquired what would happen if that money was not available to be paid. City Manager Ochoa indicated that CalPERS would find a way to impact the City in one of a number of possible ways to pay the liability. In some cases, they would impact the benefit promised to the employees.

Council Member Dorst-Porada asked about staff's intended timeline in addressing the \$267 million liability. City Manager Ochoa reviewed a five-year financial forecast that included in the coming fiscal year looking at financing mechanisms. Council Member Dorst-Porada questioned the expected interest rates on that type of financing. City Manager Ochoa responded that it would depend on market timing as well as the method used, a Pension Obligation Bond would be 3% to 4% while more conventional methods with a City asset as collateral could be 5% or 6%. He further explained that if the City financed it from its own portfolio, the City can set the rate of return within a small margin of the market, but staff's recommendation will most likely be a hybrid of these options. Council Member Dorst-Porada then questioned the estimated annual payment with this hybrid method. Executive Director of Finance Harkalyan indicated it would be approximately \$33 million per year for 30 years. City Manager Ochoa clarified that the current unfunded actuarial liability is a function of the 3% @ 50 and 2.5% @ 55 pension formulas, the Dot.com Recession, and earnings impacts of the Great Recession. He explained that once this amount is paid off, the current liability is done; but next year or sometime in the future, there could be a new unfunded liability based on CalPERS portfolio performance that does not achieve actuarial assumptions. This, however, he expressed is somewhat of a once in a lifetime situation.

Council Member Dorst-Porada expressed concerns with the \$30 million a year obligation and noted the political nature of the previous CalPERS decisions. She stressed that she does not ever want to be in this position again, where she has to take funds from something else to fund employee benefits. City Manager Ochoa reassured her that based on percentages of pension costs to overall operating costs, with the proposed financing structure, pension costs can stay at 13% to 14% for the foreseeable future. She expressed hopes that future City Council Members would stay on the same course. City Manager Ochoa indicated that there was no need for worry or panic, and that staff was going to be recommending options on ways to move forward. There was further discussion of alternative financing programs and approaches to preserving the City's reserves for future economic downturns.

Council Member Wapner joined the meeting at 4:15 p.m.

Council Member Wapner inquired about proposed appropriates being shifted within the Police Department budget. Executive Director of Finance Harkalyan clarified where the subject shifts were in the Department and noted that the areas were previously funded by Community Development Block Grants and now would be covered by General Fund dollars.

City Manager Ochoa offered to call the appropriate departments' staff back to the meeting if needed for questions.

Council Member Wapner inquired about the proposed Downtown Façade Improvement Program. City Manager Ochoa advised that staff will be bringing the proposed program guidelines to City Council for consideration and approval during the upcoming fiscal year, but basically there is envisioned a \$25,000 cap with funding on a one-to-one cost match basis for anyone with store frontage along the 100 to 600 blocks of Euclid Avenue in downtown and funding would CDBG. Council Member Wapner requested that the improvement agreements include requirements for maintenance of the improvements to protect the City's investment. Mayor Leon concurred and stressed that this needs to be similar to the CARES Program that had covenants that required maintenance of the investment.

Council Member Wapner questioned the proposed appropriations for renovations at the Police Substation at the Ontario Mills Mall. City Manager Ochoa indicated that the amounts shown in the proposed budget are not the final project numbers and staff was requesting direction from the City Council to negotiate further with Simon on location, design and any cost sharing. Direction was given.

Council Member Wapner requested Fire and Public Works representatives to answer questions. He also requested annual visitor numbers for the Library. Wapner suggested that the final budget document include further discussion on the availability of homeless assistance programs and job training.

Council Member Wapner referred to page 387 of the budget detail book where it discusses “grinding” of sidewalks, and he requested clarification. Executive Director of Public Works Haes clarified the levels at which raised or lifted sidewalk would be ground down to eliminate trip and fall hazards versus being removed and replaced.

Council Member Wapner questioned why there were the same number of fire equipment mechanic positions at the airport as compared to the number of positions to service fire equipment for all the fire stations citywide. Executive Director of Public Works Haes responded that the three positions were filled by employees inherited from LAWA with specialized knowledge of the existing fire equipment. Council Member Bowman noted that there is a specialty element to the former LAWA equipment that will go away over time as new equipment is purchased and put into service. Council Member Wapner concurred, but suggested having one extra mechanic, not two. City Manager Ochoa indicated that over the long-term that would be the intent, and to have the employees be able to service all the City’s fire equipment; however, due to the age and condition of the airport equipment it would not be prudent to shift any of the three from the airport. There was additional general discussion of how to deal with employees working at the airport to keep them in the City budget and treat the costs as a pass through.

Council Member Wapner asked about the swimming pool at Vineyard Park and recalled the possible requirements in the City’s agreement with IEUA for financial assistance related to their adjacent project. Executive Director of Public Works Haes indicated that the pool was not part of the referenced IEUA project. Council Member Wapner addressed the Five Year Capital Improvement Program budget, and questioned the proposed water park and related maintenance costs. He stressed the need of City Council to know the one-time construction plus ongoing costs before a project is approved and built. City Manager Ochoa indicated that based on City Council’s policy direction that information would be provided in the future.

Council Member Wapner questioned if skateboard parks had been addressed. City Manager Ochoa indicated that they had only been addressed in the context of amending the park master plan. Mayor Leon noted that the conversation is way ahead of the reality, because all of the skate parks he is aware of have been closed. Council Member Dorst-Porada noted that there were problems with the one in Montclair and it was closed; but the one in Upland was closed and later reopened with new fencing and an on-site office. She explained her understanding from Upland officials that the on-site office is there to make sure skaters wear necessary safety equipment, and that if Upland were able to build the park again, they would have put it in a much more visible location. Council Member Wapner indicated that while a skate park might be a good idea, community projects like this usually go through evaluation by staff so that public input is incorporated into design and programming. Mayor Leon concurred this was a discussion for another time.

Council Member Wapner addressed Fire Chief Gayk about the Fire Investigator Supervisor position and noted that there were three supervisors and no actual investigators. Council Member Wapner recalled the explanation that during fire incidents, the Investigator Supervisor actually supervises staff on scene. Accordingly, Wapner suggested an adjustment or change in the title to better reflect job duties. City Manager Ochoa responded that the Fire Chief and Human Resources Director will confer on solutions to that issue.

Council Member Wapner expressed concern that the budget narrative does not give enough emphasis to Disaster Preparedness Programs and suggested adding another paragraph of narrative in the Fire Department section to give further clarification and emphasis.

Council Member Wapner recalled and spoke on a past police department staffing assessment performed by the Matrix Group which resulted in more proactive staff and patrol hours; and he indicated that the Fire Chief would like to do something similar. Wapner indicated that he understood from Chief Gayk that this assessment would cost approximately \$100,000 which was not currently in the budget, and he requested the City Council's concurrence to add the funding for this item. Fire Chief Gayk noted that the staff assessment need was discussed with the City Manager after the proposed budget was prepared, and he apologized for the late request. Council Member Wapner confirmed that funds were budgeted for new firefighter turnouts, and noted that the Fire Department also requested new Automated Vehicle Locator (AVL) capabilities so they can more efficiently dispatch units based upon their proximity to the call location. Fire Chief Gayk confirmed and explained that the current computer aided dispatch (CAD) system needs to be reviewed for opportunities to use AVL capabilities. He explained the challenges of an older system that does not automatically adjust for some of the possible issues like road closures.

Council Member Wapner commented the status of a new Fire Station No. 1. City Manager Ochoa noted that funds have been allocated and the current directive is to find a suitable property in the reporting district. Fire Chief Gayk concurred that the facility is outdated and there are some operational issues. He explained that staff is trying to look for a suitable site downtown in consideration of the anticipated higher density population in the future. Council Member Wapner noted previous discussions of keeping Fire Administration in the same building with Station No. 1 and inquired if that is preferred over two smaller separate parcels. City Manager Ochoa suggested an assembly of properties to keep the two functions together. Council Member Dorst-Porada questioned the size of property needed. Fire Chief Gayk indicated that they are looking at parcels that are about two acres and suggested that the other option is going vertical with the building, putting Administration on the second floor. Council Member Wapner inquired about moving Fire Dispatch and the EOC too. Fire Chief Gayk discussed the options. Consensus ultimately was that the City needs to move as quickly as possible on Station No. 1.

Council Member Dorst-Porada questioned if there was the same level of enforcement on fireworks this year as last year. Fire Chief Gayk responded, yes.

Council Member Wapner addressed the Police Substation at the Ontario Mills Mall, noting the proposed \$850,000 remodel. He expressed concern that Simon is not covering the cost of the facility to the level contemplated by the original development agreement with the City. He noted that over the past five years, Police personnel cost to staff the mall is approximately \$12 million. Wapner stressed that the Mills needs to share in the police facility costs and asked that the City Manager negotiate with Simon regarding the proposed capital improvements. City Manager Ochoa clarified that the new remodel estimate is now \$425,000; and that is what is included in the proposed Capital Improvement Budget. Ochoa recommended that if Simon agrees to pay for the project, the \$425,000 in appropriations could be used to fund other Ontario Police Department facilities needs. Mayor Leon inquired and discussion continued about what would happen if Simon decided not to keep the substation facility. There was general discussion of how other communities handle law enforcement for large venues, the need for the facility, the benefit for the community and appropriate ways to fund it.

Council Member Dorst-Porada questioned the status of Jay Littleton Ballpark. City Manager Ochoa indicated that the facility master plan is currently being done. Council Member Dorst-Porada discussed that it would be a great fundraiser candidate; however, it is important to know the facts and figures first. City Manager Ochoa stated that a remodel is estimated at close to \$1 million. Mayor Leon suggested that there was a need to develop storyboards and posters to tell the history of the field and let people know about the popular movies that have been filmed there as a way to generate interest.

City Manager Ochoa requested clarification as to how much additional money was to be allocated for the Fire Department. Council Member Wapner suggested \$100,000 for the staffing study.

City Manager Ochoa stated that the Fire Facility Capital Improvement Fund would be renamed, and he summarized the money to be used from the remaining anticipated budget surplus as follows:

Fire Station No. 1/Property Acquisition & Design (Additional)	\$500,000
Museum (Additional)	\$500,000
Ontario Convention Center Floors	\$500,000
Transit	\$250,000
Neighborhood Improvement Program/CARES Program	\$220,000
Firefighting Turn-Out Replacements	\$195,000
Fire Community Risk Assessment	\$100,000

For a total of \$2,265,000.

Council Member Wapner noted that staff had provided him with sales tax information and questioned the nature of the .5% component. Executive Director of Finance Harkalyan clarified that it represented the countywide Measure I tax and was perhaps misidentified in a prior conversation.

Mayor pro Tem Valencia questioned the remaining surplus. City Manager Ochoa responded that it was \$964,990. Council Member Valencia requested \$200,000 for the Teen Action Committee/Ontario Youth Activities League (TAC/OYAL) stressing that these programs help kids and mentor teens away from negative influences and activities. There was general discussion of the need for a spending plan to show the programs to be provided and what funds would be needed. Mayor Leon suggested bringing back a program and funding plan for consideration by City Council at a future meeting.

**MOTION:** Moved by Council Member Bowman, seconded by Council Member Wapner and carried by unanimous vote to adopt Resolution Nos. 2019-085, 2019-086 and OHA-099.

**RESOLUTION NO. 2019-085** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE CITY OF ONTARIO FOR FISCAL YEAR 2019-20.

**RESOLUTION NO. 2019-086** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE OPERATING BUDGET OF SAID CITY FOR THE FISCAL YEAR 2019-20

**RESOLUTION NO. OHA-099** A RESOLUTION OF THE ONTARIO HOUSING AUTHORITY OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING A BUDGET FOR SAID AUTHORITY FOR THE FISCAL YEAR 2019-20

**2. A RESOLUTION APPROVING THE FY 2019-20 THROUGH FY 2023-24 MEASURE I FIVE-YEAR CAPITAL IMPROVEMENT EXPENDITURE PLAN AND EXPENDITURE STRATEGY**

City Council adopted a resolution approving the FY 2019-20 through FY 2023-24 Measure I Five-Year Capital Improvement Expenditure Plan and Expenditure Strategy.

**MOTION:** Moved by Council Member Wapner, seconded by Council Member Bowman and carried by unanimous vote to adopt Resolution No 2019-087.

**RESOLUTION NO. 2019-087** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, ADOPTING THE FY 2019-20 THROUGH FY 2023-24 MEASURE I FIVE-YEAR CAPITAL IMPROVEMENT PLAN.

**STAFF MATTERS**

None

**COUNCIL MATTERS**

Mayor Leon commented that he is impressed by the contract services being provided by Tom Lorenz as a public relations consultant.

**ADJOURNMENT**

Mayor Leon adjourned the meetings of the Joint Agencies at 5:20 p.m.

Respectfully submitted,



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**VICKI KASAD, ASSISTANT CITY CLERK/SECRETARY**

APPROVED:



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**PAUL S. LEON, MAYOR/CHAIRMAN**