

Interim Financial Report

9 months ended March 31, 2015

(75% of the year complete)

This interim report provides an update on the status of the City's finances as of March 31, 2015, the third quarter of Fiscal Year 2014-15. It is important to note that these numbers are unaudited and subject to change. As established in the prior fiscal year, this report excludes the activities of the Rialto Utility Authority (RUA), which were previously reported in the interim reports prior to the Concession Agreement (CA). Rialto Water Services, LLC (RWS), under the Concession Agreement is preparing separate financial reports to be presented to Council on activities for RUA.

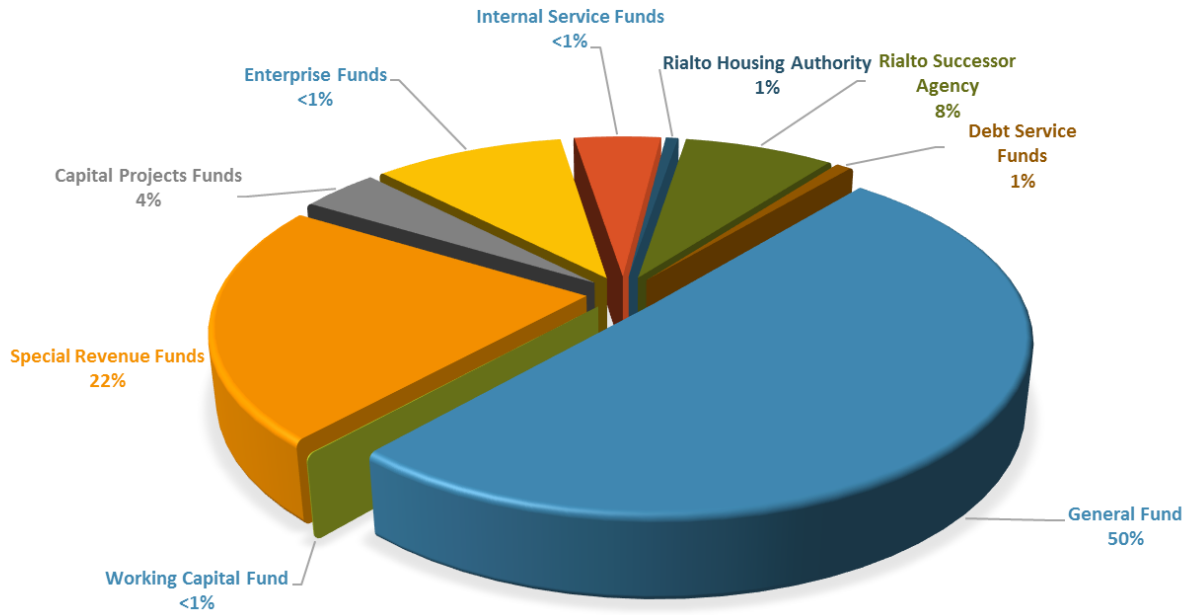
The table below shows Citywide Revenues and Expenditures through the third quarter. It includes budget adjustments approved by Council through the third quarter, and rolled-forward purchase order encumbrances from the previous fiscal year. The \$1.3M budget carry forward from the previous year, which the City Council approved in October, is reflected in these figures.

City of Rialto Budget Year 2014-2015 REVENUE & EXPENDITURE SUMMARY - ALL FUNDS

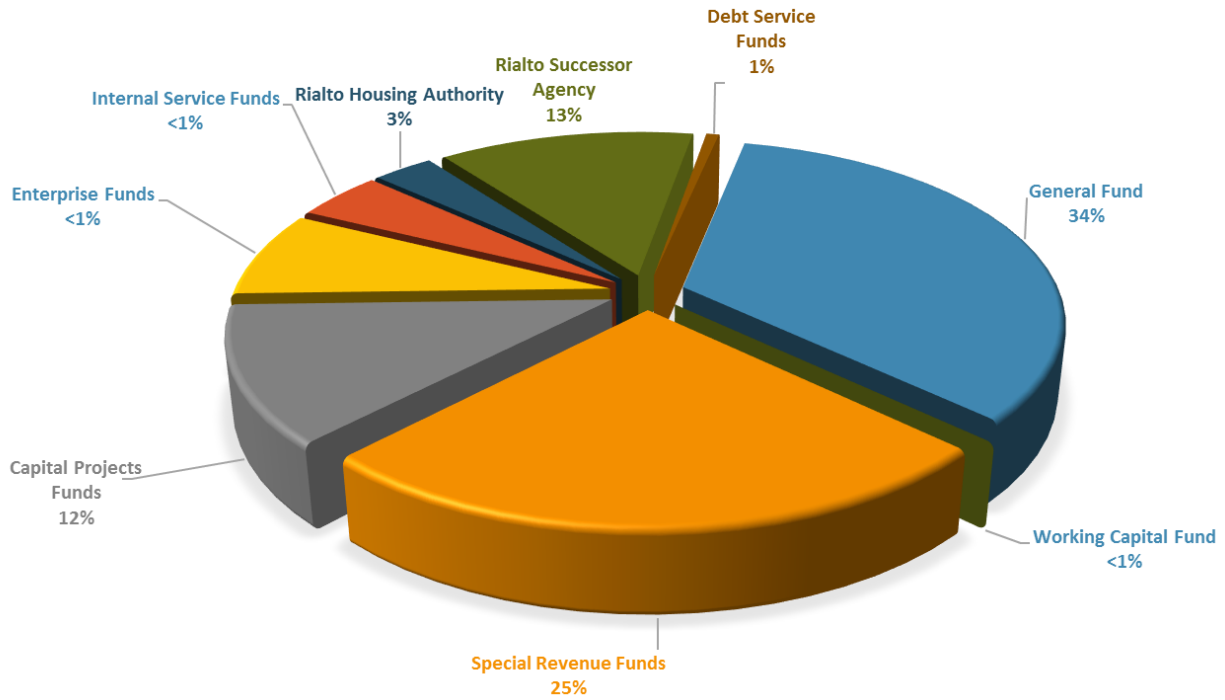
| | Adjusted BUDGET FY2014/2015 | 3rd QTR FY2014/2015 | Variance Over/(Under) | % Actual |
|--|-----------------------------------|------------------------|--------------------------|------------|
| Total City Revenues by Fund | | | | |
| General Fund | 89,340,694 | 52,252,211 | (37,088,483) | 58% |
| Working Capital Fund | 95,000 | 27,486 | (67,514) | 29% |
| Special Revenue Funds | 38,886,473 | 12,704,737 | (26,181,736) | 33% |
| Capital Projects Funds | 7,087,906 | 101,663 | (6,986,243) | 1% |
| Enterprise Funds | 17,350,218 | 16,011,641 | (1,338,577) | 92% |
| Internal Service Funds | 7,891,419 | 3,426,298 | (4,465,121) | 43% |
| Rialto Housing Authority | 1,113,950 | 124,349 | (989,601) | 11% |
| Rialto Successor Agency | 13,672,858 | 8,996,001 | (4,676,857) | 66% |
| Debt Service Funds | 1,410,062 | 762,994 | (647,068) | 54% |
| Total | 176,848,580 | 94,407,381 | (82,441,200) | 53% |
| Total City Expenditures by Fund | | | | |
| General Fund | 77,527,196 | 40,263,096 | (37,264,100) | 52% |
| Working Capital Fund | - | 140,100 | 140,100 | 0% |
| Special Revenue Funds | 57,964,449 | 10,873,107 | (47,091,343) | 19% |
| Capital Projects Funds | 28,330,719 | 1,006,591 | (27,324,128) | 4% |
| Enterprise Funds | 17,808,385 | 16,124,156 | (1,684,229) | 91% |
| Internal Service Funds | 10,176,773 | 5,872,285 | (4,304,488) | 58% |
| Rialto Housing Authority | 7,012,385 | 1,297,108 | (5,715,278) | 18% |
| Rialto Successor Agency | 29,723,381 | 14,385,173 | (15,338,208) | 48% |
| Debt Service Funds | 1,463,620 | 1,337,000 | (126,620) | 91% |
| Total | 230,006,907 | 91,298,614 | (138,708,293) | 40% |
| Excess Revenues (Expenditures) | (53,158,326) | 3,108,767 | | |

The General Fund budget comprises fifty-one percent of the Citywide revenues and thirty-three percent of Citywide expenditures. The following pages discuss the activities in the General Fund revenues and expenditures followed by a discussion of the activities in all other funds.

FY2014-15 REVENUE BUDGET - ALL FUNDS



FY2014-15 EXPENDITURE BUDGET - ALL FUNDS



General Fund Revenues

On June 10, 2014, Council adopted a general fund budget consisting of \$61.9M of revenues. The general fund revenue budget was increased a total of approximately \$27M. The adoption of the business license tax on wholesale liquid fuel storage facilities and Airport land sales proceeds are responsible for approximately eighty-one percent of the general fund revenue budget increase. Depending on negotiations, Measure U may be adjusted at year-end. The subsequent table outlines the changes in the FY2014-15 general fund revenue budget since adoption.

FY2014-15 GENERAL FUND REVENUE BUDGET

| | | |
|---|--|-----------------------------|
| FY2014-15 Original Adopted Budget | | 61,917,673.00 |
| CC Mtg 6/10/14 Tab 5 | B002 Fire Department Ambulance Operator Program | (105,350.00) |
| CC Mtg 7/8/14 E.7 Reso 6593 | B006 FY2014 Homeland Security Grant | 21,707.00 |
| CC Mtg 8/26/14 Tab1 Reso 6624 | B016 Paramedic and Ambulance Transportation Fee Schedule | 25,088.40 |
| CC Mtg 10/10/14 E.3 | B020 Dev Agreement w/Panattoni Dev Co | 20,000.00 |
| CC Mtg 10/28/14 E.13 Reso 6655 | B024 FY2013-14 Carry Forward | 1,810,885.88 |
| CC Mtg 1/13/15 Tab 11 Reso 6684 | B040 Increase in Engineering Plan Check & Related Services | 300,000.00 |
| CC Mtg 1/13/15 Tab 12 Reso 6686 | B040 Measure U | 11,900,000.00 |
| CC Mtg 2/24/15 Tab 3 Reso 6700 | B045 Mid-Year | 3,093,785.92 |
| CC Mtg 3/10/15 Tab 4 Reso 6704 | B046 Airport Land Sales Proceeds | 10,356,904.00 |
| FY2014-15 Current Adopted Budget | | <u>89,340,694.20</u> |

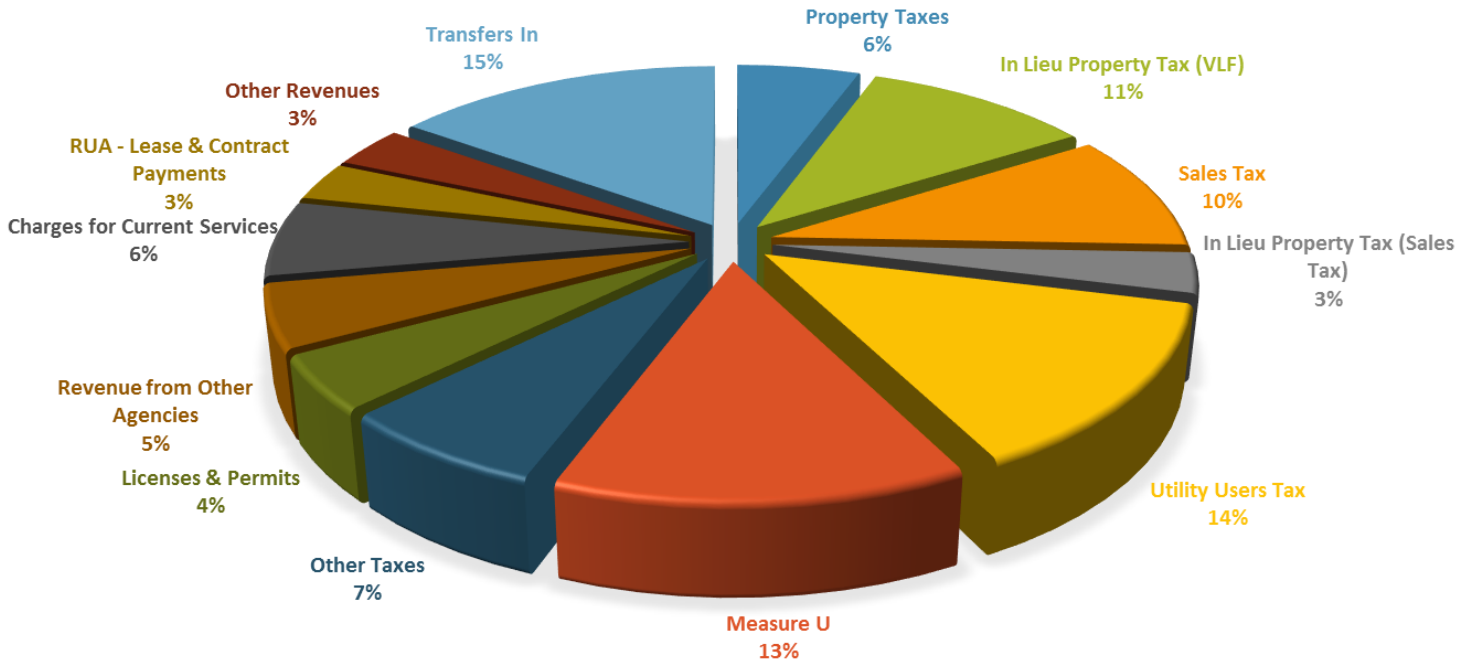
With seventy-five percent of the year complete, actual revenues are at fifty-eight percent, which remains in alignment with the prior fiscal year when factoring out Measure U. Despite the budget-to-actual variance at the completion of the third quarter, staff anticipates General Fund revenues will continue to remain in accordance with budget as a result of the cyclical nature of several revenue streams. The majority of property taxes are received in December and April, and the County waste rebate landfill charges are received within 90 days after the end of each quarter of the fiscal year. Variances and exceptions are discussed in further detail in the following paragraphs.

The following Table shows the General Fund revenues for the third quarter of FY2014-15:

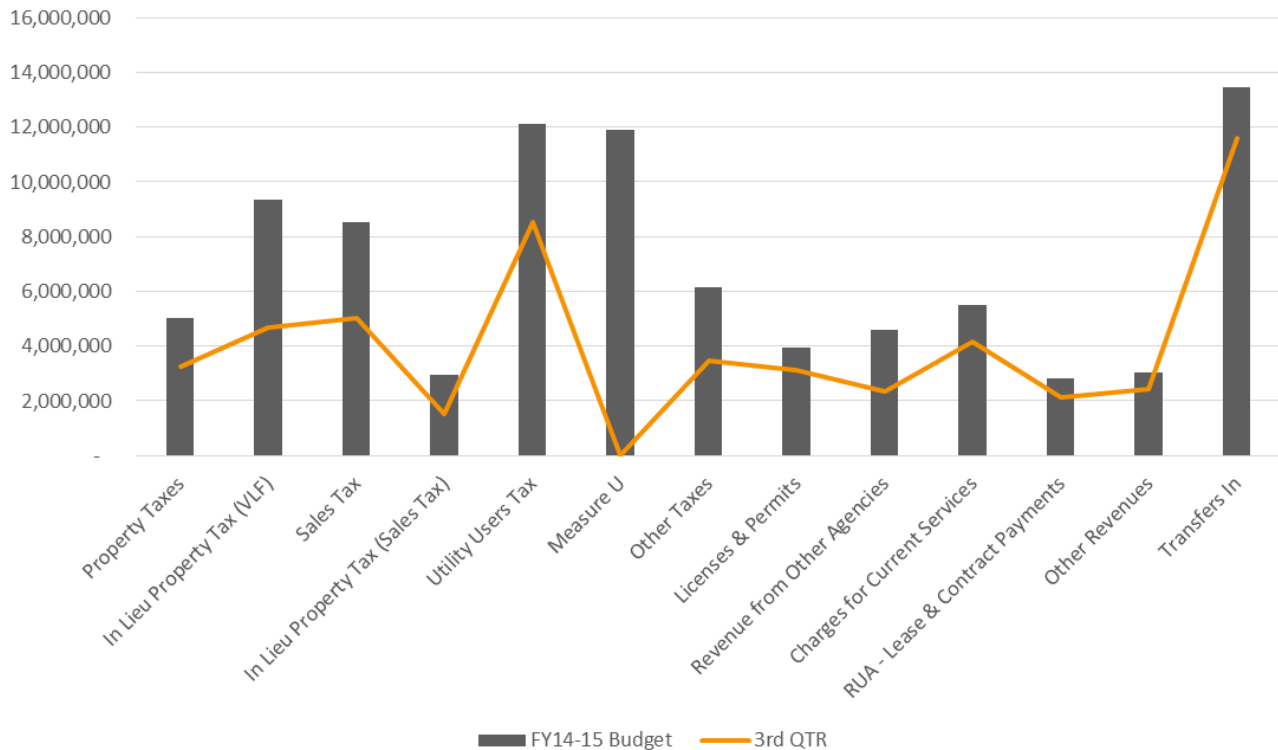
GENERAL FUND - REVENUE SUMMARY BY CATEGORY

| | Adjusted BUDGET FY2014/2015 | 3rd QTR FY2014/2015 | Variance Over/(Under) | % Actual |
|------------------------------------|--|--------------------------------|----------------------------------|-----------------|
| Taxes | | | | |
| Property Taxes | 5,010,000 | 3,233,061 | (1,776,939) | 65% |
| In Lieu Property Tax (VLF) | 9,340,335 | 4,670,166 | (4,670,169) | 50% |
| Sales Tax | 8,535,000 | 5,018,502 | (3,516,498) | 59% |
| In Lieu Property Tax (Sales Tax) | 2,929,585 | 1,538,529 | (1,391,056) | 53% |
| Utility Users Tax | 12,116,185 | 8,508,337 | (3,607,848) | 70% |
| Measure U | 11,900,000 | - | (11,900,000) | 0% |
| Other Taxes | 6,140,000 | 3,484,002 | (2,655,998) | 57% |
| Taxes | 55,971,105 | 26,452,597 | (29,518,508) | 47% |
| Licenses & Permits | 3,952,250 | 3,138,298 | (813,952) | 79% |
| Fines, Forfeits & Penalties | 491,690 | 387,734 | (103,956) | 79% |
| Use of Money & Property | 699,000 | 287,780 | (411,220) | 41% |
| Revenue from Other Agencies | 4,609,191 | 2,346,262 | (2,262,929) | 51% |
| Charges for Current Services | 5,485,563 | 4,164,186 | (1,321,378) | 76% |
| Restricted Revenues | 4,780 | 4,767 | (14) | 0% |
| RUA - Lease & Contract Payments | 2,824,040 | 2,121,248 | (702,792) | 75% |
| Other Revenues | 1,842,913 | 1,753,650 | (89,263) | 95% |
| Transfers - Pers Property Tax | 550 | - | (550) | 0% |
| Transfers In | 13,459,612 | 11,595,689 | (1,863,922) | 86% |
| Total General Fund Revenues | 89,340,694 | 52,252,211 | (7,569,976) | 58% |

FY2014-15 GENERAL FUND REVENUE BUDGET (BY CATEGORY)*



FY2014-15 GENERAL FUND REVENUE (BY CATEGORY) BUDGET-TO-ACTUAL*



*For the above charts Fines, Forfeitures & Penalties, Use of Money & Property, and Restricted Revenues are combined with Other Revenues and Transfers - Pers Property Tax and Transfers In are combined.

Utility User Tax – Through the end of the third quarter, current receipts reflect a \$608K increase over last year, specifically due to the scheduled rate increases in water and wastewater. The receipts are in line with current year projections.

Sales Tax – In FY2014-15 Sales Tax Revenues increased over the prior year by \$456K. The first quarter sales tax receipts for this year are 7% higher compared to last year. Sales tax has seen the largest increases from the FY2013-14 third quarter in the Fuel and Service Stations and Business and Industry major industry groups. Petroleum production and equipment and Heavy Industrial business types generated the largest revenues for the respective industries. Through the midyear process, budgeted revenues were increased by \$260K to align the budget with projections for a strengthened sales tax outlook.

Franchise fees – Non-departmental franchise revenues through the end of the third quarter are in alignment with revenues for the prior fiscal year.

Business Licenses – In FY2014-15 Business Licenses Revenues are on track at 79% of budget through the end of the third quarter.

RUA Lease and Contract Payments – Based on the Concession Agreement, the General Fund realizes these revenues in the second and fourth quarters of each fiscal year. Previously, the City had recognized these payments in the first and third quarters.

Transfer revenues - The three major revenues that transfer into the General Fund for this fiscal year are the Airport land sales proceeds, Gas Tax Transfers and the final closing transfer of the Development Services Fund into the General Fund. The Airport transferred approximately \$10M to the General Fund of which approximately \$4M will be used to repay the advance of funds by the General Fund. The Gas Tax transfer is approximately \$1.5M to cover transportation-related activities. The transfer amount is dependent on funds available in the Gas Tax Fund. The transfer amount through the third quarter is \$785K. The final closing transfer of the Development Services Fund was roughly \$626K, and staff recorded the activity, after completion of the prior fiscal year audit.

Overall, actual General Fund revenues appear to be in line with budget at this time, showing a steady growth in receipts compared to the third quarter of the last fiscal year.

General Fund Expenditures

On June 10, 2014, Council adopted a general fund budget consisting of \$61.9M of expenditures. The general fund expenditure budget was increased a total of \$15.6M. Authorized FY2013-14 purchase orders totaling \$1.9M that were required to be carried forward increased FY2013-14 fund balance and increased the FY2014-15 expenditure budget. In addition, approximately \$3.1M in capital projects budget carried forward from FY2013-14 and capital projects appropriated from general fund reserves of \$9.6M are responsible for sixty-one percent of the increase in the general fund expenditure budget. Overall, adjusted General Fund revenues exceed the adjusted General Fund expenditures by \$11.8M which is equal to the amount of estimated Measure U revenue. The following table outlines the changes in FY2014-15 general fund expenditure budget since adoption.

FY2014-15 GENERAL FUND EXPENSE BUDGET

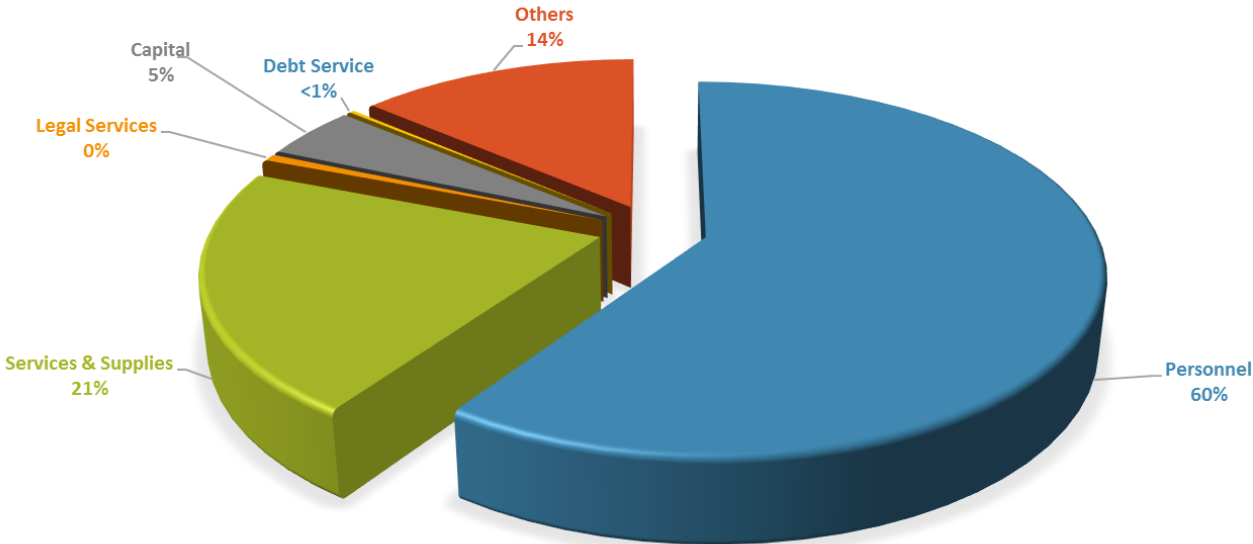
| | | |
|---|--|-----------------------------|
| FY2014-15 Original Adopted Budget | | 61,917,673.43 |
| FY2013-14 PO Rolls | | 1,949,472.00 |
| CC Mtg 6/10/14 Tab 5 | B002 EMS Quality Assurance (QI) Coordinator | 92,650.00 |
| CC Mtg 7/8/14 Tab 7 Reso 6598 | B006 SANBAG Joint Solar Procurement Program | 51,100.00 |
| CC Mtg 7/8/14 E.7 Reso 6593 | B006 FY2014 Homeland Security Grant | 21,707.00 |
| CC Mtg 8/12/14 E.5 Reso 6610 | B014 Media Equipment Council Chambers/Rialto Network | 3,000.00 |
| CC Mtg 8/26/14 Tab 4 | B016 CGMA MOU | (109,100.00) |
| CC Mtg 10/10/14 E.3 | B020 Dev Agreement w/Panattoni Dev Co | 20,000.00 |
| CC Mtg 10/28/14 E.13 Reso 6655 | B024 FY2013-14 Carry Forward | 3,133,213.04 |
| B021 10/31/14 | B021 CIP's TRSF to Bldg Maint Fund | (532,488.79) |
| B029 11/30/14 | B029 CIP's TRSF to Bldg Maint Fund | (13,100.00) |
| CC Mtg 11/25/14 D-6 | B030 Agreement with NetFile | 12,000.00 |
| CC Mtg 12/9/14 E-2 | B032 PSA w/Stanely R Hoffman and Assoc | 49,300.00 |
| CC Mtg 12/9/14 E-6 | B032 Agreement with MHM and Assoc | 17,280.00 |
| CC Mtg 1/13/15 Tab 11 Reso 6684 | B040 Increase in Engineering Plan Check & Related Services | 300,000.00 |
| CC Mtg 2/24/15 Tab 3 Reso 6700 | B045 Mid-Year (Non-Reserve) | 1,014,489.00 |
| CC Mtg 2/24/15 Tab 3 Reso 6700 | B045 Mid-Year (Reserve) | 9,600,000.00 |
| FY2014-15 Current Adopted Budget | | <u>77,527,195.68</u> |

With seventy-five percent of the year complete, actual expenditures are at fifty-two percent. The Table below illustrates General Fund Expenditures by category and shows actual expenditures to date totaling \$40M for the third quarter. The table shows that operating expenditures are relatively in line with budget. Services & Supplies are below budget due to \$3.4M of encumbrances not yet realized as expenditures. A large amount of the Capital Expenditures budget remains available, mostly due to the fact that the majority of the large capital projects are in the design or planning phases, and will incur most of their respective costs later in the construction phase. The Others category includes the transfer for the General Fund fund balance reserve use approved with Mid-Year of \$9.6M will be completed during the fourth quarter.

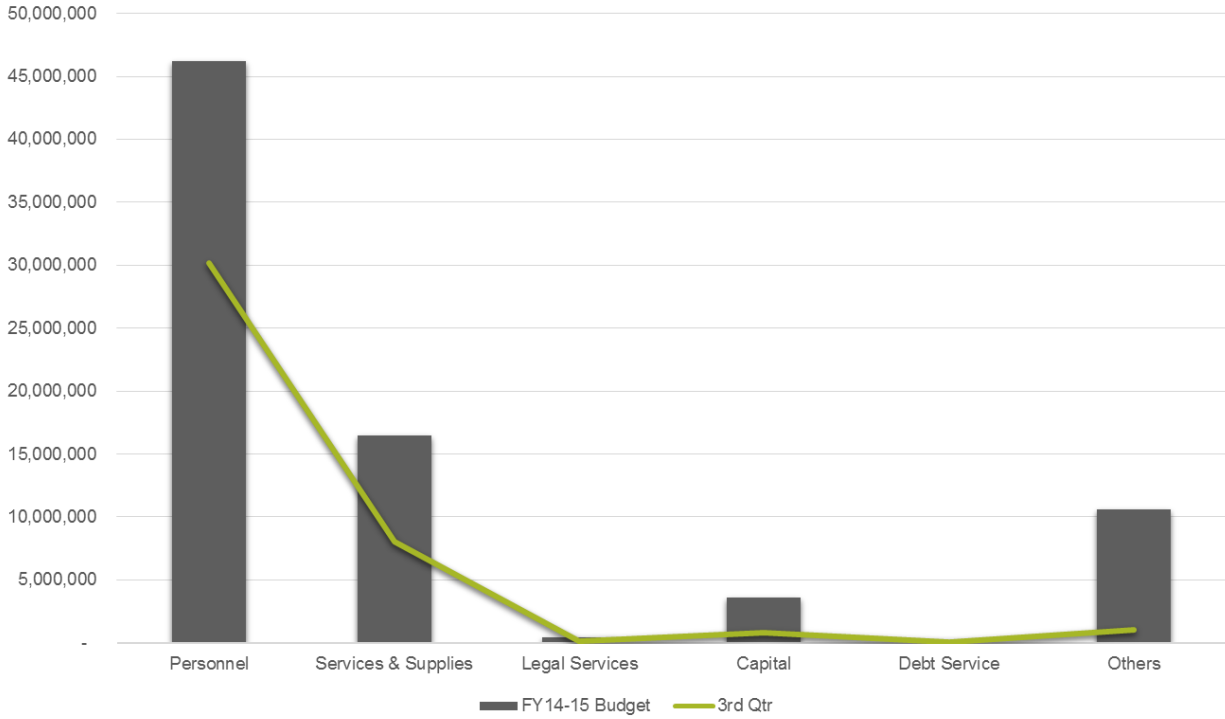
Expenditures by Category

| | Adjusted BUDGET FY2014/2015 | 3rd QTR FY2014/2015 | Variance Over/(Under) | % Expended |
|--|--|--------------------------------|----------------------------------|-----------------------|
| Personnel | 46,229,860 | 30,188,874 | (16,040,986) | 65% |
| Services & Supplies | 16,469,497 | 8,031,806 | (8,437,692) | 49% |
| Legal Services | 463,776 | 127,286 | (336,490) | 27% |
| Capital | 3,587,427 | 777,739 | (2,809,688) | 22% |
| Debt Service | 186,735 | 98,783 | (87,952) | 53% |
| Others | 10,589,900 | 1,038,608 | (9,551,292) | 10% |
| Total General Fund Expenditures | <u>77,527,196</u> | <u>40,263,096</u> | <u>(37,264,100)</u> | <u>52%</u> |

**FY2014-15 GENERAL FUND EXPENDITURE BUDGET
(BY CATEGORY)**



**FY2014-15 GENERAL FUND EXPENDITURE (BY CATEGORY)
BUDGET-TO-ACTUAL**

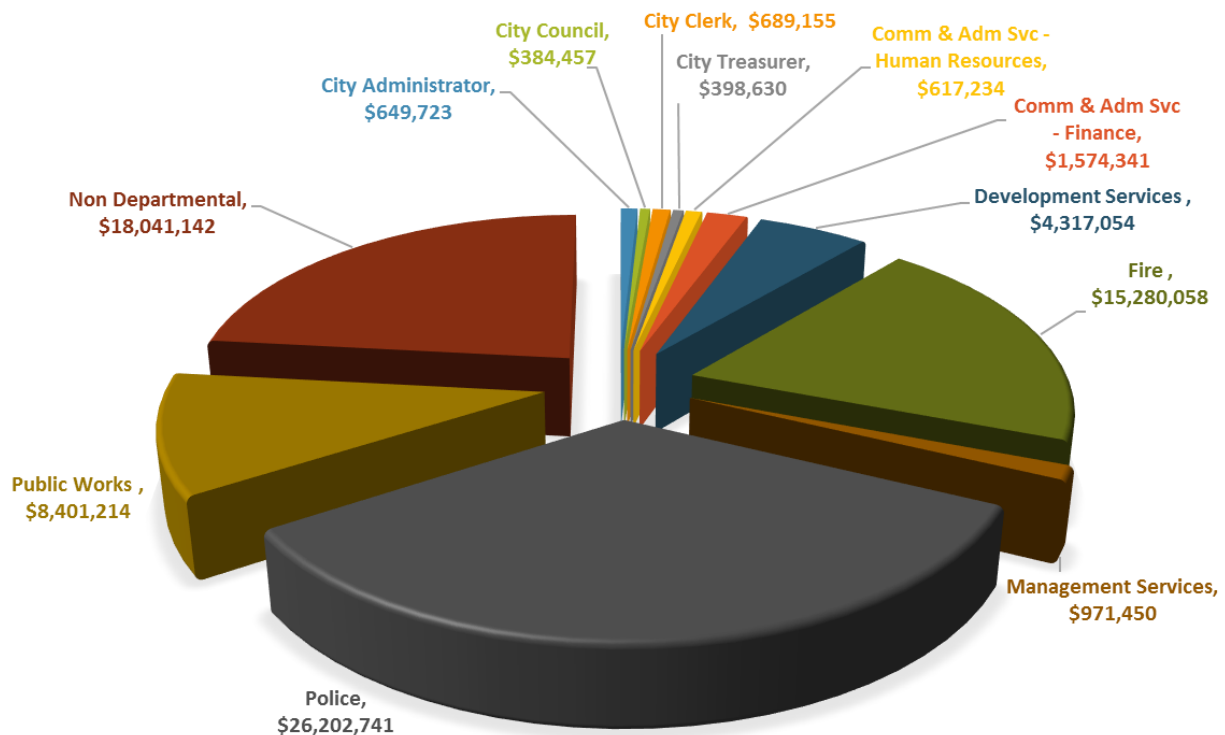


The table below examines General Fund expenditures by department, illustrating that most departmental expenditures are below budget due to pending capital and contract expenditures. City Clerk expenditures are 43% of budget due to some grant funding not yet utilized. Development Services expenditures are 43% of budget due to some contract services not yet utilized. Public Works budget is at 51% of budget due to pending capital projects. Non-Departmental actual are also under budget, because transfers out to Internal Service Funds, Enterprise Funds and Capital Projects Funds have yet to be completed. The transfer for the General Fund fund balance reserve use approved with Mid-Year of \$9.6M will be completed during the fourth quarter.

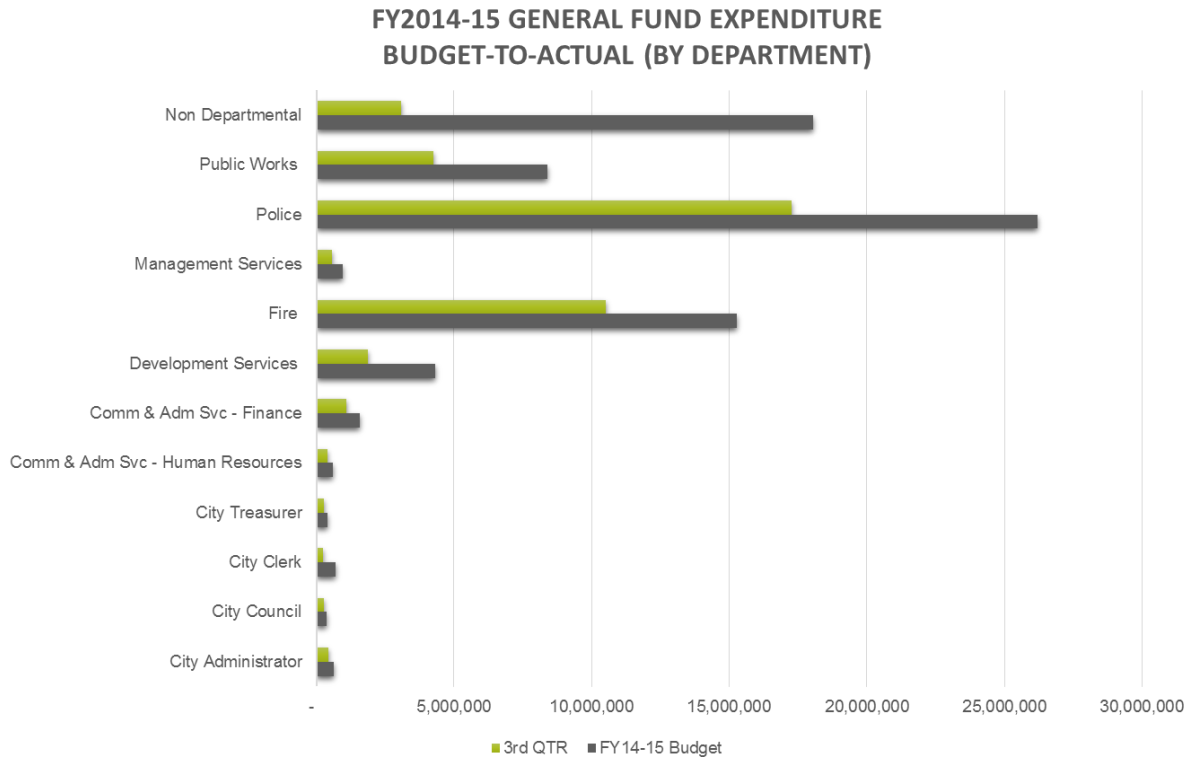
Expenditures by Department

| Department | Adjusted BUDGET FY2014/2015 | 3rd QTR FY2014/2015 | Variance Over/(Under) | % Expended |
|----------------------------------|-----------------------------------|------------------------|--------------------------|---------------|
| City Administrator | 649,723 | 429,298 | (220,425) | 66% |
| City Council | 384,457 | 271,301 | (113,155) | 71% |
| City Clerk | 689,155 | 245,240 | (443,914) | 36% |
| City Treasurer | 398,630 | 259,102 | (139,528) | 65% |
| Comm & Adm Svc - Human Resources | 617,234 | 420,814 | (196,420) | 68% |
| Comm & Adm Svc - Finance | 1,574,341 | 1,074,814 | (499,527) | 68% |
| Development Services | 4,317,054 | 1,869,675 | (2,447,379) | 43% |
| Fire | 15,280,058 | 10,519,112 | (4,760,945) | 69% |
| Management Services | 971,450 | 584,566 | (386,885) | 60% |
| Police | 26,202,741 | 17,268,609 | (8,934,132) | 66% |
| Public Works | 8,401,214 | 4,256,082 | (4,145,131) | 51% |
| Non Departmental | 18,041,142 | 3,064,483 | (14,976,659) | 17% |
| Total Expenditures | 77,527,196 | 40,263,096 | (37,264,100) | 52% |

GENERAL FUND - BUDGET BY DEPARTMENT



All departments have maintained their expenditures within budget. Some salary savings may be anticipated across the board due to vacant positions that remain unfilled.



General Fund Reserves

The City adopted a reserve policy which requires fifty percent of the budgeted General Fund expenditures to be reserved for contingencies. General Fund contingency reserves are used for cash flow to cover operational deficits throughout the year. The audited FY2013-14 General Fund reserve

| | |
|--|--------------------------|
| General Fund 010 | 30,711,615 |
| Working Capital 030 | 24,660,754 |
| Total Audited Fund Balance at June 30, 2014 | 55,372,369 |
| FY 2014-15 Budgeted Revenues | 61,917,673 |
| FY 2014-15 Budgeted Expenditures | <u>(61,917,673)</u> |
| FY2014-15 Budgeted Surplus/(Deficit) | - |
| FY 2013-14 PO Rolls to FY2014-15 | (1,949,472) |
| FY 2013-14 Carry Forward Budget to FY14-15 | (1,322,327) |
| FY 2014-15 Net Adjusted Budget through March 31, 2015 | <u>3,185,298</u> |
| Projected Fund Balance at June 30, 2015 | 55,285,868 |
| Less \$5M Non-Operational Contingency Reserve | (5,000,000) |
| Less Advances to Other Funds | (1,400,000) |
| Less Prepaid Expenses | (117,260) |
| Less Inventory | <u>(66,907)</u> |
| Non-Spendable Fund Balance | (6,584,167) |
| Available Fund Balance | 48,701,700 |
| Less 50% Reserve Policy Restriction | <u>(33,963,598)</u> |
| Available Balance Over/(Under) Policy Restriction | <u>14,738,103</u> |

balance as of June 30, 2014 was \$55.4M. On June 10, 2014, City Council adopted a balanced budget consisting of revenues and expenditures totaling \$61.9M. Factoring out the (\$1.9M) of encumbered purchase orders that rolled to FY2014-15, (\$1.3M) net of carry forward budget, and the \$3.2M remaining budget adjustments through March 31, 2015 the FY2014-15 General Fund reserve balance is projected to be \$55.3M. The table to the left illustrates that the projected FY2014-15 available General Fund

reserve of \$55.3M is adequate to satisfy the fifty percent, or \$33.9M, reserve policy restriction projecting forward to FY2014-15. Accounting for the \$5M contingency reserve for future capital projects, and other non-spendable reserves of \$1.6M the projected spendable balance for FY2014-15 is \$49M, which results in a reserve balance of \$14.7M in excess of the policy restriction. The \$14.7M of available balance results from the Airport Land Sales Proceeds of \$10.4M which will be used for future capital and economic development activities leaving a generally available balance of \$4.3M.

City Wide All Other Funds

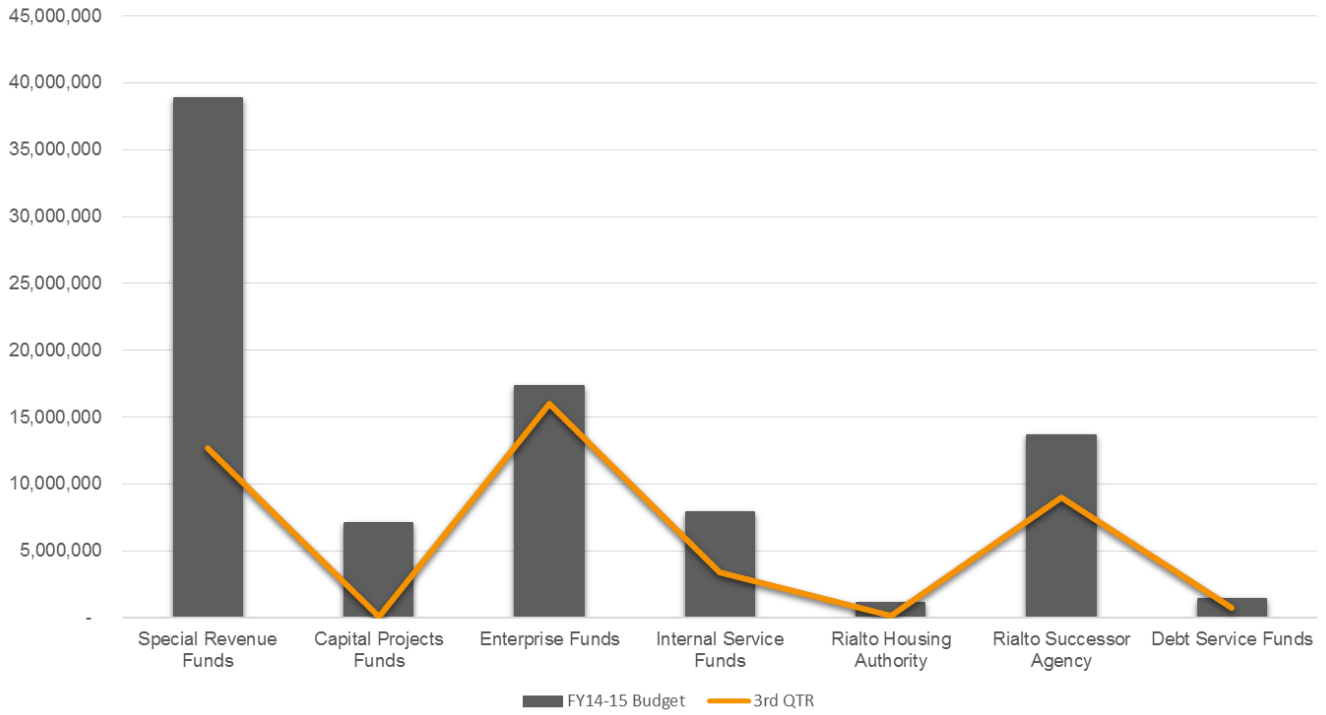
The remaining City funds are composed of Special Revenue Funds, Capital Projects Funds, Enterprise Funds, Internal Service Funds and Debt Service Funds. The following section discusses the activities relating to these funds. As shown in the table below, the Special Revenue, Enterprise and Rialto Successor Agency fund categories comprise eighty percent of the budget, with the discussion focusing on those funds.

City of Rialto Budget Year 2014-2015

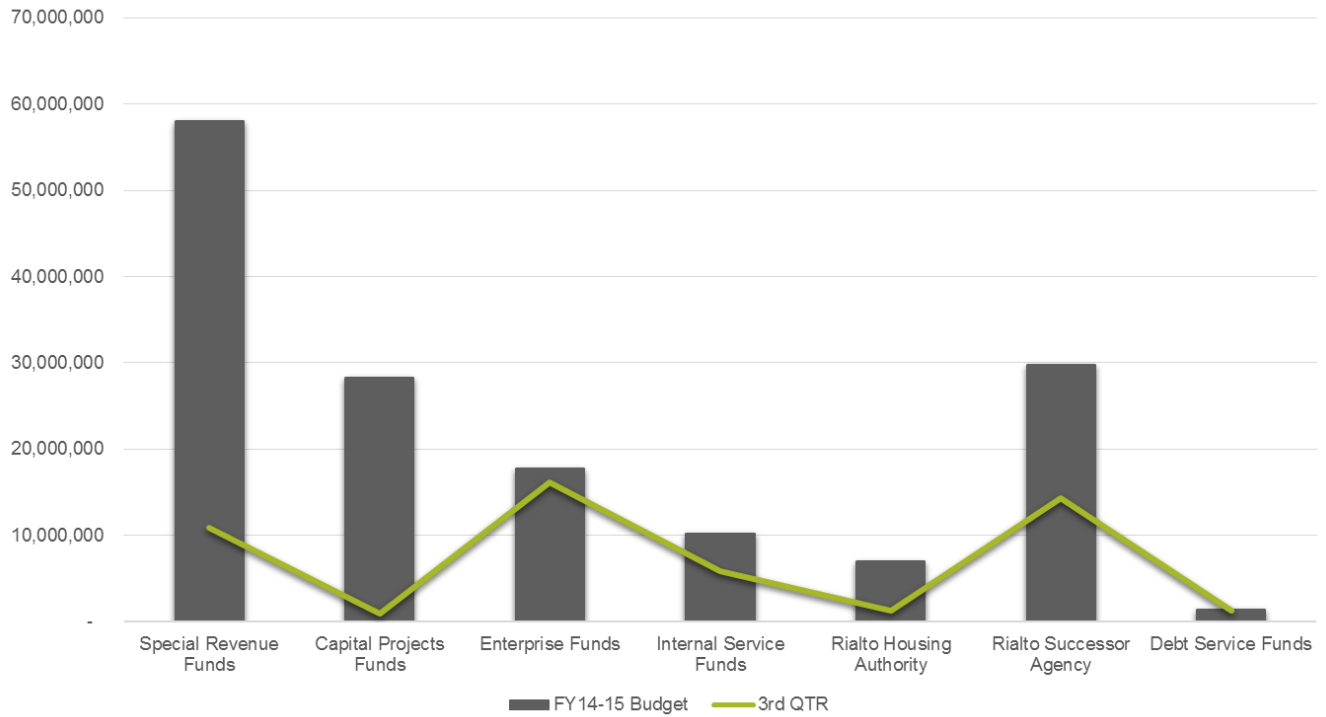
REVENUE & EXPENDITURE SUMMARY - ALL OTHER FUNDS

| | Current BUDGET FY2014/2015 | 3rd QTR FY2014/2015 | Variance Over/Under | % Actual |
|--|----------------------------------|------------------------|------------------------|-------------|
| Total City Revenues by Fund | | | | |
| Special Revenue Funds | 38,886,473 | 12,704,737 | (26,181,736) | 33% |
| Capital Projects Funds | 7,087,906 | 101,663 | (6,986,243) | 1% |
| Enterprise Funds | 17,350,218 | 16,011,641 | (1,338,577) | 92% |
| Internal Service Funds | 7,891,419 | 3,426,298 | (4,465,121) | 43% |
| Rialto Housing Authority | 1,113,950 | 124,349 | (989,601) | 11% |
| Rialto Successor Agency | 13,672,858 | 8,996,001 | (4,676,857) | 66% |
| Debt Service Funds | 1,410,062 | 762,994 | (647,068) | 54% |
| Total | 87,412,886 | 42,127,684 | (45,285,202) | 48% |
| Total City Expenditures by Fund | | | | |
| Special Revenue Funds | 57,964,449 | 10,873,107 | (47,091,343) | 19% |
| Capital Projects Funds | 28,330,719 | 1,006,591 | (27,324,128) | 4% |
| Enterprise Funds | 17,808,385 | 16,124,156 | (1,684,229) | 91% |
| Internal Service Funds | 10,176,773 | 5,872,285 | (4,304,488) | 58% |
| Rialto Housing Authority | 7,012,385 | 1,297,108 | (5,715,278) | 18% |
| Rialto Successor Agency | 29,723,381 | 14,385,173 | (15,338,208) | 48% |
| Debt Service Funds | 1,463,620 | 1,337,000 | (126,620) | 91% |
| Total | 152,479,711 | 50,895,418 | (101,584,293) | 33% |
| Excess Revenues (Expenditures) | (65,066,825) | (8,767,734) | | |

FY 2014-15 ALL OTHER FUNDS BUDGET-TO-ACTUAL REVENUES



FY 2014-15 ALL OTHER FUNDS BUDGET-TO-ACTUAL EXPENDITURES



Special Revenue Funds - The funds in this grouping are restricted funds to be used for specific purposes. This funding category includes: Transportation-related funds such as Measure I and Gas Tax Funds; Development Impact Fees; Waste Management activities, Landscape & Lighting Special Districts, Police Asset Forfeitures and grant-related funds.

Development Impact Revenues of almost \$1.6M were collected this quarter. Additional receipts for the quarter derive from Measure I, Gas Tax, Waste Management and grant revenue.

Special Revenue Fund expenditure budget is \$57.9M, of which capital budget is \$46.8M (81% of the budget). Actual capital expenditure through the third quarter is \$6M. The majority of capital project funding is derived from Measure I, Gas Tax, Development Impact fees and Community Development Block Grant (CDBG). Capital budget will be expended under their approved project schedules.

Capital Projects Funds – Are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets. This group includes the Airport Revitalization, the General Fund fund balance reserves expenditures along with Fair Share Fee improvements.

Enterprise Funds – Enterprise funds are municipal services for which fees are charged in exchange for goods or services, such as Airport, Cemetary, Recreation & Community Services and Utility Services. As previously mentioned, the RUA activities have been excluded from this interim report, and will be reported in a separate report to Council.

Internal Service Funds – Internal service funds are established to account for any activities that provide goods or services to other funds or departments on a cost-reimbursement or allocation basis. Revenues are at 43% of budget and represent direct cost recoveries in expenditures for fleet services, information technology services (ITS), workers' compensation and general liability. As previously discussed in the General Fund Revenues, a one-time transfer of approximately \$625K revenue is budgeted for the General fund, which is an expenditure for the internal service fund due to the collapsing of Development Services fund activities into the General Fund.

Rialto Housing Authority - On November 4, 2003 the City Council established the Rialto Housing Authority ("Authority") in accordance with California Health and Safety Code Section 34200-34606. The Authority enables the City to engage in affordable housing projects that includes new development or acquisition and rehabilitation of residential units. As of February 1, 2012, due to the dissolution of the Redevelopment Agency, the Authority assumed the Former Redevelopment Agency housing assets. The revenues collected this quarter are related to Former Redevelopment low and moderate income loan activities. At this point the expenditures are personnel related for administration of the Authority and debt related for the repayment of one of two HELP loans.

Rialto Successor Agency – The funds in this grouping account for the dissolution of the Former Redevelopment Agency. The budgeted and actual items are a result of approval of the Recognized Obligation Payment Schedule by the Oversight Board and the Department of Finance. Actual expenditures consist primarily of capital outlay from the 2008A bond proceeds and debt payments from the Successor Agency.

Debt Service Funds – Includes the Sewer Community Facility District (CFD) 87-1, CFD 2006-1 and 2007 Refunding Certificates of Participation debt. Expenditures are typically made in August/September and again in February/March, based on the debt service amortization schedule. Funding for the debt service derives from tax assessments in the CFDs and also allocations to various funds that benefited from the debt relating to the 2007 Refunding Certificates of Participation.

Capital Project Highlight

Bud Bender Park Improvement

On September 10, 2013 the City Council approved the preliminary site plan for an estimated \$2.5M of Bud Bender Park Improvements. The City Council has authorized staff to initiate the process to secure \$2M for the construction funding through the HUD Section 108 Loan Guarantee Program. This project is currently out for bid.

Rails to Trails

The cities of Claremont, Montclair, Upland, Rancho Cucamonga, Fontana, Rialto, and the San Bernardino Associated Governments (SANBAG) joined together to develop a 21-mile multi-use trail that linked the various cities along the Pacific Electric Railway line, creating recreation and alternative transportation opportunities for cyclists, pedestrians, runners, and equestrians. This Rails to Trails Project will improve the aesthetics of the abandoned Pacific Electric right-of-way, improving the quality of life for local residents and increasing property values in the surrounding neighborhood. The project will also promote healthy activities for Rialto residents of all ages and for surrounding communities by providing a recreational opportunity for cyclists, pedestrians and runners. Construction will be completed in May 2015.



Cedar Avenue Storm Drain Improvements



The project will improve drainage facilities at the Metrolink Railroad Crossing on Cedar Avenue. The volume of drainage conveyed at the crossing has increased significantly as a result of new development. The flooding during rainstorms from the deficient drainage has impacted the nearby Commercial Businesses. On February 10, 2015, City Council Awarded a Construction Contract to Downing Construction in the amount of \$667,291. The Construction is estimated to be completed during the summer of 2015.

Rialto Airport Demolition

On September 18, 2014 the Rialto Municipal Airport formally closed for aircraft operations. The City under its obligation to the Contract of Sale Agreement with Lewis-Hillwood Rialto, LLC, for the redevelopment of the abandoned airport, is responsible for the demolition and remediation efforts of the airport. The demolition and remediation includes dismantling and relocating hangar structures, removal of airport markings, removal of underground storage tanks and demolishing remaining flatwork at the Airport. Several contracts were awarded for the demolition efforts in early 2015 and are expected to be completed by summer 2015.

