

FILED

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BY  REGISTRAR OF CITY VOTERS
DEPUTY

CITY OF COLTON

**ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE "D"
TEMPORARY INCREASE IN GENERAL FUND TRANSFER FROM
ELECTRIC UTILITY AND ELECTRIC SERVICE RATE FREEZE**

The City of Colton General Fund pays for general City services such as police, fire and paramedic response, parks, libraries and youth/senior programs. However, due to several significant economic events, the City's General Fund has been operating with a deficit. On February 22, 2016, the Colton City Council placed Measure "D" on the ballot as a means to generate additional General Fund revenue in order to maintain general City services.

The City of Colton operates its own Electric Utility, which is currently running at a surplus. The Colton Municipal Code (C.M.C. §3.44.030(iii)(i)) currently authorizes the City Council to transfer to the City's General Fund up to a maximum rate of 12.39% of the Electric Utility's prior year gross revenues (the "General Fund Transfer").

The City Council is currently authorized to set Electric service rates for City residents and customers in accordance with applicable State and local law. The Colton Municipal Code does not currently set a limit or freeze on Electric service rates.

If approved by a majority of Colton voters, Measure "D" would accomplish the following:

1. *Increase the maximum General Fund Transfer rate from 12.39% to 20% for five years.* City staff estimates this could provide as much as \$4.8 million in additional General Fund revenue annually to maintain current general City services. After five years, the maximum General Fund Transfer would revert back to the current 12.39% rate.
2. *Establish a 5-year freeze on future electric rate increases.* For five years, the City Council would be prohibited from increasing electric service rates above what it approved on January 21, 2014 (the last time the City adopted electric rates). The Council would only be allowed to raise Electric service rates during the freeze period by unanimous vote, with written findings of emergency. After the rate freeze expires in five years, the Council would be authorized to increase Electric service rates in accordance with applicable law.

Measure "D" requires simple majority approval of the voters to pass. If the Measure does not pass, the Colton City Council will be required, as part of the budgeting process, to consider eliminating or reducing general City services.

A "Yes" vote will approve the General Fund Transfer increase and electric service rate freeze.

A "No" vote will not approve the General Fund Transfer increase and electric service rate freeze.

The above statement is an impartial analysis of Measure "D". If you desire a copy of the Measure, please call the Elections Official's office at (909) 370-5001 and a copy will be mailed at no cost to you.

/s/

CARLOS CAMPOS
City Attorney