

**CITY OF COLTON
CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE V**

**CONTINUING GENERAL FUND TRANSFER FROM ELECTRIC UTILITY
REVENUES UP TO MAXIMUM OF 20% OF GROSS REVENUES**

The City of Colton General Fund pays for general City services such as police, fire and paramedic response, parks, libraries and youth/senior programs. The City of Colton operates its own Electric Utility, which is currently running at a surplus. On July 17, 2018, the Colton City Council placed Measure V on the ballot to maintain General Fund revenue for general City services.

For many years, the Colton Municipal Code (C.M.C. §3.44.030(iii)(i)) authorized the City Council to transfer to the City's General Fund a maximum of 12.39% of the Electric Utility's prior year gross revenues (the "General Fund Transfer"). On November 8, 2016, Colton voters approved Measure D, which increased the General Fund Transfer from 12.39% to a maximum of 20%, along with a five-year "freeze" on any future electricity rate increases, absent a unanimous vote of the Council with written findings of emergency. Measure D is scheduled to sunset on June 30, 2021.

Measure V would eliminate the 5-year sunset on the 20% maximum General Fund Transfer. This would, in effect, make the 20% maximum General Fund Transfer permanent. Staff estimates that this would continue to generate approximately \$5 million annually beyond FY 2021-2022, providing General Fund revenue in order to maintain general City services. As with Measure D, the Council could adjust the General Fund Transfer rate from time to time during the budget process, subject to the 20% maximum rate.

Measure V does not, in any way, affect the 5-year electric rate "freeze". The rate "freeze" would remain in effect as approved by the voters under Measure D until June 30, 2021.

Under State law, Measure V is a "general tax". All revenue from this tax would be deposited into the City's General Fund and could be used for general City services as identified above. Measure V requires simple majority approval of the voters to pass. If the Measure does not pass, the maximum General Fund Transfer will revert to 12.39% of gross revenues on the sunset date - June 30, 2021. The Colton City Council will be required at that time, as part of the budgeting process, to consider eliminating or reducing general City services.

A "Yes" vote will approve the continued General Fund Transfer at the 20% maximum rate beyond June 30, 2021.

A "No" vote will not approve the continued General Fund Transfer at the 20% maximum rate beyond June 30, 2021.

The above statement is an impartial analysis of Measure V. 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



FILED

AUG 21 2018

BY  DEPUTY
REGISTRAR OF VOTERS