



## STAFF REPORT

DATE: JUNE 19, 2012

TO: HONORABLE MAYOR AND CITY COUNCIL  
COLTON UTILITY AUTHORITY BOARD (CUA)  
COLTON PUBLIC FINANCING AUTHORITY BOARD (CPFA)

FROM: ROD FOSTER, CITY MANAGER *Rod Foster*

PREPARED BY: BONNIE J. JOHNSON, MANAGEMENT SERVICES DIRECTOR *Bj*

SUBJECT: FISCAL YEAR 2012-13 BUDGET ADOPTION AND RELATED ACTIONS (CITY AND CUA); ORDINANCE AMENDING ELECTRIC SYSTEM REVENUE FUND AND THE AMOUNT WHICH MAY BE TRANSFERRED TO THE GENERAL FUND (CITY); ORDINANCE ADOPTING A RENTAL HOUSING REGISTRATION AND INSPECTION PROGRAM (CITY); AND RESOLUTION ADOPTING REGULAR MEETING SCHEDULE (CPFA)

### RECOMMENDED ACTION

1. It is recommended that the City Council Adopt Resolution No. R-26-12 Approving and Adopting the Budget Commencing July 1, 2012 and Ending June 30, 2013.
2. It is recommended that the City Council Adopt Resolution No. R-27-12 Approving and Adopting the Annual Gann Limit for Fiscal Year 2012-13.
3. It is recommended that the City Council Waive Full Reading and Introduce by Title Only Ordinance No. O-08-12 an Ordinance of the City Council of the City of Colton, California Amending Section 3(iii)(i) of Ordinance No. O-09-02 (Section 3.44.030(iii)(i) of the Colton Municipal Code) Relating to the Electric System Revenue Fund and the Amount Which May be Transferred to the General Fund.
4. It is recommended that the City Council Waive Full Reading and Introduce by Title Only Ordinance No. O-05-12 an Ordinance of the City of Colton, California Adding Chapter 15.49 to the Colton Municipal Code Relating to the Rental Housing Registration and Inspection Program.
5. It is recommended that the Colton Utility Authority Board Adopt Resolution No. CUA 2012-02 Approving and Adopting an Advance Lease Payment to the City of Colton and Adopting the Budget Commencing July 1, 2012 and Ending June 30, 2013.
6. It is recommended that the Board of Directors of the Colton Public Financing Authority Adopt Resolution No. CPFA 2012-01 Establishing a Regular Meeting Schedule and Providing for Other Matters Related Thereto.

## GOAL STATEMENT

The proposed action will support the City's goal of managing and operating the City in a fiscally responsible manner.

## BACKGROUND

On May 22, 2012, the City Council held a public workshop and invited its commissions and boards for the purpose of having an open, transparent and healthy dialogue about the City's financial status and the draft Fiscal Year (FY) 2012-13 proposed budget. The City Council, as part of their June 5, 2012 regular meeting, discussed and provided input on the on upcoming budget. At the conclusion of the June 5<sup>th</sup> meeting, Council directed staff to make the following changes to the Fiscal Year 2012-13 Proposed Budget:

- Set the funding for the Chamber of Commerce at \$25,000/annually
- Eliminate funding for a solid waste franchise request for proposal
- Eliminate funding for an additional animal control officer and related vehicle; fund a temporary position in animal control
- Administrative salary allocations remain as currently authorized
- Include a rental inspection program as part of the budget; which will include two new code enforcement officers and one new police records clerk to be fully funded by the program\*
- Set the General Fund Transfer (GFT - the annual administrative transfer from the Electric Utility Fund to the General Fund) at 11.25% plus the incremental amount necessary to fund the following:
  1. Chamber of Commerce: \$25,000
  2. One Police Records Clerk (in addition to the one noted above): \$51,966
  3. Fire Dept. - building and equipment maintenance: \$34,070
  4. Public Works – operational expenses in the Street Division: \$15,500
  5. Improvements to Community Centers: \$79,866
  6. Library Circulation System: \$47,000
  7. Complete HCP, and West Valley EIR and specific plan: \$220,000
  8. Budgetary allocation for maintenance positions in the Streets/Parks Divisions of Public Works: \$186,045 (as a suggestion, two full-time workers and as many as four 20-hour per week part-time workers could hired within this budgetary allocation)
  9. Temporary worker to backfill in Animal Control: \$20,000 (staff proposed funding allocation based on current need)

Based upon the above, the GFT will be set at 12.39%, an increase of 2.39% over the current 10%. The GFT will be reviewed annually by the City Council with the goal of reducing it whenever possible.

\*Please note that staff costs do not affect the GFT calculation process; program costs will be offset by program revenue

In addition, the budget includes a proposed advance lease payment from the Utility Authority in the amount of \$4,991,938 (specifically the Wastewater Utility) to the City wherein the following would be funded:

- ◆ Senior Housing on the Colton Palms site: \$2,500,000
- ◆ Regional park development/property acquisition: \$300,000
- ◆ Historical fund balance deficit in CDBG: \$561,232
- ◆ Historical fund balance deficit in Misc. Grants: \$1,309,650
- ◆ Historical fund balance deficit in CIP funds: \$321,056

As such, the budget document has changed in accordance with Council direction provided during the workshop and discussed at the June 5<sup>th</sup> meeting. As delineated above, staff has provided detail on the changes from the previously presented budget. Staff has also provided a fund summary which reflects the total proposed appropriations in each fund which incorporates all changes above as directed by the City Council.

### **Summary of Changes**

In addition to the changes noted above, per Council direction, the following is a summary of other significant proposed changes included in the 2012-13 budget:

#### **State Impacts**

- With the abolishment of Redevelopment, those related funds are no longer adopted and reported in the City's budget. Separate budgets will be adopted by both the Oversight Board and Colton Housing Authority. With the elimination of Redevelopment, economic development functions (staffing and miscellaneous expenditures) are being funded in the City Manager's Department
- Reduction of Motor Vehicle License Fees: \$110,000

#### **City Council**

- No significant operational budget changes

#### **City Clerk**

- General Election in November 2013: \$50,000

#### **Police Department**

- Add 1 full-time Police Services Clerk to support existing programs and responsibilities: \$51,966
- Add 1 full-time Police Services Clerk to support proposed rental inspection program: \$51,966
- Add 2 full-time code enforcement officers to implement proposed rental inspection program: \$166,034
- 25% match for COPS Grant: \$120,000 (asset seizure dollars; not General Fund)
- Replacement vehicle: \$25,000 (asset seizure dollars; not General Fund)

#### **Fire Department**

- Match for SAFER Grant (dollars earmarked, but will not formally be appropriated until the grant award is made): \$375,000

#### **Development Services**

- No significant operational budget changes other than those noted above

Community Services

- Changes as noted above
- Skate Park improvements at Chavez Park: \$50,000 (Park Development Fund)

Management Services

- Upgrade to Utility Billing software; City version no longer supportable (funded by Utility departments): \$82,000

Public Works

- Add 2 part-time laborer positions in Storm Water: \$22,464
- Add part-time Engineering position to be split between Water and Wastewater
- Year 1 of three-year Water meter replacement program to convert to AMR - year 1: \$850,000
- Sewer master plan and rate study: \$250,200
- Water master plan and rate study: \$243,400 (yr.1: \$146,700; yr. 2: \$96,700)
- Sewer Line Replacement: \$200,000
- Wastewater Treatment Plant Improvements: \$265,000
- Purchase replacement vehicles in Water: \$80,000
- Purchase replacement vehicles in Wastewater: \$80,000
- Purchase a variety of qualifying equipment and vehicles with AQMD subvention dollars: \$200,000
- Final year of City funding allocated toward the Colton Crossing Project: \$1.8 million

Electric

- Refinance debt to save an estimated \$250,000 annually
- Implement a financial strategy wherein an annual capital improvement plan is developed and funded annually.
- Unfund the position of Electric Utility Associate Engineer; reallocate funding to the position of Electric Utility System Designer (classification exists, but not funded in 2011-12)

General Fund

For FY 2012-13, the projected General Fund revenue is approximately \$34.02 million, or 26% of total citywide revenues. This represents an increase over the 2011-12 estimates of \$7.77 million. The major reasons for this increase include a one-time advance lease payment from the Wastewater Utility of \$4.99 million; an increase in the GFT of \$1.47 million; projected revenue from the proposed rental inspection program of \$685,666; and an increase in sales tax of \$210,000.

Proposed General Fund expenditures for FY 2012-13 are approximately \$33.64 million, or 25% of total citywide expenditures. This is a \$5.9 million increase over current estimates to close the FY 2011-12 budget. However, in addition to the formal appropriations, the budget includes the designation of \$375,000 toward the SAFER Grant match.

The General Fund is expected to begin the FY 2012-13 with \$1,645,542, and, after taking into consideration the fund balance reservations noted above, end the year with an estimated \$1,652,053. As such, the 2012-13 General Fund budget is balanced-in, balanced-out.

### **Rental Inspection Program**

Staff has been exploring the establishment of an annual citywide rental housing inspection program. The primary objectives of such a program are to help improve and maintain the quality of the City's housing stock, thereby preventing blight and improving the quality of life for our residents. Approximately 49% of the City's 16,350 housing units consist of rental properties - 8,011 units. Of these, 4,300 units are located in 28 apartment complexes distributed throughout the City.

Staff from the Development Services Department, Police Department, and City Clerk's Office took the lead on developing an inspection program. Initial research included meeting with staff from neighboring cities to discuss their single-family rental inspection programs, and conducting phone interviews with staff from cities with active rental inspection programs. Cities interviewed include Azusa, Grand Terrace, Rialto, Pasadena, San Bernardino and Highland.

Information from cities with active rental inspection programs revealed a myriad possible issues and options to consider in developing a program suitable for the City of Colton. Such issues and options include:

- Whether to include both single-family and multi-family rental units in the inspection program;
- Whether to exempt condominium units, as some cities do because of overlapping homeowner association responsibilities;
- Scope of inspections (e.g. interior and/or exterior, fire and building code violations, deferred exterior maintenance, landscaping, outdoor storage, etc.);
- Timeframe for roll-out of a new inspection program;
- Implementing/administering agency (e.g. planning/building departments, police/code enforcement, or other entity);
- Staff certifications and training for inspections (e.g. Code Enforcement Officer, Certified Building Inspector);
- Frequency of inspections (e.g. annually, bi-annually, or other interval);
- Whether to permit self-certification by owners of rental units; and
- Appropriate assumptions to include in fee calculations.

With consideration of these issues to ensure the most suitable standards for the City of Colton, staff is recommending a rental housing registration and inspection program that includes the following major components:

**Applicability:** Multi-family and single family rental units with the exception that condominiums, townhouses or single-family homes that are covered by a homeowners association which enforces CC&Rs are proposed to be exempt. Although staff considered restricting the proposed Program to properties owned by companies or individuals located outside of the City ("absentee landlords"), it has been determined that such a restriction cannot be legally supported. See proposed Colton Municipal Code (CMC) Section 15.49.030 for list of all exemptions (Attachment 2).

Administering  
Agency:

Police Department/Code Enforcement Division.

Scope of  
Inspections:

Common areas and exteriors for purpose of identifying any threats to health or safety, including property maintenance standards. Private, interior areas are exempt, except in circumstances outlined in CMC Section 15.49.090.

Frequency of  
Inspections:

Annually, with 30-day notice prior to initial inspection, and by appointment thereafter. Re-inspections are required if violations are identified during the first inspection.

Staff Resources:

It is estimated that effective administration of the Program will require two Code Enforcement Officers, one Police Services Clerk and 20% of Police Sergeant for oversight.

Registration and  
Inspection Fees:

A full-cost recovery fee resolution is forthcoming as part of the Citywide User Fee recommendations. Based on full cost recovery fee analysis conducted to date, we estimate the following fees will be recommended:

Site Visit: \$144.00 (includes inspection of first unit)  
2 to 12 units: \$123.00 per unit (\$144.00 + \$123.00 per unit from 2 to 12 units)  
13 to 79 units: \$65.00 per unit (\$1,497.00 + \$65.00 per unit from 13 to 50 units)  
80 to 300 units: \$50.00 per unit (\$5,852.00 + \$50.00 per unit from 51 to 79 units)  
301+ units: \$35.00 per unit (\$16,902.00 + \$35.00 per unit over 79 units)

Fees for registration and inspection of rental units will cover the City's cost of administering the Program. Cost recovery for Fiscal Year 2012-13 is anticipated to be approximately \$700,000 and \$700,000 to \$800,000 each year thereafter.

**Capital Improvement (CIP) Funds and Grants**

The City continues to receive various types of funding that enable it to continue with limited infrastructure improvements throughout the City. Much of this funding, such as Community Development Block Grant funds (CDBG), gas tax monies, park and traffic impact fees, as well as various other grants, cannot be used to fund general City operations. In the FY 2012-13 budget, the global CIP allocations (exclusive of utilities) total \$5.1 million. This includes a final allocation of approximately \$1.8 million for the Colton Crossing project, as well as \$2.5 million for the downtown Senior Housing project.

### **Enterprise Funds**

As reflected in Attachment A, Fund Summary, the Electric Utility is expected to begin the fiscal year with approximately \$12.6 million in current net resources. However, it should be noted that an estimated \$7 million of this amount is currently restricted by the flow of funds ordinance. That leaves an approximate unrestricted balance of \$5.6 million, or 9.5% of proposed expenses. The City's current reserve policy for this utility is 10% of operating expenses.

With respect to the Water Utility, revenues are projected to increase in FY 2012-13 by approximately \$510,380, or 4.9%. This is mainly due to a full year's collection of a previously approved plan to raise both water consumption rates and monthly meter charges over a three and a half year period which began July 1, 2009. Proposed expenses include a CIP master plan, a rate study and year one of a three-year plan to convert to automated meters. In addition, current funds are allocated to the waterline replacement program, which will further remedy the brown water issue and, as a result, improve water quality for the community.

Finally, in FY 2012-13, the Wastewater Utility is projected to see a slight increase in revenue due to an anticipated increase in commercial sales and an increase in expenses due to upgrades at the sewer treatment plant, a CIP master plan and rate study. In addition, the proposed budget includes a one-time advance lease payment to the General Fund of \$4.99 million. The Wastewater Utility is expected to complete the 2012-13 fiscal year with \$2.8 million, or an approximate 31% reserve.

### **Electric Bond Refinancing**

As Council is aware, staff has begun the process to refinance the 2002 Electric Bonds (Agua Mansa Debt). Based on current interest rates, the refinance is expected to generate an annual savings of \$250,000 to \$300,000 to the Electric Utility. The Colton Public Financing Authority (CPFA) is the entity the City utilizes to issue debt. Due to a 2010 change in the law, Bond Counsel has advised, and our City Attorney concurs, that the CPFA must now establish a regular meeting schedule to facilitate the debt issuance. Currently, the CPFA bylaws indicate that it shall have one regular meeting per year; however, action regarding issuance of debt must be on a regular meeting agenda. This action will facilitate the proposed transaction and create flexibility going forward. It is anticipated that the proposed refinance will be brought forward for Council consideration in July or August of 2012.

### **Former Redevelopment Agency Funds**

As noted at the May 22, 2012 budget workshop, the proposed 2012-13 City budget does not include the activity of the former Redevelopment Agency. Those activities and related budgets are being addressed by the Successor Agency for the Redevelopment Agency and the Colton Housing Authority in accordance with applicable guidelines and laws.

### **Gann Limit**

In accordance with Article XIIB of the California Constitution, the City is limited as to how much revenue from taxes it may receive. The appropriations limit is based on actual appropriations during the 1978-79 fiscal year, and is increased each year using the growth of population and inflation. Not all revenues are restricted by the appropriations limit, only those which are referred to as "proceeds of taxes".

The Gann Limit is calculated by taking the prior year's limit and applying growth factors as appropriate. When growth factors are applied to the FY 2011-12 appropriation limit, the limit for FY 2012-13 is calculated to be \$61,004,535. The City's proceeds of taxes for FY 2012-13 are estimated to be \$13,204,634. As such, the City is well below the Gann Limit.

## **FISCAL IMPACTS**

Approval of the recommended resolutions and ordinances will adopt a FY 2012-13 budget with the following projected balances at June 30, 2013 (see attached Fund Summary – Attachment A to Resolution No. R-26-12):

• General Fund	\$ 2,027,053**
• Special Revenue funds	\$ 762,358
• Capital Projects funds	\$ 7,117,660
• Debt Service/CFD/AD funds	\$ 5,174,334
• Enterprise funds	\$11,295,889
• Internal Service funds	\$ 244,802

\*\*Although not formally appropriated at this time, \$375,000 is designated in the budget for the SAFER Grant. As a result, once the grant is awarded and accepted by the Council, staff projects the available balance at June 30, 2013 to be \$1,652,053.

FY 2012-13 estimated revenues and proposed expenditures for all City funds are incorporated into the proposed budget document. Any carryover balances, mainly for capital projects, have already been accounted for in the FY 2011-12 estimates to close the year and therefore will not impact available balances as presented in Attachment A.

## **ALTERNATIVES**

1. Provide alternative direction to staff.

## **ATTACHMENTS**

City Council Budget Resolution No. R-26-12

City Council Gann Limit Resolution No. R-27-12

City Council Ordinance No. O-08-12 relating to the Flow of Funds from the Electric System Revenue Fund

City Council Ordinance No. O-05-12 relating to the Rental Inspection Program

Colton Utility Authority Budget Resolution No. CUA 2012-02

Colton Public Financing Authority Resolution No. CPFA 2012-01

**RESOLUTION NO. R-26-12**

**RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF COLTON, CALIFORNIA  
ADOPTING THE BUDGET FOR THE FISCAL  
YEAR COMMENCING JULY 1, 2012 AND  
ENDING JUNE 30, 2013**

**WHEREAS**, the City Manager of the City of Colton has prepared the proposed annual budget for Fiscal Year 2012-13 which sets forth all of the expected revenue and the recommended appropriations to meet the operating and capital needs for all of the City's operations; and

**WHEREAS**, the City held a public budget workshop wherein staff presented the budget to the City Council, as well as invited various boards and commissions to review the budget and make recommendations; and

**WHEREAS**, at a second public session, the City Council provided further direction regarding the recommendations contained in the Fiscal Year 2012-13 Proposed Budget document and modified them so as to best serve the interests of the citizens of the City of Colton.

**NOW, THEREFORE**, THE CITY COUNCIL OF THE CITY OF COLTON DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

**SECTION 1:** The Recommended Budget for the City of Colton for the Fiscal Year commencing July 1, 2012 and ending June 30, 2013 as reflected on Attachment A to this resolution is hereby approved and adopted and incorporated herein.

**SECTION 2:** Following the effective date of Ordinance No. O-08-12, the General Fund Transfer percentage (the annual administrative transfer from the Electric Utility Fund to the General Fund) shall be set at 12.39% for Fiscal Year 2012-13. Until the effective date, the percentage shall remain at 10%. The percentage will be reviewed annually and set during the annual budget process with a goal to reduce the GFT whenever possible.

**SECTION 3:** Prior to December 31, 2012, the City Manager and Management Services Director will prepare a plan that addresses alternatives for reducing the General Fund Transfer in future years.

**SECTION 4:** Staff will explore consolidating the cost of an annual business license with the monthly utility bill. Any costs associated with software modification will be determined and presented to the Customer Service Ad-Hoc Committee for consideration.

**SECTION 5:** The following positions are hereby authorized for funding: two full-time police services clerks; two full-time code enforcement officers; one temporary part-time community service officer (CSO) position to back-fill in animal control; one permanent part-time engineering assistant (funded by water/wastewater); two permanent part-time general laborer positions (funded by Storm Water); and, any combination of full-time and/or part-time/temporary maintenance positions up to a maximum budgetary allocation of \$186,045. Also, the position of electric utility associate engineer will not be funded and the position of electric utility system designer will be funded. Both classifications currently exist. This change will reallocate funding from one to the other. All of the classifications above are currently authorized within the City's classification and compensation structure

**SECTION 6:** In the Fiscal Year 2013-14 CIP budget, crosswalk safety improvements will be addressed, especially near schools. Funds are not currently available in the CIP as the Fiscal Year 2012-13 budget includes the third, and final, Colton Crossing allocation of \$1.8 million.

**SECTION 7:** In July 2012, as part of the annual assessment approval process, staff will bring forward a comprehensive report on the LLMD's and seek direction on service levels going forward.

**SECTION 8:** The Wastewater Utility will advance \$4,991,938 toward the lease payment that is authorized pursuant to a lease agreement dated September 1, 2000 between the Colton Utility Authority and the City of Colton.

The advance payment will be used to fund the following expenditures:

- ◆ Senior Housing on the Colton Palms site: \$2,500,000
- ◆ Regional park development/property acquisition: \$300,000
- ◆ Historical fund balance deficit in CDBG: \$561,232
- ◆ Historical fund balance deficit in Misc. Grants: \$1,309,650
- ◆ Historical fund balance deficit in CIP funds: \$321,056

**SECTION 9:** All recitals stated above are true and correct. Staff's presentation, including the staff report dated June 19, 2012 and all of its attachments and/or other documents distributed to the City Council are also incorporated herein by reference, approved and adopted as findings.

**SECTION 10:** The City Council further understands that the adoption of the State budget may have financial impacts on the City of Colton. Inasmuch as the State's budget is not yet adopted and the uncertainty of such impacts, no provision has been made in the recommended 2012-13 budget for these items. Staff will inform Council as soon as impacts, if any, are known.

**SECTION 11:** The FY 2012-13 Budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State.

**SECTION 12:** At the end of FY 2011-12, certain purchase orders exist as outstanding encumbrances representing contractual obligations of previously budgeted funds. In addition, certain amounts have been included in the FY 2011-12 budget that relate to one-time allocations for specific projects and services, but remain unspent. The outstanding encumbrances and, at the City Manager's discretion, any unspent one-time allocations are deemed to be rebudgeted as an addition to the budget amounts previously approved in this resolution. All such amounts have been removed from available balances in the FY 2012-13 projections and therefore have no effect on the available fund balances presented herein.

**SECTION 13:** Under the direction of the City Manager, the Management Services Director may make the reallocation of appropriations within funds. Amendments (Increases/Decreases) to the Budget shall be by approval and Resolution of the City Council.

**SECTION 14:** The City Clerk shall certify the adoption of the Budget and shall cause to be filed with the County Auditor within 60 days of the adoption, a certified copy of the Budget and Resolution.

**APPROVED AND ADOPTED** this 19<sup>th</sup> day of June, 2012

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Sarah S. Zamora, Mayor

ATTEST:

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Eileen C. Gomez, City Clerk

CITY OF COLTON  
2012-13 PROPOSED BUDGET  
FUND SUMMARY

Attachment A

	July 1, 2012 Available Balance	Revised Estimated Revenue	Revised Budgeted Expenditures	June 30, 2013 Projected Balance
<b>General Fund *</b>	<b>1,645,542</b>	<b>34,021,995</b>	<b>33,640,484</b>	<b>2,027,053</b>
<b><u>Special Revenue Funds</u></b>				
Community Child Care	13,623	607,824	607,465	13,982
Special Gas Tax	46,466	1,355,476	1,379,032	22,910
Library Grant Fund	12,705	30,000	29,055	13,650
State Traffic Relief	65,088	1,000	61,774	4,314
Air Quality Fund (AQMD)	295,261	60,400	200,000	155,661
CDBG Fund**	(561,232)	975,562	414,330	0
Drug/Gang Intervention	15,438	0		15,438
Measure I Fund	706,366	574,960	991,854	289,472
ViTep	0	75,030	65,324	9,706
Miscellaneous Grants**	(1,393,052)	1,497,244	104,192	0
Host City Fees	238,524	367,897	600,000	6,421
New Facilities Development Fees	72,779	150		72,929
Asset Seizure Fund	422,875	0	265,000	157,875
<b>Total Special Revenue Funds</b>	<b>(65,159)</b>	<b>5,545,543</b>	<b>4,718,026</b>	<b>762,358</b>
<b><u>Capital Projects Funds</u></b>				
Park Development Fund	139,684	43,400	50,000	133,084
Traffic Impact Fee Fund	219,751	30,300	30,000	220,051
Capital Improvement Fund (450)**	(160,954)	3,010,954	2,850,000	0
Colton Crossing Fund (451)	4,931,865	1,832,660	0	6,764,525
Capital Improvement Fund (457)**	(160,102)	160,102	0	0
<b>Total Capital Projects Funds</b>	<b>4,970,244</b>	<b>5,077,416</b>	<b>2,930,000</b>	<b>7,117,660</b>
<b><u>Debt Service Funds</u></b>				
Public Financing Authority	1,594,862	1,410,922	1,404,502	1,601,282
Taxable Pension Bonds	1,683,534	2,483,606	2,376,291	1,790,849
Water Improvement District A	(40,098)	31,567	31,567	(40,098)
<b>Total Debt Service Funds</b>	<b>3,238,298</b>	<b>3,926,095</b>	<b>3,812,360</b>	<b>3,352,033</b>
<b><u>CFD's and Assessment Districts</u></b>				
CFD 87-1	213,834	110,564	104,364	220,034
CFD 88-1	384,914	223,295	209,695	398,514
CFD 89-1	414,325	268,847	253,447	429,725
CFD 89-2	584,979	285,205	283,805	586,379
CFD 90-1	506,810	267,162	267,162	506,810
Storm Water	56,628	588,591	567,468	77,751
LLMD #1	(239,899)	321,103	312,789	(231,585)
LLMD #2	(174,079)	126,372	117,620	(165,327)
<b>Total CFD's and Assessment Districts</b>	<b>1,747,512</b>	<b>2,191,139</b>	<b>2,116,350</b>	<b>1,822,301</b>

\*Does not include an appropriation for the SAFER Grant match pending formal notification (\$375,000); however, the budget designates funding, if needed.

CITY OF COLTON  
2012-13 PROPOSED BUDGET  
FUND SUMMARY

Attachment A

	July 1, 2012 Available Balance	Revised Estimated Revenue	Revised Budgeted Expenditures	June 30, 2013 Projected Balance
<b><u>Enterprise Funds</u></b>				
Electric Utility**	12,595,592	59,180,984	58,649,810	13,126,766
Public Benefit Fund	466,225	634,295	1,029,133	71,387
Water Utility	(5,526,278)	10,788,235	10,767,597	(5,505,640)
Wastewater Utility	8,377,304	8,876,996	14,424,576	2,829,724
Cemetery Endowment	759,652	14,000		773,652
<b>Total Enterprise Funds</b>	<b>16,672,495</b>	<b>79,494,510</b>	<b>84,871,116</b>	<b>11,295,889</b>
<b><u>Internal Service Funds</u></b>				
Bldg Maint and Fleet	9,686	0	0	9,686
Information Services	105,358	0	0	105,358
Risk Management	129,758	0	0	129,758
<b>Total Internal Service Funds</b>	<b>244,802</b>	<b>0</b>	<b>0</b>	<b>244,802</b>
<b>Grand Totals</b>	<b>28,453,734</b>	<b>130,256,698</b>	<b>132,088,336</b>	<b>26,622,096</b>

\*\*Approximately \$7 million restricted under the flow of funds ordinance

**RESOLUTION NO. R-27-12**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON  
APPROVING AND ADOPTING THE ANNUAL GANN  
LIMIT FOR THE FISCAL YEAR 2012-13**

**WHEREAS**, the voters of California, on November 6, 1979, added Article XIII-B to the State Constitution placing various limitations on the appropriations of the state and local governments; and

**WHEREAS**, Article XIII-B provides that the appropriations limit for the Fiscal Year 2011-12 is calculated by adjusting the base year appropriations of Fiscal Year 1978-79 for changes in the cost of living and population; and

**WHEREAS**, the City of Colton has complied with all the provisions of Article XIII-B in determining the appropriations limit for Fiscal Year 2012-13 utilizing the County population index; and

**WHEREAS**, the City of Colton must make the necessary determinations regarding the use of a cost-of-living index change and the population index change beginning in 2012-13;

**NOW, THEREFORE, BE IT RESOLVED** that the appropriations limit for Fiscal Year 2012-13 shall be \$61,004,535 for the City of Colton, and;

**BE IT FURTHER RESOLVED**, that for the Fiscal Year 2012-13, the City of Colton selects the California percentage change in per capita income as its cost-of-living index change as determined by the California State Department of Finance and that the City of Colton selects the population index change for the County as a whole instead of the change in City population as its population index change.

**PASSED, APPROVED AND ADOPTED** this 19<sup>th</sup> day of June, 2012.

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Sarah S. Zamora  
Mayor

**ATTEST:**

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Eileen C. Gomez  
City Clerk

CITY OF COLTON

2012-2013 APPROPRIATIONS LIMITATION

As indicated by Schedules A and B, the percentage increase to Colton's Appropriation Limit is 1.0466%. The 2012-2013 limit is \$61,004,535. The amount subject to limitation in the 2012-2013 Adopted Budget is \$13,169,634. The City of Colton is \$47,834,901 under its lawful limitation.

The calculation consists of two (2) factors:

A.	Prior Year's limit		58,286,952
B.	Adjustment factors:		
	a.	Price factor (per capita change)	1.0377
	b.	County Population % increase	<u>1.0086</u>
		Total Adjustment % (a * b)	<u><u>1.0466</u></u>
C.	Annual Adjustment (A * B)		61,004,535
D.	Other Adjustments		-
E.	2012/2013 Appropriation Limit		<u>61,004,535</u>

Appropriations Subject to Limitation:

2012-2013 Year Limit	61,004,535
Proceeds from Taxes - Appropriations Subject to Limitation	<u>(13,204,634)</u>
Total Under the Limitation	<u><u>47,799,901</u></u>

**CITY OF COLTON**  
**SCHEDULE OF ESTIMATED REVENUES**  
**PROCEEDS AND NON-PROCEEDS OF TAXES**  
Based on the 2012-2013 Budget  
Staff Recommended

	Proceeds of Taxes	Non-Proceeds of Taxes	Total Proceeds / Non-Proceeds
<b>General Fund</b>			
Taxes			
Property Taxes - Current Year Secured	2,779,835		2,779,835
Sales and Use Taxes	4,395,012		4,395,012
Franchises		1,175,000	1,175,000
Other taxes	958,410		958,410
Licenses & Permits		1,240,750	1,240,750
Fines & Forfeitures		273,000	273,000
Use of Money & Property		306,250	306,250
Intergovernmental Revenue		814,343	814,343
Property Tax in Lieu of Sales Tax	1,414,988		1,414,988
Property Tax in Lieu of VLF	3,656,389		3,656,389
Charges for Current Services - User Fees		1,658,094	1,658,094
Miscellaneous Revenue		14,119,924	14,119,924
Net - Transfers		1,230,000	1,230,000
	<u>13,204,634</u>		
Total proceeds from taxes	<u>13,204,634</u>		
Total Proceeds from other sources		<u>20,817,361</u>	
Total General Fund Revenue			<u>34,021,995</u>

Note: Only the General Fund has taxes as a source of revenue.

## CTIY OF COLTON

1978/79 Base Year Appropriations Limitation 4,297,738

Fiscal Year	City Population % Change	CPI - U % Change	Price Factor Per Capita % Change	Adjustment Percentage (Pop x CPI/PF)	Appropriations Limitation
1979/80	1.0925	1.1017	1.0125	1.2036	5,172,757
1980/81	1.1523	1.1468	1.1211	1.2918	6,682,167
1981/82	1.0278	1.1055	1.0912	1.1215	7,494,050
1982/83	1.0299	1.0679	1.1202	1.0998	8,241,956
1983/84	1.0214	1.0364	1.0235	1.0454	8,616,141
1984/85	1.0334	1.0474	1.0646	1.0824	9,326,111
1985/86	1.0569	1.0374	1.1150	1.0964	10,225,148
1986/87	1.1251	1.0230	1.0041	1.1510	11,769,145
1987/88	1.1393	1.0300	1.0350	1.1792	13,878,176
1988/89	1.0524	1.0390	1.0470	1.1019	15,292,362
1989/90	1.1317	1.0498	1.0519	1.1904	18,204,028
1990/91	1.0536	1.0384	1.0407	1.0965	19,960,717
1991/92	1.0546	1.0590	1.0414	1.1168	22,292,128
1992/93	1.0170	1.0392	0.9936	1.0325	23,016,622
1993/94	1.0230	1.0320	1.0272	1.0601	24,399,921
1994/95	1.0442	1.0156	1.0071	1.0516	25,434,192
1995/96	1.0062	1.0162	1.0472	1.0537	26,799,821
1996/97	1.0074	1.0102	1.0467	1.0574	28,338,131
1997/98	1.0043	1.0009	1.0467	1.0512	29,789,066
1998/99	1.0183	1.0098	1.0415	1.0606	31,593,075
1999/2000	1.0088	1.0137	1.0453	1.0545	33,314,855
2000/01	1.0118	1.0182	1.0491	1.0615	35,363,032
2001/02	1.0130	1.0195	1.0782	1.0992	38,871,925
2002/03	1.0222	1.0272	0.9873	1.0142	39,422,140
2003/04	1.0179	1.0259	1.0231	1.0496	41,377,411
2004/05	1.0064	1.0251	1.0328	1.0587	43,807,228
2005/06	1.0103	1.0249	1.0526	1.0788	47,259,664
2006/07	1.0005	1.0210	1.0396	1.0614	50,162,901
2007/08	1.0010	1.0186	1.0442	1.0636	53,354,371
2008/09	1.0043	1.0145	1.0429	1.0580	56,450,101
2009/10	1.0017	1.0079	1.0062	1.0141	57,248,812
2010/11	1.0042	1.0085	0.9746	0.9829	56,268,948
2011/12	1.0076	1.0105	1.0251	1.0359	58,286,952
2012/13	1.0071	<u>1.0086</u>	1.0377	1.0466	61,004,535

*Note: Underlined figures represent the population change used for calculating appropriations limits.*



1           **WHEREAS**, in 1997, the City entered into an Installment Sale Agreement, dated as of  
2 April 1, 1997 (the “1997 Installment Sale Agreement”) with the Financing Authority for  
3 Resource Efficiency of California, pursuant to which the City agreed to make certain payments  
4 thereunder in order to facilitate the prepayment of all Purchase Payments (as such term was  
5 defined in the 1995 Installment Purchase Agreement) and certain other amounts due under the  
6 1995 Installment Purchase Agreement; and

7           **WHEREAS**, the prepayment under the 1995 Installment Purchase Agreement and the  
8 resulting refunding of the 1995 Bonds were financed using a portion of the proceeds of the  
9 \$46,565,000 Financing Authority for Resource Efficiency of California, Certificates of  
10 Participation, 1997 Series (Capital Improvements Program) (the “FARECal Bonds”); and

11           **WHEREAS, in 2002**, the City entered into an Installment Purchase Agreement, dated as  
12 of August 1, 2002 (the “2002 Installment Purchase Agreement”), with the Financing Authority,  
13 pursuant to which the City agreed to make certain payments thereunder in order to facilitate the  
14 acquisition, construction and installation of a generation facility for its Electric System (the “2002  
15 Project”); and

16           **WHEREAS**, the 2002 Project was financed using proceeds of the Colton Public  
17 Financing Revenue Bonds, 2002 Series (Electric Generation Facility Project) (the “2002 Bonds”);  
18 and

19           **WHEREAS**, on July 2, 2002 the City adopted Ordinance No. 0-09-02, which repealed  
20 Ordinance No. 0-13-95, continued the Electric System Revenue Fund and established a flow of  
21 funds for the Electric System Revenue Fund; and

22           **WHEREAS**, in the last Recital of Ordinance No. O-09-02, the City stated that it intended  
23 for Ordinance No. 0-09-02 to “amend and replace Chapter 3.44 of the Colton Municipal Code”,  
24 with Section 3.44.010 being Section 1 titled “Definitions”, Section 3.44.020 being Section 2 titled  
25 “Fund and accounts” and Section 3.44.030 being Section 3 titled “Flow of gross revenues”; and  
26  
27  
28

1           **WHEREAS**, while the publisher has not yet published Ordinance No. O-09-02 as Chapter  
2 3.44 of the Colton Municipal Code, they have assured the City that it will be published shortly;  
3 and

4           **WHEREAS**, the City intends by this Ordinance to amend and replace Section 3(iii)(i) of  
5 Ordinance No. O-09-02 (e.g Section 3.44.030(iii)(i) of Chapter 3.44 of the Colton Municipal  
6 Code) to amend the amount which may be transferred to the general fund;

7  
8           **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON,**  
9 **CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:**

10           **Section 1.**     **Section 3.44.030 (Flow of Gross Revenues).**

11           Section 3.44.030(iii)(i) of the Colton Municipal Code shall be deleted in its entirety and  
12 replaced with the following:

13                           “(i) For transfer to the City’s general fund, on a monthly basis,  
14 in an amount set by the City Council, but not greater than one-twelfth  
15 (1/12th) of twelve point thirty-nine percent (12.39%) of the Electric  
16 System’s Gross Revenues of the preceding Fiscal Year (less (x) the costs  
17 and expenses relating to sales of electricity for resale during such Fiscal  
18 Year, (y) contributions in aid of construction during such Fiscal Year and  
all available moneys in the Surplus Revenue Account if less than such  
amount;”

19           **Section 2.**     **Severability.**

20           If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this  
21 Ordinance, or any part thereof is for any reason held to be unconstitutional, such decision shall  
22 not affect the validity of the remaining portion of this ordinance or any part thereof. The City  
23 Council hereby declares that it would have passed each section, subsection, subdivision,  
24 paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section,  
25 subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional.

26           **Section 3.**     **CEQA.**

27           The City Council hereby finds that this Ordinance is categorically exempt from further  
28 environmental review pursuant to the California Environmental Quality Act (Pub. Resources

1 Code, sec. 21000 et seq.) ("CEQA") because, pursuant to Section 15321(a), Class 21, Category  
2 (a) of the State CEQA Guidelines, the Ordinance constitutes the enforcement of a law  
3 administered or adopted by the City as a regulatory agency. City staff is hereby directed to file a  
4 Notice of Exemption with the County Clerk within three (3) days following the adoption of this  
5 Ordinance.

6 **Section 4. Effective Date.**

7 The City Clerk shall certify to the passage of this Ordinance and cause the same or a  
8 summary thereof to be published within fifteen (15) days after adoption in a newspaper of general  
9 circulation, printed and published in Colton, California, and the Ordinance shall take effect thirty  
10 (30) days after its enactment in accordance with the provisions of California law.

11 **ORDINANCE PASSED AND APPROVED** on this 17th day of July, 2012.

12  
13  
14 Sarah S. Zamora, Mayor  
City of Colton

15 ATTEST:

16  
17 Eileen C. Gomez, City Clerk  
18 City of Colton  
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CERTIFICATION

I, EILEEN C. GOMEZ, City Clerk of the City of Colton, California, do hereby certify that the foregoing ordinance (O-\_\_-12) was properly introduced and subsequently adopted at a regular meeting of the City Council of the City of Colton, California, duly held on the 17th day of July, 2012 by the following vote of the City Council:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Colton, California, this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Eileen C. Gomez, City Clerk  
City of Colton

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SUMMARY

On July 17, 2012, the Colton City Council will consider adopting an ordinance amending Section 3(iii)(i) of Ordinance No. O-09-02 (Section 3.44.030(iii)(i) of the Colton Municipal Code) relating to the Electric System Revenue Fund and amending the amount which may be transferred to the general fund.

The City Council meets at 6:00 p.m. in the Council Chambers in the Colton City Hall, located at 650 N La Cadena Drive, Colton, CA 92324. The City Clerk's office is located in City Hall near the Council Chambers.

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**ORDINANCE NO. O-05-12**

**AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF COLTON, CALIFORNIA ADDING CHAPTER  
15.49 TO THE COLTON MUNICIPAL CODE RELATING  
TO THE RENTAL HOUSING REGISTRATION AND  
INSPECTION PROGRAM**

**THE CITY COUNCIL OF THE CITY OF COLTON, CALIFORNIA  
DOES ORDAIN AS FOLLOWS:**

**SECTION 1:** Chapter 15.49 is hereby added to the Colton Municipal Code to read as follows:

**“Chapter 15.49**

**RENTAL HOUSING REGISTRATION AND INSPECTION PROGRAM**

**Sections:**

<b>15.49.010</b>	<b>Purpose.</b>
<b>15.49.020</b>	<b>Definitions.</b>
<b>15.49.030</b>	<b>Application of Chapter; Exemptions.</b>
<b>15.49.040</b>	<b>Registration Requirement.</b>
<b>15.49.050</b>	<b>Registration Prerequisite to Utility Connection.</b>
<b>15.49.060</b>	<b>Registration Process.</b>
<b>15.49.070</b>	<b>Annual Inspection.</b>
<b>15.49.080</b>	<b>Reinspections.</b>
<b>15.49.090</b>	<b>Interior Inspections.</b>
<b>15.49.100</b>	<b>Certificate Availability.</b>
<b>15.49.110</b>	<b>Certificate Transferability.</b>
<b>15.49.120</b>	<b>Other Actions, Prosecutions, Court Cases.</b>
<b>15.49.130</b>	<b>Appeals.</b>
<b>15.49.140</b>	<b>Violations; Penalty.</b>
<b>15.49.150</b>	<b>Public Nuisance.</b>
<b>15.49.160</b>	<b>Time for Compliance and Schedule for Initial Inspections.</b>
<b>15.49.170</b>	<b>Late Filing Penalties.</b>
<b>15.49.180</b>	<b>Maintenance of Records.</b>

**15.49.010 Purpose.**

The city council recognizes a need for an organized inspection program of residential rental units within the city in order to upgrade rental units to meet city and state life, safety, health, fire and zoning codes within the city and to provide a more efficient system for compelling both absentee and local landlords to correct violations and to maintain, in proper condition, rental property within the city. The city council recognizes that the most efficient system to provide for rental inspections is the creation of a program requiring the registration of all residential rental units within the city so that orderly inspection schedules can be made by city officials.

**15.49.020 Definitions.**

- 1 A. "Chief" means the chief of police.
- 2 B. "Division" means the code enforcement division of the city's police department.
- 3 B. "Dwelling Unit" means a building or portion thereof designed and used exclusively  
4 for residential occupancy with permanent provisions for living, sleeping, eating, cooking and  
5 sanitation. Dwelling unit shall not include hotels, motels, boarding homes or convalescent  
6 care facilities. The existence of a permitted home occupation within a dwelling unit will not  
7 limit the application of this chapter if such dwelling unit is otherwise subject to the provisions  
8 of this chapter.
- 9 C. "Occupant" means any person occupying a dwelling unit, whether as a tenant or  
10 permittee of the owner.
- 11 D. "Owner" means the record owner of a dwelling unit subject to the requirements of this  
12 chapter including the agent of the owner.
- 13 E. "Person" means any natural individual, firm, partnership, association, joint stock  
14 company, joint venture, public or private corporation, or receiver, executor, trustee,  
15 conservator or other representative appointed by order of any court.

16 **15.49.030 Application of Chapter; Exemptions.**

- 17 A. The provisions of this chapter shall apply only to a dwelling unit that is rented, leased  
18 or otherwise let to a person other than the owner of the dwelling unit.
- 19 B. The provisions of this chapter shall not apply to the following:
- 20 1. Dwelling units occupied by the record owner of such dwelling unit.
  - 21 2. Mobilehomes within mobilehome parks.
  - 22 3. Second units or "granny units," occupied by a family member of the owner of  
23 the primary dwelling unit, that are legally constructed on the same lot as the  
24 primary unit and conform with the provisions, standards and criteria of  
25 Government Code § 65852.2 and 65852.1, respectively.
  - 26 4. Condominiums, townhouses or single-family homes that are covered by a  
27 homeowners association ("HOA") which actively and effectively enforces  
28 covenants, codes and restrictions ("CC&Rs").

29 **15.49.040 Registration Requirement.**

30 No person shall rent, lease, or otherwise permit another person to occupy a dwelling  
31 unit within the city unless such dwelling unit is registered with the city's code enforcement  
32 division as required by this chapter.

33 **15.49.050 Registration Prerequisite to Utility Connection.**

34 No connection of city utilities, including water and electricity, shall be made for any  
35 dwelling unit which is proposed to be rented, leased or otherwise occupied by a person other  
36 than the owner of the dwelling unit until such dwelling unit is registered as required in this  
37 chapter and the owner presents proof of registration to the city utility department.

38 **15.49.060 Registration Process.**

- 39 A. The owner or designated local property manager of every dwelling unit subject to the  
40 requirements of this chapter shall obtain an annual registration certificate from the code  
41 enforcement division and shall pay an annual registration fee and inspection fee, which shall

1 be established by resolution of the city council.

2 B. Registration shall be made upon forms furnished by the code enforcement division for  
3 such purpose and shall specifically require the following minimum information:

- 4 1. Name, address and phone number of the owner.
- 5 2. Name, address and phone number of the designated local property manager if  
6 the owner lives outside the city.
- 7 3. The street address of the property on which the dwelling unit is located.
- 8 4. The number and types of dwelling units on the property (e.g. single family,  
9 multifamily).
- 10 5. The maximum number of occupants permitted for each dwelling unit.
- 11 6. The name, phone number and address of the person authorized to make or  
12 order made repairs or services for the dwelling unit, if in violation of city or state codes, if the  
13 person is different than the owner or local manager.

14 C. Upon receipt of the registration form required by subsection (B) and payment of the  
15 required registration and inspection fees, the division shall issue the owner a registration  
16 certificate which shall state the following:

- 17 1. The date of issue.
- 18 2. The legal use of the property on which the dwelling unit is located.
- 19 3. The address of the property on which the dwelling unit is located.
- 20 4. The owner's name and address.
- 21 5. A registration number.
- 22 6. The date of expiration.
- 23 7. Any other pertinent information as determined by city.

24 D. The registration certificate shall expire one year from issuance or upon a change of  
25 ownership of the dwelling unit.

#### 26 **15.49.070 Annual Inspection.**

27 A. The division shall cause each registered dwelling unit to be inspected at least once  
28 annually for compliance with applicable state and city laws relating to zoning, building,  
health, safety and property maintenance. The division shall prepare an inspection schedule  
which provides at least thirty (30) days' notice to the owner prior to initial inspection.

19 B. Inspection shall include, but not limited to, all common area hallways, stairways,  
20 lobbies, utility rooms, laundry rooms, storage rooms, recreation rooms, grounds, refuse areas,  
21 parking areas, building extensions, signs and other areas designated as common areas for the  
22 purpose of identifying any threats to safety or health, including property maintenance  
23 standards. The division shall prepare inspection guidelines to be used in determining whether  
24 a certificate of inspection will be issued for a registered dwelling unit. The inspection  
25 guidelines shall be provided to the owner and shall be made available free of charge to the  
26 general public.

27 C. If, upon completion of the annual inspection, the dwelling unit is found to be in  
28 compliance with all applicable state and city laws, the city shall issue a certificate of  
inspection for the dwelling unit.

29 D. If, upon completion of the inspection, the dwelling unit is found to be in violation of  
30 one or more provisions of applicable state or city laws, the city shall provide written notice of  
31 such violations and shall set a reinspection date before which such violations shall be  
32 corrected. If such violations have been corrected within that period, the city shall issue a  
33 certificate of inspection for the dwelling unit. If such violations have not been corrected  
34 within that period, the city shall not issue the certificate of inspection and may take any action

1 necessary to enforce compliance with applicable state and city codes.

2 E. Nothing in this section shall preclude the inspection of a dwelling unit more frequently  
3 than once a year or upon receipt of a complaint regarding that dwelling unit.

4 **15.49.080 Reinspections.**

5 If reinspections of a dwelling unit are necessitated by the existence of violations of  
6 this chapter or any other state or city law relating to zoning, building, health, safety and  
7 property maintenance, the owner shall pay all costs incurred by the city in obtaining  
8 compliance with the provisions of this chapter.

9 **15.49.090 Interior Inspections.**

10 Where the exterior inspection provided for in this chapter reveals evidence of possible  
11 interior defects or an extreme state of exterior dilapidation exists, the city may make an  
12 interior inspection of the dwelling unit. The city shall be authorized to inspect the interior of  
13 any dwelling unit for the purpose of enforcing state or city laws only if:

- 14 1. Such inspection is at the request of or with the consent of the occupant or  
15 owner; or
- 16 2. Unit is vacant or between occupancies, if authorized by law; or
- 17 3. Pursuant to a warrant or other court order.

18 **15.49.100 Certificate Availability.**

19 Upon the request of the city or an existing or prospective occupant, the owner of a  
20 dwelling unit shall produce the registration certificate and the certificate of inspection.

21 **15.49.110 Certificate Transferability.**

22 A registration certificate and a certificate of inspection issued pursuant to this chapter  
23 shall not be transferable to succeeding owners.

24 **15.49.120 Other Actions, Prosecutions, Court Cases.**

25 Nothing in this chapter shall prevent the city from taking action under any of its fire,  
26 housing, zoning or other health safety codes for violations thereof to seek injunctive relief or  
27 criminal prosecution of such violations. The enforcement of this chapter by a criminal, civil  
28 or administrative action shall not relieve the owner of the obligations under this chapter.

**15.49.130 Appeals.**

Any dispute arising between the city and the owner of a dwelling unit registered and  
inspected pursuant to this chapter may be reviewed by or appealed to the Code Enforcement  
and Housing Advisory Appeals Board established pursuant to City Council Resolution R-27-  
94. The appeal must be filed in writing within seven days after notification of the city's  
actions and must state with particularity the reason for the appeal. The owner shall have the  
right to appear and to be represented by counsel. The Code Enforcement and Housing  
Advisory Appeals Board, after due and proper hearing, shall issue its order of decision in  
writing within 30 days of receipt of the written appeal. The decision of the Code Enforcement  
and Housing Advisory Appeals Board may be appealed to a court of competent jurisdiction in  
the manner provided by state law.

1 **15.49.140 Violations; Penalty.**

2 Any violations of this chapter shall be deemed a misdemeanor and shall be punished  
3 as provided in section 15.04.010 of this code.

4 **15.49.150 Public Nuisance.**

5 Any violation of this chapter is hereby declared to be a public nuisance. The Chief  
6 shall have the authority to require correction of any violations identified through inspection by  
7 using the procedures set forth in chapter 8.04 of this code, Health and Safety Code Section  
8 17980, Revenue and Taxation Code Sections 17274 and 24436.5 and any other applicable  
state or federal law. In addition to any other relief provided by this chapter, the city attorney  
may apply to a court of competent jurisdiction for an injunction to prohibit the continuation of  
any violation of this chapter. Such application for relief may include seeking a temporary  
restraining order, temporary injunction and permanent injunction.

9 **15.49.160 Time for Compliance.**

10 All dwelling units subject to the requirements of this chapter shall register with the  
11 city's code enforcement division within 60 days of the effective date of this chapter. In the  
12 event of a change of ownership of a dwelling unit subject to the requirements of this chapter,  
13 the new owner must register such dwelling unit with the city's code enforcement division  
14 within 30 days of such change of ownership. No inspection fee shall be required of the new  
owner after a change of ownership provided that the previous owner has paid all inspection  
fees and has complied with all requirements of this chapter and any notices from the city  
concerning violations of health, fire, safety, building or zoning codes of the city.  
Notwithstanding the foregoing, upon a change of ownership, the new owner shall be required  
to pay a registration fee.

15 **15.49.170 Late Filing Penalties.**

16 Any owner who fails to register a dwelling unit as required by this chapter shall pay a  
17 penalty of ten percent (10%) of the registration and inspection fee established by resolution of  
18 the city council for each month or part thereof after the date such registration is required.

19 **15.49.180 Maintenance of Records.**

20 All records, files and documents pertaining to the requirements of this chapter, except  
21 business licenses, shall be maintained by the code enforcement division and made available to  
the public as allowed or required by state law or city ordinance."

22 **SECTION 2:** The City Council hereby finds that this Ordinance is categorically  
23 exempt from further environmental review pursuant to the California Environmental Quality  
24 Act (Pub. Resources Code, sec. 21000 et seq.) ("CEQA") because, pursuant to Section  
25 15321(a), Class 21, Category (a) of the State CEQA Guidelines, the Ordinance constitutes the  
enforcement of a law administered or adopted by the City as a regulatory agency. City staff is  
hereby directed to file a Notice of Exemption with the County Clerk within three (3) days  
following the adoption of this Ordinance.

26 **SECTION 3:** The City Clerk shall certify to the passage of this Ordinance and cause  
27 the same or a summary thereof to be published within fifteen (15) days after adoption in a  
28 newspaper of general circulation, printed and published in Colton, California, and the  
Ordinance shall take effect thirty (30) days after its enactment in accordance with the  
provisions of California law.

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**PASSED, APPROVED, AND ADOPTED**, this \_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Mayor

**ATTEST:**

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EILEEN C. GOMEZ, CMC  
City Clerk

**RESOLUTION NO. CUA 2012-02**

**RESOLUTION OF THE COLTON UTILITY  
AUTHORITY APPROVING AN ADVANCE  
LEASE PAYMENT TO THE CITY OF COLTON  
AND ADOPTING THE BUDGET FOR THE  
FISCAL YEAR COMMENCING JULY 1, 2012  
AND ENDING JUNE 30, 2013**

**WHEREAS**, the City Manager of the City of Colton has prepared the proposed annual budget for Fiscal Year 2012-13 which sets forth all of the expected revenue and the recommended appropriations to meet the operating and capital needs for all of the City's operations; and

**WHEREAS**, the Colton Utility Authority is comprised of the City's water and wastewater operations which are incorporated in the Recommended Budget for the City of Colton for the Fiscal Year commencing July 1, 2012 and ending June 30, 2013.

**WHEREAS**, the Colton Utility Authority and the City of Colton entered into a lease agreement dated September 1, 2000; and

**WHEREAS**, the Colton Utility Authority agrees to make annual lease payments to the City in the amount of \$870,000 and \$570,000 annually from the Water and Wastewater enterprises, respectively; over the 55 year lease term; and

**WHEREAS**, Section 9.2 of the lease agreement entitled "Optional Prepayment" states that "The Authority may prepay the Lease Payments in whole or in part, on any date"; and

**WHEREAS**, the Authority desires to make a prepayment under the lease agreement from the Wastewater enterprise to the City of Colton.

**NOW, THEREFORE, THE COLTON UTILITY AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The Wastewater Enterprise is authorized to make an advance payment on its lease obligation in the amount of \$ 4,991,938. As indicated in Attachment "A" attached hereto and incorporated herein by reference, after inclusion of said advance payment, "Total Rental"

payments do not exceed the maximum as provided in Section 1.1 of the lease agreement (See Attachment A for calculation of total payments to date).

**SECTION 2.** Funds are available in the Wastewater Enterprise to make the advance lease payment without impact to bondholders or rate payers.

**SECTION 3.** The Fiscal Year 2012-13 budget is hereby authorized to include the above lease payment. The Management Services Director is authorized to make the appropriate budget adjustments to incorporate the payment.

**SECTION 4.** The Budget for the City of Colton for the Fiscal Year commencing July 1, 2012 and ending June 30, 2013, which includes Colton Utility Authority operations, is hereby approved and adopted and incorporated herein.

**SECTION 5.** The Approved Budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State.

**SECTION 6.** Under the direction of the City Manager the Management Services Director may make the reallocation of appropriations within funds. Amendments (Increases/Decreases) to the Budget shall be by approval and Resolution of the Colton Utility Authority.

**SECTION 7.** At the end of FY 2011-12, certain purchase orders exist as outstanding encumbrances representing contractual obligations of previously budgeted funds. In addition, certain amounts have been included in the FY 2011-12 budget that relate to one-time allocations for projects and services, but remain unspent. The outstanding encumbrances and, at the City Manager's discretion, any unspent one-time allocations are deemed to be rebudgeted as an addition to the budget amounts previously approved in this resolution. All such amounts have been removed from available balances in the FY 2012-13 projections.

**SECTION 8.** The Secretary of the Colton Utility Authority shall certify the adopting of the Budget and shall cause to be filed with the County Auditor within 60 days of the adoption, a certified copy of the Budget and Resolution.

**APPROVED AND ADOPTED** this 19th day of June, 2012

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Sarah S. Zamora, President  
Colton Utility Authority

ATTEST:

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Eileen C. Gomez, Secretary  
Colton Utility Authority

## CITY OF COLTON

Date	5.048% NPV Factor	5.048% Escalation	Wastewater			
			Actual Lease Payments		Outstanding Balance	
			Current \$ (Note 1)	Net Present Value (Note 2)	Net Present Value (Note 3)	Current \$ (Note 4)
9/1/2000	1.0000	1.0000	\$ -	\$ -	\$ 36,682,260	\$ 36,682,260
6/30/2001	0.9599	1.0418	(1,092,500)	(1,048,716)	35,633,544	37,121,265
6/30/2002	0.9138	1.0943	(570,000)	(520,863)	35,112,682	38,425,147
6/30/2003	0.8699	1.1496	(570,000)	(495,833)	34,616,849	39,794,848
6/30/2004	0.8281	1.2076	(570,000)	(472,006)	34,144,842	41,233,692
6/30/2005	0.7883	1.2686	(570,000)	(449,324)	33,695,518	42,745,169
6/30/2006	0.7504	1.3326	(570,000)	(427,732)	33,267,786	44,332,945
6/30/2007	0.7143	1.3999	(570,000)	(407,178)	32,860,607	46,000,872
6/30/2008	0.6800	1.4705	(570,000)	(387,611)	32,472,996	47,752,996
6/30/2009	0.6473	1.5448	(570,000)	(368,985)	32,104,011	49,593,567
6/30/2010	0.6162	1.6228	(570,000)	(351,254)	31,752,757	51,527,051
6/30/2011	0.5866	1.7047	(570,000)	(334,375)	31,418,383	53,558,136
6/30/2012	0.5584	1.7907	(570,000)	(318,306)	31,100,076	55,691,751
* 6/30/2013	0.5316	1.8811	(570,000)	(303,010)	31,115,372	58,531,844
** 6/30/2013	0.5316	1.8811	(4,991,938)	(2,653,701)	<b>28,446,375</b>	<b>53,511,132</b>
			\$ (12,924,438)	\$ (8,538,895)		

Note 1: Actual lease payments made

Note 2: Net present value of the actual payments made

Note 3: Net present value of the remaining lease payments

Note 4: Future current value of remaining lease payments

\*Budgeted annual Payment

\*\*Proposed Advance Payment

**RESOLUTION NO. CPFA 2012-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
COLTON PUBLIC FINANCING AUTHORITY  
ESTABLISHING A REGULAR MEETING SCHEDULE AND  
PROVIDING FOR OTHER MATTERS RELATED THERETO**

**WHEREAS**, on May 16, 1989 the City of Colton (the "City") and the Redevelopment Agency (the "Agency"), entered into a Joint Exercise Powers Agreement (the "Agreement") creating the Colton Public Financing Authority (the "Authority"), pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"); and

**WHEREAS**, as of January 1, 2010, California Government Code (the "Code") Section 6592.1 requires that a resolution authorizing bonds or any issuance of bonds or accepting the benefit of any bonds or the proceeds of bonds shall be adopted by the Authority only during a regular meeting held pursuant Section 54954 of the Code; and

**WHEREAS**, it now appears necessary and advisable for the Authority to establish a more frequent regular meeting schedule; and

**NOW, THEREFORE**, the Board of Directors of the Colton Public Financing Authority (the "Board") does hereby resolve as follows:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Regular Meeting Schedule. The Board hereby establishes a regular meeting schedule of the Authority, consisting of the first (1st) and third (3rd) Tuesday of every month at 6:00 p.m., or as soon thereafter as the City of Colton City Council meeting is concluded, for which an agenda is posted at least 72 hours in advance of the meeting (each, a "Regular Meeting"), beginning June 19, 2012.

Section 3. Cancellations without Convening. In the event there is no scheduled business to conduct, no agenda for the Authority shall be posted and such Regular Meeting shall be automatically canceled thereby.

Section 4. Amendment of Meeting Schedule. The Regular Meeting schedule established herein may be amended by the adoption of a supplemental resolution by the Board.

Section 5. Delegation of Authority. The Chairperson, Vice Chairperson, Executive Director, Treasurer and Secretary, or their respective designees, are, and each of them is, hereby authorized and directed to do any and all things, and to execute and deliver any and all documents which said officers may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.



I, Eileen C. Gomez, Secretary of the Colton Public Financing Authority, do hereby certify that the foregoing is the original Resolution No. CPFA 2012-01 duly passed and adopted by the Board of Directors of the Colton Public Financing Authority on June 19, 2012.

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Eileen C. Gomez,  
Secretary of the Colton Public Financing Authority