AGENDA

REGULAR MEETING

* * *

CLAYTON CITY COUNCIL

TUESDAY, December 15, 2009

7:00 p.m.

Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517

Mayor: Hank Stratford
Vice Mayor: David T. Shuey

Council Members
Howard Geller
Joseph A. Medrano
Julie K. Pierce

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review in City Hall located at 6000 Heritage Trail on Monday prior to the Council meeting.
- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street, Clayton; and 4) City Website at **www.ci.clayton.ca.us**
- Any writings or documents provided to a majority of the City Council after distribution of the Agenda Packet and regarding any public item on this Agenda will be made available for public inspection in the City Clerk's office located at 6000 Heritage Trail during normal business hours.
- If you have a physical impairment that requires special accommodations to participate, please call the City Clerk's office at least 72 hours in advance of the meeting at (925) 673-7304.

* CITY COUNCIL *
December 15, 2009

7:00 p.m.

1. **CALL TO ORDER CITY COUNCIL** – Mayor Stratford.

2. **CLOSED SESSION** – None.

3. **PLEDGE OF ALLEGIANCE** – led by Mayor Stratford.

4. **CONSENT CALENDAR**

Consent Calendar items are typically routine in nature and are considered for approval by the City Council with one single motion. Members of the Council, Audience, or Staff wishing an item removed from the Consent Calendar for purpose of public comment, question or input may request so through the Mayor.

(a) Information Only

1. Notification by Republic Services (dba Allied Waste Services) that residential and commercial solid waste collection and disposal services rates will increase by 0.09% (90% of the annual CPI increase, per the Franchise Agreement), effective January 1, 2010. (View Here)

(b) Approve the minutes of the regular meeting of December 1, 2009. (View Here)

(c) Approve Financial Demands and Obligations of the City. (View Here)

5. **RECOGNITIONS AND PRESENTATIONS** – None.

6. **REPORTS**

(a) Planning Commission – Commissioner Dan Richardson

(b) Trails and Landscaping Committee – No meeting held to report.

(c) City Manager/Staff

(d) City Council - Reports from Council liaisons to Regional Committees, Commissions and Boards.

(e) Other

7. **PUBLIC COMMENT ON NON-AGENDA ITEMS**

Citizens may address the City Council on items within the Council's jurisdiction, (which are not on the agenda) by completing a speaker card available on the Lobby table and submitting it to the City Clerk. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Mayor's discretion. When one's name is called by the Mayor, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked, or may request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed as each item is considered by the City Council.

8. PUBLIC HEARING

(a) Introduction and First Reading of Ordinance No. 426 proposing amendments to the *Clayton Municipal Code* for the purpose of implementing State law mandates (requirements of Senate Bill 1818) to grant density bonuses and incentives to support affordable housing construction in the City. (View Here)
(Community Development Director)

Staff recommendations: **1)** Receive the staff report; **2)** Open the Public Hearing and receive public comments; **3)** Close the Public Hearing; **4)** Adopt a motion to have the City Clerk read Ordinance No. 426 by title and number only and waive further reading; **5)** Adopt a motion to approve Ordinance No. 426 for Introduction and First Reading.

9. ACTION ITEMS

(a) Second Reading and Adoption of Ordinance No. 425 proposing amendments to Clayton's *Municipal Code* to allow manufactured homes within the City of Clayton in accordance with the requirements of State law. (View Here)
(Community Development Director)

Staff recommendations: **1)** Receive the staff report; **2)** Receive Public Comments; **4)** Adopt a motion to have the City Clerk read Ordinance No. 425 by title and number only and waive further reading; **5)** Adopt a motion to approve Ordinance No. 425.

(b) Presentation of City's Audited Financial Statement for Fiscal Year 2008-2009 prepared by Moss, Levy and Hartziem, Certified Public Accountants. (View Here)
(Finance Manager)

Staff recommendation: Following presentation of the Auditor's report, that Council receive public comments and then by motion approve the FY 2008-2009 Audited Financial Statement as submitted by the independent auditors.

(c) Council Member request to discuss the organizational and management structure of the Concerts in The Grove Park series. (View Here)
(Councilmember Medrano)

Staff recommendation: Provide policy direction regarding the organizational structure to run the Concerts in The Grove Park series.

(d) Review and determination of City Council sub-committee, inter-governmental and regional board assignments for 2010. (View Here)
(Mayor Stratford)

Staff recommendation: Determine and approve the Council Member assignments for calendar year 2010.

10. **COUNCIL ITEMS** – limited to requests and directives for future meetings.

11. **ADJOURNMENT** – the next regularly scheduled City Council meeting is January 5, 2010.

# # # # #

ALLIED WASTE SERVICES

Agenda Date: 12-15-09

Agenda Item: 4a

Received

DEC 02 2009

City of Clayton

November 30, 2009

Mr. Gary Napper
City Manager
6000 Heritage Trail
Clayton, CA 94517

Dear Gary:

Allied Waste Services is providing notification of our intention to adjust the residential and commercial refuse collection rates by the corresponding change in the Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area.

Based upon review of data available from the Bureau of Labor Statistics through October 2009, the percentage change in the CPI for the preceding one-year period is .1%. We are allowed 90% of the CPI for 2009 so the rate increase will be .09%. The rate adjustment will take effect on January 1, 2009.

A copy of the historic data is attached for verification purposes. A bill message will be on the December invoice.

Feel free to contact me at (925) 671-5823 if you have any questions.

Sincerely,

Timothy M. Argenti
GENERAL MANAGER

441 N. Buchanan Circle
Pacheco, CA 94553
925.685.4711 / FAX 925.685.4735
www.disposal.com

30% post-consumer

Databases

Data extracted on: November 18, 2009 (12:18:02 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUURA422SA0
Not Seasonally Adjusted
Area: San Francisco-Oakland-San Jose, CA
Item: All items
Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1999		169.4		172.2		171.8		173.5		175.2		174.5	172.5	170.8	174.2
2000		176.5		178.7		179.1		181.7		183.4		184.1	180.2	177.7	182.6
2001		187.9		189.1		190.9		191.0		191.7		190.6	189.9	188.7	191.1
2002		191.3		193.0		193.2		193.5		194.3		193.2	193.0	192.3	193.7
2003		197.7		197.3		196.3		196.3		196.3		195.3	196.4	196.8	196.1
2004		198.1		198.3		199.0		198.7		200.3		199.5	198.8	198.2	199.5
2005		201.2		202.5		201.2		203.0		205.9		203.4	202.7	201.5	203.9
2006		207.1		208.9		209.1		210.7		211.0		210.4	209.2	207.9	210.6
2007		213.688		215.842		216.123		216.240		217.949		218.485	216.048	214.736	217.361
2008		219.612		222.074		225.181		225.411		$\boxed{225.824}$		218.528	222.767	221.730	223.804
2009		222.166		223.854		225.692		225.801		$\boxed{226.051}$				223.305	

0.1% change x 90% = 0.09% rate increase

Collector from all residential, commercial and industrial sources within the City limits of Clayton. The franchise fee shall be paid quarterly within thirty (30) days after the end of each calendar quarter and shall be based upon actual gross receipts of Collector for the preceding calendar quarter; provided, however, that in partial consideration of the City's agreement to amend and extend the term of the contractual relationship with the City, the Collector agrees pay to City the total franchise fee amount paid to City in fiscal year 2001-2002 through the year 2004, or the 5% franchise fee of the total gross revenues of the Collector received each year in year 2002, and 2003, and 2004, whichever fee amount is the greater.

5. Franchise Area.

A. Franchise Area Defined. The Franchise Area granted by this Franchise Agreement shall be the corporate limits of the City, and such additional areas as may hereafter be added by reason of annexation.

6. City to Approve Maximum Rates.

A. Maximum Rates; CPI Adjustments. The monthly collection rates inclusive of landfill fees may be increased automatically on an annual basis as of January 1 of each year by an amount equal to ninety percent (90%) of the average percentage increase in the Consumer Price Indices (US-U and SF-U) occurring during the full calendar year preceding the January adjustment date, provided the maximum increase for any one year will be 4%, non-cumulative. No rate reduction shall occur solely as a result of CPI adjustments. Collector agrees to implement new agreed upon rates effective July 1, 2002, and shall not apply an increase to any rates in the year 2003. The rates commencing January 2004 will be adjusted at 100% of the Consumer Price Indices and in years 2005 through 2012, rates will be adjusted by an amount equal to 90% of Consumer Price Indices. Collector agrees that it shall charge those persons,

MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL

Agenda Date: 12-15-09

Agenda Item: 4b

TUESDAY, December 1, 2009

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 6:30 p.m. by Mayor Pierce in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Pierce, Vice Mayor Stratford, Councilmembers Medrano and Shuey. Councilmembers Absent: Councilmember Geller. Staff present: City Manager Gary Napper, City Attorney Dan Adams, Community Development Director David Woltering and City Clerk Laci Jackson.

2. **CLOSED SESSION**- Mayor Pierce announced the following purpose for Closed Session and then adjourned into Closed Session at 6:30 p.m.

(a) *Government Code Section 54956.8*, Conference with Real Property Negotiator
Real Properties: APNs 119-050-008, 119-050-009, and 119-050-034 (1005 & 1007 Oak Street)
Instructions to City Negotiator (City Manager) concerning terms and conditions.
Negotiating Party: Robert Staehle, et al.

7:10 p.m. Report out of Closed Session: Mayor Pierce reported the Council gave direction to its Real Property Negotiator.

Mayor Pierce then noted the City Council has moved to a paperless agenda system and will be using their personal computers to view the Agenda Packets at no cost to the City. Internet connectivity will be disabled during the meeting in compliance with the Brown Act.

3. **PLEDGE OF ALLEGIANCE** – led by Mayor Pierce.

4. **CONSENT CALENDAR- It was moved by Councilmember Shuey, seconded by Vice Mayor Stratford to approve the Consent Calendar as submitted (Passed; 4-0 vote).**

(a) Approved the minutes of the regular meeting of November 17, 2009.

(b) Rejected the liability claim of JFC Construction, Inc. for alleged losses incurred on construction of The Grove Park.

5. **RECOGNITIONS AND PRESENTATIONS**

(a) Mayor Pierce introduced Coach Earl Williams of the new ABA team "Clayton Showtime." Coach Earl Williams stated he and the team are very excited about being a part of the Clayton community and look forward to being involved. He noted Friday, December 4th is the team's first home game at the Clayton Community Gym at 8:30pm. He stated General Admission is $6 and Courtside seats are $8 while children 13 and under are free.

6. ANNUAL REORGANIZATION OF CLAYTON CITY COUNCIL

(a) Election of Mayor by the City Council.

Mayor Pierce opened nominations.

Councilmember Shuey nominated Hank Stratford for the position of Mayor. Councilmember Medrano seconded the nomination. There were no other nominations. The election of Hank Stratford as Mayor passed by acclimation (4-0 vote).

(b) Election of Vice Mayor by the City Council.

Mayor Stratford opened nominations.

Councilmember Medrano nominated David Shuey for the position of Vice Mayor. Councilmember Pierce seconded the nomination. There were no other nominations. The election of David Shuey as Vice Mayor passed unanimously (4-0 vote).

(c) Recognitions and Comments by Mayor and City Council. Mayor Stratford presented Julie Pierce with a gift for her service as Mayor. He thanked her for her service to the City as well as representing Clayton's views on numerous committees.

Councilmember Pierce thanked her colleagues and City staff for their hard work. She stated it was the teamwork of the Council and staff to keep the City's budget in the black. She stated it had been a good year even with difficult budget times because the community had not seen or felt many of the financial impacts shouldered by the City.

7. REPORTS

(a) Planning Commission – Commissioner Bob Armstrong reported on the November 24th Planning Commission meeting. He stated the Commission reviewed the model water conservation Ordinance and the Density Bonus Ordinance.

(b) Trails and Landscaping Committee – No meeting held to report.

(c) The City Manager thanked Councilmember Pierce for her leadership on behalf of staff and congratulated Mayor Stratford. He also reminded residents about the Christmas Tree Lighting December 5th at 6pm in The Grove Park. Lastly, he indicated the $1.9 million take away (from Clayton RDA alone) by the State Legislature has been challenged by the California Redevelopment Association in Sacramento Superior Court.

(d) City Council

Councilmember Pierce attended the California Councils of Government annual meeting, and the Hospice tree lighting.

Mayor Stratford attended the CERT emergency drill, and the blood drive at the Clayton Community Gym.

(e) Other – None.

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

Tom Stoflet, expressed his concerns with the inadequacy of and the City's failure to follow, the Tree Removal Ordinance and specifically the number of trees approved for removal at Marsh Creek Park Villas. He stated neither the City nor his HOA are notifying residents of the impending removals.

Mayor Stratford and Vice Mayor Shuey stated Mr. Stoflet should speak with his HOA which represents him, and that if he had any suggested changes to the Ordinance he is welcome to send them to the Community Development Director.

9. PUBLIC HEARINGS –None.

10. ACTION ITEMS

(a) Introduction and First Reading of Ordinance No. 425 proposing amendments to Clayton's *Municipal Code* to allow manufactured homes within the City of Clayton in accordance with the requirements of State law.

The Community Development Director presented the staff report and stated the Ordinance allows for manufactured homes in the City of Clayton in accordance with State law. He stated the item is brought forward to satisfy one of the implementation measures of the 2009 Housing Element Update. The Community Development Director further indicated the Planning Commission is recommending approval of the proposed ordinance.

The Community Development Director then summarized key provisions of the proposed ordinance, including the developments standards and permitting process for manufactured homes. These provisions are the same as for conventional single-family homes, and include design standards for manufactured homes to assure that they are architecturally and aesthetically compatible with surrounding conventional homes, and that manufactured homes would not be allowed on ungraded slopes greater than 10%.

Councilmember Pierce indicated general support for the proposed ordinance as a measure to provide more affordable housing within the community. However, she asked what the rational was for limiting homes on slopes steeper than 10%.

The Community Development Director stated the concern was it may be difficult to design and place manufactured homes on steeper slopes and have them blend architecturally and aesthetically with surrounding custom stick-built homes.

Councilmember Pierce suggested that there have been substantial advances in the design of manufactured homes, and with the design standards to assure architectural and aesthetic compatibility with surrounding development. The fact these homes, like conventional single-family homes, are subject to Planning Commission review and approval, she suggested removing the restriction on manufactured homes on slopes greater than 10%, given the mentioned safeguards.

The Council discussed the adequacy of the safeguards to allow consideration of manufactured homes on steeper slopes, and consensus was that if a proposal was not suitable it would not be approved by the Planning Commission or could be appropriately modified. Consequently, the Council directed removal of the restriction of barring manufactured homes on steeper slopes.

Mayor Stratford opened the Public Hearing at 8:12 p.m. and closed the Public Hearing at 8:13 p.m. No comments were received.

It was moved by Councilmember Pierce, seconded by Councilmember Medrano to have the City Clerk read Ordinance No. 425 as amended by title and number only and waive further reading (Passed; 4-0 vote).

The City Clerk read Ordinance No. 425 by title and number only.

It was moved by Councilmember Pierce, seconded by Councilmember Medrano to approve Ordinance No. 425 for Introduction and First Reading as amended, in the last sentence of Section 6a, to remove the restriction of manufactured homes on slopes greater than 10% (Passed; 4-0 vote).

(b) Determination of the week day and frequency of concerts for the 2010 Concerts in The Grove series.

The City Manager presented the report and stated in previous Council discussions, specific aspects of the concerts were discussed but the Council had yet to set a time and frequency for the 2010 series.

Councilmember Medrano stated that hopefully next year the Council will consider trying a couple week night concerts.

Vice Mayor Shuey asked if the concerts could end at 8:30 p.m. since people enjoy them so much. Councilmember Pierce stated the reasoning for moving the concert ending time to 8:00 p.m. was to get people into the restaurants but stated that did not happen.

It was moved by Vice Mayor Shuey, seconded by Councilmember Medrano to set Saturday evenings from approximately 6:00 p.m. to 8:30 p.m. and at a frequency of no more than every other Saturday as the time and general dates for the 2010 Concerts in The Grove series (Passed; 4-0 vote).

11. COUNCIL ITEMS

Councilmember Medrano asked that a discussion be placed on a future agenda regarding management of the Concerts in The Grove.

12. ADJOURNMENT– On call by Mayor Stratford the meeting adjourned at 8:23 p.m.

Respectfully submitted,

____

Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

____

Hank Stratford, Mayor

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Agenda Date: 12/15/09

Agenda Item: 4c

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER, FINANCE MANAGER

DATE: DECEMBER 15, 2009

SUBJECT: OBLIGATION SUMMARY

RECOMMENDATION **Approve the following obligations.**

RUN DATE	OBLIGATION NUMBERS	TOTALS
12/10/09	16548 – 16642	$1,122,795.99

Invoice Distribution Report

- Amounts spent by "Line Item"
- A grand total is shown on the last page

Attachments:
Invoice Distribution Report 12/10/09 (25 pages)

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-2206-00.0.0-000 - PERS Liability					
16631	Retirement PPE 11/29/09	201	CalPERS		
		7	PD Survivor Benefit 11/29/09	Inv	10.23
	Invoice number.: PPE 11/29/09				
A101-2206-00.0.0-000 - PERS Liability			*** Account total ***		10.23
A101-5101-00.0.0-000 - Business Licenses					
16602	Refund Biz Lic Fee 11/09	2594	Richard Brooks		
		1	Refund Biz Lic Fee 11/09	Inv	44.50
	Invoice number.:				
A101-5101-00.0.0-000 - Business Licenses			*** Account total ***		44.50
A101-5603-00.0.0-000 - Meeting Room Fee					
16598	Refund Libr Dep 11/20-22/09	890	GFWC Clayton Valley Woman's Cl		
		2	Libr Fees 11/20-22/09	Inv	-168.00
	Invoice number.: Lbr 11/20-22/09				
A101-5603-00.0.0-000 - Meeting Room Fee			*** Account total ***		-168.00
A101-5791-00.0.0-000 - Overhead cost recovery					
16626	Refund SWP 17-09 Dep 11/09	1348	Majestic Pools		
		2	OH Rec SWP 17-09 12/09	Inv	-31.12
	Invoice number.: SWP 17-09				
A101-5791-00.0.0-000 - Overhead cost recovery			*** Account total ***		-31.12
A101-7218-02.0.0-000 - Life and LTD Insurance					
16562	LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
		1	Adm LTD 12/09	Paid	389.09
	Invoice number.: 12/09				
A101-7218-02.0.0-000 - Life and LTD Insurance			*** Account total ***		389.09
A101-7218-03.0.0-000 - Life and LTD Insurance					
16562	LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
		2	PW LTD 12/09	Paid	226.41
	Invoice number.: 12/09				
A101-7218-03.0.0-000 - Life and LTD Insurance			*** Account total ***		226.41
A101-7218-04.0.0-000 - Life and LTD Insurance					
16562	LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
		3	Planning LTD 12/09	Paid	115.21
	Invoice number.: 12/09				
A101-7218-04.0.0-000 - Life and LTD Insurance			*** Account total ***		115.21

Account	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7218-06.0.0-000 - Life and LTD Insurance					
	16562 LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
		4	PD LTD 12/09	Paid	591.11
	Invoice number.: 12/09				
A101-7218-06.0.0-000 - Life and LTD Insurance			*** Account total ***		591.11
A101-7220-02.0.0-000 - PERS Retirement					
	16549 Retirement PPE 11/15/09	201	CalPERS		
		2	Admin 11/15/09	Paid	3,968.69
	Invoice number.: PPE 11/15/09				
	16631 Retirement PPE 11/29/09	201	CalPERS		
		2	Admin 11/29/09	Inv	3,968.69
	Invoice number.: PPE 11/29/09				
A101-7220-02.0.0-000 - PERS Retirement			*** Account total ***		7,937.38
A101-7220-03.0.0-000 - PERS Retirement					
	16549 Retirement PPE 11/15/09	201	CalPERS		
		3	PW 11/15/09	Paid	2,316.72
	Invoice number.: PPE 11/15/09				
	16631 Retirement PPE 11/29/09	201	CalPERS		
		3	PW 11/29/09	Inv	2,316.72
	Invoice number.: PPE 11/29/09				
A101-7220-03.0.0-000 - PERS Retirement			*** Account total ***		4,633.44
A101-7220-04.0.0-000 - PERS Retirement					
	16549 Retirement PPE 11/15/09	201	CalPERS		
		4	Planning 11/15/09	Paid	1,176.88
	Invoice number.: PPE 11/15/09				
	16631 Retirement PPE 11/29/09	201	CalPERS		
		4	Planning 11/29/09	Inv	1,176.88
	Invoice number.: PPE 11/29/09				
A101-7220-04.0.0-000 - PERS Retirement			*** Account total ***		2,353.76
A101-7220-06.0.0-000 - PERS Retirement					
	16549 Retirement PPE 11/15/09	201	CalPERS		
		5	Police 11/15/09	Paid	12,306.51
	Invoice number.: PPE 11/15/09				
	16631 Retirement PPE 11/29/09	201	CalPERS		
		5	Police 11/29/09	Inv	12,321.98
	Invoice number.: PPE 11/29/09				
A101-7220-06.0.0-000 - PERS Retirement			*** Account total ***		24,628.49

Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7246-01.0.0-000 - Benefit Insurance				
16561 Dental Premimum 12/09	540	Health Care Dental Trust		
	6	Cc Geller 12/09	Paid	45.95
Invoice number.: 98956				
A101-7246-01.0.0-000 - Benefit Insurance		*** Account total ***		45.95
A101-7246-02.0.0-000 - Benefit Insurance				
16560 Health Insurance 12/09	1316	CalPERS Health		
	1	Admin 12/09	Paid	6,173.84
Invoice number.: 385				
	6	Adm Fees Health 12/09	Paid	109.66
Invoice number.: 385				
16561 Dental Premimum 12/09	540	Health Care Dental Trust		
	1	Admin Dental 12/09	Paid	521.02
Invoice number.: 98956				
16562 LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
	6	Adm Life, ADD 12/09	Paid	67.50
Invoice number.: 12/09				
A101-7246-02.0.0-000 - Benefit Insurance		*** Account total ***		6,872.02
A101-7246-03.0.0-000 - Benefit Insurance				
16560 Health Insurance 12/09	1316	CalPERS Health		
	2	PW 12/09	Paid	4,916.80
Invoice number.: 385				
16561 Dental Premimum 12/09	540	Health Care Dental Trust		
	2	PW Dental 12/09	Paid	556.95
Invoice number.: 98956				
16562 LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
	7	PW Life, ADD 12/09	Paid	56.25
Invoice number.: 12/09				
A101-7246-03.0.0-000 - Benefit Insurance		*** Account total ***		5,530.00
A101-7246-04.0.0-000 - Benefit Insurance				
16560 Health Insurance 12/09	1316	CalPERS Health		
	3	Planning 12/09	Paid	2,338.18
Invoice number.: 385				
16561 Dental Premimum 12/09	540	Health Care Dental Trust		
	3	Planning Dental 12/09	Paid	214.56
Invoice number.: 98956				

Account	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7246-04.0.0-000 - Benefit Insurance			*** Continued ***		
	16562 LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
		8	Planning Life, ADD 12/09	Paid	22.50
	Invoice number.: 12/09				
A101-7246-04.0.0-000 - Benefit Insurance			*** Account total ***		2,575.24
A101-7246-06.0.0-000 - Benefit Insurance					
	16560 Health Insurance 12/09	1316	CalPERS Health		
		4	Police Dept 12/09	Paid	9,289.24
	Invoice number.: 385				
		5	ER Share -retired PD 12/09	Paid	111.11
	Invoice number.: 385				
	16561 Dental Premimum 12/09	540	Health Care Dental Trust		
		4	Police Dept Dental 12/09	Paid	822.95
	Invoice number.: 98956				
	16562 LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
		9	PD Life, ADD 12/09	Paid	123.75
	Invoice number.: 12/09				
A101-7246-06.0.0-000 - Benefit Insurance			*** Account total ***		10,347.05
A101-7311-03.0.0-000 - General Supplies					
	16638 PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
		2	PW Gen Sup 11/09	Inv	110.02
	Invoice number.: PW 11/09				
A101-7311-03.0.0-000 - General Supplies			*** Account total ***		110.02
A101-7311-06.0.0-000 - General Supplies					
	16639 PD Misc Charges 11/09	2349	US Bank Corp Pymt System		
		3	PD Supplies 11/09	Inv	370.75
	Invoice number.: PD 11/09				
A101-7311-06.0.0-000 - General Supplies			*** Account total ***		370.75
A101-7312-05.0.0-000 - Office Supplies/Expense					
	16637 Adm: Misc Charges 11/09	2349	US Bank Corp Pymt System		
		1	Adm Off Sup 11/09	Inv	113.68
	Invoice number.: Adm 11/09				
A101-7312-05.0.0-000 - Office Supplies/Expense			*** Account total ***		113.68
A101-7312-06.0.0-000 - Office Supplies/Expense					
	16583 PD Printing Services 11/09	42	City of Concord		
		1	PD Printing 11/09	Inv	60.00
	Invoice number.: 17628				

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7312-06.0.0-000 - Office Supplies/Expense			*** Continued ***		
	16639 PD Misc Charges 11/09	2349	US Bank Corp Pymt System		
		4	PD Office Supp 11/09	Inv	317.05
	Invoice number.: PD 11/09				
A101-7312-06.0.0-000 - Office Supplies/Expense			*** Account total ***		377.05
A101-7314-05.0.0-000 - Postage					
	16548 Adm Postage Added 11/19/09	2100	Neopost (add postage)		
		1	Adm Postage Added 11/19/09	Paid	300.00
	Invoice number.: 11/19/09				
A101-7314-05.0.0-000 - Postage			*** Account total ***		300.00
A101-7314-06.0.0-000 - Postage					
	16639 PD Misc Charges 11/09	2349	US Bank Corp Pymt System		
		5	PD Postage 11/09	Inv	104.68
	Invoice number.: PD 11/09				
A101-7314-06.0.0-000 - Postage			*** Account total ***		104.68
A101-7324-01.0.0-000 - Dues and Subscriptions					
	16608 Mayors Conf Annual Dues 2010	1522	Contra Costa County Mayor's Co		
		1	Mayors Conf Annual Dues 2010	Inv	1,697.00
	Invoice number.: 2010				
A101-7324-01.0.0-000 - Dues and Subscriptions			*** Account total ***		1,697.00
A101-7324-02.0.0-000 - Dues and Subscriptions					
	16601 City Mgr Assoc Dues 1-6/10	56	City of Walnut Creek		
		1	City Mgr Assoc Dues 1-6/10	Inv	78.00
	Invoice number.:				
	16637 Adm: Misc Charges 11/09	2349	US Bank Corp Pymt System		
		2	Adm - Pelletier Ann Dues 11/09	Inv	110.00
	Invoice number.: Adm 11/09				
	16642 Finance Mgr Ann Dues 2010	1775	CA Municipal Revenue & Tax Ass		
		1	Finance Mgr Ann Dues 2010	Inv	50.00
	Invoice number.: 2010				
A101-7324-02.0.0-000 - Dues and Subscriptions			*** Account total ***		238.00
A101-7324-04.0.0-000 - Dues and Subscriptions					
	16627 Code Enf Assoc Dues 2010	1367	CA Association of Code Enforce		
		1	Code Enf Assoc Dues 2010	Inv	75.00
	Invoice number.: 1025526				
A101-7324-04.0.0-000 - Dues and Subscriptions			*** Account total ***		75.00

Account	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7324-06.0.0-000 - Dues and Subscriptions					
	16611 PD Legal Rptr Subscription 10-	288	Law Enforcement Legal Reporter		
		1	PD Legal Rptr Subs 10-11	Inv	42.50
	Invoice number.: N-205106				
A101-7324-06.0.0-000 - Dues and Subscriptions			*** Account total ***		42.50
A101-7331-03.0.0-000 - Rentals/Leases					
	16620 PW Equipment Rental 11/09	167	Wally's Rental Center, Inc.		
		1	PW Equipment Rental 11/09	Inv	271.15
	Invoice number.: 79060				
A101-7331-03.0.0-000 - Rentals/Leases			*** Account total ***		271.15
A101-7331-05.0.0-000 - Rentals/Leases					
	16592 Adm Copier Lease 12/09	2370	Konica Minolta Bus Solutions		
		1	Adm Copier Lease 12/09	Inv	628.98
	Invoice number.: 011274344				
A101-7331-05.0.0-000 - Rentals/Leases			*** Account total ***		628.98
A101-7332-02.0.0-000 - Telecommunications					
	16563 Local Phone Svc 10/22/09	1243	AT&T/ CalNet 2		
		2	CH Local Phone 10/09	Paid	208.67
	Invoice number.: 10/09B				
	16571 Admin ISDN Line 12/09	1573	Verizon Business		
		1	Admin ISDN Line 12/09	Inv	212.62
	Invoice number.: 61325983				
	16586 CH Outside Phone Booth 12/09	2205	Pacific Telemanagement Svc		
		1	CH Outside Phone Booth 12/09	Inv	53.00
	Invoice number.: 158048				
	16591 Local Phone Svc 11/09A	1243	AT&T/ CalNet 2		
		2	CH Local Phone 11/09A	Inv	167.31
	Invoice number.: 11/09A				
A101-7332-02.0.0-000 - Telecommunications			*** Account total ***		641.60
A101-7332-03.0.0-000 - Telephone					
	16591 Local Phone Svc 11/09A	1243	AT&T/ CalNet 2		
		1	PW Local Phone 11/09A	Inv	32.91
	Invoice number.: 11/09A				
A101-7332-03.0.0-000 - Telephone			*** Account total ***		32.91
A101-7332-04.0.0-000 - Telephone					
	16591 Local Phone Svc 11/09A	1243	AT&T/ CalNet 2		
		3	Plng Local Phone 11/09A	Inv	42.68
	Invoice number.: 11/09A				
A101-7332-04.0.0-000 - Telephone			*** Account total ***		42.68

Account	Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7332-06.0.0-000 - Telephone						
	16563	Local Phone Svc 10/22/09	1243	AT&T/ CalNet 2		
			7	PD Local Phone 10/09	Paid	89.92
	Invoice number.: 10/09B					
	16567	PD Command Trl Sat Phn 11/09	2460	Globalstar LLC		
			1	PD Command Trl Sat Phn 11/09	Inv	26.82
	Invoice number.: 11/16/09					
	16568	PD Cell Phones 11/09	1223	Sprint Comm (PD)		
			1	PD Cell Phones 11/09	Inv	298.18
	Invoice number.: 096 11/09					
	16591	Local Phone Svc 11/09A	1243	AT&T/ CalNet 2		
			7	PD Local Phone 11/09A	Inv	452.67
	Invoice number.: 11/09A					
A101-7332-06.0.0-000 - Telephone				*** Account total ***		867.59
A101-7332-07.0.0-000 - Telephone						
	16563	Local Phone Svc 10/22/09	1243	AT&T/ CalNet 2		
			4	Library Local Phone 10/09	Paid	154.99
	Invoice number.: 10/09B					
A101-7332-07.0.0-000 - Telephone				*** Account total ***		154.99
A101-7332-08.0.0-000 - Telephone						
	16591	Local Phone Svc 11/09A	1243	AT&T/ CalNet 2		
			5	Eng Local Phone 11/09A	Inv	196.65
	Invoice number.: 11/09A					
A101-7332-08.0.0-000 - Telephone				*** Account total ***		196.65
A101-7335-03.0.0-000 - Gas & Electricity						
	16590	Service 11/09 (Master)	113	PG&E		
			1	City Hall 11/09	Inv	455.16
	Invoice number.: Lg Mst 11/09					
			3	Lydia Pump Station 11/09	Inv	74.61
	Invoice number.: Lg Mst 11/09					
			12	Westwood Pk Well 11/09	Inv	90.50
	Invoice number.: Lg Mst 11/09					
	16632	Service 11/09 (Individual Inv)	113	PG&E		
			1	PW Bldg Svc 11/09	Inv	94.30
	Invoice number.: 11/20/09					
			5	Oak St Svc 11/09	Inv	31.00
	Invoice number.: 11/20/09					

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7335-03.0.0-000 - Gas & Electricity			*** Continued ***		
	16633 Service 11/09 (Small Master)	113	PG&E		
		1	City Hall Svc 11/09	Inv	596.61
	Invoice number.: 11/21/09				
A101-7335-03.0.0-000 - Gas & Electricity			*** Account total ***		1,342.18
A101-7335-07.0.0-000 - Gas & Electricity					
	16590 Service 11/09 (Master)	113	PG&E		
		4	Library 11/09	Inv	2,502.71
	Invoice number.: Lg Mst 11/09				
A101-7335-07.0.0-000 - Gas & Electricity			*** Account total ***		2,502.71
A101-7335-09.0.0-000 - Gas & Electricity					
	16590 Service 11/09 (Master)	113	PG&E		
		2	Community Restroom 11/09	Inv	129.57
	Invoice number.: Lg Mst 11/09				
A101-7335-09.0.0-000 - Gas & Electricity			*** Account total ***		129.57
A101-7338-03.0.0-000 - Water Services					
	16565 City Water Usage 9/8/09-11/5/0	67	Contra Costa Water Dist.		
		1	City Hall 9-10/09	Paid	126.83
	Invoice number.: E Srs 9-11/09				
		2	PW Bldg 9-10/09	Paid	401.16
	Invoice number.: E Srs 9-11/09				
		7	El Molino Park 9-10/09	Paid	646.66
	Invoice number.: E Srs 9-11/09				
		8	Stranahan Park 9-10/09	Paid	88.31
	Invoice number.: E Srs 9-11/09				
		13	Oak Street Mtrs 9-10/09	Paid	89.91
	Invoice number.: E Srs 9-11/09				
A101-7338-03.0.0-000 - Water Services			*** Account total ***		1,352.87
A101-7338-07.0.0-000 - Water Services					
	16565 City Water Usage 9/8/09-11/5/0	67	Contra Costa Water Dist.		
		3	Library 9-10/09	Paid	239.29
	Invoice number.: E Srs 9-11/09				
A101-7338-07.0.0-000 - Water Services			*** Account total ***		239.29
A101-7338-09.0.0-000 - Water Services					
	16565 City Water Usage 9/8/09-11/5/0	67	Contra Costa Water Dist.		
		5	Community Park 9-10/09	Paid	7,063.89
	Invoice number.: E Srs 9-11/09				
A101-7338-09.0.0-000 - Water Services			*** Account total ***		7,063.89

Account	Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7341-03.0.0-000 - Buildings/Grounds Maintenance						
	16551	Sprinkler Insp: CH, Lib, EH 10	509	CR Fireline Inc		
			3	CH Sprk Insp Qtr 10/09	Paid	110.00
	Invoice number.: 77382-84					
	16622	PW Lighting Supplies 11/09	1778	Graybar Electric Co. Inc		
			1	PW Lighting Supplies 11/09	Inv	392.93
	Invoice number.: 944779076					
	16630	Monthly Svc 11/09	170	Western Exterminator		
			1	City Hall Ext Svc 11/09	Inv	90.50
	Invoice number.: 462514					
A101-7341-03.0.0-000 - Buildings/Grounds Maintenance				*** Account total ***		593.43
A101-7341-07.0.0-000 - Buildings/Grounds Maintenance						
	16551	Sprinkler Insp: CH, Lib, EH 10	509	CR Fireline Inc		
			1	Libr Sprk Insp Otr 10/09	Paid	110.00
	Invoice number.: 77382-84					
	16622	PW Lighting Supplies 11/09	1778	Graybar Electric Co. Inc		
			2	PW Lighting Supplies 11/09	Inv	1,072.55
	Invoice number.: 944779076					
	16630	Monthly Svc 11/09	170	Western Exterminator		
			2	Library Ext Svc 11/09	Inv	93.50
	Invoice number.: 462514					
A101-7341-07.0.0-000 - Buildings/Grounds Maintenance				*** Account total ***		1,276.05
A101-7342-03.0.0-000 - Machinery/Equipment Maintenanc						
	16638	PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
			4	PW Repair 11/09	Inv	335.85
	Invoice number.: PW 11/09					
A101-7342-03.0.0-000 - Machinery/Equipment Maintenanc				*** Account total ***		335.85
A101-7342-06.0.0-000 - Machinery/Equipment Maintenanc						
	16594	PD Taser 11/09	2596	Taser International		
			1	PD Taser 11/09	Inv	491.63
	Invoice number.: SI1181612					
A101-7342-06.0.0-000 - Machinery/Equipment Maintenanc				*** Account total ***		491.63
A101-7343-03.0.0-000 - Vehicle Maintenance						
	16638	PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
			6	PW Veh Mtn 11/09	Inv	734.96
	Invoice number.: PW 11/09					
A101-7343-03.0.0-000 - Vehicle Maintenance				*** Account total ***		734.96

	Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7343-06.0.0-000 - Vehicle Maintenance						
	16582	PD Vehicle Maintenance 11/09	42	City of Concord		
			1	PD Vehicle Mtn 11/09	Inv	282.06
	Invoice number.: 17602					
	16639	PD Misc Charges 11/09	2349	US Bank Corp Pymt System		
			6	PD Car Wash, Repair 11/09	Inv	656.70
	Invoice number.: PD 11/09					
A101-7343-06.0.0-000 - Vehicle Maintenance				*** Account total ***		938.76
A101-7344-03.0.0-000 - Vehicles: Gas, Oil & Supplies						
	16638	PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
			1	PW Gas 11/09	Inv	1,070.45
	Invoice number.: PW 11/09					
A101-7344-03.0.0-000 - Vehicles: Gas, Oil & Supplies				*** Account total ***		1,070.45
A101-7344-06.0.0-000 - Vehicles: Gas, Oil & Supplies						
	16639	PD Misc Charges 11/09	2349	US Bank Corp Pymt System		
			1	PD Gas 11/09	Inv	2,544.39
	Invoice number.: PD 11/09					
A101-7344-06.0.0-000 - Vehicles: Gas, Oil & Supplies				*** Account total ***		2,544.39
A101-7345-06.0.0-000 - Office Equipment-Maint/Repairs						
	16639	PD Misc Charges 11/09	2349	US Bank Corp Pymt System		
			7	PD Computer Rpr 11/09	Inv	279.95
	Invoice number.: PD 11/09					
A101-7345-06.0.0-000 - Office Equipment-Maint/Repairs				*** Account total ***		279.95
A101-7346-03.0.0-000 - HVAC Mtn & Repairs						
	16588	Library, City Hall EMS 11/09	1265	ACCO Engineered Systems		
			2	City Hall EMS 11/09	Inv	724.00
	Invoice number.: 518237-240					
A101-7346-03.0.0-000 - HVAC Mtn & Repairs				*** Account total ***		724.00
A101-7346-07.0.0-000 - HVAC Mtn & Repairs						
	16588	Library, City Hall EMS 11/09	1265	ACCO Engineered Systems		
			1	Library EMS 11/09	Inv	450.00
	Invoice number.: 518237-240					
	16621	LIbrary HVAC Repair 10/09	1265	ACCO Engineered Systems		
			1	LIbrary HVAC Repair 10/09	Inv	485.15
	Invoice number.: 1378204					
A101-7346-07.0.0-000 - HVAC Mtn & Repairs				*** Account total ***		935.15

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7364-02.0.0-000 - Employee Recognition					
16637	Adm: Misc Charges 11/09	2349	US Bank Corp Pymt System		
		3	Empl Recog Award & Lunch 11/09	Inv	407.94
	Invoice number.: Adm 11/09				
A101-7364-02.0.0-000 - Employee Recognition			*** Account total ***		407.94
A101-7372-01.0.0-000 - Conferences					
16553	Mayors Conferance 12/09	46	City of Lafayette		
		1	Mayors Conferance 12/09	Paid	150.00
	Invoice number.: 12/09				
A101-7372-01.0.0-000 - Conferences			*** Account total ***		150.00
A101-7373-06.0.0-000 - Education & Training					
16573	PD Training -Sorrell 11/09	2568	CCC Sheriff - LETC		
		1	PD Training Sorrell 11/09	Inv	194.00
	Invoice number.: 10-13497				
16639	PD Misc Charges 11/09	2349	US Bank Corp Pymt System		
		2	PD Training Lawrence 11/09	Inv	496.17
	Invoice number.: PD 11/09				
A101-7373-06.0.0-000 - Education & Training			*** Account total ***		690.17
A101-7384-04.0.0-000 - Legal Notices					
16641	CDD PH Notices 11/09	1648	Bay Area News Group East Bay		
		1	CDD PH Notices 11/09	Inv	186.60
	Invoice number.: 3..1113-2611				
A101-7384-04.0.0-000 - Legal Notices			*** Account total ***		186.60
A101-7411-08.0.0-000 - Professional Services Retainer					
16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		1	Eng Svc 11/7/09-11/20/09	Paid	2,704.50
	Invoice number.: 9010-9018				
16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		1	Eng Svc 11/21/09-12/4/09	Inv	2,069.50
	Invoice number.: 9027-9035				
A101-7411-08.0.0-000 - Professional Services Retainer			*** Account total ***		4,774.00
A101-7415-02.0.0-000 - Computer Services					
16585	Computer Svc 10/09	1905	Undercover Computers		
		1	Adm Computer Svc 10/09	Inv	225.00
	Invoice number.: OCTOBER 2009				
16595	Admin Computer Service 11/09	2595	R-Computer		
		1	Admin Computer Service 11/09	Inv	270.00
	Invoice number.: 403459				

	Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7415-02.0.0-000 - Computer Services				*** Continued ***		
	16637	Adm: Misc Charges 11/09	2349	US Bank Corp Pymt System		
			4	Adm-New Comupter & Setup 11/09	Inv	944.73
	Invoice number.: Adm 11/09					
A101-7415-02.0.0-000 - Computer Services				*** Account total ***		1,439.73
A101-7417-03.0.0-000 - Janitorial Service						
	16635	Janitorial Services for 11/09	468	J & R Floor Services		
			3	City Hall 11/09	Inv	449.77
	Invoice number.: NOV20009					
A101-7417-03.0.0-000 - Janitorial Service				*** Account total ***		449.77
A101-7417-06.0.0-000 - Janitorial Service						
	16635	Janitorial Services for 11/09	468	J & R Floor Services		
			5	PD 11/09	Inv	225.00
	Invoice number.: NOV20009					
A101-7417-06.0.0-000 - Janitorial Service				*** Account total ***		225.00
A101-7417-07.0.0-000 - Janitorial Service						
	16635	Janitorial Services for 11/09	468	J & R Floor Services		
			2	Library 11/09	Inv	2,175.00
	Invoice number.: NOV20009					
A101-7417-07.0.0-000 - Janitorial Service				*** Account total ***		2,175.00
A101-7417-09.0.0-000 - Janitorial Service						
	16635	Janitorial Services for 11/09	468	J & R Floor Services		
			1	Comm Pk Svc 11/09	Inv	1,000.00
	Invoice number.: NOV20009					
A101-7417-09.0.0-000 - Janitorial Service				*** Account total ***		1,000.00
A101-7419-01.0.0-000 - Other Professional Services						
	16566	Video City Council Mtg 11/17/0	1467	LarryLogic Productions		
			1	Video CC Mtg 11/17/09	Paid	315.00
	Invoice number.: 1007					
	16569	Video City Council Mtg 12/1/09	1467	LarryLogic Productions		
			1	Video CC Mtg 12/1/09	Inv	450.00
	Invoice number.: 1010					
A101-7419-01.0.0-000 - Other Professional Services				*** Account total ***		765.00
A101-7419-02.0.0-000 - Other Professional Services						
	16550	CD Investment 11/18/09	2161	Financial Northeastern Corp		
			1	WT Fee 11/18/09	Paid	25.00
	Invoice number.: 1st Rep Bk					

Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7419-02.0.0-000 - Other Professional Services		*** Continued *** .		
16604 Audit Financial Reports 11/09	2234	Thales Consulting Inc		
	1	Audit Financial Reports 11/09	Inv	3,500.00
Invoice number.: 301				
A101-7419-02.0.0-000 - Other Professional Services		*** Account total ***		3,525.00
A101-7419-05.0.0-000 - Other Professional Services				
16615 RDA Stranahan Purchase 12/09	2399	Placer Title Company		
	2	WT Strnhn Purchase 12/3/09	Inv	25.00
Invoice number.: 272 Strhn 12/09				
16625 CD Investment 12/11/09	2161	Financial Northeastern Corp		
	2	WT CD 12/11/09	Inv	25.00
Invoice number.: CD 12/11/09				
16629 FSA Acct Admin 11/09	2500	Employee Benefit Specialists,		
	1	FSA Acct Admin 11/09	Inv	100.00
Invoice number.: 0048180-IN				
A101-7419-05.0.0-000 - Other Professional Services		*** Account total ***		150.00
A101-7419-06.0.0-000 - Other Professional Services				
16577 PD-Crossing Guard WE 11/21/09	1538	All City Management Services,		
	1	PD-Crossing Guard WE 11/21/09	Inv	418.50
Invoice number.: 18148				
16579 PD Haz Mat Disposal 11/09-1/10	2507	Stericycle Inc		
	1	PD Haz Mat Disp 11/09-1/10	Inv	165.84
Invoice number.: 3000670646				
16584 PD-Crossing Guard WE 11/7/09	1538	All City Management Services,		
	1	PD-Crossing Guard WE 11/7/09	Inv	465.00
Invoice number.: 17986				
16612 PD Evaluation 11/09	1174	Psychological Resources Inc.		
	1	PD Evaluation 11/09	Inv	1,200.00
Invoice number.: 6313				
16613 PD Evaluations 11/09	1174	Psychological Resources Inc.		
	1	PD Evaluations 11/09	Inv	2,745.00
Invoice number.: 6308				
A101-7419-06.0.0-000 - Other Professional Services		*** Account total ***		4,994.34
A101-7419-09.0.0-000 - Other Professional Services				
16630 Monthly Svc 11/09	170	Western Exterminator		
	3	Park-Ext Svc 11/09	Inv	40.50
Invoice number.: 462514				
A101-7419-09.0.0-000 - Other Professional Services		*** Account total ***		40.50

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7424-06.0.0-000 - Dispatch Services					
	16581 PD Dispatch Svcs 11/09	42	City of Concord		
		1	PD Dispatch Svcs 11/0911/09	Inv	13,173.00
	Invoice number.: 17607				
A101-7424-06.0.0-000 - Dispatch Services			*** Account total ***		13,173.00
A101-7425-06.0.0-000 - Crime Lab					
	16572 PD-Crime Lab 10/09	641	CCC Office of the Sheriff-Coro		
		1	PD Crime Lab 10/09	Inv	510.00
	Invoice number.: ClayPD-0910				
A101-7425-06.0.0-000 - Crime Lab			*** Account total ***		510.00
A101-7426-06.0.0-000 - Jail Booking Fee					
	16580 Booking Fees 10/09	416	CCC Auditor-Controller		
		1	Booking Fees 10/09	Inv	40.00
	Invoice number.: 10/09				
A101-7426-06.0.0-000 - Jail Booking Fee			*** Account total ***		40.00
A101-7430-08.0.0-000 - Well Monitoring Fee					
	16637 Adm: Misc Charges 11/09	2349	US Bank Corp Pymt System		
		5	Adm Well Monitoring 10-11/09	Inv	3,093.00
	Invoice number.: Adm 11/09				
A101-7430-08.0.0-000 - Well Monitoring Fee			*** Account total ***		3,093.00
A201-7311-00.0.0-000 - General Supplies					
	16554 PW Lighting Supplies 11/09	1778	Graybar Electric Co, Inc		
		1	PW Lighting Supplies 11/09	Paid	342.70
	Invoice number.: 944596686				
A201-7311-00.0.0-000 - General Supplies			*** Account total ***		342.70
A201-7327-00.0.0-000 - Street Maintenance Supplies					
	16638 PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
		3	PW Crack Seal 11/09	Inv	5,242.64
	Invoice number.: PW 11/09				
A201-7327-00.0.0-000 - Street Maintenance Supplies			*** Account total ***		5,242.64
A201-7335-00.0.0-000 - Gas & Electricity					
	16589 Svc: Irrig & Signal 11/09 (Mst	113	PG&E		
		2	Clayton Traffic Sgn 11/09	Inv	21.07
	Invoice number.: Irrig 11/09				
	16590 Service 11/09 (Master)	113	PG&E		
		9	Traffic Signals 11/09	Inv	232.22
	Invoice number.: Lg Mst 11/09				

	Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A201-7335-00.0.0-000 - Gas & Electricity				*** Continued ***		
			10	Street Lights - Arterial 11/09	Inv	1,956.29
	Invoice number.: Lg Mst 11/09					
	16633	Service 11/09 (Small Master)	113	PG&E		
			5	Traffic Sgn & St Lt 11/09	Inv	118.72
	Invoice number.: 11/21/09					
A201-7335-00.0.0-000 - Gas & Electricity				*** Account total ***		2,328.30
A201-7412-00.0.0-000 - Engineering/Inspection Service						
	16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
			4	Gas Tax Insp #9011	Paid	152.50
	Invoice number.: 9010-9018					
	16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
			4	Gas Tax Insp #9028	Inv	594.75
	Invoice number.: 9027-9035					
A201-7412-00.0.0-000 - Engineering/Inspection Service				*** Account total ***		747.25
A210-7311-00.0.0-000 - General Supplies						
	16616	PW Landscaping 11/09	2070	John Deere Landscapes Inc		
			1	PW Landscaping 11/09	Inv	124.33
	Invoice number.: 53182218					
	16617	PW Landscaping 11/09	2070	John Deere Landscapes Inc		
			1	PW Landscaping 11/09	Inv	84.55
	Invoice number.: 53143482					
	16618	PW Topsoil, Cedar 11/09	1176	Contra Costa Topsoil		
			2	PW Topsoil, Cedar 11/09	Inv	557.18
	Invoice number.: 86513					
	16638	PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
			5	PW Supplies 11/09	Inv	77.51
	Invoice number.: PW 11/09					
A210-7311-00.0.0-000 - General Supplies				*** Account total ***		843.57
A210-7335-00.0.0-000 - Gas & Electricity						
	16589	Svc: Irrig & Signal 11/09 (Mst	113	PG&E		
			1	OH Irrigation 11/09	Inv	359.60
	Invoice number.: Irrig 11/09					
	16590	Service 11/09 (Master)	113	PG&E		
			5	Monument Lights 11/09	Inv	321.70
	Invoice number.: Lg Mst 11/09					
			6	Oakhurst Pump (Fountain) 11/09	Inv	820.68
	Invoice number.: Lg Mst 11/09					

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A210-7335-00.0.0-000 - Gas & Electricity			*** Continued ***		
		7	Outdoor Lights 11/09	Inv	24.37
	Invoice number.: Lg Mst 11/09				
		8	Sprinkler Cont/Lndscp 11/09	Inv	61.39
	Invoice number.: Lg Mst 11/09				
	16632 Service 11/09 (Individual Inv)	113	PG&E		
		4	Irrigation Svc 11/09	Inv	108.36
	Invoice number.: 11/20/09				
	16633 Service 11/09 (Small Master)	113	PG&E		
		2	Clock Service 11/09	Inv	75.58
	Invoice number.: 11/21/09				
		3	Outdoor Lt Service 11/09	Inv	70.88
	Invoice number.: 11/21/09				
		4	Irrigation Service 11/09	Inv	219.18
	Invoice number.: 11/21/09				
A210-7335-00.0.0-000 - Gas & Electricity			*** Account total ***		2,061.74
A210-7338-00.0.0-000 - Water Services					
	16565 City Water Usage 9/8/09-11/5/0	67	Contra Costa Water Dist.		
		6	El Molino Park 9-10/09	Paid	161.67
	Invoice number.: E Srs 9-11/09				
		11	City Irrigation 9-10/09	Paid	3,255.86
	Invoice number.: E Srs 9-11/09				
A210-7338-00.0.0-000 - Water Services			*** Account total ***		3,417.53
A210-7344-00.0.0-000 - Vehicle Gas, Oil, and Supplies					
	16638 PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
		7	PW Landscape Fuel 11/09	Inv	807.84
	Invoice number.: PW 11/09				
A210-7344-00.0.0-000 - Vehicle Gas, Oil, and Supplies			*** Account total ***		807.84
A210-7419-00.0.0-000 - Other Professional Services					
	16628 Weed Abatement 4-9/09	391	Wildland Resource Management		
		1	Weed Abatement 4-9/09	Inv	46,150.00
	Invoice number.: 4-9/09				
A210-7419-00.0.0-000 - Other Professional Services			*** Account total ***		46,150.00
A210-7615-00.0.0-000 - CCC Property Tax					
	16564 Property Tax Assessments 09-10	26	CCC Tax Collector		
		2	CFD 2006-1 Lndscp AD 09-10	Paid	2,292.48
	Invoice number.: 09-10				
A210-7615-00.0.0-000 - CCC Property Tax			*** Account total ***		2,292.48

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A211-7310-00.0.0-000 - Supplies and Equipment					
	16617 PW Landscaping 11/09	2070	John Deere Landscapes Inc		
		2	PW Landscaping 11/09	Inv	124.34
	Invoice number.: 53143482				
	16618 PW Topsoil, Cedar 11/09	1176	Contra Costa Topsoil		
		1	PW Topsoil, Cedar 11/09	Inv	579.02
	Invoice number.: 86513				
	16619 PW Landscaping 11/09	1705	Pacific Nurseries		
		1	PW Landscaping 11/09	Inv	4,130.48
	Invoice number.: SI-201500				
	16638 PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
		8	PW Supplies 11/09	Inv	2,360.93
	Invoice number.: PW 11/09				
A211-7310-00.0.0-000 - Supplies and Equipment			*** Account total ***		7,194.77
A211-7335-00.0.0-000 - Gas & Electricity					
	16632 Service 11/09 (Individual Inv)	113	PG&E		
		3	Grove Park Svc 11/09	Inv	60.99
	Invoice number.: 11/20/09				
A211-7335-00.0.0-000 - Gas & Electricity			*** Account total ***		60.99
A211-7338-00.0.0-000 - Water Services					
	16565 City Water Usage 9/8/09-11/5/0	67	Contra Costa Water Dist.		
		12	Grove Prk 9-10/09	Paid	311.14
	Invoice number.: E Srs 9-11/09				
A211-7338-00.0.0-000 - Water Services			*** Account total ***		311.14
A211-7417-00.0.0-000 - Janitorial Services					
	16635 Janitorial Services for 11/09	468	J & R Floor Services		
		6	Grove Park Janitorial 11/09	Inv	1,000.00
	Invoice number.: NOV20009				
A211-7417-00.0.0-000 - Janitorial Services			*** Account total ***		1,000.00
A211-7615-00.0.0-000 - CCC Property Tax					
	16564 Property Tax Assessments 09-10	26	CCC Tax Collector		
		4	CFD 2007-1 Downtown Pk 09-10	Paid	408.12
	Invoice number.: 09-10				
A211-7615-00.0.0-000 - CCC Property Tax			*** Account total ***		408.12
A212-7413-00.0.0-000 - Legal Services					
	16576 GHAD Legal Fees 11/09	159	Turner, Huguet & Adams		
		2	GHAD Legal Svc 11/09	Inv	277.50
	Invoice number.: 1598				
A212-7413-00.0.0-000 - Legal Services			*** Account total ***		277.50

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A212-7520-00.0.0-059 - Pebble Beach Inclinometers					
	16634 Pebble Beach Monitoring 11/09	1455	Berlogar Geotechnical Consulta		
		1	Pebble Beach Monitoring 11/09	Inv	1,472.72
	Invoice number.: 215554				
A212-7520-00.0.0-059 - Pebble Beach Inclinometers			*** Account total ***		1,472.72
A214-7311-00.0.0-000 - General Supplies					
	16638 PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
		9	PW Streetlight Supp 11/09	Inv	288.97
	Invoice number.: PW 11/09				
A214-7311-00.0.0-000 - General Supplies			*** Account total ***		288.97
A214-7335-00.0.0-000 - Gas & Electricity					
	16590 Service 11/09 (Master)	113	PG&E		
		11	Street Lights-Res 11/09	Inv	5,868.87
	Invoice number.: Lg Mst 11/09				
A214-7335-00.0.0-000 - Gas & Electricity			*** Account total ***		5,868.87
A216-7409-00.0.0-000 - Street Sweeping					
	16587 Street Sweeping 11/09	1459	Clean Street		
		1	Street Sweeping 11/09	Inv	3,500.00
	Invoice number.: 58819				
A216-7409-00.0.0-000 - Street Sweeping			*** Account total ***		3,500.00
A217-7615-00.0.0-000 - CCC Property Tax					
	16564 Property Tax Assessments 09-10	26	CCC Tax Collector		
		3	High St Bridge AD 09-10	Paid	2,131.00
	Invoice number.: 09-10				
A217-7615-00.0.0-000 - CCC Property Tax			*** Account total ***		2,131.00
A230-7218-00.0.0-000 - LTD Insurance-COPS					
	16562 LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
		5	PD Grant LTD 12/09	Paid	42.43
	Invoice number.: 12/09				
A230-7218-00.0.0-000 - LTD Insurance-COPS			*** Account total ***		42.43
A230-7220-00.0.0-813 - PERS Retirement-COPS					
	16549 Retirement PPE 11/15/09	201	CalPERS		
		6	PD Grant 11/15/09	Paid	900.12
	Invoice number.: PPE 11/15/09				
	16631 Retirement PPE 11/29/09	201	CalPERS		
		6	PD Grant 11/29/09	Inv	900.12
	Invoice number.: PPE 11/29/09				
A230-7220-00.0.0-813 - PERS Retirement-COPS			*** Account total ***		1,800.24

Account	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A230-7246-00.0.0-000 - Benefit Insurance					
	16560 Health Insurance 12/09	1316	CalPERS Health		
		7	PD Grants 12/09	Paid	1,321.58
	Invoice number.: 385				
	16561 Dental Premimum 12/09	540	Health Care Dental Trust		
		5	PD Grant Dental 12/09	Paid	127.83
	Invoice number.: 98956				
	16562 LTD, Life & ADD 12/09	65	Municipal Pooling Authority		
		10	PD Grant Life, ADD 12/09	Paid	11.25
	Invoice number.: 12/09				
A230-7246-00.0.0-000 - Benefit Insurance			*** Account total ***		1,460.66
A230-7485-00.0.0-000 - Capital Equipment-Cleep Grant					
	16609 PD Upgrd to Telecomm Syst 11/0	42	City of Concord		
		1	PD Upgrd Telecomm Syst 11/09	Inv	22,925.11
	Invoice number.: 17622				
	16610 PD Upgrd Telecomm Syst 11/09	42	City of Concord		
		1	PD Upgrd Telecomm Syst 11/09	Inv	112.00
	Invoice number.: 17635				
	16637 Adm: Misc Charges 11/09	2349	US Bank Corp Pymt System		
		6	Adm - Portabe PA 11/09	Inv	1,002.81
	Invoice number.: Adm 11/09				
A230-7485-00.0.0-000 - Capital Equipment-Cleep Grant			*** Account total ***		24,039.92
A301-7361-00.0.0-000 - Advertising					
	16570 EH Yellow Pg Ads 12/09	2014	AT&T Yellow Pages		
		1	EH Yellow Page Ads 12/09	Inv	39.00
	Invoice number.: 12/09				
A301-7361-00.0.0-000 - Advertising			*** Account total ***		39.00
A301-7413-00.0.0-000 - Legal Services					
	16599 CDD Legal Svc 11/09	2355	Rutan & Tucker LLP		
		1	CDD Legal Svc 11/09	Inv	525.00
	Invoice number.: 570078				
A301-7413-00.0.0-000 - Legal Services			*** Account total ***		525.00
A302-1250-00.0.0-000 - Investment in L-M Housing					
	16615 RDA Stranahan Purchase 12/09	2399	Placer Title Company		
		1	RDA Stranahan Purchase 12/09	Inv	430,000.00
	Invoice number.: 272 Strhn 12/09				
A302-1250-00.0.0-000 - Investment in L-M Housing			*** Account total ***		430,000.00

Account	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A302-7413-00.0.0-000 - Legal Services					
	16575 RDA LMI Legal Fees 11/09	159	Turner, Huguet & Adams		
		1	RDA LMI Legal Fees 11/09	Inv	129.50
	Invoice number.: 1597				
	16605 RDA Legal Svc 10/09	79	Goldfarb & Lipman		
		1	RDA Legal Svc 10/09	Inv	465.50
	Invoice number.: 95718				
A302-7413-00.0.0-000 - Legal Services			*** Account total ***		595.00
A302-7419-00.0.0-000 - Other Professional Services					
	16604 Audit Financial Reports 11/09	2234	Thales Consulting Inc		
		2	Audit Financial Reports 11/09	Inv	1,000.00
	Invoice number.: 301				
	16606 Housing Element Updt 10/09	1156	PMC		
		1	Housing Element Updt 10/09	Inv	1,889.12
	Invoice number.: 29789				
	16640 Hsg Element Update 11/09	1156	PMC		
		1	Housing Elem Updt 11/09	Inv	1,545.37
	Invoice number.: 30035				
A302-7419-00.0.0-000 - Other Professional Services			*** Account total ***		4,434.49
A302-7520-00.0.0-007 - Smith 272 Stranahan Cir					
	16624 Home Insp 272 Strnhn 12/09	2202	Clayton Home Inspection Svcs		
		1	Home Insp 272 Strnhn 12/09	Inv	400.00
	Invoice number.: 41209435				
A302-7520-00.0.0-007 - Smith 272 Stranahan Cir			*** Account total ***		400.00
A303-7520-00.0.0-104 - Downtown Economic Dev Project					
	16557 Downtown Project 9/09	2386	Economic Development Systems		
		1	Downtown Project 9/09	Paid	8,980.57
	Invoice number.: 9/09				
	16558 Downtown Project 10/09	2386	Economic Development Systems		
		1	Downtown Project 10/09	Paid	9,093.13
	Invoice number.: 10/09				
	16636 Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		3	Eng Svc #9035	Inv	1,310.00
	Invoice number.: 9027-9035				
A303-7520-00.0.0-104 - Downtown Economic Dev Project			*** Account total ***		19,383.70
A303-7520-00.0.0-106 - Clayton Rd Trail Connection					
	16623 Town Cnt Entry Final Ret 10/09	2564	Maxicrete Construction		
		1	Town Cnt Entry Final Ret 10/09	Inv	15,653.20
	Invoice number.: 5012-RT				

Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A303-7520-00.0.0-106 - Clayton Rd Trail Connection		*** Account total ***		15,653.20
A303-7520-00.0.0-114 - 2009 Arterial Overlay Project				
16552 2009 Arterial Overlay Proj 10/	2572	Granite Construcition Co		
	1	2009 Art Overlay Proj 10/09	Paid	39,255.56
Invoice number.: Retention 10/09				
16559 Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
	3	Eng Svc #9015	Paid	115.50
Invoice number.: 9010-9018				
16636 Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
	2	Eng Svc #9032	Inv	191.63
Invoice number.: 9027-9035				
A303-7520-00.0.0-114 - 2009 Arterial Overlay Project		*** Account total ***		39,562.69
A303-7520-00.0.0-115 - Comm Park Lights & Turf Proj				
16607 Comm Pk Imprv Econ Anyls 11/09	1156	PMC		
	1	Comm Pk Imprv Econ Anyls 11/09	Inv	350.00
Invoice number.: 29726				
A303-7520-00.0.0-115 - Comm Park Lights & Turf Proj		*** Account total ***		350.00
A401-7419-00.0.0-000 - Other Professional Services				
16574 RDA Arbitrage Svc 11/09	960	NBS Govt. Finance Group		
	1	RDA Arbitrage Svc 11/09	Inv	1,700.00
Invoice number.: F11180902-JR				
A401-7419-00.0.0-000 - Other Professional Services		*** Account total ***		1,700.00
A420-7613-00.0.0-000 - Paying Agent Fees				
16614 CFD 90-1 Fisc Agt Fee 09-10	1989	US Bank		
	1	CFD 90-1 Fisc Agt Fee 09-10	Inv	577.50
Invoice number.: 2516802				
A420-7613-00.0.0-000 - Paying Agent Fees		*** Account total ***		577.50
A420-7615-00.0.0-000 - CCC Property Tax				
16564 Property Tax Assessments 09-10	26	CCC Tax Collector		
	1	CFD 90-1 Mello Roos AD 09-10	Paid	603.00
Invoice number.: 09-10				
A420-7615-00.0.0-000 - CCC Property Tax		*** Account total ***		603.00
A501-7413-00.0.0-000 - Legal Services				
16555 Personnel Legal Svc 10/09	1210	Liebert Cassidy Whitmore		
	1	Personnel Legal Svc 10/09	Paid	336.00
Invoice number.: 109469				

	Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A501-7413-00.0.0-000 - Legal Services				*** Continued ***		
	16556	Legal Services 10/09	2469	Michel & Fackler APC		
			1	Legal Services 10/09	Paid	380.96
	Invoice number.: 10562					
	16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
			2	GHAD Lawst #9018	Paid	291.88
	Invoice number.: 9010-9018					
	16600	Legal Services 10/09	2469	Michel & Fackler APC		
			1	Legal Services 10/09	Inv	181.64
	Invoice number.: 10578					
A501-7413-00.0.0-000 - Legal Services				*** Account total ***		1,190.48
A601-2730-00.0.0-006 - Library Room Rental Deposit						
	16596	Refund Libr Deposit 11/14/09	1661	Mt. Diablo Interpretive Associ		
			1	Refund Libr Deposit 11/14/09	Inv	200.00
	Invoice number.: Libr 11/14/09					
	16598	Refund Libr Dep 11/20-22/09	890	GFWC Clayton Valley Woman's Cl		
			1	Refund Libr Dep 11/20-22/09	Inv	200.00
	Invoice number.: Lbr 11/20-22/09					
A601-2730-00.0.0-006 - Library Room Rental Deposit				*** Account total ***		400.00
A601-2739-00.0.0-000 - Clayton Community Library Foun						
	16578	Library Volunteer 12/09	1160	Arlene H. Kikkawa-Nielsen		
			1	Library Volunteer 12/09	Inv	820.00
	Invoice number.: 12/09					
A601-2739-00.0.0-000 - Clayton Community Library Foun				*** Account total ***		820.00
A601-2740-00.0.0-097 - Cost Recov Dep - CCWD Minor EP						
	16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
			5	Eng Svc #9012	Paid	83.00
	Invoice number.: 9010-9018					
	16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
			5	Eng Svc #9029	Inv	166.00
	Invoice number.: 9027-9035					
A601-2740-00.0.0-097 - Cost Recov Dep - CCWD Minor EP				*** Account total ***		249.00
A601-2741-00.0.0-153 - Seeno Grading Insp (10351)						
	16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
			6	Eng Svc #9013	Paid	20.75
	Invoice number.: 9010-9018					

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A601-2741-00.0.0-153 - Seeno Grading Insp (10351)			*** Continued ***		
	16636 Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		6	Eng Svc #9030	Inv	41.50
	Invoice number.: 9027-9035				
A601-2741-00.0.0-153 - Seeno Grading Insp (10351)			*** Account total ***		62.25
A601-2744-00.0.0-189 - Riessen SW Permit 17-05					
	16559 Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		9	Eng Svc #9014	Paid	20.75
	Invoice number.: 9010-9018				
	16636 Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		9	Eng Svc #9031	Inv	41.50
	Invoice number.: 9027-9035				
A601-2744-00.0.0-189 - Riessen SW Permit 17-05			*** Account total ***		62.25
A601-2744-00.0.0-381 - Gonzalez SW Permit 18-07					
	16559 Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		10	Eng Svc #9014	Paid	20.75
	Invoice number.: 9010-9018				
	16636 Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		10	Eng Svc #9031	Inv	41.50
	Invoice number.: 9027-9035				
A601-2744-00.0.0-381 - Gonzalez SW Permit 18-07			*** Account total ***		62.25
A601-2744-00.0.0-446 - Oakhurst CC SWP I coo10441					
	16559 Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		7	Eng Svc #9016	Paid	127.50
	Invoice number.: 9010-9018				
	16636 Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		7	Eng Svc #9033	Inv	42.50
	Invoice number.: 9027-9035				
A601-2744-00.0.0-446 - Oakhurst CC SWP I coo10441			*** Account total ***		170.00
A601-2744-00.0.0-484 - Cortel SWP27-08					
	16559 Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		11	Eng Svc #9014	Paid	20.75
	Invoice number.: 9010-9018				
	16636 Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		11	Eng Svc #9031	Inv	41.50
	Invoice number.: 9027-9035				
A601-2744-00.0.0-484 - Cortel SWP27-08			*** Account total ***		62.25

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A601-2744-00.0.0-495 - D. Lombardo SWP 25-08					
16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		12	Eng Svc #9014	Paid	20.75
Invoice number.: 9010-9018					
16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		12	Eng Svc #9031	Inv	41.50
Invoice number.: 9027-9035					
A601-2744-00.0.0-495 - D. Lombardo SWP 25-08			*** Account total ***		62.25
A601-2744-00.0.0-518 - Weisendanger SWP					
16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		13	Eng Svc #9014	Paid	20.75
Invoice number.: 9010-9018					
16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		13	Eng Svc #9031	Inv	41.50
Invoice number.: 9027-9035					
A601-2744-00.0.0-518 - Weisendanger SWP			*** Account total ***		62.25
A601-2744-00.0.0-537 - Steven Woerner SWP 28-08					
16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		14	Eng Svc #9014	Paid	20.75
Invoice number.: 9010-9018					
16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		14	Eng Svc #9031	Inv	41.50
Invoice number.: 9027-9035					
A601-2744-00.0.0-537 - Steven Woerner SWP 28-08			*** Account total ***		62.25
A601-2744-00.0.0-549 - Anderson SWP 14-09					
16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		15	Eng Svc #9014	Paid	20.75
Invoice number.: 9010-9018					
16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		15	Eng Svc #9031	Inv	41.50
Invoice number.: 9027-9035					
A601-2744-00.0.0-549 - Anderson SWP 14-09			*** Account total ***		62.25
A601-2744-00.0.0-554 - Majestic Pool SWP 17-09					
16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		16	Eng Svc #9014	Paid	20.75
Invoice number.: 9010-9018					

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A601-2744-00.0.0-554 - Majestic Pool SWP 17-09			*** Continued ***		
16626	Refund SWP 17-09 Dep 11/09	1348	Majestic Pools		
		1	Refund SWP 17-09 Dep 11/09	Inv	1,792.50
Invoice number.: SWP 17-09					
16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		16	Eng Svc #9031	Inv	41.50
Invoice number.: 9027-9035					
A601-2744-00.0.0-554 - Majestic Pool SWP 17-09			*** Account total ***		1,854.75
A601-2746-00.0.0-129 - Diablo Pt Grading Inspections					
16559	Eng Svc 11/7/09-11/20/09	116	PERMCO, Inc.		
		8	Eng Svc #9017	Paid	2,840.00
Invoice number.: 9010-9018					
16593	Diablo Point SW Work 12/09	2597	Bodhaine Discing & Grading		
		1	Diablo Point SW Work 12/09	Inv	3,103.42
Invoice number.: 10135					
16636	Eng Svc 11/21/09-12/4/09	116	PERMCO, Inc.		
		8	Eng Svc #9034	Inv	680.00
Invoice number.: 9027-9035					
A601-2746-00.0.0-129 - Diablo Pt Grading Inspections			*** Account total ***		6,623.42
A601-2750-00.0.0-001 - Clayton First Night Fund					
16603	New Years Sound System 12/09	2376	Don Stone		
		1	New Years Sound System 12/09	Inv	250.00
Invoice number.: 9402					
A601-2750-00.0.0-001 - Clayton First Night Fund			*** Account total ***		250.00
A702-2730-00.0.0-002 - Endeavor Hall Cash Deposits					
16597	Refund EH Dep 11/19/09	2006	Clayton Historical Society		
		1	Refund EH Dep 11/19/09	Inv	500.00
Invoice number.: EH 11/19/09					
A702-2730-00.0.0-002 - Endeavor Hall Cash Deposits			*** Account total ***		500.00
A702-7311-00.0.0-000 - General Supplies					
16638	PW Misc Charges 11/09	2349	US Bank Corp Pymt System		
		10	PW EH Paint 11/09	Inv	48.06
Invoice number.: PW 11/09					
A702-7311-00.0.0-000 - General Supplies			*** Account total ***		48.06
A702-7332-00.0.0-000 - Telephone					
16591	Local Phone Svc 11/09A	1243	AT&T/ CalNet 2		
		6	EH Local Phone 11/09A	Inv	58.59
Invoice number.: 11/09A					
A702-7332-00.0.0-000 - Telephone			*** Account total ***		58.59

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A702-7335-00.0.0-000 - Gas & Electricity					
	16632 Service 11/09 (Individual Inv)	113	PG&E		
		2	EH Svc 11/09	Inv	76.25
	Invoice number.: 11/20/09				
A702-7335-00.0.0-000 - Gas & Electricity			*** Account total ***		76.25
A702-7338-00.0.0-000 - Water Services					
	16565 City Water Usage 9/8/09-11/5/0	67	Contra Costa Water Dist.		
		4	End Hall 9-10/09	Paid	145.31
	Invoice number.: E Srs 9-11/09				
A702-7338-00.0.0-000 - Water Services			*** Account total ***		145.31
A702-7341-00.0.0-000 - Buildings/Grounds Maintenance					
	16551 Sprinkler Insp: CH, Lib, EH 10	509	CR Fireline Inc		
		2	EH Sprk Insp Qtr 10/09	Paid	110.00
	Invoice number.: 77382-84				
	16630 Monthly Svc 11/09	170	Western Exterminator		
		4	End Hall Ext Svc 11/09	Inv	87.00
	Invoice number.: 462514				
A702-7341-00.0.0-000 - Buildings/Grounds Maintenance			*** Account total ***		197.00
A702-7417-00.0.0-000 - Janitorial Service					
	16635 Janitorial Services for 11/09	468	J & R Floor Services		
		4	End Hall 11/09	Inv	90.00
	Invoice number.: NOV20009				
A702-7417-00.0.0-000 - Janitorial Service			*** Account total ***		90.00
A999-1210-00.0.0-000 - Long Term Invest FinNorEastern					
	16550 CD Investment 11/18/09	2161	Financial Northeastern Corp		
		2	CD Investment 11/18/09	Paid	250,000.00
	Invoice number.: 1st Rep Bk				
	16625 CD Investment 12/11/09	2161	Financial Northeastern Corp		
		1	CD Investment 12/11/09	Inv	99,000.00
	Invoice number.: CD 12/11/09				
A999-1210-00.0.0-000 - Long Term Invest FinNorEastern			*** Account total ***		349,000.00
* Report total *			*** Total ***		1,122,795.99

CITY OF CLAYTON
Founded 1857 Incorporated 1964

Agenda Date: 12-15-09

Agenda Item: 8a

Approved

Gary A. Napper, City Manager

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: DAVID WOLTERING, COMMUNITY DEVELOPMENT DIRECTOR

DATE: DECEMBER 15, 2009

SUBJECT: AMENDMENT TO CLAYTON'S MUNICIPAL CODE (ZOA 04-09) TO IMPLEMENT SENATE BILL (SB) 1818, CALIFORNIA'S DENSITY BONUS LAW

RECOMMENDATION

It is recommended that the City Council approve Introduction and First Reading of Ordinance No. 426 amending the Clayton Municipal Code for the purpose of implementing State law mandates (requirements of Senate Bill 1818) to grant density bonuses and incentives to support affordable housing construction in the City.

BACKGROUND/DISCUSSION

Senate Bill (SB) 1818 increases the allowable density bonus of prior law of 25% when housing projects provided between 10%-20% of the units meeting affordability requirements to 35%, while reducing the thresholds for being granted the bonuses. In addition, the new law increases the number of concession or incentives, such as financial assistance or a reduction in a development standard, that cities and counties must provide for increases in the percentages of affordable housing units included in a project. SB 1818, also imposes a new land donation rule.

A more detailed summary of the provisions of SB 1818 follows immediately below.

Triggers

Density bonuses of 20-35% are required for setting aside the following for a minimum of 30 years:
1. 10% of housing units for lower income households;
2. 5% of housing units for very low income households; and,
3. 10% of a condominium project for moderate income or senior citizen development.

Number of Concessions or Incentives Required

4. One (1) for 10% dedicated to low- or moderate income households, or 5% to very low income households;

5. Two (2) for projects that dedicate 20% to low- or moderate income households, or 10% to very low income households; and,
6. Three (3) for projects with 30% dedicated to low- or moderate income households, or 15% to very low income households.

Additional Provisions

7. Applicants who donate at least 10% of their land to a city before the approval date of their development are entitled to 15-35% density bonus increase, subject to conditions; and,
8. When a child care facility is involved, applicants will be entitled to matching square footage increase or a concession that contributes to the construction of such a facility, unless the city concludes adequate childcare facilities already exist.

Little Discretion for City to Deny

9. Concessions shall be granted unless it is found that concessions are not required to provide affordable housing or the concession would have an adverse impact on public health or safety;
10. Local bodies may not impose development standards that would preclude a development under these amendments absent a showing of a specified adverse impact; and,
11. Denial of requested bonuses can result in a legal challenge by an applicant.

Ramifications on General Plan

12. The granting of concessions shall not be interpreted to require general plan or similar amendments. All cities and counties are required to adopt an ordinance that specifies how they will comply with SB 1818 requirement.

Local implementation of SB 1818 is required by State law and is an implementation measure of Clayton's 2009 Housing Element Update. The primary purpose of the law is to better assure the availability of affordable housing to the lower income households within the State.

This matter was introduced at the Planning Commission meeting of October 13, 2009 meeting. At its October 27, 2009 meeting, the Planning Commission reviewed the requirements of SB 1818, reviewed a draft ordinance prepared by staff to implement this law, and provided comments and direction to staff for modification of that draft ordinance. Staff brought back a modified ordinance to the Planning Commission at its December 8, 2009 in response to its direction and comments. The Planning Commission accepted that ordinance, based on the modifications made by staff, with one exception. The Commission requested that a provision that required affordable units be constructed prior to the issuance of building permits for the market rate units be deleted. Instead, the Commission retained the provision at the top of page 10 of Chapter 17.90 that stipulates market-rate units will not be inspected for issuance of a certificate of occupancy until all affordable housing units have been constructed. Attached Ordinance No. 426 reflects the adoption of Resolution No. 05-09 of the Planning Commission at its December 8, 2009 meeting, recommending City Council approval of that ordinance, resulting in local implementation of SB 1818. Staff reports and available minutes from pertinent Planning

Commission meetings are attached.

ATTACHMENTS

1 Ordinance No. 426
2 Planning Commission Resolution No. 05-09
3 December 8, 2009 Planning Commission Staff Report w/o Attachments
4 October 27, 2009 Planning Commission Staff Report w/o Attachments
5 October 27, 2009 Planning Commission Minutes (Excerpt)

ZOA\2009\04-09.srcc.firstreading.12.15.09

CITY OF CLAYTON PLANNING COMMISSION
RESOLUTION NO. 05-09

AMENDMENT OF TITLE 17 OF THE MUNICIPAL CODE TO ADD CHAPTER 17.90 DENSITY BONUS TO IMPLEMENT SB 1818, THE STATE DENSITY BONUS LAW (ZOA 04-09)

Whereas, the Planning Commission held duly-noticed public meetings and hearings on October 13, 2009, October 27, 2009, and December 8, 2009 to consider amendments to the Municipal Code to implement pertinent provisions and requirements of State Senate Bill (SB) 1818 in accordance with State law; and

Whereas, the Planning Commission considered all relevant information, including staff reports background information, and public testimony at the above-cited meetings and hearings; and

Whereas, based on the direction received from the Planning Commission at its October 13, 2009 and October 27, 2009 meeting and hearing on this matter, staff prepared Ordinance No. 426 to implement locally pertinent requirements of SB 1818; and

Whereas, the proposed amendments to the Municipal Code in Ordinance No. 426 are exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) of the CEQA Guidelines.

Now, Therefore, Be it Resolved That:

Section 1. The Planning Commission determines that the proposed amendments of the Clayton Municipal Code that implement SB 1818, described in the **Attachment** (Ordinance No. 426) would be in general conformance with the General Plan, including any affected implementation programs, and would be in the public interest as well as support the public necessity, convenience, and general welfare.

Section 2. The Planning Commission recommends that the City Council approve Ordinance No. 426 and associated proposed amendments to the Clayton Municipal Code to allow the local implementation of SB 1818 in accordance with State law.

Adopted by the Planning Commission on December 8, 2009.

APPROVED

Bob Armstrong
Chair

ATTEST

David Woltering, AICP
Community Development Director

Attachment: Draft Ordinance No. 426.

ORDINANCE NO. 426

AMENDMENT OF TITLE 17 OF THE MUNICIPAL CODE TO ADD CHAPTER 17.90 DENSITY BONUS TO IMPLEMENT SB 1818, THE STATE DENSITY BONUS LAW (ZOA 04-09)

THE CITY COUNCIL
City of Clayton, California

THE CITY COUNCIL OF THE CITY OF CLAYTON FINDS AS FOLLOWS:

WHEREAS, Senate Bill (SB) 1818 requires that cities and counties in the State of California adopt local ordinances to implement the provisions of that law; and

WHEREAS, the intent of SB 1818 is to increase the number of affordable housing units constructed in the State of California by implementing various measures including lowering the thresholds for eligibility for density bonuses, increasing the maximum percentage of possible bonus to 35% from 25%, increasing the number of incentives that local communities must offer to qualified development projects, and offering a land donation consideration for obtaining a density bonus based on satisfying specified criteria; and

WHEREAS, the Planning Commission held duly-noted public hearings on October 13, 2009, October 27, 2009, and December 8, 2009 to review the requirements of SB 1818 and consider amendments of the Municipal Code to formally implement SB 1818 in accordance with State law; and

WHEREAS, at its public hearings on October 13, 2009, October 27, 2009, and December 8, 2009, the Planning Commission received and considered a staff report, background information, comments, and testimony regarding a proposed amendment to Title 17 of the Clayton Municipal Code to add Chapter 17.90 Density Bonus to that Title to implement SB 1818 in accordance with State law; and

WHEREAS, at its hearing December 8, 2009, the Planning Commission determined that the proposed amendment to Title 17 of adding Chapter 17.90 would qualify for a categorical exemption from the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) of the State CEQA Guidelines; determined that this amendment would be in conformance with the General Plan; determined that the public necessity, convenience, and general welfare would require adoption of this amendment; and recommended City Council approval of the amendment; and

WHEREAS, on December 15, 2009 and January___, 2010, the City Council held duly-noticed public hearings and gave due consideration to all testimony, comments, and documents received; and

WHEREAS, the City Council determined that the amendments of the Municipal Code would qualify for categorical exemption from the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) of the State CEQA Guidelines; and

WHEREAS, the City Council determined that the following amendment would be in general conformance with the General Plan; and

WHEREAS, the City Council determined that the public necessity, convenience, and general welfare would require adoption of the amendment; and

WHEREAS, there is no evidence that the amendments will have the potential for any individual or cumulative adverse effects on fish and wildlife resources or their habitat, as defined in Section 711.2 of the Fish and Game Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLAYTON DOES ORDAIN AS FOLLOWS:

SECTION 1. Title 17 of the Municipal Code shall be amended to add Chapter 17.90, referred to herein as **Attachment 1**.

SECTION 2. If any provision of this Ordinance, or the application thereof to any person or circumstances, is held to be unconstitutional or to be otherwise invalid by any court competent jurisdiction, such invalidity shall not affect other provisions or clauses of this Ordinance or application thereof which can be implemented without the invalid provisions, clause, or application, and to this end such provisions and clauses of the Ordinance are declared to be severable.

SECTION 3. This Ordinance shall become effective thirty (30) days from and after its passage. Within fifteen (15) days after the passage of the Ordinance, the City Clerk shall cause it to be posted in three (3) public places heretofore designated by resolution by the City Council for the posting of ordinance and public notices.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Clayton held on December 15, 2009.

Passed, adopted, and ordered posted by the City Council of the City of Clayton at a regular meeting thereof held on ________, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON

Hank Stratford, Mayor

ATTEST

Laci J. Jackson, City Clerk

APPROVED AS TO FORM

Dan Adams, City Attorney

APPROVED BY ADMINISTRATION

Gary A. Napper, City Manager

I hereby certify that the foregoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Clayton held on _________, 2009, and was duly adopted, passed, and ordered posted at a regular meeting of the City Council held on_______, 2010.

Laci J. Jackson, City Clerk

Attachment 1

ZOA\2009\04-09.ord2.final.pc.version

Chapter 17.90

AFFORDABLE HOUSING DENSITY BONUS REQUIREMENTS

17.90.010 Title and Purpose. This Chapter shall be known and may be cited as the Affordable Housing Density Bonus Requirements Ordinance of the City of Clayton and is adopted to comply with California Government Code Section 65915.

17.90.020 Definitions. Certain words and phrases are defined within this Chapter and the definitions herein apply to this Chapter only. Where it appears from the context of such words, phrases, or provisions that a different meaning is intended, the definition shall be as determined by the Community Development Director.

a. 'Affordable Housing Cost,' 'Affordable Ownership Housing Cost' and 'Affordable Rental Housing Cost' are defined as the allowable percentage of gross household income a household spends on housing costs for a given income group, as defined below:

(1) For Very Low Income households, the Affordable Housing Cost shall not exceed the product of thirty percent (30%) times fifty percent (50%) of the Area Median Income adjusted for family size appropriate for the unit;

(2) For Lower Income households, the Affordable Housing Cost shall not exceed the product of thirty percent (30%) times seventy (70%) of the Area Median Income adjusted for family size appropriate for the unit;

(3) For Moderate Income households, the Affordable Housing cost shall not be less than twenty-eight (28%) of the gross income of the household, nor exceed the product of thirty-five percent (35%) times one hundred ten percent (110%) of the Area Media Income adjusted for family size appropriate for the unit;

(4) For owner-occupied units, the Affordable Housing Cost includes the monthly mortgage principal and interest, property taxes, homeowner's insurance, and homeowner/condominium association fees (where applicable); and,

(5) For renter-occupied units, the Affordable Housing cost includes the monthly rent plus utility allowance, as defined by the Contra Costa County Housing Authority.

b. 'Affordable Housing Unit' is defined as a Dwelling Unit within a Residential Development Project which will be made available to and reserved for Very Low Income households, Lower Income households or Moderate Income household at an Affordable Housing Cost for the respective group(s).

c. 'Applicant' is defined as any person, firm, partnership, association, joint venture, corporation, or entity or combination of entities who seek residential property development permits or approvals from the City of Clayton.

d. 'Area Median Income (AMI)' is defined as the median for Contra Costa County as defined annually by the U.S. Department of Housing and Urban Development (HUD) and adopted by the California Department of Housing and Community Development (HCD). Income groupings that are subdivision of AMI, such as Very Low, Low, Lower and Moderate Income households are also defined by HUD and adopted by HCD.

e. 'Child Care Facility' is defined as a facility installed, operated, and maintained for the nonresidential care of children as defined under applicable state licensing requirements for the facility.

f. 'Child Care Facility Density Bonus' means a floor area ratio bonus over the otherwise maximum allowable density permitted under the applicable zoning ordinance and land use elements of the general plan of the City of Clayton of the Following amounts: A maximum of Five (5) square feet of floor area contained in the Child Care Facility for existing structures; or a maximum of ten (10) square feet of floor area for each square foot of floor area contained in the Child Care Facility for new structures.

g. 'Condominium Conversion Density Bonus' means an increase in units of twenty-five percent (25%) over the number of apartments, to be provided within the existing structure or structures proposed for conversion.

h. 'Density Bonus' is defined as a density increase of at least five percent (5%), unless a lesser percentage is elected by the Applicant, and no more than thirty-five percent (35%) over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the General Plan as of the date of application by the Applicant to the City of Clayton.

i. 'Development Standard' is defined as site or construction conditions that apply to a Residential Development Project pursuant to any ordinance, general plan element , specific plan, or other local condition, law, policy, resolution, or regulation.

j. 'Dwelling Unit' is defined as a dwelling designed and intended for residential occupancy by one household.

k. 'Floor Area' is defined as to a commercial or industrial project, as the floor area as calculated under the applicable zoning ordinance of the City of Clayton and as to a Child Care Facility, as the total area contained within the exterior walls of the facility and all outdoor areas devoted o the use of the facility in accordance with applicable state child care licensing requirements.

l. 'Household Income' is defined as the gross annual household income for all adult wage earners, Senior Citizen or disabled family members and any other sources of household income.

m. 'Lower Income Households' is defined as households with a total combined income not exceeding eighty percent (80%) of the Area Median Income, adjusted for household size, as established by the U.S. Department of Housing and Urban Development.

n. 'Marketing Plan' is defined as a plan that describes how the Applicant will inform the public, and those within the appropriate income groups, of the availability of Affordable Housing Units.

o. 'Maximum Allowable Residential Density' is defined as the density allowed under the zoning ordinance, or if a range of density is permitted, means the maximum allowable density for the specific zoning range applicable to the project.

p. 'Mixed-Use Development Project' is defined as a Residential Development Project that may include a mix of commercial, office, industrial or residential uses.

q. "Mobilehome Park' is defined as a mobilehome park that limits residency based on age requirements for housing older persons pursuant to Section 798.96 or 799.5 of the Civil Code.

r. 'Moderate Income Households' is defined as households with a total combined not exceeding one hundred and twenty percent (120%) of the Area Median Income, adjusted for household size, as established by the U.S. Department of Housing and Urban Development.

s. 'Presumed Occupancy Levels' are defined as: One person for a studio unit; two people for a one bedroom unit; three people for a two bedroom unit; and one additional person for each additional bedroom thereafter.

t. 'Resale Controls and/or Rent Restrictions' are defined as the restrictions, set for the by the City of Clayton or by state and/or federal law, by which the rents paid on rental Affordable Housing Units and the sales price for ownership Affordable Housing Unit are limited to ensure that the units remains affordable to Very Low or Low Income households for a term of no less than thirty (30) years. With respect to rental units, such rent restrictions shall generally be in the form of a regulatory agreement recorded against the applicable property. With respect to owner occupied units, such resale controls shall generally be in the form of resale restrictions, deeds of trust and/or other similar documents recorded against the applicable property.

u. 'Residential Development Project' is defined as detached single-family dwellings, multiple dwelling structures, groups of dwellings, condominium or townhouse developments, condominium conversions, cooperative developments, and mixed use developments that include housing units. This definition also includes contiguous or non-contiguous parcels that have one or more applications filed within a twenty-four (24) month period and which are under the same ownership.

v. 'Senior Citizen Household' is defined as a household headed by a person sixty-two (62) years of age or older.

w. 'Senior Citizen Housing Development' is defined as a development of at least thirty-five (35) dwelling units reserved for Senior Citizen Households and as further described in Sections 51.3 and 51.12 of the civil Code.

x. 'Very Low Income Households' is defined as households with a total combined income not exceeding fifty percent (50%) of the Area Median Income, adjusted for household size, as established by the U.S. Department of Housing and Urban Development.

17.90.030 Application. The provisions of this Article apply to residential Development Projects and mixed-use Residential Development Projects, consisting of either five (5) or more general Dwelling Units, Senior Citizen Housing Developments or Mobilehome Parks.

17.90.040 Specified Housing Units. Unless the granting would have a specific adverse impact on public health or safety or granting is not required to provide for affordable housing cost, the City shall grant a Density Bonus, and incentives or concessions described in Section 17.90.110, when an Applicant for a Residential Development Project seeks and agrees to construct at least anyone of the Following:

a. Ten percent (10%) of the total Dwelling Units of a residential Development Project for Lower Income Households; or

b. Five percent (5%) of the total Dwelling Units of a Residential Development Project for Very Low Income Households; or

c. A Residential Development Project meeting the requirements of a Senior Citizen Housing Development or a Mobilehome Park; or

d. Ten percent (10%) of the total Dwelling Units in a common interest development as defined in Section 1351 of the Civil Code, for persons and families of Moderate Income, provided that all units in the development are offered to the public for purchase.

The Applicant shall elect whether the Density Bonus shall be awarded on the basis of Section 17.90.040 a., b., c., or d. All Density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a Density Bonus shall not be interpreted, in and of itself, to require a general plan amendment, zoning change, or other discretionary approval. The Density Bonus shall not be included when determining the number of Dwelling Units that is equal to five (5%) or ten (10%) percent of the total Dwelling Units.

For Residential Development Projects that meet the criteria of Section 17.90.040 a., the Density Bonus shall be calculated as follows:

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
16	29
17	30.5
18	32
19	33.5
20	35

For Residential Development Projects that meet the criteria of Section 17.90.040 b., the Density Bonus shall be calculated as follows:

5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

For Residential Development Projects that meet the criteria of Section 17.90.040 c., the Density Bonus shall be twenty (20%) percent.

For Residential Development Projects that meet the criteria of Section 17.90.040.d, the Density Bonus shall be calculated as follows:

Percentage Moderate Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

Residential Development Projects incorporating a Density Bonus require review and approval by the Planning commission; provided, however, that if the Residential Development Project involves another permit or entitlement requiring City council approval, then the Planning Commission may recommend approval or deny the project. Decisions of the Planning commission may be appealed to the City Council as provided in chapter 17.68 of the Municipal Code.

<u>17.90.050</u> <u>Land Donation</u>. When an Applicant donates land to the City, the Applicant shall be entitled to a fifteen percent (15%) increase above the otherwise maximum allowable residential density under the applicable zoning ordinance

and land use element of the general plan for the entire Residential Development Project as follows:

Percentage Very Low Income	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

This Density Bonus shall be in addition to any Density Bonus mandated by Section 17.90.040, up to a maximum combined increase of thirty-five (35%) percent if the Applicant seeks both the increase required under this section and the increase under Section 17.90.040. All Density Bonuses resulting in fractional numbers shall be rounded up to the next whole number.

An Applicant shall be eligible for the increased Density Bonus described in this section if all of the following conditions are met:

a. The Applicant donates and transfers the land to the City no later than the date of approval by the City of the final subdivision map, parcel map, or residential development application of the residential Development Project seeking the Density Bonus.

b. The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to Very Low Income households in an amount not less than ten percent (10%) of the number of residential units of the proposed Residential Development Project seeking the Density Bonus.

c. The transferred land is characterized by the following:

(1) It is at least one acre in size and without environmental constraints, e.g., flood plain, wetlands, sloped topography, etc., or other

encumbrances, e.g., utility easements, etc., to permit development of at least twenty (20) units; and

(2) It has the appropriate general plan designation and is appropriately zoned for affordable housing; and

(3) It is or will be served by adequate public facilities and infrastructure; and

(4) It shall have appropriate zoning and development standards to make the development of the Affordable Housing Units feasible; and

(5) No later than the date of approval of the final subdivision map, parcel map, or of the Residential Development Project seeking the Density Bonus, the transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of Very Low Income housing units on the transferred land, except that the City may subject the proposed Residential Development to subsequent design review, if the design is not reviewed by the City prior to the time of transfer.

d. The transferred land and the Affordable Housing Units shall be subject to a deed restriction, which shall be recorded on the property at the time of dedication, ensuring continued affordability of the units for a term of at least thirty (30) years.

e. The land is transferred to the City or to another housing developer approved by the City.

f. The transferred land shall be within the boundary of the proposed Residential Development Project or, if the City agrees, elsewhere within the City limits.

17.90.060 Child Care Facilities. When an Applicant proposes to construct a Residential development Project that conforms to the requirements of Section 17.90.040 and includes a Child Care Facility that will be located on the premises of, as part of, or adjacent to, the Residential Development Project, the City shall grant either of the following: (i) An additional Density Bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the Child Care Facility; or (ii) an additional concession or incentive designated by the City to contribute significantly to the economic feasibility of the construction of the Child Care Facility.

The City shall require, as a condition of approving the residential Development Project that the following occur: (i) The Child Care Facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the Affordable Housing Units are required to remain affordable pursuant to this Chapter; and (ii) of the children who attend the child Care Facility, the children of Very Low Income Household, Lower Income Households, Moderate Income Households shall equal a percentage that is equal to or greater than the percentage of Dwelling Units that are made affordable to Very Low Income Households, Lower Income Households, or families of Moderate Income Households pursuant to Section 17.90.040.

Notwithstanding any requirement of this Chapter, the City shall not be required to provide a Density Bonus or concession for a Child Care Facility if it finds, based upon substantial evidence, that the community has adequate child care facilities.

17.90.070 Condominium Conversions. When an Applicant's residential Development Project is the conversion of an existing apartment complex to a condominium complex and the Applicant agrees to make at least thirty-three (33%) of the total units of the proposed condominium Residential Development Project affordable to moderate income households for thirty (30) years, or fifteen percent (15%) of the total units of the proposed condominium Residential Development Project to Lower Income households for thirty (30) years, and agrees to pay for the administrative costs incurred by the city related to processing the application and monitoring the future status of the Affordable Housing Units, the City shall either (i) grant a Condominium Conversion Density Bonus or (ii) provide other incentives of equivalent financial value to be determined by the City.

An Applicant shall be ineligible for a Condominium Conversion Density Bonus or other incentives under this Section if the apartments proposed for conversion constitute a Residential Development Project for which a Density Bonus or other incentives were previously provided in accordance with this Chapter.

17.90.080 Design, Distribution and Timing of Affordable Housing Units. Affordable Housing Units must be constructed concurrently with market-rate units. The Affordable Housing Units shall be integrated into the Residential Development Project and be comparable in infrastructure (including sewer, water, and other utilities), construction quality and exterior design to the market-rate units. The Affordable Housing Units must also comply with the following criteria:

a. Rental Residential Development Projects: When Affordable Housing Units are required in rental Residential Development Projects, the units should be integrated with the project as a whole. All Affordable Housing Units shall reflect the range and numbers of bedrooms provided in the project as a whole, and shall not be distinguishable by design, construction, or materials. All Affordable Housing Units shall be reasonably dispersed throughout the project.

b. Owner-occupied Residential Development Projects: When Affordable Housing Units are required in owner-occupied Residential Development Projects, the units should be integrated with the project as a whole. Affordable Housing Units may be smaller in aggregate size and have different interior finishes and features than market-rate units so long as the interior features are durable, of good quality and consistent with contemporary standards for new housing. All Affordable Housing Units shall reflect the range and number of bedrooms provided in the project as a whole, except that if the market-rate units provide more than four bedrooms, the Affordable Housing Units need not provide more than four bedrooms.

Market-rate units will not be inspected for issuance of a certificate of occupancy until all Affordable Housing Units have been constructed, unless Affordable Housing Units are to be constructed in phases pursuant to a plan approved by the City.

17.90.090 Requests for Incentives or Concessions. Applicant must submit a Density Bonus Application, as described in Section 17.90.130 below, for the specific incentives or concessions that the Applicant requests. The city shall grant the concessions or incentive requested by the Applicant unless the city makes a written finding, based upon substantial evidence, of either of the following:

a. The concessions or incentive is not required in order to provide for Affordable Housing Costs;

b. The concession or incentive would have a specific adverse impact upon public health and safety or the physical environment or on any real property that is listed in the Federal Register of Historical Resources or any locally officially designated architecturally and historically significant buildings and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to Low and Moderate Income households.

17.90.100 Granting of Incentives or Concessions. If the conditions of 17.90.040 are met by Applicant, the following incentives or concessions may be granted:

a. One incentive or concession for a Residential Development Project that makes: At least ten percent (10%) of the total units affordable to Lower Income households; or at least five percent (5%) of the total units affordable to Very Low income households; or at least ten percent (10%) of the total units affordable to persons and families of Moderate Income in a common interest development.

b. Two incentives or concessions for a Residential Development Project that makes: At least twenty percent (20%) of the total units affordable to Lower Income household; or at least ten percent (10%) of the total units affordable to Very Low income households; or at least twenty percent (20%) of the total units affordable to persons and families of Moderate Income in a common interest development.

c. Three incentives or concession for a residential Development Project that makes: At least thirty percent (30%) of the total units for Lower Income households; at least fifteen percent (15%) for Very Low Income households, or at least thirty percent (30%) for persons and families of Moderate Income in a common interest development.

17.90.110 Types of Incentives or Concessions. For the purposes of this Chapter, concessions or incentive may mean:

a. A reduction in site Development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission, resulting in identifiable, financially sufficient, and actual cost reductions, or

b. A reduction in setback and square footage requirements; or

c. A reduction in the ratio of vehicular parking spaces and/or configurations as set forth in Government Code Section 65915(p); or

d. Approval of mixed use zoning in conjunction with the Residential Development Project if commercial, office, industrial, or other land uses will reduce the development cost of the Residential Development Project and if the commercial, office, industrial, or other land uses compatible with the Residential Development Project and the existing or planned development in the area where the proposed housing project will be located.

Nothing in this Section shall be construed to require the provision of direct financial incentives for the Residential Housing Development, including the provision of publicly owned land by the city or the waiver of fees or dedication requirements.

17.90.120 Compliance. The provisions of this chapter shall apply to all agents, successors and assignees of an Applicant, developer, builder or property owner proposing a Residential Development Project governed by this chapter. No tentative map, use permit, special development permit or occupancy permit shall be issued for any Residential Development Project unless exempt from or in compliance with the terms of this Chapter.

The City may institute any appropriate legal actions or proceedings necessary to ensure compliance herewith, including but not limited to actions to revoke, deny, or suspend any permit or development approval.

17.90.130 Density Bonus Application. In order to receive the concessions and/or incentives described in Section 17.90.110, the Applicant must submit to the city a Density Bonus Application (DBA) which will be treated as part of the development application. At any time during the review process, the community Development Director may require from the Applicant additional information reasonably necessary to clarify and supplement the application for determining the consistency of the proposed DBA with the requirements of this Chapter.

The DBA should include, but not be limited to, the following:

a. A description of the Residential Development Project including the proposed total number of Affordable Housing Units, Senior Housing Units or Mobilehome Park Units;

b. The zoning and general plan designations and assessors parcel number (s) of the project site;

c. A vicinity map and preliminary site plan, drawn to scale, including building footprints, driveway and parking layout.

d. A description of the concessions or incentives requested and information that verifies the cost reductions anticipated if granted the requested incentives and/or concessions.

e. If an additional incentive(s) is requested, the application should describe why the additional incentive(s) are necessary to provide the Affordable Housing Units.

17.90.140 Affordable housing Unit Plan. The Applicant must submit an Affordable Housing Unit Plan (AHUP) which will be treated as part of the development application. At any time during the review process, the Community Development Director may require from the Applicant additional information reasonably necessary to clarify and supplement the application or determining the consistency of the proposed AHUP with the requirements of this Chapter.

The AHUP should include, but not be limited to, the following:

a. The location, structure (attached, semi-attached, or detached), proposed tenure (for-sale or rental), and size of the proposed market-rate, commercial space and/or Affordable Housing Units;

b. A floor or site plan depicting the location of the Affordable Housing Units and a floor plan describing the size, in square footage, of the Affordable Housing Units;

c. The income levels to which each Affordable Housing Unit will be made affordable;

d. The documents that will be used to assure that the units remain affordable for the desired term, such as resale and rental restrictions, deed of trust, and rights of first refusal and other documents;

e. For phased Residential Development Projects, a phasing plan that provides for the timely development of the number of Affordable Housing Units proportionate to each proposed phase of development as required by this Chapter;

f. A marketing plan that describes how the Applicant will inform the public, and those within the appropriate income groups, of the availability of Affordable Housing Units;

g. Any other information reasonably requested by the Community Development Director to assist with evaluation of the AHUP under the standards of this Chapter.

17.90.150 Affordable Housing Unit Agreement. The form of the Affordable Housing Unit Agreement (AUA) will vary, depending on the manner in which the provisions of this Chapter are satisfied for a particular development. The AUA shall be recorded as a restriction on the parcel or parcels on which the Affordable Housing units will be constructed. The approval and recordation of the AUA shall take place prior to final map approval, or, where a map is not being processed, prior to issuance of building permits for such parcels or units. The AUA shall be binding on all future owners and successors interest. An AUA must include, at minimum, the following:

a. A description of the development, including the total number of units, the number of Affordable Housing Units, and the tenure of the Affordable Housing Units;

b. The size, in square footage, and location of Affordable Housing Units;

c. A description of the household income group to be accommodated by the Affordable Housing Units, and the formula for determining the affordable rent or affordable sales price and housing cost for each Affordable Housing Unit;

d. The term of affordability for the Affordable Housing Units;

e. A schedule for completion and occupancy of the Affordable Housing Units;

f. Provisions and/or documents for resale restrictions, deeds of trust, rights of first refusal or rental restrictions;

g. The Marketing Plan for sale or rental of the Affordable Housing Units;

h. Provisions for monitoring the ongoing affordability of the Affordable Housing Units, and the process for qualifying prospective resident households for income eligibility; and

i. A description of the concession(s) or incentive(s) provided by the City.

<u>17.90.160</u> <u>Affordable Housing Unit Agreements for Ownership Units</u>. In the case Residential Development Projects consisting of ownership units, the AUA must provide the following additional conditions governing the sale and use of Affordable Housing Units during the applicable use restriction period:

a. Affordable Housing Units shall be sold to Very Low Income households, Lower Income households or Moderate Income households in a common interest development, at an affordable sales price and housing cost as defined by this Chapter;

b. Affordable Housing Units shall be owner-occupied by Very Low or Lower Income households or by Moderate Income households within common interest developments;

c. The purchaser of each Affordable Housing Unit shall execute an instrument or agreement approved by the city restricting the sale of the Affordable Housing Unit in accordance with this Chapter during the applicable use restriction period. Such instrument or agreement shall be recorded against the parcel containing the Affordable Housing unit and shall contain such provisions as the City may require to ensure continued compliance with this Chapter and with government Code Section 65915. With respect to Moderate Income Affordable Housing Units, the instrument or agreement shall provide for equity-sharing as set forth in Government code Section 65915; and

d. Any additional obligations relevant to the compliance with this Chapter.

17.90.170 Affordable Housing Unit Agreements for Rental Units. In the case of Residential Development Projects consisting of rental units, the AUA must provide the following additional conditions governing the use of Affordable Housing units during the use restriction period:

a. Specific property management procedures for qualifying and documenting tenant income eligibility, establishing affordable rent and maintaining Affordable Housing units for qualified tenants;

b. Provisions requiring property owners to verify household incomes and maintain books and record to demonstrate compliance with this Chapter;

c. Provisions requiring the Property Owner to submit an annual report to the city, which includes the name(s), address, and income of each household occupying target units, and which identifies the bedroom size and monthly rent or cost of each Affordable Housing unit;

d. Provisions describing the amount of, and timing for payment of, Administrative Fees to be paid to the city for the mandated term of compliance monitoring in accordance with the provisions of this chapter; and

e. Any additional obligations relevant to the compliance with this Chapter.

17.90.180 Administrative Fee. An administrative fee shall be charged to the Applicant for City review of all materials submitted in accordance with this Chapter and for on-going enforcement of the provisions of this Chapter. The fee amount shall be established by City Council resolution and will be described in the city of Clayton Master Fee Schedule. Fees will be charged for staff time and materials associated with the following activities: Development review process; project marketing and lease-up; and, long-term compliance of the Affordable Housing Units.

17.90.190 Violation of Affordable Housing Cost Requirements. In the event it is determined that rents in excess of those allowed by operation of this Chapter have been charged to a tenant residing in a rental Affordable Housing Unit, the city may take the appropriate legal action to recover, and the rental unit owner shall be obligated to pay to the tenant (or the City in the event the tenant cannot be located), any excess rent charges. In such an action, the City shall be entitled to recover its legal costs and reasonable attorney fees.

In the event it is determined that a sales price in excess of that allowed by operation of this Chapter has been charged to an income-eligible household purchasing an ownership Affordable Residential Unit, the City may take the appropriate legal action to recover, and the Affordable Residential Unit seller shall be obligated to pay to the purchaser (or to the city in the event the purchaser cannot be located), any excess sales costs. In such an action, the City shall be entitled to recover its legal costs and reasonable attorney fees.

ATTACHMENT 3

PLANNING COMMISSION
STAFF REPORT

Meeting Date: **December 8, 2009**

From: **David Woltering, Community Development Director**

Subject: **Amendments to the Clayton Municipal Code (ZOA 04-09) to Implement SB 1818, California's Density Bonus Law**

BACKGROUND

Senate Bill (SB) 1818 expands prior law that allowed for a density bonus of 25% when housing projects provided between 10%-20% of the units meeting affordability requirements. In addition, cities and counties needed to provide one "concession" such as financial assistance or a reduction in a development standard. The new law, SB 1818, substantially reduces the number of units that the developer must provide to obtain a density bonus and requires cities and counties to provide more concessions. Moreover, the new law allows up to a 35% density bonus and imposes a new land donation rule.

At its October 13, and October 27, 2009 meetings, the Planning Commission reviewed the basic provisions and implementation requirements of SB 1818. Attached is a copy of the October 27, 2009 staff report that outlines these basic provisions and requirements. Additionally, at its October 27th meeting, the Planning Commission reviewed and commented on a draft ordinance to implement SB 1818. The Commission's comments and direction to staff on the draft ordinance are summarized immediately below:

- The quarter-mile radius requirement to a project for land donation may apply to larger cities, but it appears as an unnecessary restriction for a city like Clayton; land within Clayton that satisfies the other criteria mentioned should be considered;
- We should integrate "certificated of occupancy" within the last paragraph of Section 17.90.080 as a requirement within the development pipeline of projects qualifying for density bonuses;
- Wording should be added to Section 17.90.090 to ensure compliance with Government Code Section 65915 (d)(1);
- Definitions under Section 17.90.020 with respect to "rental" and "for sale" affordable housing should conform with the provisions of Government Code Section 50053(b)(3);
- Application under Section 17.90.030 should be modified to replace two (2) or more general dwelling units to five (5) or more general dwelling units;
- Land donation under Section 17.90.050 should be expanded to address the desired physical characteristics of land being offered for consideration. The City would

not want to accept land that has limited building potential because of conditions of slope, flood plain, etc.;

- Density bonus applications under Section 17.90.130 should be expanded to include a submittal requirement to provide information that verifies the cost reductions anticipated as a result of the incentives and concessions being requested;
- Clarify under Section 17.90.170.D that monitoring and payment of fees shall be for the mandated term of the agreement.

In addition to the Planning Commission, the City Attorney has reviewed and commented on the draft ordinance. Attached is Resolution No. 05-09, which recommends City Council approval of a revised draft Ordinance No. 426, which addresses the Planning Commission's and the City Attorney's comments and direction.

RECOMMENDATION

Staff recommends that the Planning Commission approve Resolution No. 05-09, which recommends City Council approval of Ordinance No. 426, which amends the Clayton Municipal Code to allow the local implementation of SB 1818 in accordance with State Law.

Attachments:

A Resolution No. 05-09 with Attached Draft Ordinance No. 426
B Planning Commission Staff Report, dated October 27, 2009
C Planning Commission Minutes, dated October 27, 2009

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PLANNING COMMISSION STAFF REPORT

Meeting Date: **October 27, 2009**

From: **David Woltering, Community Development Director**

Subject: **Amendments to the Clayton Municipal Code (ZOA 04-09) to Implement SB 1818, California's Density Bonus Law**

BACKGROUND

At its October 13, 2009 meeting, the Planning Commission held a public hearing for the purpose of reviewing requirements of California Senate Bill (SB)1818, the density bonus law, with the intent of preparing and recommending to the City Council a local ordinance to formally implement this law. The basic intent of SB 1818 is to provide increased support for the construction of affordable housing in California. Prior to this law becoming effective on January 1, 2005, density bonuses up to 25% were available to developers in this State when 10%-20% of the housing units included in a proposed project were affordable to targeted household income groups. SB 1818 lowers the thresholds for eligibility for density bonuses, increases the maximum percentage of possible bonus to 35%, increases the number of incentives that local communities must offer to qualified development projects, and offers a land donation consideration, all as measures to increase the opportunity for the construction of affordable housing in California. A more detailed summary of the provisions of SB 1818 follows immediately below.

Triggers

Density bonuses of 20-35% are required for setting aside the following for a minimum of 30 years:

- 10% of housing units for lower income households;
- 5% of housing units for very low income households; and,
- 10% of a condominium project for moderate income or senior citizen development.

Number of Concessions or Incentives Required

- One (1) for 10% dedicated to low- or moderate income households, or 5% to very low income households;
- Two (2) for projects that dedicate 20% to low- or moderate income households, or 10% to very low income households; and,
- Three (3) for projects with 30% dedicated to low- or moderate income households, or 15% to very low income households.

Additional Provisions

- Applicants who donate at least 10% of their land to a city before the approval date of their development are entitled to 15-35% density bonus increase, subject to conditions; and,
- When a child care facility is involved, applicants will be entitled to matching square footage increase or a concession that contributes to the construction of such a facility, unless the city concludes adequate childcare facilities already exist.

Little Discretion for City to Deny

- Concessions shall be granted unless it is found that concessions are not required to provide affordable housing or the concession would have an adverse impact on public health or safety;
- Local bodies may not impose development standards that would preclude a development under these amendments absent a showing of a specified adverse impact; and,
- Denial of requested bonuses can result in a legal challenge by an applicant.

Ramifications on General Plan

- The granting of concessions shall not be interpreted to require general plan or similar amendments. All cities and counties are required to adopt an ordinance that specifies how they will comply with SB 1818 requirement.

DISCUSSION

At the October 13th Planning Commission public hearing on this matter, staff reviewed the requirements of SB 1818 with the Commission and received Commissioner comments. Commissioners acknowledged that various developer objectives, such as attempting to produce certain housing types to reach certain market segments and working with a property's physical constraints, often are reasons for them for not seeking the maximum bonuses or incentives that may be available. Commissioners also acknowledged that the Clayton community has a relatively small amount of developable land available. Consequently, it was not envisioned that, while the intent of SB 1818 to facilitate the construction of more affordable housing would have some benefit, the number of actual affordable units developed as a result of this law would likely not be substantial in Clayton. Commissioners requested that staff offer a variety of concessions to select from to recommend placing in the ordinance. Staff will provide a listing of specific concessions to consider at the meeting on October 27th. Finally, the Commission requested that staff provide a description of the possible land supply for affordable housing from the Draft 2009 Clayton Housing Element that is currently being reviewed by the State Department of Housing and Community Development (HCD). Staff has attached pages 71-80 from the Draft Housing Element that is under review to provide that information.

RECOMMENDATION

Staff recommends that the Commission review and provide comments only on the attached Draft Ordinance No. 426 at this public hearing. These materials are concurrently being forward to the City Attorney for review and comment. The implementation of SB 1818 is complex and will require advice and thorough review by the City Attorney before a formal action by the Planning Commission.

ATTACHMENTS

A Resolution No.05-09 with Attached Draft Ordinance No. 426

B Excerpted Pages 71-80 from the City of Clayton 2009-2014 Housing Element Update, dated June, 2009

ZOA\2009\04-09.srl

Minutes
City of Clayton Planning Commission Meeting
Tuesday, October 27, 2009
Excerpt

Call to Order

Vice Chair Sandra Johnson called the meeting to order at 7:00 p.m. at Hoyer Hall, 6125 Clayton Road, Clayton.

Present:	Vice Chair Sandra Johnson, Commissioner Tuija Catalano, Commissioner Ted Meriam, Commissioner Dan Richardson
Absent:	Chair Bob Armstrong
Staff:	Community Development Director David Woltering Assistant Planner Milan Sikela, Jr.

Administrative

1A. Review of agenda items.

1B. Commissioner Richardson to report at the City Council meeting on November 3, 2009.

Public Comment

None.

Approval of Minutes

2. Approval of minutes from the meeting of October 13, 2009.

Commissioner Richardson moved and Commissioner Meriam seconded a motion to approve the minutes from the meeting of October 13, 2009, as amended. The motion passed 4-0.

3B. **ZOA 04-09, Municipal Code Amendment, City of Clayton.** A public hearing regarding possible amendments to the Clayton Municipal Code for the purpose of implementing the requirements of Senate Bill 1818 related to granting density bonuses and related incentives to support the construction of affordable housing in the City of Clayton.

Director Woltering presented the staff report.

Planning Commission questions and comments included:

- The quarter-mile radius requirement to a project for land donation may apply to larger cities, but it appears as an unnecessary restriction for a city like Clayton; land within Clayton that satisfies the other criteria mentioned should be considered.
- Do fractional unit numbers get rounded up to the next full number? Director Woltering responded "Yes."
- Explain Section 17.90.080. Director Woltering responded that Section 17.90.080 was intended for two different housing types: rental units and owner-occupied units. The objective of this section is generally to assure that affordable units blend with market-rate units. Rental affordable units are typically within multi-unit developments. In this circumstance, the affordable and market-rate units should be indistinguishable. In the case of "for sale" affordable housing units, these units are often not in multi-unit developments. In this circumstance, individual "for sale" affordable units may be smaller in size but have

similar exterior architectural treatments as the market-rate "for sale" units.

- We should integrate "certificate of occupancy" within the last paragraph of Section 17.90.080 as a requirement within the development pipeline of projects qualifying for density bonuses.
- Wording should be added to Section 17.90.090 to ensure compliance with Government Code Section 65915(d)(1)(C).
- Definitions under Section 17.90.020 with respect to "rental" and "for sale" affordable housing should conform with the provisions of Government Code Section 50053(b)(3).
- Application under Section 17.90.030 should be modified to replace two (2) or more general dwelling units to five (5) or more general dwelling units.
- Land donation under Section 17.90.050 should be expanded to address the desired physical characteristics of land being offered for consideration. The City would not want to accept land that has limited building potential because of conditions of slope, flood plain, etc.
- Density bonus application under Section 17.90.130 should be expanded to include a submittal requirement to provide information that verifies the cost reductions anticipated as a result of the incentives and concessions being requested.
- Clarity under Section 17.90.170.D that monitoring and payment of fees shall be for the mandated term of the agreement.
- Does Clayton have an inclusionary housing ordinance? Director Woltering responded that Clayton does not have an inclusionary housing ordinance but, instead, has a Redevelopment Agency Project Area within which the City must require affordable housing.

Commissioner Richardson moved and Commissioner Catalano seconded a motion to continue Municipal Code Amendment ZOA 04-09 to the next regularly-scheduled Planning Commission meeting on November 10, 2009. The motion passed 4-0.

Plng Comm\2009\Minutes\1027

Agenda Date: 12-15-09

Agenda Item: 9a

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Approved

Gary A. Napper, City Manager

CITY COUNCIL STAFF REPORT

TO: **Honorable Mayor and Councilmembers**

FROM: **David Woltering, Community Development Director**

DATE: **December 15, 2009**

SUBJECT: **Amendments to Clayton's Municipal Code (ZOA 03-09) to Allow Manufactured Homes Within the City of Clayton**

RECOMMENDATION

It is recommended that the City Council approve Second Reading and Adoption of Ordinance No. 425, as modified based on City Council direction at its December 1, 2009 meeting, which amends the Clayton Municipal Code to allow manufactured homes within the City of Clayton in accordance with State law.

BACKGROUND

At the City Council meeting of December 1, 2009, the City Council approved the Introduction and First Reading of Ordinance No. 425. The intent of preparing and adopting this ordinance is to satisfy State law (Government Code Section 65852.3) which requires that local jurisdictions like the City of Clayton allow for manufactured housing under specified circumstances. The State law states the development standards and permit process for manufactured housing should be the same as conventional, stick-built, single-family housing. However, architectural requirements may vary for manufactured housing. Staff has worked with the Planning Commission to prepare a the ordinance to satisfy the requirements of Government Code Section 65852.3, while assuring compatibility of manufactured housing with conventional single-family housing within the City of Clayton. The Planning Commission recommended City Council adoption of the resulting Ordinance No. 425 at its November 10, 2009 meeting.

At its December 1, 2009 meeting, the City Council provided direction for modifying the proposed Section 17.36.078.A of Ordinance No. 425 to eliminate a restriction on allowing manufactured housing on non-graded hillside lots exceeding ten (10) percent grade or split-level graded lots. The

Council indicated that the proposed ordinance includes standards to assure architectural and aesthetic compatibility, the concerns raised for proposing the restriction. In addition, the Council noted there would be Planning Commission review of these homes to assure that the standards are satisfied. Accordingly, Staff has amended the wording and the revised Ordinance No. 425 is attached for City Council review (see **Attachment**).

ATTACHMENT

Ordinance No. 425

ZOA\2009\03-09.sr4

Attachment

ORDINANCE NO. 425

AMENDMENT OF CHAPTER 17.36 (GENERAL REGULATIONS) TO ADD SECTION 17.36.078 TO ALLOW MANUFACTURED HOMES ON LOTS WHERE SINGLE-FAMILY RESIDENTIAL HOUSING IS ALLOWED, AN AMENDMENT OF CHAPTER 17.44 (SITE PLAN REVIEW) TO ADD SECTION 17.44.040.H TO SPECIFY DESIGN STANDARDS FOR MANUFACTURED HOMES, AND AN AMENDMENT OF CHAPTER 17.04 (DEFINITIONS) TO AMEND SECTION 17.04.138 TO PROVIDE A DEFINITION FOR MANUFACTURED HOMES, ADD SECTION 17.04.139 TO RELOCATE THE DEFINITION FOR MIXED USE TO MAINTAIN THE ALPHABETICAL ORDER OF DEFINED TERMS, AMEND SECTION 17.04.140 TO PROVIDE A DEFINITION FOR MOBILEHOME, ADD SECTION 17.04.141 TO PROVIDE A DEFINITION FOR MOBILEHOME PARK, AND ADD SECTION 17.04.142 TO RELOCATE THE DEFINITION FOR NONCONFORMING USE TO MAINTAIN THE ALPHABETICAL ORDER OF DEFINED TERMS (ZOA 03-09)

THE CITY COUNCIL
City of Clayton, California

THE CITY COUNCIL OF THE CITY OF CLAYTON FINDS AS FOLLOWS:

WHEREAS, the Clayton Municipal Code does not address manufactured homes; and

WHEREAS, State law requires that the City of Clayton allow for manufactured homes to be constructed within the City under specified circumstances; and

WHEREAS, Section 17.04.138 of the Municipal Code has been modified to provide a definition for "Manufactured Home"; and

WHEREAS, Section 17.04.139 of the Municipal Code has been added to relocate the definition for "Mixed Use" to maintain the alphabetical order of the defined terms; and

WHEREAS, Section 17.04.140 of the Municipal Code has been modified to provide a definition for "Mobilehome"; and

WHEREAS, Section 17.04.141 of the Municipal Code has been added to provide a definition for Mobilehome Park"; and

WHEREAS, Section 17.04.142 of the Municipal Code has been added to relocate the definition for "Nonconforming Use" to maintain the alphabetical order of the defined terms; and

WHEREAS, Section 17.36.078 of the Municipal Code has been added to provide standards for manufactured home; and

WHEREAS, Section 17.44.040.H of the Municipal Code has been added to provide a reference to the standards in Section 17.36.078; and

WHEREAS, the Planning Commission held a duly-noticed study session of October 13, 2009 and likewise noticed public hearings on October 27, 2009 and November 10, 2009 to address allowing manufactured homes in the City of Clayton, determined that these proposed amendments of the Municipal Code involve minor alterations of land use limitations which would not result in any changes in land use or density and would qualify for categorical exemptions from the California Environmental Quality Act (CEQA) in accordance with Section 15305 of the State CEQA Guidelines; determined that these amendments would be in conformance with the General Plan; determined that the public necessity, convenience, and general welfare would require adoption of these amendment; and recommended City Council approval of these amendment; and

WHEREAS, on December 1, 2009 and January___, 2010, the City Council held duly-noticed public hearings and gave due consideration to all testimony, comments, and documents received; and

WHEREAS, the City Council determined that the amendment of the Municipal Code would not result in any changes in land use or density and would qualify for categorical exemptions from the California Environmental Quality Act (CEQA) in accordance with Section 15305 of the State CEQA Guidelines; and

WHEREAS, the City Council determined that the following amendments would be in general conformance with the General Plan; and

WHEREAS, the City Council determined that the public necessity, convenience, and general welfare would require adoption of the amendments; and

WHEREAS, there is no evidence that the amendments will have the potential for any individual or cumulative adverse effects on fish and wildlife resources or their habitat, as defined in Section 711.2 of the Fish and Game Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLAYTON DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 17.04.138 of the Municipal Code is amended to read as follows:

"17.04.138 Manufactured Home. "Manufactured Home" means a single-family dwelling transportable in one or more sections constructed to a federally preemptive standard."

SECTION 2. Section 17.04.139 of the Municipal Code is added to read as follows:

"17.04.139 Mixed Use. "Mixed Use" means properties on which various uses, such as residential, commercial, or institutional, are combined in a single building or on a single site (including contiguous lots) in a development project with significant functional interrelationships and an integrated physical design. (Ord. 402, 2007)"

SECTION 3. Section 17.04.140 of the Municipal Code is amended to read as follows:

"17.04.140 Mobilehome. "Mobilehome" means a moveable dwelling retaining an axle with no permanent foundation, but connected to utility lines and set more or less permanently at a location."

SECTION 4. Section 17.04.141 of the Municipal Code is added to read as follows:

"17.04.141 Mobilehome Park. "Mobilehome Park" means any area or tract of land where one or more mobilehome lots are rented or leased or held out for rent or lease to accommodate mobilehomes used for human habitation."

SECTION 5. Section 17.04.142 of the Municipal Code is added to read as follows:

"17.04.142 Nonconforming Use. "Nonconforming Use. "Nonconforming use" means a use of land, building, or structure on land that does not conform to this title for the district in which it is situated. (Ord. 52, 1968)"

SECTION 6. Section 17.36.078 of the Municipal Code is added to read as follows:

"17.36.078 Standards for Manufactured Homes.

A. Manufactured Homes including Mobilehomes on a Permanent Foundation System. Mobilehomes eligible to be placed on individual lots where single-family residential units are allowed are those constructed after September 15, 1971, with an insignia of approval from the California Department of Housing and Community Development or constructed after July 1, 1976, with an insignia of approval from the U.S. Department of Housing and Urban Development, and which have not been altered in violation of applicable codes. Mobilehomes placed on a permanent foundation system on individual lots where single-family residential units are allowed shall be subject to all applicable provisions of this Title 17, including those provisions that would otherwise be applicable to single-family stick-built residential units. These eligible manufactured homes shall have a minimum width of twenty feet, and shall comply with the following standards:

1. Siding and roofing materials shall be compatible with the surrounding conventional single-family residential development.
2. Covered parking and storage buildings associated with a manufactured home shall have matching architectural treatments.
3. Eaves shall be extended to provide appropriate solar screening, shadowing interest, depth articulation, and to be compatible with the surrounding conventional single-family residential development.
4. Exterior fascia shall extend down and be secured to the required permanent foundation system in a manner visually similar to a stick-built home.
5. Overall exterior appearance shall blend architecturally with the design character of surrounding conventional single-family residential development.
6. All walkways, driveways, flatwork, hardscaping, and landscaping located on the property of a manufactured home shall be of a quality design that is compatible with surrounding conventional single-family residential development and have a natural visual flow that is balanced with the design of the home.
7. Skirting is prohibited.

B. Mobilehomes Having No Permanent Foundation System. A mobilehome retaining an axle having no permanent foundation system shall be placed in a mobile home park.

C. Manufactured homes and mobilehomes on a permanent foundation are prohibited from being located on real property that is listed in the 'California Register of Historic Places' pursuant to Government Code Section 65852.3(b)."

SECTION 7. Section 17.44.040.H of the Municipal Code is added to read as follows:

"H. Design standards for manufactured homes shall be in accordance with Section 17.36.078 of the Municipal Code."

SECTION 8. If any provision of this Ordinance, or the application thereof to any person or circumstances, is held to be unconstitutional or to be otherwise invalid by any court competent jurisdiction, such invalidity shall not affect other provisions or clauses of this Ordinance or application thereof which can be implemented without the invalid provisions, clause, or application, and to this end such provisions and clauses of the Ordinance are declared to be severable.

SECTION 9. This Ordinance shall become effective thirty (30) days from and after its passage. Within fifteen (15) days after the passage of the Ordinance, the City Clerk shall cause it to be posted in three (3) public places heretofore designated by resolution by the City Council for the posting of ordinance and public notices. Further, upon its effective date the City Clerk is directed to incorporate Sections 1 through 7 of this Ordinance to the Clayton Municipal Code.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Clayton held on December 1, 2009.

Passed, adopted, and ordered posted by the City Council of the City of Clayton at a regular meeting thereof held on [month] [day], 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON

Hank Stratford, Mayor

ATTEST

Laci J. Jackson, City Clerk

APPROVED AS TO FORM

APPROVED BY ADMINISTRATION

J. Daniel Adams, City Attorney

Gary A. Napper, City Manager

I hereby certify that the foregoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Clayton held on [month] [day], 2009, and was duly adopted, passed, and ordered posted at a regular meeting of the City Council held on [month] [day], 2010.

Laci J. Jackson, City Clerk

ZOA\2009\03-09.ord3.cc.version

CITY OF CLAYTON
Founded 1857 Incorporated 1964

Agenda Date: 12-15-09

Agenda Item: 9b

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER

DATE: DECEMBER 16, 2000

SUBJECT: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2009 (FY '08-'09)

RECOMMENDATION

Accept the "unqualified opinion" Audit Report for the City of Clayton-Basic Financial Statements and independent Auditors' Report for fiscal year ended June 30, 2009 prepared by Moss, Levy & Hartzheim and distributed on December 11, 2009.

BACKGROUND

The City's Audit Report was completed in a timely manner this year. This was the third year that we opted to prepare the comprehensive financial reports in-house with the aid of a consultant. This decision was made to provide the autonomous separation of duties between auditors looking at the City's financial transactions and the actual report itself. The reporting format includes a management discussion and analysis for readers of the City's financial statements that are intended to serve as an introduction to the City's basic financial statements. A statement of net assets and a statement of activities and changes in net assets are also included that presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Clayton is improving or deteriorating.

FISCAL IMPACT

The General Fund revenues exceeded expenditures by $159,629 increasing the ending fund balance reserve to $5,106,156. Included in the fund balance reserve are restricted funds for contingencies ($250,000) and temporary advances to other funds ($535,000), prepaid items ($4,443) leaving an unreserved, undesignated General fund balance of $4,316,713. The Redevelopment Agency Capital Projects Fund expenditures exceeded revenues by $84,326 decreasing the ending fund balance reserve to $605,673. The Redevelopment Agency Low/Moderate Capital Project Fund revenues exceeded expenditures by $382,680 increasing the ending fund balance reserve to $4,887,012. The Special Revenue Fund's all maintained or improved fund balances except for the Grant Fund that drew down reserves by $42,043 utilizing cable grants to upgrade the Council Chambers. The Enterprise Funds comprised of the Community Gym and Endeavor Hall finished with Gym expenditures exceeding revenues by $37,830. This occurred because the Mt. Diablo School District submitted invoices for services at the Gym late after the fiscal year had ended. Endeavor Hall's expenditures exceeded revenue (without depreciation) by $443.

Overall, and relative to numerous newspaper accounts of fiscal insolvency and troubles by other cities and counties, the City of Clayton's reserve status is remarkably healthy. This status is not by accident; it is the result of prudent fiscal management policies and practices of the City's elected and appointed officials.

CONCLUSION

Accept the "unqualified opinion" Audit Report for the City of Clayton-Basic Financial Statements and Independent Auditors' report for fiscal year ending June 30, 2009 prepared by Moss, Levy & Hartzheim and distributed on December 11, 2009.

Respectively submitted,

Merry Pelletier

Merry Pelletier
Finance Manager

Attachments:
Basic Financial Statements and Independent Auditors' Report

City of Clayton

Clayton, California

Basic Financial Statements
and Independent Auditors' Report

For the fiscal year ended June 30, 2009

City of Clayton
Basic Financial Statements
June 30, 2009
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INTRODUCTORY SECTION

MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:
RONALD A. LEVY, C.P.A.
CRAIG A. HARTZHEIM, C.P.A.
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INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the City Council of the
City of Clayton
Clayton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, California (City) as of and for the fiscal year ended June 30, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton as of June 30, 2009, and the respective changes in the financial position and cash flows, where applicable thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 of the notes to basic financial statements effective July 1, 2008, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments,* GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements of Auditing Standards.*

The accompanying Required Supplementary Information, such as the Management's Discussion and Analysis and the budgetary comparison schedule for the General Fund, are not required parts of the City's basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control on financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and schedules, budgetary comparison schedules of the major capital projects funds, budgetary comparison schedule of the major debt service fund, combining statements of the internal service funds, and statement of changes in assets and liabilities of the agency funds are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining nonmajor fund financial statements and schedules, budgetary comparison schedules of the major capital projects funds, budgetary comparison schedule of the major debt service fund, combining statements of the internal service funds, and statement of changes in assets and liabilities of the agency funds have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Moss, Levy & Hartzheim, LLP
Beverly Hills, California
November 23, 2009

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Management of the City of Clayton (the "City") provides this Management's Discussion and Analysis of the City's Basic Financial Statements for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City is for its fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the additional information that is furnished with the City's financial statements, which follow.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

Government -Wide Highlights

Net Assets - The assets of the City of Clayton exceeded its liabilities at the close of the most recent fiscal year by $42,804,585. Of this amount, $3,800,930 was reported as "unrestricted net assets" and may be used to meet the on going obligations to citizens and creditors.

Changes in Net Assets - The City's total net assets increased by $4,196,894 in fiscal year 2009. Net assets of governmental activities increased by $4,265,667, while net assets of business type activities decreased by $68,773 .

Major Fund Highlights

Governmental Funds - As of the close of fiscal year 2009, the City's governmental funds reported a combined ending fund balance of $18,520,852. Of this amount $4,316,713 represents "unreserved fund balances" (or working equity) available for appropriation.

General Fund - The unreserved undesignated fund balance of the general fund on June 30, 2009 was $ 4,316,713, an increase of $159,629 from the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Clayton's basic financial statements. The City of Clayton's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information and supplemental information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government -wide financial statements* are designed to provide readers with a broad overview of the City of Clayton's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Clayton's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Clayton is improving or deteriorating.

The *statement of activities* presents information showing how the City's *net assets* changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Clayton that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Clayton include general government, public safety, public works, parks and library. The business-type activities of the City of Clayton include the Community Gym and Endeavor Hall.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Clayton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Clayton can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Clayton maintains seventeen individual governmental funds. Information is presented separately in the government funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, RDA Capital Projects Fund, RDA Low/Moderate Capital Projects Fund, Capital Improvements Fund, and RDA Debt Service Fund, all of which are considered to be major funds.

Proprietary Funds

The City of Clayton maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Clayton uses enterprise funds to account for its Community Gym and Endeavor Hall activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Clayton various functions. City of Clayton uses internal service funds to account for its capital equipment replacement program and its self insurance liabilities. Because both of these services predominantly benefit governmental rather that business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Both of these enterprise funds are considered to be major funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Clayton's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-55 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Clayton, assets exceeded liabilities by $42,804,585 at the close of the most recent fiscal year. This is an increase of $ 4,196,894 or 11% from the previous fiscal year.

The largest portion of the City of Clayton's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Clayton uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Clayton's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is the condensed Statement of Net Assets for the fiscal year ended June 30, 2009:

	Governmental Activities 2009	Governmental Activities 2008	Business-Type Activities 2009	Business-Type Activities 2008	Total 2009	Total 2008
Current Assets	$ 19,153,509	$ 17,319,074	$ 2,906	$ 16,107	$ 19,156,415	$ 17,335,181
Non-Current Assets	5,432,082	5,938,515	0	0	5,432,082	5,938,515
Capital Assets	28,228,027	27,158,000	1,299,348	1,330,098	29,527,375	28,488,098
Total Assets	$ 52,813,618	$ 50,415,589	$ 1,302,254	$ 1,346,205	$ 54,115,872	$ 51,761,794
Current Liabilities	$ 988,659	$ 1,267,518	$ 41,679	$ 16,857	$ 1,030,338	$ 1,284,375
Long-term Liabilities	10,280,949	11,869,728	0	0	10,280,949	11,869,728
Total Liabilities	11,269,608	$ 13,137,246	$ 41,679	$ 16,857	$ 11,311,287	$ 13,154,103
Investment in Capital Assets, Net of Related Debt	$ 17,543,027	$ 14,813,000	$ 1,299,348	$ 1,330,098	$ 18,842,375	$ 16,143,098
Restricted	20,161,280	15,892,648	0	0	20,161,280	15,892,648
Unrestricted	3,839,703	6,572,695	(38,773)	(750)	3,800,930	6,571,945
Total Net Assets	$ 41,544,010	$ 37,278,343	$ 1,260,575	$ 1,329,348	$ 42,804,585	$ 38,607,691

A portion of the City of Clayton's net assets (47 percent) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net assets* ($3,800,930) may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Assets

The City's net assets have increased by $4,196,894 or 11%, from the prior fiscal year. In fiscal year 2008-2009, City revenues, which include both governmental and business-type activities, totaled $11,687,810, while expenses totaled $7,485,892. Further analysis is provided within the governmental and business-type activity sections on the next page.

City of Clayton's Statement of Activities and Changes in Net Assets for the fiscal year ended June 30, 2009:

	Governmental Activities 2009	Governmental Activities 2008	Business Type Activities 2009	Business Type Activities 2008	Total 2009	Total 2008
Revenues:						
Program revenues:						
Charges for services	$ 473,113	$ 774,089	$ 25,529	$ 67,115	$ 498,642	$ 841,204
Operating grants and contributions	121,203	116,666	0	0	121,203	116,666
Total program revenues	594,316	890,755	25,529	67,115	619,845	957,870
General revenues:						
Property taxes	7,304,719	7,059,095	0	0	7,304,719	7,059,095
Sales and other taxes	301,213	366,155	0	0	301,213	366,155
Special assessments	1,262,005	1,229,198	0	0	1,262,005	1,229,198
Other taxes	1,095,625	1,128,828	0	0	1,095,625	1,128,828
Investment income	653,769	719,543	(1,066)	(305)	652,703	719,238
Miscellaneous	440,076	776,891	0	0	440,076	776,891
Gain (loss) on sale of assets	6,600	167,846	0	0	6,600	167,846
Total general revenues	11,064,007	11,447,556	(1,066)	(305)	11,062,941	11,447,251
Total revenues	11,658,323	12,338,311	24,463	66,810	11,682,786	12,405,121
Expenses						
Legislative	51,574	59,520	0	0	51,574	59,520
Administrative	769,674	1,261,249	0	0	769,674	1,261,249
Community services and facilities	243,768	621,290	0	0	243,768	621,290
Community park	229,181	0	0	0	229,181	0
Economic development	237,288	103,618	0	0	237,288	103,618
General support	209,200	80,682	0	0	209,200	80,682
Police	1,790,980	1,822,689	0	0	1,790,980	1,822,689
Library	130,054	118,172	0	0	130,054	118,172
Engineering	95,309	101,249	0	0	95,309	101,249
Highway and streets	336,622	434,093	0	0	336,622	434,093
Landscape maintenance	655,545	796,925	0	0	655,545	796,925
Planning and development	2,050,184	1,405,479	0	0	2,050,184	1,405,479
Community gym	0	0	41,899	46,789	41,899	46,789
Endeavor hall	0	0	56,361	46,124	56,361	46,124
Total expenses	6,799,379	6,804,966	98,260	92,913	6,897,639	6,897,879
Increase in Net Assets before Transfers and Interest on Long-Term Debt	4,858,944	5,533,345	(73,797)	(26,103)	4,785,147	5,507,242
Interest on Long-Term Debt	(588,253)	(796,518)	0	0	(588,253)	(796,518)
Transfers in (out)	(5,024)	0	5,024	0	0	0
Change in Net Assets	4,265,667	4,736,827	(68,773)	(26,103)	4,196,894	4,710,724
Net Assets - Beginning, restated	37,278,343	32,541,516	1,329,348	1,355,451	38,607,691	33,896,967
Net Assets - Ending	$ 41,544,010	$ 37,278,343	$ 1,260,575	$ 1,329,348	$ 42,804,585	$ 38,607,691

Governmental Activities

Governmental activities increased the City's net assets by $4,265,667 accounting for all of the City's total growth in net assets of $4,196,894. A comparison of the cost of services by function for the City's governmental activities is shown on the previous page, along with the revenues used to cover the net expenses of the governmental activities.

Total governmental expense activities were $7,392,656 in fiscal year 2009 compared to $7,601,484 in the prior year. The largest expenses were incurred for Administrative Support, Police, Planning and Development and Landscape Maintenance. These four activities combined account for 77% of all general activity expenses.

Total program revenues from governmental activities were $594,316 in fiscal year 2009. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from government's general revenues. 80% of the governmental program revenues came from Charges for Services, which includes park use fees, rental fees, licenses and permits, plan checking fees, police service fees, planning services fees, and other revenues. The remaining 20% of the governmental program revenues came from grant funding. General revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, motor vehicle in-lieu fees, investment earnings, special assessments, fines, franchise fees, use of money and property, service charges, and other revenues. Total general revenues from governmental activities were $11,064,007**,** in fiscal year 2009 of which $7,304,719 or 66% is related to property taxes.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As noted earlier, the City of Clayton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Clayton's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Clayton's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Clayton's governmental funds reported combined ending fund balances of $18,520,852. Approximately 30 percent of this total amount ($5,597,504) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. It is the City's policy to only expense these monies on necessary one-time capital expenditures so as not to incur on-going operational expenditures in future years. The remainder of fund balance is reserved to indicate what is not available for new spending because it has already been committed: 1) to pay debt service ($1,880,780); 2) to complete Capital Improvement Projects ($4,912,620); 3) to complete RDA Housing Requirement ($3,887,012); 4) Special Revenue Fund restrictions ($1,703,493); 5) for advances receivable ($535,000); and 6) for prepaid items ($4,443). There is also a designation for contingencies of $1,280,791, which is considered unreserved.

The general fund is the chief operating fund of the City of Clayton. At the end of the current fiscal year, unreserved fund balance of the general fund was $4,566,713 while total fund balance reached $5,106,156.

The fund balance of the City of Clayton's general fund increased by $159,629 during the current fiscal year. Key factors in this growth are as follows:

- An increase in program revenues of $11,448
- An increase in other in-lieu fees $4,410
- An increase in permits, licenses and fees $136,117

Proprietary Funds

The City of Clayton's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Major Enterprise Funds at the end of the year amounted to $(38,773), and those for the Internal Service Fund amounted to $343,196. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Clayton's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended general fund budget totaled $4,086,123 with three budget amendments to the originally adopted budget. The first amendment was for police officer association contract increases approved after the budget adoption of $11,046. The second amendment was for encumbrances from 2007-08 approved for $307,277 which funded contractual obligations and outstanding purchases in this fiscal year. The third amendment did not increase the budget however aliened Public Work costs to the appropriate department by transferring Public Works labor from the Community Park (Dept 09) to City Hall and other Parks (Dept 03) by $10,826.

Overall General fund revenues exceeded budget by $26,170 (1%). Highlights included in this increase was sales tax and in-lieu fee revenues $15,993(3%), overhead recovery $26,996 (370%), property tax earnings $42,487 (2.5%), and franchise fees $15,580 (4%). Other revenue areas that declined were building permits $19,160 (42.6%), public safety allocation $12,613 (18%), motor vehicle in-lieu fees $12,094 (24.5%), fines and forfeitures $19,739 (34.6%), interest earnings $36,442 (24%), and City building leases $29,900 (71%).

General Fund expenditures were less than original budget by $127,966 (3.4%) even with increased vehicle repair costs $3,640 (30%), telephone costs of $1,124 (10%), and education and training $998 (20%) expenses in the Police Department; utility costs $4,571 (10%) at the Library; property tax admin costs $2,938 (19%); legal notices $760 (54%) and TRANSPAC fees $919 (5%) in the Community Development Department.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Clayton's investment in capital assets for its governmental and business type activities as of June 30, 2009, amounted to $29,527,375 (net accumulated depreciation). This investment in capital assets includes land, building, improvements, machinery and equipment, park facilities, corporation yard building, and roads.

Capital Assets

Major capital asset events during the current fiscal year included the following:

- Construction was completed on a pavement rehabilitation project that included construction of base failure repairs and thick overlay of Clayton Road and Marsh Creek Road. Included in the project was repaving of the Mt. Diablo Creek Trail from Regency Drive to the north side of Grenach Circle. Total cost for both projects was $1,156,605.
- Construction was completed on the downtown Grove Park with costs totaling $1,957,750.
- Construction was completed on the Clayton Community Park Tot Lot and Picnic Area upgrade project for a total cost of $695,469.
- Construction was completed on the Marsh Creek Road Retaining Wall project for a total cost of $319,847.

Additional information on the City of Clayton's capital assets can be found in Note 5 of this report.

Debt Administration

At the end of the current fiscal year, the City had $10,685,000 in debt outstanding all held in the Redevelopment Agency. The City has no outstanding general obligation debt. The Redevelopment Agency maintains a "AAA" rating for Tax Allocation Bonds from Standard & Poor's. Additional information on the City's long-term debt obligations can be found in Note 6 of the notes to the financial statements.

ECONOMIC CLIMATE

The City's budgetary history during the past 8 years clearly demonstrates its ability to provide necessary services within a limited and sometimes restrictive revenue source. We can see a decrease in the General Fund's actual expenditure plan to $3,639,836 a figure 7.8% lower than in the prior fiscal year 2007-08 and $51,276 less than actually expended in 2002. Overall since 2002 City expenditures have increased by 9% while during that same period the consumer price index increased by 17%. At year end General Fund revenues (including transfers in) decreased by $210,800 to $3,799,465 compared to the prior fiscal year. By contrast General Fund revenues of $3,913,484 in 2002 exceeded our current year revenues by $113,989 and since 2002 City revenues have decreased overall by 3%.

While General Fund revenues at June 30 2009 exceeded expenditures by $159,629 (4.2%), overall since 2002 General Fund revenues have exceeded expenditures by $2,161,777 accounting for its ability to increase its fund balance reserves and provide necessary services during times of economic turmoil. The difficulty facing the City over the next few years will be dependent upon how much the State of California will continue to take away from the City coffers. At the writing of this message the State of California is facing a $20.7 billion dollar deficit and has already notified the City it will be taking $134,428 from General Fund property taxes and an additional $1,966,954 from our Redevelopment Agency property taxes. The City secured funding from the Proposition 1A securitization program for the General Fund take away however there is no such opportunity for the Redevelopment Agency. The Agency will be forced to use funding set aside for Economic Development in the Town Center and borrow from the Low to Moderate Income Housing Fund to make up the gap. While the raid on our Redevelopment Agency may be reversed should the lawsuit filed by the California Redevelopment Agency in Sacramento Superior Court challenging the theft prevail, the City and its Agency must plan for the worse case scenario.

On a positive side, the City's unreserved equity $4,316,713 is equal to 118.6% of its annual General Fund operations for Fiscal Year 2009-2010. Folding in the untouchable $250,000 designation, an additional $308,318 set aside for encumbrances and deferred maintenance projects carried over at year end, brings the total reserve equity to a position of 134%. This is 2.4 times greater than the expressed Policy Goal of the City Council. An additional $231,125 has been set aside for advances due from other funds and $4,443 reserved for prepaid expense increases the fiscal year end fund balance to $5,106,156.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Clayton's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Manager, 6000 Heritage Trail, Clayton, California 94517.

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FINANCIAL SECTION

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Clayton
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	$ 17,150,650	$ 5,896	$ 17,156,546
Cash and investments with fiscal agent	1,108,725	-	1,108,725
Accounts receivable (net of allowances)	660,866	25,760	686,626
Interest receivable	42,061	14	42,075
Internal balances	28,764	(28,764)	-
Investment in bonds	158,000	-	158,000
Prepaid expenses	4,443	-	4,443
Total Current Assets	19,153,509	2,906	19,156,415
Noncurrent Assets:			
Notes receivable	4,060,189	-	4,060,189
Land held for resale	1,371,893	-	1,371,893
Total Noncurrent Assets	5,432,082	-	5,432,082
Capital Assets:			
Nondepreciable assets	1,584,637	-	1,584,637
Depreciable assets, net	26,643,390	1,299,348	27,942,738
Total Capital Assets	28,228,027	1,299,348	29,527,375
TOTAL ASSETS	52,813,618	1,302,254	54,115,872
LIABILITIES			
Current Liabilities:			
Accounts payable	174,735	37,428	212,163
Other payables	34,057	-	34,057
Deposits payable	-	4,180	4,180
Accrued payroll	669	-	669
Interest payable	229,198	71	229,269
Long-term debt due within one year	550,000	-	550,000
Total Current Liabilities:	988,659	41,679	1,030,338
Noncurrent Liabilities:			
Long-term debt due in more than one year	10,135,000	-	10,135,000
Compensated absences payable	145,949	-	145,949
Total Noncurrent Liabilities	10,280,949	-	10,280,949
TOTAL LIABILITIES	11,269,608	41,679	11,311,287
NET ASSETS			
Invested in capital assets, net of related debt	17,543,027	1,299,348	18,842,375
Restricted for:			
Capital projects	4,912,620	-	4,912,620
Debt service	928,192	-	928,192
Low and moderate income housing	10,003,755	-	10,003,755
Special projects and programs	4,316,713	-	4,316,713
Total Restricted	20,161,280	-	20,161,280
Unrestricted	3,839,703	(38,773)	3,800,930
TOTAL NET ASSETS	$ 41,544,010	$ 1,260,575	$ 42,804,585

See accompanying Notes to Basic Financial Statements.

City of Clayton
Statement of Activities and Changes in Net Assets
For the fiscal year ended June 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets: Governmental Activities	Net (Expenses) Revenue and Changes in Net Assets: Business-type Activities	Total
Primary Government:							
Governmental activities							
Legislative	$ 51,574	$ -	$ -	$ -	$ (51,574)	$ -	$ (51,574)
Administrative	769,674	32,208	-	-	(737,466)	-	(737,466)
Community services and facilities	243,768	139,368	-	-	(104,400)	-	(104,400)
Community park	229,181	-	-	-	(229,181)	-	(229,181)
Economic development	237,288	-	4,007	-	(233,281)	-	(233,281)
Planning and development	2,050,184	36,342	-	-	(2,013,842)	-	(2,013,842)
General support	209,200	191,757	-	-	(17,443)	-	(17,443)
Police	1,790,980	46,119	117,196	-	(1,627,665)	-	(1,627,665)
Library	130,054	2,286	-	-	(127,768)	-	(127,768)
Engineering	95,309	25,033	-	-	(70,276)	-	(70,276)
Highway and streets	336,622	-	-	-	(336,622)	-	(336,622)
Landscape maintenance	655,545	-	-	-	(655,545)	-	(655,545)
Interest and fiscal charges	588,253	-	-	-	(588,253)	-	(588,253)
Total governmental activities	7,387,632	473,113	121,203	-	(6,793,316)	-	(6,793,316)
Business-Type Activities							
Community Gym	41,899	5,385	-	-	-	(36,514)	(36,514)
Endeavor Hall	56,361	20,144	-	-	-	(36,217)	(36,217)
Total Business-Type Activities	98,260	25,529	-	-	-	(72,731)	(72,731)
Total Primary Government	$ 7,485,892	$ 498,642	$ 121,203	$ -	(6,793,316)	(72,731)	(6,866,047)
General revenues and Transfers:							
Taxes:							
Property taxes					7,304,719	-	7,304,719
Sales taxes					301,213	-	301,213
Special assessments					1,262,005	-	1,262,005
Other taxes					1,095,625	-	1,095,625
Total Taxes					9,963,562	-	9,963,562
Investment income (loss)					653,769	(1,066)	652,703
Gain on sale of land held for resale					6,600	-	6,600
Miscellaneous					440,076	-	440,076
Transfers in (out)					(5,024)	5,024	-
Total general revenues and Transfers					11,058,983	3,958	11,062,941
Change in Net Assets					4,265,667	(68,773)	4,196,894
Net assets - beginning of year					37,278,343	1,329,348	38,607,691
Net assets - end of year					$ 41,544,010	$ 1,260,575	$ 42,804,585

See accompanying Notes to Basic Financial Statements.

GOVERNMENTAL FUNDS

General Fund
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, unrestricted revenues from the State, fines and forfeitures, and interest income. Expenditures are made for administration, legislation, public safety, parks and recreation and other services.

Clayton Redevelopment Agency Capital Projects
This fund accounts for the projects funded through the property tax increment generated within the project area.

Clayton Redevelopment Agency Low/Moderate Income Housing
This fund accounts for the low and moderate income housing projects funded through a mandatory 20% set aside of the property tax increment generated with the project area.

Capital Improvements Projects
This fund accounts for the projects identified in the capital improvement program funded by various federal and state grants as well as through transfers from the General Fund.

Clayton Redevelopment Agency Debt Service
This fund accounts for the 1993, 1996A, and 1999 Tax Allocation Bonds debt service payments.

(Other Governmental Funds)
This column accounts for all non-major governmental funds including special revenue, capital projects and debt service fund types.

City of Clayton
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds		
	General Fund	RDA Capital Projects Fund	RDA Low/Moderate Capital Projects Fund
ASSETS			
Cash and investments	$ 4,448,344	$ 921,814	$ 4,879,615
Cash and investments with fiscal agent	-	-	-
Accounts receivable	211,079	-	-
Interest receivable	10,993	2,485	11,929
Notes receivable	-	315,339	3,744,850
Investment in bonds	-	158,000	-
Prepaid expenditures	4,443	-	-
Due from other funds	31,309	-	-
Investment in low and moderate income housing	-	-	1,371,893
Advance to other funds	535,000	-	-
TOTAL ASSETS	$ 5,241,168	$ 1,397,638	$ 10,008,287
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	$ 100,286	$ 1,626	$ 4,532
Other payables	34,057	-	-
Accrued payroll	669	-	-
Deferred revenue	-	315,339	5,116,743
Due to other funds	-	-	-
Advance from other funds	-	475,000	-
TOTAL LIABILITIES	135,012	791,965	5,121,275
FUND BALANCES			
Reserved for:			
Advances	535,000	-	-
Prepaid items	4,443	-	-
Capital projects	-	605,673	-
Special projects	-	-	-
Debt service	-	-	-
Low and moderate income housing	-	-	3,887,012
Unreserved, designated for:			
Contingencies	250,000	-	1,000,000
Unreserved, undesignated reported in:			
General fund	4,316,713	-	-
TOTAL FUND BALANCES	5,106,156	605,673	4,887,012
TOTAL LIABILITIES AND FUND BALANCES	$ 5,241,168	$ 1,397,638	$ 10,008,287

See accompanying Notes to Basic Financial Statements.

Major Funds			
Capital Improvements Fund	RDA Debt Service Fund	Other Governmental	Total
$ 4,061,969	$ 48,547	$ 2,445,997	$ 16,806,286
-	1,108,725	-	1,108,725
29,786	-	420,001	660,866
9,944	118	5,745	41,214
-	-	-	4,060,189
-	-	-	158,000
-	-	-	4,443
-	-	-	31,309
-	-	-	1,371,893
-	-	-	535,000
$ 4,101,699	$ 1,157,390	$ 2,871,743	$ 24,777,925

$ 24,476	$ -	$ 41,800	$ 172,720
-	-	-	34,057
-	-	-	669
-	-	80,000	5,512,082
-	-	2,545	2,545
-	-	60,000	535,000
24,476	-	184,345	6,257,073

-	-	-	535,000
-	-	-	4,443
4,077,223	-	229,724	4,912,620
-	-	1,703,493	1,703,493
-	1,157,390	723,390	1,880,780
-	-	-	3,887,012
-	-	30,791	1,280,791
-	-	-	4,316,713
4,077,223	1,157,390	2,687,398	18,520,852
$ 4,101,699	$ 1,157,390	$ 2,871,743	$ 24,777,925

City of Clayton
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2009

Total Fund Balances - Total Governmental Funds	$	18,520,852
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Non-depreciable capital assets		1,584,637
Depreciable capital assets, net (net of internal service fund assets of $323,188)		26,320,202
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.		(229,198)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.		
Long-term debt due within one year		(550,000)
Long-term liabilities - due in more than one year		(10,135,000)
Compensated absences payable		(145,949)
Revenues which are deferred on the Governmental Funds Balance Sheet because they are not available currently are taken into revenue in the Statement of Activities and accordingly increases the net assets on the Statement of Net Assets.		5,512,082
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Government-Wide Statement of Net Assets.		666,384
Net Assets of Governmental Activities	$	41,544,010

See accompanying Notes to Basic Financial Statements.

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City of Clayton

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the fiscal year ended June 30, 2009

	Major Funds		
	General Fund	RDA Capital Projects Fund	RDA Low/Moderate Capital Projects Fund
REVENUES			
Property taxes	$ 1,717,881	$ 4,501,046	$ 1,125,261
Program income	11,448	-	79,700
Special assessments	-	-	-
Sales tax	261,744	-	-
Permits, licenses and fees	256,905	-	-
Fines, forfeitures and penalties	67,681	-	-
From other agencies	61,613	-	-
Motor vehicle in-lieu fees	37,346	-	-
Other in-lieu fees	224,940	-	-
Franchise fees	365,802	-	-
Service charges	59,936	-	-
Use of money and property	172,790	28,680	192,861
Other revenue	70,622	800	-
TOTAL REVENUES	3,308,708	4,530,526	1,397,822
EXPENDITURES			
General Government			
Legislative	51,574	-	-
Administrative	846,561	-	-
Community services and facilities	171,180	19,027	-
Community park	229,181	-	-
Economic development	-	-	-
Planning and development	296,427	863,615	457,149
General support	119,912	-	-
Police	1,699,638	-	-
Library	130,054	-	-
Engineering	95,309	-	-
Highway and streets	-	-	-
Landscape maintenance	-	-	-
Loss on sale of land held for resale	-	-	432,993
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	30,875	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	3,639,836	913,517	890,142
REVENUES OVER (UNDER) EXPENDITURES	(331,128)	3,617,009	507,680
OTHER FINANCING SOURCES (USES)			
Transfers in	490,757	-	-
Transfers out	-	(3,701,335)	(125,000)
TOTAL OTHER FINANCING SOURCES (USES)	490,757	(3,701,335)	(125,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	159,629	(84,326)	382,680
FUND BALANCES:			
Beginning of fiscal year	4,946,527	689,999	4,504,332
End of fiscal year	$ 5,106,156	$ 605,673	$ 4,887,012

See accompanying Notes to Basic Financial Statements.

Major Funds			
Capital Improvements Fund	RDA Debt Service Fund	Other Governmental	Total
$ -	$ -	$ -	$ 7,344,188
-	-	-	91,148
-	-	1,262,005	1,262,005
-	-	-	261,744
-	-	34,868	291,773
-	-	-	67,681
278,056	-	638,358	978,027
-	-	-	37,346
-	-	-	224,940
-	-	-	365,802
-	-	16,390	76,326
169,576	(7,128)	96,990	653,769
-	-	23,300	94,722
447,632	(7,128)	2,071,911	11,749,471
-	-	-	51,574
-	-	-	846,561
-	10,825	2,135	203,167
-	-	-	229,181
-	-	175,984	175,984
-	-	-	1,617,191
-	-	-	119,912
-	-	-	1,699,638
-	-	-	130,054
-	-	-	95,309
-	-	335,594	335,594
-	-	712,853	712,853
-	-	-	432,993
-	1,660,000	-	1,660,000
-	593,890	-	624,765
1,707,685	-	57,308	1,764,993
1,707,685	2,264,715	1,283,874	10,699,769
(1,260,053)	(2,271,843)	788,037	1,049,702
1,715,175	2,184,931	-	4,390,863
(5,495)	-	(564,057)	(4,395,887)
1,709,680	2,184,931	(564,057)	(5,024)
449,627	(86,912)	223,980	1,044,678
3,627,596	1,244,302	2,463,418	17,476,174
$ 4,077,223	$ 1,157,390	$ 2,687,398	$ 18,520,852

City of Clayton

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities

For the fiscal year ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds	$	1,044,678
Amounts reported for governmental activities in the Statement of Activities are different because:		
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds. (Net of internal service fund depreciation expense of $84,636).		(554,089)
Certain long-term assets, such as notes receivable, developer receivable, and investment in low and moderate income housing are reported as expenditures in the governmental funds and then are offset by a deferred revenue as they are not available to pay current expenditures. When the long-term assets are collected, they are reflected as revenue. This amount is the net change in the long-term assets for the current period.		524,492
Long-term compensated absences are reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in governmental funds. The program expenses are adjusted for the current year net change in compensated absences.		(31,221)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Assets.		
Long-term debt repayments:		1,660,000
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in the governmental funds. The following amount represents the change in accrued interest from prior year.		36,512
Loss on sale of capital assets, excluding internal service fund activity.		(27,589)
Capital asset activity, excluding internal service fund asset acquisitions.		1,701,155
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net gain or loss of the internal service funds is reported with governmental activities.		(88,271)
Change in Net Assets of Governmental Activities	$	4,265,667

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUNDS

City of Clayton
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Major Enterprise Funds			
	Community Gym	Endeavor Hall	Total	Governmental Activities Internal Service Funds
ASSETS				
Current Assets:				
Cash and investments	$ -	$ 5,896	$ 5,896	$ 344,364
Receivables:				
Accounts	25,760	-	25,760	-
Interest	-	14	14	847
Noncurrent Assets:				
Depreciable assets, net	-	1,299,348	1,299,348	323,188
TOTAL ASSETS	25,760	1,305,258	1,331,018	668,399
LIABILITIES				
Current Liabilities:				
Accounts payable	36,513	915	37,428	2,015
Other payables	71	-	71	-
Deposits payable	-	4,180	4,180	-
Due to other funds	28,764	-	28,764	-
TOTAL LIABILITIES	65,348	5,095	70,443	2,015
NET ASSETS				
Invested in capital assets, net of related debt	-	1,299,348	1,299,348	323,188
Unrestricted	(39,588)	815	(38,773)	343,196
TOTAL NET ASSETS	$ (39,588)	$ 1,300,163	$ 1,260,575	$ 666,384

See accompanying Notes to Basic Financial Statements.

City of Clayton
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the fiscal year ended June 30, 2009

	Major Enterprise Funds			
	Community Gym	Endeavor Hall	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for current services	$ 5,385	$ 20,144	$ 25,529	$ 16,748
TOTAL OPERATING REVENUES	5,385	20,144	25,529	16,748
OPERATING EXPENSES				
Personnel	-	8,898	8,898	-
General and administrative	41,899	11,689	53,588	36,551
Depreciation and amortization	-	35,774	35,774	82,497
TOTAL OPERATING EXPENSES	41,899	56,361	98,260	119,048
OPERATING INCOME (LOSS)	(36,514)	(36,217)	(72,731)	(102,300)
NONOPERATING REVENUES (EXPENSES)				
Investment income (loss)	(1,316)	250	(1,066)	14,773
Loss on sale of capital assets	-	-	-	(7,542)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,316)	250	(1,066)	7,231
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(37,830)	(35,967)	(73,797)	(95,069)
TRANSFERS AND CONTRIBUTIONS				
Capital contributions	-	-	-	6,798
Transfers in	-	5,024	5,024	-
TOTAL TRANSFERS AND CONTRIBUTIONS	-	5,024	5,024	6,798
CHANGE IN NET ASSETS	(37,830)	(30,943)	(68,773)	(88,271)
NET ASSETS:				
Beginning of fiscal year	(1,758)	1,331,106	1,329,348	754,655
End of fiscal year	$ (39,588)	$ 1,300,163	$ 1,260,575	$ 666,384

See accompanying Notes to Basic Financial Statements.

City of Clayton
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2009

	Major Enterprise Funds			
	Community Gym	Endeavor Hall	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers/other funds	$ 77,226	$ 20,144	$ 97,370	$ 16,748
Cash payments to suppliers for goods and services	(75,405)	(13,688)	(89,093)	(33,252)
Cash payment to employees for services	-	(8,898)	(8,898)	-
Net cash provided (used) by operating activities	1,821	(2,442)	(621)	(16,504)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Cash paid for capital acquisitions	-	-	-	(33,047)
Loss on sale of asset	-	-	-	(7,542)
Capital contributions	-	-	-	6,798
Net cash provided (used) by capital financing activities	-	-	-	(33,791)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income received	(1,821)	320	(1,501)	17,884
Net cash provided (used) by investing activities	(1,821)	320	(1,501)	17,884
Net increase (decrease) in cash and cash equivalents	-	(2,122)	(2,122)	(32,411)
CASH AND CASH EQUIVALENTS:				
Fiscal year end June 30, 2008	-	8,018	8,018	376,775
Fiscal year end June 30, 2009	$ -	$ 5,896	$ 5,896	$ 344,364
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (36,514)	$ (36,217)	$ (72,731)	$ (102,300)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	35,774	35,774	82,497
Changes in operating assets and liabilities:				
Accounts receivable	30,995	-	30,995	1,306
Accounts payable	26,750	(679)	26,071	1,993
Other payables	71	(1,320)	(1,249)	-
Due to other funds	(19,481)	-	(19,481)	-
Insurance claims payable	-	-	0	-
Total adjustments	38,335	33,775	72,110	85,796
Net cash provided (used) by operating activities	$ 1,821	$ (2,442)	$ (621)	$ (16,504)

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUNDS

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. They are used to account for assets held in an agency capacity for others and therefore cannot be used to support the City's program.

City of Clayton
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Agency Funds
ASSETS	
Cash and investments	$ 2,029,729
Cash with fiscal agents	551,217
Investment in bonds	5,528,971
Other receivables	703,943
TOTAL ASSETS	8,813,860
LIABILITIES	
Accounts payable	706,877
Interest payable	54,430
Other payables	20,440
Other deposits	568,584
Due to bondholders	7,463,529
TOTAL LIABILITIES	8,813,860
NET ASSETS	$ -

See accompanying Notes to Basic Financial Statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Clayton, California, (City) have been prepared in conformity with generally accepted accounting principles (US GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Clayton (City) is primarily a residential community nestled in the foothills of Mount Diablo in Contra Costa County, California. The City was incorporated as a municipal corporation in 1964, and encompasses four square miles with a population of 10,864.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. The City's staff of 27 full time equivalent employees, of which 11 are sworn officers in the Police Department, are under contract with the City and responsible for the following City services:

- Public Safety - The City provides 24-hour police services from a central station, using trained personnel.

- Streets and Roads - The City maintains its streets, curbs, gutters and related public property using City employees. Major projects may be contracted to reduce costs.

- In addition, the City employs a varying number of seasonal personnel for maintenance.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The following is a brief review of the component units included in the accompanying basic financial statements of the City:

> *Clayton Redevelopment Agency (Agency)* was established pursuant to the State of California Health and Safety Code Section 33000. The Agency is responsible for the rehabilitation and economic revitalization of certain areas within the City.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity*. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The Agency has been accounted for as a "blended" component unit of the City. Despite being legally separate, this entity is so intertwined with the City that it is, in substance, part of the City's operations. Accordingly, the balances and transactions of this component unit are reported within the funds of the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity, Continued

The following specific criteria were used in determining that the Agency was a blended component unit:

- The members of the City Council also act as the governing bodies of the Agency.
- The Agency is managed by employees of the City. A portion of the City's salary and overhead expenses is billed to the Agency each year.
- The City and the Agency are financially interdependent. The City makes loans to the Agency to use for redevelopment purposes. Property tax revenues of the Agency are used to repay the loans to the City.

Detailed financial statements are available for the Agency from the City's Finance Department.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business type activities for the City, the primary government. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated in the Statement of Activities; internal service fund transactions have been eliminated. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Advances to/from other funds
- Due to/from other funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major governmental funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City has the following major funds:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Clayton Redevelopment Agency Capital Projects Fund - This fund accounts for the projects funded through the property tax increment generated within the project area.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Clayton Redevelopment Agency Low/Moderate Income Housing Fund - This fund accounts for the low and moderate income housing projects funded through a mandatory 20% set aside of the property tax increment generated within the project area.
Capital Improvement Projects Fund - This accounts for the projects identified in the capital improvement program funded by various federal and state grants as well as through transfers from the General Fund.
Clayton Redevelopment Agency Debt Service Fund - This fund accounts for the 1993, 1996 A, and the 1999 Tax Allocation Bonds debt service payments.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Change in Fund Net Assets, and a Statement of Cash Flows for all proprietary funds.

Internal service funds are presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City has the following major enterprise funds:
Community Gym - This fund accounts for all activities located at the Community Gym and managed by the YMCA.
Endeavor Hall - This fund accounts for all activities related to use of the facility. The primary use has been for Wedding Receptions.

The City has the following internal service funds:
Capital Replacement - This fund accounts for the operation, maintenance, and replacement of the City vehicles and equipment.
Self-Insurance Liability - This fund accounts for the administration of the City's self-insurance programs, payment of Employee Assistance Programs, and liability claims payments.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Assets. The City's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for using the accrual basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Use of Restricted and Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

D. Cash and Investments

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

Interest income on investments is allocated to the funds on the basis of average month-end cash and investment balances.

The City reviews and refines its Investment Policy (Policy) annually, with the most recent revision in July 2002. The Policy states that the primary investment objective is safety with investments being legally permitted and sufficiently liquid to meet forecasted needs. Maximization of interest earnings is a secondary objective. Further, the Policy states that the City Treasurer has the ultimate responsibility to protect, preserve and maintain cash and investments. The Policy also established internal controls and reporting requirements. The Policy stipulates "Permitted Investments and Limitation on Investments."

The City invests in the California Local Agency Investment Fund ("LAIF"), which is part of the Pooled Money Investment Account operated by the California State Treasurer. LAIF funds are invested in high quality money market securities and are managed to insure the safety of the portfolio. A portion of LAIF's investments are in structured notes and asset-backed securities.

LAIF determines fair value on its investment portfolio based on market quotations for these securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available.

In accordance with GASB Statement No. 31, highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No .3)*, certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
    - Overall
    - Custodial Credit Risk
    - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Investment in Low and Moderate Income Housing

The Agency has purchased and re-sold various properties to low and moderate income households. The Agency carries the difference between the cost and the sale on these properties as an investment in low and moderate income housing until the property is either bought back by the Agency or sold on the open market. The City participates in the profits on any sales to an outside party in the same proportion as what the low and moderate income purchaser purchased the property from the Agency below the market value.

F. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at $100,000; all other capital assets are set at $5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	50 years
Improvements other than buildings	20 - 75 years
Machinery and equipment	5 - 10 years
Infrastructure	20 - 75 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City has included all infrastructure into the current basic financial statements.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, park lands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 2003. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition.

Original costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. *Long-Term Liabilities*

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt, which is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

H. *Compensated Absences*

Government-Wide Financial Statements

Compensated absences are recorded as incurred and the related expenses and liabilities are reported in the appropriate activity.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. Compensated absence includes vacation and sick leaves. It is the policy of the City to pay 100% of the accumulated vacation leave when an employee retires or terminates. These obligations are paid out of the General fund.

I. *Net Assets / Fund Balances*

Government-Wide Financial Statements

In the Government-Wide Financial Statements, net assets are classified in the following categories:

> *Invested in Capital Assets, Net of Related Debt* - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Assets / Fund Balances, Continued

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

Fund Financial Statements

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditures.

Reserves are restrictions placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity which provided the funds. The City cannot modify or remove these restrictions or reserves.

J. Property Taxes

Property tax revenues are recognized in the fiscal year for which the tax and assessment is levied. The County of Contra Costa (County) levies, bills and collects property taxes and special assessments for the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1 based on January 1 assessed valuation and are payable in two installments, becoming delinquent on December 10 and April 10.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

L. Interfund Balances/Internal Balances

Outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as "internal balances."

M. Implementation of New GASB Pronouncements

The City has implemented the requirements of GASB Statements No. 49, No. 52, No. 55, and No. 56 during the fiscal year ended June 30, 2009.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Implementation of New GASB Pronouncements, Continued

GASB Statement No. 49 – *Accounting and Financial Reporting for Pollution Remediation Obligations*
This Statement is effective for periods beginning after December 15, 2007. The Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the document excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post-closure care and nuclear power plant decommissioning.

GASB Statement No. 52 – *Land and Other Real Estate Held as Investments by Endowments*
This Statement is effective for periods beginning after June 15, 2008. The Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
This Statement is effective as of April 2, 2009. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles.

GASB Statement No. 56 – *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements of Auditing Standards*
This Statement is effective as of April 16, 2009. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles – related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature.

2. CASH AND INVESTMENTS

Statement of Net Assets:		
Cash and investments	$	17,156,546
Restricted cash and investments with fiscal agent		1,108,725
Investment in bonds		158,000
Statement of Fiduciary Net Assets:		
Cash and investments		2,029,729
Cash and investments with fiscal agents		551,217
Total	$	21,004,217

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	$	1,000
Deposits with financial institutions		985,433
Investments		20,017,784
Total	$	21,004,217

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City of Clayton by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the Agency's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	$40 million	$40 million
Money Market Funds	N/A	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	20%	None
Insured Deposits with Banks and Savings and Loans	N/A	None	None
Negotiable Time Certificates of Deposit	5 years	None	None
Medium Term Corporate Bonds	5 years	20%	None
Municipal Bonds	30 years	None	None

2. CASH AND INVESTMENTS, Continued

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Money Market Mutual Funds	N/A	N/A	N/A
U.S. Government Agency Issues	5 years	20%	None
Federal Housing Administration debentures	N/A	N/A	N/A
Commercial paper	92 Days	N/A	N/A
Demand or time deposits	366 Days	N/A	N/A

Disclosures Relating to Interest Rate Risk

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The investments are restricted to securities which will by their terms mature not later than the date the Agency estimates the moneys represented by the particular investment will be needed for withdrawal from such fund. Moneys invested in a reserve account shall be invested in Investment Securities which will by their terms mature prior to the date which is the final maturity date of the bonds.

		Remaining Maturity (in Months)					
Investment Type	Totals	12 Months or Less	13 - 24 Months	25 - 36 Months	37 - 48 Months	49 - 60 Months	More than 60 Months
State Investment Pool	$ 6,805,596	$ 6,805,596	$ -	$ -	$ -	$ -	$ -
Money Market Funds	21,371	21,371	-	-	-	-	-
Local Assessment District Bonds	158,000						158,000
Certificates of Deposit	11,372,875	1,204,318	2,540,195	4,011,841	2,105,951	1,510,570	-
Held by bond trustees:							
Money Market Funds	1,453,774	1,453,774	-	-	-	-	-
Surety Bond	206,168	-	-	-	-	-	206,168
	$ 20,017,784	$ 9,485,059	$ 2,540,195	$ 4,011,841	$ 2,105,951	$ 1,510,570	$ 364,168

2. CASH AND INVESTMENTS, Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

				Rating as of Fiscal Year End			
Investment Type	Amount	Minimum Legal Rating	Exempt from Disclosure	AAA	AA	A	Not Rated
State Investment Pool	$ 6,805,596	N/A	$ -	$ -	$ -	$ -	$ 6,805,596
Money Market Funds	21,371	N/A	-	136	-	-	21,235
Local Assessment District Bonds	158,000	N/A	-	-	-	-	158,000
Certificates of Deposit	11,372,875	N/A	-		-	-	11,372,875
Held by bond trustees:							
Money Market Funds	1,453,774	N/A	-	345,049	-	-	1,108,725
Surety Bond	206,168	N/A	-	206,168	-	-	-
Total	$ 20,017,784		$ -	$ 551,353	$ -	$ -	$ 19,466,431

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments that represent 5% or more of total City investments (except for certificates of deposit).

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

2. CASH AND INVESTMENTS, Continued

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. RECEIVABLES

Notes Receivables

As of June 30, 2009, notes receivable consisted of the following:

Description	Beginning Balance July 1, 2008	Additions	Deletions	Ending Balance June 30, 2009
Professional Apartment Management, Inc.	$ 2,851,800	$ 200,000	$ 61,400	$ 2,990,400
Eden Housing, Inc. (formerly Peace Grove)	567,000	-	-	567,000
Second Mortgage Program	205,750	-	18,300	187,450
Assessment District Loans	334,140	-	18,801	315,339
Total	$ 3,958,690	$ 200,000	$ 98,501	$ 4,060,189

The Agency has provided assistance to special assessment districts within the City, to fund repairs and improvements. There are three districts which received loans from the Agency. As of June 30, 2009, the outstanding balance of the loans was **$315,339**.

On September 21, 1999, the Agency made a loan to the Professional Apartment Management, Inc. ("PAM") in the amount of $750,000, at a non-interest bearing rate, to construct and develop an affordable senior assisted living center on the site known as "Diamond Terrace." The note is secured by the Deed of Trust. The Agency loaned an additional $1,286,000 on October 24, 2001. On December 1, 2003, PAM began drawing on a $2,000,000 loan from the Agency in the amount of $200,000 annually. The principal balance is payable commencing on October 1, 2005 through October 1, 2030. As of June 30, 2009, the outstanding balance of the loan was **$2,990,400**.

On October 13, 1992, the Agency made a loan to the Peace Grove, Inc. in the amount of $567,000, at a non-interest bearing rate, for the purchase of land for a redevelopment and housing project for low-income mental health system clients. The loan is secured by the Deed of Trust. The principal balance is payable on December 18, 2052. As of June 30, 2009, the outstanding balance of the loan was **$567,000**.

The Agency participates in a second mortgage assistance program, whereby qualified applicants are loaned money for a "silent second" down payment to purchase a home in the Stranahan Development within the City. There are seven individual loans outstanding. As of June 30, 2009, the outstanding balance of the loans was $**187,450**.

4. INTERFUND TRANSACTIONS

A. Due To, Due From

At June 30, 2009, the City had the following short-term interfund receivables and payables:

DUE FROM	DUE TO: Governmental Activities — Non-major Governmental Funds	Business-Type — Community Gym	Total
Governmental Activities:			
General Fund	$ 2,545	$ 28,764	$ 31,309
Total	**$ 2,545**	**$ 28,764**	**$ 31,309**

The City of Clayton has loaned from the General Fund to the Redevelopment Agency Debt Service Fund **$337,220,** to assist in paying expenditures for debt service. The loan is expected to be paid in full within the following year. Other interfund activity resulted from temporary reclassifications made at June 30, 2009 to cover cash shortfalls.

B. Interfund Transfers

For the fiscal year ended June 30, 2009, the City had the following transfers:

	TRANSFERS IN				
TRANSFERS OUT	General Fund	Capital Improvement	RDA Debt Service	Endeavor Hall	Total
RDA Capital Projects	$ 275,000	$ 1,241,404	$ 2,184,931	$ -	$ 3,701,335
RDA Low/Moderate	125,000	-	-	-	125,000
Capital Improvement	5,495	-	-	-	5,495
Non-major Governmental Funds	85,262	473,771	-	5,024	564,057
Total	$ 490,757	$ 1,715,175	$ 2,184,931	$ 5,024	$ 4,395,887

The Redevelopment Agency transferred $2,184,931 from the capital projects fund to the debt service fund for the current debt service payments.

The City transferred $**490,757** into the General Fund from the RDA Capital Projects fund, ($**275,000**), from Low/Moderate Income Housing Fund (**$125,000),** from Capital Investments**, ($5,495),** and from Non-major Governmental Funds **$85,262** to reimburse the City for administrative expenses. In addition, the Agency transferred **$1,241,404** to the City Capital Improvement Fund for various capital projects.

4. INTERFUND TRANSACTIONS, Continued

C. Advance to other funds

On June 17, 1999 the Agency purchased a parcel of land for $475,000, from the City. In exchange for the parcel of land the Agency issued a note in the amount of $475,000 to the City. The principal amount is payable on or before January 1, 2023. As of June 30, 2009 the outstanding balance of the note was **$475,000.**

On September 30, 2004 the City transferred $35,000 into the Development Impact Fees Fund to provide funding necessary to retain a consultant to prepare a sewer master plan for the potential annexation that is currently being processed by the City. It is the City's intent to recover the sewer master plan fees upon annexation. Additional funding by the City in the amount of $25,000 was advanced to the Development Impact Fees Fund on May 17, 2005. As of June 30, 2009, the outstanding balance of the advance was **$60,000**.

5. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2009, the City's capital assets consisted of the following:

	Governmental Activities	Business - Type Activities	Total
Nondepreciable Assets:			
Land	$ 1,046,366	$ -	$ 1,046,366
Construction in progress	538,271	-	538,271
Total nondepreciable assets	1,584,637	-	1,584,637
Depreciable Assets:			
Buildings	5,744,572	1,400,744	7,145,316
Improvements	4,446,845	151,004	4,597,849
Machinery and equipment	915,053	5,024	920,077
Infrastructure	27,120,016	-	27,120,016
Total depreciable assets	38,226,486	1,556,772	39,783,258
Total accumulated depreciation	(11,583,096)	(257,424)	(11,840,520)
Depreciable assets, net	26,643,390	1,299,348	27,942,738
Total capital assets, net	$ 28,228,027	$ 1,299,348	$ 29,527,375

5. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

The following is a summary of capital assets for governmental activities:

	Balance July 1, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
Nondepreciable Assets:					
Land	$ 1,046,366	$ -	$ -	$ -	$ 1,046,366
Construction in progress	2,966,787	1,701,155	-	(4,129,671)	538,271
Total nondepreciable assets	4,013,153	1,701,155	-	(4,129,671)	1,584,637
Depreciable Assets:					
Buildings	5,346,032	-	-	398,540	5,744,572
Improvements	2,017,597	-	-	2,429,248	4,446,845
Machinery and equipment	916,914	48,609	(50,468)	(2)	915,053
Infrastructure	25,818,131	-	-	1,301,885	27,120,016
Total depreciable assets	34,098,674	48,609	(50,468)	4,129,671	38,226,486
Accumulated depreciation:					
Buildings	(1,493,510)	(107,486)	-	-	(1,600,996)
Improvements	(941,769)	(101,636)	9,456	-	(1,033,949)
Machinery and Equipment	(544,276)	(82,497)	-	-	(626,773)
Infrastructure	(7,974,272)	(347,106)	-	-	(8,321,378)
Total accumulated depreciation	(10,953,827)	(638,725)	9,456	-	(11,583,096)
Depreciable assets, net	23,144,847	(590,116)	(41,012)	4,129,671	26,643,390
Total governmental activities capital assets, net	$ 27,158,000	$ 1,111,039	$ (41,012)	$ -	$ 28,228,027

Depreciation expense was charged to functions/programs of the primary government as follows:

Public Works and Facilities	$ 24,244
General support	559,613
Police	54,868
Total depreciation expense - governmental activities	$ 638,725

The following is a summary of capital assets for business-type activities:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Depreciable Assets:				
Buildings	$ 1,400,744	$ -	$ -	$ 1,400,744
Improvements	151,004	-	-	151,004
Machinery and Equipment	-	5,024	-	5,024
Total depreciable assets	1,551,748	5,024	-	1,556,772
Accumulated Depreciation	(221,650)	(35,774)	-	(257,424)
Depreciable assets, net	1,330,098	(30,750)	-	1,299,348
Total business-type activities capital assets, net	$ 1,330,098	$ (30,750)	$ -	$ 1,299,348

5. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

Business-type activities depreciation expense for capital assets for the year ended June 30, 2009 were as follows:

Endeavor hall	$	35,774
Total depreciation expense	$	35,774

B. Fund Financial Statements

The Governmental Fund Financial Statements do not present General Government Capital Assets, which are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

The capital assets of the enterprise funds in the Proprietary Fund Financial Statements are the same as those shown in the business-type activities of the Government-Wide Financial Statements. Internal Service Funds' capital assets are combined with governmental activities.

6. LONG-TERM DEBT

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2009:

Description	Beginning Balance July 1, 2008	Additions	Reductions	Ending Balance June 30, 2009	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental Activities:						
1993 Tax Allocation Bonds	$ 1,130,000	$ -	$ (1,130,000)	$ -	$ -	$ -
1996 Refund Tax Allocation Bonds	5,305,000	-	(295,000)	5,010,000	305,000	4,705,000
1999 Tax Allocation Bonds	5,910,000	-	(235,000)	5,675,000	245,000	5,430,000
Total governmental activities	$ 12,345,000	$ -	$ (1,660,000)	$ 10,685,000	$ 550,000	$ 10,135,000

1993 Tax Allocation Bonds

1993 Tax Allocation Bonds in the principal amount of $4,905,000 were issued on December 17, 1993 by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. Bonds maturing after August 1, 2003 are subject to call on any interest payment date at par, plus a premium of 1 % to 2% of the principal amount. On August 1, 2007, the City called bonds totaling $1,075,000. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenues. During the FY 08-09, these bonds were paid in full.

6. LONG-TERM DEBT, Continued

1996 Series A Refunding Tax Allocation Bonds

1996 Series A Refunding Tax Allocation Bonds in the principal amount of $7,225,000 were issued on November 16, 1996 by the Agency. The 1996 Bonds have an interest rate that varies from 4.15% to 5.375%. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. Bonds maturing after August 1, 2009 are subject to call on any interest payment date at par, plus a premium of 1 % to 2% of the principal amount. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenue.

The annual debt service requirements to amortize the 1996 Refunding Tax Allocation Bonds outstanding at June 30, 2009, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	$ 305,000	$ 264,995	$ 569,995
2011	325,000	248,453	573,453
2012	340,000	230,745	570,745
2013	360,000	211,570	571,570
2014	375,000	190,990	565,990
2015-2019	2,230,000	605,833	2,835,833
2020-2021	1,075,000	58,453	1,133,453
Total	$ 5,010,000	$ 1,811,039	$ 6,821,039

1999 Tax Allocation Bonds

1999 Issue Tax Allocation Bonds in the principal amount of $7,460,000 were issued on June 15, 1999 by the Agency. The 1999 Bonds have an interest rate that varies from 3.4% to 5.0%. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenues.

The annual debt service requirements to amortize the 1999 Tax Allocation Bonds outstanding at June 30, 2009, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	$ 245,000	$ 271,883	$ 516,883
2011	255,000	260,878	515,878
2012	270,000	248,930	518,930
2013	280,000	236,140	516,140
2014	295,000	222,553	517,553
2015-2019	1,690,000	877,869	2,567,869
2020-2024	2,145,000	401,875	2,546,875
2025	495,000	12,375	507,375
Total	$ 5,675,000	$ 2,532,503	$ 8,207,503

6. LONG-TERM DEBT, Continued

Compensated Absences

Compensated absences include vacation and sick leave. It is the policy of the City to pay 100% of the accumulated vacation leave when an employee retires or terminates. The City recognizes the liability for its compensated absences in the governmental activities. The following is a summary of compensated absences transactions during the fiscal year ended June 30, 2009:

	Beginning Balance July 1, 2008	Additions	Ending Balance June 30, 2009
Compensated Absences	$ 114,728	$ 31,221	$ 145,949

7. NON-CITY OBLIGATIONS

Middle School Community Facilities District- Original Issue $6,400,000

Middle School Community Facilities District Bonds in the principal amount of $6,400,000 were issued on September 2, 1990 by the City. Principal payments are payable on September 2 of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non city obligations and are secured by facility district revenue. As of June 30, 2009 the outstanding balance of the non-city bond obligation was **$4,675,000.**

Clayton Station Community Facilities District- Original Issue $1,269,000

Clayton Station Community Facilities District Bonds in the principal amount of $1,269,000 million were issued on September 2, 2000 by the City. Principal payments are payable on September 2 of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non city obligations and are secured by facility district revenue. As of June 30, 2009 the outstanding balance of the non-city bond obligation was **$707,000.**

Lydia Lane Sewer Assessment District-Original Issue $228,325

Lydia Lane Sewer Assessment District Bonds in the principal amount of $228,325 were issued on August 5, 2002. by the City. Principal payments are payable on September 2, of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non city obligations and are secured by sewer assessment district revenue. As of June 30, 2009 the outstanding balance of the non-city bond obligation was **$203,325.**

7. NON-CITY OBLIGATIONS, Continued

Clayton Financing Authority 2007 Special Tax Revenue Refunding Bonds-Original Issue $5,060,000

Refunding bonds were issued on May 17, 2007 by the Clayton Financing Authority in the principal amount of $5,060,000 to assist the City of Clayton to refund the Authority's 1997 Special Tax Revenue Refunding Bonds (the "1997 Bonds"), finance the acquisition and construction of certain public capital improvements (the Project), establish a reserve fund for the Bonds (funded part in cash and part from a reserve fund surety bond), and to pay the costs of issuance of the Bonds. Principal payments are payable on September 2, of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non city obligations and are secured by revenues received by the Authority as the result of the payment of debt service on the Community School Local Obligations. As of June 30, 2009, the outstanding balance of the non-city bond obligation was **$4,765,000**.

8. OTHER FUND DISCLOSURES

A. Expenditures over Appropriations

The Redevelopment Agency Capital Projects fund, Low/Moderate Capital Projects fund, Measure C fund, Grants fund, and the Development Impact Fees fund all had an excess of expenditures over appropriations in the current fiscal year.

	Final Budget	Actual	Expenditures (over) appropriations
Redevelopment Agency Capital Projects fund,	$ 889,608	$ 913,517	$ (23,909)
Low/Moderate Capital Projects fund	$ 415,813	$ 890,142	$ (474,329)
Measure C fund	$ 2,627	$ 3,451	$ (824)
Grants fund	$ 122,127	$ 176,625	$ (54,498)
Development Impact Fees fund	$ -	$ 34,700	$ (34,700)

B. Deficit Fund Balances/Net Assets

At June 30, 2009, the funds below had the following deficit fund balance or net assets:

	Deficit
Non Major Governmental Fund	
Stormwater Treatment District	$ 2,545
Total Governmental Fund	$ 2,545
	Deficit
Proprietary Fund	
Community Gym	$ 39,588
Total Proprietary Funds	$ 39,588

The deficit in the Community Gym and Stormwater Treatment District funds is expected to be recovered from future revenues.

9. RISK MANAGEMENT

The City participates in the Municipal Pooling Authority of Northern California (MPA), a joint powers agreement between twenty cities, which provides insurance coverage for liability, auto, property and workers' compensation claims. Claims liabilities are accrued when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.
The MPA covers claims in an amount up to $15,000,000. The City has a deductible of $5,000 per claim for liability cases and no deductible for workers' compensation claims. Once the City's deductible is met, the MPA becomes responsible for payment of all claims. The MPA is self-insured up to $1,000,000 per claim and has excess coverage to a maximum of $25,000,000.

The MPA is governed by a board consisting of representatives from each member municipality. The Board controls the operations of the MPA including selection of management, approval of operating budgets, and is independent of any influence by member municipalities beyond their representation on the Board.

The City's general liability premium payments to the MPA in the amount of **$19,396** for fiscal year 2008-2009 are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

The City has had no settlements which exceeded insurance coverage during fiscal year ending June 30, 2009.

Estimates of incurred, but not reported, liability claims are included in the City's claims estimates and based upon historical experiences as calculated by the MPA.

During the year, the City received a dividend from the MPA based on results of prior year's activities.

At June 30, 2009, the MPA's audited condensed financial information showed:

Total assets	$	62,332,024
Total liabilities	$	43,226,014
Total equities	$	19,106,010
Total revenues	$	25,161,275
Total expenses	$	23,944,319
Revenues over expenses	$	1,216,956

Detailed financial information may be obtained from the MPA.

Municipal Pooling Authority of California
1911 San Miguel Drive, Suite 200
Walnut Creek, CA 94596

10. PUBLIC EMPLOYEE RETIREMENT SYSTEM

Plan Description - The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy - Active plan members are required by state statute to contribute 7% for miscellaneous and 9% for safety employees of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account, which amounted to $139,726 for the fiscal year ended June 30, 2009.

The City as employer is required to contribute an actuarially determined payment that is reflected as a percentage of annual covered payroll for miscellaneous and safety employees. The required employer contribution rates for the fiscal year 2008-09 was 14.593% for miscellaneous employees and 32.148% for safety employees.

The City's contributions to PERS for the fiscal years ending June 30, 2009, 2008 and 2007 were $580,505, $533,884 and $529,049, respectively and equal 100% of the required contributions for each fiscal year, and also included the contributions that the City made on behalf of the employees.

11. CONTINGENCIES

The City is a defendant in a few lawsuits and claims which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions, when finally adjudicated, will not have a material adverse effect on the financial position of the City.

1. BUDGETARY PRINCIPLES

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the City Manager submits to the City Council a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Continuing appropriations are rebudgeted by the City Council as part of the adoption of subsequent year's budgets.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of a resolution during a City Council meeting in the month of June.
- The City Manager is authorized to transfer budgeted amounts within an activity, within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- Formal budgeting is employed as a management control device during the year for the general, certain special revenue and debt service funds. The Presley Settlement, Clayton Financing Authority, and Storm Water Treatment funds are not budgeted.
- Budgets for the general, certain special revenue and debt service funds are adopted on a basis consistent with generally accepted accounting principles (US GAAP).
- Budgets for capital projects funds are adopted on a project-life basis.

Budgeted amounts are as originally adopted or as amended by the City Council. Budget amendments were not material in relation to the original appropriations.

Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are reported as reservations of fund balances.

City of Clayton
Budgetary Comparison Schedule
General Fund
For the fiscal year ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 1,681,231	$ 1,681,231	$ 1,717,881	$ 36,650
Program income	5,611	5,611	11,448	5,837
Sales tax	251,877	251,877	261,744	9,867
Permits, licenses and fees	280,096	280,096	256,905	(23,191)
Fines, forfeitures and penalties	105,500	105,500	67,681	(37,819)
From other agencies	73,190	73,190	61,613	(11,577)
Motor vehicle in-lieu fees	49,440	49,440	37,346	(12,094)
Other in-lieu fees	218,815	218,815	224,940	6,125
Franchise fees	366,331	366,331	365,802	(529)
Service charges	58,239	58,239	59,936	1,697
Use of money and property	150,000	150,000	172,790	22,790
Other revenue	42,208	42,208	70,622	28,414
TOTAL REVENUES	3,282,538	3,282,538	3,308,708	26,170
EXPENDITURES				
Legislative	64,540	64,540	51,574	12,966
Administrative	850,650	858,062	846,561	11,501
Community services and facilities	119,191	362,440	171,180	191,260
Community park	230,033	219,205	229,181	(9,976)
Planning and development	304,566	334,309	296,427	37,882
General support	138,239	140,358	119,912	20,446
Police	1,838,073	1,856,620	1,699,638	156,982
Library	125,431	153,511	130,054	23,457
Engineering	97,078	97,078	95,309	1,769
TOTAL EXPENDITURES	3,767,800	4,086,123	3,639,836	446,287
REVENUES OVER (UNDER) EXPENDITURES	(485,262)	(803,585)	(331,128)	472,457
OTHER FINANCING SOURCES (USES)				
Transfers in	485,262	485,262	490,757	5,495
TOTAL OTHER FINANCING SOURCES (USES)	485,262	485,262	490,757	5,495
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ (318,323)	159,629	$ 477,952
FUND BALANCES:				
Beginning of fiscal year			4,946,527	
End of fiscal year			$ 5,106,156	

SUPPLEMENTAL INFORMATION

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MAJOR FUNDS

City of Clayton
Budgetary Comparison Schedule
RDA Capital Projects Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 4,144,938	$ 4,501,046	$ 356,108
Use of money and property	21,411	28,680	7,269
Other revenue	-	800	800
TOTAL REVENUES	4,166,349	4,530,526	364,177
EXPENDITURES			
Community services and facilities	-	19,027	(19,027)
Planning and development	838,733	863,615	(24,882)
Interest and fiscal charges	30,875	30,875	-
Capital outlay	20,000	-	20,000
TOTAL EXPENDITURES	889,608	913,517	(23,909)
REVENUES OVER (UNDER) EXPENDITURES	3,276,741	3,617,009	340,268
OTHER FINANCING SOURCES (USES)			
Transfers out	(3,995,036)	(3,701,335)	293,701
TOTAL OTHER FINANCING SOURCES (USES)	(3,995,036)	(3,701,335)	293,701
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (718,295)	(84,326)	$ 633,969
FUND BALANCES:			
Beginning of fiscal year		689,999	
End of fiscal year		$ 605,673	

City of Clayton
Budgetary Comparison Schedule
RDA Low/Moderate Capital Projects Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 1,036,234	$ 1,125,261	$ 89,027
Program income	-	79,700	79,700
Use of money and property	200,000	192,861	(7,139)
TOTAL REVENUES	1,236,234	1,397,822	161,588
EXPENDITURES			
Planning and development	215,813	457,149	(241,336)
Loss on sale of land held for resale	-	432,993	(432,993)
Capital outlay	200,000	-	200,000
TOTAL EXPENDITURES	415,813	890,142	(474,329)
REVENUES OVER (UNDER) EXPENDITURES	820,421	507,680	(312,741)
OTHER FINANCING SOURCES (USES)			
Transfers out	(125,000)	(125,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(125,000)	(125,000)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ 695,421	382,680	$ (312,741)
FUND BALANCES:			
Beginning of fiscal year		4,504,332	
End of fiscal year		$ 4,887,012	

City of Clayton
Budgetary Comparison Schedule
Capital Improvements Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
From other agencies	$ 400,000	$ 278,056	$ (121,944)
Use of money and property	-	169,576	169,576
TOTAL REVENUES	400,000	447,632	47,632
EXPENDITURES			
Capital outlay	2,571,776	1,707,685	864,091
TOTAL EXPENDITURES	2,571,776	1,707,685	864,091
REVENUES OVER (UNDER) EXPENDITURES	(2,171,776)	(1,260,053)	911,723
OTHER FINANCING SOURCES (USES)			
Transfers in	596,513	1,715,175	1,118,662
Transfers out	-	(5,495)	(5,495)
TOTAL OTHER FINANCING SOURCES (USES)	596,513	1,709,680	1,113,167
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (1,575,263)	449,627	$ 2,024,890
FUND BALANCES:			
Beginning of fiscal year		3,627,596	
End of fiscal year		$ 4,077,223	

City of Clayton

Budgetary Comparison Schedule

RDA Debt Service Fund

For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Use of money and property	$ 28,800	$ (7,128)	$ (35,928)
TOTAL REVENUES	28,800	(7,128)	(35,928)
EXPENDITURES			
Community services and facilities	10,825	10,825	-
Principal	1,660,000	1,660,000	-
Interest and fiscal charges	623,583	593,890	29,693
TOTAL EXPENDITURES	2,294,408	2,264,715	29,693
REVENUES OVER (UNDER) EXPENDITURES	(2,265,608)	(2,271,843)	(6,235)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,184,931	2,184,931	-
TOTAL OTHER FINANCING SOURCES (USES)	2,184,931	2,184,931	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (80,677)	(86,912)	$ (6,235)
FUND BALANCES:			
Beginning of fiscal year		1,244,302	
End of fiscal year		$ 1,157,390	

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major Special Revenue Funds:

Special Revenue Funds are used to account for revenues derived from specific revenue sources. These funds are required by State statute or ordinance to finance particular functions or activities of government. The City's various special revenue funds are:

Street Lighting - accounts for assessments collected to maintain residential street lighting.

Stormwater Treatment District Special Assessment Fund - this fund was formed to provide a mechanism for the levying of private development (property) benefit assessments to fund the cost of inspections, maintenance and capital improvements related to the stormwater treatment requirements imposed upon the City by the Regional Water Quality Control Board as part of the City's General Stormwater Discharge Permit.

Stormwater Assessment - accounts for assessments collected to comply with the National Pollution Discharge Elimination System.

Presley Settlement - accounts for litigation settlement received for specific programs and projects.

Oakhurst Geological Hazard Abatement District - accounts for assessments collected from Oakhurst parcels to provide preventive maintenance measures within the district to mitigate potential landslides and other hazardous geological conditions within the district.

Measure C - accounts for a $0.05 sales tax approved by voters in 1988 to provide transportation and street improvements, a growth management process, and a regional planning process to address quality of life.

Grants - accounts for grants received for specific programs and projects.

Gas Tax - accounts for taxes raised under Street and Highway Code Sections 2106, 2107 and 2107.5, used for the maintenance and construction of City streets.

Downtown Park CFD 2006-1 - accounts for assessments collected to operate, maintain, repair and replace landscaping, irrigation, hardscape, lights, public restroom, gazebo, and playground equipment.

Clayton Landscape Maintenance CFD 2007-1 - accounts for assessments collected to maintain arterial landscaping and open space within the City.

Non-Major Capital Projects Fund:

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The following represents the City's non-major capital projects fund:

Clayton Development Impact Fees - accounts for projects funded with the Development Impact Fees.

Non-Major Debt Service Fund:

Debt Service Funds are used to account for financial resources to be used for the accounting of debt instruments other than those financed by proprietary funds. The following represents the City's non-major debt service fund:

Clayton Financing Authority - accounts for projects related to the Financing Authority.

City of Clayton
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2009

	Special Revenue					
	Street Lighting	Stormwater Treatment District Assessment Fund	Stormwater Assessment	Presley Settlement	Oakhurst Geological Hazard Abatement District	Measure C
ASSETS						
Cash and investments	$ 130,307	$ -	$ 114,327	$ 215,314	$ 8,044	$ 9,267
Accounts receivable	-	-	8,326	-	-	257,913
Interest receivable	320	-	280	527	22	24
TOTAL ASSETS	$ 130,627	$ -	$ 122,933	$ 215,841	$ 8,066	$ 267,204
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 201	$ -	$ 450	$ -	$ 111	$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	2,545	-	-	-	-
Advance from other funds	-	-	-	-	-	-
TOTAL LIABILITIES	201	2,545	450	-	111	-
FUND BALANCES						
Reserved for:						
Capital projects	-	-	-	-	-	-
Special projects	130,426	(2,545)	122,483	215,841	7,955	267,204
Debt service	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-
TOTAL FUND BALANCES	130,426	(2,545)	122,483	215,841	7,955	267,204
TOTAL LIABILITIES AND FUND BALANCES	$ 130,627	$ -	$ 122,933	$ 215,841	$ 8,066	$ 267,204

Special Revenue				Capital Projects	Debt Service	
Grants	Gas Tax	Downtown Park CFD	Clayton Landscape Maintenance	Clayton Development Impact Fees	Clayton Financing Authority	Total Other Governmental Funds
$ 276,121	$ 98,803	$ 159,278	$ 412,156	$ 300,752	$ 721,628	$ 2,445,997
51,869	21,893	80,000	-	-	-	420,001
678	240	170	1,008	714	1,762	5,745
$ 328,668	$ 120,936	$ 239,448	$ 413,164	$ 301,466	$ 723,390	$ 2,871,743
$ 919	$ 6,460	$ 1,160	$ 29,435	$ 3,064	$ -	$ 41,800
-	-	80,000	-	-	-	80,000
-	-	-	-	-	-	2,545
-	-	-	-	60,000	-	60,000
919	6,460	81,160	29,435	63,064	-	184,345
-	-	-	-	229,724	-	229,724
305,636	114,476	158,288	383,729	-	-	1,703,493
-	-	-	-	-	723,390	723,390
22,113	-	-	-	8,678	-	30,791
327,749	114,476	158,288	383,729	238,402	723,390	2,687,398
$ 328,668	$ 120,936	$ 239,448	$ 413,164	$ 301,466	$ 723,390	$ 2,871,743

City of Clayton
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the fiscal year ended June 30, 2009

	Special Revenue					
	Street Lighting	Stormwater Treatment District Assessment Fund	Stormwater Assessment	Presley Settlement	Oakhurst Geological Hazard Abatement District	Measure C
REVENUES						
Special assessments	$ 125,459	$ -	$ 84,214	$ -	$ 32,232	$ -
Permits, licenses and fees	-	-	34,328	-	-	-
From other agencies	-	-	-	-	-	259,262
Service charges	-	-	-	-	-	-
Use of money and property	5,386	(93)	4,230	9,106	239	2,401
Other revenue	-	-	-	-	-	-
TOTAL REVENUES	130,845	(93)	122,772	9,106	32,471	261,663
EXPENDITURES						
General Government						
Community services and facilities	-	-	-	-	-	-
Economic development	-	-	-	-	13,110	-
Highway and streets	115,673	-	88,814	-	-	3,451
Landscape maintenance	-	-	-	-	-	-
Capital outlay	-	-	1,028	-	7,829	-
TOTAL EXPENDITURES	115,673	-	89,842	-	20,939	3,451
REVENUES OVER (UNDER) EXPENDITURES	15,172	(93)	32,930	9,106	11,532	258,212
OTHER FINANCING SOURCES (USES)						
Transfers out	(10,000)	-	(31,605)	-	(6,000)	(241,578)
TOTAL OTHER FINANCING SOURCES (USES)	(10,000)	-	(31,605)	-	(6,000)	(241,578)
NET CHANGE IN FUND BALANCES	5,172	(93)	1,325	9,106	5,532	16,634
FUND BALANCES						
Beginning of fiscal year	125,254	(2,452)	121,158	206,735	2,423	250,570
End of fiscal year	$ 130,426	$ (2,545)	$ 122,483	$ 215,841	$ 7,955	$ 267,204

Special Revenue				Capital Projects	Debt Service	
Grants	Gas Tax	Downtown Park CFD	Clayton Landscape Maintenance	Clayton Development Impact Fees	Clayton Financing Authority	Total Other Governmental Funds
$ -	$ 27,840	$ 104,962	$ 887,298	$ -	$ -	$ 1,262,005
-	-	540	-	-	-	34,868
121,203	257,893	-	-	-	-	638,358
-	-	-	-	16,390	-	16,390
13,379	3,141	3,146	12,309	13,277	30,469	96,990
-	-	20,000	3,300	-	-	23,300
134,582	288,874	128,648	902,907	29,667	30,469	2,071,911
-	-	-	2,135	-	-	2,135
162,874	-	-	-	-	-	175,984
-	127,656	-	-	-	-	335,594
-	-	59,548	653,305	-	-	712,853
13,751	-	-	-	34,700	-	57,308
176,625	127,656	59,548	655,440	34,700	-	1,283,874
(42,043)	161,218	69,100	247,467	(5,033)	30,469	788,037
-	(130,437)	-	(26,970)	(117,467)	-	(564,057)
-	(130,437)	-	(26,970)	(117,467)	-	(564,057)
(42,043)	30,781	69,100	220,497	(122,500)	30,469	223,980
369,792	83,695	89,188	163,232	360,902	692,921	2,463,418
$ 327,749	$ 114,476	$ 158,288	$ 383,729	$ 238,402	$ 723,390	$ 2,687,398

City of Clayton
Budgetary Comparison Schedule
Street Lighting Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Special assessments	$ 125,459	$ 125,459	$ -
Use of money and property	5,000	5,386	386
TOTAL REVENUES	130,459	130,845	386
EXPENDITURES			
Current:			
Highway and streets	127,700	115,673	12,027
TOTAL EXPENDITURES	127,700	115,673	12,027
REVENUES OVER (UNDER) EXPENDITURES	2,759	15,172	12,413
OTHER FINANCING SOURCES (USES)			
Transfers out	(10,000)	(10,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(10,000)	(10,000)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (7,241)	5,172	$ 12,413
FUND BALANCES:			
Beginning of fiscal year		125,254	
End of fiscal year		$ 130,426	

City of Clayton
Budgetary Comparison Schedule
Stormwater Assessment Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Special assessments	$ 63,542	$ 84,214	$ 20,672
Permits, licenses and fees	42,000	34,328	(7,672)
Use of money and property	3,000	4,230	1,230
TOTAL REVENUES	108,542	122,772	14,230
EXPENDITURES			
Current:			
Highway and streets	123,765	88,814	34,951
Capital outlay	1,400	1,028	372
TOTAL EXPENDITURES	125,165	89,842	35,323
REVENUES OVER (UNDER) EXPENDITURES	(16,623)	32,930	49,553
OTHER FINANCING SOURCES (USES)			
Transfers out	(31,605)	(31,605)	-
TOTAL OTHER FINANCING SOURCES (USES)	(31,605)	(31,605)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (48,228)	1,325	$ 49,553
FUND BALANCES:			
Beginning of fiscal year		121,158	
End of fiscal year		$ 122,483	

City of Clayton
Budgetary Comparison Schedule
Oakhurst Geological Hazard Abatement District Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Special assessments	$ 31,326	$ 32,232	$ 906
Use of money and property	-	239	239
TOTAL REVENUES	31,326	32,471	1,145
EXPENDITURES			
Current:			
Economic development	20,090	13,110	6,980
Capital outlay	5,200	7,829	(2,629)
TOTAL EXPENDITURES	25,290	20,939	4,351
REVENUES OVER (UNDER) EXPENDITURES	6,036	11,532	5,496
OTHER FINANCING SOURCES (USES)			
Transfers out	(6,000)	(6,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(6,000)	(6,000)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ 36	5,532	$ 5,496
FUND BALANCES:			
Beginning of fiscal year		2,423	
End of fiscal year		$ 7,955	

City of Clayton
Budgetary Comparison Schedule
Measure C Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
From other agencies	$ 205,580	$ 259,262	$ 53,682
Use of money and property	1,000	2,401	1,401
TOTAL REVENUES	206,580	261,663	55,083
EXPENDITURES			
Current:			
Highway and streets	2,627	3,451	(824)
TOTAL EXPENDITURES	2,627	3,451	(824)
REVENUES OVER (UNDER) EXPENDITURES	203,953	258,212	54,259
OTHER FINANCING SOURCES (USES)			
Transfers out	(241,578)	(241,578)	-
TOTAL OTHER FINANCING SOURCES (USES)	(241,578)	(241,578)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (37,625)	16,634	$ 54,259
FUND BALANCES:			
Beginning of fiscal year		250,570	
End of fiscal year		$ 267,204	

City of Clayton
Budgetary Comparison Schedule
Grants Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
From other agencies	$ 116,570	$ 121,203	$ 4,633
Use of money and property	12,000	13,379	1,379
TOTAL REVENUES	128,570	134,582	6,012
EXPENDITURES			
Current:			
Economic development	122,127	162,874	(40,747)
Capital outlay	-	13,751	(13,751)
TOTAL EXPENDITURES	122,127	176,625	(54,498)
REVENUES OVER (UNDER) EXPENDITURES	$ 6,443	(42,043)	$ (48,486)
FUND BALANCES:			
Beginning of fiscal year		369,792	
End of fiscal year		$ 327,749	

City of Clayton

Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Special assessments	$ 27,852	$ 27,840	$ (12)
From other agencies	302,945	257,893	(45,052)
Use of money and property	(3,000)	3,141	6,141
TOTAL REVENUES	327,797	288,874	(38,923)
EXPENDITURES			
Current:			
Highway and streets	215,036	127,656	87,380
TOTAL EXPENDITURES	215,036	127,656	87,380
REVENUES OVER (UNDER) EXPENDITURES	112,761	161,218	48,457
OTHER FINANCING SOURCES (USES)			
Transfers out	(216,360)	(130,437)	85,923
TOTAL OTHER FINANCING SOURCES (USES)	(216,360)	(130,437)	85,923
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (103,599)	30,781	$ 134,380
FUND BALANCES:			
Beginning of fiscal year		83,695	
End of fiscal year		$ 114,476	

City of Clayton
Budgetary Comparison Schedule
Downtown Park CFD Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Special assessments	$ 103,517	$ 104,962	$ 1,445
Permits, licenses and fees	-	540	540
Use of money and property	2,000	3,146	1,146
Other revenue	-	20,000	20,000
TOTAL REVENUES	105,517	128,648	23,131
EXPENDITURES			
Current:			
Landscape maintenance	88,314	59,548	28,766
TOTAL EXPENDITURES	88,314	59,548	28,766
REVENUES OVER (UNDER) EXPENDITURES	$ 17,203	69,100	$ 51,897
FUND BALANCES:			
Beginning of fiscal year		89,188	
End of fiscal year		$ 158,288	

City of Clayton
Budgetary Comparison Schedule
Clayton Landscape Maintenance Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Special assessments	$ 874,650	$ 887,298	$ 12,648
Use of money and property	7,000	12,309	5,309
Other revenue	-	3,300	3,300
TOTAL REVENUES	881,650	902,907	21,257
EXPENDITURES			
Current:			
Community services and facilities	-	2,135	(2,135)
Landscape maintenance	893,893	653,305	240,588
TOTAL EXPENDITURES	893,893	655,440	238,453
REVENUES OVER (UNDER) EXPENDITURES	(12,243)	247,467	259,710
OTHER FINANCING SOURCES (USES)			
Transfers out	(26,970)	(26,970)	-
TOTAL OTHER FINANCING SOURCES (USES)	(26,970)	(26,970)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (39,213)	220,497	$ 259,710
FUND BALANCES:			
Beginning of fiscal year		163,232	
End of fiscal year		$ 383,729	

City of Clayton
Budgetary Comparison Schedule
Clayton Development Impact Fees Capital Projects Fund
For the fiscal year ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES			
Service charges	$ -	$ 16,390	$ 16,390
Use of money and property	-	13,277	13,277
TOTAL REVENUES	-	29,667	29,667
EXPENDITURES			
Capital outlay	-	34,700	(34,700)
TOTAL EXPENDITURES	-	34,700	(34,700)
REVENUES OVER (UNDER) EXPENDITURES	-	(5,033)	(5,033)
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(117,467)	(117,467)
TOTAL OTHER FINANCING SOURCES (USES)	-	(117,467)	(117,467)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	(122,500)	$ (122,500)
FUND BALANCES:			
Beginning of fiscal year		360,902	
End of fiscal year		$ 238,402	

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by a department for other departments on a cost reimbursement basis. Funds included are:

Capital Replacement – This fund accounts for the operation, maintenance, and replacement of City vehicles and equipment.

Self-Insurance Liability – This fund accounts for the administration of the City's self-insurance program and payment of workers' compensation and liability claims.

City of Clayton
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009

	Capital Replacement	Self Insurance	Total
ASSETS			
Current Assets:			
Cash and investments	$ 193,919	$ 150,445	$ 344,364
Receivables:			
Interest	477	370	847
Noncurrent Assets:			
Depreciable assets, net	323,188	-	323,188
TOTAL ASSETS	517,584	150,815	668,399
LIABILITIES			
Current Liabilities:			
Accounts payable	-	2,015	2,015
TOTAL LIABILITIES	-	2,015	2,015
NET ASSETS			
Invested in capital assets, net of related debt	323,188	-	323,188
Unrestricted	194,396	148,800	343,196
TOTAL NET ASSETS	$ 517,584	$ 148,800	$ 666,384

City of Clayton
Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the fiscal year ended June 30, 2009

	Capital Replacement	Self Insurance	Total
OPERATING REVENUES			
Charges for current services	$ 15,637	$ 1,111	$ 16,748
TOTAL OPERATING REVENUES	15,637	1,111	16,748
OPERATING EXPENSES			
General and administrative	-	36,551	36,551
Depreciation	82,497	-	82,497
TOTAL OPERATING EXPENSES	82,497	36,551	119,048
OPERATING INCOME (LOSS)	(66,860)	(35,440)	(102,300)
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	7,908	6,865	14,773
Loss on sale of capital assets	(7,542)	-	(7,542)
TOTAL NONOPERATING REVENUES (EXPENSES)	366	6,865	7,231
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(66,494)	(28,575)	(95,069)
TRANSFERS AND CONTRIBUTIONS			
Capital contributions	6,798	-	6,798
TOTAL TRANSFERS AND CONTRIBUTIONS	6,798	-	6,798
CHANGE IN NET ASSETS	(59,696)	(28,575)	(88,271)
Beginning of fiscal year	577,280	177,375	754,655
End of fiscal year	$ 517,584	$ 48,800	$ 666,384

City of Clayton
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2009

	Capital Replacement	Self-Insurance Liability	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipt from customers/other funds	$ 15,637	$ 1,111	$ 16,748
Cash payment to suppliers for good and services	(22)	(33,230)	(33,252)
Net cash provided (used) by operating activities	15,615	(32,119)	(16,504)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	(33,047)	-	(33,047)
Loss on sale of asset	(7,542)	-	(7,542)
Capital Contributions	6,798	-	6,798
Net cash provided (used) by capital and related financing activities	(33,791)	-	(33,791)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	9,559	8,325	17,884
Net cash provided (used) by investing activities	9,559	8,325	17,884
Net increase (decrease) in cash and cash equivalents	(8,617)	(23,794)	(32,411)
CASH AND CASH EQUIVALENTS:			
Beginning of fiscal year	202,536	174,239	376,775
End of fiscal year	$ 193,919	$ 150,445	$ 344,364
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ (66,860)	$ (35,440)	$ (102,300)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	82,497	-	82,497
Changes in current assets and liabilities:			
Accounts receivable	-	1,306	1,306
Accounts payable	(22)	2,015	1,993
Total adjustments	82,475	3,321	85,796
Net cash provided (used) by operating activities	$ 15,615	$ (32,119)	$ (16,504)

AGENCY FUNDS

Agency Funds are used to account for assets held by the City in a fiduciary capacity or as an agent for individuals, government entities and others.

Deposits – represents funds held for:
Performance Deposits
Clayton Community Library Foundation Deposits
Clayton Community Gym Donation Deposits
Rental Deposits
Planning Services Deposits
Other Deposits

***Oakhurst Assessment District (Debt Service Account)* –** consists of assessments accumulated to pay the obligations of the Oakhurst Assessment District on its 1998, 1989 bonds and 1997-1 bonds.

Middle School CFD (Debt Service Account – 1990-1) – consists of assessments accumulated to pay the obligations of the Middle School Community Facilities District on its 1990-1 Bonds.

Clayton Station CFD (Debt Service Account - 1990-2) – consists of assessments accumulated to pay the obligations of the Clayton Station Community Facilities District on its 1990-2 Bonds.

High Street Bridge – accounts for assessments collected to maintain bridges.

Oak Street Bridge – accounts for assessments collected to maintain bridges.

Lydia Lane Sewer Assessment – accounts for assessments to be collected for construction of a sewer system.

Oak Street Sewer Assessment – accounts for assessments to be collected for construction of a sewer system.

***CFA Clayton Financing Authority 2007* -** accounts for the refunding of the Authority's 1997 Special Tax Revenue Refunding Bonds payable from revenues received by the Authority as the result of payment of debt service on the local obligations of the Middle School CFD 1990-1 Bonds.

City of Clayton
Statements of Changes in Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2009

	Balance July 1, 2008	Net Changes in Assets and Liabilities	Balance June 30, 2009
Deposits			
Assets:			
Cash and investments	$ 1,276,594	$ (250,096)	$ 1,026,498
Other receivables	13,396	(11,711)	1,685
Total assets	$ 1,289,990	$ (261,807)	$ 1,028,183
Liabilities:			
Accounts payable	$ 3,092	$ 803	$ 3,895
Interest payable	60,711	(6,281)	54,430
Other deposits	867,394	(298,810)	568,584
Due to bondholders	358,793	42,481	401,274
Total liabilities	$ 1,289,990	$ (261,807)	$ 1,028,183
Oakhurst Assessment District			
Assets:			
Cash and investments	$ 52,014	$ 3,039	$ 55,053
Other receivables	607	(458)	149
Total assets	$ 52,621	$ 2,581	$ 55,202
Liabilities:			
Due to bondholders	$ 52,621	$ 2,581	$ 55,202
Total liabilities	$ 52,621	$ 2,581	$ 55,202
Middle School CFD			
Assets:			
Cash and investments	$ (3,583,187)	$ 3,629,026	$ 45,839
Cash with fiscal agent	5,584,364	(5,532,455)	51,909
Investment in bonds	-	5,528,971	5,528,971
Other receivables	1,605	187	1,792
Total assets	$ 2,002,782	$ 3,625,729	$ 5,628,511
Liabilities:			
Accounts payable	$ 2,154	$ (125)	$ 2,029
Due to bondholders	2,000,628	3,625,854	5,626,482
Total liabilities	$ 2,002,782	$ 3,625,729	$ 5,628,511

(Continued)

City of Clayton
Statements of Changes in Assets and Liabilities, Continued
Agency Funds
For the fiscal year ended June 30, 2009

	Balance July 1, 2008	Net Changes in Assets and Liabilities	Balance June 30, 2009
Clayton Station CFD			
Assets:			
Cash and investments	$ 151,695	$ 8,004	$ 159,699
Interest receivables	1,592	(1,200)	392
Total assets	$ 153,287	$ 6,804	$ 160,091
Liabilities:			
Due to bondholders	$ 153,287	$ 6,804	$ 160,091
Total liabilities	$ 153,287	$ 6,804	$ 160,091
High Street Bridge			
Assets:			
Cash and investments	$ (17,578)	$ 1,184	$ (16,394)
Other receivables	81,086	(3,886)	77,200
Total assets	$ 63,508	$ (2,702)	$ 60,806
Liabilities:			
Accounts payable	$ 81,270	$ (4,070)	$ 77,200
Other payables	2,100	-	2,100
Due to bondholders	(19,862)	1,368	(18,494)
Total liabilities	$ 63,508	$ (2,702)	$ 60,806
Oak Street Bridge			
Assets:			
Cash and investments	$ (61,561)	$ (1,954)	$ (63,515)
Other receivables	43,256	(3,347)	39,909
Total assets	$ (18,305)	$ (5,301)	$ (23,606)
Liabilities:			
Accounts payable	$ 43,900	$ (3,991)	$ 39,909
Other payables	18,340	-	18,340
Due to bondholders	(80,545)	(1,310)	(81,855)
Total liabilities	$ (18,305)	$ (5,301)	$ (23,606)

(Continued)

City of Clayton
Statements of Changes in Assets and Liabilities, Continued
Agency Funds
For the fiscal year ended June 30, 2009

		Balance July 1, 2008		Net Changes in Assets and Liabilities		Balance June 30, 2009
Lydia Lane Sewer Assessment						
Assets:						
Cash and investments	$	67,840	$	2,409	$	70,249
Cash and investments with fiscal agent		14,549		76		14,625
Other receivables		402,475		(17,889)		384,586
Total assets	$	484,864	$	(15,404)	$	469,460
Liabilities:						
Accounts payable	$	401,763	$	(17,349)	$	384,414
Due to bondholders		83,101		1,945		85,046
Total liabilities	$	484,864	$	(15,404)	$	469,460
Oak Street Sewer Assessment						
Assets:						
Cash and investments	$	(12,351)	$	(875)	$	(13,226)
Other receivables		208,841		(10,611)		198,230
Total assets	$	196,490	$	(11,486)	$	185,004
Liabilities:						
Accounts payable	$	208,970	$	(10,740)	$	198,230
Due to bondholders		(12,480)		(746)		(13,226)
Total liabilities	$	196,490	$	(11,486)	$	185,004
CFA Clayton Financing Authority 2007						
Assets:						
Cash and investments	$	4,276,624	$	(3,511,098)	$	765,526
Cash and investments with fiscal agent		486,245		(1,562)		484,683
Other receivables		5,692		(5,692)		-
Total assets	$	4,768,561	$	(3,518,352)	$	1,250,209
Liabilities:						
Accounts payable		0		1,200		1,200
Due to bondholders		4,768,561		(3,519,552)		1,249,009
Total liabilities	$	4,768,561	$	(3,518,352)	$	1,250,209
All Agency Funds						
Assets:						
Cash and investments	$	2,150,090	$	(120,361)	$	2,029,729
Cash and investments with fiscal agent		6,085,158		(5,533,941)		551,217
Investment in bonds		-		5,528,971		5,528,971
Other receivables		758,550		(54,607)		703,943
Total assets	$	8,993,798	$	(179,938)	$	8,813,860
Liabilities:						
Accounts payable		741,149		(34,272)		706,877
Interest payable		60,711		(6,281)		54,430
Other payables		20,440		-		20,440
Other deposits		867,394		(298,810)		568,584
Due to bondholders		7,304,104		159,425		7,463,529
Total liabilities	$	8,993,798	$	(179,938)	$	8,813,860

MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:
RONALD A. LEVY, C.P.A.
CRAIG A. HARTZHEIM, C.P.A.
HADLEY Y. HUI, C.P.A.

9107 WILSHIRE BLVD., STE 400
BEVERLY HILLS, CA 90210
PHONE: (310) 273-2745
FAX: (310) 273-1689
EMAIL: mlhbh@mlhcpas.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Members of the City Council of the
City of Clayton
Clayton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, California (City) as of and for the fiscal year ended June 30, 2009 which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that, there is more than a remote likelihood that a misstatement of City's financial statements that is more than inconsequential will not be prevented or detected by City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevent or detected by City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted certain other matters that we reported to management of the City in a separate letter dated November 23, 2009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of the City Council, management, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Beverly Hills, California
November 23, 2009

Gary Napper

Agenda Date: 12-15-09

Agenda Item: 9c

From: Joe Medrano [Joe@imcservices.com]

Sent: Monday, December 07, 2009 6:16 PM

To: gnapper@ci.clayton.ca.us

Subject: Agenda Item

Gary,

As mentioned at the last council meeting I would like the agenda item to be the discussion of the organizational structure of the concerts in the park

Thank you,
Joe

Joseph A. Medrano, ARM, CWCA
President
Insurance Management Corporation
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License# 0C54731
www.imcservices.com
"We Protect What is Important to You™"

Agenda Date: 1/15/08

Agenda Item: 6a RDA

CITY OF CLAYTON

Founded 1857 Incorporated 1964

Approved:
Gary A. Napper
City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE CHAIRMAN AND BOARDMEMBERS

FROM: EXECUTIVE DIRECTOR

DATE: 15 JANUARY 2008

SUBJECT: AUTHORIZATION & FUNDING FOR A "CONCERT IN THE GROVE" SERIES JOINT DOWNTOWN PROMOTIONAL PROJECT WITH CBCA

RECOMMENDATION

It is recommended the Board of Directors allocate $10,000 in Redevelopment Agency monies from the approved City Capital Improvement Project No. 10400 – Downtown Economic Development for a joint 2008 "Concert in The Grove" Series with the Clayton Business and Community Association (CBCA).

BACKGROUND

"The Grove" public park in the Town Center of Clayton was constructed with funding primarily supplied by the Clayton Redevelopment Agency, as was the purchase of the underlying land. Construction of this public gathering place in the downtown area is harmonious with several objectives of California redevelopment law and the Agency's mission, namely to cure blight, stimulate economic development and revitalization within the Project Area, create an attractive and vibrant business sector to entice further private party investments, and facilitate the creation of jobs and employment.

Specifically included in the final design of the public park was a state-of-the-art surround sound and speakers system to accommodate the hosting of community events, parades, and musical venues. By creating this public staging area (i.e., park gazebo, grounds and sound system), the City and other civic-minded local organizations can sponsor various festivities devised in part to attract public attendance and its intrinsic patronage of adjacent businesses and restaurants in the Town Center. Such beneficial relationships are time proven and evidenced in the fact the State of California traditionally makes findings in its authorization of park bond acts that one purpose of voter-approved park bonds is to stimulate local economic development.

CONCERTS IN THE GROVE

Jump-started by the imagination and efforts of Clayton resident Howard Geller, the CBCA President, its Executive Board and the CBCA General Membership earlier supported and recently authorized a matching expenditure of up to $10,000 with identical funds by the City of Clayton to sponsor a concert in the park series in The Grove in 2008 (ref. CBCA action at its November 2007 meeting). The proposed concert series would be free to the attending public, and its inaugural season is expected to commence after CBCA's Art and Wine Festival (held on May 3 & 4) and run through the Labor Day weekend (August 31st). Although it is difficult at this moment to determine with certainty how many concerts could be offered for the $20,000 joint budget, Mr. Geller indicates the possibility of up to 12 concerts for that amount of funding.

Attached to this Staff Report are two (2) letters from Mr. Geller outlining the general Concert In The Grove concept and supplying an itemized accounting of how the $20,000 budget would be expended. Staff supports the Scenario I proposal as the organizational structure to implement the concerts in contrast to employing the services of a concerts broker (Jim Ocean) to perform the coordination and booking of bands. We are informed each concert could last 2-3 hours (with band breaks), which time period expands for set-up and tear-down logistics and sound technician time (1 hour pre and post event).

FISCAL IMPACT

Redevelopment agency law allows the expense of tax increment revenue for the marketing and promotions of a business sector within the Agency's approved Project Area as a legitimate use of redevelopment agency monies to fuel public and private interest and investment in the local economy. A $10,000 expense of Agency monies to draw potential patrons and economic development prospects to the Clayton Town Center is compatible with the goals and objectives of the Agency.

The Clayton Redevelopment Agency is the sole source of monies in the approved FY 2007-2008 City Capital Improvement Budget (CIP), identified as CIP Project No. 10400 – Downtown Economic Development. At this time there is $873,423 in unallocated funds remaining in that CIP Project for economic development purposes in the Town Center.

Attachments: 1. Budget Detail for 2008 Concert Series [2 pp.]
2. 17 December 2007 Letter from Mr. Geller outlining Concert Series Proposal [2 pp.]

ATTACHMENT 1

City of Clayton
Attn: Gary Napper – City Manager
6000 Heritage Trail
Clayton, CA 94517

January 7, 2008

Subject: Clayton Concert Series in the Grove Park
Estimated Budget and Proposal Scenarios

Dear Gary,

Making a budget proposal for a first time series is always a difficult endeavor due to the many variables and unknowns. Since you and the City Council have seen my past performance in running events such as the Art and Wine Festival, I feel that my track record speaks for itself. Where possible, I have noted fixed cost. Please share my letter dated December 17th with the council members as it contains my narrative of this proposal.

Following are two estimates based on the facts that I know and information that I was able to get from Jim Ocean. One is based on me doing this first years' concert series and the other is hiring Jim Ocean to run the events. Both use the constant of using our sound system with Don Stone operating the sound. Since bands seem to run a minimum of $100 per man with some bands costing more, I will use $1,000.00 per band cost.

Scenario I - Me and a committee running events with Don Stone.

12 Shows @ $1,000 band cost	$12,000.00
Don Stone's fee @ $300.00 per show	3,600.00
Food Cost for bands @ $100 per show	1,200.00 (could be donated by local restaurants)
3 Banners for entry ways and 1 for Park (Estimate from DeeDee Garnett)	1,200.00
Advertising and Flyers (local)	1,500.00
Misc.	500.00
Total	$20,000.00

Scenario II - Jim Ocean running the events

9 Shows @ $1,000 band cost	$9,000.00
Don Stone's fee @ $300.00 per show	2,700.00
Food cost for bands (Paid by Jim Ocean)	0
3 Banners for entry ways and 1 for Park (estimate from Deedee Garnett)	1,200.00
Advertising and Flyers (local & his website)	1,000.00
Jim Ocean's Fee @ $600 per show	5,400.00
Misc.	700.00
Total	20,000.00

As in my first proposal, we could collect donations from the audience which could give us enough to add additional shows. Once again Gary, as you and I discussed, this is a joint venture with Clayton and the CBCA. In future years, we could always look for local donors to contribute and or sponsor a particular concert to help fund this series.

Time is of the essence. I am sorry I could not get this to you in time to get on the January 2nd agenda. Once you have the City Council's blessing, we can jointly sit down to create sign verbiage. I can then start booking bands and create a calendar working with the City and around other events you might have for the Grove Park.

Sincerely,

Howard Geller

ATTACHMENT 2

City of Clayton
6000 Heritage Trail
Clayton, CA 94517

December 17, 2008

Attn: Gary Napper – City Manager

Subject: Clayton Concert Series in the Grove Park

Dear Gary,

I have made a presentation to the CBCA Board of Directors and the CBCA general membership regarding starting a concert series in the new Grove Park. I propose starting after the Art and Wine Festival and ending in September (Labor Day weekend). Discussion and a vote ensued in favor of this new and exciting event. The CBCA has approved up to $10,000 for this year's series with matching funds from the City. I know this request has not yet been formalized by the City Council and that you were waiting for a more detailed proposal. I would appreciate it if you could put this proposal on the agenda as soon as possible. With Council approval, (positive thinking) I can get started booking this exciting music series.

Proposal

1. This event will be a joint venture with the City of Clayton and the CBCA as co-sponsors. This year, we will not look for other sponsors. I feel that once the series starts, others sponsors may want to be part of this event. We can then add to our funding base or substitute contributors in future years. In other series such as the one in Concord, it is typical to pass the hat around to the attendees to collect additional funds. Those funds would go back into the "general series fund".

2. There will be no charge to the attendees.

3. I had Don Stone consult with the cities general contractor to insure that the CBCA's sound system is totally compatible with the one that has been installed in the park. He has agreed to run the sound for each event at a cost of $300.00. He would use the CBCA's music system. The $300 is considerably less than others charge.

4. Since I have not booked any of the bands yet, I can only tell you and the City Council that from my past experience in hiring bands for the Art and Wine Festival, a minimum fee per player is $100.00. Better known bands come at a higher premium. Since most bands have six to eight members and being as frugal as I am, I feel our budget of $20,000 will go a long way.

5. Bands will require food and beverage. These can be bought locally from our restaurants from our budget or may be donated. The band playing can give that restaurant free advertisement.

6. I suggest that we have Banners made to be put up at our entryways as well as a large banner in the park that can be visible naming the sponsors and scheduled events.

7. We will need a budget to produce flyers for our event series that can be handed out.

8. I will put together a committee to help me with this series and to insure the continuity and continuation for future years. Or this might be an event that Community Services can take on.

9. I will not be taking compensation for my participation in these events. The committee and I will be volunteers.

Background:

I have consulted with Jim Ocean who has been running the Concord series for many years, as well as the series at the Cal State Concord Campus. He has advised me that the series at the Concord campus probably will not be continued. He has offered to run our events at a cost of $600 per show which includes set up, marketing and food for the bands. His income is supplemented by commissions charged to book the bands. This might be the way to go in the future or even now with me supervising.

After several meetings with Jim, I feel that we can do our series ourselves. It is not much different than what we do for the Art and Wine Festival. I believe that we will have a big enough draw from our community. I do not think that we are at this time looking to draw from other cities. Being our first year, we may not be able to or want to book bands for every weekend. Hopefully, we will still be able to use the college marquee to announce our concerts. We can also promote our concerts on Clayton's website and of course advertise (probably at a cost) in the Clayton Pioneer.

Having our concerts on Saturday, late afternoons or early evening, should bring life to our downtown. With the start of a Farmers Market on Saturday mornings, I think it will bring more people downtown that will notice the banners announcing the concert series and they will come back. Word of mouth is the cheapest way to advertise. Maybe our restaurants can come up with box lunches or dinners that concert attendees can purchase and bring to the park.

I would be more than willing to make a presentation to the Council if necessary.

Sincerely,

Howard Geller

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Agenda Date: 12-15-09

Agenda Item: 9d

Approved:	
Gary A. Napper **City Manager/Executive Director**	

AGENDA REPORT

TO: **HONORABLE MAYOR AND COUNCILMEMBERS**

FROM: **CITY MANAGER**

DATE: **15 DECEMBER 2009**

SUBJECT: **COUNCIL COMMITTEE ASSIGNMENTS**

RECOMMENDATION

It is recommended the City Council determine its Council sub-committee assignments for the ensuing year of 2010.

BACKGROUND

In addition to its primary role as elected officials of the City of Clayton, members of the City Council have a variety of sub-committee assignments that involve the direct participation of its members in a host of local and regional issues and organizations. Pursuant to the adopted *Council Guidelines and Procedures*, the Mayor makes the Council sub-committee appointments annually each December. In making the assignments, the Mayor is encouraged to seek input from members of the City Council regarding appointment preferences.

Attached is the current list of City Council sub-committees and associated assignments during 2009. The list has been updated *(in italics)* to reflect the elections made at the Council Reorganization Meeting held on December 1st relative to the chairs and vice chairs of the Clayton Redevelopment Agency (RDA) and the Oakhurst Geologic Hazard Abatement District (GHAD). The Clayton Financing Authority (CFA) chair and vice chair are automatically filled by the mayor and vice mayor of the City, respectively, per its By-Laws.

Also attached are the pertinent pages from the *Council Guidelines and Procedures* referencing Council sub-committee assignments.

Attachments: City Council Committee Assignments – 2009 [2 pp.]
Council Guidelines and Procedures [2 pp.]

CITY COUNCIL COMMITTEE ASSIGNMENTS

CITY OF CLAYTON

2009

Association of Bay Area Governments (ABAG)	Julie Pierce Alternate: David Shuey
Budget/Audit Committee	Julie Pierce, Hank Stratford
Citizens Corps Council (CERT)	Vice Mayor
"Clayton Counts Down" – New Year's Eve Committee	Joe Medrano, Julie Pierce
Clayton Financing Authority [CFA]* *[offices automatically go to Mayor & Vice Mayor, per Bylaws]	President – *Hank Stratford* Vice President – *David Shuey*
Contra Costa Water District [CCWD]	Howard Geller
Contra Costa Disaster Council/Public Safety Committee	David Shuey
Central Contra Costa Transit Authority [CCCTA]	Gregg Manning Alternate: Howard Geller
Downtown Park Activities Committee	Julie Pierce, Howard Geller
Downtown Revitalization Ad Hoc Committee	Julie Pierce David Shuey Alternate: Joe Medrano
East Bay Division - League of California Cities	Hank Stratford Alternate: David Shuey
East Contra Costa County Habitat Conservancy	Hank Stratford Alternate: David Shuey
Endeavor Hall Marketing Committee	Howard Geller, Joe Medrano
Fire Safety Committee (Construction & Open Space)	David Shuey, Hank Stratford
Garbage & Recycling Ad Hoc Committee	Julie Pierce, David Shuey

Interview Sub-Committees:	
a. Planning Commission applicants	Joe Medrano David Shuey
b Trails and Landscaping Committee applicants	Vice Mayor Howard Geller
Library Foundation Liaison	Howard Geller Alternate: Joe Medrano
Mayors' Conference – Contra Costa County	Mayor & Council
Oakhurst Geologic Hazard Abatement District [GHAD]	Chair – *Howard Geller* Vice Chair – *David Shuey*
Redevelopment Agency [of Clayton]	Chair – *Joe Medrano* Vice Chair – *Julie Pierce*
Schools Liaison Ad-Hoc Committee	David Shuey, Joe Medrano
Trails and Landcaping Committee (TLC) liaison	Vice Mayor Alternate: David Shuey
TRANSPAC	Julie Pierce Alternate: Joe Medrano

* * * * *

Revised: 16 December 2008
Adopted: 17 December 2004

4. ~~Council Members exhibit care and respect for each other as persons.~~

5. Council Members promote care and respect for each other's point of view. Each Member has a right to be heard.

6. Opinions are expressed honestly, openly, civilly and with integrity.

7. Humor is an important tool.

8. ~~Traditions are respected but not always binding.~~

C. COUNCIL INTERACTION AND COMMUNICATION

1. The Mayor makes Council sub-committee appointments annually in December; the Mayor is encouraged to seek input from Council regarding appointment preferences.

2. Members will take seriously the responsibility of reporting to Council on sub-committees and other regional, state and national board/agency/group activities in which they are involved.

3. Each Council Member has the responsibility to initiate resolution of problems as soon as possible.

4. Members shall recall and abide by the Brown Act when giving information to each other outside of public meetings.

5. Cheap shots at each other are not allowed by Members during public meetings, in the media, or at any other time.

6. Relationships are informal, but Council Members need to be aware of impact on and perception of the public.

7. Council Members will be flexible in covering Council responsibilities for each other.

8. Council Sub-Committees.

   a. Sub-committee areas belong to the Council as a whole; they are not seen as territorial.

   b. Sub-committees shall keep the rest of the Council fully informed. The rest of the Council is responsible for letting a sub-committee know if they want more information or to give input.

   c. Before sub-committees start moving in new directions, they will obtain direction from the rest of the Council.

d. Sub-committee reports will be made under "Council Reports" at Council meetings, when appropriate.

e. Sub-committee memos will be sent on an interim basis to update other Council Members on:

   1). Issues being discussed.

   2). Options being considered.

   3). Progress.

f. Appropriate reports will also be included in the City Manager's "Weekly Report".

g. Council may contact Department Heads or the City Manager to be briefed on any sub-committee work.

h. Council shall review the performance of citizen committees no less frequently than every six months.

i. Sub-committees are task oriented with scheduled dates of completion.

D. COUNCIL INTERACTION AND COMMUNICATION WITH STAFF

1. City Manager.

a. Council Members should always feel free to communicate with the City Manager.

b. When a Council Member is unhappy about the performance of a Department, he/she should discuss this with the City Manager, not any other employee [the City Manager will inform the Mayor of any serious violations of this norm].

c. Concerns about the performance of Department Heads must be taken to the City Manager and/or Mayor first for resolution through proper channels.

d. In passing along critical information, the City Manager will inform all Council Members.

e. Council will provide ongoing feedback, information and perceptions to the City Manager, including some response to the "Weekly Report".

f. Council will page the City Manager if there is an emergency and he/she cannot be reached by phone.