CITY OF CLAYTON
Founded 1857 .. Incorporated 1964

AGENDA

REGULAR MEETINGS

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CLAYTON CITY COUNCIL
and
CLAYTON REDEVELOPMENT AGENCY

* * *

TUESDAY, August 3, 2010

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 *

August 3, 2010

7:00 P.M.

1. **CALL TO ORDER AND ROLL CALL** – 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) Approve the minutes of the regular meeting of July 20, 2010. (View Here)

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

(c) Adopt a Resolution approving Addendum No. 2 to the Memorandum of Agreement (MOA) with the Clayton Police Officers Association (CPOA) concerning terms and conditions of employment in Fiscal Year 2010-2011. **(View Here)**

(d) Accept the City Financial Investment Report for the 4th Quarter of FY 2009-2010, ending June 30, 2010. **(View Here)**

(e) Adopt a Resolution approving a revised City Investment Policy including the annual delegation of investment authority to the City Treasurer. **(View Here)**

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

6. **REPORTS**

(a) Planning Commission – No meeting held.
(b) Trails and Landscaping Committee – No meeting held.
(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 when each item is considered by the City Council.

8. PUBLIC HEARINGS - None.

9. ACTION ITEMS

(a) Designation of the City's Voting Delegate and Alternate to the League of California Cities 2010 Annual Conference to be held September 15 thru September 17, 2010 in San Diego, CA. (View Here)

(City Clerk)

Staff recommendation: The City Council determine if an elected official will attend the Annual Conference, and if so select its Voting Delegate.

(b) Council Member request to discuss certain landscape design and replanting improvements in the courtyard of Clayton City Hall. (View Here)
(Councilmember Geller)

Staff recommendation: That Council provide policy and funding directions regarding this subject.

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

11. ADJOURNMENT– the next regularly scheduled meeting of Tuesday, August 17, 2010 has been cancelled. The next regularly scheduled meeting will be on September 7, 2010.

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* CLAYTON REDEVELOPMENT AGENCY *

August 3, 2010

1. CALL TO ORDER THE REDEVELOPMENT AGENCY- Chairman Medrano.

2. PUBLIC COMMENTS

Citizens may address the Redevelopment Agency on items within the Agency's jurisdiction, (which are not on the agenda) by completing a speaker card and forwarding it to the Secretary. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Chair's discretion. When the Chair calls one's name, the speaker shall advance to 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. Board Members 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.

3. CONSENT CALENDAR

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

(a) Approve the minutes of the regular meeting of June 29, 2010. (View Here)

(b) Adopt a Resolution consenting to the transfer of General Partner interests in the Diamond Terrace Limited Partnership of David J. Michael and of Professional Apt. Management Inc. to Diamond Terrace – Michaels (PAM) LLC, for property known as Diamond Terrace – a Retirement Community. (View Here)

(c) Adopt a Resolution approving an Agreement with New Urban Communities Partners, Inc. (NUCP, LLC) for amendment and assumption of the Disposition and Development Agreement (DDA) and granting a time extension to the first week of November 2010 for completion of Certificate of Occupancy on the commercial project known as "Flora Square" located at 1026 Oak Street in the Clayton Town Center. (View Here)

4. PUBLIC HEARING - None.

5. ACTION ITEMS – None.

6. BOARD ITEMS – limited to requests and directives for next meeting.

7. ADJOURNMENT - the next regular Redevelopment Agency meeting will be scheduled as needed.

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Agenda Date: 8-3-10

Agenda Item: 4a

MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL

TUESDAY, July 20, 2010

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:01 p.m. by Vice Mayor Shuey in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Vice Mayor Shuey, Councilmembers Geller and Medrano. Councilmembers Absent: Mayor Stratford and Councilmember Pierce. Staff present: City Manager Gary Napper, City Attorney Dan Adams, City Engineer Rick Angrisani, and City Clerk Laci Jackson.

2. **CLOSED SESSION** – Vice Mayor Shuey noted the Closed Session schedule for 6:15 p.m. on labor

3. **PLEDGE OF ALLEGIANCE** – led by Vice Mayor Shuey.

4. **CONSENT CALENDAR- It was moved by Councilmember Medrano, seconded by Councilmember Geller to approve the Consent Calendar as submitted (Passed; 3-0 vote).**

(a) Approved the minutes of the regular meeting of July 6, 2010.

(b) Approve Financial Demands and Obligations of the City.

(c) Adopted Resolution 29-2010 ordering the annual levy of a Special Tax within the High Street Permanent Road Division (Fund 217) for FY 2010-2011.

(d) Adopted Resolution 30-2010 ordering the annual levy of a Special Tax within the Oak Street Permanent Road Division (Fund 218) for FY 2010-2011.

(e) Adopted Resolution 31-2010 authorizing the levy of annual assessments for the Lydia Lane Sewer Assessment District in FY 2010-2011.

(f) Adopted Resolution 32-2010 authorizing the levy of annual assessments for the Oak Street Sewer Assessment District in FY 2010-2011.

(g) Awarded a contract to Data Ticket, Inc. (Newport Beach, CA) for its processing and administration of fines, bail and forfeiture thereof on Clayton Police Department issued parking citations.

(h) Re-authorized the award of contract to Blackbaud Financial Edge in the amount of $28,092.00 for new financial system software for the City Finance Department, and approve the additional allocation of $5,735.75 from the FY 2010-11 Capital Equipment Replacement Fund (CERF) to fund software and computer hardware.

(i) Awarded a contract to Diablo Ford (Pittsburg, CA) in the amount of $23,029.91 for the purchase of a 2011 Ford Crown Victoria "Police Interceptor" as a replacement patrol vehicle for the Clayton Police Department.

(j) Approved an Authority Certificate Resolution to update the City's brokerage account information on file with Financial Northeastern Securities, Inc.

5. **RECOGNITIONS AND PRESENTATIONS**- None.

6. REPORTS

(a) Planning Commission –Vice Chairman Dan Richardson reported on the July 13th Planning Commission meeting. The Planning Commission reorganized and Sandy Johnson is the new Chair and Dan Richardson is the Vice Chair. The Commission also approved Lot Line Adjustments for the Diablo Pointe Sub-division.

(c) The City Manger reported the Clayton Redevelopment Agency has two units available for purchase for its affordable housing program in Clayton. The units are located in the Stranahan sub-division and applications are online. He also reported All Out Sports League (AOSL) is operational at the Clayton Community Gym and is running a soccer camp right now. AOSL is hosting an open house Friday evening at the gym from 7-9pm. He stated until school starts there are upcoming camps and adult leagues in the evenings. He also stated youth basketball leagues start September 18th.

(d) City Council

Councilmember Medrano attended the East Bay League of California cities meeting. He stated the discussion was about Proposition 22 on the November ballot to keep local tax dollars local. He stated he and others were discouraged the Contra Costa County Board of Supervisors voted against endorsing the Proposition. He asked citizens to contact their Supervisors and let them know they are disappointed as it would keep local dollars local. The City Manager stated the County provides social services for the State and therefore may feel that extra program requirements will be placed on them without funding if the State has less money.

Councilmember Geller attended the CCCTA (County Connection) meeting and spoke with its General Manager about using smaller transit busses. The General Manager has been invited to our September 21st meeting to respond to Council concerns. He stated the Concerts in the Grove collected $871 at the last concert.

Vice Mayor Shuey attended a sub-committee meeting with Allied Waste Services and stated it was a very productive meeting. He stated Allied Waste has been a great supporter of Clayton's community events.

(e) Other – None.

7. PUBLIC COMMENT ON NON-AGENDA ITEMS – None.

8. PUBLIC HEARINGS

a) Public Hearing on the proposed levy of annual assessments on real property in the Street Lighting Assessment District for FY 2010-2011, pursuant to Streets and Highways Code 18070 and CA Government Code 54954.6.

The City Engineer stated the levy amounts have not been increased since 1996. He stated residents were mailed notices in accordance with the law and a majority protest has not materialized.

Vice Mayor Shuey opened the Public Hearing at 7:15 p.m. No Public Comments were offered. Vice Mayor Shuey closed the Public Hearing at 7:16 p.m.

It was moved by Councilmember Geller, seconded by Councilmember Medrano to adopt Resolution 33-2010 setting the annual street lighting assessments for FY 2010-2011 (Passed; 3-0 vote).

9. ACTION ITEMS

a) Second Reading and Adoption of Ordinance No. 428 amending the *Clayton Municipal Code* for the purpose of extending from June 30, 2010 through June 30, 2013 the On-Site Parking Waiver Provision in the Town Center area and amending the requirement for an associated building permit within one (1) year of project approval to within two (2) years of project approval.

The City Manager presented the staff report. He stated the Ordiannce is a extension of a former Ordinance waiving onsite parking requirements for certain size parcels in the downtown area. The Ordinance is necessary for the Creekside Terrace project and the incentive is available to any property owner (depending on the size of the property).

Councilmember Medrano stated he is in favor of the Ordinance and hopes eventually there is a parking problem downtown to solve.

No Public Comments were received.

It was moved by Councilmember Geller, seconded by Councilmember Medrano to have the City Clerk read Ordinance No. 428 by title and number only and waive further reading (Passed; 3-0 vote).

The City Clerk read Ordinance No. 428 by title and number only.

It was moved by Councilmember Medrano, seconded by Councilmember Geller to adopt Ordinance No. 428 (Passed; 3-0 vote).

10. COUNCIL ITEMS

Councilmember Geller asked for a discussion at an upcoming meeting regarding improvement of the landscaping around City Hall.

11. ADJOURNMENT– On call by Vice Mayor Shuey the meeting adjourned at 7:22 p.m.

Respectfully submitted,

____
Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

____
David T. Shuey, Vice Mayor

CITY OF CLAYTON
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Agenda Date: 08/03/10

Agenda Item: 4b

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER, FINANCE MANAGER

DATE: AUGUST 3, 2010

SUBJECT: OBLIGATION SUMMARY

RECOMMENDATION **Approve the following obligations.**

RUN DATE	**OBLIGATION NUMBERS**	**TOTALS**
07/30/10	17374 – 17428	$672,906.47

Invoice Distribution Report

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

Attachments:
Invoice Distribution Report 07/30/10 (11 pages)

	Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-2206-00.0.0-000 - PERS Liability						
	17403	Retirement PPE 7/25/10	201	CalPERS		
			7	PD Survivor Benefit 7/25/10	Inv	10.23
A101-2206-00.0.0-000 - PERS Liability				*** Account total ***		10.23
A101-5791-00.0.0-000 - Overhead cost recovery						
	17421	Refund SWP 04-10 7/10	2378	Evans & Son Masonry		
			2	OH Rec SWP 04-10 7/10	Inv	-21.79
	17422	Refund SWP 03-10 7/10	2660	Dominic Shanley		
			2	OH Rec SWP 03-10 7/10	Inv	-12.45
	17423	Refund SWP 08-10 7/10	2659	Troy & Allison Anne Neves		
			2	OH Rec SWP 08-10 7/10	Inv	-15.56
A101-5791-00.0.0-000 - Overhead cost recovery				*** Account total ***		-49.80
A101-7218-02.0.0-000 - Life and LTD Insurance						
	17398	LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
			1	Adm LTD 8/10	Inv	262.21
A101-7218-02.0.0-000 - Life and LTD Insurance				*** Account total ***		262.21
A101-7218-03.0.0-000 - Life and LTD Insurance						
	17398	LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
			2	PW LTD 8/10	Inv	152.58
A101-7218-03.0.0-000 - Life and LTD Insurance				*** Account total ***		152.58
A101-7218-04.0.0-000 - Life and LTD Insurance						
	17398	LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
			3	Planning LTD 8/10	Inv	77.64
A101-7218-04.0.0-000 - Life and LTD Insurance				*** Account total ***		77.64
A101-7218-06.0.0-000 - Life and LTD Insurance						
	17398	LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
			4	PD LTD 8/10	Inv	421.14
A101-7218-06.0.0-000 - Life and LTD Insurance				*** Account total ***		421.14
A101-7220-02.0.0-000 - PERS Retirement						
	17403	Retirement PPE 7/25/10	201	CalPERS		
			2	Admin 7/25/10	Inv	3,958.97
A101-7220-02.0.0-000 - PERS Retirement				*** Account total ***		3,958.97
A101-7220-03.0.0-000 - PERS Retirement						
	17403	Retirement PPE 7/25/10	201	CalPERS		
			3	PW 7/25/10	Inv	2,311.05
A101-7220-03.0.0-000 - PERS Retirement				*** Account total ***		2,311.05
A101-7220-04.0.0-000 - PERS Retirement						
	17403	Retirement PPE 7/25/10	201	CalPERS		
			4	Planning 7/25/10	Inv	1,174.00
A101-7220-04.0.0-000 - PERS Retirement				*** Account total ***		1,174.00
A101-7220-06.0.0-000 - PERS Retirement						
	17403	Retirement PPE 7/25/10	201	CalPERS		
			5	Police 7/25/10	Inv	12,114.39
A101-7220-06.0.0-000 - PERS Retirement				*** Account total ***		12,114.39

	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7246-01.0.0-000 - Benefit Insurance					
	17395 Dental Premimum 8/10	540	Health Care Dental Trust		
		6	Cc Geller 8/10	Inv	47.73
	17396 Health Insurance 8/10	1316	CalPERS Health		
		8	CC Geller 7/10 & 8/10	Inv	1,065.12
A101-7246-01.0.0-000 - Benefit Insurance			*** Account total ***		1,112.85
A101-7246-02.0.0-000 - Benefit Insurance					
	17395 Dental Premimum 8/10	540	Health Care Dental Trust		
		1	Admin Dental 8/10	Inv	498.76
	17396 Health Insurance 8/10	1316	CalPERS Health		
		1	Admin 8/10	Inv	6,030.16
		6	Adm Fees Health 8/10	Inv	120.24
	17398 LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
		6	Adm Life, ADD 8/10	Inv	49.50
A101-7246-02.0.0-000 - Benefit Insurance			*** Account total ***		6,698.66
A101-7246-03.0.0-000 - Benefit Insurance					
	17395 Dental Premimum 8/10	540	Health Care Dental Trust		
		2	PW Dental 8/10	Inv	578.92
	17396 Health Insurance 8/10	1316	CalPERS Health		
		2	PW 8/10	Inv	5,105.50
	17398 LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
		7	PW Life, ADD 8/10	Inv	41.25
A101-7246-03.0.0-000 - Benefit Insurance			*** Account total ***		5,725.67
A101-7246-04.0.0-000 - Benefit Insurance					
	17395 Dental Premimum 8/10	540	Health Care Dental Trust		
		3	Planning Dental 8/10	Inv	223.02
	17396 Health Insurance 8/10	1316	CalPERS Health		
		3	Planning 8/10	Inv	2,449.78
	17398 LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
		8	Planning Life, ADD 8/10	Inv	16.50
A101-7246-04.0.0-000 - Benefit Insurance			*** Account total ***		2,689.30
A101-7246-06.0.0-000 - Benefit Insurance					
	17395 Dental Premimum 8/10	540	Health Care Dental Trust		
		4	Police Dept Dental 8/10	Inv	988.20
	17396 Health Insurance 8/10	1316	CalPERS Health		
		4	Police Dept 8/10	Inv	9,608.68
		5	ER Share -retired PD 8/10	Inv	189.00
	17398 LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
		9	PD Life, ADD 8/10	Inv	99.00
A101-7246-06.0.0-000 - Benefit Insurance			*** Account total ***		10,884.88
A101-7311-06.0.0-000 - General Supplies					
	17412 PD Uniform 7/10	2528	Concord Uniforms		
		1	PD Uniform 7/10	Inv	324.14
A101-7311-06.0.0-000 - General Supplies			*** Account total ***		324.14

Account	Obligat'n Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7312-07.0.0-000 - Office Supplies/Expense					
	17387 Additional Hrs of Svc 4Q 09-10	898	CCC Library		
		2	Office Expense 4Q 09-10	Inv	1,085.33
A101-7312-07.0.0-000 - Office Supplies/Expense			*** Account total ***		1,085.33
A101-7314-05.0.0-000 - Postage					
	17392 Adm Postage Added 7/22/10	2100	Neopost (add postage)		
		1	Adm Postage Added 7/22/10	Inv	200.00
A101-7314-05.0.0-000 - Postage			*** Account total ***		200.00
A101-7324-06.0.0-000 - Dues and Subscriptions					
	17405 PD Chief Dues 10-11	1410	CCC Police Chiefs' Assoc.		
		1	PD Chief Dues 10-11	Inv	650.00
	17419 PD CA PD Lgl Sourcebook 7/10	2658	CA State Publishing		
		1	PD CA PD Lgl Sourcebook 7/10	Inv	85.00
A101-7324-06.0.0-000 - Dues and Subscriptions			*** Account total ***		735.00
A101-7324-08.0.0-000 - Dues and Subscriptions					
	17426 USA Annual Membership 10-11	471	Underground Service Alert		
		1	USA Annual Membership 10-11	Inv	167.40
A101-7324-08.0.0-000 - Dues and Subscriptions			*** Account total ***		167.40
A101-7329-09.0.0-000 - Park Supplies					
	17380 PW Garbage Bags 6/10	66	Cole Supply Company		
		2	PW Garbage Bags 6/10	Inv	500.51
	17416 PW Landscape Supplies 7/10	2070	John Deere Landscapes Inc		
		2	PW Landscape Supplies 7/10	Inv	864.07
A101-7329-09.0.0-000 - Park Supplies			*** Account total ***		1,364.58
A101-7332-02.0.0-000 - Telecommunications					
	17393 CH Outside Phone Booth 8/10	2205	Pacific Telemanagement Svc		
		1	CH Outside Phone Booth 8/10	Inv	73.00
	17397 Admin ISDN Line 8/10	1573	Verizon Business		
		1	Admin ISDN Line 8/10	Inv	213.82
	17425 Local Phone Svc 7/10A	1243	AT&T/ CalNet 2		
		2	CH Local Phone 7/10A	Inv	169.37
A101-7332-02.0.0-000 - Telecommunications			*** Account total ***		456.19
A101-7332-03.0.0-000 - Telephone					
	17425 Local Phone Svc 7/10A	1243	AT&T/ CalNet 2		
		1	PW-Local Phone 7/10A	Inv	32.61
A101-7332-03.0.0-000 - Telephone			*** Account total ***		32.61
A101-7332-04.0.0-000 - Telephone					
	17425 Local Phone Svc 7/10A	1243	AT&T/ CalNet 2		
		3	Plng Local Phone 7/10A	Inv	41.44
A101-7332-04.0.0-000 - Telephone			*** Account total ***		41.44
A101-7332-06.0.0-000 - Telephone					
	17425 Local Phone Svc 7/10A	1243	AT&T/ CalNet 2		
		7	PD Local Phone 7/10A	Inv	543.41
A101-7332-06.0.0-000 - Telephone			*** Account total ***		543.41

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7332-08.0.0-000 - Telephone					
17425	Local Phone Svc 7/10A	1243	AT&T/ CalNet 2		
		5	Eng Local Phone 7/10A	Inv	83.15
A101-7332-08.0.0-000 - Telephone			*** Account total ***		83.15
A101-7335-03.0.0-000 - Gas & Electricity					
17401	Service 7/10 (Master)	113	PG&E		
		1	City Hall 7/10	Inv	383.25
		3	Lydia Pump Station 7/10	Inv	86.83
		12	Westwood Pk Well 7/10	Inv	165.88
A101-7335-03.0.0-000 - Gas & Electricity			*** Account total ***		635.96
A101-7335-07.0.0-000 - Gas & Electricity					
17401	Service 7/10 (Master)	113	PG&E		
		4	Library 7/10	Inv	3,901.11
A101-7335-07.0.0-000 - Gas & Electricity			*** Account total ***		3,901.11
A101-7335-09.0.0-000 - Gas & Electricity					
17401	Service 7/10 (Master)	113	PG&E		
		2	Community Restroom 7/10	Inv	137.44
A101-7335-09.0.0-000 - Gas & Electricity			*** Account total ***		137.44
A101-7341-03.0.0-000 - Buildings/Grounds Maintenance					
17381	Vector Control 3-6/10	1969	PMT Pest Control Service		
		3	Vector Control 3-6/10	Inv	300.00
17386	Monthly Svc 6/10	170	Western Exterminator		
		1	City Hall Ext Svc 6/10	Inv	90.50
A101-7341-03.0.0-000 - Buildings/Grounds Maintenance			*** Account total ***		390.50
A101-7341-07.0.0-000 - Buildings/Grounds Maintenance					
17381	Vector Control 3-6/10	1969	PMT Pest Control Service		
		4	Vector Control 3-6/10	Inv	300.00
17386	Monthly Svc 6/10	170	Western Exterminator		
		2	Library Ext Svc 6/10	Inv	93.50
A101-7341-07.0.0-000 - Buildings/Grounds Maintenance			*** Account total ***		393.50
A101-7346-03.0.0-000 - HVAC Mtn & Repairs					
17399	Library, City Hall EMS 7/10	1265	ACCO Engineered Systems		
		2	City Hall EMS & Mtn 7/10	Inv	450.00
A101-7346-03.0.0-000 - HVAC Mtn & Repairs			*** Account total ***		450.00
A101-7346-07.0.0-000 - HVAC Mtn & Repairs					
17399	Library, City Hall EMS 7/10	1265	ACCO Engineered Systems		
		1	Library EMS & Mtn 7/10	Inv	724.00
A101-7346-07.0.0-000 - HVAC Mtn & Repairs			*** Account total ***		724.00
A101-7351-05.0.0-000 - Insurance Premiums					
17409	Property Cvg Prem 10-11	65	Municipal Pooling Authority		
		1	Property Cvg Prem 10-11	Inv	8,270.00
17410	ERMA Premium 10-11	65	Municipal Pooling Authority		
		1	ERMA Premium 10-11	Inv	8,767.00

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7351-05.0.0-000 - Insurance Premiums			*** Continued ***		
17411	Vehicle Damage Prem 10-11	65	Municipal Pooling Authority		
		1	Vehicle Damage Prem 10-11	Inv	1,814.00
A101-7351-05.0.0-000 - Insurance Premiums			*** Account total ***		18,851.00
A101-7362-01.0.0-000 - City Promotional Activity					
17406	4th of July Site Svcs 7/10	2183	United Site Services Inc		
		1	4th of July Site Svcs 7/10	Inv	536.63
A101-7362-01.0.0-000 - City Promotional Activity			*** Account total ***		536.63
A101-7372-01.0.0-000 - Conferences					
17427	Mayors Conference 8/10	56	City of Walnut Creek		
		1	Mayors Conference 8/10	Inv	100.00
A101-7372-01.0.0-000 - Conferences			*** Account total ***		100.00
A101-7382-05.0.0-000 - Election Services					
17383	Legal Notices 6/10	1648	Bay Area News Group East Bay		
		1	Adm Legal Notices 6/10	Inv	150.00
A101-7382-05.0.0-000 - Election Services			*** Account total ***		150.00
A101-7411-08.0.0-000 - Professional Services Retainer					
17400	Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		1	Eng Svc 7/10-7/23/10	Inv	2,071.00
A101-7411-08.0.0-000 - Professional Services Retainer			*** Account total ***		2,071.00
A101-7415-02.0.0-000 - Computer Services					
17407	New Financial Software 7/10	1253	Blackbaud		
		2	New Fin Sftwr Mtn 10-11+Taxes	Inv	2,511.92
A101-7415-02.0.0-000 - Computer Services			*** Account total ***		2,511.92
A101-7417-03.0.0-000 - Janitorial Service					
17390	Janitorial Supplies 7/10	84	Hammons Supply Company		
		3	CH Janitorial Supp 7/10	Inv	147.35
A101-7417-03.0.0-000 - Janitorial Service			*** Account total ***		147.35
A101-7417-07.0.0-000 - Janitorial Service					
17390	Janitorial Supplies 7/10	84	Hammons Supply Company		
		1	Library Janitorial Supp 7/10	Inv	442.08
A101-7417-07.0.0-000 - Janitorial Service			*** Account total ***		442.08
A101-7417-09.0.0-000 - Janitorial Service					
17390	Janitorial Supplies 7/10	84	Hammons Supply Company		
		4	Parks Janitorial Supp 7/10	Inv	147.35
A101-7417-09.0.0-000 - Janitorial Service			*** Account total ***		147.35
A101-7419-01.0.0-000 - Other Professional Services					
17424	Video City Council Mtg 7/20/10	1467	LarryLogic Productions		
		1	Video CC Mtg 7/20/10	Inv	270.00
A101-7419-01.0.0-000 - Other Professional Services			*** Account total ***		270.00

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A101-7419-05.0.0-000 - Other Professional Services					
17374	Purchase 208 Stranahan 7/15/10	2399	Placer Title Company		
		2	Wire Trx Fee 7/15/10	Paid	25.00
A101-7419-05.0.0-000 - Other Professional Services			*** Account total ***		25.00
A101-7419-06.0.0-000 - Other Professional Services					
17375	PD-Crossing Guard WE 7/19/10	1538	All City Management Services,		
		1	PD-Crossing Guard WE 7/19/10	Inv	279.00
A101-7419-06.0.0-000 - Other Professional Services			*** Account total ***		279.00
A101-7419-09.0.0-000 - Other Professional Services					
17386	Monthly Svc 6/10	170	Western Exterminator		
		3	Park-Ext Svc 6/10	Inv	40.50
A101-7419-09.0.0-000 - Other Professional Services			*** Account total ***		40.50
A101-7423-07.0.0-000 - Library Aide					
17387	Additional Hrs of Svc 4Q 09-10	898	CCC Library		
		1	Student Assistant 4Q 09-10	Inv	1,229.13
A101-7423-07.0.0-000 - Library Aide			*** Account total ***		1,229.13
A101-7425-06.0.0-000 - Crime Lab					
17377	PD-Crime Lab Blood 4-6/10	641	CCC Office of the Sheriff-Coro		
		1	PD Crime Lab Blood 4-6/10	Inv	698.30
17378	PD-Crime Lab 6/10	641	CCC Office of the Sheriff-Coro		
		1	PD Crime Lab 6/10	Inv	1,130.00
A101-7425-06.0.0-000 - Crime Lab			*** Account total ***		1,828.30
A101-7426-06.0.0-000 - Jail Booking Fee					
17376	Booking Fees 6/10	416	CCC Auditor-Controller		
		1	Booking Fees 6/10	Inv	20.00
A101-7426-06.0.0-000 - Jail Booking Fee			*** Account total ***		20.00
A101-7428-06.0.0-000 - C Net					
17404	CCCNET Contribution 10-11	975	CCC Office of Sheriff		
		1	CCCNET Contribution 10-11	Inv	5,000.00
A101-7428-06.0.0-000 - C Net			*** Account total ***		5,000.00
A101-7429-06.0.0-000 - Animal Control					
17394	Animal Control Svc 7-9/10	1303	CCC Animal Svcs Dept		
		1	Anim Cnt Svc 7-9/10	Inv	14,422.00
A101-7429-06.0.0-000 - Animal Control			*** Account total ***		14,422.00
A101-7429-09.0.0-000 - Animal Control Service					
17381	Vector Control 3-6/10	1969	PMT Pest Control Service		
		5	Vector Control 3-6/10	Inv	783.00
A101-7429-09.0.0-000 - Animal Control Service			*** Account total ***		783.00
A201-7335-00.0.0-000 - Gas & Electricity					
17401	Service 7/10 (Master)	113	PG&E		
		9	Traffic Signals 7/10	Inv	441.90
		10	Street Lights-Arterial 7/10	Inv	2,764.07

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A201-7335-00.0.0-000 - Gas & Electricity			*** Continued ***		
17402	Svc: Irrig & Signal 7/10	113	PG&E		
		2	Clayton Traffic Sgn 7/20	Inv	33.11
A201-7335-00.0.0-000 - Gas & Electricity			*** Account total ***		3,239.08
A201-7345-00.0.0-000 - Traffic Signal Maintenance					
17379	Traffic Signal Maintenance 6/1	234	CCC General Services		
		1	Traffic Signal Mtn 6/10	Inv	1,504.90
A201-7345-00.0.0-000 - Traffic Signal Maintenance			*** Account total ***		1,504.90
A210-7311-00.0.0-000 - General Supplies					
17380	PW Garbage Bags 6/10	66	Cole Supply Company		
		1	PW Garbage Bags 6/10	Inv	1,501.50
17384	PW Misc Supplies 5/10	17	Bay Area Barricade Serv.		
		1	PW Misc Supplies 5/10	Inv	348.53
17416	PW Landscape Supplies 7/10	2070	John Deere Landscapes Inc		
		1	PW Landscape Supplies 7/10	Inv	146.13
A210-7311-00.0.0-000 - General Supplies			*** Account total ***		1,996.16
A210-7335-00.0.0-000 - Gas & Electricity					
17401	Service 7/10 (Master)	113	PG&E		
		5	Monument Lights 7/10	Inv	230.21
		6	Oakhurst Pump (Fountain) 7/10	Inv	1,272.27
		7	Outdoor Lights 7/10	Inv	14.18
		8	Sprinkler Cont/Lndscp 7/10	Inv	94.41
17402	Svc: Irrig & Signal 7/10	113	PG&E		
		1	OH Irrigation 7/10	Inv	399.53
A210-7335-00.0.0-000 - Gas & Electricity			*** Account total ***		2,010.60
A210-7419-00.0.0-000 - Other Professional Services					
17381	Vector Control 3-6/10	1969	PMT Pest Control Service		
		1	Vector Control 3-6/10	Inv	1,975.00
17413	Tree Work 7/10	358	Waraner Brothers		
		1	Tree Work 7/10	Inv	2,000.00
17414	Tree Work 7/10	358	Waraner Brothers		
		1	Tree Work 7/10	Inv	1,100.00
17428	Weed Abatement 9/10	2636	Environtech Enterprises		
		1	Weed Abatement 9/10	Inv	6,666.50
A210-7419-00.0.0-000 - Other Professional Services			*** Account total ***		11,741.50
A211-7419-00.0.0-000 - Other Professional Services					
17381	Vector Control 3-6/10	1969	PMT Pest Control Service		
		2	Vector Control 3-6/10	Inv	592.00
17415	Tree Work 7/10	358	Waraner Brothers		
		1	Tree Work 7/10	Inv	800.00
A211-7419-00.0.0-000 - Other Professional Services			*** Account total ***		1,392.00
A214-7335-00.0.0-000 - Gas & Electricity					
17401	Service 7/10 (Master)	113	PG&E		
		11	Street Lights-Res 7/10	Inv	8,292.22
A214-7335-00.0.0-000 - Gas & Electricity			*** Account total ***		8,292.22

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A222-7611-00.0.0-000 - Principal Payment					
17391	IMP 8/02 Debt Svc 8/10	1750	Wells Fargo Bank, N.A.		
		2	IMP 8-02 Debt Svc 8/10	Inv	5,000.00
A222-7611-00.0.0-000 - Principal Payment			*** Account total ***		5,000.00
A222-7612-00.0.0-000 - Interest Payment					
17391	IMP 8/02 Debt Svc 8/10	1750	Wells Fargo Bank, N.A.		
		1	IMP 8-02 Debt Svc 8/10	Inv	5,949.75
A222-7612-00.0.0-000 - Interest Payment			*** Account total ***		5,949.75
A230-7218-00.0.0-000 - LTD Insurance-COPS					
17398	LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
		5	PD Grant LTD 8/10	Inv	28.60
A230-7218-00.0.0-000 - LTD Insurance-COPS			*** Account total ***		28.60
A230-7220-00.0.0-813 - PERS Retirement-COPS					
17403	Retirement PPE 7/25/10	201	CalPERS		
		6	PD Grant 7/25/10	Inv	889.25
A230-7220-00.0.0-813 - PERS Retirement-COPS			*** Account total ***		889.25
A230-7246-00.0.0-000 - Benefit Insurance					
17395	Dental Premimum 8/10	540	Health Care Dental Trust		
		5	PD Grant Dental 8/10	Inv	132.88
17396	Health Insurance 8/10	1316	CalPERS Health		
		7	PD Grants 8/10	Inv	1,384.66
17398	LTD, Life & ADD 8/10	65	Municipal Pooling Authority		
		10	PD Grant Life, ADD 8/10	Inv	8.25
A230-7246-00.0.0-000 - Benefit Insurance			*** Account total ***		1,525.79
A230-7485-00.0.0-000 - Capital Equipment-Cleep Grant					
17425	Local Phone Svc 7/10A	1243	AT&T/ CalNet 2		
		8	PD Secure Line 7/10A	Inv	496.68
A230-7485-00.0.0-000 - Capital Equipment-Cleep Grant			*** Account total ***		496.68
A301-7413-00.0.0-000 - Legal Services					
17382	RDA Legal Svc 6/10	79	Goldfarb & Lipman		
		1	RDA Legal Svc 6/10	Inv	49.00
A301-7413-00.0.0-000 - Legal Services			*** Account total ***		49.00
A301-7419-00.0.0-000 - Other Professional Services					
17388	RDA Consultant 6/10	2429	Seifel Consulting Inc.		
		1	RDA Consultant 6/10	Inv	2,953.04
A301-7419-00.0.0-000 - Other Professional Services			*** Account total ***		2,953.04
A302-1250-00.0.0-000 - Investment in L-M Housing					
17374	Purchase 208 Stranahan 7/15/10	2399	Placer Title Company		
		1	Purchase 208 Stranahan 7/15/10	Paid	366,650.38
A302-1250-00.0.0-000 - Investment in L-M Housing			*** Account total ***		366,650.38
A302-7520-00.0.0-009 - 278 Stranahan Cir LMI House					
17417	New Locks-278 Stran 7/10	133	Rex Lock & Safe, Inc.		
		1	New Locks-278 Stran 7/10	Inv	297.99
A302-7520-00.0.0-009 - 278 Stranahan Cir LMI House			*** Account total ***		297.99

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A303-7520-00.0.0-117 - Pavement Rehab 2010-11(10409)					
17400	Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		3	Eng Svc #9219	Inv	4,807.13
A303-7520-00.0.0-117 - Pavement Rehab 2010-11(10409)			*** Account total ***		4,807.13
A421-7611-00.0.0-000 - Principal Payment					
17418	CFD 90-2 P&I 9/10	960	NBS Govt. Finance Group		
		1	CFD 90-2 P&I 9/10	Inv	89,000.00
A421-7611-00.0.0-000 - Principal Payment			*** Account total ***		89,000.00
A421-7612-00.0.0-000 - Interest Payment					
17418	CFD 90-2 P&I 9/10	960	NBS Govt. Finance Group		
		2	CFD 90-2 P&I 9/10	Inv	18,467.00
A421-7612-00.0.0-000 - Interest Payment			*** Account total ***		18,467.00
A501-7413-00.0.0-000 - Legal Services					
17385	Legal Services 6/10	2469	Michel & Fackler APC		
		1	Legal Services 6/10	Inv	15,634.74
A501-7413-00.0.0-000 - Legal Services			*** Account total ***		15,634.74
A502-7485-00.0.0-000 - Capital Equipment					
17407	New Financial Software 7/10	1253	Blackbaud		
		1	New Financial Software 7/10	Inv	13,744.50
A502-7485-00.0.0-000 - Capital Equipment			*** Account total ***		13,744.50
A601-2740-00.0.0-566 - Creekside Terrace Planning Svc					
17383	Legal Notices 6/10	1648	Bay Area News Group East Bay		
		2	CDD Legal Notices 6/10	Inv	224.20
A601-2740-00.0.0-566 - Creekside Terrace Planning Svc			*** Account total ***		224.20
A601-2741-00.0.0-566 - Creekside Ter VIZf/x Consult					
17389	RDA Creekside Env Docs 5-6/10	2541	VIZf/x		
		1	RDA Creekside Env Docs 5-6/10	Inv	1,087.00
A601-2741-00.0.0-566 - Creekside Ter VIZf/x Consult			*** Account total ***		1,087.00
A601-2743-00.0.0-085 - St Bonaventure-Traffic Sig Mtn					
17379	Traffic Signal Maintenance 6/1	234	CCC General Services		
		2	St Bona Traf Sig Mtn 6/10	Inv	121.16
A601-2743-00.0.0-085 - St Bonaventure-Traffic Sig Mtn			*** Account total ***		121.16
A601-2744-00.0.0-516 - Guttry SWP 21-09					
17400	Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		4	Eng Svc #9218	Inv	41.50
A601-2744-00.0.0-516 - Guttry SWP 21-09			*** Account total ***		41.50
A601-2744-00.0.0-518 - Weisendanger SWP					
17400	Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		2	Eng Svc #9218	Inv	41.50
A601-2744-00.0.0-518 - Weisendanger SWP			*** Account total ***		41.50

Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A601-2744-00.0.0-537 - Steven Woerner SWP 28-08					
	17400 Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		5	Eng Svc #9218	Inv	41.50
A601-2744-00.0.0-537 - Steven Woerner SWP 28-08			*** Account total ***		41.50
A601-2744-00.0.0-562 - J. Mourelatos SWP 19-09					
	17400 Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		6	Eng Svc #9218	Inv	41.50
A601-2744-00.0.0-562 - J. Mourelatos SWP 19-09			*** Account total ***		41.50
A601-2744-00.0.0-569 - Omeara SWP 01-10					
	17400 Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		7	Eng Svc #9218	Inv	41.50
A601-2744-00.0.0-569 - Omeara SWP 01-10			*** Account total ***		41.50
A601-2744-00.0.0-570 - Jakel Minor SWP 10-03					
	17420 Refund MSWP 10-03 7/10	2661	Deanna Jakel		
		1	Refund MSWP 10-03 7/10	Inv	500.00
A601-2744-00.0.0-570 - Jakel Minor SWP 10-03			*** Account total ***		500.00
A601-2744-00.0.0-573 - Smanley SWP 03-10					
	17400 Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		8	Eng Svc #9218	Inv	83.00
	17422 Refund SWP 03-10 7/10	2660	Dominic Shanley		
		1	Refund SWP 03-10 7/10	Inv	1,917.00
A601-2744-00.0.0-573 - Smanley SWP 03-10			*** Account total ***		2,000.00
A601-2744-00.0.0-575 - Evans&Son Masonry SWP 04-10					
	17400 Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		9	Eng Svc #9218	Inv	62.25
	17421 Refund SWP 04-10 7/10	2378	Evans & Son Masonry		
		1	Refund SWP 04-10 7/10	Inv	1,854.75
A601-2744-00.0.0-575 - Evans&Son Masonry SWP 04-10			*** Account total ***		1,917.00
A601-2744-00.0.0-576 - Schaefer SWP 05-10					
	17400 Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		10	Eng Svc #9218	Inv	41.50
A601-2744-00.0.0-576 - Schaefer SWP 05-10			*** Account total ***		41.50
A601-2744-00.0.0-577 - Gerald Mole SWP 07-10					
	17400 Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		11	Eng Svc #9218	Inv	62.25
A601-2744-00.0.0-577 - Gerald Mole SWP 07-10			*** Account total ***		62.25
A601-2744-00.0.0-578 - Neves SWP 08-10 Dep					
	17400 Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
		12	Eng Svc #9218	Inv	62.25
	17423 Refund SWP 08-10 7/10	2659	Troy & Allison Anne Neves		
		1	Refund SWP 08-10 7/10	Inv	1,896.25
A601-2744-00.0.0-578 - Neves SWP 08-10 Dep			*** Account total ***		1,958.50

	Obligat'n	Description	Vendor/ Line Nbr	Name/ Description	Stage	Amount
A601-2744-00.0.0-580 - Majestic Pool SWP 06-10 Dep						
	17400	Eng Svc 7/10-7/23/10	116	PERMCO, Inc.		
			13	Eng Svc #9218	Inv	41.50
A601-2744-00.0.0-580 - Majestic Pool SWP 06-10 Dep				*** Account total ***		41.50
A702-7332-00.0.0-000 - Telephone						
	17425	Local Phone Svc 7/10A	1243	AT&T/ CalNet 2		
			6	EH Local Phone 7/10A	Inv	58.76
A702-7332-00.0.0-000 - Telephone				*** Account total ***		58.76
A702-7341-00.0.0-000 - Buildings/Grounds Maintenance						
	17386	Monthly Svc 6/10	170	Western Exterminator		
			4	End Hall Ext Svc 6/10	Inv	87.00
	17408	EH Annual Fire Monitor 10-11	597	All-Guard Systems, Inc.		
			1	EH Annual Fire Monitor 10-11	Inv	576.00
A702-7341-00.0.0-000 - Buildings/Grounds Maintenance				*** Account total ***		663.00
A702-7346-00.0.0-000 - HVAC Mtn & Repairs						
	17399	Library, City Hall EMS 7/10	1265	ACCO Engineered Systems		
			3	EH Maint 7/10	Inv	290.00
A702-7346-00.0.0-000 - HVAC Mtn & Repairs				*** Account total ***		290.00
* Report total *				*** Total ***		672,906.47

CITY OF CLAYTON
Founded 1857 Incorporated 1964

Agenda Date: 8-3-10

Agenda Item: 4c

Approved:

Gary A. Napper
City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CITY MANAGER

DATE: 03 AUGUST 2010

SUBJECT: APPROVAL OF 1-YEAR COLLECTIVE BARGAINING AGREEMENT CLAYTON POLICE OFFICERS ASSOCIATION (CPOA)

RECOMMENDATION

It is recommended the City Council adopt the prepared Resolution authorizing and approving the 1-year Addendum No. 2 to the Memorandum of Understanding (MOU) with the Clayton Police Officers Association (CPOA) regarding certain terms and conditions of employment and compensation with the City of Clayton.

BACKGROUND

On 16 June 2009 the City of Clayton entered into a 1-year MOU (Resolution No. 16-2009) with the Clayton Police Officers Association concerning terms of employment and compensation for the ten (10) sworn members of this law enforcement unit. This action was in accord with California state laws that require a public employer and each of its organized or undesignated collective bargaining units to meet and confer over terms and conditions of employment and compensation (ref. *Government Code Section 3500*, et. seq.). That 1-year MOU expired on 30 June 2010. Pursuant to City Council directions, the City Manager and CPOA representatives have been meeting and conferring in recent months to craft a new Agreement. Given the unprecedented fiscal times for governments at all levels, the City sought certain concessions by the CPOA to aid patching a local deficit budget.

A portion of the terms last year included labor concessions amounting to a 4.1% reduction in pay ($62,259) and no employee merit advancements ($32,574). As noted above, Addendum No. 1 expired on 30 June 2010.

MEET AND CONFER DISCUSSIONS

Under City Council direction, the City Manager (as the Council's labor negotiator) and Unit representatives met and conferred in the prior month to craft a new Agreement. Once again, perennial fiscal constraints of the City guided much of the boundaries for negotiations, and these future uncertainties prompted both parties to focus on yet another short-term contract to bridge the tenuous financial situation. Concession bargaining was again the theme this year.

For relativity, the San Francisco – Bay Area Consumer Price Index (CPI) rose by 1.72% during the latest full 12-month period of April 2009 to April 2010. Of paramount concern to both the City and the Unit were the flickering economy, the State Budget's chronic deficit ($18.3 billion) and takeaways ($2.3 million from the Clayton Redevelopment Agency, diminished and flat City General Fund revenues, escalated third-party contract service costs, heightened public interest in the pay and pension systems of all public employees, and comparable pay scales of other local law enforcement agencies.

SUMMATION OF NEW AGREEMENT

The City and the members of this Unit recognize these unparalleled times require unusual actions by both the employer and the employee to survive the fiscal year. Consequently, the parties agreed on continuing the status quo plus the addition of several new and essential terms as follows:

1. No cost-of-living (COLA) salary adjustments or increases for employees of this Unit for the 2nd year in a row ($9,890 "savings" to the City);

2. Salary advances for merit performance or other exemplary service are again suspended during this one year time period ($32,754 "savings");

3. Employees of this Unit will again receive no Holiday premium pay for each of the eleven (11) City-observed holidays (i.e. 8 additional hours of pay per holiday, plus an extra 4 hours pay for an employee actually working the holiday shift), resulting in a 4.1% pay reduction ($62,259 "savings" to the City);

4. Medical and dental insurance premium rate increases during the coming fiscal year will again be absorbed by members of this Unit ($8,025 "savings" to the City);

5. Establishment of a Tier II CalPERS pension system of "2% at age 50" for all new employees of this Unit, with pension calculated at the average of an employee's highest 3 years of eligible compensation plus the employee paying 100% of the Employee rate portion (9% of salary) into the CalPERS retirement system (future savings unknown but significant since existing sworn employees belong to the "3% at age 55" Retirement Plan

and the City pays those employees' 9% of salary contribution to CalPERS in behalf of the employee);

6. Modification to the definition of paid sick leave time allowed for family funerals (24 hours rather than the ambiguous "3 days") and a semi-annual payout of Uniform Allowance (rather than once a year); and

7. All other terms and conditions contained in the expired 1-Year Agreement remain in full force and effect through 30 June 2011.

By agreeing to these employment concessions, members of this Unit hope these financial considerations are recognized as significantly assisting the City in its effort to manage unprecedented fiscal challenges not of its own doing. Members of this Unit will now pay 15% of their enrolled dependent health insurance premiums (out-of-pocket Unit expense of $8,025 per year).

FISCAL IMPACT

Overall, the 1-year Agreement represents a repeat of the one-year direct salary loss of approximately 4.1% to the collective members of this Unit ($62,259). Additional take-home pay reductions are incurred as each employee absorbs the insurance premium rate increases for dental (4%) and medical coverage (17%), while employees previously eligible for merit salary step advancements suffer further delays in compensation for their meritorious performance.

The one-year savings to the City for these employee concessions amount to at least $112,928 in General Fund monies (including CalPERS retirement contributions). Future unknown savings to the City occur as each new employee hired on or after 01 July 2010 will now be enrolled in the lowest CalPERS pension system available to local public safety employees, one of the first rollback actions of its kind in Contra Costa County.

Attachments:
1. Resolution approving a 1-Year Agreement [2 pp.]
2. Agreement with Unit [4 pp.]

RESOLUTION NO. - 2010

A RESOLUTION APPROVING A ONE (1) –YEAR ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING WITH THE CLAYTON POLICE OFFICERS ASSOCIATION EFFECTIVE THE FISCAL YEAR 2010-2011

THE CITY COUNCIL
City of Clayton, California

WHEREAS, authorized representatives of the City of Clayton and the Clayton Police Officers Association (CPOA) have met and conferred in good faith regarding certain matters including, but not limited to, wages, hours, and terms and conditions of employment with the City, pursuant to *California Government Code* Section 3500, et. seq.; and

WHEREAS, the parties to the aforementioned negotiations have set forth a one (1) year Addendum to the expiring Memorandum of Understanding (MOU) that encompasses the full and complete agreements reached between the parties as a result of such good faith negotiations; and

WHEREAS, the proposed Addendum No. 2 to the MOU, contained and described in its entirety in Attachment "A", incorporated herein by reference to this Resolution, has been presented to the members of the Clayton Police Officers Association and they have represented to the City of its ratification and approval, witnessed by the signatures of the authorized representatives of the CPOA; and

WHEREAS, the City Manager, as the City's designated labor negotiator, does herein recommend approval of the proposed Addendum No. 2 to the MOU, as outlined in its entirety in Attachment "A".

NOW, THEREFORE, BE IT RESOLVED that the City Council of Clayton, California does hereby accept and approve the attached Addendum No. 2 (Attachment "A") to the Memorandum of Understanding between the City and the Clayton Police Officers Association during the term hereof, effective the Fiscal Year 2010-2011, and does duly authorize and instruct the City Manager to implement the agreed-upon terms and conditions accordingly.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held the 03rd day of August 2010 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

THE CITY COUNCIL OF CLAYTON, CA

____
Hank Stratford, Mayor

ATTEST:

____
Laci J. Jackson, City Clerk

ADDENDUM NO. 2

This Addendum No. 2 is a modification to that 1-year Memorandum of Understanding (MOU) entered into by and between the City of Clayton ("City") and the Clayton Police Officers Association (CPOA), previously approved and authorized by the Clayton City Council at a regular public meeting thereof held the 1st day of July 2008. Addendum No. 2 has been negotiated in good faith between the two named parties, pursuant to Section 3500, et. seq. of the *California Government Code*, and intends to and does hereby modify or restate the following specific employment terms and conditions sections of the underlying MOU, as herein contained below:

ARTICLE 20: TERM

Addendum No. 2 is effective on 01 July 2010 and continues through 30 June 2011.

ARTICLE 7: COMPENSATION

Section 7.1 Wages

No cost-of-living increase (COLA) or further wage reduction shall occur during the term of this agreement.

Section 7.2 Salary Advancement

During the Term of this extension, salary advancement for merit or exemplary service by an eligible employee is hereby suspended and no individual shall receive a salary step increase during this Term.

Employees eligible for merit step advancement yet prohibited from receipt thereof do not have their salary review (anniversary) date altered or deferred by this freeze on merit increases. Upon expiration of this Agreement commencing 01 July 2011, unless otherwise mutually agreed on between the parties in advance, any employee deemed eligible for a merit step increase during this Term shall automatically advance to the next merit salary step that would have been earned had the merit increase freeze not been in effect. No retroactive merit pay is due the eligible employee for hours worked in the missed merit salary range.

Example:

An employee was declared eligible for a merit step increase to Step C on 04 August 2009 and becomes eligible for Step D on 04 August 2010. Said employee shall not receive an approved merit increase to Step C or D until expiration of this Agreement.

On 01 July 2011, the employee shall automatically advance to Step D (unless otherwise agreed upon by the parties in a new Agreement) but receives no Step C or Step D retroactive merit pay. On 04 August 2011, said employee is eligible to advance to merit Step E.

Section 7.3 Uniform Program

A. Sworn Police Personnel
Sworn police personnel shall receive a uniform allowance of nine hundred dollars ($900.00) per year payable in two equal increments of four hundred fifty dollars ($450.00) each according to the following payment schedule:

$450.00 in the first pay period of the fiscal year; and

$450.00 in the final pay period of the calendar year.

New employees shall receive one uniform allowance increment initially upon employment and unless the new employee commences employment on the start of a fiscal year, the uniform allowance for that initial increment shall be prorated.

ARTICLE 8: MEDICAL, DENTAL, LIFE/ACCIDENTAL DEATH DISMEMBERMENT INSURANCE

Section 8.1 City Contribution To Premiums

B. The City's monthly contribution to premiums remains at the stated current rate.

Section 8.2 Medical Insurance, Dental Insurance, Life/Accidental Death/Dismemberment Insurance

The second and final paragraph of this Section is modified to read in its entirety as follows:

Employees may elect to decline City-provided medical and/or dental coverage only in cases when the employee is covered under an alternate third party insurance plan. Proof of insurance is required. For employees authorized to decline City-provided medical and/or dental coverage, the City will contribute a monthly amount up to the maximum monthly premium cap outlined in Section 8.1 above under "No Enrollment". The employee may elect to place said "No Enrollment" monies into a City-approved deferred compensation plan, to the employee's Flexible Spending Account (FSA – medical), or may receive the monies as taxable income, each prorated amount disbursed bi-weekly at the employee's designated option and in accord with applicable IRS regulations.

Those employees whose monthly expense for their enrolled subscription in City-secured medical, dental and life insurance is less than the maximum amounts listed in Section 8.1 may also elect to place Unused Benefit residual monies into a City-approved deferred compensation plan, to the employee's Flexible Spending Account (FSA – medical), or may receive the monies as taxable income, each prorated amount disbursed bi-weekly at the employee's designated option and in accord with applicable IRS regulations.

In no case shall an employee's Unused Benefit residual payout exceed the maximum of $250.00 per month.

ARTICLE 9: RETIREMENT SYSTEM

Section 9.2 Tier II Retirement System for New Employees

All regular full-time and regular part-time employees of this Unit hired on or after 01 July 2010 are required to be participating members in the California Public Employees' Retirement System ("CalPERS"). The City shall contract with CalPERS and enroll eligible employees in this hiring category in the CalPERS "2% at 50" Local Public Safety retirement plan.

The City shall pay the entire (100%) required Employer CalPERS rate for this "2% at 50" Retirement Plan and the employee shall pay the entire (100%) required Employee CalPERS rate. For the purpose of calculating eligible retirement pension, the "2% at 50" Plan shall be the average of the highest three (3) years of eligible compensation paid to the employee.

ARTICLE 10: HOLIDAYS AND LEAVES

Section 10.2 Holiday Pay

During the Term of this extension, employee holiday pay is hereby suspended for each of the eleven (11) recognized City holidays (ref. Section 10.1).

An employee that does not work on one or more of the eleven (11) City holidays shall not receive any Holiday pay as outlined in Section 10.2. An employee assigned to work a regularly scheduled shift on one of the holidays specified in Section 10.1 shall only receive that individual's base hourly rate of pay for each hour worked on the City holiday, whether worked or absent from shift due to sick leave or approved compensatory time off. All additional pay as outlined in Section 10.2 is suspended for the term of this Agreement. Upon expiration of this Agreement and commencing 01 July 2011, unless otherwise mutually agreed to between the parties in advance, all Holiday pay provisions of Section 10.2 are reinstated.

Section 10.6 Sick Leave

Up to twenty-four (24) hours of accrued paid sick leave may be used as Bereavement Leave to attend funerals of close family members, with the approval of the City Manager.

Section 10.7 Potential Use of Accrued Sick Leave for Payment of Retired Employee Health Insurance Premiums

- deleted -

All other and existing terms and conditions of the underlying MOU between the parties remain in full force and effect through 30 June 2011, to the extent such are not in conflict with Addendum No. 2 above. In the event such a conflict arises, Addendum No 2 does and shall prevail in effect and implementation.

IN WITNESS THEREOF, this Addendum No. 2 is entered into this 23rd day of July 2010, pursuant to the provisions of *California Government Code* Section 3500, et. seq., for presentation and recommendation to the City Council of the City of Clayton, CA.

CLAYTON POLICE OFFICERS ASSOCIATION (CPOA)
By:

Richard McEachin, CPOA President — Date: 7.23.10

Bud D. Stone, CPOA Labor Representative — Date: 7/22/10

CITY OF CLAYTON, CA
By:

Gary A. Napper, City Manager — Date: 23 JULY 2010

# # # # #

CITY OF CLAYTON

Founded 1857 Incorporated 1964

Agenda Date: 8-3-10

Agenda Item: 4d

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER

DATE: August 3, 2010

SUBJECT: INVESTMENT PORTFOLIO REPORT FOURTH QUARTER FY 2009-2010

RECOMMENDATION:

Accept the Investment Portfolio Report for the Fourth Quarter Fiscal Year 2009-10 ending June 30, 2010

BACKGROUND

With adoption of the revised Investment Policy reviewed on July 18, 2006, the Finance Manager is required to submit a quarterly investment report to the City Council. The Fourth Quarter 2009-10 Fiscal Year report is provided herein.

FISCAL IMPACT

With the fourth quarter of the fiscal year completed, interest earnings for the General Fund are now at 132% of the '09-10 Budget for a total of $98,724. Average annual interest yield for the past 3 months was 2.96% compared to 3.05% in the prior period however the interest yield has dropped 12.6% compared to a year ago when the rate was 3.49% City interest earnings through the fourth quarter totaled $682,866 compared to $797,760 a year ago. Over 28.68% of the current investment portfolio is invested in Local Agency Investment Funds (LAIF) a decrease of 3.8% compared to the prior quarter. Since LAIF interest rates continue to decline a greater portion of our investments have been moved to Certificates of Deposit (CD) yielding much higher rates of return. The LAIF quarterly apportionment rate remained the same for June at .56%. Our Certificates of Deposit total 71.32% of our portfolio a slight decrease of 1.6% from the prior quarter. Only .008% of our portfolio is temporarily held in a cash money market fund. (These funds are due to maturing investments or interest allocations that have not been reinvested at this time). At this same time last year, 37.4% of our investments were in LAIF with a rate of 1.51% interest. The LAIF interest rate has declined over the past thirty months from 4.96% in December 2007 to our current .56%

rate marking a devastating decline of 89%. This decline has decreased our rate of return substantially. The market value of the total investment portfolio as of June 30, 2010 was $17,639,896 compared to $18,199,461 in June 2009. Our investment portfolio carrying value of $17,241,805 is 398,091 less than current market value showing the strength of our investments in a declining economy. This is a slight decrease of $566 over the last quarter report.

CONCLUSION

As interest rates continue to decline our interest revenues have been negatively impacted. LAIF interest rates have remained at an all time low of .56% in June. This remains the lowest rate on record since 1977. Market yields for 3 year CD's have drastically decreased from a high of 5.7% in March 2008 to a low of 1.65% in June 2010. As interest rates have declined especially over the short term, we have seen rates increase slightly over the long term (60 months) however due to the lower rates staff has been investing in 3 year or less investments. We have been diligent to diversify our portfolio with investments immediately available in LAIF and cash (29%) and then staggered less than one year (13%), two years (23%) three years (19%) 4 years (14%) and less than 5 years (2%). By staggering our investment portfolio in this manner the impact of rate changes will be lessened.

Respectively submitted,

Merry Pelletier

Merry Pelletier
Finance Manager

Attachments:
City of Clayton Investment Portfolio Fourth Quarter Fiscal Year 2009-2010 Report
(April 1, 2010 – June 30, 2010)

City of Clayton Investment Portfolio
April 1, 2010 - June 30, 2010

Investment Description		Carrying Value	Rate	Current Yield to Maturity	Purchase Date	Maturity Date		Market Value
Local Agency Investment Fund								
Account # 98-07-162								
TOTAL LAIF:	$	5,051,187.78	0.56%					5,059,490.80
Financial North Eastern CD's								
1st Financial Bank USA	$	98,000.00	4.74%	3.64%	12/17/08	12/17/10	$	99,568.00
American Chartered Bank	$	99,000.00	2.40%	2.40%	05/21/10	05/21/14	$	98,973.00
Bank of Fairfield (Wash)	$	99,000.00	4.50%	4.34%	07/18/08	07/18/11	$	102,740.00
Bank of Nevada	$	99,000.00	3.75%	3.67%	03/26/08	03/28/11	$	101,229.00
Banner Bank, Walla Walla, WA	$	98,000.00	2.65%	2.60%	04/08/09	10/11/11	$	100,065.00
Barclays Bank, Del	$	99,000.00	3.15%	3.08%	09/23/09	03/23/14	$	101,337.00
Bay Cities Bank, Tampa, FL	$	99,000.00	4.55%	4.37%	09/02/08	09/02/11	$	103,135.00
BB&T Finl FSB Columbus, GA	$	100,000.00	3.00%	2.92%	03/18/09	03/19/12	$	102,892.00
Beacon Federal (Syracuse, NY)	$	99,000.00	3.20%	3.11%	04/15/09	04/15/14	$	101,901.00
BMW BK North Amer (Salt Lake)	$	99,000.00	4.00%	3.83%	03/19/08	03/19/12	$	103,524.00
Business First Bank (Baton Rouge)	$	99,000.00	4.00%	3.86%	03/26/08	09/26/11	$	102,676.00
Carolina First Bank	$	98,000.00	2 60%	2.55%	04/22/09	04/24/11	$	100,033.00
Clayton Bank & Trust (TN)	$	99,000.00	4.65%	4.38%	07/09/08	07/09/12	$	105,127.00
Cole Taylor Bank (IL)	$	99,000.00	5.00%	4.61%	07/11/08	07/11/13	$	107,315.00
Commerce National Bank, Geneva, MN	$	99,000.00	3.60%	3.52%	03/28/08	03/28/11	$	101,122.00
Community Bank Pickens County	$	198,000.00	2.00%	1.99%	05/21/10	08/21/13	$	198,497.00
Community First Bank (Corydon, IN)	$	99,000.00	3.00%	2.91%	01/15/09	07/16/12	$	101,911.00
Community First Bank (Harrison, AR)	$	99,000.00	3.70%	3.61%	03/28/08	03/28/11	$	101,193.00
Discover Bank Greenwood DEL	$	100,000.00	4.16%	3.86%	12/18/08	12/18/13	$	107,896.00
Doral Bank (Catano, PR)	$	99,000.00	3.05%	2.96%	4/8/2009	04/09/12	$	101,974.00
Doral Bk Catano PR	$	100,000.00	2.75%	2.71%	02/03/10	02/03/14	$	101,442.00
Enterprise National Bank Palm Beach	$	100,000.00	5.00%	4.93%	11/07/07	11/08/10	$	101,494.00
Fifth Third Bank	$	100,000.00	2.28%	2.35%	12/28/09	12/28/12	$	103,476.00
Fifth Third Bank	$	99,000.00	3.30%	3.15%	12/28/09	12/28/14	$	103,196.00
First Bank of Highland Park (IL)	$	98,000.00	3.20%	3.10%	04/22/09	04/22/14	$	101,281.00
First Guarantee Bank & Trust Co.	$	99,000.00	2.49%	2.24%	10/21/09	10/19/12	$	99,494.00
First Guarantee Bank, Jacksonville	$	99,000.00	5.00%	4.73%	12/15/06	12/15/11	$	104,559.00
First Peoples Bank (Port St. Lucie, FL)	$	99,000.00	2.90%	2.82%	04/24/09	04/24/12	$	101,698.00
First Reliance Bank (Florence, SC)	$	99,000.00	3.25%	3.15%	04/17/09	04/17/14	$	102,078.00
First Republic Bank Div of BofA	$	250,000.00	2.90%	2.77%	11/17/09	11/19/12	$	261,585.00
Flagstar Bank FSB Troy, MI	$	99,000.00	5.00%	4.60%	09/19/08	09/19/13	$	107,602.00
Franklin Templeton (SLC, Ut)	$	99,000.00	4.00%	3.82%	04/18/08	04/18/12	$	103,637.00
FSG Bank(Chattanooga, TN)	$	99,000.00	3.00%	2.94%	12/11/09	06/11/14	$	101,097.00
GE Capital Financial, Inc (Holladay, Ut)	$	99,000.00	4.15%	3.93%	12/18/08	12/18/12	$	104,597.00
GE Money Bank (SLC, Ut)	$	99,000.00	4.15%	3.93%	12/18/08	12/18/12	$	104,597.00
Goldman Sachs Bank (Salt Lake)	$	99,000.00	4.45%	4.17%	05/07/08	05/07/13	$	105,619.00
Hillcrest Bank, Overland Park, Kansas	$	99,000.00	3.00%	2.91%	04/30/09	05/30/12	$	101,906.00
Horry County State Bank (S. Carolina)	$	99,000.00	2.50%	2.50%	05/28/10	01/28/15	$	98,952.00
Integra Bank N.A.	$	99,000.00	2.10%	2.09%	04/29/10	02/28/13	$	99,511.00
Integrity First Bank	$	99,000.00	4 10%	3.88%	04/25/08	04/25/13	$	104,685.00
Investors Bank (Wisconsin-42 Mo)	$	99,000.00	3.00%	2.91%	04/08/09	10/09/12	$	101,924.00
Investors Community Bank (WI)	$	99,000.00	3.90%	3.76%	04/18/08	10/18/11	$	102,687.00
Key Bank C/D	$	99,000.00	4.80%	4.70%	12/26/07	12/27/10	$	101,212.00
Lehman Commercial Bank (UT)	$	100,000.00	5.00%	4.73%	06/30/08	07/01/13	$	105,668.00
M&T Bank(Oakfield NY)	$	99,000.00	4.41%	4.07%	05/27/08	05/27/13	$	107,164.00
Midfirst Bank (Oklahoma City)	$	99,000.00	2.75%	2.71%	10/14/09	10/15/13	$	100,655.00
Minnwest Bank Metro (Rochester, MN)	$	98,000.00	2.85%	2.78%	04/29/09	04/30/12	$	100,597.00
Monona State Bank	$	99,000.00	3.80%	3.64%	03/28/08	03/28/12	$	103,235.00
National City Bank (Cleveland, OH)	$	99,000.00	4.00%	3.82%	03/31/08	04/02/12	$	103,571.00
Newbank	$	100,000.00	4.00%	3.92%	01/23/08	01/24/11	$	102,098.00
Nexity Bank, Alabama	$	99,000.00	3.10%	3.01%	01/16/09	01/16/12	$	101,941.00
Nicolet Bank (Greenby, WI)	$	100,000.00	4.00%	3.86%	03/14/08	09/14/11	$	103,638.00
Pacific Cap Bank (Santa Barbara)	$	99,000.00	2.50%	2.46%	10/15/09	10/15/12	$	100,811.00
Paragon Commercial Bank, Raleigh NC	$	100,000.00	4.00%	3.89%	05/09/08	05/09/11	$	102,760.00
Paragon Commercial Bank, Raleigh NC	$	100,000.00	2.30%	2.30%	05/05/10	05/05/14	$	100,022.00
Peach St Bank (Gainesville)	$	99,000.00	4.00%	3.89%	06/06/08	06/06/11	$	101,929.00
Primesouth Bank (Alabama)	$	99,000.00	4.05%	3.84%	04/18/08	04/18/13	$	104,545.00
Private Bank of Buckhead (Atlanta, Georgia)	$	100,000.00	3.10%	3.10%	02/27/09	02/27/13	$	103,094.00
Republic Bank (Bountiful, UT)	$	99,000.00	3.15%	3.06%	05/11/09	05/13/13	$	102,095.00

City of Clayton Investment Portfolio
April 1, 2010 - June 30, 2010

Investment Description		Carrying Value	Rate	Current Yield to Maturity	Purchase Date	Maturity Date		Market Value
Saehan Bank, Los Angeles, CA	$	99,000.00	3.00%	2.91%	04/21/09	04/23/12	$	101,896.00
Sallie Mae Bank, Murray, UT	$	100,000.00	5.00%	4.59%	12/05/08	12/05/13	$	108,949.00
Select Bank (Grand Rapids, MI)	$	99,000.00	3.65%	3.62%	03/28/08	09/28/10	$	99,699.00
Shore Bank (Chicago, IL)	$	100,000.00	3.00%	2.92%	03/19/09	03/19/12	$	102,904.00
Signature Bank, Chicago, IL	$	98,000.00	3.00%	2.92%	04/23/09	04/23/13	$	100,682.00
State Bk India Chicago, IL	$	99,000.00	3.00%	2.96%	02/26/10	12/26/14	$	100,368.00
State Bk India New York	$	100,000.00	5.00%	4.93%	10/30/07	11/01/10	$	101,405.00
Summit Community Bank (Moorefield, WV)	$	100,000.00	3.20%	3.12%	08/19/09	08/19/14	$	102,692.00
Tennessee Commerce Bank	$	99,000.00	2.30%	2.27%	05/10/10	05/12/14	$	100,213.00
Toyota Financial Savings Bank (Henderson, NV)	$	98,000.00	3.45%	3.32%	04/17/09	04/16/14	$	101,735.00
Union National Bank & Trust	$	100,000.00	3.00%	2.96%	01/22/09	01/22/11	$	101,520.00
VIST Bank, Wiomissing, PA	$	99,000.00	3.40%	3.26%	12/29/08	12/29/11	$	103,277.00
Wachovia Bank, Houston TX	$	97,000.00	4.50%	4.34%	01/16/08	01/17/12	$	100,586.00
Wachovia Bank, Las Vegas NV	$	97,000.00	4.60%	4.39%	01/16/08	01/16/13	$	101,530.00
Washington Mutual Bank, Henderson	$	97,000.00	4.50%	4.43%	01/16/08	01/14/11	$	98,601.00
Washington Mutual Bank, Pk City	$	99,000.00	3.90%	3.83%	03/19/08	03/18/11	$	100,706.00
Worlds Foremost Bank Lincoln, NE	$	100,000.00	5.06%	4.57%	11/10/08	11/12/13	$	110,745.00
Net credit balance	$	19,363.00					$	19,363.00
TOTAL Financial North Eastern	**$**	**7,797,363.00**					**$**	**8,062,131.00**
Multi-Bank Securities, Inc. CD's								
Wachovia Bk FSB, Houston, TX	$	98,000.00	4.30%	4.11%	02/29/08	03/07/13	$	102,364.92
TOTAL Multi-Bank Securities:	**$**	**98,000.00**					**$**	**102,364.92**
Morgan Stanley								
Cash Account	$	110,253.70					$	110,253.70
Commerce National Bk, Columbus, Ohio	$	99,000.00	4.50%	4.41%	01/10/08	01/10/11	$	100,968.12
American Chartered Bank	$	98,000.00	3.95%	3.86%	03/19/08	03/21/11	$	100,278.50
Crescent St Bank, North Carolina	$	99,000.00	3.75%	3.66%	04/23/08	04/22/11	$	101,408.67
Darby Bank, Vidalia, GA	$	98,000.00	3.90%	3.80%	04/23/08	04/25/11	$	100,512.72
Medallion Bank, Salt Lake City	$	98,000.00	3.90%	3.80%	04/25/08	04/25/11	$	100,512.72
M&I Marshall & Isley Bank	$	98,000.00	4.00%	3.88%	05/23/08	05/23/11	$	100,796.92
Merrick Bank, UT	$	97,000.00	4.30%	4.16%	06/20/08	06/20/11	$	100,242.71
Washington TR RI	$	97,000.00	4.50%	4.33%	07/09/08	07/11/11	$	100,613.25
First Bank, Puerto Rico	$	99,000.00	2.10%	1.73%	08/25/09	08/29/11	$	99,962.28
First Business BK, Madison, WI	$	98,000.00	4.10%	3.93%	05/16/08	11/16/11	$	102,055.24
Morgan Stanley Bank, SLC, UT	$	97,000.00	4.45%	4.24%	11/28/08	11/28/11	$	101,567.73
American Express Centurion, SLC, UT	$	98,000.00	3.75%	3.61%	12/24/08	12/27/11	$	101,796.52
Capmark Bank, Midvale, UT	$	98,000.00	3.00%	2.91%	01/28/09	01/30/12	$	100,784.18
First Business BK, Madison, WI	$	99,000.00	2.39%	2.02%	08/17/09	02/17/12	$	100,332.54
Capital One Bank, Glen Allen, VA	$	98,000.00	4.00%	3.82%	03/12/08	03/12/12	$	102,454.10
Byron Bank, Michigan	$	98,000.00	3.90%	3.73%	03/14/08	03/14/12	$	102,297.30
BMW Bank of NA, SLC, UT	$	99,000.00	2.20%	2.16%	09/16/09	03/16/12	$	100,538.46
Alliance Bank, Syracuse, NY	$	98,000.00	4.05%	3.86%	03/24/08	03/21/12	$	102,563.86
Hillcress Bank, Overland Pk, KS	$	150,000.00	2.70%	2.63%	07/15/09	04/16/12	$	153,592.50
Cowlitz Bank,Longview, WA	$	98,000.00	3.05%	2.96%	05/08/09	05/08/12	$	100,950.78
Atlanta Business BK, GA	$	99,000.00	4.20%	3.99%	05/28/08	05/29/12	$	104,128.20
Centennial BK, Fountain Vy, CA	$	99,000.00	4.25%	4.03%	05/30/08	05/30/12	$	104,221.26
CIT Bank, Salt Lake City, UT	$	147,000.00	2.95%	2.95%	07/01/09	07/02/12	$	147,000.00
Firstbank Puerto Rico Santurce PR	$	99,000.00	2.25%	2.21%	01/11/10	07/11/12	$	100,435.50
Queensborough Nat'l Bk, Louisville, GA	$	99,000.00	4.65%	4.37%	07/16/08	07/16/12	$	105,171.66
World Financial Network (Columbus, OH)	$	100,000.00	2.60%	2.59%	10/28/09	10/29/12	$	100,333.00
Enterprise Bk & TR, Clayton, MO	$	150,000.00	3.00%	2.91%	07/08/09	01/08/13	$	154,348.50
Mercantile Bank Mich Grand Rapids	$	99,000.00	2.00%	1.98%	02/17/10	02/19/13	$	99,795.96
Waccamaw Bank Whiteville NC	$	98,000.00	1.85%	1.84%	03/17/10	03/18/13	$	98,441.00
Ally Bank, Midvale Utah	$	98,000.00	3.20%	3.09%	04/03/09	04/03/13	$	101,238.90
American Cmnty BK, Woodstock	$	99,000.00	4.10%	3.87%	04/25/08	04/25/13	$	104,684.58
Ally Bank, Midvale Utah	$	148,000.00	2.04%	2.05%	05/07/10	05/07/13	$	148,438.08
Firstbank Puerto Rico Santurce PR	$	50,000.00	2.10%	2.09%	05/07/10	05/07/13	$	50,163.00
Capmark Bank, Midvale, UT	$	147,000.00	3.35%	3.23%	7/1/2009	7/1/2013	$	152,286.12
Mercantile Bank of Grand Rapids, MI	$	148,000.00	2.00%	1.99%	5/7/2010	8/7/2013	$	148,344.84
Pacific St Bank, Stockton, CA	$	99,000.00	3.20%	3.10%	04/22/09	10/22/13	$	102,063.06
American Express Bank, SLC, UT	$	97,000.00	4.75%	4.39%	12/24/08	12/24/13	$	104,894.83
CIT Bank, Salt Lake City, UT	$	98,000.00	3.40%	3.26%	4/1/2009	4/1/2014	$	102,101.30
Bank Little Rock, ARK	$	99,000.00	3.20%	3.10%	04/08/09	04/08/14	$	101,907.63

City of Clayton Investment Portfolio
April 1, 2010 - June 30, 2010

Investment Description	Carrying Value	Rate	Current Yield to Maturity	Purchase Date	Maturity Date	Market Value
TOTAL Morgan Stanley	**$ 4,197,253.70**					**$ 4,314,480.22**
RBC Wealth Management						
Cash Account	$ 0.14					$ 0.14
North Milwaukee Stk. Bank, WI	$ 98,000.00	3.50%	3.50%	12/18/08	12/23/11	$ 101,429.02
Total RBC Wealth Management	**$ 98,000.14**					**$ 101,429.16**

Investment Description	Carrying Value	Percentage of Portfolio	Average Yield to Maturity	Market Value
Local Agency Investment Funds	$ 5,051,187.78	28.68%	0.560%	$ 5,059,490.80
Financial Northeastern	$ 7,797,363.00	45.70%	3.457%	$ 8,062,131.00
Multi-Bank Securities	$ 98,000.00	0.59%	4.110%	$ 102,364.92
Morgan Stanley	$ 4,197,253.70	24.46%	3.164%	$ 4,314,480.22
RBC Dain Rauscher	$ 98,000.14	0.57%	3.500%	$ 101,429.16
Grand Total Investment Portfolio:	**$ 17,241,804.62**	**100%**		**$ 17,639,896.10**

2009-10 Budgeted Interest-General Fund	$ 75,000
2009-10 Budgeted Interest Received-General Fund	$ 98,724
Percent of General Fund Budget Received	131.63%
2009-10 Average Annual Yield	2.96%
2009-10 Total Interest Income to date	$ 682,866

Merry Pelletier   7/28/10

Finance Manager   Date:

[signature]   7/29/10

City Treasurer   Date:

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Agenda Date: 8-3-10

Agenda Item: 4e

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: FINANCE MANAGER

DATE: August 3, 2010

SUBJECT: CONSIDERATION OF REVISIONS TO CITY'S INVESTMENT POLICY

RECOMMENDATION

Adopt the Resolution accepting the City's revised Investment Policy originally established on August 6, 2002.

BACKGROUND

The Investment Policy was comprehensively updated on August 6, 2002 and revised by the City Treasurer and the City Council on May 5, 2005. By State law, the City is required to review at least annually its Investment Policy to ensure consistency with the overall objectives of preservation of principal, liquidity, and return on investments, along with its relevance to current law, financial and economic trends. During recent annual reviews, there have been no investment policy changes necessary for approval.

PROPOSED REVISIONS

During this year's annual review, there are two (2) revisions proposed by staff.

1. On July 21, 2010, President Barack Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which, in part, permanently raises the current standard maximum federally –insured deposit amount to $250,000. The standard maximum insurance amount of $100,000 had been temporarily raised to $250,000 until December 31, 2013. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. The temporary increase from $100,000 to $250,000 was effective from October 3, 2008, through December 31, 2010. On May 20, 2009, the temporary increase was extended through December 31, 2013. Now, with this permanent increase of deposit insurance coverage to $250,000, depositors with CDs above

$100,000 but below $250,000 will no longer have to worry about losing coverage on those CDs maturing beyond 2013.

2. Over ten (10) years ago the City Council established a "General Fund Reserve Contingency" (GFRC) of $100,000 as a final buffer to address unforeseen emergencies and support cash flow needs of the public organization. As noted in the City Manager's last two Budget Messages, it would be prudent for the City to increase that final tier amount to address inflation and the rising costs of managing the City's resources and asset inventory. In Section XV of the Investment Policy, it is proposed the amount be increased to $250,000.

FISCAL IMPACT

None

CONCLUSION

It is recommended the City Council adopt the City's revised Investment Policy effective August 3, 2010.

Respectively submitted,

Merry Pelletier

Merry Pelletier
Finance Manager

Attachments: 1. Resolution [1 pg.]
2. City of Clayton revised Investment Policy [7 pp.]

RESOLUTION NO.

A RESOLUTION ADOPTING THE ANNUAL STATEMENT OF INVESTMENT POLICY AND DELEGATING INVESTMENT AUTHORITY TO THE CITY TREASURER

THE CITY COUNCIL
City of Clayton, California

WHEREAS, the California State Legislature has declared the solvency and creditworthiness of an individual local public agency can impact the solvency and creditworthiness of the state and other local agencies within the state, and therefore found the deposit and investment of local public funds are matters of statewide concern [ref. CA Government Code Section 53600.6]; and

WHEREAS, it is the authority and responsibility of the local legislative body [i.e., city council; redevelopment agency board] to invest or to reinvest excess public funds which are not required for immediate operations or capital use, which said authority may be delegated annually to the treasurer of the local agency [ref. CA Government Code Section 53607]; and

WHEREAS, the City Treasurer [or Chief Fiscal Officer] is required to prepare and render a quarterly investment report to the City Council; and

WHEREAS, the investment or reinvestment of excess public funds is performed in compliance with an investment policy, which statement of investment policy is to be established and reviewed on an annual basis by the local public agency at a public meeting of its legislative body.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Clayton, California does herewith establish and approve the Investment Policy of the City, a true and correct copy of which is attached hereto as "Exhibit A" and incorporated herein by reference.

BE IT FURTHER RESOLVED that the duly appointed City Treasurer of Clayton is hereby delegated the authority, for a period of one (1) year, to invest or to reinvest excess public funds of the City of Clayton and its Redevelopment Agency, in compliance with the policies and procedures prescribed in the attached Investment Policy.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California, at a regular meeting thereof held on August 3, 2010 by the following vote:

AYES:

NOES:

ABSENT:

Approved by:

Hank Stratford, Mayor

ATTEST:

Laci J. Jackson, City Clerk

EXHIBIT "A"

INVESTMENT POLICY

CITY OF CLAYTON, CALIFORNIA

I. POLICY

It is the policy of the City of Clayton [and the Redevelopment Agency of the City of Clayton] {together, referred to as the "City"} to meet the short and long-term cash flow demands of the City in a manner which will provide for the safety of principal monies with sufficient liquidity, while providing a reasonable investment return. The purpose of this Investment Policy is to identify and outline various methods and procedures for the prudent and systematic investment of public funds.

II. SCOPE

This Investment Policy applies to all investment activities and financial assets of the City {hereinafter, the "Funds"}. The following Funds are covered by this Investment Policy and are accounted for in the City's Comprehensive Annual Financial Report:

(A) General Fund
(B) Special Revenue Fund
(C) Debt Service Fund
(D) Capital Project Funds
(E) Enterprise Funds
(F) Internal Services Funds
(G) Trust and Agency Funds
(H) Any new funds created by the City Council.

Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in the bond documents. Bond proceeds are not considered part of the Funds nor subject to this Investment Policy.

III. DELEGATION OF AUTHORITY

The City Treasurer is expressly authorized to invest the City's Funds, pursuant to California Government Code Sections 53600, 16429.1 and 53684 et seq. The City Treasurer will meet with, and obtain the approval of, the City Manager prior to investment of the Funds. Investments made routinely by the Finance Manager are restricted to the State Pool [Local Agency Investment Fund, LAIF] or to securities maturing within six (6) months. Prior to investing in securities, the Finance Manager will consider the cash flow requirements of the City and may invest in securities maturing over six (6) months if directed by the City Treasurer or the City Manager in writing or verbally, if confirmed in writing within thirty (30) days.

IV. ASSIGNMENTS AND DUTIES

A. **City Council.** The City Council is elected by the registered voters of Clayton. The Council establishes policies for the City and approves the expenditure of City Funds.

B. **City Manager.** The City Manager is appointed by the City Council and implements policies established by the City Council. The City Manager is responsible for all City departments and is also the Chief Fiscal Officer and is responsible for general management of all investments of Funds.

C. **City Treasurer.** The City Treasurer is appointed by the City Council and serves at the will and pleasure of the Council. Pursuant to the California Government Code, the City Treasurer is primarily responsible for the proper and prudent investment of Funds, and periodically reviews, makes recommendations regarding, and approves the investments of Funds and investment policies.

D. **Finance Manager.** The Finance Manager is appointed by the City Manager and is responsible for the daily supervision of all financial transactions of the City, including but not limited to the administration, monitoring, reporting and the restricted placement of Fund investments.

Together, the City Treasurer, City Manager and the Finance Manager function and operate as a check-and-balance system for the prudent and proper investment of all Funds.

V. PRUDENCE

Investments shall be made pursuant to the "Prudent Investor" standard, mandated by California Government Code Section 53600.3, which states:

> "When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law."

The "Prudent Investor" standard shall be applied in the context of managing the Funds. The City Treasurer and each investment employee, acting within the intent and scope of this Investment Policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VI. INVESTMENT OBJECTIVES

The objective of the investment portfolio is to meet the short and long-term cash flow demands of the City. To achieve this objective, the portfolio will be structured to provide Safety of Principal, Liquidity and Return on Investments.

A. Safety of Principal.

Safety of the City's investments is the primary objective. Investments of the Funds shall be undertaken in a manner that seeks to ensure that capital losses are minimized, whether from institution default, broker-dealer default, or erosion of the market value of securities. The City shall seek to preserve principal by mitigating two types of risk, in order of importance:

1. Credit Risk. Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by purchasing Treasuries or high-grade securities. All investments beyond Treasury securities will be diversified so that the failure of any one issuer would not unduly harm the City's cash flow. Credit risk shall also be mitigated by pre-qualifying financial institutions, broker-dealers, intermediaries and advisors with which the City does business.

2. Market or Interest Rate Risk. Interest rate risk is the risk the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by structuring Funds so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities. The cash flow is updated on a daily basis and will be considered prior to investment of securities in order to limit the need to sell investments for liquidity purposes.

   Long-term securities shall not be purchased for the sole purpose of short-term speculation. Securities shall not be sold prior to maturity with the following exceptions: 1). A declining credit security would be sold early to minimize loss of principal; 2). A security swap would improve the quality, yield, or target duration in the portfolio; or 3). Liquidity needs of the portfolio require the security be sold.

The weighted average maturity of the Funds is limited to three (3) years or less. Purchases of investments will be restricted to securities with a final stated maturity not to exceed five (5) years.

B. Liquidity.
Liquidity is the second most important objective of City investments. The Funds shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the Funds will maintain a liquidity buffer and invest primarily in securities with active secondary or resale markets (dynamic liquidity).

C. Return on Investments.
Return on investment should be considered and maximized after the basic objectives of safety and liquidity have been met. The Funds shall be designed to attain a return on investments through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

VII. AUTHORIZED INVESTMENTS

The investments set forth in this section are authorized investments pursuant to Section 53601 of the California Government Code and are herewith authorized investments for City Funds:

A. The State of California Investment Pool, known as the Local Agency Investment Fund (LAIF);

B. Passbook savings accounts, demand deposits;

C. Certificate of Deposit placed with insured banks, savings and loans, or credit unions up to a maximum of $250,000 per insured depository institution for each account ownership category;

D. Bonds issued by the City, including bonds payable solely out of, controlled, or operated by the City or by an agency or authority of the City;

E. United States Treasury notes, bonds bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest;

F. Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state; and/or

G. Mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, or U. S. corporate bond of a maximum of five (5) years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A' or higher rating for the issuers debt, as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service.

Purchase of securities authorized by this subdivision may not exceed twenty percent (20%) of the City's surplus money that may be invested pursuant to this Section.

For all other recommended investment of Funds by the City Treasurer and the City Manager, the City Council shall adopt the individual authorized instrument by resolution at a regular public meeting thereof.

VIII. PROHIBITED INVESTMENTS AND TRANSACTIONS

A. The City shall not invest any Funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages or reverse purchase agreements.

B. The City shall not purchase or sell securities on margin.

C. The City shall not invest any Funds in any security that could result in zero interest accrual if held to maturity date.

IX. ALLOCATION OF INTEREST EARNINGS

When a single investment is made from a single Fund, interest on that investment is to be credited to that source Fund. When an investment represents multiple Funds, the interest shall be distributed based on the proportionate share of each Fund included in the aggregate investment.

When investments result in interest paid for a period greater than one (1) month, the interest shall be distributed proportionately based on the average of the monthly beginning balances of each involved Fund.

X. DIVERSIFICATION

The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. In a diversified portfolio it is recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

XI. PUBLIC TRUST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize the investment portfolio is subject to public review, scrutiny and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the highest ideals of the public trust.

XII. ETHICS AND CONFLICTS OF INTEREST

The City Treasurer and other employees or elected officials involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. The City Treasurer and investment employees and elected officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

During the course of the year, if there is an event subject to disclosure that could impair the ability of the City Treasurer or investment employees to make impartial decisions, the City Council shall be notified in writing within ten (10) days of the event.

XIII. REPORTING REQUIREMENTS

The Finance Manager shall submit a quarterly investment report to the City Council. This report will include the following elements:

A. Type of each investment.
B. Financial institution.
C. Date of Maturity.
D. Amount of deposit or cost of security.
E. Current market value of securities.
F. Rate of Interest
G. Weighted average maturity of the investments.

XIV. INTERNAL CONTROLS

The City Manager shall ensure the development of a system of internal investment controls and a segregation of duties and responsibilities of investment functions in order to assure an adequate system of internal control over the investment function. This segregation of duties will take into account the authorized staffing levels of the City. Internal control procedures shall address wire controls, separation of duties, delivery of securities to a third party for custodial safekeeping, and written procedures for placing investment transactions.

XV. GENERAL FUND RESERVE CONTINGENCY

The City Manager shall set aside Funds designated as *General Fund Reserve Contingency (GFRC)* to protect the City from unexpected financial expenses and to absorb the impact of deficiencies in cash flow not anticipated at the time the fiscal year budget was adopted.

The General Fund Reserves of the City shall include $250,000.00 (two hundred fifty thousand dollars) designated as *GFRC – Emergency Component*. Further, the City will make every effort to maintain a *GFRC*, cash flow component, in an amount not less than fifty percent (50%) of the adopted annual General Fund budget. The amounts of the *GFRCs* will be reviewed annually prior to adoption of the General Fund budget. City Council approval shall be required for any expenditure that would decrease the amount of the *GFRC* below the level established at the time of budget adoption.

XVI. POLICY REVIEW

The Investment Policy shall be reviewed at least annually by the City Treasurer and the City Council to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return on investments, along with its relevance to current law, financial and economic trends, and the meet the needs of the City.

* * * * *

Established: 30 July 2002

City Council adopted revisions: 03 August 2010
05 May 2005
06 August 2002

CITY OF CLAYTON
Founded 1857 · Incorporated 1964

Agenda Date: 8-3-10

Agenda Item: 9a

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: **HONORABLE MAYOR AND COUNCILMEMBERS**

FROM: **Laci J. Jackson, City Clerk**

DATE: **August 3, 2010**

SUBJECT: **Designation of Voting Representative and Alternate for League of California Cities 2009 Annual Conference being held September 15 thru 17, in San Diego.**

RECOMMENDATION

It is recommended the City Council consider designating one of its members as the Voting Delegate and one member as the Alternate to represent the City of Clayton during the 2010 League of California Cities Annual Business Meeting.

BACKGROUND

The League of California Cities' "Annual Conference" is scheduled for Wednesday, September 15 through Friday, September 17 at the San Diego Convention Center. A Business Meeting will take place on Friday, September 17, 2010 at 3:00 p.m.. Councilmember Medrano is the City Council's delegate to the East Bay Division of the League of California Cities (Councilmember Shuey is the alternate). Councilmember Pierce serves on the League's Transportation, Communications and Public Works Policy Committee and therefore plans to attend the Annual Conference.

League bylaws provide that each City is entitled to one vote in matters affecting municipal or League policy. Per the attached Annual Conference Voting Procedures, a City official must have in possession the City's Voting Card and be registered with the Credentials Committee to cast that City's vote. A voting card will be issued to the City officials designated by the City Council on the attached Voting Delegate Form.

Conference registration is required for voting delegates.

FISCAL IMPACT

For the last 2 fiscal years the vast majority of conference and training budget for the City Council was eliminated. If the Council wishes to send a delegate funds will need to be allocated. Expenses for the conference registration is $500 for the full event and $250 per day excluding lodging and transportation.

Attachment – League of California Cities Annual Conference Voting Procedures

LEAGUE OF CALIFORNIA CITIES

1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Annual Conference Voting Procedures
2010 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.

2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.

4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.

6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.

7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

LEAGUE OF CALIFORNIA CITIES

CITY: ______________________________

2010 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to the League office by Friday, August 20. 2010. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: ______________________________

Title: ______________________________

2. VOTING DELEGATE - ALTERNATE

Name: ______________________________

Title: ______________________________

3. VOTING DELEGATE - ALTERNATE

Name: ______________________________

Title: ______________________________

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: ______________________________ E-mail ______________________________

Mayor or City Clerk ______________________________ Phone: ____________________
(circle one) (signature)
Date: ______________________________

Please complete and return by Friday, August 20 to:

League of California Cities
ATTN: Mary McCullough
1400 K Street
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: mccullom@cacities.org
(916) 658-8247

VotingDelegateLetter10.doc

CITY OF CLAYTON
Founded 1857... Incorporated 1964

Agenda Date: 8-3-10
Agenda Item: 9b

STAFF REPORT

TO: **HONORABLE MAYOR AND COUNCILMEMBERS**

FROM: **Laci J. Jackson, City Clerk**

DATE: **August 3, 2010**

SUBJECT: **City Hall Courtyard Landscape Plans**

BACKGROUND

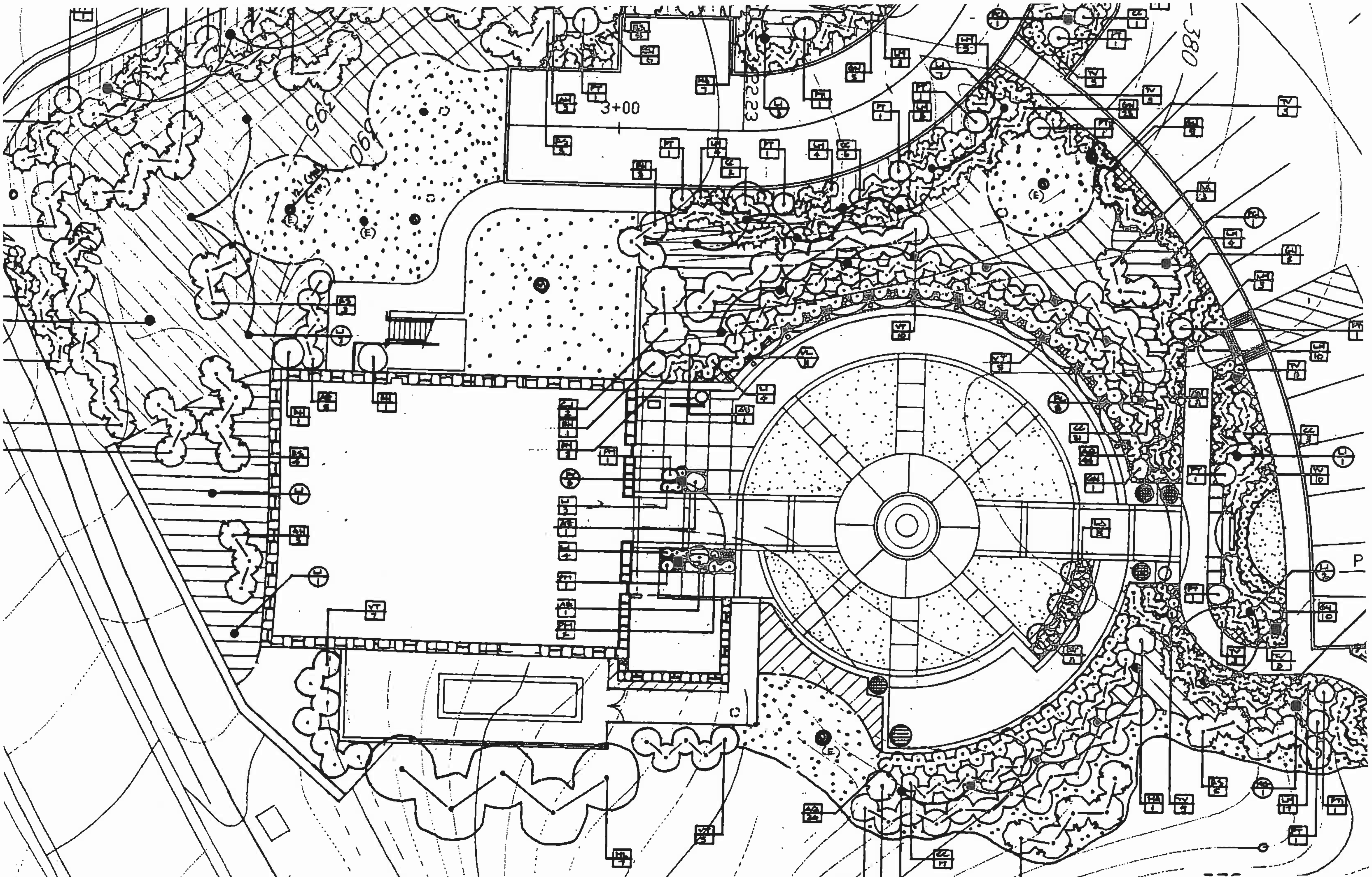
At the July 20th meeting of the City Council, Councilmember Geller asked for a discussion to be held regarding the landscaping of the City Hall Courtyard area.

Attachment – Landscape Plans for City Hall Courtyard

PLANT MATERIAL LIST

SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	NOTES
TREES				
AT	Almond "Texas Mission"	Almond	Bare Root 5/8" CAL.	
LI	Lagerstroemia indica "Catawba"	Crape Myrtle	15 gal.	(Multi-stem)
PI	Pistacia chinensis	Pistache	24" box	
PC	Prunus cerasifera "K. Vesuvius"	Purple-leaf Plum	15 gal.	(Branch @ 6')
PC1	Pistacia chinensis	Pistache	36" box.	
PY	Pyrus "Chanticleer"	Chanticleer Pear	24" box	
PE	Pinus eldarica	Eldarica Pine	24" box	
SHRUBS				
AH	Arctostaphylos "H. McMinn"	Manzanita	5 gal.	
AQ	Agapanthus "Queen Anne"	Lily-of-the-Nile	1 gal.	
AZ	Azalea "Happy Days"	Azalea	1 gal.	
CJ	Camellia japonica	Camellia	15 gal.	
CC	Correa "Carmine Bells"	Australian Fuschia	1 gal.	
GN	Grevillea "Noelli"	Grevillea	5 gal.	
LM	Lantana montevidensis	Lantana	1 gal.	
LI	Liriope muscari	Liriope	1 gal.	
MA	Mahonia aquifolium	Oregon Grape	5 gal.	
ML	Myoporum laetum	Myoporum	5 gal.	
PT	Phormium tenax "Gold Sword"	New Zealand Flax	6 gal.	
PT1	Phormium tenax "Maori Maiden"	New Zealand Flax	1 gal.	
PM	Polystichum munitum	Western Sword Fern	1 gal.	
RH	Rhododendron "Anah Kruschke"	Rhododendron	5 gal.	
RS	Ribes sanguineum " B. Coste"	Red Flowering Current	5 gal.	
RT	Rosa Hybrid Tea	Rose	5 gal.	(Standard Form)
TV	Tulbaghia violacea	Society Garlic	1 gal.	
VT	Viburnum tinus "Spring Boquet"	Viburnum	5 gal.	
VINES				
VL	Vitis labrusca "Fredonia"	American Grape	5 gal.	

COURTYARD PLANTIN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MINUTES
OF THE
SPECIAL MEETING

Agenda Date: 8-3-10

CLAYTON REDEVELOPMENT AGENCY

Agenda Item: 3a RDA

June 29, 2010

1. **CALL TO ORDER & ROLL CALL** - the meeting was called to order at 7:53 p.m. by Chairman Medrano in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Boardmembers present: Chairman Medrano, Vice Chairperson Pierce, Boardmembers Geller, Shuey and Stratford. Staff present: Executive Director Napper, Secretary Jackson, and General Counsel Adams

2. **PUBLIC COMMENTS** – None.

3. **CONSENT CALENDAR**- **It was moved by Vice Chairperson Pierce, seconded by Boardmember Stratford to approve the Consent Calendar as submitted (Passed; 5-0 vote).**

(a) Approved the minutes of the regular meeting of June 15, 2010.

4. **PUBLIC HEARING**

(a) Public Hearing on the proposed Agency Budget for Fiscal Year 2010-2011.

The Executive Director presented the Budget and stated the Redevelopment Agency is required to pay the State of California $1.965 million to fund its State-mandated SERAF obligation to public education ($404,570 in FY 10/11). He stated due to revenues dropping 4.5% and the required debt service, the Agency will have to take some of its revenues back from the Capital Improvement Budget to stay in the black. He also stated there will be no new projects in the Project Area. He stated Proposition 22, the Local Taxpayers Protection Act on the November ballot could help close loopholes that have allowed the State to continue to raid Redevelopment funds.

Chairman Medrano opened *the* Public Hearing at 7:57 p.m. No comments were received. He closed the Public Hearing at 7:58 p.m.

It was moved by Vice Chairperson Pierce, seconded by Boardmember Geller to adopt Resolution 04-2010 approving the Agency's Budget for FY 2010-2011 (Passed; 5-0 vote).

5. **ACTION ITEMS** – None.

6. **BOARD ITEMS** – None.

7. **ADJOURN** – on call by Chairman Medrano the meeting adjourned at 7:59 p.m.

Respectfully submitted,

Laci J. Jackson, Secretary

Clayton Redevelopment Agency Board

Joseph A. Medrano, Chairman

CITY OF CLAYTON
Founded 1857... Incorporated 1964

Agenda Date: 8-3-10

Agenda Item: 3b RDA

Approved:
Gary A. Napper City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE CHAIRMAN AND BOARD MEMBERS

FROM: EXECUTIVE DIRECTOR

DATE: 03 AUGUST 2010

SUBJECT: DIAMOND TERRACE – TRANSFER OF GENERAL PARTNER INTERESTS

RECOMMENDATION

It is recommended the Board of Directors adopt the attached Resolution approving a requested transfer in certain General Partner interests in the Diamond Terrace Limited Partnership from David J. Michael (0.0225%) and from Professional Apt. Management Inc. (0.0450%) to Diamond Terrace – Michaels (PAM) LLC.

BACKGROUND

Diamond Terrace Investors, a California limited partnership, is the owner and operator of the Diamond Terrace senior community facility located at 6401 Center Street in Clayton. As part of the construction and funding of this senior-living facility, the investor partnership executed a Promissory Note in favor of the Clayton Redevelopment Agency wherein, in Section 4.12 (b) it states that Diamond Terrace Investors and successors-in-interest shall not transfer Diamond Terrace interests without prior written consent of the Agency.

In January 2010 the PAM Companies, in behalf of Diamond Terrace Investors, sent a request to the Agency seeking consent to a transfer in the General Partner interests and consent to a proposed change in Management Agent. There was confusion in the communication as to scope of request and staff therefore prepared a Resolution which only addressed the change in Management Agent (from Professional Apt. Management Inc. to Interstate Realty Management Company) regarding the assignment and assumption of the duties and responsibilities of day-to-day management of the facility (ref. RDA Resolution No. 01-2010).

In preparations to close escrow on the General Partner interests' transfers in August 2010, it was discovered the Agency did not formally approve that portion of the requested action.

DISCUSSION

A new entity, Diamond Terrace – Michaels (PAM) LLC, is seeking to substitute in as the new General Partner of Diamond Terrace Investors, the owner and operator of the Diamond Terrace senior retirement community in Clayton. The newly-formed entity (designed specifically to manage Diamond Terrace), in concert with Interstate Realty Management Company as Management Agent, are each a part of the Michaels Development Company, a nationally recognized private sector firm with over 40 years of experience in producing top quality affordable housing. Michael J. Levitt has been at the helm of the Michaels Development Company for 35 years and is looked to by industry leaders as the spokesperson on government trends and policies related to multi-family housing, rental and affordable ownership. Mr. John O'Donnell is the chief financial officer of the Michaels Development Company, oversees its day-to-day operations, and will be the president of the new Diamond Terrace – Michaels (PAM) LLC..

A recent survey by the National Affordable Housing Management Association ranked the Interstate Realty Management Company (i.e. Michaels Development Company) among the top 5 in the country in the affordable housing category. Over 13,000 residential units in the Michaels Company's most recent partnerships exceed $2 billion in value.

Given the breadth of experience and national portfolio of the Michaels Development Company, staff is satisfied with the new General Partners' capacity to manage and administer the Diamond Terrace facility in Clayton.

FISCAL IMPACT

No impact to the Agency.

Attachments: 1. Resolution [2 pp.]
2. Consent documents [3]

RDA RESOLUTION NO. – 2010

A RESOLUTION CONSENTING TO THE TRANSFER OF GENERAL PARTNER INTERESTS IN THE DIAMOND TERRACE LIMITED PARTNERSHIP OF DAVID J. MICHAEL AND OF PROFESSIONAL APT. MANAGEMENT INC. TO DIAMOND TERRACE-MICHAELS (PAM) LLC, FOR PROPERTY KNOWN AS DIAMOND TERRACE – A RETIREMENT COMMUNITY

THE BOARD OF DIRECTORS
Clayton Redevelopment Agency

WHEREAS, Diamond Terrace Investors, a California limited partnership, is the owner and operator of the retirement living facility known as "Diamond Terrace", located in the City of Clayton, California at 6401 Center Street; and

WHEREAS, the Clayton Redevelopment Agency and Diamond Terrace Investors did enter into a loan agreement on 01 October 2001 regarding Diamond Terrace's construction and operation; and

WHEREAS, the Diamond Terrace Investors executed a promissory note in the face amount of $4,036,000.00 in favor of the Clayton Redevelopment Agency on 01 October 2001 concerning the development of said retirement living facility; and

WHEREAS, Section 4.12 (b) of the Loan Agreement stipulates that Diamond Terrace Investors shall not transfer interests in Diamond Terrace without the prior written consent of the Clayton Redevelopment Agency's Board of Directors; and

WHEREAS, on 26 January 2010, the PAM Companies, in behalf of Diamond Terrace Investors, requested in writing the Clayton Redevelopment Agency consent to its transfer of General Partnership interests in the Diamond Terrace Limited Partnership from David J. Michael (0.0225% interest) and from Professional Apt. Management Inc. (0.0450% interest) to Diamond Terrace-Michaels (PAM) LLC, a California Limited Liability Company (0.0675% interest); and

WHEREAS, the PAM Companies' said written communication included a request for the Clayton Redevelopment Agency's approval of its transfer of Management Agent (for ownership of the day-to-day management duties and responsibilities of the Diamond Terrace facility and property) from Professional Apt. Management Inc. to Interstate Realty Management Company, which transfer was approved by the Agency's Board of Directors at its 02 February 2010 public meeting by adoption of RDA Resolution No. 01–2010;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CLAYTON REDEVELOPMENT AGENCY, CALIFORNIA DOES HEREBY FIND, DECLARE AND RESOLVE AS FOLLOWS:

Section 1. The Board of Directors does hereby find and affirm the above noted recitals are true and correct facts and information as presented by its staff relative to the proceedings and request at hand.

Section 2. The Board of Directors does herewith grant its consent to the transfer requested by the PAM Companies, Inc. as to the intent to transfer certain General Partner interests in Diamond Terrace Limited Partnership from David J. Michael (0.0225% interest) and from Professional Apt. Management Inc. (0.0450% interest) to Diamond Terrace – Michaels (PAM) LLC, a California Limited Liability Company (0.0675% interest).

Section 3. The Board of Directors does hereby authorize its Executive Director to execute and administer the appropriate documents necessary to consummate the Diamond Terrace General Partner interests' transfer transactions for and in behalf of the Clayton Redevelopment Agency.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Clayton Redevelopment Agency, California, at a regular public meeting thereof held on the 3rd day of August, 2010 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CLAYTON REDEVELOPMENT AGENCY, CA

Joseph A. Medrano, Chairman

ATTEST:

Laci J. Jackson, Secretary

THE CITY OF CLAYTON
CLAYTON, CALIFORNIA

CONSENT TO CHANGE GENERAL PARTNER
IN LIEU OF TAX AGREEMENT

DIAMOND TERRACE INVESTORS,
A CALIFORNIA LIMITED PARTNERSHIP

The City of Clayton ("City") has received notification and hereby consents to Diamond Terrace-Michaels (PAM) LLC substituting in as the new General Partner of Diamond Terrace Investors, a California Limited Partnership (the "Partnership"), owner and operator of the property known as Diamond Terrace, located at 6401 Center St., Clayton, 94517 in the county of Contra Costa and in the State of California, in place of David J. Michael and Professional Apt. Management, Inc. This consent satisfies Section 6.01 of the In Lieu of Tax Agreement entered into by and between the Partnership and the City. Diamond Terrace-Michaels (PAM) LLC, on behalf of Diamond Terrace Investors acknowledges and agrees that all provisions and covenants of the In Lieu of Tax Agreement remain in full force and effect and the assignment of the general partner interest in no way relieves Diamond Terrace Investors of any obligations pursuant to the In Lieu of Tax Agreement and the operation of the Development will continue to comply with the terms of the In Lieu of Tax Agreement.

The City of Clayton

By:________________________________ Dated:__________, 2010
Gary A. Napper, City Manager

Diamond Terrace Investors, a California Limited Partnership

By: Diamond Terrace-Michaels (PAM) LLC
A California Limited Liability Company

By:________________________________ Dated:__________, 2010
John J. O'Donnell, President

THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON
CLAYTON, CALIFORNIA

CONSENT TO CHANGE GENERAL PARTNER
LOAN AGREEMENT

DIAMOND TERRACE INVESTORS,
A CALIFORNIA LIMITED PARTNERSHIP

The Redevelopment Agency of the City of Clayton ("Agency") has received notification and hereby consents to Diamond Terrace-Michaels (PAM) LLC substituting in as the new General Partner of Diamond Terrace Investors, a California Limited Partnership (the "Partnership"), owner and operator of the property known as Diamond Terrace, located at 6401 Center St., Clayton, 94517 in the county of Contra Costa and in the State of California, in place of David J. Michael and Professional Apt. Management, Inc. This consent satisfies Section 4.12(b) of the Loan Agreement entered into by and between the Partnership and the Agency, requiring the Agency's consent to any transfer which is defined to include a transfer of partnership interest. Diamond Terrace-Michaels (PAM) LLC, on behalf of Diamond Terrace Investors acknowledges and agrees that all provisions and covenants of the Loan Agreement remain in full force and effect and the assignment of the general partner interest in no way relieves Diamond Terrace Investors of any obligations pursuant to the Loan Agreement.

The Redevelopment Agency of the City of Clayton

By:_________________________________ Dated:___________, 2010
Gary A. Napper, Executive Director

Diamond Terrace Investors, a California Limited Partnership

By: Diamond Terrace-Michaels (PAM) LLC
A California Limited Liability Company

By:_________________________________ Dated:___________, 2010
John J. O'Donnell, President

THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON
CLAYTON, CALIFORNIA

CONSENT TO CHANGE GENERAL PARTNER
PROMISSORY NOTE

DIAMOND TERRACE INVESTORS,
A CALIFORNIA LIMITED PARTNERSHIP

The Redevelopment Agency of the City of Clayton ("Agency") has received notification and hereby consents to Diamond Terrace-Michaels (PAM) LLC substituting in as the new General Partner of Diamond Terrace Investors, a California Limited Partnership (the "Partnership"), owner and operator of the property known as Diamond Terrace, located at 6401 Center St., Clayton, 94517 in the county of Contra Costa and in the State of California, in place of David J. Michael and Professional Apt. Management, Inc. This consent satisfies Section 4 of that certain Promissory Note dated October 1, 2001 in the amount of $4,036,000.00 executed by the Partnership for the benefit of the Agency. Diamond Terrace-Michaels (PAM) LLC, on behalf of Diamond Terrace Investors acknowledges and agrees that all provisions and covenants of the Promissory Note remain in full force and effect and the assignment of the general partner interest in no way relieves Diamond Terrace Investors of any obligations pursuant to the Promissory Note.

The Redevelopment Agency of the City of Clayton

By:________________________________ Dated:__________, 2010
Gary A. Napper, Executive Director

Diamond Terrace Investors, a California Limited Partnership

By: Diamond Terrace-Michaels (PAM) LLC
A California Limited Liability Company

By:________________________________ Dated:__________, 2010
John J. O'Donnell, President

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Agenda Date: 8-3-10

Agenda Item: 3c RDA

Approved:

Gary A. Napper
City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE CHAIR AND BOARD MEMBERS

FROM: EXECUTIVE DIRECTOR

DATE: 03 AUGUST 2010

SUBJECT: CONSIDER AMENDMENT & ASSUMPTION OF FLORA SQUARE DDA BY NEW OWNER: NEW URBAN COMMUNITIES PARTNERS, LLC

RECOMMENDATION

It is recommended the Board of Directors of the Clayton Redevelopment Agency adopt the attached Resolution approving the Amendment and Assumption of the Disposition and Development Agreement (DDA) on the Flora Square commercial project by its new owners, New Urban Communities Partners, LLC (NUCP).

BACKGROUND

After consideration of competitive market proposals solicited by the Agency for the commercial development of vacant land located at the northeast corner of Oak and Center Streets in the Clayton Town Center, the Agency awarded the project to a development corporation, Korngold, Inc. The process involved a Disposition and Development Agreement (DDA) to ensure the Agency's sale of the real property actually resulted in the construction and completion of the approved two-story commercial building. The DDA was entered into on 06 December 2005 and was assumed by Korngold Oak Center, LLC on 01 October 2007 which entity ultimately caused the construction of "Flora Square" now located at 1026 Oak Street.

During the national and local economic system challenges, the full completion of the Flora Square project languished. Partial occupancy was obtained for the second floor uses involving commercial office and business space, and lately a realty firm has been operating in one of the leased areas. To date, the ground floor space (restricted to commercial retail uses) has not been finalized pending construction and installation of approved flood gate barriers for the 1st floor doors, a mitigation requirement since the land resides in FEMA's 100-year flood zone.

PRESENT STATUS

Unable to obtain additional commercial re-financing and/or unwilling to invest further cash into the commercial project, Komgold Oak Center, LLC (backed by the Robison Family Trust, managed by Colliers International) allowed the property to fall into foreclosure by Trustee public auction. On 24 March 2010, Fidelity National Title Company sold the property to New Urban Communities Partner, LLC (NUCP) for the recorded amount of $1.7 million (discounted by approximately 40% on the unpaid debt of $2.87 million).

After learning of the foreclosure sale, the Agency contacted NUCP in late May 2010 regarding the building's status and its non-compliance with the underlying DDA. By way of letter dated 01 June 2010 the Executive Director informed NUCP of the incompletion of the project and requested a ten (10) day response as to intent to complete. After receiving no written reply to that request, and after consultation with the Agency's special legal counsel, the Executive Director sent a Notice of Default to NUCP dated 15 July 2010 giving the new owner 30 days to comply with the DDA (copies of both letters attached for reference).

On 21 July 2010 the Agency received written reply by NUCP acknowledging the Notice of Default and requesting additional time beyond 30 days to effect the final construction retrofit. NUCP submitted a time schedule to have the project completed by the end of the first week of November 2010. The request seemed reasonable to Agency staff given the intervening time period between original commencement of construction and the waning economy.

AMENDMENT AND ASSUMPTION OF THE DDA

Special legal counsel (Karen Tiedemann, Esq.) and the Executive Director have prepared and negotiated with NUCP the proposed document to amend the DDA and have NUCP assume all obligations contained in the DDA. It essentially grants NUCP's time table for compliance with the Notice of Default and the DDA, and will ultimately cause the building to obtain the required Certificate of Occupancy (finaled building permit) from the Contra Costa County Building Inspection Department. Once final construction is complete and approved, the Agency will issue its Certificate of Completion noted in Section 4.7 of the underlying DDA. The entire building is then available for leasing and tenant improvements.

FISCAL IMPACT

None to the Agency.

Attachments:
1. RDA Resolution [2 pp.]
2. Amendment & Assumption of DDA [4 pp.]
3. NUCP letter in response to Notice of Default [1 pp.]
4. Agency letters to NUCP [2]

RDA RESOLUTION NO. – 2010

A RESOLUTION AUTHORIZING AND APPROVING AN AMENDMENT AND ASSUMPTION OF THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CLAYTON REDEVELOPMENT AGENCY AND NEW URBAN COMMUNITIES PARTNER, LLC FOR COMMERCIAL REAL PROPERTY AND IMPROVEMENTS LOCATED AT 1026 OAK STREET IN THE CLAYTON TOWN CENTER

THE BOARD OF DIRECTORS
Clayton Redevelopment Agency
City of Clayton, California

WHEREAS, the Clayton Redevelopment Agency (Agency) and Komgold, Inc., a California corporation, did enter into a Disposition and Development Agreement (DDA) dated 06 December 2005 for the development of a commercial project on certain real property located at the northwest corner of Oak Street and Center Street in the Clayton Town Center; and

WHEREAS, Komgold, Inc. subsequently sold and assigned its interest in the DDA to Komgold Oak Center, LLC on 01 October 2007, which action ultimately resulted in the construction of a two story commercial building at 1026 Oak Street known as the "Flora Square" project; and

WHEREAS, without having fully completed all necessary construction of the building required by its approved design and issued building permit, Komgold Oak Center, LLC allowed the property and its development to lapse into foreclosure with Trustee sale by Fidelity Title Insurance Company occurring on 24 March 2010; and

WHEREAS, New Urban Communities Partners, LLC (NUCP) did acquire said real property and improvements at public auction on 24 March 2010 and is now the successor in interest to the DDA held by Komgold Oak Center, LLC; and

WHEREAS, in response to a Notice of Default sent by the Agency dated 15 July 2010, NUCP has requested a time extension to the end of the first week in November 2010 for completion of the outstanding improvements necessary to the Property in order to obtain full compliance with the DDA and to receive a Certificate of Occupancy issued by the Contra Costa County Building Inspection Department;

NOW, THEREFORE, the Board of Directors of the Clayton Redevelopment Agency does hereby find, declare and resolve as follows:

Section 1. The Board of Directors does hereby find and affirm the above noted recitals are true and correct facts and information as presented by its staff relative to the proceedings and request at hand.

Section 2. The Board of Directors does authorize and does hereby approve the Amendment and Assumption of Disposition and Development Agreement (DDA) by and between the City of Clayton Redevelopment Agency and New Urban Communities Partners, LLC, attached hereto as "Attachment A" and incorporated herein as if fully set forth in this Resolution.

Section 3. The Board of Directors does hereby authorize its Executive Director to execute and administer the appropriate documents necessary to consummate the Amendment and Assumption of said DDA for and on behalf of the Clayton Redevelopment Agency.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Clayton Redevelopment Agency, California at a regular public meeting thereof held on the 3rd day of August, 2010 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CLAYTON REDEVELOPMENT AGENCY, CA

____

Joseph A. Medrano, Chairman

ATTEST:

____

Laci J. Jackson, Secretary

"ATTACHMENT A"

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

Gary Napper
Executive Director
Clayton Redevelopment Agency
6000 Heritage Trail
Clayton, Ca 94517-1250

AMENDMENT AND ASSUMPTION
OF DISPOSITION AND DEVELOPMENT AGREEMENT

This Amendment and Assumption of Disposition and Development Agreement ("Amendment") is entered into as of ________, 2010, between the City of Clayton Redevelopment Agency , a public body, corporate and politic ("Agency") and New Urban Communities Partners, LLC, a California limited liability company ("NUCP") with reference to the following facts.

RECITALS

A. Agency entered into that certain Disposition and Development Agreement dated December 6, 2005 ("DDA") with Komgold, Inc., a California corporation, providing for the development of a commercial project on certain property located at the corner of Oak Street and Center Street, 1026 Oak Street, Clayton, CA (the "Property"). Komgold, Inc. subsequently assigned its interest in the DDA to Komgold Oak Center, LLC, a California limited liability company, pursuant to that certain Assignment and Assumption of Disposition and Development Agreement dated October 1, 2007, which assignment was approved by the Agency.

B. Komgold Oak Center, LLC proceeded with development of the Property in accordance with the DDA but to date development has not been completed.

C. On March 24, 2010 NUCP acquired said property of Komgold Oak Center, LLC at public auction through foreclosure proceedings on the Property and is now the current owner of the Property and successor in interest to Komgold Oak Center, LLC.

D. In response to a Notice of Default sent by the Agency dated July 15, 2010, NUCP has requested an extension of time for the completion of construction of the Improvements on the Property.

E. The Agency is willing to agree to the extension of time for completion of construction of the Improvements on the Property provided NUCP assumes all of Komgold Oak Center, LLC's obligations under the DDA in accordance with this Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Assumption. NUCP hereby acknowledges and agrees to all of the terms of the DDA and assumes and agrees to perform all obligations of Komgold Oak Center, LLC under the DDA remaining unperformed including completion of construction of the Improvements. NUCP represents that it has the qualifications and the financial capability to complete the Improvements and assume the obligations of the DDA.

2. Completion of Construction. Section 4.3 of the DDA is hereby amended to provide for completion of construction of the Improvements no later than December 1, 2010. The Parties agree that the remaining work to be performed on the Improvements is the completion of flood barrier gates on first floor doors in accordance with the City of Clayton requirements. Attached hereto as "Exhibit A" is a schedule for completion of the flood barriers prepared and submitted by NUCP, which schedule shall determine the parties' obligations with respect to the design and installation of the flood barriers. NUCP acknowledges that nothing herein shall limit the City's discretion with respect to any approvals required for the flood barriers. Failure of NUCP to complete construction of the Improvements as evidenced by the issuance of a Certificate of Occupancy issued by the Contra Costa County Building Inspection Department no later than December 1, 2010 shall be considered a Developer Event of Default and the Agency shall be entitled to exercise any and all of its remedies provided for under the DDA.

A time extension not to exceed thirty (30) calendar days beyond the completion date indicated in "Exhibit A" may be granted by the Agency's Executive Director, following written request with justification for the extension by NUCP to the Agency prior to the completion date noted in "Exhibit A". Unless the time is extended in writing by the Agency's Executive Director, NUCP shall complete all Improvements covered by the DDA no later then the completion date listed in "Exhibit A". The Director's decision to grant the one time extension is solely the Agency's determination.

3. Effect of Amendment. Unless otherwise specifically amended in this Amendment, all provisions of the DDA shall remain in full force and effect. In the event of a conflict between the DDA and this Amendment, this Amendment shall control. All defined terms not otherwise defined in this Amendment shall have the meaning set forth in the DDA.

4. Notices. Notice to NUCP shall be delivered to the following address:

NUCP, LLC
3100 Oak Road, Suite 140
Walnut Creek, CA 94597
Phone: 925.945-6626
Fax: ?
Attn: _______?_________

5. No Further Rights. From and after the date of this Amendment, NUCP shall have sole authority and discretion to exercise any and all rights and privileges of the "Developer" under the DDA with respect to all transactions contemplated therein.

6. Counterparts. This Amendment may be executed in any number of counterparts, each of which for all purposes will be deemed to be an original, and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Assignment as of the day and year first above written.

AGENCY:

CLAYTON REDEVELOPMENT AGENCY,
a public body, corporate and politic

By:______________________
Gary A. Napper, Executive Director

NUCP

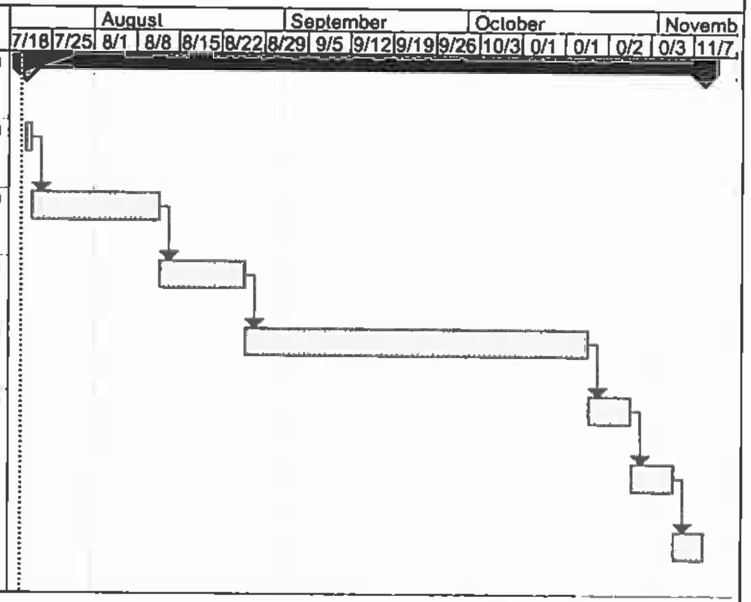
NEW URBAN COMMUNITIES PARTNERS, LLC
A California limited liability company

By:______________________
Its:______________________

EXHIBIT A SCHEDULE FOR COMPLETION OF IMPROVEMENTS

1026 Oak St.
Clayton, CA
Flood Barriers

ID	Task Name	Duration	Start	Finish
1	**Flood Barriers**	**79 days**	**Wed 7/21/10**	**Mon 11/8/10**
2	Barrier Order Placed	1 day	Wed 7/21/10	Wed 7/21/10
3	Drawing and Calculation Submittal Preparation	3 wks	Thu 7/22/10	Wed 8/11/10
4	City Review and Approval of Drawing and Calculations (estimated)	2 wks	Thu 8/12/10	Wed 8/25/10
5	Manufacturer of Flood Barriers	8 wks	Thu 8/26/10	Wed 10/20/10
6	Shipping of Barriers	1 wk	Thu 10/21/10	Wed 10/27/10
7	Installation of Barriers	1 wk	Thu 10/28/10	Wed 11/3/10
8	City of Clayton Building and Public Works Sign Offs of Building	3 days	Thu 11/4/10	Mon 11/8/10



Project: Flood Barrier Schedule.mpp
Date: Tue 7/20/10

Task
Split
Progress
Milestone
Summary
Project Summary
External Tasks
External Milestone
Deadline

ATTACHMENT 2

NUCP, LLC
NEW URBAN COMMUNITIES PARTNERS
1500 WILLOW PASS COURT · CONCORD, CA 94520
Phone: 925.852.0549 · Fax: 925.852.0546

Received
JUL 21 2010
City of Clayton

July 20, 2010

Mr. Gary Napper
Executive Director, Clayton Redevelopment Agency
City Manager
City of Clayton
6000 Heritage Trail
Clayton, CA 94517-1250

RE: APN 119-013-005, Notice of Default

Dear Mr. Napper:

New Urban Communities Partners, LLC acquired the debt of Komgold Oak Center, LLC, and through subsequent foreclosure, we now are the Owner of Record. We are in the process of stabilizing the property through lease-up, but as you can appreciate the market is rather slow. We are currently negotiating with a few tenants, however, we would be interested in getting together to discuss possible redevelopment funds available to assist us in our lease-up efforts. Regarding the completion of the building, New Urban Communities Partners, LLC is ordering the flood barriers that, to our understanding, are the only remaining items that are needed to complete the construction of the improvements at the 1026 Oak Street building. The manufacturer that we have identified, that appears to meet the public works department criteria, has quoted three weeks for the drawings and calculations and six to eight weeks to ship the product after City Approval of the Drawings and Calculations. Installation of the Barriers will take 1 week after the product has arrived , with the final inspection to follow after that. Based on the attached schedule the project will be complete the first week of November.

The thirty days to correct in your notice will not provide adequate time to complete the flood barrier installation that was not completed by the previous owner. New Urban Communities Partners, LLC requests an extension until December 1, 2010 to complete the remaining Flood Barrier work.

Please let me know if you are agreeable to the extension. If you are aware of any other outstanding items please let us know at once so we may address those items as well. Should you have any questions please feel free to contact me at 925-945-6266 ext 12.

Very Truly yours,

David Thomas
Project Manager

ATTACHMENT 3

CITY OF CLAYTON

Founded 1857 . . . Incorporated 1964

City Council
HANK STRATFORD, *MAYOR*
DAVID T. SHUEY, *VICE MAYOR*
HOWARD GELLER
JOSEPH A. MEDRANO
JULIE K. PIERCE

COMMUNITY DEVELOPMENT (925) 673-7340
ENGINEERING (925) 363-7433

6000 HERITAGE TRAIL • CLAYTON, CALIFORNIA 94517-1250
TELEPHONE (925) 673-7300 FAX (925) 672-4917

15 July 2010

SENT VIA CERTIFIED U.S.MAIL – RETURN RECEIPT

Steve Thomas and Dave Sanson
New Urban Communities Partners, LLC
3100 Oak Road, Suite 140
Walnut Creek, CA 94597

Re: Notice of Default pursuant to Disposition and Development Agreement (DDA)
APN 119-013-005

Dear Messrs. Thomas and Sanson:

This notice shall serve as a Notice of Default pursuant to Section 6.4 of that certain Disposition and Development Agreement ("DDA") dated 06 December 2005 between the Clayton Redevelopment Agency ("Agency") and Komgold, Inc., which Disposition and Development Agreement was assigned from Komgold, Inc. to Komgold Oak Center, LLC, pursuant to that certain Assignment and Assumption Agreement dated 01 October 2007. As the successor in interest to Komgold Oak Center LLC's interest in the DDA, you are in default under Section 6.4((a)(10) of the DDA which requires that construction of the Improvements be completed within the time set forth in the Schedule of Performance. To date the construction of the Improvements is not complete and despite a letter from the Clayton Redevelopment Agency (dated 01 June 2010) regarding this matter New Urban Communities Partners has failed to submit necessary plans and a time table for the completion of the Improvements.

In accordance with the DDA, New Urban Communities Partners has thirty (30) days from the date of receipt of this notice to cure this default. In the event New Urban Communities Partners fails to cure the default within thirty days, the Agency will pursue all remedies available to the Agency including an action for damages, specific performance and exercising its right of reverter.

Sincerely,

Gary A. Napper
Executive Director, Clayton Redevelopment Agency
City Manager

cc: Honorable Mayor & City Council Members
City Attorney
Karen Tiedemann, Esq.

CITY OF CLAYTON

Founded 1857... Incorporated 1964

Community Development (925) 673-7340
Engineering (925) 363-7433

6000 Heritage Trail • Clayton, California 94517-1250
Telephone (925) 673-7300 Fax (925) 672-4917

01 June 2010

Steve Thomas and Dave Sanson
c/o New Urban Communities Partners, LLC
3100 Oak Road, Suite 140
Walnut Creek, CA 94597

Re: Disposition and Development Agreement regarding APN 119-013-005 (1026 Oak St.)

Dear Messrs. Thomas and Sanson:

On behalf of the Clayton Redevelopment Agency, this letter is sent regarding the real property and improvements located at 1026 Oak Street in the city of Clayton. It is our understanding, confirmed by Mr. Thomas, that your company NUCP, LLC, is the new owner of this property and in fact recent banners were placed on the building announcing "Under New Ownership".

The Agency entered into a Disposition and Development Agreement (DDA) with the former owners of the Property providing for the acquisition of the real property from the Agency by the former owners and their subsequent development of the property with retail and office improvements. The DDA provides that construction of the improvements on the property must be complete within one year of commencement of construction. Additionally the DDA limits transfers of the property prior to completion of the improvements and also requires that the owner of the property comply with certain ongoing covenants concerning maintenance and operations after completion of construction. If there is a default under the DDA by the property owner, the Agency has a variety of remedies including a right of reverter allowing the Agency to recover title to the property. The DDA remains in force and effect and runs with the land.

As you are hopefully aware, final construction of the improvements has not been completed and the retail improvements remain frustratingly vacant. The Agency could declare a default under the current circumstances and exercise any of its remedies under the DDA. However, the Agency would prefer to see the project completed, leased, occupied and in full operation soon. Prior to declaring a default and exploring options for remedies the Agency would like know of actions taken by NUCP, LLC to meet the Agency's and the DDA's objectives. As discussed during our telephone conversation this day, please send me written correspondence regarding your plans and measures taken to date. If I do not hear from you within ten (10) days from receipt of this letter, the Agency Board must consider its options to achieve the objectives of the DDA.

Sincerely,

Gary A. Napper, RDA Executive Director/City Manager

cc: Karen Tiedemann, Esq.