



AGENDA
REGULAR MEETING
* * *
CLAYTON CITY COUNCIL

TUESDAY, June 5, 2012

7:00 p.m.

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

Mayor: Howard Geller
Vice Mayor: Joseph A. Medrano

Council Members
Julie K. Pierce
David T. Shuey
Hank Stratford

- 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 ***

June 5, 2012

7:00 P.M.

1. **CALL TO ORDER THE CITY COUNCIL** – Mayor Geller.

2. **CLOSED SESSION** – None.

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

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 City Council regular meeting of May 15, 2012.

[\(View Here\)](#)

(b) Approve the Financial Demands and Obligations of the City. [\(View Here\)](#)

(c) Authorize the City Clerk to review the City's Conflict of Interest Code and to submit a notice to the City Council by no later than October 1, 2012 whether amendments are necessary or unnecessary. [\(View Here\)](#)

(d) Approve the City's annual Housing Element Progress Report for Calendar Year 2011 for submittal to the California Housing and Community Development Department. [\(View Here\)](#)

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

6. **REPORTS**

(a) Planning Commission – Commissioner Gregg Manning.

(b) Trails and Landscaping Committee – Chairman Jake Pauline.

(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

Members of the public may address the City Council on items within the Council's jurisdiction, (which are not on the agenda) at this time. To facilitate the recordation of comments, it is requested each speaker complete a speaker card available on the Lobby table and submit it in advance 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 or you are recognized by the Mayor as wishing to speak, 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 at its discretion 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) Introduction of the proposed City of Clayton Budgets for Fiscal Year 2012–2013 and the Capital Improvement Program (CIP) for Fiscal Years 2012-2017.
(City Manager) ([View Here](#))

Staff recommendations: Receive and review the proposed Budgets, provide any policy directions and amendments accordingly, and by motion instruct the City Manager to prepare the City Budgets for Public Hearing and adoption at the June 19th City Council meeting.

- (b) Action Item of City serving as Successor Agency to the former Clayton RDA
Introduction of the proposed Successor Agency Budget for Fiscal Year 2012 – 2013. ([View Here](#))
(City Manager)

Staff recommendation: Receive and review the proposed Budget, provide any policy direction and amendments accordingly, and by motion instruct the City Manager to prepare the Successor Agency Budget for Public Hearing and adoption at its June 19th meeting.

- (c) Consideration of Resolutions related to the upcoming November 6, 2012 General Municipal Election for three (3) City Council elected offices (4-year terms).
(City Clerk) ([View Here](#))

- 1). A Resolution calling the General Municipal Election of November 6, 2012, requesting and consenting to consolidation and handling of the election by the Contra Costa County Elections Office, and setting specifications of the election order; and
- 2). A Resolution adopting a policy for voluntary Candidates' Statements printed in the November 6, 2012 Voters' Information Pamphlets.

Staff recommendation: Following staff report and public comments, by separate motions, adopt each Resolution.

- (d) Request by Vice Mayor for discussion on enforcement of the Council Rule for no blankets or chairs set up before 4:00 pm in The Grove Park on Concert days (selected Saturdays and Thursdays). ([View Here](#))
(Vice Mayor Medrano)

Staff recommendation: Following City Council discussion, that Council policy direction or instruction be provided.

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

11. ADJOURNMENT– the next regularly scheduled City Council meeting is June 19, 2012.

#

**MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL**

Agenda Date: 6-5-12

Agenda Item: 4a

TUESDAY, May 15, 2012

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:00 p.m. by Mayor Geller in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Geller, Vice Mayor Medrano, Councilmembers Pierce, Shuey (arrived at 7:14 p.m.), and Stratford. Staff present: City Manager Gary Napper, City Attorney Mala Subramanian, Community Development Director David Woltering, City Engineer Rick Angrisani, and City Clerk Laci Jackson.
2. **CLOSED SESSION** – None.
3. **PLEDGE OF ALLEGIANCE**- led by Mayor Geller.
4. **CONSENT CALENDAR**- It was moved by Councilmember Stratford, seconded by Councilmember Pierce, to approve the Consent Calendar as submitted (Passed; 4-0 vote).
 - (a) Approved the minutes of the regular meeting of May 1, 2012.
 - (b) Approved the Financial Demands and Obligations of the City.
 - (c) Adopted Resolution 20-2012 approving the Engineer's Report and declaring intention to levy and collect assessments for the Clayton Street Lighting Assessment District for Fiscal Year 2012-2013, and giving notice of the time and place for hearing on the levy of the proposed real property assessments.
 - (d) Adopted Resolution 21-2012 approving an Agreement reentering into reimbursement of two previous Loan Agreements by and between the City of Clayton and the Successor Agency to the former Redevelopment Agency of the City.
 - (e) Adopted Resolution 22-2012 ordering the annexation of Lots 1 through 24, inclusive, of Subdivisions 8719 (Diablo Pointe) to the Citywide Street Lighting Assessment District.
5. **RECOGNITIONS AND PRESENTATIONS**
 - (a) Mayor Geller presented a Certificate of Recognition to Joshua Harmon for his Eagle Scout Project installing three bicycle racks and associated concrete pad at the North Valley Park. Joshua thanked Troop 494, his family and his Scoutmaster for their help with the project.
 - (b) Certificates of Recognition to "Do The Right Thing" students of the month for exemplifying "Integrity" during March and April 2012: Mt. Diablo Elementary School- Lucas Lauricelli and Haley Morrison; Diablo View Middle School: Ben Schoffstall and Sarah Fine; and Clayton Valley High School: Maggie Trees-Keenan and Derek Weinman.

6. REPORTS

- (a) Planning Commission – Commissioner Bob Armstrong reported on the May 8th meeting of the Planning Commission. He stated the Commission and approved reviewed the Safeway proposed architectural exterior design changes.
- (b) Trails and Landscaping Committee – No meeting held.
- (c) The City Manager reported the Amgen Tour of California came through the City of Clayton. He thanked the Police Chief, the Community Development Director, and the CEMEX Quarry for sweeping the Clayton Road before the race.

(d) City Council

Councilmember Shuey attended the Concert in The Grove.

Councilmember Stratford thanked staff for working on the Amgen Tour and noted the Do the Right Thing trait of the month for May, June, July is "Courage." He also attended the Mayors' Conference and the East Contra Costa Habitat Conservancy meeting.

Vice Mayor Medrano stated he has been working on the HR Committee for the Charter School and stated they had over 1,000 applications for school teacher positions. He attended the Concert and before 4pm the park was filled with blankets. He reminded people they cannot set blankets out until 4pm.

Councilmember Pierce attended the Mayors' Conference, the Art and Wine Festival, an ABAG and MTC Joint meeting, an Eagle Court of Honor, watched the Amgen Tour, and remind everyone the Historical Society's Gardens Tour is this weekend.

Mayor Geller attended the Mayor's Conference, hosted the Mayors' Club meeting, and attended the meet and greet with Charter High School Executive Director Mr. Linzey. He stated the first Concert in The Grove received \$1,726.32 in community donations. He attended the Art and Wine Festival, and the season opening of the Clayton Farmers' Market.

- (e) Other – None.

7. PUBLIC COMMENTS – None.

8. PUBLIC HEARINGS

- (a) Public Hearing on proposed real property assessments for the Diablo Estates at Clayton Benefit Assessment District (BAD), determination of lack of majority protest vote, and consideration of a Resolution ordering the levy of the real property assessments for operation and maintenance of the BAD in FY 2012-13.

The City Engineer presented the staff report and stated the City Council adopted a Resolution at its Feb. 7th meeting forming the Benefit Assessment District. He stated the Engineers report was approved at the March 20th meeting. He stated on May 1st the City

Council held its first public meeting and tonight is the required Public Hearing. He stated if the annual assessment is not approved there will be no funds to provide maintenance for the landscaping and the storm water treatment in the Diablo Estates subdivision.

Mayor Geller opened the Public Hearing at 7:56 p.m. No public comments were received and closed the Public Hearing at 7:57 p.m.

By consensus the Council directed the City Clerk open the sealed returned ballots and announce the vote results.

The City Clerk counted the ballots and stated there was no majority protest.

It was moved by Councilmember Pierce, seconded by Councilmember Shuey, to adopt the Resolution 23-2012 ordering the levy of the real property assessments for operation and maintenance of the BAD in FY 2012-13 (Passed; 5-0 vote).

9. ACTION ITEMS

- (a) Consider Second Reading and Adoption of Ordinance No. 441 adding Chapter 15.90 to the *Clayton Municipal Code* establishing a process for individuals with disabilities seeking equal access to housing to request reasonable accommodations in the application of the City's land use, zoning or building standards, regulations, policies and procedures (ZOA 01-12).

The Community Development Director stated at its May 1st meeting the City Council introduced Ordinance No. 441 which adds Chapter 15.90 to the Clayton Municipal Code and establishes a process to land use, zoning, and building regulations regarding access to housing for individuals with disabilities. He noted this is a requirement of the City's Housing Element and modifications were made to include additional language that requires a deed restriction requirement.

No public comments were received.

It was moved by Councilmember Stratford, seconded by Councilmember Pierce, to authorize the City Clerk to read Ordinance No. 441 by title and number only (Passed; 5-0 vote).

The City Clerk read Ordinance No. 442 by title and number only.

It was moved by Councilmember Stratford, seconded by Councilmember Pierce, to adopt Ordinance 442 (Passed; 5-0 vote).

- (b) Consider Second Reading and Adoption of Ordinance No. 442 adding and amending certain sections of the *Clayton Municipal Code* relating to claims for refunds of City taxes and actions challenging City taxes, assessments and fees.

The City Attorney presented the staff report and stated Ordinance No. 442 requires an individual to pay the City fee before challenging it.

No public comments were received.

It was moved by Councilmember Pierce, seconded by Councilmember Stratford, to authorize the City Clerk to read Ordinance No. 442 by title and number only (Passed; 5-0 vote).

The City Clerk read Ordinance No. 442 by title and number only.

It was moved by Councilmember Pierce, seconded by Councilmember Stratford, to motion adopt Ordinance 442 (Passed; 5-0 vote).

- (c) Review and determine the scope of work for the 2012 Annual Neighborhood Street Repaving Project (CIP No. 10411) plus inclusion of deductive bids for the resurfacing of the parking lots at City Hall, the Clayton Community Library and Lydia Lane Park, and repaving part of Clayton's Trail System (Bruce Lee Trail segment).

The City Engineer presented the staff report and stated the current CIP program includes a 2012 pavement rehab project. The funding sources for this project include Gas Tax, Measure J, and federal Local Streets & Roads Shortfall ("LS&RS") funds. He stated the federal funding is only allowed to be used on arterial and collector streets and the approval process is lengthy. He stated staff recommends combining the available City funding for the 2012 pavement rehabilitation project and use the federal funding for a separate 2013 collector street project. He stated staff prepared a spreadsheet with the road condition pavement index scores of 70 or below. He outlined several options for the Council: 1) pave 18 local streets including Regency Drive; 2) pave 18 local streets without Regency Drive, reserve \$76,000 for the repaving of Regency Drive from El Molino Drive to its westerly terminus (the portion of Regency Drive not eligible for federal funding) and add the repaving of all of Regency Drive to the 2013 collector street project. 3) add money from the GHAD reserves and pave 23 local streets including all of Regency Drive and 4) add money from GHAD reserves, repave 22 local streets without Regency Drive, reserve \$76,000 for the repaving of Regency Drive from El Molino Drive to its westerly terminus (the portion of Regency Drive not eligible for federal funding) and add the repaving of all of Regency Drive to the 2013 collector street project. He stated the Lydia Lane Park parking area, the Mt. Diablo Creek Trail from Center Street to Grenache Circle, and the City Hall and Library parking lot repaving projects will included as deductive bid items and can be removed if the price is too high or funding is not available.

He stated if the public parking lots are repaved there may be an impact to the General Fund but staff will bring back recommendations for funding at the July 3rd meeting when the contract is awarded.

The City Manager stated the trail paving project is already budgeted in the Landscape Maintenance District. He noted the City cannot use General Fund money to repave streets like it can with parking lots. Once a city uses General Fund money for street maintenance, the city has obligated itself to continue same amount of funds each and every year thereafter ("Maintenance of Effort" state law).

Councilmember Pierce stated we want to do as much as we possibly can and asked what staff's recommendation was? The City Manager responded that option two was the recommendation of staff. Staff cannot recommend drawing down the GHAD reserves.

Councilmember Shuey noted he agreed using the GHAD reserves is not a good option.

Councilmember Stratford stated he would like to Regency Drive repaved now with this round of street projects. Repaving this street has been delayed too long.

It was moved by Councilmember Shuey, seconded by Councilmember Pierce to move forward with Option 2 and include the deductive bid projects (Passed; 4-1 vote, No- Stratford).

(d) *Action Item of City serving as Successor Agency to the former Clayton RDA*

Consideration of an Agreement reentering into reimbursement of two previous Loan Agreements by and between the City of Clayton and the Successor Agency to the former Redevelopment Agency of the City, as recommended by the Oversight Board of the Successor Agency of the City of Clayton.

The City Manager stated this item is on the Council's agenda in its capacity as the Successor Agency to the former Clayton Redevelopment Agency. He stated a similar item was on the Consent Calendar for approval by the City Council. He stated the Redevelopment Agency owes the City money for two loans. He stated the first is a loan for the County Fire Station property. He stated the Redevelopment Agency was to repay \$475,000 before Jan 2023, and until they did so it would make interest payments. He stated the second loan was for the 2% Election payments discovered in February 2010 which were never paid to the City in the amount of \$501,000. He stated in 2010 the State took \$1.96 million from the Agency therefore the Council and Agency agreed to pay those monies back in a 4 year time period. He stated unfortunately the State then passed the Dissolution Act. He noted ROPS I & II have been submitted to the Department of Finance and they have not responded yet. He stated there is a section in the law which allows the Oversight Board to re-enter in to loan agreements and therefore this action would allow that to take place as the Oversight Board unanimously approved this action.

Council thanked the City Manager for putting this complex item together.

No public comments were received.

It was moved by Councilmember Stratford, seconded by Councilmember Pierce to adopt Resolution 24-2012 (Passed; 5-0 vote).

10. **COUNCIL ITEMS**- Vice Mayor Medrano asked that an item be added to a future agenda for discussion of the 4 p.m. no blanket or chair rule for the Concerts in The Grove.

11. **ADJOURNMENT**- On call by Mayor Geller the meeting adjourned at 8:34 p.m.

Respectfully submitted,

Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

Howard Geller, Mayor



Agenda Date: 6/5/12

Agenda Item: 4B

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER, FINANCE MANAGER

DATE: June 5, 2012

SUBJECT: INVOICE SUMMARY

RECOMMENDATION

Approve the following Invoices.

5/31/12	Cash Requirements Report	\$92,681.36
5/31/12	CalPers Health Payment for April and May 2012	\$26,715.47 \$26,881.07
5/31/12	Neopost – Postage	\$2,100.00
5/31/12	Ken Joiret, "Sound for Events" (for weekday concerts) @ \$500 per concert (5) (First check is in 5/31/12 Cash Requirements Report)	\$2,000.00

TOTAL REQUEST

\$150,377.90

Attachments:

Cash Requirements Report dated 5/31/12 (5 pages)

Transaction Register dated 5/31/12 (2 pages)

City of Clayton

Cash Requirements Report

City Council Meeting 6/5/12

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount Expires On	Net Amount Due
All City Management Services, Inc.							
All City Management Services, Inc.	6/5/2012	5/4/2012	26786	crossing guard svcs	\$465.00	\$0.00	\$465.00
All City Management Services, Inc.	6/5/2012	5/18/2012	26933	crossing guard svcs	\$465.00	\$0.00	\$465.00
				<i>Totals for All City Management Services, Inc.:</i>	<u>\$930.00</u>	<u>\$0.00</u>	<u>\$930.00</u>
American Fidelity Assurance Company							
American Fidelity Assurance Company	6/5/2012	5/8/2012	777792A	FSA Premium 4/30/12	\$975.59	\$0.00	\$975.59
				<i>Totals for American Fidelity Assurance Company:</i>	<u>\$975.59</u>	<u>\$0.00</u>	<u>\$975.59</u>
Arlene H. Kikkawa-Nielsen							
Arlene H. Kikkawa-Nielsen	6/5/2012	5/16/2012	5/2012	May	\$900.00	\$0.00	\$900.00
				<i>Totals for Arlene H. Kikkawa-Nielsen:</i>	<u>\$900.00</u>	<u>\$0.00</u>	<u>\$900.00</u>
AT&T/ CalNet 2							
AT&T/ CalNet 2	6/5/2012	5/20/2012	3394550	april/may	\$530.19	\$0.00	\$530.19
				<i>Totals for AT&T/ CalNet 2:</i>	<u>\$530.19</u>	<u>\$0.00</u>	<u>\$530.19</u>
AVI-SPL Integrated Solutions							
AVI-SPL Integrated Solutions	6/5/2012	5/18/2012	237534	field service call Grove Park Outdoor system	\$420.00	\$0.00	\$420.00
				<i>Totals for AVI-SPL Integrated Solutions:</i>	<u>\$420.00</u>	<u>\$0.00</u>	<u>\$420.00</u>
Bay Area News Group-East Bay							
Bay Area News Group-East Bay	6/5/2012	4/30/2012	0000484642	ad	\$113.60	\$0.00	\$113.60
				<i>Totals for Bay Area News Group-East Bay:</i>	<u>\$113.60</u>	<u>\$0.00</u>	<u>\$113.60</u>
CA Dept of Industrial Relations							
CA Dept of Industrial Relations	6/5/2012	5/16/2012	E1012402OA	Inspection	\$225.00	\$0.00	\$225.00
				<i>Totals for CA Dept of Industrial Relations:</i>	<u>\$225.00</u>	<u>\$0.00</u>	<u>\$225.00</u>
Caltronics Business Systems, Inc							
Caltronics Business Systems, Inc	6/5/2012	5/15/2012	1084920	Konica	\$367.89	\$0.00	\$367.89
				<i>Totals for Caltronics Business Systems, Inc.:</i>	<u>\$367.89</u>	<u>\$0.00</u>	<u>\$367.89</u>
Carol Wolfe							
Carol Wolfe	6/5/2012	5/30/2012	4/18/12	deposit refund	\$397.00	\$0.00	\$397.00
				<i>Totals for Carol Wolfe:</i>	<u>\$397.00</u>	<u>\$0.00</u>	<u>\$397.00</u>
CCC Employment & Human Services							
CCC Employment & Human Services	6/5/2012	5/25/2012	5/25/12	CIC annual expenses	\$500.00	\$0.00	\$500.00
				<i>Totals for CCC Employment & Human Services:</i>	<u>\$500.00</u>	<u>\$0.00</u>	<u>\$500.00</u>
CCC General Services (Traffic)							
CCC General Services (Traffic)	6/5/2012	5/17/2012	4551	Traffic Signal Maint	\$1,228.50	\$0.00	\$1,228.50
				<i>Totals for CCC General Services (Traffic):</i>	<u>\$1,228.50</u>	<u>\$0.00</u>	<u>\$1,228.50</u>

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
CCC Office of the Sheriff, Forensic Services Division								
CCC Office of the Sheriff, Forensic Sc	6/5/2012	5/10/2012	CLPD-1204	Testing	\$1,551.00	\$0.00		\$1,551.00
			Totals for CCC Office of the Sheriff, Forensic Services Division:					\$1,551.00
City of Concord								
City of Concord	6/5/2012	5/11/2012	28502	vehicle maintenance	\$1,598.49	\$0.00		\$1,598.49
City of Concord	6/5/2012	5/11/2012	28488	Printing	\$192.00	\$0.00		\$192.00
City of Concord	6/5/2012	5/11/2012	28476	mailing labels	\$79.00	\$0.00		\$79.00
			Totals for City of Concord:					\$1,869.49
Clayton Pioneer								
Clayton Pioneer	6/5/2012	5/11/2012	12102	advertising thursday night concerts	\$700.00	\$0.00		\$700.00
			Totals for Clayton Pioneer:					\$700.00
Cole Supply Company								
Cole Supply Company	6/5/2012	5/3/2012	847891	liners	\$441.12	\$0.00		\$441.12
			Totals for Cole Supply Company:					\$441.12
Comcast								
Comcast	6/5/2012	5/5/2012	5/5/12	internet	\$397.23	\$0.00		\$397.23
			Totals for Comcast:					\$397.23
Contra Costa Water Dist.								
Contra Costa Water Dist.	6/5/2012	5/15/2012	K601054	irrigation	\$369.19	\$0.00		\$369.19
			Totals for Contra Costa Water Dist.:					\$369.19
CR Fireline Inc								
CR Fireline Inc	6/5/2012	5/3/2012	91958	qruly insp	\$110.00	\$0.00		\$110.00
CR Fireline Inc	6/5/2012	5/3/2012	91959	qruly insp	\$110.00	\$0.00		\$110.00
CR Fireline Inc	6/5/2012	5/3/2012	91960	qruly insp	\$110.00	\$0.00		\$110.00
			Totals for CR Fireline Inc:					\$330.00
David Manoguerra								
David Manoguerra	6/5/2012	5/30/2012	HOP 06-12	Refund	\$154.00	\$0.00		\$154.00
			Totals for David Manoguerra:					\$154.00
Globalstar LLC								
Globalstar LLC	6/5/2012	5/16/2012	1000000003881414	Phone Svcs	\$44.19	\$0.00		\$44.19
			Totals for Globalstar LLC:					\$44.19
Goldfarb & Lipman								
Goldfarb & Lipman	6/5/2012	5/15/2012	104924	general fees	\$1,225.00	\$0.00		\$1,225.00
			Totals for Goldfarb & Lipman:					\$1,225.00
Hammons Supply Company								

City of Clayton Cash Requirements Report City Council Meeting 6/5/12

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Hammons Supply Company	6/5/2012	4/18/2012	71692	supplies	\$625.40	\$0.00		\$625.40
Hammons Supply Company	6/5/2012	4/26/2012	71731	supplies	\$252.98	\$0.00		\$252.98
				Totals for Hammons Supply Company:	\$878.38	\$0.00		\$878.38
Hyde Printing Inc								
Hyde Printing Inc	6/5/2012	5/25/2012	60805	notices - street light	\$859.13	\$0.00		\$859.13
				Totals for Hyde Printing Inc:	\$859.13	\$0.00		\$859.13
John Deere Landscapes Inc								
John Deere Landscapes Inc	6/5/2012	5/15/2012	61292925	materials	\$291.06	\$0.00		\$291.06
				Totals for John Deere Landscapes Inc:	\$291.06	\$0.00		\$291.06
Kelly Cannon								
Kelly Cannon	6/5/2012	5/14/2012	5/12/12	deposit refund	\$38.00	\$0.00		\$38.00
				Totals for Kelly Cannon:	\$38.00	\$0.00		\$38.00
Ken Joiret								
Ken Joiret	6/5/2012	5/30/2012	06/14/2012	sound for weekday concerts	\$500.00	\$0.00		\$500.00
				Totals for Ken Joiret:	\$500.00	\$0.00		\$500.00
LarryLogic Productions								
LarryLogic Productions	6/5/2012	5/15/2012	1243	CC Meeting 5/15	\$325.00	\$0.00		\$325.00
				Totals for LarryLogic Productions:	\$325.00	\$0.00		\$325.00
LSA Associates Inc								
LSA Associates Inc	6/5/2012	9/15/2011	110417	August Svcs	\$312.75	\$0.00		\$312.75
LSA Associates Inc	6/5/2012	8/18/2011	109786	July services	\$6,826.08	\$0.00		\$6,826.08
LSA Associates Inc	6/5/2012	7/13/2011	109041	June services	\$671.51	\$0.00		\$671.51
LSA Associates Inc	6/5/2012	5/18/2012	115452	April Services	\$2,218.50	\$0.00		\$2,218.50
				Totals for LSA Associates Inc:	\$10,028.84	\$0.00		\$10,028.84
Marken Mechanical Services Inc								
Marken Mechanical Services Inc	6/5/2012	5/15/2012	412-1147-4	Endeavor Hall	\$368.59	\$0.00		\$368.59
Marken Mechanical Services Inc	6/5/2012	5/15/2012	112-15548	Endeavor Hall Service Call	\$1,424.71	\$0.00		\$1,424.71
				Totals for Marken Mechanical Services Inc:	\$1,793.30	\$0.00		\$1,793.30
Muir/ Diablo Occupation Medicine								
Muir/ Diablo Occupation Medicine	6/5/2012	5/9/2012	178740	physical - Giantvalley	\$70.00	\$0.00		\$70.00
				Totals for Muir/ Diablo Occupation Medicine:	\$70.00	\$0.00		\$70.00
Office Depot								
Office Depot	6/5/2012	2/29/2012	600055297001	supplies	\$96.20	\$0.00		\$96.20
Office Depot	6/5/2012	2/29/2012	600055863001	supplies	\$2.09	\$0.00		\$2.09
Office Depot	6/5/2012	2/29/2012	600073619001	supplies	\$48.28	\$0.00		\$48.28
				Totals for Office Depot:	\$146.57	\$0.00		\$146.57

City of Clayton

Cash Requirements Report

City Council Meeting 6/5/12

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Pacific Telemanagement Svc								
Pacific Telemanagement Svc	6/5/2012	5/23/2012	399105	June	\$73.00	\$0.00		\$73.00
				Totals for Pacific Telemanagement Svc:	\$73.00	\$0.00		\$73.00
PERMCO, Inc.								
PERMCO, Inc.	6/5/2012	5/29/2012	9743-9756	period 5/5/12-5/25/12	\$17,381.65	\$0.00		\$17,381.65
				Totals for PERMCO, Inc.:	\$17,381.65	\$0.00		\$17,381.65
PG&E								
PG&E	6/5/2012	5/23/2012	5/23/12	Electricity and Gas - May	\$19,720.59	\$0.00		\$19,720.59
				Totals for PG&E:	\$19,720.59	\$0.00		\$19,720.59
Riso Products of Sacramento								
Riso Products of Sacramento	6/5/2012	5/21/2012	91953	copier contract	\$94.79	\$0.00		\$94.79
				Totals for Riso Products of Sacramento:	\$94.79	\$0.00		\$94.79
Rock & Waterfall Co								
Rock & Waterfall Co	6/5/2012	4/28/2012	105-83	maintenance	\$650.00	\$0.00		\$650.00
				Totals for Rock & Waterfall Co:	\$650.00	\$0.00		\$650.00
SPRAYTEC (Sprayer Sales Co)								
SPRAYTEC (Sprayer Sales Co)	6/5/2012	5/4/2012	11205	Maintenance - waste water	\$225.00	\$0.00		\$225.00
				Totals for SPRAYTEC (Sprayer Sales Co):	\$225.00	\$0.00		\$225.00
Sprint Comm (PD)								
Sprint Comm (PD)	6/5/2012	5/29/2012	703335311-126	PD Nextel	\$303.31	\$0.00		\$303.31
				Totals for Sprint Comm (PD):	\$303.31	\$0.00		\$303.31
Sprint Comm (PW & ADM)								
Sprint Comm (PW & ADM)	6/5/2012	5/29/2012	531409315-121	April/May	\$277.08	\$0.00		\$277.08
				Totals for Sprint Comm (PW & ADM):	\$277.08	\$0.00		\$277.08
Treppa Law Group								
Treppa Law Group	6/5/2012	4/30/2012	601	JFC Lit.	\$8,158.23	\$0.00		\$8,158.23
				Totals for Treppa Law Group:	\$8,158.23	\$0.00		\$8,158.23
US Bank Corp Pymt System (Cal Card)								
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	Supplies	\$350.00	\$0.00		\$350.00
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	mic, stand, disp. gloves, suppl	\$381.37	\$0.00		\$381.37
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	Neopost Lease prnt	\$222.02	\$0.00		\$222.02
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	Web hosting	\$192.00	\$0.00		\$192.00
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	Mayor's Photo	\$701.44	\$0.00		\$701.44
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	Afford. Housing ad	\$350.00	\$0.00		\$350.00
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	APA Conference	\$995.00	\$0.00		\$995.00
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	Mayor's Conference	\$4,432.24	\$0.00		\$4,432.24

City of Clayton

Cash Requirements Report

City Council Meeting 6/5/12

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	April Cal Card 2012	monitors, Fry's	\$385.73	\$0.00		\$385.73
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	conduit, flowers, paint	\$199.66	\$0.00		\$199.66
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	doggie bags ,picture hanging kits	\$503.54	\$0.00		\$503.54
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	gas	\$793.19	\$0.00		\$793.19
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	service 99 f450 WC Ford	\$700.39	\$0.00		\$700.39
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	lights and batteries	\$219.11	\$0.00		\$219.11
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	report on ash tree _ Traverso Tree	\$150.00	\$0.00		\$150.00
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	street lights and batteries	\$438.10	\$0.00		\$438.10
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	landscape fuel	\$856.92	\$0.00		\$856.92
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	4x4 posts for street signs	\$395.08	\$0.00		\$395.08
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	auto zone - coolant, oil	\$128.26	\$0.00		\$128.26
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	OSH - paint	\$19.97	\$0.00		\$19.97
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	CalCard 4/23/12	WC Ford - Parts F550	\$67.08	\$0.00		\$67.08
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	calcard 4/23/12	, tool box	\$114.91	\$0.00		\$114.91
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	calcard 4/23/12	usps postage	\$28.75	\$0.00		\$28.75
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	calcard 4/23/12	gas	\$2,891.52	\$0.00		\$2,891.52
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	calcard 4/23/12	Parking for Harding Case	\$13.00	\$0.00		\$13.00
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	calcard 4/23/12	clayton bikes - repair	\$18.10	\$0.00		\$18.10
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	calcard 4/23/12	PA Mic #1726	\$44.99	\$0.00		\$44.99
US Bank Corp Pymt System (Cal Card)	6/5/2012	4/23/2012	calcard 4/23/12	range supplies	\$311.32	\$0.00		\$311.32
Totals for US Bank Corp Pymt System (Cal Card):					\$15,903.69	\$0.00		\$15,903.69
Wally's Rental Center, Inc.								
Wally's Rental Center, Inc.	6/5/2012	5/14/2012	112782-3	Mixer Rental	\$94.75	\$0.00		\$94.75
Totals for Wally's Rental Center, Inc.:					\$94.75	\$0.00		\$94.75
Waraner Brothers Tree Service								
Waraner Brothers Tree Service	6/5/2012	5/7/2012	9798	Grove Park Elm Tree Pruning	\$1,200.00	\$0.00		\$1,200.00
Totals for Waraner Brothers Tree Service:					\$1,200.00	\$0.00		\$1,200.00
GRAND TOTALS:					\$92,681.36	\$0.00		\$92,681.36

City of Clayton Transaction Register

Vendor Name	Transaction Date	Created On	Post Status	Post Date	Transaction Number	Transaction Type	Description	Discount Amount	Transaction Amount
CalPERS Health									
CalPERS Health	4/15/2012	5/23/2012	Posted	5/23/2012	644	Invoice	Health Premiums for the mon		\$26,715.47
CalPERS Health	5/16/2012	5/23/2012	Posted	5/23/2012	684	Invoice	Health Insurance Premiums J		\$26,881.07
CalPERS Health	5/18/2012	5/30/2012	Posted	5/18/2012	9100144	Check			(\$26,715.47)
CalPERS Health	5/24/2012	5/30/2012	Posted	5/24/2012	9100143	Check			(\$26,881.07)
							Totals for CalPERS Health:	\$0.00	\$0.00
Neopost (add postage)									
Neopost (add postage)	5/18/2012	5/23/2012	Posted	5/22/2012	051812	Invoice	Add postage		\$600.00
Neopost (add postage)	5/23/2012	5/23/2012	Posted	5/23/2012	9100142	Check			(\$600.00)
Neopost (add postage)	5/24/2012	5/30/2012	Posted	5/29/2012	5/24/12	Invoice	Postage - Large Mailing		\$1,500.00
Neopost (add postage)	5/30/2012	5/30/2012	Posted	5/30/2012	9100145	Check			(\$1,500.00)
							Totals for Neopost (add postage):	\$0.00	\$0.00
							A total of 4 invoice(s) listed:		\$55,696.54
							A total of 4 payment(s) listed:		(\$55,696.54)
							GRAND TOTALS:		\$0.00

1st check (June 14th) is posted



CITY OF CLAYTON

CONSULTING SERVICES AGREEMENT
(General)

AUTHORIZED BY	DATE
3042	6/12/12
VENDOR #	ACCOUNT #
2500-	7015
AMOUNT	CITY MANAGER APPROVAL

1. Special Conditions:

- A) Consultant's Name & Address: Ken Joiret DBA: Sound For Events ("CONSULTANT")
1542 Lavetta Way, Concord, CA 94521
- B) Effective Date: June 14, 2012 C) Payment Limit: \$ 2500 D) Expense Limit: \$0
- E) Completion Date: August 23, 2012
- F) Federal Tax ID or SSN: W-9 Completed and on file with the City of Clayton Finance Dept.

2. Signatures: These signatures attest the parties' agreement hereto:

CITY OF CLAYTON

CONSULTANT

BY: Gary Napper

City Manager

BY: Ken Joiret DBA: Sound For Events

(owner)

3. Parties: Effective on the above date, the City of Clayton ("City") and CONSULTANT mutually agree and promise as follows.

4. Employment: City hereby employs CONSULTANT, as an independent agent, and CONSULTANT accepts such employment, to perform the professional services described in Exhibit A included herein by reference, upon the terms and in consideration of the payments stated herein.

5. Scope of Service: Scope of services shall be as described in Proposal for 2012 Concerts in the Grove for the City of Clayton dated April 23, 2012, Exhibit A, attached hereto and made a part hereof by this reference.

6. Insurance: CONSULTANT shall cause to be obtained and maintain during the term hereof:

Consultant
Initials
City
Initials

(a) Workers' Compensation and (b) Commercial General Liability Insurance including coverage for owned and non-owned operations. The limit coverage of at least \$1,000,000 per occurrence for bodily injury, sickness or disease, or death to any person, arising out of each accident or occurrence. The City of Clayton, its agents, employees, and independent contractors shall be named as additional insureds. Written notice of policy lapse shall be provided to the City at least 30 days prior to expiration.

\$500 per concert.
- June 14
- July 12
- July 24
- Aug 9
- Aug. 23

7. Payment: The City of Clayton shall pay the CONSULTANT the rate of \$500 per concert plus incidental expenses, for which the total amount paid to the CONSULTANT without prior written approval shall not exceed \$2,500. Payment shall be provided by the City at each concert at the conclusion of the concert.

8. Status: CONSULTANT and its assistants and independent contractor(s) shall not be considered an employee of the City of Clayton.



Agenda Date: 6-5-12

Agenda Item: 4c

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Laci J. Jackson City Clerk

DATE: June 5, 2012

SUBJECT: Biennial Review of Conflict of Interest Code

RECOMMENDATION

By minute motion, direct the City Clerk to review Clayton's Conflict of Interest Code and submit a notice to the City Council no later than October 1, 2012 indicating whether or not amendments are required or that no amendments are necessary.

BACKGROUND

The Political Reform Act requires every local government agency to review its conflict of interest code biennially to determine if it is accurate or, alternatively, that the code must be amended. Once the determination has been made, a notice must be submitted to the Code Reviewing Body (City Council) no later than October 1 of even-numbered years.

Therefore, the City Council must, no later than July 1, 2012, officially instruct its city organization to review its code and submit a notice to the City Council that either amendments are required or that no amendments are necessary. This action constitutes the initiation of the procedure required by State law.

FISCAL IMPACT

None.



Agenda Date: 6-5-12

Agenda Item: 4d

Approved:


Gary A. Napper
City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: DAVID WOLTERING, COMMUNITY DEVELOPMENT DIRECTOR 

DATE: JUNE 5, 2012

SUBJECT: ANNUAL HOUSING ELEMENT PROGRESS REPORT (2011)

RECOMMENDATION

Accept by minute action the Annual Housing Element Progress Report (APR) for filing with the State of California Housing and Community Development Department (HCD), as required by Government Code Section 65400.

BACKGROUND

On April 20, 2010, the Clayton City Council adopted Resolution No. 12-2010, thereby approving its City of Clayton 2009-2014 Housing Element Update. This Housing Element was subsequently conditionally certified by HCD on July 15, 2010. Government Code Section 65400 requires each governing body (City Council or Board of Supervisors) to prepare an annual report on the status and progress in implementing the jurisdiction's housing element, using forms and definitions adopted by HCD. Staff has completed the required forms (**See Attachment**) for City Council review and acceptance prior to filing with HCD.

During the actual reporting period of 1/1/2011 – 12/31/2011, the City of Clayton adopted the California Green Building Code (March, 2011); protected an at-risk affordable housing unit by purchasing it using available Redevelopment Agency Low and Moderate-Income funds and then reselling the unit to a low-income household with a 45-year affordability deed restriction; issued building permits for six above-moderate housing units; and did considerable research and related work on a Reasonable Accommodations Ordinance, a multi-measure Housing Element Implementation Ordinance, and a multi-measure Housing Element Implementation Resolution. These ordinances (Ordinances 440 and 441) and the resolution (Resolution No. 11-2012) were subsequently adopted in 2012 and are referenced in Table C of the attached *Annual Element Progress Report*. The Reasonable Accommodations Ordinance, Ordinance No. 441, established an application process and

evaluation criteria for considering requests for reasonable accommodations for individuals with disabilities to have equal access to housing within the community. Ordinance 440 and Resolution No. 11-2012 included, among other measures, creating a Multi-Family High Density (15.1–20 units/acre) General Plan designation and Zoning classification and then redesignated/reclassified seven sites in Clayton to increase the potential unit yield collectively on those sites from 57 to 140 units. As described in the attached *Annual Element Progress Report*, these ordinances and the resolution enacted other implementation measures, as well, from the adopted City of Clayton 2009-2014.

FINANCIAL IMPACT

None anticipated as City is conforming to State requirements.

Attachment: *Annual Element Progress Report, Housing Element Implementation (2011)*

comdev/GPA/2009/01-09.sr.cc-6.5.12-APR 2011

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction City of Clayton
Reporting Period 1/1/2011 - 12/31/2011

Table A
Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information										
1	2	3	4			5	5a	6		8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes			Total Units per Project	Est. # Infill Units*	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
			Very Low- income	Low- income	Moderate- income			Assistance Programs for Each Development	Deed Restricted Units	
4 Promontory Place	S-F					1	1	See Instructions		Notes: below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions
12 Promontory Place	S-F					1	1			
21 Promontory Place	S-F					1	1			
14 Seminary Place	S-F					1	1			
18 Seminary Place	S-F					1	1			
23 Seminary Place	S-F					1	1			
(9) Total of Moderate and Above Moderate from Table A3					0	0	0			
(10) Total by income Table A/A3						6	6			
(11) Total Extremely Low-Income Units*										

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	City of Clayton
Reporting Period	1/1/2011 - 12/31/2011

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(1) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk			1	1	The Clayton Redevelopment Agency purchased an at-risk moderate-income unit at 268 Stranahan Circle and then resold it as a low-income unit with a 45-year affordability deed restriction.
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	1	1	

* Note: This field is voluntary

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate						0	
No. of Units Permitted for Above Moderate						0	

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction City of Clayton
Reporting Period 1/1/2011 - 12/31/2011

Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2007	2008	2009	2010	2011	Year 6	Year 7	Year 8	Year 9	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
		Deed	Deed	Deed	Deed	Deed	Deed	Deed	Deed	Deed		
Very Low	Restricted Non-deed restricted	0	0	0	0	0	0	0	0	0		49
	Deed	0	0	0	0	0	0	0	0	0		
Low	Restricted Non-deed restricted	0	0	0	0	0	0	0	0	0		35
	Deed	0	0	0	0	0	0	0	0	0		
Moderate	Restricted Non-deed restricted	0	0	0	0	0	0	0	0	0		32
	Deed	1	0	0	0	0	0	0	0	0	1	
Above Moderate	Restricted Non-deed restricted	9	11	0	1	6					27	7
	Deed											
Total RHNA by COG. Enter allocation number:		10	11	0	1	6					28	123
Total Units												
Remaining Need for RHNA Period												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction City of Clayton
Reporting Period 1/1/2011 - 12/31/2011

Table C
Program Implementation Status

Program Description (By Housing Element Program Names)	Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
		Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Implementation Measure I.1.1		Rezone sites to meet RHNA shortfall	1-Mar-11	7 sites redesignated to M-F (15-120 units/acre) in April 2012 - potential unit yield increased collectively from 57 to 140 units
Implementation Measure I.2.1		Implement Affordable Housing Plan requirement	On-going	Guidelines established in April 2010
Implementation Measure I.2.2		Use LMI fund for affordable housing projects	On-going	RDA dissolved and funding source eliminated
Implementation Measure I.3.1		Allow manufactured housing in residential zones	1-Dec-09	Completed w/ adoption of Ord. 425 in Dec. 2009
Implementation Measure I.4.1		Provide information to promote construction of second units	On-going	Handouts available in Community Development Department (CDD)
Implementation Measure I.4.2		Use RDA funds to incentivize construction of second units	1-Dec-12	RDA dissolved and funding source eliminated
Implementation Measure I.5.1		Encourage mixed-use development in Town Center	On-going	Town Center Specific Plan is available in CDD and on City's website with supportive policies
Implementation Measure I.5.2		Promote Town Center second story residential use standards	On-going	Town Center Specific Plan is available in CDD and on City's website with supportive policies
Implementation Measure II.1.1		Allow emergency shelters by right in Kirker Pass Corridor	On-going	Anticipated to be completed in 2013
Implementation Measure II.1.2		Allow supportive and transitional housing in residential zones	1-Mar-11	Completed w/ adoption of Ord. 440 in April 2012
Implementation Measure II.1.3		Allow SKOs w/ CUP in L-C District and Kirker Corridor	1-Apr-11	Completed w/ adoption of Ord. 440 in April 2012 (L-C District only)
Implementation Measure II.1.4		Offer regulatory incentives for extremely low-income households	On-going	Offered with applicable projects
Implementation Measure II.2.1		Allow s-1 homes in multi-family districts only w/ a use permit	1-Dec-11	Completed w/ adoption of Ord. 440 in April 2012
Implementation Measure II.3.1		Allow density bonuses in accordance w/ State law	1-Dec-09	Completed w/ the adoption of Ord. 426 in Dec. 2009
Implementation Measure II.4.1		Prioritize to decrease review time for affordable housing projects	On-going	Made available with applicable projects
Implementation Measure II.5.1		City to consider waiving/reducing fees for affordable housing projects	On-going	RDA dissolved and funding source eliminated
Implementation Measure II.6.1		City shall provide flexible development standards	On-going	Provided through Ord. 440 and Ord 426
Implementation Measure III.1.1		City refers interested parties to County affordable programs	On-going	Referrals made, as pertinent, by Community Development Department staff
Implementation Measure III.1.2		City to develop a down payment assistance program w/ RDA funds	1-Dec-11	RDA dissolved and funding source eliminated
Implementation Measure III.1.3		City to review potential funding through County HOME program	On-going	City coordinates with Contra Costa County Housing Authority
Implementation Measure III.1.4		City to provide \$200,000 annually to Diamond Terrace project	through term of agreement	City will continue to pay \$200,000 through term of this valid contract
Implementation Measure III.2.1		City to protect at-risk affordable units	On-going	The City's RDA protected an at-risk affordable unit in 2011 by purchasing and then reselling the unit w/ a 45-year deed restriction
Implementation Measure IV.1.1		Comply with fair housing laws	On-going	The City's actions are intended to comply with fair housing laws.

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	City of Clayton	Reporting Period	1/1/2011 - 12/31/2011	
Implementation Measure IV.1.2		City to not restrict unrelated persons in a family	1-Oct-10	Completed w/ adoption of Ord. 440 in April 2012
Implementation Measure IV.2.1		City will provide info. to public on afford. housing projects.	On-going	The City actively advertises the availability of affordable housing units as they become available
Implementation Measure IV.3.1		City will adopt a reasonable accommodations ord.	1-Oct-10	Completed w/ adoption of Ord. 441 in May 2012
Implementation Measure IV.3.2		City will distribute info. regarding reasonable accommodations.	On-going	Information is available in the CCD
Implementation Measure IV.3.3		City to investigate feasibility of universal design ordinance.	1-May-11	Anticipated to be completed in 2013
Implementation Measure V.1.1		City to provide energy conserv. brochures at City Hall	On-going	Information is available in the CCD
Implementation Measure V.1.2		City to develop design concepts for energy efficiency	1-Jan-12	Anticipated to be completed in 2013
Implementation Measure V.1.3		City to improve energy efficiency requirements	1-Jan-12	Adopted the 2010 California Green Building Code in March 2011
Implementation Measure VI.1.1		City to support legislation to transfer housing closer to transit	On-going	The City supports this type of legislation through its association with ABAG and the Contra Costa Transportation Authority (CCTA)
Implementation Measure VI.1.2		City to participate in TRANSPAC and similar organizations	On-going	The City participates in TRANSPAC
Implementation Measure VI.1.3		City to cooperate w/ regional/countrywide housing task force	On-going	The City participates w/ regional/countrywide housing task force
Implementation Measure VI.1.4		City to work with ABAG re. energy and land-use efficiency	On-going	The City participates with and has Councilmember representation on ABAG

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	City of Clayton
Reporting Period	1/1/2011 - 12/31/2011

General Comments:

As noted in Table C above, the redesignation of 7 sites to Multi-Family High Density Residential (Resolution No. 11-2012), the adoption of Ordinance 440, and the adoption of Ordinance 441 occurred at the City Council level in 2012. However, it should be noted that substantial staff and consultant work and work with the Planning Commission and community occurred during the calendar year 2011 to research and prepare staff reports, resolutions, and ordinances to enable the City Council's adoption of this body of work in 2012. Additionally, as noted Table C, the City of Clayton adopted the California Green Building Code in 2011.

Agenda Date: 6-5-12

PROPOSED CITY BUDGET
2012 – 2013

Agenda Item: 9a

THE CITY COUNCIL

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

* * *

PROPOSED AND PRESENTED BY:

GARY A. NAPPER, CITY MANAGER

* * * *

PREPARED BY:

MERRY PELLETIER, FINANCE MANAGER



CITY OF CLAYTON, CALIFORNIA

94517

www.ci.clayton.ca.us

BUDGET MESSAGE

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CITY MANAGER

MEETING DATE: 05 JUNE 2012

**SUBJECT: PROPOSED CITY, SPECIAL FUNDS, AND CIP BUDGETS
FISCAL YEAR 2012 - 2013**

RECOMMENDATION

Following introduction and presentation of the proposed operations and capital improvements budgets for FY 2012 – 2013, it is recommended the City Council provide any policy direction and amendments accordingly for a Public Hearing and adoption of the City, Special Funds, and Capital Improvement Budgets at its regular public meeting on 19 June 2012.

BACKGROUND

It is the dawning of the "Age of Austerity." Local governments are now reeling in shock and annual deficits as the aftermath of the state's extermination of California redevelopment agencies finally hits the pages of city budgets. Reality is stunning as the decade of austerity unfolds by the punch of a languishing economy coupled with continued state impacts exploding on the local level. During the 2000s, cities were generally able to cope with the chronic state takeaways and the sleight of hand schemes authored by the state in managing its own fiscal deficit over the years. Who recalls endearingly the "Triple Flip", the Byzantine maze of which public entity (state or city) the local Vehicle License Fees actually belong to, or the numerous ballot measures by the state grappling with its ever-present lack of revenues and its current \$16 billion deficit, and the 1-2 knockout exchange of local governments' Protect Local Services and Monies (Prop 22 – November 2010) followed by newly-elected Governor Brown's counterpunch of "Oh, yeah? Redevelopment agencies are now dead." With all public entities already trampled by the depressed economy, retail sales tax and building development communities were the first to experience the trip. Next came the residential-based communities (like Clayton) as real property tax bases plummeted to 10-year lows. And ever in the corner was the State of California, clawing endlessly for Gollum's ring (funds) at the local level to call its own.

It is within this backdrop the City of Clayton offers its proposed budget for FY 2012-13. Hope has disappeared as the former Clayton Redevelopment Agency's demise has ripped a premature \$200,000 hole in the City's General Fund budget. The City lost a

decade of growth as its General Fund revenues have now plunged below the level experienced 10 years ago, in FY 2002-03 (then, \$3,483,450). During the last decade the City has not added any new City-employment positions as Clayton has always operated on a slim margin of public revenues. It is considered a "low property tax" city amongst the state at its slice of 4.2% of the assessed valuation on real property, and even with its post-redevelopment agency rate of 6.2% likely (after all redevelopment agency debt is retired, still many years out), it must continue to bask in the shine of austerity. In itself, frugal management of public resources is an honorable art and mission, and certainly Clayton holds the legacy of proper performance in that venue. However, it is now a new dawn.

For the last three (3) years (and forecast for a 4th year in a row), Clayton city employees have shouldered much of the burden to offset the City's revenue reductions in order to maintain public community services; these shared sacrifices have manifested in the forms of 11 unpaid furlough days per year at City Hall (4.3% cut in pay), zero cost-of-living adjustments, no salary advancements for merit performance, and absorbing the premium increases for employee medical and dental insurance landing often in yearly double digits. Before it became politically correct to accept public employee compensation concessions and Tier II CalPERS plans, Clayton's organization already had two RBIs.

Commencing with a \$200,000 General Fund loss through actions of the City of Concord three (3) years ago (increased police dispatch contract; termination of annual sewer in-lieu monies), the abrupt death of the Clayton Redevelopment Agency has caused a \$150,000 hole in the General Fund of the City due to loss of administration monies before the City's full return of its local property tax share. In addition, the California Department of Finance finally ruled (on June 1st) that it cannot allow the return of almost \$1 million due the City by its former redevelopment agency under its interpretation of ABx1 26 (the "Dissolution Act"). The City will not be repaid its \$475,000 for the Agency's gifting of title to the land upon which sits Fire Station No. 11 owned by the Contra Costa County Fire Protection District, nor will the City be able to recoup its \$501,898.64 loss in missed 2% Election payments since 1987 when its redevelopment agency was first formed. Any combination of approval of these obligations would have greatly aided the City's objective for an annually-balanced General Fund.

However, not all is bleak as the City's Special Revenue and Enterprise Funds are generally performing as designed and provide the fiscal foundation for continued improvements to the Clayton community. Those communities that can help themselves through local tax and revenue augmentations will be the ones to weather the storm in a calm harbor. Certainly, Clayton has been supported by its citizens to date by approvals in 2006 to support the maintenance and operation of its now beloved "The Grove Park", and again in 2007 with its sustaining vote for the continuation of the Citywide Landscape Maintenance District that provides care for roadway and public landscaping throughout the City. Locally-approved public funds beyond the current reach of the State of California appear to be the increasing trend for life support of local cities and school districts.

Presented herein for public review and consideration is the City's proposed budgets for FY 2012-13. It is a balanced budget as required by law but the General Fund must embrace a transfer of \$199,725 from its reserves to preserve the status quo.

The chart below captures a five (5) year history of our City's overall budget:

CITY OF CLAYTON BUDGETS

<u>Budget</u>	<u>FY 12-13</u>	<u>FY 11-12</u>	<u>FY 10-11</u>	<u>FY 09-10</u>	<u>FY 08-09</u>
General Fund	\$ 3,670,702	\$ 3,651,536	\$ 3,656,609	\$ 3,637,679	\$ 3,767,800
Other Funds	\$ 4,881,991	\$ 3,848,048	\$ 4,054,742	\$ 3,171,957	\$ 2,902,386
CIP	\$ 2,237,307	\$ 1,524,988	\$ 1,764,300	\$ 2,273,727	\$ 2,644,432
Successor Agency	<u>\$ 1,083,794</u>	<u>\$ 5,540,625</u>	<u>\$ 5,110,922</u>	<u>\$ 5,196,353</u>	<u>\$ 5,225,457</u>
TOTALS:	\$ 11,873,794	\$14,565,197	\$14,586,573	\$14,279,716	\$14,540,075

PROPOSED TOTAL BUDGET

The combined financial program proposed for the City, its Other [Special & Enterprise] Funds, and its CIP Budget is \$11.873 million, an overall reduction of \$2,691,403 (-18.5%) under last year's total Budget.

Actual revenues for the General Fund portion of the FY 2012–2013 City Budget are expected to result in \$3,470,977. It will necessitate a transfer of \$199,725 from its reserve to support the bare-bones expenditure program of \$3,670,702. Inconsistent with previous policy desire expressed by the City Council, the operating budget of the City *does* draw down on General Fund reserves (if ultimately needed) to operate the City for the next twelve months. In previous years' operations, the General Fund anticipated it may have needed to plug revenue gaps starting with FY 2009-2010 in the amount of \$155,579 (of Trust & Agency funds), and again in FY 2010-11 in the amount of \$18,410 (of Trust & Agency funds). However, neither Fiscal Year resulted in actual use of those potential revenue plugs nor were any of those monies ever transferred out of the Trust & Agency Fund. Then, FY 2010-11 ultimately resulted in a positive \$120,000 outcome. Staff only hopes the City's historical propensity to beat its revenue projections and operate under its expense budget will hold for this fiscal year as well.

With the Clayton Redevelopment Agency (RDA) no longer in existence as of February 2012, the "Successor Agency" becomes the heir to the RDA and receives real property tax revenues sufficient to pay the debt service and enforceable obligations of the former RDA, at least those approved by the California Department of Finance (DOF). The City's loss of use of these former "tax increment revenues" is the primary reason for the reduction in the City's total budget being slashed by 18.5%

In comparison to last year's Budget, the General Fund expense plan oddly increases by \$19,166 pushed by uncontrolled operational costs (e.g. CalPERS rates; workers' compensation premium; general liability premium). It therefore represents a 0.5% increase. Essentially, a flat line budget that is further predicated on the tenuous assumption as-yet employee negotiations will result in no financial increases to the City.

GENERAL FUND REVENUES

The tale of the calculator tape lands in this category as the City is expected to similarly suffer the lower revenue return experienced in FY 2011-12 (**-\$140,293**). The City's share of the local property tax pie fell by \$45,221 as local real property sales often resulted in prices below the current assessed valuation, prompting the double whammy loss of secured property taxes and the absence of any supplemental property tax revenues. It should not be expected a noticeable rise in either revenue income will be restored soon. The City's sales and use taxes, while a shrinking violet in comparison to surrounding cities, did account for a total revenue mark of \$263,000 (beating its year-old projection by \$6,500), an admirable statistic given the chronic thrashing of the economy and consumer discretionary income. Motor vehicle license fees (VLF), historically a local revenue source and once Clayton's Number 1 General Fund revenue, have all but disappeared by the state's flip of the "Triple Flip" that instituted an exchange formula of it retaining local VLF funds for a swap of the state's share of the property tax revenue. The tax revenue distribution formulas are now so complicated city finance officials must rely on the County Auditor-Controller's Office for calculations on one's intertwined share of these revenues.

City Building Permit revenues experience a welcome uptick primarily stimulated by increased Planning counter traffic for additions and remodels of residential homes, and also by the new Diablo Estates at Clayton home sales (17 of 24 homes permitted). Whether the community will sustain this encouraging form of revenue activity is unknown, although the Diablo Estates subdivision still has 7 more homes for permitting and there are several other residential and mixed use developments in the Planning pipeline. Solid Waste Franchise Fees received the planned revenue increase as the franchise time extension to the Allied Waste Services contract included the bump from a 5% fee to its 10% fee.

However, as noted above, the singular event of ending redevelopment agencies pummeled the revenue stream of Clayton's General Fund. When active, the former RDA contributed \$400,000 to the General Fund to compensate for the City's collective administration, project management, overhead, and financial operation of that Agency. Now, under the Dissolution Act, the Successor Agency (City) to the former Clayton Redevelopment Agency may only claim an annual allocation of \$250,000 to cover its considerable time and expense of managing the financial retirement of the former RDA. Further, the City will not receive its interest and principal payments for the 1999 land transaction to house Fire Station No. 11 (\$30,000 interest; principal amount of \$475,000) or its 4-year payback plan (nor its lump sum receivable) of \$501,989, each denied as unallowable under the state's draconian Dissolution Act. Without these latter

losses, the City's General Fund would not require a 5.4% revenue gap reliance on its reserves.

GENERAL FUND EXPENDITURES

With a 0.5% increase in overall General Fund expenditures compared to last year, the narrative can best be described as "the same old same old." By previous action the City eliminated virtually all expenses for employee training and attendance at information conferences, and even halted the expense of the bottled water cooler. Since labor negotiations with City Hall and Police public employees have not yet engaged while each 1-year contract expires on June 30, 2012, it is again noted this Budget assumes retaining the status quo on employee salaries and benefits. Should that outcome be different, modification of the Budget will be necessary with further reliant on one-time transfer of funds as no new revenue sources are contemplated or envisioned. Does the City service organization now have a true "structural deficit?" The answer is unknown, and most probably will require at a minimum this year's operation (and perhaps 1-2 more) to fully analyze and digest the full impact of the redevelopment agency's demise while wistfully gazing for more sparks to the return of the local economy.

As a service-provider organization it is predictable the expense for Personnel Services consumes the majority of the General Fund. It holds steady at 69% of the overall \$3.67 million Budget (68% last year; 72.5 % two year ago). The City provides public services, as does the vast portion of the national economy; America in many respects is no longer an industrial nation, it is a service-provider nation. To aid the last 3 years of budget difficulties, labor concessions of the City organization have included and continue to include the following for each year:

<u>Labor Concessions</u>	<u>Value</u>
• No Cost-of-Living Adjustment to Salaries (COLA)	\$ 67,269
• Unpaid Furlough Days (11) for City Hall Employees	\$ 62,113
• No Holiday Premium Pay for sworn Police employees	\$ 55,899
• Organizational Downsizing (Assistant Planner to 24 hrs/wk)	\$ 40,000
• No Merit Increases for eligible Employees	\$ 53,968
• All Employees pay Medical & Dental Insr. increases (10%)	<u>\$ 31,045</u>
Total Value:	\$310,294

Further, the City's contract City Engineer (PERMCO), for the 5th straight year, will not seek an increase in retainer service payment. The City's new city attorney (Best Best & Krieger), which came onboard in August 2011, agreed to the same retainer schedule (\$96,000 per year base services fee) as the City's previous law firm. Both actions are appreciated in this era of austerity.

Once again as in prior years, as an interim measure to bridge budget gaps, the proposed Budget halts the annual depreciation charge of \$97,582 for the City's Capital Equipment Replacement Fund (CERF). This internal service fund is normally replenished each year to underwrite automatic replacement of vehicles and other rolling stock as age and condition dictate. Since it has an adequate reserve balance (see

Section J. below) it is proposed another “stay” in allocation be implemented during this protracted fiscal squeeze.

Below is a recap of each General Fund Department in comparison to last year’s Budget:

GENERAL FUND DEPARTMENTS

<u>DEPARTMENT</u>	<u>FY 11-12</u>	<u>FY 11-12</u>	<u>% CHANGE</u>
LEGISLATIVE	\$ 65,914	\$ 59,448	+ 10.9% ¹
ADMIN/FINANCE	\$ 802,027	\$ 833,745	- 3.8% ²
PUBLIC WORKS	\$ 112,257	\$ 120,897	- 7.1%
COMMUNITY DEV.	\$ 264,221	\$ 255,833	+ 3.2% ³
GENERAL SERVICES	\$ 149,374	\$ 143,380	+ 4.2% ^o
POLICE	\$ 1,875,294	\$ 1,834,622	+ 2.2% ^a
LIBRARY	\$ 129,551	\$ 130,589	- 0.8%
ENGINEERING	\$ 93,540	\$ 96,448	- 3.1%
COMMUNITY PARK	\$ 178,524	\$ 176,574	+ 1.1%
TOTAL:	\$ 3,670,702	\$ 3,651,536	+ 0.5%

Notes: ¹ Department carries the biennial \$12,000 General Municipal Election expense this year.

² Accounting Technician retired at top step; replaced by first step Tier II Plan employee.

³ TRANSPAC fee increased and employee benefits (CalPERS rates; health insurance).

^o General Liability insurance premium increase.

^a CalPERS pension rates and maintenance fees on new interoperability radios.

The City’s general liability insurance premium and its workers’ compensation premiums each will increase in FY 2012-12 as well as upturns in the City’s CalPERS rates for our public pension systems. All other expenditures remain relatively the same as in previous years with increases generally attributable to the fixed costs of doing business. In order to function as a municipality, it requires a basic General Fund Budget of \$3.7 - \$4.0 million for Clayton’s lean operations.

Police Department operations creep to 51% of the General Fund Budget pie. This statistic means that of every \$1.00 paid by taxpayers as general tax revenue to the City, over half of the tax monies (or 51¢ of every \$1) is used to provide local law enforcement services to our community.

GENERAL FUND SHORTFALL

As noted, this Fiscal Year Budget has been prepared within a framework that does necessitate the transfer of \$199,725 from the General Fund Reserve to continue the services it presently supplies. This necessity is a first time occurrence for the City and is crucial to maintaining public services the community has come to expect. Alternatives other than this transfer may be considered but generally involve the cutting

of public services, the elimination of personnel positions, and/or negotiated or compulsory reductions to personnel compensation and benefits.

GENERAL FUND EQUITY BALANCE

According to the City's unaudited financial statements, the un-earmarked fund balance of the General Fund on 30 June 2011 was \$5,259,258. Reducing that figure by the authorized FY 10-11 encumbrances of \$192,546 into the FY 11-12 Budget, the City's net unreserved fund balance on 01 July 2011 (start of last fiscal year) was \$5,066,712.

The City Council has directed an absolute minimum reserve of \$250,000 as its never-to-be-expended "catastrophic reserve", which practice is implemented (but which level should likely be elevated). The standing Policy Goal of the City Council is to establish and retain an undesignated reserve of 50% relative to the annual General Fund Budget.

It is calculated our City might close Fiscal Year 2011-2012 with receipted revenue less than expected expenses by **\$65,335**, a 1.8% deficit operation primarily caused by weakened revenues and the dissolution of our Redevelopment Agency. Unless City Council action is directed otherwise, this gap will be addressed using the reserves of the General Fund. Therefore, the opening unreserved General Fund balance of the City will decline to \$5,001,347 on 01 July 2012.

The City's reserve equity is therefore equal to 136% of our annual General Fund operations for FY 2012-2013. Subtracting the "untouchable" \$250,000 reserve lowers our total reserve equity to a position of 129% (\$4,751,377).

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SPECIAL REVENUE AND ENTERPRISE FUNDS

An appendage to the General Fund operations of the City, the City Council and staff are charged with stewardship over the provision of public services employing restricted-use monies. Referred to as "Special Revenue" or "Enterprise" Funds, strict controls and regulations are placed on their express purpose and expenditure. They are in essence self-contained operations yet form a critical portion of the overall City Budget as these Funds underwrite much of the improvement mission of the City. Discussion of the fiscal status of each of these Special Funds takes place below:

A. Gas Tax Fund – No. 201

Derived from a layer of state transportation taxes on the sale of gasoline [Street and Highway Code, Sections 2105, 2106, 2107 and 2107.5; voter-approved Proposition 42 "Traffic Congestion Relief Act" monies], this group of revenues is collectively referred to as our "Gas Tax Fund". Local gas tax funds in the past have been a reliable source of funding for cities since the 1970s and are universally used to fund local road

maintenance and repairs. Our City uses these monies to perform annual street re-striping and safety re-markings, traffic regulation and warning signs and replacements, resealing of street cracks, sidewalk and gutter repairs, replacement of street name signs, operation and repair of arterial street lights, and traffic signal maintenance.

Due to the City's pattern of heavy reinvestment of Gas Tax funds into maintenance and repair of local streets and roads, our City has been successful in its upkeep of this infrastructure, investing approximately **\$5 million** in the last 8 years into street repaving and improvements. This accomplishment has enabled Clayton to consistently place in the Top 5-6 best overall street conditions within Contra Costa County. Clayton's current **Pavement Condition Index**, or PCI of 75 (year 2010), ranks our aggregate street conditions in the industry standard category of "Good", the 3rd highest category below "Very Good" (PCI of 80-89) and "Excellent (PCI of 90-100).

At this time total Gas Tax revenues are estimated to be \$317,873 for FY 2012-13, essentially a slight declining revenue line as newer vehicles obtain greater gas mileage per gallon and the unemployed or under-employed populace drives less miles. Should additional gas tax revenues materialize during the fiscal year, it will augment the amount of monies transferred to the City's Capital Improvement Project Budget for a 2012 Neighborhood Street Repaving Project to be performed in the summer of 2012 (CIP No. 10411). The City's Gas Tax Fund also opens this fiscal year with fund equity of \$231,580 due to the fact no local street repaving project was performed during FY 2011-12.

After allocation of monies for basic transportation maintenance and operation expenses (e.g. electricity for arterial street lights at \$42,500; traffic signal maintenance performed by the County at \$26,000; City Maintenance personnel compensation of \$41,038 for labor on street maintenance tasks and traffic sign replacements; street light and lamp supplies at \$26,580), it is proposed this Fund transfers \$405,405 (74%) to the City's Capital Improvement Project Budget for the following street improvements and repairs:

2012 Neighborhood Street Project	\$ 323,405	CIP No. 10411
Collector Street Rehab Project (Regency Dr.)	\$ 76,000	CIP No. 10425
ADA Sidewalk/Parking Improvements	\$ 6,000	CIP No. 10394A

The "Collector Street Rehab Project" (repaving the entire length of Regency Drive) is to be accomplished in the spring of 2013 using the \$76,000 in Gas Tax monies as the local match requirement to federal Local Street and Road Shortfall Fund monies expected for release after adoption the 2013 Federal Budget in October 2012. These federal grant monies can only be used on a collector or arterial street (rather than on a residential local street), which classification is satisfied by a portion of Regency Drive (the segment from Marsh Creek Road to El Molino Drive). Completion of this CIP Project will address a chronically deteriorating street having a current PCI rating of 53, near the low end of the industry's "At Risk" ranking (PCI range of 50-59; second lowest of 6 tiers).

The Gas Tax Fund's neighborhood street project monies will combine with available Measure J funds to generate a 2012 Neighborhood Street Repaving Project of approximately \$633,705, a fairly substantial local street maintenance project that the City Council, at its public meeting on May 15th, determined which local streets have priority for repaving this summer. This Project also incorporates \$30,000 to address a road dip on Marsh Creek Road and a tree root bump on Clayton Road.

B. Citywide Landscape Maintenance District – Fund No. 210

In June 2007, Clayton voters approved a replacement real property special tax to continue funding the operation and maintenance of their citywide public landscaped areas. This annual tax is restricted to costs associated with: arterial and specified roadway medians and parkways, the trails system, the annual open space noxious weed abatement in Oakhurst hills, the annual open space and trails weed abatement for fire and public safety, landscape and turf irrigation and the monthly maintenance and special occasion operation of the "Clayton Fountain".

Maintenance of City Parks *is not* included as an authorized expense under the District's Act; park maintenance obligations fall to the City's General Fund. *Citywide public landscaping services have always been funded by a special revenue tax levied on private properties throughout the City.* The District is completing its 5th year of a 10-year approved operation (Measure B), and its citizens' oversight committee (Trails and Landscaping Committee, or TLC) meets periodically to ensure the promised maintenance standards and efficiencies are achieved with these special-purpose tax revenues.

Pursuant to the terms of voter-approved Measure B, the special tax rate may be modified annually by the change in the Consumer Price Index (CPI; San Francisco – Bay Area) from April to April. In no event shall the tax rate be increased by more than 3% each year. The CPI change (from April 2011 to April 2012) posted at 2.1%. The District's revenue projection has been increased by that factor accordingly and is set at a total of \$955,711 for FY 2012-13, an annual increase of \$19,657. Adding the interest earnings of \$5,000 pushes the total revenue budget to \$960,711. Pursuant to its oversight charge, the citizens' TLC considered the CPI change and the District's budget at its meeting on May 21st and adopted a motion to recommend the City Council implement the 2.1% CPI annual rate adjustment.

The Landscape Maintenance District has aggressively been installing improvements to the City's roadway landscaping over the course of the past two (2) years. An accounting of the District's activities and improvements is listed below, which included appropriations from the District's reserves in May 2010 (\$260,000) and more recently to fund the Clayton Road Median Project, complete the beautification of Daffodil Hill, and install plants in the terraced walls west of the CVS Pharmacy:

a. Oakhurst Drive decorative pavers in narrow medians plus plants (done)	\$ 70,000
b. Tree replacements on Keller Ridge Drive (partially complete)	\$ 16,600
c. Deferred Tree Trimming (done)	\$ 20,000
d. Clayton Fountain renovation and replanting project (done)	\$ 70,000
e. Restore plants: Oakhurst Dr., old Marsh Creek Rd., Clayton Rd. (partial)	\$ 45,000
f. Marsh Creek Circle replanting/headlight glare mitigation (done)	\$ 19,400
g. Replant Jeffry Ranch Court island (not done yet)	\$ 2,500
h. Clayton Road Median Re-Landscaping Project (under progress)	\$263,072
i. Completion of Daffodil Hill Beautification Project (under progress)	\$ 22,250
j. CVS Terrace Retaining Wall Landscaping (under progress)	\$ 27,640
k. Trail Resurfacing, remainder of Bruce Lee Trail (with Street Project)	\$ 50,000
l. Master Remote Computer Controller for all Irrigation Systems (not yet)	\$ 30,000
m. Trail Crack-Sealing and Minor Repairs (with Street Project)	\$ 10,000
n. Tree Replacement and Trimming (in progress)	<u>\$ 10,000</u>
Total:	\$656,462

The installation and commencement of these significant landscape restoration and District improvement projects illustrate the success of the District in managing the voter's preference for a "pay-as-you-go" ballot tax measure. The defeated Measure "O" (2005) would have issued a revenue bond in its initial year to attack the public improvements sooner but conservative Clayton voters disliked the higher annual assessment and the bonded indebtedness of the District. Entering the District's 6th year of operation has allowed the accumulation of reserves to accomplish many of the same objectives, just slightly later than some might have wished.

Noteworthy expenses of the District include its annual weed abatement Citywide (\$35,000 before the fire season), and a huge expense of \$53,416 to abate noxious and exotic weeds in the Oakhurst Hills (a condition of project approval for the Oakhurst residential development). Metered water service is left at its historical expense of \$180,000 per year yet it can fluctuate wildly depending on seasonal climates and strange weather patterns. However, as landscaping improvements are installed they are accompanied by irrigation system upgrades and efficiencies in irrigation, which temper this expense allocation and cause operational savings.

Personnel services for this labor-intensive work accounts for 40% of the District's budget this year (\$350,939), up 10% from last year's portion of 30% caused by increases in employee pension system rates, workers' compensation rates, and the amount of time the crews spend on District tasks. Whenever possible, tasks within the

District are assigned to temporary seasonal personnel that are less expensive labor (e.g. trimming), which shifts the permanent City Maintenance personnel (5) to activities requiring journeyman-level experiences (e.g. irrigation line and system repairs).

As approved by Measure "B" voters, the District's budget includes an annual expense of \$20,000 (Account 7316) for the purchase of replacement plants. The District also contributes its annual allocation of \$13,500 to the City's Capital Equipment Replacement Fund (CERF), from which Maintenance vehicles and equipment are purchased for use in maintaining the Landscape District. An expense of \$31,402 (3.6% of annual District revenue) is transferred to the City's General Fund to pay for administration and overhead activities of the City (e.g. telephones; payroll processing; accounts receivable and payable; District direction) attributable to the District's annual operations.

Consistent with the District's stated mission to maintain and improve the Landscape District, it is recommended we continue our aggressive program to further enhance the appearance and sustainability of the District's plants and landscaping. Given the magnitude of previously-assigned landscape improvement projects and tasks noted above that remain incomplete, no monies from the District are proposed for transfer this year to the City's Capital Improvement Project Budget. This fact should not be misconstrued that no additional projects or improvement ideas for the District are forthcoming; rather, it is a tacit admission the District needs to finish previously-prioritized projects before undertaking new improvements.

With all of these actions, the District's ending fund balance on 30 June 2013 will still be a healthy \$217,307, which equates to a reserve of 23% of its annual tax revenue. The reserve status is confirmation the City does not siphon "surplus" monies of the District into its General Fund but uses the special tax revenues for its intended purposes.

C. The Grove Park – Fund No. 211

The Grove Park officially opened to the community on 12 January 2008 and on 29 May 2008, City Maintenance assumed full responsibility for the care and maintenance of The Grove Park. On Opening Day, the public park immediately became the signature statement of our community, and ever since it has been the popular gathering place for residents and visitors to the Clayton Town Center.

Voters approved a special property tax in November 2006 to maintain the park for 10 years (levy first collected in FY 07-08) so this year constitutes the 6th year operation of its special funding existence. The Downtown Park real property assessment will yield \$114,145 in the coming year (with the recommended allowable CPI (April-April) tax rate adjustment of 2.1%). In addition, the restricted fund receives a generous \$10,000 per year revenue "donation" for ten years from the land owners (Endashiiian, Inc.) of the development of the CVS/Pharmacy store site (formerly Longs Drugs Store).

Bolstered by these revenues and interest earnings, the Downtown Park Fund maintains a positive cash balance expected to be \$216,907 at the end of FY 11-12 with equity projected of \$211,109 at the close of this fiscal year. Of that amount, \$103,858 sits in the Asset Replacement Reserve approved in the adoption of Measure O, \$83,049 in unreserved Fund Balance, and \$30,000 in unallocated Reserve funds. These reserves have started to be tapped, and will continue to play critical roles in the District's remaining years as play equipment warranties expired and park features require replacement due to significant public use and misuse.

Last year, maintenance and operation of The Grove incurred \$121,183 in expenses offset by revenues totaling \$124,797. Therefore, this restricted Fund operated in an annual surplus of \$3,614. As the Park matures and its public attraction increases, more City Maintenance personnel time is deliberately budgeted to keep The Grove in a condition worthy of the City's signature piece. Recently, the Park has experienced repeat vandalism to its gazebo and play apparatus which misfortunes are expected to continue while the sputtering economy and dwindling household incomes keep youth, families and area visitors around town during the summer and holidays. During summer and Concert Series weekends, a part-time Maintenance Worker is assigned to perform routine maintenance and oversight tasks at the Park to ensure this highly-visible asset shines for our community. The nearby municipal well provides the irrigation and non-potable water needs of The Grove Park, which saves considerable taxpayers' monies compared to the metered water prices of Contra Costa Water District.

These one-time and higher City Maintenance expenses result in a projected operational plan of \$131,942 that sips through a small straw on the reserves of **\$5,797**. Last year's budget also anticipated a negative draw of **\$7,456** on reserves that did not materialize. Stripping away the Annual Reserve and Asset Replacement deposits of \$23,000, The Grove Park pragmatically operates within its annual tax revenues by approximately \$5,200 (4.5%). The District's reserves remain sufficient beyond its normal yearly operation.

D. Oakhurst Geologic Hazard Abatement District [GHAD] - Fund No. 212

Formed by the City Council during the construction of the Oakhurst Development Project, this special assessment district encompasses all of the lots and open spaces within the Oakhurst Development. The GHAD has the authority but not the obligation to perform repairs to public, or authorized private, properties caused by certain geologic hazards such as landslides within this area. In order to fund any such operations, the GHAD Board of Directors (City Council) is required by state law to receive affirmative vote by real property owners within the District for any increased assessment. Insufficient assessment revenues have always existed to perform much of the identified or speculated repairs; property owners within this District have rejected any assessment increase three (3) times in the past. The District Manager (contract City Engineer) manages the District and provides a separate budget and annual report to the Board of

Directors in June of each year (scheduled for introduction and adoption at the June 19th Council meeting this year).

Due to the restricted amount of voter-approved assessments, the GHAD levies an annual assessment that generally produces the same amount of revenue each year for general geologic hazard abatement purposes within the Oakhurst Development. In FY 12-13, assessment revenue is estimated again at the same \$33,045 since it is unlikely property owners within the Assessment District would approve a significant rate increase sufficient to address hillside movements. Interest earnings are essentially non-existent for this Fund (\$130) that operates for most of the 12 months in a cash-flow deficit as the Fund's assessment revenues are not received until property owners pay their property tax bills in December and again in April each year.

Nominal management expenses proposed for the District this year include \$5,000 for City Engineering services (District Manager) and \$5,000 allocated for specialized legal services. A continuing expense this year (\$13,435) is the Fund's 50% share of the City's General Liability Insurance premium increase propelled by the Oakhurst hillside movement litigation which served lawsuits against the GHAD as well as the City. An annual \$6,168 transfer of monies to the City's General Fund for general administrative and clerical support services is also necessary to sustain the bare existence of the District, and to track, monitor and provide guidance on the host of litigation facing the District (18.7% overhead). County administration fees to levy, collect and disburse the District's property tax bill assessment are set at \$987.

As proposed, District revenues marginally exceed its annual planned expenses by \$1,790, although it is noted the slim operational budget allows little room for unanticipated expenses with FY 2011-12 displaying an annual deficit of **\$838**. It is therefore unnecessary for the District to draw on its limited reserves this year. However, the District is sadly deficient to offer meaningful mitigation of any hillside movements which expense likely ranges in the hundreds of thousands to millions of dollars. The District opens the fiscal year with a positive reserve balance of \$3,994 and will close with a Fund Balance of \$5,784 on 30 June 2013.

No District capital projects are proposed for the coming fiscal year due to lack of further fiscal resources authorized by vote of the District's real property owners'. Clearly, no geologic hazards can be abated in exchange for \$33,045 per year. The District maintains its legal life with the foresight and wisdom that affected property owners might someday wish to proactively utilize the instrument to address hillside movement remediation.

E. Street Light Fund – No. 214

This is a special assessment fund collected through the property tax bill on residential properties [current assessment ranges from \$8.34 - \$43.54 per residential unit per year]. Since 1996-97 (16 years), the City **has not requested or increased** the rate charged to real property owners for the public street lights in their neighborhoods.

These assessments are restricted for public street light operations and maintenance *within residential neighborhoods*. We expect to realize approximately the same amount in revenues as last year (\$125,991) since this assessment can only be increased by affirmative vote of the assessed property owners (Proposition 218 voter requirements). A 9-year trend analysis of our operational experience with these residential street lights reveals the actual cost of electricity and maintenance expenses fluctuates slightly with a nominal excess or shortfall in revenue, which the Fund's reserve adequately covers in the latter event.

In order to continue providing current services within the existing assessment rate, we expect to slightly draw on existing reserves, this year by approximately **\$3,020**, which deficit is about the same amount expected in closing FY 2011-12 (**\$3,551**). Recurring causes for this functioning deficit are electrical rate increases prompted by PG&E's field audit 4 years ago as to correct tariff categories, in-house labor, electrical parts and supplies, and direct charges for preparation of the Engineer's Report (Engineering), copying and mailing of the required legal notices (\$2,905; expenses previously absorbed by the City's General Fund).

With an opening equity balance of \$132,467 projected on 01 July 2012, there is no justification to approach voters to increase this tax assessment at this time. In fact, the City Council has already embraced the public policy to retain the existing rate schedule. Even at this nominal reserve use trend, the life of this reserve is 43 years at an annual flat subsidy calculation, or 5.4 years if the subsidy wildly doubled each year hereafter, an improbable possibility. Past history reveals the former trend is the likely occurrence but the status of this Fund requires monitoring each year. This Fund is projected to close FY 2012-13 with an equity balance of \$129,447.

It has been 16 years since neighborhood street light benefit assessment rates were raised, and the law is clear voter approval is mandatory to do so. Conversely, should the annual assessment be lowered by City Council action (under a policy theory of using plentiful reserves as pseudo rebate), the lowered street light rate is then locked in and cannot return to its previous rate in the next or subsequent years without an affirmative vote of the property owners (per Prop 218).

F. Storm Water Fund – No. 216

This account manages the special parcel tax (labeled "ERUs" for Equivalent Runoff Units) levied locally to assist the City in compliance with unfunded State-mandated regulations through our National Pollution Discharge Elimination System (NPDES) Permit. It has been confirmed by case law (recently challenged and lost by southern California cities) that Regional Water Quality Control Boards do indeed have authority to levy unfunded mandates against pollution discharges (cities and counties) by virtue of the federal Clean Water Act and the California Porter-Cologne Water Quality Control Act.

By previous Council action long ago, this real property tax levy was maximized at its allowable cap yet now only nets \$82,623 for local use in FY 2012-2013 (plus interest earnings of \$1,000). In reality, the parcel tax generates higher gross revenues (\$126,626). However, the following purposes snag portions of the City's levy before ever touching our coffers:

Contra Costa [Cities] Clean Water Program	\$ 26,203
Commercial Building Inspections by Sanitary District	\$ 8,000
Annual State Fee for NPDES Permit	\$ 3,000
County Auditor-Controller administration fee	\$ 3,800
Flood Control District management expense	<u>\$ 3,000</u>
Total Revenue Offsets:	\$ 44,003 (35%)

The Contra Costa County Clean Water Coalition (of which our City is a member) wages the unified battle against an ever-aggressive state regulatory board that increasingly imposes its will of local clean water mandates without providing any state funds for implementation. The goal of cleaner storm waters, creeks and bays is universally embraced and of statewide interest, and cities do not oppose that objective. We remain frustrated, however, by such public policy principles that cities should be the sole fiscal agents charged with utopian local and regional clean water burdens, without the corresponding provision of any new source of revenue to pay for the expense!

The City's 5-year Stormwater Permit (MRP) has been issued by the San Francisco Regional Water Quality Control Board. Public agencies, including Clayton, are now under requirements to elevate enforcement and monitoring measures each year to ensure cleaner storm waters. Such Permit conditions will necessitate increased expenditures eventually exceeding current levy revenues; initial staff analyses reveal an additional \$225,000 to \$515,000 in annual costs could someday impact the City's fiscal operations. Only a Proposition 218 voter approval process can increase the levied rates.

The Contra Costa County Flood Control District, through the Clean Water Coalition, recently conducted and tallied a Proposition 218 mail-in ballot measure to increase the amount of the maximum levy (in Clayton) by \$22 per year per single family home. In May 2012, the results of this countywide ballot election revealed voters resoundingly rejected the proposed property tax increase by an overall spread of 59% "No", 41% "Yes". The Ballot Measure needed a 50%+1 affirmative vote to pass. Clayton's voters posted a 64.3% "No" vote. If the measure had passed, Clayton's annual share would have been \$93,700 to this Storm Water Fund.

In the FY 12-13 Budget, the City's stormwater costs under the Permit regulations exceed available revenues by **\$19,253**, although FY 11-12 is expected to break even in its operations by \$1,434. Because there is a reserve balance in this restricted-use fund, there are storm water monies available to cover the projected shortfall. The reserve balance has generally eroded over past years as a result of added Permit requirements imposed by the Regional Board in 1996 (referred to as "C-3 amendments") and the new MRP.

Labor expenditures from this Fund (\$43,916) cover Public Works' maintenance of our municipal storm drain system, annual debris clearance of creeks and V-ditches, and proactive measures for the prevention of pollutants into these waters, which ultimately emerge into the San Francisco – Oakland Bay. Educational materials and supplies are also part of this Fund's budget, along with our membership in the Contra Costa County Clean Water Program. Recoverable expenses include that portion of staff time when working on clean water issues, programs, while Regional Water Quality Control Board directives target specific programs (e.g. "diaper" inserts in storm drain inlets) and local enforcement (e.g. fines). City Hall staff (Assistant to the City Manager) expends an inordinate portion of time (approximately 1/3rd or more) engaged in the management, administration and implementation of this federal and state mandated program for cleaner runoff waters. Hence, the transfer of \$33,183 to the City's General Fund to partially offset this incurred staff time, an increase of 2.06% (CPI) over prior years' stagnant amount (\$683 increase).

The Fund opens the fiscal year with approximately \$140,016 in equity and projects a year-end balance on 30 June 2013 of \$120,763. The monthly street sweeping contract of \$42,000 is paid through this Fund as a program component of cleaner storm waters from street gutters; offsetting revenue is tendered by real property owners through their trash bills (\$38,720). The revenue estimate is slightly lower than the annual contract due to the number of vacant and foreclosed homes in Clayton (closed accounts) and various delinquent and non-paying accounts slicing away at the revenue stream.

As a reminder: public streets and gutters are swept monthly to mitigate pollutants from entering the storm drain system, not for street aesthetics or as the substitute broom for an abutting property owner's sweeping/clearance of leaves and debris from the front and/or side yard curbs of one's property.

G. Measure "J" Fund – No. 220

This special fund originated in revenues from the \$0.05 sales tax levy approved by County voters in 1988 (Measure C) to provide regional and local transportation and street improvements, a growth management process, and a regional planning process to address quality of life issues. One of the program components of the Measure is its "Return to Local Source" monies wherein cities fully complying with the Measure's Growth Management Program (GMP) Checklist are eligible to receive an annual allocation of monies for local streets and roads maintenance. Disbursement of these monies hinges on a city earning and maintaining a certified housing element (either by the California Department of Housing and Community Development (HCD) or via self certification), and filing a biennial Compliance Checklist. The Contra Costa Transportation Authority (CCTA), cities and the county of Contra Costa were successful in 2004 in obtaining voter approval of Measure J, which extended the authorization of the current sales tax in the County for an additional 25 years beyond Measure C's expiration on 31 March 2009. Measure J is now in effect.

On July 15, 2010 the City received written confirmation from HCD that found "... Clayton's adopted element in compliance with State housing element law." With upcoming submittal of our biennial Compliance Checklist for 2010 and 2011 to CCTA for approval, the City expects it will be eligible to receive its full Measure J "Return to Local Source" funds in FY 2012-13.

This fiscal year the City is informed by CCTA we can expect to receive \$234,212 sometime after July 2012 from Measure J's "Return to Local Source" account for FY 2012-13. Due to receipt of less sales tax revenues by CCTA in 2010-11 and inter-agency miscommunication, the amount of funds actually received by the City in FY 2011-12 were reduced by approximately \$70,000 as CCTA indicated it overpaid us by that amount in the previous year (used in the last neighborhood street repaving project). Therefore, the City expects to only receive \$139,748 in FY 2011-12.

A one-time Measure J revenue grant in the amount of \$1,022,224 is expected in the upcoming fiscal year for the purpose of making improvements to a segment of east Marsh Creek Road. Inserted as Capital Improvement Project No. 10414 in the CIP Budget, the project envisions widening existing roadway from Regency Drive to the eastern edge of City limits on Marsh Creek Road to provide two full-width travel lanes, continuation of bicycle lanes, shoulders and pedestrian pathways. Preliminary design has already been conducted on the Project and its implementation is planned for this fiscal year. This Fund's transfer of \$1,248,044 to the CIP Budget involves this \$1.022 million project with the balance of \$225,820 allocated to the 2012 Neighborhood Street Repaving Project (CIP No. 10411). By this action coupled with available Gas Tax Funds, the CIP Budget will have approximately \$633,705 for this local street repaving and/or slurry seal project (note: this amount includes \$84,480 of Measure J monies transferred to that Project in FY 2011-12). These two revenue sources drive the amount of monies the City has available for street repaving projects

Other notable expenses include \$4,392 for updated traffic speed surveys and \$4,000 to the City's General Fund for administration (1.7% overhead).

H. Restricted Grants (Fund No. 230)

This account is the repository for State and other subvention grants restricted for the authorized purpose. Given today's nature of state and federal government fiscal health, limited activities and grant monies wind their way to our City.

1. COPS Grant Program

Last year at this time, the long-term State grant program entitled "Citizen's Option for Public Safety (COPS)" was caught in the ever-present politics of Sacramento. After a series of Byzantine moves by the State of California, these COPS grant monies were being funded by a 0.15% increase in the Vehicle License Fee (VLF). Unfortunately, the VLF rate for this purpose sunset on June 30, 2011, and Governor Brown and the State Legislature were entwined in a chess game on whether extension of the VLF rate for

COPS Grant was considered a tax increase. Fortunately, the issue made it to the November 2011 statewide election as a ballot measure and California voters subsequently approved the tax extension under the Realignment Bill. Consequently, the FY 2011-12 and the FY 2012-13 City Budgets can post the minimum \$100,000 each year to continue underwriting the expense of our 11th sworn police officer that works patrol in the community. Further, last year's one-year budget policy "hedge" of earmarking Trust & Agency Fund monies (\$92,395) to support continuation of this sworn law enforcement position should the November 2011 ballot measure have failed is relieved of that obligation and those unused monies remain in the Trust & Agency Fund.

Since Program inception in FY 1996-97, our City has allocated COPS grant monies to pay a portion of salaries and benefits for our 11th sworn police officer position and two (2) civilian police services aides. Last fiscal year, internal calculations revealed the total expense for those three (3) positions exceeded the COPS Grant annual allocation of \$100,000 causing the City to reluctantly terminate the two (2) vacant civilian police services aide positions. As it remains, the 11th police officer position exceeds the annual COPS Grant funds by approximately \$10,000 each year but the excess is covered by the dispersal methodology of the COPS Grant cycle. Ultimately, should the COPS Grant Program cease in funding, the City will have a residual expense of that amount to cover.

2. Other Grant Funds

Augmenting the COPS grant monies, this Fund expects receipt of \$14,805 in annual revenue from our cable communications franchise company (Comcast) for restricted use in Public, Education & Government (PEG) broadcast services and equipment. The City is also approved to receive another \$5,000 grant from the CA Department of Beverage Control (DBC) as a Recycling Grant to promote, capture and reuse the public's recycling of cans and bottles.

On the expense side of the ledger, \$7,183 will be needed for the City's portion of the shared PEG broadcast channel on which our City shows taped meetings of the Clayton City Council and displays other public/community information (Comcast Channel 26).

The Restricted Grants Fund will close the proposed fiscal year with a fairly large positive fund balance of \$208,746, which amount is primarily derived of \$91,572 and \$88,188 from Comcast through its franchise contract renewal for restricted use to create replay of City Council meetings and PEG access, respectively. The remaining portion of \$28,986 is the accumulation of Recycling Beverage grant monies over several years, which may be used for permanent recycling collection bins and/or recycled-material street or park furnishings (e.g. public benches) at selected locations.

I. Self-Insurance Fund – No. 501

This internal-service Fund manages the fiscal obligations of the City's self-insured program for our retention deductible (\$5,000 per claim) on initial claims filed against the City for general liability and workers' compensation. Pursuant to our membership in the municipal self-insured/pooled risk excess coverage joint powers authority (JPA), our City is responsible for payment of the first \$5,000 in expense and/or damage on each filed claim. This Fund also handles other periodic legal expenses to defend the City's interest in related cases. A traditional expense hitting this Fund is the annual premium (now \$1,248) to underwrite our Employee Assistance Program (EAP), a shared public entity consortium for employee good-health counseling and wellness services benefiting our permanent organization.

An unprecedented and continuing expense surfaced in FY 08-09 necessitating Special Legal Services for retention of a law firm to represent the City's interests in ensuring full claims coverage by the Municipal Pooling Authority of Northern California (MPA) on the Oakhurst Hillside litigation cases. The case is on-hold presently pending resolution of the private parties' litigation against the City and the GHAD, as evidenced by the fact the City has only needed to expend approximately \$1,400 this past year for services of this special counsel. However, over the last several fiscal years the Oakhurst Hillside litigation cases and related defense expenses diminished this Fund's reserve balance for the expense of special legal counsel; much is at stake for the City and our Clayton community in this Oakhurst litigation. Included within the expenses allocated herein are other paid special legal services in the City's stake on the shared negative outcome of the Chevron USA – County Tax Assessor's real property tax assessment rebate.

The effect of these unsettled expenses has tugged on this Fund's reserves and is the reason its fund balance dramatically dropped from \$69,310 on 01 July 2010 to an expectant \$22,506 at the close of 30 June 2013 (67.5% erosion). Since this Fund has no automatic replenishing source of revenue, the City might consider transferring monies from an unrestricted source into this Fund at some point in time to maintain its solvency (e.g. deposit of \$50,000).

J. Capital Equipment Replacement Fund (CERF) – No. 502

This Fund functions as the City's depreciation account to underwrite the replacement purchase of City vehicles, computers and other capital equipment. The CERF opens FY 2012-2013 with a cash reserve balance of \$243,008. In robust fiscal years, the full CERF expense and posted revenue to CERF of \$97,582 would be levied internally to this sinking fund in the form of CERF charges to various General Fund departments (e.g. Police; Public Works; Admin.) via expense Account No. 7486.

Over the last several budgets (including this one), the General Fund suspended its replenishment of this sinking fund due to declining revenues (the economy) and rising uncontrolled fixed costs. The comparatively healthy cash balance of this Fund provided the temporary comfort margin. Those previous actions were initially deemed interim yet must again be employed in FY 2012-13 to weather the City's General Fund fiscal

situation, this year exacerbated by the abrupt demise of the Clayton Redevelopment Agency compounded by the CA Department of Finance's rejection for our repayment of two City loans valued at \$976,900 from the former Clayton Redevelopment Agency.

During the last fiscal year, the City invested considerable monies through the CERF to upgrade and improve its operational equipment and devices. The City Council approved \$172,700 to upgrade all City office and Police vehicle computers to the latest software packages and hard drive systems to more efficiently handle and manage the communication and data flows to and through the organization. This installation included faster Internet connectivity for greater efficiencies and effectiveness by City personnel of the information stream. Further, an additional \$150,000 was expended for the purchase of new mobile and handheld radios for public safety and maintenance personnel for integration with the East Bay Regional Interoperability System to enhance communications with first responders and disaster assistance crews in the region. These two communication upgrades were essential to sustain municipal operations at the local level that does not envision the hiring of additional employees in the near future to perform the added workloads.

Prior to the enactment of Measure B (LMD) by the voters in June 2007, the General Fund of the City was the sole contributor to this vehicle and equipment depreciation schedule. Since the Landscape Maintenance District (LMD) now consumes 57% of Public Works' personnel time, voter-approved Measure B included a CERF expense in the public ballot measure to proportionately assist in the replacement of capital equipment and trucks used in the District. The FY 2012-13 CERF Budget shows incoming revenues from the Landscape Maintenance District of \$13,500 added to the voter-approved \$2,700 CERF charge in the Downtown Park Fund. This provides a total of \$16,200 in CERF contributions (plus \$2,100 interest earnings) for a base revenue stream of \$18,300.

For this fiscal year, two (2) capital replacement items are identified totaling \$62,000:

1. Replace a Year 2000 Ford Crown Victoria police vehicle \$ 37,000
The Police Department routinely replaces 1-2 patrol vehicles each year to maintain safe and dependable law enforcement transport. One patrol vehicle was replaced last year. This 12-year old Ford Crown Victoria has 70k miles on it and its heater core is deemed irreplaceable, which causes the interior of the vehicle to fog up in winter months and cold weather. The replacement cost includes all after-purchase retrofitting of the vehicle with Clayton mobile equipment, gear and patrol vehicle markings.
2. Replace a Year 1995 Toro Riding Mower with mulching deck \$ 25,000
This 17-year old piece of equipment typically has a 7-year average shelf life and the current machine is constantly being re-welded while it falls apart. City Maintenance routinely uses this equipment to mow large turf areas within the City's park system, including Clayton Community Park, N. Valley Park, and Lydia Lane Park.

The net effect of this proposed expenditure plan is the Capital Equipment Replacement Fund (CERF) will have a cash balance of \$98,615 on 30 June 2013.

K. Community Gym (Fund No. 701)

This Fund was established in 2003 after the City executed an agreement with the Mt. Diablo Region YMCA for their development and provision of community recreation and enrichment programs at the Clayton Community Gym. The Gym is a joint construction – joint use public facility sited on the campus of the Diablo View Middle School.

The City has the right but not the obligation to use the Gym for community programs and events from 3:30 p.m. to 11:00 p.m. during school days, and from 8:00 a.m. to 11:00 p.m. during non-school days (including weekends). Use of the Gym during such times incurs School District expenses for custodial labor, custodial supplies and utilities, which expenses must be paid by the City via its Gym operator. In February 2010, the Mt. Diablo Region YMCA abruptly and shockingly terminated its agreement with the City, effective 31 March 2010, due to insolvency, which eventual YMCA bankruptcy left the City with unreimbursed School District expenses now totaling \$100,679. The City filed an unsecured creditor's claim against this YMCA in its bankruptcy proceedings seeking full repayment from liquidated assets. The YMCA's bankruptcy assets have now been liquidated and the City, as an unsecured claimant, received its one and only share of the assets in the amount of \$9,989.54 (9.92% paid on the claim amount). This unfortunate affair results in a City net loss of **\$90,689.62**, which amount will be written off as uncollectable in FY 2011-12 on the City's books.

Responding to community outcry to have continued public access to the Gym for adult and youth recreation programs and sports leagues, in June 2010 the City contracted with All Out Sports League (AOSL) for this non-profit 501 (c) (3) organization to be its new operator and provider of community programs. The agreement specifies AOSL is responsible to reimburse the City its incurred custodial and utility expenses. By way of letter to the City dated June 01, 2012, AOSL has again expressed its written desire to continue its contractual relationship with the City through FY 2012-13 for programming and operation of community recreation programs at the Gym. The City and the School District have still not resolved our differences regarding fair cost apportionments or methodologies for custodian labor expenses and utility costs at the Gym.

Since this Fund operates on the basis of AOSL paying what the School District ultimately bills (in accord with City agreement), the \$24,000 guesstimate posted for the FY 2012-13 Budget is merely a placeholder.

L. Endeavor Hall (Fund No. 702)

This separate fund was established in the 2002-2003 Budget to track specific revenues and expenses of the million dollar historic Endeavor Hall. Since the Hall's opening in

2001 the rental rates for use of this public facility have not been increased and therefore it remains highly competitive in the rental facility market for smaller gatherings.

More potential users and actual renters have discovered the advantages of Endeavor Hall for events, meetings, and special occasions even with the stagnant economy. However, despite concerted advertising, marketing efforts and promotional “free” community-type uses, the rental income for the Hall in FY 2011-12 is expected to land below its 8-year average annual revenue mark of \$20,000 (\$18,527 projected). Still, after the disappointing low year in 2009-10 of \$14,191 for rental revenue, hovering last year near its historical income stream is very satisfying to staff and holds promise to reach the \$20,500 revenue projection for this year.

Minimal City Maintenance time (\$12,410) is allocated for upkeep of the facility, sufficient to keep it prim and proper and planted with annual color plants for suitable use. This last year the stage curtains/drapes were replaced to offer even a nicer ambiance to the facility. Naturally, when vandalism occurs to the Hall extra expenses are incurred to make the necessary repairs. Total expenses in FY 2012-13 are budgeted at \$28,503.

The Fund is expected to close FY 2011-12 with a net operational shortfall of **\$7,846**. Based upon its rental performance this last year, it is projected the net operating shortfall will remain around the same at **\$7,228** during FY 2012-13. Since the average renter of Endeavor Hall generates \$570 in rental income all that is necessary for this Fund to break even in operation is one (1) more rental per month next year.

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FIDUCIARY FUNDS

Tracked by the City and included herein for reference, Fiduciary Funds of the City are not typically considered part of a one's “budget” since the City essentially serves as the fiscal conduit (fiscal agent) to collect the previously-approved assessments and then pay the incurred obligations. No underlying debt obligation of the City is assumed in administering the fiscal transactions of these funds. With secured sources of income, these Funds are not held hostage to the volatility of general governmental purpose revenues or state government shenanigans. Fiduciary Funds often operate with negative cash flow balances and therefore can have interest charges applied for temporary reliance on the use of pooled reserves to underwrite their annual operations.

A. Presley GHAD Settlement (Fund 213)

In 2003 the City and GHAD settled its lawsuit against Presley regarding damages to City infrastructures in the Kelok Way area of the Oakhurst Development. After reimbursement to the City of advanced legal expenses, proceeds from the settlement

were retained in a separate fund for use to clean V-ditches in the area, monitor hillside movement and explore mitigation options to protect public infrastructures in the Development. During FY 2010-11, funds were appropriated from this reserve (\$110,000) to perform road resurfacings in the Development in conjunction with an annual Neighborhood Street Project (CIP No. 10409). No monies from this Fund were expended in FY 2011-12 and none are expected in FY 2012-13. Therefore, the Fund anticipates an ending balance of \$119,998.59 on 30 June 2013. These monies may yet be tapped for further area repairs to damaged public infrastructure and/or arrest hillside movement in the future.

B. High Street Bridge (Fund No. 217) and Oak Street Bridge (Fund No. 218)

These assessments are levied against certain private property owners in the Oak – High Streets area to maintain the bridges constructed in these areas in behalf of the owners to serve their private real properties. The High Street Bridge project is repaid over thirty (30) years, with debt finally retired in 2029. The Oak Street Bridge project is repaid over twenty (20) years with its debt ultimately retired in 2020. Each Fund incurs minimal annual expenses for its share of the County's property tax administration fees, and Fund 217 includes property taxes levied on public property contained within that special assessment district. Both Funds carry slowly-declining negative balances of (\$10,611) and (\$64,215), respectively on 30 June 2013, until the full levy of real property assessments retire the incurred debt.

C. Lydia Lane Sewer Assessment District (Fund No.222)

Established and funded solely by private property owners along south Lydia Lane, this infrastructure improvement project included a municipal sewer main line, lateral connections to the homes plus an associated street overlay. The project was funded by the private property owners since they "opted out" of inclusion in the original Project Area of the newly-formed Clayton Redevelopment Agency (1987) and therefore became ineligible for Agency funds to address a public health and safety blight by installation of a municipal sewer line to eliminate their private septic tank systems. The project was completed in 2003 with bonds issued by the City for repayment over a thirty (30) year life. Principal and interest payments for this fiscal year total \$16,750 or 84% of the Fund's annual expenses. The Fund manages the retirement of that private debt of the assessed real property owners, which reveals a positive Fund Balance of \$87,090 expected on 30 June 2013.

D. Oak Street Sewer Assessment District (Fund No. 223)

This is the newest Fiduciary account to appear in the City's Budget, although the neighborhood sewer project was completed in 2004. The former Clayton Redevelopment Agency paid for a portion of this project (50%) with real property owners agreeing to annual assessments for the balance of the expense. Principal and interest payments total \$11,350 or 85.6% of the Fund's annual expenses. This Fund manages the retirement of that private debt over twenty-five (25) years, paid off in 2029. The Fund carries a temporary negative balance of (\$2,981) estimated for 30 June 2013.

E. Development Impact Fees (Fund No. 304)

This restricted-use fund holds the impact fees the City presently imposes on and extracts from new developments within our community. Revenues are private development driven and restricted for use on the purpose of the impact fee. Although it is unknown exactly when any proposed development comes "on-line" thereby triggering the payment of these impact fees, staff does not wish to budget for new development to occur and not be realized.

The renamed "Diablo Estates at Clayton" residential subdivision (off Regency Drive) has furiously paced the way in new homes sale on the former Seminary Hill site in southeast Clayton. Of its 24 subdivided lots, 17 of the upscale homes have been "sold" and are under permitted construction. Its construction triggered the payment of development impact fee revenues to the relevant impact funds last fiscal year and the completion of the remaining 7 residential homes is anticipated in FY 2012-13. Therefore, the following balances display actual (2012) and projected (2013) impact fees, respectively:

<u>DEV. IMPACT FUND</u>	<u>JULY 2012</u>	<u>JULY 2013</u>
Childcare Facility Fees	\$ 72,507	\$ 73,942
Parkland Dedication Fees	\$ 58,707	\$ 58,707
Offsite Arterial Improvement Fees	\$ 246,564	\$ 256,756
Fire Protection Fees	\$ -0-	\$ 2,100
Community Facility Fees	\$ 10,889	\$ 14,039
Sewer Study Impact Fees (MCR)	\$ (64,475)*	\$ (64,475)*
Police Services Impact Fees	\$ 51,812	\$ 63,510
Open Space In-Lieu Fees	\$ 44,170	\$ 121,276
Unallocated Interest Earnings	\$ 7,708	\$ 12,708
Totals:	\$ 427,882*	\$ 538,563*

* The Sewer Impact Fee Fund "borrowed" \$60,000 from the City's General Fund during 2004-2006 for the purpose of preparing a Sewer Master Plan for the [East} Marsh Creek Road Specific Plan annexation study. This account is ultimately responsible for the repayment of these advanced monies from future development impact fees.

These monies are restricted to capital improvement projects and cannot be used for operations and maintenance, with the exception of the Police Impact Fees. This Fund is expected to have a total of \$538,563 in its ending cash position on 30 June 2013.

F. Clayton Financing Authority (Fund 405)

On 04 December 1990, the City Council of Clayton, California adopted Resolution No. 120-90, which created the Clayton Financing Authority (CFA) through a joint exercise of powers agreement. This Financing Authority was initially established to allow redevelopment tax allocation bonds to be sold at a more favorable negotiation basis versus a public basis. The Financing Authority is registered with the State of California Controller's Office and is subject to the laws pertaining to special districts. As a legal, separate public entity, the Authority is required to file an Annual Report with the State of California [ref. Section 26909, *CA Government Code*].

Arising from matters associated with the Oakhurst Development Project, the Financing Authority held title to a 1-acre parcel located at the southwest corner of the Clayton Road-Oakhurst Drive-Center Street intersection. In October 2006, the Financing Authority sold the real property for \$800,815 to a commercial developer (Endashian, Inc.), which ultimately led to the construction and opening of the former Longs Drug Store at this location (now CVS/Pharmacy). A small portion of these monies was used in the 2008 park renovations at Clayton Community Park (tot lot and picnic facility improvements). No allocation is planned for expense of the proceeds in FY 2012-13 and therefore the ending balance on 30 June 2013 increases to \$771,982 (with nominal interest earnings of \$4,000).

G. Middle School Community Facilities District (1990-1) – Fund No. 420

As its name implies, this Fund manages the accumulation of annual real property assessments that paid (in part) for the construction of the Diablo View Middle School, a 2007-recognized CA Distinguished School. Professional service expenses are incurred for the fiscal administration of this Fund, which is projected to have an ending Fund Balance of \$4.085 million on 30 June 2013; assessment and interest revenue will be less than Fund expense obligations by \$371,881 this fiscal year, necessitating planned reliance on Fund Balance to carry the debt service. Principal and interest payments amount to \$485,115 (52.7% of the planned expenses) plus a transfer of \$407,541 to Fund No. 422. In FY 2007-08 the outstanding debt was refunded to obtain a lower interest rate on the remaining principal (see Fund No. 422), a City-initiated transaction which resulted in lower annual payments for the assessed real property owners of this District (primarily Oakhurst Development).

H. Clayton Station Community Facilities District (1990-2) – Fund No. 421

This debt service account pays the obligations of this small special assessment district that assisted in the installation of on-site and offsite capital improvements to facilitate the construction of the private development known as the "Clayton Station" commercial shopping center. The debt is retired solely through the annual assessment levy (\$161,230) against this private real property; a principal and interest payment of \$121,364 is scheduled for this fiscal year. The Fund expects an ending balance of \$564,431 on 30 June 2013.

I. Special Tax Revenue Refunding Bonds (2007) – Fund No. 422

In 1997 the Clayton Financing Authority issued \$7.16 million in Special Tax Bonds to finance in part the construction of the Diablo View Middle School (ref. Fund No. 420). Approximately \$5.285 million remained outstanding on the debt carrying a final maturity date of 2022. In May 2007 the Authority's Board of Directors (City Council) determined it was financially advantageous to Oakhurst Development real property owners for the Authority to refinance the outstanding debt to achieve savings in annual debt payments. Upon its issuance the refunding action captured a savings of \$600,000 to the District rate payers which saved individual property owners approximately \$20 - \$51 per year. Bond interest rates fell from the range of 5.25% - 5.90% down to 3.5% - 4.2%.

This year, the principal and interest payment totals \$442,273, drawing on planned reserves by \$6,794 to do so while addressing fund bond administration fees and costs. The Fund is projected to close the 2012-13 Fiscal Year with a required reserve-for-debt-service amount of \$124,693.

* * * * *

CAPITAL IMPROVEMENT PROGRAM (CIP)

Due to the demise of redevelopment agency monies for capital improvement projects, the City only had the financial capacity to complete one (1) key capital improvement project last year that enhanced and maintained the public's investment in its infrastructures and overall quality of life:

1. Community Park Parking Lot Expansion (CIP No. 10413) \$ 1,056,717
Combining City funds with an East Bay Regional Park District grant, the existing public parking lot at Clayton Community Park was expanded to add an additional 100 parking spots for patrons and organized sports teams frequenting the park. The expanded parking lot was also punched through an easement granted by MDUSD to connect with the Gym Court ingress/egress to relieve parking constraints experienced at the adjacent Diablo View Middle School, the Clayton Community Gym, and the adjacent Regency Woods residential neighborhood. The expanded parking lot replaced heavily wooded and overgrown landscaping with a more efficient irrigation system and lower maintenance vegetation (reduces water consumption and expense). The added parking lot also eases traffic congestion at the middle school during parent-student commute times.

The following capital improvement projects have been added to the City's 5-Year CIP Budget with several scheduled for implementation in this Fiscal Year:

1. ADA Compliance Program (CIP No. 10394A) \$6,000
Each year the City sets aside \$6,000 of its annual Gas Tax revenues to build up sufficient revenues to perform handicap ramp corner curb cuts on public sidewalks. In addition to installing these ADA ramps where none exist, federal standards as to ramp specifications were modified in July 2008 requiring revamping of existing ramps when street or sidewalk projects are installed in the adjacent area. These monies may also be used to repaint and remark existing ADA public parking spaces to current standard.
2. 2012 Neighborhood Street Rehab Project (CIP No. 10411) \$633,705
Merging annual Gas Tax monies and Measure J monies expected this fiscal year and residuals unused last fiscal year, the City has the opportunity to conduct another Neighborhood Street repaving and/or slurry seal project. Determination of which streets are candidates for improvement is decided by the City Council at its May 15th prioritizing attention to the worst conditioned streets using the City's Pavement Condition Index rating. The time schedule for performance of this Project is slated for the summer of 2013.
3. East Marsh Creek Road Upgrade (CIP No. 10414) \$1,081,000
Receiving additional Measure J monies from the Contra Costa Transportation Authority's regional project fund, this capital improvement involves the widening of the roadway along east Marsh Creek Road (from Regency Drive to the City limits) to provide two full-width travel lanes, continuity of bicycle lanes, and right-of-way shoulders and pedestrian paths.
4. Cardinet Trail Restoration Project (CIP No. 10421) \$50,000
As noted in the Landscape Maintenance District narrative, District funds were allocated last fiscal year to perform corrective work on a portion of this well-traveled trail to halt the erosion of the creek's bank and elevated pathway. It is contemplated the trail restoration will be addressed this fiscal year.
5. Collector Street Rehabilitation Project (CIP No. 10425) \$ 361,438
The City is informed it will receive federal Local Streets & Roads Shortfall funding by the federal government in its adoption of a FY 2013 Budget in October. These grant funds are restricted for use on arterial or collector streets in our community. At its May 15th meeting, the City Council earmarked receipt of these federal monies (\$285,438) along with \$76,000 in local Gas Tax funds (satisfying the local match requirement) for resurfacing the entire length of Regency Drive (from Marsh Creek Road to its cul-de-sac). Due to federal budget timing and release of funds, this Project will likely take place in the spring of 2013.

6. City Hall Parking Area Rehabilitation (CIP No. 10426) \$27,000
The public parking lot for City Hall is showing signs of deterioration and except for crack sealing has not received maintenance treatment since the opening of City Hall in 1998. Regular resurfacing of this infrastructure is necessary to preserve its initial capital investment. Presently, this potential project has been approved as a deductive bid item in the upcoming 2012 Neighborhood Street Rehab Project bid (CIP No. 10411), although funding has not yet been identified (likely General Fund reserves).
7. Library Parking Lot Rehabilitation (CIP No. 10427) \$51,000
Similar to above project's circumstance, the public parking lot for the Clayton Community Library is also displaying signs of deterioration and except for crack sealing it has not received maintenance treatment since the Library's opening in 1995. Presently, this potential project has been approved as a deductive bid item in the upcoming 2012 Neighborhood Street Rehab Project bid (CIP No. 10411), although funding has not yet been secured (likely General Fund reserves).
8. Lydia Lane Park Parking Rehabilitation (CIP No. 10428) \$11,000
Akin to the above two projects' circumstances, this public park's parking lot is in woeful condition and has never received maintenance treatment since the Park's opening in 1988. Presently, this potential project has been approved as a deductive bid item in the upcoming 2012 Neighborhood Street Rehab Project bid (CIP No. 10411), although funding has not been secured yet (likely General Fund reserves).
9. 2012 Trail Repaving Project (CIP No. 10429) \$50,000
Several years ago with the last Neighborhood Street Rehab Project, the City (through the Trails and Landscape Maintenance District) resurfaced the Bruce Lee Trail from north of Regency Drive to Grenache Circle. Last fiscal year the Trails and Landscape District set aside \$50,000 in its approved Budget to finish resurfacing of the remaining segment of this trail (from Grenache Circle to Center Street), and it is contemplated this work will be implemented in conjunction with CIP No. 10411 (2012 Neighborhood Street Project).
10. Clayton Road Median Landscape Project (CIP No. 10430) \$320,000
Recommended by the citizens' Trails and Landscaping Maintenance District Oversight Committee and approved by the City Council at its May 1st meeting, bid has been awarded and work is already underway to improve the landscaping design, install of plants and landscape features, and upgrade the irrigation system efficiency of the Clayton Road Median from the Clayton Fountain to the intersection at Mitchell Canyon Road. Included in this Project

is landscaping and irrigation system for the vacant terraced walls on Clayton Road east of the CVS/Pharmacy. Project is expected for completion by mid-August 2012.

11. Daffodil Hill Beautification Project (CIP No. 10431) \$ 44,500
In partnership with the Clayton Business and Community Association (CBCA), the City through a negotiated Change Order on CIP No. 10430 above will be completing the approved landscape plan for this prominent sloped corner at the intersection of Clayton Road and old Marsh Creek Road. Each party has agreed to equally share the improvement expense, and the project is scheduled for completion by mid-August 2012.

All total, the proposed Capital Improvement Projects for this Fiscal Year represent an investment of over \$2.6 million of the public's monies to maintain and improve the infrastructure of this small community.

* * * * *

PUBLIC EMPLOYEES RETIREMENT PENSION SYSTEM

Eleven years after its incorporation as a municipality in 1964, the City of Clayton joined the California Public Employees Retirement System (CalPERS) to establish a pension system for its public employees (June 1975). At that time it contracted for a retirement system plan of 2% at age 55 for its sworn law enforcement officers and 2% at age 60 for its general (miscellaneous) employees. Each enrolled plan was the least "defined benefit" plan offered by CalPERS. For the next 36 years and continuing today, the permanent employees of the City are members of CalPERS for retirement pension purposes. The City organization does not belong to Social Security, therefore its employees rely on this public pension system as its sole retirement program.

After researching records of the City, a plan change occurred in 1997 when the City moved its law enforcement employees from the CalPERS 2% at 55 Plan to a 2% at age 50 Plan; miscellaneous employees were kept on the 2% at age 60 Plan. Presumably at that time the City elevated the retirement benefits of its Police Department in order to attract and retain quality sworn personnel in the competitive public sector market. In early 2001 the retirement plans were again modified (through the collective bargaining process) to the existing contracts of 3% at age 55 for Public Safety (sworn law enforcement) and 2% at age 55 for the Miscellaneous Unit (civilian).

In recent years, coinciding with the abrupt downturn in the national and local economies and the wave of retiring Baby Boomers (born 1946 -1964), the press and the public have waged a vigorous debate and exposé concerning the amount and scope of unfunded liabilities of governments [taxpayers] for the CalPERS defined benefit retirement plan. Public policies have been attacked, modified, reformed and threatened

over the course of this examination and it continues today in the form of state legislation reform bills, statewide initiatives and castigating editorial opinions.

In the spirit of that discussion and to provide proper transparency of the City's fiscal position, the following chart with notations is offered (using the most current data supplied to the City by CalPERS):

Unfunded CalPERS Liability for Clayton

UNIT	JUNE 2011	JUNE 2009	JUNE 2004	JUNE 1999	JUNE 1994
Public Safety	\$ 853,030	\$ 988,219	\$1,158,768	\$ 88,430	\$ 605,835
Misc.	\$ 478,096	\$ 526,831	\$ 549,429	(\$ 579,148)	(\$ 7,213)
Totals	\$1,331,126	\$1,515,050	\$1,708,197	(\$490,718)	\$ 598,622

Notes:

1. This June 2011 data is the latest information released by CalPERS; there is always a one year time lag in their generation of this data.
2. The City altered its CalPERS retirement plans in early 2001, moving from 2% at 60 to 2% at 55 for the Miscellaneous Unit, and from 2% at 50 to 3% at 55 for the Public Safety Unit. Neither of those Plans is the premium pension plan offered by CalPERS for either Unit.
3. In January 2011 the City Council enacted a contract that new employees of this City be enrolled in the 2% at 60 pension plan for the Miscellaneous Unit and the 2% at 50 pension plan for the Public Safety Unit. One new employee is now on the Tier II Plan.
4. Numbers bracketed or in **green** indicate that particular plan had a surplus balance at the time (referred to as "superfunded").
5. Public Safety (Tier I) rate for Employer in FY 2012-13 will be 36.930%, up by 1.072% from FY 2011-12 (rate was 35.858%; a 2.99% rate jump). CalPERS estimates the FY 2013-14 Employer rate will go up to 37.3% (1% increase). The Employee portion of 9% currently paid by the City is in addition to this rate (combined = 45.93%).
6. Misc. Unit (Tier I) rate for Employer in FY 2012-13 will be 15.665%, up by 0.782% from FY 2011-12 (rate was 14.883%; a 5.25% rate jump). CalPERS estimates the FY 2013-14 Employer rate will rise to 15.9% (1.5% increase). The Employee portion of 7% currently paid by the City is in addition to this rate (combined = 22.665%).

According to information supplied to its members by CalPERS (ref. PERSpective, Spring 2011), its public pension system is funded by three sources: 1. Investment income; 2. Employee contribution; and 3. Employer contribution. In many cases, as product of the collective bargaining process over time, public employee units negotiated having their employer pay the member's Employee contribution in lieu of salary increase

or other negotiable benefit. Over the last 20 years, of every dollar paid in pension benefits by CalPERS the vast majority came from investments:

Investment Earnings	64 cents
Employer Contributions	21 cents
Employee Contributions	<u>15 cents</u>
	\$1.00

In the proposed fiscal plan for 2012-13, these recent CalPERS financial impacts have been folded into the balanced budget. The total amount of monies allocated to pay the CalPERS retirement contributions in FY 2012-13 is \$611,930 across all Funds (up by \$13,507 from last fiscal year) as apportioned for labor allocations. Of the annual CalPERS payment by the City, the following table lists the distribution:

Police Department	64%
Admin/Finance Department	18%
Public Works Department	11%
Planning Department	6%
City Council	1%

The purpose of this information is not to diminish or ignore the seriousness of the unfunded liability retirement debate, and certainly the City's current amount of unfunded pension liability of \$1.33 million is not insignificant. During the last fiscal year alone the amount was lessened by almost \$100,000. The City's exposure is being amortized within the current rate schedule and the 5-year chart above illustrates the liability is trending downward, not upward. What is critical to incorporate into the discussion is the acknowledgement that not every city or local government is in the same precarious canoe and not every city or local government has the "Cadillac" retirement plan that is offered through CalPERS. Caution is requested so as not to cast all public pension plans, pensioners, cities and public employees into the same cauldron to burn while gnawing on the most egregious examples of compensation spiking and retirement pay.

* * *

COUNCIL BUDGET SUB-COMMITTEE REVIEW

The Council-appointed ad-hoc committee of Vice Mayor Medrano and Council Member Stratford met with the City Manager and the Finance Manager one fine Thursday morning (7:00 am) on May 31st to review the budget data and available materials. With the sudden demise of the former Clayton Redevelopment Agency and its corollary impacts to the City's General Fund, much of the time was expended discussing options and the future of this year's budgetary gap of approximately \$200,000. Strategic thoughts were exchanged openly regarding whether it is indeed a structural deficit and what to do with the financial hole. Limited generally to the disposition of the City's General Fund, the Council Budget Sub-Committee recommends to the City Council the adoption of the FY 2012-13 Budget as proposed.

Appreciation is extended to the Council Budget Sub-Committee and to key City staff (Merry Pelletier) for the sincere and earnest efforts and desire to sustain the necessary operations of the City for the community it serves. These times are unprecedented, and just when we think the worst is over, it is not....

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Gary A. Napper", with a large, circular flourish at the end.

Gary A. Napper
City Manager

Attachments: Proposed FY 2012-2013 City Budget and 5-Year CIP Budget

GENERAL FUND

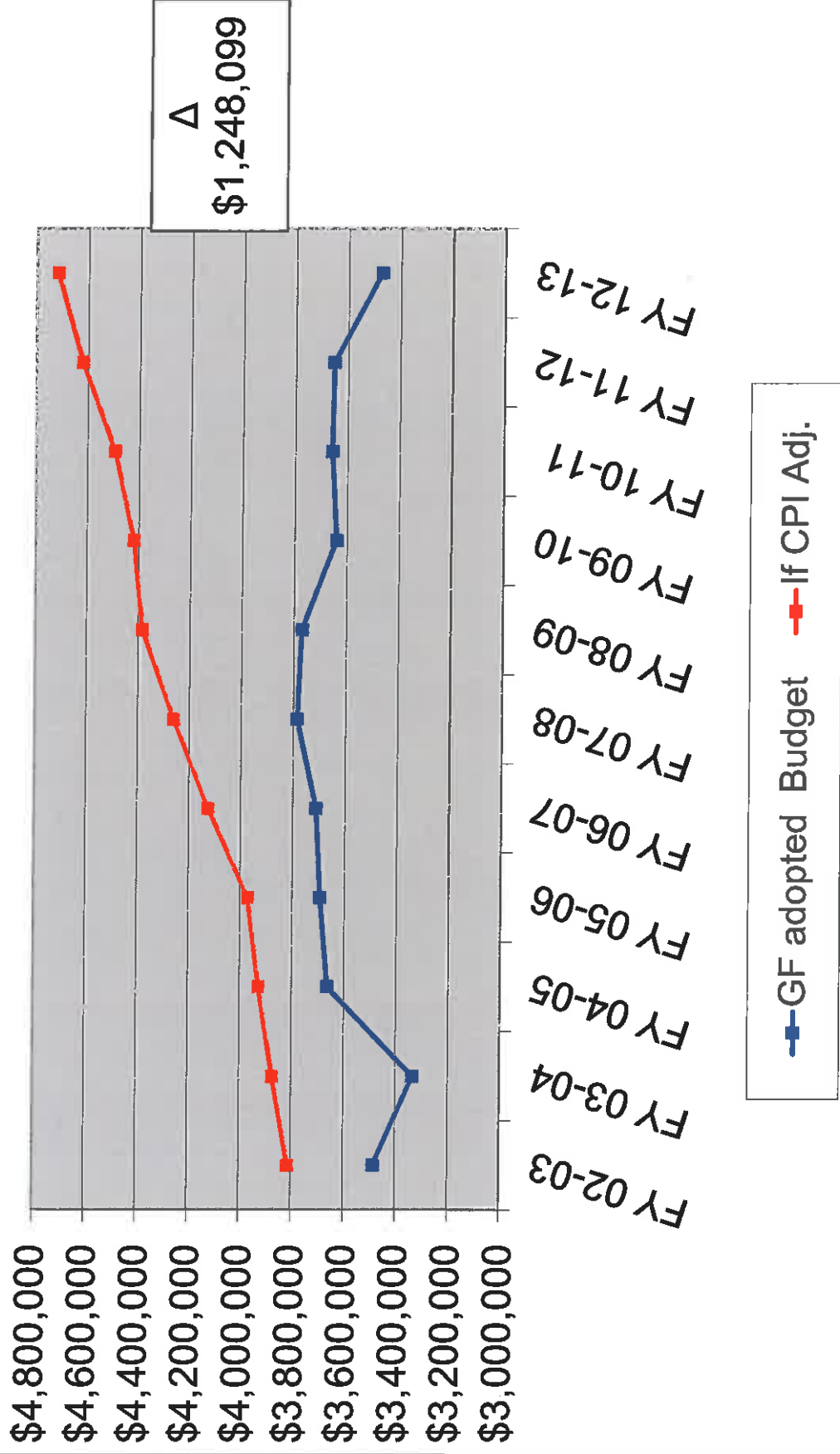
REVENUES

FY 2012-13

CITY OF CLAYTON ADOPTED GENERAL FUND REVENUE BUDGET
PROJECTED REVENUE 2011-12 VS PROPOSED BUDGETED REVENUE 2012-13

DESCRIPTION	Account Number	Actual Revenue 6/30/2011	Budgeted Revenue 2011-12	YTD Revenue 5/27/2012	Projected Revenue 6/30/2012	Projected (Shortage) 2011-12	Proposed Revenue 2012-13	Budgeted Changes 10-11 vs 11-12
Property Tax Secured	4101		695,851	604,187	633,379	(62,472)	646,046	-7%
VLF Backfill by State			752,443	373,645	747,290	(5,153)	747,300	-1%
Sales Tax In-Lieu (Triple Flip)			86,114	45,920	91,840	5,726	91,900	7%
True Up VLF & Sales Tax			(11,582)	5,097	5,097	16,679	5,100	
Property Tax Secured (net)	4101	1,521,174	1,522,826	1,028,849	1,477,805	(45,221)	1,490,346	-2%
Property Tax Unsecured	4102	39,330	37,385	37,031	38,276	891	38,276	2.4%
Property Tax Unitary Tax	4103	11,891	11,892	11,309	11,309	(583)	11,309	-5%
Property Tax Supplemental	4104	19,045	-	(6,850)	(6,850)	(6,850)	-	
Property Taxes Other	4106	11,847	5,834	5,672	5,672	(162)	5,672	-3%
Sales and Use Tax	4301	252,404	256,500	174,097	263,000	6,500	263,000	3%
Real Property Transfer Tax	4502	51,476	45,000	36,454	41,454	(3,546)	41,500	-8%
Business License	5101	99,305	99,000	110,309	112,115	13,115	112,500	14%
Building Permit	5103	23,315	26,000	68,275	78,050	52,050	32,000	23%
City Permits	5106	7,733	6,500	6,634	7,134	634	7,134	10%
Stormwater Permits	5109	1,550	1,000	4,179	4,479	3,479	4,400	100%
Public Safety Tax (Prop 172)	5201	65,316	57,000	48,891	62,391	5,391	63,000	11%
Abandoned Vehicle Abate Fee	5202	3,581	2,273	3,480	3,480	1,207	3,500	54%
Motor Vehicle License Fee	5203	50,312	32,400	5,437	5,437	(26,963)	-	-100%
Other In-lieu (Diamond Terrace)	5205	140,255	140,255	143,060	143,060	2,805	145,921	4%
POST Reimbursements	5214	2,891	3,500	5,679	5,679	2,179	5,500	57%
State Mandated Cost Reimbursement	5217	12,914	-	884	884	884	884	0%
Planning Services	5301	8,240	8,000	6,066	6,566	(1,434)	6,500	-19%
Police Services	5302	21,173	23,000	27,180	27,680	4,680	27,300	19%
Planning Project Fees	5304	36,880	30,000	21,503	25,263	(4,737)	25,000	-17%
Well Water Usage	5306	19,085	10,000	23,997	25,497	15,497	25,000	150%
Misc. City Services	5319	2,856	2,500	3,188	3,288	788	3,300	32%
Well Monitoring Service Charge	5321	20,525	18,858	15,465	18,858	-	18,858	0%
City Administrative Fee-OH Rec	5322	34,204	34,541	34,204	34,204	(337)	34,204	-1%
Cable TV Franchise Fees	5401	175,488	175,000	130,754	173,982	(1,018)	175,000	0%
Solid Waste Franchise Fees	5402	78,978	78,000	100,091	136,608	58,608	160,635	105.9%
Utility Franchise Fees	5403	114,976	115,000	115,461	115,461	461	115,461	0%
Gas Line Franchise Fees	5404	11,277	11,300	11,593	11,593	293	11,600	3%
AT&T Mobility Franchise Fees	5405	83	83	86	86	3	86	100%
Fines and Forfeitures	5501	29,712	33,000	20,879	25,879	(7,121)	26,000	-21%
Interest Earnings	5601	145,454	103,764	85,591	104,000	236	145,000	40%
Park User Fees	5602	60,278	68,500	31,586	51,748	(16,752)	45,392	-34%
Meeting Room Fees	5603	2,669	2,000	2,184	2,284	284	2,200	10%
Unrealized Gain/Loss on Assets	5606	(29,418)	-	-	-	-	-	0%
Cattle Grazing Lease Rent	5608	8,679	8,864	8,864	8,864	(0)	8,864	0%
Nextel Lease Rent	5609	30,550	30,550	28,844	31,467	917	31,467	3%
Street Use Fees	5612	-	-	100	100	100	-	0%
Crossing Guard - Reimbursements	5701	5,037	5,036	4,931	4,931	(105)	5,000	-1%
Dept of Justice - Reimbursements	5701	-	-	4,550	4,550	4,550	-	100%
Donations & Contributions	5702	2,000	1,000	-	-	(1,000)	-	100%
Other Revenues	5790	20,357	1,000	2,814	3,129	2,129	2,000	100%
Overhead Cost Recovery	5791	5,596	3,500	10,062	10,162	6,662	10,000	186%
Sale of Asset Forfeiture Cnet	5801	6,700	6,700	-	6,700	-	6,700	0%
Transfer from Measure C	6002	4,000	4,000	3,000	4,000	-	4,000	0%
Transfer from Streets	6004	6,687	6,687	5,015	6,687	-	6,687	0%
Transfer from St. Lights	6005	10,000	10,280	7,710	10,280	-	10,280	0%
Transfer from GHAD	6006	18,677	19,200	14,400	19,200	-	19,200	0%
Transfer from Landscape	6007	29,918	30,756	23,067	30,756	-	31,402	2%
Transfer from RDA Project Fund	6008	375,380	275,000	187,690	187,690	(87,310)	-	-100%
Transfer from RDA 2% Election	6008	-	100,380	-	-	(100,379.73)	-	100%
Transfer from RDA Housing	6009	150,095	125,000	75,048	75,048	(49,953)	-	-100%
Transfer from RDA 2% Election	6009	-	25,095	-	-	(25,095)	-	100%
Transfer from RDA Retirement Trust	6027	-	-	-	62,500	-	250,000	
Transfer from Grove Park Fund	6011	23,816	6,267	4,700	6,267	-	6,399	100%
Transfer from Stormwater Fund	6016	31,605	32,500	24,375	32,500	-	32,500	0%
Transfer from Trust & Agency	5790	-	-	53,931	53,931	53,931	-	0%
Encumbrance Transfer		-	-	-	-	-	-	
Total Revenues		3,775,874	3,652,726	2,772,317	3,574,933	(140,293)	3,470,977	-5.0%

General Fund Revenues 11 Year History



GENERAL FUND

EXPENDITURES

FY 2012-13

City of Clayton
 Budget Legislative Dept 01
 Proposed Budget 2012-13

Account Number	Account Name	2010-2011 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7115	Council/Commission Comp	23,400	23,400	21,450	23,400	23,400
7220	PERS Retirement	4,956	5,121	3,793	4,138	4,321
7231	Workers Comp Insurance	435	23	-	-	546
7232	Unemployment Insurance	1,451	1,450	-	1,450	1,450
7233	FICA and Medicare	272	339	265	339	339
7246	Benefit Insurance		-	660	-	-
7324	Dues and Subscriptions	10,328	11,458	11,353	11,458	11,458
7362	City Promotional Activity	6,089	8,400	3,995	5,495	4,400
7363	Business Expense	694	-	-	-	-
7372	Conference	1,910	1,584	200	200	-
7382	Election Services	-				12,000
7413	Special Legal Services	2,500	-	-	-	-
7419	Other Prof. Services	6,965	8,000	6,175	7,450	8,000
7486	Host Mayor's Conference	-	-	(4,600)	(250)	-
	Total	59,000	59,775	43,290	53,680	65,914

City of Clayton
Budget Admin/Fin Dept 02
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	509,457	509,365	463,310	520,143	492,550
7119	Furlough		(21,471)		(21,471)	(20,856)
7218	LTD Insurance	3,147	3,242	2,865	3,234	3,448
7220	PERS Retirement	102,978	109,145	88,668	101,103	107,366
7231	Workers Comp Insurance	9,264	494	-	-	11,492
7232	Unemployment Insurance	2,736	2,604	-	-	2,604
7233	FICA and Medicare	7,562	7,232	7,306	8,130	7,142
7241	Auto Allowance/Mileage	10,740	10,740	8,928	10,740	10,740
7246	Benefit Insurance	65,851	66,379	70,287	69,298	71,647
7311	General Supplies	73	-	-	-	-
7324	Dues and Subscriptions	1,859	1,781	1,810	1,810	1,831
7332	Telecommunications	8,563	10,280	7,153	8,283	10,280
7363	Business Expense	-	50	-	-	-
7364	Employee recognition	1,862	2,290	2,528	2,528	2,000
7365	Volunteer Appreciation	(8)	-	-	-	-
7371	Travel	22	-	-	-	-
7372	Conference	90	-	-	-	-
7373	Education and Training	-	-	25	25	-
7382	Election Services	6,417	-	-	-	-
7384	Legal Notices	-	-	-	-	-
7411	Prof. Services Retainer	92,308	96,000	60,182	69,982	70,000
7414	Auditing Services	12,476	14,876	16,919	16,919	16,635
7415	Computer Services	5,251	5,000	638	1,638	1,700
7419	Other Prof. Services	7,619	15,638	24,739	25,978	13,447
7431	Recycling Contract	-	100	-	-	-
	Encumbrances					
	Total	848,267	833,745	755,358	818,339	802,027

City of Clayton
Budget Public Works Dept 03
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	7,749	6,081	7,948	8,289	8,289
7112	Temporary Help	4,472	4,198	3,638	4,198	3,969
7113	Overtime	178	-	-	-	-
7119	Furlough		(4,248)	-	(4,248)	(4,248)
7218	LTD Insurance	91	40	45	45	43
7220	PERS Retirement	2,892	1,331	1,390	1,465	1,879
7231	Workers Comp Insurance	288	54	-	54	164
7232	Unemployment Insurance	89	77	-	77	77
7233	FICA and Medicare	459	409	426	431	431
7246	Benefit Insurance	1,130	1,216	2,079	2,079	2,079
7311	General Supplies	6,449	6,500	4,761	5,500	5,500
7328	Park Services	-	-	272	272	-
7329	Park Supplies	-	-	333	333	-
7331	Rentals/Leases	140	140	84	140	140
7332	Telecommunications	3,008	3,000	2,495	3,000	3,000
7335	Gas & Electric Serv.	30,461	30,000	26,772	29,446	30,000
7338	Water Service	21,291	18,000	12,595	14,719	15,000
7341	Buildings & Grounds Mtn	7,546	7,844	8,075	8,954	7,196
7342	Machinery/ Equip Maint.	5,634	7,000	4,463	5,500	5,500
7343	Vehicle Maintenance	6,019	8,000	2,413	2,913	3,000
7344	Vehicle Gas, Oil, and Supplies	13,345	14,000	11,633	14,000	14,000
7346	HVAC Mtn & Repairs	10,733	9,130	6,938	7,420	7,430
7347	Deferred Mtn Projects	35,541	-	12,064	12,064	-
7373	Education and Training	701	701	1,000	1,000	1,000
7417	Janitorial Services	6,900	6,900	6,504	6,900	6,900
7419	Other Prof. Services	273	-	1,346	1,346	384
7429	Animal Control Services	200	525	-	525	525
	Sunday Operating Hours					
	Encumbrances		-			-
	Total	165,589	120,897	117,271	126,420	112,257

**City of Clayton
Budget Community Dev Dept 04
Proposed Budget 2012-13**

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/22/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	165,574	164,855	145,833	152,174	164,855
7115	Council/Commission Comp	3,028	7,200	6,600	7,200	7,200
7119	Furlough	-	(6,141)	-	(6,141)	(6,975)
7218	LTD Insurance	932	1,072	857	935	1,154
7220	PERS Retirement	30,553	36,075	26,688	31,540	37,364
7231	Workers Comp Insurance	3,062	163			3,846
7232	Unemployment Insurance	868	868			868
7233	FICA and Medicare	2,037	2,390	1,837	2,305	2,390
7241	Auto Allowance/Mileage	4,140	4,140	3,662	4,140	4,140
7246	Benefit Insurance	21,437	21,451	23,734	22,417	23,858
7323	Books/Periodicals	181	100	89	89	100
7324	Dues and Subscriptions	655	705	655	655	655
7332	Telecommunications	614	630	533	630	630
7371	Travel	112	100	-	-	100
7373	Education and Training	338	-	-	-	-
7384	Legal Notices	1,305	1,600	422	550	550
7385	Transpac Fees	20,343	21,790	21,790	21,790	23,315
7419	Other Prof. Services	5,896	25	170	170	170
	Total	261,075	257,023	232,870	238,453	264,221

City of Clayton
 Budget General Services Dept 05
 Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/25/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7231	Workers Comp Insurance	(5,495)		1,603	1,603	-
7232	Unemployment Insurance	-		17,120	-	-
7246	Benefit Insurance	-	-	-	-	-
7247	Other Post Employment Benefit Expense	29,856	-	-	-	4,042
7312	Office supplies	7,362	7,000	7,070	7,300	7,300
7314	Postage	4,590	6,641	3,787	4,387	4,400
7324	Dues and Subscriptions			125	125	-
7331	Rentals/Leases	12,238	10,858	10,005	11,049	11,049
7345	Office Equip. Maint. & Repairs	952				
7351	Insurance Premiums	80,516	60,117	59,897	60,097	89,121
7373	Education and Training			406	406	-
7381	Property Tax Admin Cost	16,888	17,000	16,149	16,149	16,149
7419	Other Prof. Services	13,549	37,722	18,107	14,633	16,977
7420	Merchant Fees	-	-	28	50	336
	Total	160,456	139,338	134,297	115,799	149,374

City of Clayton
 Budget Police Dept 06
 Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	836,612	837,478	742,660	837,478	841,912
7112	Temporary Help	3,376		-	-	-
7113	Overtime	86,337	86,000	79,413	86,000	86,000
7114	Vacation Buy Out	-	-	38,374	38,374	-
7116	Part-time Salaries		4,348	3,043	4,348	4,348
7119	Furlough		(8,548)	-	(8,548)	(8,548)
7218	LTD Insurance	5,067	5,444	4,858	5,444	5,893
7220	PERS Retirement	318,177	356,961	300,491	341,622	367,785
7231	Workers Comp Insurance	15,634	834	-	834	19,744
7232	Unemployment Insurance	5,508	5,508	-	5,508	5,508
7233	FICA and Medicare	14,414	13,723	13,838	14,538	14,538
7241	Auto Allowance/Mileage	4,440	4,440	3,927	4,440	4,440
7242	Uniform Allowance	9,000	9,000	9,000	9,000	9,000
7246	Benefit Insurance	143,487	146,993	143,641	146,993	150,206
7311	General Supplies	16,298	6,000	3,084	4,084	4,500
7312	Office supplies	2,823	3,000	1,633	2,000	2,500
7313	Small Tools & Equipment	774				
7314	Postage	763	900	369	500	500
7324	Dues and Subscriptions	6,050	5,740	5,334	5,539	18,737
7332	Telecommunications	11,557	18,048	9,096	9,867	18,048
7342	Machinery/ Equip Maint.	2,183	2,124	638	638	650
7343	Vehicle Maintenance	17,698	17,000	11,866	13,000	13,000
7344	Vehicle Gas, Oil, and Supplies	33,971	35,000	23,212	31,212	32,000
7345	Office Equip. Maint. & Repairs	897	1,200	1,043	1,138	1,138
7363	Business Expense	103	100	218	218	100
7364	Employee recognition	320	550	267	267	300
7365	Volunteer Appreciation		125	169	169	169
7373	Education and Training	7,364	7,000	7,074	7,074	7,000
7375	Training Reimbursable	-	-	46	46	-
7413	Special Legal Services	-	-	23,245	23,245	-
7415	Computer Services		850	-	850	850
7417	Janitorial Services	2,700	2,700	2,250	2,700	2,700
7419	Other Prof. Services	10,789	20,000	33,905	22,876	27,747
7424	Dispatch Services	143,924	158,076	118,557	158,076	158,076
7425	Lab Fees	14,104	13,000	12,777	14,177	14,177
7426	Jail Booking Fees	(15,737)	1,200	-	-	-
7427	Cal ID Services	10,117	10,621	10,621	10,621	11,125
7428	C.N.E.T. Services	6,473	6,500	1,513	1,513	1,513
7429	Animal Control Services	57,688	58,208	58,208	58,208	58,102
7432	Emergency Services		500	366	366	366
7433	Integrated Justice System (ACCJIN + ARIES)	1,454	4,000	1,171	1,171	1,171
	Total	1,774,365	1,834,622	1,665,907	1,855,585	1,875,294

City of Clayton
Budget Library Dept 07
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	9,964	9,240	10,904	11,404	8,485
7112	Temporary Help	827	904	1,015	1,215	269
7119	Furlough		(2,124)		(2,124)	(2,124)
7218	LTD Insurance	69	55	101	101	59
7220	PERS Retirement	2,251	2,101	2,134	2,251	1,923
7231	Workers Comp Insurance	391	392	-	392	204
7232	Unemployment Insurance	82	82	-	82	77
7233	FICA and Medicare	417	392	207	392	144
7246	Benefit Insurance	2,141	1,877	2,348	2,348	1,697
7312	Office supplies		-	-	-	-
7332	Telecommunications	1,972	1,900	1,638	1,972	1,972
7335	Gas & Electric Serv.	44,322	48,000	35,488	48,000	48,000
7338	Water Service	1,562	1,800	1,263	1,527	1,600
7341	Buildings & Grounds Mtn	4,130	6,149	11,066	19,493	6,732
7346	HVAC Mtn & Repairs	17,579	11,000	15,285	16,125	8,813
7417	Janitorial Services	30,109	30,600	24,276	28,900	28,900
7423	Library Aide/Sunday Operating Hours	14,128	18,222	20,798	21,845	22,800
	Total	129,944	130,589	126,523	153,923	129,551

City of Clayton
Budget Engineering Dept 08
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7324	Dues and Subscriptions	167	1,060	184	184	184
7332	Telecommunications	901	940	676	813	813
7411	Prof. Services Retainer	71,800	75,000	62,869	73,369	73,500
7412	Engineering Inspection	498	500	134	134	-
7430	Well Monitoring Contract	17,852	18,948	14,403	19,043	19,043
	Total	91,218	96,448	78,266	93,542	93,540

**City of Clayton
Budget Community Park Dept 09
Proposed Budget 2012-13**

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	42,339	36,835	40,294	42,778	45,262
7112	Temporary Help	11,465	14,416	11,314	12,790	12,790
7113	Overtime	1,164	2,000	433	500	1,000
7119	Furlough		(6,122)		(6,122)	(6,122)
7218	LTD Insurance	192	239	257	257	258
7220	PERS Retirement	6,378	8,059	8,002	9,001	10,261
7231	Workers Comp Insurance	1,535	43	-	43	1,009
7232	Unemployment Insurance	734	317	-	317	665
7233	FICA and Medicare	2,173	1,637	1,221	1,637	1,059
7246	Benefit Insurance	5,978	6,099	8,771	8,771	7,599
7328	Park Services		-	-	-	-
7329	Park Supplies	10,206	10,000	13,522	13,600	10,000
7331	Rentals/Leases	-	405	-	-	405
7335	Gas & Electric Serv.	1,874	2,800	1,289	1,900	1,900
7338	Water Service	87,958	83,000	57,939	77,439	77,439
7417	Janitorial Services	12,690	12,700	10,411	12,525	12,525
7419	Other Prof. Services	1,015	2,146	2,571	2,658	522
7429	Animal Control Services	2,000	2,000	6,433	6,433	1,953
Total		187,701	176,575	162,457	184,527	178,524

CITY OF CLAYTON GENERAL FUND PROPOSED BUDGET
2012-13

Account Number	Account Name	General Fund Total			
		2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	1,571,695	1,563,854	1,572,266	1,561,352
7112	Temporary Help	20,140	19,518	18,203	17,028
7113	Overtime	87,679	88,000	86,500	87,000
7114	Police Dept Vacation Buy Out	-	-	38,374	-
7115	Council/Commission Comp	26,428	30,800	30,800	30,800
7116	Part-time Salaries	-	4,348	4,348	4,348
7119	Furlough	-	(48,653)	(48,654)	(48,873)
7218	LTD Insurance	9,498	10,092	10,016	10,855
7220	PERS Retirement	468,185	518,792	491,120	530,899
7231	Workers Comp Insurance	25,114	2,002	2,926	37,004
7232	Unemployment Insurance	11,468	10,907	7,434	11,250
7233	FICA and Medicare	27,334	26,123	27,771	26,044
7241	Auto Allowance/Mileage	19,320	19,320	19,320	19,320
7242	Uniform Allowance	9,000	9,000	9,000	9,000
7246	Benefit Insurance	240,024	244,015	251,905	257,086
7246	OPEB Expense	29,856	-	-	4,042
7311	General Supplies	22,820	12,500	9,584	10,000
7312	Office supplies	10,185	10,000	9,300	9,800
7313	Small Tools & Equipment	774	-	-	-
7314	Postage	5,353	7,541	4,867	4,900
7315	Materials	-	-	-	-
7316	Special Events	-	-	-	-
7319	Safety supplies	-	-	-	-
7321	Printing and Binding	-	-	-	-
7322	Newsletter	-	-	-	-
7323	Books/Periodicals	181	100	89	100
7324	Dues and Subscriptions	19,059	20,744	19,771	32,865
7327	Street Maint. Supplies	-	-	-	-
7328	Park Services	-	-	272	-
7329	Park Supplies	10,206	10,000	13,933	10,000
7331	Rentals/Leases	12,378	11,403	11,189	11,594
7332	Telecommunications	26,615	34,798	24,565	34,743
7335	Gas & Electric Serv.	76,657	80,800	79,346	79,900
7338	Water Service	110,811	102,800	93,685	94,039
7339	Equipment Lease	-	-	-	-
7341	Buildings & Grounds Mtn	11,676	13,993	28,447	13,928
7342	Machinery/ Equip Maint.	7,817	9,124	6,138	6,150
7343	Vehicle Maintenance	23,717	25,000	15,913	16,000
7344	Vehicle Gas, Oil, and Supplies	47,316	49,000	45,212	46,000
7345	Office Equip. Maint. & Repairs	1,849	1,200	1,138	1,138
7346	HVAC Mtn & Repairs	28,312	20,130	23,545	16,243
7347	Deferred Mtn Projects	35,541	-	12,064	-
7348	Shop Equip. & Supplies	-	-	-	-
7351	Insurance Premiums	80,516	60,117	60,097	89,121
7353	Contingency	-	-	-	-
7361	Advertizing	-	-	-	-
7362	City Promotional Activity	6,089	8,400	5,495	4,400
7363	Business Expense	797	150	218	100
7364	Employee recognition	2,182	2,840	2,795	2,300
7365	Volunteer Appreciation	(8)	125	169	169
7371	Travel	134	100	-	100
7372	Conference	2,000	1,584	200	-
7373	Education and Training	8,403	7,701	8,505	8,000
7375	Training Reimbursable	-	-	46	-
7381	Property Tax Admin Cost	16,888	17,000	16,149	16,149
7382	Election Services	6,417	-	-	12,000
7384	Legal Notices	1,305	1,600	550	550
7385	Transpac Fees	20,343	21,790	21,790	23,315
7411	Prof. Services Retainer	164,108	171,000	143,350	143,500
7412	Engineering Inspection	498	500	134	-
7413	Special Legal Services	2,500	-	23,245	-
7414	Auditing Services	12,476	14,876	16,919	16,635
7415	Computer Services	5,251	5,850	2,488	2,550
7417	Janitorial Services	52,399	52,900	51,025	51,025
7418	Eng Plan Check	-	-	-	-
7419	Other Prof. Services	46,106	83,531	75,111	67,247
7420	Merchant Fees	-	-	50	336
7423	Business Audit / Library Aide	14,128	18,222	21,845	22,800
7424	Dispatch Services	143,924	158,076	158,076	158,076
7425	Lab Fees	14,104	13,000	14,177	14,177
7426	Jail Booking Fees	(15,737)	1,200	-	-
7427	Cal ID Services	10,117	10,621	10,621	11,125
7428	C.N.E.T. Services	6,473	6,500	1,513	1,513
7429	Animal Control Services	59,888	60,733	65,166	60,580
7430	Well Monitoring Contract	17,852	18,948	19,043	19,043
7431	Recycling Contract	-	100	-	-
7432	Emergency Services	-	500	366	366
7433	Integrated Justice System	1,454	4,000	1,171	1,171
7486	CERF Charges/Depreciation	-	-	(250)	-
7520	Project/Program costs	-	-	-	-
Total		3,677,614	3,649,013	3,640,268	3,670,702
Revenues		3,775,674	3,652,726	3,574,933	3,470,977
Balance (Shortfall)		98,260	3,713	(65,335)	(199,725)

SPECIAL REVENUE
AND
RESTRICTED FUNDS

REVENUES & EXPENDITURES

FY 2012-13

City of Clayton
Gas Tax Fund 201
Proposed Budget 2012/13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	10,657	23,248	12,255	23,248	23,248
7112	Temporary Help	2,823	5,918	2,710	5,918	5,918
7113	Overtime	299	-	-	-	-
7218	LTD Insurance	96	151	122	151	163
7220	PERS Retirement	3,115	5,087	3,915	5,087	5,087
7231	Workers Comp Insurance	614	84	-	84	735
7232	Unemployment Insurance	1,036	446	-	446	446
7233	FICA and Medicare	522	790	333	790	790
7241	Auto Allowance/Mileage					
7242	Uniform Allowance					
7244	Tuition Reimbursement					
7246	Benefit Insurance	2,975	4,651	2,942	4,651	4,651
7311	Street Maint. Supplies	3,470	-	-	-	-
7340	Special Events/Traffic Safety Supplies	379	800	-	800	800
7327	Arterial Street Light Supplies	13,846	26,580	23,268	26,580	26,580
7335	Gas & Electric Serv.	45,052	42,500	36,757	42,500	42,500
7349	Traffic Signal Maintenance	28,013	26,000	13,761	26,000	26,000
7381	Property Tax Admin Cost	290	300	275	300	300
7412	Engineering Inspection	(843)	-	-	-	-
7419	Other Prof. Services	3,809	-	2,912	2,912	144
7423	Business Audit / Library Aide/Const Mgmt	-	1,400	-	1,400	-
7520	Project/Sidewalk/Sink Hole Repair	-	-	500	500	-
8101	Transfer to General Fund	6,687	6,687	5,015	6,687	6,687
8111	Transfer to CIP Fund	342,300	167,000	(1,500)	4,500	405,405
Total Expenses		465,140	311,642	103,265	152,554	549,454

Revenue

4607	Arterial S. Light Assessment	26,397	27,180	24,077	26,894	26,894
5209	State Gasoline 2105	56,383	58,334	46,321	53,692	53,692
5210	State Gasoline 2106	41,137	42,437	36,683	40,722	40,722
5211	State Gasoline 2107	75,303	77,712	67,074	76,173	76,173
5212	State Gasoline 2107.5	3,000	3,000	3,000	3,000	3,000
5216	State of CA Sec 2103 (Prop 42)	104,052	109,442	93,208	115,892	115,892
6003	Trans from CIP	-	-			
	SRAF State Revenue Transfer	-	-			
5601	Interest	7,001	-	1,582	3,000	1,500
5606	Unrealized Inv. Gain/Loss	(420)	-	-		
Total Revenue		312,853	318,105	271,945	319,373	317,873
Annual Balance (Shortfall)		(152,287)	6,463	168,680	166,819	(231,581)
Beginning Fund Balance		217,049	64,762	64,762	64,762	231,580
Ending Fund Balance		64,762	71,225	233,442	231,580	(0)

201-2122	ADA Advisory Committee Fund	-	-	-	-	4,721
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7419	EBRCSA-Radio Mtn PW radio's	-	-	-	-	144
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City of Clayton
Landscape Mtn District CFD 2007-1 Fund 210
Proposed Budget 2012/13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/16/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	192,066	162,632	149,019	162,632	162,632
7112	Temporary Help	67,947	94,150	81,196	94,150	94,150
7218	LTD Insurance	1,192	1,057	844	955	1,138
7220	PERS Retirement	39,157	35,592	27,666	35,592	36,868
7231	Workers Comp Insurance	5,627	2,679	78	2,679	9,966
7232	Unemployment Insurance	4,960	6,999	-	6,999	5,449
7233	FICA and Medicare	8,823	9,561	7,355	9,561	9,561
7246	Benefit Insurance	37,021	31,175	29,170	31,175	31,175
7311	General Supplies	33,441	40,000	28,207	40,000	43,000
7316	Landscape Replacement Material	-	20,000	-	20,000	20,000
7335	Gas & Electric Serv.	25,525	29,000	18,823	24,000	25,000
7338	Water Service	127,291	180,000	88,073	180,000	180,000
7342	Machinery/ Equip Maint.	14,607	9,000	7,471	9,000	9,500
7343	Vehicle Maintenance	8,331	8,334	12,484	12,484	12,000
7344	Vehicle Gas, Oil, and Supplies	12,140	9,000	9,181	10,000	10,500
7381	Property Tax Admin Cost	3,737	3,737	3,548	3,737	3,737
7412	Engineering Inspection	1,425	-	1,423	1,423	-
7419	Other Prof. Services	105,687	141,181	61,834	141,357	156,555
7486	CERF Charges/Depreciation	12,936	13,500	13,500	13,500	13,500
7520	Project/Program costs	277,702	330,000	27,837	476,111	-
7615	Property Taxes	2,332	2,370	2,398	2,398	2,398
8101	Transfer to General Fund	29,918	30,756	23,067	30,756	31,402
8111	Transfer to CIP Fund	-	50,000	-	50,000	-
Total Expenses		1,011,865	1,210,723	593,172	1,358,508	858,531

4604 Clayton LMD Assessment
5601 Interest
5606 Unrealized Inv Gain/Loss
Total Revenue

Annual Balance (Shortfall)
Beginning Fund Balance
Ending Fund Balance

910,571	936,054	889,058	936,054	955,711
18,712	5,000	7,656	8,000	5,000
(5,000)				
924,283	941,054	896,714	944,054	960,711
(87,582)	(269,669)	303,542	(414,454)	102,180
617,163	529,581	529,581	529,581	115,127
529,581	259,912	833,123	115,127	217,307

City of Clayton
Grove Park CFD 2006-1 Fund 211
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012	2012-13 Projected Budget
7111	Salaries/Regular	14,981	29,177	19,187	23,276	27,943
7112	Temporary Help	8,770	16,813	6,361	10,771	16,813
7218	LTD Insurance	88	190	150	177	196
7220	PERS Retirement	2,910	6,384	4,818	5,713	6,114
7231	Workers Comp Insurance	1,007	202	-	202	1,200
7232	Unemployment Insurance	986	974	-	974	974
7233	FICA and Medicare	1,186	1,709	708	1,104	1,691
7246	Benefit Insurance	2,755	5,590	3,565	4,106	5,590
7310	Supplies & Equipment	3,293	4,900	3,624	3,800	4,800
7331	Rentals/Leases	-	500	416	416	500
7335	Gas & Electric Serv.	1,030	1,200	954	1,200	1,200
7338	Water Service	3,124	4,000	1,779	3,500	4,000
7342	Machinery/ Equip Maint.	1,726	500	-	-	500
7343	Vehicle Maintenance	-	1,000	-	1,000	1,000
7344	Vehicle Gas, Oil, and Supplies	-	1,500	-	1,500	1,500
7381	Property Tax Admin Cost	3,739	3,900	3,551	3,900	3,900
7417	Janitorial Services	12,972	12,900	8,878	11,100	12,900
7419	Other Prof. Services	3,263	4,897	4,879	5,976	4,787
7420	Other Outside Services	3,942	3,800	3,704	3,800	3,800
7485	Capital Equipment	2,964	-	6,274	6,274	-
7486	CERF Charges/Depreciation	2,700	2,700	2,700	2,700	2,700
7615	Property Taxes	415	415	427	427	436
8101	Transfer to General Fund	23,816	6,267	4,700	6,267	6,399
	Asset Replacement	-	18,000	-	18,000	18,000
	Reserve Fund	-	5,000	-	5,000	5,000
	Total Expenses	95,666	132,518	76,676	121,183	131,942

4613	Downtown Park Assessment	109,009	112,062	106,207	111,797	114,145
5601	Interest	4,993	3,000	2,434	3,000	2,000
5606	Unrealized Inv Gain/Loss	(1,697)	-	-	-	-
5790	Misc Revenue	10,000	10,000	10,000	10,000	10,000
	Total Revenue	122,305	125,062	118,641	124,797	126,145
	Annual Balance (Shortfall)	26,639	(7,456)	41,965	3,614	(5,797)
	Unreserved Fund Balance	98,796	102,434	98,796	102,434	83,049
	Asset Replacement Reserve	67,858	85,858	67,858	85,858	103,858
	Unallocated Reserve Fund	20,000	25,000	20,000	25,000	30,000
	Total Fund Balance	213,292	205,836	228,619	216,907	211,109

City of Clayton
GHAD Fund 212
Proposed Budget 2012/13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Projected Budget
7314	Postage	660	700	-	700	700
7381	Property Tax Admin Cost	968	1,000	964	968	987
7384	Legal Notices	68	95	-	95	95
7389	Misc. Expenses			267	267	-
7412	Engineering Inspection	1,394	5,000	6,021	6,021	5,000
7413	Special Legal Services	3,533	7,000	3,816	4,816	5,000
7520	Project/Program costs	-		1,946	1,946	-
8101	Transfer to General Fund	18,677	19,200	14,400	19,200	19,603
	Total Expenses	25,300	32,995	27,414	34,013	31,385

4607	Presley Settlement					
4606	GHAD Assessment	33,045	33,972	32,274	33,045	33,045
5601	Interest	180	-	122	130	130
5606	Unrealized Inv. Gain/Loss	(55)	-	-	-	-
	Total Revenue	33,170	33,972	32,396	33,175	33,175
	Annual Balance (Shortfall)	7,870	977	4,981	(838)	1,790
	Beginning Fund Balance	(3,038)	4,832	4,832	4,832	3,994
	Ending Fund Balance	4,832	5,809	9,814	3,994	5,784

Note: Presley GHAD Settlement FB

119,999

City of Clayton
Street Light Fund 214
Proposed Budget 2012/13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/28/2012	2011-12 Projected 6/30/2012	2012-13 Projected Budget
7113	Overtime	9,971	10,500	9,232	10,625	11,625
7311	General Supplies	3,494	4,000	600	6,034	6,034
7335	Gas & Electric Serv.	96,515	97,000	80,593	96,500	96,500
7381	Property Tax Admin Cost	3,732	3,800	1,467	3,667	3,667
7382	Election Services					
7384	Legal Notices	1,687	2,905	-	2,905	2,905
7412	Engineering	335	1,000	402	1,000	
8101	Transfer to General Fund	10,000	10,280	7,710	10,280	10,280
	Total Expenses	125,734	129,485	100,004	131,011	131,011

4607	Street Light Assessment	125,459	125,459	119,186	125,459	125,991
5601	Interest	3,550	2,000	2,001	2,001	2,000
5606	Unrealized Inv. Gain/Loss	(1,130)				
	Reimbursement					
	Total Revenue	127,879	127,459	121,186	127,460	127,991
	Annual Balance (Shortfall)	2,145	(2,026)	21,183	(3,551)	(3,020)
	Beginning Fund Balance	133,874	136,019	136,019	136,019	132,467
	Ending Fund Balance	136,019	133,993	157,201	132,467	129,447

City of Clayton
Stormwater Fund 216
Proposed Budget 2012/13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/16/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	9,519	23,625	13,371	13,371	23,626
7112	Temporary Help	8,588	8,339	10,078	10,078	8,339
7218	LTD Insurance	44	154	65	90	158
7220	PERS Retirement	1,464	5,169	2,028	2,559	4,951
7231	Workers Comp Insurance	669	109	-	-	800
7232	Unemployment Insurance	(60)	550	-	550	550
7233	FICA and Medicare	345	981	786	786	966
7246	Benefit Insurance	1,353	4,526	2,312	2,853	4,526
7311	General Supplies		3,000	796	796	3,000
7373	Education and Training	550	200	165	200	250
7389	Misc. Expenses	295	-	-	-	-
7409	Street Sweeping Services	42,000	42,000	35,000	42,000	42,000
7412	Engineering Services	7,657	7,000	1,723	7,047	7,000
7419	Other Prof. Services	2,279	4,549	2,273	4,614	4,193
7481	Permit Fees	5,400	5,400	7,279	7,279	7,279
7520	Project/Program costs- Outreach	426	-	-	-	3,000
8101	Transfer to General Fund	31,605	32,500	24,375	32,500	33,183
	Total Expenses	112,134	138,103	100,251	124,722	143,821

4602	Stormwater Assessment ERU Gross	90,620	127,034	53,403	126,626	126,626
	NPDES Group Program costs		(28,328)		(28,655)	(26,203)
	Commercial Insp by Central San		(8,000)	-	(6,000)	(8,000)
	Flood Control Dist Fiscal Mgmt Cost		(3,000)	-	(3,000)	(3,000)
	County Auditor/Controller Costs		(3,336)	-	(3,700)	(3,800)
	State Regional Annual Discharge Fee		-	-	-	-
	Adjusted Fund Balance		(3,000)	-	(3,000)	(3,000)
	Less Reserve					
	Net Revenue	90,620	81,370	53,403	82,271	82,623
4603	Stormwater O & M Annual Fee	2,451	2,451	2,225	2,225	2,225
5601	Interest	2,627	1,000	2,934	2,934	1,000
5606	Unrealized Inv. Gain/Loss	(1,122)	-	-	-	-
5324	Street Sweeping Fees	29,309	40,000	38,726	38,726	38,720
	Less Stormwater Utility Assessment					
	Total Revenue	123,885	124,821	97,288	126,156	124,568
	Annual Balance (Shortfall)	11,751	(13,282)	(2,963)	1,434	(19,253)
	Beginning Fund Balance	126,832	138,583	138,583	138,583	140,016
	Ending Fund Balance	138,583	125,300	135,620	140,016	120,763

City of Clayton
Measure J Fund 220
Proposed Budget 2012/13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/16/2012	2011-12 Projected 6/30/2012	2012-13 Projected Budget
7419	Other Prof. Services	411	844	392	392	4,392
8101	Transfer to General Fund	4,000	4,000	3,000	4,000	4,000
8103	Transfer to Streetlights					
8104	Transfer to Measure C					
8106	Transfer to RDA Debt					
8111	Transfer to CIP Fund	525,000	294,000	-	84,480	1,248,044
8112	Transfer to Endeavor Hall					
8114	Transfer to Dev Impact Fund					
	Total Expenses	529,411	298,844	3,392	88,872	1,256,436

5223	Measure J Tax	159,478	209,748	24,875	139,748	234,212
5601	Interest Income	8,694	1,000	-	199	-
5606	Unrealized Inv. Gain/Loss	1,516		-	-	-
5790	Measure J Grant			-	-	1,022,224
6003	Trans from CIP	-				
	Total Revenue	169,688	210,748	24,875	139,947	1,256,436
	Annual Balance (Shortfall)	(359,723)	(88,096)	21,483	51,075	-
	Beginning Fund Balance	308,648	(51,075)	(51,075)	(51,075)	0
	Ending Fund Balance	(51,075)	(139,171)	(29,592)	0	0

City of Clayton
Grants Fund 230
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/30/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	57,384	57,563	53,579	60,220	60,220
7112	Temporary Help	9,965	20,800	-	-	-
7113	Overtime	8,054	-	4,313	4,313	-
7218	LTD Insurance	343	547	330	360	360
7220	PERS Retirement	23,344	24,720	22,147	25,123	26,216
7231	Workers Comp Insurance	1,455	1,455	-	1,455	1,311
7232	Unemployment Insurance	1,302	1,302	-	651	651
7233	FICA and Medicare	2,439	2,426	1,104	1,262	1,229
7242	Uniform Allowance	900	900	900	900	900
7246	Benefit Insurance	18,878	17,436	19,175	19,175	19,175
7384	Legal Notices	-	105	112	112	112
7485	Technology/Peg Grant Channel Share	-	11,164	5,967	7,183	7,183
7485	Capital Equipment-COPs	76,795	-	-	-	-
7520	Project/Program costs	6,561	-	996	996	-
	Total Expenses	207,420	138,418	108,622	121,749	117,357

5220-821	Restricted Grants Revenue COPS	115,032	-	-	100,000	100,000
5221	Avoid the 25 Grant	5,187	-	680	680	-
5222	Click it or Ticket Grant	1,390	-	-	-	-
5601	Interest Income	5,132	2,000	4,219	4,300	2,000
5606	Unrealized Inv. Gain/Loss	(1,443)	-	-	-	-
5220	Municipal Pooling Authority Grant	-	-	1,000	1,000	-
5220-820	DBC Recycling Grant		5,000	5,000	5,000	5,000
5220-822	Comcast Technology Grant		-	-	-	-
5220-823	Comcast PEG Grant		15,000	11,105	14,805	14,805
5224-06	AED Grant		-	6,000	6,000	-
5790	Funding Source for 11th Officer		92,395	-	-	-
	Total Revenue	125,298	114,395	28,004	131,785	121,805
	Annual Balance (Shortfall)	(82,122)	(24,023)	(80,618)	10,036	4,448
	Beginning Fund Balance	276,384	194,261	194,261	194,261	204,298
	Ending Fund Balance	194,261	170,238	113,644	204,298	208,746

City of Clayton
Self Insurance Fund 501
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/31/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7351	Insurance Premiums (EAP Plan)	1,220	1,220	1,220	1,220	1,248
7352	Insurance Claim Deductible	3,366	5,000	4,172	4,500	5,000
7413	Special Legal Services	28,000	20,000	1,687	1,700	3,000
Total Expenses		32,586	26,220	7,079	7,420	9,248

5601	Interest	1,243	500	521	1,050	500
5606	Unrealized Inv. Gain/Loss	(343)				
5790	Risk Management Safety Award	-				
Total Revenue		900	500	521	1,050	500
Annual Balance (Shortfall)		(31,686)	(25,720)	(6,558)	(6,370)	(8,748)
Beginning Fund Balance		69,310	37,624	37,624	37,624	31,254
Ending Fund Balance		37,624	11,905	31,067	31,254	22,506

City of Clayton
CERF Fund 502
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/30/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7311	General Supplies (Ergonomic Chairs)	198	-	-	-	-
7390	Depreciation	74,096	-	-	-	-
7485	Computers/Software Upgrades	-	15,808	15,808	15,808	-
7485	Capital Equipment	2,331	346,610	327,958	346,610	62,000
	Total Expenses	76,625	362,418	343,766	362,418	62,000
5328	CERF Charges to Depts	15,636	16,200	15,636	16,200	16,200
5601	Interest	3,913	2,500	2,500	2,100	2,100
5606	Unrealized Inv. Gain/Loss	(1,294)	-	-	-	-
5790	Transfer from Trust & Agency	-	322,718	322,718	322,718	-
	Total Revenue	18,255	341,418	340,854	341,018	18,300
	Annual Balance (Shortfall)	(58,370)	(21,000)	(2,912)	(21,400)	(43,700)
	Beginning Fund Balance	552,043	493,673	493,673	493,673	472,273
	Ending Fund Balance	493,673	472,673	490,761	472,273	428,573
	Cash Balance				160,615	98,615

City of Clayton
Community Gym Fund 701
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/16/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7310	Supplies & Equipment	603	2,724	-	-	
7335	Gas & Electric Serv.	-	18,908	-	-	
7417	Janitorial Services	1,908	25,368	-	-	
7419	User Expenses				24,000	24,000
	Total Expenses	2,511	47,000	-	24,000	24,000

5699	User Fees		47,000	-	-	-
5601	Interest		-	-	-	-
5606	Unrealized Inv. Gain/Loss				-	-
2110	User Deposit	15,000		18,000	24,000	24,000
	Total Revenue	15,000	47,000	18,000	24,000	24,000
	Annual Balance (Shortfall)	12,489	-	18,000	18,000	-
	Beginning Fund Balance	-	12,489	12,489	12,489	30,489
	Ending Fund Balance	12,489	12,489	30,489	30,489	30,489

City of Clayton
Endeavor Hall Fund 702
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/30/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7111	Salaries/Regular	9,949	8,202	6,401	8,202	8,202
7112	Temporary Salaries	747	2,435	1,389	1,589	269
7218	LTD Insurance	59	53	49	60	60
7220	PERS Retirement	1,920	1,795	1,515	1,653	1,795
7231	Workers Comp Insurance	201	11	-	11	200
7232	Unemployment Insurance	191	191	-	191	75
7233	FICA and Medicare	316	288	112	168	168
7246	Benefit Insurance	1,827	305	1,605	1,641	1,641
7311	General Supplies	976	900	588	700	700
7332	Telecommunications	702	702	588	702	702
7335	Gas & Electric Serv.	2,258	2,250	1,867	2,167	2,250
7338	Water Service	893	1,100	723	1,013	1,100
7341	Buildings & Grounds Mtn	6,235	4,117	4,118	4,381	4,248
7346	HVAC Mtn & Repairs	2,589	1,600	2,287	2,487	2,500
7361	Advertizing	60	-	1,241	1,241	3,493
7417	Janitorial Services	1,120	1,200	668	1,028	1,100
	Total Expenses	30,043	25,149	23,150	27,234	28,503

5607	Rental Income	22,886	20,500	17,027	18,527	20,500
5601	Interest	(26)	-			
5606	Unrealized Inv. Gain/Loss	82	-			
5611	Reserve for Endeavor Hall	865	775	861	861	775
5699	Facility User Fees					
6025	Transfer from Dev Impact Fund		-			
	Total Revenue	23,807	21,275	17,888	19,388	21,275
	Annual Balance (Shortfall)	(6,236)	(3,874)	(5,262)	(7,846)	(7,228)

FIDUCIARY AGENCY FUNDS

REVENUES & EXPENDITURES

FY 2012-13

Proposed Budget 2012-13

Revenue

City of Clayton
High Street Bridge Fund 217
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7381	Property Tax Admin Cost	254	254	242	254	254
7611	Principal (RDA Repay)		-		-	
7612	Interest Payment					
7613	Paying Agent Fees					
2103	Property Taxes	2,131	2,131	-	2,131	2,131
7998	County Pass Throughs					
	Total Expenses	2,385	2,385	242	2,385	2,385

Revenue

4611	High Street Bridge Assessment	4,370	4,370	4,152	4,370	4,370
5601	Interest		-			
5606	Unrealized Inv Gain/Loss	96				
	Total Revenue	4,466	4,370	4,152	4,370	4,370
	Annual Balance (Shortfall)	2,081	1,985	3,910	1,985	1,985
	Beginning Fund Balance	(16,662)	(14,581)	(14,581)	(14,581)	(12,596)
	Ending Fund Balance	(14,581)	(12,596)	(10,671)	(12,596)	(10,611)

City of Clayton
Oak Street Bridge Fund 218
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7381	Property Tax Admin Cost	258	258	245	258	258
7420	Other Outside Services	399	399	399	399	399
7486	CERF Charges/Depreciation					
7520	Project/Program costs					
7611	Principal					
	Total Expenses	657	657	644	657	657

4611	Oak Street Bridge Assessment	4,390	4,390	5,843	5,843	5,843
5601	Interest Income	-	-	-	-	-
5606	Unrealized Investment Gain/Loss	439				
	Total Revenue	4,829	4,390	5,843	5,843	5,843
	Annual Balance (Shortfall)	4,172	3,733	5,199	5,186	5,186
	Beginning Fund Balance	(78,759)	(74,587)	(74,587)	(74,587)	(69,401)
	Ending Fund Balance	(74,587)	(70,854)	(69,388)	(69,401)	(64,215)

City of Clayton
Lydia Lane Sewer Assessment Fund 222
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7381	Property Tax Admin Cost	264	264	250	264	264
7420	Other Outside Services	2,400	2,400	2,400	2,400	2,400
7611	Principal	5,000	5,000	5,000	5,000	5,000
7612	Interest Payment	11,750	11,450	11,450	11,750	11,750
7613	Paying Agent Fees	500	500	500	500	500
7615	Property Taxes					
8101	Transfer to General Fund					
8111	Transfer to CIP Fund					
	Total Expenses	19,913	19,614	19,600	19,914	19,914

4612	Lydia Lane Sewer Assessment	19,000	19,300	17,765	19,000	19,000
5601	Interest	1,641	800	1,392	1,392	1,000
5606	Unrealized Investment Gain/Loss	(564)				
	Total Revenue	20,076	20,100	19,157	20,392	20,000
	Annual Balance (Shortfall)	163	486	(444)	478	86
	Beginning Fund Balance	86,363	86,526	86,526	86,526	87,004
	Ending Fund Balance	86,526	87,012	86,083	87,004	87,090

City of Clayton
Oak Street Sewer Assessment Fund 223
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7381	Property Tax Admin Cost	259	259	246	259	259
7420	Other Outside Services	1,650	1,650	1,650	1,650	1,650
7611	Principal	-	7,000	-	7,000	7,000
7612	Interest Payment	-	4,140	-	4,350	4,350
	Total Expenses	1,909	13,049	1,896	13,259	13,259
4612	Oak Street Sewer Assessment	13,000	12,790	12,151	13,000	13,000
5601	Interest	-	-	57	57	-
5605	Unrealized Inv. Gain/Loss	18		-	-	-
	Total Revenue	13,018	12,790	12,207	13,057	13,000
	Annual Balance (Shortfall)	11,109	(259)	10,311	(202)	(259)
	Beginning Fund Balance	(13,629)	(2,520)	(2,520)	(2,520)	(2,722)
	Ending Fund Balance	(2,520)	(2,779)	7,792	(2,722)	(2,981)

City of Clayton
Clayton Financing Authority Fund 405
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/31/2012	2011-12 Projected 6/30/2012
8103	Transfer to Streetlights				
8104	Transfer to Measure C				
8106	Transfer to RDA Debt				
8111	Transfer to CIP Fund				
8112	Transfer to Endeavor Hall				
8114	Transfer to GHAD				
Total		-	-	-	-

Revenue

Revenue					
5601	Interest Income	17,877	5,000	8,349	8,500
5801	Proceeds from Sale of Assets		-	-	-
5606	Unrealized Investment Gain/Loss GASB31	(5,934)	-	-	-
Total Revenue		11,943	5,000	8,349	8,500
Annual Balance (Shortfall)		11,943	5,000	8,349	8,500
Beginning Fund Balance		747,539	759,482	759,482	759,482
Ending Fund Balance		759,482	764,482	767,831	767,982

City of Clayton
Middle School CFD 1990-1 Fund 420
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012
7419	Other Prof. Services	8,423	8,154	8,443	8,443
7420	Other Outside Services	16,452	16,452	16,452	16,452
7611	Principal	230,000	230,000	431,000	431,000
7612	Interest Payment	282,620	280,620	261,128	261,128
7613	Paying Agent Fees	578	578	578	578
7615	Property Taxes	603	603	603	603
8118	Transfer to CFA 2007 Middle School	-	-	-	-
	Total Expenses	540,080	537,689	719,537	719,538

4609	Middle School CFD 1990-1 Assessment	548,185	548,185	452,229	548,185
5601	Interest Income	293,845	250,000	(400,486)	(400,486)
5606	Unrealized Investment Gain/Loss	(7,273)	-	-	-
6026	Transfer from CFA 2007	-			
	Total Revenue	834,757	798,185	51,743	147,699
	Annual Balance (Shortfall)	294,677	260,496	(667,794)	(571,839)
	Beginning Fund Balance	4,734,617	5,029,294	5,029,294	5,029,294
	Ending Fund Balance	5,029,294	5,289,790	4,361,500	4,457,455

City of Clayton
Clayton Station CFD 1990-2 Fund 421
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7381	Property Tax Admin Cost	253	253	241	241	241
7419	Other Prof. Services	3,949	3,962	4,046	4,046	4,046
7420	Other Outside Services	13,303	13,303	13,303	13,303	13,303
7611	Principal	89,000	92,000	92,000	92,000	98,000
7612	Interest Payment	34,309	28,969	28,969	28,969	23,364
	Total Expenses	140,814	138,487	138,559	138,558	138,954
4610	Clayton Street CFD Assessment	141,230	138,474	134,798	141,230	141,230
5601	Interest	3,338	1,100	2,098	2,500	20,000
5606	Unrealized Investment Gain/Loss	(1,356)	-	-		
	Total Revenue	143,212	139,574	136,896	143,730	161,230
	Annual Balance (Shortfall)	2,398	1,087	(1,663)	5,172	22,276
	Beginning Fund Balance	534,585	536,983	536,983	536,983	542,155
	Ending Fund Balance	536,983	538,070	535,320	542,155	564,431

City of Clayton
CFA 2007 Middle School Refunding Fund 422
Proposed Budget 2012-13

Account Number	Account Name	2010-11 Actual 6/30/2011	2011-12 Adopted Budget	2011-12 Actual 5/23/2012	2011-12 Projected 6/30/2012	2012-13 Proposed Budget
7419	Other Prof. Services	2,805	2,805	4,523	4,523	4,523
7611	Principal	275,000	285,000	-	285,000	295,000
7612	Interest Payment	167,223	157,423	-	157,423	147,273
7613	Paying Agent Fees	2,200	2,200	2,271	2,271	2,271
	Total Expenses	447,228	447,428	6,794	449,217	449,067

5606	Unrealized Investment Gain/Loss	206,168	-	-	-	-
5601	Interest Income	4,599	3,000	(589)	(589)	-
6014	Transfer from CFD 1990-1					442,273
	Total Revenue	210,767	3,000	(589)	(589)	442,273
	Annual Balance (Shortfall)	(236,461)	(444,428)	(7,383)	(449,806)	(6,794)
	Beginning Fund Balance	817,752	581,292	581,292	581,292	131,486
	Ending Fund Balance	581,292	136,864	573,909	131,486	124,693

Agenda Date: 6-5-12

PROPOSED BUDGET
2012 – 2013

Agenda Item: 9b

SUCCESSOR AGENCY
TO THE FORMER CLAYTON REDEVELOPMENT AGENCY
OF THE CITY OF CLAYTON

CITY COUNCIL

HOWARD GELLER, MAYOR
JOSEPH A. MEDRANO, VICE MAYOR
JULIE K. PIERCE, COUNCIL MEMBER
DAVID T. SHUEY, COUNCIL MEMBER
HANK STRATFORD, COUNCIL MEMBER

* * *

PROPOSED AND PRESENTED BY:

GARY A. NAPPER, CITY MANAGER

* * * * *

PREPARED BY:
MERRY PELLETIER, FINANCE MANAGER

CITY OF CLAYTON, CALIFORNIA
94517
www.ci.clayton.ca.us

BUDGET MESSAGE

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER

MEETING DATE: 05 JUNE 2012

**SUBJECT: PROPOSED SUCCESSOR AGENCY BUDGET
FISCAL YEAR 2012-2013**

RECOMMENDATION

Following introduction and presentation of the proposed Budget for the Successor Agency to the former Clayton Redevelopment Agency in FY 2012-2013, it is recommended the City Council, acting in its capacity as the Successor Agency, provide any policy direction or changes accordingly, and then instruct staff to prepare the Budget for public hearing and adoption at the 19 June 2012 regular public meeting.

BACKGROUND

Formed under California Redevelopment Law in 1987, the former Clayton Redevelopment Agency received tax increment revenue from real property taxes collected each year within the Redevelopment Agency's Project boundary. As required by law, the minimum 20% of the tax increment revenue was "set aside" for programs enacted by the Board to facilitate affordable housing opportunities within Clayton for qualified, low to moderate income households.

The remaining 80% was available for former Agency programs and activities consistent with its Project Plan and its last 5-Year Implementation Plan (2008-2013) primarily focused at curing and improving blighted conditions and spurring private economic development opportunities on real properties that exist within the Agency's Project boundaries.

Given its self-imposed cap of \$55 million on lifetime receipt of tax increment revenues for Agency purposes, the Clayton Redevelopment Agency was functionally on a track to conclude its discretionary project activities sometime within FY 2014-15.

THE DISSOLUTION ACT

Tired of continual State takeaways (ERAF; SERAF, etc.) from redevelopment agencies statewide, the California Redevelopment Association and the League of CA Cities promoted a statewide ballot measure placed on the November 2010 election (Proposition No. 22) that constitutionally would protect local public monies from further takeaways or borrowings by the State of California. Proposition 22 passed by affirmative vote of the California electorate.

In January 2011, newly-elected California Governor Jerry Brown announced he would seek state legislation terminating all redevelopment agencies in California. ABx1 26 was passed by the California Legislature, signed by the Governor, and then swiftly challenged by redevelopment agencies, cities and the California Redevelopment Association in court. The California Supreme Court ruled in late December 2011 that the state did indeed have the constitutional authority to terminate redevelopment agencies. Consequently, the Clayton Redevelopment Agency was effectively terminated on 01 February 2012 and its program operations and activities ended.

As allowed by ABx1 26 (the "Dissolution Act"), the City Council of Clayton exercised its right in January 2012 to become the Successor Agency and the Successor Housing Agency of the former Clayton Redevelopment Agency. The City Council's actions to manage the retirement of the former Agency's debt and contractual obligations is subject to review and approval by a newly-constituted Oversight Board comprised of 7 members whose representation comes from various underlying public taxing entities within the former Clayton Redevelopment Agency's boundary (e.g. Contra Costa County Fire Protection District; County Office of Education). The actions of the Oversight Board are further subject to approval by the California Department of Finance when considering amounts and types of debt service and pre-existing contractual obligations that may be paid using former tax increment revenues (local property taxes) of the former Redevelopment Agency.

In sequential 6-month increments, the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (ROPS) listing the debt service payments and enforceable (contractual) obligations of the former Agency that must continue to be paid until all debt and obligations of the former Agency have been retired.

THE ROPS I and II

The Successor Agency and its Oversight Board has previously taken action to approve the ROPS I schedule for January 2012 through June 2012, and the ROPS II schedule for July 2012 through December 2012. The Oversight Board unanimously approved each ROPS at its initial public meeting held on 26 April 2012. Successor Agency staff then transmitted each ROPS to the State Department of Finance for approval. After extensive exchanges of communication for clarification and for dispute purposes, the State Department of Finance sent a final determination letter to the City dated 31 May 2012 (see Attachment B) containing its final rulings. This letter and its contents serve as the disputed base for funding of the Successor Agency's recognized debt service and obligation payments.

A. ROPS I (January 2012 – June 2012)

The California Department of Finance has indicated it approves of all the Successor Agency identifications for payment except for the following:

Item 4: Payment of annual interest or the principal amount of \$475,000 to the City of Clayton for its sale of real property to the former Agency in 1999. The Agency in turn conveyed property title for free to the Contra Costa County Fire Protection District as part of the development package for the District's construction and operation of County Fire Station No. 11 on Center Street. The City was to be repaid the entire principal amount on or before 01 January 2023.

Item 5: Repayment to the City of its 1987 "2% Election" share of tax increment revenues missed for distribution to the City. The total oversight amount is \$501,898 and in February 2010, upon discovery, the City agreed to a 4-year payback schedule from the Agency (without interest). This item would have been the 1st year payback in the amount of \$100,380 from the Agency's discretionary fund.

Item 6: Repayment to the City of its 1987 "2% Election" share from the Agency's Low-Moderate Income Housing set aside, in the 1st year amount of \$25,095.

According to the California Department of Finance's letter, "loans" of this character between the City and its former Redevelopment Agency are not Enforceable Obligations since the Dissolution Act only recognizes such loans if executed within the first two (2) years of the Agency's formation.

B. ROPS II (July 2012 – December 2012)

The California Department of Finance has indicated it approves of all the Successor Agency identifications for payment except for the following:

Item 4: Payment of annual interest or the principal amount of \$475,000 to the City of Clayton for its sale of real property to the former Agency in 1999. The Agency in turn conveyed property title for free to the Contra Costa County Fire Protection District as part of the development package for the District's construction and operation of County Fire Station No. 11 on Center Street. The City was to be repaid the entire principal amount on or before 01 January 2023.

Item 22: The 2nd year repayment of the overlooked 2% Election distribution to the City missed from 1987 through 2009 in the amount of \$125,475.

Item 10: The Successor Agency concurs with this deletion as the intended work for further City Housing Element implementation measures was not contracted for with Raney Planning & Management consulting firm before the Dissolution Act deadline date of 27 June 2011.

The net result of the California Department of Finance's determination is the City of Clayton loses almost **\$1 million** in obligations of the former Agency to the City. In effect, yet another long line of draconian State takeaways.

PROPOSED FY 2012-13 BUDGET

Based on the state Department of Finance's rulings, Successor Agency staff has calculated the amount of real property tax transfer funds (RPTTF) the Successor Agency is eligible to receive this fiscal year from the County Auditor-Controller's Office. The total amount is \$1,083,794 and includes the Dissolution Act's allowance of \$250,000 for Successor Agency time and expenses incurred this fiscal year to administer and manage the retirement of the former Clayton Redevelopment Agency's debt and obligations. The FY 2012-13 amount is 20% of the amount of tax increment revenue the Agency received in FY 2010-11(shift of \$4,446,179), and it provides clearer understanding as to the state's intent for passage of the Dissolution Act.

The proposed Successor Agency Budget, by law, does not contain monies for any on-going redevelopment agency activities or programs, including financial support of the popular Concerts in The Grove series as an economic promotion of the Clayton Town Center.

With adoption of this FY 2012-13 Successor Agency Budget, staff must still prepare for approval at a later date the accompanying ROPS III covering the time period of January 2013 through June 2013.

FINANCIAL IMPACTS

The Successor Agency, as heir to the former Clayton Redevelopment Agency, received its sole dispersal of tax increment revenues for FY 2011-12 in December 2011 in the amount of \$5,711,002. The next disbursement from the County, now that the Successor Agency has an approved ROPS II, is slated for release on 01 June 2012.

The second and final disbursement for FY 2012-13 approved obligations and debt service will be 16 January 2013.

Respectfully submitted,



Gary A. Napper
City Manager

Attachments: A. Proposed Successor Agency Budget for FY 2012-2013 [1 pp.]
B. CA Department of Finance letter dated 31 May 2012 [2 pp.]

City of Clayton
Redevelopment Retirement Trust Fund Budget (Fund 615)
Proposed Budget 2012-13

		2010-11	2011-12	2011-12	2012-13
Account Number	Account Name	Actual 6/30/2011	Actual 5/30/2012	Projected 6/30/2012	Proposed Budget
7360	Promotion of City Activities	5,276	-	-	-
7361	Advertising	4,074	3,878	3,878	-
7520	Diamond Terrace Disbursement	200,000	-	200,000	200,000
7381	Property Tax Admin Cost	52,936	-	56,148	57,271
7384	Legal Notices	-	191	191	-
7389	Misc Expense	-	14	14	-
7413	Special Legal Services	15,095	3,530	4,530	15,000
7414	Auditing Services	-	-	4,124	4,124
7419	Other Prof. Services	24,524	21,384	23,461	23,461
7489	Loss on Sale of LMI Housing	259,502	-	-	-
7520	Stranahan Investment	388,256	-	-	-
7520	Concerts & Farmers Market	23,993	4,023	4,023	-
7611	Debt Service Principal	2,195,000	1,310,000	1,310,000	280,000
7612	Debt Service Interest	423,864	323,450	323,450	248,502
7613	Paying Agent Fees	5,365	5,436	5,436	5,436
7998	County Pass Throughs	1,001,652	-	1,086,376	-
7999	State Take Aways	404,961	-	-	-
8101	Successor Agency Admin (to GF)	525,475	262,738	325,238	250,000
	Total	5,529,973	1,934,641	3,346,868	1,083,794



EDMUND G. BROWN JR. • GOVERNOR

215 L STREET • SACRAMENTO, CA • 95814-0706 • WWW.DOF.CA.GOV

May 31, 2012

Received

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

JUN 01 2012

City of Clayton

Dear Mr. Napper:

Subject: Recognized Obligation Payment Schedule Approval Letter.

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Clayton (City) submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 14, 2012 for the periods January to June 2012 and July to December 2012. Finance has completed its review of your ROPS and subsequent correspondence dated May 18, 2012, which included obtaining clarification for various items. In addition, Finance assumes appropriate oversight board approval.

However, the following items are still not enforceable and cannot be used to make payments.

January through June 2012 Period

- Item 4 through 6 are City loans totaling \$140,912. HSC section 34171 (d) (2) states loans between the City and the former redevelopment agency (RDA) are not EOs.

July through December 2012 Period

- Item 4 and 22 are City loans totaling \$141,114. HSC section 34171 (d) (2) states loans between the City and the former redevelopment agency (RDA) are not EOs.
- Item 10 is an unencumbered reserve with no signed contract totaling \$87,350. HSC section 34163 (b) prohibits SA's from entering into new contracts after June 27, 2011.

This letter supersedes our approval letter dated May 25, 2012. Except for items disallowed in whole or in part as enforceable obligations noted above, Finance is approving the remaining items listed in your ROPS for both periods. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (ROTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a fresh review, if they are included on a future ROPS. If new information comes to light indicating that an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of Redevelopment Property Tax Trust Fund (RPTTF) that was approved by Finance

Mr. Napper
May 31, 2012
Page 2

based on the schedule submitted. Although Finance's review is complete, the approved items on the ROPS identified as having RPTTF as the funding source are only payable to the extent property tax is available.

Please direct inquiries to Robert Scott, Supervisor or Kylie Le, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Hill".

MARK HILL
Program Budget Manager

cc: Ms. Merry Palietter, Finance Manager, City of Clayton
Mr. Bob Campbell, Auditor-Controller, Contra Costa County
Mr. Jay Wildering, Chief Accountant, Contra Costa County



Agenda Date: 6-512

Agenda Item: 9c

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Laci Jackson, City Clerk

DATE: June 5, 2012

SUBJECT: November 6, 2012 General Municipal Election

RECOMMENDATION

By separate motions, adopt the two Resolutions to initiate the process for conducting the City's general municipal election on November 6, 2012.

DISCUSSION

The City Council terms of elected office for Mayor Geller, Vice Mayor Medrano, and Council Member Pierce expire this November. The first Resolution calls the election for three (3) City Council seats (4-year term of office expiring 2016), requests the Contra Costa County Board of Supervisors to permit consolidation with other elections, requests the Contra Costa County Registrar of Voters to conduct the election, and commits the City to reimburse the County for all election services rendered. The Registrar of Voters' office will conduct services related to our Municipal election, such as preparing, printing and mailing sample ballots and voter information pamphlets, providing absentee voter ballots for use by qualified electors, appointing precinct boards and designating polling places, conducting and canvassing the returns of the election and certifying the votes cast.

The second Resolution adopts our past practice regarding municipal candidates' statements. In adopting this resolution, the City Council takes several steps, including: (1) establishing a word limit (200); (2) establishing an amount for the deposit by candidates (\$500.00); and (3) consider exercising the discretionary authority to charge a \$25 filing fee to help offset the City's administrative copying costs (ref. No. 6. on 2nd Resolution).

BACKGROUND

In the past, the City of Clayton has consolidated election services with Contra Costa County for the successful conduct of our General and Special Municipal Elections. A resolution requesting these services is required in order for the County to continue with this election consolidation for voter ease and cost efficiencies.

The City Council has the authority to regulate how many words will be allowed a municipal Candidate Statement, payment for the voluntary Candidate Statement, and whether a deposit is required. The word count in the past has been limited to 200 with the candidate paying the full printing cost.

In the 2012 general election, the City will require the candidates to submit a deposit toward the cost of a voluntary candidate statement. The County is estimating the printing cost this year to be approximately \$400.00. Requiring municipal candidates to pay a Candidate Statement deposit (recommended at \$500.00) will allow funds to be available to pay the County when a bill is submitted. The recommended \$500.00 deposit is refundable, in part, if actual printing costs are less; each candidate is billed for the remaining balance should actual cost exceed the \$500.00 deposit.

In the 2010 municipal election the City charged each candidate a "filing fee" of \$25.00 to recover its administrative expenses. This "filing fee" will not likely keep candidates from filing but would allow the City to recover a portion of its copying costs for the Elections Manuals and required documents which are provided in a binder to candidates (ref. No. 6 in 2nd Resolution).

Once the election process has been initiated with the adoption of the above-mentioned resolutions, the next steps are the public notice of the election and the opening of the Nomination Period. The Nomination Period for this general election runs from Monday, July 16 through Friday, August 10, 2012. If any one of the three incumbents does not file for election, the Nomination Period is automatically extended to Wednesday, August 15, 2012 for all candidates except incumbents.

During the Nomination Period, any currently registered voter in Clayton may take out and file papers with the City Clerk. Nomination papers become public documents once submitted and Candidate Statements are public after the filing period has closed.

FISCAL IMPACT

The County Registrar of Voters has determined the cost of the election to be approximately \$1.50 per registered voter. Per the last registration report, the city of Clayton has 7,305 registered voters. Therefore at least \$10,957.50 must be inserted in the proposed FY 2012-13 City Budget for the costs of conducting the municipal election.

CONCLUSION

Staff recommends the City Council adopt the two Resolutions.

Attachments: Resolution Calling the Election
Resolution Adopting Policy for Candidates Statement

RESOLUTION NO. XX-2012

A RESOLUTION CALLING A GENERAL MUNICIPAL ELECTION ON NOVEMBER 6, 2012; REQUESTING AND CONSENTING TO CONSOLIDATION OF THE SAID GENERAL MUNICIPAL ELECTION AND SETTING SPECIFICATIONS OF THE ELECTION ORDER

THE CITY COUNCIL City of Clayton, California

WHEREAS, by state law the City Council must call for a General Municipal Election to be held this year on Tuesday, November 6, 2012; and

WHEREAS, other elections may be held in whole or in part of the territory of the city and it is to the advantage of the City and its voters to consolidate pursuant to Elections Code Section 10400; and

WHEREAS, Elections Code Section 10242 provides that the governing board (City Council) shall determine the hours of opening and closing the polls; and

WHEREAS, Elections Code Section 10002 requires the City to reimburse the County in full for said municipal election services performed upon presentation of a bill to the City by the County elections official; and

WHEREAS, Elections Code Section 13307 requires that before the nominating period opens the governing body must determine whether a printing charge shall be levied against each candidate wishing to submit a candidate's statement to be sent to the voters; and

WHEREAS, Elections Code Section 12101 requires the publication of a notice of the election once in a newspaper of general circulation in the City.

NOW, THEREFORE, IT IS HEREBY ORDERED by the City Council of Clayton, California, that an election shall be held in accordance with the following specifications:

1. A General Municipal Election is hereby called for and shall be held on Tuesday, the 6th day of November 2012 in the city of Clayton. The purpose of the election is to elect three City Council seats, at-large, for full terms of four years each.
2. The City Council of Clayton hereby respectfully requests of the County of Contra Costa, and herein consents to, the consolidation of its municipal election with other elections, which may be held on said day in whole or in part of the territory of the City, as provided in Elections Code 10400.
3. The City Council hereby designates the hours the local polls are to be kept open shall be from 7:00 a.m. to 8:00 p.m. on the day of the election.
4. The City will reimburse the County for its actual cost incurred in conducting the General Municipal election upon receipt of a bill stating the amount due as determined by the County elections official.
5. The City Council herein determines that each Candidate shall pay for the full cost of a voluntary Candidate's Statement, as set forth in Resolution No. XX-2012.

6. The City Council herein directs the City Clerk to publish the Notice of Election in the *Contra Costa Times*, which is a newspaper of general circulation that is regularly circulated in the City of Clayton.
7. In the event two or more candidates receive an equal number of votes, the resolution of a tie vote will be by lot, pursuant to Section 15651 of the Elections Code of the State of California.
8. The City Council herein directs the City Clerk to send a certified copy of this Resolution to the Registrar of Voters and the Board of Supervisors of Contra Costa County.
9. The City Council, pursuant to the provision of the California Elections Code, hereby respectfully requests the Contra Costa County Board of Supervisors direct the Contra Costa County Registrar to conduct all necessary services related to the Clayton General Municipal Election, and to bill the City for the cost of conducting this election. The City Manager is hereby authorized to reimburse Contra Costa County in full for such services actually performed upon presentation of a bill therefore from the County.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 5th day of June 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Howard Geller, Mayor

ATTEST:

Laci J. Jackson, City Clerk

RESOLUTION NO. XX-2012

**A RESOLUTION ADOPTING A POLICY FOR VOLUNTARY MUNICIPAL
CANDIDATES' STATEMENTS PRINTED IN VOTER INFORMATION PAMPHLETS**

**THE CITY COUNCIL
City of Clayton, California**

WHEREAS, the City Council has ordered a Municipal Election to be held on Tuesday, November 6, 2012 as set forth in Resolution No. XX-2012; and

WHEREAS, California Elections Code Section 13307 requires the governing body of any local agency to adopt regulations pertaining to materials prepared by any candidate for the municipal election, including costs of the voluntary candidates' statements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Clayton, California does hereby establish the following policy regarding municipal candidates' statements:

1. Candidates' statements are voluntary and shall not exceed 200 words each.
2. Candidates' statements may include the name, age and occupation of the candidate and a brief description regarding the candidate's education and qualifications. Candidates' statements shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations.
3. Candidates' statements shall be prepared on the form provided by the City Clerk to meet the requirements of the Contra Costa County Elections Department.
4. The cost of printing, handling, and mailing the candidates' statements in English and in Spanish (mandatory translation, per Federal Register published on Friday, July 26, 2002) shall be divided equally among those candidates choosing to file a candidate's statement.
5. Each candidate will be required to make a deposit of \$500.00 when they file a statement with the City Clerk during the nomination period. The City Clerk shall bill those candidates for any publication costs that exceed the total deposited or refund any credits due, if the amount collected exceeds the total publication costs.
6. Candidates are subject to and must pay a \$25.00 local filing fee when nomination papers are filed with the City Clerk.
7. No additional candidates' items shall be included in the Voters' Information Pamphlet.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 5th day of June 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Howard Geller, Mayor

ATTEST:

Laci J. Jackson, City Clerk

The Grove Concerts

SATURDAY RULES

Agenda Date:

6-5-12

Agenda Item:

9d

**To preserve the Park
for the maximum
enjoyment of everyone**

PLEASE NOTE

BEFORE 4 PM ON CONCERT DAYS

**NO CHAIRS, BLANKETS OR OTHER
PERSONAL SPACE RESERVATION
ITEMS TO BE SET UP OR
LEFT ANYWHERE IN THE PARK !**

**ITEMS LEFT UNATTENDED
MAY BE REMOVED**

**THANK YOU FOR YOUR COOPERATION
ENJOY THE CONCERT**



7. PUBLIC HEARINGS –None.

- (a) Public Information Meeting and presentation of the City's Local Hazard Mitigation Plan (LHMP) and its strategic updates in compliance with the federal Disaster Mitigation Act of 2000.

The City Engineer presented a PowerPoint presentation outlining Plan.

Mayor Pierce stated the Association for Bay Area Governments (ABAG) has been discussing this plan and issues with medical facilities and their ability to serve citizens in the event of a disaster.

Mayor Pierce opened the Public Meeting at 8:09 p.m.

Tamara Steiner asked if the City has an evacuation plan in the event of a wildfire. The Police Chief responded that the City does have an evacuation plan but it is also in the process of being updated.

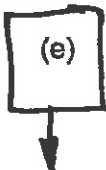
Gregg Manning stated the City's CERT program would be key in a disaster and asked everyone to become "CERTified" including the City Council. He stated the next class begins on September 30th.

Mayor Pierce closed the Public Meeting at 8:11 p.m.

The Council directed staff to post the Plan to the City's website for additional public outreach and education.

8. ACTION ITEMS

Mayor Pierce indicated her desire to move Item 8(e) forward at this time due to public interest in attendance.



Council Member request to discuss and set Council policy regarding the commencement and ending times for public consumption of alcoholic beverages in The Grove Park on Concert days, and consideration of a time limitation for the public's placement of chairs and blankets in The Grove Park on Concert days.

Council Member Medrano stated his reason for bring this topic up was to have definitive start and end times for the Concerts in The Grove. He stated there were many options to consider. He stated a set up of two hours prior to the concert for chair set-up, and a definitive time for stopping alcohol consumption and use of the park. Councilmember Medrano handed out a piece of paper that showed a sign with rules on it from the City of Healdsburg's concert series.

The City Manager stated the City issues its own permit for alcohol consumption at the concerts. In 2008 the time frame was 5:00-9:00 p.m. and this year due to the concert ending earlier the time was scaled back to 5:00-8:30 p.m. to coincide with one-half hour following the concert. He noted any changes are a policy decision of the Council.

The Mayor Pierce invited members of the public to speak on the item.

Ted Meriam, thanked the Council for bringing this item forward in order to create clarity on the event parameters. He stated that bringing people to the downtown area would continue to help businesses because it would foster an environment for people to mingle. He suggested the City post the concert rules at the park on event days.

Gregg Manning, agreed with Ted but believed that alcohol should not be consumed in the park more than an hour before the concert. He stated that 9 p.m. as an ending time seemed reasonable. He stated setting the chairs and blankets up 2-3 hours before the event was reasonable and that last year's alcohol permit times were fine.

Sandy Johnson stated last year's times were sufficient and that people did not need alcohol to mingle. She stated that since the City helps fund the concerts it did not make sense to increase the alcohol consumption times.

Keith Haydon stated the topic was interesting and timely. He stated the Council should look at other cities that have similar events and see what hours they allow alcohol consumption. He stated whatever the Council decided they needed to publicize it to the citizens. He stated the longer people were given to drink the more potential problems. He reminded the Council there are establishments downtown where citizens could continue to drink. He stated that as long as quilts and blankets were discouraged from being put on the lawn the chairs were acceptable.

Candace Bass asked how the Council would police or monitor so that chairs were not placed out early in the day?

Virginia Siegel stated people should be asked to put their chairs out later.

The Council held a lengthy discussion about the appropriate set-up time, park closing time and alcohol consumption.

It was moved by Councilmember Shuey, seconded by Councilmember Medrano to ask citizens not to set their chairs or blankets out more than 2 hours before the concerts (4 p.m.), to allow alcohol consumption from 5 p.m.- 9:30 p.m. and to have the park close at 9:30 p.m (Passed; 3-2 vote; Noes- Geller and Stratford).

The Council noted these amended rules will start with the 2010 concert series.

~~(a) First Reading and Introduction of amendments to Chapter 10.36 – Stopping, Standing and Parking in Title 10 – Vehicles and Traffic of the *Clayton Municipal Code* by adding and deleting certain parking sections to enhance local parking enforcement within the city (Ordinance No. 423).~~

The Police Chief presented the report and stated by adopting this Ordinance the City Council would be able to levy collect fines for local parking violations at rates set by the City Council rather than outdated State of California rates.

Mayor Pierce invited public comment on the Ordinance – No comments provided.

It was moved by Councilmember Shuey, seconded by Councilmember Medrano to have the City Clerk read Ordinance No. 423 by title and number only (Passed; 5-0 vote).

The City Clerk read Ordinance No. 423 by title and number only.

It was moved by Councilmember Shuey, seconded by Councilmember Medrano approve Ordinance No. 423 for Introduction and First reading (Passed, 5-0 vote).