



AGENDA

REGULAR JOINT MEETINGS

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CLAYTON CITY COUNCIL

and

CLAYTON SUCCESSOR HOUSING AND SUCCESSOR AGENCIES

and

CLAYTON FINANCING AUTHORITY

TUESDAY, JANUARY 15, 2013

7:00 p.m.

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

Mayor: Julie K. Pierce

Vice Mayor: Hank Stratford

Council Members

Jim Diaz

Howard Geller

David T. Shuey

- 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 ***

January 15, 2013

7:00 P.M.

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

2. **CLOSED SESSION** –None.

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

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 special meeting of November 27, 2012 and the regular meeting of December 18, 2012. ([View Here](#))
- (b) Approve Financial Demands and Obligations of the City. ([View Here](#))
- (c) Adopt a Resolution authorizing the purchase of new 2011 Ford Crown Victoria from Folsom Lake Ford in the amount of \$24,828.31 as a replacement patrol vehicle, and approving the allocation of \$35,828.31 from Capital Equipment Replacement Fund (CERF) for the full purchase and outfitting of the vehicle. ([View Here](#))

5. **RECOGNITIONS AND PRESENTATIONS**

- (a) Certificate of Recognition to Jimmy Hernandez, retiring United States Postal Service employee (Clayton Post Office 94517).
- (b) Recognition of David Woltering upon his departure as the City's Community Development Director (2008-2013).

6. **REPORTS**

- (a) Planning Commission – Chairman Keith Haydon
- (b) Trails and Landscaping Committee – No Meeting held
- (c) City Manager/Staff
- (d) City Council - Reports from Council liaisons to Regional Committees, Commissions and Boards.
- (e) Other

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

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**

- (a) Public Hearing to consider the approval of a Resolution adopting a "Complete Streets" Policy pursuant to the California Complete Streets Act of 2008 (AB 1358). ([View Here](#))
(Community Development Director)

Staff recommendations: **1.** Receive the staff report; **2.** Open the Public Hearing and receive public comment; **3.** Close the Public Hearing; and **4.** By motion, approve the Resolution adopting a Complete Streets Policy for the City of Clayton.

9. **ACTION ITEMS**

- (a) Presentation and approval of the City's Audited Financial Statement for Fiscal Year 2010-2011 prepared by Cropper Accountancy Corporation, Certified Public Accountants (CPA). ([View Here](#))
(Finance Manager, and John Cropper, CPA)

Staff recommendation: Following presentation of the independent Auditor's Report, that Council receive public comments and then by motion approve the FY 2010-2011 Audited Financial Statement as submitted.

- (b) City Council consideration of the establishment of a Sub-Committee to explore and propose recommendations for local service options in response to the Contra Costa Fire Protection District's significant reduction/closure of its Fire Station No. 11 located on Center Street in Clayton.
(City Council and City Manager) ([View Here](#))

Staff recommendation: Following discussion of the Sub-Committee idea and related materials submitted by staff on fire and first-responder emergency medical services, and opportunity for public comment, that Council provide policy direction(s).

- (c) Council consideration of local street Pavement Condition Index (PCI) rankings for potential inclusion in the City's upcoming 2012-13 Neighborhood Street Repaving Project (CIP No. 10417). ([View Here](#))
(City Engineer)

Staff recommendation: Following staff presentation and public comment, that Council by motion instruct staff to advertise for competitive bid a FY 2012-13 Street Repaving Project incorporating the selected streets and optional work to resurface three (3) public parking lots (Lydia Lane Park; City Hall; Clayton Community Library) and certain portions of the City's Trail System.

- (d) Consideration of the First Reading and Introduction of Ordinance No. 443 enacting standardized deposit and filing fee for municipal election candidates in the Clayton Municipal Code. ([View Here](#))
(City Clerk)

Staff recommendation: Following staff presentation and public comment, that Council: **1.** By motion, authorize the City Clerk to read Ordinance No. 443 by title and number only and waive further reading; and **2.** Following that reading, by motion approve Ordinance No. 443 for Introduction.

- (e) Consideration of a Resolution establishing a Council Policy for recordation of its closed session meetings. ([View Here](#))
(City Attorney)

Staff recommendation: Following public comment, that Council consider adoption of its requested Resolution.

- (f) Review and determination of City Council ad-hoc, committee, inter-governmental and regional board assignments for 2013. ([View Here](#))
(Mayor Pierce)

Staff recommendation: Following report by Mayor Pierce, approve by motion the proposed Council Member assignments for calendar year 2013.

- (g) Determination of the date, time and location for the City Council's annual Goals and Objectives Setting Session with its City Manager. ([View Here](#))
(City Manager)

Staff recommendation: That Council determine a suitable date and time to hold its annual Goals Session, and then by motion approve the calling of a City Council special meeting for the purpose, date, time and location.

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

11. **ADJOURNMENT**– the next regularly scheduled City Council meeting is February 5, 2013.

#

*** CLAYTON SUCCESSOR AGENCY and SUCCESSOR HOUSING AGENCY ***

January 15, 2013

1. CALL TO ORDER THE CLAYTON SUCCESSOR AGENCIES – Mayor Pierce.

2. PUBLIC COMMENT ON NON - AGENDA ITEMS

Members of the public may address the Board on items within the Board'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 Secretary. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Chair's discretion. When one's name is called or you are recognized by the Chair 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 Board 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 Board.

3. CONSENT CALENDAR

- (a) Approve the minutes of the regular meeting of September 18, 2012. ([View Here](#))

4. PUBLIC HEARINGS – None.

5. ACTION ITEMS

- (a) Presentation of the former Clayton Redevelopment Agency's Audited Financial Statement for Fiscal Year 2010-2011 prepared by Cropper Accountancy Corporation, Certified Public Accountants. ([View Here](#))
(Finance Manager, and John Cropper, CPA)

Staff recommendation: Following presentation of the independent Auditor's report, receive public comments and then by motion approve the FY 2010-2011 Audited Financial Statement as submitted serving as Successor Agency and Successor Housing Agency of the former Clayton Redevelopment Agency.

6. BOARD ITEMS – limited to requests and directives for future meetings.

7. ADJOURNMENT – the next regular Successor Agencies meetings will be scheduled as needed.

#

*** CLAYTON FINANCING AUTHORITY ***

January 15, 2013

1. **CALL TO ORDER AND ROLL CALL** – President Pierce.

2. **CLOSED SESSION** – None.

3. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Members of the public may address the Board on items within the Board'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 Secretary. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the President's discretion. When one's name is called or you are recognized by the President 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 Board 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 as each item is considered.

4. **CONSENT CALENDAR**

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

(a) Approve the minutes of the regular meeting of January 17, 2012. ([View Here](#))

(b) Approve the Clayton Financing Authority's Annual Report for Calendar Year 2012. ([View Here](#))

5. **ACTION ITEMS** - None.

6. **BOARD ITEMS** – limited to requests and directives for future meetings.

7. **ADJOURNMENT** – the Clayton Financing Authority's next meeting will be scheduled when necessary.

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

TUESDAY, November 27, 2012

Agenda Date: 1-15-13

Agenda Item: 4a

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 9:02 a.m. by Mayor Geller in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Geller, Councilmembers Pierce, Shuey, Stratford (arrived at 9:03 a.m.) and Councilmember-Elect Jim Diaz. Staff present: City Manager Gary Napper, Police Chief Dan Lawrence, Community Development Director David Woltering, and City Clerk Laci Jackson.

2. **PUBLIC COMMENT ON NO AGENDA ITEMS**- None.

3. **TOWN HALL MEETING**

The following business owners and community members were present: Steve Barton, Dennis Mitchell, Dolores Austin (Clayton Club Saloon), Tom Payne (Prosperitas Wealth Management), Barbara and Leroy Carney (Frontier Beauty Salon, TLC Pet Grooming), Sue White (Accurate Business Services), Kent Ipsen, Jared Josephson, Clayton Perry, C.J. Fowlie (Skipolini's Pizza), Shane Carley (Kaliball/ Wranglers), Doug Van Wyck (State Farm), Matt Mazzei (Mazzei Realty), Joe Medrano (IMC Insurance and P2C Foundation), and Tamara Steiner (Clayton Pioneer).

3. **Town Hall Roundtable**

- (a) Open Forum discussion between business community and City Council to address issues, concerns or matters of mutual interest:

Suggested Topics

1. Critique of the 2012 Concerts in The Grove Saturday series (10 concerts).
Suggestions for the 2013 series?
2. Evaluation of the inaugural Thursday 2012 Concert in The Grove series (5 concerts). Suggestions?

Mayor Geller stated the Saturday night concerts have been held at the same time and place for the last 5 years. He stated they are popular and the public donated nearly \$16,000 this year to fund the concerts. He stated the first concert is typically held the weekend following the Clayton Art and Wine Festival and the last concert is held in mid-September.

Steve Barton stated he has been very happy with the concert series. He stated even though some neighbors have spoken out about the noise he believes it is a good community event. He stated his business saw a small increase in business with the Thursday night concerts.

Jim Diaz, Councilmember-Elect, stated there is a desire to start the Thursday night concerts later and end them earlier. He stated there was also discussion about reducing the number of weeknight concerts to stimulate interest. The goal is to use more local entertainers and possibly consider a vocal talent show.

Councilmember Shuey stated he believes the talent show is a good idea and the Charter High School might be interested in participating. He stated he received a text from Ed Moresi and he favored continuing the Thursday night concerts.

Tom Payne stated the Saturday night concerts are good but he did not see the numbers at the Thursday night concerts.

Mayor Geller stated some citizens believe the City has too many events and it is a balancing act in trying to provide the best for all citizens.

Dennis Mitchell stated he would like to see the business have coupons as a way of attracting donations for the event. Steve Barton agreed it would be good to have one piece of paper with many coupons on it. He stated it would not be a large expense. Dennis Mitchell stated he would work on seeing who wants to participate in something like this for next year.

Councilmember Shuey stated he is curious if the weeknight concerts should be attempted again? Joe Medrano stated the weeknight concerts bring more people downtown. Steve Barton stated he was not sure having a VIP section was necessary. Mr. Medrano stated they were unsure how busy the concerts were going to be when they floated the concept of VIP seating.

Dennis Mitchell stated it was worth trying another year. Jim Diaz stated he is exploring concerts funding options.

3. Ideas for a healthier local business economy.

4. Other topics.

Mayor Geller asked the group how the Oktoberfest and Art and Wine Festival went? Steve Barton stated they are great events.

Joe Medrano asked if businesses are interested in exploring the idea of a synthetic ice rink to bring downtown for the whole day of the Tree Lighting, if it was sponsored and taken care of? He stated the cost for the weekend is about \$8,000.

Kent Ipsen stated a synthetic ice rink is good idea. Dennis Mitchell agreed but stated it would be more effective if it was open longer than one weekend.

Councilmember Stratford asked if there were other ideas to help businesses? What could the City do to help?

Mayor Geller stated if the business community joined together they could advertise more effectively. Steve Barton stated the only way to do that is to mandate participation and the CBCA is the logical place for this type of group to form. Jim Diaz suggested the businesses collaborate with the Oakhurst Country Club because already they have a business group which meets regularly.

Mayor Geller asked if anyone noticed the improvements to the Farmers' Market (PCFMA)?

CJ Fowlie stated after Farmers' Market he is picking up trash and he would like to be able to contract the person in charge. He did note there were improvements after the Assistant to the City Manager spoke to the PCFMA.

Mayor Geller stated the market seems successful and there has been positive feedback. Councilmember Pierce stated the PCFMA does have an email list and they are good at promoting the Clayton Farmers' Market.

Kent Ipsen asked if the bocce courts had been discussed recently. Mayor Geller stated funding has been problem. Kent Ipsen stated the difficult thing is the approved location by City Hall is detached from downtown.

Sue White asked if the produce store was still coming to the Flora Square building? Mayor Geller responded no.

Kent Ipsen asked if is the City in the position to buy the Clayton Community Church property? Mayor Geller stated he could not comment.

Shane Carley, Associate Head Coach for San Francisco City baseball team, stated he is trying to bring a summer collegiate baseball league to Clayton. He stated he and his investors are looking at Field 1 of the Clayton Community Park; he stated they would like to put up a fence and hold 30-33 home games in Clayton. He stated on top of that he would like to start new leagues. He stated the Clayton Wranglers would be the non-profit and would sell programs, shirts and tickets to spectators. He stated he has his own Limited Liability Corporation that would pay for the upgrades. Councilmembers recommended he work with staff on such details.

Councilmember Shuey asked if holding this meeting one time per year is sufficient? Tamara Steiner stated she would be really interested in knowing why not all businesses are participating in this meeting? She stated she and Steve Barton would try to find out why more people were not attending the meeting.

4. **CLOSED SESSION-** 10:48 a.m. On call by Mayor Geller the Council moved into Closed Session for the following purpose:

- (a) *Government Code Section 54957(b) (1).*
[Annual] Performance Evaluation of Public Employee
Title: City Manager

Report out from Closed Session: Mayor Geller indicated the City Council met to discuss the purpose of Closed Session and that no reportable action was taken.

6. **ADJOURNMENT**– On call by Mayor Geller the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

Howard Geller, Mayor

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

Agenda Date: 1-15-13

Agenda Item: 4a

TUESDAY, December 18, 2012

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:00 p.m. by Vice Mayor Stratford in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Vice Mayor Stratford, Councilmembers Diaz, Geller, and Shuey. Councilmember absent: Mayor Pierce. Staff present: City Manager Gary Napper, City Attorney Mala Subramanian, and City Clerk Laci Jackson.
2. **CLOSED SESSION**- None.
3. **PLEDGE OF ALLEGIANCE** – led by Vice Mayor Stratford.
4. **CONSENT CALENDAR**- It was moved by Councilmember Shuey, seconded by Councilmember Geller, to approve the Consent Calendar as submitted (Passed; 4-0 vote).
 - (a) Approved the minutes of the regular meeting of December 4, 2012.
 - (b) Approved Financial Demands and Obligations of the City.
 - (c) Approved the proposed dates in calendar year 2013 for the Saturday evening "Concerts in The Grove" series.
5. **RECOGNITIONS AND PRESENTATIONS** – None.
6. **REPORTS**
 - (a) Planning Commission – Vice Chairman Manning reported on December 11th meeting. The Commission approved an 840 square foot addition to a home on Verna Way. The Commission also extended the parking waiver for one year for the Creekside Terrace mixed use project. Lastly, the Commission reviewed the Universal Design Ordinance.
 - (b) Trails and Landscaping Committee – Chairman Pauline stated the Committee approved the Annual Report and reviewed the requirements for Measure B. He noted Alyse Smith took over the Adopt-a-Trail program, and applications are being accepted for the Committee.
 - (c) The City Manager stated the Trails and Landscaping Committee application deadline is Friday, December 21st and there can be up to 11 members. He stated the County Board of Supervisors voted to close the Clayton Fire Station and County Supervisor Karen Mitchoff will be holding a meeting on January 23rd 7 p.m. in Hoyer Hall of the Clayton Community Library to do outreach to the community. He stated first-responder emergency medical is will likely switch from Confire to AMR, therefore Confire will not be the first responders but ambulances and paramedics will be the first on the scene. He urged concerned citizens to call the Fire District or Supervisor Karen Mitchoff at (925) 521-7100.

(d) City Council

Councilmember Shuey met with citizens and firefighters regarding the fire station closure.

Councilmember Diaz attended the Board of Supervisors meeting and attended his first Mayors' Conference in Oakley.

Councilmember Geller attended a CERT meeting Monday and encouraged Councilmembers to get CERT certified.

Vice Mayor Stratford noted the "Do the Right Thing" trait of the month is "Kindness".

(e) Other – None.

7. PUBLIC COMMENTS

Will Wilcox, Clayton resident, stated there is no plan to open or reopen the fire station. He stated the the City should consider a bond issue to have their own fire department. He stated he wants the Council to put together a study committee to explore options because fire insurance rates are going to go up. The City Manager stated he has heard from fire insurance representatives they base rates more on proximity to fire hydrants. Mr. Wilcox stated the next closest station would be five miles away and response time in an emergency is critical.

Councilmember Shuey stated citizens need to let the County Board of Supervisors know they are angry with the station closure in Clayton.

The City Manager stated the \$75 per year parcel tax countywide would only raise about \$307,500 from Clayton which is not enough to staff a fire station. He has contacted LAFCO to ask about the options for Clayton to detach from the Fire District and this would be difficult to accomplish.

Jake Pauline, resident asked who owns the fire station? The City Manager responded the Fire District (County). Mr. Pauline also asked how much Clayton citizens contribute to the Fire District. The City Manager responded those numbers have not been extracted from the County yet.

Mr. Pauline stated instead of looking at this as a tragedy, the City could consider a volunteer fire department. He asked how the City would get the money they put toward the Fire Station land back from the County if it closes? Councilmember Shuey stated if the County were to sell the property the City would recoup its 63% contribution.

Mr. Pauline asked if there is any way to get refund back from the County since the station will be closing? Vice Mayor Stratford we still have fire protection it is just going to take longer for response times.

The City Manager stated volunteer fire departments require constant training, manning of a station, and acquisition of equipment. He also stated citizens will not receive a refund, and even if the City detached from the District, the County would retain some of those monies in order to provide for automatic and mutual aid since one station is not enough to cover any structure fire.

Councilmember Geller stated he hopes the Board of Supervisors (Fire District Board of Directors) sit down and look at the numbers closer and restores service as soon as possible.

Councilmember Diaz stated a volunteer fire department still needs at least one full-time employee (a fire chief), and with capital costs this is an expensive proposition.

Tamara Steiner stated she lives out on Morgan Territory Road and recently residents out there went through a similar process when East County Fire District wanted to close the Marsh Creek Station. He stated they looked at detaching and looked hard at a volunteer fire department. She stated a volunteer station would not be feasible in an urban area.

8. **PUBLIC HEARINGS** – None.

9. **ACTION ITEMS**

- (a) Presentation and acceptance of the Trails and Landscaping Committee's FY 2011-12 Annual Report for the Citywide Landscape Maintenance District.

Chairman Jake Pauline stated it was a good year for the District and many large projects were completed including the Clayton Road Median project. He stated the District also added Daffodil Hill and with the beautification projects citizens are going to see the fruits of the tax funds.

Vice Mayor Stratford stated it has been a good year and Councilmember Geller thanked the Committee for their hard work.

No public comments were received.

It was moved by Councilmember Geller, seconded by Councilmember Shuey, to accept the Trails and Landscaping Committee's Annual Report for FY 2011-12 (Passed; 4-0 vote).

- (b) Consideration and discussion of Council Members' request for the City to commence recordation of its closed sessions.

The City Attorney stated currently the City does not record closed sessions. She polled other cities to see what they were doing and 12 cities indicated they do action or summary minutes, and 3 indicated the audio is recorded. Staff is recommending upon request from a Councilmember, the City Clerk prepare minutes for closed sessions of interest.

Councilmember Diaz asked what the process is currently? The City Attorney indicated currently there is verbal direction and the City Manager takes action notes.

Councilmember Geller stated he is in favor of the recommendation.

Councilmember Shuey stated he has been on the Council for 10 years and there have been times where the Council has had no idea of what went on in prior Closed Sessions because there were no records of discussions by previous Councils. He stated this has been detrimental because the Council does not know what was discussed or what was

said by whom. He stated the recordation should be done to protect the City and future Councils.

Councilmember Geller asked if there is a liability in digitally recording the meetings? The City Attorney stated a judge could review the recording for a Brown Act violation.

Councilmember Geller stated most closed session actions are still brought before an open meeting for final approval.

The City Attorney stated staff was concerned about having digital recordings because there is the chance of the media changing or corruption of the media files.

Upon question, the City Manager stated he has not been with a City that has recorded closed sessions. He stated he does not know that all closed sessions should require a recordation though it is difficult to forecast the information the Council may want later.

It was moved by Councilmember Shuey, seconded by Councilmember Diaz, to have staff bring back a Resolution to record all closed session meetings (Passed; 4-0 vote).

- (c) Review and determination of City Council ad-hoc, committee, inter-governmental and regional board assignments for 2013.

This item was deferred to the next meeting when Mayor Pierce is present.

10. COUNCIL ITEMS

Councilmember Shuey asked staff to bring back information on forming an ad-hoc sub-committee to discuss options for the Fire Station closure.

The City Manager stated the Council could add a new ad-hoc committee at its January 15th but this committee may be subject to the Brown Act if it is not an ad-hoc sub-committee made up solely of less than a quorum of the council.

- 11. ADJOURNMENT— On call by Vice Mayor Stratford the meeting adjourned at 8:12 p.m.

Respectfully submitted,

Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

Julie K. Pierce, Mayor



Agenda Date: 1/15/2013

Agenda Item: 4b

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER, FINANCE MANAGER

DATE: 1/15/2013

SUBJECT: INVOICE SUMMARY

RECOMMENDATION

Approve the following Invoices.

1/11/2013	Cash Requirements Report	\$244,291.27
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TOTAL REQUEST	\$	<u>244,291.27</u>
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Attachments:

Cash Requirements Report dated 1/11/2013 (6 pages)

City of Clayton

Cash Requirements Report

City Council 1/15/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Access One								
Access One	1/15/2013	1/2/2013	1328538	Long Distance	\$41.23	\$0.00		\$41.23
				Totals for Access One:	\$41.23	\$0.00		\$41.23
American Fidelity Assurance Company								
American Fidelity Assurance Company	1/15/2013	12/13/2013	A927008	January 2013	\$256.82	\$0.00		\$256.82
American Fidelity Assurance Company	1/15/2013	12/17/2012	777800A	December 2012	\$975.59	\$0.00		\$975.59
				Totals for American Fidelity Assurance Company:	\$1,232.41	\$0.00		\$1,232.41
ASCAP								
ASCAP	1/15/2013	12/30/2012	500653269	License Fees	\$327.00	\$0.00		\$327.00
				Totals for ASCAP:	\$327.00	\$0.00		\$327.00
AT&T/ CalNet 2								
AT&T/ CalNet 2	1/15/2013	12/22/2012	12/22/12	Phone Bills December 2012	\$2,238.84	\$0.00		\$2,238.84
				Totals for AT&T/ CalNet 2:	\$2,238.84	\$0.00		\$2,238.84
Bay Area Barricade Serv.								
Bay Area Barricade Serv.	1/15/2013	12/18/2012	0289197-IN	Product Code 40000	\$261.00	\$0.00		\$261.00
Bay Area Barricade Serv.	1/15/2013	12/7/2012	0289198-IN	Product code 72	\$207.49	\$0.00		\$207.49
				Totals for Bay Area Barricade Serv.:	\$468.49	\$0.00		\$468.49
Bay Area News Group East Bay (CCT)								
Bay Area News Group East Bay (CCT)	1/15/2013	11/30/2012	0000573912	universal design ordinance	\$130.69	\$0.00		\$130.69
Bay Area News Group East Bay (CCT)	1/15/2013	12/31/2012	0000585231	Ads, Creekside Terrace/Univ. Design Ord.	\$374.62	\$0.00		\$374.62
				Totals for Bay Area News Group East Bay (CCT):	\$505.31	\$0.00		\$505.31
Best Best & Kreiger LLP								
Best Best & Kreiger LLP	1/15/2013	12/11/2012	392342/392343	November services	\$10,379.11	\$0.00		\$10,379.11
				Totals for Best Best & Kreiger LLP:	\$10,379.11	\$0.00		\$10,379.11
CA Association of Code Enforcement								
CA Association of Code Enforcement	1/15/2013	1/7/2013	5161974	Dues - Jessica Boscacci	\$75.00	\$0.00		\$75.00
				Totals for CA Association of Code Enforcement:	\$75.00	\$0.00		\$75.00
CalPERS Health								
CalPERS Health	1/15/2012	12/14/2012	858	January Health	\$31,073.28	\$0.00		\$31,073.28
				Totals for CalPERS Health:	\$31,073.28	\$0.00		\$31,073.28
Caltronics Business Systems, Inc								
Caltronics Business Systems, Inc	1/15/2013	12/17/2012	1217288	Konica Contract	\$231.42	\$0.00		\$231.42
				Totals for Caltronics Business Systems, Inc:	\$231.42	\$0.00		\$231.42
CCC Mayors' Conference								
CCC Mayors' Conference	1/15/2013	1/2/2013	Clayton	24 dinners	\$1,200.00	\$0.00		\$1,200.00

City of Clayton

Cash Requirements Report

City Council 1/15/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
CCC Sheriff - Forensic Svc Div (Lab)				<i>Totals for CCC Mayors' Conference:</i>				
CCC Sheriff - Forensic Svc Div (Lab)	1/15/2013	12/13/2012	CLPD-1211	Alcohol Tests	\$1,200.00	\$0.00		\$1,200.00
CERCO Analytical, Inc.				<i>Totals for CCC Sheriff - Forensic Svc Div (Lab):</i>				
CERCO Analytical, Inc.	1/15/2013	12/10/2012	1212040	Well water samples	\$600.00	\$0.00		\$600.00
CERCO Analytical, Inc.	1/15/2013	12/13/2013	1212072	Analytical Services	\$320.00	\$0.00		\$320.00
					\$70.00	\$0.00		\$70.00
				<i>Totals for CERCO Analytical, Inc.:</i>	\$390.00	\$0.00		\$390.00
Cheyenne Electric Inc.								
Cheyenne Electric Inc.	1/15/2013	12/20/2012	Water Feature	Meter Main Replacement	\$3,939.38	\$0.00		\$3,939.38
				<i>Totals for Cheyenne Electric Inc.:</i>	\$3,939.38	\$0.00		\$3,939.38
Cintas Fire Protection								
Cintas Fire Protection	1/15/2013	12/21/2012	OF44567581	Service Visit 1909442	\$726.20	\$0.00		\$726.20
Cintas Fire Protection	1/15/2013	12/21/2012	OF44567592	Service Visit 1909440	\$177.62	\$0.00		\$177.62
Cintas Fire Protection	1/15/2013	12/21/2012	OF44567582	Service Visit 1909441	\$525.94	\$0.00		\$525.94
				<i>Totals for Cintas Fire Protection:</i>	\$1,429.76	\$0.00		\$1,429.76
City of Concord								
City of Concord	1/15/2013	12/14/2012	30603	vehicle maintenance	\$1,275.68	\$0.00		\$1,275.68
				<i>Totals for City of Concord:</i>	\$1,275.68	\$0.00		\$1,275.68
Clayton Pioneer								
Clayton Pioneer	1/15/2013	1/7/2013	025697	Deposit refund for 12/13/12	\$200.00	\$0.00		\$200.00
				<i>Totals for Clayton Pioneer:</i>	\$200.00	\$0.00		\$200.00
Clayton Valley Little League								
Clayton Valley Little League	1/15/2013	12/21/2012	024904	Deposit refund 12/20/12	\$200.00	\$0.00		\$200.00
				<i>Totals for Clayton Valley Little League:</i>	\$200.00	\$0.00		\$200.00
Clean Street								
Clean Street	1/15/2013	12/31/2012	69452	Monthly sweep fee	\$3,500.00	\$0.00		\$3,500.00
				<i>Totals for Clean Street:</i>	\$3,500.00	\$0.00		\$3,500.00
Concord Uniforms								
Concord Uniforms	1/15/2013	12/12/2012	6803	Armor Summit- SM01-111A	\$1,054.82	\$0.00		\$1,054.82
				<i>Totals for Concord Uniforms:</i>	\$1,054.82	\$0.00		\$1,054.82
Corodata Shredding, Inc								
Corodata Shredding, Inc	1/15/2013	11/30/2012	DN 1053869	Shredding	\$120.00	\$0.00		\$120.00
				<i>Totals for Corodata Shredding, Inc:</i>	\$120.00	\$0.00		\$120.00
Crop Production Svcs								

City of Clayton

Cash Requirements Report

City Council 1/15/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount Expires On	Discount Expires On	Net Amount Due
Crop Production Svcs	1/15/2013	12/17/2012	232970	Order # 531748	\$3,951.13	\$0.00		\$3,951.13
				Totals for Crop Production Svcs:	<u>\$3,951.13</u>	<u>\$0.00</u>		<u>\$3,951.13</u>
CSAC Excess Insurance Authority								
CSAC Excess Insurance Authority	1/15/2013	1/1/2013	1340875-IN	EAP January-March 2013	\$336.00	\$0.00		\$336.00
				Totals for CSAC Excess Insurance Authority:	<u>\$336.00</u>	<u>\$0.00</u>		<u>\$336.00</u>
Diablo View Construction								
Diablo View Construction	1/15/2013	12/14/2012	0049	deposit refund	\$500.00	\$0.00		\$500.00
Diablo View Construction	1/15/2013	12/14/2012	0048	deposit refund	\$500.00	\$0.00		\$500.00
Diablo View Construction	1/15/2013	12/14/2012	0047	deposit refund	\$500.00	\$0.00		\$500.00
				Totals for Diablo View Construction:	<u>\$1,500.00</u>	<u>\$0.00</u>		<u>\$1,500.00</u>
Final Construction, Inc								
Final Construction, Inc	1/15/2013	1/3/2013	0052	Deposit refund	\$1,917.00	\$0.00		\$1,917.00
				Totals for Final Construction, Inc:	<u>\$1,917.00</u>	<u>\$0.00</u>		<u>\$1,917.00</u>
Goldfarb & Lipman								
Goldfarb & Lipman	1/15/2013	12/13/2012	107070	November Fees	\$49.00	\$0.00		\$49.00
				Totals for Goldfarb & Lipman:	<u>\$49.00</u>	<u>\$0.00</u>		<u>\$49.00</u>
Hammons Supply Company								
Hammons Supply Company	1/15/2013	12/21/2012	75539	Library Supplies	\$76.25	\$0.00		\$76.25
				Totals for Hammons Supply Company:	<u>\$76.25</u>	<u>\$0.00</u>		<u>\$76.25</u>
Hawkins Pools								
Hawkins Pools	1/15/2013	1/3/2013	0037	Deposit Refund	\$1,709.50	\$0.00		\$1,709.50
				Totals for Hawkins Pools:	<u>\$1,709.50</u>	<u>\$0.00</u>		<u>\$1,709.50</u>
HdL Software, LLC								
HdL Software, LLC	1/15/2013	12/30/2012	0009061-IN	Upgrade bus lic for \$1 State fee	\$500.00	\$0.00		\$500.00
				Totals for HdL Software, LLC:	<u>\$500.00</u>	<u>\$0.00</u>		<u>\$500.00</u>
Health Care Dental Trust								
Health Care Dental Trust	1/15/2013	12/13/2012	January 2013	January Dental	\$3,116.39	\$0.00		\$3,116.39
				Totals for Health Care Dental Trust:	<u>\$3,116.39</u>	<u>\$0.00</u>		<u>\$3,116.39</u>
HUB Inter of CA Ins Svc								
HUB Inter of CA Ins Svc	1/15/2013	1/3/2013	December 2012	December Insurance	\$218.95	\$0.00		\$218.95
				Totals for HUB Inter of CA Ins Svc:	<u>\$218.95</u>	<u>\$0.00</u>		<u>\$218.95</u>
J & R Floor Services								
J & R Floor Services	1/15/2013	1/1/2013	December 2012	December Billing	\$4,953.00	\$0.00		\$4,953.00
				Totals for J & R Floor Services:	<u>\$4,953.00</u>	<u>\$0.00</u>		<u>\$4,953.00</u>
LarryLogic Productions								

City of Clayton

Cash Requirements Report

City Council 1/15/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount Expires On	Discount Expires On	Net Amount Due
LarryLogic Productions	1/15/2013	12/18/2012	1298	12/18/12 City Council Meeting	\$300.00	\$0.00		\$300.00
				<i>Totals for LarryLogic Productions:</i>	<i>\$300.00</i>	<i>\$0.00</i>		<i>\$300.00</i>
League of CA cities								
League of CA cities	1/15/2013	1/1/2013	4057	2013 Dues and 7 Dinner Meetings	\$600.00	\$0.00		\$600.00
				<i>Totals for League of CA cities:</i>	<i>\$600.00</i>	<i>\$0.00</i>		<i>\$600.00</i>
Legal Defense Fund								
Legal Defense Fund	1/15/2013	12/7/2012	57474	Dues	\$15.00	\$0.00		\$15.00
				<i>Totals for Legal Defense Fund:</i>	<i>\$15.00</i>	<i>\$0.00</i>		<i>\$15.00</i>
Lori Margo								
Lori Margo	1/15/2013	1/7/2013	025648	Deposit Refund 12/29/12	\$500.00	\$0.00		\$500.00
				<i>Totals for Lori Margo:</i>	<i>\$500.00</i>	<i>\$0.00</i>		<i>\$500.00</i>
Marken Mechanical Services Inc								
Marken Mechanical Services Inc	1/15/2013	1/3/2013	413-1152	Library Maintenance January 2013	\$150.00	\$0.00		\$150.00
Marken Mechanical Services Inc	1/15/2013	11/20/2012	412-1148-11	City Hall Maintenance November 2012	\$332.50	\$0.00		\$332.50
Marken Mechanical Services Inc	1/15/2013	11/20/2012	412-1147-10	Endeavor Hall Maintenance October 2012	\$247.00	\$0.00		\$247.00
Marken Mechanical Services Inc	1/15/2013	1/3/2013	413-1151	City Hall Maintenance January 2013	\$150.00	\$0.00		\$150.00
				<i>Totals for Marken Mechanical Services Inc:</i>	<i>\$879.50</i>	<i>\$0.00</i>		<i>\$879.50</i>
Mike Fossan								
Mike Fossan	1/15/2013	1/11/2013	024861	Deposit Refund for 12/8/12 Endeavor Hall (M	\$500.00	\$0.00		\$500.00
				<i>Totals for Mike Fossan:</i>	<i>\$500.00</i>	<i>\$0.00</i>		<i>\$500.00</i>
Mitchell Creek Place HOA								
Mitchell Creek Place HOA	1/15/2013	1/4/2013	1020	Deposit Refund	\$284.13	\$0.00		\$284.13
				<i>Totals for Mitchell Creek Place HOA:</i>	<i>\$284.13</i>	<i>\$0.00</i>		<i>\$284.13</i>
Muir/ Diablo Occupation Medicine								
Muir/ Diablo Occupation Medicine	1/15/2013	12/26/2012	206030	McEachin, Johnson	\$118.00	\$0.00		\$118.00
Muir/ Diablo Occupation Medicine	1/15/2013	12/18/2012	205214	Boscacci	\$70.00	\$0.00		\$70.00
				<i>Totals for Muir/ Diablo Occupation Medicine:</i>	<i>\$188.00</i>	<i>\$0.00</i>		<i>\$188.00</i>
NBS Govt. Finance Group								
NBS Govt. Finance Group	1/15/2013	12/20/2012	1130292	Qtrly Admin Fees 1/1/3-3/31/13	\$4,966.52	\$0.00		\$4,966.52
				<i>Totals for NBS Govt. Finance Group:</i>	<i>\$4,966.52</i>	<i>\$0.00</i>		<i>\$4,966.52</i>
Neopost (add postage)								
Neopost (add postage)	1/15/2013	12/21/2012	Postage	Postage Added	\$299.73	\$0.00		\$299.73
				<i>Totals for Neopost (add postage):</i>	<i>\$299.73</i>	<i>\$0.00</i>		<i>\$299.73</i>
Neopost Leasing (Mail Finance)								
Neopost Leasing (Mail Finance)	1/15/2013	12/11/2012	N3691909	Lease December 2012	\$194.52	\$0.00		\$194.52
Neopost Leasing (Mail Finance)	1/15/2013	12/11/2012	N3691910	Lease January 2013	\$113.33	\$0.00		\$113.33

City of Clayton

Cash Requirements Report

City Council 1/15/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount Expires On	Discount Expires On	Net Amount Due
Neopost Leasing (Mail Finance)	1/15/2013	1/6/2013	N3740943	Lease February 2013	\$113.60	\$0.00		\$113.60
				Totals for Neopost Leasing (Mail Finance):	\$421.45	\$0.00		\$421.45
Office Depot	1/15/2013	12/3/2012	63487509001	calendar	\$14.53	\$0.00		\$14.53
				Totals for Office Depot:	\$14.53	\$0.00		\$14.53
Pacific Telemanagement Svc	1/15/2013	12/27/2012	479506	Pay Phone January 2013	\$73.00	\$0.00		\$73.00
				Totals for Pacific Telemanagement Svc:	\$73.00	\$0.00		\$73.00
Paramount Elevator Corp.	1/15/2013	12/18/2012	175358	Oil & Grease elevator	\$220.00	\$0.00		\$220.00
				Totals for Paramount Elevator Corp.:	\$220.00	\$0.00		\$220.00
Peace Officers Research Assoc of CA	1/15/2013	12/14/2012	51578	dues	\$10.00	\$0.00		\$10.00
				Totals for Peace Officers Research Assoc of CA:	\$10.00	\$0.00		\$10.00
PERMCO, Inc.	1/15/2013	12/21/2012	9895	Retainer - General Services	\$3,410.50	\$0.00		\$3,410.50
PERMCO, Inc.	1/15/2013	12/21/2012	9896	PG&E EP - Minor	\$41.50	\$0.00		\$41.50
PERMCO, Inc.	1/15/2013	12/21/2012	9897	General Stormwater Tasks/Inspections	\$38.13	\$0.00		\$38.13
PERMCO, Inc.	1/15/2013	12/21/2012	9898	Diablo Pointe Plan Check	\$482.00	\$0.00		\$482.00
PERMCO, Inc.	1/15/2013	12/21/2012	9899	Diablo Pointe Construction Inspections	\$2,341.25	\$0.00		\$2,341.25
PERMCO, Inc.	1/15/2013	12/21/2012	9900	Construction Activity Permit	\$20.75	\$0.00		\$20.75
PERMCO, Inc.	1/15/2013	12/21/2012	9900	Construction Activity Permit	\$20.75	\$0.00		\$20.75
PERMCO, Inc.	1/15/2013	12/21/2012	9900	Construction Activity Permit	\$20.75	\$0.00		\$20.75
PERMCO, Inc.	1/15/2013	12/21/2012	9901	GHAD Kelok Dewatering Well Installation	\$105.00	\$0.00		\$105.00
				Totals for PERMCO, Inc.:	\$6,480.63	\$0.00		\$6,480.63
PG&E	1/15/2013	12/20/2012	December	December Billing	\$471.88	\$0.00		\$471.88
PG&E	1/15/2013	12/18/2012	December	December	\$473.13	\$0.00		\$473.13
PG&E	1/15/2013	12/21/2012	December	December	\$1,809.78	\$0.00		\$1,809.78
PG&E	1/15/2013	12/15/2012	December	November/December	\$16,180.88	\$0.00		\$16,180.88
				Totals for PG&E:	\$18,935.67	\$0.00		\$18,935.67
Psychological Resources Inc.	1/15/2013	12/12/2012	6697	pre-employment screenings	\$800.00	\$0.00		\$800.00
				Totals for Psychological Resources Inc.:	\$800.00	\$0.00		\$800.00
Raney Planning & Management, Inc.	1/15/2013	12/10/2012	1108P-12	Labor - November 2012	\$1,710.50	\$0.00		\$1,710.50
				Totals for Raney Planning & Management, Inc.:	\$1,710.50	\$0.00		\$1,710.50

City of Clayton

Cash Requirements Report

City Council 1/15/13

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Rock & Waterfall Co								
Rock & Waterfall Co	9/18/2012	8/8/2012	107-55	replace burned out breaker for filter pump	\$356.00	\$0.00		\$356.00
Rock & Waterfall Co	1/15/2013	12/28/2012	109-63	Waterfall Maintenance	\$650.00	\$0.00		\$650.00
Rock & Waterfall Co	1/15/2013	12/19/2012	109-49	New Sump Pump	\$1,751.89	\$0.00		\$1,751.89
				<i>Totals for Rock & Waterfall Co:</i>	<u>\$2,757.89</u>	<u>\$0.00</u>		<u>\$2,757.89</u>
Sprint Comm (PW & ADM)								
Sprint Comm (PW & ADM)	1/15/2013	11/29/2012	531409315-127	October/November 2012	\$325.86	\$0.00		\$325.86
				<i>Totals for Sprint Comm (PW & ADM):</i>	<u>\$325.86</u>	<u>\$0.00</u>		<u>\$325.86</u>
Stockbridge General Contracting, Inc								
Stockbridge General Contracting, Inc	1/15/2013	11/30/2012	1042	Final Payment	\$1,156.66	\$0.00		\$1,156.66
				<i>Totals for Stockbridge General Contracting, Inc:</i>	<u>\$1,156.66</u>	<u>\$0.00</u>		<u>\$1,156.66</u>
US Bank (CM 9690)								
US Bank (CM 9690)	1/15/2013	12/24/2012	3289972	Series 1996A & 1996B	\$2,740.00	\$0.00		\$2,740.00
				<i>Totals for US Bank (CM 9690):</i>	<u>\$2,740.00</u>	<u>\$0.00</u>		<u>\$2,740.00</u>
US Bank Ops Ctr ATTN: TFM (RDA 96, 99)								
US Bank Ops Ctr ATTN: TFM (RDA 9	1/15/2013	12/21/2012	2/1/13	Debt Service 2/1/13	\$114,780.00	\$0.00		\$114,780.00
US Bank Ops Ctr ATTN: TFM (RDA 9	1/15/2013	12/21/2012	2/1/13	Debt Service 2/1/13	\$6,181.25	\$0.00		\$6,181.25
				<i>Totals for US Bank Ops Ctr ATTN: TFM (RDA 96, 99):</i>	<u>\$120,961.25</u>	<u>\$0.00</u>		<u>\$120,961.25</u>
Western Exterminator								
Western Exterminator	1/15/2013	12/31/2012	839040	December 2012	\$342.00	\$0.00		\$342.00
				<i>Totals for Western Exterminator:</i>	<u>\$342.00</u>	<u>\$0.00</u>		<u>\$342.00</u>
GRAND TOTALS:					\$244,291.27	\$0.00		\$244,291.27



Agenda Date: 1-15-13

Agenda Item: 4c

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM:  Chris Thorsen, CHIEF OF POLICE

DATE: January 15, 2013

SUBJECT: APPROVE THE PURCHASE OF A NEW POLICE VEHICLE TO REPLACE AN UNSERVICABLE POLICE VEHICLE

RECOMMENDATION

It is recommended the City Council, by minute motion, award a contract for the purchase of a new 2011 Ford Crown Victoria Police Interceptor police vehicle in the amount of \$24,828.31 from Folsom Lake Ford (including taxes and fees). Additionally authorize the expenditure of \$11,000 for the purchase of a new video recording system, outfitting and set up of the vehicle and miscellaneous decals and emblems. Total expenditure to be \$35,828.31 from the Capital Equipment Replacement Fund (CERF).

BACKGROUND

The City of Clayton's Police Department currently has a fleet of 7 patrol vehicles. In the past, the Police Department has replaced at least one vehicle each year with a new police "Interceptor" vehicle which is specially designed to serve as a patrol vehicle.

This new vehicle will replace an unserviceable vehicle in the Police Department's fleet. The unserviceable vehicle, a 2004 Ford Crown Victoria (number 1726), has approximately 110,000 miles. On December 10th, we took the vehicle for transmission repairs. The transmission needs replacement, the cost for the repairs is in excess of \$3,300. The vehicle has other mechanical issues developing and is or will shortly be in need of further repair. The cost of the repairs exceed the value of the vehicle. As such, it is fiscally prudent to replace the vehicle rather than repair it.

DISCUSSION

The Ford Motor Company discontinued the production of the Crown Victoria police platform at the end of the 2011 model year. The three major American auto manufactures (Ford, General Motors and Chrysler) are producing a new "police vehicle" platform. However a full

vetting of which "new" vehicle will best suit the needs of law enforcement duty has not be completed.

Though vehicle #1726 has exceeded its serviceable life, the emergency equipment (lights, sirens, radios, mounting brackets etc.) are still serviceable. By staying with the Crown Victoria, we can reuse certain emergency equipment, thus reducing the cost of replacing the vehicle.

Several larger agencies are testing the new vehicles in "real world" conditions to determine which is best in terms of durability, performance, functionality and safety. By opting to purchase a known commodity, we not only reduce cost but allow larger agencies to vet the various new vehicles in the "real world".

Folsom Lake Ford has five 2011 Crown Victoria's remaining in inventory meeting our specifications. We are unable to locate vehicles in the inventory of other dealers we have previously done business with. The "State bid" for 2011 model year vehicles has expired. I have attached the quote from Folsom Lake and the invoices from the last two vehicles purchased. The Folsom Lake quote is lower than the last two cars bought for patrol service.

Our minimum staffing is typically two Officers on patrol at any given time. During our peak staffing levels, we have three Officers on patrol and a Reserve Officer augmenting our staff. The Police Department routinely staffs "special events" where numerous Officers/Cadets are on duty at the same time. Patrol vehicles need routine maintenance, can suffer unexpected mechanical, communication and emergency equipment failures. By maintaining a fleet of seven vehicles, we assure our capability to support all these missions simultaneously.

All Clayton Police vehicles are equipped with digital video recording systems which record the interaction between our officers and citizens. These same recording devices record the driving of our staff and violators during pursuits and other emergency vehicle operation events. The recording system in vehicle #1726 was old and unserviceable; it used video cassettes to record the activity, not a digital storage device. The recording system needs to be replaced as we build the new vehicle.

FISCAL IMPACT

The City routinely purchases one patrol vehicle per budget year. We purchased a vehicle in July of 2012, that vehicle is currently in service in our fleet. By purchasing this Crown Victoria from the diminishing dealer inventory, we avoid a potential problem in Fiscal Year 2013/14 of being unable to locate a Crown Victoria that will meet our needs. This purchase, if approved, will constitute the replacement patrol vehicle for the Fiscal Year 2013/14 budget cycle.

The purchase will require the expenditure of monies to replace the vehicle, \$24,828.31 including tax. Additional monies, approximately \$11,000, will be spent to purchase and install the new recording system, purchase and install graphics and transfer the

Subject: Approve the purchase of one new police patrol vehicle

Date: January 15, 2013

Page 3 of 3

emergency equipment (lights, sirens radios etc) to the new vehicle. The Finance Manager has confirmed the CERF's cash balance is currently \$101,059 before this expense of 35,828.31.

Attachments:

City Resolution

Folsom Lake Ford Quote

2012 Invoice from Downtown Ford

2011 Invoice from Downtown Ford

RESOLUTION NO. - 2013

**A RESOLUTION APPROVING THE PURCHASE OF A NEW 2011 CROWN
VICTORIA PATROL CAR TO REPLACE AN EXISTING VEHICLE WHICH AS
SERVED ITS USEFUL LIFE**

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

WHEREAS, the City of Clayton Police Department uses police vehicles to perform the patrol function and provide services to the community; and

WHEREAS, vehicles need to be replaced on a regular basis to assure they are in operable condition; and

WHEREAS, patrol vehicles are equipped with specific emergency lights, sirens, radios, digital recording devices; and

WHEREAS, the City of Clayton contracts with various service providers for the purchase and installation of emergency equipment and recording devices; and

WHEREAS, monies are set aside in the City's Capital Equipment Replacement Fund (CERF) for the replacement of vehicles used by the City of Clayton Police Department; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Clayton, California does hereby formally approve the purchase of a new 2011 Ford Crown Victoria Police Car from Folsom Lake Ford for the amount of \$24,828.31, including sales tax and fees. Additionally, the City Council authorizes the expenditure of \$11,000 for the purchase and installation of associated emergency, communication, and recording equipment to complete the outfitting of the new vehicle to Clayton Police specifications, for a total CERF allocation of \$35,828.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 15th day of January 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Julie Pierce, Mayor

ATTEST:

Laci J. Jackson, City Clerk

FOLSOM LAKE FORD

THE FORD SOURCE

12755 FOLSOM BLVD. • FOLSOM, CA 95630 • (916) 353-2000

DANIEL A. RAIMONDI
Fleet Director

(916) 353-2000, Ext. 376
Toll Free 1-800-655-0655
Cell. (916) 825-1622
Fax (916) 353-2078

ON HAND NOW

12-18-12

CROWN VIC POLICE INTERCEPTOR 27440.00
SPECIAL DEALER ACCOUNT ADJUSTM
SPECIAL FLEET ACCOUNT CREDIT
1008-701B06/21/10CA
2011 MODEL YEAR
UA BLACK
WT VIBRANT WHITE ACCENT PAINT
IN CHARCOAL CLT FRT/VINYL RR

INCLUDED ON THIS VEHICLE
.ORDER CODE 720A-POL INTR 327
.DUAL EXHAUST SYSTEM
.17" STEEL SPARE WHEEL/TIRE
.MANUAL AIR CONDITIONING
.ENGINE IDLE METER

OPTIONAL EQUIPMENT

99V .4.6L OHC SEFI V8 FLEX FUEL EN	NC
44Q .ELECTRONIC AUTO O/D TRANS	NC
TC1 .P235/55R17 ALL SEAS BSW	NC
153 FRONT LICENSE PLATE BRACKET	NC
21A 6-WAY POWER DRIVER'S SEAT	380.00
432 KEYED ALIKE -KEY CODE 1284X	50.00
478 COURTESY LAMPS DISABLED	20.00
51Y DRIVER AND PASSENGER SPOT LAMP	340.00
53M NOISE SUPPRESSION BOND STRAPS	95.00
61H DECKLID RELEASE ON IP AND DOOR	60.00
67R RR DR HNDL INOPR-LK OPERABLE	25.00
948 REAR DOOR POWER WINDOW DELETE	25.00
952 TUNING #1	885.00
96B FRT BODYSIDE MLDG UNINSTALLED	30.00
SPCL. DLR. ACCT. ADJ. CR.	
TOTAL OPTIONS	1910.00
TOTAL VEHICLE & OPTIONS	29350.00
DESTINATION & DELIVERY	875.00

4 WHITE DOORS. →

TOTAL FOR VEHICLE 30225.00

\$22,928⁰⁰ plus TAX plus \$875 CA TIRE FEE.

SUBJECT TO PRIOR SALE

\$24,828 INCLUDING TAXES & FEES

CITY OF CLAYTON

6000 Heritage Trail
Clayton, CA 94517
(925) 673-7350
Fax (925) 672-1429

TO:
Downtown Ford Sales
525 N 16th St
Sacramento, CA 95811

SHIP TO:
Clayton Police Department
Attention: Sgt Richard McEachin
6000 Heritage Trail
Clayton, CA 94517
(925) 673-7350

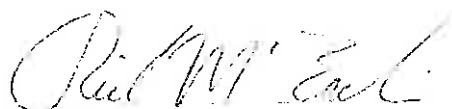
P.O. NUMBER:
C038-1735
*[The P.O. number must appear on
all related correspondence,
shipping papers, and invoices]*

P.O. DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
4/19/2012	Richard McEachin			To be purchased 07/2012

QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
1	CVPI	Crown Victoria Police Interceptor - All 4 doors/roof white	\$23,990.00	\$23,990.00

SUBTOTAL	\$23,990.00
SALES TAX	\$1979.18
SHIPPING AND HANDLING	\$80.00
OTHER - TIRE TAX	\$8.75
TOTAL	\$26,057.93

1. Please send two copies of your invoice.
2. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
3. Please notify us immediately if you are unable to ship as specified.
4. Send all correspondence to:
Richard McEachin
6000 Heritage Trail
Clayton, CA 94517
(925) 673-7350
Fax: (925) 672-1429


Authorized By

4/19/2012

THIS IS YOUR INVOICE

Invoice No.

216882

DOWNTOWN FORD SALES
525 N16th Street, Sacramento, CA. 95811
916-442-6931 fax 916-491-3138

INVOICE**Customer**

Name CITY OF CLAYTON
Address 6000 HERITAGE TRAIL
City CLAYTON State CA Zip 94517
Phone ACCOUNTS PAYABLE

Date 8/1/2011
Order No. RICK McEACHIN
Rep SANDRA
FOB SACRAMENTO

Qty	Description	Unit Price	TOTAL
1	2011 FORD CROWN VICTORIA POLICE SEDAN CITY OF SACRAMENTO PIGGYBACK ALL DOORS/ROOF WHITE / BALANCE BLACK 2FABP7BV3BX169607	\$23,935.00	\$23,935.00
	 AUTHORIZED BY DATE		
1	DOC FEE	\$55.00	\$55.00
	 VENDOR # ACCOUNT # CERF		

SALEX TAX CALCULATED AT 8.25%

Payment Details

- ☐ Cash
☒ Check
☐ Credit Card

Name _____
CC # _____
Expires _____

SubTotal	\$23,990.00
Delivery	\$80.00
Taxes CONTRA COSTA	\$1,979.18
CA Tire Tax	\$8.75
TOTAL	\$26,057.93

Office Use Only

5% DISCOUNT WITH PAYMENT IN 20 DAYS

SIGNATURE



DATE

8-2-11

JIMMY HERNANDEZ

for

outstanding and friendly service

at the

United States Post Office- Clayton, CA 94517

upon his retirement

Agenda Date: 1-15-13

Agenda Item: 5a



Agenda Date: 1-15-13

Agenda Item: 8a

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: DAVID WOLTERING, COMMUNITY DEVELOPMENT DIRECTOR *DW*

DATE: JANUARY 15, 2013

SUBJECT: COMPLETE STREETS POLICY (CDD 01-13)

RECOMMENDATION

It is recommended the City Council approve the attached resolution, thereby, adopting a Complete Streets Policy for the City of Clayton.

BACKGROUND

The term "Complete Street" describes a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including, but not limited to, pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families.

The State of California has emphasized the importance of Complete Streets by enacting the California Complete Streets Act of 2008 (also known as AB 1358), which requires that, when cities or counties revise general plans, they identify how they will provide for the mobility needs of all users of the roadways, as well as through Deputy Directive 64, in which the California Department of Transportation explained that it "views all transportation improvements as opportunities to improve safety, access, and mobility for all travelers in California and recognizes bicycle, pedestrian, and transit modes as integral elements of the transportation system". Also, the California Global Warming Solutions Act of 2006 (known as AB 32) sets a mandate for the reduction of greenhouse gas emissions in California. Furthermore, the Sustainable Communities and Climate Protection Act of 2008 (known as SB 375) requires emissions reductions through coordinated regional planning that integrates transportation, housing, and land-use policy. Achieving the goals of these laws will require significant increases in travel by public transit, bicycling, and walking.

The Metropolitan Transportation Commission (MTC), in conjunction with the Association of Bay Area Governments (ABAG), has developed the One Bay Area Program to facilitate implementation of the requirements SB 375. Grant funding, i.e., One Bay Area Grant (OBAG), will be available through this program to cities and counties within the authority of MTC and ABAG. These funds are related to proposed transportation improvements.

MTC has notified cities and counties that, in order to be eligible for this grant funding, cities and counties will need to do the following:

1. Have a certified Housing Element; and
2. Either adopt a Complete Streets Policy and submit this policy to MTC by January 31, 2013, or update its General Plan to include the Complete Streets policies and then submit with any OBAG request documentation as to how the jurisdiction's General Plan complies with the Complete Streets requirements.

DISCUSSION

Seventy percent (70%) of the available OBAG funding will be distributed to cities and counties that have Priority Development Areas (PDAs) as part of the State's Sustainable Communities Strategy (SCS) Program. The City of Clayton, because of its relatively small size, because of not being located in close proximity to major transportation corridors, does not have a PDA. The City of Clayton does, however, have a certified Housing Element.

Complying with the Complete Streets requirement by updating the City's General Plan would be a significant effort in terms of staff resources and costs. The City of Clayton does not anticipate updating its General Plan for at least one year. The option offered of adopting a Complete Streets resolution is a realistic option for the City in order to be eligible for OBAG funding. Staff has prepared the attached resolution, adapted for Clayton, in accordance with the sample provided by MTC. Staff anticipates that applicable projects will be evaluated by City staff to comply with the requirements described in the resolution.

FISCAL IMPACT

There will be fiscal impacts to satisfy requirements to satisfy the Complete Streets Policy requirements. These impacts will be dependent upon the specific project and the particular expanded improvements to satisfy making the transportation network safe and convenient for the broader range of users.

Attachment: Complete Streets Policy Resolution

RESOLUTION NO. XX-2013

**A RESOLUTION ADOPTING A COMPLETE STREETS POLICY
(CDD 01-13)**

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

WHEREAS, the term “Complete Street” describes a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including, but not limited to, pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families;

WHEREAS, the City of Clayton acknowledges the benefits and value for the public health and welfare of reducing vehicle miles traveled and increasing transportation by walking, bicycling, and public transportation;

WHEREAS, the City of Clayton recognizes that the planning and coordinated development of Complete Streets infrastructure provides benefits for local governments in the areas of infrastructure cost savings, public health, and environmental sustainability;

WHEREAS, the State of California has emphasized the importance of Complete Streets by enacting the California Complete Streets Act of 2008 (also known as AB 1358), which requires that, when cities or counties revise general plans, they identify how they will provide for the mobility needs of all users of the roadways, as well as through Deputy Directive 64, in which the California Department of Transportation explained that it “views all transportation improvements as opportunities to improve safety, access, and mobility for all travelers in California and recognizes bicycle, pedestrian, and transit modes as integral elements of the transportation system”;

WHEREAS, the California Global Warming Solutions Act of 2006 (known as AB 32) sets a mandate for the reduction of greenhouse gas emissions in California, and the Sustainable Communities and Climate Protection Act of 2008 (known as SB 375) requires emissions reductions through coordinated regional planning that integrates transportation, housing, and land-use policy, and achieving the goals of these laws will require significant increases in travel by public transit, bicycling, and walking;

WHEREAS, numerous California counties, cities, and agencies have adopted Complete Streets policies and legislation in order to further the health, safety, welfare, economic vitality, and environmental well-being of their communities;

WHEREAS, the City of Clayton, in light of the foregoing benefits and considerations, wishes to improve its commitment to Complete Streets and desires that Clayton streets form a comprehensive and integrated transportation network promoting safe, equitable, and convenient travel for all users while preserving flexibility, recognizing community context, and using the latest and best design guidelines and standards;

WHEREAS, this Complete Streets policy, as a programmatic-level action, is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines;

WHEREAS, at a duly noticed public hearing on January 15, 2013, the City Council considered the staff report and related background documents and materials as well as the testimony of all persons speaking or providing information on this matter.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Clayton does hereby make the following determinations:

SECTION 1. The above citations are true and correct.

SECTION 2. That the City of Clayton adopts the Complete Streets Policy attached hereto as Exhibit A, and made part of this resolution, and that said exhibit is hereby approved and adopted.

SECTION 3. The next substantial revision of the City of Clayton General Plan Circulation Element shall incorporate Complete Streets policies and principles consistent with the California Complete Streets Act of 2008 (AB 1358) and with the Complete Streets Policy adopted by this resolution.

PASSED, APPROVED and ADOPTED by the City Council of Clayton, California at a regular meeting thereof held on 15th day of January, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Julie Pierce, Mayor

ATTEST:

Laci J. Jackson, City Clerk

Exhibit A: Complete Streets Policy

Exhibit A

This Complete Streets Policy was adopted by Resolution No. XX-2013 by the City Council of the City of Clayton on January 15, 2013.

COMPLETE STREETS POLICY OF THE CITY OF CLAYTON

A. Complete Streets Principles

- 1. Complete Streets Serving All Users.** The City of Clayton expresses its commitment to creating and maintaining Complete Streets that provide safe, comfortable, and convenient travel along and across streets (including streets, roads, highways, bridges, and other portions of the transportation system) through a comprehensive, integrated transportation network that serves all categories of users, including, but not limited to, pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families.
- 2. Context Sensitivity.** In planning and implementing street projects, departments and agencies of the City of Clayton shall maintain sensitivity to local conditions in both residential and business districts as well as urban, suburban, and rural areas, and shall work with residents, merchants, and other stakeholders to ensure that a strong sense of place ensues. Improvements that will be considered include sidewalks, shared use paths, bicycle lanes, bicycle routes, paved shoulders, street trees and landscaping, planting strips, accessible curb ramps, crosswalks, refuge islands, pedestrian signals, signs, street furniture, bicycle parking facilities, public transportation stops and facilities, transit priority signalization, and other features assisting in the provision of safe travel for all users, such as traffic calming circles, transit blue outs, and road diets.
- 3. Complete Streets Routinely Addressed by All Departments.** All relevant departments and agencies of the City of Clayton shall work towards making Complete Streets practices a routine part of everyday operations, approach every relevant project, program, and practice as an opportunity to improve streets and the transportation network for all categories of users, and work in coordination with other departments, agencies, and jurisdictions to maximize opportunities for Complete Streets, connectivity, and cooperation. The following projects provide opportunities: pavement resurfacing, restriping, accessing above and underground utilities, signalization operations or modifications, and maintenance of landscaping/related features.
- 4. All Projects and Phases.** Complete Streets infrastructure sufficient to enable reasonably safe travel along and across the right of way for each category of users shall be incorporated into all planning, funding, design, approval, and implementation processes for any construction, reconstruction, retrofit, maintenance, operations, alteration, or repair of streets (including streets, roads, highways, bridges, and other portions of the transportation system), except that specific infrastructure for a given category of users may be excluded if an exemption is approved via the process set forth in Section C.1 of this policy.

B. Implementation

- 1. Plan Consultation and Consistency.** Maintenance, planning, and design of projects affecting the transportation system shall be consistent with local bicycle, pedestrian, transit, multimodal, and other relevant plans, except that where such consistency cannot be achieved without negative consequences, consistency shall not be required if the head of the relevant department provides written approval explaining the basis of such deviation.
- 2. Street Network Connectivity.** As feasible, the City of Clayton shall incorporate Complete Streets infrastructure into existing streets to improve the safety and convenience of users and to create employment, with the particular goal of creating a connected network of facilities accommodating each category of users, and increasing connectivity across jurisdictional boundaries and for existing and anticipated future areas of travel origination or destination.
- 3. Evaluation.** All relevant agencies or departments shall perform evaluation of how well the streets and transportation network of the City of Clayton are serving each category of users by collecting baseline data and collecting follow-up data on a regular basis.

C. Exemptions

- 1. Leadership Approval for Exemptions.** Projects that seek Complete Streets exemptions must provide written finding of why accommodations for all modes that were not included in the project and signed off by the City Engineer or equivalent high level staff person. Projects that are granted exceptions must be made publically available for review. Federal guidance on exceptions can be found from the Federal Highway Administration (FHWA) Accommodating Bicycle and Pedestrian Travel.

http://www.fhwa.dot.gov/environment/bicycle_pedestrian/guidance/design_guidance/design.cfm



Agenda Date: 1-15-13

Agenda Item: 9a

Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MERRY PELLETIER, FINANCE MANAGER

DATE: JANUARY 15, 2013

SUBJECT: ACCEPTANCE OF AUDITED CITY FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2011 (FY 2010-2011)

RECOMMENDATION

Accept the "unqualified opinion" Audited Financial Report for the City of Clayton Basic Financial Statements and the Independent Auditor's Report for fiscal year ended June 30, 2011 prepared by Thales Consulting and distributed on January 11, 2013.

AUDIT SUBMITTAL

The City's Audit Report was not completed in a timely manner in 2011 due to several factors. The greatest impedance was a software conversion that did not go well and unexpected staff illness that resulted in an early retirement of our Accounting Technician.

BACKGROUND

The City's Basic Financial Statements incorporate major funds within the Governmental Funds report. The Redevelopment Agency Capital Projects Fund and the LMI Fund are included in this portion of the report.

This is the sixth year staff opted to prepare the comprehensive financial reports in-house with the aid of a consultant. This decision was made to provide the autonomous separation of duties between auditors looking at the City's financial transactions and the actual report itself. The reporting format includes a management discussion and analysis for readers of the City's financial statements that are intended to serve as an introduction to the City's basic financial statements. A statement of net assets and a statement of activities and changes in net assets are also included that presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time,

increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Clayton is improving or deteriorating.

FISCAL ANALYSIS AND SUMMARY

The City of Clayton's governmental funds reported combined ending fund balances of \$17,766,270. Approximately 29 percent of this total amount (\$5,229,734) constitutes unassigned fund balance which is available for spending at the government's discretion. It is City Policy to maintain a healthy reserve balance for unexpected events and catastrophes and to only expense reserve monies on necessary one-time capital expenditures so as not to incur on-going operational expenditures in future years. The remainder of the fund balance is reserved to indicate what is not available for new spending because it has already been committed to:

- 1) Pay debt service \$633,252;
- 2) Complete Capital Improvement Projects \$3,290,608;
- 3) Complete RDA Housing Requirement \$6,183,840;
- 4) Special Revenue Fund restrictions \$2,432,120; and
- 5) Advances receivable \$475,000 due from the Clayton Redevelopment Agency for the Contra Costa County Fire Station; \$501,899 for an advance from the Low to Moderate Income Housing Fund to the Project Fund to pay the State of California S.E.R.A.F payment; and \$60,000 due from the Development Impact Fund for the Marsh Creek Road Sewer Survey.

Last fiscal year the General Fund revenues exceeded expenditures by \$166,555, thereby increasing the ending unassigned fund balance reserve to \$5,026,488. Included in the fund balance reserve are restricted funds for contingencies (\$250,000).

The Redevelopment Agency Capital Projects Fund revenues exceeded expenditures and transfers by \$284,829 decreasing the negative ending fund balance reserve to \$50,038. The Redevelopment Agency Low/Moderate Capital Project Fund revenues exceeded expenditures by \$589,941 increasing the ending fund balance reserve to \$6,183,840.

Each Special Revenue Fund maintained or improved fund balances except for the following funds: the Presley Settlement, Measure J, and Gas Tax funds expended fund balance reserves for Capital Improvement Street Projects; the Landscape Maintenance District expended fund balance reserves for median restoration projects; the Development Impact Fund expended fund balance reserves for upgrading the Lydia Lane Park; and the COPS Grant expended monies to pay the Police Department's EBRCSA radio system upgrades.

The Enterprise Funds (comprised of the Community Gym and Endeavor Hall) finished with Gym expenditures exceeding revenues by \$90,667 due to the write off of the YMCA unrecoverable debt caused by their bankruptcy. Unfortunately only \$10,012 of the debt was recovered in the bankruptcy court proceedings. Endeavor Hall's expenditures exceeded revenue (without depreciation) by \$6,292 an improvement over the prior year by \$4,142.

Total governmental expense activities were \$11,776,222 in fiscal year 2011 compared to \$11,730,076 in the prior year. The largest expenses were incurred for Debt Service (\$2,889,507), Planning and Development (\$2,354,951), and Capital Outlay (\$1,802,315). Combined these three activities account for 59% of all general government activity expenses. Police Support costs decreased by \$42,785.

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

CONCLUSION

Accept the "unqualified opinion" Audited Financial Report for the City of Clayton Basic Financial Statements and Independent Auditor's Report for fiscal year ending June 30, 2011, prepared by Cropper Accountancy Corporation and distributed on January 11, 2012.

Respectively submitted,



Merry Pelletier
Finance Manager

Attachments:

Basic Financial Statements and Independent Auditor's Report

City of Clayton

Clayton, California

***Basic Financial Statements
and Independent Auditors' Report***

For the fiscal year ended June 30, 2011

City of Clayton
Basic Financial Statements
June 30, 2011
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City of Clayton
Basic Financial Statements
June 30, 2011
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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Clayton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Clayton, California, (City) as of June 30, 2011, and for the year then ended, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Clayton, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).

In accordance with *Government Auditing Standards*, we have issued our report dated January 7, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clayton's basic financial statements. The combining and fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, CA
January 7, 2013

Management of the City of Clayton (the "City") provides this Management's Discussion and Analysis of the City's Basic Financial Statements for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City is for its fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the additional information that is furnished with the City's financial statements, which follow.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

Government -Wide Highlights

Net Assets - The assets of the City of Clayton exceeded its liabilities at the close of the most recent fiscal year by \$43,412,061. Of this amount, \$14,823,521 was reported as "unrestricted net assets" and may be used to meet the ongoing obligations to citizens and creditors.

Changes in Net Assets - The City's total net assets increased by \$838,555 in fiscal year 2011. Net assets of governmental activities increased by \$971,525, while net assets of business type activities decreased by \$(132,970).

Major Fund Highlights

Governmental Funds - As of the close of fiscal year 2011, the City's governmental funds reported a combined ending fund balance of \$17,766,270. Of this amount \$00 represents "unreserved fund balances" (or working equity) available for appropriation.

General Fund - The unassigned fund balance of the general fund on June 30, 2011 was \$ 5,229,784, while the assigned fund balance was \$46,704. The reporting of fund balances has changed due to a Governmental Accounting Standards Board (GASB 54) change in fiscal year ending 2010-11 that requires management restrict, commit, assign, indicate unassigned balances or nonspendable balances in the fund balance. In the past the management recorded the fund balances as reserved, unreserved and designated for contingencies, or unreserved, undesignated.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

City of Clayton
Management's Discussion and Analysis
For the fiscal year ended June 30, 2011

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Clayton's progress in funding its obligation to provide pension benefits to its employees and budgetary information for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Clayton, assets exceeded liabilities by \$43,412,061 at the close of the most recent fiscal year. This is an increase of \$ 838,555 or 2% from the previous fiscal year.

City of Clayton
Management's Discussion and Analysis
For the fiscal year ended June 30, 2011

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

The following is the condensed Statement of Net Assets for the fiscal year ended June 30, 2011:

	Governmental Activities 2011	Governmental Activities 2010	Business- Type Activities 2011	Business- Type Activities 2010	Total 2011	Total 2010
Current Assets	\$ 18,328,490	\$ 19,051,668	\$ (93,581)	\$ 158,535	\$ 18,234,909	\$ 19,210,203
Non-Current Assets	4,266,430	4,190,728	-	-	4,266,430	4,190,728
Capital Assets	27,398,220	27,879,151	1,394,950	1,263,280	28,793,170	29,142,431
Total Assets	\$ 49,993,140	\$ 51,121,547	\$ 1,301,369	\$ 1,421,815	\$ 51,294,509	\$ 52,543,362
Current Liabilities	\$ 1,857,172	\$ 1,740,705	\$ 18,099	\$ 5,575	\$ 1,875,271	\$ 1,746,280
Long-term Liabilities	6,007,177	8,223,576	-	-	6,007,177	8,223,576
Total Liabilities	7,864,349	9,964,281	18,099	5,575	7,882,448	9,969,856
Investment in Capital Assets, Net of Related Debt	\$ 20,953,220	\$ 19,239,151	\$ 1,394,950	\$ 1,431,018	\$ 22,348,170	\$ 20,670,169
Restricted	6,240,370	19,459,887	-	-	6,240,370	19,459,887
Unrestricted	14,935,201	2,458,228	(111,680)	(14,778)	14,823,521	2,443,450
Total Net Assets	\$ 42,128,791	\$ 41,157,266	\$ 1,283,270	\$ 1,416,240	\$ 43,412,061	\$ 42,573,506

A portion of the City of Clayton's net assets (14 percent) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net assets* \$14,823,521 may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Assets

The City's net assets have increased by \$838,555 or 2%, from the prior fiscal year. In fiscal year 2010-2011, City revenues, which include both governmental and business-type activities, totaled \$11,031,895 while expenses totaled \$10,193,340. Further analysis is provided within the governmental and business-type activity sections on the next page.

City of Clayton
Management's Discussion and Analysis
For the fiscal year ended June 30, 2011

City of Clayton's Statement of Activities and Changes in Net Assets for the fiscal year ended June 30, 2011:

	Governmental Activities 2011	Governmental Activities 2010	Business Type Activities 2011	Business Type Activities 2010	Total 2011	Total 2010
Revenues:						
Program revenues:						
Charges for services	\$ 698,733	\$ 528,847	\$ 26,202	\$ 102,799	\$ 724,935	\$ 631,646
Operating and Capital grants and contributions	494,148	129,746	-	167,738	494,148	297,484
Total program revenues	1,192,881	658,593	26,202	270,537	1,219,083	929,130
General revenues:						
Property taxes	6,698,149	6,856,430	-	-	6,698,149	6,856,430
Sales and other taxes	303,880	327,514	-	-	303,880	327,514
Special assessments	1,187,642	1,279,801	-	-	1,187,642	1,279,801
Other taxes	803,498	774,794	-	-	803,498	774,794
Investment income	335,205	490,207	276	(2,035)	335,481	488,172
Miscellaneous	477,402	847,460	60	-	477,462	847,460
Gain (loss) on sale of assets	6,700	7,000	-	-	6,700	7,000
Total general revenues	9,812,476	10,583,206	336	(2,035)	9,812,812	10,581,171
Total revenues	11,005,357	11,241,799	26,538	268,502	11,031,895	11,510,301
Expenses						
Legislative	59,000	59,942	-	-	59,000	59,942
Administrative	1,389,506	2,935,978	-	-	1,389,506	2,935,978
Community services and facilities	566,450	220,654	-	-	566,450	220,654
Community park	187,701	127,852	-	-	187,701	127,852
Economic development	214,151	459,392	-	-	214,151	459,392
General support	134,861	648,805	-	-	134,861	648,805
Police	1,841,028	1,864,978	-	-	1,841,028	1,864,978
Library	129,944	123,252	-	-	129,944	123,252
Engineering	91,218	101,973	-	-	91,218	101,973
Highway and streets	312,827	357,462	-	-	312,827	357,462
Landscape maintenance	2,521,689	822,353	-	-	2,521,689	822,353
Planning and development	2,171,344	3,283,844	-	-	2,171,344	3,283,844
Community gym	-	-	93,398	51,384	93,398	51,384
Endeavor hall	-	-	66,110	61,453	66,110	61,453
Total expenses	9,619,719	11,006,485	159,508	112,837	9,779,227	11,119,322
Increase in Net Assets before transfers and interest on long-term debt						
	1,385,638	235,314	(132,970)	155,665	1,252,668	390,979
Interest on Long-Term Debt	(414,113)	(591,236)	-	-	(414,113)	(591,236)
Transfers in (out)	-	-	-	-	-	-
Change in Net Assets	971,525	(355,922)	(132,970)	155,665	838,555	(200,257)
Net Assets - Beginning, restated	41,157,266	41,513,188	1,416,240	1,260,575	42,573,506	42,773,763
Net Assets - Ending	\$ 42,128,791	\$ 41,157,266	\$ 1,283,270	\$ 1,416,240	\$ 43,412,061	\$ 42,573,506

**City of Clayton
Management's Discussion and Analysis
For the fiscal year ended June 30, 2011**

Governmental Activities

Governmental activities increased the City's net assets by \$971,525 while Business Type activities decreased the City's net assets by \$(132,970), leaving an increase in the City's total net assets of \$838,555. A comparison of the cost of services by function for the City's governmental activities is shown on the previous page, along with the revenues used to cover the net expenses of the governmental activities.

Total governmental expense activities were \$10,033,832 in fiscal year 2011 compared to \$11,597,721 in the prior year. The largest expenses were incurred for Landscape Maintenance (25%), Planning and Development (22%), and Police Services (18%). These three activities combined account for 65% of all general activity expenses. Landscape Maintenance activity incurred the largest expense totaling \$2,521,689. This was an increase of \$1,699,336 over the prior year activity. Police Support costs decreased by \$23,950 over the prior fiscal year.

Total program revenues from governmental activities were \$1,192,881 in fiscal year 2011. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from government's general revenues. 59% of the governmental program revenues came from Charges for Services, which includes park use fees, rental fees, licenses and permits, plan checking fees, police service fees, planning services fees, and other revenues. The remaining 41% of the governmental program revenues came from grant funding. General revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, motor vehicle in-lieu fees, investment earnings, special assessments, fines, franchise fees, use of money and property, service charges, and other revenues. Total general revenues from governmental activities were \$9,812,476, in fiscal year 2011 of which \$6,698,149 or 68% is related to property taxes.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Clayton's governmental funds reported combined ending fund balances of \$17,766,270. Of this amount \$12,536,486 (71%) is assigned for specific expenditures in the future and \$5,229,784 (29%) is unassigned.

The fund balance of the City of Clayton's general fund increased by \$190,025 during the current fiscal year due to surplus revenue over expenditures. Considering the volatility of the economy, we were fortunate to have a positive impact on our fund balance. While this could not have been possible without additional cost reduction due to staff furloughs, it shows that our City has a good handle on budgeting expenditures that align with available revenues.

Proprietary Funds

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

Unrestricted net assets of the Major Enterprise Funds at the end of the year amounted to \$(111,680), and those for the Internal Service Fund amounted to \$202,930. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Clayton's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final general fund budget totaled \$3,656,609. There was one budget amendment to the originally adopted budget. The increase was for encumbrances from 2009-10 approved for \$235,389 which funded contractual obligations and outstanding purchases in this fiscal year.

General fund revenues exceeded budget by \$213,955 (7%). Staff was conservative in budgeting revenues given the economic condition in the spring of 2010 thus included in this increased revenue was \$34,404 (15.8%) for sales and use tax, \$12,476 (32%) for real property transfer tax, \$6,056 (10.7%) for Public Safety Allocation, \$20,312 (68%) for Motor Vehicle In-Lieu, \$22,880 (163%) for planning services, \$60,454 (71%) for interest earnings, and \$27,704 (100%) for other revenues.

General Fund expenditures were less than budgeted excluding encumbrances by \$206,398 showing our ability to spend precious resources wisely in a difficult economy.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Clayton's investment in capital assets for its governmental and business type activities as of June 30, 2011, amounted to \$28,793,170 (net accumulated depreciation). This investment in capital assets includes land, building, improvements, machinery and equipment, park facilities, corp yard building, and roads.

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

- Construction was completed on CIP 10409, a pavement resurfacing project and treatment on various streets throughout the City. The total cost of the project was \$903,104.

**City of Clayton
Management's Discussion and Analysis
For the fiscal year ended June 30, 2011**

- Construction on CIP 10413 the Community Park Lighting, Resurfacing and Parking project was begun with a cost of \$209,371.
- Construction was begun on CIP 10416 the 2010 Old Marsh Creek Road Overlay Project with a cost of \$335,312.

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

Debt Administration

At the end of the current fiscal year, the City had \$6,445,000 in debt outstanding all held in the Redevelopment Agency. The City has no outstanding general obligation debt. The Redevelopment Agency maintains a "AAA" rating for Tax Allocation Bonds from Standard & Poor's. Additional information on the City's long-term debt obligations can be found in Note 6 of the notes to the financial statements.

ECONOMIC CLIMATE

The City's budgetary history during the past 10 years clearly demonstrates an ability to provide necessary services within a limited and sometimes restrictive revenue source. There is a continued decrease in the General Fund's actual expenditure plan to \$3,656,609 a figure slightly more than in the fiscal year 2002/03 when the budget was adopted for \$3,537,893. Overall since 2000 expenditures have increased by 14% while during the same time period the consumer price index increased by 28.9%. At year end General Fund revenues (including transfers in) decreased by \$216,835 to \$3,852,252 compared to the prior fiscal year. By contrast General Fund revenues of \$3,826,391 in 2001 almost matched our current year revenues by \$25,764.

General Fund revenues, including transfers-in at June 30, 2011, exceeded expenditures by \$166,555. Overall since 2001 General Fund revenues have exceeded expenditures by \$6,416,304, accounting for its ability to increase its fund balance reserves yet still provide necessary services during times of economic turmoil. The difficulty facing the City over the next few years will be dependent upon how much more the State of California will continue to siphon local monies from the City coffers. This past fiscal year our City experienced the lowest Motor Vehicle In Lieu revenues in the past decade, due to the State ciphering at the local level. On a positive side, the City's unassigned fund balance \$5,229,784 is equal to 1234% of its annual General Fund operations for Fiscal Year 2010-11. Folding in the untouchable \$250,000 designation, an additional \$535,000 for advances to the Redevelopment Agency for Fire Station land (\$475,000), and to the Development Impact Fund for a sewer study (\$60,000), brings the total reserve equity to a position of 138% of its annual General Fund operations for Fiscal Year 2011-11.

REQUEST FOR INFORMATION

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

FINANCIAL SECTION

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Clayton
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$15,965,803	\$ -	\$15,965,803
Cash and investments with fiscal agent	1,076,021	-	1,076,021
Accounts Receivable (net of allowances)	412,269	9,990	422,259
Taxes Receivable	2,280	-	2,280
Interest Receivable	630,545	1	630,546
Internal Balances	103,572	(103,572)	-
Investment in bonds	138,000	-	138,000
Total Current Assets	18,328,490	(93,581)	18,234,909
Noncurrent Assets:			
Notes Receivable	4,266,430	-	4,266,430
Nondepreciable assets	2,034,300	167,738	2,202,038
Depreciable assets, net	25,363,920	1,227,212	26,591,132
TOTAL ASSETS	49,993,140	1,301,369	51,294,509
LIABILITIES			
Accounts payable	361,430	1,700	363,130
Other payables	10,053	12,549	22,602
Deposits payable	-	3,850	3,850
Accrued payroll	35,579	-	35,579
Interest payable	194,404	-	194,404
Note payable	592,412	-	592,412
Long-term debt due within one year	610,000	-	610,000
Long-term debt due in more than one year	5,835,000	-	5,835,000
Compensated absences payable	172,177	-	172,177
OPEB Liability	53,294	-	53,294
TOTAL LIABILITIES	7,864,349	18,099	7,882,448
NET ASSETS			
Invested in capital assets, net of related debt	20,953,220	1,394,950	22,348,170
Debt service	1,076,021	-	1,076,021
Special projects and programs	5,164,349	-	5,164,349
Unrestricted	14,935,201	(111,680)	14,823,521
TOTAL NET ASSETS	\$42,128,791	\$ 1,283,270	\$43,412,061

The accompanying notes are an integral part of the financial statements

City of Clayton
Statement of Activities and Changes in Net Assets
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities							
Legislative	\$ 59,000	\$ 6	\$ -	\$ -	\$ (58,994)	\$ -	\$ (58,994)
Administrative	1,389,506	45,739	-	-	(1,343,767)	-	(1,343,767)
Community service and facilities	566,450	139,222	-	-	(427,228)	-	(427,228)
Community park	187,701	-	-	-	(187,701)	-	(187,701)
Economic development	214,151	-	6,577	-	(207,574)	-	(207,574)
Planning and development	2,171,344	270,845	-	-	(1,900,499)	-	(1,900,499)
General support	134,861	187,930	-	-	53,069	-	53,069
Police	1,841,028	24,064	115,032	-	(1,701,932)	-	(1,701,932)
Library	129,944	2,669	-	-	(127,275)	-	(127,275)
Engineering	91,218	28,258	-	-	(62,960)	-	(62,960)
Highway and streets	312,827	-	263,530	-	(49,297)	-	(49,297)
Landscape maintenance	2,521,689	-	109,009	-	(2,412,680)	-	(2,412,680)
Interest and fiscal charges	414,113	-	-	-	(414,113)	-	(414,113)
Total Governmental Activities	<u>10,033,832</u>	<u>698,733</u>	<u>494,148</u>	<u>-</u>	<u>(8,840,951)</u>	<u>-</u>	<u>(8,840,951)</u>
Business-Type Activities							
Community Gym	93,398	2,511	-	-	-	(90,887)	(90,887)
Endeavor Hall	66,110	23,691	-	-	-	(42,419)	(42,419)
Total Business-Type Activities	<u>159,508</u>	<u>26,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(133,306)</u>	<u>(133,306)</u>
Total Primary Government	<u>\$10,193,340</u>	<u>\$ 724,935</u>	<u>\$ 494,148</u>	<u>\$ -</u>	<u>(8,840,951)</u>	<u>(133,306)</u>	<u>(8,974,257)</u>
General revenues:							
Taxes:							
Property taxes					6,698,149	-	6,698,149
Sales taxes					303,880	-	303,880
Special assessments					1,187,642	-	1,187,642
Other taxes					803,498	-	803,498
Total Taxes					<u>8,993,169</u>	<u>-</u>	<u>8,993,169</u>
Investment income (loss)					335,205	276	335,481
Gain on sale of land held for resale					6,700	-	6,700
Miscellaneous					477,402	60	477,462
Total general revenues					<u>9,812,476</u>	<u>336</u>	<u>9,812,812</u>
Change in net assets					971,525	(132,970)	838,555
Net assets - beginning of year					41,157,266	1,416,240	42,573,506
Net assets - end of year					<u>\$42,128,791</u>	<u>\$ 1,283,270</u>	<u>\$43,412,061</u>

The accompanying notes are an integral part of the financial statements

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GOVERNMENTAL FUNDS

General Fund

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

Clayton Redevelopment Agency Capital Projects

This fund accounts for the projects funded through the property tax increment generated within the project area.

Clayton Redevelopment Agency Low/Moderate Income Housing

This fund accounts for the low and moderate income housing projects funded through a mandatory 20% set aside of the property tax increment generated with the project area.

Capital Improvements Projects

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

Clayton Redevelopment Agency Debt Service

This fund accounts for the 1996A and 1999 Tax Allocation Bonds debt service payments.

(Other Governmental Funds)

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

City of Clayton
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds	
	General Fund	RDA Capital Projects Fund
ASSETS		
Cash and investments	\$ 3,504,464	\$ 1,381,221
Cash and investments with fiscal agents	-	-
Accounts receivable	186,149	-
Taxes receivable	-	-
Interest receivable	38,133	-
Notes receivable	-	244,380
Investment in bonds	-	138,000
Due from other funds	736,263	-
Advance to other funds	1,036,899	-
TOTAL ASSETS	\$ 5,501,908	\$ 1,763,601
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 120,885	\$ 1,598
Other payables	66,334	-
Accrued payroll	35,579	-
Deferred revenue	2,622	242,730
Notes payable	-	592,412
Due to other funds	-	-
Advance from other funds	-	976,899
TOTAL LIABILITIES	225,420	1,813,639
FUND BALANCE		
Assigned	46,704	(50,038)
Unassigned	5,229,784	-
Unreserved, undesignated reported in:	-	-
TOTAL FUND BALANCE	5,276,488	(50,038)
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,501,908	\$ 1,763,601

The accompanying notes are an integral part of the financial statements

**City of Clayton
Balance Sheet
Governmental Funds
June 30, 2011**

Major Funds				
RDA Low/Moderate Capital Projects Fund	Capital Improvements Fund	RDA Debt Service Fund	Other Governmental	Total
\$ 4,839,611	\$ 3,375,154	\$ -	\$ 2,655,434	\$ 15,755,884
-	-	1,076,021	-	1,076,021
-	-	-	227,205	413,354
-	-	-	2,280	2,280
-	-	-	-	38,133
4,614,462	-	-	-	4,858,842
-	-	-	-	138,000
-	-	-	-	736,263
-	-	-	-	1,036,899
<u>\$ 9,454,073</u>	<u>\$ 3,375,154</u>	<u>\$ 1,076,021</u>	<u>\$ 2,884,919</u>	<u>\$ 24,055,676</u>
\$ 2,633	\$ 84,546	\$ -	144,779	354,441
-	-	-	(1,902)	64,432
-	-	-	-	35,579
3,267,600	-	-	60,000	3,572,952
-	-	-	-	592,412
-	-	442,769	189,922	632,691
-	-	-	60,000	1,036,899
<u>3,270,233</u>	<u>84,546</u>	<u>442,769</u>	<u>452,799</u>	<u>6,289,406</u>
6,183,840	3,290,608	633,252	2,432,120	12,536,486
-	-	-	-	5,229,784
-	-	-	-	-
<u>6,183,840</u>	<u>3,290,608</u>	<u>633,252</u>	<u>2,432,120</u>	<u>17,766,270</u>
<u>\$ 9,454,073</u>	<u>\$ 3,375,154</u>	<u>\$ 1,076,021</u>	<u>\$ 2,884,919</u>	<u>\$ 24,055,676</u>

The accompanying notes are an integral part of the financial statements

City of Clayton
Reconciliation of Governmental Funds Balance Sheet with the Statement of Net Assets
June 30, 2011

Total Fund Balances - Governmental Funds	\$ 17,766,270
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet	
Non-depreciable capital assets	2,034,300
Depreciable capital assets, net (net of internal service fund assets of \$328,366)	25,035,554
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet	(194,404)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	
Long-term debt due within one year	(610,000)
Long-term liabilities - due in more than one year	(5,835,000)
Compensated absences payable	(172,177)
Revenues which are deferred on the Governmental Funds Balance Sheet because they are not available currently are taken into revenue in the Statement of Activities and accordingly increases the net position on the Statement of Net Position	3,572,952
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Government-wide Statement of Net Position.	<u>531,296</u>
Net Position of Governmental Activities	<u>\$ 42,128,791</u>

The accompanying notes are an integral part of the financial statements

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City of Clayton
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Major Funds		
	General Fund	RDA Capital Projects Fund	RDA Low/Moderate Capital Projects Fund
REVENUES			
Property taxes	\$ 1,642,916	\$ 4,075,890	\$ 1,018,973
Program income	11,847	-	225,725
Special assessments	-	-	-
Sales taxes	252,404	-	-
Permits, licenses and fees	247,644	-	-
Fines, forfeitures and penalties	55,919	-	-
From other agencies	81,811	-	-
Motor vehicle in-lieu fees	50,312	-	-
Other in-lieu fees	140,255	-	-
Franchise fees	403,815	-	-
Service charges	71,878	-	-
Use of money and property	161,933	9,360	77,163
Other revenue	81,243	13,800	-
TOTAL REVENUES	\$ 3,201,977	\$ 4,099,050	\$ 1,321,861
EXPENDITURES			
General Government			
Legislative	59,000	-	-
Administrative	881,846	-	-
Community services and facilities	144,297	-	-
Community park	99,742	-	-
Economic development	-	-	-
Planning and development	261,075	1,278,134	815,742
General support	134,863	-	-
Police	1,774,365	-	-
Library	128,382	-	-
Engineering	91,218	-	-
Highway and streets	-	-	-
Landscape maintenance	110,812	-	-
Debt Service	-	-	-
Loss on sale of land held of resale	-	-	259,502
Principal	-	-	-
Interest and fiscal charges	-	42,225	-
Capital Outlay	-	50,310	-
TOTAL EXPENDITURES	3,685,600	1,370,669	1,075,244
REVENUES OVER (UNDER) EXPENDITURES	(483,623)	2,728,381	246,617
OTHER FINANCING SOURCES			
Transfers in	650,178	-	-
Transfers out	-	(2,443,552)	(150,095)
TOTAL OTHER FINANCING SOURCES (USES)	650,178	(2,443,552)	(150,095)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	166,555	284,829	96,522
FUND BALANCES:			
Beginning of year, as previously reported	5,109,933	(334,867)	5,593,899
Prior period adjustment to correct error (See Note 13)	-	-	493,419
Beginning of fiscal year, as restated	5,109,933	(334,867)	6,087,318
End of fiscal year	\$ 5,276,488	\$ (50,038)	\$ 6,183,840

The accompanying notes are an integral part of the financial statements

City of Clayton
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2011

Major Funds

Capital Improvements Fund	RDA Debt Service Fund	Other Governmental	Total
\$ -	\$ -	\$ -	\$ 6,737,779
-	-	-	237,572
-	-	1,186,092	1,186,092
-	-	-	252,404
-	-	31,760	279,404
-	-	-	55,919
391,849	-	669,971	1,143,631
-	-	-	50,312
-	-	-	140,255
-	-	-	403,815
-	-	-	71,878
34,895	-	62,995	346,346
-	-	16,050	111,093
<u>\$ 426,744</u>	<u>\$ -</u>	<u>\$ 1,966,868</u>	<u>\$ 11,016,500</u>
-	-	-	59,000
-	-	-	881,846
-	8,265	-	152,562
-	-	-	99,742
-	-	207,590	207,590
-	-	-	2,354,951
-	-	-	134,863
-	-	-	1,774,365
-	-	-	128,382
-	-	-	91,218
-	-	312,400	312,400
-	-	776,671	887,483
-	-	-	-
-	-	-	259,502
-	2,195,000	-	2,195,000
-	392,780	-	435,005
<u>1,467,891</u>	<u>-</u>	<u>284,114</u>	<u>1,802,315</u>
<u>1,467,891</u>	<u>2,596,045</u>	<u>1,580,775</u>	<u>11,776,224</u>
<u>(1,041,147)</u>	<u>(2,596,045)</u>	<u>386,093</u>	<u>(759,724)</u>
1,023,230	2,068,172	1,380	3,742,960
-	-	(1,149,313)	(3,742,960)
<u>1,023,230</u>	<u>2,068,172</u>	<u>(1,147,933)</u>	<u>-</u>
(17,917)	(527,873)	(761,840)	(759,724)
<u>3,308,525</u>	<u>1,161,125</u>	<u>3,193,960</u>	<u>18,032,575</u>
-	-	-	493,419
<u>3,308,525</u>	<u>1,161,125</u>	<u>3,193,960</u>	<u>18,525,994</u>
<u>\$ 3,290,608</u>	<u>\$ 633,252</u>	<u>\$ 2,432,120</u>	<u>\$ 17,766,270</u>

The accompanying notes are an integral part of the financial statements

City of Clayton
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds	\$ (759,724)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds. (Net of internal service fund depreciation of \$74,097).	(650,686)
Certain long-term assets, such as notes receivable, developer receivable, and investment in low and moderate income housing are reported as expenditures in the governmental funds and then are offset by a deferred revenue as they are not available to pay current expenditures. When the long-term assets are collected, they are reflected as revenue. This amount is the net change in the long-term assets for the current period.	97,706
Long-term compensated absences are reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in governmental funds. The program expenses are adjusted for the current year net changes in compensated absences.	(8,601)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Assets	
Long-term debt repayments	2,195,000
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in the governmental funds. The following amount represents the change in accrued interest from prior year.	9,751
Capital asset acquisition, excluding internal service fund asset acquisitions.	178,137
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net gain or loss of the internal service funds is reported with governmental activities.	(90,058)
Change Net Assets of Governmental Activities	<u>\$ 971,525</u>

The accompanying notes are an integral part of the financial statements

PROPRIETARY FUNDS

City of Clayton
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Community Gym	Endeavor Hall	Total	Governmental Activities Internal Service Funds
ASSETS				
Current Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 209,919
Receivables:				
Accounts	9,990	-	9,990	-
Interest		1	1	-
Noncurrent Assets				
Land	-	167,738	167,738	-
Depreciable assets, net	-	1,227,212	1,227,212	328,366
TOTAL ASSETS	<u>9,990</u>	<u>1,394,951</u>	<u>1,404,941</u>	<u>538,285</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	-	1,700	1,700	6,989
Other payables	12,489	60	12,549	-
Deposits payable		3,850	3,850	-
Due to other funds	93,344	10,228	103,572	-
TOTAL LIABILITIES	<u>105,833</u>	<u>15,838</u>	<u>121,671</u>	<u>6,989</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	1,394,950	1,394,950	328,366
Unrestricted	(95,843)	(15,837)	(111,680)	202,930
TOTAL NET ASSETS	<u>\$ (95,843)</u>	<u>\$ 1,379,113</u>	<u>\$ 1,283,270</u>	<u>\$ 531,296</u>

The accompanying notes are an integral part of the financial statements

City of Clayton
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Community Gym	Endeavor Hall	Total	Governmental Activities Internal Services Funds
OPERATING REVENUES				
Charges for current services	\$ 2,511	\$ 23,751	\$ 26,262	\$ 15,636
TOTAL OPERATING REVENUES	<u>2,511</u>	<u>23,751</u>	<u>26,262</u>	<u>15,636</u>
OPERATING EXPENSES				
Personnel		15,210	15,210	
General and administrative	2,709	14,833	17,542	35,116
Bad Debt Expense	90,689	-	90,689	
Depreciation and amortization		36,067	36,067	74,096
TOTAL OPERATING EXPENSES	<u>93,398</u>	<u>66,110</u>	<u>159,508</u>	<u>109,212</u>
OPERATING INCOME (LOSS)	<u>(90,887)</u>	<u>(42,359)</u>	<u>(133,246)</u>	<u>(93,576)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income (loss)	<u>220</u>	<u>56</u>	<u>276</u>	<u>3,518</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>220</u>	<u>56</u>	<u>276</u>	<u>3,518</u>
CHANGE IN NET ASSETS	(90,667)	(42,303)	(132,970)	(90,058)
NET ASSETS:				
Beginning of fiscal year	<u>(5,176)</u>	<u>1,421,416</u>	<u>1,416,240</u>	<u>621,354</u>
End of fiscal year	<u>\$ (95,843)</u>	<u>\$ 1,379,113</u>	<u>\$ 1,283,270</u>	<u>\$ 531,296</u>

The accompanying notes are an integral part of the financial statements

City of Clayton
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Major Enterprise Funds			Governmental Activities Internal Service Funds
	Community Gym	Endeavor Hall	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers/other funds	\$ 2,511	\$ 23,751	\$ 26,262	\$ 15,636
Cash payments to suppliers for goods and services	(2,731)	(8,597)	(11,328)	(45,816)
Cash payment to employees for services	-	(15,210)	(15,210)	-
Net cash provided (used) by operating activities	(220)	(56)	(276)	(30,180)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Cash paid for capital acquisition	-	-	-	(65,715)
Gain (Loss) on sale of asset	-	-	-	-
Capital Contributions	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	(65,715)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income received	220	56	276	3,519
Net cash provided (used) by investing activities	220	56	276	3,519
Net increase (decrease) in cash and cash equivalents	-	-	-	(92,376)
CASH AND CASH EQUIVALENTS:				
Fiscal year end June 30, 2010	-	-	-	302,295
Fiscal year end June 30, 2011	\$ -	\$ -	\$ -	\$ 209,919
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (90,887)	\$ (42,359)	\$(133,246)	\$ (93,576)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	36,067	36,067	74,097
Changes in current assets and liabilities:				
Accounts receivable	90,688	-	90,688	-
Accounts payable	12,489	(1,375)	11,114	(10,701)
Other payables	-	1,411	1,411	-
Due to other funds	(12,510)	6,200	(6,310)	-
Insurance claims payable	-	-	-	-
Net cash provided (used) by operating activities	\$ (220)	\$ (56)	\$ (276)	\$ (30,180)

The accompanying notes are an integral part of the financial statements

FIDUCIARY FUNDS

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

City of Clayton
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 2,271,034
Cash with fiscal agents	232,858
Investment in bonds	4,231,000
Other receivables	<u>853,598</u>
TOTAL ASSETS	<u>\$ 7,588,490</u>
LIABILITIES	
Accounts payable	\$ 489,911
Interest payable	-
Other payables	64,361
Other deposits	739,489
Due to bondholders	<u>6,294,729</u>
TOTAL LIABILITIES	<u>\$ 7,588,490</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Clayton (City) is primarily a residential community nestled in the foothills of Mount Diablo in Contra Costa County, California. The City was incorporated as a municipal corporation in 1964, and encompasses four square miles with a population of 10,873.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. The City's staff of 26 full time equivalent employees, of which 11 are sworn officers in the Police Department, are under contract with the City and responsible for the following City services:

- **Public Safety** - The City provides 24-hour police services from a central station, using trained personnel.
- **Streets and Roads** - The City maintains its streets, curbs, gutters and related public property using City employees. Major projects may be contracted to reduce costs.
- In addition, the City employs a varying number of seasonal personnel for maintenance.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

A. Reporting Entity, Continued

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

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

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

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

B. Basis of Accounting and Measurement Focus, Continued

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

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

Governmental Fund Financial Statements

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

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

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

City of Clayton
Notes to Basic Financial Statements
For the fiscal year ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

B. Basis of Accounting and Measurement Focus, Continued

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

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

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

Proprietary Fund Financial Statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

The City has the following major enterprise funds:

Community Gym - This fund accounts for all activities located at the Community Gym and managed by All Out Sports League.

Endeavor Hall - This fund accounts for all activities related to use of the facility. The primary use has been for Wedding Receptions.

The City has the following internal service funds:

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

Self-Insurance Liability - This fund accounts for the administration of the City's self-insurance programs, payment of Employee Assistance Programs, and liability claims payments.

Fiduciary Fund Financial Statements

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

C. Use of Restricted and Unrestricted Net Assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Cash and Investments

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

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

The City reviews and refines its Investment Policy (Policy) annually, with the most recent revision in August 2011. The Policy states that the primary investment objective is safety with investments being legally permitted and sufficiently liquid to meet forecasted needs. Maximization of interest earnings is a secondary objective. Further, the Policy states that the City Treasurer has the ultimate responsibility to protect, preserve and maintain cash and investments. The Policy also established internal controls and reporting requirements. The Policy stipulates "Permitted Investments and Limitation on Investments."

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Land Held for Resale/Investment in low and moderate income housing

The City has acquired two parcels of land in Stranahan circle as part of its primary purpose to develop or redevelop City properties. The property is being carried at the lower of cost or net realizable value. The Agency has also purchased and re-sold various properties to low and moderate income households. At the time the Agency buys back the property the cost is written down (expensed) to the new lower purchase price. The City participates in the profits on any sales to an outside party in the same proportion as what the low and moderate income purchaser purchased the property from the Agency at below the market value.

F. Capital Assets

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

G. Long-Term Liabilities

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

H. Compensated Absences

Government-Wide Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. Compensated absences include vacation. It is the policy of the City to pay 100% of the accumulated vacation

leave when a public safety employee retires or terminates, and up to 18 months of a general employee's maximum annual accrual allowed upon the same leave of employment action.

I. Net Assets / Fund Balances

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

The City has implemented the GASB No. 54 Fund Balance Reporting and Governmental Fund Type Definitions that improves financial reporting by providing fund balance categories and classifications that will be more easily understood. The fund balance classification approach in this Statement requires governments to classify amounts consistently, regardless of the fund type or column in which they are presented. As a result, an amount cannot be classified as restricted in one fund but unrestricted in another. The fund balance disclosures will give users information necessary to understand the process under which constraints are imposed upon the use of resources and how those constraints may be modified or eliminated. Fund balances for governmental funds are reported in a classifications that compromise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City Council, as the highest level of decision-making authority of the City, commits fund balances through resolutions. The Council has designated certain members of management staff to assign fund balances.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Property Taxes

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

K. Use of Estimates

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

L. Interfund Balances/Internal Balances

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

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

M. Implementation of New GASB Pronouncements

The City has implemented the following accounting standards during the fiscal year ended June 30, 2011:

GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* - This Statement improves financial reporting by providing fund balance categories and classifications that will be more easily understood. The fund balance classification approach in this Statement requires governments to classify amounts consistently, regardless of the fund type or column in which they are presented. As a result, an amount cannot be classified as restricted in one fund but unrestricted in another. The fund balance disclosures give users information necessary to understand the processes under which constraints are imposed upon the use of resources and how those constraints may be modified.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

"Under GASB Statement No. 54, Fund Balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City Council, as the highest level of decision-making authority of the City, commits fund balances through resolutions. The Council has designated certain members of management staff to assign fund balances. These captions apply only to Fund Balance classifications:

- *Nonspendable fund balance* are those amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact.
- *Restricted fund balances* are those amounts that should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balances* are those amounts that cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- *Assigned fund balances* are those amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, except for stabilization arrangements.
- *Unassigned fund balances* are those residual funds that have not been assigned to other funds, are nonspendable, restricted, committed, or assigned to specific purposes. The general fund should be the only fund that reports a positive unassigned fund balance amount.

It is the policy of the City to spend funds in order from restricted to unassigned, as listed above.

City of Clayton
Notes to Basic Financial Statements
For the fiscal year ended June 30, 2011

2. CASH AND INVESTMENTS

Statement of Net Assets:	
Cash and investments	\$ 15,965,803
Restricted cash and investments with fiscal agent	1,076,021
Investment in assessment bonds	138,000
Statement of Fiduciary Net Assets:	
Cash and investments	2,271,034
Cash with fiscal agents	232,858
Bonds held in refunding	<u>3,872,000</u>
Total	\$ <u>23,555,717</u>

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 1,000
Deposits with financial institutions	1,185,514
Investments	<u>22,369,203</u>
Total	\$ <u>23,555,717</u>

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

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

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

2. CASH AND INVESTMENTS, Continued

Investments Authorized by Debt Agreements

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

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

Disclosures Relating to Interest Rate Risk

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

Investment Type	Totals	Remaining Maturity (in Months)					
		12 Months or Less	13 - 24 Months	25 - 36 Months	37 - 48 Months	49 - 60 Months	More than 60 Months
State Investment Pool	\$ 4,675,992	\$ 4,675,992	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Funds	2,794	2,794	-	-	-	-	-
Investment in assessment bonds	138,000	-	-	-	-	-	138,000
Certificates of Deposit	12,371,538	2,991,270	3,320,554	3,675,356	1,306,497	1,077,861	-
Held by bond trustees:							
Money Market Funds	1,308,879	1,308,879	-	-	-	-	-
Bonds held in refunding	3,872,000	-	-	-	-	-	3,872,000
	<u>\$ 22,369,203</u>	<u>\$ 8,978,935</u>	<u>\$ 3,320,554</u>	<u>\$ 3,675,356</u>	<u>\$ 1,306,497</u>	<u>\$ 1,077,861</u>	<u>\$ 4,010,000</u>

City of Clayton
Notes to Basic Financial Statements
For the fiscal year ended June 30, 2011

2. CASH AND INVESTMENTS, Continued

Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
State Investment Pool	N/A	\$ -	\$ -	\$ -	\$ -	4,675,992
Money Market Funds	N/A	-	-	-	-	2,794
Investment in assessment bonds		-	-	-	-	138,000
Certificates of Deposit	N/A	-	-	-	-	12,371,538
Held by bond trustees:						
Money Market Funds	N/A	-	-	-	-	1,308,879
Bonds held in refunding	N/A	-	-	-	-	3,872,000
Total		\$ -	\$ -	\$ -	\$ -	22,369,203

Concentration of Credit Risk

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

Custodial Credit Risk

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

2. CASH AND INVESTMENTS, Continued

Investments in State Investment Pool

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

3. RECEIVABLES

Notes Receivables

As of June 30, 2011, notes receivable consisted of the following:

Description	Ending Balance June 30, 2010	Additions	Deletions	Ending Balance June 30, 2011
Professional Apartment Management, Inc.	\$ 3,129,000	\$ 200,000	\$ 61,400	\$ 3,267,600
Eden Housing, Inc. (formerly Peace Grove)	567,000	-	-	567,000
Second Mortgage Program	187,450	-	-	187,450
Assessment District Loans	307,278	-	62,898	244,380
Total	\$ 4,190,728	\$ 200,000	\$ 124,298	\$ 4,266,430

The Agency has provided assistance to special assessment districts within the City, to fund repairs and improvements. There are three districts which received loans from the Agency. As of June 30, 2011, the outstanding balance of the loans was **\$244,380**.

On September 21, 1999, the Agency made a loan to the Professional Apartment Management, Inc. ("PAM") in the amount of \$750,000, at a non-interest bearing rate, to construct and develop an affordable senior assisted living center on the site known as "Diamond Terrace." The note is secured by the Deed of Trust. The Agency loaned an additional \$1,286,000 on October 24, 2001. On December 1, 2003, PAM began drawing on a \$2,000,000 loan from the Agency in the amount of \$200,000 annually. The principal balance is payable commencing on October 1, 2005 through October 1, 2030. As of June 30, 2011, the outstanding balance of the loan was **\$3,267,600**.

City of Clayton
Notes to Basic Financial Statements
For the fiscal year ended June 30, 2011

3. RECEIVABLES, Continued

On October 13, 1992, the Agency made a loan to the Peace Grove, Inc. in the amount of \$567,000, at a non-interest bearing rate, for the purchase of land for a redevelopment and housing project for low-income mental health system clients. The loan is secured by the Deed of Trust. The principal balance is payable on December 18, 2052. As of June 30, 2011, the outstanding balance of the loan was **\$567,000**. The Agency participates in a second mortgage assistance program, whereby qualified applicants are loaned money for a "silent second" down payment to purchase a home in the Stranahan Development within the City. There are seven individual loans outstanding. As of June 30, 2011, the outstanding balance of the loans was **\$187,450**.

4. INTERFUND TRANSACTIONS

A. Due To, Due From

At June 30, 2011, the City had the following short-term interfund receivables and payables:

DUE TO	DUE FROM					Total
	Governmental		Business-Type			
	RDA	Non-major				
	Debt Service	Governmental	Community	Endeavor		
	Fund	Funds	Gym	Hall		
Governmental Activities:						
General Fund	\$ 442,769	\$ 189,922	\$ 93,344	\$ 10,228	\$ 736,263	
Total	\$ 442,769	\$ 189,922	\$ 93,344	\$ 10,228	\$ 736,263	

B. Interfund Transfers

At June 30, 2011, the City had the following transfers:

TRANSFERS OUT	TRANSFERS IN				Total
	General Fund	Capital Improvement	RDA Debt Service	Non-major Governmental Funds	
RDA Capital Projects	\$ -	\$ 375,380	\$ 2,068,172	\$ -	\$ 2,443,552
RDA Low/Moderate	150,095	-	-	-	150,095
Non-major Governmental Funds	500,083	647,850	-	1,380	1,149,313
Total	\$ 650,178	\$ 1,023,230	\$ 2,068,172	\$ 1,380	\$ 3,742,960

4. INTERFUND TRANSACTIONS, Continued

B. Interfund Transfers, continued

The Redevelopment Agency transferred **\$2,068,172** from the capital projects fund to the debt service fund for the current debt service payments.

The City transferred **\$650,178** into the General Fund from Low/Moderate Income Capital Project Fund (**\$150,095**) and Non-major Governmental Funds (**\$500,083**) to reimburse the City for administrative expenses. The City transferred **\$1,023,230** into the Capital Improvement Fund from the RDA Capital Projects Fund (**\$375,380**) and Non-Major Governmental Funds (**\$647,850**) for various capital projects.

C. Advance to other funds

On June 17, 1999, the Agency purchased a parcel of land for \$475,000, from the City. In exchange for the parcel of land the Agency issued a note in the amount of \$475,000 to the City. The principal amount is payable on or before January 1, 2023. As of June 30, 2011, the outstanding balance of the note was **\$475,000**.

On September 30, 2004, the City transferred \$35,000 into the Development Impact Fees Fund to provide funding necessary to retain a consultant to prepare a sewer master plan for the potential annexation that is currently being processed by the City. It is the City's intent to recover the sewer master plan fees upon annexation. Additional funding by the City in the amount of \$25,000 was advanced to the Development Impact Fees Fund on May 17, 2005. As of June 30, 2011, the outstanding balance of the advance was **\$60,000**.

On February 16, 2010, the Agency recognized a debt owed to the City in the amount of \$501,899. The debt resulted from the Agency omitting payment to the City of an annual 2% election payment for the past twenty-one fiscal years. The City has recognized this advance of funds and the Agency has agreed to pay back this advance in four annual installments of \$125,475. As of June 30, 2011, the balance is \$501,899.

D. Note payable

On May 10, 2011, the Redevelopment Agency received a loan from the Low to Moderate Income Housing Fund in the amount of \$592,412 to partially cover a demand from the California Department of Finance for property tax revenues to K-12 schools during the 2010-11 fiscal year via the Supplemental Educational Revenue Augmentation Funds (SERAF). The loan is to be repaid without interest by June 30, 2015.

City of Clayton
Notes to Basic Financial Statements
For the fiscal year ended June 30, 2011

5. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2011, the City's capital assets consisted of the following:

	Governmental Activities	Business - Type Activities	Total
<i>Non depreciable Assets:</i>			
Land	\$ 1,046,366	\$ 167,738	\$ 1,214,104
Construction in progress	987,934	-	987,934
Total non depreciable assets	<u>2,034,300</u>	<u>167,738</u>	<u>2,202,038</u>
<i>Depreciable Assets:</i>			
Buildings	5,895,576	1,400,744	7,296,320
Improvements	4,295,841	151,004	4,446,845
Machinery and equipment	1,076,401	5,024	1,081,425
Infrastructure	27,120,016	-	27,120,016
Total depreciable assets	<u>38,387,834</u>	<u>1,556,772</u>	<u>39,944,606</u>
Total accumulated depreciation	<u>(13,023,914)</u>	<u>(329,560)</u>	<u>(13,353,474)</u>
Depreciable assets, net	<u>25,363,920</u>	<u>1,227,212</u>	<u>26,591,132</u>
Total governmental activities capital assets, net	\$ <u>27,398,220</u>	\$ <u>1,394,950</u>	\$ <u>28,793,170</u>

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

	Balance July 1, 2010	Additions	Deletions	Transfers and Adjustments	Balance June 30, 2011
<i>Non depreciable Assets:</i>					
Land	\$ 1,046,366	\$ -	\$ -	\$ -	\$ 1,046,366
Construction in progress	809,797	182,756	-	(4,619)	987,934
Total non depreciable assets	<u>1,856,163</u>	<u>182,756</u>	<u>-</u>	<u>(4,619)</u>	<u>2,034,300</u>
<i>Depreciable Assets:</i>					
Buildings	5,895,576	-	-	-	5,895,576
Improvements	4,295,841	-	-	-	4,295,841
Machinery and equipment	1,010,687	65,714	-	-	1,076,401
Infrastructure	27,120,016	-	-	-	27,120,016
Total depreciable assets	<u>38,322,120</u>	<u>65,714</u>	<u>-</u>	<u>-</u>	<u>38,387,834</u>
<i>Accumulated depreciation:</i>					
Buildings	(2,005,838)	(117,750)	-	226,450	(1,897,138)
Improvements	(871,350)	(136,619)	-	(226,450)	(1,234,419)
Machinery and Equipment	(673,939)	(74,092)	-	-	(748,031)
Infrastructure	(8,748,005)	(396,321)	-	-	(9,144,326)
Total accumulated depreciation	<u>(12,299,132)</u>	<u>(724,782)</u>	<u>-</u>	<u>-</u>	<u>(13,023,914)</u>
Depreciable assets, net	<u>26,022,988</u>	<u>(659,068)</u>	<u>-</u>	<u>-</u>	<u>25,363,920</u>
Total governmental activities capital assets, net	\$ <u>27,879,151</u>	\$ <u>(476,312)</u>	\$ <u>-</u>	\$ <u>(4,619)</u>	\$ <u>27,398,220</u>

5. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

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

Public Works and Facilities	\$ (24,775)
General support	(569,894)
Police	(56,067)
Internal service	(74,096)
Total depreciation expense - governmental activities	\$ (724,782)

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

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<i>Non depreciable Assets:</i>				
Land	\$ 167,738	\$ -	\$ -	\$ 167,738
<i>Depreciable Assets:</i>				
Buildings	\$ 1,400,744	\$ -	\$ -	\$ 1,400,744
Improvements	151,004	-	-	151,004
Machinery & Equipment	5,024	-	-	5,024
Total depreciable assets	<u>1,556,772</u>	<u>-</u>	<u>-</u>	<u>1,556,772</u>
Accumulated Depreciation	(293,492)	(36,068)	-	(329,560)
Depreciable assets, net	<u>1,263,280</u>	<u>(36,068)</u>	<u>-</u>	<u>1,227,212</u>
Total business-type activities capital assets, net	\$ <u>1,431,018</u>	\$ <u>(36,068)</u>	\$ <u>-</u>	\$ <u>1,394,950</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2011 was as follows:

Endeavor hall	\$ 36,067
Total depreciation expense	\$ 36,067

B. Fund Financial Statements

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

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

City of Clayton
Notes to Basic Financial Statements
For the fiscal year ended June 30, 2011

6. LONG-TERM DEBT

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2011:

Description	Beginning Balance July 1, 2010	Additions	Reductions	Ending Balance June 30, 2011	Amounts Due Within One Year	Amounts Due in More Than One Year
<i>Governmental Activities:</i>						
1996 Refund Tax	\$					
Allocation Bonds	3,210,000	\$ -	\$ (1,940,000)	\$ 1,270,000	\$ 340,000	\$ 930,000
1999 Tax Allocation Bonds	5,430,000	-	(255,000)	5,175,000	270,000	4,905,000
Total governmental activities	\$ 8,640,000	\$ -	\$ (2,195,000)	\$ 6,445,000	\$ 610,000	\$ 5,835,000

1996 Series A Refunding Tax Allocation Bonds

1996 Series A Refunding Tax Allocation Bonds in the principal amount of \$7,225,000 were issued on November 16, 1996 by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. Bonds maturing after August 1, 2011 are subject to call on any interest payment date at par, plus a premium 1 % to 2% of the principal amount. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenue.

The annual debt service requirements to amortize the 1996 Refunding Tax Allocation Bonds outstanding at June 30, 2011, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 340,000	\$ 59,083	\$ 399,083
2013	-	49,987	49,987
2014	-	49,987	49,987
2015	-	49,987	49,987
2016	-	49,987	49,987
2017-2021	930,000	153,189	1,083,189
Total	\$ 1,270,000	\$ 412,220	\$ 1,682,220

1999 Tax Allocation Bonds

1999 Issue Tax Allocation Bonds in the principal amount of \$7,460,000 were issued on June 15, 1999 by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenues.

6. LONG-TERM DEBT, Continued

The annual debt service requirements to amortize the 1999 Tax Allocation Bonds outstanding at June 30, 2011, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 270,000	\$ 248,930	\$ 518,930
2013	280,000	236,140	516,140
2014	295,000	222,554	517,554
2015	310,000	208,030	518,030
2016	320,000	192,672	512,672
2017-21	1,860,000	701,666	2,561,666
2022-25	1,840,000	189,750	2,029,750
Total	<u>\$ 5,175,000</u>	<u>\$ 1,999,742</u>	<u>\$ 7,174,742</u>

Compensated Absences

Compensated absences include vacation and sick leave. It is the policy of the City to pay 100% of the accumulated vacation leave when a public safety employee retires or terminates, and up to 18 months of a general employee's maximum annual accrual allowed upon the same leave of employment action. The City recognizes the liability for its compensated absences in the governmental activities. The following is a summary of compensated absences transactions during the fiscal year ended June 30, 2011:

	Beginning Balance July 1, 2010	Additions	Ending Balance June 30, 2011
Compensated Absences	\$ <u>163,576</u>	\$ <u>8,601</u>	\$ <u>172,177</u>

7. NON-CITY OBLIGATIONS

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

Middle School Community Facilities District Bonds in the principal amount of \$6,400,000 were issued on September 2, 1990 by the City. Principal payments are payable on September 2 of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non-city obligations and are secured by facility district revenue. As of June 30, 2011, the outstanding balance of the non-city bond obligation was **\$4,231,000**.

City of Clayton
Notes to Basic Financial Statements
For the fiscal year ended June 30, 2011

7. NON-CITY OBLIGATIONS, Continued

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

Clayton Station Community Facilities District Bonds in the principal amount of \$1,269,000 million were issued on September 2, 2000 by the City. Principal payments are payable on September 2 of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non city obligations and are secured by facility district revenue. As of June 30, 2011 the outstanding balance of the non-city bond obligation was **\$537,000**.

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

Lydia Lane Sewer Assessment District Bonds in the principal amount of \$228,325 were issued on August 5, 2002 by the City. Principal payments are payable on September 2 of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non city obligations and are secured by sewer assessment district revenue. As of June 30, 2011, the outstanding balance of the non-city bond obligation was **\$193,325**.

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

Refunding bonds were issued on May 17, 2007 by the Clayton Financing Authority in the principal amount of \$5,060,000 to assist the City of Clayton to refund the Authority's 1997 Special Tax Revenue Refunding Bonds (the "1997 Bonds"), finance the acquisition and construction of certain public capital improvements (the Project), establish a reserve fund for the Bonds (funded part in cash and part from a reserve fund surety bond), and to pay the costs of issuance of the Bonds. Principal payments are payable on September 2 of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non city obligations and are secured by revenues received by the Authority as the result of the payment of debt service on the Community School Local Obligations. As of June 30, 2011, the outstanding balance of the non-city bond obligation was **\$4,225,000**.

8. OTHER FUND DISCLOSURES

A. Expenditures over Appropriations

The following funds had an excess of expenditures over appropriations in the current fiscal year:

	<u>Amount in excess of appropriation</u>
<i>RDA Capital Projects</i>	\$ 10,696
<i>RDA Low/Moderate</i>	614,555
<i>Grants</i>	80,281
<i>Gas Tax</i>	116,151

8. OTHER FUND DISCLOSURES, Continued

B. Deficit Fund Balances

At June 30, 2011, the funds below had the following deficit fund balance or net assets:

	<u>Amount</u>
<i>RDA Capital Projects</i>	\$ 50,038
<i>Non-major</i>	<u>53,637</u>
<i>Total Governmental Funds</i>	<u>103,675</u>
 <i>Community Gym</i>	 \$ 95,843
<i>Total Proprietary Funds</i>	<i>\$ 95,843</i>

The deficit in the RDA Capital Projects, Community Gym, Stormwater Treatment District, and Measure J funds are expected to be recovered from future revenues.

9. RISK MANAGEMENT

The City participates in the Municipal Pooling Authority of Northern California (MPA), a joint powers agreement between twenty cities, which provides insurance coverage for liability, auto, property and workers' compensation claims. Claims liabilities are accrued when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The MPA covers claims in an amount up to \$29,000,000. The City has a deductible of \$5,000 per claim for liability cases and no deductible for workers' compensation claims. Once the City's deductible is met, the MPA becomes responsible for payment of all claims and legal defense.

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

The City's general liability premium payments to the MPA in the amount of **\$81,736** for fiscal year 2010-2011 are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

The City has had no settlements which exceeded insurance coverage during fiscal year ending June 30, 2011.

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

9. RISK MANAGEMENT, Continued

At June 30, 2011, the MPA's audited condensed financial information showed:

Total assets	\$ <u>59,626,130</u>
Total liabilities	\$ <u>41,373,996</u>
Total equities	\$ <u>18,252,134</u>
Total revenues	\$ <u>20,051,305</u>
Total expenses	\$ <u>25,488,676</u>
Revenues over (under) expenses	\$ <u>(5,437,369)</u>

Detailed financial information may be obtained from the MPA.

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

10. PUBLIC EMPLOYEE RETIREMENT SYSTEM

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

Funding Policy - Active plan members are required by state statute to contribute 7% for miscellaneous and 9% for safety employees of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account, which amounted to \$144,287 for the fiscal year ended June 30, 2011.

The City as employer is required to contribute an actuarially determined payment that is reflected as a percentage of annual covered payroll for miscellaneous and safety employees. The required employer contribution rates for the fiscal year 2010-11 was 14.178% for miscellaneous employees and 31.172% for safety employees.

The City's contributions to PERS for the fiscal years ending June 30, 2011, 2010 and 2009 were \$540,085, \$550,323 and \$580,505, respectively and equal 100% of the required contributions for each fiscal year, and also included the contributions that the City made on behalf of the employees.

11. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description - The City of Clayton Retired Employees Health Care Program

The City of Clayton Retired Employee Health Care Program is a single-employer defined benefit healthcare program administered by the City of Clayton. The Program provides medical insurance benefits to eligible retirees and their families through the same self-insured program coverage to active City employees. In connection with this, the City has established a plan to provide post-employment benefits other than pensions as defined in section 7500-7514.5 of the California Public Employees' Retirement Law.

Separate stand-alone statements are not issued for this plan.

Funding Policy - The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with the potential for additional amounts to pre fund benefits as determined annually by the City Council. For Fiscal Year 2011, the City contributed retiree premiums of \$29,856 and there was no additional pre funding contribution. Retired employees receiving benefits contributed \$31,538 (approximately 9.5% of the total premiums) through required monthly contributions that average \$2,628 per month.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City's OPEB obligation for the program:

Annual required contribution (ARC)	\$	50,667
Interest on net OPEB obligation		2,164
Adjustment to annual required contribution		6,881
Annual OPEB cost		59,712
Contributions made		(29,856)
Increase (decrease) in net OPEB obligation		29,856
Net OPEB obligation (asset) at beginning of year		23,438
Net OPEB obligation (asset) at end of year	\$	53,294

The City contributed \$29,856 (59)% of the annual OPEB cost of \$50,667 resulting in a net OPEB obligation of \$53,294. The fiscal year ended June 30, 2010 was the first year for which an actuarially determined ARC of \$50,667 has been calculated for the City of Clayton Retired Employees Health Care Program. The total implied subsidies for the years ended June 30, 2010 and 2011 were \$27,229 and \$29,856, respectively, for a total of \$57,005.

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

Funded Status and Funding Progress- The City's actuarial Accrued Liability (AAL) and unfunded Actuarial Accrued Liability (UAAL) is \$400,257 which is 22% of covered payroll. There are no plan assets and as of June 30, 2011, since the OPEB trust has not yet been set up.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to revision every three years.

Actuarial Methods and Assumptions- The City of Clayton, in accordance with GASB 45, employed the Alternative Measurement Method to determine the OPEB obligation. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time valuation.

In the June 30, 2011 actuarial valuation, the Entry age normal method was used. The actuarial assumptions included a 4.0% investment rate of return, and an annual healthcare cost increase rate of 10% initially, reduced ultimately to 5% by 2020. The UAAL is being amortized using the level dollar method. The remaining amortization period at June 30, 2011 was 28 years.

12. CONTINGENCIES

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

13. PRIOR PERIOD ADJUSTMENT

During the fiscal year ended June 30, 2011, the City determined that deferred revenues for the RDA Low/Moderate Capital Projects Fund were not being properly matched to the corresponding note receivable, resulting in improper recognition of revenues for fiscal years ended June 30, 2007 through June 30, 2010. Therefore, the beginning fund balance of the RDA Low/Moderate Capital Projects Fund has been restated and increased by \$493,419. The effect on revenues and other financing sources over expenditures and other financing uses for the RDA Low/Moderate Capital Projects Fund for the fiscal year ended June 30, 2010 would have been a decrease of \$279,332.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 7, 2013, the date on which the financial statements were available to be issued. There are no known material violations of finance-related legal and contractual provisions.

REQUIRED SUPPLEMENTARY INFORMATION

1. BUDGETARY PRINCIPLES

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

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

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

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

City of Clayton
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 1,610,024	\$ 1,610,024	\$ 1,642,916	\$ 32,892
Program income	5,791	5,791	11,847	6,056
Sales tax	218,000	218,000	252,404	34,404
Permits, licenses and fees	227,629	227,629	247,644	20,015
Fines, forfeitures and penalties	59,500	59,500	55,919	(3,581)
From other agencies	125,257	125,257	81,811	(43,446)
Motor vehicle in-lieu fees	30,000	30,000	50,312	20,312
Other in-lieu fees	140,255	140,255	140,255	-
Franchise fees	368,153	368,153	403,815	35,662
Service charges	61,858	61,858	71,878	10,020
Use of money and property	85,000	85,000	161,933	76,933
Other revenue	56,555	56,555	81,243	24,688
TOTAL REVENUES	<u>2,988,022</u>	<u>2,988,022</u>	<u>3,201,977</u>	<u>213,955</u>
EXPENDITURES				
Legislative	63,213	69,762	59,000	10,762
Administrative	855,699	862,468	881,846	(19,378)
Community services and facilities	108,843	263,917	144,297	119,620
Community park	87,242	110,188	99,742	10,446
Planning and development	263,706	290,424	261,075	29,349
General Support	111,688	113,139	134,863	(21,724)
Police	1,835,781	1,837,229	1,774,365	62,864
Library	131,376	134,810	128,382	6,428
Engineering	96,261	96,261	91,218	5,043
Landscape maintenance	102,800	113,800	110,812	2,988
TOTAL EXPENDITURES	<u>3,656,609</u>	<u>3,891,998</u>	<u>3,685,600</u>	<u>206,398</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(668,587)</u>	<u>(903,976)</u>	<u>(483,623)</u>	<u>420,353</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	668,588	668,588	650,178	(18,410)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>668,588</u>	<u>668,588</u>	<u>650,178</u>	<u>(18,410)</u>
Net Change	<u>\$ 1</u>	<u>\$ (235,388)</u>	<u>166,555</u>	<u>\$ 401,943</u>
FUND BALANCES:				
Beginning of year			<u>5,109,933</u>	
End of year			<u>\$ 5,276,488</u>	

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MAJOR FUNDS

City of Clayton
Budgetary Comparison Schedule
RDA Capital Projects Fund

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 3,941,518	\$ 4,075,890	\$ 134,372
Use of money and property	5,000	9,360	4,360
Other revenue	<u>5,000</u>	<u>13,800</u>	<u>8,800</u>
TOTAL REVENUES	<u>3,951,518</u>	<u>4,099,050</u>	<u>147,532</u>
EXPENDITURES			
Planning and development	1,263,788	1,278,134	(14,346)
Interest and fiscal charges	30,875	42,225	(11,350)
Capital outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>
TOTAL EXPENDITURES	<u>1,309,663</u>	<u>1,320,359</u>	<u>(10,696)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,641,855</u>	<u>2,778,691</u>	<u>136,836</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	338,510		(338,510)
Transfers out	<u>(3,226,475)</u>	<u>(2,443,552)</u>	<u>782,923</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,887,965)</u>	<u>(2,443,552)</u>	<u>444,413</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (246,110)</u>	335,139	<u>\$ 581,249</u>
FUND BALANCES:			
Beginning of year		<u>(334,867)</u>	
End of year		<u>\$ 272</u>	

City of Clayton
Budgetary Comparison Schedule
RDA Low/Moderate Capital Projects Fund

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 985,379	\$ 1,018,973	\$ 33,594
Program income	61,400	225,725	164,325
Use of money and property	<u>60,000</u>	<u>77,163</u>	<u>17,163</u>
TOTAL REVENUES	<u>1,106,779</u>	<u>1,321,861</u>	<u>215,082</u>
EXPENDITURES			
Planning and development	460,689	815,742	(355,053)
Loss on sale of land held for resale	<u>-</u>	<u>259,502</u>	<u>(259,502)</u>
TOTAL EXPENDITURES	<u>460,689</u>	<u>1,075,244</u>	<u>(614,555)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>646,090</u>	<u>246,617</u>	<u>(399,473)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(150,095)</u>	<u>(150,095)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150,095)</u>	<u>(150,095)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 495,995</u>	<u>96,522</u>	<u>\$ (399,473)</u>
FUND BALANCES:			
Beginning of year, as previously reported		5,593,899	
Prior period adjustment to correct error (See Note 13)		493,419	
Beginning of year, as restated		<u>6,087,318</u>	
End of year		<u>\$ 6,183,840</u>	

City of Clayton
 Budgetary Comparison Schedule
 Capital Improvements Fund

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
From other agencies	\$ -	\$ 391,849	\$ 391,849
Use of money and property	-	34,895	34,895
TOTAL REVENUES	<u>-</u>	<u>426,744</u>	<u>426,744</u>
EXPENDITURES			
Capital outlay	<u>1,792,500</u>	<u>1,467,891</u>	<u>324,609</u>
TOTAL EXPENDITURES	<u>1,792,500</u>	<u>1,467,891</u>	<u>324,609</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,792,500)</u>	<u>(1,041,147)</u>	<u>751,353</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>1,023,230</u>	<u>1,023,230</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,023,230</u>	<u>1,023,230</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (1,792,500)</u>	<u>(17,917)</u>	<u>\$ 1,774,583</u>
FUND BALANCES:			
Beginning of year		<u>3,308,525</u>	
End of year		<u>\$ 3,290,608</u>	

City of Clayton
Budgetary Comparison Schedule
RDA Debt Service Fund

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Use of money and property	\$ 1,500	\$ -	\$ (1,500)
TOTAL REVENUES	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
EXPENDITURES			
Community services and facilities	8,265	8,265	-
Principal	2,335,000	2,195,000	140,000
Interest and fiscal charges	<u>509,330</u>	<u>392,780</u>	<u>116,550</u>
TOTAL EXPENDITURES	<u>2,852,595</u>	<u>2,596,045</u>	<u>256,550</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,851,095)</u>	<u>(2,596,045)</u>	<u>255,050</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>2,851,095</u>	<u>2,068,172</u>	<u>(782,923)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,851,095</u>	<u>2,068,172</u>	<u>(782,923)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>(527,873)</u>	<u>\$ (527,873)</u>
FUND BALANCES:			
Beginning of year		<u>1,161,125</u>	
End of year		<u>\$ 633,252</u>	

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major Special Revenue Funds:

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

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

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

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

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

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

Measure J - accounts for a \$0.05 sales tax extended by voters in 2004 to provide transportation and street improvements, a growth management process, and a regional planning process to address quality of life

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

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

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

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

Non-Major Capital Projects Fund:

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

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

Non-Major Debt Service Fund:

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

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

City of Clayton
Combining Balance Sheets
Non-Major Governmental Funds
June 30, 2011

	Special Revenue				
	Street Lighting	Stormwater Treatment District Assessment Fund	Stormwater Assessment	Presley Settlement	Oakhurst Geological Hazard Abatement District
ASSETS					
Cash and investments	\$ 143,956	\$ -	\$ 142,758	\$ 117,498	\$ 6,204
Accounts Receivable	-	-	-	-	-
Taxes Receivable	-	-	-	-	-
TOTAL ASSETS	\$ 143,956	\$ -	\$ 142,758	\$ 117,498	\$ 6,204
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 7,937	\$ -	\$ 4,175	\$ -	\$ 1,372
Other payables	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	2,562	-	-	-
Advance from other funds	-	-	-	-	-
TOTAL LIABILITIES	7,937	2,562	4,175	-	1,372
FUND BALANCE					
Assigned	136,019	(2,562)	138,583	117,498	4,832
TOTAL FUND Balance	136,019	(2,562)	138,583	117,498	4,832
TOTAL LIABILITIES AND FUND BALANCE	\$ 143,956	\$ -	\$ 142,758	\$ 117,498	\$ 6,204

City of Clayton
Combining Balance Sheets
Non-Major Governmental Funds
June 30, 2011

Special Revenue					Capital Projects	Debt Service	
Measure J	Grants	Gas Tax	Downtown Park CFD	Clayton Landscape Maintenance	Clayton Development Impact Fees	Clayton Financing Authority	Total Other Governmental Funds
\$ -	\$185,269	\$ 56,258	\$215,278	\$ 647,153	\$ 381,579	\$ 759,481	2,655,434
136,285	15,042	15,878	60,000	-	-	-	227,205
-	-	2,280	-	-	-	-	2,280
<u>\$ 136,285</u>	<u>\$200,311</u>	<u>\$ 74,416</u>	<u>\$275,278</u>	<u>\$ 647,153</u>	<u>\$ 381,579</u>	<u>\$ 759,481</u>	<u>\$2,884,919</u>
\$ -	\$ 8,058	\$ 9,653	\$ 1,986	\$ 111,598	\$ -	\$ -	144,779
-	(1,902)	-	-	-	-	-	(1,902)
-	-	-	60,000	-	-	-	60,000
187,360	-	-	-	-	-	-	189,922
-	-	-	-	-	60,000	-	60,000
<u>187,360</u>	<u>6,156</u>	<u>9,653</u>	<u>61,986</u>	<u>111,598</u>	<u>60,000</u>	<u>-</u>	<u>452,799</u>
(51,075)	194,155	64,763	213,292	535,555	321,579	759,481	2,432,120
(51,075)	194,155	64,763	213,292	535,555	321,579	759,481	2,432,120
<u>\$ 136,285</u>	<u>\$200,311</u>	<u>\$ 74,416</u>	<u>\$275,278</u>	<u>\$ 647,153</u>	<u>\$ 381,579</u>	<u>\$ 759,481</u>	<u>\$2,884,919</u>
-	-	-	-	-	-	-	-

City of Clayton
Combining Statement of Revenues, Expenditures and Changes in Fund Bal
Non-Major Governmental Funds
For the fiscal year ended June 30, 2011

	Special Revenue				
	Street Lighting	Stormwater Treatment District Assessment Fund	Stormwater Assessment	Presley Settlement	Oakhurst Geological Hazard Abatement District
REVENUES					
Special assessments	\$125,459	\$ -	\$ 90,620	\$ -	\$ 33,045
Permits, licenses and fees	-	-	31,760	-	-
From other agencies	-	-	-	-	-
Use of money and property	2,420	20	1,506	4,440	125
Other revenue	-	-	-	-	-
TOTAL REVENUES	<u>127,879</u>	<u>20</u>	<u>123,886</u>	<u>4,440</u>	<u>33,170</u>
EXPENDITURES					
General Government					
Economic development	-	-	-	-	6,624
Highway and streets	115,734	-	80,103	-	-
Landscape maintenance	-	-	-	-	-
Capital Outlay	-	-	426	-	-
TOTAL EXPENDITURES	<u>115,734</u>	<u>-</u>	<u>80,529</u>	<u>-</u>	<u>6,624</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>12,145</u>	<u>20</u>	<u>43,357</u>	<u>4,440</u>	<u>26,546</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(10,000)	-	(31,605)	(110,000)	(18,677)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,000)</u>	<u>-</u>	<u>(31,605)</u>	<u>(110,000)</u>	<u>(18,677)</u>
NET CHANGE IN FUND BALANCE	2,145	20	11,752	(105,560)	7,869
FUND BALANCES					
Beginning of year	<u>133,874</u>	<u>(2,582)</u>	<u>126,831</u>	<u>223,058</u>	<u>(3,037)</u>
End of year	<u>\$136,019</u>	<u>\$ (2,562)</u>	<u>\$138,583</u>	<u>\$ 117,498</u>	<u>\$ 4,832</u>

City of Clayton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the fiscal year ended June 30, 2011

Special Revenue					Capital Projects	Debt Service	
Measure J	Grants	Gas Tax	Downtown Park CFD	Clayton Landscape Maintenance	Clayton Development Impact Fees	Clayton Financing Authority	Total Other Governmental Funds
\$ -	\$ -	\$ 26,397	\$ -	\$ 910,571	\$ -	\$ -	1,186,092
							31,760
159,478	121,609	279,875	109,009	-			669,971
10,210	3,689	6,581	3,294	12,257	6,510	11,943	62,995
			10,000	6,050			16,050
<u>169,688</u>	<u>125,298</u>	<u>312,853</u>	<u>122,303</u>	<u>928,878</u>	<u>6,510</u>	<u>11,943</u>	<u>1,966,868</u>
-	200,966			-	-		207,590
412		116,151					312,400
			71,849	704,822			776,671
-	6,561			277,127			284,114
<u>412</u>	<u>207,527</u>	<u>116,151</u>	<u>71,849</u>	<u>981,949</u>			<u>1,580,775</u>
<u>169,276</u>	<u>(82,229)</u>	<u>196,702</u>	<u>50,454</u>	<u>(53,071)</u>	<u>6,510</u>	<u>11,943</u>	<u>386,093</u>
				1,380			1,380
(529,000)		(348,987)	(23,816)	(29,918)	(47,310)	-	(1,149,313)
(529,000)	-	(348,987)	(23,816)	(28,538)	(47,310)		(1,147,933)
(359,724)	(82,229)	(152,285)	26,638	(81,609)	(40,800)	11,943	(761,840)
<u>308,649</u>	<u>276,384</u>	<u>217,048</u>	<u>186,654</u>	<u>617,164</u>	<u>362,379</u>	<u>747,538</u>	<u>3,193,960</u>
<u>\$ (51,075)</u>	<u>\$194,155</u>	<u>\$ 64,763</u>	<u>\$213,292</u>	<u>\$ 535,555</u>	<u>\$ 321,579</u>	<u>\$759,481</u>	<u>\$2,432,120</u>

City of Clayton
 Budgetary Comparison Schedule
 Clayton Landscape Maintenance Special Revenue Fund

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Special Assessments	\$ 910,434	\$ 910,571	\$ 137
Use of money and property	5,000	12,257	7,257
Other revenue	<u>-</u>	<u>6,050</u>	<u>6,050</u>
TOTAL REVENUES	<u>915,434</u>	<u>928,878</u>	<u>13,444</u>
EXPENDITURES			
Current:			
Landscape maintenance	772,354	704,822	67,532
Capital outlay	<u>260,000</u>	<u>277,127</u>	<u>(17,127)</u>
TOTAL EXPENDITURES	<u>1,032,354</u>	<u>981,949</u>	<u>50,405</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(116,920)</u>	<u>(53,071)</u>	<u>63,849</u>
OTHER FINANCING SOURCES (USES)			
Transfer in		1,380	1,380
Transfers out	<u>(29,918)</u>	<u>(29,918)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,918)</u>	<u>(28,538)</u>	<u>1,380</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$(146,838)</u>	<u>(81,609)</u>	<u>\$ 65,229</u>
FUND BALANCES:			
Beginning of year		<u>617,164</u>	
End of year		<u>\$ 535,555</u>	

City of Clayton
Budgetary Comparison Schedule
Downtown Park CFD Special Revenue Fund

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
REVENUES			
Permits, licenses and fees	\$ 150	\$ -	\$ (150)
From other agencies	108,957	109,009	52
Use of money and property	2,000	3,294	1,294
Other revenue	<u>10,000</u>	<u>10,000</u>	<u>-</u>
TOTAL REVENUES	<u>121,107</u>	<u>122,303</u>	<u>1,196</u>
EXPENDITURES			
Current:			
Landscape maintenance	<u>105,268</u>	<u>71,849</u>	<u>33,419</u>
TOTAL EXPENDITURES	<u>105,268</u>	<u>71,849</u>	<u>33,419</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>15,839</u>	<u>50,454</u>	<u>34,615</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(23,816)</u>	<u>(23,816)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(23,816)</u>	<u>(23,816)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (7,977)</u>	26,638	<u>\$ 34,615</u>
FUND BALANCES:			
Beginning of year		<u>186,654</u>	
End of year		<u>\$213,292</u>	

City of Clayton
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special assessments	\$ -	\$ 26,397	\$ 26,397
From other agencies	-	279,875	279,875
Use of money and property	-	6,581	6,581
TOTAL REVENUES	<u>-</u>	<u>312,853</u>	<u>312,853</u>
EXPENDITURES			
Current:			
Highway and streets	-	116,151	(116,151)
TOTAL EXPENDITURES	<u>-</u>	<u>116,151</u>	<u>(116,151)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>196,702</u>	<u>196,702</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(348,987)	(348,987)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(348,987)</u>	<u>(348,987)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>(152,285)</u>	<u>\$ (152,285)</u>
FUND BALANCES:			
Beginning of year		<u>217,048</u>	
End of year		<u>\$ 64,763</u>	

City of Clayton
Budgetary Comparison Schedule
Grants Special Revenue Fund

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
From other agencies	\$ 116,000	\$121,609	\$ 5,609
Use of money and property	<u>2,500</u>	<u>3,689</u>	<u>1,189</u>
TOTAL REVENUES	<u>118,500</u>	<u>125,298</u>	<u>6,798</u>
EXPENDITURES			
Current:			
Economic development	127,246	200,966	(73,720)
Capital Outlay	<u>-</u>	<u>6,561</u>	<u>(6,561)</u>
TOTAL EXPENDITURES	<u>127,246</u>	<u>207,527</u>	<u>(80,281)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (8,746)</u>	(82,229)	<u>\$ (73,483)</u>
FUND BALANCES:			
Beginning of year		<u>276,384</u>	
End of year		<u>\$194,155</u>	

City of Clayton
Budgetary Comparison Schedule
Measure J Revenue Fund

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
From other agencies	\$ 231,366	\$ 159,478	\$ (71,888)
Use of money and property	1,000	10,210	9,210
Other revenue	<u>411,000</u>	<u>-</u>	<u>(411,000)</u>
TOTAL REVENUES	<u>643,366</u>	<u>169,688</u>	<u>(473,678)</u>
EXPENDITURES			
Highway and streets	<u>844</u>	<u>412</u>	<u>432</u>
TOTAL EXPENDITURES	<u>844</u>	<u>412</u>	<u>432</u>
REVENUES OVER (UNDER) EXPENDITURES	642,522	169,276	(473,246)
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(529,000)</u>	<u>(529,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(529,000)</u>	<u>(529,000)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 113,522</u>	(359,724)	<u>\$ (473,246)</u>
FUND BALANCES:			
Beginning of year		<u>308,649</u>	
End of year		<u>\$ (51,075)</u>	

City of Clayton
Budgetary Comparison Schedule
Oakhurst Geological Hazard Abatement District Special Revenue Fund

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 33,024	\$ 33,045	\$ 21
Use of money and property	<u>-</u>	<u>125</u>	<u>125</u>
TOTAL REVENUES	<u>33,024</u>	<u>33,170</u>	<u>146</u>
EXPENDITURES			
Current:			
Economic development	<u>13,695</u>	<u>6,624</u>	<u>7,071</u>
TOTAL EXPENDITURES	<u>13,695</u>	<u>6,624</u>	<u>7,071</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>19,329</u>	<u>26,546</u>	<u>7,217</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(18,677)</u>	<u>(18,677)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(18,677)</u>	<u>(18,677)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 652</u>	7,869	<u>\$ 7,217</u>
FUND BALANCES:			
Beginning of year		<u>(3,037)</u>	
End of year		<u>\$ 4,832</u>	

City of Clayton
Budgetary Comparison Schedule
Stormwater Assessment Special Revenue Fund

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 68,322	\$ 90,620	\$ 22,298
Permits, licenses and fees	43,200	31,760	(11,440)
Use of money and property	<u>1,500</u>	<u>1,506</u>	<u>6</u>
TOTAL REVENUES	<u>113,022</u>	<u>123,886</u>	<u>10,864</u>
EXPENDITURES			
Current:			
Highway and streets	105,595	80,103	25,492
Capital Outlay	<u>3,000</u>	<u>426</u>	<u>2,574</u>
TOTAL EXPENDITURES	<u>108,595</u>	<u>80,529</u>	<u>28,066</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,427</u>	<u>43,357</u>	<u>38,930</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(31,605)</u>	<u>(31,605)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(31,605)</u>	<u>(31,605)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (27,178)</u>	11,752	<u>\$ 38,930</u>
FUND BALANCES:			
Beginning of year		<u>126,831</u>	
End of year		<u>\$138,583</u>	

City of Clayton
Budgetary Comparison Schedule
Street Lighting Special Revenue Fund

	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 125,459	\$ 125,459	\$ -
Use of money and property	<u>2,000</u>	<u>2,420</u>	<u>420</u>
TOTAL REVENUES	<u>127,459</u>	<u>127,879</u>	<u>420</u>
EXPENDITURES			
Current:			
Highway and streets	<u>122,830</u>	<u>115,734</u>	<u>7,096</u>
TOTAL EXPENDITURES	<u>122,830</u>	<u>115,734</u>	<u>7,096</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,629</u>	<u>12,145</u>	<u>7,516</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (5,371)</u>	2,145	<u>\$ 7,516</u>
FUND BALANCES:			
Beginning of year		<u>133,874</u>	
End of year		<u>\$136,019</u>	

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INTERNAL SERVICE FUNDS

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

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

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

City of Clayton
Combining Balance Sheet
Internal Service Funds
June 30, 2011

	<u>Capital Replacement</u>	<u>Self-Insurance Liability</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 165,364	\$ 44,555	\$209,919
Noncurrent Assets:			
Depreciable assets, net	<u>328,366</u>	<u>-</u>	<u>328,366</u>
TOTAL ASSETS	<u>493,730</u>	<u>44,555</u>	<u>538,285</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	<u>58</u>	<u>6,931</u>	<u>6,989</u>
TOTAL LIABILITIES	<u>58</u>	<u>6,931</u>	<u>6,989</u>
NET			
Invested in capital assets, net of related debt	328,366	-	328,366
Unrestricted	<u>165,306</u>	<u>37,624</u>	<u>202,930</u>
TOTAL NET ASSETS	<u>\$ 493,672</u>	<u>\$ 37,624</u>	<u>\$531,296</u>

City of Clayton
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2011

	<u>Capital Replacement</u>	<u>Self-Insurance Liability</u>	<u>Total</u>
OPERATING REVENUES			
Charges for current services	\$ 15,636	\$ -	\$ 15,636
TOTAL OPERATING REVENUES	<u>15,636</u>	<u>-</u>	<u>15,636</u>
OPERATING EXPENSES			
General and administrative	2,530	32,586	35,116
Depreciation and amortization	<u>74,096</u>	<u>-</u>	<u>74,096</u>
TOTAL OPERATING EXPENSES	<u>76,626</u>	<u>32,586</u>	<u>109,212</u>
OPERATING INCOME (LOSS)	(60,990)	(32,586)	(93,576)
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	<u>2,618</u>	<u>900</u>	<u>3,518</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,618</u>	<u>900</u>	<u>3,518</u>
CHANGE IN NET ASSETS	(58,372)	(31,686)	(90,058)
Beginning of fiscal year, As Restated (See Note 13)	<u>552,044</u>	<u>69,310</u>	<u>621,354</u>
End of fiscal year	<u>\$ 493,672</u>	<u>\$ 37,624</u>	<u>\$531,296</u>

City of Clayton
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	<u>Capital Replacement</u>	<u>Self-Insurance Liability</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipt from customers/other funds	15,636	-	15,636
Cash payment to suppliers for good and services	<u>(2,472)</u>	<u>(43,344)</u>	<u>(45,816)</u>
Net cash provided (used) by operating activities	<u>13,164</u>	<u>(43,344)</u>	<u>(30,180)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	(65,715)	-	(65,715)
Gain (Loss) on sale of asset	-	-	-
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(65,715)</u>	<u>-</u>	<u>(65,715)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	<u>2,619</u>	<u>900</u>	<u>3,519</u>
Net Cash provided (used) by investing activities	<u>2,619</u>	<u>900</u>	<u>3,519</u>
Net increase (decrease) in cash and cash equivalents	(49,932)	(42,444)	(92,376)
CASH AND CASH EQUIVALENTS:			
Beginning of fiscal year	<u>215,296</u>	<u>86,999</u>	<u>302,295</u>
End of fiscal year	<u>\$ 165,364</u>	<u>\$ 44,555</u>	<u>\$209,919</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	(60,990)	(32,586)	(93,576)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	74,096		74,096
Changes in current assets and liabilities:			
Accounts receivable	-		-
Accounts payable	<u>58</u>	<u>(10,758)</u>	<u>(10,700)</u>
Total Adjustments	<u>74,154</u>	<u>(10,758)</u>	<u>63,396</u>
Net cash provided (used) by operating activities	<u>\$ 13,164</u>	<u>\$ (43,344)</u>	<u>\$ (30,180)</u>

AGENCY FUNDS

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

Deposits – represents funds held for:

Performance Deposits

Clayton Community Library Foundation Deposits

Clayton Community Gym Donation Deposits

Rental Deposits

Planning Services Deposits

Other Deposits

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

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

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

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

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

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

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

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

City of Clayton
Statements of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2011

	<u>Deposits</u>	<u>Oakhurst Assessment District</u>	<u>Middle School CFD</u>	<u>Clayton Station CFD</u>	<u>High Street Bridge</u>
Assets:					
Cash and investments	\$ 1,216,385	\$ 207	\$ 962,128	\$ 172,846	\$ (12,480)
Cash with fiscal agent	-	-	195,426	-	-
Interest receivable	-	-	-	-	-
Investment in bonds	-	-	4,231,000	-	-
Other receivables	18,970	-	-	364,136	69,920
Total assets	<u>\$ 1,235,355</u>	<u>\$ 207</u>	<u>\$ 5,388,554</u>	<u>\$ 536,982</u>	<u>\$ 57,440</u>
Liabilities:					
Accounts payable	\$ 19,160	\$ -	\$ 259	\$ -	\$ 69,920
Interest payable	-	-	-	-	-
Other payables	43,661	-	-	-	3,900
Other deposits	739,489	-	-	-	-
Due to bondholders	433,045	207	5,388,295	536,982	(16,380)
Total liabilities	<u>\$ 1,235,355</u>	<u>\$ 207</u>	<u>\$ 5,388,554</u>	<u>\$ 536,982</u>	<u>\$ 57,440</u>

City of Clayton
Statements of Changes in Assets and Liabilities, Continued
Agency Funds
For the Fiscal Year Ended June 30, 2011

<u>Oak Street Bridge</u>	<u>Lydia Lane Sewer Assessment</u>	<u>Oak Street Sewer Assessment</u>	<u>CFA Clayton Financing Authority 2007</u>	<u>Total</u>	<u>June 30, 2010</u>
\$ (32,777)	\$ 71,895	\$ (2,520)	\$ (104,650)	\$ 2,271,034	\$ 2,130,951
-	14,632	-	22,800	232,858	620,608
-	-	-	-	-	-
-	-	-	-	4,231,000	4,102,000
31,927	193,325	175,320	-	853,598	508,092
<u>\$ (850)</u>	<u>\$ 279,852</u>	<u>\$ 172,800</u>	<u>\$ (81,850)</u>	<u>\$ 7,588,490</u>	<u>\$ 7,361,651</u>
\$ 31,927	\$ 193,325	\$ 175,320	\$ -	\$ 489,911	\$ 525,878
-	-	-	-	-	37,582
16,800	-	-	-	64,361	20,440
-	-	-	-	739,489	644,153
(49,577)	86,527	(2,520)	(81,850)	6,294,729	6,133,598
<u>\$ (850)</u>	<u>\$ 279,852</u>	<u>\$ 172,800</u>	<u>\$ (81,850)</u>	<u>\$ 7,588,490</u>	<u>\$ 7,361,651</u>

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

The City Council
City of Clayton

We have audited the basic financial statements of City of Clayton as of and for the year ended June 30, 2011, and have issued our report thereon dated January 7, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We identified deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. Please refer to our management letter dated January 11, 2013.

Compliance and Other Matters

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

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

Cropper Accountancy Corporation
CROPPER ACCOUNTANCY CORPORATION

January 7, 2013
Walnut Creek, CA



Agenda Date: 1-15-13

Agenda Item: 9b

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CITY MANAGER

DATE: 15 JANUARY 2013

**SUBJECT: COUNCIL CONSIDERATION OF A SUB-COMMITTEE TO EXAMINE
OPTIONS TO THE FIRE DISTRICT'S CLOSURE OF STATION NO. 11**

RECOMMENDATION

It is recommended the City Council provide policy direction(s) and or action(s) regarding the establishment of a sub-committee or an ad-hoc committee to analyze options for the City in the wake of the Contra Costa County Fire Protection District's decision to partially close services available from its Fire Station No. 11 in the City of Clayton.

BACKGROUND

Before, during and following the loss of its ballot Measure Q (November 2012) seeking voter approval of a \$75.00 per year per parcel increase in property taxes to support the continued fire and first-responder emergency medical services provided by the Contra Costa County Fire Protection District ("ConFire"), an independent and special district formed in 1964, ConFire and its Board of Directors (the County Board of Supervisors) announced it was necessary to close fire stations within its District to sustain services within available resources. In December 2012 after a series of public hearings, the Fire District Board of Directors (County Supervisors) accepted its staff recommendation to close the following four (4) stations within its District:

Fire Station No. 4	700 Hawthorne Drive	Walnut Creek
Fire Station No. 11	6500 Center Street	Clayton
Fire Station No. 12	1240 Shell Avenue	Martinez
Fire Station No. 16	4007 Los Arabis Avenue	Lafayette

Of the fire stations slated for District closure, the one in Clayton (Fire Station No. 11) is the only closure that leaves an incorporated city without a fully operational fire station.

At its public meeting held on 18 December 2012, the Clayton City Council requested an agenda item at its next meeting to consider the formation of a sub-committee or ad-hoc committee to analyze what options the City may have to minimize or supplant fire services

and first-responder emergency medical services provided by ConFire. Although the City of Clayton was not formed for the purposes of municipal fire protection, suppression and first-responder emergency medical services, its community will be negatively impacted (according to ConFire) by the partial closures of these four (4) fire stations, including Fire Station No. 11. It was noted at the time the City of Clayton, its City Council and its organization have no control or authority over the funding, operations, and decisions of the ConFire special district. It is a separate legal public entity (similar to Contra Costa Water District) with its own rules and regulations and authority, and the City of Clayton does not remit any taxpayer monies it receives to the Fire District for it to provide its public services.

CREATION OF A CITY COMMITTEE

It was unclear from the last City Council meeting whether the idea to establish a Sub-Committee (to examine what, if anything, the City can do about the reductions in ConFire services) was limited to just two (2) members of the elected City Council or two (2) members plus appointed interested citizens. In either case, as noted at the meeting by staff, meetings of this Sub-Committee would be subject to the Brown Act concerning advance public notice of its meetings and its meetings open to the public to attend and participate in comment. The City Council, in its discussion of this item, should provide specificity to staff concerning the composition and purpose of any established committee.

RELATED AND PRELIMINARY INFORMATION

With the short turnaround time since formal decision in mid-December 2012 to partially close Fire Station No. 11 commencing 15 January 2013, City staff has not had sufficient time to perform an exhaustive study to uncover all the facts about the formation and operation of ConFire, how and to what extent it is funded by Clayton property owners' real property taxes, or to develop comprehensive research on what options and funds the City of Clayton would require in order to augment fire and first-responder emergency medical services supplied by ConFire. According to ConFire statements, it costs between \$2.1 to \$2.3 million per year to operate a fire station within the Fire District (note: some earlier sources cited that amount at \$1.5 million). What is clear to City staff, however, that without new revenues beyond its existing resources, the City of Clayton cannot supply the lost or reduced public services supplied by ConFire.

As ConFire is a special district, annexations, reorganization or detachments from this special district are governed by and determined by the Contra Costa County Local Agency Formation Commission (LAFCO). This understanding is key in that any desire or attempt by the City of Clayton to establish its own municipal fire department (volunteer, paid, or combination thereof), or to contract with another fire district (e.g. East County Fire District or CalFire) in lieu of services provided by ConFire, or to form a Joint Powers Authority with other cities or public agencies to perform fire and emergency medical services, or to privatize municipal fire/emergency medical services within the incorporated area of Clayton, each of those options requires the approval of LAFCO for the city to "detach" itself from the ConFire special district. That decision rests solely with LAFCO.

In order for the city of Clayton to detach from the ConFire special district, the City must become the applicant to LAFCO and generate a Plan for Services that will study and provide answers as to the fiscal and service implications associated with its detachment. According to LAFCO personnel, the City must demonstrate its capability to provide comparable or equivalent fire and first-responder public services to the detached property owners. Among other considerations of LAFCO will be how the City intends to provide services to areas surrounding the City's limits since its detachment will create "hole" in the contiguous area of ConFire (i.e. unincorporated areas or adjacent Concord neighborhoods), or address how its detachment will not further hinder ConFire's capabilities to provide for those areas.

The City's application for detachment to LAFCO would cost \$2,765 plus additional associated fees (e.g. \$50 County Recording Fee; \$1,100 deposit to the County Surveyor to review map and legal description of the new municipal service area; and a State Board of Equalization Fee). According to LAFCO personnel, it would take LAFCO approximately six (6) months to twelve (12) months from the time of the City's application for LAFCO to render its review and decision. The City must negotiate with Contra Costa County, acting in behalf of the Fire District, concerning how much it would get to receive of the \$2.3 million base revenue in local property taxes now coming from Clayton to ConFire. However, subtract from that figure is \$672,390.68 still obligated to the former Clayton Redevelopment Agency for its prior debt issues. Therefore, at this time it is a **net \$1.65 million** at this time (approximately). It is likely in any scenario that ConFire would seek to retain a portion of that base revenue to supply mutual and/ automatic aid to the stand-alone municipal fire department in the event of backup services or significant fire alarm or accident calls.

In order to consider detachment from the ConFire special district, staff highly recommends the retention of outside consultants to guide and inform the City on the various considerations accompanying the establishment of a municipal fire department, and whether it is fiscally and logistically feasible. Staff contacted EPS in Berkeley, CA, which private firm has undertaken district and municipal reorganization work, to obtain a possible cost to hiring consultants to assist the City in such deliberations. Using very rough indicators, EPS responded that a range of \$30,000 - \$50,000 is the likely cost associated with generating a Feasibility Study for the City on this idea. Within that initial range, EPS did indicate the first critical milestone on feasibility could cost \$10,000, at which point the City might have enough information to abandon its quest or continue with the Study. Upon completion of a full Feasibility Study, should the City decide to move forward with a LAFCO application for detachment, Phase II would commence which would include preparation of the LAFCO application, negotiation with the County over the reallocation of local property taxes to the City from ConFire, and assist the City in its representation of the its application to LAFCO. Phase II would require further funds than identified above.

Other elements of establishing a municipal fire department (or other hybrid) include the following public services presently provided by ConFire:

- a. Fire protection services (e.g. Fire Code plan checks; Fire Code building inspections)
- b. Fire suppression services (structural, wildland fires, toxic or vehicle accidents)

- c. Fire dispatch services
- d. Management personnel to oversee the operations (e.g. fire chief)
- e. A fire station (the City does not own Fire Station No. 11)
- f. Fire engines, apparatus, and associated equipment and supplies (capital assets)
- g. Mutual Aid and/or Automatic Aid (from other public entities)
- h. First-responder emergency medical services

ATTACHED MATERIALS

To assist the City Council and the public in its desire to grasp the magnitude of this event and the City's subsequent consideration of its options, staff has assembled a host of information, documents and research related to the existing situation and the contemplated actions:

Attachment 1:	Fire District materials on fire station closures and reductions
Attachment 2:	Public Vote on Measure Q
Attachment 3:	Public Records Act reply on Total Property Allocation from Clayton
Attachment 4:	Memo by Clayton Chief of Police
Attachment 5:	1999 Agreement to assist the construction of Fire Station No. 11
Attachment 6:	Staff preliminary research

FISCAL IMPACT

The City of Clayton as a public entity does not presently incur any expense for ConFire's provision of fire protection, suppression and first-responder emergency medical services within the City's incorporated limits.

A favorable Clayton vote on Measure Q (if the Measure had passed District-wide) would have generated approximately \$307,500 more from Clayton property owners into ConFire's revenues (approx.. 4,100 tax parcels X \$75) each year for the next seven (7) years.

The City's establishment and operation of a municipal fire department will require a new revenue source beyond the current General Fund Budget of the City (\$3.69 million per year).

CONTRA COSTA COUNTY

FIRE PROTECTION DISTRICT

FIRE STATION CLOSURES

AND

SERVICES REDUCTION

MATERIALS

Clayton Fire Station Plan:

Effective Date - January 15, 2013

Community Meeting – January 23, 2013

Operations:

- Engine Company – 11 will be de-staffed as a full-time functional unit.
- Engine Company – 22 (E-22) from Concord will relocate and respond from Fire Station – 11 (FS-11) in Clayton on Monday – Saturday each week from approximately 2:00 P.M. to 8:00 P.M. This facilitates maximum response flexibility during periods of heavy traffic congestion.
 - Times at FS-11 are subject to change due to response activities, training requirements, or other operational needs.
 - E-22 may relocate to FS-11 at other times based on events conducted at the Concord Pavilion or other special events in Clayton.
- A Type-3 wildland fire engine will remain stationed at FS-11 for E-22's crew to use as necessary.
- Crews from other fire stations will conduct area familiarization tours through the Clayton area periodically.
- The engine company from the Sunshine Fire Station (FS-51) will respond under automatic aid if they are the closest resource.
- American Medical Response (AMR) will be adjusting the "posting" locations for their ambulances in the near future to provide better coverage and response to the Clayton area.
- The County Emergency Medical Services Agency, AMR, and the Fire District are working to improve efficiencies in the EMS delivery system. This includes review of prioritization of calls, reducing calls to medical facilities that have trained staff on-duty, faster transfer of patients from ambulance crews to hospital staff, etc. This will increase the availability of existing resources for emergency incidents.
- Dispatch on-duty Clayton police officers to cardiac arrest incidents to facilitate rapid automatic external defibrillators (AED) use.
- The Fire District will continue to explore longer-term solutions such as an EMS-only response unit for peak time periods and other reserve/volunteer options.
- The Fire District will continue to monitor emergency incident call types, response times, availability of resources, and modify the operational plan in order to maximize service and coverage.

Facility:

- FS-11 will not be fully closed as it will be staffed from approximately 2:00 P.M. to 8:00 P.M. daily on Monday – Saturday.
- A security alarm system will be installed in FS-11 and utilized during periods when the facility is not staffed.
- The Fire District will continue to maintain the facility and surrounding grounds

[HOME](#) [SMOKE DETECTOR REQUESTS](#) [CONTACT US](#)

ABOUT THE DISTRICT - HISTORICAL INFORMATION

The Contra Costa County Fire Protection District was originally formed by the merger of the Central Fire Protection District and the Mt. Diablo Fire Protection District. This took place on December 29, 1984. Stations 1, 3 and 4 in Walnut Creek and Stations 2 and 5 in Pleasant Hill were part of the Central Fire Protection District while Stations 6, 8 and 10 in Concord, Station 7 in Menlo Park, Station 14 in Clayton and Station 9 in Danville were part of the Mt. Diablo Fire Protection District.

The Mountain View Fire District became part of the Contra Costa County Fire Protection District on December 1, 1989. Station 12 was the District Station and served the unincorporated area of Martinez.

The Martinez Fire Department became part of the Contra Costa County Fire Protection District on July 1, 1968, after passage of Measure 5 on the ballot. Stations 13 and 14 were the Martinez Fire Department stations.

The Lafayette Fire Protection District became part of the Contra Costa County Fire Protection District on January 1, 1969, after the City of Lafayette became a City and joined its services to the Contra Costa County Fire District. Stations 15, 16 and 17 were the District Fire Stations.

The Bay Point Fire Protection District was annexed to the Contra Costa County Fire District on January 1, 1993. It had no paid personnel. Station 19 was one of the two stations in this District. The other station was in Port Chicago and is occupied by the U.S. Coast Guard.

The Island Fire District was split up into three service areas. Service areas F3 and F4 were in the East County area and considered an unincorporated Ardenwood and Pittsburg area. Service area F1 was in the adjacent area of Arden. The surrounding district through Arden provided Service. For many years, Service Area F5 was contracted with the Mountain View Fire District. Service Area F2 was dissolved and became part of the Clarke County Fire District on October 1, 1970.

The Elmore Fire District was annexed to the Contra Costa County Fire District on November 1, 1971, and had only a part-time Chief. Station 18 was in the Elmore Fire District.

The Riverview Fire District was formed on July 1, 1975, by combining Antioch Fire Department, Pittsburg Fire Department and the West Pittsburg portion of the Contra Costa County Fire District, and Service Areas F2 and F4 of the Island Fire District into one district. On November 1, 1977, the Alameda Chemical area of Port Chicago area of Port Chicago Highway was annexed to the Riverview Fire District. The Riverview Fire District was dissolved on July 1, 1984, and became part of the Contra Costa County Fire District on that date.

The San Pablo Fire District was annexed to the El Sobrante Fire District on June 20, 1975. The West County Fire District was dissolved on July 1, 1994, and became part of the Contra Costa County Fire District on that date.

On July 1, 1994, the Oakley Fire District was dissolved and became part of the Contra Costa County Fire District. Effective January 1, 1995, the Oakley Fire District was re-formed as a County-dependent district.

On July 1, 1994, the Pine Fire District (not City of Pine Fire Department) was dissolved and became part of the Central Oregon County Fire District.

FREQUENTLY ASKED QUESTIONS

VIDEO GALLERY

COMMUNITY OUTREACH

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Oil Resources

ABOUT THE DISTRICT

FREQUENTLY ASKED QUESTIONS

VIDEO GALLERY

COMMUNITY OUTREACH

Fire Station Closures:

Due to the failure of Measure Q and a looming deficit, the Board of Directors for the Contra Costa County Fire Protection District was forced to close fire stations to reduce expenses. The Board made the decision to close four fire stations effective January 15, 2013. The closures will save the District approximately \$3 million for the second half of Fiscal Year 2012/2013 and between \$6 – 8 million in Fiscal Year 2013/2014.

The effected fire stations are:

- Fire Station - #4 – 700 Hawthorne Drive, Walnut Creek
- Fire Station #11 – 6500 Center Avenue, Clayton
- Fire Station #12 – 1240 Shell Avenue, Martinez
- Fire Station - #16 – 4007 Los Arabis Avenue, Lafayette

Unfortunately, the station closures will result in service reductions and longer response times to emergencies. However, the District is working with all of our public safety partners in an effort to reduce the adverse impact to the effected communities. We are coordinating our efforts with the adjoining fire districts, the County Emergency Medical Services (EMS) Agency, American Medical Response Corporation (AMR), and other entities to maximize available resources and explore alternative solutions.

The District is scheduling meetings in the effected communities to address the public's concerns and questions. The dates and locations will be published as soon as the arrangements are finalized.

Contra Costa County Fire Protection District

Service Reduction and Fire Station Closure Plan

Since the recession began in 2008, property tax revenue for the Fire District has declined by approximately \$32 million. During this period, the Fire District has taken a number of actions to reduce costs in order to maintain essential service delivery.

During the past five years, the District has utilized reserve funds to keep all of our fire stations staffed and protect the community. In an effort to obtain needed revenue, the District placed a parcel tax measure on the ballot in November. Measure Q received support from the majority of the voters. Unfortunately, it did not receive the votes necessary for passage at the “super majority” threshold. The reserve funds have been expended and the District can no longer afford to maintain current service levels.

The service delivery model is based on community threat, industry standards, (e.g. response time, staffing levels, operational capabilities), the risk level the community is willing to accept, and services the community expects/demands. Currently, the District does not meet industry standards or best practices for staffing levels, response times, assembly of an effective firefighting force, or number of specialty units, e.g. truck companies. Reducing resources and closing fire stations will only exacerbate this already challenging situation.

The contingency plan outlined at the October 23, 2012, Board of Directors’ meeting indicated that the District would close four fire stations in January. This would save approximately \$3M for the current fiscal year. Closing fire stations reduces expenditures, but it also reduces public protection in the respective areas and across the entire response system. Stations will be selected based on the following criteria:

- Community threat/risk
- Call volume
- Ability of adjoining fire stations to “absorb” the call volume and work load
- Proximity of adjoining automatic and mutual aid fire stations
- Transportation corridors
- Impact on response times

The District will work collaboratively with our automatic/mutual aid and private sector partners (e.g., AMR), in an effort to minimize the adverse effects of service reductions. It is important to note that we can utilize other agencies to supplement our response efforts but not to supplant our responsibilities.

Service Reduction and Fire Station Closure Plan
Page 2

In an effort to provide a balance between controlling costs and providing some level of public safety, the following options are provided:

Planned Actions:

- Close four (4) fire stations in early January as previously indicated
- Savings – Approximately \$3M
- Impact – Reduced service delivery and public safety
- Efforts to minimize the impact –
 - Leverage automatic/mutual aid, and private sector partners
 - Potentially up-staff one or two units to expedite interior fire attack operations
 - Utilize existing reserve force to provide some coverage for closed stations when available
 - Work to develop and implement an EMS only (paramedic and EMT or 2- EMTs) unit in some or all of the affected stations during peak call volume time periods of 8 A.M. to 8 P.M.
 - Develop and implement an EMS only reserve or volunteer program to cover the affected stations during the non-peak periods
 - Limit the response to some non-life threatening emergencies and public service calls
 - Enhanced use of dynamic resource deployment, e.g. posting
 - Utilize software to evaluate optimal fire station locations and response configurations
 - Continue to monitor and evaluate service delivery impacts

Fire Stations Identified for Closure:

- Fire Station #4 – 700 Hawthorne Drive, Walnut Creek
- Fire Station #11 – 6500 Center Avenue, Clayton
- Fire Station #12 – 1240 Shell Avenue, Martinez
- Fire Station #16 – 4007 Los Arabis Avenue, Lafayette

Service Reduction Framework:

Purpose:

This plan identifies actions that will be implemented if inadequate funding is available to staff the current 28 fire stations in the District. It is important to recognize that any reduction in staffing and functional units will have an adverse impact on service delivery in the community. This includes:

- The inability to respond to some types of 911 calls
- Longer response times to emergency incidents
- Longer time period to assemble an effective firefighting force to meet operational needs (NFPA-1710)
- More severe fire conditions and fire spread to exposed buildings and vegetation
- Altered strategy and tactics to offset increased safety threats/risks
- Delay in providing life-saving medical treatment and care
- Limiting the ability to participate in the automatic and mutual aid system in the County and State

This plan will provide a broad framework for the multitude of actions, (e.g. operational personnel, fiscal, public communications, etc.) that must take place if reductions are necessary. The goal is to minimize the adverse impact to the community, ensure the safety of first responders, and communicate effectively with all stakeholder groups. This plan outlines a phased, “soft landing” approach in order to provide time to evaluate and monitor the many dynamics associated with the process.

Timeline:

January 1, 2013 to implementation of the FY-2013/2014 budget cycle.

Functional Steps:

1. Identify and prioritize up to ten (10) fire stations that will potentially be closed in order to reduce costs. Stations will be selected based on the following criteria:
 - a. Community threat/risk
 - b. Call volume
 - c. Ability of adjoining fire stations to “absorb” the call volume and work load
 - d. Proximity of adjoining automatic and mutual aid fire stations
 - e. Transportation corridors
 - f. Impact on response times
2. Determine the average number of fire stations that are staffed daily on an overtime basis. This should equate to an average of four to five companies.
 - a. Beginning January 1, 2013, overtime will no longer be utilized to staff the four (4) fire stations and those fire stations will be closed. Selection will be based on stations that have the least impact to the overall operation of the District. This will begin to reduce expenses in the FY-12/13 Budget and limit expenditure of reserve funds.

- b. Prior to fire station closures, notify stakeholders and conduct public meetings in the affected areas so the residents are aware of the fire station closures and the potential impact to the community.
 - c. Notify automatic aid and mutual aid partners regarding the reduced ability to provide aid and the potential for increased need of aid.
 - d. Notify Contra Costa County Emergency Medical Services Agency and American Medical Response (AMR) of the impending reduction in resources and work with them to minimize the impact to the EMS system.
 - e. It is recommended that the District will no longer respond to lower priority incidents such as non-life threatening (BLS) medical emergencies, property damage service calls, i.e. broken water pipes, lockouts with no life safety threat, etc.
 - f. Reduce response algorithms to certain incident types, e.g. fire alarms to a single unit.
 - g. Modify strategy and tactics for firefighting and rescue operations and conduct training for all operational personnel.
 - h. Utilize reserve firefighters to the extent possible for overhaul, “fire watch”, incident cleanup, etc.
 - i. Evaluate and implement different training delivery methodologies, apparatus repair systems, logistical support, etc. that will minimize the out of service or out of district time for field units.
 - j. Secure closed facilities, disconnect utilities, close fueling sites, etc.
 - k. Minimum staffing will be maintained at the remaining 24 fire stations until the beginning of the FY-13/14 Budget cycle.
3. Staff will evaluate the current number of vacancies and the attrition that occurs in early March through the end of the fiscal year.
 - a. If a reduction in force is necessary, layoff notifications will be made in accordance with Personnel Management Regulations and applicable Memorandums of Understanding (MOU).
 4. Evaluate appropriate cost reduction strategies or initiatives, e.g. outsourcing services, elimination of programs, etc. and implement as part of the FY-13/14 Budget.
 5. During the FY-13/14 Budget process, evaluate non-operational support positions that will be eliminated or kept vacant to align with the budget.
 - a. If a reduction in force is necessary, layoff notifications will be made in accordance with Personnel Management Regulations and applicable MOU’s.
 - b. Personnel will be reduced in “rank” as necessary to align with the number of budgeted positions in accordance with “Layoff” Personnel Management Regulations/MOU’s.
 6. Determine the number of fire stations that must be closed in order to align with FY - 13/14 budget projections.
 - a. If a reduction in force is necessary, layoff notifications will be made in accordance with Personnel Management Regulations/MOU’s.
 - b. Personnel will be reduced in rank as necessary to align with the number of budgeted positions in accordance with “Layoff” Personnel Management Regulations/MOU’s.
 - c. Prior to fire station closures, conduct public meetings in the affected areas so the residents are aware of the fire station closures and the potential impact to the community.

- d. Notify automatic aid and mutual aid partners regarding the reduced ability to provide aid and the potential for increased need of aid.
 - e. Notify Contra Costa County Emergency Medical Services Agency and American Medical Response (AMR) of the impending reduction in resources and work with them to minimize the impact to the EMS system.
- 7. Implement necessary changes to staffing and service levels.
 - a. Continue to evaluate/monitor strategy/tactics for safety and effectiveness
 - b. Continue to evaluate/monitor service delivery for impact
 - c. Continue to evaluate/monitor budget

PUBLIC VOTE

ON

MEASURE Q

SPECIAL DISTRICT PARCEL TAX

NOVEMBER 2012

20 hours ago

Contra Costa fire tax lost everywhere

As Contra Costa County supervisors contemplate today shutting down four fire stations in the county's largest fire district, Measure Q vote totals by city are illuminating: The two communities with the lowest support for the Nov. 6 temporary fire parcel tax are among the targeted cities and are the most vocal about losing their stations.

Clayton is the only city where a majority of voters opposed Measure Q, the \$75-a-year parcel tax that would have preserved the stations. A majority endorsed Measure Q in the district's other eight cities although the numbers fell far short of the two-thirds required to pass.

The four closures represent about a third of the 300-square-mile Contra Costa Fire District's 28 stations. Clayton would lose its only fire station, while Lafayette and Martinez would drop from three to two and Walnut Creek would lose one of its four stations.

I've posted a rough table below but click [here](https://www.google.com/fusiontables/DataSource?docid=1SWJyTlt2lo4NhFs2xfzEq9NxfZdnnlVVQhup_Ro) to see an interactive Google Fusion table with vote results by city [https://www.google.com/fusiontables/DataSource?docid=1SWJyTlt2lo4NhFs2xfzEq9NxfZdnnlVVQhup_Ro] .

CITY	YES	PCT YES	NO	PCT NO	TOTAL VOTES	PCT TOTAL VOTE	OFFPOINT BETW YES/NO	GAPPOINTS OF PASSAGE	SHORT
Antioch	17,534	55.35%	14,147	44.35%	31,681	14.67%	10.7%	11.3%	
Clayton	2,862	47.20%	3,224	52.80%	6,106	2.83%	-5.6%	19.5%	
Concord	22,327	51.36%	21,147	48.64%	43,474	20.13%	2.7%	15.3%	
Lafayette	6,711	50.74%	6,515	49.26%	13,226	6.13%	1.5%	15.9%	
Martinez	8,745	52.61%	7,877	47.39%	16,622	7.70%	5.2%	14.0%	
Pittsburg	10,431	56.89%	7,904	43.11%	18,335	8.49%	13.8%	9.8%	
Pleasant Hill	7,832	52.80%	7,001	47.20%	14,833	6.87%	5.6%	13.9%	
San Pablo	3,129	57.02%	2,359	42.98%	5,488	2.54%	14.0%	9.6%	
Walnut Creek	17,155	51.77%	15,985	48.23%	33,140	15.35%	3.5%	14.9%	
ALL CITIES	96,746	52.89%	86,159	47.11%	182,905	84.71%	5.8%	13.8%	
UNINCORP	17,727	53.60%	15,295	46.32%	33,022	15.23%	7.4%	13.0%	
TOTAL	114,473	53.01%	101,454	46.99%	215,927	100.00%	6.0%	13.6%	

Posted 20 hours ago by Lisa Vorderbrueggen

Labels: clayton contra costa fire district contra costa county lafayette pensions measure q firefighters



Add a comment

PUBLIC RECORDS ACT

INFORMATION

FROM

CONTRA COSTA COUNTY

ON

TOTAL PROPERTY TAX ALLOCATION

TO THE FIRE DISTRICT

FROM CLAYTON, CA

County Administrator

County Administration Building
651 Pine Street, 10th Floor
Martinez, California 94553-1229
(925) 335-1080
(925) 335-1098 FAX

David J. Twa
County Administrator

Contra Costa County



Board of Supervisors

John M. Gioia
1st District

Candace Andersen
2nd District

Mary N. Plepho
3rd District

Karen Mitchoff
4th District

Federal D. Glover
5th District

December 31, 2012

VIA U.S. MAIL AND EMAIL

Mr. Gary Napper
City Manager
City of Clayton
6000 Heritage Trail Road
Clayton, CA 94517-1250

Received

JAN 04 2013

City of Clayton

Re: Your Public Records Act Request dated December 19, 2012

Dear Mr. Napper:

This letter is the Office of the County Administrator's response to your December 19, 2012 public records request and forwarded to this office on December 20, 2012 by the Contra Costa County Fire Protection District, regarding the total annual property tax revenue to the Contra Costa County Fire Protection District from properties within the City of Clayton for fiscal years 2007-08 through 2012-13. The Office of the County Administrator has no document responsive to your request. However, we are attaching a document containing information that may be of interest to you given the subject matter of your inquiry. This document does not show the amount of property taxes received by the Contra Costa County Fire Protection District from properties within Clayton, but is provided only as a courtesy because it may relate to the purpose of your letter.

Additionally, to the extent that the purpose of your letter may relate to an inquiry about formation of a fire protection district for the City of Clayton, we *estimate* that the base revenue associated with such a district would be approximately \$2,317,000. This base revenue would be used to calculate the new district's property tax apportionment factor, which determines the amount of revenue that the district would receive.

If you have any questions concerning your request, please feel free to contact me. I can be reached by telephone at (925) 335-1036. Mr. Robert Campbell, the Contra Costa County Auditor-Controller, is also available to answer questions relating to the distribution of property tax revenues within the County. His number is (925) 646-2184.

Very truly yours,

A handwritten signature in black ink, appearing to read "Timothy M. Ewell".

TIMOTHY M. EWELL
Senior Deputy County Administrator
Contra Costa County

cc: The Honorable Robert R. Campbell, Auditor-Controller, Contra Costa County

2012-13 Fire District's Allocated Tax Revenues by City

NOTE: The information below shows the base revenues allocated to Contra Costa Fire District for purposes of calculating their countywide apportionment factors. The dollars below do not represent the amount of property tax revenues apportioned to the Fire district within a City.

	<u>Gross AB8 Base Revenue</u>
<u>CCC Fire Protection</u>	
Antioch	10,535,763.05
Concord	14,746,414.71
Martinez	5,401,394.42
Pinole	10,851.49
Pittsburg	8,357,573.22
Walnut Creek	15,789,875.03
San Pablo	2,404,497.81
Pleasant Hill	5,571,214.65
Clayton	2,317,100.86
Lafayette	7,878,934.06
Unincorporated	16,218,115.51
Total	<u>89,231,734.81</u>

	<u>Gross RDA Loss</u>
<u>CCC Fire Protection</u>	
Antioch	(1,065,794.50)
Concord	(1,744,734.34)
Martinez	0.00
Pinole	0.00
Pittsburg	(5,651,080.26)
Walnut Creek	(123,067.36)
San Pablo	(1,749,363.54)
Pleasant Hill	(538,505.64)
Clayton	(672,390.68)
Lafayette	(528,738.39)
Unincorporated	(1,752,766.34)
Total	<u>(13,826,441.05)</u>

MEMO

BY

CLAYTON CHIEF OF POLICE

**REGARDING FIRE DISTRICT'S
CLOSURE OF FIRE STATION NO. 11**

IN

CLAYTON, CA

City of Clayton
Police Department
6000 Heritage Trail
Clayton, Ca. 94517



Chris Thorsen
Chief of Police

DATE: December 18, 2012

TO: Gary Napper, City Manager

FROM: Chris Thorsen, Chief of Police

SUBJECT: Fire Station Closure Impacts

Summary:

Consolidated Fire has announced the future closure of Fire Station 11, in the City of Clayton effective January 15th, 2013. The questions have been posed on several occasions, what impacts will the closure have on the community and what can the police department do to mitigate the impacts? Some have suggested the Police Department assume a higher level of responsibility for fire calls in an effort to reduce the impacts of the fire station closure.

Background:

Police Officers with the Clayton Police Department are trained in basic first aid and CPR. Additionally, Clayton Officers carry Automatic Electric Defibrillators (AED's) in their patrol cars as part of their typical duty gear. With their current level of training, an Officer responding to a medical call would take measures to treat severe bleeding, utilize the AED in a cardiac event, perform rescue breathing and CPR if required and take measures to calm the patient.

As a matter of general policy, Officers currently respond to cardiac emergencies (heart attacks) code three (lights and siren) with the AED. Officers do not respond to all medical calls. Subjects who have fallen, minor injuries, and other routine non-life threatening calls do not always receive a law enforcement response.

Members of the Clayton Police Department are trained in basic first aid. There are additional training requirements to achieve higher first aid certifications. The next level up, "first responder" enhances the level of expertise. This is the typical level of training for a firefighter. Essentially, the "first responder" is better suited to provide a more thorough assessment of the patients condition. The "first responder" is capable of providing oxygen to the injured victim. The "first responder" can not administer any drugs or medications. It takes approximately 40 to 50 hours of training to achieve this higher level of competency.

Beyond the level of first responder training is the Emergency Medical Technician (EMT). EMT's are more skilled at airway management, and patient assessment. They can't administer any drugs to the patient. EMT's can assist a patient with taking nitro glycerin and other medications previously prescribed to the patient. EMT's can administer oxygen.

Training to reach EMT certification involves between 120 and 160 hours of classroom study as well as working in an emergency room and working on an ambulance to gain experience. Some firefighters are EMT certified. Annually, EMT'S complete approximately 24 to 30 hours of training to maintain their certification. EMT's are normally associated with those personnel assigned to an ambulance.

The highest level of medical training for field personnel is the paramedic. Training can take more than 2000 hours to accomplish. Paramedics can administer drugs and perform advanced medical procedures in the field. The requirements and skills are so high that the job certification does not bare discussion in this paper. In our area, paramedics can be found on fire trucks and ambulances.

To suggest the Police Department assume more responsibility in medical situations seems to be a logical response. Lost is the reality that when a medical emergency is reported, the call activates an "Emergency Medical System". Several emergency agencies, all with specific roles and levels of expertise move in to action.

I provide some examples of the "system" in action to highlight this. Let's first use the example of a motor vehicle accident involving injury with the initial caller using a cell phone to report the incident via 9-1-1.

The caller dials 9-1-1 to the Concord Police Dispatch Center. The dispatcher takes the initial information and broadcast the call to law enforcement personnel. While Police units are responding, the call is transferred to the Fire Dispatch Center. Fire and medical units are dispatched to the scene of the crash.

Upon arrival each discipline has specific roles to accomplish. Law enforcement personnel will check for life threatening injuries and assist victims where possible should major injuries exist. Once more highly trained personnel (fire and ambulance) arrive, the law enforcement role shifts to traffic control and accident investigation.

Fire personnel typically deal with any hazards at the scene, leaking fuel/power lines, hazardous materials such as battery acid etc. Additionally, they assist in stabilizing injured parties and extricate them if required. Fire personnel will assist in "packaging" victims for transport and when required will accompany the ambulance crew with the patient to the hospital.

Ambulance crews treat the patients, prepare and transport them to the hospital. When extrication is required, ambulance personnel are often treating the patient in place while fire personnel are prying parts of the car away so the victim can be removed.

At the conclusion, law enforcement personnel oversee the removal of the involved vehicles and the reopening of traffic lanes for the motoring public. The scenario just described is a very typical "Emergency Medical System" response. Each safety discipline has a specific role and training/expertise to accomplish their mission.

A second 'typical' medical response call: A subject calls 9-1-1 to report their spouse having a heart attack while working in the yard. The dispatcher announces the call, police respond to assist with this life threatening event. The caller is then transferred to the fire dispatcher.

While the fire dispatcher is sending fire and medical units, the dispatcher begins giving CPR

instructions to the caller. Typically, here in Clayton, Police personnel will arrive prior to the Fire Department. The arriving Officer will begin preparing the AED in an attempt to resuscitate the victim, and perform CPR as needed.

When the fire department and ambulance crews arrive, they assume medical treatment. They are more highly trained than the police personnel. Regardless of the effectiveness of the AED, the victim is transported to the hospital. Often times, the ambulance personnel are accompanied by fire personnel in the ambulance.

Again, scenario two is a fairly typical medical response call. In Clayton, we conduct our daily business in this manner. With the closure of the local fire station, the response time for the fire department will increase. Thus, police personnel will be on scene unassisted for longer periods of time.

In scenario one, there will be an increased response time from fire, however once fire and medical personnel arrive our police personnel will conduct their business as usual. In either case, from the stand point of time, the impacts on the police department will be minimal.

In both cases when the patient is transported to the hospital. Critical information regarding how the injuries were sustained, what treatment protocols have been implemented, the patients response to the treatment etc are passed to hospital staff. Appropriate treatment is continued thus completing the "EMS System".

With respect to true "fire" calls, our Officers have limited training and experience with fire suppression. Most receive only basic training in the use of a fire extinguisher at the beginning of their career. No update training is provided, no equipment specific to fire suppression is provided. Typically the role of law enforcement at a fire scene is limited to traffic control and assistance with evacuations as needed.

As the Chief of Police I have strong concerns with potential conflicts the increased service demands will have. Typically, the Clayton Police Department has two Officers on duty at any given time. To date, we have not had a conflict regarding what types of calls we should respond to (medical vs criminal). As an example, should an Officer respond to an armed robbery or an AED call should the calls come in at the same time? Which should take priority, a victim of domestic violence or a heart attack victim?

It seems there's a move to shift burdens traditionally assigned to the Fire Department to the Police Department. The question one must ask, where does the process stop? Should the Police Department assume primary responsibility for responding to small fires that can be extinguished with a fire extinguisher? The principal is no different than having Police Officers assume more responsibility for medical emergencies.

In preparing this report, I spoke with Chief Eric Christensen of the Lafayette Police Department. The City of Lafayette carries AED's in their patrol cars. The City of Lafayette recently experienced a closure/reorganization of the fire stations in their City. Though he did not have statistical data, Chief Christensen stated the work load for his staff has increased noticeably as they have taken on more "medical type" calls.

Recommendation:

Our officers are acting within the scope of their training and experience. It is possible to train to a higher standard, however the benefit derived would be nominal. Increased training to the "first responder" level would only gain the ability to perform a higher level of patient

assessment and the potential administering of oxygen. The patient evaluation will be performed a second time when fire and ambulance personnel arrive, creating a needless redundancy.

Training to the EMT level will be expensive and require many hours of training to bring the entire department up to standard, then keep them certified. Again, the benefit is minimal, our officers would be able to provide an enhanced patient assessment (only to have fire and ambulance personnel reassess the patient when they arrive) administer oxygen and assist subjects who might take their previously prescribed medication.

Our staff is currently filling a valuable role in their part of the Emergency Medical System. When available, they're responding to life threatening medical emergencies and rendering aide to the best of their capabilities. Increasing the training provided to our officers will increase ongoing operational cost significantly with minimal tangible improvement to the service level we currently provide.

I recommend continuing our current practice, responding to medical calls when available and where assistance can be provided. As we move forward, post fire station closure, we will look for unanticipated consequences and develop strategies to mitigate them where we can.

**1999 AGREEMENT
BETWEEN
THE CITY OF CLAYTON AND ITS
REDEVELOPMENT AGENCY

AND

CONTRA COSTA COUNTY
FIRE PROTECTION DISTRICT

FOR
CONSTRUCTION OF FIRE STATION NO. 11
IN CLAYTON, CA**

**AGREEMENT FOR ESTABLISHING NEW FIRE STATION NO. 11
CLAYTON, CALIFORNIA**

Effective Dec. 7, 1999, this Agreement is entered into by and among the City of Clayton ("City"), a municipal corporation, the City of Clayton Redevelopment Agency ("Agency") and the Contra Costa Fire Protection District ("District"), a special district.

RECITALS

WHEREAS, the District presently occupies Station No. 11 at 5850 Clayton Road in the City of Clayton and wishes to relocate the fire company that occupies that station and establish a new Fire Station No. 11 in Clayton upon a parcel of land, approximately 1.1 acre in size at the Southeast corner of Clayton Road and Oakhurst Drive, ("New Station Site"), being more particularly described in Exhibit "A" attached hereto and made a part hereof;

WHEREAS, the City Redevelopment Agency has acquired ownership of the aforementioned New Station Site and the City is holding funds committed to the construction of the new fire station more particularly itemized in Exhibit "B" ("Project Budget") attached hereto and made a part hereof;

WHEREAS, District has collected or will collect fire protection development fees, which District has committed to construction of New Fire Station No. 11 ("New Station");

WHEREAS, City and Agency intend to apply these funds to construction of the New Station upon the New Station Site for a new fire station facility, and convey title to the New Station to the District by grant deed in recordable form, free and clear of all liens and encumbrances, upon issuance of a certificate of occupancy for the New Station;

WHEREAS, City, Agency and District have agreed upon a Project Budget which is outlined in Exhibit B, attached hereto and made a part hereof;

WHEREAS City will provide all preconstruction improvements at and to the new station site, including but not limited to the Center Street extension, at its own cost and not as part of the Project Budget as more fully set forth in Section 12 (Site Delivery) of this Agreement;

WHEREAS District has previously contracted with the architectural firm of Loving and Campos for the design of the New Station and has paid for all design approval phases of the Project and will receive reimbursement in the form of a credit towards the amount of the District's financial contribution as set forth in the Project Budget ("Exhibit B");

WHEREAS, City will contract with the architectural firm of Loving and Campos to complete

plans, specifications and construction and bid documents.

NOW, THEREFORE, the parties hereto hereby agree as follows:

AGREEMENT

Section 1. Purpose and General Provisions.

A. Purpose. This Agreement is entered into, pursuant to Government Code section 6500 et seq. It provides for the City and Agency to provide the land for and be responsible for the preparation of the land for construction of a fire station in Clayton. The City and the Agency will use funds collected by the City, the Agency and the District to pay for the construction of the station. All construction contracts must be approved in writing by the District prior to becoming effective. When the station is completed, the City and Agency will transfer title to the land and the station in fee simple absolute to the District, free of any liens or encumbrances.

B. The City will hire the architectural firm of Loving and Campos to complete plans, specifications, construction and bid documents for the New Station, the final versions of which are subject to the City and the District's written approval. The City will complete any required review prior to solicitation of construction bids. The design and construction of the New Station in accordance with the approved plans and specifications constitutes the "Project" for purposes of this Agreement. The District has expended certain funds for payment of architectural fees for the design of the New Station and the District will receive a credit towards its financial contribution for the construction of the New Station in the amount of such architectural fees as set forth in the Project Budget (Exhibit B). The balance of the architectural fees incurred but not paid as of the effective date of this Agreement shall be part of the Project Budget (Exhibit B).

C. City shall solicit bids for the construction of the Project, in compliance with all requirements applicable to the construction of public works of improvement, and shall, subject to the District's approval, award the construction contract to the lowest responsible bidder who shall be required to furnish adequate performance and payment bonds upon award of the contract. The bid documents shall give the City the right to reject all bids. In the event that the lowest acceptable bid exceeds the funds available for construction of the New Station, City and District shall meet and negotiate in good faith for fifteen (15) working days and attempt to agree upon reductions in the scope of the Project. Any mutually agreed to reductions shall be of such an amount to accommodate the shortfall between the bid and the budget, whereupon the City may solicit new bids for the Project, or award the construction contract to the lowest responsible bidder after bid alternatives reductions, subject to District's written approval. If City and District cannot agree upon the reductions of the Project scope, then City or District may elect to terminate this Agreement in accordance with the provisions of Section 4.B., below, or in the alternative, Agency (or the City) and District, shall agree in writing each to contribute half the funds required to meet the contract price and, thereafter, the contract shall be awarded to the lowest responsible bidder and the dollar amount of each party's contribution shall be specified

Contra Costa County, Clayton, Clayton Redevelopment Agency JPA
Fire Station #11

therein. In the event of any claims resulting from such construction contracts, the City and District will meet and negotiate as set forth in this paragraph. If a claim is for compensation which exceeds the amount to which the claimant is contractually entitled or the total of such claims exceeds the balance in the Construction Account (as defined in Section 2 below), the City and the District will jointly resolve such claim by accepting it as valid in whole or in part or by rejecting it. The cost of any accepted claims shall be shared equally between the City (or the Agency) and the District. Any contract between the City and a construction management firm or consultant shall require the construction management firm or consultant to cooperate fully with the City and the District in the resolution of any such claims.

D. City shall be the lead agency for CEQA purposes and shall oversee construction of the Project and will retain the services of a construction management firm, the cost of such services to be set forth in the Project Budget. The City may also enter into agreements with additional service professionals including, but not limited to, a surveyor, a soils engineer, a landscape architect and other professionals the City may need in connection with the Project, to the extent that such matters are included in the Project Budget (Exhibit B). City shall not enter into any agreements in addition to those set forth in the Project Budget unless each such proposed agreement is first approved in writing by the District with specific agreement as to the share of costs to be borne by each party and deposit requirements and as set forth in section 1.F, below. City will provide District with a fully executed copy of each such agreement upon request.

E. The City shall administer the Project and will be entitled to receive a fee in the amount of \$40,000 for doing so, payable fifty percent (50%) upon execution of this Agreement and the remaining fifty percent (50%) upon completion of the Project as set out in more detail in Section 3 C., below. The District shall attend weekly project meetings and make weekly quality assurance inspections and shall be paid a fee in the amount of \$15,000 for doing so, payable fifty percent (50%) upon execution of this Agreement and the remaining fifty percent (50%) upon completion of the Project as set out in more detail in Section 3 D., below.

F. Matters affecting the construction of the Project or changes to the Project shall not be approved by the City without the prior written approval of the District. Matters requiring District approval are the following: (1) the drawings and specifications for construction of the New Station, including all agreements for construction; (2) all change orders relating to construction of the New Station if the change order changes the contract by an amount in excess of One Thousand Five Hundred Dollars (\$1,500.00) or which constitute a change in the plans or specifications, and (3) costs and fees in connection with Section 1 C. above. Any request for District approval shall include specific agreement as to the share of costs to be borne by each party and deposit requirements, which approval shall not be unreasonably withheld. The City shall send copies of all change orders to the District for the District's review in an expeditious manner. District shall use its best efforts to review all change orders and return them to the City within two working days of receiving the change order.

G. Prior to occupying the New Station, the District shall give the City written notice of its

Contra Costa County, Clayton, Clayton Redevelopment Agency JPA
Fire Station #11

acceptance of the Project. No later than 30 days following receipt of such notice, City shall convey possession and title to the New Station and the New Station Site to the District in fee simple absolute by grant deed in recordable, insurable form, as approved by the District, free of all liens, charges and encumbrances, at no cost to the District. During the term of this Agreement and prior to taking title to the New Station and New Station Site, District shall have a right of entry upon the premises and may make inspections from time to time as deemed necessary by the District.

Section 2. Finance.

A. Within seven days of the execution of this Agreement, District shall deposit with City all funds it has received pursuant to the City of Clayton development impact fees for the fire station, plus any accrued interest. In addition, the District shall deposit with City, all other moneys, herein required of it (as set forth in Exhibit B), within fourteen days following the requests for bids to construct the Project. Upon execution of this Agreement, City shall create an interest bearing fire station construction account ("Construction Account"). City shall place into the Construction Account all moneys received from District and any moneys City is required herein to contribute for the construction of the New Station. City shall, as the District's agent, apply all the funds in the Construction Account in payment of all costs incurred in connection with construction of the Project. City or Agency and District shall each provide equal monetary amounts from sources other than Development Impact Fees or the Oakhurst subdivision as set forth in Exhibit B. In addition, District agrees to contribute \$250,000 to the Construction Account, as set forth in Exhibit B. The total funds when first deposited in the Construction Account, shall not be less than the Project Budget. Any additional funds required as a result of change orders (see Section 1.F.) shall be deposited into the Construction Account by the City (or the Agency) and the District as provided in Section 1 C., in a timely manner after notice of the change order has been received by each party.

B. If the final cost of constructing the New Station, including but not limited to all project costs such as design, construction management and City administration, is less than the total amounts made available for Project by deposits to the Construction Account, surplus funds shall be returned to the contributing party in proportion to the contributions made by the City, the Agency and the District as set forth in Exhibit B (Project Budget). It is understood that the development impact fees and accrued interest (listed in Exhibit B) will be used first in construction of the New Station.

C. Other than those fees charged by the County acting in its capacity as the City's Building Inspection Department, City agrees to waive all processing and other development fees and/or permit fees generally imposed by the City other than the administration fee specified in Section 3 C. below. Upon completion of the Project, the City shall promptly provide the District with a final report of all Project costs.

D. Each party is accountable for all funds and shall report all receipts and disbursements under this Agreement.

Section 3. Payments.

The City shall make payments from the Construction Account for the costs of construction of the New Station as follows:

A. The City shall pay the general contractor in accordance with provisions of the construction specifications and the agreement with the general contractor, as approved by the District.

B. The City shall pay from the Construction Account any cost accruing to the Project and its construction, including but not limited to any obligations identified herein as being due City, the construction management firm, the surveyor, the landscape architect, the soils engineer, the testing engineers, and any other professional service provider in accordance with each contract's provisions, and the balance of architect's fees, if any, as set forth in the Project Budget (Exhibit B) and subject to the provisions of Section 1.F, above.

C. The City shall be paid an administration fee in the amount of \$40,000, as provided for in Section 1 E. above, payment to be made out of the Construction Account.

D. The District shall be paid an administrative fee in the amount of \$15,000, as provided for in Section 1.E. above, payment to be made out of the Construction Account.

Section 4. Termination.

A. In the event the bid submitted by the lowest responsible bidder for construction of the New Station or if at any time during the construction of the New Station, the estimated total cost of construction of the New Station is greater than ninety five percent (95%) of the available funds on deposit in the Construction Account after deducting fees due others, including but not limited to City, project manager, architect, etc., City shall notify the District and the Agency and the parties will thereafter meet and negotiate in good faith for fifteen (15) working days in an effort to find a solution that will result in a bid for the construction contract coming in at or below the funds available to cover such contract or, in the alternative that the "shortfall" be paid by equal contributions from the Agency (or the City), and the District in accordance with the provisions of Section 1.C., above.

B. If the City and the District cannot agree on the matters described in Sections 1.C or 4.A, hereinabove, within the time period allowed or as extended by mutual agreement of the City and the District, either the City or the District may terminate this Agreement by giving written notice of termination to the other party. If this Agreement is terminated, the City shall disburse any

remaining balance of funds in the Construction Account, (including interest), in a manner consistent with section 2. B. above, within fourteen (14) days of receipt of notice of termination.

Section 5. Indemnification.

A. Upon the City and the Agency's assignment of rights to the District, as provided in Section 7, below, the District covenants not to sue the City and its officers, officials, agents, employees and volunteers for any liability, claim, action, cause of action or demand whatsoever incurred by the District, including any injury to or death of any person or damage to property, liability for negligent supervision of construction, construction defects (latent or patent), cost overruns or other liability of any nature, arising out of or in any way connected with the construction of the Project.

B. The City shall require all contractors retained pursuant to this Agreement to agree as follows: "Contractor shall save, defend, indemnify and hold harmless the City, the Agency, the District and their respective officers, officials, agents, employees and volunteers from and against any and all liability, claims, actions, damages, losses, expenses, causes of action or demands whatsoever against any of them, including related attorneys' fees arising out of or connected with any injury or death of any person or damage to property or other liability of any nature, arising out of or in any way connected with the work described herein, including the construction of the Project, caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. The right of the District, the City and the Agency to be defended indemnified, saved, protected and held harmless hereunder shall be unaffected by the concurrent negligence of the District, City or Agency or any other person."

C. The provisions of this section shall survive the term of this Agreement. Any agreements entered into pursuant to and in implementation of this Agreement, including those agreements entered into in connection with the construction of the New Station, shall contain a similar survival clause.

Section 6. Insurance.

The District and the City are self-insured and each shall provide the other with a letter of self-insurance within thirty (30) days of the effective date of this Agreement. The City shall ensure that the following insurance requirements are incorporated into all contracts entered into pursuant to this Agreement: (1) service vendors, including the construction management firm, shall maintain professional liability insurance in an amount of not less than Two Million Dollars (\$2,000,000.00) providing certificates of insurance to the City, the Agency and District naming the City, the Agency and the District as additional insured and providing for 30-days prior notice of cancellation or material reduction in coverage, City shall insure that such insurance provisions are included in or added to the City's contract with the architect; (2) construction contractors shall maintain comprehensive general liability insurance, including owners' and contractors' protective and broad form property damage insurance, and coverage of subcontractors, with a

minimum limit of Two Million Dollars (\$2,000,000.00) combined single limit per occurrence, providing certificates of insurance to the City, Agency and District naming the District, Agency and the City as additional insured, and providing for 30-days prior notice of cancellation or material reduction in coverage; (3) construction contractors shall maintain builders' risk insurance with waiver of subrogation for the District, Agency and the City, naming City as loss payee, providing certificates of insurance to the City, Agency and District and naming the City, Agency and the District as additional insured, and providing for 30-days prior notice of cancellation or reduction in coverage; and (4) all construction contractors and service vendors, including the construction management firm, shall maintain vehicle liability insurance with a minimum combined single limit coverage per occurrence of Five Hundred Thousand Dollars (\$500,000.00), providing certificates of insurance to the City, Agency and District and naming the District, Agency and the City as additional insured, and providing for 30-days prior notice of cancellation or reduction in coverage, as well as workers' compensation insurance pursuant to state law.

Section 7. Release.

Upon the effective transfer of title in fee simple absolute of the New Station, including the land, to the District, as referenced in Sections 1A. and 1 G. of this Agreement, and provided the City and the Agency assign to the District all rights under all contracts pertaining to the Project, including but not limited to all rights to proceed against any contractors, persons or entities connected with the design, construction and management of the New Station, the District will accept such assignment of rights in a form acceptable to the District, and at such time, the District will release the City and Agency and its officers, officials, agents, employees and volunteers from any claims by or liability to the District arising out of the design, construction, and management of the New Station, including construction defects. Following assignment and release, the District's sole remedy, if any, for any such claims or liability shall be with the contractors (including all service vendors, such as the architect) engaged by the City, Agency or District. An example of an acceptable form of assignment is attached hereto as Exhibit C. Absent an assignment, the District's rights and remedies against the City and the Agency will survive after the conveyance of title of the New Station and the New Station site to the District.

Section 8. Compliance with Laws.

This Agreement shall not be deemed to limit the City's authority to enforce its land use regulations, building codes and other applicable laws.

Section 9. Fiscal Agreement Provision.

Any other provisions of this agreement notwithstanding, the District agrees that it suffers no financial burden or detriment as a result of the redevelopment project activity as understood in section D(3) of the Agreement Concerning Tax Increment From The Clayton Redevelopment

Contra Costa County, Clayton, Clayton Redevelopment Agency JPA
Fire Station #11

Project Area, executed as of the 14th day of July, 1987; and, that all provisions of section D of that agreement have been satisfied by this Agreement.

Section 10. Return of Current Station No. 11 Parcel to Tax Rolls.

Following District's move to the New Station, District intends to continue to use the old Station No. 11, located at 5850 Clayton Road for active administrative purposes related to the fire protection business interests of the District. If the old station building remains vacant or is abandoned by the District for a twelve month period following District's move to the New Station, District shall offer its property at 5850 Clayton Road, Clayton for sale, at a price and terms to be determined by the District in its sole discretion and to the extent permitted by law, will attempt to sell to a non-public party to accommodate the City's desire that the property be returned to the Contra Costa County Tax Assessor's Rolls for assessment as non public property and for tax revenue generating purposes.

If the District is unable to sell the property in a reasonable period of time, it will meet and discuss with the City in good faith in an attempt to find alternative public or non-public uses of the property. So long as the District owns the property, a) it will maintain the old station and grounds in a good state of repair, and b) any change in the District's use of the property shall be compatible with the Clayton General Plan and current Clayton zoning regulations and subject to compliance with the City's land use regulatory processes.

Section 11. New Station No Longer Used As A Fire Station

Prior to actually retiring the New Station from active fire station use, the District will meet with the City to discuss alternative uses of the New Station. So long as the District owns the property, a) it will maintain the new station and grounds in a good state of repair, and b) any change in the District's use of the property shall be compatible with the Clayton General Plan and current Clayton zoning regulations and subject to compliance with the City's land use regulatory processes. In the event the New Station is no longer used as an active fire station facility, the District will establish an account for the benefit of the City of Clayton, which shall bear interest at a rate no less than that of Contra Costa County pooled general funds, to hold the City's share of the proceeds of sale or share of the then appraised fair market value of the station. The funds in the account shall be held and expended for the exclusive benefit of the City, with the actual expenditures to be made for a purpose and in a manner to be determined by mutual agreement of the City and the District. The amount placed in such account as the City's share shall be no less than that proportion identified in Exhibit B as the City's percent of contribution.

Section 12. Site Delivery

The City and the Agency shall render the site "construction-ready" before the commencement of any construction thereon. As used in this Agreement, "construction ready" means that prior to

Contra Costa County, Clayton, Clayton Redevelopment Agency JPA
Fire Station #11

the commencement of construction (1) all necessary utilities shall have been installed, made available and will be present on and adjacent to the site as required by City ordinances, standards and rules and regulations and applicable laws; (2) the Center Street extension shall have been constructed, at a minimum, to City standards and specifications, and shall be of a sufficient length to continue along the entire boundary of the New Station Site; (3) underground utilities shall have been stubbed out to City standards; and (4) the New Station Site shall have been graded and the corners established. All costs for making the site construction ready shall be borne by the City and/or the Agency and shall not be a part of or paid by any monies in the Project Budget nor shall any such costs or fees associated with making the site construction ready be charged to or paid by the District.

Section 13. Assignment, Successors.

This Agreement may not be assigned without prior written agreement of the District, the City and the Agency. Subject to that restriction, the terms, conditions, covenants and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereto. Upon the conveyance of title to the New Station and the New Station site to the District, the District will succeed to all of the rights and remedies of the City and the Agency under agreements related to the design and construction and management of the New Station and the New Station Site.

Section 14. Authority.

The City, Agency and the District warrant that the person(s) executing this Agreement on behalf of each respective party is fully authorized by such party to do so.

Section 15. Notices and Written Approvals.

All notices and written approvals required to be given under this Agreement shall be in writing and sent by (a) first class mail, postage prepaid, in which case notice shall be deemed delivered three (3) business days after deposit in the United States Mail; or (b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or (c) telecopy or similar means, in which case notice shall be deemed delivered one (1) business day after the day it was transmitted by telecopier or similar means, provided that a transmission report is generated reflecting the accurate transmission of the notices. The place for delivery of all notices given under this Agreement and the person designated by each party to make any approvals required by this Agreement shall be as follows:

City and Agency:	City of Clayton
Attn:	Richard Hill, City Manager
	P. O. Box 280

Contra Costa County, Clayton, Clayton Redevelopment Agency JPA
Fire Station #11

Clayton, CA 94517
Fax: (510) 672-4917

District: Contra Costa County
Attn: Scott Tandy, Assistant County Administrator
651 Pine Street, 11th Floor
Martinez, CA. 94553
Fax: (510) 335-1098

or to such other addresses or persons that the City, Agency or the District may respectively designate by written notice to the other.

Section 16. Entire Agreement.

This Agreement and the attached Exhibits contain the entire agreement among the parties to this Agreement and shall not be modified in any manner except by an instrument in writing executed by all parties or their respective successors in interest. The parties acknowledge that the commitments pursuant to this Agreement satisfy and are in lieu of all other City/District or Agency/District agreements regarding the new Clayton Fire Station.

Section 17. Construction.

The section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this Agreement. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if all parties have prepared it. The parties to this Agreement and their counsel have read and reviewed this Agreement and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Agreement.

Section 18. Waiver.

Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

Section 19. Modification.

No waiver or modification of this Agreement is valid unless made in writing and signed by the City, the Agency and the District.

Section 20. Severability.

In the event any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall not be affected.

Contra Costa County, Clayton, Clayton Redevelopment Agency JPA
Fire Station #11

Section 21. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together, shall constitute one instrument.

Section 22. Representation.

This Agreement is executed voluntarily by each of the parties hereto, both of whom have been legally advised by independent counsel of their choice as to the content and effect of this Agreement.

CITY OF CLAYTON

By: Pete Laurence
Pete Laurence, Mayor

By: Richard Hill
Richard Hill, City Manager

**CONTRA COSTA COUNTY
FIRE PROTECTION DISTRICT**

By: Keith Richter
Keith Richter, Fire Chief

**CITY OF CLAYTON
REDEVELOPMENT AGENCY**

By: Phyllis Peterson
Phyllis Peterson, Board Chair

By: Richard Hill
Richard Hill, Executive Director

APPROVED AS TO FORM
Maurice E. Huguet, Jr.

Maurice E. Huguet, Jr.
City Attorney, Clayton

APPROVED AS TO FORM:
Victoria Westman

Victoria Westman
County Counsel

FIRE STATION SITE
AT OAKHURST DRIVE AND CLAYTON ROAD
LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF CLAYTON, CONTRA COSTA COUNTY, CALIFORNIA, BEING A PORTION OF PARCEL 1 AS SAID PARCEL IS SHOWN ON THAT CERTAIN PARCEL MAP ENTITLED, "PARCEL MAP MS 419-90", RECORDED AUGUST 19, 1993, IN BOOK 163 OF PARCEL MAPS, AT PAGE 1, CONTRA COSTA COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERN TERMINUS OF THAT CERTAIN LINE ANNOTATED "T-7" ON SHEET 4 OF 4 OF SAID PARCEL MAP (163 PM 1); THENCE SOUTH 14°06'43" WEST, 40.10 FEET TO A POINT ON A TANGENT CURVE, CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 340.00 FEET; THENCE SOUTHERLY, ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 157.08 FEET, THROUGH A CENTRAL ANGLE OF 26°28'13"; THENCE SOUTH 40°34'56" WEST, 2.09 FEET; THENCE SOUTH 49°58'59" EAST, 100.42 FEET; THENCE SOUTH 55°49'19" EAST, 34.65 FEET; THENCE SOUTH 75°18'58" EAST, 54.71 FEET; THENCE NORTH 73°57'13" EAST, 58.91 FEET; THENCE NORTH 17°26'09" EAST, 223.00 FEET TO THE NORTHERLY LINE OF A CURVE WITH RADIUS OF 950.00 FEET, WHOSE CENTER BEARS SOUTH 26°48'27" WEST; THENCE WESTERLY, ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 186.30 FEET, THROUGH A CENTRAL ANGLE OF 11°14'09" TO A POINT FROM WHICH THE CENTER BEARS SOUTH 15°34'17" WEST; THENCE, CONTINUING ALONG THE BOUNDARY OF SAID PARCEL 1, SOUTH 52°48'31" WEST, 32.43 FEET TO THE POINT OF BEGINNING.

EXHIBIT A

EXHIBIT B

FINANCING AVAILABLE

Description	Contributed By Fire Dist.	Contributed By City	Dev. Impct Fee	Total
Held By Fire District				
Development Impact Fee--Presley			\$371,900	\$371,900
Development Impact Fee--Other			\$73,690	\$73,690
Subdivision Assessments				\$0
Interest Earnings		\$103,073	\$100,259	\$203,332
Agreed Contribution	\$154,270			\$154,270
Sale of Old Station No. 11	\$250,000			\$250,000
Future Impact Fees			\$300	\$300
 Held by City of Clayton				
Development Impact Fee--Presley			\$20,500	\$20,500
Subdivision Assessments		\$437,600		\$437,600
Agreed Contribution		\$154,270		\$154,270
Development Impact Fee--Other			\$42,067	\$42,067
Total Financing Available	\$404,270	\$694,943	\$608,716	<u>\$1,707,929</u>
 Per Cent Contributed	 36.778%	 63.222%		

ANTICIPATED EXPENSES

Design	\$ 144,756	
Architect Engineering	51,336	
Utilities	41,000	
Survey	5,000	
Bldg Permit & Inspection	0	
Consultant Inspection	12,000	
Construction Management	125,000	
Construction Contract	1,228,837	
Construction Contingency	<u>100,000</u>	
 Total Anticipated Expenses		 <u>\$1,707,929</u>

EXHIBIT B

ASSIGNMENT AND RELEASE

City of Clayton ("CITY") and City of Clayton Redevelopment Agency ("AGENCY") hereby assign to the Contra Costa Fire Protection District ("DISTRICT") all rights CITY and AGENCY have or may be deemed to have under the contracts itemized in the attachment to this Assignment and Release, all of which pertain to the new fire station project.

This assignment includes but is not limited to all rights to proceed against any contractors, persons or entities connected with the design, construction and management of the new fire station project.

Concurrently with the execution of this Assignment and Release, DISTRICT releases CITY and AGENCY and its respective officers, officials, agents, employees and volunteers from any claims by or liability to District arising out of the design, construction, and management of the new fire station project, including construction defects. District acknowledges that its sole remedy, if any, for any such claims or liabilities shall be with the contractors (including all service vendors, such as the architect) engaged by CITY, AGENCY or DISTRICT.

Date: _____, 1999

CITY OF CLAYTON

By: _____

Date: _____, 1999

CITY OF CLAYTON
REDEVELOPMENT AGENCY

By: _____

Date: _____, 1999

CONTRA COSTA FIRE
PREVENTION DISTRICT

By: _____

EXHIBIT C

PRELIMINARY

STAFF

RESEARCH

Fire Protection Background:

Why is there a minimum of three firefighters on a fire engine or a fire truck?

A minimum of three fire fighters are needed to perform the basic tactical functions safely on the scene of emergencies. Because jurisdiction is primarily suburban with light commercial and low density residential, only three firefighters are required. Many urban areas require four or five firefighters on their fire engines and fire trucks.

How many firefighters are needed to fight a house fire?

Initially, four firefighters must be on the scene of a fire prior to firefighters entering a burning structure. OSHA requires that a minimum of two firefighters conduct interior fire fighting operations and a minimum of two firefighters who are properly equipped and trained must be positioned outside the structure to remain capable of rapid rescue of the interior team. The outside personnel must at all times account for and be available to assist or rescue members of the interior team. This is commonly referred to as the “two-in two-out rule” (29 CFR 1910.134).

National Standards also requires a minimum of 15 firefighters arrive on scene within the first 10 minutes of notification. NFPA 1710 determines required staffing levels and response times needed to operate efficiently and safety at structure fires. To meet the standard fire agencies must be capable of establishing incident command, water supply, attacks line(s), backup line(s), search and rescue team(s), ventilation team(s) and rapid intervention team(s) at all structural fires. Fire Depts. respond with one Battalion Chief, five fire engines and/or trucks and one ambulance to meet the staffing requirements.

AMR – per Pat Frost County EMS coordinator – AMR receives their funding from insurance billings, no money from the County as they are **only EMS transport not first responder**, and ambulance transportation is an insurance coverage item in most cases if not they direct bill the patient/customer; payment plan; liens; collections etc. are methods they use to obtain payment, however if no payment their risk, and just adds to overall costs for others (with insurance) in future billings etc. Can not contract with AMR or others for transport as EMS is a regional function and exclusive franchise

1 ambulance operations is \$1million per year.

The \$10/parcel tax that all properties pay for EMS in Contra Costa (Measure H) goes entirely to for EMS services it is not passed through to AMR, it is partially used for Fire paramedic and EMS operations. It is a County collected tax, that was voted on by the public in the late 1970's/early 80's.

Fire Truck cost base (no equip) \$500,000 with equip: \$750,000-\$800,000 each

Examples of Annual Operational Costs estimates from various Fire Districts: does not include startup costs (ie: personal safety equip. trucks, fire hoses, buildings, etc) using a Single station model with 3 person Crew and in some cases may not include capital equipment replacement costs)

East Contra Costa FY 12/13 \$2.7 million- \$3.375 million (no paramedics – all EMT Level 1)

FY 17/18: FY 17/18: Per Station: \$3,235,739

FY 21/22: Per Station: \$3,603,150

Morgan Hill (Cal Fire Contract)

\$2,131,193 plus 2.5% annual increase (FY 12/13). *(City provides additional costs/offices etc through its general fund plus pays additional for automatic aid, and mutual aid)*

Pinole: Had 2 stations; closed one due to (lack of funding)

\$ 3.056 million (FY 12/13) *(\$2.5 million GF; ½ million other city sources – sales and utility taxes; \$56,000 grant. Pinole has a ½ cent sales tax AND a Utility User Tax at 8% (and includes water) which is used to supplement services including public safety*

Orinda-Moraga:

\$3.7 million (FY 12/13)

El Cerrito: (has additional ½ cent local sales tax)

\$3.4 million (FY 12/13)

Kingston Fire Dist: contracts with the City of El Cerrito

\$ 2.6 million (2007 figures)

\$3.05 million (2009 figures)

\$3.35 million (FY 12/13)

Albany: \$4.25 million (FY 10/11)

Piedmont: \$5.15 million (FY 10/11)

Rodeo-Hercules: \$2.5 million (FY 10/11)

Emeryville: \$2.7 million (FY 10/11)

Woodside: \$4.7 million (FY 10/11)

Alameda County: 3.1 million (FY 10/11)

Richmond: \$4.26 million (FY 10/11)

Berkeley: \$4.43 million (FY 10/11)

San Ramon: \$ 5.05 million (FY 10/11)

Overview of a Volunteer Firefighter Program (From East CC Fire Chief Hugh Henderson– June 2012)

A volunteer firefighter program would consist of members of the community that live or work within the District.

The difference between a volunteer firefighter program and a paid on-call program is that within a paid on-call program, the firefighters are paid per hour for training and emergency responses.

- Costs:

\$1000 – Recruitment (per each recruitment process)

\$1500 – Selection Process (per volunteer, includes background/medical etc)

\$1500 – Training (per volunteer)

\$6000 – Safety Equipment (per volunteer)

\$ 500 – Workers Compensation Policy

Total cost per volunteer start up is \$9,500 – plus additional annual – periodic costs for training/equip replacement.

The following steps would be needed to implement a volunteer program:

- Recruitment: 30-40 days of advertisement, accepting applications
- Selection Process: Application review, interviews, background checks, medical review
- Training: 240 hours of initial fire training, 60 hours of medical training, 100 hours of driving emergency apparatus training; 240 hours of annual refresh/updates
- Safety Equipment: One set of structure firefighting turnouts, one set of wild land firefighting gear, self-contained breathing apparatus mask, personal medical safety bag, uniforms
- Workers Compensation Policy: A separate policy for volunteers is required by the District's Workers Compensation insurance carrier.

Timeline would be to have first volunteers completely trained and ready to implement within 180 days of the beginning of the process.

The ECC District conducted recruitment for volunteer firefighters that lived within the fire district. This recruitment was done from both running ads in local papers and the District's website. The District received a total of 60 applications of people who live within the district. Within the 60 applications received there are several people that want to assist the district by filling non-suppression roles such as fire prevention or logistic support on incidents. The District has held off on the volunteer program until they work out the temporary Federal Grant they received.



CITY COUNCIL AGENDA ITEM NO. 13

Meeting Date: August 23, 2011

Subject/Title: Discussion of Fire Service in the City of Brentwood and Consideration of the Ad-Hoc Fire Subcommittee's Recommendation to Put the Detachment/Formation Fire District Application to LAFCO on Hold.

Prepared by: Donna Landeros, City Manager
Paul Eldredge, Assistant City Manager

Submitted by: Vice Mayor Barr and Council Member Stonebarger

RECOMMENDATION

The Ad-Hoc Subcommittee recommends the City Council move forward with putting Plan B on hold and support the District's efforts in finding additional revenue sources. Should the Fire Board deviate or delay their approach to finding additional revenue sources, the Ad-Hoc Subcommittee would seek Council direction for moving forward with the Brentwood Plan B option.

PREVIOUS ACTIONS

On October 27, 2009, the Cities of Brentwood and Oakley and the Contra Costa County ("County") Board of Supervisors consented to the creation of an appointed governing board for the East Contra Costa Fire Protection District based on proportional representation.

On November 10, 2009, the Contra Costa County Board of Supervisors, acting as the East Contra Costa Fire Protection District Board of Directors, consented to the creation of an appointed governing board for the District based on proportional representation.

On December 8, 2009, the City Council adopted Resolution 2009-242 appointing City of Brentwood representatives to the East Contra Costa Fire Protection District Board of Directors; authorized the Mayor to appoint an alternate Director; and authorized the appointees to act as Fire District Board Directors on behalf of the City of Brentwood.

On December 14, 2010, the City Council adopted Resolution 2010-165 appointing Council Members Barr and Bryant as representatives, and Mayor Taylor as alternate, to the East Contra Costa Fire Protection District Board of Directors and authorizing the appointees to act as Fire District Board Directors on behalf of the City of Brentwood.

On March 7, 2011, the City Council, by motion, appointed Vice Mayor Barr and Council Member Stonebarger to an ad-hoc Fire Subcommittee.

On June 28, 2011, the Ad-Hoc Fire Subcommittee members recommended the Council direct staff to prepare the necessary paperwork and City Council resolutions for a Detachment/Formation LAFCO application for a Brentwood only fire service option, also known as Brentwood Plan B.

BACKGROUND

At its June 28, 2011, meeting, the City Council heard the pros and cons of proceeding with a detachment/formation Fire District Application to LAFCO. As stated during the staff presentation, the continued underfunding of the consolidated East Contra Costa Fire Protection District

(ECCFPD) has put the Fire Board and each of the represented cities in jeopardy of making tough limiting of service decisions. As a result of the presentation, Council directed staff to proceed with the LAFCO application to form a Brentwood Fire District.

At the July 11, 2011, ECCFPD Fire Board meeting, the Board identified the next steps needed in obtaining long-term funding and organizational options. At the conclusion of the meeting the Board had three funding options- a special tax, a special assessment or cost recovery based on services used.

The ECCFPD Board directed staff to proceed with the special tax option at the August 1, 2011 Board meeting. The special tax requires an election and approval by two-thirds of the voters in the District and has anticipated election date of June 2012. The District has focused on a tax rate of \$187 per parcel in the District. This tax per parcel will allow for the existing services to continue and facilitate in the improvement of facilities and equipment.

As a result of the August 9, 2011 Ad-Hoc Subcommittee's report to the full Council, the Council requested staff evaluate possible options/alternatives to the ECCFPD Board's August 1st action and report back. The Subcommittee and staff met on August 17, 2011 to discuss those options and recommends Brentwood's Plan B be put on hold pending the outcome of the ECCFPD special tax option.

This recommendation is pursuant to the Fire District moving forward with a feasible and realistic parcel tax measure on the June 5, 2012 ballot. Should the District efforts not receive full support of the member agencies or if the timeline slips past the June election deadline, Ad-Hoc Subcommittee will request the City Council re-evaluate its position and options.

FISCAL IMPACT

There is no fiscal impact associated with this direction.



**CITY OF BRENTWOOD
CITY COUNCIL AND REDEVELOPMENT AGENCY MINUTES
TUESDAY, 7:00 P.M.
AUGUST 23, 2011
*7:00 P.M. Joint City Council Redevelopment Agency Meeting**

OLD BUSINESS

13. Discussion of Fire Service in the City of Brentwood and Consideration of the Ad-Hoc Fire Subcommittee's Recommendation to Put the Detachment/Formation Fire District Application to LAFCO on Hold. (Vice Mayor Barr/Council Member Stonebarger)

Staff Report for Agenda Item 13

Motion: Approve as recommended by the Ad-Hoc Committee, to put Plan B on hold and support the District's efforts in finding additional revenue sources. Should the Fire Board deviate or delay their approach to finding additional revenue sources, the Ad-Hoc Subcommittee would seek Council direction for moving forward with the Brentwood Plan B option.
Moved by Brockman, seconded by Stonebarger.

Vote: Motion carried 5-0.

Yes: Barr; Brockman; Bryant; Stonebarger; Taylor

THE CITY OF
BRENTWOOD
CITY COUNCIL AGENDA ITEM NO. 26

Meeting Date: June 28, 2011

Subject/Title: Discussion of Fire Service in the City of Brentwood and Consideration of the Ad-Hoc Fire Subcommittee's Recommendation to Proceed with a Detachment/Formation Fire District Application to LAFCO

Prepared by: Donna Landeros, City Manager
Paul Eldredge, Assistant City Manager

Submitted by: Vice Mayor Barr and Council Member Stonebarger

RECOMMENDATION

The Ad-Hoc Fire Subcommittee recommends that the City Council direct staff to prepare the necessary paperwork and City Council resolutions for a Detachment/Formation LAFCO application for a Brentwood only fire service option and return to Council with the necessary documents for approval.

PREVIOUS ACTIONS

On October 27, 2009, the Cities of Brentwood and Oakley and the Contra Costa County ("County") Board of Supervisors consented to the creation of an appointed governing board for the East Contra Costa Fire Protection District based on proportional representation.

On November 10, 2009, the Contra Costa County Board of Supervisors, acting as the East Contra Costa Fire Protection District Board of Directors, consented to the creation of an appointed governing board for the District based on proportional representation.

On December 8, 2009, the City Council adopted Resolution 2009-242 appointing City of Brentwood representatives to the East Contra Costa Fire Protection District Board of Directors; authorized the Mayor to appoint an alternate Director; and authorized the appointees to act as Fire District Board Directors on behalf of the City of Brentwood.

On December 14, 2010, the City Council adopted Resolution 2010-165 appointing Council Members Barr and Bryant as representatives, and Mayor Taylor as alternate, to the East Contra Costa Fire Protection District Board of Directors and authorizing the appointees to act as Fire District Board Directors on behalf of the City of Brentwood.

On March 7, 2011, the City Council, by motion, appointed Vice Mayor Barr and Council Member Stonebarger to an ad-hoc Fire Subcommittee.

BACKGROUND

In November of 2002 the Board of Supervisors consolidated three rural fire districts, (East Diablo Fire Protection District, Oakley Fire Protection District and the Bethel Island Fire Protection District) into the East Contra Costa Fire Protection District (ECCFPD) which currently provides fire service to the City of Brentwood and the surrounding area. The consolidated districts were all underfunded and the hope was that with the reorganization the voters in the new District would support additional revenue. Extensive studies, master plans and discussions

occurred from April 2004 to October of 2009 leading to the formation of an Appointed Fire Board, consisting of representatives from Brentwood, Oakley and the County.

The Appointed Fire Board took over the District in February of 2010. At that time property taxes plummeted by over 30% and the District was deficit spending by over \$1,450,000 per year. Efforts to stabilize the District included closing stations in Discovery Bay and Byron, and reducing the fire fighter staffing from 54 to 48 full time equivalent positions and eliminating two unfilled administrative positions.

At the same time the Board evaluated additional revenue alternatives, focusing on the formation of a benefit assessment for fire suppression service. Polling indicated that an assessment would receive the strongest support in Brentwood:

Approximate Level of Support By Region - ECCFPD Proposed Tax Measure

City of Brentwood	65%
City of Oakley	58%
Discovery Bay	51%
Unincorporated CC County (Byron, Knightsen, Bethel Island, etc.)	64%

The quandary for Brentwood voters, however, is that the assessment would not offer the two service improvements which are important to Brentwood residents – 1) insuring current or faster response times and 2) paramedics (ALS).

At the regularly scheduled ECCFPD Board meeting on May 2, 2011, the ECCFPD Board unanimously decided not to proceed with the benefit assessment as recommended in the Engineer's Report. The Engineer's Report had been prepared to accompany a special assessment that was tentatively scheduled to go before the voters this summer. The special assessment, if adopted by the voters, would have provided the additional revenues required for ECCFPD to continue to provide the current level of service and remain financially solvent. By not proceeding with the benefit assessment, ECCFPD will not receive additional revenue for this fiscal and calendar year and, more than likely, next fiscal year as well.

At this same meeting the fire district staff received direction to draft a budget that continues the current service levels and deficit spend for the next 5 to 6 months with the anticipation that the budget would be re-evaluated after that period.

Without any additional revenues and at the current level of service it is estimated that the ECCFPD would be insolvent within 12 to 15 months. The current service level would require deficit spending that would deplete the limited reserves and leave ECCFPD with unacceptable options ranging from drastic service level cuts to insolvency. This time frame could be extended beyond the anticipated 12 to 15 months if the ECCFPD makes budget adjustments after this current 5 to 6 month period. However, any extended time frame would probably not coincide with any future additional revenues and would only prolong the likelihood of insolvency.

The likelihood of drastic budget cuts or insolvency of the ECCFPD leaves the City of Brentwood in a potentially vulnerable situation where fire and emergency services would be extremely limited or non-existent. The Ad-Hoc Fire Subcommittee is of the opinion that it would be

irresponsible to risk the public safety of Brentwood residents. Therefore, the subcommittee recommended, and the Council provided direction to staff, to move forward with preparation of the necessary documents for a LAFCO application for Brentwood to assume responsibility for fire protection services as a "Plan B" should it become necessary.

Staff has been analyzing several LAFCO reorganization actions to determine which would be the most appropriate. There are two main options that appear to be the most applicable, and staff has analyzed these two potential mechanisms for assuming responsibility over the provision of fire protection services. These are (1) a simple detachment of Brentwood from ECCFPD and (2) the detachment/formation of a new Brentwood fire protection district ("New District"). Simple detachment, also referred to as deannexation, removes the territory within the City of Brentwood from ECCFPD, and the City of Brentwood would then become responsible for the provision of fire service. The formation of a New District requires a more complicated LAFCO process, but the end result would be the formation of a new fire protection district, separate and distinct from the City of Brentwood, that would be *governed by* the City Council of the City of Brentwood. Pros and cons of both approaches are listed below:

New District

1. Pros:

- a. Property tax revenues could only be used for fire protection district purposes (e.g. fire protection, rescue, ALS).
- b. Fire protection is separated from City's general fund ("siloed" or "firewalled")
- c. Unlike a simple detachment, the Board of Supervisors approval is not required for the property tax transfer. LAFCO determines the amount of property tax transferred, pursuant to a statutory formula. The formula provides that all of the property tax revenue received by ECCFPD from property in Brentwood would be transferred to the new fire protection district. This could shorten the LAFCO process by up to 105 days and limits the Board of Supervisors involvement.
- d. City of Brentwood control retained.

1. Cons:

- a. Requires an election of the voters in Brentwood. Certain LAFCO proceedings require voter ratification *after LAFCO approval*. In the case of a district formation, an election is automatically required. The election could be consolidated with an election on a revenue measure to fund fire service, if that turns out to be necessary or required by LAFCO.
- b. More complicated LAFCO process makes processing potentially more difficult and time consuming. For instance, the Council action to approve the LAFCO application resolution requires a noticed public hearing.
- c. The need for election could possibly delay transfer of power beyond the point at which ECCFPD could become insolvent (anticipated to be approximately July 1, 2012). A February 7, 2012 election would require LAFCO approval sometime in early October and election call by no later than November 11, 2011. An election on April 10, 2012 (which would be cutting it close for a July 1, 2012 transfer of power) would require LAFCO action in late November or early January and election call by January 4, 2012.

Simple Detachment

1. Pros:
 - a. Relatively uncomplicated LAFCO process.
 - b. Confirmation election unlikely to be required. A ratification election on the detachment would only be required if 25% of Brentwood residents or 25% of the property owners protested the detachment after LAFCO approval.
2. Cons:
 - a. Requires property tax exchange agreement from County Board of Supervisors. This process can take up to 105 days with no certainty that County will agree to transfer all of the property tax revenue from ECCFPD to Brentwood.
 - b. No bullet-proof way to restrict property tax revenue to fire protection and to protect general fund from fire protection needs (i.e. not "siloeed").

Although either option would be viable for the City, the subcommittee is recommending that City staff proceed with a New District application. The primary benefit of the New District is that it provides assurances to the Brentwood residents that any property tax or a new fire revenue measure (if necessary) could only be spent on the fire district. Additionally, a New District would isolate the City's general fund from any fire district expenses or liabilities. Isolating the City's general fund from any possible increases in future fire costs provides the assurance that these cost increase will not negatively impact other services provided by the City. The services that could be impacted include but are not limited to police, code enforcement, parks and recreation and infrastructure maintenance. Lastly, it does not appear that the New District option would limit the City's choices in how to provide the service, such as entering into a contract for service, similar to the simple detachment option.

FISCAL IMPACT

There is no fiscal impact associated with this direction. A detailed fiscal analysis of any related costs of the City exploring its own fire service options will be provided at a later date depending upon the direction taken by the City Council.



**CITY OF BRENTWOOD
CITY COUNCIL AND REDEVELOPMENT AGENCY MINUTES
TUESDAY, 7:00 P.M.**

JUNE 28, 2011

***Council Chambers**

***6:00 P.M. Closed Session**

***7:00 P.M. City Council Meeting**

26. Discussion of Fire Service in the City of Brentwood and Consideration of the Ad-Hoc Fire Subcommittee's Recommendation to Proceed with a Detachment/Formation Fire District Application to LAFCO. (Vice Mayor Barr and Council Member Stonebarger)

Staff Report for Agenda Item 26

Motion: Directed staff to prepare the necessary paperwork and City Council resolutions for a Detachment/Formation LAFCO application for a Brentwood only fire service option and return to Council with the necessary documents for approval.

Moved by Barr, seconded by Stonebarger.

Vote: Motion carried 5-0.

Yes: Barr; Brockman; Bryant; Stonebarger; Taylor

East Contra Costa Fire: They were created out of several stand alone stations as the stand alone station model was no longer financially solvent, and some relied on volunteer which also was not reliable for staffing especially in suburbia environment. The ECC came in 2002 from the consolidation of the following: East Diablo, Oakley and Bethel Island. Originally the Board of Sup served as the ECC Board of Directors, then it was turned over to local elected from east county to serve as the appointed/selected Board of Directors. In 2012 it was changed to be a directly elected Board of Directors so there are new costs the ECC Fire District has for election costs and elected office holders etc. that they did not have before.

East Contra Costa Fire The ECCFPD provides 3 crew firefighting personnel and emergency medical service at EMT 1 level – all are firefighters are only EMT 1 they are not paramedic level of services as with Con Fire. Con Fire has one Paramedic/Firefighter per crew (three person crew)

Operational costs for 2012-13 = \$8,116,847 (3 stations: 27 fire fighters/5admin) *(note this operational cost includes a reduced set aside for capital equipment replacement due to budget constraints)*

Operational cost est for FY 2017-18: \$9,707,217

Operational cost est for FY 2021-22: \$ 10,809, 451

Included in above is county dispatch: \$454,000 (based upon a flat fixed cost plus % of call – 6,000 calls per year (2,000 per station if pro-rate)

FY 12/13: Per station: \$2,705,616 (9 firefighters/1.66 admins support)

FY 17/18: Per Station: \$3,235,739

FY 21/22: Per Station: \$3,603,150

Sunshine (Cal Fire) contract with East County: \$ 366,000 (6 months) Mid Nov- mid May.

To respond to a single family home structure fire – min apparatus dispatch is 5 fire trucks (5 engines) with 15 fire fighters and one supervisor (bat. Chief) so 16 personal total. Therefore would need to have additional contracts and pay outside agency for the additional normal response needed as not enough for a single fire station. East Cc does not have this need so would be extra costs that would need to be negotiated with Con Fire.

FY 12/13 Cost scenarios based upon ECCFPD budget : for one station with a total crew of 9 (three man crew each shift)

\$2,705,616 (prorate dispatch) no Sunshine/Cal Fire

\$3,071,616 (includes pro-rate dispatch and Sunshine/Cal Fire for 6 months in off season)

\$3,374,282 (no pro-rate dispatch and Sunshine/Cal Fire 6 months)

Total but still short equip and personal to respond to structure fire would need to contract for more equipment/personal from other agency (Con Fire)

Equip costs \$500,000 per fire truck plus outfitting of \$250,000-\$300,000 per truck

– total cost of one fire tuck fully outfitted is \$750,000 - \$800,000

Currently, Contra Costa County provides the following services to the ECC District:

- Auditor-Controller - Payroll, accounts payable, accounts receivable, account reporting, and general internal audits.
- Human Resources - Management of employee benefits programs and personnel services.
- Information Technology - Maintenance of internal network between District and County systems for currently provided services including financial, personnel, and information security programs.

The majority (96%) of the ECC District's revenue is from property taxes and under current economic conditions this source has declined 27.2% from four years ago. Reserves have been used over this time, however reserves are now extremely low and insufficient to continue to backfill, and the economy – property value/taxes have not rebounded sufficiently. To have balanced budgets either new revenues are needed or reductions in services to match existing revenues.

Although Local agencies within the District have begun to see signs that property values are stabilizing, the magnitude of the decline was such that tax revenues will not be expected to return to pre-recession levels for many years to come.

The City of Morgan Hill is a community of 12 square miles, serving 38,000 people.

Fire and EMS service delivery in the Southern part of Santa Clara County is provided by the City of Morgan Hill (2 stations), City of Gilroy (3 stations) and the South Santa Clara County Fire Protection District (4 stations via contract with CAL FIRE-protecting San Martin and unincorporated areas)

Morgan Hill at one time operated its own 2 station fire department. However, in 1995 due to cost issues the City sold its two fire stations and its apparatus to the Central Fire Protection District of Santa Clara County. At the same time, the City contracted with Central for fire service, which continues to this day.

Over the years the City has studied the feasibility of regionalizing fire service delivery in the South County area. It was at that point that the Morgan Hill City Council developed goals for fire/EMS service of achieving reduced costs with a single service provider under a single governance system.

Even though there is not a current effort to accomplish total regionalization of the fire service, certain cooperative functions have been implemented on a regional, shared service basis. An example is shared Battalion Chief service. Santa Clara County Fire provides a Battalion Chief; and the City of Gilroy and South County, through their contract with Cal Fire, each provide two Battalion Chiefs. In effect, there are always two Battalion Chiefs available to serve as incident commander for each of the cooperating agencies.

The agencies have also agreed to what some describe as a "semi-boundary drop." This provides for the closest unit to respond to a fire or medical emergency regardless of the location of the incident.

The City continues to be supportive of a regional approach to fire/EMS service, but since that is not currently feasible, Morgan Hill is now pursuing its own independent options.

In late 2011 the City of Morgan Hill released a Request For Proposal seeking proposals from qualified agencies and firms **to provide fire and emergency medical services, with goals to:**

1. Substantially **reduce the City's expense in providing fire/EMS service;** and
2. Achieve the City's goal of a single service provider with a single governance system.

Within this framework, the City of Morgan Hill sought a fire/EMS service provider who can help the City achieve these objectives and on July 25, 2012, **the City chose the California Department of Forestry and Fire Protection (CAL FIRE) as its new service provider effective January, 2013.**

Since the 1940s, local government entities such as cities, counties and districts have contracted with CAL FIRE to provide many forms of emergency services for their communities. CAL FIRE provides full-service fire protection to many of the citizens of California through the administration of 145 cooperative fire protection agreements in 33 of the State's 58 counties, 30 cities, 32 fire districts and 25 other special districts and service areas.

As a full-service fire department, CAL FIRE responds to wildland fires, structure fires, floods, hazardous material spills, swift water rescues, civil disturbances, earthquakes, and medical emergencies of all kinds. Local governments are able to utilize this diversity and experience through their contracts and agreements with the Department.

Morgan Hill 2 stations with 3 person crew (incl. one paramedic)
Base cost is \$19,180,793 for (4.5 yrs) (Jan 2013 – June 2017)
\$4,262,395 (two station model)
\$2,131,193 per station per year plus min 2.5% annual increase

City provides property stations and office space for plan checking/files and insurance damages above deductible for equipment

Services provided

Emergency fire protection emergency response and basic life support

Advanced Life Support Services

Fire Dispatch Services

Fire Code Inspection Prevention and Enforcement Services

Land Use Fire Planning Services

Agreement language allows CAL FIRE to request additional funds if necessary Additional costs will be incurred to reacquire the fire stations and new fire apparatus, these costs may be in addition to the operational costs.

The City will fund a full time Fire Marshal for the first six months of the contract This will permit the Fire Marshal to perform the necessary administrative duties to transition all of the Central Fire District fire prevention records for Morgan Hill to Cal Fire and basically transition the fire prevention function completely back to the City After the first six months beginning in FY 210143 half of the position cost will be funded by the City and the other half will be funded by South County Cal Fire also agrees to provide an annual report of fire prevention activities as well as develop a work plan each year to be reviewed and approved by the City Manager The engine company firefighters will perform fire inspections for certain but not all occupancies in the City

All Cal Fire Model: (Morgan Hill cost model)

\$2,131,193 per station per year plus min 2.5% annual increase – but would still need additional apparatus and personal to be able to respond to structure fires, either through added costs to CAL Fire or other county agreements – Also additional staffing cost (ie: PT Fire Marshall; building inspections, that are not a part of CAL Fire Contract.

Emergency fire protection emergency response

Fire Dispatch Services

Public Education and Information

Employee Training

Fire Code Inspection Prevention and Enforcement Services

Land Use Fire Planning Services (Plan Check)

General Administration (HR/Payroll/Training)

Office Records Management

Emergency Medical response

Options

Basic life support

Advanced life support

Emergency medical technician (EMT) Level 1

EMT Level 2

Paramedic

Moraga-Orinda Fire District

The MOFD predecessor districts were county-dependent districts. Moraga was served by a volunteer unit of the Eastern Contra Costa County FPD from 1946 until 1968, when the Moraga FPD was formed as a county-dependent district. In 1970, Moraga voters rejected a proposal to annex to Con Fire.

The Orinda FPD was formed in 1933 as a county-dependent district. The Orinda Fire Protection District was established in February 1933 under the State Legislative Act of 1923. It grew from one fire station with one piece of equipment staffed by volunteers to three fire stations by the 1940's, and was served by volunteers until 1940, when it began paying its employees. Services provided in the 1960's were firefighting, fire prevention and fire education. The staffing for each station was a 2 person crew; each person was trained in advanced first aid. Total personnel on duty was 6 firefighters.

The MOFD was formed on July 1, 1997 as an independent special district. MOFD was formed through the consolidation of the Moraga Fire Protection District and the Orinda Fire Protection District, to provide more efficient fire protection and emergency medical (paramedic) services. The principal act that governs the District is the Fire Protection District Law of 1987. The principal act empowers fire districts to provide fire protection, rescue, emergency medical, hazardous material response, ambulance, and any other services relating to the protection of lives and property.

The Moraga-Orinda Fire Protection District (MOFD) provides fire protection, rescue, and emergency medical services in the City of Orinda, the Town of Moraga, some unincorporated county areas adjacent to the municipalities, and the community of Canyon. The MOFD also provides automatic aid into Lafayette and State Responsibility Areas (SRA) that lie within the District's boundaries

Service-level improvements include adding a full-time paramedic ambulance at Fire Station-45 in Orinda, an additional (cross-staffed) paramedic ambulance at Fire Station-44 in Orinda, improving the vegetation management program, and deploying a mine-tunnel rescue team for the Caldecott Tunnel 4th Bore Project.

Within the District, there are five strategically located fire stations which deploy a wide variety of apparatus for specific emergencies. Each fire engine, fire truck and cross-staffed ambulance is staffed with at least one firefighter/paramedic. The two full-time ambulances, located at Station 41 and Station 45, are staffed with two firefighter/paramedics.

The District's personnel currently consists of 96 employees: 65 full-time staff, eight part-time staff, four paid on-call Reserves, and 14 volunteers. The Fire District is organized into seven functional divisions: Operations, Special Operations, Support Services, Emergency Medical Services (EMS), Training, Fire Prevention and Administrative Services. The Fire Chief is responsible for the overall organizational productivity and accountability as well as the implementation of the strategic plan and budget. The Management staff consists of two Division Chiefs, two Battalion Chiefs, one Fire Marshal, and one Administrative Services Director. All report directly to the Fire Chief.

The Moraga-Orinda Fire District (MOFD) is a special independent district that provides fire protection and emergency medical ambulance services to the communities of Orinda, Moraga and the surrounding unincorporated areas including the community of Canyon. The District is 47 square miles with a population of approximately 35,000 residents.

MOFD is governed by a Board of Directors that are elected within five District divisions. MOFD is funded through property taxes and a special assessment tax known as the “Fire Flow Tax” that is based upon a square footage formula.

MOFD staffs five fire stations with a total of 20 personnel on 24 hours each day, seven days each week. There are three fire stations in Orinda and two fire stations in Moraga. Each fire station is staffed with a minimum of three firefighters or firefighter/paramedics who are assigned to fire engines or fire trucks. One station in Orinda and one station in Moraga are also staffed with two firefighter/paramedics that are assigned to ambulances. A Battalion Chief is also on duty 24/7 to provide operational and administrative oversight and command and control at emergencies.

Why was the Moraga-Orinda Fire District created?

Prior to 1997 the Moraga Fire District and the Orinda Fire District were two separate dependant districts that reported to the Contra Costa County Board of Supervisors through advisory Fire Commissions. In 1997 the citizens of Moraga, Orinda and Canyon voted to form the district to obtain local control, improve service levels and efficiencies and to ensure property tax dollars allocated to fire protection remained in the communities that generated the revenue. One of the primary service level improvements was the addition of paramedic firefighters and a dedicated paramedic ambulance in the City of Orinda.

The communities of Moraga, Orinda and Canyon have relatively low populations and low housing densities with large lots and open spaces. Moraga, Orinda and Canyon combined have approximately 35,000 residents spread out over approximately 47 square miles. Residents in these communities embrace the opportunity to live an area with abundant open space, rolling hills and large residential lots. But the residents in these communities also expect and demand fire and emergency medical service levels that are equivalent or above traditional urban and/or suburban communities.

In more densely populated urban and suburban areas “response time” are used to determine the number and location of fire stations needed to protect a jurisdiction. Urban and suburban response time goal are traditionally to be able to respond within five minutes ninety percent of the time. To enable the Moraga-Orinda Fire District to meet this goal a minimum of five fire stations strategically located throughout the District is required. The five minute goal was developed to increase the survivability of patients with significant injuries and illnesses and to arrive on the scene of a structure fire prior to the fire reaching the stage of flashover. Flashover occurs when the temperature of the area involved in the fire increases to the point that most combustible materials simultaneously ignite and an extreme increase in temperature occurs and the room or area becomes fully involved in fire. After flashover occurs there is a dramatic decrease in fire victim survivability, firefighter safety and the fire department’s ability to control the fire.

Why do we require a minimum of three firefighters on a fire engine or a fire truck?

A minimum of three fire fighters are needed to perform the basic tactical functions safely on the scene of emergencies. Because MOFD’s jurisdiction is primarily suburban with light commercial and low density residential, only three firefighters are required. Many urban areas require four or five firefighters on their fire engines and fire trucks.

How many firefighters are needed to fight a house fire?

Initially, four firefighters must be on the scene of a fire prior to firefighters entering a burning structure. OSHA requires that a minimum of two firefighters conduct interior fire fighting operations and a minimum of two firefighters who are properly equipped and trained must be positioned outside the structure to remain capable of rapid rescue of the interior team. The outside personnel must at all times account for and be available to assist or rescue members of the interior team. This is commonly referred to as the “two-in two-out rule” (29 CFR 1910.134).

National Standards also requires a minimum of 15 firefighters arrive on scene within the first 10 minutes of notification. NFPA 1710 determines required staffing levels and response times needed to operate efficiently and safely at structure fires. To meet the standard fire agencies must be capable of establishing incident command, water supply, attack line(s), backup line(s), search and rescue team(s), ventilation team(s) and rapid intervention team(s) at all structural fires. MOFD responds with one Battalion Chief, five fire engines and/or trucks and one ambulance to meet the staffing requirements.

Why does MOFD staff ambulances with firefighter/paramedics?

Staffing ambulances with firefighter/paramedics creates optimal efficiency for the District with their limited resources. The peripheral nature of MOFD limits the availability of mutual aid to the resources coming from Con Fire's Lafayette stations. There are no immediate available resources from the south, north or west of the District. Staffing ambulances with firefighter/paramedics enables the District to place an additional two firefighter/paramedics on scene in the early stages of structure fires which often allows an earlier fire attack by meeting the 2-in 2-out (see Question 6) requirement. An earlier fire attack reduces the risk of flashover (see previous question) which improves the survivability of potential victims, safety of firefighters and the ability to control the fire.

Utilizing a fire district based ambulance model also improves overall emergency operations. This model allows the fire engines and ambulances to be dispatched by the same dispatcher and operate on the same radio channels. There is better continuity of operations when the firefighters on the fire engine and the firefighter/paramedics on the ambulances work for the same agency and have the same chain-of-command, training and safety equipment and requirements.

How much does paramedic/ambulance service cost? How do we pay for it?

Paramedic ambulance services cost approximately \$1 million per year to staff each ambulance with two firefighter/paramedics on a 24 hour basis. These costs are offset by approximately \$930,000 in ambulance fees that are collected from insurance companies, Medicare and non-residents who use MOFD ambulance services. The remainder of the ambulance costs is funded through the property tax revenue collected by the District. The ambulance fees are set by the County EMS Agency and limited by the amount paid by Medicare which applies to a majority of the patients that MOFD transports.

Although the MOFD ambulances do not provide for full cost recovery, the voters of the District chose this model to ensure that ambulances would always be dedicated to the Town of Moraga and the City of Orinda and that the ambulances would be staffed by experienced and well trained firefighter/paramedics.

How often does MOFD respond to emergencies within their jurisdiction?

Moraga and Orinda fire engines, command vehicles and ambulances respond over 6,000 times annually to approximately 2,900 emergencies throughout the communities of Moraga, Orinda, Canyon and the surrounding unincorporated areas. MOFD's five fire stations collectively respond to emergencies on an average of 16 times daily.

What is MOFD's financial status?

MOFD has been able to maintain and even increase service levels during this economic downturn. Eliminating administrative positions through attrition (five of ten fulltime administrative positions have been eliminated) , utilizing technology to increase efficiencies, re-negotiating service contracts, identifying additional revenue sources and utilizing some reserve funds has allowed the District to maintain service levels. The 2012/13 preliminary budget process indicates another challenging year as assessed property values continue to decline and pension costs continue to escalate. The Fire Chief and staff continue to evaluate all District programs to identify efficiencies and cost saving alternatives.

The firefighter's Union has worked with District Management to limit the impact of the economic downturn. Firefighters have not received salary increases since 2008 and have not received increases in health benefits since 2009.

In 2004, the National Government Accounting Standards Board (GASB) issued Statement 45 regarding Other Post-Employment Benefits (OPEB). To comply with GASB Statement 45 the District must calculate and report all previously promised, current and future retiree medical costs that are not funded as an unfunded liability. An actuarial study conducted in 2006 and updated in 2008 indicates there is a significant unfunded liability; as a result the District and the Union are evaluating mechanisms to reduce and pre-fund retiree medical costs. The District has also incurred some long term debt. In 2005, to reduce its annual employer pension contributions, MOFD issued Pension Obligation Bonds to pay off the District's pension unfunded liability and is paying off the debt through the Bond maturation date in 2023.

When the District was created, the Firefighters were members of the Contra Costa County Employees Retirement System (CCCERA) and remain in that retirement system today. The District currently has over \$125 million of retirement funds that are managed by CCCERA. Due to the 2008 downturn in the economy and the associated stock market and real estate losses a significant amount of the District retirement portfolio was lost. The District is currently paying an additional \$2 million annually to address the 2008 losses.

The District remains extremely solvent. The District pays cash for all of its capital improvements, maintains adequate reserves and continues to receive very positive feedback from annual independent financial audits. Staff has also developed a draft preliminary plan that should eliminate all unfunded liabilities by the year 2025 without reducing service levels. This plan is extremely preliminary and will be updated after labor negotiations are completed. The plan will be released to the public at the same time the document is presented to the Board of Directors for review and approval.

To review the District's budgets, financials and long range financial forecasts please proceed to the following MOFD Website location: <http://www.mofd.org/docs/annualreports>

Kingston Fire Dist: One Station- contracts with the City of El Cerrito

Kensington is an unincorporated community of about 2200 homes, located in the East Bay Hills between Berkeley and El Cerrito. Kensington maintains its own police department, as well as park and recreation programs for all ages, via the Kensington Police Protection & Community Services District. The Kensington Fire Protection District provides fire protection and emergency medical services via a contract with El Cerrito.

(2007 figures)

Annual operating budget is \$ 2.6 million

5000 residents; 2200 parcels; 552 annual calls for service

Has a parcel tax passed in 1980 with no inflation/escalator rate included on it unclear as to if any funds the fire or only police and parks/rec and roads.

Pinole: population 18,700

Had 2 stations; closed one due to (lack of funding)

Pinole has a ½ cent sales tax AND a Utility User Tax at 8% (and includes water) which is used to supplement services including public safety

Contract its fire chief (shared) so only half time fire chief ; 15 full time fire fighters; Contracts with County for fire service coverage in Tara Hills neighborhood area (\$50,000-\$150,000 year)

One Station:

\$ 3.056 million (\$2.5 million GF; ½ million other city sources – sales and utility taxes; \$56,000 grant



Agenda Date: 1-15-13

Agenda Item: 9c

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: RICK ANGRISANI, CITY ENGINEER

DATE: JANUARY 15, 2013

SUBJECT: DIRECTION FOR THE SCOPE OF WORK FOR THE 2013 NEIGHBORHOOD STREET PAVEMENT REHABILITATION PROJECT (CIP PROJECT NO. 10417)

RECOMMENDATION

Provide direction to Staff regarding the scope of work for the 2013 Neighborhood Street Pavement Rehabilitation Project and its Additive Bid Projects.

BACKGROUND

As the Council will recall, we attempted to bid out the 2012 Neighborhood Street Pavement Rehabilitation Project (CIP No. 10411) in late May of last year. Due to contractors' pre-committed workloads at that time, we only received two extremely high bids. These bids were rejected and it was decided to hold off on re-bidding a pavement project until early this year before contractors have filled out their workloads.

In order to present a large enough project to pique contractors' interest and to hopefully receive favorable unit prices, staff is recommending that, along with prior year funding, we include the funding shown in the Capital Improvement Program for FY 2013-14. The proposed funding sources and amounts for the project (combined with unused allocated funding from FY 2011 & 2012) are as follows:

Source	FY 2011	FY 2012	FY 2013	Totals
Gas Tax	\$74,977*	\$195,581**	\$110,000	\$380,558
Measure J	\$308,146	\$226,135***	\$205,000	\$739,281
Gas Tax	\$76,000****			\$76,000
Total	\$459,123	\$421,716	\$315,000	\$1,195,839

*Fund balance at end of FY 2011/12

**Includes budgeted (\$135,975) plus projected fund balance (\$59,606) at end of FY 2012/13

Date: January 15, 2013

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***Projected fund balance at end of FY 2012/13

****Allocated in 2012/13 for CIP No. 10425

The \$76,000 in Gas Tax funds shown for FY 2011 were allocated to CIP No. 10425 which is a collector street repair project being funded by federal Local Streets & Roads Shortfall ("LS&RS") Program funds. We had intended to use some of those funds (+ the \$76,000 in Gas Tax funds) for the overlay of Regency Drive. However, we have since learned that those federal funds will not be available until April of 2014 at the earliest. Therefore, rather than delay Regency Drive for another year or two, staff is recommending that we include the overlay of Regency Drive (along with the \$76,000 in Gas Tax funds) in this project.

DISCUSSION OF CANDIDATE STREETS

Assuming the City Council agrees with staff's recommendations for combining the available funding, staff has prepared the attached spreadsheet showing the Pavement Condition Index ("PCI") recently provided (2012) for all streets with a ranking of 63 or below.

After setting aside approximately \$60,000 for some miscellaneous repairs, as well as design, bidding, construction inspection and contract administration, there will be \$1,135,000 remaining for construction. Based upon the high prices we received last year, staff has increased the estimated unit price from \$1.05 to \$1.25 per square foot. In addition, we have not included Keller Ridge Drive as that street will be eligible for the federal funding anticipated in 2014.

The spreadsheet shows that we will be able to overlay 30 streets (including Regency Drive) throughout the city. Of course, the number may vary depending upon the unit prices bid.

INCLUSION OF OTHER BID ITEMS

As we did last year, in order to hopefully take advantage of lower unit prices, there are several pavement rehabilitation projects that staff would like to include as bid items (subject, of course, to funding availability):

- 1) Repair and overlay of Library parking lot (estimated cost of \$75,000);
- 2) Overlay of Heritage Trails and City Hall parking areas (estimated cost of \$45,000)
- 3) Overlay of Lydia Lane Park parking area (estimated cost of \$20,000)
- 4) Trail Grinding & Repaving – Mt. Diablo Creek trail from Center St. to Grenache Circle (estimated cost of \$50,000; budgeted in the Landscape Maintenance District).

To try to avoid a similar situation as encountered with the Clayton Road Median Project, where the low bidder proposed higher prices for the additive bid items than the other bidders, staff is proposing to include the above items in the base bid while reserving the right to deduct them from the final contract without affecting the other bid prices. If successful, we

Date: January 15, 2013

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will hopefully receive truly competitive prices for all of the work. If we are not satisfied with the bids received, we can still reject all of the bids and re-advertise the work.

Of the four bid items above, only the Trail Grinding & Repaving has funds allocated for the work (Landscape Maintenance District). Assuming the Council agrees that the parking lots should be addressed at this time, staff will present recommendations for the funding sources when the construction contract is presented to the Council for award.

FISCAL IMPACT

All of the neighborhood pavement rehabilitation streets and the trail reconstruction work presented for the Council's consideration utilize funding which has already allocated and cannot be used for anything other than pavement rehabilitation and maintenance. There will be no impact to the City's General Fund regardless of the option chosen by the Council.

The parking lot repair items do not currently have a funding source and may have an impact on the City's General Fund reserve should the Council decide to undertake the work.

CONCLUSION

In conclusion, staff recommends the Council approve the proposed list of streets presented and direct staff to prepare construction plans and specifications and advertise for bids for the chosen option.

By this action, staff expects that the Project can go to competitive bid by the end of January, with Council award of contract on 3/5/13, initiation of the Neighborhood Street Rehabilitation Project by 4/01/13 and completion by 6/15/13.

Attachments: 1) PCI Spreadsheet with list of streets

Pavement Rehab 2013 - CIP 10417 Worksheet

2012 PCI Rankings

Available \$1,195,839

#	RoadName	BegLocation	EndLocation	Section Length	Section Width	Section Area	PCI		Overlay @ \$1.25/sf	Overlay Accumulative
1	OAK COURT	OAK ST	ROUNDHILL PL	348	29	10092	20		\$ 12,615.00	\$ 12,615.00
2	OAK COURT	ROUNDHILL PL	CUL-DE-SAC	210	29	6090	20		\$ 7,612.50	\$ 20,227.50
3	BLACKPOINT COURT	CAULFIELD DRIVE	CUL-DE-SAC	190	30	5700	37		\$ 7,125.00	\$ 27,352.50
4	PINE HOLLOW COURT	PINE HOLLOW ROAD	CUL-DE-SAC	460	17	7820	40		\$ 9,775.00	\$ 37,127.50
5	MARSH CREEK CIRCLE	BIGELOW STREET	CUL-DE-SAC	775	29	22475	43		\$ 28,093.75	\$ 65,221.25
6	MT. WASHINGTON WAY	MT. ETNA DRIVE	MOUNTAIRE CIRCLE	2023	34	68782	46		\$ 85,977.50	\$ 151,198.75
7	MT. DUNCAN DRIVE	MOUNTAIRE PARKWAY	MT. OLIVET COURT	1121	34	38114	47		\$ 47,642.50	\$ 198,841.25
8	MT. WHITNEY COURT	MT. WHITNEY WAY	CUL-DE-SAC	185	30	5550	48		\$ 6,937.50	\$ 205,778.75
9	REGENCY DRIVE	MARSH CREEK ROAD	EL MOLINO DRIVE	1056	38	40128	48		\$ 50,160.00	\$ 255,938.75
10	REGENCY DRIVE	EL MOLINO DRIVE	MOUNTAIRE PARKWAY	2344	38	89072	48		\$ 111,340.00	\$ 367,278.75
11	W. MYRICK COURT	EL MOLINO DRIVE	CUL-DE-SAC	277	30	8310	48		\$ 10,387.50	\$ 377,666.25
12	WINDMILL CANYON DRIVE	Keller Ridge Drive	Cul de sac	3032	37	112184	48		\$ 140,230.00	\$ 517,896.25
13	RAVEN PLACE	Keller Ridge Drive	Cul de sac	461	37	17057	49		\$ 21,321.25	\$ 539,217.50
14	YOLANDA CIRCLE	CONCORD BLVD @ CTY LIMIT	CONCORD BLVD 1200' N CTY LMT	2500	34	85000	49		\$ 106,250.00	\$ 645,467.50
15	JEFFRY RANCH PLACE	N. ATCHINSON STAGE ROAD	CUL-DE-SAC	666	30	19980	50		\$ 24,975.00	\$ 670,442.50
16	WAWONA LANE	Ahawnee	Cul-de-sac	1040	37	38480	50		\$ 48,100.00	\$ 718,542.50
17	SAMUEL COURT	MARSH CREEK ROAD	CUL-DE-SAC	320	30	9600	51		\$ 12,000.00	\$ 730,542.50
18	SEMILLON CIRCLE	GAMAY DR. N	GAMAY DR. S	1334	34	45356	51		\$ 56,695.00	\$ 787,237.50
19	CAULFIELD DRIVE	SOUTHBROOK DR.	N. MITCHELL CANYON RD.	831	32	26592	53		\$ 33,240.00	\$ 820,477.50
20	JEFFRY RANCH COURT	N. ATCHINSON STAGE ROAD	CUL-DE-SAC	510	30	15300	53		\$ 19,125.00	\$ 839,602.50
21	MT. SIERRA PLACE	MOUNTAIRE PLACE	CUL-DE-SAC	723	30	21690	54		\$ 27,112.50	\$ 866,715.00
22	AHWANEE LANE	Miwok Way	Cul de sac	840	37	31080	55		\$ 38,850.00	\$ 905,565.00
23	BLACK POINT PLACE	CAULFIELD DRIVE	CUL-DE-SAC	563	30	16890	57		\$ 21,112.50	\$ 926,677.50
24	DEL TRIGO LANE	MITCHELL CANYON ROAD	CITY LIMITS	630	30	18900	57		\$ 23,625.00	\$ 950,302.50
	KELLER RIDGE DRIVE	Falcon Place	Kelok Way	4467	37	165279	58		\$ -	\$ 950,302.50
25	MT. DAVIDSON COURT	MT. DUNCAN	CUL-DE-SAC	590	30	17700	58		\$ 22,125.00	\$ 972,427.50
26	MT. EVEREST COURT	MOUNTAIRE PARKWAY	CUL-DE-SAC	627	30	18810	58		\$ 23,512.50	\$ 995,940.00
27	GAMAY DRIVE	100' N/SEMILLON CIRCLE	100' S/ ZINFANDEL CIRCLE	1244	34	42296	60		\$ 52,870.00	\$ 1,048,810.00
28	XAVIER PLACE	MARQUETTE COURT	CUL-DE-SAC	128	32	4096	61		\$ 5,120.00	\$ 1,053,930.00
29	MT. OLIVET PLACE	DUNCAN DRIVE	CUL-DE-SAC	590	30	17700	62		\$ 22,125.00	\$ 1,076,055.00
30	ZINFANDEL CIRCLE	GAMAY DR. N.	GAMAY DR. S.	1402	34	47668	62		\$ 59,585.00	\$ 1,135,640.00
	EL PORTAL DRIVE	REGENCY DR	EL PUEBLO PL	1310	26	34060	63			



Agenda Date: 1-15-13

Agenda Item: 9d

Approved:

Gary A. Napper
City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Laci J. Jackson, City Clerk

DATE: January 15, 2013

SUBJECT: Introduction and First Reading of Ordinance No. 443 to Set Filing Fees for Filing and Processing of Nomination Papers and Candidate Statements for Municipal Elections.

BACKGROUND

At its June 5, 2012 City Council meeting staff was directed to research and bring back an Ordinance setting a standard for filing fees regarding the municipal election.

The City Attorney drafted the attached Ordinance based on the California Election Code requirements. This Ordinance sets the candidate filing fee at \$25.00 and sets the candidate statement fee to the rate of the estimate provided by the County Elections office.

RECOMMENDATION

Following public comment, it is recommended the City Council:

1. By motion, direct the City Clerk to read Ordinance No. 443 by title and number only.
2. After reading by the City Clerk, adopt a motion approving Ordinance No. 443 for First Reading.

Attachments: 1. Ordinance No. 443 (3 pages)

ORDINANCE NO. 443

**Ordinance Setting Filing Fees for Filing and Processing of Nomination Papers and
Candidate's Statements**

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

WHEREAS, Section 10228 of the California Elections Code authorizes the City to impose a fee by ordinance, not to exceed twenty-five dollars (\$25) for the filing and processing of nomination papers by each candidate for elective office in the City of Clayton ("candidate");

WHEREAS, Section 13307 of the California Elections Code authorizes each candidate to prepare a candidate's statement, in accordance with Section 13307, on an appropriate form provided by the City Clerk, to be included in the voter information pamphlet distributed to voters;

WHEREAS, Elections Code Section 13307 also authorizes the City to estimate the total cost of printing, handling, translating, and mailing the candidate's statements filed pursuant to Section 13307, and to require each candidate filing a statement to pay in advance to the City his or her estimated pro rata share as a condition of having his or her candidate statement included in the voter's pamphlet; and

WHEREAS, the City wishes to establish a fee for filing of nomination papers and candidate's statement pursuant to the above outlined authority in order to ensure that these costs are paid by the candidates and not by the City using public funds.

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

Section 1. Amendment.

Sections 2.02.20 and 2.02.30 are hereby added to Chapter 2.02 of the Clayton Municipal Code, entitled "General Municipal Election," to read as follows:

2.02.20 Nomination Papers Filing Fee.

A. Each candidate filing nomination papers for an elective office at a municipal elections held in the City, shall pay a filing fee of twenty-five dollars (\$25).

B. The filing fee imposed by Section 2.02.20A shall be paid by each candidate to the City Clerk at the time the candidate files his or her nomination papers with the City Clerk.

2.02.30 Candidate Statement; Filing and Fee.

A. Each candidate running for elective office at a municipal election held in the City and filing a candidate statement shall file his or her candidate statement at the time of filing his or her nomination papers, and shall simultaneously pay his or her estimated pro rata share of the cost of producing and distributing candidate information in the voter's pamphlet, including the cost of printing, handling, translating and mailing the candidates statements and complying with the Federal Voting Rights Act of 1965, as amended, as a condition of having his or her statement

included in the voter's pamphlet ("Estimated Candidate Statement Fee"), to the City Clerk at the time the candidate files his or her candidate statement with the City Clerk.

B. The City Clerk shall provide each candidate who pays the Estimated Candidate Statement Fee with a receipt for the payment which shall include a written notice that the Estimated Candidate Statement Fee is just an approximation of the actual cost that varies from one election to another election and that the actual fee that the candidate must pay the City may be significantly more or less than the estimate, depending on the actual number of candidates filing candidate statements ("Actual Candidate Statement Cost").

C. If the Actual Candidate Statement Cost is more than the Estimated Candidate Statement Fee, the candidate shall pay the balance of the cost incurred to the City Clerk upon request for the same. If the Actual Candidate Statement Cost is less than the Estimated Candidate Statement Fee, the City shall prorate the excess amount among the candidates and refund the excess amount paid to each candidate, on a pro rata basis, no later than 30 days after the election.

D. Notwithstanding anything else contained in this section 2.02.30, if a candidate alleges to be indigent and unable to pay the Estimated Candidate Statement Fee, the candidate shall submit to the City a statement of financial worth on a form furnished by the City Clerk, which the City shall use in determining whether or not the candidate is eligible to submit a candidate statement without payment of the Estimated Candidate Statement Fee. The statement of financial worth required by this section shall be submitted by the candidate together with his or her candidate statement in accordance with the deadline specified in Elections Code Section 13307. The candidate shall certify the content of the statement as to its truth and correctness under penalty of perjury. The candidate shall also sign a release form of the candidate's most recent federal income tax report. Upon receipt of a statement of financial worth, the City Clerk shall make a determination of whether or not the candidate is indigent. The City Clerk shall notify the candidate of its findings. If the City Clerk determines that the candidate is not indigent, the candidate shall, within three days of the notification, excluding Saturdays, Sundays, and state holidays, withdraw the statement or pay the requisite Estimated Candidate Statement Fee. If the candidate fails to respond within the time prescribed, the City shall not be obligated to print and mail the candidate statement. If the City Clerk determines that the candidate is indigent, the City shall print and mail the candidate statement. The City Clerk may bill a previously adjudged indigent candidate his or her actual pro rata share of the candidate statement cost after the election."

Section 2. Action to Challenge This Ordinance.

Any action or proceeding to attack, review, set aside, void or annul this ordinance must be commenced and the service made on the City no later than ninety (90) days after the effective date of the ordinance.

Section 3. Conflicting Ordinances Repealed.

Any ordinance or part thereof, or regulations in conflict with the provisions of this ordinance, are hereby repealed. The provisions of this ordinance shall control with regard to any provision of the Clayton Municipal Code that may be inconsistent with the provisions of this ordinance.

Section 4. Severability.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause or phrase thereof be declared unconstitutional, invalid or ineffective.

Section 5. CEQA.

The City Council finds that the adoption of this ordinance is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns general policy and procedure making.

Section 6. Notice of Exemption.

The City Council directs staff to prepare and file a Notice of Exemption no more than five (5) working days after adoption of this ordinance.

Section 7. Effective Date and Publication.

This ordinance shall become effective thirty (30) days after its adoption by the City Council. Within fifteen (15) days after the passage of the ordinance, the City Clerk shall cause a copy of the ordinance, including the names of the City Council members voting for and against it, to be posted in three (3) public places heretofore designated by resolution of the City Council for the posting of ordinances and public notices.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Clayton held on the 15th day of January 2013, and PASSED, ADOPTED AND ORDERED posted at a regular meeting of the City Council of the City of Clayton on the ___th day of _____ 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Julie K. Pierce, Mayor

ATTEST:

Laci Jackson, City Clerk



Agenda Date. 1-15-13

Agenda Item: 9e

Approved:


Gary A. Napper
City Manager/Executive Director

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY ATTORNEY

DATE: January 15, 2012

SUBJECT: RESOLUTION REQUIRING RECORDATION OF ALL CLOSED SESSION MEETINGS OF THE CLAYTON CITY COUNCIL

RECOMMENDATION

Consider adoption of Resolution 2013 requiring recordation of all closed session meetings of the Clayton City Council.

BACKGROUND

At its regular City Council meeting on December 18, 2012, the City Council directed staff to prepare a resolution requiring that all closed session meetings of the City Council be recorded. That resolution is attached here for your consideration.

FISCAL IMPACT

None.

RESOLUTION NO. - 2013

**A RESOLUTION REQUIRING RECORDATION OF ALL
CLOSED SESSION MEETINGS OF THE CLAYTON CITY COUNCIL**

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

WHEREAS, the Brown Act (Government Code sections 54950, *et seq.*) allows public entities to record the closed session meetings of their governing body if the governing body adopts a resolution directing the recording of such meetings; and

WHEREAS, the City Council of the City of Clayton believes that it is desirable to record each of its closed session meetings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLAYTON, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Audio Recording.

All closed session meetings of the City Council of the City of Clayton will be recorded. A copy of any such recording shall be maintained by the City Clerk, or by any other staff member designated by the City Council.

Section 2. Not Disclosable.

Any recording of a closed session of the City Council shall not be disclosable under the Public Records Act.

Section 3. Effective Date.

This Resolution shall be effective immediately.

The foregoing Resolution was adopted at a regular public meeting of the City Council of the City of Clayton held on the 15th day of January 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Julie K. Pierce, Mayor

ATTEST:

Laci Jackson, City Clerk



Agenda Date: 1-15-17

Agenda Item: 9F

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: CITY MANAGER
DATE: 15 JANUARY 2013
SUBJECT: DETERMINATION OF COUNCIL COMMITTEE ASSIGNMENTS

RECOMMENDATION

It is recommended the City Council determine its Council ad-hoc and committee assignments for the ensuing year of 2013.

BACKGROUND

In addition to its primary role as elected officials of the City of Clayton, members of the City Council have a variety of ad-hoc and committee assignments that involve the direct participation of its members in a host of local and regional issues and intergovernmental organizations. Pursuant to the adopted *Council Guidelines and Procedures*, the Mayor assigns the Council ad-hoc and committee appointments annually each December. It further presents an opportunity to review the established committees and determine their relevance, need to create new ones or abolish existing ones. In making the assignments, the Mayor is encouraged to seek input from members of the City Council regarding appointment preferences.

Attached is the current list of City Council sub-committees and associated assignments during 2012. The list has been updated (*in blue font*) to reflect the elections made at the Council Reorganization Meeting held on December 6th relative to the chair and vice chair of the Oakhurst Geological Hazard Abatement District (GHAD). The Clayton Financing Authority (CFA) chair and vice chair are automatically filled by the mayor and vice mayor of the City, respectively, per its By-Laws.

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

Attachments: City Council Committee Assignments – 2012 [2 pp.]
Council Guidelines and Procedures [2 pp.]

CITY COUNCIL ASSIGNMENTS

AD-HOC COMMITTEES

CITY OF CLAYTON

2012

Association of Bay Area Governments (ABAG)

Julie Pierce
Alternate: David Shuey

Budget/Audit Committee

Hank Stratford, ~~Joe Medrano~~

Citizens Corps Council (CERT)

Hank Stratford

Clayton Financing Authority [CFA]*

*[offices automatically go to Mayor & Vice Mayor, per Bylaws]

President – Julie Pierce
Vice President – Hank Stratford

Clayton “Unsung Heroes” Recognition Program

David Shuey, Hank Stratford

Contra Costa Water District [CCWD]

Howard Geller

Central Contra Costa Transit Authority [CCCTA]

Gregg Manning
Alternate: David Shuey

Downtown Activities Committee

~~Joe Medrano~~, Howard Geller

East Bay Division - League of California Cities

~~Joe Medrano~~
Alternate: David Shuey

East Contra Costa County Habitat Conservancy

Hank Stratford
Alternate: David Shuey

Economic Development Sub-Committee

Julie Pierce
~~Joe Medrano~~
Alternate: David Shuey

Endeavor Hall Marketing Committee

Howard Geller, ~~Joe Medrano~~

Garbage & Recycling Committee

~~Joe Medrano~~, David Shuey

Interview Committees:

a. Planning Commission applicants

City Council

b. Trails and Landscaping Committee applicants
and TLC Committee liaisons

Vice Mayor
Hank Stratford

Library Foundation Liaison

Hank Stratford
Alternate: ~~Joe Medrano~~
2nd Alternate: David Shuey

Mayors' Conference – Contra Costa County

Mayor & Council

Mt. Diablo School District Committee

~~Joe Medrano~~, David Shuey
Alternate: Julie Pierce

Oakhurst Geological Hazard Abatement District [GHAD]

Chair – David Shuey
Vice Chair – Jim Diaz

Redevelopment Agency [of Clayton]

- Extinct -

TRANSPAC

Julie Pierce
Alternate: ~~Joe Medrano~~

* * * * *

Revised: 04 December 2012
Adopted: 17 December 2004

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

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

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

7. Humor is an important tool.

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

C.

COUNCIL INTERACTION AND COMMUNICATION

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

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

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

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

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

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

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

8. Council Sub-Committees.

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

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

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

- d. Sub-committee reports will be made under "Council Reports" at Council meetings, when appropriate.
- e. Sub-committee memos will be sent on an interim basis to update other Council Members on:
 - 1). Issues being discussed.
 - 2). Options being considered.
 - 3). Progress.
- f. Appropriate reports will also be included in the City Manager's "Weekly Report".
- g. Council may contact Department Heads or the City Manager to be briefed on any sub-committee work.
- h. Council shall review the performance of citizen committees no less frequently than every six months.
- i. Sub-committees are task oriented with scheduled dates of completion.

~~D. COUNCIL INTERACTION AND COMMUNICATION WITH STAFF~~

~~1. City Manager.~~

- ~~a. Council Members should always feel free to communicate with the City Manager.~~
- ~~b. When a Council Member is unhappy about the performance of a Department, he/she should discuss this with the City Manager, not any other employee [the City Manager will inform the Mayor of any serious violations of this norm].~~
- ~~c. Concerns about the performance of Department Heads must be taken to the City Manager and/or Mayor first for resolution through proper channels.~~
- ~~d. In passing along critical information, the City Manager will inform all Council Members.~~
- ~~e. Council will provide ongoing feedback, information and perceptions to the City Manager, including some response to the "Weekly Report".~~
- ~~f. Council will page the City Manager if there is an emergency and he/she cannot be reached by phone.~~



Agenda Date. 1-15-13

Agenda Item: ag

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: CITY MANAGER
DATE: 15 JANUARY 2013
SUBJECT: SET DATE FOR CITY COUNCIL SPECIAL MEETING
COUNCIL - MANAGER GOALS AND OBJECTIVES FOR 2013

RECOMMENDATION

It is recommended the City Council determine a date, time and location for a City Council special meeting for the purpose of discussing progress and relevance of existing goals, and setting goals and objectives for Calendar Year 2013.

BACKGROUND

The Clayton City Council meets at least once a year with its City Manager to discuss progress on the Council – Manager goals and objectives set in motion the previous year(s), and to establish new and/or modified goals for the ensuing calendar year.

A separate meeting is usually called for this purpose as it allows sole attention and focus specifically on the achievement, progress, and establishment of City goals and objectives for the current calendar year.

Attached are calendars for the months of January and February 2013 as reference for the selection of a date and time for the special meeting. In the past this meeting has been held in the 3rd Floor Conference Room of Clayton City Hall. Last year's meeting was held on Monday, 30 January 2012 (and on Tuesday, February 1st in 2011).

FISCAL IMPACT

No direct fiscal impact. The lack of clearly defined goals and objectives may actually cost the City and its community money over the short and long-term operations of the public entity due to misdirection and/or absence of priorities.

Attachment: Calendars for January & February 2013 [2 pp.]

~ January 2013 ~							Feb 2013 ▶
◀ Dec 2012	Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 Holiday- New Year's Day	2	3	4	5
6		7	8 Planning Commission Meeting	9	10	11	12
13		14	15 City Council Meeting	16	17	18	19
20		21 Holiday- Birthday of Martin Luther King Jr.	22 Planning Commission Meeting	23	24	25	26
27		28	29	30	31	Notes:	

More Calendars from WinCalendar: [February](#), [March](#), [April](#)

~ February 2013 ~							March ▶
◀ January	Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1	2
3	4	5 City Council Meeting	6	7 Mayors' Conference	8	9	
10	11	12 City Hall Closed- Holiday Planning Commission Meeting	13	14	15	16	
17	18 City Hall Closed- Holiday	19 City Council Meeting	20	21	22	23	
24	25	26 City Council Meeting	27	28	Notes:		

**MINUTES
OF THE
REGULAR MEETING**

Agenda Date: 1-14-13

CLAYTON SUCCESSOR and SUCCESSOR HOUSING AGENCY

Agenda Item: 3a SA

September 18, 2012

1. **CALL TO ORDER & ROLL CALL** - the meeting was called to order at 6:00 p.m. by Mayor Geller in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Boardmembers present: Mayor Geller, Vice Mayor Medrano, Councilmembers Pierce, Shuey and Stratford. Staff present: City Manager Napper, Secretary Jackson, and General Counsel Subramanian.

2. **CLOSED SESSION**-Mayor Geller announced the following purpose for Closed Session and then adjourned into Closed Session at 6:00 p.m.

(b) Clayton Successor Housing Agency
Government Code Section 54956.8, Conference with Real Property Negotiator
Real Property: 21 Long Creek Circle, Clayton, CA (APN 119-232-031-3).
Instructions to Agency negotiator (Executive Director) concerning terms and conditions.
Negotiating Parties: Roy and Heidi Ashworth.

7:06 p.m. Report out of Closed Session: Mayor Geller reported the Council would return to Closed Session on this matter at the conclusion of the regular meeting.

3. **RECESS THE SUCCESSOR HOUSING AGENCY BOARD OF DIRECTORS MEETING**

Chairman Geller.

4. **RECONVENE THE MEETING** – Mayor Geller reconvened the meeting at 10:20 p.m.

5. **PUBLIC COMMENTS** – None.

6. **CONSENT CALENDAR** It was moved by Vice Mayor Medrano, seconded by Councilmember Stratford, to approve the Consent Calendar as submitted (Passed; 5-0 vote).

(a) Adopted Resolution 01-2012 approving an amended Successor Agency's Recognized Obligation Payment Schedule for the time period of January 1, 2013 through June 30, 2013 (ROPS III) caused by new formatting required by the State Department of Finance (DOF).

7. **PUBLIC HEARINGS** – None.

8. **PUBLIC HEARINGS** - None

9. **ACTION ITEMS** – None.

10. **BOARD ITEMS** – None.

2. **CLOSED SESSION**- Mayor Geller again announced the following purpose for Closed Session and then adjourned into Closed Session at 10:21 p.m.

- (b) Clayton Successor Housing Agency
Government Code Section 54956.8, Conference with Real Property Negotiator
Real Property: 21 Long Creek Circle, Clayton, CA (APN 119-232-031-3).
Instructions to Agency negotiator (Executive Director) concerning terms and conditions.
Negotiating Parties: Roy and Heidi Ashworth.

10:23 p.m. Report out of Closed Session: Mayor Geller stated the Council had received information from staff and gave instructions to its real property negotiator.

11. **ADJOURN** – on call by Mayor Geller the meeting adjourned at 10:24 p.m.

Respectfully submitted,

Laci J. Jackson, Secretary

Clayton Successor and Successor Housing
Agency Board

Howard Geller, Mayor



Approved:

Gary A. Napper
City Manager/Executive Director

STAFF REPORT

TO: HONORABLE BOARD OF DIRECTORS

FROM: MERRY PELLETIER

DATE: JANUARY 15, 2013

Agenda Date: 1-15-13

Agenda Item: Sasha

SUBJECT: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2011 (FY '10-'11)

RECOMMENDATION

Accept the unqualified Audit Report for the Redevelopment Agency of the City of Clayton prepared by Cropper Accountancy Corporation and the Agency's Basic Financial Statements prepared by Thales Consulting and Cropper Accountancy for fiscal year ending June 30, 2011.

BACKGROUND

The Agency's Audit report was completed in December 2012, for the Redevelopment Agency. This was our 5th year of preparing the financial reports in-house with the help of Thales Consulting. The decision to prepare the reports in-house was made to provide a better separation of duties between the audit team looking at the Agencies financial transactions and the actual report itself. The reporting format includes a management discussion and analysis for the Agency's financial statements that are intended to serve as an introduction to the Agency's basic financial statements. A statement of net assets and a statement of activities and changes in net assets are also included that presents information on all the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator or whether the financial position of the Agency is improving or deteriorating. The Agency's net assets increased by \$2,158,325 leaving a balance of \$3,758,188 compared to \$1,559,863 in the prior fiscal year.

FISCAL IMPACT

Total revenues for the Agency during this fiscal year totaled \$5,409,769 while expenditures were \$4,537,397. An additional \$2,584,904 was expended on principal and interest for debt service leaving an ending fund balance in the Project fund of \$424,962; in the Low to Moderate Income Housing fund of \$6,183,840; and a reserve in the Debt Service fund of \$633,252.

CONCLUSION

Accept the unqualified Audit Report for the Redevelopment Agency of the City of Clayton-Basic Financial Statements and Independent Auditors' Reports for fiscal year ending June 30, 2011 prepared by Thales Consulting and Cropper Accountancy Corporation.

Respectively submitted,

Merry Pelletier
Finance Manager

Attachments: Redevelopment Agency Basic Financial Statements and Independent Auditors' Report.

Clayton Redevelopment Agency Clayton, California

***Basic Financial Statements and
Independent Auditors' Report***

For the fiscal year ended June 30, 2011

Clayton Redevelopment Agency
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June 30, 2011

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Clayton Redevelopment Agency

Management's Discussion and Analysis

For the year ended June 30, 2011

The discussion and analysis of the Clayton Redevelopment Agency's (Agency) financial performance provides an overall review of the Agency's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Agency's financial performance as a whole. Readers should also review the basic financial statements to enhance their understanding of the Agency's financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the Agency were greater than the liabilities at the close of the most recent fiscal year by \$3,758,188. The Agency typically issues debt to acquire or construct capital assets which it turns over to the City or other agencies. As a result, the Agency records the debt but has no corresponding assets. Debt payments are made by future revenues.
- As of the close of the current fiscal year, the Agency reported combined ending fund balances of \$7,242,054, a decrease of \$346,897 from the prior year.
- The Agency's long-term liabilities decreased by \$2,195,000 to \$6,920,000.

OVERVIEW OF FINANCIAL STATEMENTS

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

The Agency is a component unit of the City of Clayton, which is the primary government and issues Basic Financial Statements that include the Agency's financial Statements.

Government-wide Financial Statements

The *Government-wide financial statements* consist of a Statement of Net Assets and a Statement of Activities. These statements are designed to provide readers with a broad overview of the Agency's finances. They provide information about the activities of the Agency as a whole and present a longer-term view of the Agency's finances.

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

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

All of the Agency's activities are considered to be governmental in nature and, as a result, no business-type activities are reported in these statements. Governmental activities are those that are principally supported by taxes and intergovernmental revenues. For the Agency, governmental activities consist of fostering vitality in the Clayton Downtown area and improving, preserving and supporting the development of quality affordable housing throughout the City.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements also report the Agency's operations in more detail than the Agency-wide statements by providing information about the Agency's most significant funds. All the Agency's funds are governmental funds. The Agency Board adopts an annual appropriated budget for each fund.

Clayton Redevelopment Agency
Management's Discussion and Analysis
For the year ended June 30, 2011

Notes to the Financial Statements

The *notes* provide additional information that is essential to a full understanding of the data provided in the Agency-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets can serve over time as a useful indicator of the Agency's financial position. At June 30, 2011, the Agency's assets were greater than the liabilities by \$3,785,155. The following table displays a year-to-date summary.

Statement of Net Assets

	June 30, 2011	June 30, 2010
Current and other assets	\$ 7,446,496	\$ 7,080,202
Non-current assets	4,266,430	4,190,728
Restricted assets	138,000	151,000
Total Assets	11,850,926	11,421,930
Current liabilities	1,782,738	1,287,067
Long-term liabilities	6,310,000	8,535,000
Total Liabilities	8,092,738	9,822,067
Net Assets:		
Restricted	2,170,332	12,928,640
Unrestricted	1,587,856	(11,328,777)
Total Net Assets	\$ 3,758,188	\$ 1,599,863

**Statement of Activities
For Fiscal Year Ended**

	June 30, 2011	June 30, 2010	Percentage Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 225,725	\$ -	0
General Revenue:			
Property taxes	5,094,862	5,232,312	(3)
Investment earnings	75,382	189,154	(60)
Miscellaneous	13,800	14,500	(5)
Total revenues	5,409,769	5,435,966	(0)
Expenses:			
Community service and facilities	8,265	37,860	(78)
Economic Development	0	200,744	100
Planning and development	2,296,057	4,616,361	(50)
Interest on long term debt and fiscal charges	421,647	432,620	(3)
Total expenses	2,725,969	5,287,585	(48)
Transfers to the City of Clayton	(525,475)	283,523	(285)
Changes in net assets	2,158,325	431,904	400
Net assets beginning of year, as restated	1,599,863	1,167,959	37
Net assets end of year	\$ 3,758,188	\$ 1,599,863	135

Property tax revenues *decreased* due to decreased property values. Investment income decreased due to the fair market value of investments adjusted to GASB 31 valuations; the continued reduction in cash reserves caused by bond calls; and general interest rate declines. Transfers to the City of Clayton decrease primarily due to the increased debt service payments required to pay off all obligations prior to the Agency hitting the tax increment cap of \$55,000,000.

Clayton Redevelopment Agency
Management's Discussion and Analysis
For the year ended June 30, 2011

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Agency's funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

All of the Agency's funds were presented as major funds as follows:

Capital Projects Fund – This fund accounts for 80% of the redevelopment property tax increment revenue, \$4,075,890, in project expenditures for the Agency's project area. This fund records the administrative expenditures required to support the Agency's capital projects and includes pass-through payments to other taxing entities and tax increment revenue shifted to the State Educational Revenue Augmentation Fund. This fund balance totaled \$424,962 at June 30, 2011, compared to \$140,133 a year earlier.

Affordable Housing Program Fund – This fund accounts for 20% of the redevelopment property tax increment revenue, \$1,018,972, as a set aside for affordable housing developments. This fund balance totaled \$6,183,840 at June 30, 2011, compared to \$5,593,899 a year earlier.

Redevelopment low and moderate income housing funds supported the Diamond Terrace Senior Housing Project with \$200,000.

Debt Service Fund – This fund accounts for the Agency's series 1996A, and 1999 Tax Allocation Bonds debt service payments. Revenues are transferred from the Capital Projects Fund. This fund balance totaled \$633,252 at June 30, 2011, compared to \$1,161,125 a year ago.

DEBT ADMINISTRATION

Debt Service: The Agency issued Redevelopment Tax Allocation Bonds in 1993, 1996, and 1999 in the amount of \$19,590,000. The proceeds from these bond issues have been used to fund various projects throughout the City. Principal and interest payments totaled \$2,576,639 during 2010-11. The Clayton Redevelopment Agency tax increment cap of \$55 million is net of the housing set aside and revenue sharing agreements. Through solid assessed value growth, the Agency will have collected approximately \$47 million in tax increment against the cap through fiscal year 2011. Although this leaves \$8 million to be collected under the cap, the Agency will reach the cap in 2014. Therefore, all of the outstanding bonds should be defeased on or prior to 2014. To this end, the Agency called \$1,940,000 in bonds in August 2010, and has planned to call an additional \$700,000 in February of 2012. By calling outstanding Agency bonds beginning in 2004, the Agency should stay in compliance with the increment cap test. A gradual bond retirement program is planned that will allow all of the outstanding bonds to be redeemed prior to the Agency reaching its \$55 million tax increment cap.

**Clayton Redevelopment Agency
Management's Discussion and Analysis
For the year ended June 30, 2011**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Agency's actual revenues exceeded staff estimates by \$381,352 during this past year. The increase is primarily due to Secured Property Tax earnings that totaled \$5,094,863 and exceeded original budgeted revenues by \$167,966. Most of the excess revenue is due to conservative budgeting estimates, and an increase in property sales.

In fiscal year 2011-2012, it is estimated the Agency will receive gross tax increment revenues totaling \$5,247,703. This budgeted amount is more than the actual amount received in the current fiscal year by \$152,840. This total revenue projection only illustrates on paper what our Agency is allocated before tax increment is siphoned out for our pre-negotiated "pass throughs" to other taxing public entities within our jurisdiction (e.g. school district, community college district, etc.). Our Agency's pre-negotiated "pass-through" formulas are accelerated in accord with the Redevelopment Agency's adopted plan. All other public agency taxing entities began receiving 100% of their normal tax allocation (in fiscal year 2007-08). This maturation provision means more monies were siphoned from the gross tax increment revenues of the Agency and cause fewer monies to be available for discretionary capital projects. For fiscal year 2011-2012 we estimated "pass through" revenue obligations would total \$1,000,000. Actual figures will not be received from the county until the end of April 2012.

The Agency's gross revenue stream, \$3,984,569 (80%) flows to our Agency's discretionary-use fund while the balance \$1,230,770 (20%) is deposited in our state-required Low-Moderate Housing fund. The Agency has carefully managed its fiscal resources, and does have adequate tax increment revenues available that will not disrupt pre-existing debt obligations or operations. The Agency is expected to have sufficient resources to address its debt service obligation in Fiscal Year 2011-2012.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Manager, 6000 Heritage Trail, Clayton, CA 94517.

Basic Financial Statements

Government-Wide Financial Statements

Clayton Redevelopment Agency

Statement of Net Assets

June 30, 2011

	Governmental Activities
ASSETS	
Current Assets:	
Cash and investments	\$ 5,778,063
Cash with fiscal agent	1,076,021
Interest receivable	592,412
Total Current Assets	7,446,496
Noncurrent Assets:	
Notes receivable	4,266,430
Investment in bonds	138,000
TOTAL ASSETS	11,850,926
LIABILITIES	
Accounts payable	4,231
Advances from the City of Clayton	501,899
Interest payable	74,196
Note payable	592,412
Long-term debt due within one year	610,000
Long-term debt due in more than one year	6,310,000
TOTAL LIABILITIES	8,092,738
NET ASSETS	
Debt service	2,170,332
Unrestricted	1,587,856
TOTAL NET ASSETS	\$ 3,758,188

See accompanying Notes to Basic Financial Statements.

Clayton Redevelopment Agency
Statement of Activities and Changes in Net Assets
For the fiscal year ended June 30, 2011

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities					
Community services and facilities	\$ 8,265	\$ -	\$ -	\$ -	\$ (8,265)
Planning and development	2,296,057	225,725	-	-	(2,070,332)
Interest and fiscal charges	421,647	-	-	-	(421,647)
Total governmental activities	\$ 2,725,969	\$ 225,725	\$ -	\$ -	(2,500,244)
General revenues and transfers:					
Taxes:					
Property taxes					5,094,862
Total Taxes					5,094,862
Investment income (loss)					75,382
Miscellaneous					13,800
Transfers to the City of Clayton					(525,475)
Total general revenues and transfers					4,658,569
Change in Net Assets					2,158,325
Net assets - beginning of fiscal year					1,599,863
Net assets - end of fiscal year					\$ 3,758,188

See accompanying Notes to Basic Financial Statements.

Governmental Funds Financial Statements

The Clayton Redevelopment Agency has determined all of its funds to be major funds.

The *Capital Projects Fund* accounts for project expenditures in the Agency's project area.

The *Low/Moderate Capital Projects Fund* accounts for redevelopment property tax increments, which must be set aside for low and moderate income housing.

The *Debt Service Fund* accounts for the Agency's Series 1996A, and 1999 Tax Allocation Bonds debt service payments.

Clayton Redevelopment Agency

Balance Sheet

Governmental Funds

June 30, 2011

	Major Funds			
	RDA Capital Projects Fund	RDA Low/Moderate Capital Projects Fund	RDA Debt Service Fund	Total
ASSETS				
Cash and investments	\$ 938,452	\$ 4,839,611	\$ -	\$ 5,778,063
Cash with fiscal agent			1,076,021	1,076,021
Interest receivable		592,412		592,412
Notes receivable	244,380	4,022,050	-	4,266,430
Investment in bonds	138,000	-		138,000
Due from other funds	442,769		-	442,769
TOTAL ASSETS	\$ 1,763,601	\$ 9,454,073	\$ 1,076,021	\$ 12,293,695
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 1,598	\$ 2,633	\$ -	\$ 4,231
Deposits payable		-	-	0
Deferred revenue	242,730	3,267,600		3,510,330
Notes Payable	592,412	-		592,412
Due to other funds			442,769	442,769
Advance from City of Clayton	501,899			501,899
TOTAL LIABILITIES	1,338,639	3,270,233	442,769	5,051,641
FUND BALANCE				
Nonspendable	415,957	4,614,462	-	5,030,419
Assigned	9,005	1,569,378	633,252	2,211,635
TOTAL FUND BALANCE	424,962	6,183,840	633,252	7,242,054
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,763,601	\$ 9,454,073	\$ 1,076,021	\$ 12,293,695

See accompanying Notes to Basic Financial Statements.

Clayton Redevelopment Agency
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Assets
June 30, 2011

Total Fund Balances - Total Governmental Funds		\$ 7,242,054
Amounts reported for governmental activities in the Statement of Net Assets were different because:		
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.		(107,773)
Revenues which are deferred on the Governmental Funds Balance Sheet because they are not available currently are recorded revenue in the Statement of Activities and accordingly increase the net assets on the Statement of Net Assets.		3,543,907
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.		
Advance from City of Clayton		(475,000)
Long-term debt - current portion		(610,000)
Long-term debt -noncurrent portion		<u>(5,835,000)</u>
Net Assets of Governmental Activities		\$ <u>3,758,188</u>

See accompanying Notes to Basic Financial Statements.

Clayton Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2011

	Major Funds			
	RDA Capital Projects Fund	RDA Low/Moderate Capital Projects Fund	RDA Debt Service Fund	Total
REVENUES				
Property taxes	\$ 4,075,890	\$ 1,018,972	\$ -	\$ 5,094,862
Program income	-	225,725	-	225,725
Use of money and property	9,360	77,163	(11,141)	75,382
Other revenue	13,800	-	-	13,800
TOTAL REVENUES	4,099,050	1,321,860	(11,141)	5,409,769
EXPENDITURES				
General Government				
Community services and facilities	-	-	8,265	8,265
Planning and development	1,328,444	322,322	-	1,650,766
Loss on sale of land held for resale	-	259,502	-	259,502
Principal	-	-	2,195,000	2,195,000
Interest and fiscal charges	42,225	-	381,639	423,864
TOTAL EXPENDITURES	1,370,669	581,824	2,584,904	4,537,397
REVENUES OVER (UNDER) EXPENDITURES	2,728,381	740,036	(2,596,045)	872,372
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,068,172	2,068,172
Transfers out	(1,918,077)	(150,095)	-	(2,068,172)
Transfers to the City of Clayton	(525,475)	-	-	(525,475)
TOTAL OTHER FINANCING SOURCES (USES)	(2,443,552)	(150,095)	2,068,172	(525,475)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	284,829	589,941	(527,873)	346,897
FUND BALANCES:				
Beginning of fiscal year	140,133	5,593,899	1,161,125	6,895,157
End of fiscal year	\$ 424,962	\$ 6,183,840	\$ 633,252	\$ 7,242,054

See accompanying Notes to Basic Financial Statements.

Clayton Redevelopment Agency
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-wide Statement of Activities
For the fiscal year ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds	\$	346,897
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:		
Certain notes receivable are reported as expenditures in the Governmental Funds and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise, when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued.		(385,789)
Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-wide Statement of Net Assets.		
This amount represents long-term debt repayments.		2,195,000
Interest expense on long-term debt is reported in the Government-wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in Governmental Funds. This amount represents the change in interest payable.		2,217
Change in Net Assets of Governmental Activities	\$	2,158,325

See accompanying Notes to Basic Financial Statements.

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Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of Reporting Entity

The Agency is a blended component unit of the City of Clayton (City). The City Manager acts as the Agency's Executive Director and the City Council acts as the governing commission, which exerts significant influence over its operations. Accordingly, the financial operations of the Agency have also been included in the financial statements issued by the City.

The Agency was established in June 1987. The Agency Board members are the elected officials of the City Council. Redevelopment Plans were adopted in June 1987 for the Redevelopment Project Area. The Agency was established pursuant to the Community Development Law of the State of California as codified in Part I of Division 24 of the State of California Health and Safety Code. As such, the Agency acts as a legal entity, separate and distinct from the City, even though the City Council serves as the Agency's Board of Directors.

The actions of the Agency are binding and its representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a declining condition and within the Project Area.

B. Basis of Accounting/Measurement Focus

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

Government - wide Financial Statements - The Agency's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental activities for the Agency.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Agency did not have any significant program revenues at June 30, 2011. The majority of the Agency's revenues were considered to be general revenues.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting/Measurement Focus, continued

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. The following interfund activities have been eliminated:

- Transfers in/out

Governmental Funds Financial Statements - Governmental funds financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental funds. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The Agency has presented all major funds.

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

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

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

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

The Agency has the following major funds:

- Capital Project Fund – This fund accounts for project expenditures in the Agency's project area.
- Low/moderate Capital Projects Fund – This fund accounts for redevelopment property tax increments, which must be set aside for low and moderate income housing.
- Debt Service Fund – This fund accounts for the Agency's Series 1993, 1996A, and 1999 Tax Allocation Bonds debt service payments.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Use of Restricted and Unrestricted Net Assets

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

D. Cash and Investments

The Agency pools its available cash with the City for investment purposes. The City considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The Agency participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

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

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

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

E. Land Held for Resale

The Agency acquires parcels of land from time to time as part of its primary purpose to develop or redevelop City properties. The property is carried at the lower of cost or net realizable value.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

F. Long-Term Liabilities

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

G. Fund Balances

In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes a hierarchy based on the extent to which a government is bound to observe spending constraints that govern how it can use amounts reported in the governmental funds balance sheet.

The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned and Unassigned amounts.

Nonspendable fund balance represents amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as an endowment fund).

Restricted fund balance represents amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or enabling legislation.

Committed fund balance represents amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance represents amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or staff member to whom the governing body delegates authority.

Unassigned fund balance represents amounts that are available for any purpose; these amounts are reported only in the general fund, or when a fund has a negative fund balance.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

H. Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets. The Agency had no net assets that were invested in capital assets net of related debt.

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

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

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Implementation of New GASB Pronouncements

The Agency has implemented the following accounting standards during the fiscal year ended June 30, 2011:

- GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in March 2009. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additional disclosure concerning the implementation of GASB Statement No. 54 is above in note 1G.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

2. CASH AND INVESTMENTS

The Agency has pooled its cash and investments of \$5,778,063 with the City in order to achieve a higher return on investment. The City maintains a cash and investment pool, which includes cash balances and authorized investments of all the Agency's funds, which the City invests to enhance interest earnings. The pooled interest earned is allocated to the Agency's funds quarterly, based on average daily cash and investment balances in these funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled. These restricted funds include cash with fiscal agents. The investments made by the City are limited to those allowable under State statutes and include the following types of investments:

- U.S. Government Securities
- Certificates of Deposit
- Mutual Funds
- Guaranteed Investment Contracts
- Commercial Paper
- Repurchase Agreements
- Deposits with Banks
- State of California Local Agency Investment Fund

All cash and investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average cash and investment balances of the various funds and related entities of the City. Cash and investments in the accompanying Statement of Net Assets include investment earnings accrued through June 30, 2011.

The Agency also had Cash with Fiscal Agents in the amount of \$1,076,021 which was designated for debt service payments. These funds were all invested in Securities of U.S. Government Treasury Agencies with U.S. Instrumentality. They all mature within 12 months and have a Aaa rating.

See the City's Basic Financial Statements for disclosures related to cash and investments and the related to credit risk, concentration of credit risk, and interest rate risk.

3. NOTES RECEIVABLE

At June 30, 2011, notes receivable consisted of the following:

Description	Beginning Balance July 1, 2010	Additions	Deletions	Ending Balance June 30, 2011
Professional Apartment Management, Inc.	\$ 3,129,000	\$ 200,000	\$ 61,400	\$ 3,267,600
Eden Housing, Inc. (formerly Peace Grove)	567,000			567,000
Second Mortgage Program	187,450			187,450
Fund 302 Account 1306				592,412
Assessment District Loans	307,278		30,971	276,307
Total	\$ 4,190,728	\$ 200,000	\$ 92,371	\$ 4,890,769

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

3. NOTES RECEIVABLE, CONTINUED

Professional Apartment Management, Inc.

On September 21, 1999, the Agency made a loan to the Professional Apartment Management, Inc. ("PAM") in the amount of \$750,000, at non-interest bearing rate, to construct and develop an affordable senior assisted living center on the site to be known as "Diamond Terrace." The note is secured by the Deed of Trust. On October 1, 2001, the Agency entered into an agreement to loan PAM up to \$4,036,000 including the \$750,000 note previously advanced. The additional loan is at a non-interest bearing rate. Repayment of the loan is commenced on October 1, 2005, with annual payments through October 1, 2023. As of June 30, 2011, the outstanding balance of the loan was \$3,129,000.

Eden Housing, Inc.

On October 13, 1992, the Agency made a loan to the Eden Housing Inc. (formerly Peace Grove, Inc.) in the amount of \$567,000, at a non-interest bearing rate, for the purchase of land for redevelopment and housing project for low-income mental health system clients. The loan is secured by a Deed of Trust. The loan has been assumed by Eden Housing, Inc. The principal balance is payable on December 18, 2052. As of June 30, 2011, the outstanding balance of the loan was \$567,000.

Second Mortgage Program

The Agency participates in a second mortgage assistance program, whereby qualified applicants are loaned money for a "silent second" down payment to purchase a home in the Stranahan development within the City. There are seven individual loans. As of June 30, 2011, the outstanding balance of the loans was \$187,450.

Assessment District Loans

The Agency has provided assistance to special assessment districts within the City, to fund repairs and improvements. There are three districts which received loans. As of June 30, 2011, the outstanding balance of the loans were \$295,718.

Fund 302 Account #1306

The Redevelopment Agency Low to Moderate Income Housing fund loaned the Redevelopment Agency Project fund \$592,412 to pay the State of California Supplemental Educational Revenue Augmentation Fund "SERAF" which will be distributed to public schools to meet the State's Prop 98 fiscal obligations to education.

4. INTERFUND TRANSACTIONS

Interfund Transfers

During the fiscal year ended June 30, 2011, the Agency had the following transfers:

		Transfers in
		Debt
		Service Fund
Transfers out		
Capital Projects Fund	\$	2,068,172

The Agency transferred \$2,068,172 from the capital projects fund to the debt service fund for the current debt service payments.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

5. NOTES PAYABLE

On May 10, 2011, the Agency received a loan from the Low to Moderate Income Housing Fund in the amount of \$592,412 to partially cover a demand from the California Department of Finance for property tax revenues to K-12 schools during the 2009-10 fiscal year via the Supplemental Educational Revenue Augmentation Funds (SERAF). The loan is to be repaid without interest by June 30, 2015.

6. LONG-TERM DEBT

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2011:

Description	Beginning Balance July 1, 2010	Additions	Reductions	Ending Balance June 30, 2011	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental activities:						
1996 Refund Tax Allocation Bonds	\$ 3,210,000	\$ -	\$ (1,940,000)	\$ 1,270,000	\$ 340,000	\$ 930,000
1999 Tax Allocation Bonds	5,430,000	-	(255,000)	5,175,000	270,000	4,905,000
Advance from City of Clayton	475,000	-	-	475,000	-	475,000
Total governmental activities	\$ 9,115,000	\$ -	\$ (2,195,000)	\$ 6,920,000	\$ 610,000	\$ 6,310,000

1996 Series A Refunding Tax Allocation Bonds

1996 Series A Refunding Tax Allocation Bonds in the principal amount of \$7,225,000 were issued on November 16, 1996 by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. Bonds maturing after August 1, 2010 are subject to call on any interest payment date at par, plus a premium 1 % to 2% of the principal amount. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenue. In the current year early bond calls in the amount of \$1,495,000 are included in the current year debt service.

The annual debt service requirements to amortize the 1996 Refunding Tax Allocation Bonds outstanding at June 30, 2011, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 340,000	\$ 59,083	\$ 399,083
2013	-	49,987	49,987
2014	-	49,987	49,987
2015	-	49,987	49,987
2016	-	49,987	49,987
2017-2021	930,000	153,189	1,083,189
Total	\$ 1,270,000	\$ 412,220	\$ 1,682,220

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

6. LONG-TERM DEBT, CONTINUED

1999 Tax Allocation Bonds

1999 Issue Tax Allocation Bonds in the principal amount of \$7,460,000 were issued on June 15, 1999 by the Agency. Principal payments are payable on August 1 of each year. Interest payments are payable semi-annually on February 1 and August 1. The bonds are special obligations of the Agency and are secured by the Agency's tax increment revenues.

The annual debt service requirements to amortize the 1999 Tax Allocation Bonds outstanding at June 30, 2011, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	270,000	248,930	518,930
2013	280,000	236,140	516,140
2014	295,000	222,554	517,554
2015	310,000	208,030	518,030
2016	320,000	192,672	512,672
2017-22	2,285,000	783,041	3,068,041
2023-25	1,415,000	108,375	1,523,375
Total	\$ 5,175,000	\$ 1,999,742	\$ 7,174,742

Advance from the City of Clayton

On June 17, 1999, the Agency received a loan from the City in the amount of \$475,000, at an interest rate of 6.5%. The interest is payable quarterly and the principal balance payable in full on or before January 1, 2023. As of June 30, 2011, the outstanding balance of the note was \$475,000 and is included in the Agency's long-term debt.

On February 16, 2010, the Agency recognized a debt owed to the City in the amount of \$501,899. The debt resulted from the Agency omitting payment to the City of an annual 2% election payment for the past twenty-one years. The City has recognized this advance of funds and the Agency has agreed to pay back this advance in four annual installments of \$125,475. As of June 30, 2011, the balance is \$501,898.64.

7. FUND RESERVES AND DESIGNATIONS

GASB 54 established the following classifications which the Agency will follow:

Nonspendable fund balance represents amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as an endowment fund).

Restricted fund balance represents amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or enabling legislation.

Committed fund balance represents amounts constrained to specific purposes by the Agency itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance represents amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or staff member to whom the governing body delegates authority.

Unassigned fund balance represents amounts that are available for any purpose; these amounts are reported only in the general fund, or in any fund with a negative fund balance.

Clayton Redevelopment Agency
Notes to the Basic Financial Statements
June 30, 2011

8. RISK MANAGEMENT

As a component unit of the City, the Agency participates in joint power agreements through the Municipal Pooling Authority of Northern California (Authority) which provides insurance coverage for liability and workers' compensation claims. Claims liabilities are accrued when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Authority covers claims in an amount up to \$15,000,000. The City has a deductible of \$5,000 per claim for liability cases and no deductible for workers' compensation claims. Once the City's deductible is met, the Authority becomes responsible for payment of all claims. The Authority is self-insured up to \$1,000,000 per claim and has excess coverage to a maximum of \$25,000,000.

The Authority is governed by a board consisting of representatives from member municipalities. The board controls the operations of the Authority including selection of management, approval of operating budgets and is independent of any influence by member municipalities beyond their representation on the Board. The Executive Director of the Agency (i.e. City Manager) is a Board member of the Authority.

The City's general liability premium payments to the Authority in the amount of \$133,430 for fiscal year 2010-2011 are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Detailed financial information may be obtained from the Authority at the following address:

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

9. OTHER FUND DISCLOSURES

A. Expenditures over Appropriations

The following funds had an excess of expenditures over appropriations in the current fiscal year:

	<u>Amount</u>
<i>RDA Low/Moderate</i>	399,472
<i>RDA Debt Service</i>	527,873

Other Supplementary Information

Clayton Redevelopment Agency
Supplementary Information
For the fiscal year ended June 30, 2011

BUDGETARY PRINCIPLES

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

- By June 30, the City Manager submits to the City Council a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Continuing appropriations are rebudgeted by the City Council as part of the adoption of subsequent year's budgets. The City and Agency routinely conduct a public Mid-Year Budget Review each year in late January or early February.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of a resolution during a City Council meeting in the month of June.
- The City Manager is authorized to transfer budgeted amounts within an activity, within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- Formal budgeting is employed as a management control device during the year for the general, certain special revenue and debt service funds.
- Budgets for the debt service and capital project funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

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

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

Clayton Redevelopment Agency
Budgetary Comparison Schedule
For the fiscal year ended June 30, 2011
RDA Capital Projects Fund

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 3,941,518	\$ 4,075,890	\$ 134,372
Use of money and property	5,000	9,360	4,360
Other revenue	5,000	13,800	8,800
TOTAL REVENUES	3,951,518	4,099,050	147,532
EXPENDITURES			
Planning and development	1,278,788	1,328,444	(49,656)
Interest and fiscal charges	30,875	42,225	(11,350)
TOTAL EXPENDITURES	1,309,663	1,370,669	(61,006)
REVENUES OVER (UNDER) EXPENDITURES	2,641,855	2,728,381	86,526
OTHER FINANCING SOURCES (USES)			
Transfers in	338,510		(338,510)
Transfers out	(3,226,475)	(1,918,077)	1,308,398
Transfers to the City of Clayton		(525,475)	(525,475)
TOTAL OTHER FINANCING SOURCES (USES)	(2,887,965)	(2,443,552)	444,413
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (246,110)	284,829	\$ 530,939
FUND BALANCES:			
Beginning of fiscal year		140,133	
End of fiscal year		<u>\$ 424,962</u>	

Clayton Redevelopment Agency

Budgetary Comparison Schedule

For the fiscal year ended June 30, 2011

RDA Low/Moderate Capital Projects Fund

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 985,379	\$ 1,018,972	\$ 33,593
Program income	61,400	225,725	164,325
Use of money and property	60,000	77,163	17,163
TOTAL REVENUES	<u>1,106,779</u>	<u>1,321,860</u>	<u>215,081</u>
EXPENDITURES			
Planning and development	460,689	322,322	138,367
Loss on sale of land held for resale	-	259,502	(259,502)
TOTAL EXPENDITURES	<u>460,689</u>	<u>581,824</u>	<u>(121,135)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>646,090</u>	<u>740,036</u>	<u>93,946</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(150,095)	(150,095)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150,095)</u>	<u>(150,095)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 495,995</u>	<u>589,941</u>	<u>\$ 93,946</u>
FUND BALANCES:			
Beginning of fiscal year		<u>5,593,899</u>	
End of fiscal year		<u>\$ 6,183,840</u>	

Clayton Redevelopment Agency

Budgetary Comparison Schedule

For the fiscal year ended June 30, 2011

RDA Debt Service Fund

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Use of money and property	\$ 1,500	\$ (11,141)	\$ (12,641)
TOTAL REVENUES	<u>1,500</u>	<u>(11,141)</u>	<u>(12,641)</u>
EXPENDITURES			
Community services and facilities	8,265	8,265	-
Principal	2,335,000	2,195,000	140,000
Interest and fiscal charges	<u>509,330</u>	<u>381,639</u>	<u>127,691</u>
TOTAL EXPENDITURES	<u>2,852,595</u>	<u>2,584,904</u>	<u>267,691</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,851,095)</u>	<u>(2,596,045)</u>	<u>255,050</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>2,851,095</u>	<u>2,068,172</u>	<u>(782,923)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,851,095</u>	<u>2,068,172</u>	<u>(782,923)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>(527,873)</u>	<u>\$ (527,873)</u>
FUND BALANCES:			
Beginning of fiscal year		<u>1,161,125</u>	
End of fiscal year		<u>\$ 633,252</u>	

**MINUTES
CLAYTON FINANCING AUTHORITY
REGULAR MEETING
JANUARY 17, 2012**

Agenda Date: 1-15-13

Agenda Item: 4a

1. **CALL TO ORDER AND ROLL CALL** - the meeting was called to order by President Geller at 10:32 p.m. in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road. Board Directors present: President Geller, Vice President Medrano, Board Members Pierce, Shuey and Stratford. Staff members present: Executive Director, Secretary, and Legal Counsel.

2. **CLOSED SESSION** – None.

3. **PUBLIC COMMENTS** – None.

4. **CONSENT CALENDAR** – It was moved by Boardmember Shuey, seconded by Boardmember Pierce, to approve the Consent Calendar as submitted (Passed; 5-0 vote).

(a) Approved the minutes of the regular meeting of January 18, 2011.

(b) Approved the Clayton Financing Authority Annual Report for Calendar Year 2011.

5. **ACTION ITEMS** - None.

6. **BOARD ITEMS** – None.

7. **ADJOURNMENT**- On call by President Shuey the meeting adjourned at 10:33 p.m.

Respectfully submitted,

Laci J. Jackson, Secretary

Approved by
Clayton Finance Authority Board of Directors

Howard Geller, President

*** CLAYTON FINANCING AUTHORITY ***

ANNUAL REPORT

TO: HONORABLE PRESIDENT AND BOARD OF DIRECTORS

FROM: EXECUTIVE DIRECTOR

MEETING DATE: 15 JANUARY 2013

SUBJECT: ANNUAL REPORT FOR 2012

RECOMMENDATION

It is recommended the Board of Directors receive and approve for file the Clayton Financing Authority Annual Report for 2012.

BACKGROUND

On 04 December 1990, the City Council of Clayton, California adopted Resolution No. 120-90, which created the Clayton Financing Authority via 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. This 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*].

The By-Laws of the Clayton Financing Authority require an annual meeting at the same place immediately following the completion of the first Clayton City Council meeting held in January of each year. Article VIII of the Joint Powers Agreement requires the Board to adopt an annual budget for the Financing Authority and to report on activities of the Authority during the proceeding calendar year.

2012 ACTIVITY REPORT

In Calendar Year 2012, the Clayton Financing Authority met once and conducted corresponding activity as summarized below:

- 1. 17 January 2012 Meeting**

The Board approved minutes from its meeting on 18 January 2011 and adopted its Annual Report for 2011.

FINANCIAL REPORT

A. All Authority debt, demands and other fiscal obligations were paid in full and on time. The Authority did not enact an annual budget in Year 2012 as no routine expenses, administrative overhead or inter-agency expenses were charged against the Authority by the former Clayton Redevelopment Agency or the City of Clayton.

B. As a result of the Authority's sale of title to its one acre commercial real property on 31 October 2006 to Endashiiian, LLC in the amount of \$800,815 (for subsequent development of the Longs Drugs Store, now CVS/Pharmacy, located at the southwest corner of the Center Street and Clayton Road intersection), the Authority holds cash proceeds from the sale of this land. As of 30 June 2012 the current cash value is \$769,458 (includes interest earnings posted on 30 June 2012 of \$19,941).

In FY 2007-08 the Board transferred \$170,000 from this account to assist the City in completing necessary and desired picnic and play apparatus improvements at Clayton Community Park (CIP Nos. 10385 & 10407).

The Board of Directors has full discretion as to the ultimate disposition of these funds.

C. In November 1997, the Clayton Financing Authority issued \$7,160,000 in Special Tax Revenue Refunding Bonds. These bonds were used primarily to purchase a series of special tax bonds issued by the City of Clayton to refinance the City's \$6,435,000 original aggregate principal amount of Community Facilities District No. 1990-1 [original] Special Tax Bonds issued in December 1990, and which had an outstanding balance of \$6,295,000 at the time of refunding issuance. The original Special Tax Bonds were issued to finance a portion of the construction of a public middle school (i.e. Diablo View Middle School) and site preparation of adjacent playing fields (i.e. Clayton Community Park). These obligations are secured by annual special taxes levied on taxable real properties within the specified Community Facilities District (CFD) of the Oakhurst Development (1,358 parcels). The bonds are a non-City obligation.

These bonds were refinanced by Board action in May 2007 to obtain a lower interest rate resulting in lower annual payments for the CFD's real property owners, with ultimate sale occurring on 07 June 2007 in the face amount of \$5,060,000. The information herein is dated as of 30 June 2012:

The outstanding principal of the 2007 Special Tax Revenue Refunding Bonds as of 30 June 2012 is \$3,750,000 (reduced from \$4,225,000 last year). A comparison of the trend line in delinquent dollars and land owners within the specified District for the Tax Year is outlined below:

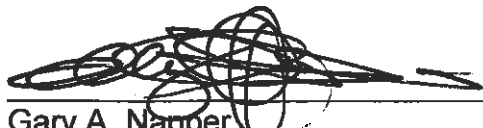
<u>Tax Year</u>	<u>Delinquency Rate</u>	<u>Delinquency Amount</u>
2011-2012	0.26%	\$ 2,656.22
2010-2011	1.71%	\$12,207.31
2009-2010	2.60%	\$14,404.71
2008-2009	2.39%	\$18,998
2007-2008	1.15%	\$12,043.60
2006-2007	2.98%	\$16,099.14
2005-2006	0.98%	\$ 5,309.24

As of 31 October 2012 there were no delinquent taxpayers responsible for five percent (5%) or more of the total special taxes levied, the issuance threshold requiring stricter Board intervention and foreclosure action. The most current listing of delinquencies amounts to sixteen (16) accounts (1.18% of the total number of assessed parcels). This delinquency rate and number of delinquent parcels is significantly lower than the 2011 Annual Report wherein 37 parcels (2.72%) were behind in obligations. The reason for this reduction (-57% in parcels, -78% in dollar delinquencies) is a number of foreclosed and distressed real properties in the CFD were apparently sold within the last year wherein title transfers required the curing of the financial defaults. City staff and NBS monitor the delinquency status regularly with Reminder Letters as well as Demand Letters sent as appropriate to delinquent property owners to remind them of their financial obligation.

The required Reserve Fund has a balance of \$251,984.15 (as of 30 June 2012) which is sufficiently funded to address actual and all nominal delinquencies. Therefore, no projected draw on the Reserve is necessary at this time. The total assessed value (AV) of all parcels within the District subject to this Special Tax is \$618.9 million (as of 01 January 2012). This AV amount is slightly less than the \$620.6 million property valuation of the CFD last year (-0.27%) and a decline of approximately (7.27%) from the assessed valuation posted in 2008.

D. It is recommended the Board not create an annual budget for 2013 due to *de minimus* activity required of the Authority in this calendar year.

Respectfully submitted,


 Gary A. Napper
 Executive Director