

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

TUESDAY, March 19, 2013

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:01 p.m. by Mayor Pierce in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Pierce, Vice Mayor Stratford, Councilmembers Diaz, Geller (arrived at 7:04 p.m.). Councilmember absent: Councilmember Shuey. Staff present: City Manager Gary Napper, City Attorney Mala Subramanian, Maintenance Supervisor Mark Janney, Finance Manager Merry Pelletier, and City Clerk Laci Jackson
2. **CLOSED SESSION**- None.
3. **PLEDGE OF ALLEGIANCE** – led by Mayor Pierce.
4. **CONSENT CALENDAR**- It was moved by Vice Mayor Stratford, seconded by Councilmember Diaz, to approve the Consent Calendar as submitted (Passed; 3-0 vote).
 - (a) Approved the minutes of the regular meeting of March 5, 2013.
 - (b) Approved Financial Demands and Obligations of the City.
 - (c) Adopted Resolution 09-2013 certifying the City's Annual Housing Element Report for 2012.
 - (d) Adopted Resolution 10-2013 setting the City's Equivalent Runoff Unit (ERU) real property parcel assessment rates in FY 2013-14 at current rates to fund local storm water/clean water programs and services required by the federal and state-mandated National Pollution Discharge Elimination System (NPDES) Program (storm water pollution prevention).
5. **RECOGNITIONS AND PRESENTATIONS**
 - (a) Certificates of Recognition to "Do The Right Thing" public school students exemplifying the character trait of "Self-Discipline". Mayor Pierce announced these recognitions will be presented at the April 16th City Council meeting.
6. **REPORTS**
 - (a) Planning Commission –Commissioner Sandra Johnson reported on the March 12th meeting of the Planning Commission. She stated the Commission approved a Site Plan Review for a balcony on a residence in the Peacock Creek Subdivision.
 - (b) Trails and Landscaping Committee – No meeting held.
 - (c) The City Manager stated a prospective developer for the Creekside Terrace project is moving forward by working on an appraisal and construction costs. He noted the prospective developer has been put in touch with the original architectural team.

(d) City Council

Councilmember Diaz attended the Mayors' Conference and the CERT training for CPR/AED. He commended the Police Chief for attending the Art and Wine Festival planning meeting and added positive information.

Vice Mayor Stratford stated the "Do the Right Thing" trait of the month is "Integrity." He attended the Mayors' Conference and the Mid-Year Budget Sub-Committee meeting.

Councilmember Geller attended the Mayors' Conference and the Clayton Valley Charter High School Crab Feed.

Mayor Pierce attended the Caldecott Tunnel program held by the Clayton Historical Society, a Transportation Authority meeting, and the Mayors' Conference. She also attended two joint meetings of ABAG and MTC, two meetings with the ABAG Joint Policy Committee, and attended Career Day at Diablo View Middle School. She noted she spoke with Heather Schiffman from the Contra Costa Association of Realtors and stated it is concerned with possible Gas Shut-off valve requirements being considered by the County. Lastly, she attended an Eagle Scout Court of Honor for Jason Fernandez.

(e) Other – None.

7. **PUBLIC COMMENTS** – None.

8. **PUBLIC HEARINGS** – None.

9. **ACTION ITEMS**

(a) Presentation of the Mid-Year City Budget status report for Fiscal Year 2012-2013.

The Finance Manager presented the Mid-Year Budget report recommending no mid-year budget adjustments. She noted overall General Fund revenues are coming in higher than projected but Property and Sales Taxes are down slightly; Business License taxes and Building Permit fees are up. General Fund expenditures will be on-budget so it is estimated the City may close the fiscal year with a nominal surplus of \$784 in contrast to the deficit of \$197,464. The remainder of the total City Budget (Special Revenue and Enterprise funds) are operating within budgeted projections. Staff met with the Council Budget Sub-Committee on March 19th to examine the mid-year actuals and year-end projections, and it is the Sub-Committee's recommendation that no mid-year budgetary adjustments are necessary.

Vice Mayor Stratford thanked the Finance Manager for her work on the numbers.

The City Manager stated when the 2012-13 Budget was adopted General Fund revenues were not expected to come in high enough to cover expenses and the Council agreed that if it was needed the deficit could be plugged at the end of the fiscal year with General Fund Reserves. He noted tonight's report shows that revenues are coming in higher than expected and it looks as if expenses will stay on budget. He stated hopefully this trend will continue and revenues will continue to come in higher than expected. He stated during the extended economic challenges this City has not run the general fund in an annual deficit situation due to careful budgeting, has had no employee layoffs,

although all employees have experienced a 4.3% reduction in pay with unpaid furlough days for Miscellaneous and no Holiday Premium pay for Public Safety the last 4 years.

No public comments were received.

It was moved by Vice Mayor Stratford, seconded by Councilmember Diaz, to accept the Mid-Year Budget Report for FY 2012-13 (Passed; 4-0 vote).

- (b) Consider the Introduction and First Reading of proposed Ordinance No. 444 amending Chapter 13.2 of Title 13 of the Clayton Municipal Code relating to Stormwater Management and Discharge Control for compliance with the National Pollution Discharge Elimination System (NPDES) Program (Stormwater Pollution Prevention) Municipal Regional Permit (MRP) imposed by the California Regional Water Quality Control Board.

The Assistant to the City Manager stated the City of Clayton participates in the Contra Costa Clean Water program. The Regional Water Quality Control Board issued the new MRP so there would be more consistency throughout the Bay Area regarding local requirements. She noted in 2004 and 2009 there were changes to the permit process. Staff reviewed the City's Ordinance and upon review noted our Ordinance should be updated to reflect the 2009 requirements. The City Attorneys' and a technical work group of the stormwater program managers completed a work model ordinance to address issues the State Water Board thought needed clarity. She stated the revised Ordinance updates the exempt discharges and resources, updates the Best Management Practice for pesticides and herbicides, adds more specific language to the requirements for the discharge into the storm drain system, and includes language that allows cities to require retrofits of existing facilities. She stated the new Ordinance deletes a section where previously it allowed for Homeowners Associations to do the state required reporting and monitoring of facilities because a City can not delegate its responsibility for inspection to a third party.

There were no public comments on this item.

It was moved by Vice Mayor Stratford, seconded by Councilmember Diaz, to have the City Clerk read Ordinance No. 444 by title and number only and waive further reading (Passed; 4-0 vote).

The City Clerk read Ordinance No. 444 by title and number only.

It was moved by Vice Mayor Stratford, seconded by Councilmember Diaz, to approve Ordinance No. 444 for Introduction (Passed; 4-0 vote).

- (c) Consider staff and consultant reports and general discussion of repairs and long-term cost-benefit analysis for eventual replacement of Heating, Ventilation and Air Conditioning (HVAC) systems in City Hall, the Clayton Community Library and Endeavor Hall.

Maintenance Supervisor Mark Janney presented the staff report on the HVAC systems in City owned buildings. He stated the City has four properties that have systems and one property is not in use (Oak Street buildings). He stated Entek in Pleasant Hill, performed the evaluation of the current systems and provided a detailed report on the two buildings. He noted the City Hall system is the same system installed during the remodel of the building in 1997.

In the Library there are two separate systems: one for the meeting room and offices, and one for the main library. He stated both HVAC systems have a chiller which cycles 150 gallons per minute of chilled water. The HVAC systems are controlled by Johnson Control panels. In addition to these systems there is a separate single package unit to heat or cool the Story Room.

The Endeavor Hall HVAC system was installed in 2001, and is only responsible for cooling 2,450 sq/ft. and has 2 primary systems. He stated they are controlled by a thermostat, similar to a home system, and these systems were not reviewed by the report provided, as they are newer.

He stated the City currently contracts HVAC maintenance with Markham Mechanical Services out of Concord. He stated the contract price for City Hall is \$1,330 a year, the Library is \$3,113 a year, and Endeavor Hall is \$998. He noted the City also has a separate maintenance contract of \$3,600 for the controller. He stated the information provided shows the equipment and labor costs for repairs over the last three years.

He stated all HVAC systems are unique and age is a factor for the maintenance costs. Staff has outlined the needed repairs, the future repairs, energy upgrades, and the comfort upgrades for the current systems.

The Library HVAC needs to have the chiller replaced that could cost \$128,104 with an additional \$7,690 for engineering costs. As part of this replacement the underground piping needs to be evaluated and if it needs to be replaced there will be an added cost of \$98,550. The inspection cost alone for the piping is \$3,250.

In the future the five condensing units at City Hall will need to be replaced at an approximate cost of \$109,000 plus an additional \$6,900 for engineering. He also stated the air handlers at the Library will need to be replaced and could cost between \$108,460 and \$200,330 depending on where the units are placed plus engineering costs.

He stated when PG&E recently evaluated the HVAC systems for energy cost savings upgrades and the cost for doing energy management upgrades was not feasible because the payoff timeline is too long (40 years). He stated staff is still seeking ways to obtain grants for energy upgrades.

He stated the comfort upgrades at the Library to work on air distribution in the Library Meeting Room can be done but the cost is substantial.

Lastly, he stated the fiscal impact to perform all replacement projects as stated in the report is \$586,000-\$862,000. He stated the needed HVAC repairs are expected to cost between \$156,000-\$260,000.

The City Manager commented the Capital Equipment Replacement Fund (CERF) has not been replenished recently due to budget constraints, and large facilities repairs are beyond current budgeted resources. Therefore, the City would need to look to the General Fund Reserve for replacement.

The City Manager noted the reason for this report is to bring awareness to the size and magnitude of such projects and to give a blueprint for moving forward. He stated if the Library chiller goes out the only source of funding is going to be the General Fund Reserves. He stated the purpose for the General Fund Reserve is for infrastructure and/or catastrophic losses. During in the last budget cycle, surplus General Fund money was allocated to the Trust and Agency account for holding and the Budget Sub-Committee will need to meet to discuss the disposition of those funds.

Councilmember Geller asked if having a service contract saves money in the long run? Maintenance Supervisor Janney stated yes because it is preventative maintenance.

Councilmember Pierce stated she is continuing to do research for solar energy to serve the City's buildings.

No public comments were offered, and no action was taken on this item.

10. **COUNCIL ITEMS** – None.

11. **ADJOURNMENT**– on call by Mayor Pierce the meeting adjourned at 8:14 p.m.

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Respectfully submitted,



Laci J. Jackson, City Clerk

APPROVED BY CLAYTON CITY COUNCIL



Julie K. Pierce, Mayor