CITY OF CLAYTON

Founded 1857 .. Incorporated 1964

AGENDA

REGULAR MEETING

* * *

CLAYTON CITY COUNCIL

* * *

TUESDAY, FEBRUARY 4, 2014

7:00 P.M.

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

Mayor: Hank Stratford
Vice Mayor: David T. Shuey

Council Members
Jim Diaz
Howard Geller
Julie K. Pierce

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

* CITY COUNCIL *

February 4, 2014

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

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

3. **CONSENT CALENDAR**

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

(a) Approve the minutes of the regular meeting of January 21, 2014. (View Here)

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

(c) Approve Addendum No. 1 to the Consulting Services Agreement with Raney Planning and Management to prepare the Environmental Analysis (IS/MND) for the Silver Oak Estates residential development project; DP-01-10; MAP-01-10 & ENV-02-10. (View Here)

(d) Approve the low-bid award of contract to Marken Mechanical Services in the amount of $116,700.00 for replacement of one (1) HVAC chiller and associated pump in the Clayton Community Library; approve a contract with Entek Corporation for engineering project specifications and drawings ($8,547.00) and project construction management services ($1,300); and authorize the allocation of $127,547.00 from the City's Capital Improvement Budget interest earnings account to fund the facility maintenance need (CIP No. 10435). (View Here)

4. **RECOGNITIONS AND PRESENTATIONS** - None

5. **REPORTS**

(a) Planning Commission – Commissioner Dan Richardson.
(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

6. 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.

7. PUBLIC HEARINGS

(a) Public Hearing on the proposed Second Reading and Adoption of Ordinance No. 452 amending portions of the *Clayton Municipal Code*, Chapters 15.01, 15.02, 15.03, 15.04 and 15.05 to bring the City's Building, Electrical, Plumbing and Mechanical Codes into compliance with and thereby adopt the 2013 Editions of the respective California Building Standards Codes with changes, additions, and deletions as allowed by state law (ZOA-06-13). (View Here)
(Community Development Director)

Staff recommendations: **1.)** Receive the staff report; **2.)** Open the Public Hearing and receive public comments; **3.)** Close the Public Hearing; **4.)** Following Council consideration of any public comment and discussion, approve a motion to have the City Clerk read Ordinance No. 452 by title and number only and waive further reading; and **5.)** On completion of the City Clerk's reading, adopt a motion to adopt Ordinance No. 452 with findings its adoption will not have a significant adverse effect on the environment and is therefore exempt under CEQA.

(b) Public Hearing on the proposed Second Reading and Adoption of Ordinance No. 453 amending portions of the *Clayton Municipal Code*, Chapters 15.09 to bring the City's Fire Code into compliance with and thereby adopt the 2013 California Fire Code with changes, additions, and deletions as allowed by state law (ZOA-07-13). (View Here)
(Community Development Director)

Staff recommendations: **1.)** Receive the staff report; **2.)** Open the Public Hearing and receive public comments; **3.)** Close the Public Hearing; **4.)** Following Council consideration of any public comment and discussion, approve a motion to have the City Clerk read Ordinance No. 453 by title and number only and waive further reading; and **5.)** On completion of the City Clerk's reading, adopt a motion to adopt Ordinance No. 453 with findings its adoption will not have a significant adverse effect on the environment and is therefore exempt under CEQA.

8. **ACTION ITEMS**

(a) Presentation and approval of the City's Audited Financial Statement for Fiscal Year 2012-2013 prepared by Cropper Accountancy Corporation, independent Certified Public Accountant firm. (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 and accept the FY 2012-13 Audited Financial Statement of the City of Clayton.

(b) Consideration of a Resolution approving the carry-over of specific project and operational encumbrances in the total amount of $151,702 from the FY 2012-13 Budget and amend the FY 2013-14 City Budget accordingly. (View Here)
(Finance Manager)

Staff recommendation: Following staff presentation and opportunity for public comment, adopt a motion approving the prepared Resolution.

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

10. **CLOSED SESSION**

(a) *Government Code Section 54957.*6, Conference with Labor Negotiator
Instructions to City-designated labor negotiator: City Manager.

1. Employee Organization: Clayton Police Officers' Association (CPOA).

Report out from Closed Session: Mayor Stratford.

11. **ADJOURNMENT**– the next regularly scheduled City Council meeting is February 18, 2014.

Agenda Date: 2-4-2014

Agenda Item: 3a

MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL

TUESDAY, January 21, 2014

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:02 p.m. by Mayor Stratford in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Stratford, Vice Mayor Shuey (arrived at 7:07 p.m.), Councilmembers Diaz, Geller and Pierce. Councilmembers absent: None. Staff present: City Manager Gary Napper, City Attorney Mala Subramanian and Interim City Clerk Janet Brown.

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

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

(a) Approved the minutes of the regular meeting of January 7, 2014.

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

(c) Approved the recommendation of the City Council Interview Sub-Committee and appointed six (6) citizen applicants to the City Trails and Landscaping Committee for terms of office to expire on December 31, 2015.

4. **RECOGNITIONS AND PRESENTATIONS**
Certificates of Recognition to "Do The Right Thing" public school students chosen for exemplifying the character trait of "Kindness"

Mayor Stratford and Mt. Diablo Elementary School teachers Mrs. Shelley and Mrs. Coverdale recognized students Bree Meyer and Cody Ross.

Mayor Stratford and Diablo View Middle School teacher Mrs. Rush and Principal Patti Bannister recognized Rachel Carr and David Wishnow.

Mayor Stratford and Clayton Valley Charter High School teachers recognized Annemarie Hurley, Connor Calimlim, Tyler Llacuna and Cristofer Corpus (who was unable to attend the meeting).

5. **REPORTS**

(a) Planning Commission – Commissioner Sandra Johnson indicated the Commission's approval of 50 Mountaire Place's, 86 square foot second story addition and associated exterior improvements. A Site Plan Review Permit to remodel the existing Skipolini's Pizza Restaurant and associated exterior improvements, use permit for bocce ball courts and a Lot Line Adjustment Public Hearing was reviewed but continued to the January 28, 2014 for final action by the Commission.

(b) Trails and Landscaping Committee – None.

(c) City Manager/Staff – The City Manager announced the County's release of a draft operational study on the Contra Costa County Fire Protection District. A town hall type meeting on the Fitch and Associates report will be held by the County on Wednesday, January 22nd at 6:00 p.m. Any public comments are due by January 31st and should be directed to the Contra Costa County Board of Supervisors

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

Councilmember Geller attended the Council's Goals and Objectives session for Calendar Year 2014.

Vice Mayor Shuey met with David Linzey Executive Director of the Clayton Valley Charter High School, about the facility expansion plans.

Councilmember Diaz attended the CBCA meeting which discussed the upcoming Art and Wine Festival. He was also in attendance at a Clayton Library Foundation meeting.

Councilmember Pierce attended the Mayors Conference hosted by the City of Hercules. She was also in attendance at the Contra Costa Transportation Authority, Economic Prosperity Strategy and several ABAG committee meetings. Councilmember Pierce attended the Eagle Scout Court of Honor for Carter Newton.

Mayor Stratford attended the Eagle Scout Court of Honor for Carter Newton. He also announced the "Do the Right Thing" focus for February/March is "Self-Discipline".

(e) Other- None.

6. **PUBLIC COMMENT ON NON-AGENDA ITEMS** –

Denise Pursche spoke to the City Council of her concerns for additional findings about Common Core and the federal tests called National Assessment of Educational Progress (NAEP).

7. **PUBLIC HEARINGS**- None.

8. **ACTION ITEMS**

(a) Council Member request for discussion on the merits of a statewide ballot initiative to reform Proposition 13 (1978) and institute a "split property tax roll" for the regular reassessment of commercial real properties in California.
(Vice Mayor Shuey)

Vice Mayor Shuey noted he received email contact from an organization "Evolve" seeking the Council support of a statewide ballot initiative to reform portions of Proposition 13 (1978), as it pertains to commercial real properties in California. Since commercial properties rarely change hands they are rarely reassessed to market valuations. Vice Mayor Shuey invited Alex Aliferis from Contra Costa Taxpayers Association to provide more information and thought the Council ought to be aware of the pros and cons of this possible ballot measure.

Mr. Aliferis advised Proposition 13 passed in 1978 in response to out of control property tax increases. It protects homeowners, small businesses and seniors with tax certainty and prevents them from being forced from their properties, while providing the government stable revenue, which is California's largest revenue source. Mr. Aliferis provided the Interim City Clerk with handouts on Proposition 13.

Vice Mayor Shuey asked if the Contra Costa Taxpayers Association had any rebuttal talking points to the split tax roll concept? He is interested in specifics. Is there more information? Websites?

Mr. Aliferis referred the Council to the handouts provided by Californians to Stop Higher Property taxes. He noted businesses and people are leaving California, putting additional strain on city resources.

Councilmember Geller agreed with Mr. Aliferis that California is chasing businesses out of state.

Mr. Aliferis advised small businesses typically lease properties where the cost of property taxes are passed through to the tenant; employment losses would be disproportionately concentrated in small businesses, and especially those owned by women and minorities.

Councilmember Pierce commented it is premature for the Council to take action on this matter; it has not even qualified for a state ballot measure.

Vice Mayor Shuey noted he received more information from City staff since he had received the email regarding Proposition 13 (1978), and he will be listening to both sides before making a decision

Mayor Stratford commented he has learned a lot about Proposition 13 (1978) since receiving Vice Mayor Shuey's email.

The City Council took no action on this Agenda item.

9. **<u>COUNCIL ITEMS</u>** – limited to requests and directives for future meetings.
None.

10. **7:52 p.m. <u>CLOSED SESSION</u>** – on call by Mayor Stratford, the City Council adjourned into Closed Session for the following purpose:

(a) Government Code Section 54957.6, Conference with Labor Negotiator
Instructions to City-designated labor negotiator: City Manager.

1. Employee Organization: Clayton Police Officers' Association (CPOA).

8:24 p.m. <u>Report out from Closed Session:</u> Mayor Stratford announced Council received information and gave direction to its Labor Negotiator.

11. **<u>ADJOURNMENT</u>**– on call by Mayor Stratford the meeting adjourned at 8:24 p.m.

# # # # #

Respectfully submitted,

Janet Brown, Interim City Clerk

APPROVED BY CLAYTON CITY COUNCIL

Hank Stratford, Mayor

# # # # #

CITY OF CLAYTON
Founded 1857.. Incorporated 1964

Agenda Date 2/4/2014

Agenda Item: 3b

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Kevin Mizuno, FINANCE MANAGER

DATE: 2/4/2014

SUBJECT: INVOICE SUMMARY

RECOMMENDATION:

Approve the following Invoices:

1/31/2014 Cash Requirements Report	$ 81,111.88
Total:	$ 81,111.88

Attachments:
Cash Requirements Report dated 1/31/2014 (3 pages)

City o. ayton
Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
All City Management Services, Inc.								
All City Management Services, Inc.	2/4/2014	1/21/2014	33864	Crossing Guard Services 1/5/14-1/18/14	$467.70	$0.00		$467.70
				Totals for All City Management Services, Inc.:	*$467.70*	*$0.00*		*$467.70*
ALTEC Industries, Inc.								
ALTEC Industries, Inc.	2/4/2014	1/19/2014	5088793	Service Request # 2030348	$405.50	$0.00		$405.50
				Totals for ALTEC Industries, Inc.:	*$405.50*	*$0.00*		*$405.50*
American Fidelity Assurance Company								
American Fidelity Assurance Company	2/4/2014	1/17/2014	B100580	February Installment	$156.64	$0.00		$156.64
American Fidelity Assurance Company	2/4/2014	1/21/2014	1020587A	February Installment	$518.34	$0.00		$518.34
				Totals for American Fidelity Assurance Company:	*$674.98*	*$0.00*		*$674.98*
AT&T/ CalNet 2								
AT&T/ CalNet 2	2/4/2014	1/22/2014	1/22/14	January Phone	$1,769.83	$0.00		$1,769.83
				Totals for AT&T/ CalNet 2:	*$1,769.83*	*$0.00*		*$1,769.83*
Best Best & Kreiger LLP								
Best Best & Kreiger LLP	2/4/2014	1/15/2014	718451	retainer for December 2013	$8,000.00	$0.00		$8,000.00
Best Best & Kreiger LLP	2/4/2014	1/15/2014	718450	Labor/Employment services December 2013	$935.00	$0.00		$935.00
Best Best & Kreiger LLP	2/4/2014	1/15/2014	718449	Legal services Silver Oaks Estates - December	$912.00	$0.00		$912.00
				Totals for Best Best & Kreiger LLP:	*$9,847.00*	*$0.00*		*$9,847.00*
Janet Brown								
Janet Brown	2/4/2014	1/21/2014	01/21/2014	Food for Special City Council Session	$46.88	$0.00		$46.88
				Totals for Janet Brown:	*$46.88*	*$0.00*		*$46.88*
CalPERS Retirement								
CalPERS Retirement	2/4/2014	1/30/2014	CC end 1/24/14	City Council Retirement Ending 1/24/14	$369.48	$0.00		$369.48
CalPERS Retirement	2/4/2014	1/30/2014	PPE 1/19/14	Retirement PPE 1/19/14	$20,880.16	$0.00		$20,880.16
				Totals for CalPERS Retirement:	*$21,249.64*	*$0.00*		*$21,249.64*
Caltronics Business Systems, Inc								
Caltronics Business Systems, Inc	2/4/2014	1/17/2014	1466174	contract for 12/17/13-1/16/14	$207.24	$0.00		$207.24
				Totals for Caltronics Business Systems, Inc:	*$207.24*	*$0.00*		*$207.24*
CCWD								
CCWD	2/4/2014	1/14/2014	G223670	water for Diablo Estates BAD	$205.03	$0.00		$205.03
				Totals for CCWD:	*$205.03*	*$0.00*		*$205.03*
Contra Costa County Library								
Contra Costa County Library	2/4/2014	1/15/2014	13/14	Additional Hours of Service 13/14, Q2	$4,611.86	$0.00		$4,611.86
				Totals for Contra Costa County Library:	*$4,611.86*	*$0.00*		*$4,611.86*
Contra Costa County Sheriff-Coroner (CLETS)								
Contra Costa County Sheriff-Coroner (	2/4/2014	1/24/2014	12/13	CLETS 12/13 annual fee	$708.92	$0.00		$708.92

City of Clayton
Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
				Totals for Contra Costa County Sheriff-Coroner (CLETS):	*$708.92*	*$0.00*		*$708.92*
Cropper Accountancy Corp								
Cropper Accountancy Corp	2/4/2014	1/1/2014	816	2013 Audit, 2013 RDA	$9,000.00	$0.00		$9,000.00
Cropper Accountancy Corp	2/4/2014	1/1/2014	819	final audit 2012	$3,000.00	$0.00		$3,000.00
				Totals for Cropper Accountancy Corp:	*$12,000.00*	*$0.00*		*$12,000.00*
Globalstar LLC								
Globalstar LLC	2/4/2014	1/16/2014	1000000005336656	service 12/16/13-1/15/14	$54.26	$0.00		$54.26
				Totals for Globalstar LLC:	*$54.26*	*$0.00*		*$54.26*
Goldfarb & Lipman								
Goldfarb & Lipman	2/4/2014	1/25/2014	110965	current fees through 12/31/13	$98.00	$0.00		$98.00
				Totals for Goldfarb & Lipman:	*$98.00*	*$0.00*		*$98.00*
Hammons Supply Company								
Hammons Supply Company	2/4/2014	1/17/2014	81632	supplies for Grove Park	$224.10	$0.00		$224.10
Hammons Supply Company	2/4/2014	1/17/2014	81630	supplies for City Hall	$365.12	$0.00		$365.12
Hammons Supply Company	2/4/2014	1/17/2014	81631	supplies for Library	$297.64	$0.00		$297.64
				Totals for Hammons Supply Company:	*$886.86*	*$0.00*		*$886.86*
J & R Floor Services								
J & R Floor Services	2/4/2014	1/31/2014	one	services for January 2014	$4,910.00	$0.00		$4,910.00
				Totals for J & R Floor Services:	*$4,910.00*	*$0.00*		*$4,910.00*
John Deere Landscapes Inc								
John Deere Landscapes Inc	2/4/2014	1/8/2014	66957298	Order # 74440744	$455.53	$0.00		$455.53
				Totals for John Deere Landscapes Inc:	*$455.53*	*$0.00*		*$455.53*
LarryLogic Productions								
LarryLogic Productions	2/4/2014	1/24/2014	1385	City Council Meeting 1/21/14	$300.00	$0.00		$300.00
				Totals for LarryLogic Productions:	*$300.00*	*$0.00*		*$300.00*
MPA								
MPA	2/4/2014	1/17/2014	C1303-A	Crime Premium - 2013/2014 supplemental	$176.00	$0.00		$176.00
				Totals for MPA:	*$176.00*	*$0.00*		*$176.00*
Muir/ Diablo Occupation Medicine								
Muir/ Diablo Occupation Medicine	2/4/2014	1/14/2014	249844	Pre-employment Exam	$441.00	$0.00		$441.00
				Totals for Muir/ Diablo Occupation Medicine:	*$441.00*	*$0.00*		*$441.00*
MuniTemps - Government Staffing Services, Inc								
MuniTemps - Government Staffing Ser	2/4/2014	1/31/2014	124305	Interim city clerk ending 1/26/14	$2,627.63	$0.00		$2,627.63
				Totals for MuniTemps - Government Staffing Services, Inc:	*$2,627.63*	*$0.00*		*$2,627.63*
Pacific Telemanagement Svc								
Pacific Telemanagement Svc	2/4/2014	1/23/2014	613002	Pay Phone for February 2014	$73.00	$0.00		$73.00

City o. ıayton
Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
				Totals for Pacific Telemanagement Svc:	*$73.00*	*$0.00*		*$73.00*
PERMCO, Inc.								
PERMCO, Inc.	2/4/2014	1/28/2014	10141	retainer - general services	$3,228.00	$0.00		$3,228.00
PERMCO, Inc.	2/4/2014	1/28/2014	10142	Diablo Pointe Construction Inspection	$150.00	$0.00		$150.00
PERMCO, Inc.	2/4/2014	1/28/2014	10145	Skipolini's modification review	$675.00	$0.00		$675.00
PERMCO, Inc.	2/4/2014	1/28/2014	10143	prepare preliminary plans for Marsh Creek Rd	$244.00	$0.00		$244.00
				Totals for PERMCO, Inc.:	*$4,297.00*	*$0.00*		*$4,297.00*
PG&E								
PG&E	2/4/2014	1/22/2014	toll bros	service for Diablo Estates BAD	$12.21	$0.00		$12.21
PG&E	2/4/2014	1/22/2014	1/22/14	service 12/20/13-1/21/14	$2,943.83	$0.00		$2,943.83
				Totals for PG&E:	*$2,956.04*	*$0.00*		*$2,956.04*
Pinnacle Construction Services, Inc								
Pinnacle Construction Services, Inc	2/4/2014	1/15/2014	1863	Management fees for January 2014	$4,152.00	$0.00		$4,152.00
				Totals for Pinnacle Construction Services, Inc:	*$4,152.00*	*$0.00*		*$4,152.00*
Riso Products of Sacramento								
Riso Products of Sacramento	2/4/2014	1/21/2014	120133	contract for 1/18/14-2/17/14	$94.86	$0.00		$94.86
				Totals for Riso Products of Sacramento:	*$94.86*	*$0.00*		*$94.86*
Sportsmen Hunting/Fishing Guide Service, LLC								
Sportsmen Hunting/Fishing Guide Servi	2/4/2014	1/30/2014	0000001	Wild Pig Control 2013	$1,500.00	$0.00		$1,500.00
				Totals for Sportsmen Hunting/Fishing Guide Service, LLC:	*$1,500.00*	*$0.00*		*$1,500.00*
Waraner Brothers Tree Service								
Waraner Brothers Tree Service	2/4/2014	1/8/2014	10910	remove fallen oak in creek @ El Molino	$775.00	$0.00		$775.00
Waraner Brothers Tree Service	2/4/2014	1/8/2014	10909	pepper trees Oakmont, Yolanda, Old Marsh C	$2,100.00	$0.00		$2,100.00
Waraner Brothers Tree Service	2/4/2014	1/8/2014	10908	Eucalyptus trees Lydia Lane	$3,000.00	$0.00		$3,000.00
				Totals for Waraner Brothers Tree Service:	*$5,875.00*	*$0.00*		*$5,875.00*
YP (Advertising)								
YP (Advertising)	2/4/2014	1/23/2014	January 2014	advertising January 2014	$20.12	$0.00		$20.12
				Totals for YP (Advertising):	*$20.12*	*$0.00*		*$20.12*
				GRAND TOTALS:	**$81,111.88**	**$0.00**		**$81,111.88**

Agenda Date: 2-4-2014

Agenda Item: 3c

CITY OF CLAYTON
Founded 1857.. Incorporated 1964

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CHARLIE MULLEN, COMMUNITY DEVELOPMENT DIRECTOR CM

DATE: FEBRUARY 4, 2014

SUBJECT: ADDENDUM NO. 1 TO CONSULTING SERVICES AGREEMENT WITH RANEY PLANNING AND MANAGEMENT TO PREPARE THE ENVIRONMENTAL ANALYSIS (IS/MND) FOR THE SILVER OAK ESTATES RESIDENTIAL DEVELOPMENT PROJECT; DP-01-10; MAP-01-10 & ENV-02-10.

RECOMMENDATION

Staff recommends the City Council approve and authorize its City Manager to sign Addendum No. 1 to the existing Consulting Services Agreement with Raney Planning and Management, Inc. for environmental consulting services to prepare an Initial Study/Mitigated Negative Declaration (IS/MND) analysis of the Silver Oak Estates residential development project. The cost of Addendum No. 1 to Raney's service agreement is $7,890 (Attachment 1). The entire amount of **$7,890** is paid for by the project applicant.

BACKGROUND

On July 30, 2013, the City Council authorized the City Manager to enter into a Consulting Services Agreement with Raney Planning and Management, Inc. for environmental consulting services to prepare an Initial Study/Mitigated Negative Declaration (IS/MND) analysis of the Silver Oak Estates residential development project for a not to exceed contract amount of $37,241 (Attachment 2).

The Silver Oak Estates residential development project proposes a Development Plan and Subdivision to develop the 13.96-acre Hurd Ranch property located between the northerly terminus of Lydia Lane and Oakhurst Drive in Clayton. The property is identified as 5701 Clayton Road (APN: 118-020-029). The development proposal includes seven (7) single-family homes, 28 single-family townhomes and 24 single-family "Green Courts" townhomes located on approximately 5.37 acres, a neighborhood swimming pool and cabana on 0.59 acres, roadways on 2.10 acres and open space on 7.84 acres. The primary vehicular access is proposed from Oakhurst Drive, with a minor secondary access proposed only for the seven (7) single-family homes from Lydia Lane.

On October 8, 2013, the Planning Commission hosted a community information meeting on the Silver Oak Estates residential development project at which the project applicant presented the proposal to the Commission. Nearly 100 interested citizens attended. Notification of the informational presentation was mailed to all property owners within 1,000 feet of the project site. At this meeting the Commission received public comment from nearly 30 persons.

Raney has been diligently conducting the environmental analysis for the project in accordance with the original services agreement and this past November 2013, Raney completed the administrative draft IS/MND for staff to review. Upon review of the administrative draft IS/MND by staff and the City Attorney, it become clear a slightly higher level of detail and analysis was necessary, above and beyond the original work scope. The proposed addendum to the consulting services agreement with Raney is necessary to provide and pay for this additional detail and analysis. Please see attached work scope proposal for more detail.

The project applicant has been briefed by City staff concerning this study and funding augmentation and has verbally accepted its necessity.

FISCAL IMPACT

The cost of Addendum No. 1 to the Raney consulting service agreement is $7,890, which will increase the total contract amount with Raney to $45,131. The cost of this $7,890 addendum and the entire consultant services contract amount of $45,131 will be paid for by the project applicant.

The project applicant has signed an authorization and funding for consulting services statement and has already submitted check deposit payments for the revised total amount of $45,131.

ATTACHMENTS

1. Raney Addendum No. 1 Work Scope Proposal, dated January 23, 2014
2. July 30, 2013, City Council Report (without attachments)

RANEY
PLANNING & MANAGEMENT, INC

WWW.RANEYMANAGEMENT.COM

NORTHERN CALIFORNIA
1501 SPORTS DRIVE
SACRAMENTO, CA 95834
TEL: 916.372.6100 · FAX: 916.419.6108

Received
JAN 23 2014
City of Clayton

January 23, 2014

Charlie Mullen
Community Development Director
City of Clayton
6000 Heritage Trail
Clayton, California 94517

SUBJECT: PROPOSAL FOR: 1) ENHANCED BUDGET TO REVISE THE ADMINISTRATIVE DRAFT IS/MND FOR SILVER OAK ESTATES; AND 2) ENHANCED BUDGET FOR RESPONSES TO PUBLIC COMMENTS

This proposal identifies the budget needed to address and implement the City's comments on the Administrative Draft IS/MND for the Silver Oak Estates Project. Raney's approved contract includes a total budget of $630 to revise the Administrative Draft IS/MND based upon City comments (see Task 3). This estimate was based upon experience preparing and revising similar CEQA documents for the City of Clayton over the past several years. Due to the increased scrutiny applied by the City of Clayton to this project, Raney respectfully requests additional budget to adequately address the City's comments and revise the IS/MND accordingly.

Secondly, based upon the large turnout of the public at the project's informational meeting, Raney expects an atypical amount of public input on this project as compared to the level of public input on previous Clayton projects for which Raney has provided environmental services. Raney is confident that the amount of budget included in the approved contract for responses to comments ($790, see Task 5) will not be adequate. Therefore, this proposal identifies additional budget for Task 5, based upon reasonable assumptions with respect to the number of comments that may be received during the public comment period for the Silver Oak Estates IS/MND.

I. ENHANCED BUDGET TO REVISE THE ADMINISTRATIVE DRAFT IS/MND FOR THE SILVER OAK ESTATES PROJECT $3,780

As explained above, Task 3, "Revise AD IS/MND and Prepare Public Review IS/MND," in Raney's approved scope includes a total budget of $630. This cost estimate was included based upon Raney's experience preparing and revising similar CEQA documents for the City of Clayton. Due to the increased scrutiny applied by the City of Clayton to this project, Raney respectfully requests additional budget to adequately address the City's comments and revise the IS/MND accordingly. It should also be noted that Raney's $630 cost estimate assumes one round of internal City comments; however, two rounds of internal comments are now anticipated.

City Attorney and Community Development Director comments will require Raney to coordinate further with its subconsultants, as well as the applicant team, to obtain additional information. Raney has estimated that these out-of-scope efforts will require a total budget of $3,780.

ATTACHMENT - 1

II. ENHANCED BUDGET TO RESPOND TO PUBLIC COMMENTS ON THE IS/MND FOR THE SILVER OAK ESTATES PROJECT $4,110

At the time when we scoped the project, we anticipated that Silver Oaks Estates would receive a similar level of attention as other projects in Clayton, which has not been very substantial over the past several years. However, it is clear from the attendance at the informational meeting before the Planning Commission that the Silver Oak Estates environmental document will most likely be highly scrutinized. Raney is confident that the amount of budget included in the approved contract for responses to comments ($790, see Task 5) will not be adequate. Using what Raney believes are reasonable assumptions, we anticipate the need for another $4,110 to enable us to respond to public comments submitted on the public review draft IS/MND. Our assumptions are as follows:

- Assume a maximum of 15 comment letters from members of the public and public agencies;
- Assume up to 10 individual comments per letter = total of 150 individual comments;
- Assume each comment will take around 10 minutes to respond to, though some will take less time and some will take more time. Assuming an average response time of 10 minutes per comment, we would need a budget of $3,720 (24 hours for Senior Project Manager and 3 hours for Vice President).
- Add 6 hours clerical time for electronically bracketing the letters, which brings the total budget request to $4,110.
- We would use the existing $790 for Task 5 to make City edits to our draft responses.
- **Please note that we would only bill for the amount of effort it takes, so it may be that we would come in under this amount.**

TOTAL COST REQUEST

The total cost request for this scope of work, based upon Items I and II, is $7,890.

Please do not hesitate to contact me should you have any questions regarding this proposal. We look forward to continuing to work together on this project.

Sincerely,

Nick Pappani
Senior Project Manager
Raney Planning & Management, Inc.

CITY OF CLAYTON

Agenda Date: 7-30-13

Agenda Item: 4d

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CHARLIE MULLEN, COMMUNITY DEVELOPMENT DIRECTOR CM

DATE: July 30, 2013

SUBJECT: CONSULTING SERVICES AGREEMENT WITH RANEY PLANNING AND MANAGEMENT TO PREPARE ENVIRONMENTAL ANALYSIS OF THE SILVER OAK ESTATES RESIDENTIAL DEVELOPMENT PROJECT; DP-01-10; MAP-01-10 & ENV-02-10.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to enter into a Consulting Services Agreement with Raney Planning and Management, Inc. for environmental consulting services to prepare an Initial Study/Mitigated Negative Declaration (IS/MND) analysis of the Silver Oak Estates residential development project. The cost of the Raney service proposal is $33,855, plus a staff recommended 10% contingency of $3,856 for a not to exceed contract amount of **$37,241**. The entire contract amount of $37,241 will be paid for by the project applicant.

BACKGROUND

This past May 2013, the Silver Oak Estates residential development project application was deemed complete for processing. The following is a project summary:

> A Development Plan and Subdivision proposal to develop the 13.96-acre Hurd Ranch property located between the northerly terminus of Lydia Lane and Oakhurst Drive in Clayton. The property is identified as 5701 Clayton Road (APN: 118-020-029). The development proposal includes seven (7) single-family homes, 28 town homes and 24 "Green Courts" located on approximately 5.37 acres, a neighborhood swimming pool and cabana on 0.59 acres, roadways on 2.10 acres and open space on 7.84 acres. Vehicular access is proposed from Oakhurst Boulevard and Lydia Lane.

On June 18, 2013, staff sent out Request For Proposals (RFP) to four professional environmental firms from our pre-approved professional environmental consultant list to

ATTACHMENT - 2

prepare a comprehensive environmental review in the form of an Initial Study/Mitigated Negative Declaration (IS/MND) or focused Environmental Impact Report (EIR) for the Silver Oaks Estates residential development project. On or before the RFP deadline of July 1, 2013 staff received proposals from all four firms (LSA Associates, Pacific Municipal Consultants, Raney Planning and Management and WRA Environmental Consultants).

In the past the City of Clayton would have most likely requested the preparation of an EIR, however, based on the approved 2006 East Contra Costa County Habitat Conservation Plan (HCP) and recent discussions with HCP staff, it appears that an EIR may not be required or warranted. As part of the RFP process staff sought consultant input and recommendation as to whether an IS/MND or an EIR would be the appropriate environmental documentation to prepare. Each of the four consultants confirmed that the preparation of an IS/MND was appropriate based on the existing HCP.

DISCUSSION

Upon receiving the four proposals, staff evaluated each of them with consideration to the following criteria:

- Relevant Professional Expertise and Qualifications
- Timeline/Schedule
- Prior Success Preparing Environmental Documentation
- Project Management/Team
- Technical Quality
- References
- Responsiveness to RFP
- Prior Experience and Familiarity with City of Clayton
- Cost

After careful consideration of each proposal Raney Planning and Management was chosen by staff as the desired consultant to assist the City in preparing the environmental review on the Silver Oak Estates residential development project.

For informational purposes, staff has attached the Cost Proposals of all four responding consultants to this report. In addition, staff will place a copy of each of the proposals in the Mayor/Council office for review.

In conclusion, staff recommends that the City Council authorize the City Manager to enter into a Consulting Services Agreement with Raney Planning and Management, Inc. for environmental consulting services to prepare an Initial Study/Mitigated Negative Declaration (IS/MND) analysis of the Silver Oak Estates residential development project, based on the criteria discussed above and specifically for the quality and responsiveness of their proposal, their technical experience and familiarity with the City of Clayton, and their lowest base proposal cost of $33,855.

FISCAL IMPACT

The cost of the Raney service proposal is $33,855, plus a staff recommended 10% contingency of $3,856 for a not to exceed contract amount of $37,241. The entire consultant services contract amount of **$37,241** will be paid for by the project applicant.

The project applicant has signed an authorization and funding for consulting services statement and has agreed to submit a full check deposit payment in the amount of $37,241 no later than July 30, 2013.

Attachments:

1. Raney cost proposal
2. PMC cost proposal
3. WRA cost proposal
4. LSA cost proposal

Note: A complete copy of each full proposal is available in the Mayor/Council office.

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Agenda Date: 2-4-2014

Agenda Item: 3d

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MAINTENANCE DEPARTMENT

DATE: FEBRUARY 4, 2014

SUBJECT: AWARD OF CONTRACTS TO REPLACE LIBRARY HVAC CHILLER AND ALLOCATION OF FUNDS FOR CAPITAL PROJECT

RECOMMENDATIONS

It is recommended the City Council, by minute motion, approve and authorize the following actions necessary to replace an aged and unreliable 20-year old chiller and water pump in the HVAC system at the Clayton Community Library:

1. Award of low-bid contract to Marken Mechanical Services, Inc., in the amount of $116,700.00 for replacement of the 62-ton York chiller with a 70-ton Carrier chiller and a 7.5 HP inline water pump, including associated hardware costs and labor for installation;
2. Award a consultant services contract to Entek Corporation in the amount of $9,847.00 for project engineering bid specifications and drawings ($8,547) and construction management services ($1,300); and
3. Authorize and approve the allocation of $127,547.00 from interest earnings in the City Capital Improvement Budget to CIP No. 10435 for funding of the facility maintenance project.

BACKGROUND

In February 2012 the City commissioned an on-site technical study performed by Entek Engineering on the various HVAC systems at the City's two main public buildings: Clayton City Hall and the Clayton Community Library. The report was presented to the Clayton City Council in March 2013 with its findings on the condition of the facilities' HVAC systems. One of the most pressing concerns was the condition of the HVAC chiller unit in the Clayton Community Library. It was noted in the Report this particular chiller was coming to the end of its useful operational life (20 years) and was originally undersized for the cooling load expected of it during the warmer and summer months. Over the last several years as this HVAC chiller advanced in age it has experienced increasing mechanical repairs and shut downs associated with its age and the air conditioning demands placed on it. During very hot summer days Maintenance staff had to install a temporary sprinkler system to spray water onto the chiller unit; this had the effect of cooling the chiller down to prevent overheating which during these times kept the unit running and not tripping off, or worse. The concern staff has in not replacing the chiller at this time is if the unit was to break down during a heat wave, it could potentially be non-operational for an extended time while parts are hopefully located (this model is over 20 years old and most major parts come from the East Coast). This prospect also siphons limited City resources to continually repair HVAC equipment that is essentially at the end of its operational life. Patrons of the Clayton Community Library, County Library staff and attendees at Clayton City Council meetings have frequently complained of the inadequate and inoperable facility cooling system in one of the City's most popular public facilities.

BID SPECIFICATIONS AND PROJECT BIDDING

After the HVAC report had been presented to the Clayton City Council in March 2013, the Library chiller received universal nod as the priority piece of HVAC equipment that should be replaced soon. The City Manager then directed staff to have plans and specifications drawn for its replacement so the City could solicit bids for this capital maintenance work. The lowest quote the City received to write up bid specifications and produce drawings came from the same mechanical engineering firm the City used for the original HVAC study, Entek Engineering. The specifications and drawings were completed by Entek Corporation in the fall of 2013. The City then solicited 21 local HVAC installers by letter and/or phone in December 2013 requesting proposals for the replacement of the Clayton Community Library HVAC chiller with the plans and specifications available on the City's website for downloading. The proposals were to be returned to the City of Clayton no later than January 17^{th} at 2:30 pm.

At time of advertised bid opening, the City received only one bid by Marken Mechanical Service Inc. in the amount of $116,700.00. While disappointing only one bid materialized, this one bid did however come under the Engineer's Project estimate of $124,116.00 for the equipment's replacement (note: the Engineer's detailed estimate has been attached to this staff report for review). Despite a sole bid, staff recommends the City Council accept Marken Mechanical System's bid since: 1) it meets the City's bid specifications for installation of the chiller and associated inline water pump; 2) it is under the estimated cost prepared by the engineering firm (Entek) for its replacement and installation; and 3) if the City Council determines to reject the bid and reopen bidding, the probable time line moves the project into the start of warmer months before installation could be completed with no guarantees the City would have any new firms submit bids, receive better pricing or the chiller maintains operation.

LOW BIDDER

Over the last three years Marken Mechanical Services, Inc. has performed all the maintenance to the City's HVAC systems at City Hall, Clayton Community Library, and Endeavor Hall. The maintenance to these buildings has consisted of the following items:

changing filters, belts, greasing moving parts, and checking overall system operations. They have been very responsive when issues arise in repairing the HVAC systems and when it is found to be a major repair they have consistently given the lowest quote for the repair. With Marken Mechanical Service's working knowledge of the Library HVAC system, staff is confident the company will make it a seamless installation with minimal disruptions to the Clayton Community Library and its patrons.

ENTEK ENGINEERING SERVICES

As part of the overall installation costs, staff sought a proposal from Entek Corp. to oversee and inspect the installer's installation of the new equipment and to make sure the work is done to City bid specifications since this type of work exceeds staff's knowledge and expertise. Under its proposal, Entek Corp. will provide on-site construction management services for an amount not to exceed $1,300.00. This cost has been included in the overall monies requested for appropriation by the City Council, along with Entek's previously-incurred services solicited by staff to prepare bid specifications and drawings. A copy of the Entek Corp. proposal is attached to this staff report for review.

FISCAL IMPACT

The total cost of this facility maintenance capital project will be $127,547.00. The cost detail is as follows:

Entek Engineering bid specifications and drawings:	$ 8,547.00
City Engineer review/bid preparation:	$ 1,000.00
Marken Mechanical Services chiller/pump bid:	$116,700.00
Entek Corp. construction mgt. services:	$ 1,300.00
Total:	**$127,547.00**

This significant facility maintenance issue is beyond the normal operating budget for repairs and maintenance to the HVAC system within the Clayton Community Library annual budget, which account is currently budgeted at $13,834.00 for FY 2013-14. In addition, the City does not enjoy the annual receipt of sufficient revenues to create sinking funds for the replacement and significant repair of its public facilities.

Consequently, the only sources of eligible funds for an expense of this size would be the General Fund Reserves, the Clayton Financing Authority's land sale proceeds from the Long's Drug Store, or interest earnings accumulated in the City's Capital Improvement Project Budget. Finance Manager Kevin Mizuno has determined there is approximately $346,000 available in CIP Budget interest earnings. Staff recommends this latter source to fund this HVAC replacement project.

Exhibits:
1. Marken Mechanical Service Inc. bid [24 pp.]
2. Engineer's Estimate for HVAC chiller replacement [3 pp.]
3. Entek Corp. proposal for construction management services [1 pg.]

Exhibit 1

PROPOSAL TO THE CITY COUNCIL

CITY OF CLAYTON

CALIFORNIA

FOR: **REPLACEMENT OF THE HVAC CHILLER AND PUMP AT THE CLAYTON COMMUNITY LIBRARY**

NAME OF BIDDER: Marken Mechanical Services, Inc.

BUSINESS ADDRESS: 5165 Commercial Cr, Suite A Concord, CA 94520

CONTACT NAME: Ken Altomare PHONE NO.: 925-681-2797

E-MAIL: Ken@markenmechanical.com

LOCATION

The work to be done and referred to herein is in the City of Clayton, County of Contra Costa, State of California. The work is to be constructed in accordance with the Plans and Specifications, and the current City of Clayton Standard Plans and Specifications, and the General Prevailing Wage Rates.

The work to be done is delineated in the Special Provisions.

TO: City Council, City of Clayton, California

The undersigned, as bidder, declares that the only persons or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm or corporation and that he has carefully examined the location of the proposed work, the annexed proposed form of contract, and the plans therein referred to; and he proposes and agree that if this proposal is accepted, he will contract with the City of Clayton to provide all necessary machinery, tools, apparatus and other means of construction, and to do all the work and furnish all the materials specified in the contract, in a manner and time therein prescribed, and according to the requirements of the Engineer as therein set forth, and that he will take in full payment thereof the following item prices, to wit:

#	ITEM	AMOUNT
1	Mobilization	5,200.00
2	Remove and dispose of existing chiller and pump	6,000.00
3	Supply and install new chiller	92,000.00
4	Supply and install new pump	3,800.00
5	Supply and install new control system	9,700.00
	TOTAL BID AMOUNT	116,700.00

All work to be performed in strict accordance with the plans and specifications provided by the City.

The names of all persons interested in the foregoing proposal as principals are as follows:

IMPORTANT If bidder or other interested person is a corporation, state legal name of corporation, also names of the president, secretary, treasurer and manager thereof; if a co-partnership, state true name of firm; if bidder or other interested person is an individual, state first and last names in full. If signature is by agent, other than an officer of a corporation or a member of a partnership, a Power of Attorney must be on file with the City prior to opening bids or submitted with the bid; otherwise, the bid will be disregarded as irregular and unauthorized.

Marken Mechanical Services, Inc.
President - Mark Strasburg
V.P. /Secretary - Ken Altomare
Treasurer - Ken Altomare

Licensed in accordance with an act providing for the registration of Contractors, License No. 775596.

Marken Mechanical Services Inc.
Ken Altomare V.P. /Secretary

SIGNATURE/TITLE OF BIDDER

Business Address: 5165 Commercial Circle Concord CA 94520

Date: 1/15/2014

Note: Signatures must be properly authorized.

LIST OF SUBCONTRACTORS

As required under the provisions of Section 4104 et seq. of the California Public Contract Code, any person making a bid or offer to perform the work, shall in his or her bid or offer, set forth: (a) The name and location of the place of business of each subcontractor who will perform work or labor or render service to the prime contractor in or about the construction of the work or improvement, or a subcontractor licensed by the State of California who, under subcontractor to the primary contractor specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications, in an amount in excess of one-half of 1 percent (0.5%) of the prime contractor's total bid: (b) The portion of the work which will be done by each such subcontractor under this act. The prime contractor shall list only one (1) subcontractor for each such portion as defined by the prime contractor in his or her bid.

Following is a list of subcontractors:

Name	Address	Portion of Work to be performed
Bigge Crane	10700 Bigge Ave S.L.CA.	Rigging/Crane
Insulation Specialties Inc.	Pleasanton CA,	Insulating

NON-COLLUSION AFFIDAVIT

State of California)
) ss.
County of Contra Costa)

Ken Altomare, being first duly sworn, deposes and says that he or she is V.P / Secretary of Marken Mechanical Service, the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder, has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price, or of the bidder or any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereto to effectuate a collusive or sham bid.

Marken Mechanical Services.

SIGNATURE OF BIDDER

565 Commercial Circle Suite A.
Concord CA 94520
BUSINESS ADDRESS

NOTE: Signatures must be properly notarized.

State of California, County of Contra Costa
On 01/15/14 before me, Hector Peter Zaragoza, Notary Public, personally appeared Kenneth Richard Altomare, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

HECTOR PETER ZARAGOZA
COMM. # 2037418
NOTARY PUBLIC - CALIFORNIA
CONTRA COSTA COUNTY
COMM. EXPIRES AUG. 17, 2017

RLI®

Contractors Bonding and Insurance Company
9025 N. Lindbergh Dr. Peoria, IL 61615
P.O. Box 3967 Peoria, IL 61612-3967
Phone: 309-692-1000 Fax: 309-683-1610

BID BOND

Bond No. N/A

KNOW ALL MEN BY THESE PRESENTS,
That We, Marken Mechanical Services, Inc.
of Concord, CA
as Principal, and **Contractors Bonding and Insurance Company**, of Peoria, Illinois, as Surety, an Washington corporation duly licensed to do business in the State of California, are held and firmly bound unto City of Clayton, CA, as Obligee, in the penal sum of Ten Percent of the amount bid (10%), for the payment of which the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas the Principal has submitted, or is about to submit, a proposal or a bid to the Obligee on a contract for Replacement of the HVAC Chiller and Pump at the Clayton Community Library.

NOW, THEREFORE, if the aforesaid principal shall be awarded the contract, the said principal will within the period specified therefore, or if no period be specified, within ten (10) days after the notice of such award enter into a contract and give bond for the faithful performance of the contract, then this obligation shall be null and void, otherwise the principal and the surety will pay unto the obligee the difference in money between the amount of the bid of said principal and the amount for which the obligee may legally contract with another party to perform the work if the latter amount be in excess of the former, in no event shall the liability hereunder exceed the penal sum hereof.

PROVIDED AND SUBJECT TO THE CONDITION PRECEDENT, that any suits at law or proceedings in equity brought or to be brought against the Surety to recover any claim hereunder must be instituted and service had upon the Surety within ninety (90) days after the acceptance of said bid of the Principal by the Obligee.

SIGNED, SEALED AND DATED this 13th day of January, 2014.

Marken Mechanical Services, Inc.
Principal

By: ____________________
Kenneth Altomare

Contractors Bonding and Insurance Company

By: ____________________
Robert C. Sommer | Attorney in Fact

ADDRESS ALL CORRESPONDENCE TO:
Contractors Bonding and Insurance Company
9025 N. Lindbergh Dr. Peoria, IL 61615
P.O. Box 3967 Peoria, IL 61612
309-692-1000

C0006304-10,0

ACKNOWLEDGMENT

State of California
County of Contra Costa)

On January 13,2014 before me, Nancy C. Sommer, Notary Public
(insert name and title of the officer)

personally appeared Robert C. Sommer,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

NANCY C. SOMMER
Comm. # 1954003
NOTARY PUBLIC - CALIFORNIA
CONTRA COSTA COUNTY
My Commission Expires 10/23/2015
GMN1

WITNESS my hand and official seal.

Signature Nancy C Sommer (Seal)

RLI® cbic
an RLI Company

P.O. Box 3967 | Peoria, IL 61612-3967
Phone: (800)645-2402 | Fax: (309)689-2036

POWER OF ATTORNEY
RLI Insurance Company
Contractors Bonding and Insurance Company

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That this Power of Attorney may be effective and given to either or both of **RLI Insurance Company** and **Contractors Bonding and Insurance Company**, required for the applicable bond.

That **RLI Insurance Company**, a Illinois corporation, and/or **Contractors Bonding and Insurance Company**, a Washington corporation (as applicable), each authorized and licensed to do business in all states and the District of Columbia do hereby make, constitute and appoint:

Robert C. Sommer, Dennis M. Cote, Bill LaPat, Allan Bernstein, jointly or severally

in the City of Walnut Creek, State of California, as Attorney in Fact, with full power and authority hereby conferred upon him/her to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds, undertakings, and recognizances in an amount not to exceed **Ten Million** Dollars (**$10,000,000.00**) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

RLI Insurance Company and **Contractors Bonding and Insurance Company**, as applicable, have each further certified that the following is a true and exact copy of the Resolution adopted by the Board of Directors of each such corporation, and now in force, to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the Corporation shall be executed in the corporate name of the Corporation by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Corporation. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the Corporation. The signature of any such officer and the corporate seal may be printed by facsimile or other electronic image."

IN WITNESS WHEREOF, **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Vice President with its corporate seal affixed this 27th day of November, 2013.

CONTRACTORS BONDING AND INSURANCE COMPANY CORPORATE SEAL 1979 WASHINGTON

RLI INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI Insurance Company
Contractors Bonding and Insurance Company

Roy C. Die, Vice President

State of Illinois }
County of Peoria } SS

On this 27th day of November, 2013, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Jacqueline M. Bockler
Jacqueline M. Bockler, Notary Public

"OFFICIAL SEAL"
NOTARY PUBLIC STATE OF ILLINOIS
JACQUELINE M. BOCKLER
COMMISSION EXPIRES 03/19/14

CERTIFICATE

I, the undersigned officer of **RLI Insurance Company**, a stock corporation of the State of Illinois, and/or **Contractors Bonding and Insurance Company**, a Washington corporation, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** this _______, day of _________, ______.

RLI Insurance Company
Contractors Bonding and Insurance Company

Roy C. Die, Vice President

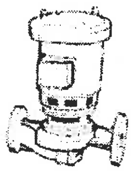
0475186020212

A0059913 12

Bell & Gossett
a xylem brand

Pump submittal

SUBMITTAL
B-135.6E



3x3x9½B
Series 80®
In-Line Mounted Centrifugal Pumps

SPECIFICATIONS

FLOW ______________ HEAD ______________

HP ______________ RPM ______________

VOLTS ______________

CYCLE ______________ PHASE ______________

ENCLOSURE ______________

APPROX. WEIGHT ______________

MATERIALS OF CONSTRUCTION

☐ BRONZE FITTED ☐ ALL IRON

MAXIMUM WORKING PRESSURE

☐ 175 psi (12 bar) W.P. with 125# ANSI flange drilling

☐ 250 psi (17 bar) W.P. with 250# ANSI flange drilling (requires 80-S)

☐ 300 psi (21 bar) W.P. with 250# ANSI flange drilling (EPR-Sintered Silicon Carbide-Sintered Silicon Carbide) Requires 80-S

TYPE OF SEAL

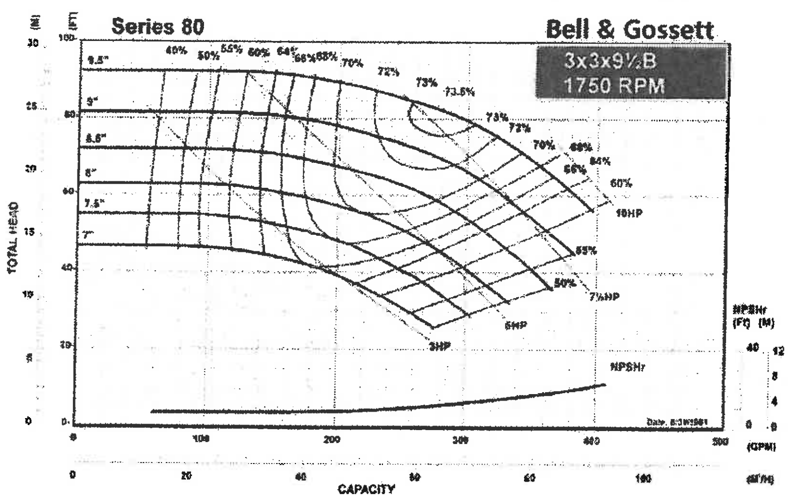
☐ 80 Standard Seal (Buna-Carbon/Ceramic)

☐ 80 -F Standard Seal w/ Flush Line (Buna-Carbon/Ceramic)

☐ 80 -S Stuffing Box construction w/ Flushed Mechanical Single Seal (EPR-Tungsten Carbide/Carbon)

☐ 80 -D Stuffing Box construction w/ Flushed Double Mechanical Seal (EPR-Carbon/Ceramic) Requires external water source

☐ 80 -PF Stuffing Box Construction w/ Flushed Packing (Graphite Impregnated Teflon)



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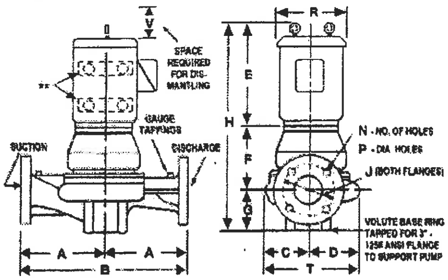
Series 80 3x3x9½B Centrifugal Pump Submittal



FLANGE DIMENSIONS IN INCHES (MM)			
	SIZE	THICKNESS	O.D.
Discharge	3"	1-1/8 (29)	8 (203)
Suction	3"	1-1/8 (29)	8 (203)

** Motor may be supplied with feet

DIMENSIONS – Inches (mm)

STANDARD SEAL 80, 80-F

MOTOR FRAME	A	B	C	D	E (Max)	F	G	H (Max)	125# ANSI			250# ANSI			R	S (MAX)*	T	V (Min)
									J	N	P	J	N	P				
184	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	15-3/8 (391)	4-13/16 (122)	6-1/8 (156)	26-1/4 (667)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	11-3/4 (298)	5/16 (8)	14-1/8 (359)	4-1/2 (114)
213	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	19-1/4 (489)	4-13/16 (122)	6-1/8 (156)	30-1/4 (768)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	14 (356)	1 (25)	14-1/8 (359)	4-1/2 (114)
215	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	19-1/4 (489)	4-13/16 (122)	6-1/8 (156)	30-1/4 (768)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	14 (356)	2-1/2 (64)	14-1/8 (359)	4-1/2 (114)
254	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	24-1/8 (613)	8-11/16 (221)	6-1/8 (156)	39 (991)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	17 (432)	1 (25)	14-1/8 (359)	4-1/2 (114)
256	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	24-1/8 (613)	8-11/16 (221)	6-1/8 (156)	39 (991)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	-	17 (432)	2-3/4 (70)	14-1/8 (359)	4-1/2 (114)
284	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	22-5/8 (575)	8-11/16 (221)	6-1/8 (156)	37-3/8 (949)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	16-1/8 (410)	5-5/8 (143)	14-1/8 (359)	4-1/2 (114)
286	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	24-1/8 (613)	8-11/16 (221)	6-1/8 (156)	38-7/8 (987)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	16-1/8 (410)	5-1/4 (133)	14-1/8 (359)	4-1/2 (114)
324	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	26 (660)	8-11/16 (221)	6-1/8 (156)	40 (1016)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	18-3/4 (476)	5-3/8 (137)	14-1/8 (359)	4-1/2 (114)
326	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	26 (660)	8-11/16 (221)	6-1/8 (156)	40 (1016)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	18-3/4 (476)	6-7/8 (175)	14-1/8 (359)	4-1/2 (114)

STUFFING BOX 80-PF, 80-S, 80-D

MOTOR FRAME	A	B	C	D	E (Max)	F	G	H (Max)	125# ANSI			250# ANSI			R	S (MAX)*	T	V (Min)
									J	N	P	J	N	P				
184	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	15-3/8 (391)	7-15/16 (202)	6-1/8 (156)	29-3/8 (746)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	11-3/4 (298)	5/16 (8)	14-1/8 (359)	4-1/2 (114)
213	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	19-1/4 (489)	8-11/16 (221)	6-1/8 (156)	34-1/8 (867)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	14 (356)	1 (25)	14-1/8 (359)	4-1/2 (114)
215	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	19-1/4 (489)	8-11/16 (221)	6-1/8 (156)	34-1/8 (867)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	14 (356)	2-1/2 (64)	14-1/8 (359)	4-1/2 (114)
254	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	24-1/8 (613)	8-11/16 (221)	6-1/8 (156)	39 (991)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	17 (432)	1 (25)	14-1/8 (359)	4-1/2 (114)
256	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	24-1/8 (613)	8-11/16 (221)	6-1/8 (156)	39 (991)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	17 (432)	2-3/4 (70)	14-1/8 (359)	4-1/2 (114)
284	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	22-5/8 (575)	8-11/16 (221)	6-1/8 (156)	37-3/8 (949)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	16-1/8 (410)	5-5/8 (143)	14-1/8 (359)	4-1/2 (114)
286	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	24-1/8 (613)	8-11/16 (221)	6-1/8 (156)	38-7/8 (987)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	16-1/8 (410)	5-1/4 (133)	14-1/8 (359)	4-1/2 (114)
324	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	26 (660)	8-11/16 (221)	6-1/8 (156)	40 (1016)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	18-3/4 (476)	5-3/8 (137)	14-1/8 (359)	4-1/2 (114)
326	11-1/2 (292)	23 (584)	6-5/8 (168)	7-1/2 (190)	26 (660)	8-11/16 (221)	6-1/8 (156)	40 (1016)	6 (152)	4	3/4 (19)	6-5/8 (168)	8	7/8 (22)	18-3/4 (476)	6-7/8 (175)	14-1/8 (359)	4-1/2 (114)

Dimensions are subject to change. Not to be used for construction purposes unless certified.

NOTE: For 1 phase Motors add 1" to dimensions E & H.

*For TEFC Motors add S dimension to dimensions E& H.

Xylem Inc.
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Morton Grove, IL 60053
Phone: (847)966-3700
Fax: (847)965-8379
www.bellgossett.com

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Chiller Submittal

Unit Report For CH-1

Project: CITY LIBRARY
Prepared By: Roger Mai

12/27/2013
02:27PM

Unit Information

Tag Name: **CH-1**
Model Number: **30RAP070**
Condenser Type: **Air Cooled**
Compressor Type: **Scroll**
Nameplate Voltage: **208/230-3-60** V-Ph-Hz
Quantity: **1**
Manufacturing Source: **Charlotte, NC USA**
Refrigerant: **R410A**
Independent Refrigerant Circuits: **2**
Capacity Control Steps: **55**
Minimum Capacity: **6.0** %
Shipping Weight: **3356** lb
Operating Weight: **3410** lb
Unit Length: **151** in
Unit Width: **88** in
Unit Height: **78** in

Accessories and Installed Options

Cooler Heater
Micro Channel, E-Coat
Ultra Low Sound
Digital Compressor
Low Ambient Head Pressure Control
Single Point
Wind Baffle

Chiller Warranty Information (Note: for US & Canada only)

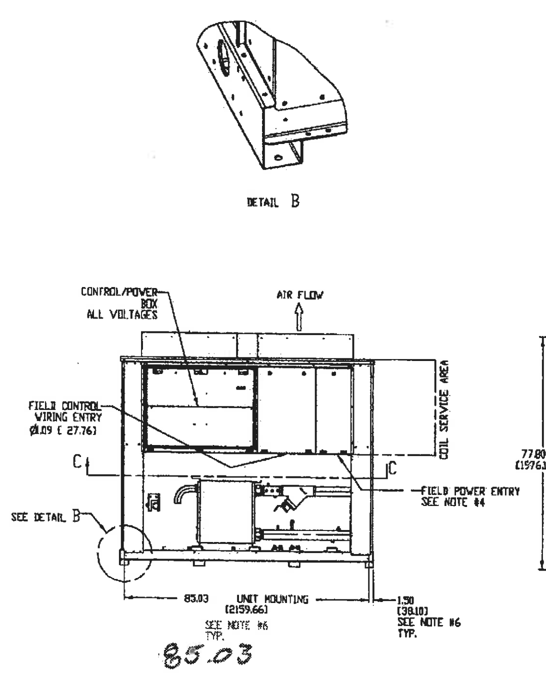
First Year - Parts Only (Standard)
Start-up, First Unit

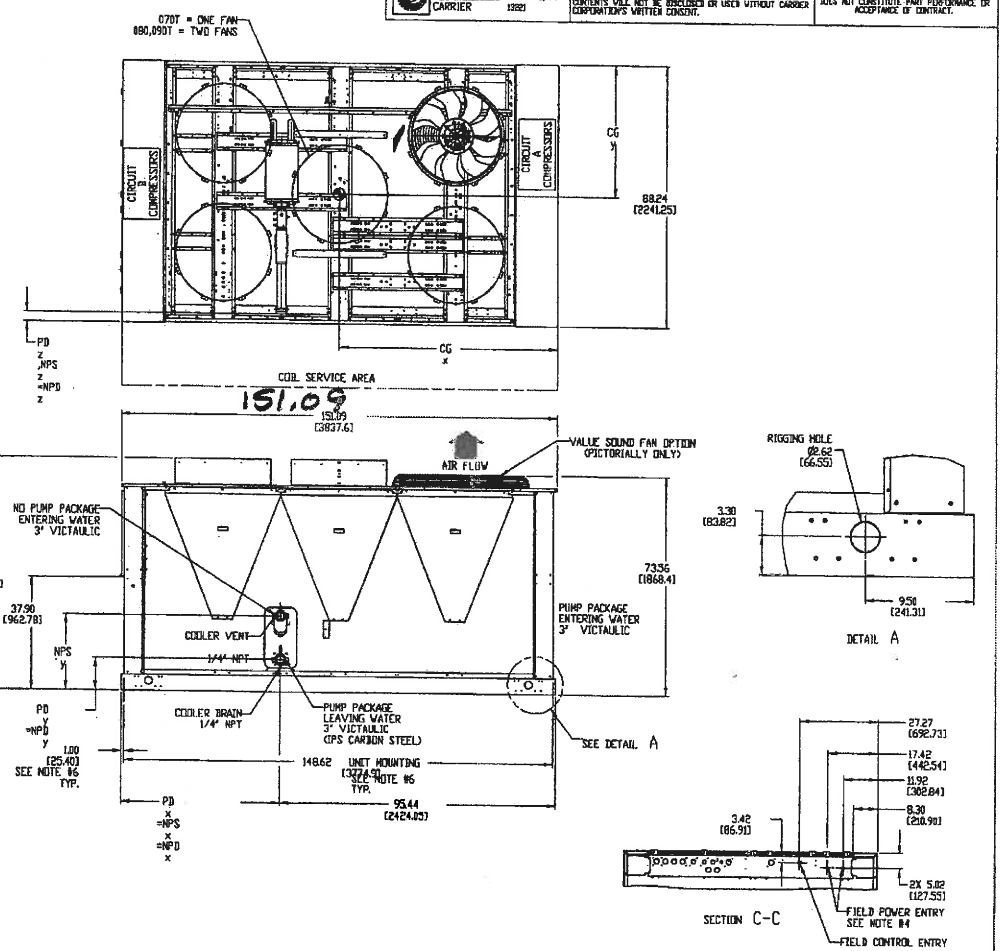
Ordering Information

Part Number	Description	Quantity
30RAP0705K-08100	Packaged Chiller	1
	Base Unit	
	Cooler Heater	
	Micro Channel, E-Coat	
	Ultra Low Sound	
	Digital Compressor	
	Low Ambient Head Pressure Control	
	Single Point	
38AP-900---005	Wind Baffle	1

Certified Drawing for CH-1

NOTES: 1. UNIT MUST HAVE CLEARANCES AS FOLLOWS:
TOP- DO NOT RESTRICT
SIDES AND END- 6' FROM SOLID SURFACE. FOR AIRFLOW
SIDE- 8' REQUIRED FOR COIL SERVICE AREA.
2. ALL PUMPS HAVE DRAINS LOCATED AT THE BOTTOM OF VOLUTE FOR DRAINING.
3. TEMPERATURE RELIEF DEVICES LOCATED ON SUCTION LINE,LIQUID LINE AND FILTER DRIER OF EACH CIRCUIT AND HAVE 1/4" FLARE CONNECTION.
4. TWO Ø7/8(22.4) PILOT HOLES PROVIDED FOR LOCATING FIELD POWER WIRING ACTUAL HOLE REQUIRED DEPENDS ON FIELD WIRE SIZING.
5. DIMENSIONS ARE IN INCHES. DIMENSIONS IN [] ARE IN MILLIMETERS.
6. Ø.524 [13.3] HOLE USED FOR MOUNTING UNITS.
7. VICTAULIC CONNECTION SIZING INFORMATION IS CONSISTENT WITH IPS CARBON STEEL PIPING.





	WEIGHT MCHX lb/kg	MAX WEIGHT MCHX PUMP lb/kg	CENTER OF GRAVITY		NOPUMP SUCTION (NPS)			NOPUMP DISCHARGE (NPD)		
			CGx INCH (MM)	CGy INCH (MM)	X ±.25	Y ±.25	Z ±.25	X ±.25	Y ±.25	Z ±.25
30RAP-070	3356/ 1522	3991/ 1810	85 (2159)	41.5 (1054)	55.2 [1401.7]	25.5 [647.7]	3.0 [76.2]	55.2 [1401.7]	10.9 [277.1]	3.0 [76.2]
30RAP-080	3579/ 1623	4289/ 1945	82.5 (2096)	41.5 (1054)	55.2 [1401.7]	25.5 [647.7]	3.0 [76.2]	55.2 [1401.7]	11.0 [279.4]	3.0 [76.2]
30RAP-090	3605/ 1635	4310/ 1955	82.5 (2096)	41.5 (1054)	55.2 [1401.7]	34.4 [873.6]	3.0 [76.2]	55.2 [1401.7]	12.0 [305.6]	3.0 [76.2]

UNITED TECHNOLOGIES CARRIER P.O. BOX 4808 SYRACUSE, NY 13221

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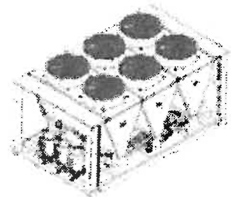
DATE	SUPERCEDES			REV
12/25/12	E	30RAP-70,80 AND 90 AIR COOLED CHILLERS	30RA555557	F

AquaSnap™ Air-Cooled Scroll Chiller



Unit Information

Tag Name: CH-1
Model Number: 30RAP070
Quantity: 1
Manufacturing Source: Charlotte, NC USA
Refrigerant: R410A
Independent Refrigerant Circuits: 2
Shipping Weight: 3356 lb
Operating Weight: 3410 lb
Unit Length: 151 in
Unit Width: 88 in
Unit Height: 78 in
Chiller Pressure Drop: 19.2 ft
*Unit pressure drop listed includes losses due to chiller piping, fittings, 40 mesh factory supplied strainer and BPHX.

Evaporator Information

Fluid Type: Fresh Water
Fouling Factor: 0.00010 (hr-sqft-F)/BTU
Leaving Temperature: 44.0 °F
Entering Temperature: 54.0 °F
Fluid Flow: 163.7 gpm

Condenser Information

Altitude: 0 ft
Number of Fans: 5
Total Condenser Fan Air Flow: 48500 CFM
Entering Air Temperature: 95.0 °F

Integrated Pump Information

No Pump Selected

Performance Information

Cooling Capacity: 68.5 Tons
Total Compressor Power: 75.4 kW
Total Fan Motor Power: 6.87 kW
Total Unit Power (without pump): 82.3 kW
Efficiency (without pump): 9.98 EER
IPLV: 15.12 EER
A-Weighted Sound Power Level: 89 dbA

Accessories and Installed Options

Cooler Heater
Micro Channel, E-Coat
Ultra Low Sound
Digital Compressor
Low Ambient Head Pressure Control
Single Point
Wind Baffle

Electrical Information

Unit Voltage: 208/230-3-60 V-Ph-Hz
Connection Type: Single Point

Amps	Electrical Circuit 1	Electrical Circuit 2
MCA	323.0	---
MOCP	350.0	---
ICF	593.2	---
Rec Fuse Size	350.0	---

Certified in accordance with the AHRI Air-Cooled Water Chilling Packages Using Vapor Compression Cycle Certification Program, which is based on AHRI Standard 550/590 (I-P). Certified units may be found in the AHRI Directory at www.ahridirectory.org
Sound power measured in accordance with ANSI/AHRI Standard 370-2001.

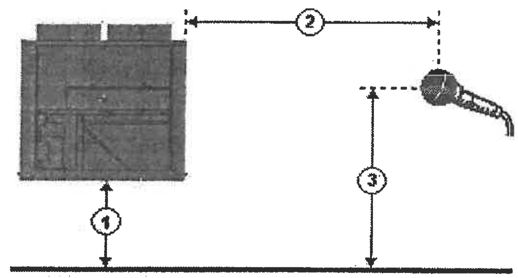
Acoustic Summary For CH-1

Project: CITY LIBRARY
Prepared By: Roger Mai

12/27/2013
02:27PM

Unit Parameters

Tag Name:	**CH-1**	
Model Number:	**30RAP070**	
Condenser Type:	**Air Cooled**	
Compressor Type:	**Scroll**	
Chiller Nameplate Voltage:	**208/230-3-60**	V-Ph-Hz
Quantity:	**1**	
Manufacturing Source:	**Charlotte, NC USA**	
Refrigerant:	**R410A**	
Shipping Weight:	**3356**	lb
Operating Weight:	**3410**	lb
Unit Length:	**151**	in
Unit Width:	**88**	in
Unit Height:	**78**	in



1 - Chiller Height Above Ground
2 - Horizontal Distance From Chiller to Receiver
3 - Receiver Height Above Ground

Accessories and Installed Options

Cooler Heater
Micro Channel, E-Coat
Ultra Low Sound
Digital Compressor
Low Ambient Head Pressure Control
Single Point
Wind Baffle

Acoustic Information (Full Load)

Octave Band Center Frequency, Hz	31	63	125	250	500	1k	2k	4k	8k	Total
Sound pressure at specified distance in a free field, dB	44	56	56	53	54	54	49	44	37	62
A-Weighted Sound Pressure Level, dBA	5	29	40	45	50	54	50	45	36	57
Sound Power at Chiller Acoustic Center, dB	76	88	88	85	86	86	81	76	69	94
A-Weighted Sound Power, dBA	37	61	72	77	83	86	82	77	68	89

Notes

1 - Chiller Height Above Ground = 0.0 ft
2 - Horizontal Distance From Chiller to Receiver = 50.0 ft
3 - Receiver Height Above Ground = 0.0 ft
Estimated Sound Power levels - dB re: 1 picowatt
Estimated Sound Pressure levels - dB re: 20 micropascal
Estimated sound levels given above are assumed to originate at the acoustic center of the chiller.

Sound pressure level data used to develop this program was determined in accordance with AHRI Standard 575 for water chillers in a free field and ANSI/AHRI Standard 370 for air cooled chillers.

Calculation methods used in this program are patterned after the ASHRAE Guide; other ASHRAE Publications and the AHRI Acoustical Standards. While a very significant effort has been made to insure the technical accuracy of this program, it is assumed that the user is knowledgeable in the art of system sound estimation and is aware of the tolerances involved in real world acoustical estimation. This program makes certain assumptions as to the dominant sound sources and sound paths which may not always be appropriate to the real system being estimated. Because of this, no assurances can be offered that this software will always generate an accurate sound prediction from user supplied input data. If in doubt about the estimation of expected sound levels in a space, an Acoustical Engineer or a person with sound prediction expertise should be consulted.

Detailed Performance Summary For CH-1

Project: CITY LIBRARY
Prepared By: Roger Mai

12/27/2013
02:27PM

Unit Information

Tag Name: **CH-1**
Model Number: **30RAP070**
Condenser Type: **Air Cooled**
Compressor Type: **Scroll**
Nameplate Voltage: **208/230-3-60** V-Ph-Hz
Quantity: **1**
Manufacturing Source: **Charlotte, NC USA**
Refrigerant: **R410A**
Capacity Control Steps: **55**
Minimum Capacity: **6.0** %
Shipping Weight: **3356** lb
Operating Weight: **3410** lb
Unit Length: **151** in
Unit Width: **88** in
Unit Height: **78** in
Minimum Outdoor Operating Temp: **-20** °F
Chiller Pressure Drop: **19.2** ft
*Unit pressure drop listed includes losses due to chiller piping, fittings, 40 mesh factory supplied strainer and BPHX.

Performance Information

Cooling Capacity: **68.5** Tons
Total Compressor Power: **75.4** kW
Total Fan Motor Power: **6.87** kW
Total Unit Power (without pump): **82.3** kW
Efficiency (without pump): **9.98** EER

Acoustics Information

A-Weighted Sound Power Level: **89** dbA

Evaporator Information

Fluid Type: **Fresh Water**
Fouling Factor: **0.00010** (hr-sqft-F)/BTU
Leaving Temperature: **44.0** °F
Entering Temperature: **54.0** °F
Fluid Flow: **163.7** gpm

Condenser Information

Altitude: **0** ft
Number of Fans: **5**
Total Condenser Fan Air Flow: **48500** CFM
Entering Air Temperature: **95.0** °F

Electrical Information

Unit Voltage: **208/230-3-60** V-Ph-Hz
Connection Type: **Single Point**

Amps	Electrical Circuit 1	Electrical Circuit 2
MCA	323.0	
MOCP	350.0	
ICF	593.2	
Rec Fuse Size	350.0	

Integrated Pump Information

No Pump Selected

Accessories and Installed Options

Cooler Heater

Detailed Performance Summary For CH-1

Project: CITY LIBRARY
Prepared By: Roger Mai

12/27/2013
02:27PM

Micro Channel, E-Coat
Ultra Low Sound
Digital Compressor
Low Ambient Head Pressure Control
Single Point
Wind Baffle

Integrated Part Load Value (ARI)

IPLV:..**15.12** EER

Unit Performance				
Percent of Full Load Capacity, %	100	75	50	25
Percent of Full Load Power, %	100.0	56.8	30.5	14.2
Unloading Sequence	A	A	A	A
Cooling Capacity, Tons	68.4	51.3	34.2	17.1
Total Unit Power, kW	82.3	46.7	25.1	11.7
Efficiency, EER	9.98	13.18	16.39	17.55
Evaporator Data				
Fluid Entering Temperature, °F	54.0	51.5	49.0	46.5
Fluid Leaving Temperature, °F	44.0	44.0	44.0	44.0
Fluid Flow Rate, gpm	164.3	164.3	164.3	164.3
Fouling Factor, (hr-sqft-F)/BTU	0.0001	0.0001	0.0001	0.0001
Condenser Data				
Entering Air Temperature, °F	95.0	80.0	65.0	55.0

For some 75% operating points, the efficiency may be calculated at a condenser inlet air operating temperature as much as 0.8 degrees higher.

NPLV

NPLV:..**15.17** EER

Unit Performance				
Percent of Full Load Capacity, %	100	75	50	25
Percent of Full Load Power, %	100.0	56.8	30.3	14.2
Unloading Sequence	A	A	A	A
Capacity, Tons	68.5	51.3	34.2	17.1
Total Unit Power, kW	82.3	46.7	24.9	11.7
Efficiency, EER	9.98	13.19	16.49	17.55
Evaporator Data				
Fluid Entering Temperature, °F	54.0	51.5	49.0	46.5
Fluid Leaving Temperature, °F	44.0	44.0	44.0	44.0
Fluid Flow Rate, gpm	163.7	163.7	163.7	163.7
Fouling Factor, (hr-sqft-F)/BTU	0.00010	0.00010	0.00010	0.00010
Condenser Data				
Entering Air Temperature, °F	95.0	80.0	65.0	55.0

Certified in accordance with the AHRI Air-Cooled Water Chilling Packages Using Vapor Compression Cycle Certification Program, which is based on AHRI Standard 550/590 (I-P). Certified units may be found in the AHRI Directory at www.ahridirectory.org
Sound power measured in accordance with ANSI/AHRI 370-2001.

Controller Submittal

Network Control Engine (NCE)

Product Bulletin

MS-NCE25xx-x

Code No. LIT-12011283
Software Release 3.0
Issued May 2, 2007

The Metasys® Network Control Engine (NCE) Series controllers combine the network supervisor capabilities and Internet Protocol (IP) network connectivity of a Network Automation Engine (NAE) with the Input/ Output (I/O) point connectivity and direct digital control capabilities of a Field Equipment Controller (FEC). NCEs provide a cost-effective solution designed for integrating central plants and large built-up air handlers into your Metasys networks.

All NCE models provide IP Ethernet network connectivity, the Metasys software User Interface (UI), and the network supervisory capabilities featured on NAE35/NAE45 Series network automation engines.

All NCE models provide connectivity to and supervisory control of a specified field bus trunk with up to 32 field controllers. Depending on the model, an NCE25 supports either a BACnet® Master-Slave/ Token-Passing (MS/TP) trunk, an N2 Bus trunk, or a LONWORKS® network trunk.

All NCE models feature 33 integral I/O points and a Sensor/Acuator (SA) Bus, which allows you to increase the NCE's I/O field point capacity and also integrate NS Series Network Sensors and Variable Frequency Drives (VFDs) into your NCE application.

Some NCE models feature an integral field controller display screen with a navigation keypad. Some NCE models feature an internal modem that supports standard dial-up capabilities.

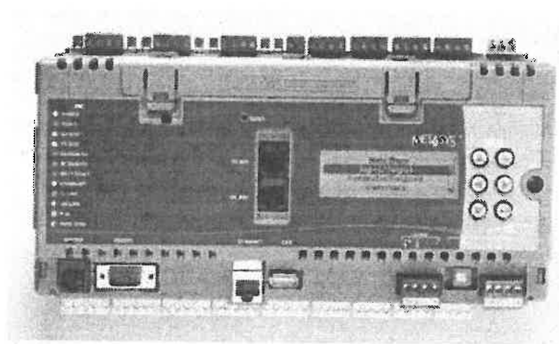


Figure 1: NCE25

Table 1: Features and Benefits

Features	Benefits
Uses Commonly Accepted InformtaionTechnology (IT) Standards at the Automation and Enterprise Level	Allows you to install the NCE on the existing IT infrastructure within a building or enterprise and use standard IT communication services over the company intranet, Wide Area Network (WAN), or public Internet with firewall protection.
Web-Based User Interface	Allows you to access, monitor, and control the NCE from a supported Web browser connected to the network, including remote users connected by dial-up telephone or an Internet Service Provider (ISP).
Supervision of Either an N2 Bus, LONWORKS Network, or BACnet MS/TP Bus Field Controller Trunk	Supports connectivity to open network standards for flexibility in the selection of field devices. Supports up to 32 field controllers on either a BACnet MS/TP bus, LONWORKS network, or N2 Bus trunk.
Multiple Connection Options for Data Access	Allow connection of a Web browser via the Internet Protocol (IP) network using the Ethernet port. For a dial-up connection, use the optional internal or external modem.
Integral Field Controller with 33 I/O Points	Provide field level control of central plant and large air-handler applications combined with enterprise level IP network connectivity.
Expandable I/O Point Capacity, NS Sensor Connectivity, and VFD Control on Field Controller SA Bus	Allow you to connect multiple Input/Output Modules (IOMs), NS Series Network Sensors, and VFDs to the field controller SA Bus, which greatly expands the NCE's field level control capabilities.

Enterprise Network Supervisory Control

The NCE features the NAE supervisory controller technology that drives the new generation of Building Automation Systems (BASs). The NCE is a network automation engine, just like the NAE, that manages BASs using information and Internet technology. The NCE provides enterprise level supervisory control of an integral field controller and control of up to 32 additional field controllers on a field controller bus.

The NCE uses standard BAS communication protocols and technologies to monitor and supervise Heating, Ventilating, and Air Conditioning (HVAC) equipment, lighting, security, fire, and access control. Depending on the model, the NCE can monitor and supervise either an MS/TP bus trunk, an N2 Bus trunk, or a LONWORKS network trunk.

A single NCE at a central plant or large air-handler, or a network of multiple NCEs and NAEs in a facility or campus of buildings provides monitoring and control, alarm and event management, data exchange, trending, energy management, scheduling, and data storage.

NCEs have multiple connection port options that allow you to build an extremely flexible network at the automation and enterprise level of your system, and at the field controller and data acquisition levels.

IP Ethernet Network

The NCE connects directly to an IP Ethernet network running at 10 or 100 Mbps. Multiple NCEs and NAEs communicate with each other over the network, and typically an Application and Data Server/Extended Application and Data Server (ADS/ADX) or NAE is designated as the Metasys network Site Director. The Site Director is the point of access to the entire BAS network on the site and is accessed via a Web browser and the Metasys UI. Data transmission on the Metasys network uses standard IT protocols, services, and formats.

Networks in different buildings may be interconnected using standard WAN technologies and network service providers. The speed of transmission depends on the technology used.

Web Browser Access

You access building systems through the NCE with a standard supported Web browser on a desktop or laptop computer. The computer does not require any special workstation software other than the browser and a standard Java® software. The Web browser accesses the NCE directly over the IP network, or via the Internet or public telephone service.

Remote NCE

The NCE can be accessed remotely over standard WAN infrastructures, the Internet using an ISP line, or over the public telephone network using a modem and the Point-to-Point Protocol (PPP). The NCE offers an optional internal modem or supports an external modem.

Application and Data Server (ADS)/ Extended Application and Data Server (ADX)

The ADS/ADX is an optional software package running on a computing platform that provides a location for storage of the system configuration database, trend logs, alarm logs, and audit trails. An ADS/ADX is typically configured as the Site Director. The software supports standard IT firewall technologies for protection against unauthorized access.

System Configuration Tool

You can define the NCE supervisory level database online through a Web browser directly connected to an NCE device, or connected from a remote location via a WAN. Using the System Configuration Tool (SCT), you can define the system configuration and database offline for later download to the NCE over the network. In either case, the supervisory level database is typically archived on the SCT or ADS/ADX.

All the software required for supervisory level database configuration resides on the NCE or SCT. You do not need to have a local copy of the database on the Web browser to make authorized changes.

The configuration data for application specific BACnet MS/TP or N2 controllers on the connected field network trunk can be downloaded through the NCE without affecting system operations.

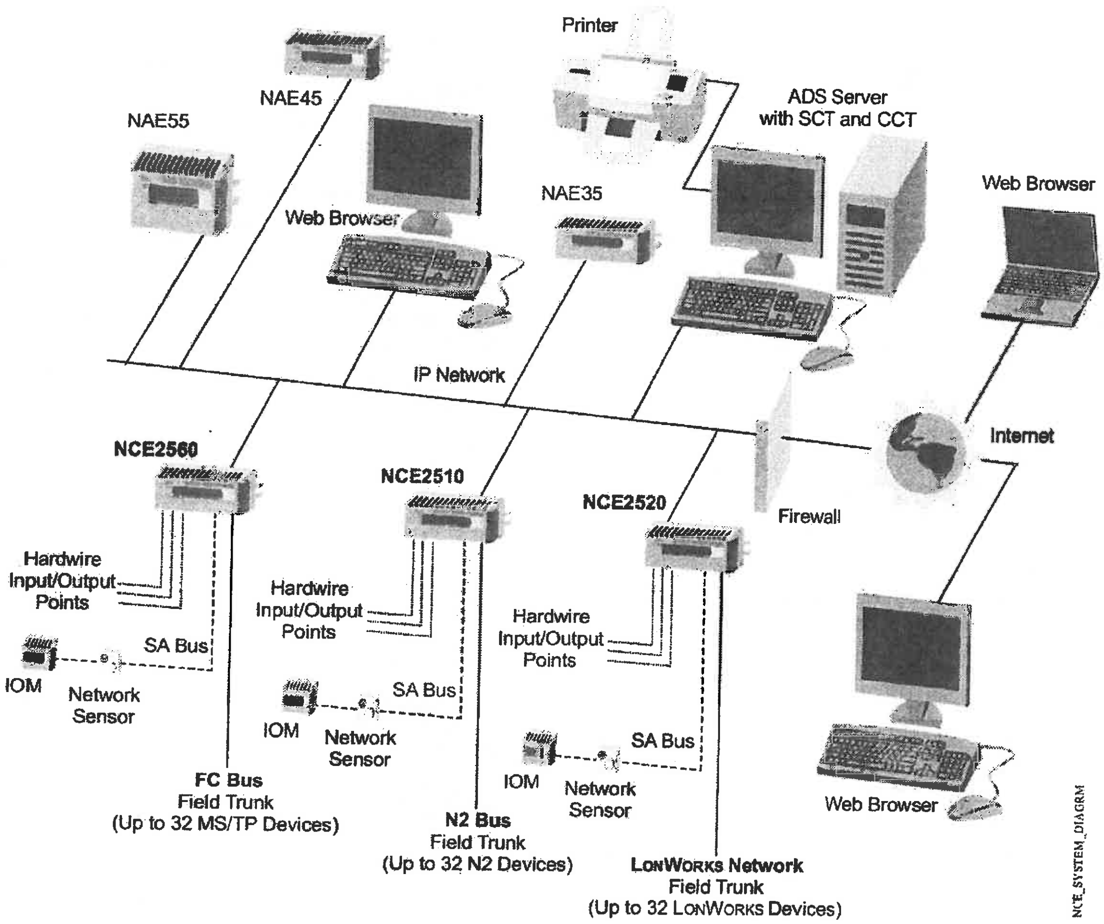


Figure 2: Three NCEs Connected to a Metasys System Network

Field Network Level Control

The NCE also features an integral Field Equipment Controller (FEC) that provides direct interface to and control of remote field equipment such as large central cooling and heating plants, and large built-up air handler units.

The NCE has 33 on-board I/O control points and a Sensor-Actuator (SA) Bus. The SA Bus allows you to connect Input/Output Modules (IOMs) and increase the I/O control points in your application.

You can also connect NS Series Network Sensors and supported VFDs to the SA Bus, and integrate state-of-the-art temperature control and motor speed control into your NCE application.

The 33 I/O control points on the NCE, and the I/O points and devices on the NCE SA Bus are defined and configured in the Controller Configuration Tool (CCT) software.

The 33 on-board NCE I/O control points include:

- **10 Universal Input** points, each point can be defined as either a Voltage Analog Input (0-10 VDC), a Current Analog Input (4-20 mA), or a Resistive Analog Input
- **8 Binary Input** points, each point can be defined as either Dry Contact Maintained or Pulse Counter Mode (100 Hz high-speed)
- **4 Analog Output** points, each point can be defined as either a Voltage Analog Output (0-10 VDC), or a Current Analog Output (4-20 mA)
- **4 Configurable Output** points, each point can be defined as either a Voltage Analog Output (0-10 VDC), or a Binary Output (24 VAC Triac)
- **7 Binary Output** points (24 VAC Triac)

Field Networks and Protocols

NCEs/NAEs offer the ability to pass data from one field network to another and transmit data from the field network to the enterprise and automation level of the network. This allows your system to operate as one virtual control network.

Automation Level Communication

NCEs/NAEs communicate internal system data using peer-to-peer messaging over the IP Ethernet network. Thus each NCE and NAE shares data and has access to information on all other NCE and NAE nodes on the site network, which enables coordination of the overall functions of the BAS.

BACnet MS/TP Bus

The BACnet MS/TP bus is based on BACnet standard protocol ANSI/ASHRAE 135-2004.

The MS/TP bus is a peer-to-peer, multiple-master protocol in which each master device takes turns originating messages to pass to any other device on the bus.

N2 Bus

The N2 Bus is a Johnson Controls® field communications trunk that links Application Specific Controllers (ASCs) and programmable controllers to a supervisory controller. ASCs include the Air Handling Unit (AHU), Unitary (UNT) controller, Variable Air Volume (VAV) controllers, and VAV Modular Assembly (VMA) devices. Programmable controllers include the DX9100.

The N2 Bus supports Metasys system compatible devices from other manufacturers and the Metasys Integrator® system. The Metasys Integrator system includes an extensive series of software drivers for the integration of other manufacturers' control devices, including HVAC equipment, power monitoring, lighting panels, security, and fire detection systems.

LONWORKS Network

Specified NCE models can supervise a LONWORKS network trunk with up to 32 LONWORKS network devices. LONWORKS network trunks are supported if the network interface follows current LONMARK® guidelines, preferably with the LONMARK certification, and uses the Free Topology Transceiver FTT10.

The LONWORKS network interface in the NCE supports all current LONMARK certified devices including devices from Johnson Controls such as the LN Series Controllers, the NexSys® controller line, and the LONWORKS enabled programmable Flexible System Controller (FSC).

Controller Configuration Tool

The Controller Configuration Tool (CCT) is a software tool (packaged with the SCT) that provides a flexible UI for configuring and commissioning the integral field controller on the NCE and the devices connected on the NCE SA Bus. The CCT is also used to commission and configure the Metasys MS/TP field controllers on NCE models that support an MS/TP bus trunk.

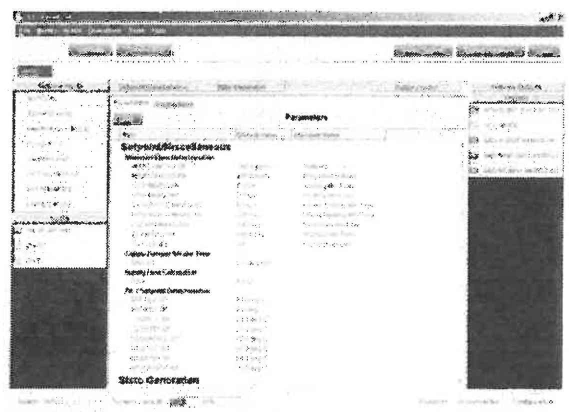


Figure 3: CCT User Interface

The CCT features:

- a **Configuration** mode that allows you to build custom control applications for your mechanical systems by selecting simple mechanical and control logic options from a library and then combining them to meet your building application requirements
- a **Simulation** mode that allows you to review, test, and adjust your custom control applications before downloading the applications to the field controllers
- a **Commissioning** mode that allows you to manage the custom application downloads to the target field controllers

The CCT has a consistent user interface across the Configuration, Simulation, and Commissioning modes, and flexible connection options for downloading and commissioning field controllers, including a wireless connection option using the Wireless Commissioning Converter (MS-BTCVT-0).

Metasys System Software

Metasys User Interface

The embedded Metasys NCE UI provides formatted data and graphic screens to any connected Web browser. Authorized users simply log on to the NCE from the Web browser to access the user interface. This embedded user interface is ideal for smaller networks and remote locations where a dedicated computer platform to support a UI is not required.

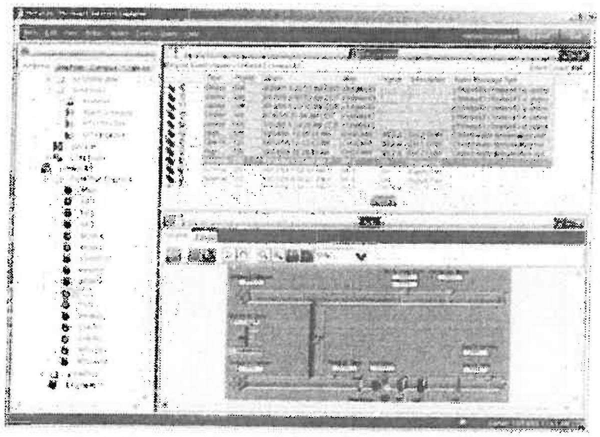


Figure 4: Metasys User Interface Screen

System Security

The NCE recognizes legitimate users through the entry of a username and a password at the Web browser user interface. User access data are encrypted in the transmission and in the NCE database. The security administrator manages user profiles and accounts at a site or system level. The authorization levels range from configuring the complete system to only viewing one section of the system or site. The system administrator assigns a username, password, and specific NCE data access privileges in each user account.

Monitoring and Control

The NCE is specifically designed to meet the needs of building owners and managers to efficiently monitor and control all the mechanical and electrical systems in a typical building such as:

- HVAC units
- central equipment including chillers and boilers
- lighting and electrical distribution
- power generation and energy monitoring equipment
- interfaces to security and fire detection systems

The NCE monitors equipment by collecting data from the field control devices, then coordinating the required commands and sending them to the equipment at the required priority.

You can access information via a navigation tree that represents the logical grouping of network devices and point data names defined when configuring the system. You can also navigate using graphic images or create a customized tree with groups and names based on device location in the building or on system groups.

Global Search

This enhanced search feature allows you to search the Metasys system for multiple objects that meet specific criteria based on naming and object type. The global search provides you with the ability to manage lists of objects, which can be used by other features for commanding, trending, reporting, and object selection.

Global Command

This additional command feature allows you to send a single command to multiple objects, and view a log of the command results.

Transaction Recording

All user actions performed through the NCE, including logon and logoff, commands to equipment, changes to parameters, and changes to the system configuration are recorded in the NCE audit trail log.

Alarm and Event Processing

When a value exceeds a defined limit or changes to an off-normal state, the NCE sends alarm or event messages to online Web browsers, pagers, email servers, and serial printers. The message routing depends on the source, time, and type of the event. The information is also stored immediately in a local log file on the NCE, later transmitted to a site log file on an ADS/ADX, and can be viewed at a later time from a Web browser to trace the history of alarms and events on the site.

The alarm and event information may include a predefined message to facilitate a fast response to the system problem. If you have the appropriate password authority and you acknowledge or clear an alarm, the site log file is updated.

You may also request a summary of all current alarms in the NCE or review a history of recent events.

Historical Trend Data

The NCE supports trending of any monitored value at user-defined periods ranging from a few seconds to one week. Alternatively, trending may be configured based on Change-of-Value (COV) sampling. Initially trend logs are stored in the NCE. Trend log information can be transferred to a historical database on the ADS/ADX at user-defined intervals or when the NCE files are nearly full.

Trend logs are useful for analyzing the performance of building control systems and locating the source of system problems. Historical trend data records are required in many industries, such as pharmaceutical and food processing plants, to document the ambient conditions during manufacturing.

Totalization Data

Analog and pulse totalization features in the NCE monitor the use of energy and other consumables. You can generate reports for cost allocation within a facility or to support energy and cost reduction programs.

Event and runtime totalization features, including the number of times specific events occur and how long equipment has been in operation, provide data for servicing and maintenance programs and for early identification of possible system problems.

Trend Viewer for Ad Hoc Trends

This enhanced trend feature allows you to view multiple trend extensions based on the ad hoc selection of items from the results of a global search or from the navigation tree. This trend feature provides another option in trending.

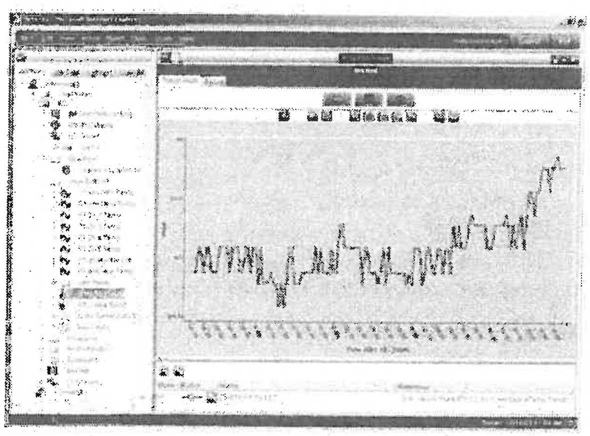


Figure 5: Trend Screen

Scheduling

The scheduling feature allows you to define building occupancy periods and the start and stop times for mechanical or electrical equipment. Operating parameters such as temperature setpoints and power consumption limits can be set according to the time of day.

You can schedule an event for one or more days of the week, for a holiday, or for particular calendar dates. Schedules can be defined in one NAE for the whole site or for just the equipment controlled by that NCE. Each NAE/NCE uses a graphical user interface to simplify setting up the schedules from a Web browser.

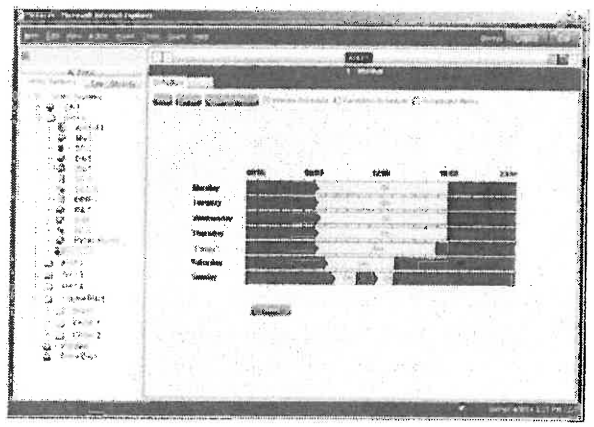


Figure 6: Schedule Screen

Network-Wide System Interlocking

Interlocking enables the NCE to take information from one or more field controllers, make logical comparisons, and issue a set of control instructions to other field controllers anywhere on the network. Interlocking also facilitates sharing analog or binary data between controllers. For example, interlocking allows all the field controllers on a site network to use the input from a single outside air temperature sensor, eliminating the need to wire outside air temperature sensors to each controller, saving hardware and installation costs.

Optimal Start

The Optimal Start feature automatically determines the correct time to start heating and cooling systems to ensure that the facility is ready for occupants at the scheduled time. It adjusts to seasonal variations and minimizes the energy used.

Demand Limit and Load Rolling

Demand Limit and Load Rolling (DLLR) provides the ability to monitor energy meters for electricity, gas, steam, or water, and control energy consuming building loads to maintain energy use to user specified limits. Demand Limit is used to manage utility demand charges, based on either fixed interval or sliding window metering strategies. Load Rolling is used to turn off or lower the operating levels of selected equipment to reduce total facility energy consumption. Comfort overrides are used to help prioritize which pieces of equipment are eligible for shedding.

NCE Hardware Features

The NCE hardware platform features:

- multiple processors for supervisory and direct digital control
- nonvolatile solid-state Flash memory to store all programs and data
- standard Universal Serial Bus (USB) connection
- data protection battery to save data and power real-time clock when primary power to the NCE is interrupted
- Light-Emitting Diodes (LEDs) to indicate power, communications, and fault, to allow easy servicing
- removable, color-coded, screw terminal blocks for 24 VAC power, communications bus, and I/O point field wiring connections
- standard 9-pin sub-D connectors for RS-232-C serial port
- RJ-45 8-pin modular connector for Ethernet connection
- optional internal modem and RJ-12 6-pin telephone line connector (on specified models)
- integral display screen with navigation key pad (on specified models)

Ordering Information

Contact the nearest Johnson Controls representative to order an NCE or accessories. Specify the desired product code number using Table 2 and Table 3.

Table 2: NCE Model Ordering Information

Product Code Number[1]	Description
MS-NCE25xx-x (Base features on each NCE25)	Each NCE25 Series model requires a 24 VAC power supply and includes one RS-232-C serial port, one RS-485 optically isolated SA Bus port, one USB serial port, one Ethernet port, and an MS-BAT1020-0 Data Protection Battery. Each NCE25 Series model has 33 integral I/O points and supports up to 128 additional I/O points on the SA Bus.
MS-NCE2510-0	Supports one N2 Bus trunk with up to 32 N2 devices.
MS-NCE2511-0	Supports one N2 Bus trunk with up to 32 N2 devices. Includes an internal modem.
MS-NCE2516-0	Supports one N2 Bus trunk with up to 32 N2 devices. Includes integral display screen.
MS-NCE2517-0	Supports one N2 Bus trunk with up to 32 N2 devices. Includes integral display screen and an internal modem.
MS-NCE2520-0	Supports one LONWORKS network trunk with up to 32 LONWORKS devices.
MS-NCE2521-0	Supports one LONWORKS network trunk with up to 32 LONWORKS devices. Includes an internal modem.
MS-NCE2526-0	Supports one LONWORKS network trunk with up to 32 LONWORKS devices. Includes integral display screen.
MS-NCE2527-0	Supports one LONWORKS network trunk with up to 32 LONWORKS devices. Includes integral display screen and an internal modem.
MS-NCE2560-0	Supports one FC Bus trunk with up to 32 MS/TP devices.
MS-NCE2561-0	Supports one FC Bus trunk with up to 32 MS/TP devices. Includes an internal modem.
MS-NCE2566-0	Supports one FC Bus trunk with up to 32 MS/TP devices. Includes integral display screen.
MS-NCE2567-0	Supports one FC Bus trunk with up to 32 MS/TP devices. Includes integral display screen and an internal modem.

1. All models are also available in a Buy American version (add a G after the code number). For the European version, add an E after the code number. For repair parts, add -700 after the code number.

Table 3: NCE Accessories Ordering Information

Product Code Number	Description
MS-BAT1020-0	Replacement data protection battery for NAE35, NAE45, and NCE25. Rechargeable NiMH battery: 3.6 V 500 mAh, with a typical life of 10 years at 21°C (70°F)
MS-BTCVT-1	Wireless Commissioning Converter, with Bluetooth® technology, for configuring and commissioning the NCE field controller and the devices on the NCE SA Bus
AS-XFR100-1	Power transformer (Class 2, 24 VAC, 92 VA maximum output), with enclosure
AS-XFR010-1	Power transformer (Class 2, 24 VAC, 92 VA maximum output), no enclosure

Technical Specifications

NCE25 (Part 1 of 2)

Power Requirement	Dedicated nominal 24 VAC, Class 2 power supply (North America), Safety Extra-Low Voltage (SELV) power supply (Europe), at 50/60 Hz (20 VAC minimum to 30 VAC maximum)
Power Consumption	25 VA maximum for NCE25 only **Note:** The 25 VA rating does **not** include any power supplied by the NCE to devices connected at the NCE Binary Outputs (BOs). BO devices connected to and power by an NCE can require an additional 125 VA (maximum).
Ambient Operating Temperature	0 to 50°C (32 to 122°F)
Ambient Operating Humidity	10 to 90% RH, 30°C (86°F) maximum dew point
Ambient Storage Temperature	-40 to 70°C (-40 to 158°F)
Ambient Storage Humidity	5 to 95% RH, 30°C (86°F) maximum dew point
Data Protection Battery	Supports data protection on power failure. Rechargeable NiMH battery: 3.6 VDC 500 mAh, with a typical life of 5 to 7 years at 21°C (70°F); Product Code Number: MS-BAT1020-0
Processors	**Supervisory Controller:** 192 MHz Renesas™ SH4 7760 RISC processor **Field Controller:** 20 MHz Renesas H8S2398 processor
Memory	**Supervisory Controller:** 128 MB Flash nonvolatile memory for operating system, configuration data, and operations data storage and backup and 128 MB Synchronous Dynamic Random Access Memory (DRAM) for operations data dynamic memory **Field Controller:** 1 MB Flash and 1 MB Random Access Memory (RAM)
Operating System	Microsoft® Windows® CE embedded
Network and Serial Interfaces (Depending on NCE model. See Table 2 for model information.)	One Ethernet port; 10/100 Mbps; 8-pin RJ-45 connector One optically isolated RS-485 SA Bus port; with a pluggable and keyed 4-position terminal block (on all NCE25 models) One optically isolated RS-485 port; with a pluggable and keyed 4-position terminal block (only on NCE25 models that support an N2 Bus or MS/TP bus trunk) One LONWORKS port; FTT10 78 Kbps; pluggable, keyed 3-position terminal block (only on NCE25 models that support a LONWORKS Network trunk) One RS-232-C serial port with standard 9-pin sub-D connector that supports standard baud rates One USB serial port with standard USB connector Option: One 6-pin RJ-12 jack for connecting to internal modem; up to 56 Kbps
Analog Input/Analog Output Resolution and Accuracy	Analog Input Points: 16 bit resolution and ±0.5% accuracy Analog Output Points: 16 bit resolution and ±200 mV accuracy on 0-10 VDC applications
Dimensions (Height x Width x Depth)	155 x 270 x 64 mm (6.1 x 10.6 x 2.5 in.) Minimum mounting space required: 250 x 370 x 110 mm (9.8 x 14.6 x 4.3 in.)

NCE25 (Part 2 of 2)

Housing	Plastic housing Plastic material: ABS and polycarbonate Protection: IP20 (IEC60529)
Mounting	On flat surface with screws on three mounting clips or a single 35 mm DIN rail
Shipping Weight	1.2 kg (2.7 lb.)
Compliance	**United States** UL Listed, File E107041, CCN PAZX, UL 916, Energy Management Equipment FCC Compliant to CFR47, Part 15, Subpart B, Class A
	Canada UL Listed, File E107041, CCN PAZX7, CAN/CSA C22.2 No. 205, Signal Equipment Industry Canada Compliant, ICES-003
	Europe CE Mark, EMC Directive 89/336/EEC, in accordance with EN 61000-6-3 (2001) Generic Emission Standard for Residential and Light Industry and EN 61000-6-2 (2001) Generic Immunity Standard for Heavy Industrial Environment
	Australia and New Zealand C-Tick Mark, Australia/NZ Emissions Compliant
	BACnet International BACnet Testing Laboratories™ (BTL) 135-2004 Listed BACnet Building Controller (B-BC)

The performance specifications are nominal and conform to acceptable industry standard. For application at conditions beyond these specifications, consult the local Johnson Controls office. Johnson Controls, Inc. shall not be liable for damages resulting from misapplication or misuse of its products.

United States Federal Communication Commission (FCC) Compliance Statement

This equipment has been tested and found to comply with the limits for a Class A digital device pursuant to Part 15 of the FCC Rules. These limits are designed to provide reasonable protection against harmful interference when this equipment is operated in a commercial environment. This equipment generates, uses, and can radiate radio frequency energy and, if not installed and used in accordance with the instruction manual, may cause harmful interference to radio communications. Operation of this equipment in a residential area is likely to cause harmful interference, in which case the user will be required to correct the interference at his/her own expense.

Canadian Compliance Statement

This Class A digital apparatus meets all the requirements of the Canadian Interference-Causing Equipment Regulations.

Cet appareil numérique de la Classe A respecte toutes les exigences du Règlement sur le matériel brouilleur du Canada.

JOHNSON CONTROLS

Controls Group
507 E. Michigan Street
Milwaukee, WI 53202

Published in U.S.A.

www.johnsoncontrols.com

Exhibit 2

Entek Corp
812 Grayson Rd.
Pleasant Hill, CA 94523
(925) 947-1400
entek@comcast.net

Replace Chiller
Clayton Community Library
Clayton, CA

CHILLER REPLACEMENT MATRIX

	EXIST YORK	JCI (YORK) [3]	JCI (YORK) [3]	TRANE [3]	CARRIER [3]	CARRIER [1,2]
MODEL	YCAZ44LD3	YLAA070	YCAL0066EE17	CGAM070A	30RB070	30RAP070
NOMINAL TONS	60	70	60	70	70	70
TONS	62.3	71.8	66.1	66.8	66.5	68.5
EER		10.2	10.1	10	9.5	9.98
KW		84.8	78.8	80.5	83.5	82.3
IPLV		16	15.1	15.5		15.12
WEIGHT (LBS)	5010	3623	4142	5119	4317	3410
LENGTH (IN)	113	116	153	150	94	151
WIDTH (IN)	72	88	91	88.6	85	88
HEIGHT (IN)	90	94.2	62.6	84	90	78
REFRIGERANT	R-22	R-410A	R-410A	R-410A	R-410A	R-410A
FLOWRATE (GPM)	144	172.8	158.8	159.8	159.1	163.7
PRESSURE DROP (FT)		11.4	8.4	16.3		19.2
SPL (DBA)		95		92		89
COMPRESSORS	2	6	4	4	3	3
UNLOADING STEPS	5	6	4	4	3	40
COIL AREA (FT)		106	128	120	94	94
MCA	321	361	323	316	334	323
MOCP	400	400	350	350	400	350
PRICE QUOTE		$40,000	$37,555	$45,500	$40,200	$39,000
LEAD TIME		8 WEEKS	8 WEEKS	4-5 WEEKS	8 WEEKS	8 WEEKS
WARRANTY		12 MO PARTS	18 MO LABOR-PARTS	12 MO LABOR-PARTS / 10 YR COMP	12 MO LABOR - 3 YR COIL	12 MO LABOR - 3 YR COIL

MISCELLANEOUS INFORMATION		ABBREVIATIONS			
EXIST VOLT/PHASE	208/3	EER	ENERGY EFFICIENCY RATION	DBA	A-WEIGHTED DECIBEL
EXIST BREAKER F/T	400/350	KW	KILOWATT	MCA	MINIMUM CIRCUIT APMPACITY
EXIST CONDUIT	3"	IPLV	INTEGRATED PART LOAD VALUE	MOCP	MAX OVERCURRENT PROTECTION
EXIST WIRE	3-#400MCM	GPM	GALLONS PER MINUTE	EWT	ENTERING WATER TEMPERATURE
MAX WIRE AMPS - 75°	335	SPL	SOUND POWER LEVEL	LWT	LEAVING WATER TEMPERATURE
EXIST EWT/LWT	44/54				
OA TEMP	95				

1. COATED COIL, 2. DIGITAL SCROLL COMPRESSOR, 3. SCROLL COMPRESSOR

10/3/2013

CONSTRUCTION PROGRAM - ESTIMATE WORKSHEET		DATE 7/5/2013	
PROJECT NO.	LOCATION CLAYTON, CA	PROJECT NAME REPLACE CHILLER	TYPE OF ESTIMATE PRELIMINARY
ESTIMATOR ENTEK	NEW ALT INDEX NO. X	BUILDING CLAYTON COMMUNITY LIBRARY	DRAWING NO.

SYSTEM/SUBSYSTEM									TOTAL
SUBTOTAL									$85,479
GENERAL CONDITIONS 12%									$17,096
SUBTOTAL									$102,575
OVERHEAD 10%									$10,258
SUBTOTAL									$112,833
PROFIT 10%									$11,283
SUBTOTAL									$124,116
PROJECT TOTAL									$124,116

Exhibit 3

entek corp.

RESPOND TO:
812 Grayson Road
Pleasant Hill, CA 94523
(925) 947-1400
Fax: (925) 947-1404
entek@comcast.net

December 17, 2013

Mark Janney, Maintenance Supervisor
City of Clayton
6000 Heritage Trail
Clayton, CA 94517

Subject: **Proposal for Construction Period Services**

Dear Mr. Janney,

We are pleased to present our proposal in the amount of $1,300 (One thousand three hundred dollars). As we understand it, our scope of work for this project involves the following:

Provide construction management services which include submittal review, RFI (Request for Information) responses, and site inspection. We have included two site visits in the above cost.

The amount listed above represents a not to exceed number and the actual work will be invoiced on a time and materials basis. If additional services are required we will inform you prior to undertaking any additional work.

<u>Exclusions</u>
Architectural services, test and balance, and anything not specifically included above.

Sincerely,

Brad Albi
Project Engineer
Entek Corp

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Agenda Date: 2-4-2014

Agenda Item: 7a

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CHARLIE MULLEN, COMMUNITY DEVELOPMENT DIRECTOR

DATE: FEBRUARY 4, 2014

SUBJECT: PUBLIC HEARING FOR SECOND READING AND ADOPTION OF ORDINANCE NO. 452 AMENDING PORTIONS OF THE CLAYTON MUNICIPAL CODE, CHAPTERS 15.01, 15.02, 15.03, 15.04 and 15.05 TO BRING THE CITY'S BUILDING, ELECTRICAL, PLUMBING AND MECHANICAL CODES INTO COMPLIANCE WITH AND THEREBY ADOPT THE 2013 EDITIONS OF THE RESPECTIVE CALIFORNIA BUILDING STANDARDS CODES WITH CHANGES, ADDITIONS, AND DELETIONS AS ALLOWED BY STATE LAW (ZOA-06-13).

RECOMMENDATION

Staff recommends that the City Council receive any public comment; have the City Clerk read the Ordinance by title and number only and waive further reading; following the City Clerk's reading the City Council may adopt Ordinance No. 452 (Attachment 1).

BACKGROUND

At its January 7, 2014, City Council meeting the Council approved the introduction and first reading (by title only) and set the public hearing for adoption of the attached Ordinance for this February 4, 2014 meeting (Attachment 2). No members of the public spoke on the proposed ordinance amendments.

DISCUSSION

The purpose of the proposed Ordinance is to amend portions of the Clayton Municipal Code, Chapters 15.01, 15.02, 15.03, 15.04 and 15.05 to bring the City's Building, Electrical, Plumbing and Mechanical codes into compliance with and thereby adopt the respective 2013 California Building Standards Code (CBSC) with changes, additions, and deletions as allowed by State Law. The proposed Ordinance will also assure that City of Clayton Building Codes are consistent with the Contra Costa Building Inspection Division's adopted version of the 2013 CBSC.

Attachments:

1. Ordinance No. 452 – 2013 Building Code Amendments with following Exhibits:
   Exhibit A – 2013 Building Code Text
   Exhibit B – Findings of Fact
2. January 7, 2014, City Council Report (without attachments)

ORDINANCE NO. 452

AN ORDINANCE AMENDING THE CLAYTON MUNICIPAL CODE, CHAPTERS 15.01, 15.02, 15.03, 15.04, AND 15.05 TO BRING THE CITY'S BUILDING, ELECTRICAL, PLUMBING AND MECHANICAL CODES INTO COMPLIANCE WITH AND THEREBY ADOPT THE 2013 EDITIONS OF THE RESPECTIVE CALIFORNIA BUILDING STANDARDS CODES WITH CHANGES, ADDITIONS, AND DELETIONS AS ALLOWED BY STATE LAW (ZOA-06-13)

THE CITY COUNCIL
City of Clayton, California

THE CITY COUNCIL OF THE CITY OF CLAYTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1 Purpose, Intent, and Findings

This ordinance is adopted by the City Council of the City of Clayton ("City") to adopt the California Building Standards Commission's adopted and published 2013 Building Standards Code, which is comprised of the 2013 California Building, Residential, Green Building Standards, Electrical, Plumbing, and Mechanical codes. This Ordinance adopts the 2013 California Building Code (Volume I & Volume II), the 2013 California Residential Code, the 2013 California Green Building Standards Code, the 2013 California Electrical Code, the 2013 California Plumbing Code, and the 2013 California Mechanical Code, with changes, additions, and deletions that are necessary because of unique local conditions as set forth in Exhibit A to this Ordinance. It is adopted to mirror the Codes of the County of Contra Costa as required by the contract entered into between the City of Clayton and the County of Contra Costa wherein the County Building Inspection Division provides permitting and enforcement of these Codes for the City of Clayton. As of the effective date of this Ordinance, the provisions of this Building Code are controlling and enforceable within the limits of this jurisdiction. Further, this Ordinance is adopted pursuant to Health and Safety Code sections 17922, 17958, 17958.5, and 17958.7, and Government Code sections 50020 through 50022.10, based upon the findings set forth in attached Exhibit B, which are incorporated herein by reference.

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 its effective date.

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.

ATTACHMENT - 1

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 Clayton City Council has declared 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 Public Hearing and Notice

The City held a public hearing on February 4, 2014 at which time all interested persons had the opportunity to appear and be heard on the matter of adopting this ordinance. The City published notice of the aforementioned public hearing pursuant to California Government Code Section 6066 on January 21, 2014 and January 28, 2014.

Section 6 Effective Date and Publication

This ordinance shall become effective thirty (30) days from and after its passage. The City Clerk shall certify to the adoption of this ordinance and shall cause a summary thereof to be published at least five (5) days prior to the meeting at which the proposed ordinance is to be adopted and shall post a certified copy of the proposed ordinance in the office of the City Clerk, and within fifteen (15) days of its adoption, shall cause a summary of it to be published, including the vote for and against the same, and shall post a certified copy of the adopted ordinance in the office of the City Clerk, in accordance with California Government Code Section 36933.

Section 7 Penalty for Violations

Any violation of this ordinance shall be subject to applicable provisions of Clayton Municipal Code Section 1.20.010. Penalty for Violations - Infractions and Misdemeanors.

Section 8 CEQA

The City Council finds that it can be seen with certainty that adoption of this ordinance will not have a significant adverse effect on the environment and is therefore exempt from California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines. Staff is directed to file a notice of exemption within five (5) days of the adoption of this ordinance.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Clayton held on the 7th day of January, 2014.

Passed, adopted and ordered posted at a regular meeting of the City Council of the City of Clayton on February 4, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The City Council of Clayton, California

Hank Stratford, Mayor

ATTEST:

Janet Brown, Interim City Clerk

APPROVED AS TO FORM:

Malathy Subramanian, City Attorney

APPROVED AS TO ADMINISTRATION:

Gary A. Napper, City Manager

I hereby certify that the foregoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Clayton held on the 7th day of January, 2014 and was duly adopted, passed and ordered posted at a regular meeting of the City Council held on February 4, 2014.

Janet Brown, Interim City Clerk

Attachments:

Exhibit A: Amended Chapter 15.09 of the Clayton Municipal Code
Exhibit B: Findings for Adoption of Ordinance No. 452

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EXHIBIT A

Chapter 15.01

GENERAL PROVISIONS

Sections:

15.01.002 Application of general provisions. These general provisions shall apply to all Chapters of this Title.

15.01.020 Reference to officials in adopted codes. Whenever reference is made in this Title or the codes adopted by reference in this title, to the "building inspector", "inspector", "electrical inspector", "plumbing inspector", "mechanical inspector", "building official", "Director of the Building Inspection Department", "City building inspector" or "City building official", it shall mean the Contra Costa County director of building inspection, county building official, building inspector, or any of his or her duly authorized deputies during such period when the County of Contra Costa is providing building inspection services for the City of Clayton an while such officials are acting as the City's representatives in such matters. These terms shall also include the City Manager, Community Development Director or City Engineer and their designees when enforcing the provisions of this title. Furthermore, references to "state" shall mean the State of California, to "Housing Act" shall mean the Housing Act of this state, to "county building official, administrative authority, or fire chief" shall mean the director of building inspection of Contra Costa County, and to "county" shall mean the County of Contra Costa.

15.01.101 Construction working hours. All grading and excavation, construction, demolition, renovation, and other works of improvement within the City of Clayton and the on-site maintenance and servicing of construction equipment in the City shall occur only between the hours of 7:00 a.m. and 5:00 p.m., Monday through Friday. Any such work beyond said hours and days is strictly prohibited unless previously specifically authorized in writing by the City Engineer or designee or by project conditions of approval. This provision shall not apply to homeowner home improvements.

15.01.202 Permits. No person, firm, or corporation shall erect, construct, enlarge, alter, repair, move, improve, remove, convert or demolish any building or structure regulated by this title, or cause the same to be done, or install or connect any equipment regulated by this title, or perform any work regulated by this title, without first obtaining the necessary permits from the City building official.

15.01.204 Fees.

(a) Fees shall be paid with the submission of an application for any permit required by this title. No application may be filed and accepted as complete until all required fees have been paid. Any permit issued without the payment of all required fees is invalid and of no force and effect. Permit fees and other fees will be in amounts set forth in fee schedules adopted by the City Council and the Contra Costa County Board of Supervisors.

(b) A person who starts any work for which a permit is required under this title without first having obtained a permit shall, if later issued a permit for such work, pay double the permit fee. This provision does not apply to emergency work if the City building official determines that the emergency work was urgently necessary and that it was not practicable to obtain a permit before starting the work. In all such cases, a permit must be obtained as soon as it is practicable to do so, and if there is an unreasonable delay in obtaining the permit, a double fee shall be charged.

15.01.206 State license required.

(a) No permit shall be issued to a person to do or cause to be done any work regulated by this title except to the holder of a valid, unexpired and unrevoked license in good standing, issued under Chapter 9, Division 3 of the California Business and Professions Code. Permits may be issued to persons and for work exempt from that statute, and as otherwise provided in this section.

(b) Building permits. A building permit may be issued to a person holding a valid, unexpired, unrevoked California general contractor's license. If the permit applicant is the owner of the structure occupied by or designed to be occupied by the owner and the owner performs all work under the permit, a building permit may be issued to the owner for work in a one-family dwelling used exclusively for living purposes, including the usual accessory buildings and quarters.

(c) Electrical permits.

(1) An electrical permit may be issued to a person holding a valid, unexpired, unrevoked California electrical contractor's license, or to a person holding a valid, unexpired, unrevoked California general contractor's license where the contractor is working on a permitted job and is performing two or more crafts on the permitted job. If the permit applicant is the owner of the structure occupied by or designed to be occupied by the owner and the owner performs all work under the permit, an electrical permit may be issued to the owner for work in a one-family dwelling used exclusively for living purposes, including the usual accessory buildings and quarters.

(2) Instead of a separate permit for each building, structure, premises, installation or alteration, an annual electrical permit may be issued to any person regularly employing one or more electricians for electrical work in premises owned or occupied by the applicant for the permit. In the first 15 days of each calendar month, the holder of an annual permit shall report to the City building official on all electrical work done under the annual permit during the preceding month.

(d) Plumbing permits. A plumbing permit may be issued to a person holding a valid, unexpired, unrevoked California plumbing contractor's license, or to a person holding a valid, unexpired, unrevoked California general contractor's license where the contractor is working on a permitted job and is performing two or more crafts on the permitted job. If the permit applicant is the owner of the structure occupied by or designed to be occupied by the owner and the owner performs all work under the permit, a plumbing permit may be issued to the owner for work in a one-family dwelling used exclusively for living purposes, including the usual accessory buildings and quarters.

(e) Mechanical permits. A permit for the erection, installation, moving alteration, repair or replacement of any heating or cooling equipment may be issued to a person holding a valid California warm air heating, ventilating, and air conditioning contractor's license, or to a person holding a valid, unexpired, unrevoked California general contractor's license where the contractor is working on a permitted job and is performing two or more crafts on the permitted job. If the permit applicant is the owner of the structure occupied by or designed to be occupied by the owner and the owner performs all work under the permit, a mechanical permit may be issued to the owner for work in a one-family dwelling used exclusively for living purposes, including the usual accessory buildings and quarters.

<u>15.01.208</u> <u>Misrepresentations in permit application</u>. No person shall make a false statement or misrepresentation in or in connection with an application for a permit under this title. Any permit issued under this title may be revoked or suspended at any time by the City building official for fraud, misrepresentation or false statement contained in an

application for a permit, or for violation of this title in connection with work done under the permit.

15.01.210 Permit not approval of violations or determination of ownership. The issuance of a permit or approval of plans and specifications shall not be construed as a permit for an approval of any violation of this title or code or determination that the permittee is the owner of the subject property or otherwise authorized to do the work for which the permit has been issued. No permit presuming to give authority to violate or cancel the provisions of this title shall be valid except insofar as the work or use which it authorizes is lawful. The issuance of a permit based on plans and specifications shall not prevent the City building official from later requiring the correction of errors in the plans and specifications or from preventing building operations being carried on under the permit in violation of this title or other regulation of this City.

15.01.211 Liability of City. This title shall not be construed to impose on the City any liability or responsibility for damage resulting from defective building, plumbing, mechanical or electrical work; nor shall the City, or any official or employee of the City, be held to assume this liability or responsibility because of the inspection authorized under this title. The issuance of a building permit under this title shall not be construed as a determination by the City that the permittee has legally sufficient proprietary rights to perform the work on the property for which the permit has been issued or shall it be construed as permission or license to enter on, occupy or otherwise utilize private or non-city property without the express consent of the owner or agent in possession thereof.

15.01.212 Expiration of permit. Every permit issued by the City building official becomes void if the building or work authorized is not begun within 180 days from the permit's date, or if it is suspended or abandoned for 180 continuous calendar days without excuse satisfying the City building official as being beyond control and remedy by the permittee. Evidence of starting work shall consist of at least one required inspection within 180 days of the permit issuance date or the date the permit was suspended or the work was abandoned. Once a permit becomes void, a new permit shall be obtained before any work is commenced or recommenced, and a new permit fee shall be paid. Any permittee holding an unexpired permit may apply for a permit extension upon a showing of good and satisfactory reason acceptable to the City building official. If the permittee is unable to commence work within the time required by this section, the City building official may extend the time of the permit for a period not exceeding 180 days upon written request by the permittee. No permit shall be renewed more than once.

15.01.214 Refunds. The City building official may authorize the refund of required permit fees as follows:

(a) Unused Building Permit. On the voiding of a permit within 60 days after issuance, no work having been done, the holder may be allowed a refund of the amount in excess of fifteen (15) dollars but not more than 80 percent of the permit fee paid. On the voiding of a permit during the period between sixty days and one year after issuance, no work having been done, the holder may be allowed a refund of the amount in excess of fifteen (15) dollars or one-half the total amount paid for the permit, whichever is smaller. No refunds of plan check fees for issued permits shall be allowed. Any unused plumbing, electrical, or mechanical permit(s) taken in conjunction with a building permit are governed by the refund procedures in subsection (b) of this section.

(b) Unused plumbing, electrical, or mechanical permits. No refund of deposits for these permits (including subpermits issued in conjunction with building permits, and miscellaneous permits) shall be allowed, except that on the voiding of a permit within one year after issuance, no work having been done, the holder may be allowed a refund of the amount in excess of ten (10) dollars.

15.01.402 Abatement procedure. Any condition existing in violation of this title is a public nuisance. The procedure for the abatement of any building or any other condition declared to be a public nuisance in violation of this title is the procedure specified in the Clayton Municipal Code as set forth in Chapter 8.08. As an alternative to this procedure, abatement may be performed pursuant to the procedure specified in Article 6 (Action and Proceedings) of Subchapter 1 (State Housing Law Regulations) of Chapter 1 of Division 1 of Title 25 (Housing and Community Development) of the California Code of Regulations (25 C.C.R., § 48 et seq.). That procedure is adopted by this reference as though fully set forth herein.

15.01.404 Stop work orders. Whenever any work is being done contrary to this title or any other law or regulation (including, but not limited to, the following: zoning, health, sanitation, grading, fire protection and safety, or flood control) relating to or affecting the work, the City building official may order the work stopped by notice in writing served on any persons engaged in the doing or causing of the work; and these persons shall stop work immediately until authorized by the City building official to proceed with the work. The stop work order will state the reason for the order and the conditions under which the cited work may be permitted to resume. If the work continues after the issuance of a stop work order, each day the work continues is a separate code violation.

15.01.406 Entry on premises.

(a) Whenever it is necessary to make an inspection to enforce the provisions of this title, or whenever the City building official has cause to believe that there exists in any building or upon any premises any violation of this title or any condition that makes the building or premises unsafe, unsanitary, dangerous or hazardous, the City building official may enter the building or premises at all reasonable times to inspect or to perform the duties imposed upon the City building official by this code. If entry is refused, the City building official has recourse to every remedy provided by law to secure entry.

(b) No person shall conceal any work until it is inspected and written approval to proceed is given. No person shall cover electrical work, or allow it to be covered, to prevent or hinder its inspection, or remove any notice not to cover placed by the City building officials.

15.01.408 Correction notice. If the City building official finds any work as out of compliance with this title, the building official will give written notice to the person engaged in the work. Within 10 days after this notice, or within any reasonable further time that the City building official may prescribe, the person doing the work shall change or remove the work or equipment as the City building official may require to make it comply fully with this division.

15.01.410 Withhold permit. The City building official may, in his or her sole discretion, withhold the issuance or reinstatement of a permit for any structure on a parcel of land concerning either or both of which there exists any violation of law or regulation (including but not limited to the following: building, grading, zoning, fire protection and safety, health, sanitation, or flood control) relating to or affecting that permit. In determining whether a permit shall be issued, the City building official will also consider whether the existing violation constitutes an unlawful occupancy or a hazard to life or property. The City building official may require correction of a violation before issuing a permit, or as a condition of issuance within a stated period of time including any extensions granted for good cause shown. Failure to comply with such condition is a ground for revocation as provided by law.

15.01.412 Disconnection of utility service.

(a) The City building official may shut off or disconnect any or all utility service to any structure or facility or to any electrical conductor or apparatus that is in violation of any state, City or county law or regulation relating thereto or that endangers the public health, safety or welfare, or the City building official may order this done.

(b) If the City building official finds that the violation involves an immediate danger to person(s) or properties or to the public health, safety or welfare, the City building official may have the action taken as quickly as he or she deems necessitated by the danger; otherwise the City building official will give 10 days advance notice thereof by mail to the utility and to the owner as shown on the last assessment roll and by conspicuous posting on the property; and the City building official will post notice of the orders and the action taken, which no person shall remove, tamper with or disobey. The City building official will rescind or modify such action which it becomes proper to do so in view of the danger or violation.

15.01.414 Power companies to notify City building official.

(a) Notice. Whenever in, on or about any building any person engaged in the distribution or sale of electrical energy or natural gas sets, resets, installs or reinstalls any meter for the measurement of electrical energy or natural gas, or connects or reconnects to, or supplies or services any installation of electrical equipment or natural gas, or change the nominal voltage of electrical supply or service to any installation of electrical equipment, or changes any electrical supply or service from two-wire to three-wire or vice versa, or from single-phase to polyphase or vice versa, or from direct current to alternating current or vice versa, that person shall within two (2) days thereafter, exclusive of Sundays and holidays, give written notice thereof to the City building official specifying the location and address of the installation affected.

(b) Thirty-Day Exception. This notice need not be given for work expressly approved by the City building official within 30 days after inspection approval.

(c) Authorization Required. No person engaged in the distribution or sale of electrical energy shall connect a distribution system, including windpower generators, or any live supply or service conductor(s) therefrom, to any electrical equipment in, on or about any building or cause or allow any energizing of such connections, including windpower or emergency/stand by electrical generation until the City building official inspects the electrical equipment and authorizes such connections. No gas utility provider engaged in the distribution or sale of natural gas shall connect a distribution system to any natural gas equipment in, on or about any building until the City building official inspects the natural gas installation and authorizes such connections.

(d) Permit required. A permit shall be obtained from the City building official to restore electrical or gas service to any structure that has been without such service for 90 days or more. The City building official will notify the servicing utility that the electrical service equipment and associated wiring has been inspected and approved before electrical or gas service may be reinstated.

(e) Waiver. The City building official may, at his or her discretion, temporarily or permanently waive any or all requirements of this article by giving written notice of such waiver to all persons involved. The City building official may likewise at any time revoke such waiver by similar notice.

15.01.416 Enforcement of state law. By authority of Section 18300 of the Health and Safety Code, the county assumes the responsibility for enforcement of Part 2.1 of Division 13 of the Health and Safety Code relating to mobilehomes and mobilehome parks, including regulations adopted thereunder and contained in Chapter 2 (Mobilehome Parks Act) of Division 1 of Title 25 of the California Code of Regulations (25 C.C.R. §§ 1000 et seq.) and to the extent allowed by such laws and regulations, may enforce by the remedies allowed under Division 14 of this code.

15.01.602 Reference to officials in adopted codes. In the codes adopted by reference in this title, references to "city" mean the City of Clayton; to "city council or mayor" mean the City Council and Mayor of Clayton; to "state" mean the state of California; and to "building official," "chief building inspector," "administrative authority," or "authority enforcing this code" mean the director of building inspection referred to in Section 15.01.020.

15.01.604 General safety. All work shall be performed, and all equipment shall be constructed, installed, protected, operated, repaired, used and maintained, in accordance with the requirements of this division and in such manner as to be reasonably safe and free from risk of accident or injury to person or property. No person shall act contrary to this general regulation or neglect to act as required hereby.

15.01.606 Liability of county. This title shall not be construed to impose on the county any liability or responsibility for damage resulting from defective building, plumbing, mechanical or electrical work; nor shall the county, or any official or employee of the county, be held to assume this liability or responsibility because of the inspection authorized under this title. The issuance of a building permit under this title shall not be construed as a determination by the county that the permittee has legally sufficient proprietary rights to perform the work on the property for which the permit has been issued nor shall it be construed as permission or license to enter on, occupy or otherwise utilize private or noncounty property without the express consent of the owner or agent in possession thereof.

CHAPTER 15.02

2013 CALIFORNIA BUILDING CODE WITH AMENDMENTS

Sections:

15.02.001 Adoption.

(a) The building code of this City is the 2013 California Building Code (California Code of Regulations, Title 24, Part 2, Volumes 1 and 2), the 2013 California Residential Code (California Code of Regulations, Title 24, Part 2.5), and the 2013 California Green Building Standards Code (California Code of Regulations, Title 24, Part 11), as amended by the changes, additions, and deletions set forth in this ordinance and Division 72 of the Contra Costa County Code.

(b) The 2013 California Building Code, with the changes, additions, and deletions set forth in this chapter and Division 72 of the Contra Costa County Code is adopted by this reference as though fully set forth in this ordinance.

(c) The 2013 California Residential Code, with changes, additions, and deletions set forth in this chapter and the previously referenced Division 72, is adopted by this reference as though fully in this ordinance.

(d) The 2013 California Green Building Standards Code, with changes, additions, and deletions set forth in this chapter and the previously referenced Division 72, is adopted by this reference as though fully in this ordinance.

(e) At least one copy of this building code is now on file with the building inspection division, and the other requirements of Government Code section 50022.6 have been and shall be complied with.

(f) As of the effective date of this ordinance, the provisions of the building code are controlling and enforceable within the City.

15.02.002 Amendments. The 2013 California Building Code ("CBC") is amended by the changes, additions, and deletions set forth in this chapter and Division 72 of the Contra Costa County Code. Section numbers used below are those of the 2013 California Building Code.

(a) CBC Chapter 1 is amended by the provisions of Division 72 Section of this code and as follows:

(1) Sections 103, 109, 112, 113, 114, and 116 of CBC Chapter 1 are deleted.

(2) Section 105.2 (Work Exempt from Permit) of CBC Chapter 1, subsection 4 is amended to provide that a building permit is not required for the following work:

4. Retaining walls that are not more than three feet in height, measured from the top of the footing to the top of the wall, unless supporting a surcharge or ground slope exceeding 1(vertical):2(horizontal) or impounding class I, II, or III-a liquids.

All other work listed in Section 105.2 of CBC Chapter 1 is also exempt from a permit.

(3) Section 107.1 (Submittal Documents-General) of CBC Chapter 1 is amended by deleting the exception.

(4) Section 107.2.1 (Information on Construction Documents) of CBC Chapter 1 is amended to read:

107.2.1 Construction documents shall include dimensions and shall be drawn to scale on suitable material. Electronic media documents may be submitted when approved in advance by the building official. Construction documents shall be sufficient clarity to indicate the location, nature and extent of the work proposed and to show in detail that it will conform to this code and all relevant laws, ordinances, rules and regulations. The first sheet of each set of plans shall give the house and street address of the work and the name and address of the owner and of the person who prepared the plans. Plans shall include a plot plan showing all existing property lines labeled and fully dimensioned, the elevation of the top and toe of cuts and fills, and the location of the proposed building with distances to all property lines and of every existing building on the property. Instead of detailed specifications, the building official may approve references on the plans to a specific section or part of this code or other ordinances or laws.

(5) Section 110.1 (Inspections – General) is amended by adding the following to the end of the section:

At the time of first inspection by the City building official, a licensed Land Surveyor or Civil Engineer shall certify in writing that the structure is placed according to the approved set of plans. The written certification must include the site address and permit number. This requirement does not apply to alterations or repairs to existing structures that do not affect the exterior limits of the existing structures.

(b) Section 907.2.11.5.6 (Existing Group R-3 Occupancies) of CBC Chapter 9 (Fire Protection Systems), is amended to read:

> **907.2.11.5.6** Existing Group R Occupancies. In existing flat roof buildings, the installation of a smoke detector that complies with Section R314.4 shall be required when a pitch roof is added on top of the existing flat roof and the solid seating of the flat roof is not removed.

(c) Section 1406.5 is added to Section 1406 (Combustible Materials on the Exterior Side of Exterior Walls) of CBC Chapter 14 (Exterior Walls), to read:

> **1406.5 Wood shakes or shingles.** Wood shakes or shingles uses for exterior wall covering shall be fire treated unless there is a minimum of 10 feet from the exterior wall (including shakes or shingles) to the property line of all sides, except for any sides of exterior walls facing the street.

(d) In Section 1705.3 (Concrete Construction) of CBC Chapter 17 (Structural Tests and Special Inspections), Exception 1 is amended to read:

> Isolated spread concrete footings of buildings three stories or less above grade plane that are fully supported on earth or rock, where the structural design of the footing is based on a specified compressive strength of no greater than 2,500 pound per square inch (psi) (17.2 Mpa).

(e) Section 1809.8 (Plain Concrete Footings) of CBC Chapter 18 (Soils and Foundations) is deleted.

(f) Section 1810.3.9.3 (Placement of reinforcement) of CBC Chapter 18 (Soils and Foundations) is amended by deleting Exception No. 3.

(g) Section 1905.1 (Modification of ACI 318 – General) of CBC Chapter 19 (Concrete) is amended to read:

> **1905.1 General.** The text of ACI 318 shall be modified as indicated in Sections 1905.1.1 through1905.1.9.

(h) Section 1906 (Structural Plain Concrete) of CBC Chapter 19 (Concrete) is deleted.

(i) Section 1907.1 (Minimum Slab Provisions – General) of CBC Chapter 19 (Concrete) is amended by adding the following sentence to that section:

> Slabs shall have six inches by six inches by ten gauge wire mesh or equal at midheight.

(j) Appendix C and Appendix I of the CBC are incorporated into the City building code. Appendix A, Appendix B, Appendix D, Appendix E, Appendix F, Appendix

G, Appendix H, Appendix J, Appendix K, Appendix L and Appendix M of the CBC are excluded from the City building Code.

15.02.002 Amendments to CRC. The 2013 California Residential Code ("CRC") is amended by the changes, additions, and deletions set forth in this chapter and Division 72 of the Contra Costa County Code. Section numbers used below are those of the 2013 California Residential Code.

(a) Sections R103, R108, R111, R112, R113, and R114 of CRC Chapter 1 are deleted.

(b) In Section R105.2 (Work exempt form permit) of CRC Chapter 1 (Scope and Application), subsection 3 of the paragraph exempting certain building work from the requirement to obtain a permit is amended to exempt the following retaining wall from the requirement to obtain a permit:

3. Retaining walls that are not more than three feet in height, measured from the top of the footing to the top of the wall, unless supporting a surcharge or ground slope exceeding 1(vertical):2(horizontal) or impounding class I, II, or III-a liquids.

(c) Section R403.1.3 (Seismic reinforcing) of CRC Chapter 4 (Foundations) is amended to delete the exception.

(d) Section R404.1.4.1 (Masonry foundation walls) of CRC Chapter 4 (Foundations) is amended to read:

R404.1.4.1 Masonry foundation walls. In addition to the requirements of Table R404.1.1(1), plain masonry walls in buildings assigned to Seismic Design Category D_0, D_1, or D_2 shall comply with the seismic requirements of Section 1.18.4.4 of TMS 402, ACI 530, or ASCE 5.

(e) Section R404.1.4.2 (Concrete foundation walls) of CRC Chapter 4 (Foundations) is amended to read:

Section R404.1.4.2 Concrete foundation walls. Concrete foundation walls in buildings assigned Seismic Design Category D_0, D_1, or D_2 shall comply with ACI 318, ACI 332, or PCA 100.

CHAPTER 15.03

2013 CALIFORNIA ELECTRICAL CODE WITH AMENDMENTS

Sections:

15.03.002 Adoption.

(a) The electrical code of this City is the 2013 California Electrical Code (California Code of Regulations, Title 24, Part 3, as amended by the changes, additions, and deletions set forth in this ordinance.

(b) The 2013 California Electrical Code, with the changes, additions, and deletions set forth in this chapter and Division 72 of the Contra Costa County Code are adopted by this reference as though fully set forth in this ordinance.

(c) At least one copy of this electrical code is now on file with the building inspection division, and the other requirements of Government Code section 50022.6 have been and shall be complied with.

(d) As of the effective date of this ordinance, the provisions of the electrical code are controlling and enforceable within the City.

15.03.606 Unlawful wiring, electric fences, warning.

(a) Prohibition. Except as hereinafter provided, no person shall construct or maintain any spring gun, or any electric wiring device, designated or intended to injure and/or shock animals or persons, or any contribance or apparatus for such purpose.

(b) Livestock Exception. Persons principally engaged in the business of handling livestock as a primary means of production or income may electrify fences to control or confine livestock upon complying with all the following requirements:

(1) Any contrivance or mechanism to control electrical current in such fences shall be listed by an approved testing laboratory, and shall include a suitable interrupting device and such other safety devices to prevent dangerous currents getting on the fence at any time.

(2) Any electrical fence to which the public may have access, except cross fences to confine and control livestock, shall be posted with a warning notice containing the following or similar wording: "DANGER.

ELECTRIC FENCE," or "DANGER. HIGH VOLTAGE." This notice shall be posted along any such main fence at intervals of not more than 200 feet and in letters at least two inches high.

15.03.608 Power from generators.

(a) All occupancies that have commercially supplied electricity shall connect to the commercial supplier.

(b) Any occupancy that has commercially supplied electricity shall not use a permanent or temporary generator(s), provided that a generator(s) may be used for commercial purposes when authorized by the building official.

15.03.612 Public nuisance lighting. Lighting fixtures shall be so installed, controlled or directed that the light will not glare or be blinding to pedestrians or vehicular traffic or on adjoining property.

CHAPTER 15.04

2013 CALIFORNIA PLUMBING CODE WITH AMENDMENTS

15.04.002 Adoption.

(a) The plumbing code of this City is the 2013 California Plumbing Code (California Code of Regulations, Title 24, Part 5, as amended by the changes, additions, and deletions set forth in this ordinance.

(b) The 2013 California Plumbing Code, with the changes, additions, and deletions set forth in this chapter and Division 72 of the Contra Costa County Code, is adopted by this reference as though fully set forth in this ordinance.

(c) At least one copy of this plumbing code is now on file with the building inspection department, and the other requirements of Government Code section 50022.6 have been and shall be complied with.

(d) As of the effective date of this ordinance, the provisions of the plumbing code are controlling and enforceable within the City.

CHAPTER 15.05

2013 CALIFORNIA MECHANICAL CODE WITH AMENDMENTS

Sections:
15.05.002 Adoption.

15.05.002 Adoption.

(a) The mechanical code of this City is the 2013 California Mechanical Code (California Code of Regulations, Title 24, Part 4 [based on the 2006 Uniform Mechanical Code]), as amended by the changes, additions, and deletions set forth in this ordinance.

(b) The 2013 California Mechanical Code, with the changes, additions, and deletions set forth in Division 72 of the Contra Costa County Code, is adopted by this reference as though fully set forth in this ordinance.

(c) At least one copy of this mechanical code is now on file with the building inspection division, and the other requirements of Government Code section 50022.6 have been and shall be complied with.

(d) As of the effective date of this ordinance, the provisions of the mechanical code are controlling and enforceable within the City.

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EXHIBIT B

City of Clayton

FINDINGS IN SUPPORT OF CHANGES, ADDITIONS, AND DELETIONS TO STATEWIDE 2013 BUILDING STANDARDS CODE

The California Building Standards Commission has adopted and published the 2013 Building Standards Code, which is comprised of the 2013 California Building, Residential, Green Building Standards, Electrical, Plumbing, and Mechanical codes. These codes are enforced in the City of Clayton by the City and Contra Costa County Building Inspection Division of the Department of Conservation and Development.

Although these codes apply statewide, Health and Safety Code sections 17958.5 and 18941.5 authorize a local jurisdiction to modify or change these codes and establish more restrictive building standards if the jurisdiction finds that the modifications and. changes are reasonably necessary because of local climatic, geological or topographical conditions.

City of Clayton Ordinance No. 452 adopts the statewide codes and amends them to address local conditions, consistent with Contra Costa County.

Pursuant to Health and Safety Code section 17958.7, the Clayton City Council finds that the more restrictive standards contained in Ordinance No. 452 are reasonably necessary because of the local climatic, geological, and topographic conditions that are described below.

I. Local Conditions

A. Geological and Topographic

1. Seismicity

(a) Conditions

Are reasonably necessary as Contra Costa County is located in Seismic Design Categories D and E, which is the worst earthquake area in the United States. Buildings and other structures in these zones can experience major seismic damage. Contra Costa County is in close proximity to numerous earthquake faults including the San Andreas Fault and contains all or portions of the Hayward, Calaveras, Concord, Antioch, Mt. Diablo, and other lesser faults. A 4.1 earthquake with its epicenter in Concord occurred in 1958, and a 5.4 earthquake with its epicenter also in Concord occurred in 1955. The Concord and Antioch faults have a potential for a Richter 6 earthquake and the Hayward and Calaveras faults have the potential for a Richter 7 earthquake. Minor tremblers from seismic activity are not uncommon in the area.

A study released in 1990 by the United States Geological Survey says that there is a 67% chance of another earthquake the size of Loma Prieta during the next 30 years, and that the quake could strike at any time, including today. Scientists, therefore, believe that an earthquake of a magnitude 7 or larger is now twice as likely to happen as to not happen.

Interstates 680, 80, 580 and State Route 4 run the length throughout Contra Costa County. These interstates and state routes divide the County into a west, south, north and east. An overpass or undercrossing collapse would significantly alter the response route and time for responding emergency equipment. This is due to limited crossings of the interstate and that in some areas there is only one surface street, which runs parallel to the interstate, which would be congested during a significant emergency.

Earthquakes of the magnitude experienced locally can cause major damage to electrical transmission facilities and to gas and electrical lines in buildings, which in turn start fires throughout the County. The occurrence of multiple fires will quickly deplete existing fire department resources; thereby reducing and/or delaying their response to any given fire.

(b) Impact

A major earthquake could severely restrict the response of all Contra Costa County Fire Districts and their capability to control fires involving buildings of wood frame construction, with ordinary roofing materials and flammable exteriors, or with large interior areas not provided with automatic smoke and fire control systems. Also, when buildings not equipped with earthquake structural support move off their foundations, gas pipes may rupture. Fires develop from line ruptures and spread from house to house, causing an extreme demand for fire protection resources. The proximity of large areas within the County to fault traces, necessitates adopting stricter structural construction standards.

2. Soils

(a) Conditions

The area is replete with various soils, which are unstable, clay loam and alluvial fans being predominant. These soil conditions are moderately to severely prone to swelling and shrinking, are plastic and tend to liquefy.

Throughout Contra Costa County, the topography and development growth has created a network of older, narrow roads. These roads vary from gravel to asphalt surface and vary in percent of slope, many exceeding twenty (20) percent. Several of these roads extend up through the winding passageways in the hills providing access to remote, affluent housing subdivisions. The majority of these roads are private with no established maintenance program. During inclement weather, these roads are subject to rock and mudslides, as well as down trees, obstructing all vehicle traffic. It is anticipated that during an earthquake, several of these roads would be unpassable so as to prevent fire protection resources from reaching fires cause by gas line ruptures or other sources.

3. Topographic

(a) Conditions

i. Vegetation
Highly combustible dry grass, weeds, and brush are common in the hilly and open space areas adjacent to built-up locations six (6) to eight (8) months of each year. Many of these areas frequently experience wildland fires, which threaten nearby buildings, particularly those with wood roofs, or sidings. This condition can be found throughout Contra Costa County, especially in those developed and developing areas of the County. Earthquake gas fires due to gas line ruptures can ignite grasslands and stress fire district resources.

ii. Surface Features
The arrangement and location of natural and manmade surface features, including hills, creeks, canals, freeways, housing tracts, commercial development, fire stations, streets and roads, combine to limit feasible response routes for Fire District resources in and to District areas.

iii. Buildings, Landscaping and Terrain
Many of the newer large buildings and building complexes have building access and landscaping features and designs, which preclude or greatly limit

any approach or operational access to them by Fire District vehicles. In addition, the presence of security gates and roads of inadequate width and grades that are too steep for Fire District vehicles adversely affect fire suppression efforts.

When Fire District vehicles cannot gain access to buildings involved with fire, the potential for complete loss is realized. Difficulty reaching a fire site often requires that fire personnel both in numbers and in stamina. Access problems often result in severely delaying, misdirecting or making impossible fire and smoke control efforts. In existing structures where pitch roofs have been built over an existing roof, smoke detectors should be required to warn residents of smoke and fire before the arrival of fire personnel.

(b) <u>Impact</u>

The above local geological and topographical conditions increase the magnitude, exposure, accessibility problems, and fire hazards presented to the County fire resources. Fire following an earthquake has the potential of causing greater loss of life and damage than the earthquake itself. Most earthquake fires are created by natural gas developed from gas line ruptures. Hazardous materials, particularly toxic gases, could pose the greatest threat to the largest number, should a significant seismic event occur. Public safety resources would have to be prioritized to mitigate the greatest threat, and may likely be unavailable for smaller single dwellings that were caused by broken gas lines.

Other variables may tend to intensify the situation:

1. The extent of damage to the water system.
2. The extent of isolation due to bridge and/or freeway overpass collapse.
3. The extent of roadway damage and/or amount of debris blocking the roadways.
4. Climatic condition (hot, dry weather with high winds).
5. Time of day will influence the amount of traffic on roadways and could intensify the risk to life during normal business hours.
6. The availability of timely mutual aid or military assistance.
7. The large portion of dwellings with wood shake or shingle coverings (both on the roof diaphragm and

sides of the dwellings) could result in conflagrations.

8. The large number of dwellings that slip off their foundations and rupture gas lines and electrical systems resulting in further conflagrations.

B. Climatic

1. Precipitation and Relative Humidity

(a) Conditions

Precipitation ranges from 15 to 24 inches per year with an average of approximately 20 inches per year. Ninety-six (96) percent falls during the months of October through April and four (4) percent from May through September. This is a dry period of at least five (5) months each year. Additionally, the area is subject to occasional drought. Relative humidity remains in the middle range most of the time. It ranges from forty-five (45) to sixty-five (65) percent during spring, summer, fall, and from sixty (60) to ninety (90) percent in the winter. It occasionally falls as low as fifteen (15) percent.

(b) Impact

Locally experienced dry periods cause extreme dryness of untreated wood shakes and shingles on buildings and non-irrigated grass, brush and weeds, which are often near buildings with wood roofs and sidings. Such dryness causes these materials to ignite very readily and burn rapidly and intensely. Gas fires due to gas line ruptures can also spark and engulf a single family residence during these dry periods.

Because of dryness, a rapidly burning gas fire or exterior building fine can quickly transfer to other buildings by means of radiation or flying brands, sparks or embers. A small fire can rapidly grow to a magnitude beyond the control capabilities of the Fire District resulting in an excessive fire loss.

2. Temperature

(a) Conditions

Temperatures have been recorded as high as 114° F. Average summer highs arc in the 75° to 90° range, with average maximums of 105° F in some areas of unincorporated Contra Costa County.

(b) Impact

High temperatures cause rapid fatigue and heat

exhaustion of firefighters, thereby reducing their effectiveness and ability to control large building, wildland fires, and fires caused by gas line ruptures.
Another impact from high temperatures is that combustible building material and non-irrigated weeds, grass and brush are preheated, thus causing these materials to ignite more readily and burn more rapidly and intensely. Additionally, the resultant higher temperature of the atmosphere surrounding the materials reduces the effectiveness of the water being applied to the burning materials. This requires that more water be applied, which in turn requires more fire resources in order to control a fire on a hot day. High temperatures directly contribute to the rapid growth of fires to an intensity and magnitude beyond the control capabilities of the Fire Districts in Contra Costa County. The change of temperatures throughout the County between very low and extreme highs contributes to a voltage drop in conductors used for power pole lines. This necessitates that voltage drops be considered.

3. Winds

(a) Conditions

Prevailing winds in many parts of Contra Costa County are from the north or northwest in the afternoons. However, winds are experienced from virtually every direction at one time or another. Velocities can reach fourteen (14) mph to twenty-three (23) mph ranges, gusting to twenty-five (25) to thirty-five (35) mph. Forty (40) mph winds are experienced occasionally and winds up to fifty-five (55) mph have been registered locally. During the winter half of the year, strong, dry, gusty winds from the north move through the area for several days creating extremely dry conditions.

(b) Impact

Winds such as those experienced locally can and do exacerbate fires, both interior and exterior, to burn, and spread rapidly. Fires involving non-irrigated weeds, grass, brush, and fires caused by gas line ruptures can grow to a magnitude and be fanned to an intensity beyond the control capabilities of the fire services very quickly even by relatively moderate winds. When such fires are not controlled; they can extend to nearby buildings, particularly those with untreated wood shakes or shingles.

Winds of the type experienced locally also reduce the effectiveness of exterior water streams used by all Contra Costa County Fire Districts on fires involving large interior areas of buildings, fires which have vented through windows and roofs due to inadequate built-in fire protection and fires involving wood shake and shingle building exteriors. Local winds will continue to be a definite factor toward causing major fire losses to buildings not provided with fire resistive roof and siding materials and buildings with inadequately separated interior areas, or lacking automatic fire protection systems, or lacking proper gas shut-off devices to shut off gas when pipes are ruptured, or lacking proper electrical systems. National statistics frequently cite wind conditions, such as those experienced locally, as a major factor where conflagrations have occurred.

II. Necessity of More Restrictive Standards

Because of the conditions described above, the Clayton City Council finds that there are building and fire hazards unique to the City that require the increased fire protection and structural and design load requirements set forth in Ordinance No. 452. The ordinance amends the statewide codes by requiring the installation of a smoke detector in existing flat roof buildings when a pitch roof is added on top of the existing flat roof and the solid sheathing of the flat roof is not removed. (§15.02.002(b).) The ordinance amends the statewide codes by requiring most wood shakes or shingles used for exterior wall covering to be fire treated. (§15.02.002(c).) The ordinance amends the statewide code by requiring special inspections for concrete at certain foundations to be consistent with code requirements for concrete at other locations. (§15.02.002(d).) The ordinance modifies the statewide codes by requiring masonry foundation walls and concrete foundation walls of residential structures to comply with more restrictive seismic requirements. (§ § 15.02.003(d), (e).)

CITY OF CLAYTON

Agenda Date: 1-7-2014

Agenda Item: 8a

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CHARLIE MULLEN, COMMUNITY DEVELOPMENT DIRECTOR CM

DATE: JANUARY 7, 2014

SUBJECT: INTRODUCTION OF AN ORDINANCE AMENDING CHAPTERS 15.01, 15.02, 15.03, 15.04 and 15.05 OF THE CLAYTON MUNICIPAL CODE TO BRING THE CITY'S BUILDING, ELECTRICAL, PLUMBING AND MECHANICAL CODES INTO COMPLIANCE WITH THE 2013 EDITIONS OF THE RESPECTIVE CALIFORNIA BUILDING STANDARDS CODES WITH CHANGES, ADDITIONS, AND DELETIONS AS ALLOWED BY STATE LAW (ZOA-06-13).

RECOMMENDATION

Staff recommends the City Council receive and consider the staff report, receive any public comment; by motion have the City Clerk read the 2013 Building Code Ordinance (Attachment 1) by title and number only and waive further reading; and following the City Clerk's reading, the City Council by motion approve the introduction and first reading of the Ordinance, then set a public hearing for adoption of the Ordinance for February 4, 2014.

BACKGROUND

On December 3, 2013, the County Board of Supervisors acting for the Contra Costa County Building Inspection Division (the Building Division that serves the City of Clayton) adopted Ordinance 2013-24, adopting the 2013 California Building Standards Code (CBSC) with amendments. Representatives of the Building Division, subsequently, asked the jurisdictions served by this Division to adopt the same modified code. The CBSC is State-mandated, although it can be amended as long as the proposed requirements are more restrictive and required for operational needs or limitations and related to local conditions of climate, geology, and/or topography. The CBSC Code is updated every three years. The CBSC was last updated in 2010.

City staff was recently provided with the County's adopted ordinance adopting the 2013 CBSC with amendments and Findings from the Division's Deputy Director to implement in

ATTACHMENT - 2

the City of Clayton. Staff has incorporated the County ordinance into the City's proposed Ordinance No. 452 to assure that the City of Clayton is consistent with the Contra Costa Building Inspection Division's adopted version of the 2013 CBSC.

DISCUSSION

The proposed City-initiated Ordinance to amend portions of the *Clayton Municipal Code* would specifically amend the text and sections of existing Chapters 15.01, 15.02, 15.03, 15.04 and 15.05 to bring the City's Building, Electrical, Plumbing and Mechanical codes into compliance with the respective 2013 CBSC with changes, additions, and deletions as allowed by State Law. The following is a summary of proposed amendments while the specific amendments are fully contained in Exhibit A of the attached draft Ordinance. A red-lined version of the proposed Ordinance text changes is provided as Attachment 2, to assist the City Council and public in clearly seeing the changes made to the current Building Code provisions.

The California Building Standards Commission has adopted the 2013 CBSC, replacing the 2010 CBSC. The CBSC includes the California Building, Residential, Electrical, Plumbing, Mechanical, Energy and Green Building Standards Codes. These State-wide codes became effective on January 1, 2014. Although the CBSC applies statewide, Health and Safety Code sections 17958.5 and 18941.5 authorize a local jurisdiction to modify or change the CBSC and establish more restrictive standards if the jurisdiction finds that the modifications and changes are reasonably necessary because of local climatic, geological or topographical conditions. Contra Costa County has adopted Ordinance No. 2013-24 implementing the 2013 CBSC and amends it to address local conditions.

The County's adopted Ordinance No. 2013-24 and the City's proposed Ordinance No. 452 would amend the 2013 CBSC to address certain local climatic, geological and topographic conditions. These conditions are described in the attached Findings (Exhibit B to the City's Ordinance). The Ordinance would amend the CBSC by increasing standards for some building foundations to better withstand the seismic forces found in this region of California. The ordinance would also amend the CBSC by requiring the installation of hard-wired smoke detectors in existing flat roof buildings when a pitch roof is added on top of the existing flat roof and the solid sheathing of the flat roof is not removed.

All of the recommended amendments continue existing amendments or clarify omissions in the CBSC. The local amendments recommended to be continued through this proposed ordinance are predominantly designed to address the risk of seismic activity within the County of Contra Costa and City of Clayton and to protect public health and safety.

Other minor section numbering clean-up and changes to section references are included along with the deletion of code sections that are no longer necessary due to inclusion in the 2013 CBSC.

Following City Council introduction of this Ordinance and setting of the public hearing date, staff will provide noticing in accordance with California Government Code Section 6066.

CEQA

Pursuant to California Environmental Quality Act (CEQA) Guideline 15061(b)(3) it can be seen with certainty there is no possibility the proposed amendments to the *Clayton Municipal Code* may have a significant effect on the environment, and therefore it is not subject to CEQA.

FISCAL IMPACT

Some staff time as well as printing cost have and will be associated with the preparation of this Ordinance.

Attachments:

1. Ordinance No. 452 – Regarding 2013 Building Code Amendments with following Exhibits:
   - Exhibit A – 2013 Building Code Text
   - Exhibit B – Findings of Fact
2. Redlined Version of Proposed 2013 Building Code Ordinance Text Amendments

CITY OF CLAYTON
Founded 1857 .. Incorporated 1964

Agenda Date: 2-4-2014

Agenda Item: 7b

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CHARLIE MULLEN, COMMUNITY DEVELOPMENT DIRECTOR CM

DATE: FEBRUARY 4, 2014

SUBJECT: PUBLIC HEARING FOR SECOND READING AND ADOPTION OF ORDINANCE NO. 453 AMENDING PORTIONS OF THE CLAYTON MUNICIPAL CODE, CHAPTER 15.09 TO BRING THE CITY'S FIRE CODE INTO COMPLIANCE WITH AND THEREBY ADOPT THE 2013 CALIFORNIA FIRE CODE WITH CHANGES, ADDITIONS, AND DELETIONS AS ALLOWED BY STATE LAW (ZOA-07-13).

RECOMMENDATION

Staff recommends that the City Council receive any public comment; have the City Clerk read the Ordinance by title and number only and waive further reading; following the City Clerk's reading the City Council may adopt Ordinance No. 453 (Attachment 1).

BACKGROUND

At its January 7, 2014, City Council meeting the Council approved the introduction and first reading (by title only) and set the public hearing for adoption of the attached Ordinance for this February 4, 2014 meeting (Attachment 2). While no members of the public spoke on the proposed ordinance amendments, the Fire Marshal from the Contra Costa County Fire Protection District addressed the City Council and responded to several Council questions.

DISCUSSION

The purpose of the proposed Ordinance is intended to amend portions of the Clayton Municipal Code, Chapter 15.09 to bring the City's Fire Code into compliance with and thereby adopt the respective 2013 California Fire Code with changes, additions, and deletions as allowed by State Law. The proposed Ordinance will also assure that City of Clayton Fire Code is consistent with Contra Costa Fire Protection Districts adopted version of the 2013 California Fire Code.

Attachments:

1. Ordinance No. 453 – 2013 Fire Code Amendments with following Exhibits:
   Exhibit A – 2013 Fire Code Text
   Exhibit B – Findings of Fact
2. January 7, 2014, City Council Report (without attachments)

ORDINANCE NO. 453

AN ORDINANCE AMENDING THE CLAYTON MUNICIPAL CODE, CHAPTER 15.09 TO BRING THE CITY'S FIRE CODE INTO COMPLIANCE WITH AND THEREBY ADOPT THE 2013 CALIFORNIA FIRE CODE WITH CHANGES, ADDITIONS, AND DELETIONS AS ALLOWED BY STATE LAW (ZOA-07-13)

THE CITY COUNCIL
City of Clayton, California

THE CITY COUNCIL OF THE CITY OF CLAYTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Purpose, Intent, and Findings

This ordinance is adopted by the City Council of the City of Clayton ("City") to adopt the 2013 California Fire Code (California Code of Regulations, Title 24, Part 9 [based on the 2012 International Fire Code published by the International Code Council]), including Chapters 1-10 and 12-80, Appendix B, Appendix C, Appendix D, Appendix F, Appendix H, Appendix I, Appendix J and Appendix K, as amended by the changes, additions, and deletions as set forth in Exhibit A to this ordinance. The 2013 California Fire Code, with the changes, additions, and deletions set forth in attached Exhibit A, is adopted by this reference as though fully set forth in this ordinance and added to the Clayton Municipal Code as Chapter 15.09. As of the effective date of this ordinance, the provisions of this Fire Code are controlling and enforceable within the limits of this jurisdiction. Further, this ordinance is adopted based upon the findings set forth in attached Exhibit B, which are incorporated herein by reference.

The action of the City Council to place into force this State-mandated Fire Code is in accordance with Government Code Section 50022.2.

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 its effective date.

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.

ATTACHMENT - 1

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 Clayton City Council has declared 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. Public Hearing and Notice

The City held a public hearing on February 4, 2014 at which time all interested persons had the opportunity to appear and be heard on the matter of adopting this ordinance. The City published notice of the aforementioned public hearing pursuant to California Government Code Section 6066 on January 21, 2014 and January 28, 2014.

Section 6. Effective Date and Publication

This ordinance shall become effective thirty (30) days from and after its passage. The City Clerk shall certify to the adoption of this ordinance and shall cause a summary thereof to be published at least five (5) days prior to the meeting at which the proposed ordinance is to be adopted and shall post a certified copy of the proposed ordinance in the office of the City Clerk, and within fifteen (15) days of its adoption, shall cause a summary of it to be published, including the vote for and against the same, and shall post a certified copy of the adopted ordinance in the office of the City Clerk, in accordance with California Government Code Section 36933.

Section 7. Penalty for Violations

Any violation of this ordinance shall be subject to applicable provisions of Clayton Municipal Code Section 1.20.010. Penalty for Violations - Infractions and Misdemeanors.

Section 8. CEQA

The City Council finds that it can be seen with certainty that adoption of this ordinance will not have a significant adverse effect on the environment and is therefore exempt from California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines. Staff is directed to file a notice of exemption within five (5) days of the adoption of this ordinance.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Clayton held on the 7th day of January, 2014.

Passed, adopted and ordered posted at a regular meeting of the City Council of the City of Clayton on February 4, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The City Council of Clayton, California

____

Hank Stratford, Mayor

ATTEST:

____

Janet Brown, Interim City Clerk

APPROVED AS TO FORM:

APPROVED AS TO ADMINISTRATION:

____

Malathy Subramanian, City Attorney

____

Gary A. Napper, City Manager

I hereby certify that the foregoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Clayton held on the 7th day of January, 2014 and was duly adopted, passed and ordered posted at a regular meeting of the City Council held on February 4, 2014.

____

Janet Brown, Interim City Clerk

Attachments:
Exhibit A: Amended Chapter 15.09 of the Clayton Municipal Code
Exhibit B: Findings for Adoption of Ordinance No. 453

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EXHIBIT A

CHAPTER 15.09

2013 CALIFORNIA FIRE CODE WITH AMENDMENTS

Sections:

15.09.001 Adoption.

The fire code of this City is the 2013 California Fire Code (California Code of Regulations, Title 24, Part, 9 [based on the 2012 International Fire Code published by the International Code Council]), including Chapters 1-10 and 12-80, Appendix B, Appendix C, Appendix D, Appendix F, Appendix H, Appendix I, Appendix J, and Appendix K, as amended by the changes, additions and deletions set forth in this ordinance. The 2013 California Fire Code, with the changes, additions, and deletions set forth in this ordinance, is adopted by this reference as though fully set forth in this ordinance. As of the effective date of this Ordinance, the provisions of this Fire Code are controlling and enforceable within the City and shall be enforced by the Contra Costa Fire Protection District and its Fire Official.

15.09.002 Amendments.

The 2013 California Fire Code is amended by the changes, additions and deletions set forth in this chapter. Chapter and Section numbers used below are those of the 2013 California Fire Code.

Chapter 1. Scope and Administration.

Section 101.1 is amended to read:

101.1 Title. This code is the Fire Code of the City of Clayton, and is hereinafter referred to as "this code".

Section 102.1 is amended to add item 5, to read:

102.1 Construction and design provisions. The construction and design provisions of this code shall apply to:

5. Where not otherwise limited by law, the provisions of this code shall apply to vehicles, ships, and boats that are permanently affixed to a specific location within the boundaries of this jurisdiction.

Section 103.2 is deleted in its entirety without replacement.

Section 105.6 is amended to read:

105.6 Required operational permits. The fire code official is authorized to issue operational permits for the operations set forth in Chapter 1, Sections 105.6.1 through 105.6.54.

Section 105.6 is amended by adding subsections 105.6.48 through 105.6.54, to read:

105.6.48 Asbestos removal. A permit is required to conduct asbestos-removal operations regulated by Section 3318.

105.6.49 Battery systems. A permit is required to operate stationary lead-acid battery systems having a liquid capacity of more than 50 gallons (189 L) pursuant to Section 608.

105.6.50 Christmas tree sales. A permit is required to use a property for the purpose of selling cut Christmas trees.

105.6.51 Firework aerial display. A permit is required to conduct a firework display regulated by California Code of Regulations, Title 19 and Chapter 56 of this code.

105.6.52 Model rockets. A permit is required to sell model rockets equipped with model rocket motors or to launch model rockets more than three times from the same site on any day pursuant to California Code of Regulations, Title 19, Division 1, Article 17.

105.6.53 Temporary water supply. A permit is required to use a temporary water supply for construction of residential projects or subdivisions pursuant to Section 3312.1.

105.6.54 Tire storage. A permit is required to store more than 1,000 cubic feet (28.3m3) of tires inside buildings pursuant to Chapter 34.

Section 105.7 is amended to read:

105.7 Required construction permits. The fire code official is authorized to issue construction permits for the operations set forth in Chapter 1, Sections 105.7.1 through 105.7.21.

Section 105.7 is amended by adding sections 105.7.17 through 105.7.22 as follows:

105.7.17 Access for fire apparatus. Plans shall be submitted and a permit is required to install, improve, modify, or remove public or private roadways, driveways, and bridges for which Fire District access is required by the Fire Code. A permit is required to install a gate across a fire apparatus access road pursuant to Section 503.

105.7.18 Construction, alteration, or renovation of a building for which a building permit is required. Plans shall be submitted to the fire code official for all land developments or for the construction, alteration, or renovation of a building within the jurisdiction where a building permit is required.

> **Exception:** Non-sprinklered Group R-3 Occupancies where work does not involve a substantial addition or expansion.

105.7.19 Medical gas systems. A construction permit is required for the installation of or modification to a medical gas system pursuant to Section 5306.

105.7.20 Refrigeration equipment. A permit is required to install a mechanical refrigeration unit or system regulated by Chapter 6.

105.7.21 Land Development, Subdivisions. Plans shall be submitted to the fire code official for all land developments or improvements proposed within the jurisdiction that involve the subdivision of land.

105.7.22 Water supply for fire protection. Plans shall be submitted to the fire code official for the purpose of determining whether adequate water supplies, fire hydrants, and associated systems are provided for all facilities, buildings or portions of buildings either constructed or moved into the District pursuant to Section 507.

Section 105.8 is added to read:

105.8 Responsibility of permitee. Work performed under a construction permit shall be in accordance with the approved plans and with all requirements of this code and any other laws or regulations applicable thereto. No Fire District approval relieves or exonerates any person from the responsibility of complying with the provisions of this code, nor does any Fire District approval establish any vested rights with respect to any work performed that is performed or completed in violation of this code.

Section 108.1 is amended to read:

108.1 Board of Appeals established. In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the application and interpretation of this code, there is hereby created a board of appeals. The board of appeals is comprised of the Board of Directors.

Section 108.3 is deleted.

Section 109.4 is amended in its entirety to read:

109.4 Violation penalties. Every person who violates any provision of this fire code is guilty of an infraction or misdemeanor, which will be determined by the Fire District, in accordance with Health and Safety Code Section 13871. Each infraction or misdemeanor will be punishable by an administrative fine, in accordance with Government Code Section 53069.4. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue; and all such persons shall be required to correct or remedy such violations or defects within a reasonable time; and when not otherwise specified, each ten (10) days that prohibited conditions are maintained shall constitute a separate offense. The application of the aforesaid penalty shall not be held to prevent the enforced removal of prohibited conditions. This section is a declaration of Health and Safety Code section 13871 and is not intended to create a different or separate penalty.

Section 111.4 is amended to read:

111.4 Failure to comply. Any person who continues any work after having been served with a stop work order is subject to citation, except any work that a person is directed by the fire code official to perform to remove a violation or unsafe condition.

Chapter 2. Definitions

Section 202 is amended by adding the following definitions to read:

Administrator. Fire Chief.

All-weather driving surface. A roadway with a minimum surface finish of one layer of asphalt or concrete that is designed to carry the imposed weight loads of fire apparatus.

Board of Directors. The Contra Costa County Board of Supervisors as the governing body of the Crockett-Carquinez Fire Protection District and the Contra Costa County Fire Protection District.

Board of Fire Commissioners. An advisory commission appointed by the Board of Directors to act as set forth in this ordinance and by resolutions of the Board of Directors.

Driveway. A private roadway that provides access to no more than two (2) single-family dwellings.

Fire Code Official. In the Contra Costa County Fire Protection District, the Fire Code Official is the Fire Marshal. In the Crockett-Carquinez Fire Protection District , the Fire Code Official is the Fire Chief.

Firebreak. A continuous strip of land upon and from which all rubbish, weeds, grass or other growth that could be expected to burn has been abated or otherwise removed in order to prevent extension of fire from one area to another.

Firetrail. A graded firebreak of sufficient width, surface, and design to provide access for personnel and equipment to suppress and to assist in preventing a surface extension of fires.

Nuisance Fire Alarm. The activation of any fire protection or alarm system which results in the response of the Fire District and is caused by malfunction, improper maintenance, negligence, or misuse, of the system by an owner, occupant, employee, or agent, or any other activation not caused by excessive heat, smoke, fire, or similar activating event.

Response time. The elapsed time from receipt of call to the arrival of the first unit on scene.

Running time. The calculated time difference between leaving the first-due station and arriving on the emergency scene.

Rural area. An area generally designated for agricultural or open space uses with parcels more than 10 acres (4.046873ha) in size.

Rural residential area. An area generally designated for single family residential use with parcels between three (1.2140619ha) and 10 (4.046873ha) acres in size.

Sky Lantern. An airborne lantern typically, but not necessarily, made of paper with a wood frame containing a candle, fuel cell composed of waxy flammable material, or other open flame that serves as a heat source, which heats the air inside the lantern to cause it to lift into the air. Sky candles, fire balloons, and airborne paper lanterns are considered sky lanterns under this code.

Sprinkler Alarm and Supervisory System (SASS): A Dedicated Function Fire Alarm System located at the protected premise installed specifically to monitor sprinkler water-flow alarm, valve supervisory, and general trouble conditions where a Building Fire Alarm is not required.

Substantial Addition or Expansion. Addition, expansion, remodel, or renovation of any structure where the addition of new fire area exceeds fifty percent of the existing fire area.

Temporary fire department access road for construction. An approved temporary roadway for emergency vehicle use during construction of residential subdivision projects.

Temporary fire department access road for construction of one (1) residential (R3) unit. A temporary roadway for emergency vehicle use during construction of an individual residential (R3) structure where a fire department access road is required as part of the project.

Temporary water supply. Water stored for firefighting purposes in an approved aboveground tank during combustible construction.

Tree litter. Any limbs, bark, branches and/or leaves in contact with other vegetation or left to gather on the ground.

Chapter 3. General Precautions Against Fire.

Section 304.1.2 is amended to read:

304.1.2 Vegetation. Hazards created by the growth of weeds, grass, vines, trees or other growth capable of being ignited and endangering property shall be mitigated in accordance with Section 319.

Section 304.1.4 is added to read:

304.1.4 Clothes Dryers. Clothes dryers shall be frequently cleaned to maintain the lint trap, mechanical and heating components, vent duct and associated equipment free from accumulations of lint and combustible materials.

Section 308.1.4 Exception 1 is amended to read:

Exception 1. Residential Occupancies.

Section 308.1.6.3 is added to read:

308.1.6.3 Sky lanterns. No person shall release or cause to be released an untethered sky lantern. A sky lantern shall be tethered in a safe manner to prevent it from becoming airborne, and it must be constantly attended until extinguished.

Section 319 is added to Chapter 3, to read:

319 Exterior Fire Hazard Control.

319.1 General.

319.1.1 Jurisdictional Authority. The Board of Directors, as the supervising, legislative and executive authority of the jurisdiction, hereby delegates to the Board of Fire Commissioners of the jurisdiction all its powers, duties and rights to act pursuant to Part 5 (commencing with Section 14875), Division 12, of the Health and Safety Code, to clear or order the clearing of rubbish, litter or other flammable material where such flammable material endangers the public the safety by creating a fire hazard. Fire hazard abatement will be conducted in accordance with the provisions of said Part 5 and this ordinance. In the application of the provisions of said Part 5 to fire hazard abatement proceedings under this ordinance and the Fire Protection District Law of 1987, the terms "Board of Directors" or "Board," when used in Part 5, means the

Board of Fire Commissioners of this jurisdiction under this section; and the officers designated in Health and Safety Code Section 14890 are the employees of the jurisdiction.

319.1.2 Retention of Jurisdictional Authority. If no Board of Fire Commissioners has been appointed for the jurisdiction, then the Board of Directors retains its powers and rights to act pursuant to said Part 5.

319.1.3 Contract for Services. The Board of Directors reserves and retains the power to award a contract for fire hazard abatement work when the employees of the jurisdiction are not used to perform the abatement work.

319.2 Definitions.

Weeds. All weeds growing upon streets or private property in the jurisdiction, including any of the following:

1. Weeds that bear seeds of a fluffy nature or are subject to flight.
2. Sagebrush, chaparral (including Chamise, Coyote Brush/Greasewood, Brooms, and Buckwheat), and any other brush or weeds that attain such large growth as to become, when dry, a fire menace to adjacent improved property.
3. Weeds that are otherwise noxious or dangerous.
4. Poison oak and poison sumac when the conditions of growth constitute a menace to public health.
5. Dry grass, brush, tree litter, litter, or other flammable materials that endanger the public safety by creating a fire hazard.

Rubbish. Waste matter, litter, trash, refuse, debris and dirt on streets, or private property in the jurisdiction which is, or when dry may become, a fire hazard.

Streets. Includes alleys, parkways, driveways, sidewalks, and areas between sidewalks and curbs, highways, public right of ways, private road, trails, easements, and fire trails.

Person. Includes individuals, firms, partnerships, and corporations.

Defensible Space. The area within the perimeter of a parcel providing the key point of defense from an approaching wildland or escaping structure fire.

Priority Hazard Zone. An area where the threat from wildfire is severe due to proximity to open space, topography, degree of space, density of homes amount of vegetation (native and ornamental) and other conditions favorable to fast moving fires.

Reduced Fuel Zone. The area that extends from thirty (30) feet to one hundred (100) feet or more away from the structure or to the property line, whichever is closer to the structure.

Cost of Abatement. Includes all expenses incurred by the jurisdiction in its work of abatement undertaken and administrative costs pursuant to Section 318.5 of this Ordinance.

319.3 Weeds and Rubbish a Public Nuisance. The Board hereby declares that all weeds growing upon private property or streets in this jurisdiction and all rubbish on private property or streets in this jurisdiction are public nuisances. Such weed nuisance is seasonal and recurrent.

319.4 Abatement of Hazard.

319.4.1 Prohibition. No person who has any ownership or possessory interest in or control of parcel of land shall allow to exist thereon any hazardous rubbish, weeds, trees, or other vegetation that constitutes a fire hazard. Destruction by burning within this jurisdiction is unlawful unless the written permission of the fire chief is first obtained, and all other applicable permits are obtained from appropriate governing agencies or jurisdictions.

319.4.2 Specific Requirements. The District shall develop minimum abatement standards for land in residential, rural and/or rural residential, business, industrial areas, or land which is unused or vacant. Such standards may be modified periodically as circumstances dictate.

319.4.2.1 Clearance of Weeds from Streets. The Fire Code Official is authorized to cause areas within 10 feet (3048 mm) on each side of portions of streets which are improved, designed or ordinarily used for vehicular traffic to be cleared of flammable vegetation and other combustible growth. The Fire Code Official is authorized to enter upon private property to do so, to the extent allowed by law.

319.5 Abatement Procedures.

319.5.1 Abatement Order. The fire code official may order the abatement of the weeds and rubbish described in Sections 304.1.2 and 319.2. On making the order, the fire code official will mail a copy of a notice to the owners of the affected property as their names and addresses appear upon the last county equalized assessment roll, or as their names and addresses are known to the fire code official. As an alternative to mailing, the notice may be posted upon the affected property and published in the jurisdiction, not less than 15 days prior to the date of the abatement hearing. Copies of the notice will be headed with the words "Notice to Abate Weeds and Rubbish" in letters at least one inch high. The notice will be in substantially the following form:

NOTICE TO ABATE WEEDS AND RUBBISH

You are hereby notified that weeds and rubbish constitute a fire hazard on the following described property owned by you:

(Describe property by common street designation, by metes and bounds, Assessor's code area and parcel number, or by reference to attached map).

You must remove the weeds and rubbish within fifteen (15) days from the date of this notice. If you fail to do so, the (jurisdiction) Fire Protection District will remove it, and the cost of the abatement, including administrative costs, will be collected as property taxes and will be a lien on your property until paid.

You are further notified that the Board of Supervisors has declared that such weeds and rubbish constitute a public nuisance and that such weeds also constitute a seasonal and recurring nuisance.

You may appear before the Board of Fire Commissioners of this jurisdiction on (time and date) at (place-room, street, address, and city) to show cause why this order should not be enforced.

(Signed): (Name of fire code official of name of jurisdiction)

319.5.2 Hearing Date. A date for hearing on the notice will be sent at least 15 days after the date of the notice. The date of the notice is the date on which the notice is placed in the United States mail or the date on which it is posted on the property. At the hearing, the property owner or his agent may appear to show cause why the order should not be enforced. For good cause shown, the Board of Fire Commissioners may extend the time for compliance with the order or may rescind the order.

319.5.3 Contract Award. If the owner fails to comply with the order, the fire code official may have the weeds and rubbish abated either by employees of this jurisdiction or by contract. If a contract is awarded, it will be by public bid, awarded to the lowest responsible bidder. A contract may include work on more than one parcel. Concerning any contract previously awarded as provided in this subsection and that has been fully extended as provided in that contract, it may thereafter be extended on its same terms and conditions for a further period (not to exceed one year) by agreement of the Board of Supervisors and the involved contractor.

319.5.4 Abatement Report of Costs. The fire code official or his or her designee abating the nuisance will keep an account of the cost of abatement in front of or on each separate parcel of land and will render an itemized report in writing to the Board of Fire Commissioners showing the cost of removing the weeds and rubbish on or in front of each separate lot or parcel of land, or both. Before the report is submitted to the Board of Fire Commissioners, a copy of it will be posted for at least three days on or near the chamber door of the Board with a notice of the time and when the report will be submitted to the Board for confirmation. At the time fixed for receiving and considering the report, the Board of Fire Commissioners will hear it and any objections of any of the property owners liable to be assessed for the work of abatement. Thereupon, the Board of Fire Commissioners may make such modifications in the report as it deems necessary, after which the report will be confirmed. The amount of the cost, including administrative costs, of abating the nuisance in front of or upon the various parcels of the land mentioned in the report as confirmed will constitute special assessment against the respective parcels of land, and are a lien on the property for the amount of the respective assessments. Such lien attaches upon recordation, in the office of the County Recorder, of a certified copy of the Resolution of Confirmation.

319.5.5 Cost Assessments. Upon confirmation of the report of cost by the Board of Fire Commissioners and the recordation of the Resolution of Confirmation, a copy of the report of cost will be sent to the County Auditor, who will enter the amount of the assessments against the parcels. Thereafter the amount of the assessments will be collected at the same time and in the same way as County taxes are collected. The owners are subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary county taxes. All laws applicable to the levy, collection, and enforcement of county taxes are applicable to these assessment taxes.

319.6 Alternate Mitigation. In lieu of ordering abatement as provided in Section 319.5.1, the fire code official of this jurisdiction may order the preparation of firebreaks/fuelbreaks around parcels of property where combustible weeds, crops, or brush are present. In determining the proper width for firebreaks/fuelbreaks, the fire code official will consider the height of the growth, weather condition, topography, and the accessibility to the property for fire protection equipment. The procedure set forth in Section 319.5.1 for the abatement of weeds and rubbish shall apply to the preparation of firebreaks/fuelbreaks.

319.7 Subsurface Fires.

319.7.1 Peat Fire. It is the duty of each person, firm, corporation, or association not to permit a peat fire in or a fire involving combustible vegetable matters under the surface of the natural ground to remain upon the property. It is hereby declared that it is the duty of any person as herein defined to take all necessary precautions to extinguish any subsurface fire involving peat or vegetable material at the owner's own cost and expense.

319.7.2 Fire Suppression Costs. If there exists upon the lands or property of any person as herein defined a subsurface fire involving the burning or combustion of peat, vegetable matter or vegetation, and the owner or occupant thereof has not taken reasonable precautions within a reasonable time to extinguish or minimize such fire or combustion, this jurisdiction may, in addition to its regular duties to extinguish or minimize such fire or combustion, go upon the lands of any person as herein defined and extinguish such fire or combustion. Any costs incurred by the Fire District in fighting the fire and for the cost of proving rescue or emergency medical services shall be a charge against the property owner. The charge shall constitute a debt of the property owner and is collectable by the jurisdiction incurring those costs in the same manner as in the case of an obligation under a contract, express or implied. (See Health and Safety Code, §13009.)

Section 320 is added to Chapter 3 to read:

320 Automobile Wrecking Yards.

320.1 General. The operation of automobile wrecking yards shall be in accordance with this section.

320.2 Definitions.

Automobile Wrecking Yard. An area that stores or dismantles salvaged vehicles.

Automobile Dismantling. The operation of dismantling or removing parts from salvaged vehicles including engines or engine parts.

320.3 Requirements.

320.3.1 Permits. An operation permit is required for all automobile wrecking yards, automobile dismantling operations, and similar operations.

320.3.2 Fire Apparatus Access Roads. Fire apparatus access roads shall be constructed throughout the site in accordance with this code and shall be maintained clear of all vehicles and stored items.

320.3.3 Welding and cutting. Welding and cutting operations shall be conducted in an approved location, clear of all flammable liquids and combustible materials, including weeds, tires and all other debris.

320.3.4 Housekeeping. Combustible rubbish accumulated on site shall be collected and stored in approved containers, rooms or vaults of noncombustible materials. Combustible vegetation, cut or uncut, shall be removed when determined by the fire code official to be a fire hazard.

320.3.5 Fire Protection. Offices, storage buildings and vehicles used for site operations shall each be provided with at least one portable fire extinguisher with not less than a 4-A: 40-B-C rating. When required by the fire code official, additional fire extinguishers shall be provided.

320.3.6 Tire storage. Tires shall be stored in racks or in a manner as approved by the fire code official.

320.3.6.1 Distance from Water Supply. Tire storage shall be located on-site and no further than 500 feet from a fire hydrant or an approved water supply as determined by the fire code official.

320.3.7 Storage Piles. Storage piles shall be located a minimum of 20 feet from property lines and shall have an unobstructed access road on all sides of not less than 20 feet.

320.3.8 Burning operations. The burning of salvaged vehicles and salvaged or waste materials is prohibited.

320.3.9 Motor vehicle fluids. Motor vehicle fluid shall be drained from salvaged vehicles when such liquids are leaking onto the ground and prior to dismantling or removing engine/motor parts.

320.3.9.1 Mitigation of leaking fluids. Precautions shall be taken to prevent fluids from salvaged vehicles from leaking onto the ground. Supplies or equipment capable of mitigating leaks from fuel tanks, crankcases, brake systems and transmissions shall be kept available on site. Single-use plugs, diking and absorbent materials shall be disposed of as hazardous waste and removed from the site in a manner in accordance with federal, state and local requirements.

320.3.10 Fuel tanks. Fuel tanks of salvaged vehicles shall be emptied of all flammable (gasoline, diesel) fuels in an approved manner and stored in approved tanks.

320.3.10.1 Repair of vehicle fuel tanks. The repair of fuel tanks, including cutting, welding or drilling of any kind, is prohibited.

320.3.11 Lead acid batteries. Lead acid batteries shall be removed from all salvaged vehicles and stored in an approved manner in a location approved by the fire code official.

Chapter 4. Emergency Planning and Preparedness.

Section 401..5 is amended by adding a new subsection 401.5.1 to read:

401.5.1 Nuisance Fire Alarm fee. A fee may be charged for false and/or nuisance fire alarms in accordance with a fee schedule adopted by the Board of Directors.

Section 403.2 is amended to read:

403.2 Public Safety Plan. In other than Group E occupancies, where the fire code official determines that an indoor or outdoor gathering of persons has an adverse impact on public safety through diminished access to buildings, structures, fire hydrants and fire apparatus access roads or where such gatherings adversely affect public safety services of any kind, the fire code official shall have the authority to order the development of, or prescribe a plan for, the provision of an approved level of public safety.

Chapter 5. Fire Service Features.

Section 503.1 is amended to add subsection 503.1.4 to read:

503.1.4 Access to Open Spaces. When existing access to open land or space, or to fire trail systems maintained for public or private use, is obstructed by new development of any kind, the developer shall provide an alternate means of access into the area that is sufficient to allow access for fire personnel and apparatus. The alternate means of access must be approved by the fire code official.

Section 503.2.1 is amended by adding the following exception:

Exception: A minimum 16 foot wide driveway is acceptable for access to one or two single-family dwellings.

Section 505 is amended by adding Section 505.3, to read:

505.3 Street names and addressing. Street names and addressing shall be submitted for review and approval to the fire code official, whose approval will not be unreasonably withheld. The purpose of the review is to verify that new street names and addressing will not duplicate existing street names and addressing.

Section 507.2 is amended by adding subsection 507.2.3, to read:

507.2.3 Suburban and rural water supply storage. Swimming pools and ponds shall not be considered water storage for the purposes of Section 507.1.

Chapter 6. Building Services and Systems.

Section 603.6 is amended by adding subsection 603.6.6, to read:

603.6.6 Sparks from chimneys. A chimney that is used with either a fireplace or heating appliances in which solid or liquid fuel is used shall be maintained with spark arresters that are required for incinerators pursuant to the California Mechanical Code.

Chapter 8. Interior Finish, Decorative Materials and Furnishings.

Section 806 is amended by adding subsections 806.1.4, 806.1.5 and 806.1.6, to read:

806.1.4 Flame retardants. Cut trees shall be treated by a California State Fire Marshal-licensed fire retardant applicator. Trees shall be properly treated with an approved flame retardant.

806.1.5 Tags. Trees shall bear a tag stating date of placement in the public building, type of flame-retardant treatment used, name of the person who applied the flame retardant, the name of the person affixing the tag, a permit expiration date and the name of the designated individual making daily tests.

806.1.6 Daily tests. Trees shall be tested daily by a designated individual. The test shall include a check for dryness and adequate watering.

Chapter 9. Fire Protection Systems.

Section 901.6.2.2 is added to read:

901.6.2.2 Inspection Records. Records of all Inspections, testing and maintenance for all water based fire suppression systems shall be completed on the forms found in annex B of NFPA 25, California Edition.

Section 902 is amended to add:

Substantial Addition or Expansion. Addition, expansion, remodel, or renovation of any structure where the addition of new fire area exceeds fifty percent of the existing fire area.

Section 903.2 is adopted in its entirety except as amended below:

903.2.1.1 Group A-1. An automatic sprinkler system shall be provided for Group A-1 occupancies where one of the following conditions exists:

1. The fire area exceeds 5000 square feet.
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.
4. The fire area contains a multi-theater complex.

903.2.1.3 Group A-3. An automatic sprinkler system shall be provided for Group A-3 occupancies where one of the following conditions exists:

1. The fire area exceeds 5,000 square feet.
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.
4. The structure exceeds 10,000 square feet, contains more than one fire area containing exhibition and display rooms, and is separated into two or more buildings by fire walls of less than four hour fire resistance rating without openings.

903.2.1.4 Group A-4. An automatic sprinkler system shall be provided for Group A-4 occupancies where one of the following conditions exists:

1. The fire area exceeds 5000 square feet
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

903.2.1.6 Group B. An automatic sprinkler system shall be provided for Group B occupancies where the fire area exceeds 5,000 square feet.

903.2.3 Group E. Except as provided for in Section 903.2.19 for a new public school campus an automatic sprinkler system shall be provided for Group E occupancies as follows:

1. Throughout all Group E fire areas greater than 5000 square feet in area.
2. Throughout every portion of educational buildings below the lowest level of exit discharge serving that portion of the building.

    Exception: An automatic sprinkler system is not required in any area below the lowest level of exit discharge serving that area where every classroom throughout the building has at least one exterior exit door at ground level.
3. In rooms or areas with special hazards such as laboratories, vocational shops and other such areas where hazardous materials in quantities not exceeding the maximum allowable quantity are used or stored.
4. Throughout any Group E structure greater than 10,000 square feet in area, which contains more than one fire area, and which is separated into two or more buildings by fire walls of less than four hour fire resistance rating without openings.

903.2.4 Group F-1. An automatic sprinkler system shall be provided throughout all buildings containing a Group F-1 occupancy where one of the following conditions exists:

1. A Group F-1 fire area exceeds 5,000 square feet.
2. A Group F-1 fire area is located more than three stories above grade plane.
3. The combined area of all Group F-1 fire areas on all floors, including any mezzanines, exceeds 10,000 square feet.

903.2.7 Group M. An automatic sprinkler system shall be provided throughout buildings containing a Group M occupancy where one of the following conditions exists:

1. A Group M fire area exceeds 5,000 square feet.

2. A Group M fire area is located more than three stories above grade plane.
3. The combined area of all Group M fire areas on all floors, including any mezzanines, exceeds 10000 square feet
4. A Group M occupancy is used for the display and sale of upholstered furniture.
5. The structure exceeds 10,000 square feet, contains more than one fire area containing a Group M occupancy, and is separated into two or more buildings by fire walls of less than 4-hour fire-resistance rating.

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all Group R occupancies, *including manufactured and mobile homes, regardless of whether or not the manufactured or mobile home is located in a mobile home park.*

903.2.8.2 Group R-3 Substantial Addition or Expansion. An automatic sprinkler system shall be provided throughout all existing Group R-3 dwellings where a substantial addition or expansion occurs **and** the new total fire area of the structure exceeds 3,600 square feet.

903.2.9 Group S-1. An automatic sprinkler system shall be provided throughout all buildings containing a Group S-1 occupancy where one of the following conditions exists:

1. A Group S-1 fire area exceeds 5,000 square feet
2. A Group S-1 fire area is located more than three stories above grade plane.
3. The combined area of all Group S-1 fire areas on all floors, including any mezzanines, exceeds 10,000 square feet.

903.2.9.1 Repair garages. An automatic sprinkler system shall be provided throughout all buildings used as repair garages in accordance with Section 406 of the California Building Code, as shown:

1. Buildings having two or more stories above grade plane, including basements, with a fire area containing a repair garage exceeding 5,000 square feet.
2. Buildings no more than one story above grade plane, with a fire area containing a repair garage exceeding 5,000 square feet
3. Buildings with repair garages servicing vehicles parked in basements.

903.2.10 Group S-2 enclosed parking garages. An automatic sprinkler system shall be provided throughout buildings classified as enclosed parking garages in accordance with Section 406.4 of the California Building Code as follows:

1. Where the fire area of the enclosed parking garage exceeds 5,000 square feet; or
2. Where the enclosed parking garage is located beneath other occupancy groups.

Section 903.3.1.1.2 is added to read:

903.3.1.1.2 Undeclared Use. In buildings of undeclared use with floor to structure height greater than 14 feet (356 mm), the fire sprinkler system shall be designed to conform to Extra Hazard Group I design density. In buildings of undeclared use with floor to structure height less than 14 feet (356 mm), the fire sprinkler system shall be designed to conform to Ordinary Group II design density. Where a subsequent occupancy requires a system with greater capability, it shall be the responsibility of the owner and/or the occupant to upgrade the system.

Section 903.3.5 is amended to add subsection 903.3.5.3 to read:

903.3.5.3 Non-permissible water supply storage. Swimming pools and ponds shall not be considered water storage for the purposes of Section 903.3.5.

Section 903.3.8 is added to read:

903.3.8. Floor control valves. Individual floor control valves and waterflow detection assemblies shall be provided for each floor in multi-floor buildings at an approved location.

Exception: Group R-3 and R-3.1 Occupancies

Section 903.4.2 is amended to read:

903.4.2 Alarms. One approved audible and visual device shall be connected to every automatic sprinkler system at an approved location. Such sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Audible and visual alarm devices shall be provided on the exterior of the building in an approved location. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

Section 903.6 is amended by adding subsections 903.6.1 and 903.6.2 to read:

903.6.1 Substantial Addition or Expansion. An automatic sprinkler system shall be provided throughout all existing buildings where a substantial addition or expansion occurs ***and*** the total fire area of the structure exceeds 5,000 square feet. Group R-3 substantial additions or expansions shall comply with Section 903.2.8.2.

903.6.2 Change of occupancy classification. Any existing building that undergoes a change of occupancy classification into a higher hazard category shall comply with the requirements of Section 903.2. Relative hazard categories of occupancy groups shall be established based upon the Heights and Areas Hazard Categories of Table 1012.4 of the 2012 edition of the International Existing Building Code, as published by the International Code Council. The requirements of Section 903.2 shall not be required when a change of occupancy classification is made to an equal or lesser hazard category. Group L occupancies shall be considered a relative hazard of 1 (highest hazard). R-3.x occupancies shall be considered a relative hazard of 4 (lowest hazard).

Section 907.4.4 is added to read:

907.4.4 Monitoring of other fire systems. In buildings equipped with a fire alarm system or sprinkler alarm and supervisory service (SASS) system, where other fire suppression or extinguishing systems are installed in the building (including but not limited to commercial kitchen suppression systems, pre-action fire suppression systems, dry chemical systems, and clean agent systems), these other suppression systems shall be monitored by the SASS dedicated function fire alarm system and transmitted as a specific signal to the Central Station. The system shall be monitored and comply with Section 907.6.5.

Section 907.5.2.3.1 is amended to read:

907.5.2.3.1 Public and common areas. Visible alarm notification appliances shall be provided in public use areas and common use areas, including but not limited to:

1. Sanitary facilities including restrooms, bathrooms, shower rooms and locker rooms.
2. Corridors, hallways, aisles with shelving and/or fixtures obstructing the required light intensity for that area.
3. Music practice rooms.
4. Band rooms.

5. Gymnasiums.
6. Multipurpose rooms.
7. Occupational shops.
8. Occupied rooms where ambient noise impairs hearing of the fire alarm.
9. Lobbies
10. Meeting/Conference rooms.
11. Classrooms.
12. Medical exam rooms.
13. Open office areas.
14. Sales floor areas.
15. Break or lunch rooms
16. Copy or work rooms.
17. Computer server rooms exceeding 200 sq. ft.
18. File or Storage rooms exceeding 200 sq. ft.

Section 907.6.5 is amended to read:

907.6.5 Monitoring of fire alarm systems. A fire alarm system required by this chapter, or by the California Building Code, shall be monitored by a UL-listed Central Station service in accordance with NFPA 72 and this code.

Exception: Monitoring by a UL listed central station is not required for:

1. Single and multiple station smoke alarms required by section 907.2.11
2. Group I-3 occupancies shall be monitored in accordance with section 907.2.6.3.4
3. Residential Day Care Facilities (occupancy load of 14 or less)
4. One and two family dwellings
5. Residential Care Facilities licensed by the state with an occupant load of 6 or less.
6. Occupancies with a local fire alarm system that will give an audible and visible signal at a constantly attended location, as approved by the Fire Code Official.

Section 907.8.6 is added to read:

907.8.6 Certification. New fire alarm systems shall be UL-Certified. A Certificate of Completion and other documentation as listed in NFPA 72 shall be provided for all new fire alarm system installations. It is the responsibility of the building owner or owner's representative to obtain and maintain a current and valid Certificate.

Section 907.8.7 is added to read:

907.8.7 Posting of Certificate. The UL Certificate shall be posted in a durable transparent cover within 3 feet of the fire alarm control panel within 45 days of the final acceptance test/inspection.

Chapter 10. Means of Egress.

Section 1027.5 is amended by adding a new subsection 1027.5.1, to read:

1027.5.1 Exit discharge surface. Exterior exit pathway surfaces shall be suitable for pedestrian use in inclement weather, and shall terminate at a public way as defined in the California Building Code.

Chapter 33. Fire Safety During Construction and Demolition.

Section 3301.3 is added to read:

3301.3 Permits. Permits shall be obtained for asbestos removal operations, temporary fire department access roads for construction, and temporary water supplies as set forth in sections 105.6 and 105.7.

Section 3318 is added to read:

Section 3318 Asbestos removal.

3318.1 General. Operations involving removal of asbestos or asbestos-containing materials from buildings shall be in accordance with Section 3318.

Exception: Section 3318 does not apply to the removal of asbestos from:

1. Pumps, valves, gaskets and similar equipment.
2. Pipes, ducts, girders or beams that have a length less than 21 linear feet (6400 mm).
3. Wall or ceiling panels that have an area of less than 10 square feet (0.93 m2) or a dimension of less than 10 linear feet (3048 mm).
4. Floor tiles when their removal can be completed in less than four hours.
5. Group R-3 occupancies.

3318.2 Notification. The fire code official shall be notified 24 hours prior to the commencement and closure of asbestos-removal operations. The permit applicant shall notify the building official when asbestos abatement involves the removal of materials that were used as a feature of the building's fire resistance.

3318.3 Plastic Film. Plastic film that is installed on building elements shall be flame resistant as required for combustible decorative material, in accordance with Section 807.

3318.4 Signs. Approved signs shall be posted at the entrance, exit and exit-access door, decontamination areas and waste disposal areas for asbestos-removal operations. The signs shall state that asbestos is being removed from the area, that asbestos is a suspected carcinogen, and that proper respiratory protection is required. Signs shall have a reflective surface. Lettering shall be a minimum of 2 inches (51 mm) high.

Chapter50. Hazardous Materials – General Provisions.

Section 5001.5 is amended by adding subsection 5001.5.3 to read:

5001.5.3 Emergency response support information. Floor plans, material safety data sheets, Hazardous Materials Management Plans (HMMP), Hazardous Material Inventory Statements (HMIS), and other information must be stored at a readily accessible location, as determined by the fire code official. This location may be in cabinets located outside of facilities or buildings. Information may be required to be maintained in a specific electronic media format to facilitate computer aided dispatching.

Section 5003.9.1 is amended by adding subsection 5003.9.1.2 to read:

5003.9.1.2 Documentation. Evidence of compliance with provisions of this chapter as well as with state and federal hazardous material regulations shall be maintained on site and available for inspection by fire department personnel.

Chapter 56 Explosives and Fireworks.

Section 5601 is amended to add Sections 5601.2, 5601.3, 5601.4 and 5601.5, to read:

5601.2 Fireworks. The possession, manufacture, storage, sale, handling and use of fireworks are prohibited. The possession, manufacture, storage, sale, handling and use of fireworks or pyrotechnic materials within the jurisdiction of the District are prohibited.

Exceptions:
1. Fireworks may be temporarily stored only if they are aerial or theatrical piece fireworks stored in conjunction with an approved and permitted aerial or set display.
2. Snap Caps and Party Poppers classified by the State Fire Marshal as pyrotechnic devices.

5601.2.1 Prohibited and Limited Acts. The storage of explosive materials is prohibited in any central business district and in all zoning districts except districts zoned for industrial or agricultural uses. In districts where the storage of explosive materials is permitted, the quantities of explosives and distances shall be in accordance with International Fire Code Sections 3301.8.1 and 3301.8.1.1.

5601.3 Rocketry. The storage, handling and use of model and high-power rockets shall comply with the requirements of the California Code of Regulations, Title 19, Chapter 6, Article 17 and, when applicable, NFPA 1122, NFPA 1125, and NFPA 1127.

5601.3.1 Ammonium nitrate. The storage and handling of ammonium nitrate shall comply with the requirements of Chapter 63 and NFPA 490.

Exception: The storage of ammonium nitrate in magazines with blasting agents shall comply with the requirements of NFPA 495.

5601.4 Residential uses. No person shall keep or store, nor shall any permit be issued to keep or store, any explosives, fireworks or pyrotechnic material at any place of habitation, or within 100 feet (30 480mm) thereof.

Exception: Storage of smokeless propellant, black powder, and small arms primers for personal use and not for resale in accordance with Section 5601.

5601.5 Sale and retail display. The possession, manufacture, storage, sale, handling and use of fireworks or pyrotechnic materials is prohibited.

Exception: Snap Caps and Party Poppers classified by the State Fire Marshal as pyrotechnic devices.

Section 5608 is amended by adding Sections 5608.2 and 5608.3 to read:

5608.2 Permit required. A permit is required to conduct an aerial display in accordance with California Code of Regulations, Title 19, Chapter 6. (See Chapter 1, Section 105.6.52.)

Exception: Snap Caps and Party Poppers classified by the State Fire Marshal as pyrotechnic devices.

5608.3 Financial responsibility. Before a permit is issued pursuant to Section 5608.2, the applicant shall file with the jurisdiction a corporate surety bond in the principal sum of $1,000,000 or a public liability insurance policy for the same amount, for the purpose of the payment of all damages to persons or property which arise from, or are caused by, the conduct of any act authorized by the permit upon which any judicial judgment results. The fire code official is authorized to specify a greater or lesser amount when, in his or her opinion, conditions at the location of use indicate a greater or lesser amount is required. Government entities shall be exempt from this bond requirement.

Chapter 57. Flammable and Combustible Liquids.

Section 5704.2.9.6.1 is amended to read:

5704.2.9.6.1 Locations where above-ground tanks are prohibited. The storage of Class I and II liquids in above-ground tanks outside of buildings is prohibited in all zoning districts except districts zoned for commercial, industrial, or agricultural uses.

Exception: Protected above-ground tanks for the purpose of emergency power generator installations in areas zoned commercial, industrial, agricultural, central business district, rural or rural residential, and for facilities on an individual basis consistent with the intent of this provision. Tank size shall not exceed 500 gallons (1892.706L) for Class I or II liquids, or 1,000 gallons (3785.412L) for Class III liquids.

Section 5706.2.4.4 is amended to read:

5706.2.4.4 Locations where above-ground tanks are prohibited. Storage of Class I and II liquids in above-ground tanks is prohibited in all zoning districts except district zoned for commercial, industrial, or agricultural use.

Chapter 58. Flammable Gases and Flammable Cryogenic Fluids.

Section 5806.2 is amended to read:

5806.2 Limitation. The storage of flammable cryogenic fluids in stationary containers outside of buildings is prohibited in any area which is zoned for other than industrial use.

Exception: Liquid hydrogen fuel systems in compliance with section 5806.3 or 5806.4.

Chapter 61. Liquefied Petroleum Gases.

Section 6103.2.1.7 is amended in its entirety to read:

6103.2.1.7 Use for food preparation. Individual portable L-P containers used, stored, or handled inside a building classified as a Group A or Group B occupancy for the purposes of cooking, food display, or a similar use, shall be limited in size to one quart capacity and shall be of an approved type. The number of portable containers permitted will be at the discretion of the fire code official. LP-gas appliances used for food preparation shall be listed for such use in accordance with the International Fuel Gas Code, the International Mechanical Code, and NFPA 58.

Section 6104.2 is amended to read:

6104.2 Maximum capacity within established limits. The storage of liquefied petroleum gas is prohibited in any central business district and in all zoning districts except districts zoned for commercial, industrial, rural, or agricultural uses. The aggregate capacity of any one installation used for the storage of liquefied petroleum gas shall not exceed a water capacity of 2,000 gallons (7570 L).

Chapter 80. Referenced Standards

Chapter 80 is amended as follows:

The following referenced standard is added:

NFPA 850 (2010) Recommended Practice for Fire Protection for Electric Generating Plants and High Voltage Direct Current Converter Stations.

The following standard is added and includes the following amendment:

NFPA 13D (2013) Installation of Sprinkler Systems in One- and Two-family Dwellings and Manufactured Homes.

8.6.5.1 When fuel fired equipment is present, at least one quick response intermediate temperature sprinkler shall be installed above the equipment. *All sprinkler piping installed in attics rising above the insulation shall be limited to ferrous or copper piping.*

Appendix B. Fire-Flow Requirements for Buildings.

Section B105.2, the exception, is amended to read:

Exception: A reduction in required fire-flow of 50 percent, as approved by the fire code official, when the building is provided with an approved automatic sprinkler system and installed in accordance with Section 903.3.1.1. The resulting fire-flow shall be not less than 1,500 gallons per minute (5678L/min) for the prescribed duration as specified in Table B105.1.

Appendix C. Fire Hydrant Locations and Distribution.

Table C105.1 footnote f and g are added to read:

f. A fire hydrant shall be provided within 250 feet of a fire trail access point off a public or private street.
g. For infill projects within existing single-family residential developments, Section 507.5.1 applies.

Appendix D. Fire Apparatus Access Roads

Section D102.1 is amended to read:

D102.1 Access and loading. Facilities, buildings or portions of buildings hereafter constructed shall be accessible to fire department apparatus by way of an *approved* fire apparatus access road with an asphalt, concrete or other approved *all-weather driving surface* capable of supporting the imposed load of fire apparatus weighing at least 74,000 pounds (33,566 kg) in accordance with CalTrans Design Standard HS-20-44.

Exception: *Driveways* serving one or two single-family *dwellings* may be constructed of an alternate surface material, providing the imposed weight load design minimums are met and the grade does not exceed 10 percent.

Section D103.1 is deleted in its entirety.

Section D103.2 is deleted in its entirety and replaced by the following, to read:

D103.2 Grade. Fire department access roadways having a grade of between 16 percent and 20 percent shall be designed to have a finished surface of grooved concrete sufficient to hold a 44,000 pound (19,958 kg) traction load. The grooves in the concrete surface shall be ½ inch (13 mm) wide by ½ inch (13 mm) deep and 1 ½ inch (38 mm) on center and set at a 30 to 45 degree angle across the width of the roadway surface. No grade shall exceed 20 percent, nor shall the cross slope exceed 8%, unless authorized in writing by the fire code official.

Section D103.2.1 is added to read:

D103.2.1 Angles of approach and departure. The angles of approach and departure for any means of access shall not exceed 10 percent at 10 feet of the grade break.

Section D103.3 is deleted in its entirety and replaced by the following, to read:

D103.3 Turning radius. Based on a minimum unobstructed width of 20 feet, a fire apparatus access roadway shall be capable of providing a minimum standard turning radius of 25 feet (7,620 mm) inside and 45 feet (13,716 mm) outside.

Table D103.4 is amended to read:

Table D103.4

REQUIREMENTS FOR DEAD-END FIRE APPARATUS ACCESS ROADS

LENGTH (feet)	MINIMUM WIDTH (feet)	TURNAROUNDS REQUIRED
0 – 150	20[a]	None required
151 – 750	20[a]	100-foot Hammerhead, 50-foot "Y", 75-foot Shunt or 90-foot-diameter cul-de-sac in accordance with figure D103.1
Over 750	Special approval required[b]	

a. A *driveway* with a minimum width of 16 feet is acceptable for access to no more than two single-family *dwellings*.

b. Any fire apparatus access roadway or *driveway* that is approved to be less than 20 feet wide and to exceed 750 feet in length shall have outsets or turnouts every 300 feet along the length of the road or driveway, or at locations approved by the fire code official. Each outset or turnout shall be of the following dimensions: an 8 foot wide turnout that extends at least 40 feet in length.

Figure D103.1 is amended to read:

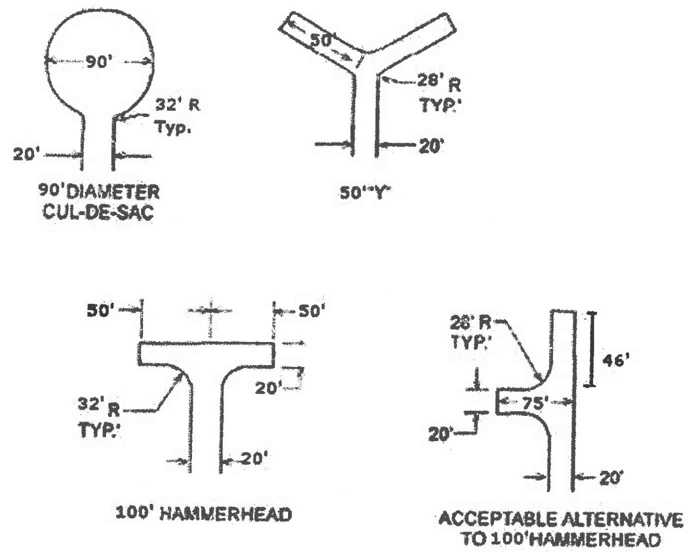

Figure D103.1

Dead-end Fire Apparatus Access Road Turnaround

Section D103.5 is amended by amending criteria 1 and adding criteria 10, to read:

1. The minimum clear width shall be 20 feet (6096mm.)
   Exception: For access to one or two single-family *dwellings*, 16 feet clear width is acceptable.

10. All gates shall be installed and located a minimum of 30 feet off the street.

Section D103.6.1 is amended to read:

D103.6.1 Roads less than 28 feet in width. Fire apparatus access roads less than 28 feet wide shall be posted on both sides as a *fire lane*.

Section D103.6.2 is amended to read:

D103.6.2 Roads 28 feet in width or greater, but less than 36 feet in width. Fire apparatus access roads 28 feet wide or greater, but less than 36 feet wide, shall be posted on one side of the road as a *fire lane*.

Section D106.1 is amended to delete the exception and read:

D106.1 Projects having more than 100 dwelling units. Multiple-family residential projects having more than 100 *dwelling units* shall be provided with two separate and *approved* fire apparatus access roads and shall meet the requirements of Section D104.3.

Section D106.2 is deleted in its entirety.

15.09.003 REPEAL OF 2010 FIRE CODE.

The 2010 California Fire Code with amendments, although not expressly adopted in the Clayton Municipal Code but enforced by the City of Clayton in association with the Contra Costa Fire Protection District, is hereby repealed.

15.09.004 REFERENCES TO PRIOR CODE.

Unless superseded and expressly repealed by this ordinance, references in Fire District forms, documents, and regulations to the chapters and sections of the 2010 Fire Code of Contra Costa County, the Crockett-Carquinez Fire Protection District, and the Contra Costa County Fire Protection District shall be construed to refer to the corresponding chapters and sections of the 2013 Fire Code of Contra Costa County, the Crockett-Carquinez Fire Protection District, and the Contra Costa County Fire Protection District.

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EXHIBIT B

FINDINGS OF FACT IN SUPPORT OF CHANGES, MODIFICATIONS AND AMENDMENTS TO THE 2013 CALIFORNIA FIRE CODE DUE TO LOCAL CLIMATIC, GEOLOGIC, AND TOPOGRAPHIC CONDITIONS

I. Changes or Modifications

Pursuant to Section 17958 of the State of California Health and Safety Code, the City Council of the City of Clayton adopts the 2013 California Fire Code with such changes, modifications, and amendments set forth in the attached Exhibit A.

II. Findings

Pursuant to Sections 17958.5 and 17958.7 of the State of California Health and Safety Code, the City Council finds that the above referenced changes, modifications, and amendments are needed and are reasonably necessary because of certain local climatic, geological, and topographic conditions as described below.

A. Climatic

1. Precipitation and Relative Humidity

(a) Conditions

Precipitation ranges from 15 to 24 inches per year with an average of approximately 20 inches per year. Ninety-six (96) percent falls during the months of October through April and four (4) percent from May through September. This is a dry period of at least five (5) months each year. Additionally, the area is subject to occasional drought. Relative humidity remains in the middle range most of the time. It ranges from forty-five (45) to sixty-five (65) percent during spring, summer, fall, and from sixty (60) to ninety (90) percent in the winter. It occasionally falls as low as fifteen (15) percent.

(b) Impact

Locally experienced dry periods cause extreme dryness of untreated wood shakes and shingles on buildings and non-irrigated grass, brush and weeds, which are often near buildings with wood roofs and sidings. Such dryness causes these materials to ignite very readily and burn rapidly and intensely.

Because of dryness, a rapidly burning grass fire or exterior building fire can quickly transfer to other buildings by means of radiation or flying brands, sparks and embers. A small fire can rapidly grow to a magnitude beyond the control capabilities of the Fire District resulting in an excessive fire loss.

2. Temperature

(a) Conditions

Temperatures have been recorded as high as 114^0 F. Average summer highs are in the 90^0 range, with average maximums of 105^0 F.

(b) Impact

High temperatures cause rapid fatigue and heat exhaustion of firefighters, thereby reducing their effectiveness and ability to control large building and wildland fires.

Another impact from high temperatures is that combustible building material and non-irrigated weeds, grass and brush are preheated, thus causing these materials to ignite more readily and burn more rapidly and intensely. Additionally, the resultant higher temperature of the atmosphere surrounding the materials reduces the effectiveness of the water being applied to the burning materials. This requires that more water be applied, which in turn requires more Fire District resources in order to control a fire on a hot day.

High temperatures directly contribute to the rapid growth of fires to an intensity and magnitude beyond the control capabilities of the Fire District.

3. Winds
   (a) Conditions
   Prevailing winds in the area are from the south or southwest in the mornings and from the north or northwest in the afternoons. However, winds are experienced from virtually every direction at one time or another. Velocities are generally in the fourteen (14) mph to twenty-three (23) mph ranges, gusting to twenty-five (25) to thirty-five (35) mph. Forty (40) mph winds are experienced occasionally and winds up to fifty-five (55) mph have been registered locally. During the winter half of the year, strong, dry, gusty winds from the north move through the area for several days creating extremely dry conditions.

   (b) Impact
   Winds such as those experienced locally can and do cause fires, both interior and exterior, to burn and spread rapidly. Fires involving non-irrigated weeds, grass and brush can grow to a magnitude and be fanned to intensity beyond the control capabilities of the Fire District very quickly even by relatively moderate winds. When such fires are not controlled, they can extend to nearby buildings, particularly those with untreated wood shakes or shingles.

   Winds of the type experienced locally also reduce the effectiveness of exterior water streams used by the Fire District on fires involving large interior areas of buildings, fires which have vented through windows and roofs due to inadequate built-in fire protection and fires involving wood shake and shingle building exteriors. Local winds will continue to be a definite factor towards causing major fire losses to buildings not provided with fire resistive roof and siding materials and buildings with inadequately separated interior areas or lacking automatic fire protection systems. National statistics frequently cite wind conditions, such as those experienced locally, as a major factor where conflagrations have occurred.

4. Summary
   These local climatic conditions affect the acceleration, intensity, and size of fire in the community. Times of little or no rainfall, of low humidity, and high temperatures create extremely hazardous conditions, particularly as they relate to wood shake and shingle roof fires and conflagrations. The winds experienced in this area can have a tremendous impact upon structure fires. During wood shake and shingle roof fires, or exposure fires, winds can carry sparks and burning brands to other structures, thus spreading the fire and causing conflagrations. In building fires, winds can literally force fires back into the building and can create a blow torch effect, in addition to preventing "natural" ventilation and cross-ventilation efforts.

B. Geological and Topographic

1. Seismicity
   (a) Conditions
   Contra Costa County is located in Seismic Risk Zone 4, which is the worst earthquake area in the United States. Buildings and other structures in Zone 4 can experience major seismic damage. Contra Costa County is in close proximity to the San Andreas Fault and contains all or portions of the Hayward, Calaveras, Concord, Antioch, Mt. Diablo, and other lesser faults. A 4.1 earthquake with its epicenter in Concord occurred in 1958, and a 5.4 earthquake with its epicenter also in Concord occurred in 1955. The Concord and Antioch faults have a potential for a Richter 6 earthquake and the Hayward and Calaveras

faults have the potential for a Richter 7 earthquake. Minor tremblers from seismic activity are not uncommon in the area.

The fire environment of a community is primarily a combination of two factors: the area's physical geologic characteristics and a historic pattern of urban-suburban development. These two factors, alone and combined, create a mixture of environments which ultimately determines the area's fire protection needs. The Fire District has 3 distinct areas. They are: the West, which includes the City of San Pablo and the communities of North Richmond, El Sobrante, and East Richmond Heights. The Central includes the Cities of Lafayette, Martinez, Pleasant Hill, Concord, Walnut Creek, Clayton and the communities of Clyde, Pacheco, Alhambra Valley and Alamo. The East includes the Cities of Antioch, Pittsburg and the community of Bay Point.

Because of the size of the Contra Costa County Fire Protection District (304 Square miles) the characteristics of the fire environment changes from one location to the next. Therefore the District has not one, but a number of fire environments, each of which has its individual fire protection needs from two major oil refineries, to heavy industrial facilities, freeways, rail lines, waterways, port facilities, wildland areas, urban and suburban town settings and major downtown areas.

Interstates 80 and 680, State Highways 4, 24 and 242, Bay Area Rapid Transit District (BART) and major thoroughfares travel throughout the District. There are 2 major rail lines which run through the District. An overpass or underpass crossing collapse would alter the response route and time for responding emergency equipment. This is due to the limited crossings of the major highways and rail lines.

Earthquakes of the magnitude experienced locally can cause major damage to electrical transmission facilities, which, in turn, cause power failures while at the same time starting fires throughout the Fire District. The occurrence of multiple fires will quickly deplete existing fire district resources; thereby reducing and/or delaying their response to any given fire. Additionally, without electrical power, elevators, smoke management systems, lighting systems, alarm systems and other electrical equipment urgently needed for building evacuation and fire control in large buildings without emergency generator systems would be inoperative, thereby resulting in loss of life and/or major fire losses in such buildings.

(b) Impact
A major earthquake could severely restrict the response of the Fire District and its capability to control fires involving buildings of wood frame construction, with ordinary wood shake and shingle exteriors, or with large interior areas not provided with automatic smoke and fire control systems.

2. Soils

(a) Conditions
The area is replete with various soils, which are unstable, clay loam and alluvial fans being predominant. These soil conditions are moderately to severely prone to swelling and shrinking, are plastic, and tend to liquefy.

Throughout the Fire District, the topography and development growth has created a network of older, narrow roads. These roads vary from gravel to asphalt surface and vary in percent of slope, many exceeding twenty- (20) percent. Several of these roads extend up through the winding passageways in the hills providing access to remote, affluent housing subdivisions. Many of these roads are private with no established maintenance program. During inclement weather, these roads are subject to rock and mudslides, as well as down trees, obstructing all vehicle traffic. It is anticipated that during an earthquake, several of these roads would be practically impassable.

3. Topographic

(a) Conditions

i. Vegetation

The service area of the Contra Costa County Fire Protection District has a varied topography and vegetative cover. A conglomeration of flat lands, hills, and ridges make up the terrain. Development has occurred on the flat lands in the District and in the past 15 years development has spread into the hills, valleys and ridge lands of the District. Highly combustible dry grass, weeds, and brush are common in the hilly and open space areas adjacent to built-up locations six (6) to eight (8) months of each year. Many of these areas frequently experience wildland fires, which threaten nearby buildings, particularly those with wood roofs, or sidings. This condition can be found throughout the Fire District, especially in those fully developed areas and those areas marked for future development.

ii. Surface Features

The arrangement and location of natural and manmade surface features, including hills, creeks, canals, freeways, housing tracts, commercial development, fire stations, streets and roads, combine to limit efficient response routes for Fire District resources into and through many areas.

iii. Buildings, Landscaping and Terrain

Many of the "newer" large buildings and building complexes have access and landscaping features or designs which preclude, or greatly limit, efficient approach or operational access to them by Fire District vehicles. In addition, the presence of security gates, roads of inadequate width and grades which are too steep for Fire District vehicles create an adverse impact on fire suppression efforts.

When Fire District vehicles cannot gain access to buildings involved with fire, the potential for complete loss is realized. Difficulty reaching a fire site often requires additional fire personnel and resources to successfully and safely mitigate the event. Access problems often result in severely delaying, misdirecting, or making fire and smoke control efforts unsuccessful.

(b) Impact

The above local geological and topographical conditions increase the magnitude, exposure, accessibility problems, and fire hazards presented to the Contra Costa County Fire Protection District. Fire following an earthquake has the potential of causing greater loss of life and damage than the earthquake itself. Hazardous materials, particularly toxic gases, could pose the greatest threat to the largest number, should a significant seismic event occur. Public Safety resources would have to be prioritized to mitigate the greatest threat, and may likely be unavailable for smaller single dwelling or structure fires.

Other variables may intensify the situation:

1. The extent of damage to the water system.
2. The extents of isolation due to bridge and/or freeway overpass collapse.
3. The extent of roadway damage and/or amount of debris blocking the roadways.
4. Climatic conditions (hot, dry weather with high winds).
5. Time of day will influence the amount of traffic on roadways and could intensify the risk to life during normal business hours.
6. The availability of timely mutual aid or military assistance.
7. The large portion of dwellings with wood shake or shingles coverings could result in conflagrations.

Local Amendments to 2013 CFC and Supporting Findings of Fact

Section	FINDINGS					
	II(A)(1) Precip.	II(A)(2) Temp.	II(A)(3) Wind	II(B)(1) Seismic	II(B)(2) Soil	II(B)(3) Topo.
304.1.2	x	x	x			x
304.1.4	x	x	x			
308.1.4	x	x	x			
308.1.6.3			x			
319	x	x	x			x
320				x	x	
403.2						x
503.1				x		x
503.2.1				x		x
505						x
507.2						x
603.6	x	x	x			x
806	x	x	x			x
901.6.2.2	x	x	x	x		
902	x	x	x	x		
903.2	x	x	x	x		
903.3.1.1.2	x	x	x	x		
903.3.5	x	x	x	x		
903.3.8	x	x	x	x		
903.4.2	x	x	x	x		
903.6	x	x	x	x		
907.4.4	x	x	x	x		
907.5.2.3.1						x
907.6.5	x	x	x	x		
907.8.6	x	x	x	x		
907.8.7	x	x	x	x		
1027.5					x	x
3318					x	x
5601	x	x	x			
5608	x	x	x			
5704.2.9.6.1				x	x	
5706.2.4.4				x	x	
5806.2				x	x	
6103.2.1.7				x	x	
6104.2				x	x	
Chapter 80	x	x	x	x	x	x
B105.2			x			x
C105.1					x	x
D102.1					x	x
D103.1					x	x
D103.2					x	x
D103.2.1					x	x
D103.3					x	x
T. D103.4					x	x
F. D103.1					x	x
D103.5					x	x
D103.6.1					x	x
D103.6.2					x	x
D106.1					x	x
D106.2					x	x

III. Summary

Local climatic, geologic, and topographic conditions impact fire prevention efforts, and the frequency, spread, acceleration, intensity, and size of fire involving buildings in this community. Further, they impact potential damage to all structures from earthquake and subsequent fire. This was the case in the October 17, 1989 Loma Prieta earthquake that measured 6.9 and occurred on the San Andreas fault, centered near Santa Cruz. This event caused several residential fires and numerous commercial buildings were damaged.

Therefore, based on the findings declared in this document, it is found reasonably necessary that the 2013 California Fire Code be changed or modified to mitigate the effects of the above described local climatic, geological and topographic conditions.

CITY OF CLAYTON
Founded 1857 · Incorporated 1964

Agenda Date: 1-7-2014

Agenda Item: 8b

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CHARLIE MULLEN, COMMUNITY DEVELOPMENT DIRECTOR CM

DATE: JANUARY 7, 2014

SUBJECT: INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 15.09 OF THE CLAYTON MUNICIPAL CODE THEREBY ADOPTING THE 2013 CALIFORNIA FIRE CODE WITH CHANGES, ADDITIONS, AND DELETIONS AS ALLOWED BY STATE LAW (ZOA-07-13).

RECOMMENDATION

Staff recommends the City Council receive and consider the staff report, receive any public comment; by motion have the City Clerk read the Fire Code amendment Ordinance (Attachment 1) by title and number only and waive further reading; and following the City Clerk's reading, the City Council by motion approve the introduction and first reading of the Ordinance, then set a public hearing for adoption of the ordinance for February 4, 2014.

BACKGROUND

On October 22, 2013, the County Board of Supervisors, acting as the Board of Directors of the Contra Costa County Fire Protection District (the Fire District that serves the City of Clayton) adopted Ordinance 2013-22, adopting the 2013 California Fire Code with specified changes, additions, and deletions. Representatives of the Fire District, subsequently, asked the jurisdictions served by this District to adopt the same modified code. This Fire Code is State-mandated, although it can be amended as long as the proposed requirements are more restrictive and required for operational needs or limitations and related to local conditions of climate, geography, and/or topography. Fire and Building Codes, typically, are updated every three years. The Fire Code was last updated in 2010.

City staff was recently provided with the County's adopted 2013 Fire Code and Findings from the District Fire Marshal to implement in the City of Clayton. Staff has incorporated the County Ordinance amendments into the City's proposed Ordinance No. 453 to assure that the City of Clayton is consistent with the Contra Costa Fire Protection District's adopted version of the 2013 California Fire Code.

ATTACHMENT - 2

The Fire Marshal from the Contra Costa County Fire Protection District will attend the City Council meeting on January 7, 2014, and be available to answer questions regarding this Code.

DISCUSSION

The proposed City-initiated Ordinance to amend portions of the *Clayton Municipal Code* would specifically amend the text and sections of existing Chapter 15.09 - 2010 California Fire Code With Amendments. The following is a summary of proposed amendments while the specific amendments are fully contained in the Exhibits of the attached draft Ordinance. A red-lined version of the proposed Ordinance text changes is provided as Attachment 2, to assist the City Council and public in clearly seeing the changes made to the current Fire Code provisions.

The California Building Standards Commission has adopted and published the 2013 Building Standards Code, which includes the 2013 California Fire Code prepared and adopted by the State Fire Marshal. The statewide code became effective January 1, 2014. Although the code applies statewide, Health and Safety Code sections 17958.5 and 18941.5 authorize a local jurisdiction to modify or change the statewide code and establish more restrictive standards if the jurisdiction finds that the modifications and changes are reasonably necessary because of local climatic, geological or topographical conditions. Contra Costa County has adopted Ordinance No. 2013-22 implementing the 2013 California Fire Code and amends it to address local conditions.

The attached ordinance amends the 2013 California Fire Code by establishing automatic sprinkler system requirements throughout all Group R (residential) occupancies, which is more restrictive than the sprinkler requirements in the statewide code. The automatic sprinkler system requirements are set forth in Section 903.2 of the attached Ordinance. These new Fire Code amendments proposed by the Fire District will now clarify that new manufactured and mobile homes are also required to provide automatic sprinkler systems. While Clayton does not have any or provide for any mobile home parks, it is possible that pre-manufactured homes could be proposed or constructed and thus this provision would be applicable. The current 2010 California Fire Code already requires and mandates all new single-family and multi-family housing units to be constructed with automatic sprinkler systems and that requirement will not change. The Fire District believes the more restrictive requirements are necessary due to Contra Costa County's climatic, geological and topographical conditions, which impact fire prevention efforts and the frequency, spread, acceleration, intensity and size of fire involving buildings.

The Fire District also proposes amendments to the existing weed abatement program incorporated into Section 319 of the ordinance. This program authorizes the Fire District to declare certain weeds that pose a fire hazard as a public nuisance, to abate those weeds, and to recover abatement costs from property owners. This ordinance also prohibits untethered sky lanterns.

At the recommendation of the City Attorney, the City's Fire Code Ordinance deletes Section 103.2 of the 2013 California Fire Code, as this section deals with employment matters of the Fire Marshal not appropriate for local adoption.

Other minor section numbering changes, clean-up and section references changes are included along with the deletion of code sections that are no longer necessary due to inclusion in the 2013 California Fire Code.

Following City Council introduction of this Ordinance and setting of the public hearing date, staff will provide noticing in accordance with California Government Code Section 6066.

CEQA

Pursuant to California Environmental Quality Act (CEQA) Guideline 15061(b)(3) it can be seen with certainty there is no possibility the proposed amendments to the *Clayton Municipal Code* may have a significant effect on the environment, and therefore it is not subject to CEQA.

FISCAL IMPACT

Some staff time as well as printing cost have and will be associated with the preparation of this is Ordinance.

Attachments:

1. Ordinance No. 453 – Regarding 2013 Fire Code Amendments with following Exhibits:
   - Exhibit A – 2013 Fire Code Text
   - Exhibit B – Findings of Fact
2. Redlined Version of Proposed Ordinance Text Amendments

CITY OF CLAYTON

Founded 1857 .. Incorporated 1964

Agenda Date: 2-4-2014

Agenda Item: 8a

STAFF REPORT

Approved:

Gary A. Napper
City Manager

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KEVIN MIZUNO, FINANCE MANAGER, CPA

DATE: February 4, 2014

SUBJECT: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2013 (FY '12 -'13)

RECOMMENDATION

Accept the "unmodified opinion" issued by the independent auditors on the City of Clayton's basic financial statements for the fiscal year ended June 30, 2013.

BACKGROUND

The independent auditor, Cropper Accountancy Corporation, has issued an unmodified opinion on the City of Clayton's financial statements for the fiscal year ended June 30, 2013. This means that independent auditors have issued a "clean opinion", whereby the City's financial statements are fairly presented in all material respects in accordance with Generally Accepted Accounting Principles (GAAP).

Recently, the City's past-due Audit Report were not completed in a timely manner due to several issues impacting the Finance Department. There were financial management software conversion issues that continued from fiscal year 2010-11 into 2011-12, staff changes due to retirements, and illness that limited our ability to complete the reports on time. However, on November 19, 2013, the auditors and staff presented and the City Council approved the audited financial statements for FY 2011-12.

The reporting format includes a management discussion and analysis (MD&A) 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 position and a statement of activities and changes in net position are also included that presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Clayton is improving or deteriorating.

FISCAL IMPACT

In FY 2012-13, the General Fund revenues once again, including transfers-in, exceeded expenditures by $26,160, thereby increasing the ending fund balance of the General Fund to $5,382,585. Included in the fund balance, in accordance with *Governmental Accounting Standards Statement (GASB) No. 54,* is the Council's previous assignment of fund balance of $182,671 for labor relations, self-insurance fund replenishments, and the augmentation of the capital equipment replacement fund (CERF) pursuant to City Council Resolution No. 41-2013 authorized on December 17, 2013. This resulted in an unassigned General fund balance of $5,199,914.

The City's budgetary history demonstrates an ability to provide necessary services within a limited and often restrictive revenue source. There was a slight increase in the General Fund's actual expenditure plan from the prior year adopted budget to $3,668,171, a figure slightly more than in fiscal year 2002/03 when the budget was adopted for $3,537,893. At year end, General Fund revenues increased by $253,124 to $3,724,101 compared to the adopted fiscal year 2012-13 budget. The corresponding final budgeted expenditures of $3,842,365 included encumbrances of $155,578 and budget amendments totaling $18,616 previously authorized by the City Council. The actual expenditures totaled $3,697,941 which was $144,424 under budget. The net result to the fund balance was a surplus of $26,160.

The Special Revenue Funds maintained or improved fund balances with the exception except of the following funds:

- The Landscape Maintenance District reported a net decrease in fund balance of ($349,419) resulting from transfers to the Capital Improvement Fund in the amount of $468,601 to finance the following budgeted capital projects: Landscape Median Project (CIP #10430), the Trail Paving Project (CIP #10429), the Daffodil Hill Project (CIP #10431), and the Cardinet Trail Restoration Project (CIP #10421). This fund still reported a positive fund balance of $157,860 at June 30, 2013.
- The Measure J Fund reported a net decrease in fund balance of ($580,434) resulting from transfers to the Capital Improvement Fund in the amount of $839,281 to finance the following budgeted capital projects: Neighborhood Street Project (CIP #10411) and the East Marsh Creek Road Upgrade Project (CIP #10414). This fund reported a fund balance deficit of ($276,965) which was planned to be offset by future Measure J revenues.
- The Gas Tax Fund reported a net decrease in fund balance of ($279,723) resulting from transfers to the Capital Improvement Fund in the amount of $462,558 to finance the following budgeted capital projects: Neighborhood Street Project (CIP #10411) and ADA Compliance Project (CIP #10394A). This fund reported a fund balance deficit of ($276,965) which was planned to be offset by future Measure J revenues.

The Enterprise Funds are comprised of the Community Gym and Endeavor Hall funds. The Endeavor Hall fund reported a net decrease in fund balance of ($45,257), of which $36,068 (or 79%) was attributable to depreciation expense in fiscal year 2012-13. Consistent with the prior year, the Community Gym enterprise fund did not report operational activity in fiscal year 2012-13 as a result of continued disputes with the school district regarding the fair cost apportionments or methodologies for custodian labor expenses and utility costs at the gym.

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

CONCLUSION
Accept the "unmodified opinion" issued by the independent auditors on the financial statements of the City of Clayton for the fiscal year ending to June 30, 2013.

Respectively submitted,

T. Kevin Mizuno

Kevin Mizuno, CPA
Finance Manager

Attachments:

Attachment 1 - Basic Financial Statements and Independent Auditors' Report

Attachment 2 - Auditors' Required Communication of to Those Charged with Governance Near the End of an Audit (Standard AU-C 260)

Attachment 3 - Auditors' Communication of Internal Control Related Matters Identified During the Audit (Standard AU-C 265)

Attachment 1

CROPPER

an accountancy corporation

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF CLAYTON

ANNUAL FINANCIAL STATEMENT REPORT

YEAR ENDED JUNE 30, 2013

(With Auditors' Report Thereon)

professional. personalized. service.

City of Clayton
Basic Financial Statements
June 30, 2013
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III. SUPPLEMENTAL INFORMATION

IV. ADDITIONAL REPORTS

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Clayton, California

Report on the Financial Statements

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 the City of Clayton, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Clayton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of Clayton's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Clayton, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 – 10 and 70 – 72 and 80 – 85 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 sufficient evidence to express an opinion or provide any assurance.

Other Information

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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

The required supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013, on our consideration of the City of Clayton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Clayton's internal control over financial reporting and compliance.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 20, 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, 2013. 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 Position - The assets of the City of Clayton exceeded its liabilities at the close of the most recent fiscal year by $41,161,878. Of this amount, $4,778,732 was reported as "unrestricted net position" and may be used to meet the ongoing obligations to citizens and creditors.

Changes in Net Position - The City's total net position decreased by $217,207 in fiscal year 2013. Net assets of governmental activities decreased by $171,950, while net position of business type activities decreased by $45,257.

Major Fund Highlights

Governmental Funds –As of the close of fiscal year 2013, the City's governmental funds reported a combined ending fund balance of $10,029,147. Of this amount $4,774,534 represents "unassigned fund balances" available for appropriation.

General Fund - The unassigned fund balance of the general fund on June 30, 2013 was $5,199,914, while the assigned fund balance was $182,671.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the City of Clayton's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position 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 position* changed during the most recent fiscal year. All changes in net position 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, Clayton Landscape Maintenance Fund, the Measure J Fund, the Clayton Development Impact Fees Fund, and Capital Improvements Fund, all of which are considered to be major funds.

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-61 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 position 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 $41,161,878 at the close of the most recent fiscal year. This is a decrease of $217,207 or 1% from the prior fiscal year's ending balance.

The largest portion of the City of Clayton's net position 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 Position for the fiscal years ended June 30, 2013 and 2012:

	Governmental Activities 2013	Governmental Activities 2012	Business-Type Activities 2013	Business-Type Activities 2012	Total 2013	Total 2012
Current Assets	$ 9,670,268	$ 11,770,439	$ (60,962)	$ (77,919)	$ 9,609,306	$ 11,692,520
Non-Current Assets	1,000,811	1,004,835	-	-	1,000,811	1,004,835
Capital Assets	29,988,389	28,330,852	1,322,815	1,358,883	31,311,204	29,689,735
Total Assets	$ 40,659,468	$ 41,106,126	$ 1,261,853	$ 1,280,964	$ 41,921,321	$ 42,387,090
Current Liabilities	$ 534,628	$ 821,707	$ 69,420	$ 43,274	$ 604,048	$ 864,981
Long-term Liabilities	155,395	143,024	-	-	155,395	143,024
Total Liabilities	$ 690,023	$ 964,731	$ 69,420	$ 43,274	$ 759,443	$ 1,008,005
Net investment in capital assets	$ 29,988,389	$ 28,330,852	$ 1,322,815	$ 1,358,883	$ 31,311,204	$ 29,689,735
Restricted	5,071,942	6,775,688	-	-	5,071,942	6,775,688
Unrestricted	4,909,114	5,034,855	(130,382)	(121,193)	4,778,732	4,913,662
Total Net Position	$ 39,969,445	$ 40,141,395	$ 1,192,433	$ 1,237,690	$ 41,161,878	$ 41,379,085

A portion of the City of Clayton's net position ($5,071,942 or 12.3%) represents resources that are subject to external restrictions on how they may be used. The balance of the *unrestricted net position* of $4,778,732 may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Position

City revenues for the year, including both governmental and business-type activities, were $5,847,906, while expenses totaled $6,065,113, resulting in a net reduction in net position of $217,207. Further analysis is provided within the governmental and business-type activity sections on the next page.

Following is a recap of the City of Clayton's Statement of Activities and Changes in Net Position for the fiscal years ended June 30, 2013 and 2012:

	Governmental Activities 2013	Governmental Activities 2012	Business Type Activities 2013	Business Type Activities 2012	Total 2013	Total 2012
Revenues:						
Program revenues:						
Charges for services	$ 702,981	$ 988,529	$ 14,860	$ 16,294	$ 717,841	$ 1,004,823
Operating and capital grants and contributions	587,384	884,026	-	-	587,384	884,026
Total program revenues	1,290,365	1,872,555	14,860	16,294	1,305,225	1,888,849
General revenues:						
Property taxes	1,691,803	4,488,417	-	-	1,691,803	4,488,417
Sales taxes	353,525	307,887	-	-	353,525	307,887
Special assessments	1,232,280	1,220,460	-	-	1,232,280	1,220,460
Other taxes	802,651	792,726	-	-	802,651	792,726
Investment income	80,622	242,539	-	(359)	80,622	242,180
Miscellaneous	139,161	873,249	-	-	139,161	873,249
Escheat recapture (deposits)	-	376,648	-	-	-	376,648
Gain (loss) on sale of assets	(7,817)	(116,339)	-	-	(7,817)	(116,339)
Total general revenues	4,292,225	8,185,587	-	(359)	4,292,225	8,185,228
Total revenues	5,582,590	10,058,142	14,860	15,935	5,597,450	10,074,077
Expenses						
Legislative	64,486	48,420	-	-	64,486	48,420
Admin/Finance	994,470	1,009,135	-	-	994,470	1,009,135
Public works	744,139	721,272	-	-	744,139	721,272
Community park	215,994	194,376	-	-	215,994	194,376
Economic development	86,154	143,255	-	-	86,154	143,255
Planning and development	262,145	294,186	-	-	262,145	294,186
General services	127,611	143,768	-	-	127,611	143,768
Police	1,925,266	1,972,460	-	-	1,925,266	1,972,460
Library	140,451	150,969	-	-	140,451	150,969
Engineering	97,960	93,246	-	-	97,960	93,246
Highway and streets	423,620	323,500	-	-	423,620	323,500
Landscape maintenance	922,700	781,003	-	-	922,700	781,003
Community gym	-	-	-	18	-	18
Endeavor hall	-	-	60,117	61,497	60,117	61,497
Total expenses	6,004,996	5,875,590	60,117	61,515	6,065,113	5,937,105
Increase (decrease) in Net Position before interest on long-term debt, extraordinary losses and transfers	(422,406)	4,182,552	(45,257)	(45,580)	(467,663)	4,136,972
Interest on Long-Term Debt	-	(129,047)	-	-	-	(129,047)
Extraordinary loss on RDA dissolution	-	(6,100,352)	-	-	-	(6,100,352)
Transfers in (out)	250,456	250,000	-	-	250,456	250,000
Change in Net Position	(171,950)	(1,796,847)	(45,257)	(45,580)	(217,207)	(1,842,427)
Net Position - Beginning	40,141,395	41,938,242	1,237,690	1,283,270	41,379,085	43,221,512
Net Position - Ending	$ 39,969,445	$ 40,141,395	$ 1,192,433	$ 1,237,690	$ 41,161,878	$ 41,379,085

Governmental Activities

Total governmental expenses were $6,004,996 in fiscal year 2013 compared to $6,004,637 in the prior year. The largest expenses for fiscal year 2013 were incurred for Police Services (32%), Admin/Finance (17%), Landscape Maintenance (15%), and Public Works (12%). These four activities combined account for 76% of all general activity expenses. Landscape Maintenance expense increased by $141,697 or 18% and Public Works expense increased by $22,867 over the prior fiscal year; while Police Services and Admin/Finance expenses decreased by $47,194 (-2%) and $14,665 (-1%), respectively.

Total program revenues from governmental activities were $1,290,365 in fiscal year 2013. 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. 54% 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 46% 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 fees, investment earnings, special assessments, fines, franchise fees, use of money and property, service charges, and other revenues.

Total general revenues (excluding transfers) from governmental activities were $4,292,225 in fiscal year 2013 of which $1,691,803 or 39% is related to property taxes. Property tax revenues declined by $2,796,614 or 62%, chiefly due to the dissolution of the former RDA in the prior fiscal year, as there was no property tax income from the RDA in fiscal year 2013 versus $2,755,501 in the prior fiscal year.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

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, *unassigned 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 $10,129,147. Of this amount $5,071,942 (51%) is committed for specific expenditures in the future, $182,671 has been assigned for specific purposes (1%) and $4,774,534 (48%) is unassigned.

The fund balance of the City of Clayton's general fund increased by $26,160 for the current fiscal year. 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 position of the Major Enterprise Funds at the end of the year amounted to $(130,382), and those for the Internal Service Fund amounted to $107,304. 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 for expenditures totaled $3,842,365. There was one budget amendment to the originally adopted budget. The increase was for encumbrances from 2011-12 approved for $174,194 which funded contractual obligations and outstanding purchases in this fiscal year.

General fund revenues exceeded budget by $253,124 (8%). General Fund expenditures were under the final budget including encumbrances by $144,424 (4%).

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, 2013, amounted to $31,311,204 (net of accumulated depreciation). This investment in capital assets includes land, building, improvements, machinery and equipment, park facilities, corporate yard building, and roads.

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

- Construction in Progress additions totaling $1,259,021 for the 2013 Pavement Rehabilitation project.
- Land acquired for the Downtown Economic Development project for $1,040,599.

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

Debt Administration

The remaining debt of the former RDA of $5,835,000 was transferred to the Successor Agency on February 1, 2012 (fiscal year 2011-12). The City has no outstanding general obligation debt. The former RDA maintains a "AAA" rating for Tax Allocation Bonds from Standard & Poor's. Additional information on the Successor Agency's long-term debt obligations can be found in Note 12 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's budgetary history during the past 11 years clearly demonstrates an ability to provide necessary services within a limited and sometimes restrictive revenue source. There was a minimal increase in the General Fund's adopted budgeted expenditures for Fiscal Year 2012-13 to $3,668,171, a figure slightly more than in the fiscal year 2002-03 when the budget was adopted for $3,537,893.

General Fund revenues, including transfers-in at June 30, 2013, exceeded expenditures by $26,160. In the adopted fiscal year 2013-14 General Fund budget, total revenues were projected to be $3,673,442, which is an overall increase of 5.8% over the fiscal year 2012-13 adjusted budget. This increase is primarily a result of increased revenues expected from property values in the community beginning to rise and additional unrestricted revenues to the General Fund from the Redevelopment Property Tax Trust Fund (RPTTF) arising from the dissolution of the City's RDA. The adopted fiscal year 2013-14 General Fund budget authorized total appropriations of $3,649,122, which is a decrease in appropriations from the final adjusted fiscal year 2012-13 budget of approximately $196,150, or 5%.

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 Position
June 30, 2013

ASSETS	Governmental Activities	Business-Type Activites	Total
Current Assets:			
Cash and investments	$ 8,923,840	$ -	$ 8,923,840
Accounts receivable (net of allowances)	652,959	-	652,959
Interest receivable	29,840	-	29,840
Internal balances	60,962	(60,962)	-
Prepaid expenses	2,667	-	2,667
Total Current Assets	9,670,268	(60,962)	9,609,306
Noncurrent Assets:			
Notes receivable	1,000,811	-	1,000,811
Nondepreciable assets	3,347,386	167,738	3,515,124
Depreciable assets, net	26,641,003	1,155,077	27,796,080
TOTAL ASSETS	40,659,468	1,261,853	41,921,321
LIABILITIES			
Current Liabilites:			
Accounts payable	165,286	572	165,858
Deposits payable	-	6,548	6,548
Accrued payroll	46,785	-	46,785
Compensated absences payable (current portion)	81,456	-	81,456
Other accrued liabilities	116,265	62,300	178,565
Deferred revenue	124,836	-	124,836
Total Current Liabilities	534,628	69,420	604,048
Noncurrent Liabilites:			
Compensated absences payable (long-term portion)	81,456	-	81,456
OPEB Liability	73,939	-	73,939
Total Noncurrent Liabilities	155,395	-	155,395
TOTAL LIABILITIES	690,023	69,420	759,443
NET POSITION			
Net investment in capital assets	29,988,389	1,322,815	31,311,204
Restricted for special projects and programs	5,071,942	-	5,071,942
Unrestricted	4,829,960	(130,382)	4,699,578
TOTAL NET POSITION	$ 39,890,291	$ 1,192,433	$ 41,082,724

The accompanying notes are an integral part of the financial statements

For the fiscal year ended June 30, 2013	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities							
Legislative	$ 64,486	$ -	$ -	$ -	$ (64,486)	$ -	$ (64,486)
Admin/Finance	994,470	88,305	-	-	(906,165)	-	(906,165)
Public works	744,139	176,163	-	-	(567,976)	-	(567,976)
Community park	215,994	-	-	-	(215,994)	-	(215,994)
Economic development	86,154	-	-	-	(86,154)	-	(86,154)
Planning and development	262,145	32,667	-	-	(229,478)	-	(229,478)
General services	127,611	263,819	-	-	136,208	-	136,208
Police	1,925,266	36,899	124,110	-	(1,764,257)	-	(1,764,257)
Library	140,451	-	-	-	(140,451)	-	(140,451)
Engineering	97,960	105,128	-	-	7,168	-	7,168
Highway and streets	423,620	-	349,800	-	(73,820)	-	(73,820)
Landscape maintenance	922,700	-	113,474	-	(809,226)	-	(809,226)
Total Governmental Activities	6,004,996	702,981	587,384	-	(4,714,631)	-	(4,714,631)
Business-Type Activities							
Community Gym	-	-	-	-	-	-	-
Endeavor Hall	60,117	14,860	-	-	-	(45,257)	(45,257)
Total Business-Type Activities	60,117	14,860	-	-	-	(45,257)	(45,257)
Total Primary Government	$ 6,065,113	$ 717,841	$ 587,384	$ -	(4,714,631)	(45,257)	(4,759,888)
General revenues:							
Taxes:							
Property taxes					1,691,803	-	1,691,803
Sales taxes					353,525	-	353,525
Special assessments					1,232,280	-	1,232,280
Other taxes					802,651	-	802,651
Total Taxes					4,080,259	-	4,080,259
Investment income (loss)					80,622	-	80,622
Loss on fixed asset disposal					(7,817)	-	(7,817)
Miscellaneous					139,161	-	139,161
Transfers from fiduciary funds					250,456	-	250,456
Total general revenues and transfers					4,542,681	-	4,542,681
Change in net position					(171,950)	(45,257)	(217,207)
Net position - beginning of year					40,141,395	1,237,690	41,379,085
Net position - end of year					$ 39,969,445	$ 1,192,433	$ 41,161,878

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.

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 major special revenue funds are:

Clayton Landscape Maintenance Fund - accounts for real property voter-approved assessments collected to maintain arterial landscaping and open space within the City.

Measure J Fund - 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 issues. A portion of their county wide voter-approved tax is returned to local governments.

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 major capital projects funds:

Capital Improvements Projects 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 Development Impact Fees Fund - accounts for projects funded with the Development Impact Fees.

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, 2013

	Major Funds		
	General Fund	Clayton Landscape Maintenance	Measure J Fund
ASSETS			
Cash and investments	$ 3,636,225	$ 236,941	$ -
Accounts receivable	266,365	-	263,413
Interest receivable	29,840	-	-
Notes receivable	1,000,811	-	-
Prepaid expenses	2,667	-	-
Due from other funds	767,439	-	-
Advance to other funds	60,000	-	-
TOTAL ASSETS	$ 5,763,347	$ 236,941	$ 263,413
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	$ 91,158	$ 53,641	$ -
Other payables	76,527	25,440	-
Accrued payroll	46,785	-	-
Accrued vacation	81,456	-	-
Deferred revenue	84,836	-	-
Notes payable	-	-	-
Due to other funds	-	-	540,378
Advance from other funds	-	-	-
TOTAL LIABILITIES	380,762	79,081	540,378
FUND BALANCE			
Committed for:			
Stated purpose of fund	-	157,860	-
Assigned for:			
Labor relations contract negotiation	103,517	-	-
Self-insurance replenishment	54,154	-	-
Capital equipment replacement	25,000	-	-
Unassigned	5,199,914	-	(276,965)
TOTAL FUND BALANCE	5,382,585	157,860	(276,965)
TOTAL LIABILITIES AND FUND BALANCE	$ 5,763,347	$ 236,941	$ 263,413

The accompanying notes are an integral part of the financial statements

Capital Improvements Fund	Clayton Development Impact Fees	Other Governmental	Total
$ 2,519,859	$ 766,362	$ 1,657,149	$ 8,816,536
-	-	123,181	652,959
-	-	-	29,840
-	-	-	1,000,811
-	-	-	2,667
-	-	-	767,439
-	-	-	60,000
$ 2,519,859	$ 766,362	$ 1,780,330	$ 11,330,252
$ 1,774	$ -	$ 18,713	165,286
5,679	-	8,619	116,265
-	-	-	46,785
-	-	-	81,456
-	-	40,000	124,836
-	-	-	-
-	-	166,099	706,477
-	60,000	-	60,000
7,453	60,000	233,431	1,301,105
2,512,406	706,362	1,695,314	5,071,942
-	-	-	103,517
-	-	-	54,154
-	-	-	25,000
-	-	(148,415)	4,774,534
2,512,406	706,362	1,546,899	10,029,147
$ 2,519,859	$ 766,362	$ 1,780,330	$ 11,330,252

City of Clayton
Reconciliation of Governmental Funds Balance Sheet with the Statement of Net Position
June 30, 2013

For the fiscal year ended June 30, 2013 **Total Fund Balances - Governmental Funds**	$ 10,029,147
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	3,347,386
Depreciable capital assets, net (net of internal service fund assets of $462,495)	26,178,508
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.	
OPEB liability	(73,939)
Compensated absences payable	(81,456)
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.	569,799
Net Position of Governmental Activities	$ 39,969,445

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, 2013

	Major Funds		
	General Fund	Clayton Landscape Maintenance Fund	Measure J Fund
REVENUES			
Property taxes	$ 1,691,803	$ -	$ -
Program income	10,546	-	-
Special assessments	-	954,704	-
Sales taxes	353,525	-	-
Permits, licenses and fees	255,984	-	-
Fines, forfeirtures and penalties	93,328	-	-
From other agencies	79,607	-	263,413
Other in-lieu fees	145,921	-	-
Franchise fees	479,765	-	-
Service charges	125,387	-	-
Use of money and property	38,453	(3,447)	-
Other revenue	89,314	(150)	-
TOTAL REVENUES	$ 3,363,633	$ 951,107	$ 263,413
EXPENDITURES			
General Government			
Legislative	64,486	-	-
Admin/Finance	787,842	-	-
Public works	156,279	-	-
Community park	215,994	-	-
Economic development	-	-	-
Community development	262,145	-	-
General services	105,352	-	-
Police	1,867,432	-	-
Library	140,451	-	-
Engineering	97,960	-	-
Highway and streets	-	-	566
Landscape maintenance	-	792,154	-
Capital Outlay	-	7,913	-
TOTAL EXPENDITURES	3,697,941	800,067	566
REVENUES OVER (UNDER) EXPENDITURES	(334,308)	151,040	262,847
OTHER FINANCING SOURCES			
Transfers in	360,468	-	-
Transfers out	-	(500,459)	(843,281)
TOTAL OTHER FINANCING SOURCES (USES)	360,468	(500,459)	(843,281)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	26,160	(349,419)	(580,434)
FUND BALANCES:			
Beginning of year	5,356,425	507,279	303,469
End of fiscal year	$ 5,382,585	$ 157,860	$ (276,965)

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, 2013

Major Funds			
Clayton Development Impact Fees	Capital Improvements Fund	Other Governmental	Total
$ -	$ -	$ -	$ 1,691,803
-	-	-	10,546
-	-	277,576	1,232,280
-	-	-	353,525
105,682	-	40,995	402,661
-	-	-	93,328
-	-	493,021	836,041
-	-	-	145,921
-	-	-	479,765
-	-	-	125,387
8,604	22,432	14,537	80,579
-	23,810	25,554	138,528
$ 114,286	$ 46,242	$ 851,683	$ 5,590,364
-	-	-	64,486
-	-	-	787,842
-	-	-	156,279
-	-	-	215,994
-	-	86,154	86,154
-	-	-	262,145
-	-	-	105,352
-	-	-	1,867,432
-	-	-	140,451
-	-	-	97,960
-	133,042	290,012	423,620
-	45,636	84,910	922,700
-	2,362,912	-	2,370,825
-	2,541,590	461,076	7,501,240
114,286	(2,495,348)	390,607	(1,910,876)
-	1,860,440	912	2,221,820
-	-	(627,624)	(1,971,364)
-	1,860,440	(626,712)	250,456
114,286	(634,908)	(236,105)	(1,660,420)
592,076	3,147,314	1,783,004	11,689,567
$ 706,362	$ 2,512,406	$ 1,546,899	$ 10,029,147

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 Yeear Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds	$ (1,660,420)
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 $123,775).	(671,250)
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-terms assets are collected, they are reflected as revenue. This amount is the net change in the long-term assets for the current period.	(73,939)
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.	(7,339)
Capital asset acquisition, excluding internal service fund asset acquisitions.	2,370,825
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.	(129,827)
Change in Net Position of Governmental Activities on Statement of Activities	$ (171,950)

The accompanying notes are an integral part of the financial statments

PROPRIETARY FUNDS

City of Clayton
Statement of Net Position
Proprietary Funds
June 30, 2013

	Community Gym	Endeavor Hall	Total	Governmental Activities Internal Service Funds
ASSETS				
Current Assets:				
Cash and investments	$ -	$ -	$ -	$ 107,304
Receivables:				
Accounts	-	-	-	-
Interest	-	-	-	-
Noncurrent Assets				
Land	-	167,738	167,738	-
Depreciable assets, net	-	1,155,077	1,155,077	462,495
TOTAL ASSETS	-	1,322,815	1,322,815	569,799
LIABILITIES				
Current Liabilities:				
Accounts payable	-	572	572	-
Other payables	58,489	3,811	62,300	-
Deposits payable	-	6,548	6,548	-
Due to other funds	37,465	23,497	60,962	-
TOTAL LIABILITIES	95,954	34,428	130,382	-
NET POSITION				
Invested in capital assets, net of related debt	-	1,322,815	1,322,815	462,495
Restricted for payment of claims	-	-	-	-
Unrestricted	(95,954)	(34,428)	(130,382)	107,304
TOTAL NET POSITION	$ (95,954)	$ 1,288,387	$ 1,192,433	$ 569,799

The accompanying notes are an integral part of the financial statements

	Community Gym	Endeavor Hall	Total	Governmental Activities Internal Services Funds
OPERATING REVENUES				
Charges for current services	$ -	$ 14,860	$ 14,860	$ 16,200
TOTAL OPERATING REVENUES	-	14,860	14,860	16,200
OPERATING EXPENSES				
Personnel	-	10,287	10,287	-
General and administrative	-	13,762	13,762	14,478
Bad Debt Expense	-	-	-	-
Depreciation and amortization	-	36,068	36,068	123,775
TOTAL OPERATING EXPENSES	-	60,117	60,117	138,253
OPERATING INCOME (LOSS)	-	(45,257)	(45,257)	(122,053)
NONOPERATING REVENUES (EXPENSES)				
Loss on disposal of assets	-	-	-	(7,817)
Investment income (loss)	-	-	-	43
TOTAL NONOPERATING REVENUES (EXPENSES)	-	-	-	(7,774)
CHANGE IN NET POSITION	-	(45,257)	(45,257)	(129,827)
NET POSITION:				
Beginning of fiscal year	(95,954)	1,333,644	1,237,690	699,626
End of fiscal year	$ (95,954)	$ 1,288,387	$ 1,192,433	$ 569,799

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, 2013

	Major Enterprise Funds			
	Community Gym	Endeavor Hall	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers/other funds	$ -	$ 16,779	$ 16,779	$ 16,200
Cash payments to suppliers for goods and services	-	(6,492)	(6,492)	(17,719)
Cash payment to employees for services	-	(10,287)	(10,287)	-
Net cash provided (used) by operating activities	-	-	-	(1,519)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Cash paid for capital acquisition	-	-	-	(89,554)
Net cash provided (used) by capital and related financing activities	-	-	-	(89,554)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income received	-	-	-	43
Net Cash provided (used) by investing activities	-	-	-	43
Net increase (decrease) in cash and cash equivalents	-	-	-	(91,030)
CASH AND CASH EQUIVALENTS:				
Fiscal year end June 30, 2012	-	-	-	198,334
Fiscal year end June 30, 2013	$ -	$ -	$ -	$ 107,304
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	$ -	$ (45,257)	$ (45,257)	$ (122,053)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	36,068	36,068	123,775
Changes in current assets and liabilities:				
Accounts receivable	-	121	121	-
Accounts payable	-	47	47	(3,241)
Other payables		301	301	-
Due to other funds	-	6,922	6,922	-
Deposits payable	-	1,798	1,798	-
Net cash provided (used) by operating activities	$ -	$ -	$ -	$ (1,519)

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. Agency funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

Private Purpose Trust Funds account for resources held by the City as trustee for third party beneficiaries, and are used to report both the Fiduciary Net Position and Changes in Fiduciary Net Position for the Successor Agency for the former Redevelopment Agency. Private Purpose Trust Funds are accounted for under the full accrual basis of accounting.

City of Clayton
Statement of Fiduciary Net Position
Agency Funds
(Excludes Successor Agency Funds)
June 30, 2013

	Agency Funds
ASSETS	
Cash and investments	$ 1,716,273
Cash with fiscal agents	423,157
Investment in bonds	3,554,000
Other receivables	399,928
TOTAL ASSETS	$ 6,093,358
LIABILITIES	
Accounts payable	$ 395,837
Other payables	21,836
Other deposits	670,286
Due to bondholders	5,005,399
TOTAL LIABILITIES	$ 6,093,358

The accompanying notes are an integral part of the financial statements

City of Clayton
Statement of Fiduciary Net Position
Private Purpose Trust Fund - Successor Agency
June 30, 2013

ASSETS	Redevelopment Retirement Trust Fund	Redevelopment LMI Retirement Trust Fund	Eliminations	Total
Current assets:				
Cash and investments	$ 1,968,613	$ 3,942,117	$ -	$ 5,910,730
Cash and investments with fiscal agents	924,815	-	-	924,815
Total current assets	2,893,428	3,942,117	-	6,835,545
Noncurrent assets:				
Advance to other funds	-	592,412	(592,412)	-
Loans to other funds	183,144	4,099,250	-	4,282,394
Total noncurrent assets	183,144	4,691,662	(592,412)	4,282,394
Total assets	$ 3,076,572	$ 8,633,779	$ (592,412)	$11,117,939
LIABILITIES AND NET POSITION				
Liabilities				
Current liabilities:				
Accrued interest payable	$ 100,801	$ -	$ -	$ 100,801
Current portion of long term debt	295,000	-	-	295,000
Due to other funds	976,899	-	-	976,899
Total current liabilities	1,372,700	-	-	1,372,700
Noncurrent liabilities:				
Deferred revenue	183,144	3,344,800	-	3,527,944
Long term debt, net of current portion	4,560,000	-	-	4,560,000
Advance from LMI fund	592,412	-	(592,412)	-
Total noncurrent liabilities	5,335,556	3,344,800	(592,412)	8,087,944
Total liabilities	6,708,256	3,344,800	(592,412)	9,460,644
NET POSITION				
Held in trust for other governments	(3,631,684)	5,288,979	-	1,657,295
Total liablilities and net position	$ 3,076,572	$ 8,633,779	$ (592,412)	$11,117,939

The accompanying notes are an integral part of the financial statements

City of Clayton
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund - Successor Agency
For the fiscal year ended June 30, 2013

	Redevelopment Retirement Trust Fund	Redevelopment LMI Retirement Trust Fund	Total
Additions			
Tax increment revenue	$ 810,749	$ -	$ 810,749
Other Revenue	-	61,400	$ 61,400
Investment income	24,366	21,504	45,870
Total additions	835,115	82,904	918,019
Deductions			
Interest expense	243,019	-	243,019
Project costs	-	-	-
State Demand - AB 1484	-	1,547,505	1,547,505
Other expenses	769	14,969	15,738
Total deductions	243,788	1,562,474	1,806,262
Extraordinary gain (loss)	-	-	-
Transfers	(250,000)	-	(250,000)
Change in net position	341,327	(1,479,570)	(1,138,243)
Net position held in trust - beginning	(3,973,011)	6,768,549	2,795,538
Net position held in trust - ending	$ (3,631,684)	$ 5,288,979	$ 1,657,295

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 10,996.

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 24 full time equivalent employees, of which 10 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.

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 Clayton Redevelopment Agency ("RDA"), which was dissolved as of February 1, 2012 was accounted for as a "blended" component unit of the City. Despite being legally separate, this entity was 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 were reported within the funds of the City. Upon the dissolution of the RDA in the prior fiscal year, the City no longer has any blended component units.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements

The government-wide financial statements include a Statement of Net Position 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 Position. The Statement of Activities presents changes in net position.

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

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 Position 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 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 position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements

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

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

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

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

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 Development Impact Fees Fund - This fund accounts for impact fees collected for new residential developments.

Landscape Maintenance Fund – This fund was created through a real property special tax to fund the operation and maintenance of citywide public landscaped areas.

Measure J Fund – This special revenue fund accounts for the City's allocated portion of the $0.005 sales tax levy approved by Measure J in 2004 and related expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

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

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

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. 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

The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, therefore only the Statement of Fiduciary Net Position is presented. Agency funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements, Continued

Private Purpose Trust Funds account for resources held by the City as trustee for third party beneficiaries, and are used to report both the Fiduciary Net Position and Changes in Fiduciary Net Position for the Successor Agency for the former Redevelopment Agency. Private Purpose Trust Funds are accounted for under the full accrual basis of accounting.

C. Use of Restricted and Unrestricted Net Position

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

D. Cash and Investments

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

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

The City's investment policy (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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Cash and Investments, Continued

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.

E. 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets, Continued

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

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

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

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Long-Term Liabilities, Continued

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 Position.

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.

Fiduciary funds that are Private Purpose Trust Funds have an "economic resources" measurement focus, which is the accrual basis of accounting. The trust fund reports all of the assets (including capital assets) and liabilities (including long term indebtedness). Effective February 1, 2012, the Successor Agency to the former Clayton RDA began reporting on this basis.

G. Compensated Absences

Government-Wide Financial Statements

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

Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Net Position / Fund Balances

Government-Wide Financial Statements

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

<u>Net Investment in Capital Assets</u> - 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.

<u>Restricted Net Position</u> - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

<u>Unrestricted Net Position</u> - This amount is all net position that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net position."

Fund Balance Reporting

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 not 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. 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.

J. 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.

K. 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."

L. New Accounting Pronouncements

- In November of 2010, GASB issued GASBS No. 60, *Accounting and Financial Reporting for Service Concession Arrangements.* The City is required to implement the provisions of this Statement for the year ended June 30, 2013 (effective for periods beginning after December 15, 2011). The City has no known SCAs that would require disclosure, or have a material effect on the financial statements of the City.

- In November of 2010, GASB issued GASBS No. 61, *The Financial Reporting Entity: Omnibus.* This Statement amends Statements No. 14 and 34, to modify certain requirements for inclusion of component units in the financial reporting entity. The City is required to implement the provisions of this Statement for the year ended June 30, 2013 (effective for periods beginning after June 15, 2012). The City no longer has a component unit that would require disclosure, or have a material effect on the financial statements of the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. *New Accounting Pronouncements, Continued*

- In December of 2010, GASB issued GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

  1. Financial Accounting Standards Board (FASB) Statements and Interpretations
  2. Accounting Principles Board Opinions
  3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

  The City is required to implement the provisions of this Statement for the year ended June 30, 2013 (effective for periods beginning after December 15, 2011). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.

- In June of 2011, GASB issued GASBS No. 63, *Financial Reporting and Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* The City is required to implement the provisions of this Statement for the year ended June 30, 2013 (effective for periods beginning after December 15, 2011). This Statement most likely will not result in a change in current practice, or have a material effect on the financial statements of the City.

- In June of 2011, GASB issued GASBS No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions.* This Statement amends Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. The City is required to implement the provisions of this Statement for the current fiscal year. This Statement did not result in a change in current practice, or have a material effect on the financial statements of the City.

- In March of 2012, GASB issued GASBS No. 65, *Items Previously Reported as Assets and Liabilities.* This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City is required to implement the provisions of this Statement for the year ended June 30, 2014 (effective for periods beginning after December 31, 2012). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. New Accounting Pronouncements, Continued

- In March of 2012, GASB issued GASBS No. 66, *Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62.* This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. The City is required to implement the provisions of this Statement for the year ended June 30, 2014 (effective for periods beginning after December 31, 2012). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.

- In June of 2012, GASB issued GASBS No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25.* The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The City is required to implement to provisions of this Statement for the year ended June 30, 2014 (effective for periods beginning after June 15, 2013). This Statement will result in a change in current practice, or have a material effect on the financial statements of the City.

- In June of 2012, GASB issued GASBS No. 68, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 27.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. The City is required to implement to provisions of this Statement for the year ended June 30, 2015 (effective for periods beginning after June 15, 2014). This Statement will result in a change in current practice, or have a material effect on the financial statements of the City.

- In January of 2013, GASB issued GASBS No. 69, *Government Combinations and Disposals of Government Operations.* This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The City is required to implement provisions of this Statement for the year ended June 30, 2015 (effective for periods beginning after December 15, 2013). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.

- In April of 2013, GASB issued GASBS No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting. The City is required to implement provisions of this Statement for the year ended June 30, 2014 (effective for periods beginning after June 15, 2013). This Statement will not result in a change in current practice, or have a material effect on the financial statements of the City.

2. CASH AND INVESTMENTS

Statement of Net Position:		
Cash and investments	$	8,923,840
Statement of Fiduciary Net Position, excluding S.A. funds:		
Cash and investments		1,716,273
Cash with fiscal agents		423,157
Bonds held in refunding		3,554,000
Statement of Fiduc. Net Position, Priv. Purp. Trust Fund- Successor Agency:		
Cash and investments		5,910,730
Cash with fiscal agents		924,815
Total	$	21,452,815

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	$	1,000
Deposits with financial institutions		2,134,817
Investments		19,316,998
Total	$	21,452,815

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	$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 monies represented by the particular investment will be needed for withdrawal from such fund. Monies invested in a reserve account shall be invested in Investment Securities which will by their terms mature prior to the date which is the final maturity date of the bonds.

		Remaining Maturity (in Months)					
Investment Type	Totals	12 Months or Less	13 - 24 Months	25 - 36 Months	37 - 48 Months	49 - 60 Months	More than 60 Months
State Investment Pool	$ 4,498,131	$ 4,498,131	$ -	$ -	$ -	$ -	$ -
Certificates of Deposit	8,571,491	4,004,906	2,057,747	1,662,449	846,389	-	-
Held by bond trustees:							
Money Market Funds	2,443,375	2,443,375	-	-	-	-	-
Bonds	250,001	250,001	-	-	-	-	-
Bonds held in refunding	3,554,000	261,000	281,000	296,000	316,000	342,000	2,058,000
	$ 19,316,998	$ 11,457,413	$ 2,338,747	$ 1,958,449	$ 1,162,389	$ 342,000	$ 2,058,000

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.

Investment Type	Minimum Legal Rating	Exempt from Disclosure	AAA	AA	A	Not Rated
State Investment Pool	N/A	$ -	$ -	$ -	$ -	$ 4,498,131
Certificates of Deposit	N/A	-	-	-	-	8,571,491
Held by bond trustees:						
Money Market Funds	N/A	-	-	-	-	2,443,375
Bonds	N/A	-	-	-	-	250,001
Bonds held in refunding	N/A	-	-	-	-	3,554,000
Total		$ -	$ -	$ -	$ -	$ 19,316,998

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, 2013, notes receivable consisted of the following:

Description	Ending Balance June 30, 2012	Additions	Deletions	Ending Balance June 30, 2013
Oak Street Bridge	$ 27,936	$ -	$ (4,024)	23,912
SA to RDA Retirement Trust Fund	501,899	-		501,899
SA to LMI RDA Retirement Trust Fund	475,000	-		475,000
Total	$ 1,004,835	$ -	$ (4,024)	$ 1,000,811

On June 17, 1999, the former RDA purchased a parcel of land for $475,000, from the City. In exchange for the parcel of land the former RDA issued a note in the amount of $475,000 to the City. The principal amount is payable by the Successor Agency on or before January 1, 2023. As of June 30, 2013, the outstanding balance of the note was **$475,000.**

On February 16, 2010, the former RDA recognized a debt owed to the City in the amount of $501,899. The debt resulted from the former RDA omitting payment to the City of an annual 2% election payment for twenty-one fiscal years. The City recognized this note receivable and the former RDA agreed to pay back this note in four annual installments of $125,475. As of June 30, 2013, the balance due from the Successor Agency is **$501,899.**

In fiscal year 1999, the General Fund provided $48,310 in funding for a portion of the Oak Street Bridge project and recorded a note receivable from the Oak Street Bridge Assessment District. The note, which bears interest at 6% is being paid off over 20 years. As of June 30, 2013, the outstanding balance due to the General Fund was **$23,912.**

4. INTERFUND TRANSACTIONS

A. Due To, Due From

At June 30, 2013, the City had the following short-term interfund receivables and payables:

	DUE FROM				
	Governmental		Business-Type		
DUE TO	Measure J Fund	Non-major Governmental Funds	Community Gym	Endeavor Hall	Total
Governmental Activities:					
General Fund	$ 540,378	$ 166,099	$ 37,465	$ 23,497	$ 767,439
Total	$ 540,378	$ 166,099	$ 37,465	$ 23,497	$ 767,439

B. Interfund Transfers

At June 30, 2013, the City had the following transfers:

	TRANSFERS IN			
TRANSFERS OUT	General Fund	Capital Improvement	Non-major Governmental Funds	Total
Clayton Landscape Maintenance Fund	$ 31,402	$ 468,601	$ 456	$ 500,459
Measure J Fund	4,000	839,281	-	843,281
Agency Funds	-	-	456	456
Successor Agency Trust Fund	250,000	-	-	250,000
Non-major Governmental Funds	75,066	552,558	-	627,624
Total	$ 360,468	$ 1,860,440	$ 912	$ 2,221,820

The City transferred **$360,468** into the General Fund from the following funds: Successor Agency Private Purpose Trust Fund **($250,000)**, Clayton Landscape Maintenance Fund **($31,402)**, Measure J Fund **($4,000)**, and Non-major Governmental Funds **($75,066)** to reimburse the City for administrative expenses. The City transferred **$1,860,440** into the Capital Improvement Fund for various capital projects from the following funds: Measure J Improvement Fund **($839,281)**, Clayton Landscape Maintenance Fund **($468,601)**, and Non-major governmental Funds **($552,558)**.

4. INTERFUND TRANSACTIONS, Continued

C. Advance to other funds

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, 2013, the outstanding principal balance of the advance was $60,000.

D. Note payable

On May 10, 2011, the former 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 2011-12 fiscal year via the Supplemental Educational Revenue Augmentation Funds (SERAF). The loan is to be repaid by the Successor Agency without interest by June 30, 2015.

5. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2013, the City's capital assets consisted of the following:

	Governmental Activities	Business - Type Activities	Total
Non depreciable Assets:			
Land	$ 2,086,965	$ 167,738	$ 2,254,703
Construction in progress	1,260,421	-	1,260,421
Total non depreciable assets	3,347,386	167,738	3,515,124
Depreciable Assets:			
Buildings	5,895,576	1,400,744	7,296,320
Improvements	5,824,834	151,004	5,975,838
Machinery and equipment	1,216,355	5,024	1,221,379
Infrastructure	28,060,500	-	28,060,500
Total depreciable assets	40,997,265	1,556,772	42,554,037
Total accumulated depreciation	(14,356,262)	(401,695)	(14,757,957)
Depreciable assets, net	26,641,003	1,155,077	27,796,080
Total governmental activities capital assets, net	$ 29,988,389	$ 1,322,815	$ 31,311,204

5. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

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

	Balance June 30, 2012	Additions	Deletions	Transfers and Adjustments	Balance June 30, 2013
Non depreciable Assets:					
Land	$ 1,046,366	$ -	$ -	$ 1,040,599	$ 2,086,965
Construction in progress	748,254	2,370,825	-	(1,858,658)	1,260,421
Total non depreciable assets	1,794,620	2,370,825	-	(818,059)	3,347,386
Depreciable Assets:					
Buildings	5,895,576	-	-	-	5,895,576
Improvements	5,824,834	-	-	-	5,824,834
Machinery and equipment	1,306,917	89,554	(180,116)	-	1,216,355
Infrastructure	27,242,441	-	-	818,059	28,060,500
Total depreciable assets	40,269,768	89,554	(180,116)	818,059	40,997,265
Accumulated depreciation:					
Buildings	(2,014,884)	(117,750)	-	-	(2,132,634)
Improvements	(1,375,281)	(140,862)	-	-	(1,516,143)
Machinery and Equipment	(802,384)	(123,775)	172,299	-	(753,860)
Infrastructure	(9,540,987)	(412,638)	-		(9,953,625)
Total accumulated depreciation	(13,733,536)	(795,025)	172,999	-	(14,356,262)
Depreciable assets, net	26,536,232	(705,471)	(7,817)	818,059	26,641,003
Total governmental activities capital assets, net	$ 28,330,852	$ 1,665,354	$ (7,817)	$ -	$ 29,988,389

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

Administrative	$ 25,556
Public works	587,860
Police	57,834
Internal service	123,775
Total depreciation expense - governmental activities	$ 795,025

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5. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

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

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Non depreciable Assets:				
Land	$ 167,738	$ -	$ -	$ 167,738
Depreciable Assets:				
Buildings	$ 1,400,744	$ -	$ -	$ 1,400,744
Improvements	151,004	-	-	151,004
Machinery & Equipment	5,024	-	-	5,024
Total depreciable assets	1,556,772	-	-	1,556,772
Accumulated Depreciation	(365,627)	(36,068)	-	(401,695)
Depreciable assets, net	1,191,145	(36,068)	-	1,155,077
Total business-type activities capital assets, net	$ 1,358,883	$ (36,068)	$ -	$ 1,322,815

Business-type activities depreciation expense for capital assets for the year ended June 30, 2013 was as follows:

Endeavor hall	$ 36,068
Total depreciation expense	$ 36,068

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 Position.

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.

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6. 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, 2013:

	Beginning Balance July 1, 2012	Additions	Ending Balance June 30, 2013
Compensated Absences	$ 148,234	$ 14,677	$ 162,911

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, 2013, the outstanding balance of the non-city bond obligation was $3,554,000.

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

Clayton Station Community Facilities District Bonds in the principal amount of $1,269,000 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, 2013 the outstanding balance of the non-city bond obligation was $347,000.

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, 2013, the outstanding balance of the non-city bond obligation was $188,325.

7. NON-CITY OBLIGATIONS, Continued

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

Refunding bonds were issued on May 17, 2007 by the Clayton Financing Authority in the principal amount of $5,060,000 to assist the City of Clayton to refund the Authority's 1997 Special Tax Revenue Refunding Bonds (the "1997 Bonds"), finance the acquisition and construction of certain public capital improvements (the Project), establish a reserve fund for the Bonds (funded part in cash and part from a reserve fund surety bond), and to pay the costs of issuance of the Bonds. Principal payments are payable on September 2 of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non city obligations and are secured by revenues received by the Authority as the result of the payment of debt service on the Community School Local Obligations. As of June 30, 2013, the outstanding balance of the non-city bond obligation was $3,470,000.

8. OTHER FUND DISCLOSURES

A Expenditures over Appropriations

There were no funds with an excess of expenditures over appropriations in the current fiscal year.

B Deficit Fund Balances

At June 30, 2013, the funds below had the following deficit fund balance or net position:

		Amount
Major- Measure J Fund	$	276,965
Non-major- Gas Tax Fund		145,865
Non-major – Stormwater Treatment District		2,550
Total Governmental Funds	$	425,380
Community Gym	$	95,954
Total Proprietary Funds	$	95,954

The deficits in the Community Gym and Stormwater Treatment District 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 $85,824 for fiscal year 2012-2013 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, 2013.

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.

At June 30, 2013, the MPA's audited condensed financial information showed:

Total assets	$ 47,974,069
Total liabilities	$ 37,969,994
Total equities	$ 10,004,075
Total revenues	$ 19,363,200
Total expenses	$ 21,544,464
Revenues over (under) expenses	$ (2,181,264)

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 – Tier I or "Classic" 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 $115,398 for the fiscal year ended June 30, 2013.

All employees hired on or after July 1, 2010 are members of the City's Tier II CalPERS plan, which differs from Tier I primarily by requiring employees to make 100% of the actuarially-determined Employee CalPERS fixed rate.

Assembly Bill 340 (AB340) created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation periods, as well as new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of a new member under PEPRA. In accordance with PEPRA, the City has adopted a Tier III plan for employees hired on or after January 1, 20103. The Tier III plan requires that the City and employee enrolled in the plan shall each pay 50% of the "normal cost rate" as defined by PEPRA. The normal Cost rate is subject to annual changes as ordered by CalPERS.

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 2012-13 was 15.665% for miscellaneous employees and 36.930% for safety employees.

The City's contributions to PERS for the fiscal years ending June 30, 2013, 2012 and 2011 were $547,220, $591,387 and $540,095, 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.

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11. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description - 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 offers 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 2013, there were five retired employees receiving retiree premium benefits. Their contributions totaled $34,896 (89% of the total) monthly contributions. The City contributed retiree premiums of $4,453 (11% of the total) and there was no additional pre funding contribution.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other post employment benefit (OPEB) cost 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)	$	45,457
Interest on net OPEB obligation		2,756
Adjustment to ARC		(3,832)
Annual OPEB cost		44,381
Contributions made by the City		(4,453)
Contributions made by the retirees		(34,896)
Increase (decrease) in net OPEB obligation		5,032
Net OPEB obligation (asset) at beginning of 2013		68,907
Net OPEB obligation (asset) at end of 2013	$	73,939

The City's annual OPEB cost was $44,381 resulting in a net OPEB obligation of $73,939. The fiscal year ended June 30, 2010 was the first year for which an actuarially determined ARC of $50,667 was calculated for the City of Clayton Retired Employees Health Care Program. The total implied subsidies for the years ended June 30, 2012 and 2013 were $35,616 and $39,349, respectively.

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 $428,065, which is 22% of the $1,934,929 City payroll. There are no plan assets and as of June 30, 2013, 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 July 1, 2012 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 7% initially, reduced ultimately to 5% by 2023. The UAAL is being amortized using the level dollar method. The remaining amortization period at June 30, 2013 was 27 years.

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

This purpose of this footnote is to explain the impacts of the dissolution of the Redevelopment Agency on the City's financial statements.

On June 28, 2011, the California State Legislature adopted two pieces of legislation - AB IX 26 and AB IX 27 (the Bill) - that eliminated redevelopment agencies and provided cities with the opportunity to preserve their redevelopment agency if they agreed to make certain payments to the County Auditor Controller. On behalf of cities and redevelopment agencies throughout the State, the League of California Cities and California Redevelopment Association requested a stay on the implementation of both pieces of legislation and filed a lawsuit with the California Supreme Court challenging both pieces of legislation. The stay was rejected and on December 29, 2011, the Supreme Court validated AB IX 26 and overturned AB IX 27. Further, the Supreme Court indicated that all redevelopment agencies in the State of California were to be dissolved and cease operations as a legal entity as of February 1, 2012.

Under the new law, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished project that were subject to legally enforceable contractual commitments).

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the California State Controller to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the Successor Agency by the Bill.

Amongst numerous requirements, AB IX 26 requires the following:

i. subject to the control of a newly established oversight board, assets of the former redevelopment agency must be disposed expeditiously and property tax revenue generated by a former redevelopment agency can only be used to pay enforceable obligations (i.e. debt obligations and other third party contractual obligations);

ii. either the city or another unit of local government may agree to serve as the "Successor Agency" to hold the net position until they are distributed to units of state and local government;

iii. successor agencies may transfer housing functions of the former redevelopment agency to the appropriate entity; and

iv. any property tax revenue in excess of enforceable obligations is to be distributed by county auditor controllers to taxing entities, which includes the City, as surplus property tax.

As a result of the restrictions placed on the assets and liabilities of the former redevelopment agency, they were transferred to a private purpose trust fund on February 1, 2012. Prior to the transfer, the Redevelopment Agency was treated as a blended component unit in fiscal year 2011-2012. On January 11, 2012, the City Council elected to become the Successor Agency to the former Redevelopment Agency in accordance with AB IX 26 as part of City resolution number 03-2012.

Subsequent to the adoption of AB IX 26 and AB IX 27, the California State Legislature adopted AB 1484 in June 2012. Among other things, AB 1484 required the following:

i. A process to transfer housing assets of the former redevelopment agency to the entity designated to receive these assets. In the case of the City, assets with a total value of $14,057,320 and liabilities with a total value of $10,999,595 were transferred to the Successor Agency from the former Redevelopment Agency.

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

ii. Requirements that the Successor Agency must complete reviews (Due Diligence Reviews) of the assets of the former Low and Moderate Income Housing Fund and all other funds of the former redevelopment agency. As of the date of this report, a draft Due Diligence Review for LMIF was initiated, however, has not been finalized. The report finalization was awaiting the acceptance by the State Department of Finance on the Successor Housing Asset Transfers, which occurred in March 2013. The Due Diligence review for all other funds has not yet been initiated as this process was pending the completion and issuance of the City's fiscal year 2010-11 and 2011-12 audited financial statements, which was finalized in November 2013.

   It is expected that the Due Diligence Reviews will be completed by June 2014.

iii. Upon successful completion of the Due Diligence Reviews and the distribution of unobligated funds, the Successor Agency can apply for a Finding of Completion. The Finding of Completion enables the Successor Agency to transfer and sell land and buildings of the former Redevelopment Agency, subject to the review and approval of a Property Management Plan by the State Department of Finance. In addition by receiving the Finding of Completion, the City may establish loans between the City and the former Redevelopment Agency as enforceable obligations. As noted previously, as of the date of this report, the City's Due Diligence Reviews had not been finalized.

A Successor Agency Assets and Liabilities

Cash and Investments

The total cash and investments balance of $5,910,730 is presented in a format consistent with GASB 31 and is presented at fair value. Under AB IX 26 and AB 1484, all unencumbered cash balances have been previously distributed to the County Auditor Controller for distribution to taxing entitles. See note 4 for further information and disclosures regarding the City's pooled cash and investments.

Restricted Cash and Investments

$924,815 represents cash and investments held by fiscal agents at June 30, 2013, which has been designated for debt service payments.

B Loans To Other Funds

Notes Receivable transferred from former RDA to Successor Agency, effective February 1, 2012:

The former RDA provided assistance to special assessment districts within the City, to fund repairs and improvements. There are three districts which received loans from the former RDA. As of June 30, 2012, the outstanding balance of the loans due to the Successor Agency was $183,144.

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

B Loans To Other Funds, continued

On September 21, 1999, the former RDA 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 former RDA 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 former RDA 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, 2013, the outstanding balance of the loan due to the Successor Agency was $3,344,800.

On October 13, 1992, the former RDA 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, 2013, the outstanding balance of the loan due to the Successor Agency was $567,000.

The former RDA participated 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, 2013, the outstanding balance of the loans due to the Successor Agency was $187,450.

C Due To the City Of Clayton

On June 17, 1999, the former RDA purchased a parcel of land for $475,000, from the City. In exchange for the parcel of land the former RDA issued a note in the amount of $475,000 to the City. The principal amount is payable by the Successor Agency on or before January 1, 2023. As of June 30, 2013, the outstanding balance of the note was $475,000.

On February 16, 2010, the former RDA recognized a debt owed to the City in the amount of $501,899. The debt resulted from the former RDA omitting payment to the City of an annual 2% election payment for twenty-one fiscal years. The City recognized this note receivable and the former RDA agreed to pay back this note in four annual installments of $125,475. As of June 30, 2013, the balance due from the Successor Agency is $501,899.

D Advance From LMI Fund

On May 10, 2011, the former 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 2011-12 fiscal year via the Supplemental Educational Revenue Augmentation Funds (SERAF). The loan is to be repaid by the Successor Agency without interest by June 30, 2015.

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

E Long-Term Debt

The following is a summary of changes in long-term debt transactions for the year ended June 30, 2013:

	Balance June 30, 2012	Deletions	Balance June 30, 2013	Due within One Year	Due in more than One Year
1996 Series A Refunding Tax Allocation Bonds	$ 230,000	$ -	$ 230,000	$ -	$ 230,000
1999 Tax Allocation Bonds	4,905,000	(280,000)	4,625,000	295,000	4,330,000
Total	$ 5,135,000	$(280,000)	$ 4,855,000	$ 295,000	$ 4,560,000

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 former RDA. 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 Successor Agency to the RDA and are secured by the Successor Agency to the RDA's tax increment revenue.

The annual debt service requirements to amortize the Successor Agency's 1996 Refunding Tax Allocation Bonds outstanding at June 30, 2013, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	$ -	$ 12,363	$ 12,363
2015	-	12,363	12,363
2016	-	12,363	12,363
2017	-	12,363	12,363
2018	55,000	10,884	65,884
2019-2022	175,000	14,376	189,376
Total	$ 230,000	$ 74,712	$ 304,712

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

E 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 former RDA. 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 Successor Agency to the RDA and are secured by the Successor Agency to the RDA's tax increment revenues. The annual debt service requirements to amortize the Successor Agency's 1999 Tax Allocation Bonds outstanding at June 30, 2012, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	$ 295,000	$ 222,554	$ 517,554
2015	310,000	208,030	518,030
2016	320,000	192,672	512,672
2017	335,000	176,541	511,541
2018	355,000	159,375	514,375
2019-2023	2,045,000	506,625	2,551,625
2024-2025	965,000	48,875	1,013,875
Total	$ 4,625,000	$ 1,514,672	$ 6,139,672

13. 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.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 20, 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

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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.

For the fiscal year ended June 30, 2013

	Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Property taxes	$ 1,539,931	$ 1,539,931	$ 1,691,803	$ 151,872
Program income	5,672	5,672	10,546	4,874
Sales tax	304,500	304,500	353,525	49,025
Permits, licenses and fees	236,957	236,957	255,984	19,027
Fines, forfeitures and penalties	63,500	63,500	93,328	29,828
From other agencies	67,384	67,384	79,607	12,223
Other in-lieu fees	145,921	145,921	145,921	-
Franchise fees	462,782	462,782	479,765	16,983
Service charges	115,162	115,162	125,387	10,225
Use of money and property	145,000	145,000	38,453	(106,547)
Other revenue	23,700	23,700	89,314	65,614
TOTAL REVENUES	3,110,509	3,110,509	3,363,633	253,124
EXPENDITURES				
Legislative	65,914	68,832	64,486	4,346
Admin/Finance	799,766	807,518	787,842	19,676
Public works	112,257	242,155	156,279	85,876
Community park	178,254	178,254	215,994	(37,740)
Community development	264,221	265,285	262,145	3,140
General services	149,374	164,225	105,352	58,873
Police	1,875,294	1,890,071	1,867,432	22,639
Library	129,551	132,485	140,451	(7,966)
Engineering	93,540	93,540	97,960	(4,420)
TOTAL EXPENDITURES	3,668,171	3,842,365	3,697,941	144,424
REVENUES OVER (UNDER) EXPENDITURES	(557,662)	(731,856)	(334,308)	397,548
OTHER FINANCING SOURCES (USES)				
Transfers in	360,468	360,468	360,468	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	360,468	360,468	360,468	-
Net Change	$ (197,194)	$ (371,388)	26,160	$ 397,548
FUND BALANCES:				
Beginning of year			5,356,425	
End of year			$ 5,382,585	

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MAJOR FUNDS

City of Clayton
Budgetary Comparison Schedule
Capital Improvements Fund

For the fiscal year ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
From other agencies	$ 420,438	$ -	$ (420,438)
Use of money and property	-	22,432	22,432
Other revenue	-	23,810	23,810
TOTAL REVENUES	420,438	46,242	(374,196)
EXPENDITURES			
Highway and streets	-	133,042	(133,042)
Landscape maintenance	-	45,636	(45,636)
Capital outlay	3,856,138	2,362,912	1,493,226
TOTAL EXPENDITURES	3,856,138	2,541,590	1,314,548
REVENUES OVER (UNDER) EXPENDITURES	(3,435,700)	(2,495,348)	940,352
OTHER FINANCING SOURCES (USES)			
Transfers in	2,138,449	1,860,440	(278,009)
TOTAL OTHER FINANCING SOURCES (USES)	2,138,449	1,860,440	(278,009)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (1,297,251)	(634,908)	$ 662,343
FUND BALANCES:			
Beginning of year		3,147,314	
End of year		$ 2,512,406	

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

For the fiscal year ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special Assessments	$ 955,711	$ 954,704	$ (1,007)
Use of money and property	5,000	(3,447)	(8,447)
Other revenue	-	(150)	(150)
TOTAL REVENUES	960,711	951,107	(9,604)
EXPENDITURES			
Current:			
Landscape maintenance	1,030,066	792,154	237,912
Capitaly outlay	-	7,913	(7,913)
TOTAL EXPENDITURES	1,030,066	800,067	229,999
REVENUES OVER (UNDER) EXPENDITURES	(69,355)	151,040	220,395
OTHER FINANCING SOURCES (USES)			
Transfers out	(426,402)	(500,459)	(74,057)
TOTAL OTHER FINANCING SOURCES (USES)	(426,402)	(500,459)	(74,057)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$(495,757)	(349,419)	$ 146,338
FUND BALANCES:			
Beginning of year		507,279	
End of year		$ 157,860	

City of Clayton
Budgetary Comparison Schedule
Measure J Revenue Fund

For the fiscal year ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
From other agencies	$ 234,212	$ 263,413	$ 29,201
Use of money and property	-	-	-
Other revenue	1,022,224	-	(1,022,224)
TOTAL REVENUES	1,256,436	263,413	(993,023)
EXPENDITURES			
Highway and streets	4,392	566	3,826
TOTAL EXPENDITURES	4,392	566	3,826
REVENUES OVER (UNDER) EXPENDITURES	1,252,044	262,847	(989,197)
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,252,044)	(843,281)	408,763
TOTAL OTHER FINANCING SOURCES (USES)	(1,252,044)	(843,281)	408,763
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	(580,434)	$ (580,434)
FUND BALANCES:			
Beginning of year		303,469	
End of year		$ (276,965)	

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 real property 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 voter-approved real property 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.

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 voter-approved real property assessments collected to operate, maintain, repair and replace landscaping, irrigation, hardscape, lights, public restroom, gazebo, and playground equipment.

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
For the fiscal year ended June 30, 2013

	Special Revenue			
	Street Lighting	Stormwater Treatment District Assessment Fund	Stormwater Assessment	Presley Settlement
ASSETS				
Cash and investments	$ 157,679	$ -	$ 168,875	$ 118,730
Accounts receivable	-	-	13,488	-
TOTAL ASSETS	$ 157,679	$ -	$ 182,363	$ 118,730
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	$ 8,474	$ -	$ 3,819	$ -
Other payables	251	-	56	-
Deferred revenue	-	-	-	-
Due to other funds	-	2,550	-	-
TOTAL LIABILITIES	8,725	2,550	3,875	-
FUND BALANCE				
Committed for:				
Stated purpose of fund	148,954	-	178,488	118,730
Unassigned	-	(2,550)	-	-
TOTAL FUND Balance	148,954	(2,550)	178,488	118,730
TOTAL LIABILITIES AND FUND BALANCE	$ 157,679	$ -	$ 182,363	$ 118,730

Special Revenue				Debt Service	
Oakhurst Geological Hazard Abatement District	Grants	Gas Tax	Downtown Park CFD	Clayton Financing Authority	Total Other Governmental Funds
$ 25,082	$ 212,881	$ -	$ 285,193	$ 688,709	$ 1,657,149
-	43,531	26,162	40,000	-	123,181
$ 25,082	$ 256,412	$ 26,162	$ 325,193	$ 688,709	$ 1,780,330
$ -	$ -	$ 3,466	$ 2,954	$ -	$ 18,713
-	2,597	5,012	703	-	8,619
-	-	-	40,000	-	40,000
-	-	163,549	-	-	166,099
-	2,597	172,027	43,657	-	233,431
25,082	253,815	-	281,536	688,709	1,695,314
-	-	(145,865)	-	-	(148,415)
25,082	253,815	(145,865)	281,536	688,709	1,546,899
$ 25,082	$ 256,412	$ 26,162	$ 325,193	$ 688,709	$ 1,780,330

City of Clayton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the fiscal year ended June 30, 2013

	Special Revenue			
	Street Lighting	Stormwater Treatment District Assessment Fund	Stormwater Assessment	Presley Settlement
REVENUES				
Special assessments	$ 125,991	$ -	$ 91,865	$ -
Permits, licenses and fees	-	-	40,523	-
From other agencies	-	-	-	-
Use of money and property	1,638	-	1,657	1,164
Other revenue	-	-	1,836	-
TOTAL REVENUES	127,629	-	135,881	1,164
EXPENDITURES				
General Government				
Economic development	267	-	2,074	-
Highway and streets	97,106	-	100,688	-
Landscape maintenance	-	-	450	-
TOTAL EXPENDITURES	97,373	-	103,212	-
REVENUES OVER (UNDER) EXPENDITURES	30,256	-	32,669	1,164
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	912	-
Transfers out	(10,280)	-	(32,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	(10,280)	-	(31,588)	-
NET CHANGE IN FUND BALANCE	19,976	-	1,081	1,164
FUND BALANCES				
Beginning of year	128,978	(2,550)	177,407	117,566
End of year	$ 148,954	$ (2,550)	$ 178,488	$ 118,730

City of Clayton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the fiscal year ended June 30, 2013

Special Revenue				Debt Service	
Oakhurst Geological Hazard Abatement District	Grants	Gas Tax	Downtown Park CFD	Clayton Financing Authority	Total Other Governmental Funds
$ 34,685	$ -	$ 25,035	$ -	$ -	$ 277,576
-	-	-	472	-	40,995
-	124,110	255,437	113,474	-	493,021
427	2,071	(1,228)	3,083	5,725	14,537
11,489	-	2,496	9,733	-	25,554
46,601	126,181	281,740	126,762	5,725	851,683
7,702	76,111	-	-	-	86,154
-	-	92,218	-	-	290,012
-	-	-	84,460	-	84,910
7,702	76,111	92,218	84,460	-	461,076
38,899	50,070	189,522	42,302	5,725	390,607
-	-	-	-	-	912
(19,200)	-	(469,245)	(6,399)	(90,000)	(627,624)
(19,200)	-	(469,245)	(6,399)	(90,000)	(626,712)
19,699	50,070	(279,723)	35,903	(84,275)	(236,105)
5,383	203,745	133,858	245,633	772,984	1,783,004
$ 25,082	$ 253,815	$ (145,865)	$ 281,536	$ 688,709	$ 1,546,899

For the fiscal year ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
From other agencies	$ 114,145	$113,474	$ (671)
Permits, licenses and fees	-	472	472
Use of money and property	2,000	3,083	1,083
Other revenue	10,000	9,733	(267)
TOTAL REVENUES	126,145	126,762	617
EXPENDITURES			
Current:			
Landscape maintenance	125,154	84,460	40,694
TOTAL EXPENDITURES	125,154	84,460	40,694
REVENUES OVER (UNDER) EXPENDITURES	991	42,302	41,311
OTHER FINANCING SOURCES (USES)			
Transfers out	(6,399)	(6,399)	-
TOTAL OTHER FINANCING SOURCES (USES)	(6,399)	(6,399)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (5,408)	35,903	$ 41,311
FUND BALANCES:			
Beginning of year		245,633	
End of year		$281,536	

City of Clayton
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund

For the fiscal year ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special assessments	$ 26,894	$ 25,035	$ (1,859)
From other agencies	289,479	255,437	(34,042)
Use of money and property	1,500	(1,228)	(2,728)
Other revenue	-	2,496	2,496
TOTAL REVENUES	317,873	281,740	(36,133)
EXPENDITURES			
Current:			
Highway and streets	165,590	92,218	73,372
TOTAL EXPENDITURES	165,590	92,218	73,372
REVENUES OVER (UNDER) EXPENDITURES	152,283	189,522	37,239
OTHER FINANCING SOURCES (USES)			
Transfers out	(412,092)	(469,245)	(57,153)
TOTAL OTHER FINANCING SOURCES (USES)	(412,092)	(469,245)	(57,153)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$(259,809)	(279,723)	$ (19,914)
FUND BALANCES:			
Beginning of year		133,858	
End of year		$(145,865)	

For the fiscal year ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
From other agencies	$ 119,805	$124,110	$ 4,305
Use of money and property	2,000	2,071	71
TOTAL REVENUES	121,805	126,181	4,376
EXPENDITURES			
Current:			
Economic development	110,174	76,111	34,063
Capital Outlay	7,183	-	7,183
TOTAL EXPENDITURES	117,357	76,111	41,246
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ 4,448	50,070	$ 45,622
FUND BALANCES:			
Beginning of year		203,745	
End of year		$253,815	

For the fiscal year ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special assessments	$ 36,685	$ 34,685	$ (2,000)
Use of money and property	130	427	297
Other revenue	-	11,489	11,489
TOTAL REVENUES	36,815	46,601	9,786
EXPENDITURES			
Current:			
Economic development	11,782	7,702	4,080
TOTAL EXPENDITURES	11,782	7,702	4,080
REVENUES OVER (UNDER) EXPENDITURES	25,033	38,899	13,866
OTHER FINANCING SOURCES (USES)			
Transfers out	(19,200)	(19,200)	-
TOTAL OTHER FINANCING SOURCES (USES)	(19,200)	(19,200)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ 5,833	19,699	$ 13,866
FUND BALANCES:			
Beginning of year		5,383	
End of year		$ 25,082	

City of Clayton
Budgetary Comparison Schedule
Stormwater Assessment Special Revenue Fund

For the fiscal year ended June 30, 2013	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special assessments	$ 82,623	$ 91,865	$ 9,242
Permits, licenses and fees	40,945	40,523	(422)
Use of money and property	1,000	1,657	657
Other revenue	-	1,836	1,836
TOTAL REVENUES	124,568	135,881	11,313
EXPENDITURES			
Current:			
Economic development	-	2,074	(2,074)
Highway and streets	138,056	100,688	37,368
Landscape maintenance	-	450	(450)
Capital Outlay	3,000	-	3,000
TOTAL EXPENDITURES	141,056	103,212	37,844
REVENUES OVER (UNDER) EXPENDITURES	(16,488)	32,669	49,157
OTHER FINANCING SOURCES (USES)			
Transfers in	-	912	912
Transfers out	32,500	(32,500)	(65,000)
TOTAL OTHER FINANCING SOURCES (USES)	32,500	(31,588)	(64,088)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ 16,012	1,081	$ (14,931)
FUND BALANCES:			
Beginning of year		177,407	
End of year		$178,488	

For the fiscal year ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES			
Special assessments	$ 125,991	$125,991	$ -
Use of money and property	2,000	1,638	(362)
TOTAL REVENUES	127,991	127,629	(362)
EXPENDITURES			
Current:			
Economic development	-	267	(267)
Highway and streets	120,731	97,106	23,625
TOTAL EXPENDITURES	120,731	97,373	23,358
REVENUES OVER (UNDER) EXPENDITURES	7,260	30,256	22,996
OTHER FINANCING SOURCES (USES)			
Transfers out	(10,280)	(10,280)	-
TOTAL OTHER FINANCING SOURCES (USES)	(10,280)	(10,280)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (3,020)	19,976	$ 22,996
FUND BALANCES:			
Beginning of year		128,978	
End of year		$148,954	

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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, 2013

	Capital Replacement	Self-Insurance Liability	Total
ASSETS			
Current Assets:			
Cash and investments	$ 85,583	$ 21,721	$107,304
Noncurrent Assets:			
Depreciable assets, net	462,495	-	462,495
TOTAL ASSETS	548,078	21,721	569,799
LIABILITIES			
Current Liabilities:			
Accounts payable	-	-	-
TOTAL LIABILIITES	-	-	-
NET POSITION			
Invested in capital assets, net of related debt	462,495	-	462,495
Unrestricted	85,583	21,721	107,304
TOTAL NET POSITION	$ 548,078	$ 21,721	$569,799

	Capital Replacement	Self-Insurance Liability	Total
OPERATING REVENUES			
Charges for current services	$ 16,200	$ -	$ 16,200
TOTAL OPERATING REVENUES	16,200	-	16,200
OPERATING EXPENSES			
General and administrative	6,308	8,170	14,478
Depreciation and amortization	123,775	-	123,775
TOTAL OPERATING EXPENSES	130,083	8,170	138,253
OPERATING INCOME (LOSS)	(113,883)	(8,170)	(122,053)
NONOPERATING REVENUES (EXPENSES)			
Transfer from trust and agency funds- write-off of deposits	-	-	-
Loss on disposal of assets	(7,817)	-	(7,817)
Investment income (loss)	(69)	112	43
TOTAL NONOPERATING REVENUES (EXPENSES)	(7,886)	112	(7,774)
CHANGE IN NET POSITION	(121,769)	(8,058)	(129,827)
Beginning of fiscal year	669,847	29,779	699,626
End of fiscal year	$ 548,078	$ 21,721	$ 569,799

City of Clayton
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2013

	Capital Replacement	Self-Insurance Liability	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipt from customers/otherfunds	16,200	-	16,200
Cash payment to suppliers for good and services	(9,193)	(8,526)	(17,719)
Net cash provided (used) by operating activities	7,007	(8,526)	(1,519)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	(89,554)	-	(89,554)
Net cash provided (used) by capital and related financing activities	(89,554)	-	(89,554)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	(69)	112	43
Net Cash provided (used) by investing activities	(69)	112	43
Net increase (decrease) in cash and cash equivalents	(82,616)	(8,414)	(91,030)
CASH AND CASH EQUIVALENTS:			
Beginning of fiscal year	168,199	30,135	198,334
End of fiscal year	$ 85,583	$ 21,721	$107,304
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	(113,883)	(8,170)	(122,053)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	123,775	-	123,775
Accounts payable	(2,885)	(356)	(3,241)
Total Adjustments	120,890	(356)	120,534
Net cash provided (used) by operating activities	$ 7,007	$ (8,526)	$ (1,519)

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 real property assessments collected to maintain bridges.

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

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

Oak Street Sewer Assessment – accounts for real property 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.

Diablo Estates Benefit Assessment – accounts for parcel owner approved real property assessments collected to maintain certain infrastructure components (including street lighting) for the Diablo Estates development.

City of Clayton
Statements of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2013

	Deposits	Oakhurst Assessment District	Middle School CFD	Clayton Station CFD	High Street Bridge
Assets:					
Cash and investments	$ 727,787	$ 5,828	$ 537,949	$ 191,925	$ 4,277
Cash with fiscal agent	-	-	133,739	-	-
Investment in bonds	-	-	3,554,000	-	-
Other receivables	9,546	-	-	-	29,894
	$ 737,333	$ 5,828	$ 4,225,688	$ 191,925	$ 34,171
Liabilities:					
Accounts payable	$ 5,005	$ -	$ -	$ -	$ 29,894
Other payables	371	-	-	-	4,200
Other deposits	658,736	-	-	-	-
Due to bondholders	73,221	5,828	4,225,688	191,925	77
Total liabilities	$ 737,333	$ 5,828	$ 4,225,688	$ 191,925	$ 34,171

Oak Street Bridge	Lydia Lane Sewer Assessment	Oak Street Sewer Assessment	CFA-Clayton Financing Authority 2007	Diablo Estates Benefit District	Total	June 30, 2012
$ 17,526	$ 72,211	$ 4,168	$ 130,153	$ 24,449	$ 1,716,273	$ 1,702,396
-	14,634	-	274,784	-	423,157	358,224
-	-	-	-	-	3,554,000	3,800,000
23,913	183,325	153,250	-	-	399,928	413,953
$ 41,439	$ 270,170	$ 157,418	$ 404,937	$ 24,449	$ 6,093,358	$ 6,274,573
$ 23,913	$ 183,325	$ 153,250	$ -	$ 450	$ 395,837	$ 444,519
17,265	-	-	-	-	21,836	19,865
-	-	-	-	11,550	670,286	577,973
261	86,845	4,168	404,937	12,449	5,005,399	5,232,216
$ 41,439	$ 270,170	$ 157,418	$ 404,937	$ 24,449	$ 6,093,358	$ 6,274,573

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

To the City Council
City of Clayton, California

We have audited, 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, the 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 the City of Clayton as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Clayton's basic financial statements, and have issued our report thereon dated December 20, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Clayton's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Clayton's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Clayton's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Clayton's financial statements are free from 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.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 20, 2013

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Attachment 2

December 20, 2013

To the Clayton City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *City of Clayton* ('the City') for the year ended June 30, 2013, and have issued our report thereon dated December 20, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provision of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing the entity's financial statements and report does not extend beyond the financial information identified in the report, nor does the auditor have an obligation to perform any procedures to corroborate other information contained in these documents.

The auditor reserves the right to read and/or review any document containing the entity's financial statements. This procedure is deemed prudent to determine that nothing comes to our attention that causes us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation appearing in the financial statements.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by *City of Clayton* are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimated of contingent liabilities related to outstanding lawsuits and claims against the City. We evaluated the legal representation letters obtained from the City's attorneys to determine that the legal reserves are adequate.
- The Other Post Employment Benefit (OPEB) data in footnote 11. The actuarial assumptions may change, which could revise the annual required contribution (ARC) needed to amortize the unfunded liability of $428,065.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure of the Other Post Employment Benefits (OPEB) payable. In footnote 11 of the financial statements, the annual required contribution (ARC) of the District was determined to be $45,457 and the interest on the net OPEB obligation was $2,756. Total contributions totaled $39,349 (including $34,896 paid by retirees), and there was a reduction in the actuarial estimate of $3,832 which resulted in an ending net OPEB obligation of $73,939 which was booked as a long term liability in the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The corrected journal entries are included on the schedule provided on page 4.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Very truly yours,

John A. Cropper
CROPPER ACCOUNTANCY CORPORATION

Client:	***13452 - City of Clayton***
Engagement:	***City of Clayton 2013***
Period Ending:	***6/30/2013***
Trial Balance:	***TB 00 - Trial balance***
Workpaper:	***TB 02 - Clayton 2013 AJE Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entry JE # 1		**C 05**		
Record Loan to Fund 201 from 101				
101-1330-00	Advances to Other Funds		163,549.08	
201-1199-00	Equity in Pooled Cash		163,549.08	
101-1199-00	Equity in Pooled Cash			163,549.08
201-2601-00	Due to General Fund			163,549.08
Total			**327,098.16**	**327,098.16**
Adjusting Journal Entry JE # 2		**K 02**		
To reclassify $90,000 of CIP				
801-1507-00	Infrastructure		90,000.00	
801-1501-00	Land			90,000.00
Total			**90,000.00**	**90,000.00**
Adjusting Journal Entry JE # 4				
To correct the recording of				
615-3201-00	Unreserved/Designated Fund Bal		280,000.00	
615-7611-00	Principal			280,000.00
Total			**280,000.00**	**280,000.00**
Adjusting Journal Entry JE # 5		**FS 07**		
To record the change in Net				
802-7247-00	CY Incr(Decr) in LT OPEB Liability		5,032.00	
802-2407-00	LT OPEB Liability			5,032.00
Total			**5,032.00**	**5,032.00**
Adjusting Journal Entry JE # 6				
To reclassify Beg. Bal of LT OPEB				
101-2407-00	LT OPEB Liability		68,907.00	
802-1510-00	Amount Provided for LT OPEB Liability		68,907.00	
101-7247-05	OPEB Expense			17,227.00
101-7389-02	Misc. Expense			51,680.00
802-2407-00	LT OPEB Liability			68,907.00
Total			**137,814.00**	**137,814.00**

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Attachment 3

To the City Council and City Management
of the City of Clayton

In planning and performing our audit of the financial statements of the business-type activities of *the City of Clayton* ('the *City*') as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the City's internal control to be significant deficiencies:

Segregation of Duties

Where possible, care should be taken to separate the general ledger transaction recording, account reconciliations and transaction authorizations in the accounting department. Due to limited staffing available in the accounting department, the cost/benefit relationship of further segregation of duties may not be deemed feasible by management. The underlying risk is that controls could be overridden by management.

In performing our audit, we became aware of five areas where segregation of duties and other G/L controls which have not been adequately addressed in the City's conversion to a new accounting software package:

- There were no restrictions on who is able to make entries.
- Segregation of duties in A/P is inadequate, as the Accounting Technician fulfills nearly all of the responsibilities.
- In the Financial Edge accounting software package, multiple period entries are allowed, which can create multiple issues if not properly controlled and monitored.
- Inter-fund balancing through the new software package could be simplified.
- We encountered numerous reversing entries recorded to the G/L, which hampered analysis and reconciliation of account balances.
- Journal entry approvals

We recommend mitigation of risk related to segregation of duties, where feasible, including an assessment of restrictions and other controls to be implemented through the Financial Edge accounting software package. We understand that the new Finance Manager has become much more active in the review and approval process, and we encourage him to implement appropriate Financial Edge controls once he has completed training on the software.

> ***Management's response:***
>
> *Management agrees with the auditors recommendations. The Finance Manager hired in December 2013 will receive training on the City's accounting software in order to take advantage of any system-based internal controls that are available to prevent, detect and correct potential misstatements. As the City's current staff size prevents a complete segregation between all custody, recording and authorization functions, City management understands that it is essential to take advantage of system controls that are available.*

PRIOR YEAR's COMMENTS

Controls over Financial Reporting

As we pointed out in our prior year audit comments, the trickle-down effect of Sarbanes-Oxley (SOX) has placed increased responsibility on governmental entities regarding their controls over financial reporting. The City's Finance Department has been depending too much on their auditors to detect any errors in the application of Governmental Accounting Standards and to take on additional responsibilities to insure that the annual financial statements are in accordance with these standards. This gap could negatively impact the independence of the auditor. Current Auditing Standards require that the identification of material misstatements be identified by the City's internal controls. If material misstatements are identified by the auditor, they are reported as material weaknesses to the City Council.

With the pending retirement of the City's former Finance Manager, the City was in the midst of getting their annual audits up-to-date, and has hired a consultant to aid in this process. In performing our audit for the fiscal year ended June 30, 2012, numerous adjusting entries were again required, some of which were material to the financial statements. Ten of these adjusting entries were recorded pursuant to our verification of the findings of the consultant regarding the improper recording in capital fundings and other transactions related to various agency funds, the former RDA Funds, the Capital Improvements Fund and the General Fund. The consultant worked with the Finance Department to identify and correct other accounting issues, with the goal being to clean up various aspects of the accounting system prior to hiring a new Finance Manager on board, so that do not need to be burdened with cleaning up prior accounting issues.

We recommended that the City commit adequate resources and salary to recruit a qualified candidate to fill the Finance Manager position, as this position is critical to establishing adequate internal controls over financial reporting as well as fulfilling other valuable management functions. We also recommend that the City implement increased controls over the Agency Funds and perform a review of the status of these funds in adhering to their charter and achieving their stated purpose.

2013 Status: We commend the City on its selection process and on its successful hiring of a new Finance Manager, whom we believe is well qualified for his position. We have already noted that the City's controls over its financial reporting have improved significantly during the report phase of our audit and believe he will bring added value to his other management functions as well. Although we no longer consider the City's controls over financial reporting to be a material weakness, we encourage management to implement our recommendation regarding increasing controls over the Agency Funds.

Management's Response:

Management agrees with the auditors recommendations. As stated above by the auditors, anticipating the retirement of the previous Finance Manager, the City has hired a replacement with experience in City financial statement auditing, an active CPA license, and a strong understanding of Generally Accepted Accounting Policies (GAAP), including principles unique to governmental accounting. City management is confident the new Finance Manager will support the strengthening of the City's internal control environment as it pertains to financial reporting and other accounting functions. As stated in the response to the current year auditor finding and recommendation, the Finance Manager will also receive training on the City's accounting software in order to take advantage of any system-based internal controls that are available to prevent, detect and correct potential misstatements. As the City's current staff size prevents a complete segregation between all custody, recording and authorization functions, City management understands that it is essential to take advantage of the system controls that are available.

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

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, CA
December 20, 2013

Agenda Date: 2-4-2014

Agenda Item: 8b

CITY OF CLAYTON
Founded 1857 . Incorporated 1964

STAFF REPORT

Approved:

Gary A. Napper
City Manager

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Kevin Mizuno, Finance Manager, CPA

DATE: February 4, 2014

SUBJECT: Approval of Prior Fiscal Year (2012-13) Encumbrances into FY 2013-14 Budget

RECOMMENDATION

It is recommended the City Council adopt the prepared Resolution approving the June 30, 2013 encumbrances of unexpended or incurred capital outlays and operational expenses into the Fiscal Year 2013-2014 Budget.

BACKGROUND

On June 30, 2013 our fiscal year ended leaving some General Fund Department budgets with several line items open, which is a common occurrence in all budgets. Many of the open items recommended for future payment were not incurred as of June 30, 2013, but are anticipated or desired for completion within the next fiscal year (2013-14). The City traditionally evaluates each year the necessity of "rolling over" (i.e., encumbering) planned expenditures into the current fiscal year for completion and the City Council formally approves such fiscal action by adoption of the corresponding encumbrance Resolution.

In addition to General Fund items, the Landscape Maintenance District Fund (210) has open line items that are expected to be paid in the subsequent fiscal year (i.e., FY 2013-14).

Per the Required Supplementary Information (RSI) section of the City's audited FY 2012-13 financial statements, the City's actual General Fund final revenues ($3,724,101) exceeded projected revenues per the adopted FY 2012-13 budget ($3,470,977) by **$253,124**, a remarkable occurrence in today's times. The excess is detailed below:

General Fund Revenue Variance 2012-13
Actual General Fund Revenue over Budgeted Revenue **$253,124**

Revenue Line Item	Excess Over Budget
Redevelopment Property Tax Trust Fund - Distribution	$ 213,139
CCC Building Permit Remit Fees	27,556
Real Property Transfer Tax	25,582
Sales and Use Tax	23,443
Business Licenses	19,382
Property Taxes - Supplemental	18,569
Well Water Usage Charge	15,266
Franchises - Garbage Fees	13,429
Public Safety Allocation	8,692
Franchises - Comcast Cable	7,839

Such positive news is offset by secured property taxes coming in lower than expected ($81,010). This unfavorable revenue variance was largely offset by the unbudgeted unrestricted Redevelopment Property Tax Trust Fund (RPTTF) distribution to the general fund in the amount of $213,139 as noted above.

In addition, the RSI section of the City's audited FY 2012-13 financial statements shows the City's actual General Fund final expenditures ($3,842,365) were less than total appropriations per the adjusted and final FY 2012-13 budget ($3,842,365) by **$144,424**. This is partly attributable to carry over nature of encumbered FY 2012-13 appropriations that were not actually incurred in FY 2012-13.

RECOMMENDED ENCUMBRANCES

Following analysis by staff, it is recommended **$102,602** in encumbrances for the General Fund (101) be approved as follows:

> City promotional activity (4th of July Parade) $5,442; Audit Services $11,966; Computer Services $3,846; Other Professional Services $2,466; Public Works water services $1,318; public works machinery & equipment maintenance $4,328; public works vehicle maintenance $2,361; deferred maintenance project account $59,505; community development TRANSPAC fees $1,555, planning legal notices $431; general services insurance premiums $3,296; police general supplies $1,015; police office supplies $1,452; police CC volunteer recognition $105; police employee recognition $155; police emergency services (CERT) $433; police Integrated Justice System $1,287; well monitoring service charges $1,641.

Encumbrances for the Landscape Maintenance District Fund (210) total **$49,100** and cover costs for yet to be completed landscape replacement and tree replacement projects.

Even with approval of these recommended encumbrances, none of the respective funds will be placed in a negative fund equity position.

CONCLUSION

Staff concludes that budgeted funds are available in the General Fund Operations Budget to encumber $102,602 necessary to cover these expenditures in the current fiscal year. In addition, staff concludes that budgeted funds are available in the Landscape Maintenance District Fund Operations Budget to encumber $49,100 necessary to cover these expenditures in the current fiscal year.

Respectively submitted,

Kevin Mizuno, CPA
Finance Manager

Attachment: City Resolution with Exhibit A – June 30, 2013 Encumbrances

RESOLUTION NO. XX–2014

A RESOLUTION APPROVING CARRY-OVER/ENCUMBRANCE OF UNEXPENDED OPERATING BUDGET AND CAPITAL OUTLAY FUNDS FROM FISCAL YEAR 2012-2013 AND AMENDING THE 2013-2014 CITY BUDGET ACCORDINGLY

THE CITY COUNCIL
City of Clayton, California

WHEREAS, on July 30, 2013, the Clayton City Council adopted the Fiscal Year 2013-2014 annual City Budget; and

WHEREAS, certain funds unexpended in the 2012-2013 annual City Budget remain available and must be carried over into the next fiscal year for the necessary completion of specified and authorized City projects, operations and contingencies; and

WHEREAS, City staff has identified the essential operational and capital outlay services that require completion in Fiscal Year 2013-2014, the Finance Manager has verified the monies are available in the maximum amounts outlined in "Exhibit A" – June 30, 2013 Encumbrances, attached hereto and incorporated herein, and the City Manager has reviewed the list and recommends the carry-over/encumbrance of said funds; and

WHEREAS, the carry-over and encumbrance of prior year unexpended funds requires the appropriation approval by the City Council, and has been reviewed and recommended by the City Council's Budget ad-hoc Committee following its meeting on January 29, 2014.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Clayton, California, does hereby approve the encumbrances listed in "Exhibit A" attached hereto and incorporated herein by reference, and does herewith amend the 2013-2014 City Budget accordingly with the noted maximum carry-over appropriations from Fiscal Year 2012-2013; and

BE IT FURTHER RESOLVED that the City Manager of Clayton is hereby authorized to expend said funds in accordance with the laws of the State of California and the ordinances of the City of Clayton, pursuant to the adopted and amended Fiscal Year 2013-2014 Budget.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held the 4th day of February 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

THE CITY COUNCIL OF CLAYTON, CA

Hank Stratford, Mayor

ATTEST:

Janet Brown, Interim City Clerk

EXHIBIT A

City of Clayton
June 30, 2013
Encumbrances

Description	Account Number	Amount	Explanation
GENERAL FUND - 101			
City Promotional Activity	101-7362-01	5,442	4th of July Parade
Audit	101-7414-02	11,966	Audit services
Computer Services	101-7415-02	3,846	Contingency
Other Professional Services	101-7419-02	2,466	Contingency
Water Services	101-7338-03	1,318	Contingency
Machinery & Equipment Maintenance	101-7342-03	4,328	Contingency
Vehicle Maintenance	101-7343-03	2,361	Contingency
Deferred Maintenance Project Account	101-7347-03	59,505	Future projects
TRANSPAC Fees	101-7385-04	1,555	Contingency
Legal Notices	101-7384-04	431	Municipal code updates
Insurance Premiums	101-7351-05	3,296	Contingency
General Supplies	101-7311-06	1,015	Contingency
Office Supplies	101-7312-06	1,452	New police dept. printer and contingency
CC Volunteer Recognition	101-7365-06	105	Contingency
Employee Recognition	101-7364-06	155	Service recognition supplies
Emergency Services	101-7432-06	433	Community Emergency Response Team (CERT)
Integrated Justice System	101-7433-06	1,287	Contingency
Well Monitoring Svc Charge	101-7417-07	1,641	Contingency
TOTAL GENERAL FUND - 101		**102,602**	
LANDSCAPE FUND - 210			
Projects	210-7520-00	2,500	Jeffry Ranch Relandscaping project
Projects	210-7520-00	30,000	Irrigation Central Controller System
Projects	210-7520-00	16,600	Tree Replacement Keller Ridge
TOTAL LANDSCAPE FUND - 210		**49,100**	