CITY OF CLAYTON
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AGENDA

REGULAR JOINT MEETINGS

* * *

CLAYTON CITY COUNCIL
and
CLAYTON FINANCING AUTHORITY

* * *

TUESDAY, January 20, 2015

7:00 P.M.

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

Mayor: David T. Shuey
Vice Mayor: Howard Geller

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

* CITY COUNCIL *

January 20, 2015

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

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

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 6, 2015. (View Here)

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

4. **RECOGNITIONS AND PRESENTATIONS**

(a) Certificates of Recognition to "Do The Right Thing" public school students selected for exemplifying the character trait of "Kindness" during the months of November and December 2014. (View Here)

5. **REPORTS**

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

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** - None.

8. **ACTION ITEMS**

(a) Report and discussion of the condition of the trail rimming the Mt. Diablo Elementary School and Council Member's suggestion for landscaping/irrigation of the adjacent City hillside abutting Clayton Road and the Oak Street exit.
(Maintenance Supervisor and City Engineer) (View Here)

Staff recommendation: Following staff report and discussion of the Mt. Diablo Elementary School trail and landscaping/irrigation of the City hillside, that Council receive public comments and then provide City policy direction regarding desired improvement options and identification of project funds.

(b) City Council discussion to determine the date (February 9, 2015) and topics for its annual joint special meeting with Mount Diablo Unified School District Board of Trustees. (View Here)
(City Council)

Staff recommendation: That Council determine a suitable date and topics for joint special meeting with Mount Diablo Unified School District Board of Trustees, and then by motion approve the calling of a City Council special joint meeting with the Mount Diablo Unified School District Board of Trustees for the purpose(s), date, time and location.

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

10. **CLOSED SESSION** – None.

11. **ADJOURNMENT**– the next regularly scheduled City Council meeting is February 3, 2015.

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* CLAYTON FINANCING AUTHORITY *

January 20, 2015

1. CALL TO ORDER AND ROLL CALL – President Shuey.

2. CLOSED SESSION – None.

3. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Members of the public may address the Board on items within the Board's jurisdiction, (which are not on the agenda) at this time. To facilitate the recordation of comments, it is requested each speaker complete a speaker card available on the Lobby table and submit it in advance to the Secretary. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the President's discretion. When one's name is called or you are recognized by the President as wishing to speak, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Board may respond to statements made or questions asked, or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed as each item is considered.

4. CONSENT CALENDAR

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

(a) Approve the minutes of the regular meeting of January 6, 2015. (View Here)

(b) Approve the Clayton Financing Authority's Audited Financial Statement for FY 2013-14. (View Here)

5. ACTION ITEMS - None.

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

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

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Agenda Date: 1-20-2015

Agenda Item: 3a

MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL

TUESDAY, January 6, 2015

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

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

3. **CONSENT CALENDAR**

It was moved by Councilmember Pierce, seconded by Vice Mayor Geller, to approve the Consent Calendar as amended with substitution of Exhibits on Item 3(d).
(Passed; 5-0 vote).

(a) Approved the minutes of the regular meeting of December 16, 2014.

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

(c) Rejected the liability claim of Mr. Laurence Eekhof for alleged injuries and losses incurred on or about October 4, 2014.

(d) Adopted Resolution No. 1 – 2015 approving an Amended and Restated Facilities Use Agreement between the City of Clayton and the Mount Diablo Unified School District regarding the Clayton Community Gymnasium, the Clayton Community Park sports fields, and Diablo View Middle School.

4. **RECOGNITIONS AND PRESENTATIONS** – None.

5. **REPORTS**

(a) Planning Commission – No meeting held.

(b) Trails and Landscaping Committee – No meeting held.

(c) City Manager/Staff – No Report.

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

Councilmember Diaz attended the 19th Annual BART Police Department Awards. He also provided an update from the City's Ad-Hoc Fire Services Committee confirming Class 47 will be graduating from the Fire Academy on January 15th; re-staffing Clayton Fire Station 11 to full services begins on January 16th. With the help of many community members and ConFire Fire Chief Carmen, a grand community re-opening event is planned on January 31st from 11:00 a.m. to 2:00 p.m. The event will include a BBQ lunch, child finger printing, tours of the station and various first-responder demonstrations.

Councilmember Haydon attended additional orientation training with the City Attorney and City Manager. He and Vice Mayor Geller interviewed a potential Planning Commission candidate in consideration of the remaining vacated term of office on the City's Planning Commission.

Councilmember Pierce attended the Contra Costa Transportation Authority, Metropolitan Transportation Commission and Bay Area Business Council meetings.

(e) Other – None.

6. PUBLIC COMMENT ON NON - AGENDA ITEMS

Jack Cooper, resident of Clayton, would like the Clayton City Council consider adoption of a "PACE" (Property Assessed Clean Energy) or "HERO" (Homeowners Equity Recovery Opportunity) as means to offer clean energy improvements to its citizens. Mr. Cooper is employed by Custom Exteriors, which has provided residential assessment tests in other cities of the Bay Area currently participating in clean energy programs. Mr. Cooper provided handouts to the City Clerk with additional information about the HERO Program and Custom Exteriors.

7. PUBLIC HEARINGS

(a) Public Hearing on the Second Reading and Adoption of proposed City-initiated Ordinance No. 457 amending Chapter 10.28 Vehicle Weight Limits of the *Clayton Municipal Code* regarding truck routes and declaring certain streets as truck routes in the City.

City Engineer Rick Angrisani presented the staff report and referenced the Ordinance's introduction at the City Council's October 14, 2014 regular meeting. City staff posted this evening's public hearing on the amendment of Chapter 10.28 Vehicle Weight Limits of the *Clayton Municipal Code*. The amendment is part of staff's regular "housekeeping" tasks to keep current the Municipal Code.

Mayor Shuey opened the Public Hearing to receive public comments; no public comments were offered and Mayor Shuey then closed the Public Hearing.

It was moved by Councilmember Pierce, seconded by Vice Mayor Geller, to have the City Clerk read Ordinance No. 457 by title and number only and waive further reading. (Passed; 5-0 vote).

The City Clerk read Ordinance No. 457 by title and number only.

It was moved by Councilmember Pierce, seconded by Councilmember Diaz, to approve Ordinance No. 457 with findings its adoption will not have a significant adverse impact on the environment and is therefore exempt under CEQA. (Passed; 5-0 vote).

8. ACTION ITEMS

(a) City Council discussion to determine the date, time and location for the City Council's annual Goals and Objectives Session with its City Manager.

The City Manager indicated the Staff Report contained monthly calendars of January and February 2015 to assist the City Council in its selection of a date for its annual Goals and Objectives Setting Session.

Councilmember Pierce suggested a Tuesday, February 3rd at 5:00 p.m. meeting since the Council will meet later that evening for its regular City Council meeting.

Vice Mayor Geller indicated he may not be available on February 3rd and suggested January 20th as an alternate date.

Councilmember Diaz advised he is okay with either date.

Mayor Shuey opened the item to receive public comments; no public comments were offered and Mayor Shuey then closed the public comment period.

It was moved by Councilmember Pierce, and seconded by Councilmember Haydon, to call a City Council special meeting on Tuesday, January 20th, at 5:00 in the 3rd Floor Conference Room at City Hall for this purpose. (Passed; 5-0 vote).

(b) Report from the Council Ad-hoc Committee concerning its recommendation to fill the unexpired term of office existing on the City Planning Commission (through June 30, 2015)

Vice Mayor Geller indicated he and Councilmember Haydon met with a suggested candidate and also looked at recent applications filed by previous applicants for the Planning Commission. Rather than appointing the one person that applied, he preferred to open the opportunity to any interested previous applicants.

Councilmember Pierce responded she would like to open the opportunity up to all in the community or appoint the suggested candidate.

Councilmember Haydon indicated his preference to appoint someone who will re-apply at the expiration of this June 30, 2015 term.

Mayor Shuey would like to appoint an applicant that has interest in filling the remaining term.

Vice Mayor Geller preferred an applicant that has served in civic groups within the City and has a background in planning.

Mayor Shuey asked the City Attorney and City Manager if an appointment was made to the Planning Commission to complete the current term, would the applicant be eligible to apply for the two year term beginning in July? City Attorney Mala Subramanian confirmed an appointee now would be eligible to apply for the full two year term starting in July.

Councilmember Pierce noted that service in a community service group has not been an eligibility requirement for previous applicants. In this circumstance, she now prefers the Council's announcement of the opening to the entire community.

Vice Mayor Geller concurred with opening the opportunity of service on the Planning Commission for the unexpired term to the community.

Councilmember Pierce prefers a deadline of the end of this month [January 2015] to allow time for the full Council to conduct interviews and make an appointment at the February 3, 2015 regular meeting of the City Council.

Vice Mayor Geller asked if it is okay to contact previously interested applicants for the current Planning Commission vacancy? City Manager Gary Napper advised contact could be made by staff.

Mayor Shuey opened the item to receive public comments; no public comments were offered and Mayor Shuey then closed the public comment period.

It was moved by Councilmember Pierce, and seconded by Vice Mayor Geller, to instruct staff to advertise the Planning Commission vacant term of office to the community for acceptance of applications through the end of January, and then set the applicants for interview before the full City Council at a meeting the same evening prior to the regular Council meeting on February 3, 2015. (Passed; 5-0 vote).

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

Councilmember Diaz requested the City Council consider creating a flag for the City of Clayton, California, at a future regular City Council meeting. He provided Council and Staff with a brochure from the North American Vexillological Association on how to design a flag.

10. **RECESS THE CITY COUNCIL MEETING** – Mayor Shuey recessed the City Council meeting at 7:31 p.m.
(until after the conclusion of the Clayton Financing Authority meeting)

11. **RECONVENENE THE CITY COUNCIL MEETING** – Mayor Shuey reconvened the City Council meeting at 7:33 p.m.

12. **CLOSED SESSION**

(a) *Government Code Section 54956.9(d)(4)* – Conference with Legal Counsel.
Anticipated Litigation: One (1) Potential Case.

7:48 p.m. Report Out from Closed Session: Mayor Shuey reported the City Council received a report and information from its City Attorney and gave instructions accordingly.

13. **ADJOURNMENT**– on call by Mayor Shuey, the City Council meeting adjourned at 7:49 p.m.

The next regularly scheduled City Council meeting is January 20, 2015.

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Respectfully submitted,

____
Janet Brown, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

____
David T. Shuey, Mayor

# # # # #

Agenda Date 1/20/2015

Agenda Item: 3b

CITY OF CLAYTON
Founded 1857... Incorporated 1964

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Kevin Mizuno, FINANCE MANAGER

DATE: 1/20/2015

SUBJECT: FINANCIAL OBLIGATIONS

RECOMMENDATION:

Approve the following Invoices:

01/16/15	Obligations, Cash Requirements	$ 134,875.61
01/06/15	ADP Payroll PPE 1/4/15	$ 83,567.90
	Total	$ 218,443.51

Attachments:
Cash Requirements Report dated 1/16/2015 (4 pages)
ADP Report Week 02, PPE 01/04/15 (1 page)

1/16/2015 09:56:37 AM

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
American Fidelity Assurance Company								
American Fidelity Assurance Company	1/20/2015	1/16/2015	B256485	Supplemental Ins January 2015	$257.54	$0.00		$257.54
				Totals for American Fidelity Assurance Company:	*$257.54*	*$0.00*		*$257.54*
AT&T/ CalNet 2								
AT&T/ CalNet 2	1/20/2015	1/14/2015	00000006073385	Phoen service 11/22/14/12/21/14	$1,560.13	$0.00		$1,560.13
				Totals for AT&T/ CalNet 2:	*$1,560.13*	*$0.00*		*$1,560.13*
Raymond Bauer								
Raymond Bauer	1/20/2015	1/14/2015	CAP0138	Deposit refund - retaining wall, inspections	$1,809.10	$0.00		$1,809.10
				Totals for Raymond Bauer:	*$1,809.10*	*$0.00*		*$1,809.10*
Bay Area Barricade Serv.								
Bay Area Barricade Serv.	1/20/2015	1/16/2015	0313653-IN	order date 12/23/14	$2,218.16	$0.00		$2,218.16
				Totals for Bay Area Barricade Serv.:	*$2,218.16*	*$0.00*		*$2,218.16*
Best Best & Kreiger LLP								
Best Best & Kreiger LLP	1/20/2015	1/16/2015	740885	Services for December 2014	$8,000.00	$0.00		$8,000.00
Best Best & Kreiger LLP	1/20/2015	1/16/2015	740883	Successor Agency - Services for December 20	$2,668.01	$0.00		$2,668.01
Best Best & Kreiger LLP	1/20/2015	1/16/2015	740884	Transpac JPA for December 2014	$4,060.00	$0.00		$4,060.00
				Totals for Best Best & Kreiger LLP:	*$14,728.01*	*$0.00*		*$14,728.01*
Jenna or Bryan Caldwell								
Jenna or Bryan Caldwell	1/20/2015	1/16/2015	5832 Verna Way	Deposit refund for C&D	$2,000.00	$0.00		$2,000.00
				Totals for Jenna or Bryan Caldwell:	*$2,000.00*	*$0.00*		*$2,000.00*
Saragail Calloway								
Saragail Calloway	1/20/2015	1/14/2015	31535	Deposit refund Hoyer Hall 11/19/14	$200.00	$0.00		$200.00
				Totals for Saragail Calloway:	*$200.00*	*$0.00*		*$200.00*
CalPERS Retirement								
CalPERS Retirement	1/20/2015	1/14/2015	100000014451761	1959 Survivor Benefits FY 14/15, Safety	$60.00	$0.00		$60.00
CalPERS Retirement	1/20/2015	1/14/2015	PPE 1/4/15	Retirement PPE 01/04/15	$20,907.12	$0.00		$20,907.12
				Totals for CalPERS Retirement:	*$20,967.12*	*$0.00*		*$20,967.12*
CCWD								
CCWD	1/20/2015	1/14/2015	E536683	irrigation 9/6/14-11/7/14	$834.89	$0.00		$834.89
CCWD	1/20/2015	1/16/2015	F Series	F Series 10/4/14-12/3/14	$11,686.93	$0.00		$11,686.93
				Totals for CCWD:	*$12,521.82*	*$0.00*		*$12,521.82*
CERCO Analytical, Inc.								
CERCO Analytical, Inc.	1/20/2015	1/14/2015	1412176	Well Water tests	$490.00	$0.00		$490.00
				Totals for CERCO Analytical, Inc.:	*$490.00*	*$0.00*		*$490.00*
Clean Street								
Clean Street	1/20/2015	1/14/2015	76881	Sweeping for December 2014	$3,500.00	$0.00		$3,500.00

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 Clean Street:	*$3,500.00*	*$0.00*		*$3,500.00*
Comcast								
Comcast	1/20/2015	1/14/2015	01/05/15	high speed internet 1/10/15-2/9/15	$403.95	$0.00		$403.95
				Totals for Comcast:	*$403.95*	*$0.00*		*$403.95*
Contra Costa County Department of Conservation & Development								
Contra Costa County Department of Co	1/20/2015	12/31/2014	Q2 FY 14/15	Fees 10/1/14-12/31/14	$58.50	$0.00		$58.50
				Totals for Contra Costa County Department of Conservation & Development:	*$58.50*	*$0.00*		*$58.50*
Contra Costa Tractor Mobile Svc								
Contra Costa Tractor Mobile Svc	1/20/2015	1/16/2015	016605	service for Ford 260C	$823.89	$0.00		$823.89
				Totals for Contra Costa Tractor Mobile Svc:	*$823.89*	*$0.00*		*$823.89*
Carmen Cordova								
Carmen Cordova	1/20/2015	1/16/2015	428 Zinfandel Cir	Deposit refund for C&D	$2,000.00	$0.00		$2,000.00
				Totals for Carmen Cordova:	*$2,000.00*	*$0.00*		*$2,000.00*
De Lage Landen Financial Services, Inc.								
De Lage Landen Financial Services, Inc.	1/20/2015	1/14/2015	44232996	contract February 2015	$362.47	$0.00		$362.47
				Totals for De Lage Landen Financial Services, Inc.:	*$362.47*	*$0.00*		*$362.47*
Devils' Mountain Awards & Recognition								
Devils' Mountain Awards & Recognitio	1/20/2015	1/14/2015	15074	plate engraving	$23.44	$0.00		$23.44
				Totals for Devils' Mountain Awards & Recognition:	*$23.44*	*$0.00*		*$23.44*
Division of the State Architect								
Division of the State Architect	1/20/2015	12/31/2014	Q2 FY 14/15	Feese for 10/1/14-12/31/14	$27.00	$0.00		$27.00
				Totals for Division of the State Architect:	*$27.00*	*$0.00*		*$27.00*
Environtech Enterprises								
Environtech Enterprises	1/20/2015	1/14/2015	A001A-2A-14	Thistle abatementThrough July 2014	$10,800.00	$0.00		$10,800.00
Environtech Enterprises	1/20/2015	1/14/2015	A001B-2B-14	Mustard/Yellow Star Thistle abatement	$25,000.00	$0.00		$25,000.00
				Totals for Environtech Enterprises:	*$35,800.00*	*$0.00*		*$35,800.00*
Health Care Dental Trust								
Health Care Dental Trust	1/20/2015	1/14/2015	185961	Dental Benefits for February 2015	$2,815.22	$0.00		$2,815.22
				Totals for Health Care Dental Trust:	*$2,815.22*	*$0.00*		*$2,815.22*
HUB Inter of CA Ins Svc								
HUB Inter of CA Ins Svc	1/20/2015	1/16/2015	December 2014	Insurance policies for December 2014	$210.65	$0.00		$210.65
				Totals for HUB Inter of CA Ins Svc:	*$210.65*	*$0.00*		*$210.65*
Interviews & Interrogations Inst								
Interviews & Interrogations Inst	1/20/2015	1/14/2015	2/23/15-2/27/15	Interviews/Interrogations Class, Wayne	$382.00	$0.00		$382.00
				Totals for Interviews & Interrogations Inst:	*$382.00*	*$0.00*		*$382.00*
John Dee ndscapes Inc								

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
John Deere Landscapes Inc	1/20/2015	1/14/2015	68784448	Order # 76761279	$300.68	$0.00		$300.68
				Totals for John Deere Landscapes Inc:	*$300.68*	*$0.00*		*$300.68*
LarryLogic Productions								
LarryLogic Productions	1/20/2015	1/14/2015	1471	City Council Meeting 1/6/15	$275.00	$0.00		$275.00
				Totals for LarryLogic Productions:	*$275.00*	*$0.00*		*$275.00*
League of CA cities								
League of CA cities	1/20/2015	1/14/2015	4151	2015 Membership Dues	$550.00	$0.00		$550.00
				Totals for League of CA cities:	*$550.00*	*$0.00*		*$550.00*
Marken Mechanical Services Inc								
Marken Mechanical Services Inc	1/20/2015	1/16/2015	415-1152	Library Maintenance January 2015	$150.00	$0.00		$150.00
Marken Mechanical Services Inc	1/20/2015	1/16/2015	415-1151	City Hall Maintenance January 2015	$150.00	$0.00		$150.00
				Totals for Marken Mechanical Services Inc:	*$300.00*	*$0.00*		*$300.00*
MPA								
MPA	1/20/2015	1/16/2015	February	Life/LTD, February 2015	$1,480.28	$0.00		$1,480.28
MPA	1/20/2015	1/16/2015	A121403	Unmet Liability Deductible	$891.78	$0.00		$891.78
				Totals for MPA:	*$2,372.06*	*$0.00*		*$2,372.06*
Neopost (add postage)								
Neopost (add postage)	1/20/2015	1/14/2015	1/2/15	postage added	$300.00	$0.00		$300.00
				Totals for Neopost (add postage):	*$300.00*	*$0.00*		*$300.00*
Neopost Northwest								
Neopost Northwest	1/20/2015	1/14/2015	N5097919	contract 2/7/15-3/6/15	$158.20	$0.00		$158.20
				Totals for Neopost Northwest:	*$158.20*	*$0.00*		*$158.20*
Monika Oznowicz								
Monika Oznowicz	1/20/2015	1/14/2015	2174B	deposit refund for Hoyer Hall 12/11/14	$200.00	$0.00		$200.00
				Totals for Monika Oznowicz:	*$200.00*	*$0.00*		*$200.00*
PERMCO, Inc.								
PERMCO, Inc.	1/20/2015	1/14/2015	10293	Service 12/6/14-12/24/14	$4,656.00	$0.00		$4,656.00
PERMCO, Inc.	1/20/2015	1/14/2015	10294	CAP Inspections 12/19/14, 12/22/14	$62.25	$0.00		$62.25
PERMCO, Inc.	1/20/2015	1/14/2015	10295	SSMP 12/6/14-12/24/14	$2,718.25	$0.00		$2,718.25
PERMCO, Inc.	1/20/2015	1/14/2015	10296	Collector Street Rehab 12/6/14-12/24/14	$1,705.00	$0.00		$1,705.00
PERMCO, Inc.	1/20/2015	1/14/2015	10297	review application for completeness	$675.00	$0.00		$675.00
PERMCO, Inc.	1/20/2015	1/14/2015	10302	services 12/25/14-1/9/15	$1,891.00	$0.00		$1,891.00
PERMCO, Inc.	1/20/2015	1/14/2015	10303	PG&E Encroachment Permit Inspection	$20.75	$0.00		$20.75
PERMCO, Inc.	1/20/2015	1/14/2015	10305	SSMP 12/25/14-1/9/15	$589.50	$0.00		$589.50
PERMCO, Inc.	1/20/2015	1/16/2015	10304	CAP Inspections 12/25/14-1/9/15	$207.50	$0.00		$207.50
				Totals for PERMCO, Inc.:	*$12,525.25*	*$0.00*		*$12,525.25*
PG&E								
PG&E	1/20/2015	1/14/2015	12/22/14	service 11/21/14-12/21/14	$11.44	$0.00		$11.44

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 PG&E:	*$11.44*	*$0.00*		*$11.44*
Pinnacle Construction Services, Inc								
Pinnacle Construction Services, Inc	1/20/2015	1/14/2015	2059	Management Services for January 2015	$4,205.98	$0.00		$4,205.98
				Totals for Pinnacle Construction Services, Inc:	*$4,205.98*	*$0.00*		*$4,205.98*
Rock & Waterfall Co								
Rock & Waterfall Co	1/20/2015	1/16/2015	120-56	waterfall maintenance	$650.00	$0.00		$650.00
				Totals for Rock & Waterfall Co:	*$650.00*	*$0.00*		*$650.00*
US Bank Ops Center								
US Bank Ops Center	1/20/2015	1/16/2015	02012015	2/1/15 Debt Service 2014 TABS	$7,408.00	$0.00		$7,408.00
				Totals for US Bank Ops Center:	*$7,408.00*	*$0.00*		*$7,408.00*
Waraner Brothers Tree Service								
Waraner Brothers Tree Service	1/20/2015	1/14/2015	11718	Emergency tree work, 1019 Kenston Dr	$2,160.00	$0.00		$2,160.00
Waraner Brothers Tree Service	1/20/2015	1/16/2015	11656	tree work - Clayton Rd	$150.00	$0.00		$150.00
Waraner Brothers Tree Service	1/20/2015	1/16/2015	11655	tree work - Keller Ridge	$150.00	$0.00		$150.00
				Totals for Waraner Brothers Tree Service:	*$2,460.00*	*$0.00*		*$2,460.00*
				GRAND TOTALS:	**$134,875.61**	**$0.00**		**$134,875.61**

0 Employees With Overflow Statement
0 Overflow Statement 1 Total Statement
Tot Cks/Vchrs:00000000040 Tot Docs in all:00000000043

	First No.	Last No.	Total
Checks:	ADPCHECK	ADPCHECK	00000000006
Vouchers:	00000020001	00000020034	00000000034

Earnings Statement

Z7L TOTAL DOCUMENT
CITY OF CLAYTON
LOCATION 0001

COPY

CHECK STUFFING, RECONCILIATION

COPY

83567.90	GROSS
61053.58	NET PAY (INCLUDING ALL DEPOSITS)
9609.91	FEDERAL TAX
212.55	SOCIAL SECURITY
1150.23	MEDICARE
.00	MEDICARE SURTAX
.00	SUI TAX
3070.43	STATE TAX
.00	LOCAL TAX
67205.09	DEDUCTIONS
2319.69	NET CHECK

COMPANY CODE Z7L
CITY OF CLAYTON
TOTAL DOCUMENT
LOCATION 0001

COPY COPY

VERIFY DOCUMENT AUTHENTICITY - COLORED AREA MUST CHANGE IN TONE GRADUALLY AND EVENLY FROM DARK AT TOP TO LIGHTER AT BOTTOM

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Agenda Date: 1-20-2015

Agenda Item: 4a

SKYE AVEN

for

"Doing the Right Thing"

at

Diablo View Middle School

by exemplifying great "Kindness"

November and December 2014

BRANDON O'REILLY
for
"Doing the Right Thing"
at
Diablo View Middle School
by exemplifying great "Kindness"
November and December 2014

ROXANA BENAVIDEZ

for

"Doing the Right Thing"

at

Clayton Valley Charter High School

by exemplifying great "Kindness"

November and December 2014

DESTINY SUDO
for
"Doing the Right Thing"
at
Clayton Valley Charter High School
by exemplifying great "Kindness"
November and December 2014

ELISSE MARTINEZ

for

"Doing the Right Thing"

at

Clayton Valley Charter High School

by exemplifying great "Kindness"

November and December 2014

Agenda Date: 1-20-2015

Agenda Item: 8a

CITY OF CLAYTON
Founded 1857 .. Incorporated 1964

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: John Johnston Maintenance Supervisor

DATE: January 20, 2015

SUBJECT: Mt. Diablo Elementary School Trail and adjacent City Hillside

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RECOMMENDATION

In response to City Council and public request to examine the condition of the asphalt public trail rimming the Mt. Diablo Elementary School, several suggestions are outlined for the repair and/or renovation of the Mt. Diablo Elementary School Trail and adjacent hillside.

Staff has provided a list of different options ranging from basic safety repairs to a complete renovation of the entire trail and hillside, including landscape and irrigation. Direction from the City Council is sought regarding these matters and potential funding sources.

BACKGROUND

The hill is approximately 1,200 feet in length as it stretches west along Clayton Road continuing down the off-ramp to the crosswalk at Oak and Main Streets. Starting at Mt. Zion and going south, a portion of the hill (heading east for approximately 400 feet) was landscaped in 1992 as part of the Oakhurst Assessment District Development, Phases 1B and 1C construction. This formal and limited landscape area consists mainly of manzanita, toyon, escallonia, and various small shrubs. There is also several eucalyptus trees scattered throughout the hillside. Due to the limited irrigation system being inefficient and not functioning properly, City staff has not watered that landscape portion for many years and has allowed the surviving plants to grow naturally (see slides #3 and #4).

The hill then transitions into steeper natural open space. This bare area of the hill has many voids, pop-outs, and irregularities. The larger portion of the hill has several sucker ailanthus trees scattered throughout accompanied by some buckeye and oak trees as it makes its way down to Oak and Main Streets where it runs alongside Mitchell Creek. The stability of this hill is unknown from a visual perspective and further consultant expertise must be obtained to give a more accurate geotechnical assessment (see slides #5 and #6).

The Maintenance Department has always considered and treated the hillside and trail as "natural open space" part of the Citywide Landscape Maintenance District (LMD). The total length of the public trail itself stretches approximately 1,300 feet with 300' feet of incline starting from Oak Street going up to the elementary school (see slides #7 and #8). The trail is constructed entirely of asphalt with several small wood steps installed to assist in climbing the hill portion to the school's elevation (see slides #9 and #10). Staff believes this trail was repaved in 1992 when Clayton Road was widened. Please note a "public trail" does not rise to the standard of a public sidewalk in terms of care or the Americans with Disabilities Act ("ADA").

The City has received very few complaints or concerns regarding this public trail over the last 25 years. The biggest user problem recently experienced on the trail was episodes of chronic vandalism by removal of the grates on the drain boxes which were then thrown into the creek. The Maintenance Department finally welded the lids shut eliminating that problem. Recently the City received a call of an individual who broke her ankle while coming down the hill. Apparently she did this while going down the wood steps. Staff investigated this incident and found no abnormalities or structural damage to the steps or trail in that area. As with any open space trail there are many uneven surfaces or obstacles that trail users should be aware of when walking, running, or biking the City of Clayton Trail System (see slides #11 and #12). Collection of debris and silt on the trails is a natural occurrence.

The drainage along the hillside has presented the most problems for the City Maintenance Department as it has many flaws. Although the school property has a swale and drain on the southeast corner to capture some of the storm water, much of the water run-off from the school's property drains out onto the hillside (see slides #13 and #14). Attempts to capture the water and divert it to the several drains located along the hill have not been sufficient to handle the amount of water flow experienced during heavy rains. Although the drains, some of which are visible from the roadway, are operating efficiently as possible, they were designed as "stop-gap" measures and not in collaboration with the school or the entire school property (see slides #15 thru #17). There is a portion of the school's new play structure and adjacent asphalt area that is in need of drainage repair and redesign to capture more of the water and prevent it from flowing over the hill and away from the drain and catch basin area as was intended (see slide #18).

Natural wildlife (ground squirrels) routinely causes even bigger problems by tunneling under the drainage berms and asphalt pathway directly into the hillside. During heavy rains, ground squirrel tunnels act as natural drains and sometimes resemble a water line shooting out of the hillside. Although the City does perform some ground squirrel control along this trail, without similar and substantial rodent control on the school property, most of the City's efforts are ineffective.

There is a 700 foot long V-ditch that runs along the bottom of the hillside between the public roadway and the hill. Many of the drains deposit into this V-ditch or directly into the box culvert that runs under Clayton Road. This City-owned V-ditch is often clogged or blocked by mud and debris coming off the hill during heavy storms causing the mud and water to periodically spill onto the roadway (see slides #19 and #20).

It should be noted that complete coordination and cooperation of the Mt. Diablo Unified School District is necessary to perform the majority of the repairs or renovations to the hillside and/or trail, including contribution of funds. Several pictures with captions have been provided to help visualize staff's assessment.

OPTIONS

The following is a list of staff recommendations set in the order of safety, repairs, renovation. It should be noted that staff has prepared this list per the request of the City Council and does not consider these to be the highest priority uses of limited Landscape Maintenance District Funds.

A. ENHANCED SAFETY and REPAIRS

PUBLIC TRAIL: The trail itself meanders over both City and School District properties. Portions of this public trail can be crack sealed and patched. There is approximately 40 feet of wood border that could be replaced along with portions of the adjoining asphalt along the edge of the trail at the top of the hill (see slide #21).

HILL: There are no visible immediate safety issues regarding the hill itself. Staying off the hill and minimizing any human activity on the hill is the best course of action.

STORM WATER DRAINAGE: There is an area along the recently-installed school playground equipment that needs attention: a 40 foot asphalt and or concrete berm needs to be installed on school property to prevent water run-off during heavy rains from spilling over onto the pathway and hillside. The City Maintenance Department placed sandbags there as a temporary mitigation during the 2014-14 winter rains (see slide #22). This remedial work would be funded by the School District with possible coordination and direction from the City.

An estimated cost of this work is approximately $2,000 to $2,500 for the trail's wood border and asphalt repair, if performed at the same time with other City asphalt work within the city. The crack seal and patch can be done in-house as a normal part of our maintenance. Coordination and cooperation with the School District is needed to add the asphalt or concrete berm on its property to divert the water to the drain. The cost of that work would be approximately $500 if done with other asphalt work.

Estimated costs of Enhanced Safety and Repairs: $2,500 to $3,000 (Landscape District funds)

B. MINOR REPAIRS and RENOVATION

PUBLIC TRAIL: The uphill portion of the trail can sometimes experience mud and debris washing down on the trail from City and School District properties during heavy rains. A retaining wall could be installed to eliminate this problem. Drainage behind the wall would need to be installed to divert the water down to the catch basin (see slide #23). There are many trails within the City's Trail System that experience similar run-off as most of our trails are located on hills and slopes in open space areas.

HILL: There are no feasible minor repairs or renovations regarding the hillside itself. Once again, staying off the hill and minimizing any human activity on the hill is the best course of action.

STORM WATER DRAINAGE: A portion of the public trail nearby an existing catch basin could function better if a small 20 foot berm is installed on the hill side of the trail as opposed to a wood border (see slide #24). This would assist in keeping the water in the catch basin as opposed to spilling out over the hill during heavy rains.

On the trail portion closest to Mt. Zion there is a small ditch that was dug to allow water from the elementary school property to run across the pathway and into a small drain on the other side of the path towards the hill. A small drain inlet should be installed at the fence inside the school property and then a drain pipe should be installed under the path to the existing drain inlet. The run-off would then follow down the hill into the V-ditch located below (see slide #25).

An estimated cost to have a retaining wall and drainage installed would likely be between $10,000 and $15,000 depending on the material and design. The small catch basin accompanied by the drain pipe and pathway repair would cost from $2,000 to $3,000. This work should be done in coordination with the above enhanced safety and repair work. Once again partnership with the Mt. Diablo Unified School District is needed to complete this project.

Estimated costs of Renovation and Repairs:	**$12,000 to $18,000**
Plus Enhanced Safety and Repairs:	$ 2,500 to $ 3,000
TOTAL:	**$14,500 to $21,000**

C. COMPLETE RENOVATION

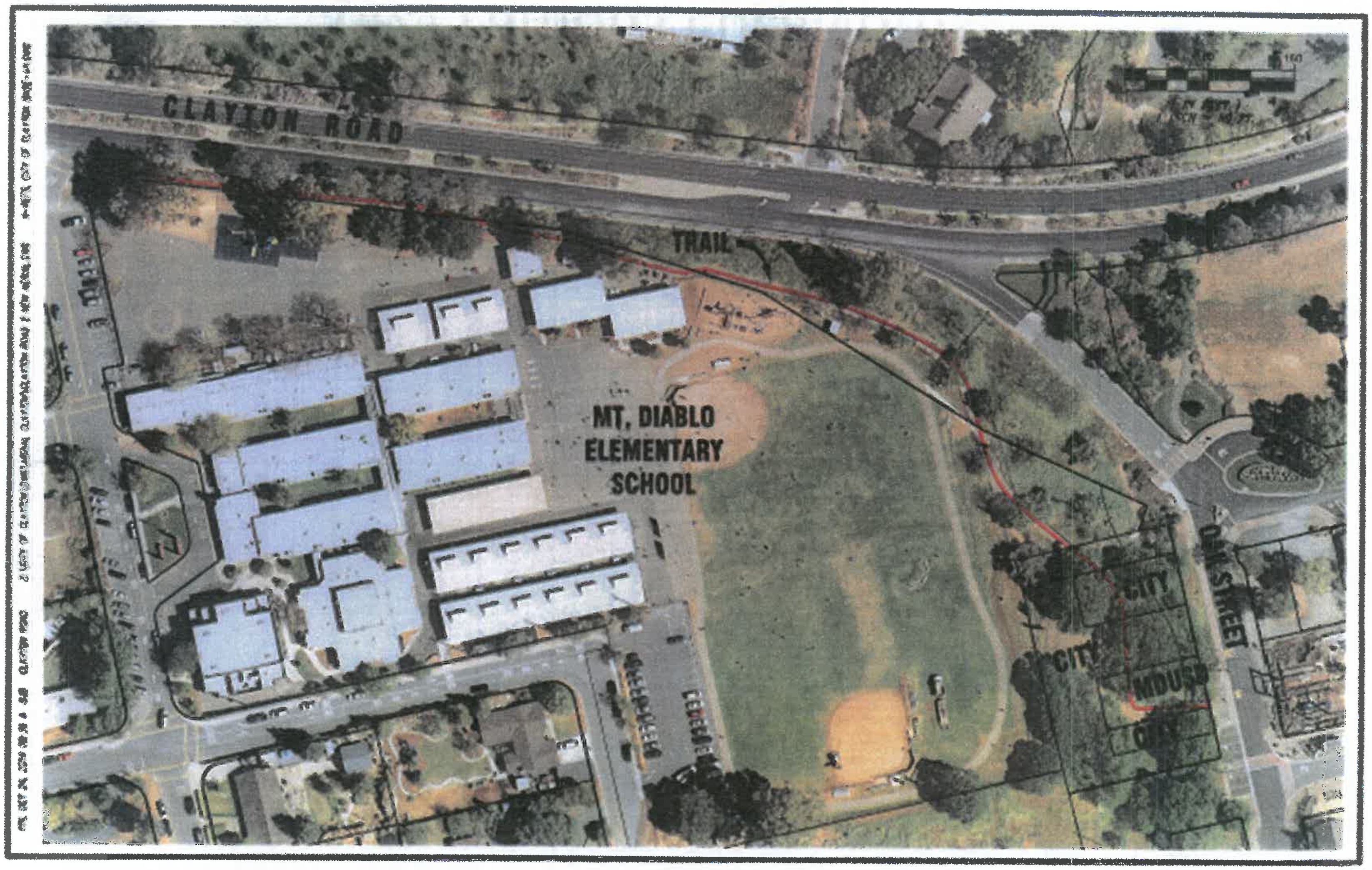
The City Council previously requested staff examine the feasibility and rough cost estimate to landscape (with irrigation) this hillside fronting on Clayton Road and the Oak Street exit ramp. A complete renovation would include more efficient drainage systems, hill stabilization, trail renovation, landscaping, and lighting. More information and consultant expenses beyond staff expertise would be needed before staff could generate a concept design to begin the actual planning process. A complete topographic map would need to be prepared including elevations and contours. Soil samples and testing must be performed in various places along the hillside and surrounding areas to determine hill stability. It would be unwise to introduce landscape digging and application of irrigation water to the hillside without understanding in advance the stability of the hill and the impacts of such digging and irrigation. This task would also require complete cooperation and probable partnership of the School District as any design would likely include portions of its real property and enhancements to its storm water plans in order to stabilize the hillside and mitigate runoff and debris.

The initial investigation and pre-design costs alone for a complete renovation would likely approach $100,000. That guesstimate does not include any actual project implementation costs, which, depending on the design and scope preferred, would likely involve hundreds of thousands of public dollars.

If the City Council is interested in this option, staff will investigate further and return with a detailed cost estimate and project evaluation.

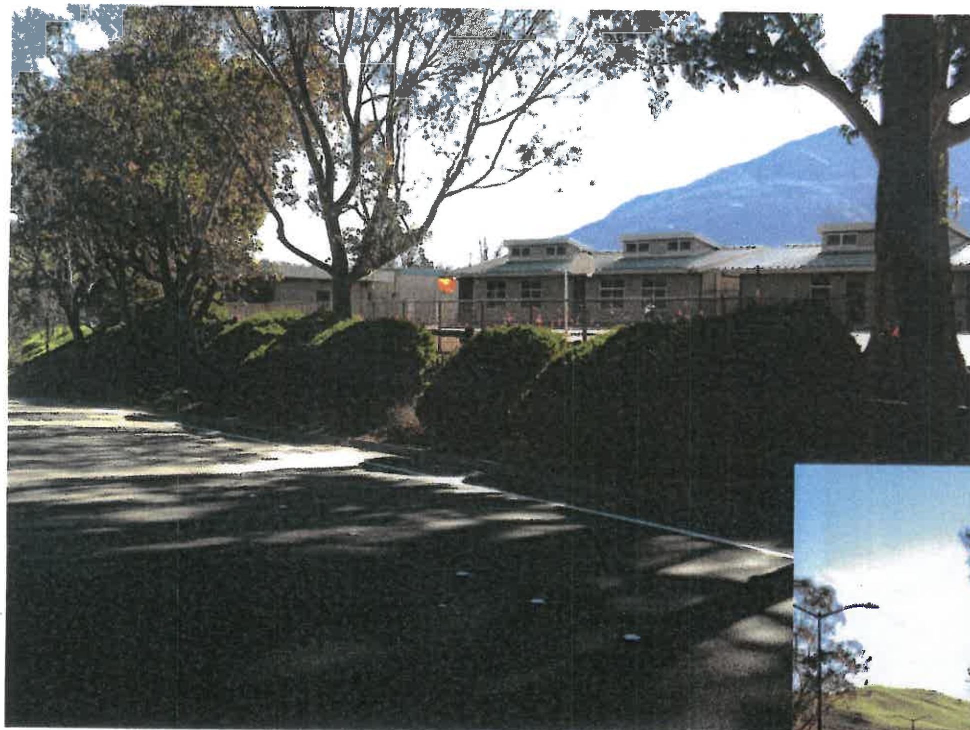
Respectfully Submitted

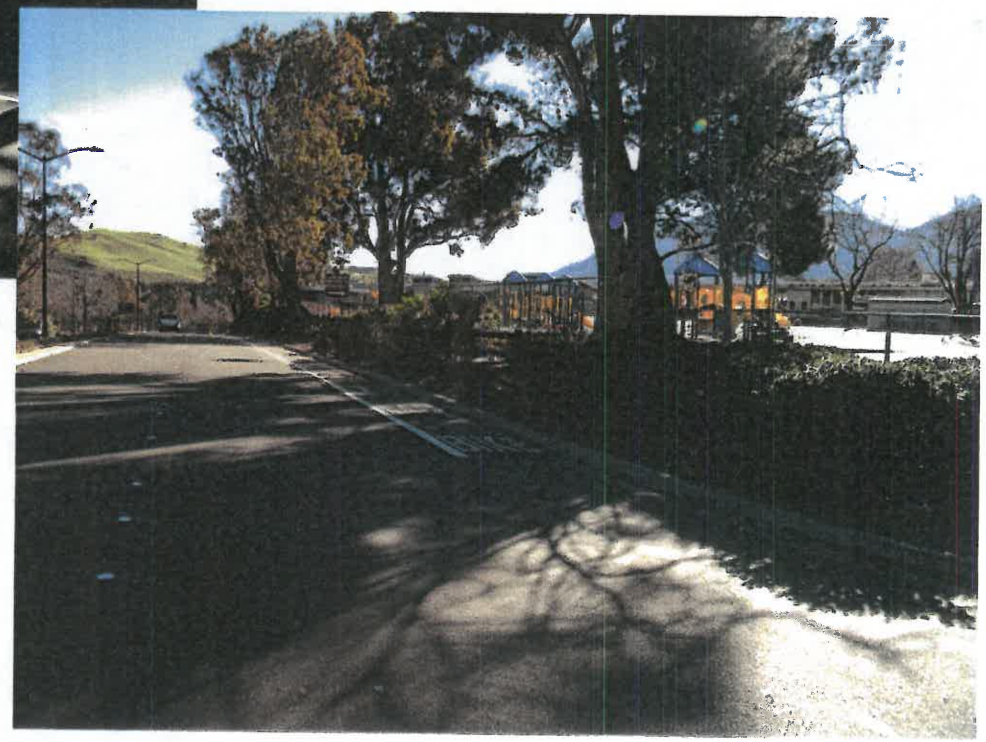
John Johnston
Maintenance Supervisor



(#1) Aerial view of project area.

(#2) Famous Eucalyptus.





(#3) Landscaped portion starting at Mt. Zion.

(#4) Outdated irrigation.

(#5) Transition to natural open space.

(#6) Hill steepens as it turns towards Main St.

(#7) Oak St entrance to school trail.

(#8) Going uphill towards the school.

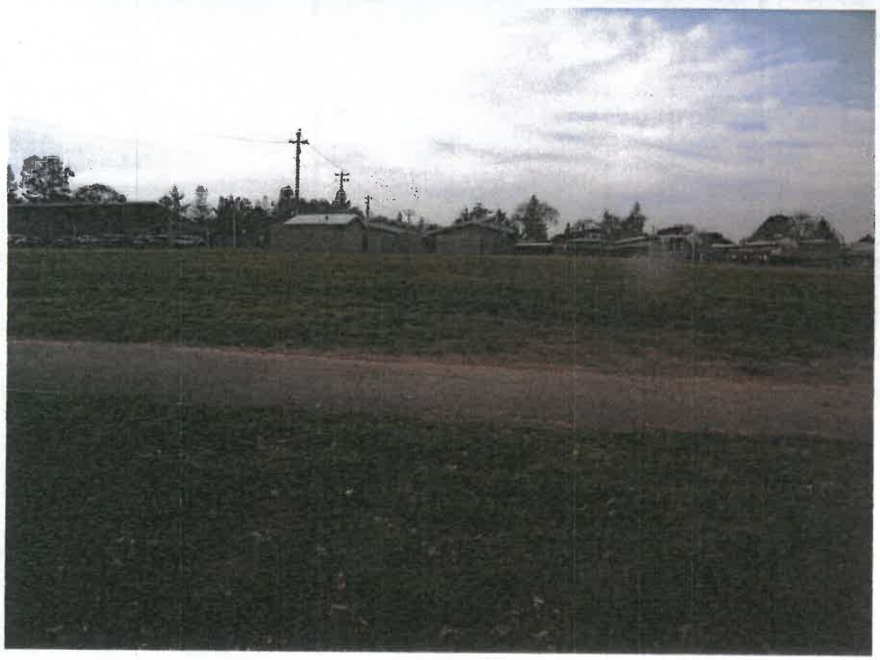
(#9) Top of the hill along the school.

(#10) Top of the hill heading towards Mt. Zion.

(#11) Steps on the uphill side of trail.

(#12) Drainage berm at the uphill side of trail.

(#13) School property swale and drain.



(#14) School property
play area.

(#15) Cost conscious drain designs?

(#16) 12" drain to the bottom of the hill.

(#17) Typical drain inlet along the trail piped out the hill.

(#18) School property play area.

(#19) V-Ditch at the bottom of the hill.

(#20) Catch basin at the bottom of the hill.

(#21) Wood border and asphalt repair.

(#22) Asphalt or concrete berm needed along school property.

(#23) Retaining wall to assist in holding back mud and debris.

(#24) Asphalt curb to replace wood backing and sandbags.

(#25) Drain inlet needed to minimize mud and run-off.

Agenda Date: 1-20-2015

Agenda Item: 8b

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CITY MANAGER

DATE: 20 JANUARY 2015

SUBJECT: ESTABLISH DATE AND TOPICS FOR A JOINT SPECIAL MEETING WITH THE MT. DIABLO UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES

RECOMMENDATION

Following City Council discussion of potential topics for a proposed Joint Special Meeting with the Board of Trustees of the Mt. Diablo Unified School District, and opportunity for public comment(s), it is recommended by motion the City Council call a Special Meeting to be held on **Monday, 09 February 2015** in Hoyer Hall of the Clayton Community Library at 6:30 PM and determine the list of City topics for inclusion on the joint meeting agenda.

BACKGROUND

In March 2015 the Clayton City Council met for the first time in recent years in a joint special meeting with the Board of Trustees of the Mt. Diablo Unified School District to converse over items of mutual interest. No actions were taken by either governing body at the joint meeting.

By letter dated October 29, 2014 (ref. Attachment 1), the Mt. Diablo Unified School District expressed interest in a joint meeting again in furtherance of developing relationships with communities from which its public school students reside. The letter offered several dates from which to set a mutually-agreeable joint meeting; by earlier administrative action the City selected its preferred meeting date of Monday, February 9th. By state law, a general law municipality (i.e. Clayton) cannot meet outside its corporate limits so the joint meeting must be held within our city boundaries.

POTENTIAL AGENDA TOPICS

In addition to formally approving the date, time and location of the proposed joint special meeting, this matter is placed on the City Council's public agenda to also identify the Council's list of topics it wishes to discuss with the Board of Trustees. One item previously noted is to share information about causes to the condition of the asphalt public trail rimming the Mt. Diablo Elementary School. The Council may identify other topics for mutual discussion.

Attachments: 1. October 2014 letter from MDUSD [1 pg.]
2. Agenda and Minutes from March 2014 Joint Special Meeting [3 pp.]

MT. DIABLO UNIFIED SCHOOL DISTRICT
JAMES W. DENT EDUCATION CENTER
1936 Carlotta Drive
Concord, California 94519-1397
(925) 682-8000

OFFICE OF
SUPERINTENDENT

October 29, 2014

Clayton City Council
City Hall
6000 Heritage Trail
Clayton, CA 94517

Dear City Council,

We would like to continue developing our relationship with the communities in which our students attend our schools. Last year, we had an opportunity to meet with you as a Board, along with our Superintendent, to discuss some of the issues which are important to your City and community, as well as to our schools, our students, and the parent community we serve. As we move towards full implementation of the Local Control Funding Formula and its accountability plan, as well as the Common Core curriculum within each of our classrooms, we believe it is more important than ever to hear from our community members as to how we can better meet the needs of our students and jointly serve our communities.

The Board approved at its September 24, 2014 meeting, a number of dates throughout this school year, at which time we are available to meet with you. The following dates have been set aside for community meetings: 11/10/14; 12/8/14; 1/12/15; 2/9/15; 3/9/15; 4/13/15; and 5/11/15. If any of the above dates would be appropriate for your Council to meet with us, please select one and let us know. We will schedule the meeting date at either your facility, one of our schools, or our Board Room.

Thank you for your dedication to our communities. We look forward to hearing from you.

Sincerely,
MT. DIABLO UNIFIED SCHOOL DISTRICT

Nellie Meyer

Dr. Nellie Meyer
Superintendent

Barbara Oaks

Barbara Oaks
President, Board of Education

ATTACHMENT 2

CITY OF CLAYTON
Founded 1857 Incorporated 1964

SPECIAL MEETING
CLAYTON CITY COUNCIL
AND
MT. DIABLO SCHOOL DISTRICT BOARD

WEDNESDAY, MARCH 5, 2014

6:30 p.m.

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

City Council
Mayor: Hank Stratford
Vice Mayor: David Shuey
Councilmember: Jim Diaz
Councilmember: Howard Geller
Councilmember: Julie Pierce

Mt. Diablo School District Board
President: Barbara Oaks
Vice President: Brian Lawrence
Member: Lynne Dennler
Member: Cheryl Hansen
Member: Linda Mayo

*Pursuant to CA Government Code Section 54957 and upon order of Mayor Hank Stratford, a special meeting is called for **March 5, 2014 at 6:30 p.m.** for the purpose of informational exchange with the Mt. Diablo District Board and the Clayton City Council.*

Signed: ______ *Date:* 2-28-14
Hank Stratford, Mayor

****

- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Clayton Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street; and 4) 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 one has 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.

1. **CALL TO ORDER AND ROLL CALL** – City of Clayton Mayor Hank Stratford and Mt. Diablo Unified School District Board President Barbara Oaks

2. **PLEDEGE OF ALLEGIANCE**

3. **OPENING REMARKS** – City of Clayton Mayor Hank Stratford

4. **OPENING REMARKS** – Mt. Diablo Unified School District Board President Barbara Oaks

5. **PUBLIC COMMENT PERIOD**

6. **INFORMATIONAL EXCHANGE WITH MT.DIABLO UNIFIED SCHOOL DISTRICT**

(a) Presentation by Dr. Nellie Meyer regarding Local Control Accountability Plan (LCAP).
(b) Clayton's Do The Right Thing Character Initiative.
(c) The Mt. Diablo Unified School District and the Clayton City Council will provide each other updates on items of mutual interest and discuss current partnerships and other areas of cooperation. Discussion items may include: District enrollment, student achievement, common core standards, school traffic safety and updates on current and planned improvement projects, and communication between MDUSD and City of Clayton.
No formal action will be taken.

4. **ADJOURNMENT** – the next regularly scheduled City Council meeting is March 18, 2014.

# # # # #

MINUTES
OF THE
SPECIAL JOINT MEETING BETWEEN
CLAYTON CITY COUNCIL AND THE
BOARD OF TRUSTEES OF THE MT.
DIABLO UNIFIED SCHOOL DISTRICT

WEDNESDAY, March 5, 2014

1. **CALLS TO ORDER AND ROLL CALLS** – City of Clayton Mayor Hank Stratford and Mt. Diablo Unified School District Board President Barbara Oaks.

   The City Council meeting was called to order at 6:32 p.m. by Mayor Stratford in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Stratford, Councilmembers Geller and Pierce. Councilmembers absent: Councilmember Diaz. City Staff present: City Manager Gary Napper, Interim City Clerk Janet Brown, Chief of Police Chris Thorsen.

   Mt. Diablo Unified School District Board Members present: President Barbara Oaks, Trustees Cheryl Hansen and Linda Mayo. Mt. Diablo Unified School District Board Members absent: Vice President Brian Lawrence and Trustee Lynne Dennler. School District Staff present: Superintendent Dr. Nellie Meyer, and Secretary Debbie Maher.

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

3. **OPENING REMARKS** – were made by Mayor Hank Stratford and MDUSD Board President Barbara Oaks. Brief introductions were provided of the City Council, Mt. Diablo Unified School District School Board and various staff present.

4. **PUBLIC COMMENT PERIOD** – No comments were provided.

5. **INFORMATIONAL EXCHANGE WITH MT.DIABLO UNIFIED SCHOOL DISTRICT**

(a) Presentation by Dr. Nellie Meyer regarding Local Control Accountability Plan (LCAP).

Dr. Nellie Meyer presented the Mt Diablo Unified School District's Community Meeting Local Control Accountability Plan for conformance with new public education code requirements and regulations

(b) Clayton's "Do The Right Thing" Character Initiative.

Mayor Stratford summarized the City's "Do The Right Thing" character initiative in partnership with campus administrators and faculty at the Mt. Diablo Elementary School, the Diablo View Middle School, and the Clayton Valley Charter High School. He and members of the City Council encouraged the Mount Diablo Unified School District Board to consider embracing the program for implementation in all of its schools within the District.

(c) The Mt. Diablo Unified School District and the Clayton City Council will provide each other with updates on items of mutual interest and discuss current partnerships and other areas of cooperation. Discussion items may include: District enrollment, student achievement, common core standards, school traffic safety and updates on current and planned improvement projects, and communication between MDUSD and City of Clayton.
No formal action will be taken.

The Mt. Diablo Unified School District President Barbara Oaks advised district enrollment has increased and noted public schools within the Clayton community have some of the highest achievement scores in the District.

Dr. Nellie Meyer explained some key differences in Common Core with traditional testing methods

Police Chief Chris Thorsen addressed student drop-off/pick-up traffic problems historically experienced at the Mt. Diablo Elementary School, and noted the City's expanded parking lot (100 spaces) at the Clayton Community Park adjacent to the middle school and the newly-installed solar-powered speed limit radar signs on Clayton Road/Marsh Creek Road has provided some additional vehicle congestion relief and student safety at that school. Some discussion ensued about the prospect of such speed limit signs at the elementary school. A suggestion was made for the City to install additional signage on the road adjacent to the middle school to denote when the restricted speed limit "School Zone" area ends in each direction to further guide vehicular drivers' caution.

Mt. Diablo School District staff reported on its construction of a new Science Building at Diablo View Middle School using Measure C monies. Mr. Timothy Cody indicated construction is moving along quickly and is nearing completion. At the request of the City Council, Mr. Cody responded he would provide City staff with a link to the District's website concerning the layout of the Science Building and its plans.

Vice Mayor Shuey offered comments and perspectives on the positive outcomes at the new Clayton Valley Charter High School, and hoped the District would examine the successes and values achieved at this campus for incorporation into operations at its other public schools.

Members of the Clayton City Council and Mt. Diablo Unified School District Board expressed appreciation for the exchange of information and updates provided at this meeting, and each governing body agreed it would be beneficial to plan and meet more frequently (or at least annually) to continue ongoing communication.

6. **ADJOURNMENT**– on call by Mayor Stratford the meeting adjourned at 8:34 p.m.
The next regularly scheduled City Council meeting is on March 18, 2014.

# # # # #

Agenda Date: 1-20-2015

Agenda Item: 4a CFA

MINUTES
CLAYTON FINANCING AUTHORITY
REGULAR MEETING
January 6, 2015

1. **CALL TO ORDER AND ROLL CALL** - the meeting was called to order by President Shuey at 7:32 p.m. in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road. Board of Directors present: President Shuey, Vice President Geller, Board Members Diaz, Haydon and Pierce. Board of Directors absent: None. Staff members present: Executive Director, Secretary, and General Counsel.

2. **CLOSED SESSION** – None.

3. **PUBLIC COMMENTS** – None.

4. **CONSENT CALENDAR – It was moved by Boardmember Pierce, seconded by Boardmember Diaz, to approve the Consent Calendar as submitted. (Passed; 5-0 vote).**

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

(b) Approved the Clayton Financing Authority's Annual Report for Calendar Year 2014.

5. **ACTION ITEMS** - None.

6. **BOARD ITEMS** – None.

7. **ADJOURNMENT**- On call by President Shuey the meeting adjourned at 7:33 p.m.

Respectfully submitted,

____

Janet Brown, Secretary

Approved by
Clayton Finance Authority Board of Directors

____

David T. Shuey, President

CITY OF CLAYTON
Founded 1857.. Incorporated 1964

Agenda Date: 1-20-2015

Agenda Item: 4b CFA

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE BOARD OF DIRECTORS

FROM: KEVIN MIZUNO, FINANCE MANAGER

DATE: January 20, 2015

SUBJECT: AUDITED FINANCIAL STATEMENTS OF THE CLAYTON FINANCING AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2014

RECOMMENDATION

By minute motion, accept the "unmodified opinion" issued by the independent auditors on the basic financial statements of the Clayton Financing Authority for the fiscal year ended June 30, 2014.

BACKGROUND

The Joint Powers Agreement creating the Clayton Financing Authority (the CFA) was executed on December 4, 1990 between the City of Clayton and the Redevelopment Agency of the City of Clayton. The CFA is authorized to buy or issue bonds and other obligations that are secured in whole or in part by obligations or revenue sources of the member agencies. In May of 2007 the CFA issued $5,060,000 in Special Tax Revenue Refunding Bonds (the 2007 Bonds) for the purpose of refunding the CFA's 1997 Special Tax Revenue Refunding Bonds, financing the acquisition and construction of certain public capital improvements, and to establish a reserve fund for the Bonds. The 2007 Bonds are secured by payments of debt service received by the CFA as owner of the City of Clayton "Middle School" Community Facilities District 1990-1 (the CFD) Special Tax Bonds, Refunding Series 1997 (the Local Obligations).

This is the first year of issuance of stand-alone audited financial statements for the CFA. Pursuant to a letter from the State Controller's Office (the SCO) to the CFA dated August 8, 2014, the SCO had reviewed the Joint Powers Agreement for the CFA and determined that the CFA meets the criteria of a *Special District* as defined by California Government Code section 12463(d)(2). In addition, Government Code section 26909 requires that an audit be completed and filed with the SCO within 12 months after the close of the fiscal year(s) under examination.

DISCUSSION

The independent auditors (Cropper Accountancy Corp.) of the CFA's financial statements for the fiscal year ended June 30, 2014 issued an "unmodified opinion" over the statements' presentation in accordance with Generally Accepted Accounting Principles (GAAP) in all material respects. An unmodified opinion is a "clean" audit opinion, concluding that as a result of the independent auditors' audit procedures they did not identify any material uncorrected departures from GAAP in the underlying CFA financial statements.

Following the independent audit opinion letter on pages 1 and 2 of the report, the CFA's basic financial statements are comprised of two major components: 1) the financial statements, and 2) the notes to the financial statements. The financial statements section includes a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The *Statement of Net Position* presents information on all of the CFA'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 CFA is improving or worsening.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the CFA's net position changed during the 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 the statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* presents information about the cash receipts and cash payments of the CFA during the fiscal year. When used with related disclosures and information in the other financial statements, the information provided in this statement should help financial report users assess the CFA's ability to generate future net cash flows, its ability to meet its obligations as they become due and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects on the CFA's financial position of its cash and its noncash investing, capital and related financing transactions during the period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 6 through 12 of the report.

The following are some financial highlights included in the report:

- Making up the bulk of the CFA's total assets (71%) is the CFA's ownership of the CFD's Local Obligations, which totaled $3,293,000 as of June 30, 2014.

- Cash and cash equivalents, totaling $819,273, made up 18% of total assets. Nearly 85% ($693,528), of CFA cash and cash equivalents pertained to remaining cash proceeds and accrued interest from the CFA's sale of real property in October of

2006 (i.e. CVS/Pharmacy land site). The remaining 15% ($125,745) of cash and cash equivalents is available for annual CFA operational costs and has been used, in part, to help systematically reduce CFD's annual tax levy through the application of "levy credits" included in the annual reports approved by the CFD.

- Total cash with fiscal agent was $454,193, which made up 10% of total assets. Nearly 55% ($251,978) of the cash with fiscal agent balance pertained to the 2007 Bonds' reserve fund held by the fiscal agent (US Bank) and restricted to debt service at the maturity of the 2007 Bonds. The remaining 45% ($202,215) of cash with fiscal agent is used to systematically reduce the CFD's annual tax levy through the application of "levy credits" included in the annual reports approved by the CFD.

- The 2007 Bonds made up nearly 99% ($3,185,000) of the CFA's liabilities at June 30, 2014. The notes further disclose principal payments are due September 2nd of each year through final maturity in 2022, with interest payments due on March 2nd and September 2nd of each year. In the fiscal year ending June 30, 2014 total principal and interest paid was $285,000 and $130,154 respectively.

- Total net position of the CFA was $1,410,527 at June 30, 2014. Approximately 51% ($716,999) of total net position is restricted to future debt service payments. The remaining 49% ($693,528) is unrestricted and pertains to the remaining cash proceeds and accrued interest from the CFA's sale of real property in October 2006. Unrestricted net position is available for capital, operating, or investing purposes at the discretion of the CFA Board of Directors.

- The CFA has no paid employees nor any administrative charges levied to it by the City of Clayton for management of the special district.

FISCAL IMPACT

City Management has been advised that costs associated with the CFA financial statement audits are recoverable from the CFD 1990-1 annual property tax levy (Fund 420). The costs associated with this year's audit ($2,000) and next year's audit will be recovered through the next CFD property tax levy for FY 2016. The costs for this year's audit were not included in the current CFD property tax levy as the audit requirement was not made known by the State Controller's Office to the City during the time of levy calculations in May 2014.

CONCLUSION

Accept the "unmodified opinion" issued by the independent auditors on the financial statements of the Clayton Financing Authority for the fiscal year ended June 30, 2014.

Respectively submitted,

T. Kevin Mizuno

Kevin Mizuno, CPA
Finance Manager

Attachment 1 - Clayton Financing Authority Annual Financial Statement Report for the Year Ended June 30, 2014 (With Auditors' Report Thereon)

Attachment 1

CROPPER

an accountancy corporation

CERTIFIED PUBLIC ACCOUNTANTS

CLAYTON FINANCING AUTHORITY

ANNUAL FINANCIAL STATEMENT REPORT

YEAR ENDED JUNE 30, 2014

(With Auditors' Report Thereon)

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Clayton Financing Authority
Basic Financial Statements
June 30, 2014
Table of Contents

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INDEPENDENT AUDITORS' REPORT

Governing Board of
Clayton Financing Authority
Clayton, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Clayton Financing Authority (the Authority) as of and for the year ended June 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2014, and the respective changes in financial position and 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 Omitted

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis of the financial statements be presented to supplement the basic financial statements. Management has omitted this required supplementary information. 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. Our opinion on the basic financial statements is not affected by the missing required supplementary management discussion and analysis information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.

Cropper Accountancy Corporation
CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California
December 12, 2014

Clayton Financing Authority
Statement of Net Position
June 30, 2014

ASSETS	
Restricted investments:	
Cash and cash equivalents	$ 819,273
Cash with fiscal agent	454,193
Accrued interest receivable	69,830
Investments in local obligations:	
Due within one year	281,000
Due after one year	3,012,000
TOTAL ASSETS	4,636,296
LIABILITIES	
Accrued interest payable	40,769
Bonds payable	
Due within one year	305,000
Due after one year	2,880,000
TOTAL LIABILITIES	3,225,769
NET POSITION	
Restricted for debt service	716,999
Unrestricted	693,528
TOTAL NET POSITION	$ 1,410,527

The accompanying notes are an integral part of these financial statements.

Clayton Financing Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

OPERATING REVENUES	
Interest income from participating agency	$ 217,096
TOTAL OPERATING REVENUES	217,096
OPERATING EXPENSES	
Professional services, including paying agent fees	5,070
TOTAL OPERATING EXPENSES	5,070
OPERATING INCOME (LOSS)	$ 212,026
NONOPERATING REVENUES (EXPENSES)	
Interest expense on long-term liabilities	(126,867)
Interest and investment income	5,533
TOTAL NONOPERATING REVENUES (EXPENSES)	(121,334)
Income before Contributions and Transfers	90,692
Capital Contributions to Participating Agencies	(22,799)
CHANGE IN NET POSITION	67,893
NET POSITION - BEGINNING	1,342,634
NET POSITION - ENDING	$ 1,410,527

The accompanying notes are an integral part of these financial statements.

Clayton Financing Authority
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Principal received from participating agency	$ 261,000
Interest received from participating agency	222,630
Payments to suppliers of services	(5,070)
Net cash provided by operating activities	478,560
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Principal payments on long-term liabilities	(285,000)
Interest payments on long-term liabilities	(130,212)
Net cash used by capital financing activities	(415,212)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	5,533
Capital contribution to participating agency	(22,799)
Net cash used by investing activities	(17,266)
Net increase in cash and equivalents	46,082
Cash and cash equivalents at beginning of year	1,227,384
Cash and cash equivalents at end of year	$ 1,273,466
Included in the Statement of Net Position as follows:	
Cash and cash equivalents	$ 819,273
Cash with fiscal agent	454,193
Total cash and equivalents at end of year	$ 1,273,466
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 212,026
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accrued interest receivable	5,534
Decrease in loans receivable from participating agency	261,000
Net cash provided by operating activities	$ 478,560

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clayton Financing Authority (the Authority) was created for the purpose of refunding 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 1997 Bonds (funded part in cash and part from a reserve fund surety bond), and to pay the costs of issuance of the Bonds. The 1997 Bonds were issued to purchase the CFD 1990-1 local obligations, which are recovered by special assessment revenues from CFD 1990-1. 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 CFD 1990-1 local obligations. As of June 30, 2014, the outstanding balance of the non-city bond obligation was $3,185,000. The Authority meets the criteria set forth in accounting principles generally accepted in the United States of America as a fiduciary fund of the City because the governing body is the same as the City, and the City has fiduciary responsibility for the Authority.

B. Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses when the liability is incurred, regardless of the timing of related cash flows.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with Authority's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenue of the Authority is interest income from investments in local obligations.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all short-term highly liquid investments with an original maturity of three months or less, including restricted investments, to be cash and cash equivalents.

E. New Accounting Pronouncements

In March 2013, 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 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 Authority is required to implement the provisions of this Statement for the current fiscal year. This Statement resulted in a change in practice, but did not have a material effect on the financial statements.

In March 2013, GASB issued GASBS No. 66, *Technical Corrections – 2013 – and amendment of GASB Statements No. 10 and 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement is effective for the current fiscal year. The Authority has determined that this Statement is not applicable.

In June 2013, 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. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to define contribution plans that provide postemployment benefits other than pensions. This Statement is effective for the current fiscal year. The Authority has determined that this Statement is not applicable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. New Accounting Pronouncements, Continued

In June 2013, GASB issued GASBS No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is not effective until the fiscal year ending June 30, 2015. The Authority has determined that this Statement is not applicable.

In January 2014, GASB issued GASBS No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to improve accounting and financial reporting by State and local governments for government combinations and disposals of government operations. The Statement provides authoritative guidance on a variety of government combinations including mergers, acquisitions, and transfers of operations. This Statement is not effective until the fiscal year ending June 30, 2015. The Authority has not determined the effect of this Statement.

In April 2014, GASB issued GASBS No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by State and local governments that extend and receive non-exchange financial guarantees. The Statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement is effective for the current fiscal year. The Authority has determined that this Statement is not applicable.

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2. RESTRICTED INVESTMENTS

Cash and cash equivalents and investments as of June 30, 2014, are classified in the accompanying financial statements as follows:

Statement of Net Position:		
Cash and investments	$	819,273
Cash with fiscal agents		454,193
Total	$	1,273,466
Cash and investments as of June 30, 2014 consist of the following:		
City of Clayton investment pool	$	819,273
Government agency notes		245,116
Money market mutual funds		209,077
Total	$	1,273,466

The Authority reports its investments at fair value. At June 30, 2014, $1,273,466 of the cash and cash equivalents were held as reserves for debt service. All policies for investing cash and cash equivalents are governed by the bond indentures.

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
City of Clayton Investment Pool	$ 819,273	$ 819,273	$ -	$ -	$ -	$ -	$ -
Held by bond trustees:							
Federal Home Loan Bank	245,116	245,116	-	-	-	-	-
Money Market Mutual Funds	209,077	209,077	-	-	-	-	-
Municipal Bonds	3,293,000	281,000	296,000	316,000	342,000	362,000	1,696,000
	$ 4,566,466	$ 1,554,466	$ 296,000	$ 316,000	$ 342,000	$ 362,000	$ 1,696,000

2. RESTRICTED 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
City of Clayton Investment Pool	N/A	$ -	$ -	$ -	$ -	$ 819,273
Held by bond trustees:						
Federal Home Loan Bank	N/A	-		-	-	245,116
Money Market Mutual Funds	N/A	-	209,077	-	-	
Municipal Bonds	N/A	-	-	-	-	3,293,000
Total		$ -	$ 209,077	$ -	$ -	$ 4,357,389

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 deposits of governmental entities by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

3. INVESTMENTS IN LOCAL OBLIGATIONS

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

Middle School Community Facilities District (CFD) Bonds in the principal amount of $6,400,000 were issued on September 2, 1990 by the Authority under the Mello-Roos Community Facilities Act of 1982. 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 secured solely by special assessment revenue from CFD No. 1990-1. As of June 30, 2014, the outstanding balance of the bond obligation was $3,293,000.

Changes in investments in local obligations for the period ended June 30, 2014, were as follows:

Investment in CFD No. 1990-1 Bonds at June 30, 2013	$ 3,554,000
Principal payments received September 2, 2013	(261,000)
Investment in CFD No. 1990-1 Bonds at June 30, 2014	$ 3,293,000

4. LONG-TERM LIABILITIES

Long-term liabilities consist of the following at June 30, 2014:

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 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. The 1997 Bonds were issued to purchase the CFD 1990-1 local obligations, which are recovered by special assessment revenues from CFD 1990-1. 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 CFD 1990-1 Local Obligations. As of June 30, 2014, the outstanding balance of the non-city bond obligation was $3,185,000.

Principal payments on the bonds are due September 2nd each year through final maturity in 2022. Interest payments are due on March 2nd and September 2nd. Total principal and interest remaining on the bonds is $3,789,542, payable through September 2022. For the current year, principal and interest paid were $285,000 and $130,154, respectively.

4. LONG-TERM LIABILITIES, Continued

Changes in long-term liabilities for the period ended June 30, 2014, were as follows:

Bonds payable at June 30, 2013	$ 3,470,000
Principal payments paid September 2, 2013	(285,000)
Bonds payable at June 30, 2014	$ 3,185,000

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 12, 2014, 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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INDEPENDENT AUDITORS' 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*

Governing Board of
Clayton Financing Authority
Clayton, California

We have audited, in accordance with the 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 Clayton Financing Authority (the Authority) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 12, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 Authority'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 12, 2014