



AGENDA

REGULAR MEETING

* * *

CLAYTON CITY COUNCIL

* * *

TUESDAY, June 5, 2018

7:00 P.M.

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

Mayor: Keith Haydon

Vice Mayor: David T. Shuey

Council Members

Tuija Catalano

Jim Diaz

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 *

June 5, 2018

1. **CALL TO ORDER AND ROLL CALL** – Mayor Haydon.

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

3. **CONSENT CALENDAR**

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

(a) **Information Only** – No action required.

1. Notification to Clayton real property owners of the City of Concord's annual sewer services rate increase effective July 1, 2018 (8.23% increase to \$592/year per single-family dwelling) for real property sewer services including treatment, maintenance, repair and operation of Clayton's municipal sewer system.

[\(View Here\)](#)

(b) Approve the minutes of the City Council's regular meeting of May 15, 2018.

[\(View Here\)](#)

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

(d) Approve the award of consultant contract to Economic and Planning Systems, Inc. (Oakland, CA) in the total amount of \$89,850.00 for an Affordable Housing In-Lieu Fee Study (\$47,855) and an Open Space (Active and Passive) Development Impact Fee Study (\$41,995). [\(View Here\)](#)

(e) Adopt a Resolution approving the award of low-bid contract to VSS International in the amount of \$789,000.00 for the Keller Ridge Collector Street Repave Project (CIP No. 10425). [\(View Here\)](#)

(f) Approve a Fourth Amendment to a Tolling Agreement further extending the limitations period for the filing of a legal challenge by West Coast Homebuilders, Inc., concerning a final map for the Oak Creek Canyon residential subdivision project (SUBD.6826). [\(View Here\)](#)

4. **RECOGNITIONS AND PRESENTATIONS**

(a) Issuance of a Proclamation declaring June 2018 as "Elder and Dependent Adult Abuse Awareness Month" in the City of Clayton. [\(View Here\)](#)

5. REPORTS

- (a) Planning Commission – Commission Chairman Carl Wolfe.
- (b) Trails and Landscaping Committee – Bill Wiggins/Ted Sudderth.
- (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) Consider the Introduction/Presentation of the proposed City of Clayton Budget for Fiscal Year 2018-19 and the proposed Capital Improvement Project (CIP) 5-Year Budget, and set the date of Tuesday, June 19, 2018 for a Public Hearing to review and adopt the proposed City Budget. ([View Here](#))
(Finance Manager)

Staff recommendation: Following presentation and public comments, that Council provide any modifications to the recommended City Budget and then by separate motion set Tuesday, June 19, 2018 at 7:00 pm in Hoyer Hall, 6125 Clayton Road, as the date, time and location of a Public Hearing on the proposed FY 2018-19 City Budget.

- (b) City Council discussion of canceling any regularly scheduled Council meetings in July, August and/or September 2018 relative to quorum availability and summer travel plans. ([View Here](#))
(City Manager)

Staff recommendation: That Council provide direction by motion regarding the cancellation of any regularly scheduled City Council meetings in July, August and/or September 2018.

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

10. **CLOSED SESSION** – None.

11. **ADJOURNMENT**

The next regularly scheduled meeting of the City Council will be on June 19, 2018.

#

CITY OF CONCORD
 1950 Parkside Drive MS/45
 Concord, CA 94519-2578
 Fax: (925) 680-1660



CITY COUNCIL
 Edi E. Birsan, Mayor
 Carlyn S. Obringer, Vice Mayor
 Laura M. Hoffmeister
 Ronald E. Leone
 Timothy A. McGallian

Public Works
 Telephone: (925) 671-3448

Patti Barsotti, City Treasurer
 Valerie J. Barone, City Manager

CITY OF CONCORD NOTICE TO PROPERTY OWNERS ANNUAL SEWER SERVICE CHARGE INCREASE

The City of Concord Sewer Enterprise Fund provides for the maintenance and repair of sewer lines in the City of Concord and by contract in the City of Clayton, as well as portions of Contra Costa County. Additionally, the City of Concord arranges for joint sewage treatment at the Central Contra Costa Sanitary District (CCCSD) treatment plant by paying a proportional share of the maintenance, operation, and capital improvement costs of the treatment plant. Concord's Sewer Enterprise Fund pays these costs by levying an annual sewer service charge on each property that utilizes or has sewer service available to that property. This charge is placed on the property tax bill as a sewer service charge in these respective jurisdictions.

After a noticed Public Hearing on June 2, 2015, the Concord City Council approved a four-year plan for increases to the annual sewer service charges. The rate increase allows each city to comply with its National Pollutant Discharge Elimination System permit and maintain required response times to sanitary sewer overflows. This increase is also necessary to fund substantial rehabilitation of each city's aging sewer collection system and to cover the cities' proportional share of CCCSD's expenses, which comprise over 71% of the Sewer Enterprise total projected expenditures. Fiscal Year 2018-19 annual sewer service charges for the various property classifications are listed below. For additional information about the sewer service charge, please telephone the City of Concord Public Works Department at (925) 671-3448.

Charge Classification	Existing Charge	FY 2018-19 Charge
Residential Owners		
Minimum rate for any premises	\$547.00	\$592.00
Each single family dwelling unit	\$547.00	\$592.00
Each dwelling unit in a multiple dwelling structure	\$547.00 per unit	\$592.00 per unit
Mobile Home Park	\$547.00 per space	\$592.00 per space
Commercial Owners – Charge Based upon quantity of water used in cubic feet:		
Minimum rate for any premises	\$547.00	\$592.00
Bowling Alleys	\$4.83/100 cu. ft	\$5.23/100 cu. ft.
Car Washes	\$4.83/100 cu.	\$5.23/100 cu. ft.
Health Studios & Gymnasiums	\$4.83/100 cu. ft.	\$5.23/100 cu. ft.
Hospitals – Convalescent	\$4.83/100 cu. ft.	\$5.23/100 cu. ft.
Multiple Unit Lodging (Hotels, Motels & Rooming Houses)	\$4.83/100 cu. ft.	\$5.23/100 cu. ft.
Laundromats & Laundries	\$4.83/100 cu. ft.	\$5.23/100 cu. ft.
Restaurants	\$9.62/100 cu. ft.	\$10.41/100 cu. ft.
Restaurants with pretreatment facilities approved annually	\$5.47/100 cu. ft.	\$5.92/100 cu. ft.
Bakeries	Determined individually	Determined individually
All others	\$5.47 /100 cu. ft	\$5.92 /100 cu. ft
Institutional Owners		
Minimum rate for any premises as defined in CMC 13.05	\$547.00	\$592.00
Convalescent Hospitals	\$5.47/100 cu. ft.	\$5.92/100 cu. ft.
Industrial Owners – Charge based upon quantity of water used and quality of effluent:		
Minimum rate for any premises	\$547.00	\$592.00
Flow/Million Gallons	\$4,244.00	\$4,593.00
Biochemical Oxygen Demand (B.O.D.) per 1,000 pounds	\$997.00	\$1,079.00
Suspended solid (S.S.) per 1,000 pounds	\$894.00	\$919.00

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

Agenda Date: 6-05-2018

Agenda Item: 3b

TUESDAY, May 15, 2018

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:00 p.m. by Mayor Haydon in Hoyer Hall, Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Haydon and Councilmembers Catalano, Diaz and Pierce. Councilmembers absent: Vice Mayor Shuey. Staff present: City Manager Gary Napper, City Attorney Mala Subramanian, and City Clerk/HR Manager Janet Brown.

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

3. **CONSENT CALENDAR**

It was moved by Councilmember Catalano, seconded by Councilmember Pierce, to approve the Consent Calendar as submitted. (Passed; 4-0 vote).

- (b) Approved the minutes of the City Council's regular meeting of May 1, 2018.
- (c) Approved the Financial Demands and Obligations of the City.
- (d) Adopted Resolution No. 14-2018 approving the Engineer's Report and declaring intent to levy and collect real property tax assessments in FY 2018-19 for the Diablo Estates at Clayton Benefit District (BAD), and setting July 19, 2018 at or about 7:00 p.m. as the date and time for a noticed Public Hearing on the proposed fiscal year tax assessment levies.
- (e) Accepted the City's Investment Portfolio Report for Third Quarter of FY 2017-18 ending March 31, 2018.
- (f) Adopted Resolution No. 15-2018 approving the award of low-bid contract to Sierra Nevada Construction in the amount of \$ 784,007.00, for the City's 2018 Neighborhood Street Repave Project (CIP No. 10436).
- (g) Adopted Resolution No. 16-2018 authorizing City staff to negotiate an agreeable construction price with a qualified contractor to construct the El Molino Drive Sanitary Sewer Improvements Project (CIP No. 10422), pursuant to Public Contract Code Section 20166 and given no construction bids were received for this advertised project.

4. **RECOGNITIONS AND PRESENTATIONS**

- (a) Recognition of retiring Maintenance Supervisor Mark Janney in appreciation for his 28 years of leadership and service to Clayton community from April 1990 to May 2018.

Mayor Haydon presented Mr. Janney a plaque in recognition of his service to the Clayton community for 28 years. Mayor Haydon also shared highlights of Mr. Janney's career with the City of Clayton, starting in April 1990 as a Maintenance Worker II, where in 1994 the position was reclassified to Maintenance Leader and in October 2001 Mr.

Janney was promoted to Maintenance Supervisor. Mayor Haydon advised the Maintenance Department is responsible for maintaining Clayton's city buildings and landscape around the community.

Councilmember Pierce thanked Mark for his many years of service to the Clayton community; he ensured everything is operable in the various City facilities including light bulbs, stairs at City Hall, air conditioning systems, and maintenance at the various parks, including many, many irrigation pipe repairs at Clayton Community Park.

Councilmember Diaz also thanked Mr. Janney for his assistance during many community events especially during the Concert season, Clayton Community and Business Association annual Art and Wine Festival and the Clayton Business and Community Association annual Christmas Tree Lighting.

Councilmember Catalano thanked Mr. Janney for his professional and knowledgably demeanor.

Mayor Haydon also thanked Mr. Janney for his service as the Trails and Landscaping Committee liaison.

Mr. Janney thanked the City Council and staff noting the City of Clayton was a great place to work.

5. REPORTS

- (a) Planning Commission – No meeting held.
- (b) Trails and Landscaping Committee – No meeting held.
- (c) City Manager/Staff –

City Manager Napper thanked Mr. Janney for his infamous solution in Clayton to fix the public restrooms not working properly during Concerts in The Grove. He noted Mr. Janney suggested the installation of larger aboveground water tanks to accommodate the larger water usage of the restrooms during the annual concert season; this suggestion solved the problem. Mr. Napper added whenever Mr. Janney was contacted after Maintenance Department hours, he was always polite and made sure the problem reported would be taken care of. Mr. Napper congratulated Mr. Janney on a stellar career and wished him the best in retirement.

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

Councilmember Catalano indicated "no report".

Councilmember Diaz attended the Saturday Concert in The Grove.

Councilmember Pierce attended the Contra Costa Transportation Authority Board administrative planning meeting, the Contra Costa County Mayors' Conference hosted by the City of Martinez, six (6) Metropolitan Transportation Committee meetings, the Pacific Coast Farmers Market Association opening day in Clayton, the opening of the Pittsburg E-Bart, and the first Saturday Concert in The Grove.

Mayor Haydon attended the Contra Costa County Mayors' Conference, announced the VFW upcoming Memorial Day event taking place on May 28th, and invited the Council and community to the Black Diamond Mine tour. Mayor Haydon also attended the

Clayton Community and Business Association BBQ planning meeting, the County Connection Finance Committee meeting, the Pacific Coast Farmers Market Association opening day in Clayton including the cabbage in-lieu nectarine toss, the Clayton Garden Club annual plant sale, and the first Concert in The Grove. He thanked Councilmember Pierce and Councilmember Diaz for their efforts in assisting with this event.

(e) Other – None.

6. PUBLIC COMMENT ON NON - AGENDA ITEMS

Kathy Bengé, 139 Regency Drive, advised approximately ten years ago area walkers/hikers decided to start their walk or hike on Mount Diablo from Regency Drive, resulting in homeowners' inability to provide parking near her home for her guests, as they now must park further away due to the congestion. Ms. Bengé advised several years ago she called the City for assistance, however didn't receive any useful suggestions to address the parking issues, garbage, and animal waste left from horses and dogs. Ms. Bengé also expressed concerns of safety in the neighborhood as she is unable to leave her garage door open for any period of time as there are several people coming and going to the trail or possibly casing their homes.

Jeffery Weiner, 133 Regency Drive, advised he relocated to Regency Drive thirty years ago for its quietness, scenery and ability to raise his sons in an area where they could ride their bikes and play in a safe environment. Mr. Weiner presented the City Council a petition signed by a majority of the residents on Regency Drive and Rialto Drive to establish resident-only parking along with visitor parking passes from 8:00 a.m. to 6:00 p.m. Mr. Weiner advised Regency Drive does not currently provide the quality of life it once did, as it has become a parking lot for Mt. Diablo hikers, leaving no guest or residential street parking, speeding, litter, unsafe driving, rudeness and no regard for their properties. Mr. Weiner noted people are parking on their street to avoid paid parking at the State Park lot on Mitchell Canyon; these problems are due to social print media establishing Regency Drive as free Mt. Diablo parking. Mr. Weiner stated one of his neighbors had to delay a child's birthday party to 6:00 p.m. due to the parking issue on their street. Mr. Weiner advised what really bothers him is Zipcars, rental cars, out-of-state cars, and vehicles displaying resident only stickers from other cities taking up the parking on his street. Mr. Weiner shared quotes from a Google site that directs Mt. Diablo parking to Regency Drive: *"Parking can be a little challenging during peak hours, weekend, mornings and afternoons the main road is packed."* Another quoted *"Get here early for free parking"*; yet another, *"I got here at 9:00 o'clock in December and didn't have problems getting a parking spot, this area was much more crowded getting back."* Mr. Weiner advised this issue is occurring on weekends, holidays and during the week ten to eleven months per year. Mr. Weiner advised the residents expect action to these issues since the problems on their streets were caused by the area being promoted as a parking lot, and would like it to returned for the reasons they moved here. Mr. Weiner then quoted the current Police Chief: *"Clayton is a beautiful safe city, and our Police Department strives to keep it that way. We are focused on addressing quality of life issues such as traffic, speeding and safety."* We urge you to allow the Police Chief to focus on these issues by limiting parking to residents and their guests for the reasons stated in the petition.

Lori Rehn, 176 Regency Drive, noted additional concerns stating there are no sanitary facilities, no ADA access, no trash receptacles, and no parking to support the guest volume. Ms. Rehn noted there is damage to driveways, parking violations, and speeding violations, and said a neighbor watched her cat get hit and killed because of speeding on Regency Drive. She expressed concerns of not only pedestrian violations with residents

afraid of backing out of their driveway and hitting a hiker who is not paying attention or walking in the middle of the street. The Clayton Police has been great in assisting with this situation the last few weeks. Ms. Rehn used to host three or four hiking events in the spring and fall for her friends and family, yet no longer can do so unless she plans the hike to start at 8:00 a.m.; any later and they would have to park on Marsh Creek Road.

Dr. Mark Montijo, 127 Regency Drive, noticed in April 2017 there was an article in *Diablo Magazine* directing hikers to the end of Regency Drive; after publication of that article, parking became a noticeable problem. Dr. Montijo had a wreath stolen off his front door; his family must strategize the street parking of their vehicles, when one vehicle leaves another one is waiting to use it. Dr. Montijo has found various items including trash, bags, hiking shoes, and water bottles on the sidewalk in front of his house. Vehicles have also parked two to three feet into his driveway approach which is a pretty common occurrence. Dr. Montijo feels this issue would have to be reported to any potential buyers of their homes if they decide to sell.

Beth Walsh, 152 Regency Drive, advised she was asked to represent one of her neighbors on Rialto Drive quoting, *"In the last six to twelve months hikers are sleeping overnight in vehicles, leaving their vehicles for multiple days and nights while on the Mountain, hikers urinating frequently in our yards, dumping portable commode waste in the street, excessive litter on homeowners and State properties consisting of bottles, wrappers, beer cans, etc., blocking fire access gates to park and double park at the end of the street, cleaning off muddy shoes on driveways, curbs and kids basketball hoops. Taking multiple bags of fruit off of our trees without permission and leaving them bare. We thank you for considering our concerns on Rialto Drive."* Ms. Walsh also added there is street parking available at the end of Regency Drive between Rialto and El Molino that is not blocking residential homes; there is also parking between Petar Court and El Portal Drive; perhaps those areas could be designated for hiker parking. Ms. Walsh continued if a resident wanted to host a function for their child or family members it is logistically almost impossible without the help of your neighbors to allow them to be anywhere near or close to your home on a weekend. Ms. Walsh concluded her concerns noting there is a desire to hike Mt. Diablo by residents and visitors but South Mitchell Canyon Road has a state park parking lot that is available for that use.

Daniel Walsh, 152 Regency Drive, advised there have been many issues with hikers blocking driveways, including blocking residents' vehicles so tightly they were unable to leave. He noted on one occasion a hiker parked his car behind his son's vehicle driving his front bumper under his son's car; then the hiker walked down to go on a hike. Mr. Walsh added there are problems with vehicles parking in the red zone and in front of fire hydrants. He remarked several times groups of hikers will sit in front of residential houses, including their sidewalks and on lawns underneath their trees; the residents would like the City to work with them on these issues.

Ann Stanaway, 1553 Haviland Place, expressed her continued concern of public safety and blights in the City not being addressed. Ms. Stanaway voiced her objection to the political patronage that allows this situation to exist.

7. **PUBLIC HEARINGS** – None.

8. **ACTION ITEMS** – None.

9. **COUNCIL ITEMS** – limited to requests and directives for future meetings.
None.

10. **CLOSED SESSION**

Mayor Haydon announced the City Council will adjourn into Closed Session for the following noticed items (7:38 p.m.):

- (a) *Government Code Section 54957.6*, Conference with Labor Negotiator
Instructions to City-designated labor negotiator: City Manager
Employee Organization: Clayton Police Officers' Association (CPOA)

Report out of Closed Session (8:30 p.m.)

Mayor Haydon reported the City Council received information from and provided policy directions to its labor negotiator. There is no public action to report.

11. **ADJOURNMENT**– on call by Mayor Haydon, the City Council adjourned its meeting at 8:31 p.m.

The next regularly scheduled meeting of the City Council will be June 5, 2018.

#

Respectfully submitted,

Janet Brown, City Clerk

APPROVED BY THE CLAYTON CITY COUNCIL

Keith Haydon, Mayor

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Agenda Date: 06/05/18

Agenda Item: 3C

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Kevin Mizuno, FINANCE MANAGER

DATE: 06/05/18

SUBJECT: INVOICE SUMMARY

Approved: 

Gary A. Napper
City Manager

RECOMMENDATION:

Approve the following:

Cash Requirements Report dated 6/1/18	\$241,220.26
ADP Payroll, week 21, PPE 05/20/18	\$97,320.23
Total	\$338,540.49

Attachments:

Cash Requirements reports, dated 6/1/18 (5 pages)

ADP Payroll reports, week 21 (1 page)

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
ADP, LLC								
ADP, LLC	6/5/2018	6/5/2018	514197990	Payroll fees PPE 5/6/18	\$165.90	\$0.00		\$165.90
ADP, LLC	6/5/2018	6/5/2018	515027545	Payroll fees PPE 5/20/18	\$152.11	\$0.00		\$152.11
<i>Totals for ADP, LLC:</i>					<u>\$318.01</u>	<u>\$0.00</u>		<u>\$318.01</u>
All City Management Services, Inc.								
All City Management Services, Inc.	6/5/2018	6/5/2018	54678	School crossing guard svcs 4/22/18-5/5/18	\$554.10	\$0.00		\$554.10
All City Management Services, Inc.	6/5/2018	6/5/2018	54897	School crossing guard svcs 5/6/18-5/19/18	\$554.10	\$0.00		\$554.10
<i>Totals for All City Management Services, Inc.:</i>					<u>\$1,108.20</u>	<u>\$0.00</u>		<u>\$1,108.20</u>
American Fidelity Assurance Company								
American Fidelity Assurance Company	6/5/2018	6/5/2018	B749063	Supplemental insurance for May	\$392.16	\$0.00		\$392.16
American Fidelity Assurance Company	6/5/2018	6/5/2018	2009593	FSA PPE 5/20/18	\$411.14	\$0.00		\$411.14
<i>Totals for American Fidelity Assurance Company:</i>					<u>\$803.30</u>	<u>\$0.00</u>		<u>\$803.30</u>
ANEWMAN, Inc								
ANEWMAN, Inc	6/5/2018	6/5/2018	8415	Refund for cancellation of event @ CCP	\$449.00	\$0.00		\$449.00
<i>Totals for ANEWMAN, Inc:</i>					<u>\$449.00</u>	<u>\$0.00</u>		<u>\$449.00</u>
AT&T (CalNet3)								
AT&T (CalNet3)	6/5/2018	6/5/2018	11385324	Phones 4/22/18-5/21/18	\$1,645.97	\$0.00		\$1,645.97
<i>Totals for AT&T (CalNet3):</i>					<u>\$1,645.97</u>	<u>\$0.00</u>		<u>\$1,645.97</u>
Bay Area Barricade Serv.								
Bay Area Barricade Serv.	6/5/2018	6/5/2018	0353702-IN	Vests, dust masks, ear plugs	\$454.74	\$0.00		\$454.74
<i>Totals for Bay Area Barricade Serv.:</i>					<u>\$454.74</u>	<u>\$0.00</u>		<u>\$454.74</u>
Best Best & Kreiger LLP								
Best Best & Kreiger LLP	6/5/2018	6/5/2018	821365	Legal services for April	\$8,500.00	\$0.00		\$8,500.00
Best Best & Kreiger LLP	6/5/2018	6/5/2018	821366	Legal services for April	\$88.50	\$0.00		\$88.50
<i>Totals for Best Best & Kreiger LLP:</i>					<u>\$8,588.50</u>	<u>\$0.00</u>		<u>\$8,588.50</u>
CalPERS Health								
CalPERS Health	6/5/2018	6/5/2018	15299971	Medical for June	\$30,581.89	\$0.00		\$30,581.89
<i>Totals for CalPERS Health:</i>					<u>\$30,581.89</u>	<u>\$0.00</u>		<u>\$30,581.89</u>
CalPERS Retirement								
CalPERS Retirement	6/5/2018	6/5/2018	CC052418	CC Retirement ending 5/24/18	\$146.78	\$0.00		\$146.78
CalPERS Retirement	6/5/2018	6/5/2018	052018	Retirement PPE 5/20/18	\$14,735.97	\$0.00		\$14,735.97
<i>Totals for CalPERS Retirement:</i>					<u>\$14,882.75</u>	<u>\$0.00</u>		<u>\$14,882.75</u>
CCWD								
CCWD	6/5/2018	6/5/2018	K Series	Water services 3/8/18-5/7/18	\$18,051.57	\$0.00		\$18,051.57
<i>Totals for CCWD:</i>					<u>\$18,051.57</u>	<u>\$0.00</u>		<u>\$18,051.57</u>
Concord Garden Equipment								
Concord Garden Equipment	6/5/2018	6/5/2018	561101	Saw, parts	\$1,964.55	\$0.00		\$1,964.55

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
<i>Totals for Concord Garden Equipment:</i>					\$1,964.55	\$0.00		\$1,964.55
Concord Trailer World & Sport								
Concord Trailer World & Sport	6/5/2018	6/5/2018	791982	Repair to Polaris ATV	\$346.42	\$0.00		\$346.42
<i>Totals for Concord Trailer World & Sport:</i>					\$346.42	\$0.00		\$346.42
Contra Costa County Library Administration								
Contra Costa County Library Administr	6/5/2018	6/5/2018	Q3 FY18	Additional Library hours for Q3 FY 18	\$1,399.49	\$0.00		\$1,399.49
<i>Totals for Contra Costa County Library Administration:</i>					\$1,399.49	\$0.00		\$1,399.49
Contra Costa County Public Works Dept								
Contra Costa County Public Works Dept	6/5/2018	6/5/2018	701757	Traffic signal maintenance for April	\$2,006.85	\$0.00		\$2,006.85
<i>Totals for Contra Costa County Public Works Dept:</i>					\$2,006.85	\$0.00		\$2,006.85
Contra Costa County Sheriff - Forensic Svc Div (Lab)								
Contra Costa County Sheriff - Forensic S	6/5/2018	6/5/2018	CLPD-1804	Alcohol testing for April	\$200.00	\$0.00		\$200.00
<i>Totals for Contra Costa County Sheriff - Forensic Svc Div (Lab):</i>					\$200.00	\$0.00		\$200.00
Contra Costa Transportation Authority								
Contra Costa Transportation Authority	6/5/2018	6/5/2018	CMA 2018-00000003	Congestion Mangement Costs FY 17	\$1,092.00	\$0.00		\$1,092.00
<i>Totals for Contra Costa Transportation Authority:</i>					\$1,092.00	\$0.00		\$1,092.00
CSI Forensic Supply								
CSI Forensic Supply	6/5/2018	6/5/2018	59659A	Forensic supplies	\$25.82	\$0.00		\$25.82
CSI Forensic Supply	6/5/2018	6/5/2018	59706A	Evidence supplies	\$36.84	\$0.00		\$36.84
<i>Totals for CSI Forensic Supply:</i>					\$62.66	\$0.00		\$62.66
De Lage Landen Financial Services, Inc.								
De Lage Landen Financial Services, Inc.	6/5/2018	6/5/2018	58331531	Copier contract 3/15/18-4/14/18	\$304.59	\$0.00		\$304.59
<i>Totals for De Lage Landen Financial Services, Inc.:</i>					\$304.59	\$0.00		\$304.59
Dillon Electric Inc								
Dillon Electric Inc	6/5/2018	6/5/2018	3681	Street light repairs for May	\$960.14	\$0.00		\$960.14
Dillon Electric Inc	6/5/2018	6/5/2018	3678	Street light repairs for May	\$1,925.90	\$0.00		\$1,925.90
Dillon Electric Inc	6/5/2018	6/5/2018	3689	Street light repairs 5/21/18	\$1,229.73	\$0.00		\$1,229.73
<i>Totals for Dillon Electric Inc:</i>					\$4,115.77	\$0.00		\$4,115.77
Entenmann-Rovin Co								
Entenmann-Rovin Co	6/5/2018	6/5/2018	0135595-IN	PD Badges	\$322.68	\$0.00		\$322.68
<i>Totals for Entenmann-Rovin Co:</i>					\$322.68	\$0.00		\$322.68
Environtech Enterprises								
Environtech Enterprises	6/5/2018	6/5/2018	A001A-2A-18	Thistle abatement for March	\$8,361.00	\$0.00		\$8,361.00
Environtech Enterprises	6/5/2018	6/5/2018	A001B-3B-18	Mustard, yellow star thistle abatement for Ap	\$12,400.00	\$0.00		\$12,400.00
<i>Totals for Environtech Enterprises:</i>					\$20,761.00	\$0.00		\$20,761.00
Express Serv... 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
Express Services, Inc	6/5/2018	6/5/2018	20564764	Office temp week end 5/6/18	\$1,166.49	\$0.00		\$1,166.49
Express Services, Inc	6/5/2018	6/5/2018	20626671	Office temp week end 5/20/18	\$1,196.40	\$0.00		\$1,196.40
Express Services, Inc	6/5/2018	6/5/2018	20594948	Office temp week end 5/13/18	\$1,196.40	\$0.00		\$1,196.40
				<i>Totals for Express Services, Inc:</i>	<u>\$3,559.29</u>	<u>\$0.00</u>		<u>\$3,559.29</u>
Floorscapes								
Floorscapes	6/5/2018	6/5/2018	041418	Sand, finish wood floor in EH	\$4,036.00	\$0.00		\$4,036.00
				<i>Totals for Floorscapes:</i>	<u>\$4,036.00</u>	<u>\$0.00</u>		<u>\$4,036.00</u>
Geoconsultants, Inc.								
Geoconsultants, Inc.	6/5/2018	6/5/2018	18945	Well monitoring for May	\$1,546.50	\$0.00		\$1,546.50
				<i>Totals for Geoconsultants, Inc.:</i>	<u>\$1,546.50</u>	<u>\$0.00</u>		<u>\$1,546.50</u>
Globalstar LLC								
Globalstar LLC	6/5/2018	6/5/2018	9341928	Sat phone 4/16/18-5/15/18	\$86.84	\$0.00		\$86.84
				<i>Totals for Globalstar LLC:</i>	<u>\$86.84</u>	<u>\$0.00</u>		<u>\$86.84</u>
Hammons Supply Company								
Hammons Supply Company	6/5/2018	6/5/2018	101968	Library janitorial supplies	\$224.47	\$0.00		\$224.47
Hammons Supply Company	6/5/2018	6/5/2018	102163	Park janitorial supplies	\$236.62	\$0.00		\$236.62
				<i>Totals for Hammons Supply Company:</i>	<u>\$461.09</u>	<u>\$0.00</u>		<u>\$461.09</u>
Harris & Associates, Inc.								
Harris & Associates, Inc.	6/5/2018	6/5/2018	36784	Verna Wy Engineering services for January	\$575.00	\$0.00		\$575.00
Harris & Associates, Inc.	6/5/2018	6/5/2018	36150	Engineering services for January	\$9,585.00	\$0.00		\$9,585.00
Harris & Associates, Inc.	6/5/2018	6/5/2018	36099	GHAD Engineering services for October	\$1,140.00	\$0.00		\$1,140.00
				<i>Totals for Harris & Associates, Inc.:</i>	<u>\$11,300.00</u>	<u>\$0.00</u>		<u>\$11,300.00</u>
Health Care Dental Trust								
Health Care Dental Trust	6/5/2018	6/5/2018	243828	Dental for June	\$2,241.27	\$0.00		\$2,241.27
				<i>Totals for Health Care Dental Trust:</i>	<u>\$2,241.27</u>	<u>\$0.00</u>		<u>\$2,241.27</u>
Nicholas Herbert								
Nicholas Herbert	6/5/2018	6/5/2018	BP 68-18	C&D refund for 1421 Lydia Ln	\$2,000.00	\$0.00		\$2,000.00
				<i>Totals for Nicholas Herbert:</i>	<u>\$2,000.00</u>	<u>\$0.00</u>		<u>\$2,000.00</u>
J&R Floor Services								
J&R Floor Services	6/5/2018	6/5/2018	Five 2018	Janitorial services for May	\$4,910.00	\$0.00		\$4,910.00
				<i>Totals for J&R Floor Services:</i>	<u>\$4,910.00</u>	<u>\$0.00</u>		<u>\$4,910.00</u>
LarryLogic Productions								
LarryLogic Productions	6/5/2018	6/5/2018	1730	City council meeting production 5/15/18	\$330.00	\$0.00		\$330.00
				<i>Totals for LarryLogic Productions:</i>	<u>\$330.00</u>	<u>\$0.00</u>		<u>\$330.00</u>
Mavericks Catering								
Mavericks Catering	6/5/2018	6/5/2018	10211	Refund, cancelled business license	\$31.00	\$0.00		\$31.00
				<i>Totals for Mavericks Catering:</i>	<u>\$31.00</u>	<u>\$0.00</u>		<u>\$31.00</u>

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
MPA								
MPA	6/5/2018	6/5/2018	June 2018	Life/LTD for June	\$2,113.14	\$0.00		\$2,113.14
<i>Totals for MPA:</i>					<u>\$2,113.14</u>	<u>\$0.00</u>		<u>\$2,113.14</u>
ParcelQuest								
ParcelQuest	6/5/2018	6/5/2018	19546	ParcelQuest renewal through 5/31/19	\$2,000.00	\$0.00		\$2,000.00
<i>Totals for ParcelQuest:</i>					<u>\$2,000.00</u>	<u>\$0.00</u>		<u>\$2,000.00</u>
PG&E								
PG&E	6/5/2018	6/5/2018	042218	Energy 3/22/18-4/21/18	\$577.54	\$0.00		\$577.54
PG&E	6/5/2018	6/5/2018	052218	Energy 4/22/18-5/21/18	\$586.81	\$0.00		\$586.81
PG&E	6/5/2018	6/5/2018	041618	Energy 3/15/18-4/15/18	\$2,439.02	\$0.00		\$2,439.02
PG&E	6/5/2018	6/5/2018	052118	Energy 4/20/18-5/20/18	\$12.14	\$0.00		\$12.14
PG&E	6/5/2018	6/5/2018	052118	Energy 4/16/18-5/14/18	\$19,312.81	\$0.00		\$19,312.81
PG&E	6/5/2018	6/5/2018	052518	Energy 4/17/18-5/15/18	\$546.81	\$0.00		\$546.81
<i>Totals for PG&E:</i>					<u>\$23,475.13</u>	<u>\$0.00</u>		<u>\$23,475.13</u>
Allan Pike								
Allan Pike	6/5/2018	6/5/2018	028563	Deposit refund fr EH 5/17/18	\$500.00	\$0.00		\$500.00
<i>Totals for Allan Pike:</i>					<u>\$500.00</u>	<u>\$0.00</u>		<u>\$500.00</u>
PMT Pest Control Service								
PMT Pest Control Service	6/5/2018	6/5/2018	1489	Gopher, mole, vole abatement for April	\$1,750.00	\$0.00		\$1,750.00
PMT Pest Control Service	6/5/2018	6/5/2018	1488	Gopher, mole, vole abatement for March	\$1,475.00	\$0.00		\$1,475.00
<i>Totals for PMT Pest Control Service:</i>					<u>\$3,225.00</u>	<u>\$0.00</u>		<u>\$3,225.00</u>
Pond M Solutions								
Pond M Solutions	6/5/2018	6/5/2018	341	Fountain maintenance	\$650.00	\$0.00		\$650.00
<i>Totals for Pond M Solutions:</i>					<u>\$650.00</u>	<u>\$0.00</u>		<u>\$650.00</u>
Raney Planning & Management, Inc.								
Raney Planning & Management, Inc.	6/5/2018	6/5/2018	1752E-5	Oak Creek Canyon project mgmt for April	\$262.50	\$0.00		\$262.50
<i>Totals for Raney Planning & Management, Inc.:</i>					<u>\$262.50</u>	<u>\$0.00</u>		<u>\$262.50</u>
Rex Lock & Safe, Inc.								
Rex Lock & Safe, Inc.	6/5/2018	6/5/2018	120256	Reverse lock on interior door, PD	\$200.00	\$0.00		\$200.00
<i>Totals for Rex Lock & Safe, Inc.:</i>					<u>\$200.00</u>	<u>\$0.00</u>		<u>\$200.00</u>
Riso Products of Sacramento								
Riso Products of Sacramento	6/5/2018	6/5/2018	184155	Copier contract usage 4/20/18-5/19/18	\$118.51	\$0.00		\$118.51
<i>Totals for Riso Products of Sacramento:</i>					<u>\$118.51</u>	<u>\$0.00</u>		<u>\$118.51</u>
Site One Landscape Supply, LLC								
Site One Landscape Supply, LLC	6/5/2018	6/5/2018	85845642	Irrigation supplies	\$1,385.75	\$0.00		\$1,385.75
<i>Totals for Site One Landscape Supply, LLC:</i>					<u>\$1,385.75</u>	<u>\$0.00</u>		<u>\$1,385.75</u>
Stericycle 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
Stericycle Inc	6/5/2018	6/5/2018	3004270910	Medical waste disposal	\$106.18	\$0.00		\$106.18
				<i>Totals for Stericycle Inc:</i>	<i>\$106.18</i>	<i>\$0.00</i>		<i>\$106.18</i>
U S Healthworks Medical Group, PC								
U S Healthworks Medical Group, PC	6/5/2018	6/5/2018	3325926-CA	Pre-employment exam, PW	\$255.00	\$0.00		\$255.00
				<i>Totals for U S Healthworks Medical Group, PC:</i>	<i>\$255.00</i>	<i>\$0.00</i>		<i>\$255.00</i>
Verizon Wireless								
Verizon Wireless	6/5/2018	6/5/2018	9806356823	Cell phones 4/2/18-5/1/18	\$92.91	\$0.00		\$92.91
				<i>Totals for Verizon Wireless:</i>	<i>\$92.91</i>	<i>\$0.00</i>		<i>\$92.91</i>
Warner Brothers Tree Service								
Warner Brothers Tree Service	6/5/2018	6/5/2018	14269	Fire abatement completed 5/25/18	\$55,000.00	\$0.00		\$55,000.00
				<i>Totals for Warner Brothers Tree Service:</i>	<i>\$55,000.00</i>	<i>\$0.00</i>		<i>\$55,000.00</i>
Western Exterminator								
Western Exterminator	6/5/2018	6/5/2018	5997839	Pest control for April	\$385.50	\$0.00		\$385.50
				<i>Totals for Western Exterminator:</i>	<i>\$385.50</i>	<i>\$0.00</i>		<i>\$385.50</i>
Workers.com								
Workers.com	6/5/2018	6/5/2018	121964	Seasonal workers week end 4/29/18	\$3,157.79	\$0.00		\$3,157.79
Workers.com	6/5/2018	6/5/2018	122015	Seasonal workers week end 5/6/18	\$3,178.29	\$0.00		\$3,178.29
Workers.com	6/5/2018	6/5/2018	122063	Seasonal workers week end 5/13/18	\$2,620.15	\$0.00		\$2,620.15
Workers.com	6/5/2018	6/5/2018	122112	Seasonal workers week end 5/20/18	\$2,460.61	\$0.00		\$2,460.61
				<i>Totals for Workers.com:</i>	<i>\$11,416.84</i>	<i>\$0.00</i>		<i>\$11,416.84</i>
Zee Medical Company								
Zee Medical Company	6/5/2018	6/5/2018	724603339	Organize, restock first-aid cabinet, PW	\$71.87	\$0.00		\$71.87
				<i>Totals for Zee Medical Company:</i>	<i>\$71.87</i>	<i>\$0.00</i>		<i>\$71.87</i>
GRAND TOTALS:					\$241,220.26	\$0.00		\$241,220.26



Agenda Date: 6-05-2018

Agenda Item: 3d

Approved: 

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MINDY GENTRY, COMMUNITY DEVELOPMENT DIRECTOR *MG*

DATE: JUNE 5, 2018

SUBJECT: CONTRACT WITH ECONOMIC & PLANNING SYSTEMS, INC. FOR AFFORDABLE HOUSING AND OPEN SPACE FEES NEXUS STUDIES (CDD-12-17).

RECOMMENDATION

Staff recommends the City Council approve the contract and authorize the City Manager to enter into an agreement with Economic & Planning Systems, Inc. for affordable housing and open space fees nexus studies in an amount not to exceed \$89,850.00 (**Attachment 1**).

BACKGROUND

City staff issued a Request for Proposals (RFP) on April 19, 2018 for affordable housing and open space fees nexus studies to a total of eight firms that specialize in financial analysis and economics. Only one proposal was received in response to the RFP, which was from the firm, Economics & Planning Systems, Inc. (EPS). EPS is a well-known and highly qualified economic consulting firm with numerous public sector clients and has experience with this type of financial analyses.

DISCUSSION

Affordable Housing Fee

The Inclusionary Housing Ordinance allows for developers to request alternatives means of compliance instead of providing affordable housing units within a market-rate project. One of these alternatives is the payment of an in lieu fee. The purpose of the Affordable Housing Fee Nexus Study is to fully implement the Inclusionary Housing Ordinance by determining the appropriate amount of the fee to be paid by the developer, which will be based on the costs to subsidize the construction of affordable housing units. The Inclusionary Housing Ordinance requires the fee to be determined and incorporated into the City's master fee schedule.

Open Space Fee

For property zoned Planned Development (PD), projects must contain twenty (20) percent open space with certain exceptions. Those exceptions are residential projects on sites less than three (3) acres as well as commercial or mixed use projects on sites less than one (1) acre may meet all or a portion of the open space requirement by providing an in lieu financial contribution, which is based on the acquisition or maintenance of active recreation areas in the City's park system and a financial contribution for the maintenance of the City's trail system. The purpose of the Open Space Fee Nexus Study is to determine the appropriate in lieu fee if the open space requirement is not provided onsite.

The Open Space Fee Nexus Study scope of work will examine the current code requirements for feasibility as well as consideration of a citywide fee on new developments or substantially redeveloped projects only. The fee will be developed and implemented in such a manner that unequivocally complies with applicable State law. The fee will establish clear applicability and implementation instead of relying of a project analysis on a case-by-case basis.

FISCAL IMPACT

The total cost of the nexus studies for both fees will be an amount not to exceed of \$89,850.00 with the affordable housing fee study totaling \$47,855.00 and the open space fee study totaling \$41,995.00.

The affordable housing fee component of the study is proposed to be funded through the Successor Housing Agency Fund (No. 616), which is restricted for affordable housing related purposes only. Accordingly, the FY 2018-19 proposed budget, scheduled to be presented to the City Council for adoption on Tuesday June 19, 2018, has incorporated appropriations in the Successor Housing Agency Fund to accommodate the \$47,855 in consultant-related costs.

For the open space component of the study, \$25,000 will be funded from the earmark of FY 2016-17 General Fund excess approved by the City Council on January 16, 2018, and \$16,995 is proposed to be funded by the Open Space Fee account in the Development Impact Fee Fund (No. 304) in FY 2018-19 proposed budget.

Assuming adoption of the fee program upon its completion, new development would provide payment of the appropriate fees to the City for affordable housing in lieu of onsite development and the appropriate fees in lieu of providing open space on site. These funds could assist with subsidizing and establishing affordable housing units within Clayton as well as provide additional public open space.

ATTACHMENTS

1. Agreement with Economic & Planning Systems for Affordable Housing and Open Space Fees Nexus Studies
 - Exhibit A: EPS's Proposal and Scope of Work
 - Exhibit B: Schedule of Charges/Payments [44 pp.]

ATTACHMENT 1

CITY OF CLAYTON PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as June 5, 2018 by and between the City of Clayton, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 6000 Heritage Trail, Clayton, California 94517 ("City"), and Economic and Planning Systems, Inc., a Corporation with its principal place of business at One Kaiser Plaza, Suite 1410, Oakland, CA 94612 (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

Affordable Housing and Open Space Fees Nexus Study (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "A".

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$89,850.00. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this

Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder within 210 days. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant.

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance.

Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability.

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Contract
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, the City Council and each member of the City Council, its officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability.

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, the City Council and each member of the City Council, its officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions).

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required.

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required.

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required.

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such

policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers.

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions.

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor the City Council, nor any member of the City Council, nor any of the officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements.

Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. To the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's obligations under the above indemnity shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, but shall not otherwise be reduced. If Consultant's obligations to defend, indemnify, and/or hold harmless arise out of Consultant's performance of "design professional services" (as that term is defined under Civil Code section 2782.8), then upon Consultant obtaining a final adjudication that liability under a claim is caused by the comparative active negligence or willful misconduct of the City, Consultant's obligations shall be reduced in proportion to the established comparative liability of the City and shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Contra Costa, State of California.

15. Termination or Abandonment.

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Documents.

Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

17. Organization.

Consultant shall assign Ashleigh Kanat as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

18. Limitation of Agreement

This Agreement is limited to and includes only the work included in the Project described above.

19. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Clayton
6000 Heritage Trail
Clayton, CA 94517

Attn: Mindy Gentry, Community Development
Department

CONSULTANT:

Economic & Planning Systems, Inc.
One Kaiser Plaza, Suite 1410
Oakland, CA 94612

Attn: Ashleigh Kanat

and shall be effective upon receipt thereof.

20. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

21. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

22. Entire Agreement.

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

23. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

24. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

25. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

26. Time of Essence.

Time is of the essence for each and every provision of this Agreement.

27. City's Right to Employ Other Consultants.

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

28. Prohibited Interests.

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF CLAYTON
AND ECONOMIC & PLANNING SYSTEMS, INC.**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF CLAYTON

ECONOMIC & PLANNING SYSTEMS, INC.

By: _____
Gary Napper
City Manager

By: _____
Teifion Rice-Evans
Managing Principal

ATTEST:

By: _____
Janet Brown
City Clerk

EXHIBIT A
Scope of Services

Proposal

The Economics of Land Use



Affordable Housing and Open Space Fees Nexus Study CDD-12-17

RECEIVED

MAY 11 2018

Prepared for:

**CITY OF CLAYTON
COMMUNITY DEVELOPMENT DEPT**

City of Clayton

Prepared by:

Economic & Planning Systems, Inc.

*Economic & Planning Systems, Inc.
One Kaiser Plaza, Suite 1410
Oakland, CA 94612
510 841 9190 tel
510 740 2080 fax*

May 10, 2018

*Oakland
Sacramento
Denver
Los Angeles*

EPS #181082

www.epsys.com

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1. COVER LETTER

May 10, 2018

Mindy Gentry
Community Development Director
Community Development Department
City of Clayton
6000 Heritage Trail
Clayton, CA 94517

Subject: Response to RFP for Affordable Housing and Open Space Fees
Nexus Study (CDD-12-17); EPS #181082

Dear Ms. Gentry:

Economic & Planning Systems, Inc. (EPS) is pleased to submit this proposal to establish affordable housing fees in the City of Clayton and to determine appropriate open space in-lieu/development impact fees. With new development planned and in the pipeline, we understand that this undertaking is more than just the technical work of calculating the fees; rather this study must address critical public financing policy objectives and issues related to mitigating the effects of new development being faced by the City and result in a legally-robust fee program.

Founded in 1983, EPS is a land use economic consulting firm with offices in Oakland, Sacramento, Los Angeles, and Denver. The firm has completed hundreds of development impact fee nexus studies for jurisdictions throughout California. However, it is our broader practice in public finance that allows us to ensure that development impact fees are effectively integrated with other financing mechanisms and resources. We also apply our understanding of real estate economics and land use planning in general to ensure fee programs effectively balance the need for quality public facilities with the feasibility of new development.

Internally, EPS will organize a team of senior-level consultants, supported by EPS junior staff, addressing all aspects of the fee update effort. I will serve as Principal-in-Charge, responsible for overall project coordination as well as contributing to technical aspects of the project. Ashleigh Kanat, Executive Vice President, will serve as Project Manager, responsible for day-to-day project management and also contributing to technical aspects of the project. Darin Smith, Managing Principal, serving as Senior Advisor, will provide overall project guidance related to the affordable housing in-lieu and impact fees.

The Economics of Land Use



*Economic & Planning Systems, Inc.
One Kaiser Plaza, Suite 1410
Oakland, CA 94612
510 841 9190 tel
510 740 2080 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

EPS has proposed a multi-phased work plan that includes a sequence of project milestones designed to gain concurrence on the key building blocks at critical junctures of the study. In the **first phase**, EPS will work collaboratively with City staff to develop the key project parameters and a detailed strategy for navigating the entire process. This first phase also includes optional, targeted public outreach. The **second phase** includes the key tasks and technical analysis associated with the affordable housing and open space fee calculations. The **third and final phase** is focused on the economic feasibility, determining final fee levels and program implementation and administrative considerations.

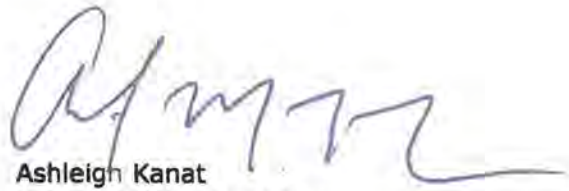
We are very excited about the opportunity to work on this important and challenging project. We have carefully considered the goals of the RFP and have developed a project approach that is focused on getting to implementation quickly in light of planned development that is currently working its way through entitlements. Of course, we would be willing to modify the Scope of Work and accompanying budget to better meet the City's needs if necessary. If you have any questions or comments related to this proposal, please do not hesitate to call us at 510-841-9190. We can also be reached via e-mail at triceevans@epsys.com (Teifion Rice-Evans) and akanat@epsys.com (Ashleigh Kanat). We look forward to hearing from you soon.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.



Teifion Rice-Evans
Managing Principal



Ashleigh Kanat
Executive Vice President

2. WORK PROGRAM

The City of Clayton (City) is seeking to update and implement a revised open space in-lieu fee program and establish new affordable housing fees to help fund a range of investments important to the City's future and quality of life. The City has several approved fee programs that are currently collecting revenue, including community facilities development, transportation (offsite arterial street improvement), childcare impact fees, and water and wastewater connection charges. The City has open space requirements (with in-lieu fee options) in Planned Development Districts. At the same time, while the City has an inclusionary housing requirement for ownership (and now rental) housing, the in-lieu fee has not been established.

While the current configuration of the fee programs has served an important role in funding infrastructure improvements throughout the City in past years, changing economic circumstances, evolving standards related to Quimby In-Lieu fees, and new statewide legislation related to affordable housing (e.g., AB 1505) warrant an update to these programs.

The study must consider certain strategic questions as it progresses towards identifying defensible affordable housing and open space fee options for City staff and policymaker consideration. For affordable housing fees, it is not clear yet whether the City's affordable housing fees will be in-lieu fees, based on the City's inclusionary requirements, or Mitigation Fee Act impact fees that are based on the nexus between new market rate housing and the associated demand for affordable housing. As described below, the work program envisions calculating fees, using both methodological approaches, so that the City can be certain that the ultimate fee levels are legally defensible. For open space fees, it is also not yet clear whether the preferred approach will be to convert existing open space in-lieu requirements in Planned Development Districts directly into an in-lieu fee, or whether these requirements will be re-envisioned based on current service standards and potentially applied citywide. Both options will be considered in this work program.

Methodological Approach

In approaching this work for the City, an analytical process that clearly distinguishes between policy issues and technical analysis needs to be employed, and it will be important to establish agreement on key data assumptions among the stakeholders before assessing the results.

EPS's approach to developing fee programs combines sound technical analysis with a collaborative, iterative, and informed decision-making process. This approach is based on understanding the local context and the technical and legal issues inherent in an impact fee study. EPS will combine sound technical analysis, grounded in legally defensible nexus arguments, with ongoing policy direction from the various stakeholders, including City staff and elected officials, the local public as needed, and the development community.

EPS has found that the most successful impact fee studies are those that inform key stakeholders throughout the study process and seek feedback on findings. Early interviews with key stakeholders that inform and listen can be important. Project milestones and checkpoints are set, at which stakeholders are provided the analytic findings and are asked to respond with any questions or comments. Based on direction from stakeholders, further research can be

performed and appropriate modifications can be made. For the purposes of this fee program, we have included stakeholder engagement as an optional task.

While a participatory process can help to achieve politically and economically acceptable fees, it is also important to maintain clear objectives to guide the study process. The ultimate project objective includes the establishment of a revised set of development impact fees that strike a mutually enforcing balance between funding for affordable housing and open space and new residential and economic development in the City.

Project steps include developing a schedule of maximum fees, by land use category, which are justifiable based on the Mitigation Fee Act (California Government Code sections 66000 et seq.). The Mitigation Fee Act sets forth the procedural requirements for establishing and collecting development impact fees and requires that a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition. The maximum allowable fee levels then act as a starting point for review and discussion concerning fee levels and program implementation, recognizing there are a number of economic and policy considerations that inform fee program decisions beyond the specifics of the technical work.

EPS considers the following objectives to be the most important for an impact fee study:

- **The fees must be legally defensible.** The fees should be developed and implemented in a fashion that unambiguously complies with applicable State law. The fees should be based on explicit assumptions and sound nexus arguments that ensure the types of improvements and facilities and the costs of the improvements and facilities are directly attributable to benefiting land uses.
- **The fees must be financially effective.** The fees developed should provide sufficient means for successfully funding the type of investments targeted by the program. Given that fee revenues are likely to represent only one, albeit important, funding source for affordable housing and open space, the fee program must be effectively integrated with other programs and resources to ensure stakeholders (and developers who pay the fees) that the revenue will be used appropriately.
- **The fees must be politically and economically viable.** The fees developed in this process should reflect input from key stakeholders in the community to ensure that they receive broad support. Although the technical steps provide the basis for completing the impact fee study, it is recognized that ultimate approval will require compromise and policy choices. To this end, it will be important for both the consultant team and City staff to work closely with key policy makers and other stakeholders throughout the process. In addition, it will be important to understand and monitor the economic implications of the fee program to ensure that financial burdens on development are reasonable and do not hinder growth. The inclusion of local interest groups throughout the process can engender support for, and/or reduce opposition to, the fees, making it easier to ensure approval from City policy makers and, ultimately, successful implementation by the development community.

Scope of Services

This scope of services describes the organizational and technical tasks necessary to design and implement the requested fee programs consistent with the project approach described above. The work plan proposed below follows a phased approach linked to key project milestones and deliverables for review and input by key city staff, policy-makers and public stakeholders. The first phase lays out a detailed strategy for navigating the entire process and includes specific task descriptions. The second phase includes the technical analysis associated with preparing the impact fee nexus studies, and the third and final phase is focused on approval of the ordinance and program implementation. Of course, throughout the work effort, EPS will remain flexible and able to adapt to inevitable changes in policy direction and circumstances.

Phase I: Study Implementation Plan and Management

Phase I is designed to identify the basic parameters of the fee programs, develop agreement on the primary goals and objectives of the study, and outline a process for resolving the key issues that are likely to arise. **Phase I** will set the stage for the more in-depth technical work that will follow in **Phase II** and **Phase III** and ensure that these later efforts are being undertaken in a manner consistent with the expectations and objectives of the City and other stakeholders. From past experience, we have found that the technical analysis can be conducted much more efficiently and effectively if there is fundamental agreement on key principles, parameters, and objectives. The analytical steps are presented in the sequence in which they are to be carried out, although preliminary work for some tasks may begin before completion of a previous task.

Phase I, Task 1: Project Initiation and Project Management

In this task EPS will meet with City staff to review project parameters, clarify team roles, and review the project schedule and key deliverables. The primary goal of this task is to finalize the scope, including an approach to engaging targeted stakeholders (if desired by the City), budget, and other project related issues. EPS will use this opportunity to identify existing data, documents, parallel work efforts, and other pertinent information, including land use projections, development pipeline, current CIP list and costs, etc. EPS will also work with staff to establish a management and reporting protocol for the entire project, defining team roles, internal and external communication protocol, the format of deliverables, and scheduling issues.

Phase I, Task 2: Develop Critical Study Parameters and Assumptions

The Mitigation Fee Act establishes guidelines in terms of projects and programs that can be included and the set of findings required to establish a legally defensible impact fee. This structure does, however, provide significant flexibility that allows individual jurisdictions to adapt their fee programs to the unique preferences and circumstances of their communities. This task will specify how various program approaches and key assumptions will be addressed in the Study. Although it is recognized that this task may not fully resolve all of the issues described below, the goal will be, at a minimum, to develop broad agreement on a process for doing so.

- **Land Use Categories.** EPS, working closely with City staff, will need to define the land use categories for which separate fees will be calculated. As a starting point, it is expected that this categorization will focus on residential (single-family and multifamily), industrial, retail, and commercial (office) development, although additional categories may be warranted

based on what is anticipated in the Planned Development Districts. The land use categories should reflect the types of development the City anticipates but should keep the categories as broad as practicable to ease administration of the fee programs. EPS will also define the operative land use assumptions, such as persons per household and employees per square foot, to be used to forecast growth and demand.

- **Affordable Housing Fee Program Structure.** Working with City staff, EPS will determine the most appropriate and most defensible approach to developing affordable housing fees for ownership and rental residential development projects as well as commercial development projects. For commercial development, the industry standard is a commercial linkage fee, but for residential development, the City can choose between the impact fee approach and the in-lieu fee approach. The legal rulings of the *Patterson*, *Palmer*, and *San Jose* cases and recent state legislation have implications for the County's options for funding affordable housing. With the passage of AB 1505, EPS generally believes that inclusionary requirements for rental and for-sale housing are appropriate and that calculating in-lieu fees based on a jurisdiction's inclusionary requirements is a transparent approach to setting fees.

In order to make sure that the City's affordable housing policies and programs are working together as a coherent program, it is recommended that the project team engage the City's legal advisors at this time to gain their input and assure their comfort with Study approach. The items listed above may require a follow-up conference call to reach consensus on the preferred approach.

- **Required revisions to the City's Inclusionary Housing Requirements.** While we may not be able to anticipate the full extent of changes that will be needed to update the City's Inclusionary Housing Requirements (Chapter 17.92) at the outset of the Study, EPS and City staff should begin thinking about the ways in which the City's Municipal Code may need to be revised.
- **Open Space Fee Program Structure.** EPS will work with City staff to determine the extent to which the current open space in-lieu requirements for Planned Development Districts should be continued or adjusted. In addition, EPS and City staff will define the starting parameters for a potential citywide open space fee option and its relationship to the Planned Development requirements. Different options will be considered in light of the nexus requirements that are typically applied to both Planned Development District and Citywide in-lieu fee and development impact fee programs. Attention will also be paid to the need to distinguish between open space requirements and the City's parkland dedication requirements and participation in the East Contra Costa Habitat Conservation Plan. Potential fee scenario calculations will also be based on a combination of (1) the in-lieu requirements, (2) current open space service standards/provision in the City, (3) any information on expected use of fee funding, (4) the effects of different land uses, and (5) the application to different types of projects/subareas.

Phase I, Task 3: Fee Program Comparison

To inform both the critical parameters/approaches to the fee study (in **Phase I**) and the selection of a preferred fee program/schedule (in **Phase III**), EPS will conduct a survey of affordable housing and open space fee levels in other benchmark jurisdictions, either nearby or

elsewhere in the County (to be defined by the City in cooperation with EPS). The survey will include the current fee amounts by land use type, where such fees have been adopted, and implementation considerations such as exemptions by project size or type. Because open space fees are relatively rare in California jurisdictions (as opposed to parkland and park improvement fees), particular attention will be paid to the justification and application of such fees in other jurisdictions. As a deliverable, EPS will produce a matrix that can be incorporated into final documents. In **Phase III**, the fee levels in other jurisdictions will be compared with the potential fees developed for the City of Clayton.

Phase I, Task 4: Consider Policy and Implementation Issues

At the outset of developing a fee program, it is not too early to consider implementation issues. In the EPS Team's experience, fee adjustments, reimbursements and land use exclusions as well as fee program updating and auditing are critical considerations.

Fee Adjustments, Reimbursements, and Land Use Exclusions

Many fee programs establish a fixed fee level, allowing fee adjustments or reimbursements for investments that contribute more than the development's fair share. Some fee programs also exclude certain land uses based on their real estate economics or broader policy goals, such as encouraging development of affordable housing or in distressed neighborhoods, among other possibilities. The decision concerning exclusions and the associated reduction in fee revenue is typically circumstance-specific, though there are numerous examples illustrating different approaches.¹ For the City's fee program, a decision will be required as to degree of flexibility available on a project-by-project basis. The administrative complexity of implementing different approaches will be important to determining the preferred approach.

Fee Program Administration, Updating and Auditing

Once approved, the success of a fee program will depend on how it is administered on a daily basis, including the interface between the public and City staff. Consequently, developing this protocol is the focus of **Phase III**. In addition, fee program updates and audits are a necessary, but often overlooked, part of fee program implementation. There are specific approaches that help ensure appropriate use of funds throughout the life of the fee program. Fee updating also varies by fee program, through a mix of mechanized and more comprehensive updates on a fixed-time period basis, help keep the fee program up-to-date and on track to accomplish its commitments.

Phase I Deliverables: Memorandum summarizing study parameters and assumptions as well as preliminary policy and implementation issues

Phase I Meetings: Project Initiation Meeting with City Staff

¹ While the City can exclude certain land uses from the fee program for policy reasons, with a Mitigation Fee Act-based impact fee, the City would have to find a way to fund the deficit created by the exclusion.

Phase II: Technical Analysis

The purpose of this phase is to perform the technical analysis needed to support the fee calculation nexus studies. The work will be guided by the results of **Phase I**, and as such is described in more general terms here.

Phase II, Task 1: Develop the Open Space Fee Program

The **Phase I** discussions will provide an important framework for the analytical work in this task. In general terms, it is expected that EPS will (1) estimate open space in-lieu fees under the current requirements for Planned Development Districts as well as alternative requirements if appropriate and (2) consider what a different development impact fee program approach would mean for both Planned Development Districts and a potential Citywide fee. A hybrid of both in-lieu and development impact fee approaches will also be an option. The technical analysis associated with each of these approaches is described below.

Phase II, Task 1a: Open Space In-Lieu Fee

The current open space requirements for Planned Development Districts outline the role and general options for in-lieu fees to replace all or a portion of the open space requirements, with variations by project size. Building from these requirements as well as recent work by City staff to estimate open space in-lieu fees for a recent project, EPS will:

- Estimate the open space in-lieu fees for smaller projects, where the full requirements of the open space program can be addressed through in-lieu fees. This will include a series of cost estimates associated with the items specified by the program and building off and refining recent City analysis.
- Work with City staff to determine the importance and applicability of the potential in-lieu fee program offsets for larger projects and to define more specifically the extent of the allowable offsets. EPS will then estimate the open space in-lieu fee that would be an option for these larger projects.

Building off these calculations and the **Phase I** fee program review, EPS will work with City staff to define alternative open space in-lieu fee program parameters. These parameters may be based on: (1) reducing the complexity/improving the clarity of the current program; (2) adjusting the size differential parameters; and, (3) re-specifying the costs to be covered by the in-lieu fee. EPS will then provide an alternative open space in-lieu fee estimate, which if adopted would require changes to the open space program requirements. The geographic (and land use) applicability of the fee program would also be identified.

Phase II, Task 1b: Open Space Development Impact Fee

EPS will also explore the option of developing a new open space development impact fee program. Under this approach, rather than being based on the specific in-lieu fee program requirements, the fee calculations will be based on either an adopted or implied service standard and/or a particular open space acquisition/improvement program. The approach will also be informed by the ways in which these fee programs are applied in other jurisdictions. EPS will work with City staff to determine the preferred methodological approach and to develop the necessary information on service standards, planned improvements, and expected costs to

develop open space development impact fee estimates. These estimates will be developed as citywide and Planned Development District fees, as appropriate.

Phase II, Task 1c: Open Space Technical Report

EPS will work with City staff to determine the preferred approach to open space fee adoption and calculation. EPS will then prepare a Technical Report that documents the assumptions and methodology and provides the justification for adopting, revising, or establishing the new open space in-lieu or development impact fee. This report will include copies of all data, models, and other materials used in the analysis. EPS will present the results of the fee calculations in a draft report for City staff review. Upon receipt of comments from City staff, EPS will issue revised versions of the report for stakeholder outreach, and will provide a final version for City Council adoption.

Phase II, Task 2: Develop the Affordable Housing Fee Program

Based on the criteria established in **Phase I**, the EPS Team will conduct a series of tasks designed to calculate affordable housing fees for residential and commercial development. These tasks are described below.

Phase II, Task 2a: Rental and For-Sale Residential Nexus Studies

The **Task 2a** work effort describes the preparation of the residential nexus studies to support the City's consideration of affordable housing fees. EPS will provide analysis of the nexus between development of market-rate housing (both rental and for sale housing) and the demand for affordable housing units. The process involves three general steps, as described below.

Step 1: Compute Demand for Affordable Housing Generated by Market Rate Units

The first step is to estimate the impact that the addition of market-rate housing has on job creation and household formation. Using data regarding consumer expenditure patterns and wage levels for specific types of business, EPS will estimate the demand for local goods and services generated by the addition of market-rate housing and its occupants, convert that demand to a number for local jobs and worker households, and estimate the number of those worker households who cannot afford to pay market-rate housing prices. These figures are driven by the incomes of the households occupying the market-rate housing—the higher the cost of the housing, the higher the occupants' income, and the more spending and job creation is expected. EPS will calculate impacts for a range of unit types, sizes, and/or price levels to illustrate these effects.

Step 2: Affordability Gap Analysis

The second step is to determine whether and how much subsidy is required to provide new housing units for worker households of various income levels (e.g., moderate, low, and very low). Determination of a required subsidy amount involves an estimation of the costs of development (land, construction, fees, required financial returns, etc.), as well as an estimation of the unit values based on the prices at which the units are affordable to income-qualified households. The costs of development and/or appropriate housing types may vary within the County, thus affecting the level of subsidy required.

Building upon our recent work for other jurisdictions in Contra Costa County, EPS will provide detailed initial assumptions and calculations to City staff for review and comment and make adjustments as appropriate. It is likely that further vetting or corroboration will be needed, and EPS will work with the City to identify appropriate participants (for-profit and nonprofit developers, etc.) with whom EPS will conduct conversations to review the development cost and value assumptions and calculations. Following these initial discussions and further consultation with County staff, EPS will make adjustments to the assumptions and calculations as may be appropriate. Based on calculations in this step, if the development costs are higher than the unit values under allowable rents, a subsidy or financing gap is identified and quantified.

Step 3: Compute Impact Fee per Market Rate Unit

The third step is to calculate the aggregate subsidy required to produce housing affordable and appropriate for those new worker households and allocate that aggregate subsidy back to the market-rate project driving that demand. EPS will calculate a technically derived amount for the maximum justifiable impact fee, consistent with this nexus logic. The results will include different nexus-based fees for housing units at various sizes or price levels because the household spending and job creation associated with such households will vary by their income, as represented by price levels. EPS will also illustrate the equivalent number of units required at different income levels, which may be used as a standard for allowing developers to address their impacts through provision of units on site rather than payment of the impact fee. It is likely that the nexus-based impacts and resulting impact fees or unit requirements will be different (i.e., higher) than the City's previous requirements.

EPS will present the results of the nexus analysis in a draft report for City staff review. Upon receipt of comments from City staff, EPS will issue revised versions of the report for stakeholder outreach, and will provide a final version for City Council adoption.

Phase II, Task 2b: Inclusionary Requirements and In-Lieu Fee Calculations

Task 2a describes the steps required to estimate impact fees based on nexus logic. This approach is not required by state law, and it may be that in-lieu fees, rather than impact fees, allow the City to draw a clearer connection between policy-based inclusionary requirements and fee levels. By the end of **Task 2a**, EPS will have generated all the required data and information needed to estimate the City's in-lieu fees, which are to be calculated by determining the amount of funds that the City would require to subsidize the construction of affordable units if a developer does not provide such units within a market-rate project as otherwise required by the inclusionary ordinance. EPS will also work with the City to explore whether changes to the current inclusionary requirements may be desired (e.g., a different proportion of units, or a different mix of income levels), and can calculate up to five (5) alternative in-lieu fees reflecting such potential changes to the inclusionary requirements.

EPS will present the results of the in-lieu fee calculations in a draft report for City staff review. Upon receipt of comments from City staff, EPS will issue revised versions of the report for stakeholder outreach, and will provide a final version for City Council adoption.

The budget for **Task 2b** is based on the efficiencies of already having completed Task 2. If the City elects to move forward with Task 2b but does not want to do Task 2a, the Task 2b budget would need to be adjusted.

Phase II, Task 2c: Commercial Linkage Fee Nexus Analysis

In this task, EPS will recalculate the City's affordable housing fee for nonresidential development through the preparation of a commercial linkage nexus analysis. The nexus (i.e., linkage) between new nonresidential development and the demand for affordable housing is derived by preparing employment density and compensation estimates of future employees for several nonresidential land use types (e.g., retail, office, industrial, lodging, etc.). New household formation resulting from new employment will be categorized by income category (e.g., moderate, low, very low) to estimate total housing demand. These calculations include consideration of local trends in household formation (e.g., size and location of household formation). The demand by land use category will be converted into a fee, on a per-building-square-foot basis, based on the affordability gap calculations derived for **Task 2a**.

Please note that EPS is aware of the potential "double-counting" of income-qualified households generated by residential and nonresidential uses. For example, the same grocery store worker who needs affordable housing may be represented in the residential nexus studies, as well as the nonresidential nexus study. In a later task, EPS will reconcile these double-counting issues through recommendations on implementation of the fees at specific levels for different uses.

EPS will prepare a draft report summarizing the results of the nonresidential nexus impact analysis. After incorporating City staff and stakeholder comments, EPS will issue a revised report for purposes of the public hearing process. EPS will prepare a final report for City Council adoption.

Phase II Deliverables: Deliverables will depend on the outcome of the fee program parameters discussions but will include affordable housing and open space impact fees and/or in-lieu fees. Administrative draft reports will be prepared for City staff review and comment.

Phase II Meetings: One meeting with City staff once preliminary fees are calculated.

Phase III: Fee Implementation

This purpose of this phase is to test the economic feasibility of the preliminary fees and pull the completed technical work into final nexus studies and ordinances that can be taken to City Council for adoption.

Phase III, Task 1: Economic Analysis

Phase III, Task 1a: Fee Comparison

The maximum allowable fee levels are only the starting point to the implementation and approval process since decision-makers may ultimately approve a lower fee to advance economic and other policy considerations. Once the preliminary impact fee is derived, EPS will evaluate its

impact on local economic development goals. This analysis may result in modifications to the fee program. In this task, EPS will compare the affordable housing and open space fee levels in other benchmark jurisdictions researched in **Phase I** with the maximum/potential fee levels estimated for the City of Clayton.

Phase III, Task 2: Revised Nexus Studies and Ordinance/Resolution Support

Based on the technical results from preceding tasks, input from the public outreach workshops during **Phase I** and **Phase II**, and feedback from City staff, EPS will update the preliminary impact fee schedule. For example, the preliminary fee calculation methodology may be revised to incorporate changes in the amount, scope, or incidence of the fees.

Once the fee schedule is finalized, EPS will revise the nexus studies and/or in-lieu fee studies for Council review and approval. As part of this task, EPS will review the City's current development impact fee ordinances, inclusionary requirements, and fee setting resolutions and advise in the preparation of new ordinance and fee setting resolutions, based on the technical work completed. The City Attorney will have responsibility for drafting the final documents.

Phase III, Task 3: Council Review and Approval Process

EPS will assist staff in presenting the fee studies to the Planning Commission and the City Council. A single round of revisions to each of the proposed programs is anticipated following each public meeting.

Phase III, Task 4: Final Nexus Study Reports

Based on comments received on the draft nexus study, a final nexus study will be prepared. EPS will be available to present the findings and recommendations to the City Council. EPS will be available to review and provide input on draft legislation (ordinances and resolutions) to be prepared by the City Attorney.

Phase III Deliverables: Memorandum summarizing the economic analysis; Revised draft and final nexus reports for Council adoption and review of municipal code and/or ordinances

Phase III Meetings: One meeting with City staff; two public hearings (e.g., Planning Commission and City Council)

Summary of Project Study Meetings, Presentations, and Public Hearings

At key points during the Study, EPS will meet with the City's Project Team for feedback and direction. At this stage, EPS anticipates the following schedule of meetings, which are already incorporated into the proposed budget:

City Staff Meeting #1: This meeting will occur at the beginning of **Task 1** (the Project Initiation meeting).

City Staff Meeting #2: This meeting will take place once **Phase II** is complete at which time preliminary fee levels will be available for discussion.

City Staff Meeting #3: This meeting will be held towards the end of **Phase III** once competitive fee level research and development feasibility considerations (if selected by the County) are complete and preliminary fee level recommendations are prepared.

In addition, EPS can be available to meet with developers, stakeholders and elected officials. Our schedule and budget anticipate that the City will coordinate all stakeholder outreach, but EPS anticipates reaching out to select stakeholders to confirm assumptions. If needed, EPS can be available for more extensive stakeholder outreach and will bill for these meetings on a time and materials basis.

EPS will be available to present the final draft versions of the nexus studies (and/or in-lieu fee studies) and fee recommendations to the City Council and/or other commissions at the City's request. Our budget for this item assumes we will participate in two in-person public hearings (e.g., Planning Commission and City Council). Again, EPS can be available for additional public meetings if needed and will bill for these meetings on a time and materials basis.

3. FIRM QUALIFICATIONS

This section describes EPS's qualifications and experience preparing comprehensive impact fee nexus studies. We have significant experience completing the technical assignments required of impact fee studies and we have successfully shepherded dozens of impact fee studies through to adoption and implementation. Of equal importance, EPS has extensive Bay Area and Contra Costa County experience and knowledge of local market dynamics, feasibility considerations, and planned development activity. Detailed project profiles of recent projects completed by EPS are provided below.

About EPS

EPS is a land economics consulting firm experienced in the full spectrum of services related to real estate development, economic and market analysis, public/private partnerships, and the financing of government services and public infrastructure. Since 1983, EPS has provided consulting services to hundreds of public and private sector clients in California and throughout the United States. Clients include cities, counties, special districts, multi-jurisdictional authorities, property owners, developers, financial institutions, and land use attorneys. EPS applies a multi-disciplinary approach to our work, engaging policy issues against the backdrop of fiscal, economic, land use, and public finance opportunities and constraints. Our areas of expertise include the following:

- Public Finance and Development Impact Fees
- Fiscal Impact Analysis
- Economic Impact Analysis
- Development Negotiations Support
- Land Use Planning and Growth Management
- Real Estate Market and Feasibility Analysis
- Regional Economics and Industry Analysis

Specialized Services

EPS provides a range of services necessary to help fund and build community facilities and capital improvements, including assessing needs, arranging for funding, and developing and administering comprehensive financing programs. EPS's goal is to ensure successful development of projects and land use plans by preparing feasible financing plans that respond to public and private objectives and make creative use of available financing mechanisms. EPS also provides a range of services necessary to fund ongoing operations of services and facilities for public entities.

As part of the firm's work in public finance, EPS has extensive experience in developing municipal impact fee programs. In these studies, EPS has performed all tasks associated with preparing the fee study, including assessing the impact of new development, establishing a nexus between the fee and the development, allocating costs fairly among stakeholders, involving city staff in this process, facilitating public meetings, and assisting legal staff in drafting resolutions to legalize the fee.

Key Personnel

The following senior staff will play a primary role in this work effort. Detailed resumes are provided in **Appendix A**.

Teifion Rice-Evans, Managing Principal, will serve as Principal-in-Charge. Teifion will assist in all phases of the work program, including helping to direct the analytical framework, providing guidance on technical work, and interacting with City staff and policymakers. Teifion will work closely with Ashleigh Kanat and Walter Kieser on all elements of the project. Teifion manages and directs complex consulting assignments in the areas of public finance, real estate economics, and land use policy. He is one of the firm's leading experts in development impact fees. Teifion has been with EPS for over 20 years. Selected, recent project experience includes conducting nexus studies and supporting the adoption of new development impact fees in the cities of Calistoga, Fairfield, Antioch, Santa Monica, and South San Francisco. These nexus studies have established economically feasible fee programs supporting transportation, parks and recreation, storm drain, public safety, and City administrative capital facilities investments among others.

Ashleigh Kanat, Executive Vice President, will serve as the EPS Project Manager and will provide the primary research and analytical tasks necessary to complete the work program, assisted by other EPS staff as necessary. She has been with EPS for more than ten years and has significant experience preparing development impact fee programs in California. Ashleigh recently completed a comprehensive development impact fee nexus study for the City of San Luis Obispo, a targeted impact fee study for nonprofit community facilities in the City of San Francisco, and open space and child care impacts for the City of Seattle. In addition, she worked on the City of Turlock's Capital Facilities Fee and Nexus Study, the West Berkeley Transportation Impact Fee and the Santa Rosa impact fee program evaluation. She has completed affordable housing fee studies for the cities of Rohnert Park and Petaluma and is currently working on Mono County's affordable housing fee programs.

Darin Smith, Managing Principal, will serve as Senior Advisor for this project and will be actively engaged throughout the Study process, particularly with the affordable housing fee program. Darin is a recognized expert in housing policy, particularly with regard to developing a demand-based nexus methodology for affordable housing impact fee programs and working with jurisdictions to develop fee programs that are economically viable and promote affordable housing program goals. Over the last several years, Darin has worked on several affordable housing impact fee programs for residential development, including work in the Cities of Sunnyvale, Mountain View, Pleasanton, San Mateo, Santa Rosa, Walnut Creek, Palm Desert, and in Sonoma County. Darin has also led EPS's recent work on commercial linkage fees for Sunnyvale, Pleasanton, Goleta, Walnut Creek, Alameda, and several Sonoma County jurisdictions. Through these and other projects, Darin has extensive experience communicating the complex economic realities and financial feasibility challenges of affordable housing development with stakeholder groups and to elected bodies. Darin spoke at the California APA Conference in 2015 on the topic of nexus studies and other local approaches to enhancing funding for and production of affordable housing.

4. REFERENCES AND RELATED EXPERIENCE

This chapter describes EPS's relevant project experience, organized by affordable housing experience and open space experience, and provides contact information for references who can speak to EPS's qualifications.

Selected Housing Fee Studies

Inclusionary Housing Ordinances and Fee Studies

Healdsburg, Laguna Beach, San Bruno, Newport Beach, Larkspur, Santa Rosa, Gilroy, and Sonoma County

EPS has conducted numerous studies regarding inclusionary housing requirements and fees throughout California and in other states. In some cases, these studies have been limited to the calculation of a fee in lieu of a developer's obligation to provide affordable units under a pre-existing inclusionary ordinance. In other cases, EPS has helped to create or refine the actual inclusionary ordinances themselves, establishing levels of affordable housing requirements that appropriately reflect local housing needs as well as feasibility constraints, and identifying acceptable alternative means of compliance with the requirements and processes for evaluation and implementation. In most instances, this work has involved outreach with development industry stakeholders to work through financial feasibility issues as well as procedural recommendations.

Affordable Housing Residential Nexus Studies

Mountain View, San Mateo, Sunnyvale, Pleasanton, Palm Desert, Walnut Creek, Santa Rosa, Petaluma, Rohnert Park, and Sonoma County

Many California jurisdictions have adopted inclusionary housing policies and ordinances requiring developers or new housing projects to provide a certain proportion of new units as "affordable" to households at targeted income levels, or else pay a fee in-lieu of providing such units. In the past few years, several legal challenges have affected the implementation of these long-standing programs, and different communities have had different responses to these challenges. One common response has been to conduct nexus studies to establish the relationship between the addition of households in new market-rate housing and growth in demand for affordable housing.

EPS has been retained by several jurisdictions to assist with these analyses, by providing technical analysis that demonstrates the relationship between household spending and job creation, and the affordable housing needs associated with those new jobs. After establishing this relationship based on local economic factors, EPS has calculated an impact fee that can be used to subsidize the construction of new units for lower-income worker households. In addition, EPS typically conducts analysis demonstrating the feasibility impacts of the potential fees on new housing development, so that jurisdictions can select a fee level that will enhance rather than thwart their larger housing objectives. This analysis has been conducted for both for-sale and rental housing.

The levels of effort for these assignments has ranged from simply providing the technical nexus analysis to conducting surveys of comparable jurisdictions' programs and extensive feasibility testing of alternative fee levels to assistance or leadership in drafting ordinance language and implementation guidelines, depending on the preferences (and budget constraints) of the various

clients served. In each case, public outreach was conducted during the analysis as well as during the policy discussion that followed. EPS has engaged with local housing developers and housing advocates in the course of these analyses, and in most cases has presented our findings to boards and elected officials. We have also engaged in discussions with building industry advocacy groups (and their consultants) and attorneys representing the Cities. In several cases, building industry stakeholders have commissioned peer reviews of EPS's technical work by land use economists, and EPS has publicly addressed the findings thereof to the satisfaction of our clients and elected officials.

Based on EPS's work, residential nexus studies and related fees have been adopted in Sunnyvale, Mountain View, Santa Rosa, and Sonoma County, while such fees are pending in other jurisdictions.

Commercial Jobs/Housing Linkage Fee Studies

Sunnyvale, Pleasanton, Goleta, Sonoma County, Walnut Creek, Petaluma, Rohnert Park, Sonoma County and other California jurisdictions

EPS has conducted "linkage fee" studies for California jurisdictions for over 20 years, beginning with projects in Pleasanton and Alameda in the early 1990s and continuing to the present year with recent work in Walnut Creek, with projects in Folsom, Sonoma County, Santa Barbara, Newark, Sunnyvale, and Goleta in the intervening years. One of our larger studies was conducted for the combined coalition of the nine cities in Sonoma County and the County government, which commissioned EPS to conduct a study of the nexus between employment and housing and to propose a countywide approach to the affordable-housing shortage. This study involved evaluating the employment and commuting patterns trends in Sonoma County, expected income distribution among future jobs in the County, costs to build and to acquire market-rate and affordable housing, and various programs currently in place to address housing affordability issues. EPS established the relationship between employment growth and housing prices and recommended an impact fee that assigns some of the financial costs of developing affordable housing back to the employers whose expansion contributes to housing demand. As a result of that work, several (but not all) jurisdictions in Sonoma County adopted comparable linkage fee programs between roughly 2002 and 2005.

More recently, EPS has provided similar analyses for Sonoma County and Pleasanton (both significant updates to our own previous studies in those jurisdictions), as well as new linkage fee nexus studies for the Cities of Sunnyvale and Walnut Creek. As with our work on residential nexus studies, these linkage fee studies have involved a range of effort levels reflecting our clients' preferences, with some limited strictly to the nexus studies themselves and others involving more extensive surveys of comparable jurisdictions, feasibility testing of fee alternatives, assistance or leadership in drafting ordinance language and implementation guidelines, and outreach and presentations to stakeholders, commissions, and elected officials.

Selected Open Space and Park Fee Studies

Santa Monica Parks and Recreation Development Impact Fee Study

Santa Monica, California

The City of Santa Monica was interested in establishing a parks and recreation development impact fee to help provide funding for future investments in parks and recreation capital improvement and parkland acquisition. The City had a special tax and development impact fee that only generated modest revenue and only applied to a limited number of land uses. With the loss of tax increment revenues and continuing desire of the community for investments in existing and new parks and recreation facilities, development impact fee revenues were viewed as an important, potential contributor to future investments in parks and recreation.

EPS worked closely with staff in the Community and Cultural Services Department, Planning and Community Development Department, and Legal Department to determine the appropriate methodology and then conducted the necessary technical analysis to determine the maximum, supportable fee schedule. To help inform fee level recommendations, EPS also conducted a comparative analysis of parks fee programs in a broad range of cities in Southern and Northern California. The study was completed at the end of 2013. As of April 2014, the City is conducting internal due diligence activities as part of its process of adopting the fee.

East Contra Costa County Habitat Conservation Plan

Contra Costa County, California

A consortium of jurisdictions, including the Contra Costa Water District (CCWD), the County, the East Bay Regional Park District, and the cities of Pittsburg, Brentwood, and Oakley, collaborated in the preparation of the East Contra Costa County Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP). The HCP/NCCP is focused on conserving over 25 species, covering urban development inside the cities' urban limit lines and ensuring the renewal of the CCWD's water supply contract.

EPS was hired as part of a team of consultants to prepare the NCCP/HCP. EPS's responsibilities included the preparation of the financing chapter of the NCCP/HCP and the socioeconomic sections of the EIR/EIS. EPS conducted a land valuation analysis of the East County areas considered for preservation and provided a list of potential funding options. Subsequent tasks included estimating restoration and management costs and developing a financing strategy. All work was conducted in collaboration with the staff of the relevant jurisdictions, various committees, and other consultants.

San Luis Obispo Infrastructure Financing Analysis and Economic Development Considerations (Including Citywide and Area-Specific Parks/Open Space Fees)

San Luis Obispo, California

The City of San Luis Obispo has several approved impact fee programs that are collecting revenue: a transportation impact fee, a water impact fee, a wastewater impact fee, an affordable housing impact fee, a public art impact fee, two park impact fees, and an airport-area open space impact fee. In some cases the level of these fees varies considerably by area of the City and/or exceeded typical feasibility standards. The City was anticipating the preparation of a new AB1600 nexus study based on the infrastructure improvements identified as part of the Land Use and Circulation Element (LUCE) update.

In advance of preparing a new fee study, the City sought advisory services in the field of land economics and public finance to review the City's current development impact fee program and evaluate and understand the implications for economic development in the City. EPS created a series of informative study sessions for the San Luis Obispo City Council that were focused on the purpose and intent of development impact fees, all aspects of preparing, adopting and administering a fee program, and the typical benefits and concerns associated with fee programs. The study sessions were supplemented with information about other available methods of infrastructure financing. Particular attention was paid to the key issues identified in the City's Economic Development Strategic Plan, including the need to overcome the substantial challenges of funding infrastructure investment in new Specific Plan growth areas and reducing barriers to creating head of household jobs.

Fairfield Capital Facilities Fee Program (including Parks and Greenbelt Fee Programs)
Fairfield, California

EPS conducted the original 1995 nexus study to support the City of Fairfield's initial development impact fee program. EPS developed a comprehensive impact fee model that established the overall capital facilities needs, costs, and appropriate allocations between new and existing development and between the different land uses. Major improvement categories in the fee program include traffic improvements, parks and recreation improvements, and public safety and City Hall improvements. EPS prepared a nexus study that made clear nexus findings as required by the Mitigation Fee Act, established clear maximum fee levels, and worked with City staff and counsel to adjust the fee for particular policy areas (e.g., affordable housing and economic development) and in drafting the fee ordinance and resolution. EPS worked with a transportation subconsultant to develop the appropriate allocation factors for traffic improvements. In 2002 and 2006, EPS supported City staff in conducting modest updates to the fee programs.

Most recently, EPS provided a comprehensive update to the Citywide transportation impact fee program and as well as the parks and recreation fee program. In addition, EPS worked with City staff to develop a northeast area development impact fee which was designed to pay for new improvements associated with this new growth area of the City. These fees were all adopted by City Council in 2014. The process also involved consideration of transitional issues associated with changes in the fee program. At the same time, EPS conducted a major review of fees in peer/comparison cities and informed the City about issues of economic competitiveness as well as implementation options supportive of economic development.

City of Calistoga Comprehensive Development Impact Fee Study (including parks and affordable housing fees)
Calistoga, California

The City of Calistoga recognized the need for new development to cover its share of impacts on capital facilities and infrastructure as well as affordable housing needs. In particular, the City wanted to formalize its approach to ensuring new development paid an appropriate set of fees for transportation improvements, parks and recreation improvements, and public safety and City administrative improvements. The City also wanted to adopt a set of fees to fund affordable housing, including a commercial linkage fee as well as an affordable housing fee on new ownership units.

EPS worked closely with the Community Development Director, other Department heads, and the City Manager to identify appropriate capital improvements, to forecast future development, and to ensure a proportionate allocation of costs between existing and new development. Particular care was required as a number of planned development projects were already under Development Agreements. Ultimately, EPS prepared four studies including the AB1600 Development Impact Fee study, Commercial Housing in-lieu Nexus and Impact Fee, Residential Housing Fee study, and parking in-lieu fee. EPS presented its technical analyses to the City Council and after input from policymakers a full suite of new fees were adopted in 2014.

Project References

1. Margot Ernst, Housing Program Manager

City of Walnut Creek
1666 North Main Street
Walnut Creek, CA 94596
(925) 943-5899 x2208

Project: Walnut Creek Affordable Housing Nexus Study and Commercial Linkage Fee Study

2. Travis Page, Senior Planner

City Planning Department
City of Santa Monica
(310) 458-8341
Travis.Page@SMGOV.NET

Project: Santa Monica Parks and Recreation Development Impact Fee Study

3. Xzandrea Fowler, Deputy Director of Community Development

City of San Luis Obispo
919 Palm Street
San Luis Obispo, CA 93401
(805) 781-7274
XFowler@slocity.org

Project: City of San Luis Obispo Capital Facilities Fee Nexus Study

4. Lynn Goldberg, Planning and Building Director

City of Calistoga
1232 Washington Street
Calistoga, CA 94515
(707) 942-2763
lgoldberg@ci.calistoga.ca.us

Project: City of Calistoga Comprehensive Development Impact Fee Study

5. DISCLOSURES AND CONTRACT EXCEPTIONS

Disclosures

EPS has no professional, personal financial, or other interests which could be a possible conflict of interest to disclose.

Contract Exceptions

EPS has reviewed the City's standard consultant contract and finds no exception to the standard contract language.

6. COST PROPOSAL

Table 1 outlines a cost proposal for preparing the affordable housing and open space fee studies for the City of Clayton. The budget is broken down by phase. Assuming the continued direction from the City is to prepare both in-lieu and impact fee estimates for both affordable housing and open space so as to be able to compare fee levels depending on the methodology, EPS anticipates that this project will require a budget not-to-exceed **\$89,850**. This figure includes all consultant services, as well as direct costs for report reproduction and travel. If at an early point in the study (i.e., **Phase I**), the City determines it is comfortable proceeding with one or the other of the potential methodologies, the budget estimate could be reduced.

Additional tasks or meetings requested by the client will be billed on a time-and-materials basis at our standard hourly rates. Charges are based on the amount of time actually spent. Expenses for travel, data, copying, and other project related items are billed at cost. EPS provides monthly invoices for work performed, and anticipates payment within thirty (30) days.

Table 1
Cost Proposal
Affordable Housing and Open Space Fees Nexus Study; EPS #181082

Phase/Task	T. Rice-Evans <i>Principal-in-Charge</i>	A. Kanat <i>Project Manager</i>	D. Smith <i>Project Advisor</i>	P. Peltzer <i>Associate</i>	Production Staff	Labor Subtotal	Direct Expenses [1]	Total Cost	Total Cost Breakdown	
									Open Space	Affordable Housing
Phase I - Study Implementation Plan and Management										
Task 1: Project Initiation and Project Management [2]	4	8	0	4	0	\$3,620	\$50	\$3,670	\$1,835	\$1,835
Task 2: Develop Critical Study Parameters and Assumptions	4	6	2	4	1	\$3,790	\$0	\$3,790	\$1,895	\$1,895
Task 3: Fee Program Comparison	1	4	1	20	0	\$4,680	\$0	\$4,680	\$2,345	\$2,345
Task 4: Consider Policy and Implementation Issues	2	2	2	0	0	\$1,570	\$0	\$1,570	\$785	\$785
Subtotal, Phase I	11	20	5	28	1	\$13,670	\$50	\$13,720	\$6,860	\$6,860
Phase II - Technical Analysis										
Task 1: Develop the Open Space Fee Program	48	24	0	40	2	\$25,420	\$50	\$25,470	\$25,470	
Task 2: Develop the Affordable Housing Fee Program	8	50	10	90	2	\$31,280	\$50	\$31,330		\$31,330
Subtotal, Phase II	56	74	10	130	4	\$56,700	\$100	\$56,800	\$25,470	\$31,330
Phase III - Fee Implementation										
Task 1: Economic Analysis	1	2	1	4	1	\$1,750	\$0	\$1,750	\$875	\$875
Task 2: Revised Nexus Studies and Ordinance/Resolution Support	4	8	4	2	2	\$4,580	\$0	\$4,580	\$2,290	\$2,290
Task 3: Council Review and Approval Process [3]	12	12	0	4	0	\$6,760	\$150	\$6,910	\$3,455	\$3,455
Task 4: Final Nexus Study Reports	6	8	4	8	2	\$6,090	\$0	\$6,090	\$3,045	\$3,045
Subtotal, Phase III	23	30	9	18	5	\$19,180	\$150	\$19,330	\$9,665	\$9,665
TOTAL						\$89,660	\$300	\$89,960	\$41,995	\$47,855
2018 Hourly Billing Rates [4]	\$275	\$235	\$275	\$160	\$90					

[1] Direct expenses include data acquisition costs and travel expenditures. EPS bills direct expenditures at-cost, with no mark-up to the Client.

[2] This task includes the project initiation meeting.

[3] This task includes preparation for and participation in two public hearings.

[4] Hourly rates are effective in 2018 and subject to annual updates.

7. PROPOSED SCHEDULE

EPS is available to begin work immediately upon authorization to proceed and is prepared to take fee schedules and draft nexus studies to Council for approval within six (6) months. This schedule assumes timely contract approval, and that the required input and data from city staff is provided in a timely manner.

APPENDIX A:
Staff Résumés





Teifion Rice-Evans



Managing Principal

Education

Master of Arts in Economics,
University of Cambridge,
1995

Bachelor of Arts in
Economics, University of
Cambridge, 1992

Selected Lectures

California American Planning
Association 2016 Conference:
The LA Waterfront

California American Planning
Association 2015 Conference:
Regional Collaboration,
Competitiveness, and
Prosperity

Association of University
Related Research Parks 2011
Conference: New Models for
Innovation

ULI Workshop: Real Estate
Market and Feasibility
Analysis, 2005

The Nature Conservancy,
2000 and 2002: Land
Acquisition and Valuation

Awards

California American Planning
Association 2017 – Economic
Study of Impact Fees

California American Planning
Association 2010 – South
Fremont/Warm Springs
Revitalization Plan

Association of Environmental
Professionals 2009 –Award
for Outstanding Resource
Document – East Contra
Costa County HCP/NCCP

Affiliations

American Real Estate and
Urban Economics Association

American Planning
Association

ABOUT

Teifion Rice-Evans is a land use economist with over twenty years of experience. He directs complex consulting assignments in the interconnected areas of real estate economics, public/private partnerships, public finance, and community benefits. Teifion has particular expertise in working on plans and projects with multi-agency and stakeholder involvement where a careful blend of economic, financing, and policy expertise is required to craft viable and supported paths forward. He is a leader in the firm's development impact fee practice.

SELECTED PROJECT EXPERIENCE

City of Santa Monica Parks and Recreation Fees

EPS worked with the City of Santa Monica to develop a comprehensive parks, recreation, and cultural facilities fee. The fee schedule includes fees on residential, commercial, and visitor-serving uses and will help fund a broad array of facilities. The parks and recreation fees were adopted by City Council in 2014.

City of Fairfield Transportation and Other Development Impact Fee Studies

EPS prepared citywide development impact fees and area development impact fees for a broad range of capital facilities in the City of Fairfield. Nexus studies and updates were conducted in 2001/2002, 2005/2006, and 2012/2013.

Development impact fees were developed for transportation, parks and recreation, and other capital facilities. Additional growth area fees were also prepared for the City's major new growth area.

City of Antioch Development Impact Fee Studies

EPS prepared a citywide development impact fee for transportation parks and recreation and other community facilities with the fees adopted in 2012. EPS is currently working with the City of Antioch to develop a local transportation impact fee that will support improvement funding while also maintaining the City's economic competitiveness.

Millbrae Transit Oriented Development Area Impact Fees

EPS worked with City staff and developed a nexus study to support adoption of area development impact fees for the Millbrae Specific Plan Transit Station Area, an area served by the BART and CalTrain rail systems. EPS developed area impact fees for transportation, parks, water, wastewater, and fire capital facilities fees. The City Council adopted these fees in February 2017.

City of West Covina Development Impact Fee Study

EPS prepared a citywide development impact study for public safety, parks and recreation, and other community facilities for the City of West Covina. The technical fee study was complemented by a review of fees in other San Gabriel Valley jurisdictions. The City Council adopted the recommended fees in 2015.

Western Riverside County Transportation Fees/Economic Competitiveness

EPS conducted a major fee comparison looking at fees in over 30 jurisdictions across four Southern California counties. This fee comparison is designed to inform decisions on regional transportation fee adjustments in Western Riverside County.



Ashleigh Kanat

Executive Vice President



Education

Master of Public Policy,
University of California,
Berkeley, 2004

Bachelor of Arts in American
Studies with a concentration in
Urban Studies, Smith College,
1998

Previous Employment

Assistant Vice President, New
York City Economic
Development Corporation
(2005-2007)

Senior Associate, Rosen
Consulting Group (2004-2005)

Assistant Planner, City of
Piedmont (1998-2002)

Awards

California American Planning
Association 2010 – South
Fremont/Warm Springs
Revitalization Plan

California American Planning
Association 2014 – Windsor
Station Area Plan

Associations

Lambda Alpha International

San Francisco Planning and
Urban Research Association
(SPUR)

ULI UrbanPlan Volunteer
CREW, San Francisco

ABOUT

Ashleigh Kanat joined EPS in 2007 and has significant experience preparing and evaluating real estate market and financial feasibility analyses, urban revitalization and economic development strategies, public financing and implementation plans, and economic and fiscal impact analyses. She brings technical rigor, creativity, and collaborative project management experience to her projects.

SELECTED PROJECT MANAGEMENT EXPERIENCE

Healdsburg Inclusionary Housing In-Lieu Fee and Ordinance Support

EPS assisted the City with a review and update of the City's affordable housing policies. Most recently, EPS's work was focused on calculating the in-lieu fee that corresponds to the revised inclusionary housing ordinance (IHO), which requires developers of for-sale housing developments to provide 30 percent of such units at income-restricted, below-market-rate prices. EPS's work estimates the subsidies required of the City to support affordable housing in the event that the developers do not provide the units themselves, and presents calculations to inform the adoption of an "in-lieu fee" that may be imposed on such development under the updated IHO.

Santa Rosa Housing Action Plan and Implementation Support

Facing a significant housing supply shortage, the City retained EPS to evaluate the role of impact fees within the larger context of public finance and development feasibility. This work led to the development of the City's first Housing Action Plan, a six-part housing series before the Council to address how Santa Rosa can increase housing production, working toward a goal of "housing for all." EPS provided implementation support in the form of framework and policy development, technical analysis, ordinance drafting, and assistance with staff report preparation and public hearing presentations.

City of Seattle Open Space and Child Care Nexus Studies

The City of Seattle was seeking the preparation of two nexus studies to support updates to the child care and public space components of the City's incentive zoning program and wanted to consider new approaches to establishing nexus – to improve the effectiveness of the program. Considerations included whether or not in-lieu payments will be permitted. In the case of the child care study, EPS assessed the impacts of new development on the City's child care facility needs, quantified the appropriate amount of floor area to offer per square foot of child care facility space provided, and calculated the appropriate fee level to charge by land use category.

San Luis Obispo Financing Analysis and Economic Development Considerations

The City of San Luis Obispo had several approved impact fee programs that were collecting revenue, including an affordable housing impact fee. In advance of preparing an updated, comprehensive fee study, the City sought advisory services in the field of land economics and public finance to review the City's current development impact fee program and evaluate and understand the implications for economic development in the City. Particular attention was paid to the key issues identified in the City's Economic Development Strategic Plan, including the need to overcome the substantial challenges of funding infrastructure and reducing barriers to creating head of household jobs.



Darin Smith

Managing Principal



Education

Master of City Planning,
University of Pennsylvania,
1997

Bachelor of Arts in
Psychology, University of
Pennsylvania, 1993

Previous Employment

Real Estate and Urban
Planning Consultant, ZHA,
Inc., Annapolis, MD, 1997-
2000

Retail Site Selection
Consultant, Pep Boys, Inc.,
Philadelphia, PA, 1996-1997

Honors and Awards
Congress for the New
Urbanism "Award of
Excellence" 2001 - Robert
Mueller Municipal Airport
Reuse Plan, Austin, TX

FTA/FHWA/APA
"Transportation Planning
Excellence Award" 2004—
Valley Metro Rail Station
Development Opportunities
and Strategies, Phoenix, AZ

California APA "Award of Merit
for Planning Implementation"
2002—Sonoma County
Housing Element, Sonoma
County, CA

California AIA and APA
"Awhanee Award of Honor"
2002—Hayward Cannery Area
Design Plan

Speaker—Best Practices in
Speaker - Best Practices in
Transit-Oriented
Development, Rail~Volution
National Conference, 2007,
2008, 2010 and 2012

Panelist - Urban Land
Institute "Transit-Oriented
Development Marketplace,"
2007-2010

Lecturer—Bay Area Housing
Dynamics, Leadership San
Francisco, Class of 2007-09

Panelist - California APA
"Local Solutions for Affordable
Housing," 2015

ABOUT

Darin Smith is a real estate economist with broad experience providing strategic advice to public and private clients on the economic and financial dimensions of land use and real estate development. Darin has helped numerous jurisdictions create strategies to promote development of affordable housing, including inclusionary policies, in-lieu fees, jobs/housing linkage fees, and developer exactions. He also has particular expertise in urban redevelopment projects large and small, negotiating public/private development and financing agreements, evaluating opportunities for transit-oriented development, and creating downtown revitalization strategies and policies.

EXPERTISE

Affordable Housing Nexus Fee Studies

For Sonoma County, Santa Rosa, Walnut Creek, San Mateo, Mountain View, Sunnyvale, Pleasanton, and Palm Desert, EPS has prepared nexus studies documenting the link between the development and occupancy of new market-rate housing and the demand for affordable housing, and recommending fees to mitigate these impacts.

Nonresidential Linkage Fee Studies

For Walnut Creek, Sunnyvale, Santa Rosa, Petaluma, Rohnert Park, Sonoma County, Windsor, Goleta, and Alameda, EPS has determined the housing needs created by new retail, office, and industrial development, recommended fee programs to mitigate those impacts, and in some cases drafted linkage fee ordinances that have been adopted.

Housing Element Updates

For Sonoma County and the Town of Winters, EPS has prepared Housing Elements documenting the inventory of housing supply and demand for special populations, a review of the character and effectiveness of existing policies, recommendations for new policies, and documentation of available sites for new housing.

Affordable Housing Programs and In-Lieu Fees

For the cities of Healdsburg, Laguna Beach, Gilroy, Larkspur, San Bruno, Goleta, and Newport Beach and the County of Sonoma, EPS has prepared ordinances requiring developers to provide affordable units within their market-rate developments or, under certain circumstances, to pay fees in-lieu of providing affordable units.

Affordable Housing Policy Reviews

For the Cities of San Mateo and Santa Rosa, EPS has worked with for-profit and nonprofit housing developers to evaluate and recommend policy options that can enhance the production of affordable housing while minimizing adverse effects on the production of market-rate housing.

Homestead Preservation District Analysis, Austin, TX

For the City of Austin, EPS has provided an analysis of nationwide "best-practices" to provide local funding for affordable housing, as well as analysis and recommendations for prioritizing housing investments and creating a sustainable financing strategy for affordable housing in gentrifying neighborhoods.

EXHIBIT B

Schedule of Charges/Payments

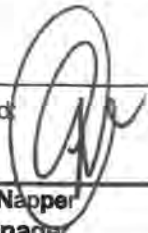
Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.



Agenda Date: 6-05-2018

Agenda Item: 3e

Approved:


Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: SCOTT ALMAN, CITY ENGINEER

DATE: June 5, 2018

SUBJECT: APPROVE THE AWARD OF A LOW-BID CONTRACT TO VSS INTERNATIONAL IN THE AMOUNT OF \$ 798,000.00 FOR THE COLLECTOR STREET REHABILITATION PROJECT – KELLER RIDGE (CIP No. 10425).

RECOMMENDATION

It is recommended that the City Council adopt a Resolution to approve the award of a low-bid contract to VSS International in the amount of \$ 798,000.00 for the Collector Street Rehabilitation Project – Keller Ridge (CIP No. 10425).

BACKGROUND

The approved 2017-18 Capital Improvement Program included CIP Project #10425, the City's Collector Street Rehabilitation Project. This project is to accomplish street maintenance and rehabilitation on collector streets that are eligible for state or federal transportation funds. The current Collector Street Project plans to rehabilitate Keller Ridge Drive between Eagle Peak and the first intersection with Kelok Way. This project is funded by a combination of Gas Tax (HUTA), Measure J (LSM), OBAG I Federal grant funds and Cal Recycle grant funds for use of rubberized paving materials. The objective of the project is to maintain and rehabilitate Keller Ridge Drive (different segments of the street require differing treatments) such that its Pavement Condition Index (PCI) will be in the "maintenance only" range above PCI of 80.

DISCUSSION

One sealed bid for this project was received and opened by the City Clerk on May 17, 2018. That apparent low bid at \$798,000 is from VSS International. This bid amount exceeds the project estimate. The limited number and very high bids are a result of a very competitive construction environment fueled by a shortage of skilled labor and high demand for materials, due in part to the disaster recovery efforts in the North Bay caused by last year's wildfires. In discussion with the City Manager, it has been determined the current infrastructure bid climate will not improve in the foreseeable future and this long-awaited CIP project should be awarded to the sole bidder and constructed as planned. Additional local

transportation funds are available to gap-fund the total required street project budget without sacrificing other improvement plans.

FISCAL IMPACT

The approved 2017-18 Capital Improvement Budget established a project budget for the Collector Street Rehabilitation Project – Keller Ridge (CIP# 10425) at \$589,000. The bid received has exceeded the project estimate causing an increase in the total construction project budget (including design, engineering, project specifications bidding and field inspection expenses) from the current \$589,000 to \$1,008,432 (71.2%).

Although this budget increase is not favorable, there are sufficient transportation funds available in the prior year reserves of Gas Tax and Measure J, as well as 2017-18 Gas Tax and Measure J revenues, and Federal and State grant funds to cover the necessary budget increase. No additional budget appropriations are necessary at this point as those will be addressed in the FY 2018-19 City and CIP budgets to be reviewed for final approval by City Council in June 2018.

Attachments: 1. Resolution [2 pp.]

RESOLUTION NO. xx-2018

**A RESOLUTION APPROVING THE AWARD OF A LOW BID CONTRACT
TO VSS INTERNATIONAL IN THE AMOUNT OF \$798,000.00 FOR CONSTRUCTION
OF THE COLLECTOR STREET REHABILITATION PROJECT (CIP No. 10425)**

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

WHEREAS, the City Engineer recently peer-reviewed, re-designed in part and then bid the improvements for the City's Collector Street Rehabilitation Project (CIP 10425), following which the City received one sealed bid in the amount of \$798,000.00; and

WHEREAS, the bidder, VSS International, with the bid of \$798,000.00, has been determined by the City Engineer to be a responsible bidder based on submitted bid documents and reputation within the industry; and

WHEREAS, there are sufficient monies in the City's prior year's local transportation fund reserves and in FY 2017-18 Gas Tax and Measure J revenues as well as Federal OBAG I and Cal Recycle grant funds to fully fund this construction project as bid; and

WHEREAS, the street maintenance and rehabilitation improvements contemplated by this project are exempt under Section 15302(c) of the CEQA guidelines; and

WHEREAS, in its accompanying report City staff has recommended the City Council adopt this Resolution approving the award of a contract to VSS International in the amount of \$798,000.00 for its Collector Street Rehabilitation Project (CIP No. 10425);

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Clayton, California does hereby adopt this Resolution approving the award of a contract to VSS International in the amount of \$798,000.00 for construction of the City's Collector Street Rehabilitation Project (CIP No. 10425), does hereby authorize its City Manager to execute the contract on behalf of the City, and does herewith determine and find the contemplated improvements are categorically exempt under CEQA Section 15302(c).

PASSED, APPROVED and ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 5th day of June 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Keith Haydon, Mayor

ATTEST:

Janet Brown, City Clerk

**FOURTH AMENDMENT
TO
TOLLING AGREEMENT EXTENDING
THE LIMITATIONS PERIOD TO FILE A LEGAL CHALLENGE
BY WEST COAST HOMEBUILDERS, INC.**

THIS FOURTH AMENDMENT TO TOLLING AGREEMENT (“**Fourth Amendment**”) shall be effective as of the ____ day of June, 2018 (“**Effective Date**”), by and between the **CITY OF CLAYTON**, a municipal corporation (“**City**”), and **WEST COAST HOME BUILDERS, INC.**, a California corporation (“**WCHB**”), with reference to the following facts:

RECITALS

WHEREAS, on May 11, 2016, City and WCHB entered into a Tolling Agreement Extending the Limitations Period to File a Legal Challenge, under which the parties agreed to toll the applicable statute of limitations in which WCHB was required to file an action challenging City’s disapproval of the Final Map. On November 16, 2016, City and WCHB entered into a First Amendment extending the Waiver Period an additional one hundred eighty (180) days with such Waiver Period expiring on May 8, 2017, a Second Amendment extending the Waiver Period an additional one hundred eighty (180) days expiring on November 8, 2017, and a Third Amendment extending the Waiver Period an additional one hundred eighty (180) days expiring on May 8, 2018 (collectively, the “**Agreement**”).

WHEREAS, City and WCHB desire to amend the Agreement on each and all of the terms, provisions, and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. All capitalized terms used herein, but not otherwise defined herein, shall have the meanings set forth in the Agreement.
2. The parties hereto agree that the Recitals set forth above are true and correct and are incorporated into this Fourth Amendment.
3. The parties hereto agree that the Waiver Period shall be extended to the earlier to occur of: (i) June 1, 2021; or (ii) until a final determination is made by the City including all appeals on the Oak Creek Canyon Project, which includes ENV-02-16, MAP-01-16, UP-04-16, SPR-05-16.
4. The Agreement, as modified by this Fourth Amendment, is hereby reaffirmed, ratified, and confirmed in its entirety. Except as modified by this Fourth Amendment, the terms

and provisions of the Agreement shall remain unchanged. If there is any conflict between the terms of the Agreement and this Fourth Amendment, the terms and provisions of this Fourth Amendment shall control and prevail.

5. This Fourth Amendment, and the terms, covenants and conditions herein contained, shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, and assigns.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment as of the Effective Date.

CITY OF CLAYTON,
a municipal corporation

WEST COAST HOME BUILDERS, INC.,
a California corporation

By: _____
Mayor

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

By: _____
City Attorney

By: _____
Name: _____
Its: _____

Agenda Date: 6-05-2018

Agenda Item: 4a

declaring

June 2018

as

"Elder and Dependent Adult Abuse Awareness Month"

WHEREAS, Older adults deserve to be treated with respect and dignity to enable them to serve as leaders, mentors, volunteers and vital participating members of our communities; and

WHEREAS, As our population lives longer, we are presented with an opportunity to think about our collective needs and future as a nation; and

WHEREAS, Ageism and social isolation are major causes of elder abuse in the United States; and

WHEREAS, Recognizing that it is up to all of us, to ensure that proper social structures exist so people can retain community and societal connections, reducing the likelihood of abuse; and

WHEREAS, Preventing abuse of older adults through maintaining and improving social supports like senior centers, human services and transportation will allow everyone to continue to live as independently as possible and contribute to the life and vibrancy of our communities; and

WHEREAS, Where there is justice there can be no abuse; therefore, Contra Costa County and the City of Clayton urges all people to restore justice by honoring older adults; and

WHEREAS, Join us in our engaging and empowering movement, and putting an end to abuse.

NOW THEREFORE, I, Keith Haydon, Mayor, on behalf of the Clayton City Council, do hereby proclaim June 2018 as "Elder and Dependent Adult Abuse Awareness Month" in Clayton, California and encourage all of our communities to recognize and celebrate older adults and their ongoing contributions to the success and vitality of our country.




Agenda Date: 6-05-2018

Agenda Item: 8a

STAFF REPORT

Approved:



Gary A. Napper
City Manager

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KEVIN MIZUNO, FINANCE MANAGER, CPA

DATE: JUNE 5, 2018

**SUBJECT: PROPOSED CITY, SPECIAL FUNDS, AND CIP BUDGETS
FISCAL YEAR 2018-2019**

RECOMMENDATION

Following introduction and presentation of the proposed operations and capital improvements budgets for the fiscal year ending June 30, 2019 (FY 2018-19) and receipt of public comments, it is recommend the City Council provide any policy direction and amendments accordingly, and then by motion set Tuesday, June 19, 2016 at 7:00 pm in Hoyer Hall as the date, time, and location of a public hearing on the proposed City Budgets.

BACKGROUND

On an annual basis, the City Council adopts a budget with the goal of matching the various needs of the community with the limited financial resources required to provide those services. This City Council also adopts a Capital Improvement Program (CIP) that appropriates funds for various capital projects based on priority. City staff has prepared the attached City of Clayton FY 2018-19 Proposed Budget, which includes the operational budgets for the City's General Fund, Special Funds, and Fiduciary Funds as well as the five year rolling CIP budget.

The Council-appointed budget sub-committee of Vice Mayor Haydon and Council Member Catalano met with the City Manager and the Finance Manager on May 18, 2018 to review and critique the assembled budget information and available materials. The budget figures discussed have the approval of the sub-committee for submittal to the City Council, which have been incorporated into the attached Proposed Budget.

DISCUSSION

A substantive discussion of the contents of the Proposed Budget begins on page 1 (Budget Message) of the attached Proposed Budget.

FISCAL IMPACT

The fiscal impact of the Proposed Budget is detailed in the attached budget document.

Attachments: Proposed FY 2018-2019 City Budget and 5-Year CIP Budget

PROPOSED BUDGET

2018 - 2019

THE CITY COUNCIL

KEITH HAYDON, MAYOR
DAVID T. SHUEY, VICE MAYOR
TUIJIA CATALANO, COUNCILMEMBER
JIM DIAZ, COUNCILMEMBER
JULIE K. PIERCE, COUNCILMEMBER

* * *

RECOMMENDED BY:

GARY A. NAPPER, CITY MANAGER

PREPARED AND PRESENTED BY:

KEVIN MIZUNO, FINANCE MANAGER, CPA

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



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**BACKGROUND
INFORMATION
2018-19**

OUR MISSION

To be of exemplary service to the Clayton community with an emphasis on:

- Health and safety
- Responsive customer service
- Highly trained team of employees
- A cooperative work environment

OUR VALUES

- Courtesy
- Creativity
- Diversity
- Employee participation
- Ethical behavior
- Fiscal responsibility
- Inclusiveness
- Informed risk taking
- Open communication
- Professionalism
- Trustworthiness

OUR VISION

The City of Clayton organization will be recognized as a premier small city. Customer service will be our hallmark; organizational processes will be a model of efficiency and effectiveness; innovation will be common place; and excellence of work product will be the norm. The employees will enjoy their work environment, and each will be a valued and respected member in his or her field of work. All residents and the City Council will be proud of their City government.

DIRECTORY OF OFFICIALS AND ADVISORY BODIES

CITY COUNCIL

Keith Haydon, Mayor
David T. Shuey, Vice Mayor
Tuija Catalano, Councilmember
Jim Diaz, Councilmember
Julie Pierce, Councilmember

COMMISSIONS

Planning Commission

COMMITTEES

Trails and Landscaping Committee

APPOINTED OFFICIALS AND DEPARTMENT HEADS

Gary A. Napper	City Manager
Malathy Subramanian	City Attorney (contract)
Laura Hoffmeister	Assistant to the City Manager
Elise Warren	Chief of Police
Janet Brown	City Clerk / HR Manager
Kevin Mizuno	Finance Manager
Mindy Gentry	Community Development Director
Scott Alman	City Engineer (contract)
Hank Stratford	City Treasurer
Jim Warburton	Maintenance Supervisor



Demographics and Economic Characteristics

Date of Incorporation	March 18, 1964
Form of Government (General Law)	Council-Manager
Number of authorized City positions	26
Population:	
Population	11,431
Median age	46.1
Median household income	\$150,436
Registered voters	7,773
Area in square miles	4.3
Miles of Streets:	
Lane miles	44.9
Pavement Condition Index (PCI)	85 ["Very Good" rating]
Fire Protection: (Contra Costa County Fire Protection District)	
Number of stations (Station No. 11)	1
Police Protection:	
Number of stations	1
Number of patrol vehicles	11
Number of sworn personnel	11
Public Education:	
Elementary School	1
Mt Diablo Elementary	
Middle School	1
Diablo View Middle School	
Library: (Contra Costa County Library System)	
Number of branch libraries	1
Parks & Community Facilities:	
Park sites	7
Park acreage	19.07
Open space acreage	515.51
Open space trail miles	20
Creekside trail miles	7
Endeavor Hall	1
Hoyer Hall (in the library)	1
City Hall Conference Room	1

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BUDGET MESSAGE

2018-19

BUDGET SUMMARY

Presented herein for public review and consideration is the City's proposed budgets for FY 2018-19. It is an annually balanced budget as required by law, and the General Fund displays a balanced budget of projected revenues exceeding expenditures resulting in a planned operating surplus of **\$101,970** (2.22%).

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

CITY OF CLAYTON BUDGETS					
BUDGET AREA	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
GENERAL FUND	\$ 4,587,220	\$ 4,455,050	\$ 4,261,720	\$ 4,095,928	\$ 3,852,275
OTHER FUNDS*	5,420,805	4,817,118	5,689,924	4,377,355	4,077,244
CAPITAL IMPROVEMENT PROGRAM	2,746,513	2,471,256	2,919,565	1,696,863	772,525
SUCCESSOR AGENCY	692,490	711,957	1,125,996	676,521	725,805
TOTAL	\$ 13,447,028	\$ 12,455,381	\$ 13,997,205	\$ 10,846,667	\$ 9,427,849

*Includes the City's twelve (12) special revenue, three (3) internal service, one (1) enterprise, and eight (8) fiduciary funds (excluding the Successor Agency fiduciary fund reported separately in the table).

The combined financial program proposed for the General Fund, the City's Other Funds, the Capital Improvement Program (CIP), and the Successor Agency is \$13,447,028, an overall increase of \$991,647 (7.96%) over last year's adopted total budget. This increase results from a significant increase in appropriations in the Measure J and CIP fund budgets, as well as the creation of a new special revenue fund to account for SB1 Road Maintenance and Rehabilitation Account (RMRA) gas taxes in accordance with the state law. The noteworthy increase in proposed expenditures of the Measure J and CIP fund budgets is attributable to capital project expenditures in the CIP fund and corresponding reimbursing inter-fund transfers from the Measure J fund for 2018 Neighborhood Streets Repave Project (CIP 10436) as well as the Keller Ridge Drive Collector Street Rehabilitation Project (CIP 10425). The newly created RMRA Gas Tax Fund (No. 202) includes proposed FY 2018-19 appropriations of \$254,238 to transfer funds to the CIP necessary to finance the 2018 Neighborhood Street Project (CIP 10436) and the Pine Hollow Road Upgrade Project (CIP 10379).

Consistent with the prior year adopted General Fund budget, the proposed fiscal plan for next year (FY 2018-19) anticipates continued restoration and growth in the local share of real property tax revenues arising from a steadily strengthening economy. The City of Clayton's base economy of desirable family-friendly residential real estate continued to gain ground this past year (FY 2017-18) demonstrated by the overall increase of 4.05% in real property assessed valuations as published by the County Assessor's Office on June 29, 2017.

**City of Clayton
Budget Message
General Fund Revenues**

GENERAL FUND REVENUES

FY 2017-18 Revenue Projections

Although the current fiscal year has not closed at the time of budget preparation for the upcoming year, sufficient information is available to project what year-end FY 2017-18 revenues will look like. At this time, General Fund revenue is expected to total approximately **\$4,607,450** by the close of FY 2017-18. This projection reflects a favorable variance of **\$141,570** (3.17%) over revenues per the FY 2017-18 General Fund adopted budget. This positive news is ultimately attributable to better than projected results from two main sources: secured ad valorem property taxes and sales & use taxes.

Growth in secured property tax revenue is visible in three General Fund revenue line items: (1) local ad valorem secured property taxes; (2) the City's share of the Redevelopment Property Tax Trust Fund (RPTTF) residual balance; and (3) property tax in-lieu of vehicle license fees (VLF) from the State of California. This favorable result is explained by actual assessed property values growing by 4.05%, which exceeded the City's intentionally cautious projection of 2.0%. The FY 2017-18 assessment roll was not published by the Contra Costa County Assessor's Office until June 29, 2017, following the adoption of the City's FY 2017-18 budget.

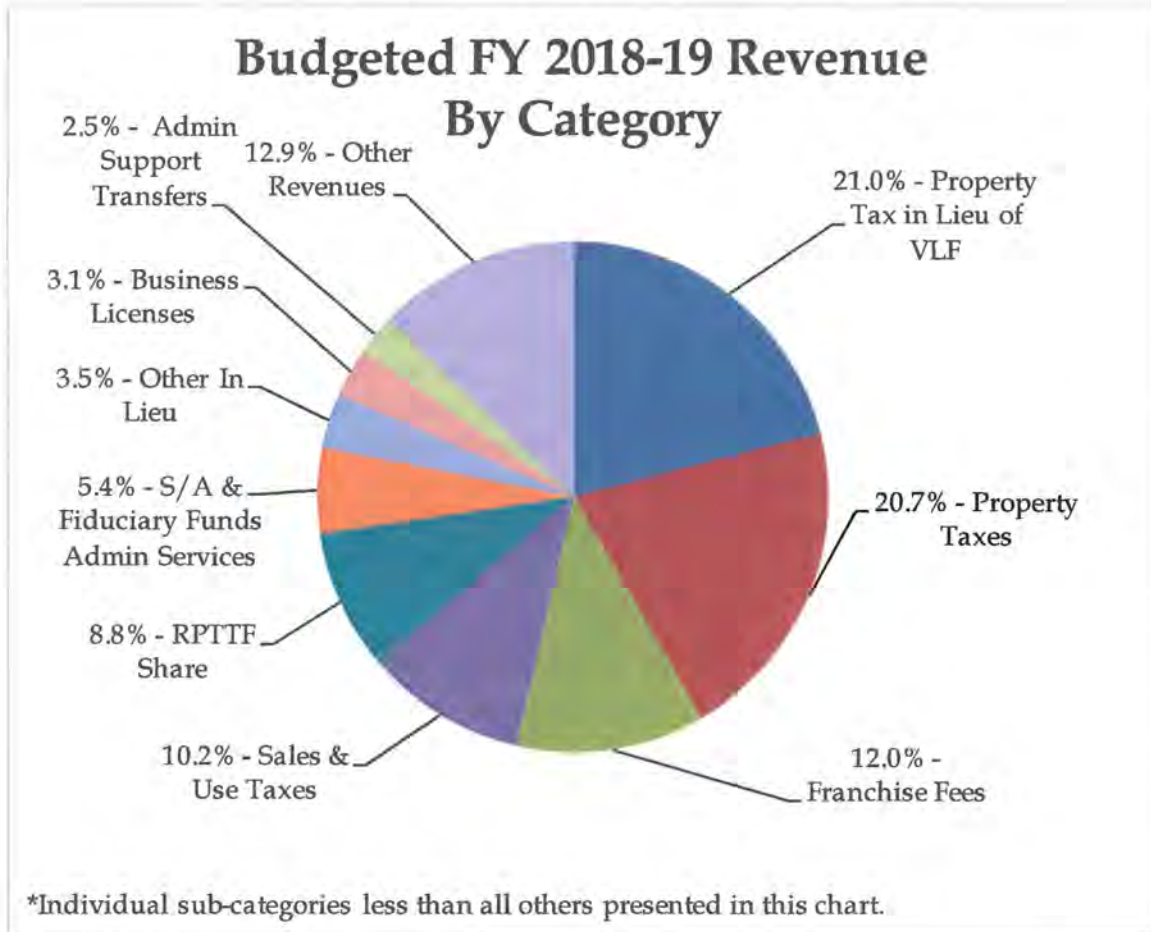
The positive budgetary variance in sales & use taxes is explained more by a conservative FY 2017-18 budgeted revenue projection for this line item rather than growth in taxable sales alone. During the preparation of the FY 2017-18 budget there was a high degree of uncertainty (and skepticism) with the timing of State allocations of locally generated sales & use tax. Since the statutory elimination of the Triple-Flip on January 1, 2016, quarterly true-ups of sales & use taxes from the State have become sporadic and difficult to predict. As such, the City adopted a cautious approach when projecting FY 2016-17 and consequently FY 2017-18, sales & use tax revenues. With the calendar year 2017 1st and 2nd quarter true-ups coming in much higher than estimated, FY 2016-17 sales & use taxes ultimately closed nearly 7% higher than projected during the preparation of the FY 2017-18 Proposed Budget. Sadly, the California Department of Tax and Fee Administration (CDTFA) has exuded little confidence quarterly true-ups will become more consistent prospectively. On May 16, 2018 the CDTFA made a public announcement of its transition to a new revenue collection and allocation system as well as a significant revision to the nature and timing of future quarterly true-up allocations to local agencies.

FY 2018-19 Revenue Projections

The FY 2018-19 proposed budget projects total General Fund revenues of **\$4,689,190**. This is an increase of **5.0%** over the prior year adopted budget. This growth projection is supported by actual FY 2017-18 operational revenue results to-date and is encouraging news for the local economy revealing that real property values and sales

**City of Clayton
Budget Message
General Fund Revenues**

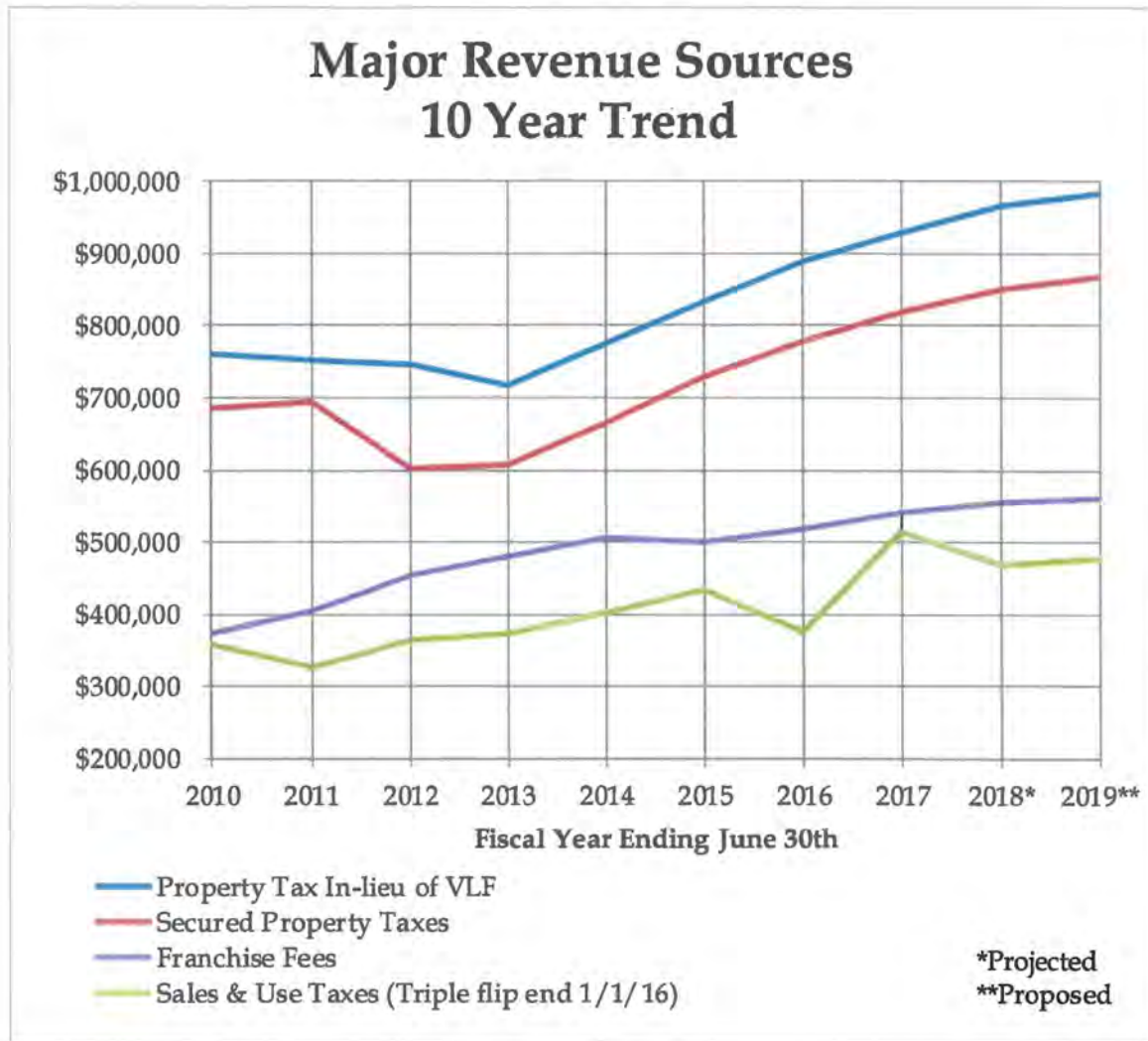
commerce continue to steadily rise. The chart below depicts the proportional share of each major revenue category of the General Fund for FY 2018-19:



As illustrated in the pie chart above, a noteworthy portion (approximately 63.9%, of General Fund revenues) are concentrated in four different sources. The “slice of the pie” of these four major revenue sources grew slightly by 1.6% over the prior year with their growth rates collectively exceeding that of other less significant revenues where growth rates are either statutorily capped by the annual consumer price index or have flat lined. In order of significance these four key revenue sources include: (1) property tax in-lieu of vehicle license fees (VLF), (2) local secured ad valorem property taxes, (3) sales & use taxes, and (4) franchise fees.

**City of Clayton
Budget Message
General Fund Revenues**

The following chart illustrates the ten year trend of these four major revenue sources for the City:



The previous trend analysis chart illustrates the gradual recovery of the local economy following the “Great Recession” in 2008. Revenue sources with delayed downturns arising from the recession (i.e. property tax in-lieu of VLF and general property taxes) have made a comeback and now exceed pre-recession levels.

**City of Clayton
Budget Message
General Fund Revenues**

The following section provides background and analysis of the City's most significant revenue sources.

Property Tax in Lieu of Vehicle License Fees

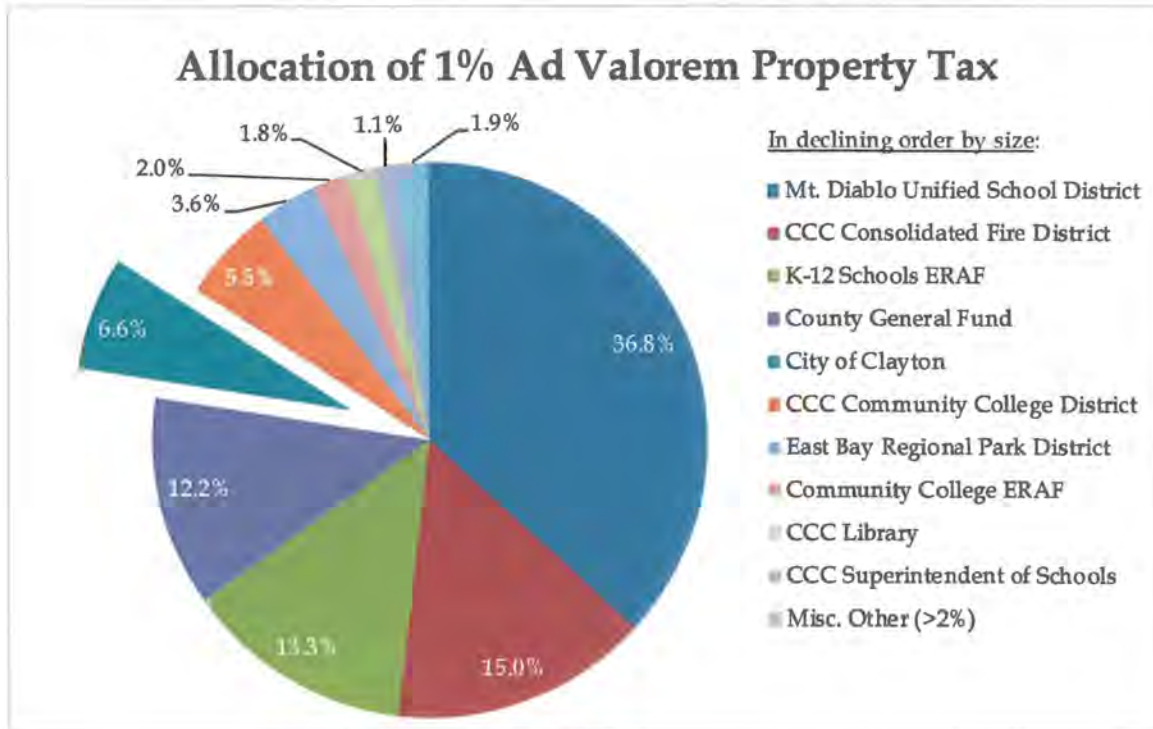
Now the largest revenue source making up 21.0% of General Fund budgeted revenues for FY 2018-19 is property tax in lieu of vehicle license fees (VLF). The VLF is an annual value tax on the ownership of registered vehicles. It is collected by the California Department of Motor Vehicles and then distributed to cities and counties. In 2004, the California State Legislature permanently reduced the tax rate from 2.0% to 0.65% of a vehicle's current market value. The reduction in VLF revenue to cities and counties was offset by an increased transfer of "Property tax in lieu of VLF." The City is projecting revenue of \$985,600 in FY 2018-19, which is an increase of approximately 2.0% over projected actuals for FY 2017-18. This modest growth rate reflects the cautious projection of a steadily growing economy and propensity to own newer vehicles.

Local Secured Ad Valorem Property Taxes

The second largest revenue source making up 20.7% of General Fund budgeted revenues for FY 2018-19 is the City's share of the local ad valorem property taxes. Secured property taxes are an ad valorem tax imposed on real property such as land and permanently attached improvements. Proposition 13 (1978) limits the real property tax rate to 1% of a property's assessed value for ad valorem tax purposes, and also controls annual growth. The amount of the tax is based on an annually determined assessed valuation calculated by the County Assessor's Office and is paid by property owners to the county tax collector. The County Auditor-Controller then allocates this to local taxing agencies pursuant to a statutory allocation formula applicable to the tax rate area (TRA) the underlying parcel is located within. The City of Clayton has ten (10) TRAs, with the largest TRA by current assessed value returning only 6.63% of the full one percent tax back to the General Fund. Comparatively, the City remains a "low property tax city" stemming from the original implementation of Proposition 13 in 1978. For FY 2018-19, the City's share of secured local property tax revenues is projected to be \$985,000, which is an increase of approximately 2.0% over projected actuals for FY 2017-18.

**City of Clayton
Budget Message
General Fund Revenues**

The following illustration summarizes the statutory allocation of the 1% general ad valorem secured property tax to each taxing entity:



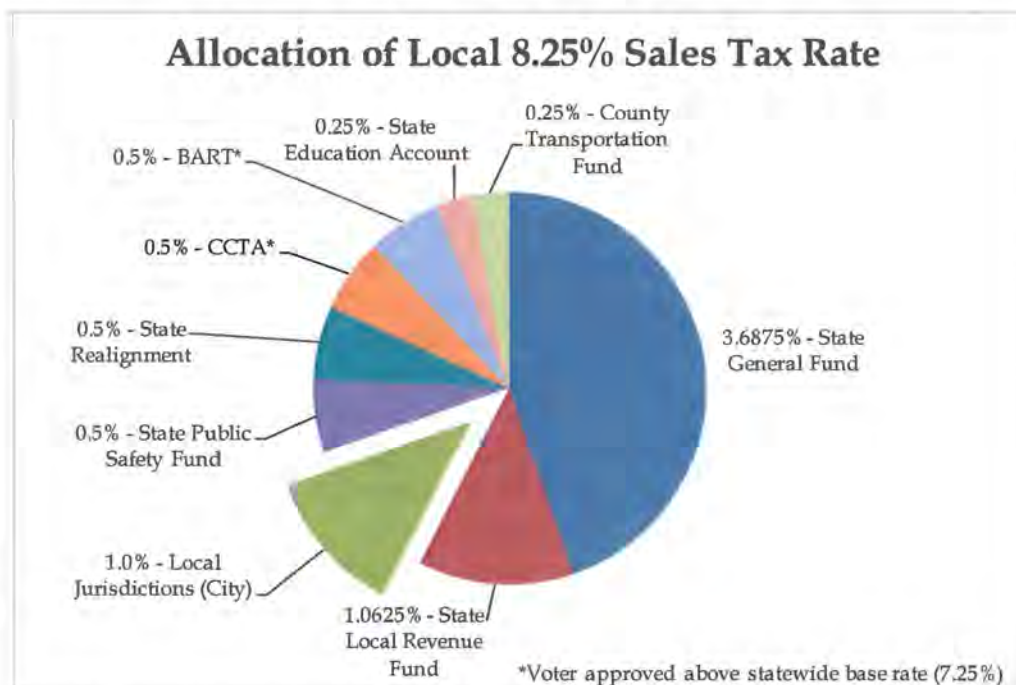
Franchise Fees

The third largest revenue source making up 12.0% of General Fund budgeted revenues for FY 2018-19 is franchise fees. Franchise fees are rent paid by utilities or other businesses for the privilege of using the City's right of way (i.e. streets, sidewalks, etc.) to locate utility lines, operate vehicles, and/or conduct private business for profit. The City collects a 1.0% franchise fee from Pacific Gas & Electric and a 5.0% franchise fee from cable operators (i.e. Comcast and AT&T/Pacific Bell). In addition, the City collects a 10.0% franchise fee from Republic Services for its collection, transportation, disposal and diversion of solid waste and recyclable materials. In the City's long-term forecasting, there is a risk that the emergence of wireless operations may eventually negatively affect this revenue source to local governments. In the more immediate future, however, it is expected that franchise fee revenues will remain relatively consistent growing by approximately 1.0% in FY 2018-19 to a total of \$560,900.

**City of Clayton
Budget Message
General Fund Revenues**

Sales & Use Taxes (Including "Triple Flip")

The fourth largest revenue source making up 10.2% of General Fund budgeted revenues for FY 2018-19 is sales & use taxes. This is a tax imposed on the total retail price of any tangible personal property unless specifically exempt by the California Department of Tax and Fee Administration (Formerly the California Board of Equalization) as well as the use or storage of such property when sales tax is not paid. Although the unadjusted general state-wide sales tax rate applied to transactions is 7.25%, the basic local rate (aka "Bradley-Burns" rate) returned to local agencies (i.e. City of Clayton) is only 1.0%. This local portion is unrestricted and must be received into the General Fund. In the City of Clayton, the applicable sales tax rate is currently 8.25% due to a combination of other additional local and regional voter-approved measures. The City is projecting sales & use tax revenue of \$477,000 in FY 2018-19, which is an increase of approximately 1.9% over projected actuals for FY 2017-18. This cautious growth rate weighs optimistic factors against some pervasive risks. Optimism for growth is evidenced by historical revenue trends, the positive regional economy outlook as well as growth in the annual April 2018 consumer price index of 3.22%. These optimistic factors are ultimately held at bay through consideration of an expanding online retail market reducing the number of taxable transactions and inherent geographic limitations of the City creating a ceiling of growth potential for this revenue category. Below is a chart depicting the current allocation of the 8.25% sales tax rate applied to all taxable transactions in the City of Clayton:



**City of Clayton
Budget Message
General Fund Revenues**

Redevelopment Property Tax Trust Fund Revenue

The fifth largest revenue source making up 8.8% of General Fund budgeted revenues for FY 2018-19 is the City's share of the Redevelopment Property Tax Trust Fund (RPTTF) residual balance. Pursuant to Assembly Bill 1 26x, with the Clayton Redevelopment Agency (RDA) dissolution as of February 2012 (FY 2011-12), the Clayton "Successor Agency" became the heir to the RDA. The Successor Agency receives funds through the RPTTF sufficient to pay/retire debt service and enforceable obligations of the former RDA as requested through the semi-annual "Recognized Obligation Payment Schedule" (ROPS) process, which is subject to approval by the California Department of Finance (DOF). Prior to the City of Clayton receiving its share of RPTTF taxes levied by the County, monies are first used to pay County administrative fees, required tax sharing payments (i.e. pass through payments), and approved enforceable obligations on the Successor Agency's ROPS. Thereafter, the residual balance of the County RPTTF is distributed by the County to the school entities, city, county, and special districts based on their proportionate share of property tax revenues. The City of Clayton's share of this residual balance is approximately 6.96%. The amount of RPTTF residual balance allocated to the City is negatively correlated with the amount of state-approved obligations included in each ROPS. For FY 2018-19, after incorporating the state-approved ROPS and pass-through payments, it is expected the City will receive approximately \$414,000 in RPTTF revenues, representing an 8.38% increase over projected actuals for FY 2017-18. This revenue stream ceases at such time the debt obligations of the Successor Agency are fully retired, at which time the revenue reverts to normal distribution of the 1.0% local property tax source to underlying taxing entities (including the City).

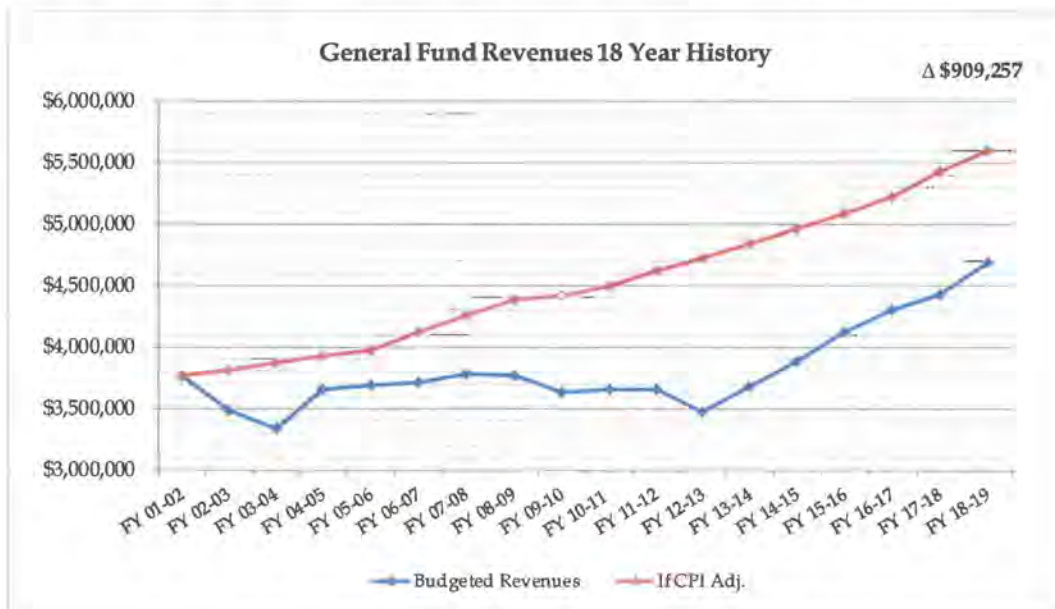
Fiduciary Funds Administrative Service Charges

The sixth largest revenue source making up 5.4% of General Fund budgeted revenues for FY 2018-19 is derived from administrative support charges from the Successor Agency and other fiduciary funds of the City. Since the creation of the Successor Agency in 2012, the City has received \$250,000 on an annual basis for administrative support services in accordance with *California Health & Safety Code* Section 34171(b). However, the Governor's May 2015 trailer bill (AB 113) placed additional restrictions on the administrative allowance an administering agency may receive, potentially resulting in a cap substantially less than the previous \$250,000 floor amount. The most detrimental impact this trailer bill was to apply an administrative allowance cap of 50% to RPTTF monies actually "received" in the prior year, rather than to the total amount of "approved" enforceable obligations. The City experienced its first loss from this new state decree in FY 2016-17 when the City received only \$231,915 for Successor Agency administrative support revenues. Pursuant to an April 12, 2018 Determination Letter issued by the DOF approving the Successor Agency's 2018-19 ROPS, the

**City of Clayton
Budget Message
General Fund Revenues**

City will be receiving an administrative allowance of \$234,720 for FY 2018-19. After FY 2018-19, these Successor Agency administrative revenues are projected to fluctuate annually between \$196,000 and \$250,000 until the dissolution of the Successor Agency in FY 2025-26 following the maturity of the 2014 refunding Tax Allocation Bonds. Including administrative cost recovery from the other fiduciary funds of the City, the total Fiduciary Funds Administrative Charges line item is expected to be \$254,827. This reflects a 5.5% decrease from projected actuals for FY 2018-19 resulting from the statutory cap imposed by the DOF as outlined previously. Despite the County Board of Supervisors taking over the role of Oversight Board effective July 1, 2018 pursuant to state legislation, it is still expected the City will continue to receive this annual administrative recovery revenue until dissolution of the Successor Agency. At this point no information has been made publicly available suggesting the elimination of this revenue, which would be catastrophic to the City's annual General Fund operating budget. However, given the City's exposure and the risk level, management will continue to monitor legislative action at the State and County and report significant developments to the City Council.

Overall, the principal sources of General Fund operating revenue are growing steadily, suggesting the local economy is healthy. However, when looking at a eighteen (18) year history of General Fund budgeted revenues, actual revenue growth has clearly not kept pace with inflation. The following line chart illustrates the growing difference between actual General Fund budgeted revenues versus FY 2001-02 base year revenues adjusted for annual changes in the consumer price index for the San Francisco-Oakland-Hayward region, with the difference in FY 2018-19 being \$909,257:



**City of Clayton
Budget Message
General Fund Expenditures**

GENERAL FUND EXPENDITURES

The proposed FY 2018-19 budget incorporates total appropriations of \$4,455,050, which reflects an overall increase of 2.97% in General Fund operations compared to the prior year adopted budget.

FY 2017-18 Expenditure Projections

The starting point for developing next year's budget is forecasting current year results and analyzing how actual results compare to the budgetary projections. General Fund operational expenditures are expected to total approximately \$4,370,077 by the close of FY 2017-18. If realized, this projection will result in a favorable budgetary variance with operational expenditures coming in \$84,973 less than the adopted FY 2017-18 General Fund budget of \$4,455,050.

The bulk of this favorable budgetary variance on the expenditure side is attributable to savings in the Police Department, where expenditures are projected to fall short of authorized appropriations by 4.3%. This variance is primarily a result of some unexpected personnel attrition in the police department, where more seasoned personnel at maximum step levels were replaced with newer personnel hired at lower step levels. Currently the Police Department is at full staff and the FY 2018-19 Proposed Budget continues to plan for a full workforce of thirteen full-time benefited employees, including eleven sworn police officers and two office staff.

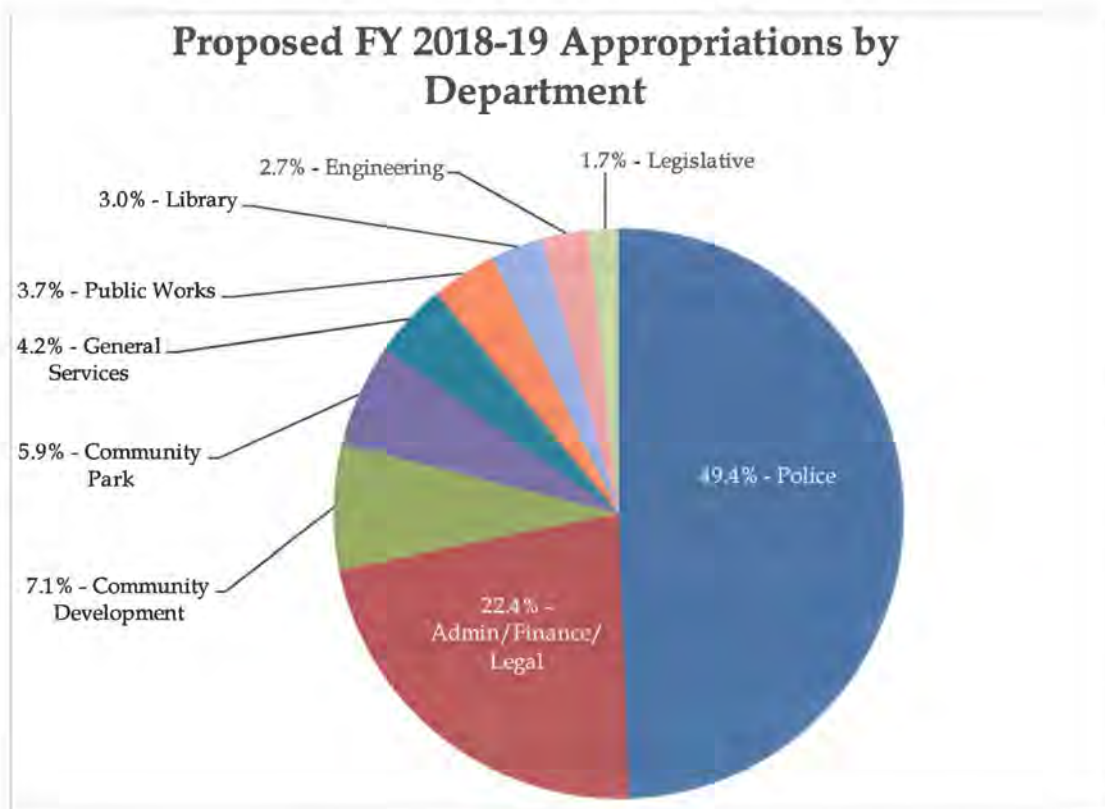
FY 2018-19 Proposed Appropriations

The following table provides a year-to-year comparison of proposed General Fund appropriations at the department level:

GENERAL FUND DEPARTMENTAL ADOPTED BUDGETS			
DEPARTMENT	FY 2018-19	FY 2017-18	% CHANGE
LEGISLATIVE	\$ 75,820	\$ 65,650	15.49%
ADMIN / FINANCE / LEGAL	1,027,820	956,090	7.50%
PUBLIC WORKS	168,510	147,180	14.49%
COMMUNITY DEVELOPMENT	325,840	308,040	5.78%
GENERAL SERVICES	193,360	157,800	22.53%
POLICE	2,266,590	2,373,460	-4.50%
LIBRARY	136,690	135,550	0.84%
ENGINEERING	122,320	94,600	29.30%
COMMUNITY PARK	270,270	216,680	24.73%
TOTAL	\$ 4,587,220	\$ 4,455,050	2.97%

**City of Clayton
Budget Message
General Fund Expenditures**

In the aggregate, total proposed appropriations for FY 2018-19 are 2.97% higher than those of the prior year adopted budget. This increase is nearly entirely attributable to unavoidable fixed cost increases while continuing to provide the same level of public services to the community. The following pie chart illustrates each department's proportionate share of total proposed General Fund appropriations for FY 2018-19:



The order of departmental appropriations by proportional share of the General Fund is consistent with the prior year's adopted budget. The Police Department's slice of the General Fund operational budget pie was notably lower than ordinary at 49.4%, representing a decrease of 3.9% from the prior year's adopted budget. The main cause of this atypical decrease results from a non-recurring decrease in the CalPERS unfunded liability fixed dollar contribution requirement for the Public Safety "Classic" Tier I retirement plan following the full amortization of the corresponding side fund unfunded liability. This resulted in an immediate and non-recurring decrease to the PERS Retirement - Unfunded Liability expense line item of \$138,900 (49.26%). Furthermore, the Police Department's FY 2018-19 Proposed Budget does not yet incorporate any compensation adjustments for the City's ten sworn officers of the Police Officers Association (POA) due to the expiration of the current collective bargaining

**City of Clayton
Budget Message
General Fund Expenditures**

memorandum of understanding on July 1, 2018. However, it should be noted the City Manager is currently in the final stages of reaching agreement with the POA, which is expected to be recommended to the City Council for approval at the June 19, 2018 City Council meeting. The current percentage depicted above is expected to “normalize” closer to a 50% or greater share of the General Fund pie following the approval of a new POA labor agreement. Generally, when looking at the departmental distribution of appropriations, every \$1.00 paid by taxpayers as general tax revenue to the City, slightly over one-half of the tax monies (>50¢ of every \$1) is used to provide local law enforcement services to the community.

As a service-provider organization, it is expected the expense for personnel services comprises the bulk of General Fund appropriations. The proportion of expenditures related to personnel services decreased slightly by 3.11% to a total of approximately 66.1% of the overall proposed General Fund budget, largely due to the current status quo assumption for the Police Officer’s Association labor agreement. Overall the proportion of General Fund appropriations attributable to labor-related costs has been controlled and remained relatively steady at approximately two-thirds of the General Fund budget over the past five-plus years.

Legislative Department (No. 01)

This is the smallest General Fund department making up 1.7% of proposed budgeted expenditures. Services funded by this department include but are not limited to: City Council members to set policy goals and objectives for the community, regular and special meetings of the City Council and recordings thereof, administering elections, and steering City promotional activities. Proposed appropriations of this department reflect an increase of 15.49% as it is anticipated there will be a general municipal election occurring in FY 2018-19, as was not the case in FY 2017-18.

Admin / Finance / Legal Department (No. 02)

This department makes up 22.4% of General Fund Proposed Budget expenditures. By its nature, the Admin/Finance/Legal Department provides essential administrative, oversight, and supportive services for all of the City’s direct-cost programs including but not limited to: police, community development, parks and landscape maintenance services, capital improvements, etc. Several specific functions funded by this department include but are not limited to: executive management and policy execution; legal counsel; human resources; financial, budgetary and compliance reporting; treasury and investment management; payroll and benefits administration; disbursements; revenue collection; records retention management and public records act facilitation; and facility rentals. Proposed appropriations reflect an increase of 7.5% over the prior year adopted budget. The primary explanation for this

**City of Clayton
Budget Message
General Fund Expenditures**

increase is the Admin/Finance/Legal Department's proportional share of the increase in mandatory CalPERS unfunded liability fixed dollar contribution requirements as well as a cost of living adjustment included in the third and final year of the current miscellaneous employee group memorandum of agreement.

Public Works Department (No. 03)

This department makes up 3.7% of General Fund Proposed Budget expenditures. Services funded by the Public Works Department include but are not limited to the maintenance of city hall and other facilities, grounds, and buildings as well as maintenance of the City's five neighborhood parks (El Molino, Lydia Lane, North Valley, Stranahan, Westwood). Proposed appropriations of this department reflect a noteworthy increase of 14.49% over the prior year attributable to the restoration of Capital Equipment Replacement Fund (CERF) charges to more adequately fund the replacement of maintenance vehicles as well as a cost of living adjustment included in the third and final year of the current miscellaneous employee group memorandum of agreement.

Community Development Department (No. 04)

This department makes up 5.9% of General Fund Proposed Budget expenditures. Services funded by the Community Development Department include but are not limited to: long-range planning and special studies (i.e. transportation, housing, zoning, etc.); ensuring compliance of land development and private party design proposals with local, state and federal regulations; municipal code enforcement; and administration of the city's low to moderate income housing program. Proposed appropriations reflect an increase of 5.78% over the prior year adopted budget. This increase in this department is primarily attributable to approval by the City Council on January 16, 2018 to adjust the salary ranges of four management employment positions, which included the Community Development Director.

General Services Department (No. 05)

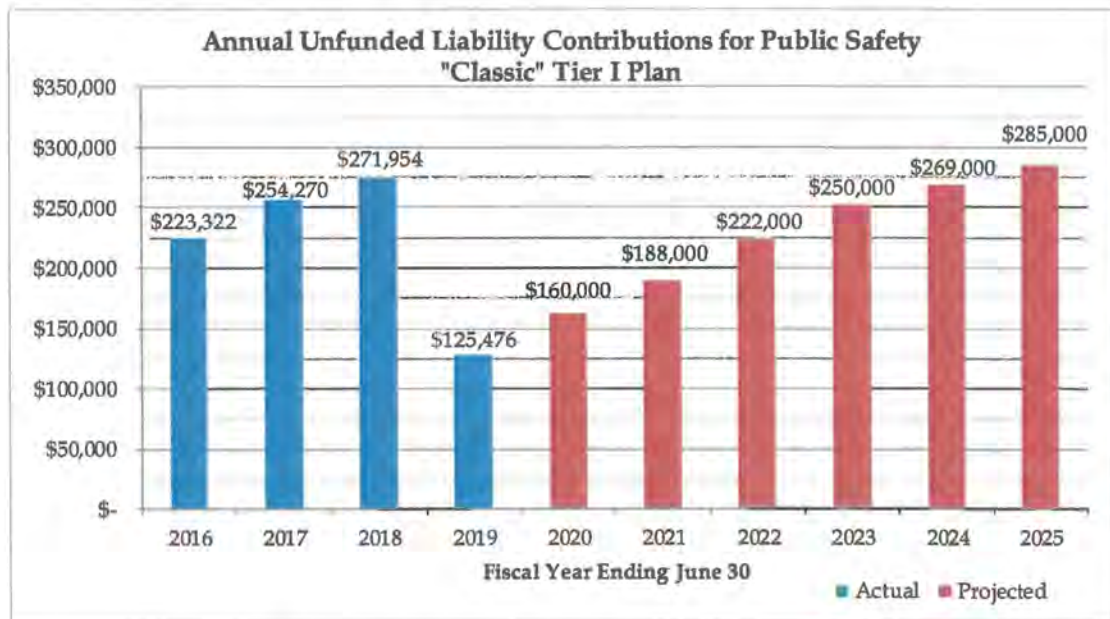
This department makes up 4.2% of General Fund Proposed Budget expenditures. By its nature, the General Services Department captures essential support costs shared amongst all of the City's departments and funds. Several specific functions funded by this department include but are not limited to: city-wide risk management and insurance premiums; computer, software, and network technology support; and office supplies and shared printer/copy/scanning costs (excluding those of the police department which is tracked separately). Proposed appropriations for this department are expected to spike by 12.67% over the prior year adopted budget. This increase is primarily attributable to increases in Municipal Pooling Authority (MPA) general liability and excess

**City of Clayton
Budget Message
General Fund Expenditures**

liability insurance premiums due to shared risk experience trends of other MPA member cities.

Police Department (No. 06)

This is the largest General Fund department making up 49.4% of proposed budgeted expenditures. Services funded by the Police Department include but are not limited to: traffic enforcement, vehicle collision and crime investigation, contract animal control and dispatch services, and police records management. Proposed appropriations currently reflect an unusual decrease of 4.50% from the prior year adopted budget. As noted previously, this decrease is primarily attributable to a non-recurring decrease in the CalPERS unfunded liability fixed dollar contribution requirement for the Public Safety "Classic" Tier I retirement plan following the full amortization of the corresponding side fund unfunded liability. The immediate impact of the full amortization of the Tier I side fund is evidenced by the decrease to the FY 2018-19 Police Department budget's PERS Retirement - Unfunded Liability expense line item by \$138,900 (49.26%) to a total line item expenditure of \$143,100. The savings realized in FY 2018-19 should be considered cautionary and non-recurring as the latest CalPERS actuarial reports made publicly available in August 2017 show a gradual "claw-back" of these savings as illustrated in the chart below:



Although CalPERS' claw back of unfunded liability contribution savings realized in FY 2018-19 is gradual and does not return to the pre-side fund payoff until FY 2024-25, there are some more long-term variables to consider. Chiefly, this chart

**City of Clayton
Budget Message
General Fund Expenditures**

excludes the impact of normal cost pension contributions based on a percentage of pensionable wages for which rates are already scheduled to increase gradually on an annual basis through FY 2020-21. Secondly, these CalPERS estimates assume an investment return of 7.375%, 7.25%, and 7.0% for FY 2016-17, FY 2017-18, and FY 2018-19 (and thereafter) respectively. Should the investment return for these three years differ, the actual contribution requirements for FY 2019-20 will differ from the projections shown in the previous chart.

Library Department (No. 07)

This department makes up 3.0% of General Fund Proposed Budget expenditures. Services funded by the Library Department include but are not limited to: City maintenance of the City-owned Clayton Community Library building, grounds and equipment, and funding Sunday and weekday County Library staffing hours beyond the County's base of 35 hours a week. Proposed appropriations are relatively steady and only reflect a modest increase of only 0.84%.

Engineering Department (No. 08)

This department makes up 2.7% of General Fund Proposed Budget expenditures. Services funded by the Engineering Department include but are not limited to: administration of the City's capital improvement program, plan check and review of construction/development plans, administration of the City's encroachment permit program, and management of various benefit assessment districts. On August 14, 2017 the City Council authorized a one year professional services contract with Harris & Associates for contract city engineering services. Proposed appropriations of this department spiked by 29.30% over the prior year adopted budget reflecting the higher retainer price of the new Harris & Associates contract, which is a reputable firm with greater state-wide municipal presence. Of key importance to note is the Proposed Budget currently assumes status quo contract terms through FY 2018-19 despite the expiration of the contract in August 2018.

Clayton Community Park Department (No. 09)

This department makes up 5.9% of General Fund Proposed Budget expenditures. Services funded by the Clayton Community Park Department include but are not limited to: landscaping of the Clayton Community Park grounds, maintenance of recreational sporting fields and related equipment/facilities, repairs and maintenance of water irrigation network, and trash removal. Proposed appropriations reflect an upsurge of 24.73% to reflect the normalization of irrigation costs following prior drought conditions as well as 6% increase in water rates approved by the Contra Costa Water District on January 3, 2018.

City of Clayton
Budget Message
General Fund Reserves

GENERAL FUND RESERVES

FY 2017-18 Projected Operational Surplus

The prior year adopted City Budget anticipated a surplus resulting from operations of \$10,830. Due to favorable revenue and expenditure budgetary variances, it is projected that FY 2017-18 will close with an operational surplus of **\$101,970**. This favorable revenue variance arises from better than estimated outcomes in ordinary operational revenue line items as described in the FY 2017-18 Revenue Projections section previously. The actual FY 2017-18 operational expenditures are expected to come in slightly under budget due to the attrition of several tenured and higher step level personnel in the City's police workforce over the past year.

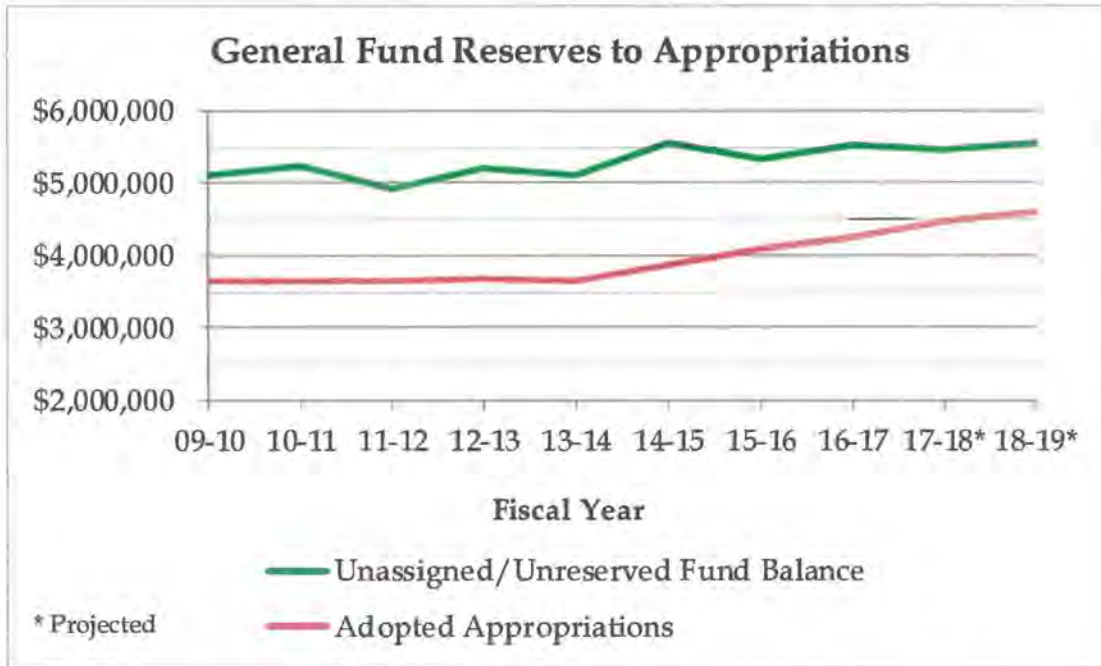
General Fund Reserve Earmarks Authorized by the City Council

Concurrent with the receipt of a "clean" opinion from the City's independent auditing firm of Cropper Accountancy Corporation presented to the City Council on October 17, 2017, the City learned FY 2016-17 operations closed with an overage in fund balance of \$299,222 in the General Fund, as evidenced on page 29 of the City's audited Comprehensive Annual Financial Report (CAFR). In this same CAFR, the City's General Fund reported a total positive fund balance of \$5,917,281, of which \$5,429,524 is reported as "unassigned" and available for appropriation. The General Fund unassigned reserve balance at June 30, 2017 exceeded appropriations of the adopted FY 2017-18 General Fund operating budget by **1.21 times**. In contrast, this same ratio of reserves to operating budget for Lafayette and Moraga is 0.69 and 0.27 respectively. This means unlike these fine neighboring cities, the City of Clayton could operate for one fiscal year entirely on reserves alone.

With the General Fund primarily shouldering the bulk of essential public services to our community and for the operations of the municipality (e.g. personnel services), it is often difficult to incorporate larger ticket items into the annual budget while maintaining the City Council's policy of producing an annually-balanced budget with operating surplus. Therefore, the General Fund reserve is multipurpose in its function as the City's "savings account", not only for emergency and disaster purposes, but also to underwrite one-time expenditure items that are merely too large and non-recurring in nature to tuck into a normal balanced operating budget.

**City of Clayton
Budget Message
General Fund Reserves**

The following illustrates a ten year comparison by fiscal year, of beginning General Fund reserves to adopted appropriations. In order to avoid over-inflation, General Fund reserves are defined as total General Fund balance per the underlying audited financial statements less any outstanding City Council-approved assignments or commitments of excess reserves.



Given the healthy position of the City of Clayton’s reserves and the need to address non-recurring operational unmet needs of the City, the City Council has three times previously directed staff to utilize recent General Fund annual excess for specific critical technological, infrastructural, and operational purposes. Since the specific needs approved by the City Council would not be sustainable in an ordinary balanced operating budget, the utilization of recent excesses is a responsible use of built-up reserves presuming there remains a sufficient balance to cover next year’s General Fund operational budget in an emergency situation. Categorized as being non-recurring and non-operational in nature, expenditures pertaining to the completion of these authorized projects are not reported as part of the operational budget but tracked separately.

The following is a summary of previous actions taken by the City Council to earmark the General Fund excesses for specific purposes:

Earmark of FY 2014-15 General Fund Excess

During FY 2015-16, on February 3, 2016, the City Council took action to utilize the General Fund excess (\$389,895) reported in the FY 2014-15 audited financial

**City of Clayton
Budget Message
General Fund Reserves**

statements to address pressing one-time needs of the City. As reported in the City's audited FY 2015-16 CAFR, \$278,853 of the General Fund reserve was reported as "assigned," which represented the unspent balance the reserve balance earmarked by the City Council on February 3, 2016. Accordingly, this unspent balance was carried forward into FY 2016-17 to address the remaining specifically identified one-time needs identified by the City Council. By the close of FY 2016-17, ten of the fourteen original projects approved by the City Council had been completed by City staff, leaving a residual balance of \$220,168 rolling into FY 2017-18 for completion. The following table summarizes the historical and projected progress on each of the one-time projects authorized by the City Council on February 3, 2016:

Project Description	Original Amount Authorized	Amount Rolled to FY 2016-17 to Complete	Amount Rolled to FY 2017-18 to Complete	Amount Rolled to FY 2018-19 to Complete (Est.)
1. Exterior repaint of city hall	\$ 6,900	\$ -	\$ -	\$ -
2. Exterior/interior repaint of Endeavor Hall	12,240	-	-	-
3. Refinish oak wood floor at Endeavor Hall	5,473	-	-	-
4. Reseal Endeavor Hall concrete walkway	1,250	1,250	-	-
5. Ten (10) additional trash receptacles at CCP	18,322	-	-	-
6. Replace three (3) grills at CCP	1,724	-	-	-
7. Clean/reseal two (2) restroom floors at CCP	4,900	4,900	-	-
8. Purchase new public works mini-excavator	46,243	-	-	-
9. Keller outhouse demolition	20,000	18,668	18,668	-
10. Police cameras at city entry/exit points	132,983	132,817	132,817	-
11. Police labor overlap and training for attrition	38,237	20,881	-	-
12. Upgrade city website and IT services	47,000	47,000	15,346	-
13. Electronic records management (laserfiche)	48,337	48,337	48,337	48,337
14. Searchable online municipal code	5,000	5,000	5,000	5,000
	<u>\$ 388,609</u>	<u>\$ 278,853</u>	<u>\$ 220,168</u>	<u>\$ 53,337</u>

Earmark of FY 2015-16 General Fund Excess

During FY 2016-17, on February 21, 2017, the City Council took action to utilize the General Fund excess (\$203,325) reported in the FY 2015-16 audited CAFR to address an updated priority list of pressing one-time needs of the City. Both of the two projects approved by the City Council to be financed with these excess reserves were in progress by the close of FY 2016-17. Accordingly, the unspent balance of \$195,072 was rolled into FY 2017-18 for completion. The following table summarizes the historical and projected status of each of the one-time projects authorized by the City Council on February 21, 2017:

Project Description	Original Amount Authorized	Amount Rolled to FY 2017-18 to Complete	Amount Rolled to FY 2018-19 to Complete (Est.)
1. Pension stabilization internal service fund	\$ 110,000	\$ 110,000	\$ -
2. Bid specifications and HVAC drawing	7,950	7,950	-
3. Replace AC unit at city hall	61,500	61,500	-
4. Replace heater unit at city hall	23,875	23,875	-
	<u>\$ 203,325</u>	<u>\$ 203,325</u>	<u>\$ -</u>

**City of Clayton
Budget Message
General Fund Reserves**

Earmark of FY 2016-17 General Fund Excess

During FY 2017-18, on January 16, 2018, the City Council took action to utilize the General Fund excess (\$299,000) reported in the FY 2016-17 audited CAFR to address an updated priority list of the remaining one-time needs of the City. Five of the six projects approved by the City Council to be financed with these excess reserves are expected to still be in progress by the close of the current year and roll into of FY 2018-19 for completion. The following table summarizes the historical and projected status of each of the one-time projects authorized by the City Council on January 16, 2018:

Project Description	Original Amount Authorized	Amount Rolled to FY 2018-19 to Complete (Est.)
1. Replace mobile data terminals - 9 Units	\$ 96,000	\$ 96,000
2. Install new AT&T line for DOJ data connect	25,000	23,220
3. Consultant to re-evaluate open space fee	25,000	25,000
4. Green infrastructure plan	50,000	50,000
5. Update local hazard mitigation plan	45,000	24,515
6. Augment pension rate stabilization fund	58,000	-
	<u>\$ 299,000</u>	<u>\$ 218,735</u>

FY 2018-19 General Fund Reserves Status

By set Council Policy, an absolute minimum reserve of \$250,000 as its never-to-be-expended "catastrophic reserve". In practice this is implemented and easily complied with, indicating perhaps this floor requirement should be elevated sometime in the future. However, the practicing Policy Goal of the City Council is to establish and retain an undesignated reserve of 50% relative to the annual General Fund Budget. When incorporating projections on how FY 2017-18 will close, the total opening General Fund reserves, net of outstanding City Council earmarks of reserves, is estimated to be **\$5,450,828** as of July 1, 2018, or **1.19 times** the proposed General Fund appropriations for FY 2018-19. Subtracting the "untouchable" \$250,000 reserve lowers our true reserve equity to a position of **1.13 times** (\$5,200,828). This measurement demonstrates the effectiveness of the City's fiscal policies.

**City of Clayton
Budget Message
Special Revenue Funds**

SPECIAL REVENUE FUNDS

An appendage to the General Fund operations of the City, the City Council and staff are charged with stewardship over the provision of public services employing restricted-use monies accounted for in *special revenue funds*. In accordance with the Government Accounting Standards Board (GASB), special revenue funds are “governmental funds used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.” In total, the City currently has twelve (12) such special revenue funds that account for such restricted use monies. Strict controls and regulations are placed on the City’s special revenue funds’ express purpose and expenditure. These funds are in essence self-contained operations yet form a critical portion of the overall City Budget as these funds underwrite much of the public service and improvement mission of the City. The following section provides a discussion of the fiscal status of each of these special revenue funds.

A. HUTA Gas Tax Fund – No. 201

Derived from layers of state transportation taxes on the sale of gasoline [*California Street and Highway Code*, Sections 2105, 2106, 2107 and 2107.5; voter-approved Proposition 42 “Traffic Congestion Relief Act” monies], this group of revenues is deposited into a fund referred to as the City’s “Highway Users Tax Account (HUTA) Gas Tax Fund”. Local HUTA funds in the past have been a reliable source of funding for cities since the 1970s and are universally used to fund local road maintenance and repairs. The use of HUTA gas taxes is restricted by Article XIX of the California State Constitution and by *California Streets and Highways Code* section 2101. All HUTA gas taxes must be expended for the following:

- The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for non-motorized traffic), including the mitigation of their environmental impacts, the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.
- The research and planning for exclusive public mass transit guideways (and their related fixed facilities), the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.
- The construction and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways.

**City of Clayton
Budget Message
Special Revenue Funds**

- The payment of principal and interest on voter-approved bonds issued for the purposes specified above.

Historically, the City of Clayton has generally used HUTA monies to perform annual street re-striping and safety re-markings, traffic regulation and warning signs and replacements, resealing of street cracks, sidewalk and gutter repairs, replacement of street name signs, operation and repair of arterial street lights, and traffic signal maintenance.

Due to the City's pattern of heavy reinvestment of HUTA tax funds into maintenance and repair of local streets and roads, our City has been successful in its upkeep of this infrastructure. In total, the City has invested approximately \$580,000 of HUTA tax monies into street repaving and improvements capital projects over the last 10 years (since FY 2008-09). This accomplishment has enabled Clayton to consistently remain in the Top 5 best average pavement condition streets within Contra Costa County. Clayton is currently tied at No. 1 in Contra Costa County with an average system-wide PCI of 85. This Pavement Condition Index (PCI) ranks Clayton's street system in the "Very Good" category, with the average Bay Area PCI being 66. Clayton's latest rating was the result of a P-TAP grant from the Metropolitan Transportation Commission in 2016. The City is currently undertaking another street condition rating study with results expected around April 2019. Pavements are rated from 0 to 100 with 100 being the index assigned to a newly paved street.

Utilizing the latest projection published by the League of California Cities on May 30, 2018, FY 2018-19 HUTA tax revenues are estimated to total \$253,304, reflecting a slight decrease of approximately 0.9% from FY 2017-18 HUTA taxes. This minor decrease is likely due to fluctuations caused by lower gas prices over the past year as well as gradual consumer trend to fuel efficient and alternative energy vehicles. The City's HUTA Gas Tax Fund is projected to open FY 2018-19 with positive reserve balance of \$320,901. In the adopted FY 2017-18 budget, this balance was earmarked for the completion of the Keller Ridge Collector Street Rehabilitation (CIP 10425) and the 2018 Neighborhood Street Repave (CIP 10436) projects. However, these projects were still in the planning and design phase by the close of FY 2017-18 and are proposed roll into the FY 2018-19 budget for re-appropriation into the same projects.

After allocation of monies for basic transportation maintenance and operation expenses (e.g. electricity for arterial street lights and traffic signals at \$54,000; traffic signal maintenance performed by the County at \$20,000; City Maintenance personnel compensation of \$40,650 for street maintenance tasks and traffic sign replacements; general street maintenance supplies at \$12,000), it is proposed to appropriate HUTA gas

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tax transfers of \$443,650 (72.3% of total appropriations) to the City's Capital Improvement Project Budget for the following street improvements and repairs:

ADA Sidewalk/Parking Improvements	\$ 6,000	CIP 10394A (annual)
Kell Ridge Collector Street Rehabilitation	277,988	CIP 10425
2018 Neighborhood Street Repave	159,662	CIP 10436
Total	<u>\$ 443,650</u>	

Consistent with the prior year plan in order to use existing HUTA Gas Tax fund reserves for eligible City streets projects, the proposed budget plans to draw down all available reserves and end FY 2018-19 with fund balance of zero.

B. RMRA Gas Tax Fund - No. 202

The Road Repair and Accountability Act of 2017, also referred to as Senate Bill 1 (SB1), is a significant new investment in California's transportation systems of approximately \$5.2 billion per year. SB1 increased the per gallon fuel excise taxes, diesel fuel sales taxes and vehicle registration taxes, sought to stabilize the problematic price-based fuel tax rates and provide for inflationary adjustments to rates in future years. In result, SB1 more than doubled local streets and road funds allocated through the existing HUTA (described previously), allocating monies from new taxes through the establishment of a new Road Maintenance and Rehabilitation Account (RMRA).

The RMRA receives monies from the following new taxes imposed under SB1:

- A 12¢ per gallon increase to the gasoline excise tax effective November 1, 2017.
- A 12¢ per gallon increase to the diesel fuel excise tax effective November 1, 2017, half of which is allocated to the Trade Corridors Enhancement Account with the remaining half to the RMRA.
- A new vehicle registration tax called the "transportation improvement fee," effective January 1, 2018, based on vehicle market value.
- An additional new \$100 vehicle registration tax on zero emission vehicles model year 2020 and later effective July 1, 2020.
- Annual rate increases to these taxes beginning July 1, 2020 (July 1, 2021 for the ZEV fee), and every July 1st thereafter for the change in the California consumer price index (CPI). The first adjustment made on July 1, 2020 will cover the CPI change for the two year timeframe November 1, 2017 through November 12, 2019.

The restricted-use of RMRA gas tax monies is similar, but not identical, to HUTA gas tax monies. Pursuant to *California Streets and Highways Code* section 2030, RMRA allocations must be deposited into a separate restricted-use fund and may only be used for projects that include but are not limited to: road maintenance and rehabilitation,

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safety projects, railroad grade separations, traffic control devices, and complete street components.

On September 19, 2017 the City Council authorized the amendment of the Capital Improvement Program budget to earmark the entire balance of FY 2017-18 RMRA monies for the 2018 Neighborhood Streets Repave Project (CIP 10436). As this project was still in the planning and design phase and had not incurred any RMRA-reimbursable expenditures at the conclusion of FY 2017-18, the appropriations for this project are proposed to roll into FY 2018-19 for completion. Accordingly, the RMRA Gas Tax fund is projected to open FY 2018-19 with a positive fund balance of \$64,855 available for eligible projects. After the inclusion of projected FY 2018-19 fund revenues of \$189,383, the proposed budget includes plans for a transfer of RMRA gas tax monies of \$254,238 to the City’s Capital Improvement Project budget for the following street improvements and repairs:

Pine Hollow Road Upgrades	189,883	CIP 10379
2018 Neighborhood Street Repave	64,355	CIP 10436
Total	\$ 254,238	

Consistent with the City’s regular objective to use all available HUTA gas tax reserves for eligible City streets projects, the proposed RMRA Gas Tax fund budget also plans to draw down all available reserves and end FY 2018-19 with a zero fund balance.

C. Citywide Landscape Maintenance District – Fund No. 210

In June 2007, Clayton voters approved a replacement real property special tax to continue funding the operation and maintenance of its citywide public landscaped areas. This voter action created the City of Clayton Landscape Maintenance Community Facilities District 2007-1 (LMD). This annual parcel tax is restricted to landscape costs associated with: arterial and specified roadway medians and parkways, the trails system, the annual open space non-native (exotic) invasive weed abatement in city-owned open space of the area hills, the annual open space and trails weed abatement for fire and public safety, landscape and turf irrigation and the monthly maintenance and special occasion/holiday operation of the “Clayton Fountain”. Operations for the LMD are separately accounted for by the City in a restricted special revenue fund.

Measure B, the 2007 ballot measure, expired June 30, 2017. Given this was the only source of funds for the maintenance and operation of the LMD, in order continue this sole funding a special parcel tax, “Measure H” was placed before the voters on the June 7, 2016 ballot needing two-thirds (66.67%) voter approval. In June 2016, the voters overwhelmingly elected (77.1% positive vote) to extend the LMD special parcel tax for an additional ten (10) years.

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Maintenance of City parks is not included as an authorized expenditure under the LMD Act; park maintenance obligations fall to the City's General Fund. *Citywide public landscaping services have always been funded by a special parcel tax levied on private properties throughout the City.* The LMD has now completed its first year of operation under Measure H. The LMD has a City Council-appointed trails and landscaping citizens' oversight committee (TLC) that meets periodically to ensure the promised maintenance standards and efficiencies are achieved and reviews the budget ensuring these special-purpose tax revenues are used for their intended purpose as established under the previous ballot measure for the LMD.

Pursuant to the terms of voter-approved Measure H, the special parcel tax rate may be modified annually by the change in the consumer price index (CPI) as published by the US Bureau of Labor and Statistics from April to April for this geographic region (San Francisco-Oakland-Hayward, CA). In no event shall the parcel tax rate be increased by more than 3.0% annually. Given the CPI change (from April 2017 to April 2018) posted at 3.22%, the special parcel tax growth factor must be capped at 3.0% for FY 2018-19. Accordingly, the LMD'S projected revenues are proposed to be increased by 3.0% to a total of \$1,121,746 for FY 2018-19. This results in a modest increase to LMD special parcel tax revenues of \$32,469 over the prior year adopted budget. The capped CPI growth adjustment will result in an increase of \$7.44 per residential parcel over the prior year rate (last year's single family rate was \$248.42; including the capped CPI adjustment factor the new single-family parcel rate will be \$255.86).

Since 2008, the LMD has used approximately \$1,295,208 of these special tax funds for public landscape and irrigation and trail system improvements. When including an additional \$567,000 of prior-approved projects rolled forward into FY 2018-19, the LMD will have invested over \$1.8 million into landscape related capital improvements in addition to maintaining current landscaping.

For FY 2018-19, the LMD has budgeted to fund the following prior-approved landscape improvement projects:

Downtown Planters Replacement Project	\$ 280,157
Removal of 18 Eucalyptus Trees in Open Space Hills	185,000
Replace Irrigation System Centra Control Field Panel	20,000
Subtotal	<u>485,157</u>
Subdivision/City Entry Sign Replacement Contingency	<u>2,000</u>
Grand Total	<u><u>\$ 487,157</u></u>

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The proposed LMD budget is a balanced operational budget, utilizing fund balance to undertake non-annual capital improvement projects. This practice is consistent with prior year budgets as the LMD is pay-as-you-go for such improvements, responsibly drawing on fund balance as needed. The budget expenses are primarily adjusted for increased costs from outside agencies as well as for fuel, fertilizer, water, etc.

Prior year's City Council adopted budget included the Downtown Planters (Main Street) replacement project at an estimated \$300,000. Of this amount \$30,000 for plans/specs, and \$270,000 estimated for construction). By the close of FY 2017-18, it is projected \$19,843 has been spent on plan preparation and specifications (\$19,069 in FY 2016-17, and \$774 in FY 2017-18). This leaves a remaining amount that rolls forward of \$280,157. The estimated construction costs are currently \$270,000 and were approved by the City Council in the FY 2017-18 LMD budget. The new City Engineer has been working on street repair and repaving projects and the timing of this project has been delayed, therefore the funding will roll forward to allow this project to move forward in FY 2018-19. The next steps in the process are administrative staff functions which include the City Engineer to review and finalize construction bid documents, and put the project out to bid. The lowest responsive and responsible bidder would then be recommended directly to the City Council for action.

In FY 2017-18 staff identified the need to remove 18 large Eucalyptus trees (\$185,000) in the open space near Regency Drive/El Molino and along a portion of the Cardinet Trail behind the homes on Rachel Ranch, and two remaining trees on Lydia Lane near the park entry. To-date only one of these trees has been removed. The remaining trees are planned for removal early next year with the appropriations being rolled forward to FY 2018-19 proposed budget.

Two years ago the adopted budget included a city-wide subdivision entry re-landscaping project at \$300,000. Although concept plans were approved, outside landscape architect services were needed to survey all utilities/irrigation and prepare construction level plans and specifications for public bidding. Staff has not been able to locate a qualified landscape architect that has the time or inclination to provide a proposal for this work. Therefore last year (FY 2017-18) the City Council put a hold on the project and directed the allocated funds to be returned to LMD reserves in FY 2017-18. There are no plans to move forward with this project at this time.

The proposed budget is a balanced budget, with the use of the LMD fund balance, which has been done in the past in order to undertake certain replacement or repair projects as the LMD is a pay as you go system drawing on the fund balance as needed. The budgeted expenditures are primarily adjusted for increased costs from outside agencies as well as for fuel, fertilizer etc. The District over the past year has generated a sufficient reserve balance to allow the consideration of new landscaping projects to be

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undertaken. Although an ending fund balance of \$793,019 is projected, staff is not proposing additional capital project beyond that described above in FY 2018-19, in order to allow sufficient time to complete prior City Council approved projects.

An enormous impact on LMD operations from FY 2012-13 through FY 2016-17 was the declared drought conditions and the severe water conservation reductions imposed by Contra Costa Water District (CCWD) as directed by the Governor's Executive Order Emergency declaration. While homeowners were placed under a 25% reduction plan, city and commercial irrigation water consumers were set at a massive 45% mandatory water reduction order. With irrigation cutbacks of that magnitude the LMD suspended irrigation water to turf and bushes, reserving restricted water supplies to irrigate public trees. The LMD also halted all operation of the Clayton Fountain (even though it is a recirculating fountain) and reduced outside watering to two days per week. This action plan impacted some of the water intensive landscape in order to sustain the more valuable plants and mature signature trees in the LMD. Capital improvement projects engaged during the drought were hardscape-only oriented.

Although the State of California and CCWD relaxed water restrictions, allowing more additional outdoor water irrigation uses than in the prior year, there are still reductions needed to balance against water cost increases. The proposed budget for LMD water irrigation supply service incorporates a large projected water cost increase of \$27,000 over the prior year adopted budget, bringing the total budgeted water supply expenditure to \$157,000. The irrigation cost hikes over the last two years incorporates a normalization of water irrigation costs back to pre-drought periods, as well as the 6% water rate increase recently approved by the CCWD Board of Directors.

Personnel services, including contracted seasonal labor, account for \$478,390 (30.36%) of the proposed FY 2018-19 LMD budget, which is reasonably consistent with the prior year (\$476,000). Whenever possible, tasks within the LMD are assigned to temporary seasonal personnel that are less expensive labor (e.g. trimming), allowing the City's full-time permanent maintenance employees to focus on tasks requiring journeyman-level experience (e.g. irrigation line and system repairs).

As approved by Measure H voters, the LMD's proposed budget includes a recurring line item (account 7316) for the purchase of replacement plants, budgeted at \$40,000 in FY 2018-19. The LMD further contributes an annual allocation to the City's Capital Equipment Replacement Fund (CERF) for its shared cost of utilizing City Maintenance Department vehicles for LMD operations budgeted at \$20,070 in FY 2018-19. An expenditure of \$37,258 (only 3.28% of total LMD revenues) is transferred to the City's General Fund to pay for the LMD's share of administrative support provided by the City (i.e. telephones, payroll processing, accounts payable, management, insurance, etc.).

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With all of these actions, the LMD's ending reserve is projected to be **\$793,019** by the close of FY 2018-19. The LMD's healthy reserve position is evidence the City does not siphon "surplus" monies into its General Fund but uses the special parcel tax revenues for its intended voter-approved purposes. Its monetary existence will be crucial in these post-drought conditions is over and the LMD re-examines priorities to replace landscape lost (including adding in more hardscape treatments) from the extreme water conservation measures.

The Trails and Landscape Committee (TLC) reviewed the proposed LMD budget at their public meeting on May 21, 2018, which conveyed the current year CPI rate of 3.22%. After its review, the TLC recommended [vote: 4-0 (3 absent)] that the special parcel tax levy for the LMD be increased by the CPI cap of 3.0% pursuant to the voter approved Measure H specifying a maximum annual increase of 3.0%). The TLC further recommended approval of the proposed LMD budget for FY 2018-19 as presented, including the carrying forward for FY 2018-19 projects totaling \$487,157 [vote: 4-0 (3 absent)].

D. The Grove Park Fund - No. 211

The Grove Park officially opened to the community on January 12, 2008 and on May 29, 2008, City Maintenance Department assumed full responsibility for the care and maintenance of The Grove Park. On Opening Day, the public park immediately became the signature statement of our community, and ever since it has been the popular gathering place for residents and visitors to the Clayton Town Center. Voters originally approved this restricted special parcel tax in November 2006 to maintain the park for 10 years (levy first collected in FY 2007-08) with FY 2017-18 constituting the 11th year of the special parcel tax's existence. In November 2014, the voters overwhelmingly elected to extend The Grove Park special parcel tax for an additional 20 years through the passage of Measure P (81.3% positive vote). Operations for The Grove Park are separately accounted for by the City in a restricted special revenue fund.

Pursuant to the terms of voter-approved Measure P, the special parcel tax rate may be modified annually by the change in the CPI from April to April. However, in no event shall the tax rate be increased by more than 3.0% each year. Given the CPI change (from April 2017 to April 2018) posted at 3.22%, the special parcel tax growth factor will be capped at 3.0% for FY 2018-19. Accordingly, The Grove Park's projected revenues have been increased by 3.0% to a total of \$134,180 for FY 2018-19. This results in a modest increase to The Grove Park revenues of \$3,905 over the prior year adopted budget. The capped CPI growth adjustment will result in an increase of \$0.62 per residential parcel over the prior year rate (last year's single family rate was \$20.68; including the capped CPI adjustment factor the new rate will be \$21.30). The Grove Park fund received its 10th and final installment of the generous \$10,000 annual donation from Endashiian, Inc. (developers and landowners of the CVS/Pharmacy

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store site - formerly Longs Drugs Store), in FY 2016-17. Despite the conclusion of this ten year pledge, Endeashian, Inc. graciously donated an additional \$1,000 to The Grove Park fund in FY 2017-18, which was both unexpected and unsolicited.

Bolstered by these revenues and interest earnings, The Grove Park fund maintains a positive fund balance expected to be approximately \$308,450 by the close of FY 2017-18 with reserves slightly increasing to **\$316,776** at the close of FY 2018-19. Of this projected FY 2018-19 ending fund balance amount, \$101,765 sits in the asset replacement reserve approved in the adoption of Measure O, \$60,000 in the unallocated stabilization reserve (increasing by \$5,000 annually), and \$145,011 in unrestricted fund balance. As the park's apparatus and infrastructure ages following 11 years of high public use, these reserves will be key asset to maintain this public gem.

For FY 2017-18, it is projected total expenditures of The Grove Park will be approximately \$105,978 offset by revenues totaling \$137,480, resulting in an operating surplus of \$31,502. This projected surplus is higher than anticipated, due to the costs of water consumption for The Grove Park's newly modified water play feature coming in lower than expected. During FY 2017-18 budget preparation, a conservative figure was used for the water service line item as no historical information on the new water play feature's consumption was available for budget projection purposes. The Grove Park's new water play feature was activated for the first time during FY 2016-17, which led to substantially higher water consumption over prior years due to its immense popularity with the public. Now given two years of historical information, it appears The Grove Park fund will be able to sustain the increased water consumption costs associated with operation of the water play feature in a balanced budget. However it is currently uncertain whether The Grove Park can sustain annual set-asides of \$18,000 and \$5,000 for the asset replacement and unallocated stabilization reserves prospectively. Fortunately, The Grove Park fund has built up a healthy unrestricted reserve up to this point and any increases to the asset replacement and stabilization reserves not sustainable from fund surpluses can be taken from the unrestricted fund balance for the next six years in worst case scenario. Prospectively, staff will continue to monitor for any unsustainable trends in water demand in order determine what future water play feature use-restrictions, if any, are necessary to sustain the annual reserve set-aside goals established by the ballot measure.

As The Grove Park continues to mature and its public attraction increases, more City Maintenance Department personnel time may be necessary to keep it in a condition worthy of the City's signature piece. During the summer and on Saturday Concert Series weekends, a part-time seasonal maintenance worker is assigned to perform routine maintenance and oversight tasks at The Grove Park to ensure this highly-visible asset shines for our community. The nearby municipal well provides the landscape irrigation and other non-potable water needs of The Grove Park, which saves

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considerable taxpayers' monies compared to the metered water prices of Contra Costa Water District.

To continue to meet the operational objectives of The Grove Park, appropriations of \$132,164 are proposed for FY 2018-19. This results in a planned operating surplus of **\$8,326**. As this projected surplus is less than what is required for the annual replenishment of the asset replacement and unallocated stabilization reserves (\$23,000 total), it results in an unavoidable allocation of \$14,674 from the unrestricted reserve to meet the reserve set-aside requirements for FY 2018-19. Nevertheless, The Grove Park fund's total reserves remain sufficient beyond its normal yearly operations. The City Council may take action after the adoption of the budget to utilize these reserves for additional capital improvements at The Grove Park.

E. Oakhurst Geological Hazard Abatement District - Fund No. 212

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

Due to the restricted amount of voter-approved assessments, the GHAD levies an annual assessment that generally produces the same amount of revenue each year for general geologic hazard abatement purposes within the Oakhurst Development. For FY 2018-19, assessment revenue is projected to be approximately \$41,065, which incorporates an April 2017 to April 2018 consumer price index (CPI) inflationary increase of 3.22%. Currently, it is unlikely property owners within the district would approve a significant rate increase sufficient to arrest or mitigate hillside movements. Interest earnings are essentially non-existent for this Fund (\$200), which operates for most of the 12 months in a cash-flow deficit. The assessment revenues are not received by the GHAD [City as its fiduciary agent] until property owners pay their property tax bills in December and again in April each year.

Nominal management expenses proposed for the GHAD this year include \$8,000 for City Engineering services (District Manager) and \$1,000 allocated for specialized legal

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services. Although litigation has been settled, the GHAD is still internally assessed a share of the City's general liability insurance premium increases which were historically propelled by the Oakhurst hillside movement litigation, which served lawsuits against the GHAD as well as the City. This annual expenditure (\$7,000 in FY 2018-19) must remain for several years following settlement of the litigation as those defenses pertaining to the GHAD's share of General Fund insurance premium expenses still impact the annual calculation of the City's general liability insurance premium for that prospective time period. A base transfer of \$7,478 to the City's General Fund for general administrative and clerical support services is standard procedure necessary to sustain the bare existence of the District (18% of annual assessment). County administration fees to levy, collect and disburse the District's property tax bill assessment are estimated at \$1,200.

Project costs totaling \$50,642 are planned for FY 2018-19, which includes: the installation of additional inclinometer and piezometers to enhance ground movement detection and measurement; V-ditch repairs, and crack sealing to limit water penetration. Accordingly, and due to the limited financial resources available, the GHAD is projected to fully utilize its reserves to fund these key projects by the close FY 2018-19. Although these projects are designed improve prevention and detection measures, no significant geologic hazards can be abated in exchange for a total assessment of \$41,065 per year. The GHAD maintains its legal life with the foresight and wisdom that affected property owners might someday wish, or need, to proactively utilize this legal instrument to address hillside movement remediation.

F. Presley GHAD Settlement Fund - No. 213

In 2003 the City and GHAD settled its lawsuit against Presley regarding damages to City infrastructures in the Kelok Way area of the Oakhurst Development. After reimbursement to the City of advanced legal expenses, proceeds from the settlement were retained in a separate fund for use to clean V-ditches in the area, monitor hillside movement and explore mitigation options to protect public infrastructures in the Development. During FY 2010-11, funds were appropriated from this reserve (\$110,000) to perform road resurfacings in the Development in conjunction with an annual Neighborhood Street Project (CIP No. 10409). More recently, in FY 2017-18 this fund incurred \$19,870 for the removal and replacement of broken concrete V-ditches in three separate locations within the GHAD.

No expenditures are currently planned for the upcoming FY 2018-19 budget year. After the inclusion of projected interest earnings to this fund of approximately \$1,500 it is projected this fund will end FY 2018-19 with a positive reserve balance of **\$107,023**. These monies may yet be tapped for further area repairs to damaged public infrastructure and/or arrest hillside movement in the future, as well as deficit operations of the GHAD fund.

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G. Neighborhood Street Light Fund – No. 214

This fund accounts for the operations of the Clayton Neighborhood Streetlight Benefit Assessment District. This restricted-use assessment is collected through the real property tax bill on Clayton residential properties [current assessment ranges from \$8.34 - \$43.54 per residential unit per year]. Since FY 1996-97 (for 22 consecutive years), the City **has not requested or increased the rate charged to real property owners** for the public street lights in their neighborhoods. These assessments are restricted for public street light operations and maintenance within residential neighborhoods, excluding arterial streetlights, which are funded through HUTA gas taxes accounted for in a separate restricted-use fund. This fund's proposed budget incorporates the same amount in revenues as last year (\$125,991) since this assessment can only be increased by affirmative vote of the assessed property owners pursuant to the law (Proposition 218).

In order to continue providing current services within the existing assessment rate, consistent with the prior year and recent years, a draw on existing reserves is expected in FY 2018-19 by approximately **\$24,601**. Recurring causes for this deficit are electrical rate increases prompted by PG&E's field audit a decade ago as to correct tariff categories, in-house labor, electrical parts and supplies, and direct charges for preparation of the Engineer's Report (Engineering).

With a projected opening positive reserve balance of \$85,999 to start FY 2018-19, there is not sufficient justification to approach voters to increase this annual assessment. With the projected utilization of fund balance reserves in FY 2018-19, this fund is projected to close by June 30, 2019 with a reserve balance of **\$61,397**. Total proposed appropriations of the fund are \$151,592, or 4.7% higher than the prior year adopted budget necessary to cover increased PG&E electrical rates as well as inflationary growth for other operating, maintenance, and administrative support services. At the current rate of reserve use, this fund has **only two full fiscal years** of operational monies before the fund is expected to run out of reserves in FY 2021-22. Clearly, given annual hikes in PG&E electrical rates and the longtime cap on the assessment amount (since FY 1996-97) the fund has now entered into a structural deficit which will need to be addressed in the near future.

It has been 22 years since neighborhood street light benefit assessment rates were raised, and the law is clear voter approval is mandatory to do so. Absent an increase to the assessment to capture inflationary growth, should the fund deplete its reserves in FY 2021-22 as currently projected, a policy call would likely be need to either fund the annual operating deficit with a General Fund subsidy (further depleting limited revenues necessary for existing basic public services) or by turning off selected neighborhood streetlights. Conversely, should the annual assessment be lowered by City Council action (under a public policy theory that plentiful reserves should become

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a pseudo rebate to taxpayers), the lowered street light rate is then locked in and cannot return to its higher rate in the next or subsequent years without an affirmative two-thirds vote of the property owners. It is further noted the reserve position of this fund does not incorporate an amortization program for replacement of aging or deteriorated wooden street light poles

H. Stormwater Fund - No. 216

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

By previous Council action long ago, this real property tax levy was maximized at its allowable cap in year 2000 currently netting the City \$86,627 for local use in FY 2018-19. In reality, the assessment generates higher gross revenues (\$126,299). However, the following purposes snag portions of the City's local levy before ever touching our local coffers:

Contra Costa [Cities] Clean Water Program	\$ 30,299	
Commercial Building Inspections by Sanitary District	8,000	
County Auditor-Controller Administrative Fee	3,800	
Reserve Fund for the Clean Water Program	3,000	
Flood Control District Management Expense	3,800	
Total Revenue Offsets:	<u>\$ 48,899</u>	38.72%

In addition the City must pay an annual NPDES Regional Discharger Fee to the State projected to be approximately \$10,000, further dipping into the local assessment levied for the City.

The City's 5-year Stormwater Permit (MRP) is issued by the San Francisco Regional Water Quality Control Board. Public agencies, including Clayton, are now under requirements to elevate enforcement, monitoring measures, and treatment projects each year to ensure cleaner stormwaters. This permit, called MRP 2.0, was reissued last November. The permit contains additional and enhanced requirements for cities such as: managing litter that can get into its drainage and creeks from private commercial properties; PCB and Mercury pollutant testing/monitoring; maintenance and enforcement activities; "green infrastructure" which would set forth standards for cities to redirect existing storm drainage water from streets, sidewalks and parking lots and

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buildings into landscape areas; and enhanced IPM policies, practices and mandatory training and certifications. These additional permit terms will continue to impact the Stormwater fund's reserves. As other cities in the state are experiencing similar funding constraints, although recent State legislation (SB 231) would allow for consideration by the voters through a Prop 218 process to address some Stormwater improvements the legislation did not fully rectify the needs of local cities as it related to the permit mandates.

MRP 2.0 requires information to be disclosed by June 30, 2017 an ongoing, to elected officials and the public, of the Green Infrastructure (GI) requirements. MRP 2.0 defines GI as *"Infrastructure that uses vegetation, soils, and natural processes to manage water and create healthier urban environments..., green infrastructure refers to stormwater management systems that mimic nature by soaking up and storing water."* GI is designed to capture and reduce existing PCB including background levels, and Mercury. The second objective of GI is to recharge runoff into the ground creating more filtering and more natural infiltration into creeks and waterways. The permit mandates that retrofitting existing impervious surfaces with Green Infrastructure be evaluated, analyzed, planned for costed and reported upon.

The GI has two main elements to be implemented:

- Preparation of a Green Infrastructure Plan for the inclusion of bioswale/landscape planter (LID) drainage design into existing storm drain infrastructure, including streets, roads, storm drains, etc.
- Early implementation of Green Infrastructure Projects Green Infrastructure Plan

The Green Infrastructure Plan requirements and deadlines are:

- Prepare a framework or workplan to be approved by the Permittee's City Manager or governing body by June 30, 2017, and submit it to the SF Regional Water Board with its FY 16-17 Annual Report. This was completed in October 2018.
- Prepare and show estimated costs/budget for a Green Infrastructure Plan and submit it to the SF Regional Water Board with the 2019 Annual Report.

The permit requires that beginning with the 2016 Annual Report each Permittee review current infrastructure (capital improvement) projects, prepare a list of infrastructure projects planned for implementation that have potential for green infrastructure measures, annually review update and submit the list with each Annual Report, including: *"a summary of how each public infrastructure project with green infrastructure potential will include green infrastructure measures to the maximum extent practical during the permit term. For any public infrastructure project where implementation of green infrastructure*

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measures is not practicable, submit a brief description for the project and the reasons green infrastructure measures were impracticable to implement."

The Green Infrastructure Plans are intended to describe how each jurisdiction will, in the coming decades, shift their impervious surfaces and storm drain infrastructure from gray, or conventional, storm drain infrastructure where runoff flows directly in to the storm drain and then to creeks and the Bay, to a more resilient, sustainable system that slows runoff by dispersing it to vegetated areas, harvests and uses runoff, promotes infiltration and evapotranspiration, and uses bioretention to detain, retain, and treat stormwater.

City staff reviewed and compiled an initial list of its Council approved CIP budget projects and submitted it with its FY 2015-16 Annual Report. During 2019 City staff working group consisting of the Stormwater Manager/Assistant to the City Manager, City Engineer, and Community Development Director, along with outside consultants will prepare its draft Green Infrastructure Plan. This work effort has been funded by a City Council approved earmark of \$50,000 of FY 2016-17 General Fund annual excess monies.

Cities will also be tasked to review and update as necessary their standard engineering designs and planning policies/ordinances to incorporate Green Infrastructure. The Contra Costa Clean Water Program (CCCWP) is currently working on guidance to the cities for reviewing capital improvement programs and projects, identifying green infrastructure potential, advancing planning and design of potential green infrastructure features, and documenting decisions regarding implementation of green infrastructure.

As noted previously, the current permit contains mandated trash reduction requirements which are met through the implementation of the full trash capture devices. The City has installed and maintains twenty-five (25) devices in its four Trash Management Areas. Through this effort we have been able to achieve 100% reduction in trash load baseline, and permit compliance. The City of Clayton is one of only a few cities to have already achieved this goal. However, recent refinements by the SF Regional Water Board to this requirement may mandate the installation and maintenance of additional full trash capture devices to remain in compliance.

The new permit also requires the use of GIS for database mapping and public viewing availability. The Clean Water Program has begun the establishment of a cloud-based GIS mapping program as a group funded effort for all cities. Each city will have its own section for stormwater mapping with the ability to have additional data layers as it desires. Therefore no additional City funds are needed at this time for GIS program.

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Such permit conditions necessitate ever-increasing expenditures which will eventually consume current levy revenues. Initial staff analyses reveal an additional \$225,000 to \$515,000 in annual costs could someday impact the City's fiscal operations for this state-mandated purpose alone. Only a Proposition 218 voter approval process can increase the levied rates. The failure of the Clean Water Coalition's Proposition 218 ballot in FY 2012-13 to raise levy revenues turned aside a potential \$93,700 for use in meeting state unfunded mandates for cleaner stormwaters. Since the City reached its parcel levy cap 17 years ago there have been an astounding 512 additional permit requirements mandated by the SF Regional Water Board with no increase in revenue to offset the associated costs, thus resulting in an erosion of the City's Stormwater fund's reserves.

In the FY 2018-19 budget, the City's stormwater costs under the permit regulations exceed available revenues by approximately \$45,880, although the close of FY 2017-18 is expected to incur a lesser annual deficit of **\$34,531**. Fortunately at the moment there is projected to be a reserve balance of approximately **\$56,700** at the beginning of FY 2018-19 in this restricted-use special revenue fund, which is sufficient to cover the fund's projected FY 2018-19 operating deficit. The depletion of the Stormwater fund's reserve balance over past several years a direct result of added permit requirements imposed by the Regional Board in 1996 (referred to as "C-3 amendments"), MRP 1.0 (issued in 2010), and the current MRP 2.0 (issued in November 2015). All of these were statutory "unfunded mandates."

Total projected FY 2018-19 labor-related expenditures of \$58,850, including contracted seasonal labor, are necessary cover public works' labor for the City's municipal storm drain system, annual debris clearance of creeks and V-ditches, and proactive measures for the prevention of pollutants into these waters, which ultimately emerge into the San Francisco - Oakland Bay. Educational materials and supplies are also part of the Stormwater fund's budget, along with our membership in the Contra Costa County Clean Water Program. Recoverable expenses include that portion of staff time when working on clean water issues, programs, while Regional Water Quality Control Board directives target specific programs (e.g. "diaper" inserts in storm drain inlets) and local enforcement (e.g. fines). City administrative staff (Assistant to the City Manager) expends an inordinate portion of time (approximately one-third or more) engaged in the management, administration and implementation of this federal and state mandated program for cleaner runoff waters. As such, the proposed budgeted transfer of \$38,447 to the City's General Fund to partially offset this incurred staff time is reasonable and essential.

The monthly street sweeping contract totaling an estimated \$54,000 in FY 2018-19 is paid through this fund as a program component of cleaner stormwater from street gutters. To clarify a common misconception, public streets and gutters are swept monthly to mitigate roadway pollutants from entering the storm drain system, not for

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street aesthetics or as the substitute broom for an abutting property owner's sweeping/clearance of leaves and debris from the front and/or side yard curbs of one's property. Offsetting revenue is tendered by real property owners through their trash bills which is projected to be an equal and offsetting \$54,000. This offsetting revenue estimate could potentially be lower due to the revolving number of vacant homes in Clayton (closed accounts) as well as various delinquent and non-paying accounts slicing away at the revenue stream.

Required annual expenditures are absorbed into this fund for engineering services (\$2,000) and other professional services (\$1,750). Necessary engineering services will assist in providing the City's response to the state-mandate to perform additional drainage/green infrastructure analysis, evaluation and annual reporting of our mapped "trash management areas", and PCB analysis. The other professional services line item captures costs associated with state-mandated programs involving drainage inlet insert cleanings (\$5,000), box culvert cleaning (\$5,000), emergency tree removal creek/drainage areas (\$5,000), and bio-swale inspections and reports for City properties (\$1,500). New private construction activities and newer private developments with storm water treatment have been addressed by the City Council to provide methods that are self-supported or cost recovery through the City charges for fees and services, homeowners association and/or benefit assessment districts, and therefore do not impact the Stormwater fund or the City's General Fund.

As noted previously, the fund is projected to open FY 2018-19 with approximately \$56,700 in reserves, and projects a year-end fund balance of \$10,820 on June 30, 2019, an astounding (but not surprising) 81.9% loss in reserves. At this rate, the Stormwater fund will become depleted during or immediately following FY 2018-19 as long feared, with the only sources of discretionary funds to patch the mandated gap being General Fund operational monies or use of General Fund reserves. Absent a new or increased funding source, the first course of action would likely result in either a reduction of permit compliance potentially resulting in non-compliance and triggering SF Regional Board action of fines of up to \$10,000 per day, reduction in other non-mandated city services, or use of city general fund reserves.

I. Measure J Fund - No. 220

This special revenue fund originated by revenues from the ½ cent sales tax levy approved by County voters in 1988 (Measure C) to provide regional and local transportation and street improvements, a growth management process, and a regional planning process to address quality of life issues. One of the program components of the Measure is its "Return to Local Source" monies wherein cities fully complying with the Measure's Growth Management Program (GMP) Checklist are eligible to receive an annual allocation of monies for local streets and roads maintenance. Disbursement of these monies hinges on a city earning and maintaining a certified Housing Element

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(either by the California Department of Housing and Community Development [HCD] or via self-certification), and filing a biennial Compliance Checklist. The Contra Costa Transportation Authority (CCTA), cities, and the Contra Costa County were successful in 2004 in obtaining voter approval of Measure J, which extended the authorization of the current sales tax in the County for an additional 25 years beyond Measure C's expiration on March 31, 2009. Accordingly, Measure J is now in effect.

A letter to our City from HCD dated December 11, 2014 stated *"The Department is pleased to find the adopted housing element in full compliance with State housing element law"*. This letter effectively covers the City's compliance with housing element requirements for eight (8) years from the date of issuance. In addition, with CCTA's acceptance of the City's 2016 Compliance Checklist covering 2014 and 2015, the City is eligible to receive its full Measure J Local Streets Maintenance (LSM) or "Return to Local Source" funds for FY 2018-19. The next biennial CCTA Compliance Checklist is scheduled to be presented to the City Council for approval sometime before the end of calendar year 2018 covering 2016 and 2017. For FY 2018-19 the City projects to receive "Return to Local Source" funds in an amount totaling \$285,000. This revenue, which is typically disbursed after the close of the earned fiscal year in the fall, along with existing Measure J reserves has been earmarked in the proposed FY 2018-19 budget to finance the 2018 Neighborhood Streets Project (CIP 10436) as well as the Keller Ridge Drive Collector Street Rehabilitation (CIP 10425) in the City's Capital Improvement Program (CIP) Budget.

In addition to this funding, on October 7, 2014 the City signed a cooperative agreement with CCTA and its member cities to receive Program 28a grant funding for Sub-regional Transportation Needs. The grant agreement stipulated that funds will be allocated starting in January 2015, and then each November until 2034 using a 50/50 population and road miles split formula. In FY 2018-19 the City is set to receive an additional \$32,676 per the co-operative agreement, which has also been budgeted for the 2018 Neighborhood Streets Project (CIP 10436) in the City's CIP Budget.

It is projected that the Measure J fund will open FY 2018-19 with a positive reserve balance of **\$618,618**, composed of both Return to Local Source and Co-operative agreement funds. In addition to new FY 2018-19 Local Return to Source and Co-operative projected revenues totaling \$317,676, projected interest earnings of the Measure J fund are \$1,000, incorporating a depletion of invested reserves during FY 2018-19 for the completion of the CIP projects outlined previously. Beyond proposed transfers to the CIP fund for capital projects, a relatively small portion of the Local Return to Source funds will be necessary \$36,639 for ongoing operational and support costs in FY 2018-19. The CIP Fund Budget Narrative section expands in much greater detail on capital projects planned for FY 2018-19 as well a description of their various funding sources. Consistent with the prior year budgetary plan, in order to use existing

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Measure J fund reserves for eligible City streets projects, the proposed budget plans to draw down all available reserves and end FY 2018-19 with a zero fund balance.

J. Restricted Grants Fund - No. 230

This fund is the repository for State and other subvention grants restricted by law or the underlying grant agreement for specific purposes. This fund accounts for several restricted funding sources from external parties for specific program costs including. The following is a summary of the City's more significant grant-funded programs in the Grants Fund budget:

1. SLESF / COPS Grant Program

The "Supplemental Law Enforcement Services Funds" (SLESF) or "Citizen's Option for Public Safety" (COPS) grant is funded by a portion of the formerly-local Vehicle License Fees (VLF) and is passed through from the State to Contra Costa County, and then to the City of Clayton. This revenue is passed through from the County to the City on a monthly basis in varying increments that reflect sales tax allocation fluctuations from the state. SLESF/COPS funds are allocated among cities and counties and special districts that provide law enforcement services in proportion to population, except that a) county populations are the populations in unincorporated areas; and b) each agency is to be allocated a minimum of \$100,000. The City of Clayton receives the annually minimum in funding. Pursuant to state legislation the use of these funds is restricted to "front-line law enforcement purposes." Although previously required, pursuant to a letter from the California State Controller's Office dated August 17, 2012, annual reporting on the use of these funds is no longer necessary.

The proposed FY 2018-19 budget projects the City will receive the minimum SLESF/COPS funding of \$100,000. This revenue in addition to a projected opening SLESF/COPS grant reserve balance of \$118,258 will be utilized to continue underwriting costs associated with the City's 11th sworn police officer working patrol in the community as well as to cover costs associated with maintaining the state-mandated secure line for the Police Department and other related front-line public safety costs. In addition to helping to defray these ongoing costs, \$27,200 of the SLESF/COPS grant will be used for the purchase and installation of new patrol unit video cameras, \$5,000 for new Taser equipment, and \$7,000 for the annual cost of the secure phone line necessary for US Department of Justice compliance. After proposed grant appropriations of \$137,740, the SLESF/COPS grant is projected to close FY 2018-19 with a positive balance of **\$80,518.**

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2. Other Grant Funds

Augmenting the SLESF/COPS grant monies, the Grants Fund expects receipt of \$15,500 in annual revenue from the City's cable communications franchise company (Comcast) for restricted use in Public, Education & Government (PEG) broadcast services and equipment. The City also anticipates being eligible for \$2,000 in Avoid the 25 grant funds from the County to reimburse police labor costs associated with DUI checkpoint enforcement.

On the expenditure side of the ledger, \$15,000 is needed for the City's share of the PEG broadcast channel on which our City broadcasts taped meetings of the Clayton City Council and displays other public/community information (Comcast Channel 26). The Avoid the 25 grant operates on a reimbursement basis and revenues received in FY 2018-19 will reflect actual costs incurred. The FY 2018-19 proposed budget once again incorporates the full utilization of the Comcast Technology grant balance for much needed technology improvements including the boost of City Hall and Corp Yard internet speed and implementation of improved business process capabilities on the City's website including, but not limited to expanded online permit and facility rental application and payment processing.

In the aggregate, the Restricted Grants Fund is projected to close FY 2018-19 with a fund balance of **\$279,363**. After the utilization of grant reserves and new revenue during FY 2018-19 for their restricted purposes, year-end reserves are projected to be primarily composed of the Comcast PEG grant (\$191,710) and the SLESF/COPS grant (\$80,518).

K. Development Impact Fees Fund - No. 304

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

By the close of FY 2017-18 is projected the City will have collected a total of \$140,794 in development impact fees. Development impact fees were collected for, childcare facilities, open space in-lieu, parkland dedication, offsite arterial improvement, tree mitigation, fire protection, community facilities, and habitat conservation restricted purposes on two projects. The two aforementioned projects include a two detached single family residence development adjacent St. John's Church and a six detached single family residence development on Verna Way. At this time, no additional development impact fees are projected to be received in FY 2018-19. The sole revenue

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source budgeted in FY 2018-19 is from interest earnings projected to total \$8,000, which is allocated on a quarterly basis to each respective impact fee account.

During FY 2017-18, in accordance with the adopted budget and City Council direction, this fund is projected to incur total expenditures of \$197,717 for eligible projects. Specifically the following were funded during FY 2017-18: a transfer of \$142,000 from the Open Space In-Lieu fee account to the CIP Fund for remediation needs at the North Valley neighborhood park (CIP project #10439), a transfer of \$19,000 from the Community Facilities fee account to the CIP Fund for ADA accessibility improvements at City Hall (CIP project #10443), a pass-through of \$14,418 in Habitat Conservation fees to the East Contra Costa County Habitat Conservancy, and \$22,299 to augment funding for unforeseen overtime in the Police Department.

New community development may result in the collection of additional fees, and trigger the necessity to plan new projects to mitigate the increased City costs associated with development expansion. That being said, it is reasonably possible amendments may be required during FY 2018-19 to appropriately reflect new projects to address the demands of more development. The FY 2018-19 budget projects a decrease in fund balance of **\$56,995** reflecting the utilization of developer fee reserves for eligible purposes, which still results in a positive ending reserve balance of **\$474,230**.

L. Successor Housing Agency - Fund No. 616

This restricted-use special revenue fund was created as a result of the dissolution of the City's former redevelopment agency (former RDA) pursuant to state law (AB1x 26). Through the adoption of Resolution 03-2012 the City Council elected to retain the affordable housing assets of the former RDA in accordance with Section 34176 of the California Health and Safety Code.

All monies in the former RDA's Low and Moderate Income (LMI) Housing Fund were transferred on the dissolution date (February 1, 2012) to the City's Successor Housing Agency Fund (No. 616). In accordance with the law, the Successor Housing Agency is separate and distinct from all other funds and accounts of the City, to hold, administer and spend the monies in originating from the former RDA's LMI Housing Fund to perform housing functions consistent with the Dissolution Act.

On April 24, 2015, the California Department of Finance (DOF) issued its Final Determination Letter approving the Low-Moderate Fund Due Diligence Review Report. This report, performed by an independent accountant in accordance with the law (AB 1484), was also approved via Resolution by the Oversight Board to the Successor Agency and authorized payment to be remitted to the County Auditor-Controller's Office totaling \$3,679,225, representing the "unencumbered balance" of Low-Moderate RDA funds. In accordance with the order letter from the DOF, this payment was

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remitted shortly thereafter on May 1, 2015. Furthermore, on December 30, 2015, the City received its Finding of Completion from the DOF, formally concluding the AB 1484 RDA dissolution and audit process.

With the pilfering of the City's LMI housing fund pursuant to AB1484, the City's housing functions have now been largely reduced to loan transactions initiated by residents of low to moderate income housing units within the City's current inventory. In FY 2018-19 this fund is projected to incur expenditures totaling \$58,355 for special legal services involved in the Stranahan subdivision affordable housing loan administration program as well as a nexus study for a affordable housing in-lieu fee to facilitate the new inclusionary housing ordinance adopted by the City Council pursuant to new State law. Total revenues for FY 2018-19 are projected to come in at \$106,400, pertaining primarily to a \$96,400 loan repayment on the Diamond Terrace note, maturing in FY 2030-31. At the close of FY 2018-19, it is projected the Successor Housing Agency will report a positive reserve balance of \$4,574,173, of which **\$905,060** is in spendable form available for appropriation for program activities of the City's low to moderate housing program.

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PROPRIETARY FUNDS

A further expansion to the General Fund operations of the City, the City Council has established certain funds that meet the requirements of "proprietary funds." There are two types of proprietary funds: internal service and enterprise funds. Internal service funds are used to report activities providing goods or services to other funds or departments on a cost-reimbursement basis. The City maintains three (3) internal service funds to account for the City-wide shared costs associated with self-insurance and capital equipment replacement activities. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. The City maintains one (1) enterprise fund to account for the Endeavor Hall facility rental activities. The following section provides a discussion of the fiscal status of each of these proprietary funds.

A. Self-Insurance (Internal Service) Fund – No. 501

This internal-service fund manages the fiscal obligations of the City's self-insured program for our retention deductible (\$5,000 per claim) on initial claims filed against the City for general liability and workers' compensation as well as deductibles for property, auto, and other insured losses incurred by the City. Pursuant to our membership in the Municipal Pooling Authority of northern California ("MPA"; a municipal self-insured/pooled risk excess coverage joint powers authority [JPA]), our City is responsible for payment of the first \$5,000 in expense and/or damage on each filed claim. This fund also handles other periodic legal expenses to defend the City's interest in related cases. A recurring expense incurred by this fund is the annual premium (approximately \$1,250) to cover an Employee Assistance Program (EAP), a shared public entity consortium for City employee good-health counseling and wellness services benefiting our permanent organization.

Since there is no recurring or systematic replenishing source of revenue for this fund, the City Council must periodically authorize one-time transfers of General Fund surplus funds to replenish the internal service fund's reserve balance. The most recent source of such funding was made in FY 2013-14, when the City Council authorized a transfer of \$54,154 from General Fund excess supported by the audited FY 2011-12 financial statements. This transfer assisted in replenishing losses arising from legal expenses on the Oakhurst Hillside litigation cases beginning in FY 2008-09. With total proposed FY 2018-19 expenditures of \$7,248, this fund is projected to utilize \$6,648 in reserves and close the fiscal year with a positive net position of **\$35,673**. The option to make "replenishment" transfers into the Self-Insurance Fund can be re-considered annually by the City Council once General Fund operational results become available after the close of the fiscal year; however, no request by staff is proposed at this time.

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B. Capital Equipment Replacement (Internal Service) Fund - No. 502

This fund serves to track the depreciation and finance the replacement of City-owned vehicles, computers and other capital equipment used in operations, generally in excess of \$5,000. The Capital Equipment Replacement Fund (CERF) is projected to open FY 2018-19 with a positive reserve balance of \$457,227. Of this projected opening balance, \$181,942 pertains to available cash reserves available to finance the purchase of replacement assets, with the remainder pertaining to equity resulting from the fund's non-liquid net investment in capital assets.

Using the current annual depreciation expense presented in the City's audited FY 2016-17 CAFR, the projected FY 2017-18 CERF depreciation expense is \$95,000. In a "utopia," the CERF would recover its annual depreciation in the form of internal service fund service charges to the various department and funds using CERF assets in their respective operations. In robust fiscal years, the various departments of the General Fund (e.g. Police; Public Works, Admin/Finance/Legal, etc.) would incur an annual "CERF Charge" to replenish CERF reserves totaling approximately \$95,000.

Despite the CERF's funding needs, for over a decade the General Fund had to cut back, and occasionally eliminate, its replenishment of the CERF sinking fund contribution due to budgetary constraints. During FY 2017-18, based on optimistic projected General Fund operating results, CERF charges of \$55,000 were budgeted for and contributed by the General Fund. Although this was higher than the average contribution of the General fund over the past decade years, the CERF still fell short of the annual depreciation match requirement of nearly \$90,075 in FY 2016-17. When looking at just the past ten completed fiscal years (FY 2007-08 through FY 2016-17), total depreciation expenses of the CERF has exceeded annual replenishments (i.e. CERF charges, interest, proceeds of sales of assets, etc.) by \$308,119. This figure is probably worsened when extending the analysis beyond the aforementioned ten year timeframe considering that as of June 30, 2017 (the most recent audit year where depreciation was calculated), nearly 78% of all operational assets still in use and being tracked in the CERF are fully depreciated.

Prior to the enactment of Measure B (LMD) by the voters in June 2007, the General Fund of the City was the sole contributor to this vehicle and equipment depreciation schedule. Since the Landscape Maintenance District (LMD) now consumes over half of full-time Public Works' personnel time, voter-approved Measure B and H included a CERF expense in the public ballot measure to proportionately assist in the replacement of capital equipment and trucks used in the LMD. The FY 2018-19 CERF budget incorporates CERF charges of \$20,070 from the LMD fund, \$1,800 from The Grove Park fund, \$2,310 from the HUTA gas tax fund, and \$2,360 from the Stormwater fund. In addition, the FY 2018-19 proposed CERF budget incorporates \$55,000 and \$7,000 CERF

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charges to the General Fund's Police Department and Public Works Department respectively.

On an annual basis the Police and Public Works Departments communicate their capital equipment replacement needs to the City Manager. Based on an analysis of funds available as well as the most up-to-date CERF depreciation schedule the feasibility of asset replacement is addressed. The proposed FY 2018-19 CERF budget includes plans to purchase a new Ford F-150 dual hauling and patrol response unit at an estimated cost of \$60,000 which will replace two fully depreciated patrol units currently in use. In addition to being patrol and pursuit capable, the F-150 truck will allow the police department to haul the new command center trailer, funds for which were donated by the Tesoro Foundation. As a rollover from the prior year adopted budget, the FY 2018-19 CERF budget again plans for the purchase of a used heavy duty Ford F-350 truck at an estimated cost of \$40,000 to replace the fully depreciated 2000 Ford F-350 currently in use by the Public Works Department. At the conclusion of FY 2018-19, after the purchase of asset replacements offset by CERF charges to the various funds and departments, it is projected the CERF will have a positive net position of \$448,967, of which **\$173,682** pertains to cash reserves available to finance the purchase of replacement assets.

C. Pension Rate Stabilization Fund- No. 503

In FY 2017-18, given the growing apprehension surrounding CalPERS unfunded pension liabilities and consideration of the ever-growing list of factors beyond the City's control that can significantly and adversely impact the annual pension contribution expense, the City Council established the Pension Rate Stabilization Fund. The Pension Rate Stabilization Fund is internal service fund, designed to help smoothing out major fluctuations in annual pension contribution costs driven by market factors and actuarial changes. In both 2015-16 and FY 2016-17, the City's operating budget had to overcome the burden of large hikes in employer pension contributions due to fluctuations in its unfunded liability caused by CalPERS investment returns falling short of the actuarially assumed 7.50% discount rate in effect at that time. As it appeared these hikes would continue into the foreseeable future, the Pension Rate Stabilization fund was implemented to act as a hedging tool to stabilize future General Fund operating budgets.

As reported in the General Fund Reserves section previously, In FY 2017-18, utilizing General Fund excess reported in the FY 2015-16 audited CAFR, the City Council directed a transfer of \$110,000 to the newly established Pension Rate Stabilization Fund. Thereafter, following the publication of the City's FY 2016-17 audited CAFR the City Council directed an additional \$58,000 in General Fund excess to this fund as seed monies. By the close of FY 2018-19, when incorporating interest earnings of \$3,500, it is projected this fund will close with a positive reserve balance of **\$173,692**.

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While staff will continue to work on absorbing the pension obligations within the annual operating budget, the enormities and unknowns associated with that policy objective may frankly escape the monetary impact. As illustrated in the Public Employees Retirement System section of the Budget Message, staff projects an upward, not downward, trend in employer pension contribution requirement over the next several years following CalPERS' reduction to the long-term actuarially-assumed discount rate and other funding policy. The establishment of the Pension Rate Stabilization Fund will greatly aid the City's mission to maintain and sustain current public services to the community.

In addition to two sources of seed monies described previously, as a stand-alone fund separate and distinct from the City's General Fund, the Pension Rate Stabilization Fund will generate interest earnings from its share in the City's Investment Pool. Beyond ongoing allocations of interest earnings, future revenue sources could come from one-time transfers of General Fund excess reserves authorized by the City Council or budgeted charges to the City's various governmental funds that utilize City staff.

Contributions to this fund do not result in a decrease to the City's unfunded pension liability, as that could only be achieved from direct contributions to a CalPERS-administered irrevocable trust, which is not being recommended at this time. However, much like the City's already established Capital Equipment Replacement and Self Insurance internal service funds, this new fund is a useful tool for to help mitigate the risk of fluctuations in future pension contribution requirements to the City's ongoing General Fund operating budget.

D. Endeavor Hall (Enterprise) Fund - No. 702

This separate fund was established in the FY 2002-03 adopted budget to track specific revenues and expenses of the million dollar historic Endeavor Hall renovation project. More residents and local organizations continue to discover Endeavor Hall's historical charm for events, meetings, and special occasions. Additionally, the Clayton Theatre Company used the Hall for its 6th year of theatrical productions. Facility-use rental fees for FY 2017-18 are projected to land at approximately \$29,600, beating the revenue projection in the adopted by \$4,900 (19.8%).

Unfortunately, this positive news is offset by the fact that operational expenditures (excluding depreciation of the facility and improvements) are projected to exceed operational revenues by approximately \$7,562 by the close of FY 2017-18. Based on historical rental performance it is expected Endeavor Hall will incur yet another operational shortfall (excluding depreciation expense) to be approximately **\$4,990** in FY 2018-19. With the average wedding rental of Endeavor Hall generating approximately \$1,300 in rental income in FY 2017-18, all that is necessary for Endeavor Hall to break even in operation (excluding the impacts of depreciation expense) next year is approximately four more wedding rentals, or equivalent full-day use events.

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For FY 2017-18, minimal City staff time (\$15,940) is projected for upkeep of the facility and staffing of evening and weekend events. Maintenance time is necessary for landscaping and gardening to ensure the facilities grounds have annual color plants sufficient to keep it desirable for the rental community. Naturally, when vandalism occurs on the building and grounds, extra expenses are incurred to make the necessary repairs. Furthermore, periodic Public Works labor is necessary for the maintenance and upkeep of on-site equipment and fixtures. Total proposed (non-labor) operational and maintenance expenses in FY 2018-19 are budgeted at \$19,050. Depreciation expense in this fund is projected to remain consistent at \$37,500 in FY 2018-19.

During FY 2015-16, action was taken by the City Council to earmark \$25,863 in General Fund FY 2014-15 excess reserves for much needed facility repairs and replacements at Endeavor Hall. Specific activities funded by this action included: repainting of the exterior and interior walls, refinishing the oak wood flooring, and resealing the concrete walkway. These urgent improvements to the facility are a prime example of the periodic financial support needed from the General Fund for capital improvements/replacements as Endeavor Hall operations are not self-sustaining. As past rental experiences generate positive word of mouth promotion and expand the customer base, staff is hopeful Endeavor Hall operations will eventually become self-sustaining.

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FIDUCIARY FUNDS

Tracked by the City and included herein for reference, fiduciary funds of the City are not typically considered part of the budget of the primary government since the City essentially serves as a fiscal conduit (fiscal agent) for legally separate entities. Legally separate entities reported under this category include, but are not limited to several benefit assessment districts and Mello-Roos community facility districts. No underlying debt obligation of the City is assumed in administering the fiscal transactions of these funds. With secured sources of income, these funds are not held hostage to the volatility of general governmental purpose revenues or state government shenanigans. Fiduciary funds often operate with negative cash flow balances and therefore can have interest charges applied for temporary reliance on the use of pooled reserves to underwrite their annual operations.

A. High Street Bridge Benefit Assessment District- Fund No. 217

In 1998 the City Council ordered the formation of the High Street Permanent Road Division for the purpose of reconstructing and maintaining the High Street Bridge over Mitchell Creek. This annual assessment is levied against specified private property parcel owners within the High Street Bridge Benefit Assessment District in order to repay construction-related financing and for future maintenance of the bridge. The High Street Bridge debt is repaid over thirty (30) years with its ultimate maturity in FY 2028-29. The fund will continue to assess annual levies against covered parcels within the district until the underlying long-term obligation due to the RDA Successor Agency is fulfilled. After incorporating any pre-payments by district members, the outstanding debt obligation (principal and interest) of the district will be approximately \$15,913 as of June 30, 2018. In FY 2018-19 the total assessment is projected to be \$1,754 to cover debt service and contribute to the annual bridge maintenance reserve. This fund is projected to close FY 2018-19 with a positive reserve balance of \$6,437, of which \$5,700 (88.6%) is restricted for future bridge maintenance of the district.

B. Oak Street Bridge Benefit Assessment District - Fund No. 218

In 1999 the City Council ordered the formation of the Oak Street Permanent Road Division for the purpose of reconstructing and maintaining the Oak Street Bridge over Mitchell Creek. This annual assessment is levied against specified private property parcel owners within the Oak Street Bridge Benefit Assessment District in order to repay construction-related financing and for future maintenance of the bridge. The Oak Street Bridge debt is repaid over twenty (20) years with its ultimate maturity next year (FY 2018-19). This fund incurs minimal annual expenses for its share of the County's property tax administration fees and includes property tax revenues levied on public property contained within the benefit assessment district. The fund will continue to assess annual levies against covered parcels within the district until the underlying long-term obligation due to the City is fulfilled. After incorporating any pre-payments by district members, the outstanding debt obligation (principal and interest) of the

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district will be approximately \$3,958 as of June 30, 2018. In FY 2016-17 this fund contributed \$12,000 to the City's Arterial Rehabilitation Project (CIP No. 10437A) to help address pavement improvements needed in the District. In FY 2018-19 the total assessment is projected to be \$6,150 to cover debt service, county property tax administrative costs, City administrative costs and to contribute to the annual bridge maintenance reserve. This fund is projected to close FY 2018-19 with a positive reserve balance of **\$18,720**, of which \$17,600 (94.0%) is restricted for future bridge maintenance of the district.

C. Lydia Lane Sewer Benefit Assessment District - Fund No. 222

In 2002 the City Council ordered the formation of the Lydia Lane Sewer Benefit Assessment District along south Lydia Lane for the purpose of funding the construction of municipal sewer main line lateral connections to specified homes within the district plus an associated street overlay. The project was funded by the private property parcel owners since they "opted out" of inclusion in the original Project Area of the since-dissolved Redevelopment Agency (RDA). As a result of opting out of inclusion, they were ineligible to receive RDA funds to address public health and safety blight through the installation of a municipal sewer line to eliminate their private septic tank systems. The project was completed in 2003 with bonds issued by the City for repayment by the district over a thirty (30) year life maturing in FY 2032-33. This annual assessment is levied against specified private property parcel owners within the Lydia Lane Sewer Benefit Assessment District in order to repay construction-related financing and to address ongoing operational and administrative costs. This fund will continue to assess annual levies against covered parcels within the district until the underlying long-term obligation due to private bondholders is fulfilled. Parcel assessments are projected to produce \$16,750 in FY 2018-19. Debt service payments for FY 2018-19 total \$14,350 or 85.7% of the district's annual expenses. The principal balance of the bonds will be \$158,325 as of June 30, 2018. This fund is projected to close FY 2018-19 with a positive reserve balance of **\$79,524** for future sewer maintenance in the district. Of this reserve balance, \$12,813 (16.1%) pertains to the bond reserve fund, held by the trustee and restricted for debt service per the bond indenture.

D. Oak Street Sewer Benefit Assessment District - Fund No. 223

In 2002 the City Council ordered the formation of the Oak Street Sewer Assessment Division for the purpose of funding the construction of municipal sewer main line lateral connections to specified homes within the district. This neighborhood sewer project was completed in 2004. Under its mission to eliminate public health and safety concerns, the former RDA paid for half (50%) of the project and the adjacent real property owners agreed to annual parcel assessments for the balance of the capital expense. This annual assessment is levied against specified private property parcel owners within the Oak Street Sewer Benefit Assessment District in order to repay construction-related financing. The Oak Street Bridge debt is repaid over twenty (25)

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years with its ultimate maturity in FY 2027-28. This fund will continue to assess annual levies against covered parcels within the district until the underlying long-term obligation due to the RDA Successor Agency is fulfilled. After incorporating any pre-payments by district members, the outstanding principal district's loan will be approximately \$77,273 as of June 30, 2018. Annual parcel assessments are projected to produce \$12,000 in district revenue in FY 2018-19. Debt service payments for FY 2018-19 total \$9,809 or 87.5% of the district's budgeted expenses. The fund is projected close FY 2018-19 with a modest reserve balance of **\$2,887** for future sewer maintenance in the district.

E. Diablo Estates Benefit Assessment District - Fund No. 231

In 2012 at the request of the developer of the Diablo Estates sub-division, the City Council formed the Diablo Estates Benefit Assessment District. The purpose of the district is to generate funds for the maintenance of various improvements constructed as part of the development to solely benefit the real property owners within the district. The duties specified in the original Engineer's Report included the maintenance of landscaping and irrigation, weed abatement, storm drainage facilities, and private street lighting, which are funded by an annual assessment levied against the 25 lot residential subdivision. The fund functions essentially as a depository account from which the City contracts with and pays for a property management company to actually perform and execute the subdivision maintenance and infrastructure repairs.

In FY 2018-19 the assessment revenue is projected to be approximately \$85,861, which incorporates an April 2017 to April 2018 consumer price index (CPI) inflationary increase of 3.22%. The primary FY 2018-19 expense of the district pertains to costs associated with the property management firm contract (\$54,390). The fund is projected to close FY 2018-19 with a positive reserve balance of approximately **\$127,340** primarily retained for future infrastructure replacements in the district.

F. Clayton Financing Authority - Fund No. 405

On December 4, 1990, the City Council of Clayton, California adopted Resolution No. 120-90, which created the Clayton Financing Authority (CFA) through a joint exercise of powers agreement. Consistent with most local financing authorities, the joint powers agreement established the City Council as the Board of Directors of the CFA. The CFA was initially established to allow redevelopment tax allocation bonds to be sold at a more favorable negotiation basis versus a public basis. The CFA is registered with the State of California Controller's Office and is subject to the laws pertaining to special districts. As a legal separate public entity, the CFA is required to file an Annual Report with the State of California in accordance with *California Government Code* Section 26909.

Arising from matters associated with the Oakhurst Development Project, the CFA held title to a 1-acre parcel located at the southwest corner of the Clayton Road-Oakhurst

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Drive-Center Street intersection. In October 2006, the CFA sold the real property for \$800,815 to a commercial developer (Endashian, Inc.), which ultimately led to the construction and opening of the former Longs Drug Store at this location (now CVS/Pharmacy). A small portion of these monies was used in the 2008 park renovations at Clayton Community Park (tot lot and picnic facility improvements). In addition, during FY 2012-13, the CFA Board of Directors authorized the use of a portion of these discretionary funds to help finance the City's 2013 Neighborhood Street Project (CIP No. 10417).

During this past year, the replacement of the city hall HVAC quickly became more urgent as three of the five condensing units had failed and were rendered inoperable during FY 2017-18, resulting in a total cooling capacity of 40% for the three story building. Furthermore, the city hall boiler had completely failed eliminating all heating capacity of the HVAC unit essential for a productive office workplace. Acknowledging the importance of a functioning HVAC during the hot summer months and cold winter months for a productive office work environment, on July 18, 2017 the City Council authorized the transfer of \$170,126 from the CFA to assist in financing the replacement of the aging city hall HVAC unit.

No appropriations are currently included in the FY 2018-19 CFA proposed budget. After incorporation of interest earnings of \$10,000, it's projected this fund will close FY 2018-19 with a positive reserve balance of **\$565,293**.

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

As its name implies, this fund manages the annual collection of the real property Mello-Roos special parcel tax that helped finance the construction of the Diablo View Middle School, a 2007 and 2013 recognized CA Distinguished School. During FY 2007-08 the outstanding district debt was refunded to obtain a lower interest rate on the remaining principal (see Fund No. 422). This was a City-initiated transaction which resulted in lower annual payments for the assessed real property owners of this district (Oakhurst Development properties). The remainder of district budgeted expenses pays for required debt administration costs.

Professional bond trustee administration fees are incurred to manage the retirement of the district's debt. In FY 2018-19 debt service payments on the 1997 local obligations total approximately \$402,061 after the application of a debt service credit from the CFA of \$82,000 after applying savings arising from the bond refunding. Without the application of the debt service levy credit, total regular scheduled debt service on the 1997 local obligations would be \$484,061 in FY 2018-19.

Consistent with past years, in FY 2018-19 the projected special parcel tax revenue of approximately \$393,802 is less than expenditures as it incorporates a levy reduction

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credit of approximately \$125,559 (\$82,000 CFA debt service credit and \$46,029 district reserves use). This levy reduction has been implemented annually to gradually apply savings resulting from the bond refunding. When compared to the prior year district special tax levy, FY 2018-19 reflects a levy reduction of \$4,000 to be shared amongst the district tax payers. The district is projected to close FY 2018-19 with a positive reserve balance of **\$279,036**.

H. CFA 2007 Refunding Bonds Agency Fund - Fund No. 422

In 1997 the Clayton Financing Authority (CFA) issued \$7.16 million in Special Tax Bonds to finance in part the construction of the Diablo View Middle School (see Fund No. 420). Approximately \$5.285 million remained outstanding on the debt carrying a final maturity date of 2022. In May 2007 the CFA's Board of Directors (City Council) determined it was financially advantageous to the Oakhurst Development real property owners for the CFA to refinance the outstanding debt to achieve savings in annual debt payments. Upon its issuance the refunding action captured a savings of \$600,000 to the Middle School Community Facilities District 1990-1 (CFD 1990-1) saving individual property taxpayers approximately \$20 - \$51 per year. Bond interest rates fell from the range of 5.25% - 5.90% down to 3.5% - 4.2%. As the CFA is the owner of the 1997 local obligations, the 2007 Refunding Bonds are ultimately secured by the annual special parcel tax levy from CFD 1990-1 and the corresponding annual payment on the 1997 local obligations.

Debt service on the 2007 refunding bonds total \$433,595 in FY 2018-19. Payments received pertaining to the 1997 local obligations from CFD 1990-1 will be sufficient to meet the required 2007 refunding bonds debt service. Consistent with the prior year, this fund is projected to utilize reserves in order to apply a debt service credit to the FY 2018-19 "Middle School" CFD 1990-1 special parcel tax levy (See Fund No. 420). A systematic and gradual utilization of reserves (bond refunding savings) is planned through the maturity of the 2007 refunding bonds in FY 2022-23. The fund is projected to close FY 2018-19 with a positive reserve balance of **\$462,811**, of which \$251,990 (54.4%) pertains to the 2007 bonds' reserve fund held with the bond trustee and restricted for future debt service per the bond indenture.

I. Successor Agency - Fund No. 615

On June 28, 2011 the California State Legislature adopted two pieces of legislation - AB 1X 26 and AB 1X 27 (the Bill) - which eliminated redevelopment agencies (RDAs) and provided cities with the opportunity to preserve one's RDA 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

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Supreme Court validated AB 1X 26 and overturned AB 1X 27. Further, the Supreme Court indicated that all RDAs in the State of California were to be dissolved and cease operations as a legal entity as of February 1, 2012. On January 11, 2012, the City Council elected to become the Successor Agency to the former RDA in accordance with AB IX 26 as part of City Resolution 03-2012. As a result of the restrictions placed on the assets and liabilities of the former RDA, the balances were transferred to a private purpose trust fund (Fund No. 615) on February 1, 2012.

Under the new law, Successor 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. Since FY 2011-12, Successor Agencies are only 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 RDA have been paid in full and all assets have been liquidated. On an annual basis, in accordance with dissolution law, the Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) outlining all of the funding requirements for upcoming fiscal year. The ROPS must be approved by the Oversight Board to the Successor Agency via resolution and be submitted to the California Department of Finance (DOF) for approval. After a scrutinizing review by the DOF and its subsequent approval, funding for the obligations on the ROPS is received from the County Auditor Controllers office each January and June.

For FY 2018-19, the Successor Agency anticipates total expenses of \$692,490, of which 65.7% pertains to annual debt service on the 2014 Refunding Tax Allocation Bonds (TABs). In the DOF's determination letter approving the 2018-19 ROPS dated April 12, 2018, the second installment of the Supplemental Educational Revenue Augmentation Fund (SERAF) loan was approved for repayment to the Clayton Successor Housing Agency, which is scheduled to be fully repaid in FY 2020-21. Through the ROPS process described above, it is projected that the Successor Agency will receive Redevelopment Property Tax Trust Fund (RPTTF) revenues totaling \$719,897 in FY 2018-19. Subsequent to the approval of the All Other Funds Due Diligence Review (AB 1484) in FY 2015-16, the DOF ordered the Successor Agency to first use any existing cash reserves before receiving additional ROPS funding for enforceable obligations. Pursuant to this action, the Successor Agency has and will continue to use remaining bond proceeds for the payment of interest on the 2014 TABs and trustee fees. At the close of FY 2018-19, it is expected the Successor Agency will close with a positive reserve balance of approximately **\$900,643**, which is entirely restricted to future ROPS obligations. This positive reserve balance results solely from the timing of payments, as the first of two annual ROPS payments is received in June of each year, immediately prior to the fiscal year for which funds are restricted.

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CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

With the demise of former RDA monies for capital improvement projects, the City now has limited financial capacity to complete key capital improvement projects. In more recent years, CIP projects have been primarily funded by HUTA gas taxes, Measure J, as well as local, state and federal grant programs.

FY 2017-18 Capital Improvement Program Projections

The adopted FY 2017-18 CIP budget incorporated appropriations of \$2,471,256 split between seven (7) different funded CIP projects. Following the adoption of the budget, however, new projects can be incorporated into the CIP budget and circumstances can arise requiring the deferral of planned projects into future fiscal years. The following CIP projects were underway or completed during FY 2017-18 which are projected to have invested **\$483,060** in capital improvements (including design costs) by the close of the fiscal year.

1. **Pine Hollow Road Upgrades (CIP 10379)**

Included in the past several CIP budgets but listed as “unfunded”, the scope of this project is to widen the north side of Pine Hollow Road with the addition of new curb, gutter and sidewalk between Pine Hollow Estates and the westerly City limit. Project work will require the acquisition of right of way for new improvements with conform paving crossing the city limit line into the City of Concord. Furthermore, the project entails the installation of a pre-made City entryway sign on the southern City limit of Pine Hollow Road.

With the completion of the Measure J grant-funded portion of 2016 Arterial Street Rehabilitation Project (CIP 10437A) under budget, on September 19, 2017 the City Council authorized the redirection of \$375,000 in remaining Measure J grant funds to this project. During FY 2017-18, the new City Engineer worked with Contra Costa County Transportation Authority (CCTA) to revise the grant agreement documents incorporating the Pine Hollow Road Upgrade project as “Phase 2” of the grant-funded local transportation improvement project. On April 3, 2018 the City Council authorized a resolution earmarking the allocation of FY 2018-19 RMRA gas tax revenues to this project to provide additional funding for this project, which is expected to cost well over the amount of residual Measure J grant monies. With preliminary and conservative cost estimates for this project nearing \$1 million, based on the results of other street repave/rehabilitation project bids received in FY 2017-18, the construction phase (and completion) of this project is planned for two years from now (FY 2019-20). In FY 2019-20 an additional \$308,000 in federal Local Street and Road Shortfall Fund funds (or “OBAG II” monies as referred to by CCTA as the pass-through awarding entity) will become available, bringing the total funding for this project to \$872,883.

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During FY 2017-18 this project was in the initial engineering planning and design phase, with a completed set of bid specifications anticipated sometime during next fiscal year (FY 2018-19). As noted previously, it is not expected this project will enter into the construction phase until FY 2019-20, when additional federal funding is expected to become available from CCTA.

Projected Capital Related Expenditures in FY 2017-18: \$45,000

2. ADA Compliance Program (CIP 10394A)

Each fiscal year the City sets aside \$6,000 of its annual HUTA gas tax revenues to build up sufficient reserves to perform handicap ramp corner curb cuts on public sidewalks. In addition to installing these ADA ramps where none exist, federal standards on ramp specifications were modified in July 2008 requiring revamping of existing ramps when street or sidewalk projects are installed in the adjacent area. These monies may also be used to repaint and remark existing ADA public parking spaces to current standard. The City's HUTA Gas Tax Fund (No. 201) transferred \$6,000 to this CIP account during FY 2017-18. After interest earnings, the residual reserve balance of this project is estimated to be \$9,150 by the close of FY 2018-19.

Projected Capital Related Expenditures in FY 2017-18: None

3. Utility Undergrounding Project (CIP 10397)

Each year, PG&E is required by the Public Utilities Commission to set aside funds for the undergrounding of overhead utility lines. The money set aside is distributed by PG&E to local agencies on a proportional basis. Since the cost of undergrounding is so high (minimum of \$1,000,000 for 300 feet or so), this project was created to accept and accumulate these funds until enough is available to undertake a project. Typically, PG&E will allocate \$21,000 to the City's Rule 20A project account annually. In addition to the annual allocation, the City is authorized to make a five (5) year advance borrowing currently estimated to be \$103,660. Including an annual allocation estimate of \$21,000, total estimated reserves available for a utility undergrounding project will be approximately \$445,072 by the close of FY 2017-18. No project expenditures were either planned or incurred during FY 2017-18.

Projected Capital Related Expenditures in FY 2017-18: None

4. El Molino Drive Sanitary Sewer Improvements Project (CIP 10422)

This project was originally established as part of the FY 2011-12 CIP budget to construct modifications to existing deficient sanitary sewer mains to prevent potential sewer overflows in areas adjacent to Mt. Diablo Creek. The project

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would entail pipe enlargement and construction of a bypass line in El Molino Drive. Total estimated project costs of \$560,000 will be funded by a reimbursement agreement with the City of Concord executed on September 7, 2017. Funding for this project is derived from the City of Concord's joint sewer enterprise fund wherein property owner parcel assessments in Clayton are deposited. By the close of FY 2017-18, total project expenditures to-date for engineering, planning and design expenditures are projected to be approximately \$40,000. This total excludes initial costs incurred by the City for the Marsh Creek Road Sewer Survey Study of approximately \$63,566, which established the essential groundwork for the El Molino Drive Sanitary Sewer Improvements Project. During FY 2017-18 this project went out to for competitive bidding however no proposals were received. Following this result, on May 15, 2018, the City Council authorized staff to negotiate a contract. This project is expected to transition from the engineering, planning and design phase to construction next fiscal year (FY 2018-19).

Projected Capital Related Expenditures in FY 2017-18: **\$40,000**

5. Keller Ridge Drive Collector Street Rehab Project (CIP 10425)

The scope of this project includes pavement resurfacing and treatment on the Keller Ridge Drive collector street in Clayton. This project will be partially funded by federal Local Street and Road Shortfall Fund funds (or "OBAG I" monies as referred to by the Contra Costa Transportation Authority as the pass-through awarding entity) totaling \$385,000 expected to be received in FY 2018-19 once construction commences. This federal grant requires a minimum local match of 11.5%, which will be achieved through transfers of HUTA and RMRA gas taxes as well as Measure J local street maintenance "return to source" funds. The federal grant monies can only be used on a collector or arterial street (rather than on a residential neighborhood street). By the close of FY 2017-18, it is estimated total planning and design project costs from inception to-date will be approximately \$78,226. Construction is projected to be underway early next fiscal year (FY 2018-19).

Projected Capital Related Expenditures in FY 2017-18: **\$50,000**

6. 2018 Neighborhood Street Rehabilitation (CIP 10436)

The objective of the 2018 Neighborhood Street Project is elevate all of the neighborhood streets to a Pavement Condition Index (PCI) of 80 or greater, with a PCI score of 100 being equivalent to a brand new street. This project has been designed to accomplish said street maintenance and rehabilitation on streets where state or federal transportation funds is not currently available. This project will be funded by various sources with proposed funding being derived

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from HUTA and RMRA gas taxes, Measure J local streets maintenance “return to source” funds, Measure J Co-op funds, and a Cal Recycle grant for utilizing rubberized paving materials. On May 15, 2018 the City Council approved the award of a low-bid contract to Sierra Nevada Construction in the amount of \$784,007 for this project. The proposed budget assumes a total fully funded project cost of \$994,007 for engineering (planning, design, etc.), construction, inspections, and project acceptance reporting. Any locally derived residual funding at the conclusion of the project will be returned to its source special revenue fund, with the policy assumption that the most restrictive funds are considered to have been spent first. By the close of FY 2017-18, it is estimated total initial planning and design project costs from inception to-date will be approximately \$50,000. This project is expected to transition to the construction phase next fiscal year (FY 2018-19).

Projected Capital Related Expenditures in FY 2017-18: \$50,000

7. 2016 Arterial Street Rehab Project - Measure J Grant-Funded (CIP 10437A)
The scope of this project was to make the most of a Measure J grant program providing up to \$1.2 million in transportation network improvements to the City. Given the continuously growing volume of commuter traffic the City has experienced on its arterial streets, an investment in the community on street widening, bike lanes, shoulders and pedestrian paths would be immensely beneficial for the City. In addition, given the length of time it would take to accumulate \$1.2 million in reserves from other ordinary revenue sources (i.e. HUTA gas tax and per-capital Measure J) this grant funding allowed the City to commence work on much needed transportation infrastructure improvements earlier. On December 6, 2016 the City Council approved a resolution awarding a contract to Intermountain Slurry Seal, Inc. in the amount of \$556,204 for the construction of the surface treatment portion of the 2016 Arterial Street Rehabilitation Project. The scope of this project was expanded out to east Diablo Parkway during its execution. This resulted in twice the amount of pavement being included in the scope of the project for additional estimated project costs of \$193,796. In-total, this grant-funded portion of the project invested a total of \$861,327 in the community’s arterial street infrastructure system. This figure excludes the non-grant funded portion of the project funded by Measure J totaling \$363,129. This project was largely completed by the close of last fiscal year (FY 2016-17), with some final engineering inspection costs rolling into FY 2017-18. The City Council approved the notice of completion for this project on August 1, 2017.

Projected Capital Related Expenditures in FY 2017-18: \$2,583

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8. El Portal Drive Restoration Project (CIP 10439)

In the initial stages of the 2016 Arterial Rehabilitation Project, significant voids in a portion of the El Portal street pavement were identified requiring urgent stabilization. This additional work was added as a change order to the scope of the 2016 Arterial Rehabilitation Project with total remedial El Portal stabilization costs of approximately \$54,000. On February 21, 2017, following the adoption of the FY 2016-17 budget, the City Council added the El Portal Drive Restoration Project to the CIP. An analysis by the City Engineer concluded that while portions of the pavement on El Portal Drive were in good condition (PCI of 65), the first 900 feet east of Regency Drive had failed and needed to be reconstructed. In addition, the south side curbs and sidewalk had raised and settled creating an uneven sidewalk surface and an unprotected drop off to the adjacent creek bed.

Following stabilization of the El Portal Drive subgrade, additional work was identified as being necessary to reconstruct the surface improvements, particularly the pavement and sidewalk areas. The total estimated cost of this additional work, including the construction of a safety rail along the back of the sidewalk where the ground drops steeply into the adjoining creek was estimated to be \$250,000, funded by a combination of the Measure J grant monies described previously (CIP 10437A) as well as local Measure J Local Streets Maintenance "return to source" funds. Since the entire width of this segment of the street was to be repaved, the City was also required by state ADA requirements to reconstruct the handicap ramps at each of the eight (8) intersections along the project length. This additional ADA compliance work was funded by a \$20,000 transfer from the ADA Compliance account (CIP 10394A). This project is expected be completed by the close of FY 2017-18, with the locally-funded portion of this project accounted for in the CIP 10439 project account costing \$77,874.

Projected Capital Related Expenditures in FY 2017-18: **\$42,862**

9. Clayton Community Park Lower Field Rehabilitation (CIP 10440)

In response to feedback from soccer and baseball groups and an on-site assessment of the premises, a rehabilitation of the lower baseball/softball field (Field #1) of Clayton Community Park was incorporated into the CIP budget and planned for FY 2017-18. The Maintenance Department previously estimated costs of the rehabilitation project to be approximately \$50,000, which was approved to be funded by unallocated CIP fund interest earnings. However, as a result of turnover with two key positions at the City during FY 2017-18 (City Engineer and Maintenance Supervisor), this project was temporarily halted with more pressing and larger-scale projects entering the planning and design phase (i.e. design and bidding for both the 2018 Neighborhood Street Rehabilitation

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Keller Ridge Collector Street Rehab, replacement of City Hall HVAC, etc.). A re-examination of the original project budget by the City Engineer resulted in a revised project estimate of \$100,000, with the additional costs currently being presented as “unfunded” in the CIP budget requiring additional City Council direction. Despite the temporary setback experienced in FY 2017-18, with a new City Engineer and Maintenance Supervisor at the respective “helms” of their departments, it is expected this project will commence and be completed next fiscal year (FY 2018-19). Staff will be working diligently to identify additional funding for this project to be included with the recommendation of contract award to the City Council sometime during FY 2018-19.

Projected Capital Related Expenditures in FY 2017-18: None

10. North Valley Playground Rehabilitation (CIP No. 10442)

In response to feedback from residents in the community and an on-site assessment of the premises, a rehabilitation of the North Valley neighborhood park tot lot and surrounding premises was originally planned for and incorporated into the adopted FY 2017-18 CIP budget. Replacement of the resilient play surface, originally completed in FY 2000-01, is estimated to cost \$50,000, with the cost of equipment, freight and installation of the new play apparatus estimated to be \$79,500. Projected to cost \$36,300, the installation of three (3) shade structures similar to those at the Clayton Community Park Picnic Area #5 will provide much needed shelter from the sun given the absence of mature shade-providing trees in the park. This brings the total cost of the park rehabilitation project to \$165,800. The City Council previously authorized funding for North Valley Playground Rehabilitation project from two sources. The portion of the Open Space In-Lieu development impact fee balance designated for “active areas” will provide \$142,000 in funding for the project, with the remaining \$23,800 in funding coming from unallocated CIP interest earnings. During FY 2017-18, in accordance with the adopted budget, both of these funding transfers were made to the project account.

As noted previously, as a result of turnover with two key positions at the City during FY 2017-18, this project was temporarily halted with more pressing and larger-scale projects entering the planning and design phase (i.e. design and bidding for both the 2018 Neighborhood Street Rehabilitation Keller Ridge Collector Street Rehab, replacement of City Hall HVAC, etc.). Despite this temporary setback experienced in FY 2017-18, with a new City Engineer and Maintenance Supervisor it is expected this project will commence and be completed next fiscal year (FY 2018-19).

Projected Capital Related Expenditures in FY 2017-18: None

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11. City Hall ADA Accessibility Project (CIP 10443)

Following the adoption of the FY 2017-18 budget, CIP 10443 was added to the CIP budget by the City Council to address feedback from a growing constituency that the City Hall entry doors are extremely heavy and difficult for some to open, bringing into question their compliance with the Americans with Disabilities Act (ADA). Further related research by the City Attorney's office resulted in a finding that despite its historical status and listing on the California Register of Historic Buildings, the Clayton City building is not exempt from compliance with the rigorous ADA requirements. On September 19, 2017 the City Council awarded a low-bid contract to Greentech Industry in the amount of \$24,050 to bring the various entryway doors of City Hall into compliance. Pursuant to project specifications prepared by the City Engineer, the scope of this project included the installation of a push-button activated power door opening system for: (1) the main entry door to City Hall, (2) one of the two interior lobby entry doors within City Hall, and (3) for the City Hall Courtyard exterior public restrooms door. Including engineering design and planning costs, total project costs are estimated to be \$35,000. Due to set-backs encountered by the awarded contractor during the project planning phase, this project was temporarily halted and is expected to commence and enter into the construction phase next fiscal year (FY 2018-19).

Projected Capital Related Expenditures in FY 2017-18: **None**

12. City Hall HVAC Replacement Project (CIP 10444)

Over the course of the past two years, three of the five condensing units of the city hall HVAC system had failed and were rendered inoperable, resulting in a total cooling capacity of 40% for the three story building. Furthermore, during FY 2017-18 the city hall boiler had completely failed eliminating all heating capacity of the HVAC unit. As a reasonably controlled temperature is essential for a productive and safe work environment, particularly during the hot summer months and cold winter season, the replacement of the original city HVAC system quickly became an urgent and essential task. Acknowledging the importance of this need, on February 21, 2017 using a quote provided by the City's existing HVAC maintenance company, the City Council took action to earmark a portion (\$93,325) of the General Fund excess reported in the FY 2015-16 audited CAFR for this project. However, during the contracted project engineer's (Diseno Group) preparation of bid sets, some issues became apparent that the existing HVAC system did not meet current code requirements. Two of the largest code upgrades needed were a need to properly and adequately vent the boiler to the outside and to relocate the electrical disconnects for the boiler pumps that had been previously located behind the unit. Furthermore, technical discoveries identified some other major equipment needed to be replaced concurrently with the replacement of the

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HVAC system, including the operating controller, and electrical phase converter for the new cooling equipment, a new damper for the hot water heater and various valves and gauges.

Ultimately, with this new information from the contracted project engineer outlining significantly expanded specs, the competitive bids came in much higher than previously estimated. On July 18, 2017 the City Council awarded contract to the lowest responsive and responsible bidder (Servi-Tech Controls) to perform the project in the amount of \$253,398. Noting the previous earmark of General Fund excess fell short of the project's revised estimated cost City Council authorized the transfer of \$170,126 from the Clayton Financing Authority to bridge the gap in funding for this urgent project. This project was completed during FY 2017-18 with the Notice of Completion expected to go to the City Council for approval on June 5, 2018.

Projected Capital Related Expenditures in FY 2017-18: \$255,198

FY 2018-19 Capital Improvement Program Proposed Budget

Due to several projects previously summarized only entering the initial planning stages during FY 2017-18, any planned expenditures for these projects not incurred by year end are being rolled forward and re-appropriated into the FY 2018-19 CIP budget. Including these rolled-forward appropriations, the following projects are expected to be underway resulting in total projected expenditures of \$2,746,513 in FY 2018-19.

1. **Pine Hollow Road Upgrades (CIP 10379)**

Included in the past several CIP budgets but listed as "unfunded", the scope of this project is to widen the north side of Pine Hollow Road with the addition of new curb, gutter and sidewalk between Pine Hollow Estates and the westerly City limit. Project work will require the acquisition of right of way for new improvements with conform paving crossing the city limit line into the City of Concord. Furthermore, the project entails the installation of a pre-made City entryway sign on the southern City limit of Pine Hollow Road.

With the completion of the Measure J grant-funded portion of 2016 Arterial Street Rehabilitation Project (CIP 10437A) under budget, on September 19, 2017 the City Council authorized the redirection of \$375,000 in remaining Measure J grant funds to this project. During FY 2017-18, the new City Engineer worked with Contra Costa County Transportation Authority (CCTA) to revise the grant agreement documents incorporating the Pine Hollow Road Upgrade project as "Phase 2" of the grant-funded local transportation improvement project. On April 3, 2018 the City Council authorized a resolution earmarking the allocation of FY 2018-19 RMRA gas tax revenues to this project to provide additional

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funding for this project, which is expected to cost well over the amount of residual Measure J grant monies. With preliminary and conservative cost estimates for this project nearing \$1 million, based on the results of other street repave/rehabilitation project bids received in FY 2017-18, the construction phase (and completion) of this project is planned for two years from now (FY 2019-20). In FY 2019-20 an additional \$308,000 in federal Local Street and Road Shortfall Fund funds (or "OBAG II" monies as referred to by CCTA as the pass-through awarding entity) will become available, bringing the total funding for this project to \$872,883.

It is anticipated this project will complete the engineering planning and design phase with a complete set of bid specifications by the close of next fiscal year (FY 2018-19). As noted previously, it is not expected this project will enter into the construction phase until FY 2019-20, when additional federal funding is expected to become available from CCTA.

Projected Capital Related Expenditures in FY 2018-19: \$50,000

2. ADA Compliance Program (CIP 10394A)

Each fiscal year the City sets aside \$6,000 of its annual HUTA gas tax revenues to build up sufficient reserves to perform handicap ramp corner curb cuts on public sidewalks. In addition to installing these ADA ramps where none exist, federal standards on ramp specifications were modified in July 2008 requiring revamping of existing ramps when street or sidewalk projects are installed in the adjacent area. These monies may also be used to repaint and remark existing ADA public parking spaces to current standard. The proposed budget plans for an additional transfer of \$6,000 from the City's HUTA Gas Tax Fund (No. 201) 000 to this CIP account during FY 2018-19. This results in a planned reserve balance of **\$15,150** in this account available for future ADA needs by the close of FY 2018-19.

Projected Capital Related Expenditures in FY 2018-19: None

3. Utility Undergrounding Project (CIP 10397)

Each year, PG&E is required by the Public Utilities Commission to set aside funds for the undergrounding of overhead utility lines. The money set aside is distributed by PG&E to local agencies on a proportional basis. Since the cost of undergrounding is so high (minimum of \$1,000,000 for 300 feet or so), this project was created to accept and accumulate these funds until enough is available to undertake a project. Typically, PG&E will allocate \$21,000 to the City's Rule 20A project account annually. In addition to the annual allocation, the City is authorized to make a five (5) year advance borrowing currently estimated to be

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\$103,660. Including a another annual allocation estimate of \$21,000, total estimated reserves available for a utility undergrounding project will be approximately **\$466,072** by the close of FY 2018-19. No project expenditures planned at this point for FY 2018-19.

Projected Capital Related Expenditures in FY 2018-19: **None**

4. **El Molino Drive Sanitary Sewer Improvements Project (CIP 10422)**

This project was originally established as part of the FY 2011-12 CIP budget to construct modifications to existing deficient sanitary sewer mains to prevent potential sewer overflows in areas adjacent to Mt. Diablo Creek. The project would entail pipe enlargement and construction of a bypass line in El Molino Drive. Total estimated project costs of \$560,000 will be funded by a reimbursement agreement with the City of Concord executed on September 7, 2017. Funding for this project is derived from the City of Concord's joint sewer enterprise fund wherein property owner parcel assessments in Clayton are deposited. This total project estimate excludes initial costs incurred by the City for the Marsh Creek Road Sewer Survey Study of approximately \$63,566, which established the essential groundwork for the El Molino Drive Sanitary Sewer Improvements Project. During FY 2017-18 this project went out to for competitive bidding however no proposals were received. Following this result, on May 15, 2018, the City Council authorized staff to negotiate a contract. It is expected this project will transition from the engineering, planning and design phase to construction and completion in FY 2018-19.

Projected Capital Related Expenditures in FY 2018-19: **\$520,000**

5. **Keller Ridge Drive Collector Street Rehab Project (CIP 10425)**

The scope of this project includes pavement resurfacing and treatment on the Keller Ridge Drive collector street in Clayton. This project will be partially funded by federal Local Street and Road Shortfall Fund funds (or "OBAG I" monies as referred to by CCTA as the pass-through awarding entity) totaling \$385,000 expected to be received in FY 2018-19 once construction commences. This federal grant requires a minimum local match of 11.5%, which will be achieved through transfers of HUTA and RMRA gas taxes as well as Measure J local street maintenance "return to source" funds. The federal grant monies can only be used on a collector or arterial street (rather than on a residential neighborhood street). This project is expected to be completed next fiscal year (FY 2018-19) at a final estimated total cost of \$1,008,432.

Projected Capital Related Expenditures in FY 2018-19: **\$930,206**

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6. 2018 Neighborhood Street Rehabilitation (CIP 10436)

The objective of the 2018 Neighborhood Street Project is elevate all of the neighborhood streets to a Pavement Condition Index (PCI) of 80 or greater, with a PCI score of 100 being equivalent to a brand new street. This project has been designed to accomplish said street maintenance and rehabilitation on streets where state or federal transportation funds is not currently available. This project will be funded by various sources with proposed funding being derived from HUTA and RMRA gas taxes, Measure J local streets maintenance "return to source" funds, Measure J Co-op funds, and a Cal Recycle grant for utilizing rubberized paving materials. On May 15, 2018 the City Council approved the award of a low-bid contract to Sierra Nevada Construction in the amount of \$784,007 for this project. The proposed budget assumes a total fully funded project cost of \$994,007 for engineering (planning, design, etc.), construction, inspections, and project acceptance reporting. Any locally derived residual funding at the conclusion of the project will be returned to its source special revenue fund, with the policy assumption that the most restrictive funds are considered to have been spent first. This project is expected to transition to the construction phase and be completed by the close of next fiscal year (FY 2018-19).

Projected Capital Related Expenditures in FY 2018-19: \$944,007

7. Clayton Community Park Lower Field Rehabilitation (CIP 10440)

In response to feedback from soccer and baseball groups and an on-site assessment of the premises, a rehabilitation of the lower baseball/softball field (Field #1) of Clayton Community Park was incorporated into the CIP budget and planned for FY 2017-18. The Maintenance Department previously estimated costs of the rehabilitation project to be approximately \$50,000, which was approved to be funded by unallocated CIP fund interest earnings. A re-examination of the original project budget by the new City Engineer resulted in a revised project estimate of \$100,000, with the additional costs currently being presented as "unfunded" in the CIP budget requiring additional City Council direction. Staff will be working diligently to identify additional funding for this project to be included with the recommendation of contract award to the City Council sometime during FY 2018-19. It is expected this project will commence and be completed next fiscal year (FY 2018-19).

Projected Capital Related Expenditures in FY 2018-19: \$100,000

8. North Valley Playground Rehabilitation (CIP No. 10442)

In response to feedback from residents in the community and an on-site assessment of the premises, a rehabilitation of the North Valley neighborhood park tot lot and surrounding premises was originally planned for and

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incorporated into the adopted FY 2017-18 CIP budget. Replacement of the resilient play surface, originally completed in FY 2000-01, is estimated to cost \$50,000, with the cost of equipment, freight and installation of the new play apparatus estimated to be \$79,500. Projected to cost \$36,300, the installation of three (3) shade structures similar to those at the Clayton Community Park Picnic Area #5 will provide much needed shelter from the sun given the absence of mature shade-providing trees in the park. This brings the total cost of the park rehabilitation project to \$165,800. The City Council previously authorized funding for North Valley Playground Rehabilitation project from two sources. The portion of the Open Space In-Lieu development impact fee balance designated for "active areas" will provide \$142,000 in funding for the project, with the remaining \$23,800 in funding coming from unallocated CIP interest earnings. During FY 2017-18, in accordance with the adopted budget, both of these funding transfers were made to the project account. This project is expected to commence and be completed next fiscal year (FY 2018-19).

Projected Capital Related Expenditures in FY 2018-19: \$165800

9. City Hall ADA Accessibility Project (CIP 10443)

Following the adoption of the FY 2017-18 budget, CIP 10443 was added to the CIP budget by the City Council to address feedback from a growing constituency that the City Hall entry doors are extremely heavy and difficult for some to open, bringing into question their compliance with the Americans with Disabilities Act (ADA). Further related research by the City Attorney's office resulted in a finding that despite its historical status and listing on the California Register of Historic Buildings, the Clayton City building is not exempt from compliance with the rigorous ADA requirements. On September 19, 2017 the City Council awarded a low-bid contract to Greentech Industry in the amount of \$24,050 to bring the various entryway doors of City Hall into compliance. Pursuant to project specifications prepared by the City Engineer, the scope of this project included the installation of a push-button activated power door opening system for: (1) the main entry door to City Hall, (2) one of the two interior lobby entry doors within City Hall, and (3) for the City Hall Courtyard exterior public restrooms door. Including engineering design and planning costs, total project costs are estimated to be \$35,000. Due to set-backs encountered by the awarded contractor during the project planning phase in FY 2017-18, this project was temporarily halted and is being rolled forward into the FY 2018-19 proposed CIP budget for completion.

Projected Capital Related Expenditures in FY 2018-19: \$35,000

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PUBLIC EMPLOYEES RETIREMENT PENSION SYSTEM

A Brief History

Eleven years after its incorporation as a municipality in 1964, the City of Clayton joined the California Public Employees Retirement System (CalPERS) to establish a pension system for its public employees (June 1975). At that time it contracted for a retirement system plan of 2% at age 55 for its sworn law enforcement officers and 2% at age 60 for its general (miscellaneous) employees. Each enrolled plan was the least costly "defined benefit" plan offered by CalPERS. For the next 40 years and continuing today, permanent employees of the City are members of CalPERS for retirement pension purposes. The City organization does not belong to Social Security; therefore, its employees rely on this public pension system as the primary retirement program.

A plan change occurred in 1997 when the City moved its law enforcement employees from the CalPERS 2% at 55 Plan to a 2% at age 50 Plan; miscellaneous employees were kept on the 2% at age 60 Plan. Presumably at that time the City elevated the retirement benefits of its Police Department in order to attract and retain quality sworn personnel in the competitive public sector market. In early 2001 the retirement plans were again modified (through the collective bargaining process) to the existing "Classic" contracts of 3% at age 55 for Public Safety (sworn law enforcement) and 2% at age 55 for the Miscellaneous Unit (civilian). CalPERS also initiated unilateral action to eliminate small-employer public agency members from consideration as independent agencies and "pooled" them together to share some of the pension risk. These new pooled plans (in effect today) are referred to as *Multiple-Employer "Cost-Sharing" Defined Benefit Plans*. Although cost sharing plans are designed to bundle employer pension expenses of several employer plans that provide identical benefits, plans that had super- or under-funded statuses carried forward their positive or negative balances into the new plan in what is referred to as a "Side-Fund". Thus, this CalPERS action caused several of the small employers (including Clayton) to suddenly have a side-fund "unfunded liability" which the City of Clayton has now been reducing over time within its annual Employer contribution pension rates as analyzed in greater detail later.

In recent years, coinciding with the abrupt downturn in the national and local economies and the wave of retiring Baby Boomers (born 1946 - 1964), the press and the public have waged a vigorous debate and exposé concerning the amount and scope of unfunded liabilities of governments [taxpayers] for the CalPERS defined benefit retirement plan. Public pension policies have been attacked, modified, reformed and threatened over the course of this examination and it continues today in the form of state legislation reform bills, statewide initiatives and disparaging editorial opinions. The State of California enacted Public Employee Pension Reform Act (PEPRA) effective January 2013 creating a new defined benefit pension system for newly-enrolled CalPERS-covered employees.

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Acting in advance of PEPRA and most public agencies, the City of Clayton created a 2nd Tier Plan effective January 2011 for all new hires. To further mitigate its unfunded liability exposure, the Clayton City Council took action in March 2012 to prohibit all future local elected officials (e.g. city council members) from becoming members of the CalPERS pension plan. In FY 2018-19, three out of five Clayton City Council Members are not members of CalPERS and therefore participate solely in the Social Security federal program.

Various Pension Plan Groups and Composition

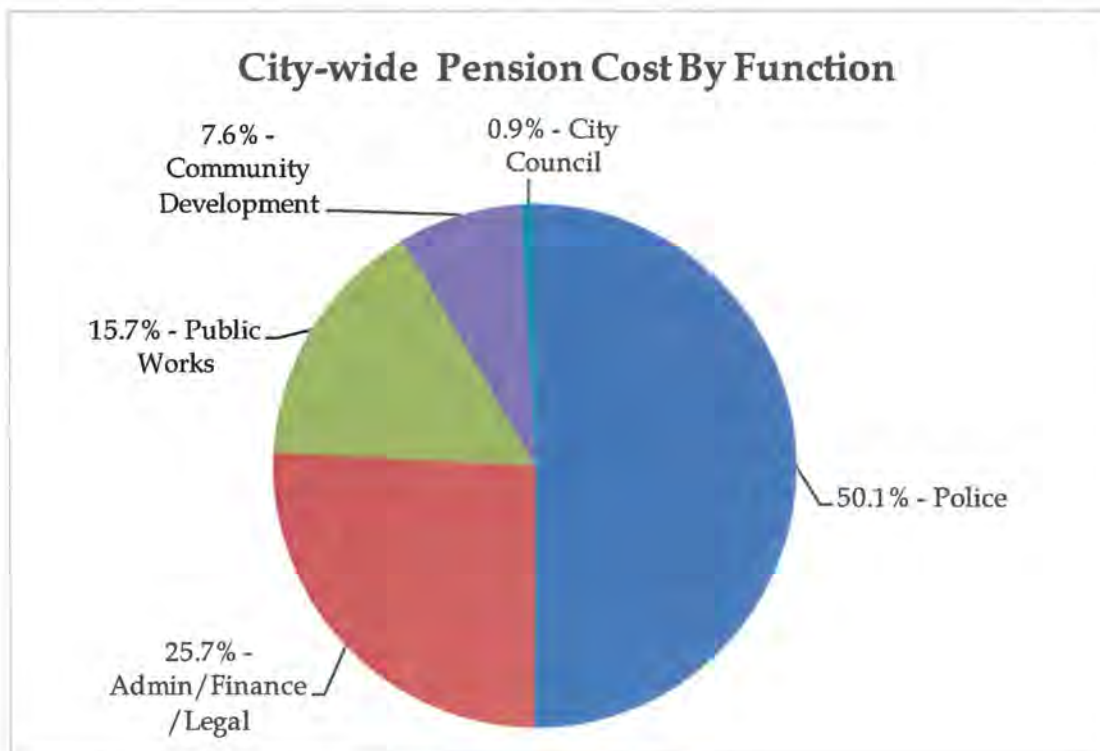
As a consequence of the actions taken as described above, the City of Clayton now has three (3) separate CalPERS pension plans for its employees:

1. Tier 1 "Classic" - This plan covers existing City employees prior to January 2011. No future employee of the City can ever become a Tier 1 Plan enrollee; this pool of existing employees will shrink in number as these employees move to other employment or retire from the City. The benefit formula for Public Safety Tier 1 members is 3% @ 55 and the benefit formula for Miscellaneous Tier 1 members is 2% @ 55. The City makes employee contributions on behalf of Tier 1 employees, which are classified as *Employer Paid Member Contributions* or "EPMC" by CalPERS. In accordance with labor agreements currently in place, for FY 2018-19 the City pays the entire 7% employee pension contribution requirement for Miscellaneous Plan Members. As part of three year Police Officers Association labor agreement approved on July 7, 2015, the previous 9% EPMC for Public Safety Tier 1 members was gradually phased out over the term of the agreement with its full elimination in FY 2017-18. This phase-out was offset by 4% annual cost of living adjustments for all sworn officers. In FY 2018-19, employer contribution rates (excluding EPMC) for Tier 1 employees will be 17.614% and 8.892% for Public Safety and Miscellaneous Plan Members, respectively.
2. Tier 2 "Classic" - This plan covers City employees hired during the timeframe January 2011 through December 2012, plus any new hire of the City that comes from an employer previously enrolled in a CalPERS pension system (without a break in service longer than six months). The benefit formula for Public Safety Tier 2 members is 2% @ 50 and the benefit formula for Miscellaneous Tier 2 members is 2% @ 60. There is no EPMC provision, making employees responsible for the entire employee pension contribution rate, which is 9% for Public Safety plan members and 7% for Miscellaneous Plan Members. In FY 2018-19 employer contribution rates for Tier 2 employees will be 15.719% and 7.634% for Public Safety and Miscellaneous Plan Members, respectively.
3. Tier 3 "PEPRA" - This plan (aka the "Brown Plan" named after its originator, Governor Jerry Brown) automatically covers any new employee of the City not

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previously a member of CalPERS or with a break in service longer than six months. The benefit formula for Public Safety Tier 3 members is 2.7% @ 57 and the benefit formula for Miscellaneous Tier 3 members is 2% @ 62. Under PEPRA law, members are required to pay at least 50% of the normal cost of benefits, essentially splitting the pension contribution rate requirement with some exceptions. In FY 2018-19 employer contribution rates for Tier 3 employees will be 12.141% and 6.842% for Public Safety and Miscellaneous Plan Members, respectively

The following chart summarizes the organization-wide spread of the City's pension contributions projected for FY 2018-19:



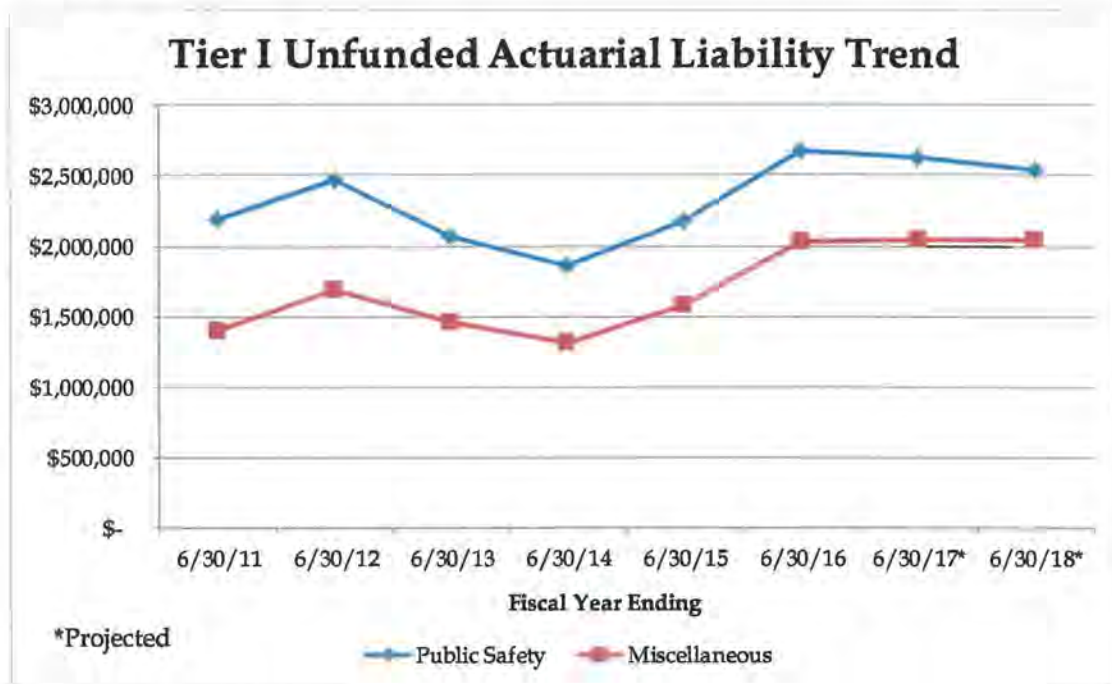
Status of the City's Unfunded Liability

"Unfunded liability" is the difference between the liability estimated to pay future benefits and the market value of assets accumulated to pay those benefits. If assets are greater, a plan is overfunded and if the liability is greater, a plan is underfunded, creating an unfunded liability. An unfunded liability is an estimate that changes with each valuation depending upon changes in market value of assets, investment earnings and actual results of the plan as compared to assumptions made by actuaries. Unfunded liabilities are not amounts that are actually due today but are estimates of what actuaries believe will be needed to pay future benefits. The funding policies

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established by CalPERS are intended to provide for full funding of the pension plan by the time employees retire.

The following is a line chart summarizing the City's unfunded actuarial liabilities (UALs) for both the Public Safety and Miscellaneous Tier 1 employee plans over the past 6 years (since CalPERS began publishing this information in the actuarial reports) and CalPERS' estimates for the upcoming actuarial reports for the years ending June 30, 2017 and June 30, 2018:



From the City's most recent CalPERS actuarial report issued in August 2017 for June 30, 2016, the unfunded liability of the Public Safety and Miscellaneous 1st Tier employee groups was \$2,672,718 (71.9% funded) and \$2,026,364 (72.8% funded), respectively. The hike in unfunded status (and corresponding increase in the UAL) from FY 2013-14 to FY 2015-16 was a result of the relatively poor performance of the capital markets with CalPERS not achieving the actuarially assumed 7.5% discount rate effective for those years. The 2016 Annual Review of Funding Levels and Risks published by CalPERS on September 20, 2016 reported that recent economic conditions have increased the risk associated with achieving a 7.5% rate of return over the medium term (10 years or so). With this in mind, action was taken by the CalPERS Board to re-address the viability of the actuarially assumed discount rate for future years with the goal of increasing funded status of pension plans.

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CalPERS Board Discount Rate Change

On December 21, 2016 the CalPERS Board voted to lower its discount rate from 7.5% to 7.0% over a three year timeframe with the hope the incremental lowering of the rate would give employers more time to prepare for the changes in contribution costs. The first year of pension contribution increases resulting from lowering the discount rate will be next fiscal year (FY 2018-19). The following is a summary of impacts to the City's Normal Cost (percentage of payroll) rate and fixed dollar UAL contributions resulting from CalPERS Board action on its discount rate:

Valuation Date	Fiscal Year Impact	Normal Cost		UAL Payments	
		Misc Plans.	Safety Plans	Misc. Plan	Safety Plans
6/30/2016	2018-19	0.25% - 0.75%	0.5% - 1.25%	2% - 3%	2% - 3%
6/30/2017	2019-20	0.5% - 1.5%	1.0% - 2.5%	4% - 6%	4% - 6%
6/30/2018	2020-21	1.0% - 3.0%	2.0% - 5.0%	10% - 15%	10% - 15%
6/30/2019	2021-22	1.0% - 3.0%	2.0% - 5.0%	15% - 20%	15% - 20%
6/30/2020	2022-23	1.0% - 3.0%	2.0% - 5.0%	20% - 25%	20% - 25%
6/30/2021	2023-24	1.0% - 3.0%	2.0% - 5.0%	25% - 30%	25% - 30%
6/30/2022	2024-25	1.0% - 3.0%	2.0% - 5.0%	30% - 40%	30% - 40%

These projected increases are not compounding, but represent percentage increases to existing contribution projections for the Normal Cost and fixed dollar UAL contributions previously published by CalPERS. The annual dollar impact of the increases caused by the change in actuarial assumption is illustrated in the Employer Pension Cost Trend Analysis table later in this section.

Status of the City's Side Funds

As discussed previously, the Side-Fund unfunded liability is the amount the City's CalPERS actuary annually determines is owed in addition to current payments. The City's Side-Funds have gradually reduced over the past several years. In the aggregate (Safety and Miscellaneous), the liability is being amortized (paid down at approximately \$230,000 per year as of FY 2017-18) following the new fixed dollar billing policy CalPERS implemented in FY 2015-16 discussed later.

Actuarial projections show the City's Tier I Public Safety Side Fund was eliminated this past year (FY 2017-18) and the Tier I Miscellaneous Side Fund will be fully eliminated in next two years (FY 2019-20). Next year, and for the first time, the pay-off of the Tier I Public Safety Side Fund will be accompanied by a temporary decrease in the fixed dollar UAL employer pension contributions. The one-time decrease in employer pension contributions anticipated in FY 2018-19 is clearly visible in the multi-year pension cost trend analysis on the following page. The significant but non-recurring savings are discussed in greater detail in the General Fund Police Department section of the Proposed Budget Narrative. It is important to note that while this is good news in

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the short term, changes in CalPERS Board adopted actuarial assumptions can still drastically impact future employer pension contribution requirements.

To provide a more in-depth analysis of a significant driver of the UAL, the following chart is offered summarizing the historical trend of the City's unfunded "side-fund" liability, which is included as part of the total UAL discussed previously. This trend analysis was prepared using the most current actuarial data supplied to the City by CalPERS in the annual funding actuarial reports:



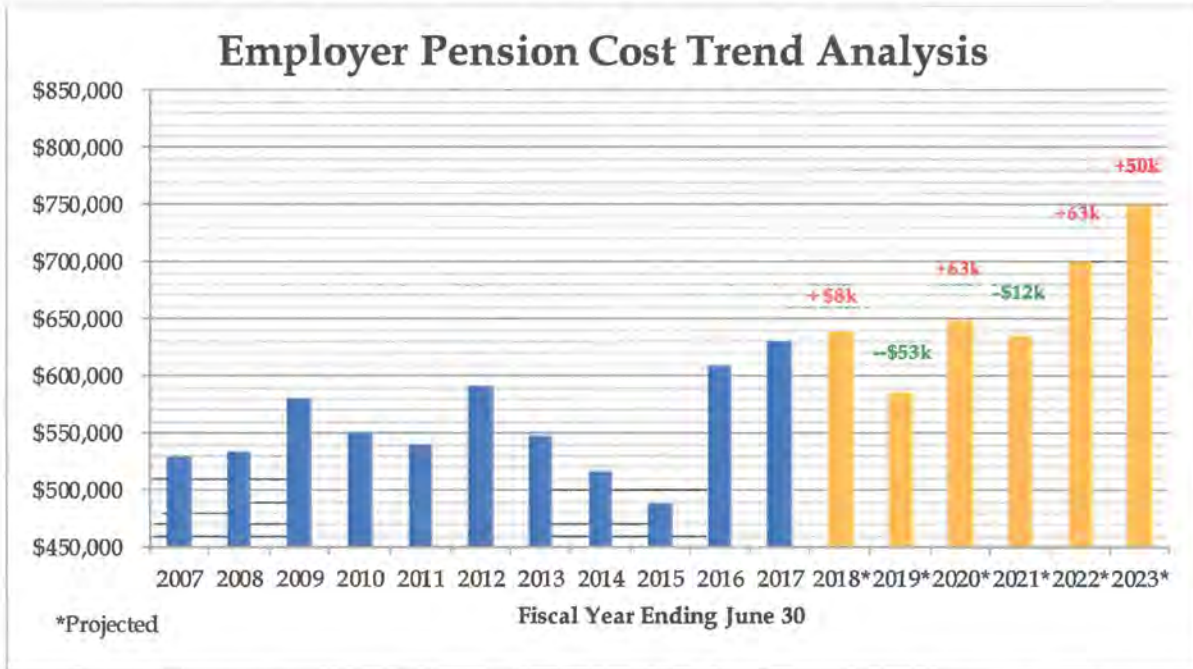
Impacts of Statutory Pension Reform - Short and Long-term

As described in the General Fund Expenditures section previously, since the adoption of PEPRA and due to measures taken by the City Council in 2011 to create second retirement tier prior to PEPRA, noteworthy savings were realized by the City in the three (3) year timeframe from FY 2012-13 through FY 2014-15. Ultimately, these savings were realized by the City through the gradual attrition of several Tier 1 "Classic" employees with less expensive Tier 2 and Tier 3 (PEPRA) enrolled employees.

However, commencing in FY 2015-16, in an attempt to "re-capture" these savings realized by the City and numerous other participating agencies, CalPERS began billing for the unfunded portion of the City's pension obligations as a fixed dollar amount as opposed to the "percentage of payroll" method use in all prior years up leading up to FY 2015-16, which prior methodology greatly benefited our City. The following chart

**City of Clayton
Budget Message
Public Employees Retirement Pension System**

summarizes the trends in employer pension cost for the past eleven fiscal years and projections for the current and next five fiscal years:



Note: This chart incorporates the existing Police Officer Association and Miscellaneous Employee Group labor agreements which expire on July 1, 2018 and July 1, 2019, respectively.

This chart illustrates actual pension costs from FY 2006-07 through FY 2016-17 and projections for FY 2017-18 (currently in progress) through FY 2022-23. As discussed previously, the noteworthy decrease projected for next fiscal year (FY 2018-19) is a direct result of the full payoff of the Public Safety Tier 1 Side Fund liability. The total amount of monies in the proposed budget projected to be required to pay CalPERS retirement contributions in FY 2018-19 is \$584,930 across all City funds, representing a decrease of approximately \$53,000 (8.4%). Of this amount, over **51.7%** pertains to CalPERS fixed dollar billings for the unfunded liability. This means for every one dollar spent on employer pension contributions, nearly 51.7¢ is used to address the buildup of the unfunded liability reported by CalPERS actuaries and not to address future retirement benefits of the current workforce.

The chart also incorporates the impact of the CalPERS Board decreasing the assumed discount rate in December 2016, which first causes increases to the employer pension contribution rate as a percentage of employee payroll as well as increases to the fixed dollar unfunded liability contributions beginning in FY 2018-19 (next year). Despite the negative impact of pension contribution increases caused by the discount rate reduction, in FY 2018-19 this bad news is offset by the savings realized from the

**City of Clayton
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Public Employees Retirement Pension System**

maturity of the Public Safety Tier 1 side-fund. Immediately following these non-recurring savings in the Police Department next year, employer pension contributions are expected to rebound back in FY 2019-20. Thereafter in FY 2020-21, estimated employer pension contribution increases which would have otherwise occurred due to the lowering of the discount rate are momentarily held at bay due to the payoff of the Miscellaneous Tier 1 Side Fund. In years following FY 2020-21 estimated employer pension contributions are expected to grow in concert with a wages. Of key importance when analyzing these figures is that the CalPERS projections incorporated in the previous chart assumes a consistent and predictable long-term discount rate of 7.0%. Should investment returns be greater than this, the City would realize savings in projected pension contributions, and vice versa should the assumed discount rate not be achieved.

Summary of Pension Analysis

The purpose of this information published annually is not to diminish or dismiss the seriousness of the unfunded liability retirement debate, and certainly the City's current amount of side fund unfunded pension liability is not insignificant. Acknowledging the importance of curbing the growth of unfunded liabilities, action was taken by the City Council to mitigate the issue prospectively by reorganizing the retirement groups. As a result of this restructuring, the amortization of the Side Funds, elimination of EPMC for more expensive Public Safety Tier 1 members, and annual payments made by the City towards the unfunded liability, the City's unfunded status is expected to trend downward in future years. What is critical to include in the dialogue over this subject is the acknowledgement that not every city or local government is in the same precarious predicament, and not every city or local government has the "Cadillac" retirement plan that is offered through CalPERS. Caution is suggested so as not to cast all public pension plans, pensioners, cities and public employees into the same cauldron to burn while gnawing on the most egregious examples of compensation spiking and retirement pay.

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BUDGET SCHEDULES
2018-19

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**General Fund
Revenues
2018-19**

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**CITY OF CLAYTON PROPOSED GENERAL FUND REVENUE BUDGET
2017-18 BUDGETED VS 2018-19 PROPOSED BUDGETED REVENUE**

Description	Account Number	Actual Revenue 2016-17	Budgeted Revenue 2016-17	Projected Revenue 2017-18	Budgeted Revenue 2017-18	Proposed Revenue 2018-19	Change from 2017-18 Budget (%)
Secured Property Taxes:							
Property Taxes In-Lieu of VLF	4100	928,098	907,000	965,768	946,600	985,000	4.1%
Property Taxes - Secured	4101	818,851	793,000	850,000	833,300	867,000	4.0%
Sales Tax In-Lieu (Triple Flip)	4101	58,402	56,000	-	-	-	0.0%
RPTIF Distribution	4108	349,264	290,000	382,000	368,000	414,000	12.5%
Total Secured Property Taxes		2,154,615	2,046,000	2,197,768	2,147,900	2,266,000	5.5%
Unsecured Property Taxes:							
Property Taxes - Unsecured	4102	41,033	40,690	40,800	39,800	41,600	4.5%
Property Taxes - Unitary Tax	4103	13,989	13,920	14,800	14,100	15,000	6.4%
Property Taxes - Supplemental	4104	34,812	24,270	35,000	29,500	35,700	21.0%
Property Taxes - Other	4106	9,874	10,460	10,000	10,500	10,200	-2.9%
Sales and Use Tax	4301	455,387	464,400	468,000	434,500	477,000	9.8%
Real Property Transfer Tax	4502	84,897	78,000	74,900	83,000	76,300	-8.1%
Business Licenses	5101	135,866	136,000	151,000	137,000	146,000	6.6%
CCC Building Permit Remit Fees	5103	61,863	55,000	71,200	58,100	72,000	23.9%
Engineering Service Fees	5106	8,842	7,800	9,600	8,100	9,700	19.8%
Public Safety Allocation	5201	82,707	82,600	86,000	82,900	87,700	5.8%
Abandoned Veh Abate (AVA)	5202	5,661	4,800	4,990	5,300	5,080	-4.2%
Motor Vehicle In-Lieu	5203	5,021	4,600	5,940	5,100	6,050	18.6%
Other In-Lieu of Taxes	5205	157,949	157,950	161,108	161,110	164,330	2.0%
POST Reimbursements	5214	1,487	1,000	2,380	1,000	2,380	138.0%
State Mandated Cost Reimbursement	5217	5,062	-	5,273	-	5,000	0.0%
Planning Service Fees	5301	15,382	12,200	14,400	14,280	14,600	2.2%
Police Services	5302	16,038	15,300	11,880	15,700	12,110	-22.9%
City Hall Rental Fees	5303	565	200	130	200	200	0.0%
Planning Service Charges	5304	36,091	20,000	27,600	25,000	28,400	13.6%
Well Water Usage Charge	5306	27,268	27,940	30,000	27,940	30,600	9.5%
Misc. City Services	5319	544	500	1,000	500	750	50.0%
Fiduciary Funds Administration	5322	252,568	252,560	269,630	269,690	254,827	-5.5%
Franchises - Comcast Cable	5401	216,953	211,000	218,900	220,300	221,000	0.3%
Franchises - Garbage Fees	5402	189,138	178,900	192,500	187,700	194,400	3.6%
Franchises - PG&E	5403	120,690	113,000	128,658	121,800	129,900	6.7%
Franchises - Equilon Pipe	5404	14,168	14,010	14,891	14,550	15,370	5.6%
AT&T Mobility Franchise Fees	5405	189	100	230	200	230	15.0%
Fines and Forfeitures	5501	29,312	26,000	27,700	27,200	28,200	3.7%
Interest	5601	86,626	60,000	84,900	80,000	88,200	10.3%
Park Use Fee	5602	37,048	43,900	32,100	39,100	33,130	-15.3%
Meeting Room Fee	5603	4,264	4,300	4,290	4,500	4,370	-2.9%
Unrealized Inv. Gain / Loss	5606	(51,301)	-	-	-	-	0.0%
Cattle Grazing Lease Rent	5608	9,787	9,780	9,972	9,970	10,150	1.8%
Cell Tower Lease Rent	5609	33,714	34,040	34,460	34,330	35,560	3.6%
Fountain Use Fee	5610	1,131	-	-	-	-	0.0%
Clayton Community Gymnasium Rent	5613	30,000	30,000	31,800	31,800	33,600	5.7%
Reimbursements / Refunds	5701	8,596	5,500	5,250	5,500	5,500	0.0%
CCLF Contributions	5703	-	-	2,000	-	-	0.0%
Other Revenues	5790	6,670	4,900	7,440	4,990	5,500	10.2%
Overhead Cost Recovery	5791	2,919	1,600	7,500	1,260	7,500	495.2%
Admin Expense Recovery:							
Measure J Fund	6002	4,330	4,330	4,494	4,494	4,639	3.2%
HUTA Gas Tax Fund	6004	7,230	7,230	7,503	7,503	7,745	3.2%
Neighborhood Street Lights Fund	6005	11,120	11,120	11,540	11,540	11,912	3.2%
GHAD Fund	6006	6,980	6,980	7,244	7,244	7,478	3.2%
Landscape Maintenance CFD Fund	6007	34,780	34,780	36,095	36,095	37,258	3.2%
The Grove Park CFD Fund	6011	7,070	7,070	7,337	7,337	7,574	3.2%
Stormwater Assessment Fund	6016	35,890	35,890	37,247	37,247	38,447	3.2%
Total Revenues		4,454,825	4,300,620	4,607,450	4,465,880	4,689,190	5.0%

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**General Fund
Expenditures
2018-19**

**CITY OF CLAYTON GENERAL FUND EXPENDITURE AND FUND BALANCE SUMMARY
FISCAL YEAR 2018-19**

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected Actual	2018-19 Proposed Budget
7111	Salaries/Regular	1,681,299	1,847,400	1,778,180	1,880,900
7112	Temporary Help	35,227	16,800	49,400	11,700
7113	Overtime	81,095	92,000	89,100	101,000
7115	Council/Commission Comp	29,755	35,400	34,800	35,400
7116	Part-time Salaries	3,724	4,500	4,100	4,500
7218	LTD/STD Insurance	14,864	31,810	19,170	21,280
7219	Deferred Compensation Retirement	2,724	2,730	2,200	2,710
7220	PERS Retirement - Normal Cost	221,925	229,550	207,260	239,180
7221	PERS Retirement - Unfunded Liability	344,599	385,100	370,138	264,400
7231	Workers Comp Insurance	82,106	79,820	75,750	87,080
7232	Unemployment Insurance	11,927	12,170	11,800	11,770
7233	FICA Taxes	27,507	31,360	30,170	31,760
7241	Auto Allowance/Mileage	19,340	19,420	18,490	19,420
7242	Uniform Allowance	8,550	9,000	8,550	9,000
7246	Benefit Insurance	248,923	274,600	246,130	297,200
7247	OPEB Expense	9,036	11,500	11,100	14,750
7301	Recruitment/Pre-employment	3,311	6,500	7,920	6,900
7311	General Supplies	27,542	31,000	32,390	32,000
7312	Office supplies	11,829	12,500	16,810	15,000
7313	Small Tools and Equipment	71	-	-	-
7314	Postage	3,546	5,000	4,400	5,000
7321	Printing and Binding	1,894	1,000	1,700	1,550
7323	Books/Periodicals	361	450	420	450
7324	Dues and Subscriptions	19,461	25,550	26,310	27,500
7325	EBRCSA system user fee	8,900	9,000	8,900	10,080
7331	Rentals/Leases	11,394	12,600	11,850	12,680
7332	Telecommunications	23,559	27,700	30,870	30,920
7335	Gas & Electric Serv.	85,784	88,800	83,030	94,720
7338	Water Service	80,644	90,600	124,570	132,410
7341	Buildings & Grounds Mtn	28,079	31,700	29,400	32,000
7342	Machinery/ Equip Maint.	3,917	5,500	5,130	6,000
7343	Vehicle Maintenance	29,481	29,940	27,830	30,200
7344	Vehicle Gas, Oil, and Supplies	30,193	34,360	39,430	34,500
7345	Office Equip. Maint. & Repairs	1,402	2,200	3,980	3,000
7346	HVAC Mtn & Repairs	15,741	18,000	14,670	18,400
7351	Insurance Premiums	78,943	84,920	85,236	114,780
7362	City Promotional Activity	4,308	4,500	4,100	4,500
7363	Business Expense	403	700	350	450
7364	Employee Recognition	2,372	3,000	2,500	2,800
7365	Volunteer Appreciation	-	500	500	500
7371	Travel	193	200	200	200
7372	Conference	1,367	1,600	1,300	2,600
7373	Education and Training	13,387	15,550	11,750	18,000
7381	Property Tax Admin Cost	8,000	8,400	8,400	8,700
7382	Election Services	7,605	-	-	10,000
7384	Legal Notices	6,120	2,500	3,500	3,000
7408	Crossing Guard Services	8,960	10,000	10,310	10,710
7410	Professional Engineering Services	104,216	90,000	124,735	115,020

**CITY OF CLAYTON GENERAL FUND EXPENDITURE AND FUND BALANCE SUMMARY
FISCAL YEAR 2018-19**

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected Actual	2018-19 Proposed Budget
7411	Legal Services Retainer	96,435	102,000	100,600	104,450
7412	Engineering Inspection	106	500	500	500
7413	Special Legal Services	7,284	8,500	16,100	11,500
7414	Auditing Services	29,415	23,800	23,995	24,300
7415	Computer Services	10,627	17,500	14,593	18,200
7417	Janitorial Services	53,655	55,000	52,500	54,600
7419	Other Prof. Services	28,041	32,900	27,850	30,500
7420	Merchant Fees	1,905	3,180	3,840	4,300
7423	Extra & Sunday Operating Hours	8,946	13,900	11,600	13,000
7424	Dispatch Services	241,074	253,140	253,140	265,800
7425	Lab Fees	17,379	25,000	14,000	25,000
7426	Jail Booking Fee	9,588	5,500	5,000	5,500
7427	Cal ID Services	13,470	14,900	11,620	13,000
7429	Animal Control Services	79,992	83,300	78,310	84,750
7433	Integrated Justice System (ACCJIN-ARIES)	11,017	12,500	11,600	12,200
7435	Contract Seasonal Labor	-	-	-	30,000
7440	Tree Trimming Services	7,570	11,000	11,000	11,000
7486	CERF Charges/Depreciation	25,000	55,000	55,000	62,000
Total Operational Expenditures		4,087,088	4,455,050	4,370,077	4,587,220
Total Revenues		4,454,825	4,465,880	4,607,450	4,689,190
Operational Surplus		367,737	10,830	237,373	101,970
Non-Operational Expenditures Summary					
City Council Allocation of FY 2014-15 Excess		58,685	68,091	148,164	53,337
City Council Allocation of FY 2015-16 Excess		9,830	203,325	203,325	-
City Council Allocation of FY 2016-17 Excess		-	-	80,265	218,735
Net Increase/(Decrease) in Fund Balance		299,222	(260,586)	(194,381)	(170,102)
Beginning Fund Balance		5,618,059	5,764,845	5,917,281	5,722,900
Ending Fund Balance		5,917,281	5,504,259	5,722,900	5,552,798

City Council
Department 01

Department Description

The five member City Council is the elected policy-making body for the City of Clayton. Members of the City Council are elected to four year overlapping terms at General Municipal elections held in November of even numbered years. The City Council receives a monthly stipend of \$470 for their services. The Mayor and Vice Mayor are selected annually by the Council from amongst its membership in December each year.

Services funded:

- Hold regular, twice monthly City Council meetings on Tuesday evenings, and special meetings on an as-needed basis; includes closed sessions as permitted by law.
- Set policy goals and objectives for all City service functions.
- Members serve on various ad-hoc subcommittees and inter-governmental boards to represent the community on critical local and regional issues.
- Appoint citizens to City boards and commissions, and advisory committees.
- Coordinate, attend and participate in community events such as the 4th of July Parade and the Concerts in The Grove park.
- Video City Council meetings for playback on the City Cable Channel 24 for public viewing.
- General Municipal Election costs and expenses every even-numbered year through contract with the County Elections Office.
- Hires the City Manager and the City Attorney, and appoints the City Treasurer

City of Clayton
 Legislative Department 01
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7115	City Council Comp	26,395	28,200	28,200	28,200
7220	PERS Retirement - Normal Cost	1,602	1,350	1,370	1,380
7221	PERS Retirement - Unfunded Liability	2,604	3,400	3,280	3,800
7231	Workers Comp Insurance	1,057	1,190	1,130	1,280
7232	Unemployment Insurance	781	1,750	1,750	1,750
7233	FICA Taxes	1,205	1,460	1,460	1,460
7321	Printing and Binding	276	500	500	300
7324	Dues and Subscriptions	12,408	13,300	12,880	13,300
7362	City Promotional Activity	4,308	4,500	4,100	4,500
7363	Business Meeting Expense	309	500	250	250
7372	Conferences/Meetings	832	500	500	1,600
7382	Election Services	7,605	-	-	10,000
7419	Other Prof. Services	6,874	9,000	9,000	8,000
Total Expenditures		66,256	65,650	64,420	75,820

**Administration/ Finance/ Legal
Department 02**

Department Description

City Manager

The City Manager functions as the chief executive officer of the municipal organization responsible for managing all departments of the City and carrying out City Council adopted policy. The department is comprised of three (3) full-time professional staff members (City Manager; Assistant to the City Manager; HR Manager/City Clerk).

Services funded:

- Provide leadership to professional staff and municipal employees.
- Advise and recommend policies to the City Council; receive and implement policy directions from the City Council.
- Act as lead negotiator for real property transactions and labor negotiations.
- Oversee the day to day operations of the City.
- Respond to general public inquiries.
- Research and analysis of municipal issues and special projects as assigned.
- Oversee and negotiate various franchise agreements.
- Prepare and distribute agenda packets and minutes.
- Administer contracts, coordinate staffing, and prepare administrative forms and permits for the City's large community and special events.
- Manage consultant contracts and lease agreements.
- Maintain and update the City's website.
- Coordinate all human resource functions responsible for recruitment, employee benefits, risk management, OSHA compliance, and workers' compensation administration.
- Oversee a citywide training plan for OSHA compliance and safety program.
- Research and respond to inquiries by citizens and press in compliance with the Public Records Act.
- Contract with Contra Costa County for municipal elections.
- Process general liability and workers' compensation claims filed against the City.
- Provide notary services.
- Coordinate the self-insured risk management tasks of the organization.

Finance

The City's Finance Department has one full time professional and utilizes two permanent part-time employees. The department is responsible for the City's budgetary, financial/accounting, treasury/investment, business licenses, and facilities rentals functions. The Department also includes the appointed City Treasurer (citizen), who provides auditing and investment oversight.

Services funded:

- Preparation and monitoring of annual budget
- Preparation of annually audited financial statements
- Manage general ledger and budgetary financial records
- Manage investments in accordance with City investment policy and California Government Code.
- Maintaining compliance with State of California, Contra Costa County and other regulatory agency financial reporting requirements.
- Management and preparation of Successor Agency Recognized Obligation Payment Schedule (ROPS) process.
- Administer and maintain records for the following operational cycles: payroll, employee benefits, cash receipts and disbursements.
- Administer business licenses.
- Manage rental of City-owned facilities and parks (Endeavor Hall, Library Meeting Room, Clayton Community Park, The Grove Park).

City Attorney

The City Attorney is selected and appointed by the City Council. Although this is the primary department the contracted City Attorney conducts work in, retainer time is also charged to other City departments where time is spent.

Services funded:

- Attend City Council meetings as the City's legal counsel.
- Draft and Review ordinances, resolutions, contracts, and other legal documents.
- Provide legal opinions and advise on matters of interest or concern to the City Council and City Staff
- Advice regarding land use issues.
- Oversee litigation involving the City.
- Assist the Council and staff in limiting litigation exposure and containing liability costs.
- Advise the City on changes to and impacts of state and federal laws, and case laws.

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City of Clayton
Admin / Finance / Legal Department 02
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	557,716	571,000	577,000	609,000
7218	LTD/STD Insurance	5,071	9,500	6,420	6,700
7220	PERS Retirement - Normal Cost	62,383	62,500	60,600	68,400
7221	PERS Retirement - Unfunded Liability	61,191	68,800	66,284	81,900
7231	Workers Comp Insurance	24,527	24,000	22,761	27,500
7232	Unemployment Insurance	3,091	2,700	2,700	2,700
7233	FICA Taxes	7,982	8,300	8,660	8,900
7241	Auto Allowance/Mileage	10,740	10,740	10,740	10,740
7246	Benefit Insurance	89,885	83,000	87,430	94,000
7324	Dues and Subscriptions	1,810	2,000	1,810	2,000
7332	Telecommunications	6,713	7,300	7,130	7,180
7371	Travel	23	100	100	100
7372	Conferences/Meetings	55	600	300	500
7373	Education and Training	442	1,550	1,250	1,500
7411	Legal Services Retainer	62,374	61,200	49,000	61,200
7413	Special Legal Services	1,328	3,500	5,000	5,000
7414	Auditing and Financial Reporting Services	29,415	23,800	23,995	24,300
7415	Computer/IT Services	10,505	9,500	9,593	10,200
7419	Other Prof. Services	9,510	6,000	4,200	6,000
Total Expenditures		944,761	956,090	944,972	1,027,820

**Public Works
Department 03**

Department Description

This department maintains City owned buildings and grounds; and provides maintenance for all non-special district facilities and land. The core employee unit of 5 permanent employees consists of two Maintenance Supervisors and three Maintenance Workers. Labor is augmented by temporary seasonal workers. Although the Public Works department serves as the "base" department for these maintenance employees, their direct labor costs are shared with various other departments and funds based on actual hours worked.

Services funded:

- Provide routine maintenance for City building and grounds.
- Provide landscaping maintenance for all neighborhood parks in the City (Lydia Lane, North Valley Park, Westwood, Stranahan and El Molino).
- Contract janitorial services for City facilities and buildings.
- Tree trimming services contract supervision.
- Ensure fire inspection compliance of City owned buildings and facilities.
- HVAC system repairs contract supervision.
- Ensure compliance with elevator safety and inspection services.
- Pest extermination services contract supervision.
- Janitorial services contract supervision.

City of Clayton
Public Works Department 03
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	18,775	17,400	19,400	26,300
7112	Temporary Help	1,418	2,400	1,300	2,500
7113	Overtime	531	-	-	-
7218	LTD/STD Insurance	117	310	570	300
7220	PERS Retirement - Normal Cost	3,655	2,000	3,900	3,200
7221	PERS Retirement - Unfunded Liability	1,821	2,100	2,600	3,600
7231	Workers Comp Insurance	737	830	790	1,300
7232	Unemployment Insurance	167	220	200	270
7233	FICA Taxes	237	500	300	600
7246	Benefit Insurance	1,845	3,900	2,500	5,500
7301	Recruitment/Pre-employment	293	500	750	500
7311	General Supplies	5,177	5,000	4,900	5,000
7332	Telecommunications	1,366	2,000	1,400	2,090
7335	Gas & Electric Serv.	39,176	43,100	31,000	40,000
7338	Water Service	6,824	10,000	11,300	12,000
7341	Buildings & Grounds Mtn	13,890	14,000	13,400	14,000
7342	Machinery/ Equip Maint.	2,072	3,000	3,130	3,500
7343	Vehicle Maintenance	3,422	1,250	2,030	2,000
7344	Vehicle Gas, Oil, and Supplies	948	920	1,320	1,500
7346	HVAC Mtn & Repairs	8,587	10,000	7,000	10,000
7372	Conferences/Meetings	30	-	-	-
7373	Education and Training	1,834	2,500	1,000	2,500
7411	Legal Services Retainer	174	2,550	1,000	2,550
7417	Janitorial Services	9,631	9,000	7,400	9,000
7419	Other Prof. Services	400	400	400	-
7429	Animal/Pest Control Services	7,082	7,300	6,330	7,300
7440	Tree Trimming Services	3,320	6,000	6,000	6,000
7486	CERF Charges/Depreciation	9,830	-	-	7,000
Total Expenditures		143,359	147,180	129,920	168,510

Community Development Department 04

Department Description

The Community Development Department is responsible for the general administration, development processing, zoning administration, architectural review, subdivision processing, Municipal Code and Zoning enforcement, General Plan administration, environmental review, housing, and special planning studies for the City, including associated staff support for the City Council and the Planning Commission. The Department provides guidance in the physical development of the City while protecting and maintaining the quality of its physical environment. The Department facilitates public participation and community involvement in planning issues. The Department consistently seeks to enhance the community's safety, welfare, economic opportunities and quality of life through land use controls. It consists of a Community Development Director, a part-time Assistant Planner and a part-time Code Enforcement Officer.

Services funded:

Long Range Planning and Special Studies Program

- Prepare and update *Town Center Specific Plan*, and the *Marsh Creek Road Specific Plan*, and state-mandated General Plan which includes the Housing Element.
- Prepare studies to update City policies in response to changes in State law, resource availability, and community goals.
- Facilitate public participation and community involvement in planning issues.
- Participate in development and review of regional studies prepared by ABAG, Contra Costa Transportation Authority, and TRANSPAC.
- Support City Council and City Manager in addressing regional governance and planning issues.

Development and Design Review Program

- Review, analyze, and provide recommendations on land development and design proposals by private property owners and governmental agencies.
- Provide support to City Council, Planning Commission, and City Manager.
- Reviews land development plans for compliance with City zoning requirements.
- Coordinate and oversee contract with County Building Inspection Department on building permits for construction projects.

- Administer environmental review process in compliance with the California Environmental Quality Act (CEQA).

Ordinance Information and Code Enforcement Program

- Provide zoning information and permit services at the City Hall public counter.
- Investigate and enforce zoning and land use complaints.
- Prepare amendments of zoning ordinance and zoning map.

Housing Program

- Administer the low-and moderate-income housing programs of the City.
- Ensure low-and moderate-income units remain available to qualified applicants upon sale of units.

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City of Clayton
Community Dev Department 04
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	175,703	182,000	181,780	191,000
7115	Planning Commission Comp	3,360	7,200	6,600	7,200
7218	LTD/STD Insurance	1,466	3,200	1,900	2,200
7220	PERS Retirement - Normal Cost	15,333	17,200	14,590	18,600
7221	PERS Retirement - Unfunded Liability	19,529	21,900	21,120	25,700
7231	Workers Comp Insurance	7,800	7,700	7,340	8,700
7232	Unemployment Insurance	878	900	900	900
7233	FICA Taxes	2,025	2,700	2,230	2,800
7241	Auto Allowance/Mileage	4,140	4,240	4,140	4,240
7246	Benefit Insurance	27,218	34,400	25,900	36,400
7323	Books/Periodicals	-	200	200	200
7324	Dues and Subscriptions	85	700	700	700
7332	Telecommunications	632	700	700	700
7371	Travel	170	100	100	100
7372	Conferences/Meetings	450	500	500	500
7373	Education and Training	1,386	1,500	1,500	2,000
7384	Legal Notices	6,120	2,500	3,500	3,000
7411	Legal Services Retainer	22,549	20,400	34,600	20,400
7413	Special Legal Services	118	-	500	500
Total Expenditures		288,962	308,040	308,800	325,840

General Services

Department 05

Department Description

This department functions as the internal support service fund for expenses which aid the efficient and effective operation of the City organization. It has no assigned employees or revenue-generating capability.

Services funded:

- City-wide risk management (Clayton was one of the original members of the Municipal Pooling Authority of Northern California [MPA] Joint Powers Authority [JPA] for self-insured and risk pooled programs of general liability, workers compensation, and employee wellness).
- Copier and postage machine services for all departments.
- Office supplies for administration and general City functions.
- Information technology support for all departments as needed.
- Property tax administration fees levied by the (billed by County).
- Payroll and benefits administration software functions.
- Internet services for all departments.
- Provides funding for Other Post-Employment Benefits (OPEB) required of the City through contract with CalPERS medical insurance coverage.

City of Clayton
 General Services Department 05
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7231	Workers Comp Insurance	1,790	-	-	-
7247	OPEB Expense	9,036	11,500	11,100	14,750
7301	Recruitment/Pre-employment	25	1,000	1,600	1,000
7312	Office Supplies	6,285	7,500	8,160	8,000
7314	Postage	3,546	4,500	4,300	4,500
7321	Printing and Binding	1,618	500	1,200	1,250
7331	Rentals/Leases	11,394	12,100	11,350	12,180
7332	Telecommunications	4,330	4,700	4,790	5,100
7351	Insurance Premiums	78,943	84,920	85,236	114,780
7364	Employee Recognition	1,859	1,500	1,500	1,800
7381	Property Tax Admin Cost	8,000	8,400	8,400	8,700
7415	Computer/IT Services	97	8,000	5,000	8,000
7419	Other Prof. Services	6,939	10,000	8,600	9,000
7420	Merchant Fees	1,905	3,180	3,840	4,300
Total Expenditures		135,767	157,800	155,076	193,360

Police Department Department 06

Department Description

The Clayton Police Department has a present authorized strength of 11 full-time sworn members (includes the Chief), 2 civilians, and active Police Reserve, VIPS, CERT, and Cadet programs. The Department is a generalist law enforcement agency with duties that include all aspects of local law enforcement. Sworn positions currently work on a 4-10/3-12 plan and may be assigned to specialized assignments such as field training officer, traffic accident investigator, bicycle patrol, and motorcycle patrol. The Department's employees take pride in their jobs and the community they serve and strive to perform their duties in a professional but sensitive, friendly, and positive manner. It subscribes to a community-oriented policing philosophy.

Services funded:

- Provide traffic enforcement and collision investigation throughout the City and on the Trails system.
- Investigate crimes and submit to the District Attorney for prosecution.
- Represent the City in meetings with community groups, civic organizations, and inter-agencies concerned with law enforcement problems and policies.
- Event Planning for various City sponsored events such as the 4th of July Parade, Concerts in The Grove, and many community sponsored events such as the Clayton Art and Wine and Oktoberfest.
- Facilitate the VIPS and CERT programs to serve the community.
- Participation in the East Bay Regional Interoperability Communications system.
- Contract for animal control services through Contra Costa County.
- Contract for police dispatch services and police records management through the City of Concord.

City of Clayton
Police Department 06
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	881,775	1,021,000	966,000	1,008,000
7112	Temporary Help	-	-	13,600	-
7113	Overtime	80,050	90,000	88,800	100,000
7116	Part-time Salaries	3,724	4,500	4,100	4,500
7218	LTD/STD Insurance	7,761	17,800	9,880	11,500
7219	Deferred Compensation Retirement	2,724	2,730	2,200	2,710
7220	PERS Retirement - Normal Cost	133,421	140,000	123,000	142,000
7221	PERS Retirement - Unfunded Liability	254,270	282,000	271,954	143,100
7231	Workers Comp Insurance	43,508	43,100	40,874	45,700
7232	Unemployment Insurance	6,371	5,600	5,600	5,500
7233	FICA Taxes	14,727	16,500	16,300	16,500
7241	Auto Allowance/Mileage	4,460	4,440	3,610	4,440
7242	Uniform Allowance	8,550	9,000	8,550	9,000
7246	Benefit Insurance	120,948	140,800	123,000	151,700
7301	Recruitment/Pre-employment	2,993	5,000	5,570	5,400
7311	General Supplies	14,579	12,000	13,990	13,000
7312	Office Supplies	5,544	5,000	8,650	7,000
7313	Small Tools & Equipment	71	-	-	-
7314	Postage	-	500	100	500
7323	Books and Periodicals	361	250	220	250
7324	Dues and Subscriptions	3,649	8,000	9,135	9,700
7325	EBRCSA system user fee	8,900	9,000	8,900	10,080
7332	Telecommunications	8,478	10,000	14,750	13,350
7342	Machinery/ Equip Maint.	1,845	2,500	2,000	2,500
7343	Vehicle Maintenance	23,341	24,000	22,000	24,000
7344	Vehicle Gas, Oil, and Supplies	26,353	30,000	35,700	30,000
7345	Office Equip. Maint. & Repairs	1,402	2,200	3,980	3,000
7363	Business Meeting Expense	94	200	100	200
7364	Employee Recognition	513	1,500	1,000	1,000
7365	Volunteer Appreciation	-	500	500	500
7373	Education and Training	9,725	10,000	8,000	12,000
7408	Crossing Guard Services	8,960	10,000	10,310	10,710
7411	Legal Services Retainer	7,842	15,300	11,000	15,300
7413	Special Legal Services	5,484	5,000	10,600	6,000
7415	Computer/IT Services	25	-	-	-
7417	Janitorial Services	2,708	3,000	2,700	3,000
7419	Other Prof. Services	4,318	7,500	5,650	7,500
7424	Dispatch Services	241,074	253,140	253,140	265,800
7425	Lab Fees	17,379	25,000	14,000	25,000
7426	Jail Booking Fee	9,589	5,500	5,000	5,500
7427	Cal ID Services	13,470	14,900	11,620	13,000
7429	Animal/Pest Control Services	66,293	68,500	68,090	70,450
7433	Integrated Justice System (ACCJIN + ARIES)	11,017	12,500	11,600	12,200
7486	CERF Charges/Depreciation	25,000	55,000	55,000	55,000
Total Expenditures		2,083,296	2,373,460	2,270,774	2,266,590

Library
Department 07

Department Description

The operation of the Clayton Community Library was the original model for other cities and is looked to as the example in County - City partnerships. While staffing of the Library is run by the County Library System, the City owns and maintains the building and grounds surrounding the Library at City expense.

Services funded:

- Payment of costs for Sunday and weekday operations (44 hours) at the Library beyond the County's base of 35 weekly hours.
- General maintenance of library facility and parking lot.
- Ensure fire inspection compliance of library facility.
- HVAC system repairs contract supervision.
- Pest extermination services contract supervision.
- Tree trimming services contract supervision.
- Janitorial services contract supervision.

City of Clayton
 Library Department 07
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	8,506	11,000	5,300	6,600
7112	Temporary Help	174	400	100	200
7218	LTD/STD Insurance	77	200	70	80
7220	PERS Retirement - Normal Cost	979	1,300	700	800
7221	PERS Retirement - Unfunded Liability	736	1,400	900	900
7231	Workers Comp Insurance	520	500	475	400
7232	Unemployment Insurance	106	100	100	100
7233	FICA Taxes	143	200	120	200
7246	Benefit Insurance	1,683	2,500	1,200	1,400
7332	Telecommunications	2,040	3,000	2,100	2,500
7335	Gas & Electric Serv.	44,988	44,000	50,400	53,000
7338	Water Service	1,098	1,800	2,270	2,410
7341	Buildings & Grounds Maintenance	9,777	12,700	12,500	13,000
7343	Vehicle Maintenance	225	950	600	700
7344	Vehicle Gas, Oil, and Supplies	202	700	410	500
7346	HVAC Mtn & Repairs	7,154	8,000	7,670	8,400
7413	Legal Services	354		-	-
7417	Janitorial Services	28,433	29,500	29,100	29,100
7423	Extra & Sunday Operating Hours	8,946	13,900	11,600	13,000
7429	Animal/Pest Control Services	1,606	1,400	1,290	1,400
7440	Tree Trimming Services	1,600	2,000	2,000	2,000
Total Expenditures		119,347	135,550	128,905	136,690

**Engineering
Department 08**

Department Description

The Department's duties can be divided into three basic categories: administrative, capital improvements, and land development. The City contracts with PERMCO Engineering for the performance of these services as the City Engineer.

Services funded:

Administrative

- Administer the City's encroachment permit program as well as the Geological Hazard Abatement District and various special Assessment Districts.
- Coordinate with the Maintenance Department regarding maintenance, operations and the repair of public transportation facilities (e.g. streets; sidewalks).
- Enforcement and continuous update of the City's Standard Plans and Specifications for design and construction.
- Represent the City's interests in regional transportation and funding issues.
- Response to flood zone information requests.
- Serve as the City Engineer.

Capital Improvements

- Administer the City's Capital Improvements Program, including coordination with the City Manager; evaluation and prioritization of Capital Improvement Projects; procurement of funds; right-of-way and land acquisition; and administration of the public bidding process.
- Administer the City's Pavement Management System.
- Supervision of the design and construction of all street and infrastructure projects, including sanitary sewer and storm drainage systems, local roads and traffic lights.

Land Development

- Coordinate with the Planning Department in the review and approval process for all land development projects.
- Plan check and review of construction plans, collection of fees, and construction inspection for all private development and improvements thereto.

City of Clayton
 Engineering Department 08
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7324	Dues and Subscriptions	1,509	1,550	1,785	1,800
7410	Professional Engineering Services	104,216	90,000	124,735	115,020
7411	Legal Services Retainer	3,496	2,550	5,000	5,000
7412	Engineering Inspection	106	500	500	500
Total Expenditures		109,327	94,600	132,020	122,320

**Community Park
Department 09**

Department Description

In 2009 the Clayton Community Park was separated into its own department in order to capture the actual costs of maintaining this well used multi-sport and recreational public park.

Services funded:

- Mowing of the turf.
- Ball field turf and sports field grooming.
- Water irrigation supply to ball fields and surrounding vegetation
- Safety inspections of play equipment and apparatus.
- Trash removal and general park clean-up.
- Landscape pruning.
- Janitorial services contract supervision.
- Repairs to and maintenance of the irrigation system.
- Pest extermination services contract supervision.
- Tree trimming services contract supervision.
- All other general maintenance of park fields and facilities.

City of Clayton
Community Park Department 09
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	38,823	45,000	28,700	40,000
7112	Temporary Help	33,635	14,000	34,400	9,000
7113	Overtime	514	2,000	300	1,000
7218	LTD/STD Insurance	372	800	330	500
7220	PERS Retirement - Normal Cost	4,552	5,200	3,100	4,800
7221	PERS Retirement - Unfunded Liability	4,448	5,500	4,000	5,400
7231	Workers Comp Insurance	2,167	2,500	2,380	2,200
7232	Unemployment Insurance	533	900	550	550
7233	FICA Taxes	1,188	1,700	1,100	1,300
7246	Benefit Insurance	7,344	10,000	6,100	8,200
7311	General Supplies	7,786	14,000	13,500	14,000
7331	Rentals/Leases	-	500	500	500
7335	Gas & Electric Serv.	1,620	1,700	1,630	1,720
7338	Water Service	72,722	78,800	111,000	118,000
7341	Buildings/Grounds Maintenance	4,412	5,000	3,500	5,000
7343	Vehicle Maintenance	2,493	3,740	3,200	3,500
7344	Vehicle Gas, Oil, and Supplies	2,690	2,740	2,000	2,500
7417	Janitorial Services	12,883	13,500	13,300	13,500
7429	Animal/Pest Control Services	5,011	6,100	2,600	5,600
7435	Contract Seasonal Labor	-	-	-	30,000
7440	Tree Trimming Services	2,650	3,000	3,000	3,000
Total Expenditures		205,843	216,680	235,190	270,270

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**Special Revenue
Funds
2018-19**

City of Clayton
HUTA Gas Tax Fund 201
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	9,363	10,000	20,700	24,200
7112	Temporary Help	2,784	3,000	1,000	1,100
7113	Overtime	2,036	3,000	1,000	2,000
7218	LTD/STD Insurance	89	200	250	300
7220	PERS Retirement - Normal Cost	1,082	1,100	2,500	2,900
7221	PERS Retirement - Unfunded Liability	556	1,200	3,000	3,300
7231	Workers Comp Insurance	1,300	500	480	1,200
7232	Unemployment Insurance	125	200	200	210
7233	FICA Taxes	157	300	420	440
7246	Benefit Insurance	1,779	3,000	4,500	5,000
7301	Recruitment/Pre-employment	38	-	-	-
7311	General Supplies	10,189	12,000	5,000	12,000
7324	Dues & Subscriptions	-	1,500	3,000	3,000
7327	Arterial Street Light Supplies	-	1,500	1,500	1,500
7335	Gas & Electric Serv.	49,387	52,100	51,000	54,000
7340	Traffic Safety Supplies	410	500	500	500
7343	Vehicle Maintenance	612	880	2,200	2,500
7344	Vehicle Gas, Oil, and Supplies	570	650	1,600	2,000
7349	Traffic Signal Maintenance	22,977	26,300	12,000	20,000
7350	Pavement Repair/Maintenance	5,299	20,000	20,000	20,000
7381	Property Tax Admin Cost	428	350	450	500
7419	Other Prof. Services	13,232	4,540	3,200	1,550
7450	Street Light Maintenance	126	-	3,000	2,000
7486	CERF Charges/Depreciation	1,900	2,230	2,230	2,310
8101	Fund Admin - Transfer to GF	7,230	7,503	7,503	7,745
8111	Transfer to CIP Fund	6,000	370,788	56,000	443,650
Total Expenditures		137,669	523,341	203,233	613,905
4607	Property Taxes - Lighting Maintenance District	35,135	34,500	36,000	36,700
5209	State Gasoline 2105	62,982	65,149	65,892	66,026
5210	State Gasoline 2106	45,322	44,148	46,216	46,302
5211	State Gasoline 2107	79,852	84,164	81,792	81,964
5212	State Gasoline 2107.5	3,000	3,000	3,000	3,000
5216	State of CA Sec 2103 (Prop 42)	29,917	44,878	45,917	43,184
5218	State Gasoline 2030 (RMRA)	-	64,639	-	-
5219	State Gasoline Loan Repayments	-	12,825	12,828	12,828
5601	Interest	2,543	2,000	3,800	3,000
5606	Unrealized Inv. Gain/Loss	(1,239)	-	-	-
Total Revenue		257,512	355,303	295,445	293,004
Increase (Decrease) in Fund Balance		119,843	(168,038)	92,212	(320,901)
Beginning Fund Balance (Deficit)		108,846	168,038	228,689	320,901
Ending Fund Balance		228,689	-	320,901	-

City of Clayton
 RMRA Gas Tax Fund 202 (New Fund)
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
8111	Transfer to CIP Fund	-	-	-	254,238
Total Expenditures		-	-	-	254,238
5218	State Gasoline 2030 (RMRA)	-	-	64,355	187,363
5601	Interest	-	-	500	2,000
5606	Unrealized Inv. Gain/Loss	-	-	-	-
Total Revenue		-	-	64,855	189,363
Increase (Decrease) in Fund Balance		-	-	64,855	(64,855)
Beginning Fund Balance		-	-	-	64,855
Ending Fund Balance		-	-	64,855	-

City of Clayton
Landscape Maintenance District Fund 210 (CFD 2007-1)
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	164,465	202,000	177,000	211,000
7112	Temporary Help	126,766	149,000	109,000	46,000
7113	Overtime	474	1,000	1,000	1,000
7218	LTD/STD Insurance	1,588	3,500	2,100	2,400
7220	PERS Retirement - Normal Cost	20,683	23,300	19,300	25,200
7221	PERS Retirement - Unfunded Liability	21,777	24,300	18,378	28,290
7231	Workers Comp Insurance	11,934	12,700	12,175	11,600
7232	Unemployment Insurance	2,251	5,000	2,500	2,900
7233	FICA Taxes	4,337	10,500	5,000	6,600
7246	Benefit Insurance	33,875	44,700	37,900	43,400
7301	Recruitment/Pre-employment	-	1,000	500	1,000
7311	General Supplies	44,245	50,100	33,150	50,000
7316	Landscape Replacement Material	17,896	40,000	18,000	40,000
7335	Gas & Electric Serv.	29,072	30,000	28,100	29,600
7338	Water Service	139,832	130,000	148,000	157,000
7341	Buildings/Grounds Maintenance	10,304	20,000	9,800	20,000
7342	Machinery/Equipment Maint.	10,402	19,000	9,500	12,000
7343	Vehicle Maintenance	19,128	18,000	19,600	20,000
7344	Vehicle Gas, Oil, and Supplies	12,594	13,000	12,500	13,000
7381	Property Tax Admin Cost	3,735	4,000	3,900	4,000
7411	Professional Services Retainer (Legal)	1,996	2,000	2,000	2,000
7419	Other Prof. Services	5,829	6,560	5,480	7,000
7429	Animal/Pest Control Services	3,095	5,000	5,000	5,000
7435	Contract Seasonal Labor	-	-	-	100,000
7440	Tree Trimming Services	29,300	25,000	60,000	60,000
7445	Weed Abatement Services	106,560	122,000	122,000	128,100
7486	CERF Charges/Depreciation	14,500	14,500	14,500	20,070
7520	Project/Program costs	77,739	483,000	52,482	487,157
7615	Property Taxes	2,709	2,800	2,791	2,900
8101	Fund Admin - Transfer to GF	34,780	36,095	36,095	37,258
8111	Transfer to CIP Fund	-	-	-	-
8113	Transfer to Stormwater Fund	1,008	1,008	1,008	1,050
Total Expenditures		952,874	1,499,063	968,759	1,575,525
4604	Clayton LMD Special Parcel Tax	1,058,798	1,089,277	1,089,074	1,121,746
5601	Interest	14,454	12,000	15,400	15,000
5606	Unrealized Inv Gain/Loss	(11,061)	-	-	-
Total Revenue		1,062,191	1,101,277	1,104,474	1,136,746
Increase (Decrease) in Fund Balance		109,317	(397,786)	135,715	(438,779)
Beginning Fund Balance		986,766	1,111,621	1,096,083	1,231,798
Ending Fund Balance		1,096,083	713,835	1,231,798	793,019

City of Clayton
The Grove Park Fund 211 (CFD 2006-1)
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	20,225	20,000	10,400	19,000
7112	Temporary Help	22,204	10,000	12,300	11,200
7113	Overtime	-	500	270	500
7218	LTD/STD Insurance	192	350	120	220
7220	PERS Retirement - Normal Cost	2,426	2,300	1,200	2,300
7221	PERS Retirement - Unfunded Liability	3,226	2,400	1,500	2,600
7231	Workers Comp Insurance	1,647	1,300	1,233	1,400
7232	Unemployment Insurance	288	500	500	470
7233	FICA Taxes	739	1,000	610	1,200
7246	Benefit Insurance	3,701	4,500	2,200	3,900
7311	General Supplies	4,969	6,250	4,250	6,000
7331	Rentals/Leases	-	500	-	500
7335	Gas & Electric Serv.	1,518	1,800	1,650	1,800
7338	Water Service	27,700	36,700	27,600	30,000
7341	Buildings/Grounds Maintenance	11,397	5,860	4,300	6,000
7342	Machinery/Equipment Maint.	1,236	700	500	1,000
7343	Vehicle Maintenance	1,979	1,800	1,200	1,500
7344	Vehicle Gas, Oil, and Supplies	2,057	1,400	800	1,000
7381	Property Tax Admin Cost	3,738	3,800	3,800	3,800
7413	Special Legal Services	-	1,000	-	1,000
7417	Janitorial Services	14,170	14,000	13,000	14,000
7419	Other Prof. Services	4,491	4,530	4,545	4,730
7429	Animal/Pest Control Services	501	1,000	610	650
7435	Contract Seasonal Labor	-	-	-	5,000
7440	Tree Trimming Services	2,120	1,500	3,720	2,500
7485	Capital Outlay - Equipment & Machinery	11,563	-	-	-
7486	CERF Charges/Depreciation	2,100	2,100	2,100	1,800
7615	Property Taxes	482	500	500	520
8101	Fund Admin - Transfer to GF	7,070	7,337	7,070	7,574
Total Expenditures		151,739	133,627	105,978	132,164
4613	Downtown Park Special Parcel Tax - O&M	103,493	107,285	107,280	111,190
4613	Downtown Park Special Parcel Tax - Capital	18,000	18,000	18,000	18,000
4613	Downtown Park Special Parcel Tax - Restricted	5,000	5,000	5,000	5,000
5601	Interest	3,826	3,500	3,800	3,800
5602	Park Use Fee	2,781	1,600	2,400	2,500
5606	Unrealized Inv Gain/Loss	(3,070)	-	-	-
5701	Reimbursement/Refunds	-	-	-	-
5702	Donations & Contributions	10,000	-	1,000	-
Total Revenue		140,030	135,385	137,480	140,490
Increase (Decrease) in Fund Balance		(11,709)	1,758	31,502	8,326
Beginning Fund Balance		288,657	291,566	276,948	308,450
Ending Fund Balance		276,948	293,324	308,450	316,776
<i>Ending Fund Balance Includes:</i>					
Unrestricted Reserve		156,183	138,122	159,685	145,011
Asset Replacement Reserve		75,765	100,202	93,765	111,765
Unallocated Stabilization Reserve		45,000	55,000	55,000	60,000
Total Fund Balance		276,948	293,324	308,450	316,776

City of Clayton
 Geological Hazard and Abatement District (GHAD) Fund 212
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7314	Postage	300	750	750	750
7350	Pavement Repairs/Maintenance	6,755	-	-	-
7351	Insurance Premiums	16,364	7,000	7,000	7,000
7381	Property Tax Admin Cost	1,155	1,200	1,200	1,200
7384	Legal Notices	828	100	100	100
7389	Misc. Expenses	117	300	200	300
7411	Legal Services Retainer	325	-	-	-
7412	Engineering Services	7,155	5,000	8,000	8,000
7413	Special Legal Services	-	1,000	-	1,000
7520	Project Costs	8,581	5,000	4,300	50,642
8101	Fund Admin - Transfer to GF	6,980	7,244	7,244	7,478
Total Expenditures		48,560	27,594	28,794	76,470
4606	GHAD Assessment	38,399	39,841	39,784	41,065
5601	Interest	272	200	250	200
5606	Unrealized Inv. Gain/Loss	(384)	-	-	-
Total Revenue		38,287	40,041	40,034	41,265
Increase (Decrease) in Fund Balance		(10,273)	12,447	11,240	(35,205)
Beginning Fund Balance		34,238	23,886	23,965	35,205
Ending Fund Balance		23,965	36,333	35,205	-

City of Clayton
 Presley GHAD Settlement Fund 213
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7520	Project Costs	-	-	19,870	-
	Total Expenditures	-	-	19,870	-
5601	Interest Income	1,759	1,600	1,800	1,500
5606	Unrealized Investment Gain/Loss GASB31	(1,266)	-	-	-
	Total Revenue	493	1,600	1,800	1,500
	Increase in Fund Balance	493	1,600	(18,070)	1,500
	Beginning Fund Balance	123,100	123,983	123,593	105,523
	Ending Fund Balance	123,593	125,583	105,523	107,023

City of Clayton
 Neighborhood Street Light Assessment District Fund 214
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7113	Overtime	9,469	-	-	-
7311	General Supplies	540	1,000	200	500
7335	Gas & Electric Serv.	115,340	112,000	117,600	118,000
7381	Property Tax Admin Cost	3,566	3,700	3,600	3,600
7389	Misc. Expenses	-	330	100	330
7412	Engineering/Inspection Service	-	1,000	1,000	1,000
7419	Other Prof. Services	200	200	200	250
7450	Street Light Maintenance	1,626	15,000	16,000	16,000
8101	Fund Admin - Transfer to GF	11,120	11,540	11,540	11,912
Total Expenditures		141,861	144,770	150,240	151,592
4607	Street Light Assessment	125,991	125,991	125,991	125,991
5601	Interest	1,635	1,400	1,400	1,000
5606	Unrealized Inv. Gain/Loss	(1,324)	-	-	-
Total Revenue		126,302	127,391	127,391	126,991
Increase (Decrease) in Fund Balance		(15,559)	(17,379)	(22,849)	(24,601)
Beginning Fund Balance		124,409	110,450	108,849	85,999
Ending Fund Balance		108,849	93,070	85,999	61,397

City of Clayton
Stormwater Fund 216
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Projected Budget
7111	Salaries/Regular	25,213	28,420	23,600	24,700
7112	Temporary Help	12,905	9,840	22,000	5,800
7218	LTD/STD Insurance	230	500	290	290
7220	PERS Retirement - Normal Cost	3,135	3,280	2,900	3,000
7221	PERS Retirement - Unfunded Liability	2,025	3,430	3,160	3,400
7231	Workers Comp Insurance	2,089	1,610	1,527	1,400
7232	Unemployment Insurance	320	660	660	350
7233	FICA Taxes	476	1,170	710	810
7246	Benefit Insurance	5,561	6,310	5,150	5,100
7311	General Supplies	1,862	9,000	4,140	4,000
7341	Building/Grounds Maintenance	-	10,500	8,260	15,500
7343	Vehicle Maintenance	1,078	3,000	2,430	2,500
7344	Vehicle Gas, Oil, and Supplies	929	2,300	1,840	2,000
7373	Education and Training	-	500	-	500
7389	Misc. Expenses	16	-	-	-
7409	Street Sweeping Services	41,125	46,400	54,000	54,000
7411	Professional Services Retainer (Legal)	-	-	-	-
7412	Engineering Services	1,163	2,000	1,200	2,000
7419	Other Prof. Services	8,493	24,810	1,500	1,750
7435	Contract Seasonal Labor	-	-	-	14,000
7481	State Regional Annual Discharge Fee	8,980	10,000	8,980	10,000
7486	CERF Charges/Depreciation	2,900	3,200	3,200	2,360
7520	Project/Program Costs - Outreach	800	2,000	500	1,000
8101	Fund Admin - Transfer to GF	35,890	37,247	37,247	38,447
Total Expenditures		155,190	206,177	183,294	192,907
Stormwater Assessment ERU Gross		126,328	127,145	126,299	126,299
NPDES Group Program costs		(26,872)	(26,872)	(26,872)	(30,299)
Commercial Insp by Central San		(4,937)	(8,000)	(8,000)	(8,000)
Flood Control Dist Fiscal Mgmt Cost		(810)	(3,000)	(3,000)	(3,000)
County Auditor/Controller Costs		(3,711)	(3,800)	(3,721)	(3,800)
Adjustment (Third Installment Timing)		(8,910)	(3,000)	5,933	5,427
4602	Net Assessment Revenue	81,088	82,473	90,639	86,627
4603	Stormwater O & M Annual Fee	4,060	4,060	4,220	4,360
5324	Street Sweeping Fees	38,660	46,400	51,956	54,000
5601	Interest	1,228	1,300	940	1,000
5606	Unrealized Inv. Gain/Loss	(1,226)	-	-	-
6007	Transfer from Landscape Maintenance Fund	1,008	1,008	1,008	1,040
Total Revenue		124,818	135,241	148,763	147,027
(Decrease) in Fund Balance		(30,372)	(70,936)	(34,531)	(45,880)
Beginning Fund Balance		121,603	71,939	91,231	56,700
Ending Fund Balance		91,231	1,003	56,700	10,820

City of Clayton
Measure J Fund 220
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7324	Dues and Subscriptions	1,311	2,000	2,000	2,000
7385	Transpac Fees	22,849	23,000	25,628	30,000
8101	Fund Admin - Transfer to GF	4,330	4,494	4,494	4,639
8111	Transfer to CIP Fund	383,552	676,768	87,418	900,655
Total Expenditures		412,042	706,262	119,540	937,294
5223	Measure J Tax (Local Streets)	284,518	280,000	280,000	285,000
5225	Measure J Program 28a (Co-op)	29,417	31,500	29,994	32,676
5601	Interest Income	3,322	1,000	3,700	1,000
5606	Unrealized Inv. Gain/Loss	(2,438)	-	-	-
Total Revenue		314,819	312,500	313,694	318,676
Increase (Decrease) in Fund Balance		(97,223)	(393,762)	194,154	(618,618)
Beginning Fund Balance (Deficit)		521,687	393,762	424,464	618,618
Ending Fund Balance		424,464	-	618,618	-

Fund Balance Restricted for:

Local Streets Maintenance Program	400,980	-	564,875	-
Co-operative 28(a) Program	23,484	-	53,743	-
Total Fund Balance	424,464	-	618,618	-

City of Clayton
 Restricted Grants Fund 230
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	64,022	73,100	67,000	66,300
7113	Overtime	30,841	20,020	18,280	18,000
7218	LTD/STD Insurance	569	1,270	750	800
7220	PERS Retirement - Normal Cost	7,911	8,900	7,600	8,100
7231	Workers Comp Insurance	3,163	3,100	2,940	3,000
7232	Unemployment Insurance	405	440	440	440
7233	FICA Taxes	1,073	1,060	1,100	1,000
7242	Uniform Allowance	900	900	900	900
7246	Benefit Insurance	2,657	1,800	1,730	2,000
7311	General Supplies	21,045	6,139	2,321	5,000
7332	Telecommunications	-	-	6,190	7,000
7342	Machinery/Equipment Maintenance	5,912	-	-	-
7371	Travel	644	-	152	-
7373	Education & Training	1,856	-	-	-
7411	Professional Services Retainer	106	-	-	-
7420	Administrative Costs	72	-	136	-
7485	Capital Outlay - Equipment and Machinery	14,988	111,454	20,613	107,152
7520	Project/Program costs	7,911	5,400	-	10,570
Total Expenditures		164,075	233,583	130,152	230,262
5222	Avoid the 25 Grant	443	2,000	2,000	2,000
5240	Recycling Grant	5,000	-	-	-
5250	PEG Fees	15,233	15,500	15,500	15,500
5260	SLESF - PD	129,324	100,000	139,400	100,000
5261	DOJ Body Armor Grant	2,712	2,712	-	-
5265	State Alcohol Beverage Control Grant	24,914	-	-	-
5270	Insurance Risk	15,000	-	-	-
5285	FEMA Grant	-	-	3,353	-
5601	Interest Income	4,861	4,000	5,200	4,000
5606	Unrealized Inv. Gain/Loss	(3,312)	-	-	-
Total Revenue		194,175	124,212	165,453	121,500
Increase (Decrease) in Fund Balance		30,100	(109,371)	35,301	(108,762)
Beginning Fund Balance		322,724	316,978	352,824	388,125
Ending Fund Balance		352,824	207,607	388,125	279,363

City of Clayton
Development Impact Fund 304
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7113	Overtime	36,657	30,000	22,299	-
7311	General Supplies	-	-	-	-
7313	Small Tools & Equipment	-	-	-	-
7485	Capital Outlay - Equipment & Machinery	-	45,000	-	48,000
7520	Projects	-	-	14,418	16,995
7612	Interest Expense	-	-	-	-
8111	Transfer to CIP Fund	-	142,000	161,000	-
Total Expenditures		36,657	217,000	197,717	64,995
5307	Childcare Facility Fees	-	-	1,640	-
5312	Open Space In-Lieu Fee	-	-	28,508	-
5313	Parkland Dedication Fee	-	-	20,552	-
5314	Offsite Arterial Improvement Fees	1,456	-	11,648	-
5315	Tree Mitigation Fee	-	-	59,828	-
5317	Fire Protection Fee	176	-	600	-
5323	Community Facilities Fees	450	-	3,600	-
5325	Police Impact Fee	-	-	-	-
5326	Habitat Conservation Fee	-	-	14,418	-
5601	Interest Income	8,799	8,500	9,000	8,000
5606	Unrealized Investment Gain/Loss GASB31	(6,290)	-	-	-
Total Revenue		4,591	8,500	149,794	8,000
Increase (Decrease) in Fund Balance		(32,066)	(208,500)	(47,923)	(56,995)
Beginning Fund Balance		611,214	591,996	579,148	531,225
Ending Fund Balance		579,148	383,496	531,225	474,230

City of Clayton
 Successor Housing Agency Fund 616
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Regular Salaries	665	-	-	-
7411	Professional Services Retainer (Legal)	335	500	500	500
7413	Special Legal Services	18,146	10,000	5,000	10,000
7419	Other Professional Services	940	-	-	47,855
Total Expenditures		20,086	10,500	5,500	58,355
4110	Program Revenues (Loan Repayments)	86,400	91,400	91,400	96,400
5601	Interest	10,287	5,000	13,000	10,000
5606	Unrealized Inv. Gain/Loss	55,454	-	-	-
Total Revenue		152,141	96,400	104,400	106,400
Increase (Decrease) in Fund Balance		132,055	85,900	98,900	48,045
Beginning Fund Balance		4,295,173	4,427,228	4,427,228	4,526,128
Ending Fund Balance		4,427,228	4,513,128	4,526,128	4,574,173
<i>Ending Fund Balance Includes:</i>					
Non-spendable Reserve		3,696,268	3,548,165	3,548,165	3,400,062
Reserve Available for Appropriation		730,960	964,963	977,963	1,174,111
Total Fund Balance		4,427,228	4,513,128	4,526,128	4,574,173

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Proprietary Funds

2018-19

City of Clayton
 Self Insurance Fund 501
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7220	PERS Retirement	-	-	2,717	-
7351	Insurance Premiums (EAP Plan)	1,248	1,252	2,007	1,248
7352	Insurance Claim Deductibles	4,139	6,000	5,000	6,000
7413	Special Legal Services	-	-	-	-
Total Expenses		5,387	7,252	7,007	7,248
5601	Interest	703	700	690	600
5606	Unrealized Inv. Gain/Loss	(550)	-	-	-
5790	Other Revenues	-	-	-	-
6001	Transfers From General Fund	-	-	-	-
Total Revenue		153	700	690	600
Increase (Decrease) in Net Position		(5,234)	(6,552)	(6,317)	(6,648)
Beginning Net Position		53,872	49,435	48,638	42,321
Ending Net Position		48,638	42,883	42,321	35,673

City of Clayton
 CERF Fund 502
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7390	Depreciation Expense	90,075	110,000	95,000	100,000
7513	Computers/Software Upgrades	-	-	-	-
Total Expenses		90,075	110,000	95,000	100,000
5328	CERF Charges to Depts	47,215	77,030	77,673	88,540
5601	Interest	2,644	2,500	2,200	2,200
5606	Unrealized Inv. Gain/Loss	(1,806)	-	-	-
5801	Sale of Assets	1,624	-	1,089	1,000
Total Revenue		49,677	79,530	80,962	91,740
Increase (Decrease) in Net Position		(40,398)	(30,470)	(14,038)	(8,260)
Beginning Net Position		511,663	451,477	471,265	457,227
Ending Net Position		471,265	421,007	457,227	448,967

Fixed Asset Purchases:

1503	Machinery, Vehicles & Equipment	-	88,000	46,243	100,000
Total Other Outflows		-	88,000	46,243	100,000

Net Position Composed of:

Net Investment in Capital Assets	324,042	302,390	275,285	275,285
Unrestricted Net Position	147,223	118,617	181,942	173,682
Total Net Position	471,265	421,007	457,227	448,967

City of Clayton
Pension Rate Stabilization Fund 503 (New Fund)
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7220	PERS Retirement - Normal Cost	-	-	-	-
7221	PERS Retirement - Unfunded Liability	-	-	-	-
Total Expenses		-	-	-	-
5601	Interest	-	-	1,460	3,500
5606	Unrealized Inv. Gain/Loss	-	-	-	-
6001	Transfers From General Fund	-	-	168,732	-
Total Revenue		-	-	170,192	3,500
Increase (Decrease) in Net Position		-	-	170,192	3,500
Beginning Net Position		-	-	-	170,192
Ending Net Position		-	-	170,192	173,692

City of Clayton
 Endeavor Hall Fund 702
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7111	Salaries/Regular	5,813	6,600	7,700	8,900
7112	Temporary Help	1,490	1,200	500	-
7113	Overtime	133	200	-	200
7116	Part-time salaries	682	1,900	1,400	2,000
7218	LTD/STD Insurance	51	120	90	110
7220	PERS Retirement - Normal Cost	656	750	770	1,060
7221	PERS Retirement - Unfunded Liability	562	790	701	1,200
7231	Workers Comp Insurance	607	430	408	410
7232	Unemployment Insurance	95	240	100	100
7233	FICA Taxes	120	340	150	130
7246	Benefit Insurance	1,079	1,500	1,600	1,830
7311	General Supplies	656	800	500	800
7332	Telecommunications	902	950	930	950
7335	Gas & Electric Serv.	3,245	3,100	3,310	3,410
7338	Water Service	792	1,200	1,500	1,590
7341	Buildings & Grounds Mtn	8,042	5,050	11,600	6,000
7343	Vehicle Maintenance	191	550	790	800
7344	Vehicle Gas, Oil, and Supplies	186	410	500	500
7346	HVAC Mtn & Repairs	1,415	1,500	1,500	1,500
7361	Advertising	223	500	223	500
7411	Legal Services	586	-	-	-
7417	Janitorial Services	1,123	1,700	1,600	1,700
7429	Animal/Pest Control Services	1,487	1,290	1,290	1,300
Total Expenses Before Depreciation		30,136	31,120	37,162	34,990
5607	Rental Income	22,066	24,700	29,600	30,000
5611	Reserve for Endeavor Hall	185	-	-	-
Total Revenue		22,251	24,700	29,600	30,000
Increase (Decrease) in Net Position Before Depreciation		(7,885)	(6,420)	(7,562)	(4,990)
7390	Depreciation Expense	37,257	37,500	37,500	37,500
(Decrease) in Net Position After Depreciation		(45,142)	(43,920)	(45,062)	(42,490)
Beginning Net Position		1,165,694	1,119,705	1,120,552	1,075,490
Ending Net Position		1,120,552	1,075,785	1,075,490	1,033,000

Fixed Asset Purchases:

1504	Improvements other than Building	-	-	-	-
Total Other Outflows		-	-	-	-

Net Position Composed of:

Net investment in capital assets	1,184,742	1,142,807	1,141,108	1,103,608
Unrestricted net position resulting from:				
<i>Due to the General Fund</i>	(55,556)	(64,522)	(63,118)	(68,108)
<i>Refundable Deposits Payable</i>	(4,000)	(2,500)	(2,500)	(2,500)
<i>General accounts payable</i>	(4,634)	-	-	-
Total Net Position	1,120,552	1,075,785	1,075,490	1,033,000

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Fiduciary Funds

2018-19

City of Clayton
 High Street Bridge Benefit Assessment District - Fund 217
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7611	Principal (RDA Successor Agency)	684	725	725	769
7612	Interest Payment	770	729	729	685
Total Expenditures		1,454	1,454	1,454	1,454
4611	High Street Bridge Assessment	1,754	1,754	1,754	1,754
4650	Special Assessment Payoff	-	-	-	-
5601	Interest	80	80	80	80
5606	Unrealized Investment Gain/Loss	(55)	-	-	-
Total Revenue		1,779	1,834	1,834	1,834
Increase (Decrease) in Fund Balance		325	380	380	380
Beginning Fund Balance		5,297	5,677	5,677	6,057
Ending Fund Balance		5,677	6,057	6,057	6,437
Fund Balance Includes:					
	Reserve for Bridge Maintenance	5,100	5,400	5,400	5,700

For financial reporting purposes, the High Street Bridge Assessment District Fund (No. 217) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

City of Clayton
Oak Street Bridge Benefit Assessment District - Fund 218
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7381	Property Tax Admin Cost	258	258	258	258
7420	Other Outside Services	301	301	301	301
7520	Projects	12,000	-	-	-
7611	Principal (General Fund)	3,260	3,488	3,488	3,699
7612	Interest Payment	731	503	503	259
Total Expenditures		16,550	4,550	4,550	4,517
4611	Oak Street Bridge Assessment	6,150	6,150	6,150	6,150
5601	Interest Income	286	300	180	180
5606	Unrealized Investment Gain/Loss	251	-	-	-
5790	Other Revenue	-	-	-	-
Total Revenue		6,687	6,450	6,330	6,330
Increase (Decrease) in Fund Balance		(9,863)	1,900	1,780	1,813
Beginning Fund Balance		24,990	14,890	15,127	16,907
Ending Fund Balance		15,127	16,790	16,907	18,720
Fund Balance Includes:					
Reserve for Bridge Maintenance		14,400	16,000	16,000	17,600

For financial reporting purposes, the Oak Street Bridge Assessment District Fund (No. 218) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

City of Clayton
 Lydia Lane Sewer Benefit Assessment District - Fund 222
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7381	Property Tax Admin Cost	264	264	264	264
7420	Other Outside Services	2,400	1,636	1,636	1,636
7520	Projects	-	-	-	-
7611	Principal	5,000	5,000	5,000	5,000
7612	Interest Payment	9,950	9,650	9,650	9,350
7613	Paying Agent Fees	500	500	500	500
Total Expenditures		18,114	17,050	17,050	16,750
4612	Lydia Lane Sewer Assessment	17,200	17,050	16,900	16,750
5601	Interest	871	840	870	800
5606	Unrealized Investment Gain/Loss	(680)	-	-	-
Total Revenue		17,391	17,890	17,770	17,550
Increase (Decrease) in Fund Balance		(723)	840	720	800
Beginning Fund Balance		78,246	78,724	78,724	78,724
Ending Fund Balance		77,523	79,564	79,444	79,524
Fund Balance Includes:					
Bond Reserve Fund		12,813	12,813	12,813	12,813

For financial reporting purposes, the Lydia Lane Sewer Assessment District Fund (No. 222) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

City of Clayton

Oak Street Sewer Benefit Assessment District - Fund 223

Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7381	Property Tax Admin Cost	271	259	271	280
7420	Other Outside Services	1,500	1,241	1,241	1,220
7611	Principal	7,273	7,273	7,273	8,182
7612	Interest Payment	2,755	2,536	2,536	2,318
Total Expenditures		11,799	11,309	11,321	12,000
4612	Oak Street Sewer Assessment	10,353	11,309	11,309	12,000
4650	Special Assessment Payoff	-	-	-	-
5601	Interest	68	80	50	80
5606	Unrealized Investment Gain/Loss	(42)	-	-	-
Total Revenue		10,379	11,389	11,359	12,080
Increase (Decrease) in Fund Balance		(1,420)	80	38	80
Beginning Fund Balance		4,189	2,945	2,769	2,807
Ending Fund Balance		2,769	3,025	2,807	2,887

For financial reporting purposes, the Oak Street Sewer Assessment District Fund (No. 223) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

City of Clayton
 Diablo Estates Benefit Assessment District - Fund 231
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7335	Gas & Electric Serv.	137	400	140	300
7338	Water Service	8,713	9,400	9,000	9,600
7381	Property Tax Admin Cost	270	270	271	280
7384	Legal Notices	-	100	100	100
7411	Legal Services Retainer	-	-	-	-
7413	Special Legal Services	-	-	-	-
7419	Other Prof. Services	54,570	58,390	58,390	59,390
7420	Administrative Costs	2,044	2,044	2,121	2,189
Total Expenditures		65,734	70,604	70,022	71,859
4611	Fiduciary Fund Assessment	79,892	82,912	82,911	85,580
5601	Interest Income	1,208	600	1,350	1,200
5606	Unrealized Investment Gain/Loss	(871)	-	-	-
Total Revenue		80,229	83,512	84,261	86,780
Increase (Decrease) in Fund Balance		14,495	12,908	14,239	14,921
Beginning Fund Balance		83,685	82,351	98,180	112,419
Ending Fund Balance		98,180	95,259	112,419	127,340

For financial reporting purposes, the Diablo Estates Benefits Assessment District Fund (No. 231) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

City of Clayton
 Clayton Financing Authority - Fund 405
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7482	Capital Contributions	-	-	170,126	-
	Total Expenditures	-	-	170,126	-
5601	Interest Income	10,203	9,000	8,470	10,000
5606	Unrealized Investment Gain/Loss	(7,342)	-	-	-
	Total Revenue	2,861	9,000	8,470	10,000
	Increase (Decrease) in Fund Balance	2,861	9,000	(161,656)	10,000
	Beginning Fund Balance	714,088	724,188	716,949	555,293
	Ending Fund Balance	716,949	733,188	555,293	565,293

For financial reporting purposes, the Clayton Financing Authority Fund (No. 405) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

City of Clayton
 Middle School Community Facilities District 1990-1 - Fund 420
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7381	Property Tax Admin Cost	1,404	1,404	1,404	1,404
7419	Other Prof. Services	18,657	18,450	18,846	18,760
7420	Other Outside Services	16,452	16,452	16,452	16,950
7611	Principal	316,000	342,000	342,000	362,000
7612	Interest Expense	80,347	60,952	60,952	40,061
7613	Paying Agent Fees	715	2,000	1,980	2,000
7615	Property Taxes	603	603	603	650
Total Expenditures		434,178	441,861	442,237	441,825
4609	Middle School CFD 1990-1 Parcel Tax	401,799	397,802	397,796	393,796
5601	Interest Income	3,024	2,500	1,930	2,000
5606	Unrealized Investment Gain/Loss	(4,070)	-	-	-
Total Revenue		400,753	400,302	399,726	395,796
Increase (Decrease) in Fund Balance		400,753	(41,559)	(42,511)	(46,029)
Beginning Fund Balance		397,985	367,576	367,576	325,065
Ending Fund Balance		367,576	326,017	325,065	279,036

For financial reporting purposes, the Middle School CFD 1990-1 Fund (No. 420) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

City of Clayton
 Clayton Financing Authority 2007 Middle School Refunding Bonds - Fund 422
 Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7419	Other Prof. Services	6,646	6,400	6,371	6,550
2804	Principal Payment (CFA 2007)	325,000	355,000	355,000	370,000
7612	Interest Expense	92,159	78,291	92,161	63,595
7613	Paying Agent Fees	2,310	2,310	2,310	2,310
Total Expenditures		426,115	442,001	455,842	442,455
5601	Interest Income	1,730	1,500	2,840	1,750
5606	Unrealized Investment Gain/Loss	(1,241)	-	-	-
5701	Reimbursements/Refunds (CFD 1990-1)	8,956	9,000	8,681	8,860
5815	Interest on Loans/Bonds	73,471	53,539	53,539	32,211
1251	Principal Payment (CFD 1990-1)	316,000	342,000	342,000	362,000
Total Revenue		398,916	406,039	407,060	404,821
Increase (Decrease) in Fund Balance		(27,199)	(35,962)	(48,782)	(37,634)
Beginning Fund Balance		575,317	549,227	549,227	500,445
Ending Fund Balance		549,227	513,265	500,445	462,811
Restricted Portion of Fund Balance Includes:					
	CFD 1990-1 Special Tax Fund (Trustee)	153,045	115,226	133,300	113,300
	2007 CFA TAB Reserve Fund (Trustee)	251,990	251,990	251,990	251,990
	Total	405,035	367,216	385,290	365,290

For financial reporting purposes, the Clayton Financing Authority 2007 Middle School Refunding Bonds Fund (No. 422) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

City of Clayton

RDA Successor Agency Private Purpose Trust - Fund 615

Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 Projected	2018-19 Proposed Budget
7413	Special Legal Services	-	-	-	-
7419	Other Professional Services	1,200	1,200	1,200	1,200
7420	Administrative Costs	231,915	250,000	250,000	234,720
7612	Interest Expense	72,733	63,777	63,777	54,590
7613	Paying Agent Fee	1,980	1,980	1,980	1,980
8500	Extraordinary Loss / (Gain)	-	-	-	-
2601	Due to General Fund (Firestation and 2%)	475,000	-	-	-
2802	2014 Refunding Bonds Payable	330,000	395,000	395,000	400,000
Total Expenditures		1,112,828	711,957	711,957	692,490
4108	Redevelopment Property Tax Trust Fund Rev.	701,354	643,424	786,053	719,897
5601	Interest	2,911	3,000	3,060	2,500
5606	Unrealized Investment Gain/Loss	(10,036)	-	-	-
5790	Other Revenues	11,481	11,263	11,263	11,954
Total Revenue		705,710	657,687	800,376	734,351
Increase (Decrease) in Fund Balance		(407,118)	(54,270)	88,419	41,861
Beginning Fund Balance		1,177,481	893,532	770,363	858,782
Ending Fund Balance		770,363	839,262	858,782	900,643

Restricted Portion of Fund Balance Includes:

Restricted Bond Proceeds	188,696	41,285	41,810	-
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For financial reporting purposes, the RDA Successor Agency Fund (No. 615) is a Private Purpose Trust Fiduciary Fund, and is reported on a full accrual proprietary fund basis. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well debt service and loan transactions, which would otherwise be excluded from expenditures/revenues following proprietary fund GAAP accounting.

**CAPITAL IMPROVEMENT
PROGRAM BUDGET
2018-19**

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2018/19 – 2022/23



Capital Improvement Program

Presented to City Council on
June 5, 2018

City Council

Keith Haydon, Mayor

David T. Shuey, Vice Mayor

Tuija Catalano

Jim Diaz

Julie K. Pierce

Staff

Gary Napper

City Manager

Scott Alman

City Engineer

Mindy Gentry

Community Development Director

Janet Brown

City Clerk / HR Manager

Kevin Mizuno

Finance Manager

CITY OF CLAYTON
 CAPITAL IMPROVEMENT PROGRAM FY 2018/19 TO 2022/23

*Completed - no project sheet included
 **Deleted by City Council

Master Index of Projects by Number

Project Number	Project Category	Project	Project Number	Project Category	Project
10330	Streets	Overlays*	10387	Streets	Pavement Rehab 2002/03*
10331	Streets	Slurry Seals (Deleted)*	10388	Streets	Pavement Rehab 2003/04*
10332	Streets	High Street Bridge*	10389	Streets	Pavement Rehab 2004*
10333	Streets	Marsh Creek Road - TEA-21*	10390	Streets	Pavement Rehab 2005*
10334	Parks	Community Dog Park*	10391	Streets	Pavement Rehab 2006*
10335	Parks	El Molino Park*	10392	Sewers	Oak - High Street*
10336	Parks	Lydia Lane Park Ph. H*	10393	Parks	Skateboard Park
10337	Facilities	Keller House Preservation*	10394	Streets	Handicap Ramps - RDA Area*
10337A	Facilities	Keller House Rehabilitation	10394A	Streets	ADA Compliance Program
10338	Facilities	Endeavor Hall	10395	Streets	Catch Basin Modifications
10339	Facilities	Youth Center/Gym*	10396	Streets	East Marsh Creek Road Signal
10340	Landscape	Marsh Creek Road LS*	10397	Streets	Utility Undergrounding
10341	Streets	Center Street Crossing*	10398	Streets	Clayton Rd. MCR Slurry Seal*
10342	GHAD	Windmill Debris Basin*	10399	Sewers	Pine Hollow Area*
10343	GHAD	Crow Debris Basin	10400	Other	Downtown Economic Development
10344	GHAD	Obsidian Landslide*	10400A	Other	Town Center Property Purchase*
10345	GHAD	Clayton Rd. Landslides*	10401	Streets	Pedestrian Xing Signals**
10346	GHAD	Black Diamond Landslide**	10402	Streets	Clayton Road Trail Connection*
10347	GHAD	V-ditch Repairs*	10403	Streets	Downtown Entry Signs*
10347A	GHAD	Eagle Peak Slope Repair	10404	Streets	March Creek Rd. Retaining Wall*
10348	GHAD	Keller Ridge Slope Repair	10405	Streets	2007 Pavement Patching Project**
10349	GHAD	Community Park Slide Repair	10406	Streets	2008 Pavement Rehab Project*
10350	Facilities	Downtown Elec. Conn.*	10407	Parks	Community Park Upgrades*
10351	Facilities	Fire Station*	10408	Streets	2009 Pavement Rehab Project**
10352	Landscape	Library Landscaping*	10409	Streets	2010 Pavement Rehab Project**
10353	Streets	Downtown Revitalization*	10410	Streets	2011 Neighborhood Street Project**
10354	Streets	Four Oaks Area*	10411	Streets	2012 Neighborhood Street Project*
10355	Streets	Oak Street Bridge*	10412	Streets	2009 Arterial Overlay Project*
10356	Landscape	Westwood Open Space*	10413	Parks	Community Park Parking Lot Expan.*
10357	Facilities	Old City Hall Renovation*	10414	Streets	East March Creek Rd. Upgrade**
10358	Facilities	Grade Property Acquisition*	10415	Parks	Well Renovation*
10359	Facilities	Endeavor Hall Parking I*	10416	Streets	Marsh Creek Rd. (old) Overlay*
10360	Facilities	Endeavor Hall Parking II*	10417	Streets	2013 Neighborhood Street Project*
10361	Facilities	Stanley Property**	10418	Streets	2014 Neighborhood Street Project*
10362	Facilities	Stanley Property Parking*	10419	Parks	Community Park Lighting, etc.
10363	Facilities	Corp. Yard Expansion*	10420	Parks	School Bridge Area Improvements
10364	Streets	Downtown Signage**	10421	Creeks	Cardinet Trail Restoration*
10365	Facilities	Library Parking Expansion*	10422	Sewers	El Molino Drive Sanitary Sewer Impr.
10366	Facilities	Police Parking Expansion*	10423	Facilities	Library Upgrades
10367	Parks	Downtown Park*	10424	Streets	2015 Neighborhood Street Project*
10368	Parks	City Hall Park*	10425	Streets	Keller Ridge Dr. Collector Street Rehab.
10369	Streets	March Creek Road Narrowing**	10426	Facilities	City Hall Parking Area Rehabilitation*
10370	Creeks	Creek Revitalization	10427	Facilities	Library Parking Lot Rehabilitation*
10371	Streets	Survey Monuments*	10428	Facilities	Lydia Lane Park Parking Rehabilitation*
10372	Streets	Traffic Signal Modifications*	10429	Facilities	2012 Trail Repaving Project*
10373	Streets	Peacock Creek Dr. Signal*	10430	Landscape	Clayton Road Median Landscaping*
10374	Parks	North Valley Park*	10431	Landscape	Daffodil Hill Landscaping*
10375	Parks	Samuel Ct. Park	10432	Streets	2016 Neighborhood Street Project*
10376	Facilities	Equestrian Staging Area*	10433	Streets	DVMS Safety Signing*
10377	Streets	DVMS - Right Turn Lane*	10434	Parks	CCCP Scoreboard Replacement*
10378	Streets	Keller Ridge Drive Planters*	10435	Facilities	Library HVAC Replacement*
10379	Streets	Pine Hollow Road - Upgrade	10436	Streets	2018 Neighborhood Street Project
10380	Parks	Community Park - Rt. Turn Lane**	10437	Streets	2016 Arterial Rehabilitation Project*
10381	Parks	Bocce Ball Courts**	10438	Streets	Arterial Streetlight LED Project*
10382	GHAD	Inclinometers*	10439	Streets	El Porial Drive Restoration Project
10383	GHAD	Keller Ridge Drive Subdrain*	10440	Parks	CCP - Field #1 Rehab
10384	Streets	Mitchell Vanyon Rd. Overlay*	10441	Streets	OBAG 2 - 2018 Pavement Rehab
10385	Parks	Community Park Tot Lot*	10442	Parks	North Valley Park Playground Rehab
10386	GHAD	Wells (cancelled)*	10443	Facilities	ADA Accessibility - City Hall
			10444	Facilities	City Hall HVAC Replacement

CITY OF CLAYTON
CAPITAL IMPROVEMENT PROGRAM FY 2018/19 TO 2022/23

*Completed - no project sheet included
**Deleted by City Council

Master Index of Projects by Type

Project Number	Project Category	Project	Project Number	Project Category	Project
<u>CREEKS</u>			<u>PARKS (cont'd)</u>		
10370	Creeks	Creek Revitalization	10368	Parks	City Hall Park*
10421	Creeks	Cardinet Trail Restoration*	10374	Parks	North Valley Park*
<u>FACILITIES</u>			10375	Parks	Samuel Ct. Park
10337	Facilities	Keller House Preservation*	10380	Parks	Community Park - Rt. Turn Lane**
10337A	Facilities	Keller House Rehabilitation	10381	Parks	Bocce Ball Courts**
10338	Facilities	Endeavor Hall	10385	Parks	Community Park Tot Lot*
10339	Facilities	Youth Center/Gym*	10393	Parks	Skateboard Park
10350	Facilities	Downtown Elec. Conn.*	10407	Parks	Community Park Upgrades*
10351	Facilities	Fire Station*	10413	Parks	Community Park Parking Lot Expan.*
10357	Facilities	Old City Hall Renovation*	10415	Parks	Well Renovation*
10358	Facilities	Grove Property Acquisition*	10419	Parks	Community Park Lighting, etc.
10359	Facilities	Endeavor Hall Parking I*	10420	Parks	School Bridge Area Improvements
10360	Facilities	Endeavor Hall Parking II*	10434	Parks	CCCP Scoreboard Replacement*
10361	Facilities	Stanley Property**	10440	Parks	Clayton Community Park - Field No.1 Rehab
10362	Facilities	Stanley Property Parking*	10442	Parks	North Valley Park Playground Rehab
10363	Facilities	Corp. Yard Expansion*	<u>STREETS</u>		
10365	Facilities	Library Parking Expansion*	10330	Streets	Overlays*
10366	Facilities	Police Parking Expansion*	10331	Streets	Slurry Seals (Deleted)*
10376	Facilities	Equestrian Staging Area*	10332	Streets	High Street Bridge*
10423	Facilities	Library Upgrades	10333	Streets	Marsh Creek Road - TEA-21*
10426	Facilities	City Hall Parking Area Rehabilitation*	10341	Streets	Center Street Crossing*
10427	Facilities	Library Parking Lot Rehabilitation*	10353	Streets	Downtown Revitalization*
10428	Facilities	Lydia Lane Park Parking Rehabilitation*	10354	Streets	Four Oaks Area*
10429	Facilities	2012 Trail Repaving Project*	10355	Streets	Oak Street Bridge*
10435	Facilities	Library HVAC Replacement*	10364	Streets	Downtown Signage**
10443	Facilities	ADA Accessibility - City Hall	10369	Streets	March Creek Road Narrowing**
10444	Facilities	City Hall HVAC Replacement	10371	Streets	Survey Monuments*
<u>GHAD</u>			10372	Streets	Traffic Signal Modifications*
10342	GHAD	Windmill Debris Basin*	10373	Streets	Peacock Creek Dr. Signal*
10343	GHAD	Crow Debris Basin	10377	Streets	DVMS - Right Turn Lane*
10344	GHAD	Obsidian Landslide*	10378	Streets	Keller Ridge Drive Planters*
10345	GHAD	Clayton Rd. Landslides*	10379	Streets	Pine Hollow Road - Upgrade
10346	GHAD	Black Diamond Landslide**	10384	Streets	Mitchell Vanyon Rd. Overlay*
10347	GHAD	V-ditch Repairs*	10387	Streets	Pavement Rehab 2002/03*
10347A	GHAD	Eagle Peak Slope Repair	10388	Streets	Pavement Rehab 2003/04*
10348	GHAD	Keller Ridge Slope Repair	10389	Streets	Pavement Rehab 2004*
10349	GHAD	Community Park Slide Repair	10390	Streets	Pavement Rehab 2005*
10382	GHAD	Inclinometers*	10391	Streets	Pavement Rehab 2006*
10383	GHAD	Keller Ridge Drive Subdrain*	10394	Streets	Handicap Ramps - RDA Area*
10386	GHAD	Wells (cancelled)*	10394A	Streets	ADA Compliance Program
<u>LANDSCAPE</u>			10395	Streets	Catch Basin Modifications
10340	Landscape	Marsh Creek Road LS*	10396	Streets	East Marsh Creek Road Signal
10352	Landscape	Library Landscaping*	10397	Streets	Utility Undergrounding
10356	Landscape	Westwood Open Space*	10398	Streets	Clayton Rd. MCR Slurry Seal*
10430	Landscape	Clayton Road Median Landscaping*	10401	Streets	Pedestrian Xing Signals**
10431	Landscape	Daffodil Hill Landscaping*	10402	Streets	Clayton Road Trail Connection*
<u>OTHER</u>			10403	Streets	Downtown Entry Signs*
10392	Sewers	Oak - High Street*	10404	Streets	March Creek Rd. Retaining Wall*
10399	Sewers	Pine Hollow Area*	10405	Streets	2007 Pavement Patching Project**
10400	Other	Downtown Economic Development	10406	Streets	2008 Pavement Rehab Project*
10400A	Other	Town Center Property Purchase*	10408	Streets	2009 Pavement Rehab Project**
10422	Sewers	El Molino Drive Sanitary Sewer Impr.	10409	Streets	2010 Pavement Rehab Project*
<u>PARKS</u>			10410	Streets	2011 Neighborhood Street Project**
10334	Parks	Community Dog Park*	10411	Streets	2012 Neighborhood Street Project*
10335	Parks	El Molino Park*	10412	Streets	2009 Arterial Overlay Project*
10336	Parks	Lydia Lane Park Ph. H*	10414	Streets	East March Creek Rd. Upgrade**
10367	Parks	Downtown Park*	10416	Streets	Marsh Creek Rd. (old) Overlay*
			10417	Streets	2013 Neighborhood Street Project*
			10418	Streets	2014 Neighborhood Street Project*
			10424	Streets	2015 Neighborhood Street Project*
			10425	Streets	Collector Street Rehabilitation Project
			10432	Streets	2016 Neighborhood Street Project*
			10433	Streets	DVMS Safety Signing*
			10436	Streets	2018 Neighborhood Street Project
			10437	Streets	2016 Arterial Rehabilitation Project*
			10438	Streets	Arterial Streetlight LED Project*
			10439	Streets	El Portal Drive Restoration Project
			10441	Streets	OBAG 2 - 2018 Pavement Rehabilitation

CITY OF CLAYTON
 CAPITAL IMPROVEMENT PROGRAM FY 2017/18 to 2022/23

Budget by Funding Source - FY 2017/18

	Unspent Prior Year Funding	HUTA Fund	RMRA Fund	Federal Grants	Concord Sewer Fund	Measure J LSM	Measure J Co-op	Measure J Grant	Impact Fee Fund	Other	CIP Interest	17/18 Project Totals
Fund Balance as of 6/30/17		\$ 228,689	\$ -	\$ -	\$ 560,000	\$ 400,980	\$ 23,484	\$ -	\$ 579,148	\$ -	\$ 84,471	
Estimated Revenue thru FY 17/18		295,445	64,855	-	-	283,435	30,259	45,000	149,794	321,198	4,500	
Estimated non-CIP Expenses in FY 17/18		(147,233)	-	-	-	(32,122)	-	-	(36,717)	-	(2,464)	
Funds Available for CIP in FY 17/18		376,901	64,855	-	560,000	652,293	53,743	45,000	692,225	321,198	86,507	
#	Category	Project										
10337A	Facilities	Keller House Rehabilitation	-	-	-	-	-	-	-	-	-	-
10343	GHAD	Crow Debris Basin	-	-	-	-	-	-	-	-	-	-
10347A	GHAD	Eagle Peak Slope Repair	-	-	-	-	-	-	-	-	-	-
10348	GHAD	Keller Ridge Drive Area Slope Repair	-	-	-	-	-	-	-	-	-	-
10349	GHAD	Community Park Slide Repair	-	-	-	-	-	-	-	-	-	-
10370	Creeks	Creek Revitalization	-	-	-	-	-	-	-	-	-	-
10375	Parks	Samuel Ct. Park	-	-	-	-	-	-	-	-	-	-
10379	Streets	Pine Hollow Road Upgrades	-	-	-	-	-	45,000	-	-	-	45,000
10393	Parks	Skateboard Park	-	-	-	-	-	-	-	-	-	-
10394A	Streets	ADA Compliance Program	3,052	6,000	-	-	-	-	-	-	-	9,052
10395	Streets	Catch Basin Modifications	-	-	-	-	-	-	-	-	-	-
10396	Streets	East Marsh Creek Road Signal	-	-	-	-	-	-	-	-	-	-
10397	Streets	Utility Undergrounding	-	-	-	-	-	-	-	-	-	-
10400	Other	Downtown Economic Development	1,322,499	-	-	-	-	-	-	-	-	1,322,499
10419	Parks	Community park Lighting, etc.	-	-	-	-	-	-	-	-	-	-
10420	Other	School Bridge Area Improvements	202,258	-	-	-	-	-	-	-	2,500	204,758
10422	Sewers	El Molino Drive Sanitary Sewer Impr.	-	-	-	40,000	-	-	-	-	-	40,000
10423	Facilities	Library Upgrades	-	-	-	-	-	-	-	-	-	-
10425	Streets	Keller Ridge Collector Street Rehab	-	50,000	-	-	-	-	-	-	-	50,000
10436	Streets	2018 Neighborhood Street Project	-	-	-	-	50,000	-	-	-	-	50,000
10439	Streets	El Portal Drive restoration Project	5,430	-	-	-	37,418	-	-	-	-	42,848
10440	Parks	Clayton Community Park - Field 1 Rehab	-	-	-	-	-	-	-	50,000	500	50,500
10442	Parks	North Valley Park Playground Rehab.	-	-	-	-	-	-	142,000	-	25,300	167,300
10443	Facilities	City Hall ADA Accessibility	-	-	-	-	-	-	19,000	16,000	-	35,000
10444	Facilities	City HVAC Replacement	-	-	-	-	-	-	-	255,198	-	255,198
		Total CIP Funding in FY 17/18	56,000	-	-	40,000	87,418	-	161,000	321,198	28,300	2,272,155
Fund Balance as of June 30, 2018	\$	1,533,239	\$ 320,901	\$ 64,855	\$ -	\$ 520,000	\$ 564,875	\$ 53,743	\$ 45,000	\$ 531,225	\$ -	\$ 58,207

CITY OF CLAYTON
 CAPITAL IMPROVEMENT PROGRAM FY 2017/18 to 2022/23

Budget by Funding Source - FY 2018/19

Fund Name	Unspent Prior Year Funding	HUTA Fund	RMRA Fund	Federal Grants	State Grants	Concord Sewer Fund	Measure J LSM	Measure J Co-op	Measure J Grant	Impact Fee Fund	CIP Interest	18/19 Project Totals
Fund Balance as of 6/30/18		\$ 320,901	\$ 64,855	\$ -	\$ -	\$ 520,000	\$ 564,875	\$ 53,743	-	\$ 531,225	\$ 58,207	
Estimated Revenue thru FY 18/19		293,004	189,383	385,000	86,553	-	286,000	32,676	330,000	-	-	
Estimated non-CIP Expenses in FY 18/19		(170,255)	-	-	-	-	(36,639)	-	-	-	-	
Funds Available for CIP in FY 18/19		443,650	254,238	385,000	86,553	520,000	814,236	86,419	330,000	531,225	58,207	
#	Category	Project										
10337A	Facilities	Keller House Rehabilitation	-	-	-	-	-	-	-	-	-	-
10343	GHAD	Crow Debris Basin	-	-	-	-	-	-	-	-	-	-
10347A	GHAD	Eagle Peak Slope Repair	-	-	-	-	-	-	-	-	-	-
10348	GHAD	Keller Ridge Drive Area Slope Repair	-	-	-	-	-	-	-	-	-	-
10349	GHAD	Community Park Slide Repair	-	-	-	-	-	-	-	-	-	-
10370	Creeks	Creek Revitalization	-	-	-	-	-	-	-	-	-	-
10375	Parks	Samuel Ct. Park	-	-	-	-	-	-	-	-	-	-
10379	Streets	Pine Hollow Road Upgrades	-	189,883	-	-	-	-	330,000	-	-	519,883
10393	Parks	Skateboard Park	-	-	-	-	-	-	-	-	-	-
10394A	Streets	ADA Compliance Program	9,052	6,000	-	-	-	-	-	-	-	15,052
10395	Streets	Catch Basin Modifications	-	-	-	-	-	-	-	-	-	-
10396	Streets	East Marsh Creek Road Signal	-	-	-	-	-	-	-	-	-	-
10397	Streets	Utility Undergrounding	-	-	-	-	-	-	-	-	-	-
10400	Other	Downtown Economic Development	1,322,499	-	-	-	-	-	-	-	-	1,322,499
10419	Parks	Community park Lighting, etc.	-	-	-	-	-	-	-	-	-	-
10420	Other	School Bridge Area Improvements	204,758	-	-	-	-	-	-	-	-	204,758
10422	Sewers	El Molino Drive Sanitary Sewer Impr.	-	-	-	-	520,000	-	-	-	-	520,000
10423	Facilities	Library Upgrades	-	-	-	-	-	-	-	-	-	-
10425	Streets	Keller Ridge Dr. Collector Street Rehab	-	277,988	385,000	25,775	-	241,443	-	-	-	930,206
10436	Streets	2018 Neighborhood Street Project	-	159,662	64,355	-	60,778	572,793	86,419	-	-	944,007
10439	Streets	El Portal Drive restoration Project	-	-	-	-	-	-	-	-	-	-
10440	Parks	Clayton Community Park - Field 1 Rehab	50,500	-	-	-	-	-	-	-	-	50,500
10442	Parks	North Valley Park Playground Rehab.	167,300	-	-	-	-	-	-	-	-	167,300
10443	Facilities	City Hall ADA Accessibility	35,000	-	-	-	-	-	-	-	-	35,000
		Total CIP Funding in FY 18/19	443,650	254,238	385,000	86,553	520,000	814,236	86,419	330,000	-	2,920,096
		Fund Balance as of June 30, 2019	\$ 1,789,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 531,225	\$ 58,207

CITY OF CLAYTON
 CAPITAL IMPROVEMENT PROGRAM FY 2017/18 to 2022/23

Budget by Funding Source - FY 2019/20

Fund Name	Unspent Prior Year Funding	HUTA Fund	RMRA Fund	Federal Grants	State Grants	Concord Sewer Fund	Measure J LSM	Measure J Co-op	Measure J Grant	Impact Fee Fund	CIP Interest	19/20 Project Totals
Fund Balance as of 6/30/19		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 531,225	\$ 58,207	
Estimated Revenue thru FY 19/20		250,000	190,000	308,000	-	-	290,000	30,000	-	-	-	
Estimated non-CIP Expenses in FY 19/20		(150,000)	-	-	-	-	(40,000)	-	-	-	-	
Funds Available for CIP in FY 19/20		100,000	190,000	308,000	-	-	250,000	30,000	-	531,225	58,207	
#	Category	Project										
10337A	Facilities	Keller House Rehabilitation	-	-	-	-	-	-	-	-	-	-
10343	GHAD	Crow Debris Basin	-	-	-	-	-	-	-	-	-	-
10347A	GHAD	Eagle Peak Slope Repair	-	-	-	-	-	-	-	-	-	-
10348	GHAD	Keller Ridge Drive Area Slope Repair	-	-	-	-	-	-	-	-	-	-
10349	GHAD	Community Park Slide Repair	-	-	-	-	-	-	-	-	-	-
10370	Creeks	Creek Revitalization	-	-	-	-	-	-	-	-	-	-
10375	Parks	Samuel Ct. Park	-	-	-	-	-	-	-	-	-	-
10379	Streets	Pine Hollow Road Upgrades	-	-	308,000	-	-	-	-	-	-	308,000
10393	Parks	Skateboard Park	-	-	-	-	-	-	-	-	-	-
10394A	Streets	ADA Compliance Program	15,052	6,000	-	-	-	-	-	-	-	21,052
10395	Streets	Catch Basin Modifications	-	-	-	-	-	-	-	-	-	-
10396	Streets	East Marsh Creek Road Signal	-	-	-	-	-	-	-	-	-	-
10397	Streets	Utility Undergrounding	-	-	-	-	-	-	-	-	-	-
10400	Other	Downtown Economic Development	1,322,499	-	-	-	-	-	-	-	-	1,322,499
10419	Parks	Community park Lighting, etc.	-	-	-	-	-	-	-	-	-	-
10420	Other	School Bridge Area Improvements	204,758	-	-	-	-	-	-	-	-	204,758
10422	Sewers	El Molino Drive Sanitary Sewer Impr.	-	-	-	-	-	-	-	-	-	-
10423	Facilities	Library Upgrades	-	-	-	-	-	-	-	-	-	-
10425	Streets	Keller Ridge Dr. Collector Street Rehab	-	-	-	-	-	-	-	-	-	-
10436	Streets	2018 Neighborhood Street Project	-	-	-	-	-	-	-	-	-	-
10439	Streets	El Portal Drive restoration Project	-	-	-	-	-	-	-	-	-	-
10440	Parks	Clayton Community Park - Field 1 Rehab	-	-	-	-	-	-	-	-	-	-
10442	Parks	North Valley Park Playground Rehab.	-	-	-	-	-	-	-	-	-	-
10443	Facilities	City Hall ADA Accessibility	-	-	-	-	-	-	-	-	-	-
		Total CIP Funding in FY 19/20	6,000	-	308,000	-	-	-	-	-	-	314,000
Fund Balance as of June 30, 2020	\$	1,542,309	\$ 94,000	\$ 190,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 30,000	\$ -	\$ 531,225	\$ 58,207

CITY OF CLAYTON
 CAPITAL IMPROVEMENT PROGRAM FY 2017/18 to 2022/23

Budget by Funding Source - FY 2020/21

Fund Name	Unspent Prior Year Funding	HUTA Fund	RMRA Fund	Federal Grants	State Grants	Concord Sewer Fund	Measure J LSM	Measure J Co-op	Measure J Grant	Impact Fee Fund	CIP Interest	20/21 Project Totals
Fund Balance as of 6/30/20		\$ 94,000	\$ 190,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 30,000	\$ -	\$ 531,225	\$ 58,207	
Estimated Revenue thru FY 20/21		255,000	195,000	-	-	-	295,000	30,000	-	-	-	
Estimated non-CIP Expenses in FY 20/21		(155,000)	-	-	-	-	(45,000)	-	-	-	-	
Funds Available for CIP in FY 20/21		194,000	385,000	-	-	-	500,000	60,000	-	531,225	58,207	
#	Category	Project										
10337A	Facilities	Keller House Rehabilitation	-	-	-	-	-	-	-	-	-	-
10343	GHAD	Crow Debris Basin	-	-	-	-	-	-	-	-	-	-
10347A	GHAD	Eagle Peak Slope Repair	-	-	-	-	-	-	-	-	-	-
10348	GHAD	Keller Ridge Drive Area Slope Repair	-	-	-	-	-	-	-	-	-	-
10349	GHAD	Community Park Slide Repair	-	-	-	-	-	-	-	-	-	-
10370	Creeks	Creek Revitalization	-	-	-	-	-	-	-	-	-	-
10375	Parks	Samuel Ct. Park	-	-	-	-	-	-	-	-	-	-
10379	Streets	Pine Hollow Road Upgrades	-	-	-	-	-	-	-	-	-	-
10393	Parks	Skateboard Park	-	-	-	-	-	-	-	-	-	-
10394A	Streets	ADA Compliance Program	21,052	6,000	-	-	-	-	-	-	-	27,052
10395	Streets	Catch Basin Modifications	-	-	-	-	-	-	-	-	-	-
10396	Streets	East Marsh Creek Road Signal	-	-	-	-	-	-	-	-	-	-
10397	Streets	Utility Undergrounding	-	-	-	-	-	-	-	-	-	-
10400	Other	Downtown Economic Development	1,322,499	-	-	-	-	-	-	-	-	1,322,499
10419	Parks	Community park Lighting, etc.	-	-	-	-	-	-	-	-	-	-
10420	Other	School Bridge Area Improvements	204,758	-	-	-	-	-	-	-	-	204,758
10422	Sewers	El Molino Drive Sanitary Sewer Impr.	-	-	-	-	-	-	-	-	-	-
10423	Facilities	Library Upgrades	-	-	-	-	-	-	-	-	-	-
10425	Streets	Keller Ridge Dr. Collector Street Rehab	-	-	-	-	-	-	-	-	-	-
10436	Streets	2018 Neighborhood Street Project	-	-	-	-	-	-	-	-	-	-
10439	Streets	El Portal Drive restoration Project	-	-	-	-	-	-	-	-	-	-
10440	Parks	Clayton Community Park - Field 1 Rehab	-	-	-	-	-	-	-	-	-	-
10442	Parks	North Valley Park Playground Rehab.	-	-	-	-	-	-	-	-	-	-
10443	Facilities	City Hall ADA Accessibility	-	-	-	-	-	-	-	-	-	-
		Total CIP Funding in FY 20/21	6,000	-	-	-	-	-	-	-	-	6,000
Fund Balance as of June 30, 2021	\$	1,548,309	\$ 188,000	\$ 385,000	\$ -	\$ -	\$ 500,000	\$ 60,000	\$ -	\$ 531,225	\$ 58,207	

CITY OF CLAYTON
CAPITAL IMPROVEMENT PROGRAM FY 2017/18 to 2022/23

Budget by Funding Source - FY 2021/22

Fund Name	Unspent Prior Year Funding	HUTA Fund	RMRA Fund	Federal Grants	State Grants	Concord Sewer Fund	Measure J LSM	Measure J Co-op	Measure J Grant	Impact Fee Fund	CIP Interest	21/22 Project Totals
Fund Balance as of 6/30/21		\$ 188,000	\$ 385,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 60,000	\$ -	\$ 531,225	\$ 58,207	
Estimated Revenue thru FY 21/22		255,000	200,000	-	-	-	300,000	30,000	-	-	-	
Estimated non-CIP Expenses in FY 21/22		(155,000)	-	-	-	-	(50,000)	-	-	-	-	
Funds Available for CIP in FY 21/22		288,000	585,000	-	-	-	750,000	90,000	-	531,225	58,207	
#	Category	Project										
10337A	Facilities	Keller House Rehabilitation	-	-	-	-	-	-	-	-	-	-
10343	GHAD	Crow Debris Basin	-	-	-	-	-	-	-	-	-	-
10347A	GHAD	Eagle Peak Slope Repair	-	-	-	-	-	-	-	-	-	-
10348	GHAD	Keller Ridge Drive Area Slope Repair	-	-	-	-	-	-	-	-	-	-
10349	GHAD	Community Park Slide Repair	-	-	-	-	-	-	-	-	-	-
10370	Creeks	Creek Revitalization	-	-	-	-	-	-	-	-	-	-
10375	Parks	Samuel Ct. Park	-	-	-	-	-	-	-	-	-	-
10379	Streets	Pine Hollow Road Upgrades	-	-	-	-	-	-	-	-	-	-
10393	Parks	Skateboard Park	-	-	-	-	-	-	-	-	-	-
10394A	Streets	ADA Compliance Program	27,052	6,000	-	-	-	-	-	-	-	33,052
10395	Streets	Catch Basin Modifications	-	-	-	-	-	-	-	-	-	-
10396	Streets	East Marsh Creek Road Signal	-	-	-	-	-	-	-	-	-	-
10397	Streets	Utility Undergrounding	-	-	-	-	-	-	-	-	-	-
10400	Other	Downtown Economic Development	1,322,499	-	-	-	-	-	-	-	-	1,322,499
10419	Parks	Community park Lighting, etc.	-	-	-	-	-	-	-	-	-	-
10420	Other	School Bridge Area Improvements	204,758	-	-	-	-	-	-	-	-	204,758
10422	Sewers	El Molino Drive Sanitary Sewer Impr.	-	-	-	-	-	-	-	-	-	-
10423	Facilities	Library Upgrades	-	-	-	-	-	-	-	-	-	-
10425	Streets	Keller Ridge Dr. Collector Street Rehab	-	-	-	-	-	-	-	-	-	-
10436	Streets	2018 Neighborhood Street Project	-	-	-	-	-	-	-	-	-	-
10439	Streets	El Portal Drive restoration Project	-	-	-	-	-	-	-	-	-	-
10440	Parks	Clayton Community Park - Field 1 Rehab	-	-	-	-	-	-	-	-	-	-
10442	Parks	North Valley Park Playground Rehab.	-	-	-	-	-	-	-	-	-	-
10443	Facilities	City Hall ADA Accessibility	-	-	-	-	-	-	-	-	-	-
	Total CIP Funding in FY 21/22		6,000									6,000
Fund Balance as of June 30, 2022	\$ 1,554,309	\$ 282,000	\$ 585,000	\$ -	\$ -	\$ -	\$ 750,000	\$ 90,000	\$ -	\$ 531,225	\$ 58,207	

CITY OF CLAYTON
CAPITAL IMPROVEMENT PROGRAM FY 2017/18 to 2022/23

Budget by Funding Source - FY 2022/23

Fund Name	Unspent Prior Year Funding	HUTA Fund	RMRA Fund	Federal Grants	State Grants	Concord Sewer Fund	Measure J LSM	Measure J Co-op	Measure J Grant	Impact Fee Fund	CIP Interest	22/23 Project Totals
Fund Balance as of 6/30/22		\$ 282,000	\$ 585,000	\$ -	\$ -	\$ -	\$ 750,000	\$ 90,000	\$ -	\$ 531,225	\$ 58,207	
Estimated Revenue thru FY 22/23		255,000	200,000	-	-	-	300,000	30,000	-	-	-	
Estimated non-CIP Expenses in FY 22/23		(160,000)	-	-	-	-	(65,000)	-	-	-	-	
Funds Available for CIP in FY 22/23		377,000	785,000	-	-	-	995,000	120,000	-	531,225	58,207	
#	Category	Project										
10337A	Facilities	Keller House Rehabilitation	-	-	-	-	-	-	-	-	-	-
10343	GHAD	Crow Debris Basin	-	-	-	-	-	-	-	-	-	-
10347A	GHAD	Eagle Peak Slope Repair	-	-	-	-	-	-	-	-	-	-
10348	GHAD	Keller Ridge Drive Area Slope Repair	-	-	-	-	-	-	-	-	-	-
10349	GHAD	Community Park Slide Repair	-	-	-	-	-	-	-	-	-	-
10370	Creeks	Creek Revitalization	-	-	-	-	-	-	-	-	-	-
10375	Parks	Samuel Ct. Park	-	-	-	-	-	-	-	-	-	-
10379	Streets	Pine Hollow Road Upgrades	-	-	-	-	-	-	-	-	-	-
10393	Parks	Skateboard Park	-	-	-	-	-	-	-	-	-	-
10394A	Streets	ADA Compliance Program	27,052	6,000	-	-	-	-	-	-	-	33,052
10395	Streets	Catch Basin Modifications	-	-	-	-	-	-	-	-	-	-
10396	Streets	East Marsh Creek Road Signal	-	-	-	-	-	-	-	-	-	-
10397	Streets	Utility Undergrounding	-	-	-	-	-	-	-	-	-	-
10400	Other	Downtown Economic Development	1,322,499	-	-	-	-	-	-	-	-	1,322,499
10419	Parks	Community park Lighting, etc.	-	-	-	-	-	-	-	-	-	-
10420	Other	School Bridge Area Improvements	204,758	-	-	-	-	-	-	-	-	204,758
10422	Sewers	El Molino Drive Sanitary Sewer Impr.	-	-	-	-	-	-	-	-	-	-
10423	Facilities	Library Upgrades	-	-	-	-	-	-	-	-	-	-
10425	Streets	Keller Ridge Dr. Collector Street Rehab	-	-	-	-	-	-	-	-	-	-
10436	Streets	2018 Neighborhood Street Project	-	-	-	-	-	-	-	-	-	-
10439	Streets	El Portal Drive restoration Project	-	-	-	-	-	-	-	-	-	-
10440	Parks	Clayton Community Park - Field 1 Rehab	-	-	-	-	-	-	-	-	-	-
10442	Parks	North Valley Park Playground Rehab.	-	-	-	-	-	-	-	-	-	-
10443	Facilities	City Hall ADA Accessibility	-	-	-	-	-	-	-	-	-	-
		Total CIP Funding in FY 22/23	6,000	-	-	-	-	-	-	-	-	6,000
Fund Balance as of June 30, 2023	\$	1,554,309	\$ 371,000	\$ 785,000	\$ -	\$ -	\$ 995,000	\$ 120,000	\$ -	\$ 531,225	\$ 58,207	

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Facilities	10337A	Keller House Rehabilitation

DESCRIPTION - LOCATION

Rehabilitation of historical ranch home
And grounds located across Mt. Diablo
Creek from the library.



COMMENTS

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/ Execution							\$1,780,477	\$1,780,477
Monitoring/ Inspections								
Close-out/ Punch List								
Other								
TOTAL							\$1,780,477	\$1,780,477

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$1,780,477	\$1,780,477
TOTAL							\$1,780,477	\$1,780,477

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
GHAD	10343	Crow Place - Debris Basin

DESCRIPTION - LOCATION

Clean out debris basin located in GHAD easement behind golf course and single-family lots.



COMMENTS

Subject to approval of increased assessments.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design							\$10,000	\$10,000
Construction/Execution							\$95,000	\$95,000
Monitoring/Inspections							\$5,000	\$5,000
Close-out/Punch List								
Other								
TOTAL							\$110,000	\$110,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$110,000	\$110,000
TOTAL							\$110,000	\$110,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
GHAD	10347A	Eagle Peak Slope Repair

DESCRIPTION - LOCATION

Stabilize and/or repair large slope moving adjacent to single family houses and streets in Eagle Peak Subdivision.



COMMENTS

Cost estimate per Soils Engineer. Dependent on GHAD assessment increase.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design							\$70,000	\$70,000
Construction/Execution							\$1,140,000	\$1,140,000
Monitoring/Inspections							\$30,000	\$30,000
Close-out/Punch List							\$10,000	\$10,000
Other								
TOTAL							\$1,250,000	\$1,250,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$1,250,000	\$1,250,000
TOTAL							\$1,250,000	\$1,250,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
GHAD	10348	Keller Ridge Drive Area - Slope Repair

DESCRIPTION - LOCATION

Stabilize and/or repair small slope pop-out adjacent to single-family homes.



COMMENTS

Subject to approval of increased assessments.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design							\$5,000	\$5,000
Construction/ Execution							\$50,000	\$5,000
Monitoring/ Inspections							\$5,000	\$50,000
Close-out/ Punch List								
Other								
TOTAL							\$60,000	\$60,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$60,000	\$60,000
TOTAL							\$60,000	\$60,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
GHAD	10349	Community Park - Landslide

DESCRIPTION - LOCATION

Repair landslides that occurred above field #3 (uppermost field).



COMMENTS

Subject to approval of increased assessments.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design							\$7,000	\$7,000
Construction/Execution							\$95,000	\$95,000
Monitoring/Inspections							\$8,000	\$8,000
Close-out/Punch List								
Other								
TOTAL							\$110,000	\$110,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$110,000	\$110,000
TOTAL							\$110,000	\$110,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Creeks	10370	Creek Revitalization

DESCRIPTION - LOCATION

Clean out creeks, improve access to creek banks, reinforce creek banks and repair adjacent trails where needed, replace riparian vegetation.



COMMENTS

Catch-all project for when City hits the lottery.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/ Execution							\$3,000,000	\$3,000,000
Monitoring/ Inspections								
Close-out/ Punch List								
Other								
TOTAL							\$3,000,000	\$3,000,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$3,000,000	\$3,000,000
TOTAL							\$3,000,000	\$3,000,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10375	Samuel Ct. Park

DESCRIPTION - LOCATION

Install landscaping and irrigation improvements.



COMMENTS

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design							\$5,000	\$5,000
Construction/Execution							\$75,000	\$75,000
Monitoring/Inspections							\$5,000	\$5,000
Close-out/Punch List								
Other								
TOTAL							\$85,000	\$85,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$85,000	\$85,000
TOTAL							\$85,000	\$85,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10379	Pine Hollow Rd. - Upgrade

DESCRIPTION - LOCATION

Improve City entry on Pine Hollow Rd. with new painting, monument sign, etc.



COMMENTS

ROW controlled by Concord and/or County. Joint Project possible, though not probable.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/ Design	\$45,000	\$50,000						\$95,000
Construction/ Execution			\$732,883					\$732,883
Monitoring/ Inspections			\$35,000					\$35,000
Close-out/ Punch List			\$10,000					\$10,000
Other								
TOTAL	\$45,000	\$50,000	\$777,883					\$872,883

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Measure J Grant	\$45,000	\$50,000	\$280,000					\$375,000
Gas Tax (RMRA)			\$189,883					\$189,883
OBAG II (Federal)			\$308,000					\$308,000
TOTAL	\$45,000	\$50,000	\$777,883					\$872,883

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Parks	10393	Skateboard Park

DESCRIPTION - LOCATION

Construct Skateboard Park at an as yet Undetermined location.

COMMENTS

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design							\$45,000	\$45,000
Construction/Execution							\$660,000	\$660,000
Monitoring/Inspections								
Close-out/Punch List								
TOTAL							\$750,000	\$750,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$750,000	\$750,000
TOTAL							\$750,000	\$750,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10394A	ADA Compliance Program

DESCRIPTION - LOCATION

ADA Compliance City-wide.

COMMENTS

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/ Execution							\$500,000	\$500,000
Monitoring/ Inspections								
Close-out/ Punch List								
Other								
TOTAL							\$500,000	\$500,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Gas Tax (HUTA)	\$15,150	\$6,000						\$21,500
Unfunded							\$478,850	\$478,850
TOTAL	\$15,150	\$6,000					\$478,850	\$500,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10395	Catch Basin Modifications

DESCRIPTION - LOCATION

Add cross-bar to openings

COMMENTS

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/ Execution							\$100,000	\$100,000
Monitoring/ Inspections								
Close-out/ Punch List								
Other								
TOTAL							\$100,000	\$100,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded								\$100,000
TOTAL								\$100,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10396	East Marsh Creek Road Traffic Signal

DESCRIPTION - LOCATION

Install traffic signal on Marsh Creek Road
To the east of Diablo Parkway.

COMMENTS

Project postponed by Council action.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design							\$45,000	\$45,000
Construction/ Execution							\$350,000	\$350,000
Monitoring/ Inspections							\$35,000	\$35,000
Close-out/ Punch List								
Utility Relocation							\$80,000	\$80,000
Other								
TOTAL							\$510,000	\$510,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$510,000	\$510,000
TOTAL							\$510,000	\$510,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10397	Utility Undergrounding

DESCRIPTION - LOCATION

Underground overhead utility lines at as
Yet undetermined locations.

COMMENTS

Funds are allocated to the City's Rule 20Aa
account annually but held by PG&E until
project is approved by the City Council and
commences.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/ Execution							\$3,000,000	\$3,000,000
Monitoring/ Inspections								
Close-out/ Punch List								
Other								
TOTAL							\$3,000,000	\$3,000,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
PG&E Rule 20A	\$445,072	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000		\$550,072
Unfunded							\$2,449,928	\$2,449,928
TOTAL	\$445,072	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$2,449,928	\$3,000,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Other	10400	Downtown Economic Development

DESCRIPTION - LOCATION

Provide funding for improving the economic viability of the downtown area.



COMMENTS

Transferred \$1,040,843. To CIP 10400A in FY 12/13 to purchase a 1.67 AC parcel in Town Center. Parcel purchased from Clayton Community Church.

Estimated Cost	Prior Yrs.	20018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/Execution								
Monitoring/Inspections								
Close-out/Punch List								
Other							\$1,382,000	\$1,382,000
TOTAL							\$1,382,000	\$1,382,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
CIP Const. Fund	\$1,382,000							\$1,382,000
TOTAL	\$1,382,000							\$1,382,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Parks	10419	Community Park Lighting & Resurfacing

DESCRIPTION - LOCATION

Install sports field lighting, remove and replace turf with synthetic surfacing at Clayton Community Park.



COMMENTS

Cost estimates per Cost-Benefit Analysis Prepared by PMC and dated August 31, 2009.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/ Design								
Construction/ Execution								
Monitoring/ Inspections							\$4,084,000	\$4,084,000
Close-out/ Punch List								
Other								
TOTAL							\$4,084,000	\$4,084,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$4,084,000	\$4,084,000
TOTAL							\$4,084,000	\$4,084,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10420	School Bridge Area Improvements

DESCRIPTION - LOCATION

Improve area at Mt. Diablo Elementary School Bridge and Mitchell Creek to enhance Town Center area.

COMMENTS

Includes decorative wall, landscaping and Riparian vegetation restoration; funding transferred from CIP No. 10400, Downtown Economic Development.

No design or construction currently scheduled.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design							\$20,000	\$20,000
Construction/Execution							\$165,000	\$165,000
Monitoring/Inspections							\$10,000	\$10,000
Close-out/Punch List							\$7,258	\$7,258
TOTAL							\$202,258	\$202,258

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
CIP Const. Fund	\$202,258							\$202,258
TOTAL	\$202,258							\$202,258

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10422	El Molino Drive Sanitary Sewer Improvements

DESCRIPTION - LOCATION

Construct modifications to existing sanitary sewer mains to prevent potential sewer overflows in areas adjacent to Mt. Diablo Creek.



COMMENTS

Includes pipe enlargement and construction of a bypass line in El Molino Drive; funding from CIP 10400, Downtown Economic Development, returned as Concord has agreed to fund the bypass work (including preliminary design work) from annual sewer fees.

Preliminary design costs totaling approximately \$64,000 to date (FY 2004-2009) were tracked in the Development Impact Fees fund (304), temporarily covered by a General Fund loan authorized by City Council in FY 2004-05.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design	\$40,000							\$40,000
Construction/Execution		\$500,000						\$500,000
Monitoring/Inspections		\$20,000						\$20,000
Close-out/Punch List								
TOTAL	\$40,000	\$520,000						\$560,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Concord Sewer Fund	\$40,000	\$520,000						\$560,000
TOTAL	\$40,000	\$520,000						\$560,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Facilities	10423	Library Upgrades

DESCRIPTION - LOCATION

Construct improvements to update Library including automatic checkout facilities, coffee/snack bar, etc.



COMMENTS

Includes 3,500 sf building addition plus new equipment and furniture.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/Execution							\$850,000	\$850,000
Monitoring/Inspections								
Close-out/Punch List								
Other							\$150,000	\$150,000
TOTAL							\$1,000,000	\$1,000,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded							\$1,000,000	\$1,000,000
TOTAL							\$1,000,000	\$1,000,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10425	Collector Street Rehabilitation Project - Keller Ridge

DESCRIPTION - LOCATION

Pavement resurfacing and treatment on various collector streets throughout the City.



COMMENTS

Local Streets & Roads Shortfall (LS&RS) funding is federal requiring extensive processing for construction approval. Gas Tax amount covers City share as required by federal funding.

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/ Design	\$78,226							\$78,226
Construction/ Execution		\$885,206						\$885,206
Monitoring/ Inspections		\$35,000						\$35,000
Close-out/ Punch List		\$10,000						\$10,000
Other								
TOTAL	\$78,226	\$930,206						\$1,008,432

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Gas Tax (HUTA)	\$78,226	\$315,180						\$393,406
OBAG I (Federal)		\$385,000						\$385,000
Measure J (LSM)		\$241,443						\$241,443
Cal Recycle (Grant)		\$25,775						\$25,775
TOTAL	\$78,226	\$930,206						\$1,008,432

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Streets	10436	2018 Neighborhood Street Project

DESCRIPTION - LOCATION

Pavement resurfacing and treatment on various neighborhood streets throughout the City.



COMMENTS

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design	\$50,000							\$50,000
Construction/Execution		\$899,007						\$899,007
Monitoring/Inspections		\$35,000						\$35,000
Close-out/Punch List		\$10,000						\$10,000
Other								
TOTAL	\$50,000	\$944,007						\$994,007

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Measure J LSM	\$50,000	\$572,793						\$622,793
Measure J Co-Op		\$86,419						\$86,419
Gas Tax (HUTA)		\$159,662						\$159,662
Gas Tax (RMRA)		\$64,355						\$64,355
Cal Recycle (Grant)		\$60,778						\$60,778
TOTAL	\$50,000	\$944,007						\$994,007

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Parks	10440	Clayton Community Park Field No. 1 Restoration

DESCRIPTION - LOCATION

Rehabilitation of lower baseball/softball field (field No. 1).



COMMENTS

Subgrade stabilization completed in FY 16-17
 Remaining work completed in FY 18-19

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/Execution		\$100,000						\$100,000
Monitoring/Inspections								
Close-out/Punch List								
Other								
TOTAL		\$100,000						\$100,000

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Unfunded		\$50,000						\$50,000
Garbage Franchise Community Enhancement Fee	\$50,000							\$50,000
TOTAL	\$50,000	\$50,000						\$100,000

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Parks	10442	North Valley Park Playground Rehabilitation

DESCRIPTION - LOCATION

Install new playground equipment, shade structures and play surface.



COMMENTS

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/Design								
Construction/ Execution		\$167,300						\$167,300
Monitoring/ Inspections								
Close-out/ Punch List								
Other								
TOTAL		\$167,300						\$167,300

Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Open Space DIF	\$142,000							\$142,000
CIP Interest earnings	\$23,800							\$23,800
Project Interest	\$1,500							\$1,500
TOTAL	\$167,300							\$167,300

2018/19-2022/23 Capital Improvement Program

Category	Project Number	Project
Facilities	10443	ADA Accessibility - City Hall

DESCRIPTION - LOCATION

Install ADA accessibility improvements to the entry doorways of City Hall.



COMMENTS

Estimated Cost	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Planning/ Design								
Construction/ Execution		\$35,000						\$35,000
Monitoring/ Inspections								
Close-out/ Punch List								
Other								
TOTAL		\$35,000						\$35,000

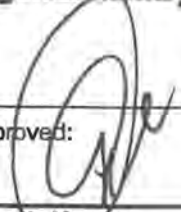
Funding (Sources)	Prior Yrs.	2018-19	2019-20	2020-21	2021-22	2022-23	Future	TOTAL
Community Facilities DIF	\$19,000							\$19,000
General Fund Annual Excess	\$16,000							\$16,000
TOTAL	\$35,000							\$35,000



Agenda Date: 6-05-2018

Agenda Item: 8b

Approved:


Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CITY MANAGER

DATE: 05 JUNE 2018

SUBJECT: ANNUAL CONSIDERATION OF CANCELING ANY REGULAR CITY COUNCIL MEETINGS DURING SUMMER OF 2018

RECOMMENDATION

It is recommended the City Council discuss its collective desire to cancel any regularly-scheduled City Council meetings during the upcoming summer months of July, August and/or September 2018; and if so determined, by motion cancel the specific meeting date(s). Staff suggests the cancellation of one regular meeting during each of those three (3) months leaves sufficient meetings to conduct City business.

BACKGROUND

Clayton Municipal Code Section 2.04.010 specifies the regular public meetings of the Clayton City Council shall be held on the first and third Tuesdays of each and every month.

In previous years, the City Council has canceled one or more of its regularly-scheduled meetings during summer months to accommodate various travel plans of its elected officials. In addition, the workload of City Council business items for action often decreases in the summer months following formal adoption of the annual City and Capital Improvement Project (CIP) Budgets and the associated procedures to levy the annual special taxes for the several assessment and maintenance districts administered by the City. Various key members of the City Management staff also take scheduled vacations during the summer months.

In order to provide optimum notice of meeting cancellation to interested members of the public and the development community as well as to arrange placement of agenda matters around the vacation plans of the City Council, this item has typically been placed on a June agenda for discussion and direction purposes. The act of canceling one or more regularly-scheduled meetings is a matter to be taken in open public session by the City Council.

SUMMER 2018 REGULAR MEETINGS

The following table outlines the upcoming dates for regular City Council meetings in the summer months of 2018:

MEETING DATE	COMMENTS
Tuesday, June 19th	Public Hearing/Adopt City Budget for FY 2018-19; interview candidates/appoint 3 Planning Commissioners; adopt GHAD Budget for FY 2018-19; set annual parcel assessments for Middle School CFD, Downtown Park CFD, & Landscape District CFD; Diablo Estates BAD Public Hearing
Tuesday, July 3rd (Independence Day Holiday is the following day)	Recommend cancellation of this meeting in deference to holiday plans that week. Business items can be handled on July 17th.
Tuesday, July 17th	Agenda handles the remainder of annual levies for existing assessment districts in FY 2018-19, including previously-set & noticed Public Hearing on GHAD annual assessments.
Tuesday, August 7th	No pressing Agenda Items at this time
Tuesday, August 21st	No pressing Agenda Items at this time
Tuesday, September 4th (Labor Day holiday is Monday, September 3rd)	No pressing Agenda Items at this time

FISCAL IMPACT

There is no adverse financial impact to the City for cancellation of City Council meetings. Nominal savings occur for expenses incurred in the preparation, publication, and holding of a Council meeting (e.g. staff time, paper and copying expenses, meeting room utilities, video-taping of the meetings for livestreaming and cable television re-broadcast).

If necessary or should an emergency arise between canceled meetings, a special meeting of the City Council may always be called by the Mayor with proper notice to members of the City Council, the press, and with fully-required public postings of the Agenda.

Attachments: 1. Calendar Months of July, August & September 2018 (3 pp.)

◀ Jun 2018

July 2018

Aug 2018 ▶

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3 City Council Meeting	4 Independence Day (City Holiday)	5 CCC Mayors' Conference - Pittsburg	6	7 Saturday Concert in The Grove
8	9	10 Planning Commission Meeting	11 Classic Car Show & DJ	12	13	14
15	16	17 City Council Meeting	18	19	20	21 Saturday Concert in The Grove
22	23	24 Planning Commission Meeting	25 Classic Car Show & DJ	26	27	28
29	30	31				

August 2018

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2 CCC Mayors' Conference - Danville	3	4 Saturday Concert in The Grove
5	6	7 City Council Meeting	8 Classic Car Show & DJ	9	10	11
12	13	14 Planning Commission Meeting	15	16	17	18 Saturday Concert in The Grove
19	20	21 City Council Meeting	22 Classic Car Show & DJ	23	24	25
26	27	28 Planning Commission Meeting	29	30	31	

September 2018

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1 Saturday Concert in The Grove Labor Day Derby 9-2
2	3 Labor Day (City Holiday)	4 City Council Meeting	5 Classic Car Show & DJ	6 CCC Mayors' Conference - Clayton	7	8
9	10	11 Planning Commission Meeting	12	13	14	15 Saturday Concert in The Grove
16	17	18 City Council Meeting	19	20	21	22
23	24	25 Planning Commission Meeting	26	27	28	29
30						