



AGENDA

REGULAR MEETING

* * *

CLAYTON CITY COUNCIL and CLAYTON FINANCING AUTHORITY

* * *

TUESDAY, May 17, 2022

7:00 P.M.

***** NOTICE *****

*Members of the City Council, City staff/consultants, and the public will be able to participate either in-person at
Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517
or
remotely via Zoom.*

Tonight's meeting will be conducted both in-person and remotely via Zoom.

Mayor: Peter Cloven
Vice Mayor: Holly Tillman

Council Members

Jim Diaz
Jeff Wan
Carl Wolfe

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review on the City's website at www.claytonca.gov
- 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.claytonca.gov
- 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 is available for review on the City's website at www.claytonca.gov
- 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) 673-7300.

Instructions for Virtual City Council Meeting – May 17

Tonight's meeting will be conducted both in-person and remotely via Zoom. As a courtesy, and technology permitting, members of the public may continue to provide live remote oral comment via the Zoom video conferencing platform. However, the City cannot guarantee that the public's access to teleconferencing technology will be uninterrupted, and technical difficulties may occur from time to time.

To follow or participate in the meeting:

1. **Videoconference:** to follow the meeting on-line, click here to register:

https://us02web.zoom.us/webinar/register/WN_suxMeIgbQNWPgZlqaBNXFw

After clicking on the URL, please take a few seconds to submit your first and last name, and e-mail address then click "Register", which will approve your registration and a new URL to join the meeting will appear.

Phone-in: Once registered, you will receive an e-mail with instructions to join the meeting telephonically, and then dial Telephone: 877 853 5257 (Toll Free)

2. using the *Webinar ID* and *Password* found in the e-mail.

E-mail Public Comments: If preferred, please e-mail public comments to the City Clerk, Ms. Calderon at janetc@claytonca.gov by 5 PM on the day of the City Council meeting. All E-mail Public Comments will be forwarded to the entire City Council.

For those who choose to attend the meeting via videoconferencing or telephone shall have 3 minutes for public comments.

Location:

Videoconferencing Meeting (this meeting via teleconferencing is open to the public)

To join this virtual meeting on-line click here:

https://us02web.zoom.us/webinar/register/WN_suxMeIgbQNWPgZlqaBNXFw

To join on telephone, you must register in the URL above, which sends an e-mail to your inbox, and then dial (877) 853-5257 using the *Webinar ID* and *Password* found in the e-mail.

*** CITY COUNCIL ***

May 17, 2022

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

2. **MEETING PROTOCOL VIDEO**– City Clerk

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

4. **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, discussion or alternative action may request so through the Mayor.

(a) Approve the minutes of the City Council's regular meeting of May 3, 2022.
(City Clerk) ([View here](#))

(b) Approve the Financial Demands and Obligations of the City. (Finance)
([View here](#))

(c) Adopt a Resolution of the City Council of the City of Clayton Allowing for Video and Teleconference Meetings as Needed during the COVID-19 State of Emergency Under AB 361. (City Manager) ([View here](#))

(d) A Resolution Ordering the Levy of a Special Tax for FY 2022/23 Within the Oak Street Permanent Road Division for the Repayment of Funds Advanced for the Reconstruction of the Bridge and Future Maintenance Pursuant to the Streets and Highway Code, Article 3, Section 1173, Et. Seq. (City Engineer) ([View here](#))

(e) A Resolution Confirming the Levying of Assessments for FY 2022/23 Within the Oak Street Sewer Assessment District for the Repayment of Bonds Issued for the Construction of Municipal Sanitary Sewers. (City Engineer) ([View here](#))

(f) A Resolution Ordering the Levying of a Special Tax for FY 2022/23 Within the High Street Permanent Road Division for the Repayment of Funds Advanced for the Reconstruction of the Bridge and Future Maintenance Pursuant to the Streets and Highway Code, Article 3, Section 1173, Et. Seq. (City Engineer) ([View here](#))

(g) A Resolution Approving the City's Local Transportation Improvement Project for Fiscal Year 2022/23 Involving Road Maintenance and Rehabilitation Account – Local Streets and Roads Funds (RMRA-LSR; SB1). (City Engineer) ([View here](#))

- (h) Approve a Resolution Establishing a Capital Improvement Project (CIP) for the 2023 Clayton Neighborhood Street Rehabilitation Project (Project) and Appropriating a Total of \$955,250 from the One Bay Area Grant Cycle 2 (OBAG2) Grant (\$308,000), Measure J Major Streets Grant (\$397,179) and the FY2022/23 SB1 Road Maintenance Rehabilitation Account (RMRA - \$290,071) for the Project. (City Engineer) ([View here](#))

5. RECOGNITIONS AND PRESENTATIONS – None.

6. REPORTS

- (a) City Manager/Staff
- (b) City Council - Reports from Council liaisons to Regional Committees, Commissions and Boards.

7. PUBLIC COMMENT ON NON - AGENDA ITEMS

Members of the public may address the City Council on items within the Council's jurisdiction, (which are not on the agenda) at this time. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Mayor's discretion. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked, or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the City Council.

8. PUBLIC HEARINGS – None.

9. ACTION ITEMS

- (a) Annual Consideration of Canceling Any Regular City Council Meetings During the Summer of 2022. (City Manager) ([View here](#))

10. CLOSED SESSION – None.

11. COUNCIL ITEMS – limited to Council requests and directives for future meetings.

12. ADJOURNMENT - the next scheduled City Council meeting will be May 31, 2022.

#

*** CLAYTON FINANCING AUTHORITY ***

May 17, 2022

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

2. **CLOSED SESSION** – None.

3. **CONSENT CALENDAR**

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

(a) Approve the minutes of the regular meeting of May 4, 2021. (Secretary)
([View here](#))

(b) Approve Audited Basic Financial Statements of the Clayton Financing Authority for the Fiscal Year Ended June 30, 2021 (FY 2020/21). (Finance Director)
([View here](#))

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

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

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

5. **ACTION ITEMS** - None.

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

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

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

TUESDAY, May 3, 2022

1. **CALL TO ORDER THE CITY COUNCIL** – The meeting was called to order at 7:00 p.m. by Mayor Cloven held via a hybrid meeting format live in-person and Zoom videoconference and broadcast from Hoyer Hall, Clayton Community Library, 6125 Clayton Road, Clayton, California. Councilmembers present: Mayor Cloven, Vice Mayor Tillman, and Councilmembers Diaz, Wan, and Wolfe. Councilmembers absent: None. Staff present: City Manager Reina Schwartz, City Attorney Mala Subramanian, and City Clerk/HR Manager Janet Calderon.

2. **MEETING PROTOCOL VIDEO** – City Clerk.

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

4. **CONSENT CALENDAR**

It was moved by Councilmember Diaz, seconded by Vice Mayor Tillman, to approve the Consent Calendar items 4(a) – 4(d) as submitted. (Passed 5-0).

- (a) Approved the minutes of the City Council's regular meeting of April 19, 2022. (City Clerk)
- (b) Approved the Financial Demands and Obligations of the City. (Finance)
- (c) Adopted Resolution No. 33-2022 of the City Council of the City of Clayton Allowing for Video and Teleconference Meetings during the COVID-19 State of Emergency Under AB 361. (City Manager)
- (d) Adopted Ordinance No. 495 of the City Council of the City of Clayton Adopting a Military Equipment Use Policy in Accordance with Government Code § 7070, Et. Seq. (Police Chief)

5. **RECOGNITIONS AND PRESENTATIONS**

- (a) Information Only – No Action Requested.
- Cinco De Mayo (May 5th)
 - Armed Services Day (May 15th)
 - Peace Officers' Memorial Day and Police Week (May 15th)

- Asian Pacific Heritage Month (May)
- Jewish American Heritage Month (May)

- (b) Proclamation declaring Friday, May 6, 2022 as “Elise Warren Day” in the City of Clayton.
(Mayor Cloven)

Mayor Cloven read and presented the proclamation declaring Friday, May 6 as “Elise Warren Day” in the City of Clayton.

The Clayton City Council thanked Ms. Warren for her service to the Clayton community.

Ms. Warren thanked the Clayton City Council and Clayton community for the opportunity.

- (c) Certificates of Recognition to public school students for exemplifying the “Do the Right Thing” character trait of “Integrity” during the months of March and April 2022.
(Mayor Cloven)

Councilmember Wolfe and Mt. Diablo Elementary School Principal Katie Sanchez presented certificates to Elise Zedaker and Cole Panza.

Councilmember Wolfe and Diablo View Middle School Principal Peter Fong presented certificates to Sophia Bushnell and Justin Reimer.

- (d) Annual Fire District Update. (Terence Carey, CCCFPD)

Terence Carey, Assistant Fire Chief, Contra Costa County Fire Protection District, provided an overview of Fire services with a focus on Clayton.

6. **REPORTS**

- (a) City Manager/Staff

City Manager Reina Schwartz advised the City-wide weed abatement has begun and should be completed by the end of May.

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

Councilmember Wolfe met with the City Manager, met with the Mayor, met with Planning Commissioner Hines-Shaikh, met with Planning Commissioner Miller, advised that the Memorial Day Celebration will be taking place at Todos Santos Plaza in Concord this year and that a 9/11 Remembrance will take place in Clayton, attended the Clayton Business and Community Association BBQ committee meeting, attended the Pride Parade Committee meeting, attended the East Contra Costa County Habitat Conservancy meeting, emailed constituents, and recognized Clayton Business and Community Association Art and Wine Festival volunteers Sandy Johnson, Jim Diaz, Tuija Catalano, and Marcy Bussey.

Councilmember Diaz attended the Clayton Business and Community Association Art and Wine committee, attended the Clayton Business and Community Association BBQ committee meeting, attended the Clayton Business and Community Association General Membership meeting, attended the Celebration of Life for Jack Sogomonian, met with the Police Chief, and met with the City Manager.

Councilmember Wan called constituents.

Vice Mayor Tillman attended the Clayton Business and Community Association Art and Wine Festival, attended the Opportunity Junction Gala, attended the Vintner Breakfast, volunteered at the Clayton Business and Community Association Art and Wine Festival, attended the Cal Cities Community Services Committee meeting, attended the Clayton Business and Community Association General Membership meeting, and met with the City Manager.

Mayor Cloven volunteered at Clayton Business and Community Association Art and Wine Festival, attended the Clayton Business and Community Association General Membership meeting, called and emailed constituents.

Councilmember Diaz announced the upcoming Concerts in The Grove.

7. PUBLIC COMMENT ON NON - AGENDA ITEMS

Scott Denslow spoke about the Clayton Business and Community Association Art and Wine Festival and commended Councilmember Diaz on arranging the golf carts at the last minute.

Mayor Cloven closed public comment.

8. PUBLIC HEARINGS – None.

9. ACTION ITEMS

- (a) Receive a Presentation from Strategy Research Institute on Their Survey of Clayton Voters Regarding Potential Support for a Tax Measure on the November 2022 Ballot and Provide Direction to Staff on Desired Next Steps. (City Manager)

City Manager Reina Schwartz presented the report.

Following questions by the City Council, Mayor Cloven opened public comment.

James Killoran was impressed with the performance of the survey and trusts its results.

Gary Hood would have preferred the Clayton City Council's involvement with the development of the survey questions and felt the recent survey was mis-represented to the public.

Roy Correa inquired if the questions presented were the actual questions asked of the public that was surveyed.

Frank Gavidia spoke about the distrust of the present City Council by the community.

Mayor Cloven closed public comment.

It was moved by Vice Mayor Tillman, seconded by Councilmember Wan, to No-Go with a Tax Measure on the November 2022 Ballot. (Passed 5-0).

10. CLOSED SESSION – None.

11. COUNCIL ITEMS

Councilmember Diaz requested a future agenda item to include an update to the tree claim that occurred at Mitchell Canyon Road and Clayton Road.

12. ADJOURNMENT– on call by Mayor Cloven, the City Council adjourned its meeting at 9:51 p.m.

The next regularly scheduled meeting of the City Council will be May 17, 2022.

#

Respectfully submitted,

Janet Calderon, City Clerk

APPROVED BY THE CLAYTON CITY COUNCIL

Peter Cloven, Mayor

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STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KATHERINE KORSAK, FINANCE DIRECTOR
JENNIFER GIANTVALLEY, ACCOUNTING TECHNICIAN

DATE: 05/17/2022

SUBJECT: FINANCIAL DEMANDS AND OBLIGATIONS OF THE CITY

RECOMMENDATION:

It is recommended the City Council, by minute action, approve the financial demands and obligations of the City for the purchase of services and goods in the ordinary course of operations.

Attached Report	Purpose	Amount
Open Invoice Report	Accounts Payable	\$ 290,722.66
Open Invoice Report - Cal Card	Accounts Payable	\$ 15,272.62
Payroll Reconciliation Summary	Payroll, Taxes	\$ 94,270.80
	Total Required	<u>\$ 400,266.08</u>

Attachments:

1. Open Invoice Report, dated 5/12/22 (5 pages)
2. CalCard Open Invoice Report, dated 5/10/22 (2 pages)
3. Payroll Reconciliation Summary report PPE 5/1/22 (2 pages)

City of Clayton

Open Invoice Report

Obligations

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Ace Sierra Tow								
Ace Sierra Tow	5/15/2022	5/15/2022	61647	Tire change #1744	\$50.00	\$0.00		\$50.00
				<i>Totals for Ace Sierra Tow</i>	<i>\$50.00</i>	<i>\$0.00</i>		<i>\$50.00</i>
Advanced Elevator Solutions, Inc								
Advanced Elevator Solutions, Inc	5/15/2022	5/15/2022	47844	Elevator Service April 2022	\$128.00	\$0.00		\$128.00
				<i>Totals for Advanced Elevator Solutions, Inc</i>	<i>\$128.00</i>	<i>\$0.00</i>		<i>\$128.00</i>
All Access Inc								
All Access Inc	5/15/2022	5/15/2022	052122	Concert in The Grove 5/21/22	\$2,000.00	\$0.00		\$2,000.00
				<i>Totals for All Access Inc</i>	<i>\$2,000.00</i>	<i>\$0.00</i>		<i>\$2,000.00</i>
Jesus Alvarez								
Jesus Alvarez	5/15/2022	5/15/2022	CAP0412	Deposit refund	\$1,000.00	\$0.00		\$1,000.00
				<i>Totals for Jesus Alvarez</i>	<i>\$1,000.00</i>	<i>\$0.00</i>		<i>\$1,000.00</i>
American Fidelity Assurance Company								
American Fidelity Assurance Company	5/15/2022	5/15/2022	6050459	FSA PPE 5/1/22	\$115.00	\$0.00		\$115.00
				<i>Totals for American Fidelity Assurance Company</i>	<i>\$115.00</i>	<i>\$0.00</i>		<i>\$115.00</i>
Authorize.net								
Authorize.net	5/15/2022	5/15/2022	April2022	Online bankcard gateway fee April 2022	\$31.30	\$0.00		\$31.30
				<i>Totals for Authorize.net</i>	<i>\$31.30</i>	<i>\$0.00</i>		<i>\$31.30</i>
Best Best & Kreiger LLP								
Best Best & Kreiger LLP	5/15/2022	5/15/2022	933295	Legal svcs March 2022	\$9,938.00	\$0.00		\$9,938.00
Best Best & Kreiger LLP	5/15/2022	5/15/2022	933296	Labor legal svcs March 2022	\$173.00	\$0.00		\$173.00
Best Best & Kreiger LLP	5/15/2022	5/15/2022	933297	Project legal svcs March 2022	\$2,788.30	\$0.00		\$2,788.30
				<i>Totals for Best Best & Kreiger LLP</i>	<i>\$12,899.30</i>	<i>\$0.00</i>		<i>\$12,899.30</i>
CA Police Chiefs Association								
CA Police Chiefs Association	5/15/2022	5/15/2022	23006	Membership renewal through 6/30/23	\$348.00	\$0.00		\$348.00
				<i>Totals for CA Police Chiefs Association</i>	<i>\$348.00</i>	<i>\$0.00</i>		<i>\$348.00</i>
CalPERS Retirement								
CalPERS Retirement	5/15/2022	5/15/2022	050122	Retirement PPE 05/01/22	\$19,162.16	\$0.00		\$19,162.16
				<i>Totals for CalPERS Retirement</i>	<i>\$19,162.16</i>	<i>\$0.00</i>		<i>\$19,162.16</i>
Cintas Corporation								
Cintas Corporation	5/15/2022	5/15/2022	4117894252	PW uniforms through 4/28/22	\$48.97	\$0.00		\$48.97
Cintas Corporation	5/15/2022	5/15/2022	4118569008	PW uniforms through 5/5/22	\$48.97	\$0.00		\$48.97
				<i>Totals for Cintas Corporation</i>	<i>\$97.94</i>	<i>\$0.00</i>		<i>\$97.94</i>
City of Antioch								
City of Antioch	5/15/2022	5/15/2022	AR166339	PD vehicle repair #1738	\$242.65	\$0.00		\$242.65

City of Clayton

Open Invoice Report

Obligations

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
City of Antioch	5/15/2022	5/15/2022	AR166340	PD vehicle repair #1740	\$732.00	\$0.00		\$732.00
City of Antioch	5/15/2022	5/15/2022	AR166341	PD vehicle repair #1741	\$451.74	\$0.00		\$451.74
City of Antioch	5/15/2022	5/15/2022	AR166342	PD vehicle repair #1742	\$369.45	\$0.00		\$369.45
City of Antioch	5/15/2022	5/15/2022	AR166343	PD vehicle repair #1744	\$840.18	\$0.00		\$840.18
<i>Totals for City of Antioch</i>					<i>\$2,636.02</i>	<i>\$0.00</i>		<i>\$2,636.02</i>
Mark A. Clementi								
Mark A. Clementi	5/15/2022	5/15/2022	05-01-22	Pre-employment Psychological Eval - Interim C	\$774.00	\$0.00		\$774.00
<i>Totals for Mark A. Clementi</i>					<i>\$774.00</i>	<i>\$0.00</i>		<i>\$774.00</i>
Continental Electric								
Continental Electric	5/15/2022	5/15/2022	CEI 11782	ALPR Install, MCR/Diablo Pkwy	\$3,215.00	\$0.00		\$3,215.00
<i>Totals for Continental Electric</i>					<i>\$3,215.00</i>	<i>\$0.00</i>		<i>\$3,215.00</i>
Contra Costa County Animal Svcs Dept								
Contra Costa County Animal Svcs Dept	5/15/2022	5/15/2022	ASD M7114	Animal services Q4 FY 2022	\$19,244.56	\$0.00		\$19,244.56
<i>Totals for Contra Costa County Animal Svcs Dept</i>					<i>\$19,244.56</i>	<i>\$0.00</i>		<i>\$19,244.56</i>
Contra Costa County Public Works Dept								
Contra Costa County Public Works Dept	5/15/2022	5/15/2022	704903	Traffic signal maintenance March 2022	\$16,237.14	\$0.00		\$16,237.14
<i>Totals for Contra Costa County Public Works Dept</i>					<i>\$16,237.14</i>	<i>\$0.00</i>		<i>\$16,237.14</i>
De Lage Landen Financial Services, Inc.								
De Lage Landen Financial Services, Inc.	5/15/2022	5/15/2022	76296781	Copier lease May 2022	\$205.08	\$0.00		\$205.08
<i>Totals for De Lage Landen Financial Services, Inc.</i>					<i>\$205.08</i>	<i>\$0.00</i>		<i>\$205.08</i>
Dillon Electric Inc								
Dillon Electric Inc	5/15/2022	5/15/2022	4654	Street light repairs 4/15/22	\$576.31	\$0.00		\$576.31
Dillon Electric Inc	5/15/2022	5/15/2022	4656	Install school flashers	\$3,600.00	\$0.00		\$3,600.00
Dillon Electric Inc	5/15/2022	5/15/2022	4664	Install/remove A&W flags on street light poles	\$640.00	\$0.00		\$640.00
Dillon Electric Inc	5/15/2022	5/15/2022	4665	Street light repairs, downtown 5/5/22	\$354.88	\$0.00		\$354.88
<i>Totals for Dillon Electric Inc</i>					<i>\$5,171.19</i>	<i>\$0.00</i>		<i>\$5,171.19</i>
Emergency Planning Consultants								
Emergency Planning Consultants	5/15/2022	5/15/2022	2	LHMP for FEMA	\$16,875.00	\$0.00		\$16,875.00
<i>Totals for Emergency Planning Consultants</i>					<i>\$16,875.00</i>	<i>\$0.00</i>		<i>\$16,875.00</i>
Traci Galarza								
Traci Galarza	5/15/2022	5/15/2022	AP	Alcohol permit refund	\$65.00	\$0.00		\$65.00
<i>Totals for Traci Galarza</i>					<i>\$65.00</i>	<i>\$0.00</i>		<i>\$65.00</i>
Geoconsultants, Inc.								
Geoconsultants, Inc.	5/15/2022	5/15/2022	19301	Well monitoring April 2022	\$1,546.50	\$0.00		\$1,546.50
<i>Totals for Geoconsultants, Inc.</i>					<i>\$1,546.50</i>	<i>\$0.00</i>		<i>\$1,546.50</i>

City of Clayton

Open Invoice Report

Obligations

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Harris & Associates, Inc.	5/15/2022	5/15/2022	51202	Project engineering svcs December 2021	\$9,180.00	\$0.00		\$9,180.00
Harris & Associates, Inc.	5/15/2022	5/15/2022	52321	Project engineering svcs March 2022	\$11,816.25	\$0.00		\$11,816.25
Harris & Associates, Inc.	5/15/2022	5/15/2022	52398	CIP engineering svcs March 2022	\$6,900.00	\$0.00		\$6,900.00
Harris & Associates, Inc.	5/15/2022	5/15/2022	52505	CIP engineering svcs April 2022	\$6,615.00	\$0.00		\$6,615.00
Harris & Associates, Inc.	5/15/2022	5/15/2022	52506	Engineering svcs April 2022	\$2,740.00	\$0.00		\$2,740.00
				<i>Totals for Harris & Associates, Inc.</i>	<i>\$37,251.25</i>	<i>\$0.00</i>		<i>\$37,251.25</i>
Health Care Dental Trust								
Health Care Dental Trust	5/15/2022	5/15/2022	313401	Dental June 2022	\$1,798.48	\$0.00		\$1,798.48
				<i>Totals for Health Care Dental Trust</i>	<i>\$1,798.48</i>	<i>\$0.00</i>		<i>\$1,798.48</i>
Ken Joiret								
Ken Joiret	5/15/2022	5/15/2022	052122	Concert Sound 05/21/22	\$1,200.00	\$0.00		\$1,200.00
				<i>Totals for Ken Joiret</i>	<i>\$1,200.00</i>	<i>\$0.00</i>		<i>\$1,200.00</i>
Kennedy & Associates								
Kennedy & Associates	5/15/2022	5/15/2022	22-066	Project consultant svcs April 2022	\$1,165.00	\$0.00		\$1,165.00
				<i>Totals for Kennedy & Associates</i>	<i>\$1,165.00</i>	<i>\$0.00</i>		<i>\$1,165.00</i>
Enrique Lara								
Enrique Lara	5/15/2022	5/15/2022	CAP0416	Deposit refund	\$3,024.00	\$0.00		\$3,024.00
				<i>Totals for Enrique Lara</i>	<i>\$3,024.00</i>	<i>\$0.00</i>		<i>\$3,024.00</i>
LarryLogic Productions								
LarryLogic Productions	5/15/2022	5/15/2022	2007	City council meeting production 5/3/22	\$560.00	\$0.00		\$560.00
				<i>Totals for LarryLogic Productions</i>	<i>\$560.00</i>	<i>\$0.00</i>		<i>\$560.00</i>
LEHR								
LEHR	5/15/2022	5/15/2022	SI71513	Install fixed LPR cameras MCR/Diablo Pkwy	\$21,206.81	\$0.00		\$21,206.81
				<i>Totals for LEHR</i>	<i>\$21,206.81</i>	<i>\$0.00</i>		<i>\$21,206.81</i>
Maze & Associates								
Maze & Associates	5/15/2022	5/15/2022	45552	Accounting svcs March 2022	\$12,514.00	\$0.00		\$12,514.00
				<i>Totals for Maze & Associates</i>	<i>\$12,514.00</i>	<i>\$0.00</i>		<i>\$12,514.00</i>
Mission Square Retirement								
Mission Square Retirement	5/15/2022	5/15/2022	050122	457 Plan contributions PPE 5/1/22	\$3,154.76	\$0.00		\$3,154.76
				<i>Totals for Mission Square Retirement</i>	<i>\$3,154.76</i>	<i>\$0.00</i>		<i>\$3,154.76</i>
Moore Iacofano Golstman, Inc								
Moore Iacofano Golstman, Inc	5/15/2022	5/15/2022	0074828	Housing Element svcs March 2022	\$42,535.00	\$0.00		\$42,535.00
				<i>Totals for Moore Iacofano Golstman, Inc</i>	<i>\$42,535.00</i>	<i>\$0.00</i>		<i>\$42,535.00</i>
MSR Mechanical, LLC								
MSR Mechanical, LLC	5/15/2022	5/15/2022	SVC004653	EH HVAC maintenance April 2022	\$295.50	\$0.00		\$295.50

City of Clayton

Open Invoice Report

Obligations

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Nationwide								
Nationwide	5/15/2022	5/15/2022	050122	457 Plan contributions PPE 5/1/22	\$500.00	\$0.00		\$500.00
				<i>Totals for Nationwide</i>	<i>\$500.00</i>	<i>\$0.00</i>		<i>\$500.00</i>
Neopost (add postage)								
Neopost (add postage)	5/15/2022	5/15/2022	050922	Postage added	\$300.00	\$0.00		\$300.00
				<i>Totals for Neopost (add postage)</i>	<i>\$300.00</i>	<i>\$0.00</i>		<i>\$300.00</i>
Pacheco Landscape & Pool Construction								
Pacheco Landscape & Pool Construction	5/15/2022	5/15/2022	CAP0398	Deposit refund	\$1,000.00	\$0.00		\$1,000.00
				<i>Totals for Pacheco Landscape & Pool Construction</i>	<i>\$1,000.00</i>	<i>\$0.00</i>		<i>\$1,000.00</i>
Pacific Telemanagement Svc								
Pacific Telemanagement Svc	5/15/2022	5/15/2022	2086470	Courtyard pay phone May 2022	\$62.00	\$0.00		\$62.00
				<i>Totals for Pacific Telemanagement Svc</i>	<i>\$62.00</i>	<i>\$0.00</i>		<i>\$62.00</i>
Painting by Ken								
Painting by Ken	5/15/2022	5/15/2022	Clock	Paint clock downtown	\$1,295.00	\$0.00		\$1,295.00
				<i>Totals for Painting by Ken</i>	<i>\$1,295.00</i>	<i>\$0.00</i>		<i>\$1,295.00</i>
Paysafe Payment Processing								
Paysafe Payment Processing	5/15/2022	5/15/2022	April2022	OTC Bankcard fees April 2022	\$597.50	\$0.00		\$597.50
Paysafe Payment Processing	5/15/2022	5/15/2022	April2022	Online bankcard fees April 2022	\$73.87	\$0.00		\$73.87
				<i>Totals for Paysafe Payment Processing</i>	<i>\$671.37</i>	<i>\$0.00</i>		<i>\$671.37</i>
PG&E								
PG&E	5/15/2022	5/15/2022	042622	EH energy 3/23/22-4/21/22	\$175.13	\$0.00		\$175.13
				<i>Totals for PG&E</i>	<i>\$175.13</i>	<i>\$0.00</i>		<i>\$175.13</i>
Quadient Leasing USA, Inc								
Quadient Leasing USA, Inc	5/15/2022	5/15/2022	N9226959	Postage machine lease 11/26/21-2/15/22	\$512.53	\$0.00		\$512.53
Quadient Leasing USA, Inc	5/15/2022	5/15/2022	N9369751	Postage machine lease 2/16/22-5/15/22	\$512.53	\$0.00		\$512.53
				<i>Totals for Quadient Leasing USA, Inc</i>	<i>\$1,025.06</i>	<i>\$0.00</i>		<i>\$1,025.06</i>
Jon Rego								
Jon Rego	5/15/2022	5/15/2022	CAP0453	Refund for cancelled application	\$2,282.00	\$0.00		\$2,282.00
				<i>Totals for Jon Rego</i>	<i>\$2,282.00</i>	<i>\$0.00</i>		<i>\$2,282.00</i>
Rural Pig Management, Inc								
Rural Pig Management, Inc	5/15/2022	5/15/2022	CC040122	Pig control May 2022	\$3,000.00	\$0.00		\$3,000.00
				<i>Totals for Rural Pig Management, Inc</i>	<i>\$3,000.00</i>	<i>\$0.00</i>		<i>\$3,000.00</i>
SCA of CA, LLC								
SCA of CA, LLC	5/15/2022	5/15/2022	102816CS	Street sweeping April 2022	\$4,500.00	\$0.00		\$4,500.00
				<i>Totals for SCA of CA, LLC</i>	<i>\$4,500.00</i>	<i>\$0.00</i>		<i>\$4,500.00</i>

City of Clayton

Open Invoice Report

Obligations

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Sprint Comm (PD)								
Sprint Comm (PD)	5/15/2022	5/15/2022	703335311-245	PD cell phones 3/26/22-4/25/22	\$663.53	\$0.00		\$663.53
				<i>Totals for Sprint Comm (PD)</i>	<u>\$663.53</u>	<u>\$0.00</u>		<u>\$663.53</u>
Staples Business Credit								
Staples Business Credit	5/15/2022	5/15/2022	1641716564	Office supplies	\$1,297.24	\$0.00		\$1,297.24
				<i>Totals for Staples Business Credit</i>	<u>\$1,297.24</u>	<u>\$0.00</u>		<u>\$1,297.24</u>
Stericycle Inc								
Stericycle Inc	5/15/2022	5/15/2022	3005986676	Medical waste disposal	\$68.25	\$0.00		\$68.25
				<i>Totals for Stericycle Inc</i>	<u>\$68.25</u>	<u>\$0.00</u>		<u>\$68.25</u>
Strategy Research Institute, Inc								
Strategy Research Institute, Inc	5/15/2022	5/15/2022	2100Clay052201	Clayton Feasibility Study, Final Installment	\$4,000.00	\$0.00		\$4,000.00
				<i>Totals for Strategy Research Institute, Inc</i>	<u>\$4,000.00</u>	<u>\$0.00</u>		<u>\$4,000.00</u>
Swenson's Mobile Fleet Repair								
Swenson's Mobile Fleet Repair	5/15/2022	5/15/2022	1004671	PW veh svc '15 F250	\$543.05	\$0.00		\$543.05
				<i>Totals for Swenson's Mobile Fleet Repair</i>	<u>\$543.05</u>	<u>\$0.00</u>		<u>\$543.05</u>
Waraner Brothers Tree Service								
Waraner Brothers Tree Service	5/15/2022	5/15/2022	16015	Tree work The Grove Park	\$1,620.00	\$0.00		\$1,620.00
Waraner Brothers Tree Service	5/15/2022	5/15/2022	16016	Tree work Maintenance yard, Keller House	\$2,880.00	\$0.00		\$2,880.00
Waraner Brothers Tree Service	5/15/2022	5/15/2022	16017	Tree work Easley Estates/Grenache Cir	\$1,620.00	\$0.00		\$1,620.00
Waraner Brothers Tree Service	5/15/2022	5/15/2022	16018	Tree work Clayton Rd outbound (Heritage Tra	\$16,920.00	\$0.00		\$16,920.00
Waraner Brothers Tree Service	5/15/2022	5/15/2022	16019	Tree work The Grove Park, thin trees for sun o	\$11,520.00	\$0.00		\$11,520.00
Waraner Brothers Tree Service	5/15/2022	5/15/2022	16020	Tree work Clayton Rd outbound Tara Dr/Wash	\$3,240.00	\$0.00		\$3,240.00
Waraner Brothers Tree Service	5/15/2022	5/15/2022	16021	Tree work Maintenance yard oak tree	\$360.00	\$0.00		\$360.00
				<i>Totals for Waraner Brothers Tree Service</i>	<u>\$38,160.00</u>	<u>\$0.00</u>		<u>\$38,160.00</u>
Workers.com								
Workers.com	5/15/2022	5/15/2022	132540	Seasonal workers week end 4/24/22	\$2,337.02	\$0.00		\$2,337.02
Workers.com	5/15/2022	5/15/2022	132583	Seasonal workers week end 5/1/22	\$2,337.02	\$0.00		\$2,337.02
				<i>Totals for Workers.com</i>	<u>\$4,674.04</u>	<u>\$0.00</u>		<u>\$4,674.04</u>
GRAND TOTALS:					\$290,722.66	\$0.00		\$290,722.66

City of Clayton

Open Invoice Report

CAL CARD Obligations

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
US Bank CalCard								
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Boots RED WING SHOE STORE 1	\$290.81	\$0.00		\$290.81
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Equipment repair FURBER SAW INC	\$563.57	\$0.00		\$563.57
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Chief's meeting - lodging RIVER TERRACE 1	\$825.96	\$0.00		\$825.96
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Car Wash 76 - PINE HOLLOW ENTERPRI	\$15.99	\$0.00		\$15.99
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Car Wash 76 - PINE HOLLOW ENTERPRI	\$15.99	\$0.00		\$15.99
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Car Wash 76 - PINE HOLLOW ENTERPRI	\$15.99	\$0.00		\$15.99
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Car Wash 76 - PINE HOLLOW ENTERPRI	\$15.99	\$0.00		\$15.99
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Desk keys EASYKEYSCOM INC	\$17.37	\$0.00		\$17.37
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Fuel SHELL OIL 57444673503	\$25.10	\$0.00		\$25.10
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Fuel SHELL OIL 57444673503	\$35.81	\$0.00		\$35.81
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Stickers OMG NATIONAL	\$252.22	\$0.00		\$252.22
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	STICKERS OMG NATIONAL MARKETIN	\$313.22	\$0.00		\$313.22
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Phone data storage APPLE.COM/BILL	\$0.99	\$0.00		\$0.99
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Landscape supply OUTDOOR SUPPLY CLAY	\$52.08	\$0.00		\$52.08
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Landscape tool repairs FURBER SAW INC	\$943.90	\$0.00		\$943.90
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	IT Services MSFT * E0200HYLC0	\$5.00	\$0.00		\$5.00
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Standard Pro Monthly ZOOM.US 888-799-966	\$14.99	\$0.00		\$14.99
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	IT Services QUADIENT INC ORACLE	\$21.08	\$0.00		\$21.08
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	IT Services 2COCOM*BITDEFENDER.CO	\$99.99	\$0.00		\$99.99
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	IT Services VZWRLSS*APOCC VISW	\$120.24	\$0.00		\$120.24
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	IT Services MSFT * E0200HYLX7	\$152.00	\$0.00		\$152.00
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	IT Services ZOOM.US 888-799-9666	\$180.00	\$0.00		\$180.00
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Storage rent CENTRAL SELF STORAG	\$208.00	\$0.00		\$208.00
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	USA SLAP BRACELET OTC BRANDS IN	\$305.82	\$0.00		\$305.82
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	IT Services AMAZON WEB SERVICES	\$666.85	\$0.00		\$666.85
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Monthly fee TLO TRANSUNION	\$75.00	\$0.00		\$75.00
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Adobe Acrobat, annual fee ADOBE ACROPR	\$179.88	\$0.00		\$179.88
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Janitorial svcs February 2022 J AND R FLOO	\$5,128.00	\$0.00		\$5,128.00
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Annual membership ICMA ONLINE	\$1,400.00	\$0.00		\$1,400.00
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Postage THE UPS STORE 0190	\$11.22	\$0.00		\$11.22
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	PAS devices INTOXIMETERS INC	\$1,550.13	\$0.00		\$1,550.13
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	LABEL,HALFPAGE,GREEN,IPA OFFICE D	\$19.39	\$0.00		\$19.39
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	ACCO Pressboard Report Cov AMZN MKTP	\$20.65	\$0.00		\$20.65
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	32GB USB 3.0 - 5PK STAPLS73530079900000	\$32.61	\$0.00		\$32.61
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Paper Mate 660415 Liquid P AMZN MKTP U	\$34.58	\$0.00		\$34.58
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	9V Coppertop Batteries 4 OFFICE DEPOT 1	\$46.07	\$0.00		\$46.07
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	PAPER,COPY,OD,CASE,10-RE OFFICE DE	\$51.10	\$0.00		\$51.10
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	EXPO DRY ERASE CLEANER STAPLS735	\$128.73	\$0.00		\$128.73
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Seat back adj handle FORDPARTS.COM	\$17.02	\$0.00		\$17.02
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Sani-Hands Hand Sanitizer AMZN MKTP US	\$95.13	\$0.00		\$95.13
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Spigen Camera Lens Screen AMZN MKTP U	\$156.18	\$0.00		\$156.18
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Microflex MidKnight Nitril AMZN MKTP U	\$205.31	\$0.00		\$205.31

City of Clayton
Open Invoice Report
 CAL CARD Obligations

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Midnight Microflex Nitril AMZN MKTP US	\$376.96	\$0.00		\$376.96
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Encased Belt Clip Holster AMZN MKTP US*	\$510.70	\$0.00		\$510.70
US Bank CalCard	5/1/2022	5/1/2022	Stmt end 4/22/22	Training course HOMEFRONT	\$75.00	\$0.00		\$75.00
<i>Totals for US Bank CalCard</i>					<i>\$15,272.62</i>	<i>\$0.00</i>		<i>\$15,272.62</i>
GRAND TOTALS:					\$15,272.62	\$0.00		\$15,272.62

Payroll Summary

City of Clayton

Check Date: 05/06/2022

Process: 2022050601

Pay Period: 04/18/2022 to 05/01/2022

Page 1 of 2

Payroll Totals

Payroll Checks	Check Type	Count	Net Check	Dir Dep Amount	Net Amount	
	Regular	32	0.00	69,750.07	69,750.07	
	Totals	32	0.00	69,750.07	69,750.07	→ 69,750.07

Payroll Checks	Check Type	Agency Type	Count	Net Check	Dir Dep Amount	Net Amount	
	Agency	EFSDU	1	0.00	358.15	358.15	
	Agency	Regular	1	0.00	663.50	663.50	
	Totals		2	0.00	1,021.65	1,021.65	→ 1,021.65

	Total Net Payroll Liability			0.00	70,771.72	70,771.72	→ 70,771.72
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Tax Liability

CA and Related Taxes	Tax Id	Rate	Frequency	Wage	Cap Wages	EE Amount	ER Amount	
CA SDI - Employee			Semi-Weekly	104,362.60	104,362.60			
California SITW			Semi-Weekly	101,207.84	101,207.84	5,455.89		
Totals						5,455.89	0.00	→ 5,455.89

CASUI and Related Taxes	Tax Id	Rate	Frequency	Wage	Cap Wages	EE Amount	ER Amount	
CA Edu & Training		0.001000	Quarterly	104,362.60	2,538.48		2.54	
California SUI		0.020000	Quarterly	104,362.60	2,538.48		50.77	
Totals						0.00	53.31	→ 53.31

FITW and Related Taxes	Tax Id	Rate	Frequency	Wage	Cap Wages	EE Amount	ER Amount	
Federal Income Tax			Semi-Weekly	101,207.84	101,207.84	14,633.34		
Medicare			Semi-Weekly	104,362.60	104,362.60	1,513.27		
Medicare - Employer			Semi-Weekly	104,362.60	104,362.60		1,513.26	
OASDI			Semi-Weekly	2,538.48	2,538.48	157.39		
OASDI - Employer			Semi-Weekly	2,538.48	2,538.48		157.39	
Totals						16,304.00	1,670.65	→ 17,974.65

FUTA and Related Taxes	Tax Id	Rate	Frequency	Wage	Cap Wages	EE Amount	ER Amount	
Fed Unemployment			Quarterly	104,362.60	2,538.48		15.23	
Totals						0.00	15.23	→ 15.23

	Total Tax Liability					21,759.89	1,739.19	→ 23,499.08
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	Total Payroll Liability					94,270.80		→ 94,270.80
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Billing



Paylocity Corporation
(888) 873-8205

User: JGiantvalley

Run on 5/3/2022 at 11:58 AM

Payroll Summary

City of Clayton

Check Date: 05/06/2022

Process: 2022050601

Pay Period: 04/18/2022 to 05/01/2022

Page 2 of 2

Invoice	Date	Gross	Discount	Tax	Adjustment	Amount
Totals →						

Transfers

Type	Date	Source Account	Amount
Dir Dep	5/5/2022		69,750.07
Tax	5/5/2022		23,499.08
Trust Agency	5/5/2022		1,021.65
Totals Transfers			94,270.80 → 94,270.80

Tax Deposits

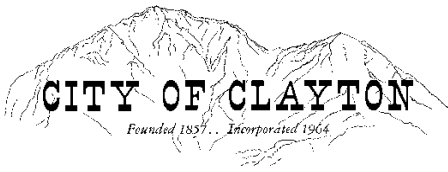
Required Tax Deposits	Tax	Due On	Amount
(Deposit made by Service Bureau)	California SITW	5/11/2022	5,455.89
(Deposit made by Service Bureau)	Federal Income Tax	5/11/2022	17,974.65
(Deposit made by Service Bureau)	California SUI	8/1/2022	53.31
(Deposit made by Service Bureau)	Fed Unemployment	8/1/2022	15.23
	Total Tax Deposits		23,499.08



Paylocity Corporation
(888) 873-8205

User: JGiantvalley

Run on 5/3/2022 at 11:58 AM



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER

DATE: May 17, 2022

SUBJECT: Adopt a Resolution of the City Council of the City of Clayton Allowing for Video and Teleconference Meetings as Needed during the COVID-19 State of Emergency Under AB 361

RECOMMENDATION

Adopt a Resolution of the City Council allowing for video and teleconference meetings as needed during the COVID-19 state of emergency under AB 361.

BACKGROUND

Last year, the State Legislature passed and Governor Newsom signed AB 361 which continues many of the provisions related to the Brown Act that were in place under Executive Orders, which expired September 30, 2021 that allowed for video and teleconferencing during the state of emergency. Since AB 361 has been signed into law, the City can continue to meet virtually until such time as the Governor declares the State of Emergency due to COVID-19 over and measures to promote social distancing are no longer recommended by the County Health Officer.

On September 20, 2021, February 2, 2022, March 1, 2022 and April 15, 2022, the Contra Costa County Health Officer issued recommendations for safely holding public meetings and continues to encourage on-line meetings over in-person public meetings if feasible. If in-person meetings occur, the County Health Officer recommends physical distancing of six feet of separation between all attendees to the extent possible. The proposed resolution provides that the City Council and all subsidiary City boards and commissions may choose to hold fully virtual video and teleconference meetings while the state of emergency is still in effect and physical distancing is recommended.

In order to continue to be able to hold video and teleconference meetings as needed, the City Council will need to review and make findings every thirty days that the state of emergency continues to directly impact the ability of the members to meet safely in person and that state or local officials continue to impose or recommend measures to promote physical distancing.

Subject: Resolution Allowing for Video and Teleconference Meetings during the COVID-19 State of Emergency
Under AB 361

Date: May 17, 2022

Page 2 of 2

FISCAL IMPACT

None.

Attachments

Resolution of the City Council Allowing for Video and Teleconference Meetings during the COVID-19 State of Emergency Under AB 361

RESOLUTION NO. xx-2022

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAYTON
ALLOWING FOR VIDEO AND TELECONFERENCE MEETINGS DURING THE
COVID-19 STATE OF EMERGENCY UNDER AB 361**

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a State of Emergency for COVID-19;

WHEREAS, AB 361 was recently passed by the State Legislature and signed by Governor Newsom and went into effect immediately and allows the City to continue to meet virtually until such time as the Governor declares the State of Emergency due to COVID-19 over and measures to promote physical distancing are no longer recommended;

WHEREAS, on September 20, 2021, February 2, 2022, March 1, 2022 and April 15, 2022, the Contra Costa County Health Officer issued recommendations for safely holding public meetings and encourages on-line meetings if feasible and if in person meetings occur then recommends physical distancing of six feet of separation to the extent possible and masking for all attendees;

WHEREAS, in light of this recommendation, the City Council desires for itself and for all other City legislative bodies that are subject to the Brown Act to be able to choose to meet via video and/or teleconference as necessary; and

WHEREAS, pursuant to AB 361 the City Council will review the findings required to be made at least every 30 days.

NOW THEREFORE BE IT RESOLVED the City Council hereby finds on behalf of itself and all other City legislative bodies: (1) a state of emergency has been proclaimed by the Governor; (2) the state of emergency continues to directly impact the ability of the City's legislative bodies to meet safely in person; and (3) local health officials continue to recommend measures to promote physical distancing.

BE IT FURTHER RESOLVED that the City Council and all other City legislative bodies may continue to meet via video and/or teleconference as needed during the COVID-19 emergency.

PASSED AND ADOPTED by the Clayton City Council, State of California, on this 17th day of May 2022, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

**THE CITY COUNCIL OF CLAYTON,
CA**

Peter Cloven, Mayor

ATTEST:

Janet Calderon, City Clerk



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Larry Theis, P.E., Public Works Director/City Engineer

DATE: May 17, 2022

SUBJECT: A RESOLUTION ORDERING THE LEVY OF A SPECIAL TAX FOR FY 2022/23 WITHIN THE OAK STREET PERMANENT ROAD DIVISION FOR THE REPAYMENT OF FUNDS ADVANCED FOR THE RECONSTRUCTION OF THE BRIDGE AND FUTURE MAINTENANCE PURSUANT TO THE STREETS AND HIGHWAY CODE, ARTICLE 3, SECTION 1173, et seq.

RECOMMENDATION

Approve the attached Resolution ordering the levy of a special tax for FY2022/23 within the Oak Street Permanent Road Division for the repayment of funds advanced for the reconstruction of the bridge and future maintenance.

BACKGROUND

The Oak Street Permanent Road Division was formed in 2000 to provide a mechanism for the property owners to repay the City for funds advanced for the reconstruction of the Oak Street Bridge over Mitchell Creek. In addition, a portion of the annual levy is set aside to provide funds for the maintenance of the private portion of Oak Street.

The Redevelopment Agency funded the reconstruction of the bridge and repayment was spread over 20 years with a 7% interest rate. In addition, the annual levy included an amount dedicated to future road maintenance and an amount for Division administrative fees (10% of the levy for bridge construction and maintenance).

The portion of the special tax dedicated to repaying the City for construction costs related to the bridge have been paid. The bridge maintenance cost and District administrative fee remain in the special tax funds. Those costs remain in the Resolution as an annual charge. It is noted that seven parcels have a levy of \$220.00, and two have levies of \$110.00. The original Division included 8 parcels, all levied equally. Since that time, one parcel was subsequently subdivided (Caspar) and that levy was reapportioned equally between the two lots.

The first special tax for the repayment of the bridge construction costs was levied in FY 2000/01 and the final special tax for construction costs was levied in FY 2019/20. It should be noted the portion of the special tax for maintenance and Division administration will continue indefinitely.

FISCAL IMPACT

If this Resolution is not approved, funds will not be collected for Division administration or the maintenance of the bridge over Mitchell Creek and the private portion of Oak Street. The annual special tax for this fiscal year will produce a total of \$1,760.

CONCLUSION

Based upon the above, staff recommends the City Council approve this Resolution levying a special tax in FY 2022/23 on the parcels located within the Oak Street Permanent Road Division.

ATTACHMENTS

Attachment: Resolution Ordering the Levying a Special Tax for FY 2022/23

RESOLUTION NO. ##- 2022

**A RESOLUTION ORDERING THE LEVY OF A SPECIAL TAX FOR FY 2022/23
WITHIN THE OAK STREET PERMANENT ROAD DIVISION FOR THE REPAYMENT
OF FUNDS ADVANCED FOR THE RECONSTRUCTION OF THE BRIDGE AND
FUTURE MAINTENANCE PURSUANT TO THE STREETS AND HIGHWAY CODE,
ARTICLE 3, SECTION 1173, et seq.**

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

WHEREAS, by passage of Resolution 66-99, 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 and maintaining the private portion of Oak Street; and

WHEREAS, the City Council received petitions, signed by a majority of the property owners within the Division, requesting construction of a new bridge over Mitchell Creek and the levy of a special tax to pay for the construction and for the future maintenance of the bridge and road; and

WHEREAS, the City Council called for an election on May 1, 2000, to approve the levying of a special tax; and

WHEREAS, the City Clerk and City Engineer then certified that ballots approving the special tax were received from more than two-thirds of the property owners in both number and valuation; and

WHEREAS, the special tax approved must be re-levied each fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Clayton, California, does hereby:

1. Order the levy of special taxes for FY 2022/23 on those parcels within the Oak Street Permanent Road Division for the maintenance of the bridge over Mitchell Creek and the maintenance of the private portion of Oak Street.

2. List the annual tax rates for each parcel for the maintenance as follows:

APN	Owner	Construction	Bridge Maintenance	Division Admin.	Total
119-040-027	Law Robert L & Laura J	\$0.00	\$200.00	\$20.00	\$220.00
119-040-028	Schwitters Mitchell & Kitt	\$0.00	\$200.00	\$20.00	\$220.00
119-040-029	Gonzalez Ruben A Tre	\$0.00	\$200.00	\$20.00	\$220.00
119-040-030	Morris James M	\$0.00	\$200.00	\$20.00	\$220.00
119-040-031	English Mark A & Cori L Tre	\$0.00	\$200.00	\$20.00	\$220.00
119-040-032	Gainant Gerald D & Mayder E	\$0.00	\$200.00	\$20.00	\$220.00
119-040-033	Webb Paulette M Tre	\$0.00	\$200.00	\$20.00	\$220.00
119-040-036	Caspar Joann G Tre	\$0.00	\$100.00	\$10.00	\$110.00
119-040-037	Caspar Joann G Tre and Jeffrey J	\$0.00	\$100.00	\$10.00	\$110.00

3. Order that special taxes be levied and collected by the County of Contra Costa, California along with the regular property taxes in FY 2022/23.

PASSED, APPROVED and ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 17th day of May 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Peter Cloven, Mayor

ATTEST:

Janet Calderon, City Clerk



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Larry Theis, P.E., Public Works Director/City Engineer

DATE: May 17, 2022

SUBJECT: A RESOLUTION CONFIRMING THE LEVYING OF ASSESSMENTS FOR FY 2022/23 WITHIN THE OAK STREET SEWER ASSESSMENT DISTRICT FOR THE REPAYMENT OF BONDS ISSUED FOR THE CONSTRUCTION OF MUNICIPAL SANITARY SEWERS

RECOMMENDATION

Approve the attached Resolution confirming the levying of assessments for FY2022/23 within the Oak Street Sewer Assessment District for the repayment of bonds issued for the construction of municipal sanitary sewers.

BACKGROUND

The Oak Street Sewer Assessment District was formed to fund the construction of sanitary sewer improvements to the following properties:

<u>Parcel ID (APN)</u>	<u>Street Address</u>
119-040-021	5950 High Street
119-040-023	5900 High Street
119-040-024	6000 High Street
119-040-027	929 Oak Street
119-040-028	920 Oak Street
119-040-030	937 Oak Street
119-040-032	949 Oak Street
119-040-033	951 Oak Street
119-040-036	945 Oak Street
119-040-037	Oak Street
119-050-036	1027 Pine Hollow Court

The City issued bonds to provide funding for the construction of the sewer improvements. The bonds are being repaid by the property owners through annual assessments collected by the County through each property owner's property taxes. In addition to the assessment repaying the principal and interest, assessments include an administrative fee of \$150.00 per parcel to cover the District's overhead costs.

In May 2015, Mr. Morgan paid off the assessment on APN 119-040-023.

The first assessment was levied in FY 2003/04 and the final assessment will be levied in FY 2026/27.

The attached resolution confirms and orders the levying of the proposed assessments for Fiscal Year 2022/23.

FISCAL IMPACT

The Fiscal Year 2022/23 assessments will yield approximately \$11,927.30 for the District. If this Resolution is not approved, the City will have to pursue separate action against each property owner to directly bill the annual assessment and if assessments are not billed and collected, the City may default on the bonds.

CONCLUSION

Based upon the above, staff recommends the City Council approve this Resolution confirming the levying of annual assessments in the Oak Street Sewer Assessment District.

ATTACHMENTS

Attachment: Resolution Confirming the Levying of Assessments for FY 2022/23

RESOLUTION NO. ##-2022

**A RESOLUTION CONFIRMING THE LEVYING OF ASSESSMENTS FOR
FY 2022/23 WITHIN THE OAK STREET SEWER ASSESSMENT DISTRICT
FOR THE REPAYMENT OF BONDS ISSUED FOR THE CONSTRUCTION OF
MUNICIPAL SANITARY SEWERS**

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

WHEREAS, by passage of Resolution 62-2002, the City Council ordered the formation of the Oak Street Sewer Assessment District in accordance with and pursuant to the Municipal Improvement Act of 1913; and

WHEREAS, the City of Clayton issued bonds in the amount of \$187,000 to fund the construction of municipal sanitary sewers in the Oak Street Assessment District which must be repaid by the property owners within the assessment district; and

WHEREAS, the repayment of the bonds by the property owners is provided through the levy of an annual assessment, for principal, interest, and administrative costs, on each property owner's County property tax bill; and

WHEREAS, the proposed assessments for Fiscal Year 2022/23 are shown on Exhibit A attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Clayton, California, does hereby:

1. Orders the levy of assessments for FY 2022/23 on those parcels within the Oak Street Sewer Assessment Districts for repayment of bonds issued for the construction of municipal sanitary sewers within the assessment district.
2. Lists the annual assessment for each parcel in the assessment district as shown on Exhibit A attached hereto.
3. Orders the assessments to be levied and collected by the County along with the regular property taxes.

PASSED, APPROVED and ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 17th day of May 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Peter Cloven, Mayor

ATTEST:

Janet Calderon, City Clerk

EXHIBIT A

ANNUAL ASSESSMENT AMOUNTS FOR FY 2022/23 FOR THE OAK STREET SEWER ASSESSMENT DISTRICT

Oak Street Sewer Assessment District	
Parcel ID (APN)	Amount ¹
119-040-021	\$1,192.73
119-040-024	\$1,192.73
119-040-027	\$1,192.73
119-040-028	\$1,192.73
119-040-030	\$1,192.73
119-040-032	\$1,192.73
119-040-033	\$1,192.73
119-040-036	\$1,192.73
119-040-037	\$1,192.73
119-050-036	\$1,192.73
Total Assessment	\$11,927.30

¹The Amounts shown above may differ from the amounts placed on the Contra Costa County's secured property tax bill by \$0.01 due to County rounding requirements.



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Larry Theis, P.E., Public Works Director/City Engineer

DATE: MAY 17, 2022

SUBJECT: A RESOLUTION ORDERING THE LEVYING OF A SPECIAL TAX FOR FY 2022/23 WITHIN THE HIGH STREET PERMANENT ROAD DIVISION FOR THE REPAYMENT OF FUNDS ADVANCED FOR THE RECONSTRUCTION OF THE BRIDGE AND FUTURE MAINTENANCE PURSUANT TO THE STREETS AND HIGHWAY CODE, ARTICLE 3, SECTION 1173, et seq.

RECOMMENDATION

Approve the attached Resolution ordering the levying of a special tax for FY2022/23 within the High Street Permanent Road Division for the repayment of funds advanced for the reconstruction of the bridge and future maintenance.

BACKGROUND

The High Street Permanent Road Division was formed in 1999 providing a mechanism for property owners to repay funds advanced by the City for the reconstruction of High Street Bridge over Mitchell Creek. In addition to capital repayment, the annual levy includes funds for the long-term maintenance of the bridge.

The City agreed to fund half the cost of the bridge and the remainder was to be paid by the property owners within the Division. The former Clayton Redevelopment Agency (now the "Successor Agency" by state dissolution law) funded the reconstruction of the bridge and repayment was spread over 30 years with a 6% interest rate. In addition, the annual levy includes an amount of \$60 per parcel dedicated to future bridge maintenance. The City has absorbed all the administrative costs. Through the end of FY 2021/22, \$94,538.78 will have been collected towards the repayment of principal and interest due on the note that was used to finance the construction of the bridge, and \$6,900 for future maintenance. The property owner of APN 119-040-023 paid off their portion of the special tax in full in 2014, and that prepayment was used to repay a portion of the note.

In the Resolution it is noted there are varying levy amounts. These amounts were based on a formula negotiated with the property owners when the Division was formed.

The first special tax to repay the costs of bridge construction was levied in FY 1999/00 and the final special tax to repay the construction will be levied in FY 2028/29. It should be noted the portion of the special tax for bridge maintenance will continue indefinitely.

FISCAL IMPACT

This year's annual special tax will produce \$1,754 in FY 2022/23. If this Resolution is not approved, money owed to the Successor Agency by the property owners will not be repaid and funds will not be available for future bridge maintenance.

CONCLUSION

Based upon the above, staff recommends the City Council approve this Resolution levying a special tax in FY 2022/23 on the parcels located within the High Street Permanent Road Division.

ATTACHMENT

Attachment: Resolution Ordering the Levying a Special Tax for FY 2022/23

RESOLUTION NO. ##- 2022

**A RESOLUTION ORDERING THE LEVYING OF A SPECIAL TAX FOR FY 2022/23
WITHIN THE HIGH STREET PERMANENT ROAD DIVISION FOR THE REPAYMENT
OF FUNDS ADVANCED FOR THE RECONSTRUCTION OF THE BRIDGE AND
FUTURE MAINTENANCE PURSUANT TO THE STREETS AND HIGHWAY CODE,
ARTICLE 3, SECTION 1173, et seq.**

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

WHEREAS, by passage of Resolution 34-98, 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; and

WHEREAS, the City Council received petitions, signed by a majority of the property owners within the Division, requesting construction of a new bridge over Mitchell Creek and the levy of a special tax to pay for the construction and for the future maintenance of the bridge; and

WHEREAS, the City Council called for an election on February 26, 1999 to approve the levy of a special tax; and

WHEREAS, the City Clerk and City Engineer then certified that ballots approving the special tax were received from more than two-thirds of the property owners in both number and valuation; and

WHEREAS, said special tax approved must be re-levied each fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Clayton, California, does hereby:

1. Order the levy of special taxes for FY 2022/23 on those parcels within the High Street Permanent Road Division for the reconstruction and maintenance of the bridge over Mitchell Creek.
2. List the annual tax rates for each parcel for the reconstruction and maintenance as follows:

APN	Current Owner	Reconstruction	Bridge Maintenance	Total
119-040-021	Utleigh Gloria J Tre	\$545.00	\$60.00	\$605.00
119-040-023	Morgan John T & Pamela D Tre	\$0.00	\$60.00	\$60.00
119-040-024	Davis Jerry W & Sharon L	\$364.00	\$60.00	\$424.00
119-050-008	City of Clayton	\$0.00	\$60.00	\$60.00
119-050-036	Clayton Community Church, Inc.	\$545.00	\$60.00	\$605.00

3. Order that special taxes be levied and collected by the County of Contra Costa along with the regular property taxes.

PASSED, APPROVED and ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 17th day of May 2022 by the following vote:

AYES:

NOES:

ABSENT:

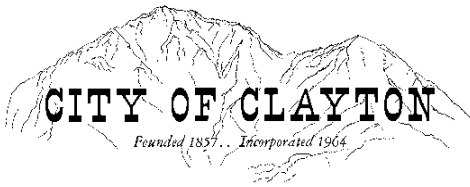
ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Peter Cloven, Mayor

ATTEST:

Janet Calderon, City Clerk



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Larry Theis, City Engineer

DATE: May 17, 2022

SUBJECT: A Resolution Approving the City's Local Transportation Improvement Project for Fiscal Year 2022/23 Involving Road Maintenance and Rehabilitation Account – Local Streets and Roads Funds (RMRA-LSR; SB1)

RECOMMENDATIONS

It is recommended the City Council adopt the proposed Resolution approving the City's local transportation improvement project for Fiscal Year 2022/23 involving Road Maintenance and Rehabilitation Account – Local Streets and Roads Funds (RMRA-LSR; SB1)

BACKGROUND

The Road Repair and Accountability Act of 2017 (SB1-Beall) continues as a significant \$5.2 billion per year (Pre-pandemic) statewide investment in California's transportation systems. The Act increased per gallon fuel excise taxes, diesel fuel sales taxes and vehicle registration taxes, stabilized the price-based fuel tax rates and provides for inflationary adjustments to rates in future years. This legislation more than doubled local streets and road funds allocated through the Highway Users Tax Account (HUTA), distributing funds from new taxes through the RMRA account.

Annually, by July 1st, the City of Clayton, along with all other eligible California agencies, submits a work plan to the California Transportation Commission (CTC) committing the following fiscal year's RMRA funding to a specific pavement preservation project in the coming year or a future year if the City desires. The submission of the work plan maintains the City's eligibility to receive RMRA funding during the forthcoming fiscal year. Without this commitment of RMRA funds, the City loses its eligibility to collect RMRA funding through the State Controller's Office (SCO).

The City of Clayton typically performs a biennial neighborhood streets pavement preservation project on even numbered years. The most recent fully completed project was the 2018 Neighborhood Streets Project and the City will be performing the delayed 2022 Neighborhood Streets Project mostly in fiscal year 2023. In odd numbered years, when federal funding is

available, the City may perform pavement preservation work on collector and arterial streets. Collector and arterial streets are the only streets that qualify for federal funding. Local streets are funded completely with local funding sources.

DISCUSSION

One hallmark of the SB1 legislation is complete transparency about where, when, why and how RMRA funds are spent by local Agencies. As such, information required by CTC is quite specific including:

- Listing each pavement preservation project by year,
- Specific type of preservation treatment proposed for each street segment,
- Statement of the expected longevity of each proposed treatment, and
- The projected completion of the overall pavement preservation project.

The required information is included in the attached resolution.

The specific streets that will be included in the FY2022/23 Pavement Project were identified initially via the City's use of the StreetSaver pavement management program and were included as an alternate bid item in the 2020/2022 Pavement project. There was not sufficient funding in the 2022 Pavement project to include these streets that will now be addressed in the 2023 Paving project. Although the final list of streets to be included will be dependent on final field review and bid prices, the streets anticipated to be addressed are:

- Mountaire Parkway from Marsh Creek Road to Mountaire Circle
- Mitchell Canyon Road from Clayton Road to Herman Court
- Regency Drive from El Molino Drive to Weatherly Drive
- Capistrano Court
- Caulfield Court
- Mt. Dell Drive from Mt. Washington Way to its end
- Mount Vernon Drive from Mt. Edna Drive to its end
- Fleming Drive
- Pinot Court
- Bigelow Street

By means of adopted City Council Resolution, Clayton will commit the FY 2022/23 RMRA funds to the 2023 Clayton Neighborhood Street Rehabilitation Project.

ENVIRONMENTAL DETERMINATION:

There is no environmental impact from approving the FY 2022/23 RMRA street list. The resultant pavement preservation work falls under CEQA exemption. Recommended Council action regarding CEQA typically occurs at contract award.

SUBSEQUENT ACTIONS:

Staff will submit the adopted resolution to the CalSMART on-line reporting program of the California Transportation Commission by the July 1 deadline in order to be eligible for the FY2022/23 RMRA funding disbursement.

FISCAL IMPACT:

Remittance advice provided by the SCO for FY 2021/22 shows that through February 2022 Clayton received \$149,785 in RMRA tax revenue, at an average monthly accrual of \$18,723. Based on this data, and no economic contraction, Clayton would finish FY 2021/22 with an estimated \$224,000 in RMRA revenue. The projection for FY2022/23 provided by California City Finance is up to \$256,850. Even if actual revenues fall short of the projection of \$256,850, there should be sufficient funds to support the planned 2023 Clayton Neighborhood Street Rehabilitation Project.

Attachments: 1. Resolution [3 pp.]

RESOLUTION NO. ##-2022

A RESOLUTION APPROVING THE CITY OF CLAYTON'S LIST OF LOCAL TRANSPORTATION IMPROVEMENT PROJECTS FOR FISCAL YEAR 2022/23 USING ROAD MAINTENANCE AND REHABILITATION ACCOUNT – LOCAL STREETS AND ROAD FUNDS (RMRA-LSR; SB 1)

THE CITY COUNCIL City of Clayton, California

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the State Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide;

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of Clayton are aware of the projects proposed for funding in its community and which projects have been completed each fiscal year;

WHEREAS, the City must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, Clayton staff has determined the 2023 Clayton Neighborhood Street Rehabilitation Project is the project that should receive street pavement preservation treatment utilizing FY 2022/23 funds from the Road Maintenance and Rehabilitation Account (RMRA) created by SB 1; and

WHEREAS, the 2023 Clayton Neighborhood Street Rehabilitation Project will consist of sustainable street surface treatments and street striping on a City-wide pavement preservation project intended to have a useful service life of a minimum of fifteen years;

WHEREAS, the 2023 Clayton Neighborhood Street Rehabilitation Project is scheduled to be completed in 2023;

WHEREAS, it has been calculated that the City of Clayton was projected to receive up to \$256,850 in RMRA funds in Fiscal Year 2022/23 from SB 1;

WHEREAS, this is the sixth year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, Clayton staff used the MTC StreetSaver® Pavement Management Program to determine its 2023 Streets Pavement Preservation Project to ensure revenues are used on the most cost-effective streets that also meet the community's priorities for continual transportation investment; and

WHEREAS, the 2020 California Statewide Local Streets and Roads Needs Assessment found that Clayton's streets are in a "Very Good" condition with an average network Pavement Condition Index (PCI) of 79, and this ongoing RMRA revenue will assist the City to maintain and sustain the overall quality of Clayton's street system.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Clayton, California does hereby approve the following:

Section 1. The foregoing Recitals are true and correct statements of fact and in part, along with the accompany staff report, constitute the basis for necessity in authorizing this Resolution.

Section 2. The City Council does herein authorize the assignment of its expected FY 2022/23 RMRA funding of approximately \$256,850 to be used for its 2023 Clayton Neighborhood Street Rehabilitation Project, which street project constitutes the City of Clayton's local transportation improvement project to be constructed using its FY 2022/23 RMRA monies (Attachment A).

Section 3. The City Council further herein approves and authorizes the use of its Fiscal Year 2022/23 RMRA monies for construction of its assigned 2023 Clayton Neighborhood Street Rehabilitation Project.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California, at a regular public meeting thereof held on the 17th day of May 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Peter Cloven, Mayor

ATTEST:

Janet Calderon, City Clerk

Attachment A: SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 FY 2022-23 Projects

Project Details

Title	Description	Location	Component	Priority Status	Est. Schedule		Useful Life		Assem	Senate
					Start	Complete	Min	Max		
2023 Clayton Neighborhood Street Rehab Project	This project will include: ADA Curb Ramp Rehab/Repair (Existing), Cost Estimating, Document Preparation, Environmental Study/Documents, Pavement Rehab/Repair (Existing), Paving and/or Striping Rehab/Repair (Existing Safety), Preliminary Design, Project Scope Development	Mountaire Parkway from Marsh Creek Rd to Mountaire Circle; Mitchell Canyon Rd from Clayton Rd to Herriman Ct; Regency Dr from El Molino Dr to Weatherly Dr; Capistrano Ct; Caulfield Ct; Mt. Dell Dr. from Mt. Washington Way to End; Mount Vernon Drive from Mt. Edna Dr to End; Fleming Drive; Pinot Ct; Bigelow St. All project locations are an estimate and have yet to be finalized.	Pre-Construction and Construction	New 22/23	04/2022	05/2023	15	20	14	7
					05/2023	12/2023				



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Larry Theis, City Engineer

DATE: May 17, 2022

SUBJECT: Approve a Resolution Establishing a Capital Improvement Project (CIP) for the 2023 Clayton Neighborhood Street Rehabilitation Project (Project) and Appropriating a Total of \$955,250 from the One Bay Area Grant Cycle 2 (OBAG2) Grant (\$308,000), Measure J Major Streets Grant (\$397,179) and the FY2022/23 SB1 Road Maintenance Rehabilitation Account (RMRA - \$290,071) for the Project

RECOMMENDATION

It is recommended the City Council adopt the proposed Resolution to establish the 2023 Clayton Neighborhood Street Rehabilitation Project (Project) and appropriate \$995,250 from OBAG2 (\$308,000), Measure J Major Streets Grant (\$397,179) and SB 1 RMRA (\$290,071) for the Project.

BACKGROUND

The streets included in the proposed 2023 Clayton Neighborhood Street Rehabilitation Project (Project) were originally considered with the 2020 Pavement Project as Alternate D to that project. The funding sources considered for this project were One Bay Area Grant Cycle 2 (OBAG2) and Contra Costa Transportation Authority (CCTA) Measure J Funds. The OBAG2 grant is a federal grant.

The list of streets considered for the Project is as follow: On Mountaire Parkway from Marsh Creek Rd to Mountaire Circle; On Mitchell Canyon Rd from Clayton Rd to Herriman Ct; On Regency Dr from El Molino Dr to Weatherly Dr; On Capistrano Ct; On Caulfield Ct; On Mt. Dell Dr. from Mt. Washington Way to End; On Mount Vernon Drive from Mt. Edna Dr to End; On Fleming Drive; On Pinot Ct; and on Bigelow St. All project locations are estimated and will be finalized through field work and bid constraints.

DISCUSSION

Staff is requesting the City Council establish and appropriate funds for the 2023 Neighborhood Street Rehabilitation Project because the budget that was presented and appropriated for the 2020 Clayton Neighborhood Street Rehabilitation Project was not sufficient to include the streets identified in Alternate D. With the approval of this Resolution, this Project will have its own budget and the funds would be appropriated.

Staff is also requesting the City Council to appropriate funds for this Project at this meeting instead of waiting for the Fiscal Year 2022/23 budget to be adopted because staff has identified the need to start the federally required processes as soon as possible due to the use of the federal OBAG 2 funds. Federally funded projects have more requirements compared to a fully locally funded project. OBAG2 is in its last year and all projects funded by OBAG2 need to be obligated by January 31, 2023 and it can no longer be extended to a future year. In addition, since this project is estimated to exceed \$500,000 for construction, CCTA will require a peer review since Measure J funds will be utilized as well. It is anticipated it will be a very tight schedule to comply with both the federal and CCTA requirements.

FISCAL IMPACTS

The preliminary budget is as follow:

Design (includes Coordination with Caltrans Local Assistance)	\$165,000
Construction	\$615,000
Construction Management	\$123,000
Contingency (15% of construction)	<u>\$ 92,250</u>
Total	\$995,250

Budget appropriation request is as follow:

OBAG 2 Grant	\$308,000
Measure J Major Streets Grant	\$397,179
SB1 Road Maintenance Rehabilitation Account (RMRA)	<u>\$290,071</u>
Total	\$995,250

In addition to the two funding sources original considered for this Project, the design consultant's preliminary field review indicated additional curb ramps may need to be constructed or modified as part of the pavement Rehabilitation work for the City to be in compliance of the American Disability Act (ADA). Any curb ramp improvements required will be included in the final construction contract(s) brought to City Council for improvement.

In addition to the grant funding from OBAG 2 and the Measure J Major Streets fund, Staff have identified RMRA as an additional funding source. In a separate staff report at this meeting, staff will be requesting the City Council to adopt a separate resolution to commit the FY 2022/23 RMRA funds to this Project. Staff did not combine the two staff reports because the California Transportation Commission staff has indicated the commitment resolution need to be a stand-alone document without other additional information. The RMRA amount indicated above exceeds the FY 2022/23 RMRA estimated amount. The differences will be funded by the RMRA (Fund 202) existing fund balance.

In the current inflation environment, it is challenging to estimate the Project cost. The Project locations will be evaluated further in the future when more detailed cost estimates are available later in the detail design process and/or after bids have been received. Analyses will be performed to compare the cost estimates to the available funds. It is possible that locations will need to be eliminated. It is also possible that additional budget appropriations will be required. If additional budget appropriation is required, staff will present the budget adjustment request to the City Council at a future meeting.

ATTACHMENTS

1. Resolution [1 pp.]

RESOLUTION NO. ##-2022

**A RESOLUTION TO APPROPRIATE BUDGET FOR THE 2023 CLAYTON
NEIGHBORHOOD PAVEMENT REHAB PROJECT**

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

WHEREAS, the quality of street pavement in the City of Clayton is an important component of the quality of life in the community;

WHEREAS, the City of Clayton has grant funds available that will allow the City to complete additional paving work in FY2022/23;

WHEREAS, sufficient funding exists to complete additional streets beyond those that will be improved as part of the 2022 Neighborhood Pavement Preservation Project; and

WHEREAS, timeliness is of the essence in order to meet the requirements of grants.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Clayton, California, does hereby approve the budget appropriate funds for this Project as follow:

One Bay Area Grant Cycle 2 (OBAG2) Grant	\$308,000
Measure J Major Streets Grant	\$397,179
SB1 Road Maintenance Rehabilitation Account (RMRA)	<u>\$290,071</u>
Total	\$995,250

PASSED, APPROVED AND ADOPTED by the City Council of the City of Clayton, California, at a regular public meeting thereof held on the 17th day of May 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Peter Cloven, Mayor

ATTEST:

Janet Calderon, City Clerk



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Reina Schwartz, City Manager

DATE: May 17, 2022

SUBJECT: Annual Consideration of Canceling Any Regular City Council Meetings During the Summer of 2022

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 2022; and if so determined, by motion cancel the specific meetings date(s).

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 its various elected officials' schedules. In addition, the workload of the City Council business items for action often decreases in the summer months following formal adoption of the annual Operating and Capital Improvement Program (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 the 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 2022 REGULAR MEETINGS

The following table outlines the upcoming dates for regular City Council meetings in the summer months of 2022:

Meeting Date	Comments
Tuesday, July 5	No pressing Agenda Items at this time – Consider cancelling
Tuesday, July 19	
Tuesday, August 2	
Tuesday, August 16	
Tuesday, September 6	No pressing Agenda Items at this time – Consider cancelling
Tuesday, September 20	

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/zoom virtual 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 and the public, and with fully-required public postings of the Agenda.

Attachments: 1. Calendar Months of July, August & September 2022 (3pp.)

July 2022						
◀ June						August ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2 Concert in The Grove
3	4 Indep. Day City Hall Closed	5 City Council Meeting	6 Classic Car Show and DJ	7 CCC Mayors' Conference	8	9
10	11	12 Planning Commission Meeting	13	14	15	16 Concert in The Grove
17	18	19 City Council Meeting	20 Classic Car Show and DJ	21	22	23
24	25	26 Planning Commission Meeting	27	28	29	30 Concert in The Grove
31						

August 2022						
◀ July						September ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2 City Council Meeting	3 Classic Car Show and DJ	4 CCC Mayors' Conference	5	6
7	8	9 Planning Commission Meeting	10	11	12	13 Concert in The Grove
14	15	16 City Council Meeting	17	18	19	20
21	22	23 Planning Commission Meeting	24	25	26	27 Concert in The Grove
28	29	30	31			

September 2022						
◀ August						October ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 CCC Mayors' Conference	2	3
4	5 Labor Day City Hall Closed	6 City Council Meeting	7 Cal Cities Annual Conference	8 Cal Cities Annual Conference	9 Cal Cities Annual Conference	10 Concert in The Grove
11 Patriot Day	12	13 Planning Commission Meeting	14	15	16	17
18	19	20 City Council Meeting	21	22 Start of Fall (Autumnal Equinox)	23	24
25	26	27 Planning Commission Meeting	28	29	30	

MINUTES
CLAYTON FINANCING AUTHORITY
REGULAR MEETING
May 4, 2021

1. **CALL TO ORDER AND ROLL CALL** - the meeting was called to order by President Wolfe at 10:17 p.m. on a virtual web meeting and telephonically (877) 853-5257. **Board of Directors present:** President Wolfe, Vice President Cloven Board Members Diaz, Tillman and Wan. **Board of Directors absent:** None. **Staff members present:** Executive Director Schwartz, Secretary Calderon, and General Counsel Subramanian.

2. **CLOSED SESSION** – None.

3. **CONSENT CALENDAR** –

Board Member Wan commented it is a professional embarrassment in receiving the audited basic financial statements from the auditor so late.

It was moved by Board Member Wan, seconded by President Wolfe, to approve the Consent Calendar as submitted. (Passed; 3-2 vote; Cloven and Tillman abstained).

- (a) Approved the minutes of the regular meeting of November 20, 2018.
- (b) Approved Audited Basic Financial Statements of the Clayton Financing Authority for the Fiscal Year Ended June 30, 2019. (Finance Director)
- (c) Approved Audited Basic Financial Statements of the Clayton Financing Authority for the Fiscal Year Ended June 30, 2020. (Finance Director)

4. **PUBLIC COMMENTS** – None.

5. **ACTION ITEMS** - None.

6. **BOARD ITEMS** – None.

7. **ADJOURNMENT**- On call by President Wolfe the meeting adjourned at 10:20 p.m.

Respectfully submitted,

Janet Calderon, Secretary

Approved by
Board of Directors, Clayton Financing Authority

Carl Wolfe, President



STAFF REPORT

TO: HONORABLE BOARD OF DIRECTORS

FROM: KATHERINE KORSAK, FINANCE DIRECTOR

DATE: MAY 17, 2022

SUBJECT: AUDITED BASIC FINANCIAL STATEMENTS OF THE CLAYTON FINANCING AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021 (FY 2020/21)

RECOMMENDATION

By consent calendar minute motion, accept the “unmodified opinion” issued by the independent auditors on the basic financial statements of the Clayton Financing Authority for the FY 2020/21.

BACKGROUND

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

The Joint Powers Agreement for the CFA meets the criteria of a *Special District* as defined by California Government Code section 12463(d)(2). As a special district, Government Code section 26909 requires an audit be completed and filed with the SCO within 12 months after the close of the fiscal year(s) under examination.

DISCUSSION

The CFA’s independent auditors (Cropper Accountancy Corp.) has issued an “unmodified opinion” of the CFA’s financial statements for the fiscal year ended June 30, 2021 regarding the statements’

presentation in accordance with Generally Accepted Accounting Principles (GAAP) in all material respects. An unmodified opinion is a “clean” audit opinion, concluding that as a result of the independent auditors’ audit procedures it did not identify any material uncorrected departures from GAAP in the underlying CFA financial statements. The independent audit opinion letter is included on pages 1 and 2 of the report.

Following the independent auditors’ opinion letter, on pages 5 through 10, is Management’s Discussion & Analysis (MD&A). Consistent with auditing standards, the MD&A is an unaudited section of the report, but provides useful insight into the financial results of the fiscal year being reported. The MD&A includes condensed comparative financial statements and an analysis of significant transactions and balances.

The CFA’s basic financial statements are comprised of two major components: 1) the financial statements, and 2) the notes to the financial statements. The financial statements section includes a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

On page 14 the *Statement of Net Position* presents information on all of the CFA’s assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CFA is improving or worsening.

Thereafter, on page 15 of the report the *Statement of Revenues, Expenses, and Changes in Net Position* presenting information showing how the CFA’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* on page 16 presents information about the cash receipts and cash payments of the CFA during the fiscal year. When used with related disclosures and information in the other financial statements, the information provided in this statement should help financial report users assess the CFA’s ability to generate future net cash flows, its ability to meet its obligations as they become due and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects on the CFA’s financial position of its cash and its noncash investing, capital and related financing transactions during the period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17 through 30 of the report.

Financial Report Summary:

The following are some financial highlights included in the report:

- The bulk of total assets (45.8%) pertains to the CFA’s ownership of the CFD Local Obligations, totaling \$904,000 as of June 30, 2021.

- Cash and cash equivalents, totaling \$731,573, made up 37.03% of total assets. Approximately 81.8% (\$600,369), of CFA cash and cash equivalents pertained to remaining cash proceeds and accrued interest from the CFA's sale of real property in October of 2006 (i.e. CVS/Pharmacy land site).
- Total cash with fiscal agent was \$385,196, which made up 16.2% of total assets. Nearly 83.1% (\$320,076) of the cash with fiscal agent balance pertained to the 2007 Bonds' reserve fund held by the fiscal agent (US Bank) and restricted to debt service at the maturity of the 2007 Bonds.
- The 2007 Bonds made up nearly 98.6% (\$815,000) of the CFA's liabilities at June 30, 2021. The notes to the basic financial statements further disclose principal payments are due September 2nd of each year through final maturity in 2022, with interest payments due on March 2nd and September 2nd of each year. In the fiscal year ending June 30, 2021 total principal and interest paid was \$375,000 and \$40,625 respectively.
- Total net position of the CFA was \$1,149,209 at June 30, 2021. Approximately 52.2% (\$600,369) of total net position is restricted to future debt service payments. The remaining 47.8% (\$548,840) is unrestricted and pertains to the remaining cash proceeds and accrued interest from the CFA's sale of real property in October 2006. Unrestricted net position is available for capital, operating, or investment purposes at the discretion of the CFA Board of Directors.
- The CFA has no paid employees nor any administrative charges levied to it by the City of Clayton for management of the special district. Further, any debt of the CFA is not an obligation of the City of Clayton.

FISCAL IMPACT

The Board's acceptance of the audited financial statements for the year ended June 30, 2021 does not have any direct fiscal impact on the Clayton Financing Authority.

CROPPER ROWE, LLP

CERTIFIED PUBLIC ACCOUNTANTS

CLAYTON FINANCING AUTHORITY
ANNUAL FINANCIAL STATEMENT REPORT
YEAR ENDED JUNE 30, 2021



Clayton Financing Authority
Basic Financial Statements – For the year ended June 30, 2021
Table of Contents

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors’ Report.....	2
Management’s Discussion and Analysis.....	6
Basic Financial Statements	
<i>Financial Statements:</i>	
Statement of Net Position.....	14
Statement of Revenues, Expenses, and Changes in Net Position.....	15
Statement of Cash Flows.....	16
<i>Notes to the Basic Financial Statements</i>	18
ADDITIONAL REPORT	
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Governing Body of
Clayton Financing Authority
City of Clayton, California

We have audited the accompanying financial statements of the Clayton Financing Authority (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6-11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance on the results of that testing, and do not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CROPPER ROWE, LLP
Walnut Creek, California
April 28, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

**Clayton Financing Authority
Management's Discussion and Analysis
For the year ended June 30, 2021**

As management of the Clayton Financing Authority (the Authority), we offer readers of our financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The Authority's total assets are \$1,975,249. The primary asset of the Authority is the investment in the Clayton Community Facilities District (CFD) No. 1990-1 local obligations in the amount of \$904,000.
- The Authority's liabilities consisted mainly of the 2007 special tax revenue refunding bonds totaling \$815,000 as of June 30, 2021, which are secured by the CFD 1990-1 local obligations investment.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. Financial Statements are designed to provide readers with a broad overview of the Authority's finances.

Statement of Net Position

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

Statement of Revenues, Expenses, and Changes in Net Position

The *statement of revenues, expenses, and changes in net position* presents information showing how the Authority's net position changed during the most recent period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Statement of Cash Flows

The *statement of cash flows* presents information about the cash receipts and cash payments of the Authority during the most recent period. When used with related disclosures and information in the other financial statements, the information provided in this statement

**Clayton Financing Authority
Management's Discussion and Analysis
For the year ended June 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Statement of Cash Flows, Continued

should help financial report users assess the Authority's ability to generate future net cash flows, its ability to meet its obligations as they become due and its need for external financing.

It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects on the Authority's financial position of its cash and its noncash investing, capital and related financing transactions during the period.

The financial statements can be found on pages 14 through 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 18 through 30 of this report.

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. Net position at June 30, 2021 was \$1,149,209. The primary asset of the Authority is the investment in CFD 1990-1 local obligations. The primary liability is the outstanding balance of the revenue refunding bonds. Both the local obligations investment and bonds payable balances will reduce over time, as the Authority's bonds are retired.

During the fiscal year ended June 30, 2021, the CFD paid principal of \$375,000 to the Authority in accordance with the bonds' debt service schedule. The Authority used those funds, in addition to investment interest earnings, to pay down a portion of the special revenue tax bonds in accordance with those bonds' debt service schedule.

Total net position decreased by \$38,635 during the fiscal year ended June 30, 2021. This decrease in net position is primarily attributable to interest paid on the bond. The decrease in total assets of \$418,635 was primarily attributable to the portion of the CFD 1990-1 local obligation investments scheduled to mature during the fiscal year ended June 30, 2021.

**Clayton Financing Authority
Management's Discussion and Analysis
For the year ended June 30, 2021**

FINANCIAL ANALYSIS, Continued

The following table summarizes the changes between assets, liabilities and net position as of June 30, 2021 and 2020:

Condensed Statements of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets		
Current assets	\$ 1,505,249	\$ 1,489,884
Noncurrent assets	<u>470,000</u>	<u>904,000</u>
Total Assets	<u>1,975,249</u>	<u>2,393,884</u>
 Liabilities		
Current liabilities:	406,040	391,040
Noncurrent liabilities:	<u>420,000</u>	<u>815,000</u>
Total Liabilities	<u>826,040</u>	<u>1,206,040</u>
 Net Position		
Restricted	600,369	597,556
Unrestricted	<u>548,840</u>	<u>590,288</u>
Total Net Position	<u>\$ 1,149,209</u>	<u>\$ 1,187,844</u>

Of the Authority's total net position, \$600,369, or approximately 52.2% of total net position, was restricted for debt service. This is a slight increase from the prior year, where \$597,556 of net position, or 50.3%, was restricted for debt service. This modest increase was a result of the debt service on the 2007 Special Tax Refunding Bonds exceeding that of the CFD 1990-1 local obligations during the fiscal year ended June 30, 2021 following the application of debt service credits approved by the Authority's Board of Directors. Debt service credits were authorized in the adopted budget as well as the annual levy report for the fiscal year ending June 30, 2021 to gradually apply excess reserves against debt service of the 2007 Special Tax Refunding Bonds and to bring the debt service of the 2007 Special Tax Refunding Bonds into alignment with the CFD 1990-1R debt service. This reserve balance will gradually be reduced to meet debt service requirements through the maturity of the 2007 Special Tax Refunding Bonds.

**Clayton Financing Authority
Management's Discussion and Analysis
For the year ended June 30, 2021**

FINANCIAL ANALYSIS, Continued

The following table summarizes changes in net position for the fiscal years ended June 30, 2021 and 2020:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Operating revenues		
Interest income from participating government	\$ -	\$ 7,538
Total operating revenues	<u>-</u>	<u>7,538</u>
Operating expenses		
Professional services, including paying agent fees	<u>5,769</u>	<u>8,747</u>
Total operating expenses	<u>5,769</u>	<u>8,747</u>
Operating income (loss)	<u>(5,769)</u>	<u>(1,209)</u>
Nonoperating revenues (expenses)		
Interest expense on long-term liabilities	(35,625)	(50,525)
Interest and investment income	<u>2,759</u>	<u>23,387</u>
Total nonoperating revenues (expenses)	<u>(32,866)</u>	<u>(27,138)</u>
Capital Contributions to Participating Agencies	<u>-</u>	<u>-</u>
Change in Net Position	(38,635)	(28,347)
Net Position		
Beginning of Fiscal Year	<u>1,187,844</u>	<u>1,216,191</u>
End of Fiscal Year	<u>\$ 1,149,209</u>	<u>\$ 1,187,844</u>

Overall revenues and expenses remained relatively consistent with the prior year. The decrease in interest and investment income was primarily attributable to a decline in interest earnings on the Authority's cash held in the City investment pool compared to the prior year. The decrease in interest expense is a direct result of scheduled debt services on the 2007 Special Tax Refunding Bonds.

**Clayton Financing Authority
Management's Discussion and Analysis
For the year ended June 30, 2021**

LONG TERM DEBT

Refunding bonds were issued on May 17, 2007 by the Authority in the principal amount of \$5,060,000 to refund the Authority's 1997 Special Tax Revenue Refunding Bonds (the "1997 Bonds"), finance the acquisition and construction of certain public capital improvements (the Project), establish a reserve fund for the Bonds (funded part in cash and part from a reserve fund surety bond), and to pay the costs of issuance of the Bonds. The 1997 Bonds were issued to purchase the CFD 1990-1 bonds (the "Local Obligations"), which are recovered by special assessment revenues from CFD 1990-1. CFD 1990-1 annually levies parcels within the district boundaries in order to repay the Local Obligations held by the Authority. The Local Obligations were issued for the purpose of paying a portion of the cost of construction of a middle school located within the jurisdiction of the Mt. Diablo School District, located in the City of Clayton. In addition, proceeds of the Local Obligations were used to acquire certain site preparation work on the ball and playing field property conveyed to the City. All construction improvements were completed as of the fiscal year ended June 30, 2010.

Principal payments on the 2007 Special Tax Revenue Refunding Bonds are payable on September 2nd of each year. Interest payments are payable semi-annually on March 2 and September 2nd. The bonds are non-City obligations and are secured by revenues received by the Authority as the result of the payment of debt service on the CFD 1990-1 Local Obligations. As of June 30, 2021, the outstanding balance of the non-city bond obligation was \$815,000. Total principal and interest remaining on the bonds is \$848,888, payable through September 2022. For the current year, principal and interest paid were \$375,000 and \$40,625, respectively. As the debt service on the local obligations exceeds that of the 2007 Special Tax Revenue Refunding bonds, the application of levy credits is considered annually by the Authority Board of Directors in their review and approval of the annual CFD 1990-1 parcel tax levy. These levy credits result in the gradual use of net position restricted for debt service through the maturity of the 2007 bonds.

FACTORS AFFECTING ECONOMIC CONDITIONS

On June 11, 2018, Standard & Poor's Rating Services upgraded its rating Authority's 2007 Special Tax Revenue Refunding bonds to AA- reflecting a stable outlook. The bonds, secured entirely by repayment of the Local Obligations by CFD 1990-1, have been paid on time and in full and continue to maintain their tax exempt status provided by the federal government for qualified municipal bonds. As of the most recent annual parcel tax levy report published by CFD 1990-1, the property tax delinquency rate was only 1.33% for the fiscal year ending June 30, 2020. Property values within the City of Clayton continue to rebound from Great Recession (2008) levels; this coupled with low CFD 1990-1 delinquency rates fare positively for the fiscal position of the Authority in order to meet the ongoing debt service of the 2007 bonds.

**Clayton Financing Authority
Management's Discussion and Analysis
For the year ended June 30, 2021**

REQUEST FOR INFORMATION

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

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BASIC FINANCIAL STATEMENTS

Clayton Financing Authority
Statement of Net Position
June 30, 2021

ASSETS

Current assets:

Restricted investments:

Cash and cash equivalents \$ 731,573

Cash with fiscal agent 320,076

Accrued interest receivable 19,600

Investments in local obligations:

Due within one year 434,000

Noncurrent assets:

Investments in local obligations:

Due after one year 470,000

Total Assets 1,975,249

LIABILITIES

Current liabilities:

Accrued interest payable 11,040

Bonds payable:

Due within one year 395,000

Noncurrent liabilities:

Bonds payable:

Due after one year 420,000

Total Liabilities 826,040

NET POSITION

Restricted 600,369

Unrestricted 548,840

Total Net Position \$ 1,149,209

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

Clayton Financing Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

OPERATING REVENUES

Interest income from participating agency	\$ -
Total Operating Revenues	-

OPERATING EXPENSES

Professional services, including paying agent fees	5,769
Total Operating Expenses	5,769
Operating Income (Loss)	(5,769)

NONOPERATING REVENUES (EXPENSES)

Interest expense on long-term liabilities	(35,625)
Interest and investment income	2,759
Total Nonoperating Revenues (Expenses)	(32,866)
Income before Contributions and Transfers	(38,635)
Capital Contributions to Participating Agencies	-
Change in Net Position	(38,635)

NET POSITION

Beginning of Fiscal Year	1,187,844
End of Fiscal Year	\$ 1,149,209

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

Clayton Financing Authority
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Principal received from participating agency	\$ 409,000
Interest received from participating agency	8,860
Payments to suppliers of services	<u>(5,769)</u>
Net cash provided by operating activities	<u>412,091</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Principal payments on long-term liabilities	(375,000)
Interest payments on long-term liabilities	<u>(40,625)</u>
Net cash used in capital financing activities	<u>(415,625)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on investments	<u>2,759</u>
Net cash provided by capital investing activities	<u>2,759</u>

Net decrease in cash and cash equivalents (775)

Cash and cash equivalents at beginning of year 1,052,424

Cash and cash equivalents at end of year \$ 1,051,649

Included in the Statement of Net Position as follows:

Cash and cash equivalents	\$ 731,573
Cash with fiscal agent	<u>320,076</u>
Total cash and equivalents at end of year	<u><u>\$ 1,051,649</u></u>

Reconciliation of operating income to net cash provided by operating activities:

Operating loss	\$ (5,769)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accrued interest receivable	8,860
Decrease in loans receivable from participating agency	<u>409,000</u>
Net cash provided by operating activities	<u><u>\$ 412,091</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Clayton Financing Authority (the Authority) was created for the purpose of refunding the Authority's 1997 Special Tax Revenue Refunding Bonds (the "1997 Bonds"), finance the acquisition and construction of certain public capital improvements (the Project), establish a reserve fund for the 1997 Bonds (funded part in cash and part from a reserve fund surety bond), and to pay the costs of issuance of the Bonds. The 1997 Bonds were issued to purchase the CFD 1990-1 local obligations, which are recovered by special assessment revenues from CFD 1990-1. Principal payments are payable on September 2 of each year. Interest payments are payable semi-annually on March 2 and September 2. The bonds are non-city obligations and are secured by revenues received by the Authority as the result of the payment of debt service on the CFD 1990-1 local obligations. As of June 30, 2021, the outstanding balance of the non-city bond obligation was \$815,000. The Authority meets the criteria set forth in accounting principles generally accepted in the United States of America as a fiduciary fund of the City because the governing body is the same as the City and the City has fiduciary responsibility for the Authority.

This financial report is designed to provide a general overview of the Authority. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Office of the Finance Manager, 6000 Heritage Trail, Clayton, California 94517.

Measurement Focus and Basis of Accounting

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

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

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

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

Investments are carried at fair value. Fair value is based on quoted market price, if applicable. Otherwise the fair value hierarchy is as follows:

Level 1 - Values are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs, other than quoted market prices, included within Level 1 that are observable for the asset or liabilities at the measurement date.

Level 3 - Certain inputs are unobservable inputs (supported by little or no market activity, such as the Authority's best estimate of what hypothetical market participants would use or determine a transaction price for the asset or liability at the reporting date).

Net Position / Fund Balances

In the Statement of Net Position, net position is classified in the following categories:

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

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

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

New Accounting Pronouncements

The following Governmental Accounting Standards Board Statements have been implemented in the current financial statements:

- GASB Statement No. 84, *"Fiduciary Activities"*

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The implementation of this pronouncement did not have a material impact on the Authority's financials.

- GASB Statement No. 90 *"Majority Equity Interests – an amendment of GASB Statements No. 14 and 61"*

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

The implementation of this pronouncement did not have a material impact on the Authority's financials.

Future Accounting Pronouncements

The following Governmental Accounting Standards Board Statements are effective in future years subsequent to the current financial reporting period:

- GASB Statement No. 87, *"Leases"*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Future Accounting Pronouncements

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model.

This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (fiscal 2023). Earlier application is encouraged. The Authority is currently evaluating the potential impact on the Authority's financials.

- GASB Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"*

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (fiscal 2022). Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The Authority is currently evaluating the potential impact on the Authority's financials.

- GASB Statement No. 91 *"Conduit Debt Obligations"*

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers.

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Future Accounting Pronouncements, Continued

Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 (fiscal 2023). Earlier application is encouraged. The Authority is currently evaluating the potential impact on the Authority's financials.

- GASB Statement No. 92 "*Omnibus 2020*"

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The topics include but are not limited to leases, intra-entity transfers between a primary government and a post-employment benefit plan component unit, accounting for pensions and OPEB related assets, measurement of liabilities related to asset retirement obligations, and nonrecurring fair value measurements of assets or liabilities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (fiscal 2022). The Authority is currently evaluating the potential impact on the Authority's financials.

- GASB Statement No. 93 "*Replacement of Interbank Offered Rates*"

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offer Rate (IBOR). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- Clarifying the definition of *reference rate*, as it is used in Statement 53, as amended.

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Future Accounting Pronouncements, Continued

The removal of London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (fiscal 2023). The Authority is currently evaluating the potential impact on the Authority's financials.

All other requirements of this Statement are effective for the current fiscal year, and did not have a material impact on the financial statements.

- GASB Statement No. 94 *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPP.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal 2023), and all reporting periods thereafter. The Authority is currently evaluating the potential impact on the Authority's financials.

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Future Accounting Pronouncements, Continued

- GASB Statement No. 96 “*Subscription-Based Information Technology Arrangements*”

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government’s financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government’s SBITA activities and evaluate a government’s obligations and assets resulting from SBITAs.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal 2023), and all reporting periods thereafter. The Authority is currently evaluating the potential impact on the Authority’s financials.

- GASB Statement No. 97 “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*”

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Future Accounting Pronouncements, Continued

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021 (fiscal 2022). For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021 (fiscal 2022). The Authority is currently evaluating the potential impact on the Authority's financials.

2. CASH AND INVESTMENTS

Classification

Cash and cash equivalents and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 731,573
Cash with fiscal agents	320,076
Bonds held in refunding	904,000
Total	<u>\$ 1,955,649</u>

Cash and investments as of June 30, 2021 consist of the following:

City of Clayton investment pool	\$ 731,573
Government agency notes	216,943
Money market mutual funds	103,133
Municipal bonds	904,000
Total	<u>\$ 1,955,649</u>

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

Policy

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

As permitted by the California Government Code, bond indentures, and contracts and agreements, the Authority is permitted to invest in the City of Clayton investment pool, and other investments authorized by its more restricted outstanding debt agreement as summarized below. The City of Clayton issues stand-alone audited financial statements with full disclosures of the investment pool available upon request at 6000 Heritage Trail, Clayton, California 94517.

Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Money market mutual funds	N/A	N/A	N/A
U.S. government agency issues	5 years	20%	None
Federal Housing Administration debentures	N/A	N/A	N/A
Commercial paper	92 days	N/A	N/A
Demand or time deposits	366 days	N/A	N/A

Investment Fair Value

The Authority reports its investments at fair value. At June 30, 2021, \$600,369 of the Authority's net position was made up of restricted the cash and cash equivalents held as reserves for debt service. The Authority has the following recurring fair value measurements as of June 30, 2021:

- U.S. government agency note, certificate of deposit, and LAIF values are based on unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date [Level 1 inputs].

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

- Municipal bonds are valued based on unobservable inputs (supported by little or no market activity, such as the Authority's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date) [Level 3 inputs].

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Usually, the later the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

		Remaining Maturity (in Months)				
		12 Months or less	13 - 24 Months	25 - 36 Months	37 - 48 Months	49 - 60 Months
City of Clayton investment pool	\$ 731,573	\$ 731,573	\$ -	\$ -	\$ -	\$ -
Held by bond trustees:						
U.S. government agency notes	216,943	216,943	-	-	-	-
Money market mutual funds	103,133	103,133	-	-	-	-
Municipal bonds	904,000	434,000	470,000	-	-	-
	<u>\$ 1,955,649</u>	<u>\$ 1,485,649</u>	<u>\$ 470,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

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

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Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

Issuer	Exempt from Disclosure	AAA	Not Rated	Total
City of Clayton investment pool	\$ -	\$ -	\$ 731,573	\$ 731,573
Held by bond trustees:				
U.S. government agency notes:				
Federal Farm Credit Bank	-	216,943	-	216,943
Money Market Mutual Funds:				
First American Treasury Obligations Fund	103,133	-	-	103,133
Municipal Bonds:				
Community Facilities District No. 1990-1	-	-	904,000	904,000
Total	<u>\$ 103,133</u>	<u>\$ 216,943</u>	<u>\$ 1,635,573</u>	<u>\$ 1,955,649</u>

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Accordingly, the notes to the financial statements should disclose if the government has five percent or more of its total investments in a single issuer. More than five percent of the Authority's investments are with City investment pool, Federal Farm Credit Bank, and Community Facilities District No. 1990-1.

Custodial Credit Risk

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

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

3. INVESTMENTS IN LOCAL OBLIGATIONS

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

Middle School Community Facilities District (CFD) Bonds in the principal amount of \$6,400,000 were issued on September 2, 1990 by the Authority under the Mello-Roos Community Facilities Act of 1982. Principal payments are payable on September 2 of each year with the bonds maturing on September 2, 2022. Interest payments are payable semi-annually on March 2 and September 2. The bonds bear interest at 6.503% and mature September 2, 2022. The debt is secured solely by special parcel taxes from CFD No. 1990-1. As of June 30, 2021, the outstanding balance of the bond obligation was \$904,000.

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

Changes in investments in local obligations for the period ended June 30, 2021, were as follows:

Investment in CFD No. 1990-1 Bonds at July 1, 2020	\$ 1,313,000
Principal payments received September 2, 2020	<u>(409,000)</u>
Investment in CFD No. 1990-1 Bonds at June 30, 2021	<u><u>\$ 904,000</u></u>

4. LONG-TERM LIABILITIES

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

Refunding bonds were issued on May 17, 2007 by the Clayton Financing Authority in the principal amount of \$5,060,000 to refund the Authority's 1997 Special Tax Revenue Refunding Bonds (the "1997 Bonds"), finance the acquisition and construction of certain public capital improvements (the Project), establish a reserve fund for the Bonds (funded part in cash and part from a reserve fund surety bond), and to pay the costs of issuance of the Bonds. The 1997 Bonds were issued to purchase the CFD 1990-1 local obligations, which are recovered by special assessment revenues from CFD 1990-1. Principal payments on the bonds are due September 2nd each year and mature on September 2, 2022. The bonds bear interest ranging from 4.000% to 4.125% with interest payments due March 2 and September 2 annually. The bonds are non city obligations and are secured by revenues received by the Authority as the result of the payment of debt service on the CFD 1990-1 Local Obligations. As of June 30, 2021, the outstanding balance of the non-city bond obligation was \$815,000. Total principal and interest remaining on the bonds is \$848,888, payable through September 2022. For the current year, principal and interest paid were \$375,000 and \$40,625 respectively.

Clayton Financing Authority
Notes to the Basic Financial Statements
For the year ended June 30, 2021

4. LONG-TERM LIABILITIES, Continued

Changes in long-term liabilities for the period ended June 30, 2021, were as follows:

Bonds Payable at July 1, 2020	\$ 1,190,000
Principal payments received September 2, 2020	<u>(375,000)</u>
Bonds Payable at June 30, 2021	<u>\$ 815,000</u>

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

The annual debt service requirements to amortize the Authority's 2007 Special Tax Revenue Refunding Bonds outstanding at June 30, 2021 are as follows:

Fiscal Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 395,000	\$ 25,225	\$ 420,225
2023	<u>420,000</u>	<u>8,663</u>	<u>428,663</u>
Total	<u>\$ 815,000</u>	<u>\$ 33,888</u>	<u>\$ 848,888</u>

ADDITIONAL REPORT

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

To the Governing Body of
Clayton Financing Authority
City of Clayton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Clayton Financing Authority (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements, and have issued our report thereon dated April 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the deficiencies described below to be material weaknesses.

Continuity of Personnel

In the past few years, the Authority has had significant transition in management, particularly with the Finance Director position. Since the beginning of the fiscal year ended June 30, 2021, the Authority has gone from a Finance Director of a year, to an interim Finance Director, and to a new Finance Director.

With the change in management, some of the institutional knowledge and responsibilities that are essential for the smooth operation of the Authority have been lost. As a result, the audit noted a seven general ledger accounts across multiple funds that were not properly closed which resulted in four (4) material journal entries.

We recommend that management consider developing a succession plan in the event the Finance Director is unable to perform their duties for a length of time due to illness, attrition, or any other reason. The succession plan should outline procedures to be implemented and a redistribution of responsibilities in the event of a temporary or permanent change. This plan will ensure that the

organization will be able to conduct its operations in the orderly and efficient manner that has been the basic ingredient for its past success.

General Ledger Closing Procedures

The audit noted that periodic reconciliations and closings of books has not been happening which has resulted in additional hours to reconcile accounts (e.g. pooled cash) and to audit.

We recommend that reconciling and closing procedures include locking the accounting records at quarter-end so that the records remain relevant and reliable.

Notes Receivable and Payable

The audit noted material journal entries to the balances of notes receivable and payable. The accounting for these balances is complex because of the interfund relationships that occur with the balances.

We recommend that management document and define the reoccurring and required entries to record the movement of funds to and from outside sources and between Authority funds.

The Authority's Response to Findings

The Authority's response to the findings identified in our audit is described below. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The Authority acknowledges that there has been a lot of turnover in the Finance Director role and that with such a small staff in order to properly safeguard the Cities assets and have strong internal controls a robust succession plan is needed. We acknowledge and agree with the findings that each year and quarter need to be closed on a timely basis as well as locking the accounting system for past fiscal years. We will need to assess the project size and develop a plan to complete the locking of past fiscal years so that nothing can be posted to the past. The Authority acknowledges the need to document and define reoccurring entries to record the movement of all funds. We will develop a plan throughout the next fiscal year to implement the recommendations.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CROPPER ROWE, LLP
Walnut Creek, California
April 28, 2022