



AGENDA

REGULAR JOINT MEETINGS

* * *

CLAYTON CITY COUNCIL and CLAYTON SUCCESSOR & SUCCESSOR HOUSING AGENCIES

* * *

TUESDAY, December 20, 2022

6:00 P.M.

and

7:00 P.M.

***** NOTICE *****

*Members of 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.*

Mayor: Jeff Wan

Vice Mayor: Jim Diaz

Council Members

Peter Cloven

Holly Tillman

Kim Trupiano

- 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 accommodation 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 – December 20

Tonight's meeting will be available to the public 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_suxMeIgbQNWPGzIqaBNXFw

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_suxMeIgbQNWPGzIqaBNXFw

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 ***
December 20, 2022

6:00 P.M.

1. **CALL TO ORDER AND ROLL CALL** – Mayor Wan.
2. **CLOSED SESSION**
 - A. Public Employee Appointment (Gov. Code 54957)
Title: Interim City Manager
 - B. Conference with Labor Negotiators (Gov. Code 54957.6)
Agency designated representatives: Mayor Wan and Vice Mayor Diaz
Unrepresented Employee: Interim City Manager

- Short Recess -

* * * * *

7:00 P.M.

3. **CALL TO ORDER AND ROLL CALL** – Mayor Wan.
4. **PLEDGE OF ALLEGIANCE** – led by Mayor Wan.
5. **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 December 6, 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) Adoption of a Resolution Approving a Debt Management Policy. (Interim Finance Director) ([View here](#))

- (e) Adopt a Resolution Renewing Signature Authorizations For Investing City Funds In The Local Agency Investment Fund. (Interim Finance Director) ([View here](#))
- (f) City Council Approval of Declaring Certain Police Department Equipment as Surplus. (Police Chief) ([View here](#))
- (g) Adopt a Resolution of the City Council of the City of Clayton Amending a Professional Services Agreement with GovInvest for Interim Finance Director Services and for a Comprehensive Fee Update in the Amount of \$35,875 for a Total Not-To-Exceed Amount of \$65,875. (City Manager) ([View here](#))
- (h) Receive and File the Quarterly Financial Reports on the City's Investment Portfolio for the Periods Ending March 31, 2022, June 30, 2022 and September 30, 2022. (Interim Finance Director) ([View here](#))

6. RECOGNITIONS AND PRESENTATIONS – None.

7. REPORTS

- (a) City Manager/Staff
- (b) City Council - Reports from Council liaisons to Regional Committees, Commissions and Boards.
- (c) County Connection update – Keith Haydon, City Council's designated liaison

8. 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.

9. PUBLIC HEARINGS – None.

10. ACTION ITEMS

- (a) Resolution ##-2022 Amending the Order of Business Taken up by the City Council at City Council Meetings Pursuant to Clayton Municipal Code Section 2.04.070. (City Attorney) ([View here](#))

- (b) Appoint Two Members to the Community Financial Sustainability Committee as Recommended by the City Council's Budget & Audit Subcommittee. (City Manager) ([View here](#))
- (c) Discuss and approve City Council Committees and Assignments for Standing/Ad-Hoc Committees and Liaison Positions. (City Manager) ([View here](#))
- (d) Request by Mayor Wan to Discuss Potential Solar Lease Project and Provide Direction to Staff. (City Manager) ([View here](#))

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

12. **CLOSED SESSION** – None.

13. **ADJOURNMENT**

The next regularly scheduled meeting of the City Council will be January 17, 2023.

#

*** CLAYTON SUCCESSOR and SUCCESSOR HOUSING AGENCIES ***
December 20, 2022

1. CALL TO ORDER AND ROLL CALL – Chairman Wan.

2. CONSENT CALENDAR

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

(a) Approve the minutes of the regular meeting of December 7, 2021. (Secretary)
([View here](#))

(b) Adopt a Resolution to Approve and Adopt the Recognized Obligation Payment Schedule for the Year Ending June 30, 2024 (ROPS 2023-2024), Pursuant to the Dissolution Act. (City Manager) ([View here](#))

3. PUBLIC COMMENT 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 Chair's discretion. 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 when each item is considered by the Board.

4. PUBLIC HEARINGS – None.

5. ACTION ITEMS – None.

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

7. ADJOURNMENT – the next regular Successor Agency meeting will be scheduled as needed.

#

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

TUESDAY, December 6, 2022

1. **CALL TO ORDER THE CITY COUNCIL** – The meeting was called to order at 7:00 p.m. by Mayor Cloven 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. **PLEDGE OF ALLEGIANCE** – led by Mayor Cloven.

3. **CONSENT CALENDAR**

Vice Mayor Tillman noted corrections needed to the Resolution of Consent Calendar Item 3(e).

It was moved by Vice Mayor Tillman, seconded by Councilmember Wolfe, to approve the Consent Calendar items 3(a) – 3(d), 3(f) – 3(h), as submitted and Consent Calendar Item 3(e) as amended. (Passed 5-0).

 - (a) Approved the minutes of the City Council’s regular meeting of November 15, 2022.
 - (b) Approved the Financial Demands and Obligations of the City. (Finance)
 - (c) Adopted Resolution No. 81-2022 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)
 - (d) Approved Cancellation of January 3, 2023 City Council meeting. (City Manager)
 - (e) Adopted Resolution No. 82-2022 Approving the Results of the Canvass of Returns in the November 2022 Clayton General Municipal Election Declaring Two Citizens Elected to the City Council of Clayton, California for Full Four-Year Terms of Office. (City Clerk)
 - (f) Adopted Resolution No. 83-2022 Appointing one (1) Citizen to the Trails and Landscape Committee for term of office commencing December 1, 2022 through December 31, 2024. (City Clerk)
 - (g) Approved by Minute Order the Purchase of Replacement AED Units at a Net Cost of \$11,708 from the Rainy Day Fund. (Chief of Police)

- (h) Adopted Resolution No. 84-2022 of the City Council of the City of Clayton Authorizing the City Manager to Execute Deed Restrictions Applicable to Clayton Community Park and The Grove Park Parcels to Ensure Public Recreational Use of Both Facilities Through June 30, 2048 (Clayton Community Park) and June 30, 2049 (The Grove Park), in Accordance with the California Department of Parks and Recreation's Office of Grants and Local Services' (OGAL) Proposition 68 Grant Programs (CEQA Status: Categorical Exemption, Class 2). (Community Development Director)

4. RECOGNITIONS AND PRESENTATIONS

- (a) Information Only – No Action Requested.
- Human Rights Day – December 10
- (b) Certificates of Recognition to public school students for exemplifying the "Do the Right Thing" character trait of "Respect" during the month of October 2022.
(Mayor Cloven)

Councilmember Wolfe and Mt. Diablo Elementary School Principal Katie Sanchez presented certificates to Jackson Ring and Kyle Hunt.

Councilmember Wolfe and Diablo View Middle School Principal Peter Fong presented certificates to Lexi Gonzalez and Austin Kirkham.

5. REMARKS BY OUTGOING CITY COUNCIL MEMBERS

Councilmember Carl Wolfe thanked the City Manager, City Attorney, Police, Maintenance and Administrative staff for their assistance. He also thanked current and previous Councilmembers and Planning Commissioners. He also congratulated Jeff Wan on his re-election and Kim Trupiano on her election. In closing, he thanked the community for their support.

Mayor Cloven thanked Councilmember Wolfe for his volunteerism to the community and service as a City Councilmember.

Vice Mayor Tillman thanked Councilmember Wolfe for welcoming her to the City Council. She also thanked him for his service as Mayor in 2021.

Alexia Lopez, District Representative, Senator Glazer, presented a Senate Resolution to Councilmember Wolfe and a Certificate of Recognition to Mayor Cloven.

6. OATHS OF OFFICE BY NEWLY ELECTED CITY COUNCIL MEMBERS

Jeff Wan and Kim Trupiano.
(City Clerk)

Mayor Cloven announced a short recess from 7:25 pm to 7:44 pm

7. ANNUAL REORGANIZATION OF CLAYTON CITY COUNCIL

Mayor Cloven opened public comment.

Dane Horton expressed his support in Jeff Wan rotating to the position of Mayor.

Mayor Cloven closed public comment.

- (a) Election of Mayor by the City Council
[Mayor Cloven, to conduct the election]

Mayor Cloven opened the nominations for Mayor. Councilmember Diaz nominated Jeff Wan for the office of Mayor.

Mayor Cloven then nominated Holly Tillman for the office of Mayor.

On call by Mayor Cloven, the election of Jeff Wan as Mayor passed. (Passed 3-1-1 vote; Cloven, No and Tillman, Abstain).

- (b) Election of Vice Mayor by the City Council
[Newly elected Mayor to conduct the election]

Mayor Wan opened nominations for Vice Mayor. Councilmember Trupiano nominated Jim Diaz for the position of Vice Mayor. There were no other nominations and Mayor Wan closed the nominations.

On call by Mayor Wan, the election of Jim Diaz as Vice Mayor passed. (Passed 4-1 vote; Cloven, No).

- (c) Recognitions and remarks by new Mayor and Council Members.

Councilmember Trupiano thanked her family and supporters.

Mayor Wan thanked his family, and candidates Miller and Billeter. Mayor Wan noted his goals during his term will be to address staffing vacancies, budget short-falls, and reducing polarization and heated rhetoric.

8. REPORTS

- (a) City Manager Reina Schwartz congratulated the City Council and noted “No Report”.

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

Councilmember Tillman attended the Clayton Business and Community Association general membership meeting, attended the Elected Women’s Luncheon, volunteered with the Clayton Business and Community Association downtown decorating event, met with the Community Development Director, met with the Ad-Hoc Committee regarding the City Manager firm interviews, attended the Cal Cities Leadership Workshop,

attended the Budget/Audit Committee meeting, met with the City Manager, and met with former Mayor Cloven.

Councilmember Cloven indicated “no report” due to having COVID.

Vice Mayor Diaz attended the Clayton Business and Community Association general membership meeting, volunteered with the Clayton Business and Community Association downtown decorating event, attended the East Bay Regional Communications System Authority (EBRCS) meeting, met with the Police Chief and met with the City Manager.

Councilmember Trupiano attended the Clayton Business and Community Association general membership meeting, attended the elected Women’s Luncheon, volunteered with the Clayton Business and Community Association downtown decorating event, attended the Clayton Business and Community Association tree lighting event, met with City Manager, and attended Karen Mitchoff’s retirement dinner.

Mayor Wan answered many phone calls with constituents.

9. **PUBLIC COMMENT ON NON - AGENDA ITEMS** – None.

10. **PUBLIC HEARINGS** – None.

11. **ACTION ITEMS** – None.

12. **CLOSED SESSION** – None.

13. **COUNCIL ITEMS**

Councilmember Tillman requested a future agenda item regarding City Council policy on rotation of Mayor.

Mayor Wan requested a future agenda item to include Order of Agenda items, and proposal of a Solar Lease arrangement.

14. **ADJOURNMENT**– on call by Mayor Cloven, the City Council adjourned its meeting at 8:06 p.m.

The next regularly scheduled meeting of the City Council will be December 20, 2022.

#

Respectfully submitted,

Janet Calderon, City Clerk

APPROVED BY THE CLAYTON CITY COUNCIL

Jeff Wan, Mayor

#



STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: JENNIFER GIANTVALLEY, ACCOUNTING TECHNICIAN

DATE: 12/20/2022

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
Obligations, Dated 12/20/22	Accounts Payable	\$ 344,632.27
Payroll Reconciliation Summary	Payroll, Taxes	\$ 95,052.71
	Total Required	\$ 439,684.98

Attachments:

1. Obligation report dated 12/20/22 (2 pages)
2. Payroll Reconciliation Summary report PPE 12/11/22 (2 pages)

City of Clayton Obligations for 12/20/2022

Vendor name	Invoice date	Invoice number	Invoice description	Amount	Payment method
American Fidelity Assurance Company	12/15/2022	2151316A	FSA PPE 12/11/22	\$75.00	Bank draft
Authorize.net	12/15/2022	November22	Online bankcard gateway fee November 2022	\$32.70	Bank draft
CalPERS Retirement	12/15/2022	112722	Retirement PPE 11/27/22	\$18,617.13	Bank draft
CalPERS Retirement	12/15/2022	121122	Retirement PPE 12/11/22	\$18,627.39	Bank draft
Mission Square Retirement	12/15/2022	121122	457 Plan contributions PPE 12/11/22	\$1,263.46	Bank draft
Nationwide	12/15/2022	121122	457 Plan contribution PPE 12/11/22	\$500.00	Bank draft
US Bank Cal Card	12/15/2022	Stmt end 11/22/22	Cal Card Statement end 11/22/22	\$7,791.97	Bank draft
Advanced Elevator Solutions, Inc	12/15/2022	50467	Elevator Service November 2022	\$128.00	Check
Apex Technology Management	12/15/2022	APXQ29745	IT Security, Communication, & Infrastructure Svcs	\$9,701.64	Check
Axon Enterprise, Inc	12/15/2022	INUS119918	Basic to Pro Conversion	\$408.00	Check
Best Best & Kreiger LLP	12/15/2022	952157-952159	Legal svcs November 2022	\$13,180.00	Check
Cintas Corporation	12/15/2022	5135751611, etc	Restock first aid, PW uniforms 11/25-12/8/22	\$280.24	Check
City of Concord	12/15/2022	95564	Dispatch Svcs January 2023	\$26,921.86	Check
CLEARs, Inc.	12/15/2022	2023	Member dues 2023	\$50.00	Check
Comcast Business	12/15/2022	120522	Internet 12/10/22-1/9/23	\$232.52	Check
Comcast Business (PD)	12/15/2022	159831187	PD Internet November 2022	\$960.74	Check
CR Fireline, Inc	12/15/2022	122723	EH fire sprinkler inspection	\$975.00	Check
CR Fireline, Inc	12/15/2022	122724	Library fire sprinkler inspection	\$975.00	Check
CR Fireline, Inc	12/15/2022	122727	CH fire sprinkler inspection	\$1,275.00	Check
Critical Reach, Inc	12/15/2022	2466	APBnet Annual Support Fee 2023	\$235.00	Check
Dillon Electric Inc	12/15/2022	4779	Assemble, install 2 light poles	\$2,733.60	Check
Geoconsultants, Inc.	12/15/2022	19411	Well monitoring November 2022	\$1,546.50	Check
Gilbert Palomino	12/15/2022	CAP0425	Deposit refund	\$3,024.00	Check
Hammons Supply Company	12/15/2022	121482	Janitorial supplies November 2022	\$62.64	Check
Health Care Dental Trust	12/15/2022	323317	Dental December 2022	\$1,611.67	Check
Hinderliter de Llamas & Associates	12/15/2022	SIN023383	Sales Tax Q2 FY23	\$1,077.39	Check
JAM Services	12/15/2022	163642	Streetlight poles (4)	\$4,241.25	Check
JJR Enterprises for Caltronics Business Systems	12/15/2022	3561844	Copier usage 7/18/22-8/17/22	\$99.48	Check
JJR Enterprises for Caltronics Business Systems	12/15/2022	3632237	Copier usage 10/18/22-11/17/22	\$79.94	Check
Landscape Care Company	12/15/2022	28610	Diablo Estates Landscaping	\$6,580.00	Check
Landscape Care Company	12/15/2022	28611	Diablo Estates Irrigation repair	\$232.40	Check
Landscape Care Company	12/15/2022	28616	Diablo Estates Irrigation repair	\$330.50	Check
LarryLogic Productions	12/15/2022	2060	Planning Commision Meeting Production 11/22/22	\$320.00	Check
LarryLogic Productions	12/15/2022	2063	CC meeting/Budget Committee mtg production 11/28/22, 12/6/22	\$1,080.00	Check
Matthew Polewaczyk	12/15/2022	Interview/Interrogat	Mileage reimbursement for training	\$26.63	Check
Matthew Polewaczyk	12/15/2022	Radar/Lidar	Mileage reimbursement for training	\$26.00	Check
Moore Iacofano Golstman, Inc	12/15/2022	78449	Housing Element svcs November 2022	\$22,790.00	Check
MPA	12/15/2022	918-30186	Life/LTD December 2022	\$1,497.11	Check
MSR Mechanical, LLC	12/15/2022	SVC005920,6255,6273.	CH, EH, Library HVAC services	\$18,473.77	Check
Occupational Health Centers of California	12/15/2022	77486423	PD Pre-employment exam	\$141.00	Check
Pacific Telemanagement Svc	12/15/2022	2097171	Courtyard pay phone December 2022	\$70.00	Check
PG&E	12/15/2022	7293447797-6	Energy 7/19/22-11/15/22	\$117,814.65	Check
Pond M Solutions	12/15/2022	7281	Fountain maintenance October 2022	\$650.00	Check
Pond M Solutions	12/15/2022	7316	Fountain maintenance November 2022	\$650.00	Check
Precision Civil Engineering (PCE)	12/15/2022	27481	21-359 Pre-approved ADU Plans	\$2,523.75	Check

City of Clayton Obligations for 12/20/2022

Rex Lock & Safe, Inc.	12/15/2022	134391	Keys	\$90.00	Check
Rural Pig Management, Inc	12/15/2022	CC120122	Pig control December 2022	\$3,000.00	Check
SCA of CA, LLC	12/15/2022	104558CS	Street sweeping November 2022	\$4,500.00	Check
SEFNCO	12/15/2022	CAP0476	Overpayment for project work	\$2,694.00	Check
Site One Landscape Supply, LLC	12/15/2022	124986061-001	Sand	\$937.67	Check
Site One Landscape Supply, LLC	12/15/2022	125401088-001	Irrigation parts	\$113.99	Check
Site One Landscape Supply, LLC	12/15/2022	125401088-002	Irrigation parts	\$90.96	Check
Staples Business Credit	12/15/2022	1645588449	Office supplies	\$278.82	Check
State Water Resources Control Board	12/15/2022	SW-0241837	SWRCB annual permit fee FY 2023	\$10,602.00	Check
Swenson's Mobile Fleet Repair	12/15/2022	5262-4,5677-80,5729	PW vehicle svcs, destination fee	\$3,724.64	Check
T J Communications	12/15/2022	1528	Hoyer Hall IT installation	\$3,417.07	Check
US Bank Trust National Assoc	12/15/2022	2158525	Successor Agency Interest Payment	\$8,855.00	Check
Verizon Wireless	12/15/2022	9921866541	PW cell phones 11/2/22-12/1/22	\$200.40	Check
Voler Strategic Advisors, Inc	12/15/2022	1714	Strategic Communications support November 2022	\$5,000.00	Check
Voler Strategic Advisors, Inc	12/15/2022	1715	Strategic Communications support December 2022	\$5,000.00	Check
Western Exterminator	12/15/2022	171894C	Pest control December 2022	\$512.45	Check
Workers.com	12/15/2022	135041	Seasonal workers week end 11/27/22	\$2,804.44	Check
Workers.com	12/15/2022	135089	Seasonal workers week end 12/4/22	\$2,897.90	Check
				\$344,632.27	

Payroll Summary

City of Clayton

Check Date: 12/16/2022

Process: 2022121601

Pay Period: 11/28/2022 to 12/11/2022

Page 1 of 2

Payroll Totals

Payroll Checks	Check Type	Count	Net Check	Dir Dep Amount	Net Amount	
	Regular	35	0.00	72,132.61	72,132.61	
	Regular	1	110.82	0.00	110.82	
Totals		36	110.82	72,132.61	72,243.43	→ 72,243.43

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				110.82	73,154.26	73,265.08	→ 73,265.08
------------------------------------	--	--	--	---------------	------------------	------------------	--------------------

Tax Liability

CA and Related Taxes	Tax Id	Rate	Frequency	Wage	Cap Wages	EE Amount	ER Amount	
CA SDI - Employee	EXEMPT		Semi-Weekly	102,892.64	93,983.01			
California SITW			Semi-Weekly	101,379.18	101,379.18	4,977.01		
Totals						4,977.01	0.00	→ 4,977.01

CASUI and Related Taxes	Tax Id	Rate	Frequency	Wage	Cap Wages	EE Amount	ER Amount	
CA Edu & Training		0.001000	Quarterly	102,892.64	4,356.87		4.36	
California SUI		0.020000	Quarterly	102,892.64	4,356.87		87.14	
Totals						0.00	91.50	→ 91.50

FITW and Related Taxes	Tax Id	Rate	Frequency	Wage	Cap Wages	EE Amount	ER Amount	
EE Medicare High Income			Semi-Weekly	8,909.63	8,909.63	80.19		
Federal Income Tax			Semi-Weekly	101,379.18	101,379.18	13,048.43		
Medicare			Semi-Weekly	102,892.64	102,892.64	1,492.00		
Medicare - Employer			Semi-Weekly	102,892.64	102,892.64		1,491.94	
OASDI			Semi-Weekly	4,891.60	4,891.60	303.28		
OASDI - Employer			Semi-Weekly	4,891.60	4,891.60		303.28	
Totals						14,923.90	1,795.22	→ 16,719.12

Total Tax Liability						19,900.91	1,886.72	→ 21,787.63
----------------------------	--	--	--	--	--	------------------	-----------------	--------------------

Total Payroll Liability						95,052.71	→ 95,052.71
--------------------------------	--	--	--	--	--	------------------	--------------------

Transfers

Type	Date	Source Account	Amount
Dir Dep	12/15/2022	09825 04799*	72,132.61



Paylocity Corporation
(888) 873-8205

User: JGiantvalley

Run on 12/12/2022 at 6:21 PM

Payroll Summary

City of Clayton

Check Date: 12/16/2022

Process: 2022121601

Pay Period: 11/28/2022 to 12/11/2022

Page 2 of 2

Tax	12/15/2022	21,787.63	
Trust	12/15/2022	110.82	
Trust Agency	12/15/2022	1,021.65	
Totals Transfers		95,052.71	→ 95,052.71

Tax Deposits

Required Tax Deposits	Tax	Due On	Amount
(Deposit made by Service Bureau)	California SITW	12/21/2022	4,977.01
(Deposit made by Service Bureau)	Federal Income Tax	12/21/2022	16,719.12
(Deposit made by Service Bureau)	California SUI	1/31/2023	91.50
	Total Tax Deposits		21,787.63



Paylocity Corporation
(888) 873-8205

User: JGiantvalley

Run on 12/12/2022 at 6:21 PM



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER

DATE: December 20, 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, April 15, 2022, June 14, 2022, July 5, 2022, August 9, 2022, September 1, 2022, October 4, 2022, and December 7, 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 for COVID/public-health related reasons, 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.

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

Recommendations for Safely Holding Public Meetings (issued 12/07/2022 by Contra Costa County Health Officer)

RESOLUTION NO. ##-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 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, April 15, 2022, June 14, 2022, July 5, 2022, August 9, 2022, September 1, 2022, October 4, 2022, and December 7, 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 6th day of December 2022, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

**THE CITY COUNCIL OF CLAYTON,
CA**

Jeff Wan, Mayor

ATTEST:

Janet Calderon, City Clerk



Recommendations for safely holding public meetings

Each local government agency is authorized to determine whether to hold public meetings in person, on-line (teleconferencing only), or via a combination of methods. The following are recommendations from the Contra Costa County Health Officer to minimize the risk of COVID 19 transmission during a public meeting.

1. Online meetings (i.e. teleconferencing meetings) are encouraged, where practical, as these meetings present the lowest risk of transmission of SARS CoV-2, the virus that causes COVID 19. This is particularly important when community prevalence rates are high. Our current trends as of December 7, 2022 in Covid-19 case rate, test positivity, Covid-19 hospitalizations, and Covid-19 wastewater surveillance are increasing. In addition to this, the predominant variant of Covid-19 being identified continues to be the Omicron variant and it's subvariants the impact of which on the spread of Covid-19 has shown to dramatically increase COVID-19 transmission.
2. If a local agency determines to hold in-person meetings, offering the public the opportunity to attend via a call-in option or an internet-based service option is recommended, when possible, to give those at higher risk of and/or higher concern about COVID-19 an alternative to participating in person.
3. A written safety protocol should be developed and followed. It is recommended that the protocol require social distancing, where feasible – i.e. six feet of separation between attendees; and consider requiring or strongly encouraging face masking of all attendees and encouraging attendees to be up-to-date on their COVID-19 vaccine.
4. Seating arrangements should allow for staff and members of the public to easily maintain at least six-foot distance from one another at all practicable times.
5. Consider holding public meetings outdoors. Increasing scientific consensus is that outdoor airflow reduces the risk of COVID-19 transmission compared to indoor spaces. Hosting events outdoors also may make it easier to space staff and members of the public at least 6 feet apart. If unable to host outdoors, consider ways to [increase ventilation and flow](#) of the indoor space to reduce the risk of COVID-19 while indoors.
6. Current evidence is unclear as to the added benefit of temperature checks in addition to symptom checks. We encourage focus on symptom checks as they may screen out individuals with other Covid-19 symptoms besides fever and help reinforce the message to not go out in public if you are not feeling well.
7. Consider a voluntary attendance sheet with names and contact information to assist in contact tracing of any cases linked to a public meeting.

Revised 12-7-2022

Sefanit Mekuria

Sefanit Mekuria, MD, MPH
Deputy Health Officer, Contra Costa County





AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Nitish Sharma, Finance Director (Interim)

DATE: December 20, 2022

SUBJECT: Adoption of a Resolution Approving a Debt Management Policy

RECOMMENDATION

It is respectfully recommended that the City Council adopt a Resolution approving a City of Clayton Debt Management Policy in order to comply with the requirements of Senate Bill 1029 (SB 1029).

BACKGROUND

The City of Clayton (City) currently has publicly issued debt (non-General Fund) and has followed debt covenants, as well as procedures for post-debt issuance compliance. In the past, maintaining and abiding by these policies were “best practices” for debt issuers, but are now mandated for local agencies that wish to issue debt under recent changes to the State of California Government Code (SB 1029). The new requirements apply to any debt issued by local agencies in the State following the effective date of January 1, 2017. While the City has not issued debt during that time, nor are there any current plans to issue debt, it is a best practice for the City to have a debt management policy related to existing debt and to be prepared in case there is a point at which the City wishes to enter into new debt. Attachment 1 describes the State California Debt and Investment Advisory Commission’s (CDIAC) guidance to issuers of public debt on how to comply with SB 1029.

Pursuant to SB 1029, which was codified at Government Code Section 8855(i), each local agency desiring to issue debt must certify that it has adopted a compliant debt management policy. To be compliant, a debt management policy must include the following:

1. The purposes for which the debt proceeds may be used;
2. The types of debt that may be issued;

3. The relationship of the debt to, and integration with, the issuer's capital improvement program or budget;
4. Policy goals related to the issuer's planning goals and objectives; and
5. The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

DISCUSSION

Attachment 2, the proposed City of Clayton Debt Management Policy, would establish a debt management policy and ensure compliance with SB 1029 requirements by the City, as well as the Clayton Local Successor Agency and the Clayton Public Facilities Financing Authority (CFA). The establishment of a single debt policy document will facilitate review by those requiring submittal of, or access to, the document. A single comprehensive debt policy will facilitate review by entities such as CDIAC, credit rating agencies, bond counsel and disclosure counsel, investors in the City's debt, and the general public. The creation of a single document will also increase government transparency by making it easier to access relevant information on how public debt is managed.

Attachment 2a to the Proposed Debt Management Policy addresses the procedural requirements for any interfund loans if they were to be authorized by the City Council. Interfund loans can only be authorized by City Council action.

In preparing the City's debt policy, the City has used a template created by the Government Finance Officers Association (GFOA), a professional organization that provides a spectrum of "best practices" guidance to government finance professionals.

FISCAL IMPACTS

There is no financial impact on this item. The approval of this staff report and attachments will ensure the City is in compliance with the regulatory agencies.

ATTACHMENTS

1. Resolution: Approving the Debt Management Policy
2. Debt Management Policy
- 2a. Internal Loan Policy and Procedures (amendment to the Debt Management Policy)
3. CDIAC Guidance on SB 1029
4. GFOA Best Practices

**CITY OF CLAYTON RESOLUTION ##-2022
CITY OF CLAYTON SUCCESSOR AGENCY RESOLUTION SA##-2022
CITY OF CLAYTON PUBLIC FACILITIES FINANCING AUTHORITY RESOLUTION
FA##-2022**

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CLAYTON, THE CLAYTON SUCCESSOR AGENCY AND THE CITY OF
CLAYTON PUBLIC FACILITIES FINANCING AUTHORITY APPROVING THE
ADOPTION OF A DEBT MANAGEMENT POLICY**

WHEREAS, Senate Bill 1029 (SB 1029), which became effective on January 1, 2017, amended California Government Code 8855 to add certain requirements related to the issuance and administration of debt by local agencies such as the City of Clayton (the “City”), the Clayton Redevelopment Successor Agency (the “Successor Agency”) and the City of Clayton Public Facilities Financing Authority (the “Authority”), including the requirement to adopt a debt policy meeting the requirements of California Government Code 8855 prior to issuing any debt; and

WHEREAS, the City, the Successor Agency and the Authority wish at this time to approve a debt policy that is compliant with California Government Code 8855 to govern future issuances of debt by the City, the Successor Agency and the Authority, respectively; and

NOW, THEREFORE, the City Council of the City, the Clayton Redevelopment Successor Agency, and the Board of Directors of the City of Clayton Public Facilities Financing Authority resolve as follows:

1. Approval of Debt Management Policy. The City Council, the Successor Agency Board of Directors and the Board of Directors of the Public Facilities Financing Authority hereby jointly approve and adopt the Debt Management Policy in the form presented to the meeting at which this Resolution is adopted. The Debt Management Policy shall govern the issuance and administration of debt issued by the City, the Successor Agency, and the Authority, all in accordance with, and subject to, the conditions set forth in such policy.

2. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED and ADOPTED this 20th day of December 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Jeff Wan,
Mayor/
Successor Agency Chair/
Authority Chair

Attest:

Janet Calderon
City Clerk/
Successor Agency Secretary/
Authority Secretary



City of Clayton

Debt Management Policy

December, 2022

TABLE OF CONTENTS

I.	Policy	1
II.	Purpose and Scope	1
III.	Application.....	1
	A. Definitions	1
	B. Objectives	1
	C. Types of Indebtedness.....	2
	D. Debt Management Responsibility.....	3
	E. Uses and Limits of Indebtedness.....	3
	F. Method of Sale	4
	G. Interfund Loans	5
	H. Financing Professionals	6
	I. Structuring Debt Finance	7
	J. Refunding Bonds.....	9
	K. Debt Administration.....	9
	L. Relationship of Debt to Capital Improvement Program and Budget.....	10
IV.	References	11

I. POLICY

The City of Clayton ("City") debt management policy governs the issuance and management of all debt and lease financing activity by the City.

II. PURPOSE AND SCOPE

The purpose of the policy is to promote sound and uniform practices for issuing and managing bonds and other forms of indebtedness, to provide information and guidance to decision makers regarding the appropriate types and uses of debt and other repayment obligations of the City, and to comply with Government Code section 8855(i), which became effective January 1, 2017.

This policy applies to all City elected officials, executives, employees, interns, volunteers, contractors, vendors, suppliers, members of the public, and other persons who participate in City programs and services.

III. APPLICATION

A. Definitions:

- a. While an effort has been made to define terms when used, municipal debt uses a specialized vocabulary. A Glossary of Municipal Securities Terms can be found on the website of the regulatory agency the Municipal Securities Rulemaking Board, at <http://www.msrb.org/Glossary>.

B. Objectives:

- a. To help maintain the financial stability of the City by encouraging sound decision-making so that its long-term financial commitments are affordable and do not create undue risk or burden.
- b. To protect the City's credit rating and minimize the City's borrowing costs.
- c. To meet the requirements of state and federal law and regulation, including federal requirements regarding disclosure and administration of tax-exempt indebtedness.
- d. To incorporate best practices into the City's issuance and administration of its indebtedness.
- e. To ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable.

C. Types of Indebtedness.

The following are types of debt the City may issue or incur.

- a. Voter-approved indebtedness: The City can issue general obligation bonds with approval of 2/3 of those voting at an election. Such bonds would be repaid out of a supplemental property tax, levied based on the value of property. The amount of general obligation bonds the City can issue is limited by State law. General obligation bonds would be an appropriate method of financing capital improvements of City-wide benefit. The City could also seek 2/3 approval of a parcel or other special taxes (levied on a basis other than assessed valuation) structured to secure bonds. Most commonly, community facilities districts are formed, and bonds secured by the levy of special taxes within such districts, which are issued under the Mello- Roos Community Facilities Act, discussed below.
- b. General Fund lease obligations: Long-term obligations secured by lease payments from a City's general fund do not require voter-approval under California law (the State Constitutional Debt Limit). Lease obligations can take the form of publicly offered lease revenue bonds issued by the City/Authority or certificates of participation or may take the form of financing leases that are privately placed with a bank. There is no legal limitation on the amount of such obligations a City can incur, although there are practical budget limitations of debt affordability. In addition, the structure of the obligation is subject to various conditions articulated in the case law that established this exception to voter approval.
- c. Cashflow borrowings: The City can issue tax and revenue anticipation notes that are repaid out of current year revenues to smooth any temporary cash shortages.
- d. Assessment and Mello-Roos community facilities district special tax bonds: The City can form assessment districts with a weighted majority property-owner approval of the levy of assessments within such districts, to finance projects that provide special benefit to the properties within such districts. Similarly, property- owners of undeveloped land can approve Mello-Roos special taxes to finance public improvements; if there are at least 12 registered voters within the boundary of a Mello-Roos community facilities district, the vote is by the registered voters. Mello-Roos community facilities districts can be formed on property that has more than 12 registered voters based on a registered voter election. Both techniques are generally referred to as land-secured debt.

D. Debt Management Responsibility

- a. The Finance Director (FD) is the City official responsible for the following:
 1. Debt issuance and management, recognizing that assigned staff may be assigned the day-to-day responsibilities.
 2. Working with the City Manager, City Attorney and other staff deemed appropriate in formulating the City's debt management plans, seeking City Council approval to execute such plans, and ensuring the appropriate debt management.
 3. Keeping the City Council informed of City's debt-related activities through informational reports, briefings, or workshops.

E. Uses and Limits on Indebtedness

1. Debt provides a tool for financing capital projects that are too large to accommodate as part of the annual budget, to share the cost of major improvements between current and future taxpayers or ratepayers and/or to accelerate the delivery of a project when compared to funding on a pay-as-you-go basis. On the other hand, debt service represents a fixed cost that will compete with other expenditures in the City's budget and cannot be deferred in any given year. In order to achieve the proper balance in its use of debt, the City will follow the following policy goals:
 1. Except to alleviate cash-flow timing issues within a fiscal year, the City will not use debt to finance operating expenses. The City may consider use of debt in the event of an extraordinary expense, such as the financing of a major judgment.
 2. The City will plan for capital improvements and maintenance as part of its budgeting process, seeking to set funds aside in advance of need so that most capital projects can be financed on a "pay-as-you-go" basis. Debt financing will be reserved for extraordinary capital expenditures.
 3. The City believes that prudent amounts of debt can be an equitable and cost-effective means of financing major infrastructure and capital project needs. The City will evaluate the benefit and risks of each proposed issuance of new debt on a case-by-case basis, considering such factors as the City's overall fiscal health, the potential impact of increased debt service on then current service

levels and other long-term considerations such as funding requirements for pensions and other post-employment retirement benefits. In general, debt may be considered to finance such projects if it meets one or more of the following minimum criteria:

- i. It meets the City's goal of distributing the payments for the asset over its useful life so that benefits more closely match costs for both current and future residents.
 - ii. The need for the project is compelling in terms of on-going cost savings or the need for public safety or services, and the size of the project makes funding out of existing resources or near-term revenues is impractical.
- 4. At such time that lease revenue bonds or other obligations that will be repaid from the General Fund are considered, the City should evaluate the affordability of the debt, specifically considering the amount of annual debt service as a percentage of General Fund appropriations and consider adopting limits on the amount of such debt. This policy defers the setting of affordability targets until the practical need arises, rather than recommending establishing such limits in a vacuum.
- 5. Debt that is backed by the General Fund (but expected to be paid out of other revenues) may be deducted from this calculation, provided that the City expects that the available revenues will be at least sufficient to cover debt service for the remaining life of the obligations.

F. Method of Sale

- a. Bonds and other obligations can be sold at a public offering through either a competitive or negotiated sale.
- b. Under a competitive sale, the terms of the bonds are determined by the City, with the assistance of its municipal advisor and bond counsel, and the sale is awarded to the underwriter judged to have submitted the lowest true interest cost, which takes into account interest rates and any discounts or premiums, including the underwriters' spread (their compensation). Under a negotiated sale, the City selects its underwriter in advance, based on proposals received or by other means. The City, its bond counsel, and municipal advisor works with the underwriter in structuring,

marketing and finally offering an issue to investors.

- c. An alternative method of obtaining financing is through a private placement with a bank or other private lender. The City will consider privately placing its debt for small and/or short-term borrowings or in instances where difficult credit or disclosure considerations or other special circumstances so warrant or where a private placement presents better terms than a public bond sale.
- d. In addition, the City can sometimes obtain loans from State or federal agencies for specific purposes such as energy conservation purposes, often at lower interest rates than can be obtained through either the public bond market or from private lenders. When considering such loans, the City will consider the all-in cost of the loan, the other terms of the loan, and the compatibility of the loan with any outstanding City debt obligations.

G. Interfund Loans

- a. In lieu of issuing bonds or otherwise borrowing from third parties, there may be situations where the most appropriate means for the City to borrow money will be through a loan from a well-capitalized City fund. Such Interfund Loans can be seen as an alternative investment of temporarily surplus City funds, which normally would be invested at a short-term rate as part of the City's pooled investment program.
- b. In approving any new Interfund Loan, the City Council will adopt a resolution that sets forth the terms of the loan, which will include the following:
 - 1. The terms of the loan, including the interest rate and payment terms, the term and any other conditions that may be required to describe the loan or meet legal requirements.
 - 2. The terms under which the loan will be repaid such as frequency of payment (monthly, semiannually, annually), interest calculation method (360/365, monthly, annually), date of repayment (first of the month, last day of the month, etc.), prepayment penalty, prepayment/early repayment/accelerated payment options and other payment terms.
 - 3. Periodic payment amount.
 - 4. The maturity date of the loan.

5. If there is a possibility that the loan will be repaid from the proceeds of tax-exempt bonds, a statement of such expectations so as to satisfy the federal tax law requirements for reimbursement bonds.

H. Financing Professionals

- a. The Finance Director (FD) will be responsible for recommending the various professionals required for a financing, based on prior experience, recommendations, or a request for proposal process, as he or she deems appropriate.
 1. Bond and Disclosure Counsel: Bond counsel prepares the various legal documents for a transaction and renders a variety of opinions, including an opinion regarding the tax-exemption of bonds. For all public sales of debt, the City will retain the services of disclosure counsel to prepare the official statement. The FD will also determine whether to select another law firm to provide the services of disclosure counsel or to assign such duties to bond counsel.
 2. Municipal Advisor: A municipal financial advisor assists in evaluating financing options, structuring of debt offerings, making recommendations as to the method of sale, conducting competitive bond sales, and assisting with bringing negotiated bond sales to market, including making recommendations to the City on proposed interest rates, prices and yields in light of market conditions and the characteristics of the bonds. The City will utilize a registered municipal advisor for its public debt offerings (i.e., bond sales).
 3. Underwriter: If the City elects to sell its debt through a competitive sale, the underwriter will be selected based on the best bid. When the City issues its debt through a negotiated sale, it will select one or more underwriters. The City may establish a pool of underwriters upon which it may draw and make assignments from that pool as the FD believes is appropriate.
 4. Other: Other financial professionals or firms may be required and/or advantageous depending on the particular bond issued. For example, a verification agent is typically necessary for refundings, while Mello-Roos financings commonly make use of special tax consultants, market absorption consultants and appraisers. The FD will be

responsible for selecting such firms as he or she deems appropriate and based on the advice of the other financial professionals assigned to the transaction.

I. Structuring Debt Financing

- a. **Term and Structure:** Long-term debt financing of capital projects will be amortized over a period no longer than the useful life of the assets being financed and should generally not exceed thirty years from the date of issuance. Debt service will generally be structured to be level over the length of the bonds. Alternate debt structures may be used to wrap new debt around existing debt to create overall level debt service or to achieve other financial planning goals appropriate to the specific project. The dates for which debt service is scheduled (typically semi- annually) will take into account the cashflows of the revenues that will service such debt.
- b. **Debt Service Reserve Fund:** To the extent required by the market, e.g., for assessment bonds or community facilities special tax bonds, or otherwise beneficial in lowering the City's net cost of funds, the City may fund a debt service reserve fund out of bond proceeds no greater than the amount allowed under federal tax law.
- c. **Capitalized Interest:** Funding interest payments out of bond proceeds during construction is required for a lease revenue obligation where the leased asset is the project being financed. The City will consider leasing an existing municipal asset (an "asset transfer") in order to reduce or eliminate the need to capitalize interest. In other occasions, the City will consider capitalizing interest when it is appropriate to begin the payment of debt service after project completion or otherwise align net debt service payments with the source of funds paying the debt.
- d. **Variable Rate Debt:** To maintain a predictable debt service burden, the City will give preference to debt that carries a fixed interest rate. It may be appropriate to issue variable rate debt to diversify the City's debt portfolio, provide greater prepayment flexibility or improve the match of variable-rate assets (investments in the City's treasury) to liabilities. The City's cost for administering variable rate debt, including the renewal or replacement of bank facilities, should be considered when comparing fixed and variable rate debt. Prior to issuing variable rate bonds, the City may amend or supplement this policy to further address variable rate considerations. Any staff report

recommending variable rate debt will clearly lay out the basis for this particular recommendation.

- e. Disclosure: For all public sales of debt, the City will retain the services of disclosure counsel (who may also serve as bond counsel) to prepare the Official Statement to be used in connection with the offering and sale of debt. The FD and other appropriate staff will be asked to review this document to ensure that it is accurate and does not fail to include information that such staff and officials think might be material to an investor. The City will make every effort to ensure the fullest disclosure possible in the City's disclosure documents, including, as appropriate, seeking staff training in disclosure matters. A Preliminary Official Statement will be released to the market only after the completion of the "due diligence" meetings with appropriate staff and approval in form by the City Council. Use of disclosure counsel may also be appropriate in private placements in some circumstances.
- f. Credit Ratings: The FD, in consultation with the municipal advisor and other members of the financing team, will evaluate and make recommendations regarding the number of credit ratings to seek on any given bond issue. The City will work to maintain its current credit ratings and to increase ratings when the opportunity to do so exists; the FD will periodically communicate with the agencies rating the City's debt so that they will remain well-informed.
- g. Credit Enhancement: The City will consider the use of credit enhancements such as bond insurance on a case-by-case basis. The cost-benefit of insurance will be evaluated through the final maturity and through the first optional call date, recognizing that municipal bonds are commonly refunded prior to maturity. The City will consider the use of a surety policy in lieu of a cash-funded reserve, but in doing so will consider estimated earnings on a cash-funded reserve and the cost of replacing that surety at the time of a potential refunding, if applicable.
- h. Derivatives: The City may use derivative-like investment products to invest bond funds, but only upon staff's analysis of the investment as part of the staff report transmitting the financing and specific approval as part of the City Council action.

J. Refunding Bonds

- a. In order to provide for the potential for refunding its bonds in the future, and absent compelling reasons to the contrary, the City will

structure its bond issues with an optional call no longer than 36 months from the date of issuance. Such compelling reasons to deviate from this policy would be a taxable bond issue, where the additional interest cost required for an optional call may outweigh the likely benefits or a bond issue that would mature only a few years after the optional call date, making a refunding impractical. When structuring its bond issues, the City will take into account the coupon structure of its debt (i.e., discount bonds or premium bonds that mature after the call date) and its impact on its option to execute a refunding for savings in the future.

b. The City will periodically review its outstanding debt portfolio to identify opportunities to achieve net economic benefits from refunding its bonds. Recognizing that the City's ability to refund its debt is limited because of the market practice of making most fixed-rate bond issues non-callable for their first eight to ten years, and the elimination of the ability to refund federally tax-exempt bonds on a federally tax-exempt basis substantially before the call date (an "advance refunding," which was eliminated by the 2017 Tax Act), the City will seek to deploy its refunding options prudently. At a minimum, the City will seek to achieve net present value ("NPV") savings equal to at least three percent (3%) of the par amount of the bonds that are refunded. A higher threshold may be warranted if the City doesn't receive 100% of the savings benefit (such as when refunding tax allocation bonds) and/or if it must incur significant non-contingent costs relative to the potential savings.

c. When it is practical to consider a partial refunding, the analysis will be performed on a maturity-by-maturity basis. Other factors that may be considered are the length of the period before the call date (the longer the period the higher the savings target should be), the length of time after the call date (savings are more difficult to realize for a short maturity, and thus the target could be lower), and any other factors that assist in considering the value of a call option.

d. The City may also consider a refunding for a non-economic purpose, including the retirement of an indenture for more desirable covenants, a change in tax status, or to change the type of debt instrument.

K. Debt Administration

a. The FD and their staff shall be responsible for ensuring that the City's debt is administered in accordance with its terms, federal and State law and regulations, and best industry practices.

1. Tax-Exemption: Tax-exempt bond issues are subject to various IRS rules and regulations regarding the use of bond proceeds.

The City will make sure that the use of facilities financed with tax-exempt bonds are not used for ineligible private activities and will consult with bond counsel whenever it identifies a change in use, enters into a long-term contract involving the project, or otherwise undertakes an action that could change the tax-exempt status of its bonds. The City shall periodically review and will comply with the specific post issuance compliance procedures identified in the tax documents for its tax-exempt financings. The City will retain an arbitrage rebate consultant to assist in calculating any earnings on bond proceeds in excess of the rate on its bonds, and to calculate whether arbitrage should be rebated to the Federal Government.

2. Continuing Disclosure: Under federal law, the City must commit to providing continuing disclosure to investors in any of its debt that is sold to underwriters to be offered to the public. All existing and future City debt should be compliant with the requirements of the Continuing Disclosure Certificates executed at the time of issuance, including the annual filing with the Municipal Securities Rulemaking Board ("MSRB") Electronic Municipal Market Access ("EMMA") website of the City's Comprehensive Annual Financial Report and any other required operating and financial data; and the filing of notices of any enumerated events set out in the Continuing Disclosure Certificates. All such filings will be made within the time requirements set forth in the Continuing Disclosure Certificates. The City may retain a consultant to assist in preparing and filing required reports and notices.

3. Investment of Bond Proceeds: Investments of bond proceeds shall generally be consistent with the City's Investment Policy as modified from time to time, and with the requirements contained in the governing bond documents.

4. State Reporting Requirements: The City will file any reports required by State law, including the Annual Debt Transparency Report to the California Debt and Investment Advisory Commission required of all debt issued after January 1, 2017, pursuant to Government Code section 8855(k) and Mello- Roos special tax bonds reporting required by Government Code section 53359.5(b).

L. Relationship of Debt to Capital Improvement Program and Budget

- a. The City is committed to long-term capital planning and devotes a significant amount of resources towards capital improvement projects. The City may issue debt for the purposes stated in this policy and to implement policy decisions incorporated in the City's capital improvement program. The City shall integrate its debt issuances with the goals of its capital improvement program by considering when projects are needed in furtherance of the City's

public purposes in determining the timing of debt issuance.

- b. The City shall seek to avoid the use of debt to fund recurring infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

Internal Control Procedures

- a. The FD or designee will monitor the expenditure of bond proceeds to ensure they were used for the purpose and authority for which the bonds were issued.
- b. When reasonable, proceeds of debt will be held by a third-party trustee or fiscal agent and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of the FD. In those cases where the proceeds of debt are not held by a third-party trustee or fiscal agent, the FD shall be responsible for approving expenditures in the same manner as the approval for the expenditures for City revenues.

This Policy is intended to guide and regulate the City's issuance of debt. This policy should be reviewed and updated periodically to reflect changes in the market, the identification of other best practices, and to incorporate the City's own experience or changing circumstances.

While adherence to this policy is generally required, it is recognized that changes in the capital markets, the City's needs, and other unforeseen circumstances may from time-to-time produce situations that are not covered by the policy or will require modifications or exceptions to best achieve policy goals. Any deviations from this policy that is recommended by staff should be highlighted in the staff report transmitting the resolution for approval of the financing and such resolution, as approved by the City Council, shall supersede anything in this policy to the contrary.

IV. REFERENCES

California Government Code Section

8855(i) 2135.19 California Government

Code Section 8855(k) 2135.20

California Government

INTERFUND LOAN PROCEDURES

Background

Periodically, the City authorizes and makes internal loans between funds. This document describes the process for making, documenting and following up on these loans.

Basic Principles

- An interfund loan and its terms can only be established by City Council.
- Two types of interfund loans are defined. A “budget” loan and a “formal” loan.
- A fund that has a short-term cash shortfall that is covered by another fund does not require Council action and is not considered to have an interfund loan. This cash shortfall will be reported as a due to and due from only for year-end reporting purposes.
- A budget loan cannot involve any enterprise fund. Loans involving enterprise funds must always be formal loans in order to ensure preservation of the enterprise nature of the fund.
- A formal loan is recorded as a loan in the financial records of the City and is expected to be repaid according to specified terms. A budget loan is only identified as a loan in the budget document, often with unspecified terms. A budget loan may or may not have high expectations of repayment.
- As part of the documentation requirement for a formal loan, information would be included showing the receiving fund has the ability to repay the loan. Periodic reviews may also be done during the term of the loan to determine continued ability to repay the loan.
- A budget loan is always recorded in the financial records of the City as a fund transfer out (expenditure) of the paying fund and a fund transfer in (revenue) of the receiving fund, since the repayment plan is uncertain or not formally documented.
- The accounting procedures described herein are for financial reporting purposes.
- The budget document will have a section identifying all formal and budget interfund loans.
- From a budget perspective, loans, whether formal or budgetary, will be recorded as receipts (receiving fund) or expenditures (loaning fund) through the operating transfer. Funds available will always be impacted.

Formal Interfund Loan

Basic Process

A formal interfund loan (one that can be recorded on the books and treated as a loan, not as a transfer in/out) must be established by way of an ordinance, either 1) a separate authorizing ordinance, or 2) a related ordinance which incorporates the loan terms, such as an appropriation ordinance. If the loan involves an enterprise fund, a separate ordinance is required.

An authorizing ordinance must contain the following information:

1. The purpose of the loan and the amount.
2. The lending and receiving funds.

3. The terms of the loan, including the interest rate and payment terms, the term and any other conditions that may be required to describe the loan or meet legal requirements.
4. A promissory note, authorized by the ordinance to be executed by the appropriate parties.

Recording

Accounting will record the loan on the financial records of the City based on the documentation which includes repayment terms and budgetary appropriation for repayment. Normally, the loan will result in a loan receivable and a decline in cash and funds available for appropriation in the lending fund; and a loan payable, and an increase in cash and funds available in the receiving fund. The recording of a formal loan will not impact fund balance or retained earnings in either the lending or receiving fund. There will be a review done prior to the loan approval verifying the ability of the receiving fund(s) to repay the lending fund the money owed. If there is reason to believe the situation has changed during the term of the loan, additional information may be required to show the receiving fund still has the ability to meet the repayment requirements. If there appears to be an issue with repayment of the loan, Accounting will request a memo formalizing Management's expectations. In the event there is significant Management concern regarding repayment, all or part of the loan may be considered to be uncollectable. In this situation, the uncollectible portion will be recorded as an expense of the lending fund and a revenue of the receiving fund. If there appears to be possibility of collection in the future, this loan may then be converted to a budget loan for collection. This would be recorded as an expense to the lending fund and a revenue to the receiving fund.

The accounting treatment of an interfund loan is determined by Governmental Accounting Statement number 34, paragraph 81 and 112a. The authoritative literature does not allow long term liabilities to be recorded in governmental funds however interfund loans are not considered long term as long as they are repaid in a "reasonable time" period. The City has had discussions with our external auditors and GASB technical staff on what a "reasonable time" is for repayment and determined as many as three to five years could be a reasonable repayment term. The emphasis from the GASB point of view was more on the intent and ability to repay the loan.

Budgeting

A formal loan will be budgeted as an interfund transfer since the budget uses a modified accrual basis for all funds.

Budgetary Interfund Loans

Basic Process

Budget loans are authorized by City Council, usually during the budget process, and are documented by way of notation in the budget document. They will typically be reported as a

transfer out of the lending fund and a transfer in of the receiving fund. Comments will usually be placed in the budget document or recorded elsewhere during the budget discussions which identify the transaction as intended to be repaid. Terms of the loan are often not specified as City Council usually just indicates that the principal be repaid.

The Finance Department will maintain a register of all such loans and any terms including the date of the loan, the funds involved, the purpose and any intended repayment information.

Recording

If established during the budget process, the loan will be reported in the fund summaries for both the lending and receiving funds and should also appear in the appropriation ordinance, typically as a transfer out.

The Finance Department will maintain a list of all such loans and any terms. At a minimum, the information should include the date of the loan, the funds involved, the purpose and any intended repayments terms. A list of all preexisting and proposed budget loans is to be included in a special section of the budget. However, a budget loan is not recorded on the books of the City as a loan.

The Finance Department shall include repayment of budget loans in the proposed budget when repayment is deemed appropriate. The Finance Department should raise the issue of whether or not particular budget loans should continue to be noted, if repayment is not likely to occur. Management should periodically review budget loans with the Council Management and Finance Committee.

Budgeting

A budget loan will be budgeted as an interfund transfer.

Monitoring Responsibilities

Monitoring to ensure repayment is a shared responsibility between the department operation (if any) receiving a loan, the Finance Department and the City Finance Director. Once informed and advised of the existence and terms of a budget loan by the Finance Department, the Department receiving the loan is responsible for including any repayment in their subsequent annual budget request(s). The Finance Department will be responsible, on a citywide basis, for ensuring budget loan repayment amounts are included in department budget requests.

The Finance Director is responsible for reviewing the annual budget to aid in determining the appropriate budget loan repayment. The Finance Director will maintain a list of the status of all formal loans and prepare a report identifying each loan and its status at the end of each year. Accounting will review the status list and compare it to amounts recorded in the City's financial records, making adjustment as appropriate. The Finance Director will maintain backup documentation on all loan terms and conditions. The register will also contain a copy of the ordinance(s) establishing the loan and any backup documentation.

Guidance on Complying with SB 1029
Release Date: December 28, 2016

On October 26, 2016, the California Debt and Investment Advisory Commission (CDIAC) issued a Request for Comment on the implementation of Chapter 307, Statutes of 2016 (Senate Bill 1029, Hertzberg). The comments received have helped CDIAC develop guidance for issuers of public debt seeking to comply with the requirements of SB 1029.

The guidance offered in this letter dated December 28, 2016 is based upon CDIAC's current understanding of the information required and its ability to receive that information from issuers. It is likely that CDIAC will offer additional guidance and ultimately adopt regulations in the future as both it and issuers adapt to the requirements of SB 1029.

CDIAC is making every effort to provide intuitive, on-line processes that will minimize the efforts of issuers while maximizing compliance and the quality of the information provided. It is committed to working with issuers and members of the public finance community to achieve these outcomes.

Guidance on Government Code section 8855(i)

Government Code section 8855(i) requires any issuer of public debt to provide to CDIAC no later than 30 days prior to the sale of any debt issue a report of the proposed issuance. CDIAC provides issuers the ability to submit this Report of Proposed Debt Issuance electronically. Effective January 1, 2017, issuers must certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies. The issuer's local debt policies must include (A) through (E), below. If the issuer has received certification from another governmental entity that will use the proceeds of the debt issue, then the issuer may rely on a certification by that other governmental entity that it has adopted local debt policies that include (C), (D) and (E), below.

- A) The purposes for which the debt proceeds may be used.
- B) The types of debt that may be issued.
- C) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
- D) Policy goals related to the issuer's planning goals and objectives.
- E) The internal control procedures that the issuer has implements, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

Section 8855(i) reads “The report of proposed debt issuance shall include a certification by the issuer that it has adopted local debt policies...” For the purposes of applying this section issuers should understand the term “local debt” as being debt issued for the benefit of a local agency. As a result, section 8855(i), as it specifically relates to debt policies, does not apply to state agencies, instrumentalities of the state, or to non-governmental entities such as for-profit or not-for-profit organizations that may issue or receive proceeds from a debt issuance. Similarly, the term “other governmental entity” in section 8855(i)(2) means an entity of local government.

Issuers should interpret the meaning of the term “adopted” in section 8855(i) to mean by act of the governing body. If the issuer’s governing body has taken an action to delegate the authority to “adopt” local debt policies to administrative staff, the actions of these staff may meet the requirements of section 8855(i)(1). An issuer’s local debt policies may be contained within a single document or be the composite of more than one documents. Irrespective of the form, the local debt policies must be adopted by the issuer.

In order to comply with section 8855(i)(1), then, the issuer must certify on the Report of Proposed Debt Issuance that it has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies. Issuers will be able to make this certification after January 1, 2017 using the Report of Proposed Debt Issuance. The new form will include the following statement followed by three acceptable responses in the form checkboxes.

“The issuer certifies that it has complied with GC section 8855(i) with respect to local debt policies. YES ☐ NO ☐ NA ☐ ”

For issuers that issue debt for their own purposes that respond to this statement with a YES response are confirming that they certify that they have adopted local debt policies in compliance with section 8855(i). A response of NO indicates that they cannot certify that they have adopted local debt policies in compliance with section 8855(i)(1). Issuers that are not issuing local debt, such as the state or instrumentality of the state, may respond NA because they do not issue local debt.

If the issuer is a conduit issuer, a YES response means that the issuer certifies that it has adopted local debt policies in compliance with section 8855(i)(1). Furthermore, the local debt policies include (A) through (E) of section 8855(i)(1) OR the issuer is certifying that it has adopted local debt policies in compliance with section 8855(i)(1) and the policies include (A) and (B) AND they have relied upon a certification from the other governmental entity that it has adopted local debt policies in compliance with section 8855(i)(1) and the local debt policies of the other government entity includes (C), (D) and (E). A NO response means that it does not certify that it has adopted local debt policies in compliance with section 8855(i) or it has not received a certification from the other governmental entity that it has. An NA response indicates that the entity that will use the proceeds of the sale of debt is a non-governmental entity (e.g., a private non-profit) or the conduit is not itself an issuer of local debt (e.g. state instrumentality).

It is incumbent upon the issuer to interpret and apply subparts (A) through (E) to their local debt policies as it is for the governmental entity that may use proceeds from the sale of debt to interpret and apply subparts (C), (D) and (E) to their local debt policies.

Guidance on Government Code section 8855(k)

Effective January 1, 2017, state and local issuers will be required to submit an annual debt transparency report for any issue of debt for which they have submitted a Report of Final Sale during the reporting period. The annual debt transparency report is due to CDIAC within seven (7) months of the close of the reporting period, defined as July 1st to June 30th. This provision makes January 31st the effective deadline for submittal of the annual debt transparency report. Issuers will continue to submit an annual debt transparency report to CDIAC on or before January 31st each year until the later date on which the debt is no longer outstanding or the proceeds have been fully spent. Debt issued between January 1, 2017 and June 30, 2017, and reported to CDIAC on or after January 21, 2017 will be required to submit an annual debt transparency report no later than January 31, 2018.

CDIAC will provide an online form to enable issuers to submit information to CDIAC in compliance with section 8855(k). CDIAC is in the process of both creating the form and developing the underlying functional applications to support data submission and reporting. It is very likely that the form and the process for complying with SB 1029 using the form will evolve over time as CDIAC and issuers adapt to this new reporting requirement.

At a minimum, the annual debt transparency report will require issuers to include:

- A) Debt authorized during the reporting period, which shall include:
 - a. Debt authorized at the beginning of the reporting period.
 - b. Debt authorized and issued during the reporting period.
 - c. Debt authorized but not issued at the end of the reporting period.
 - d. Debt authority that has lapsed during the reporting period.
- B) Debt outstanding during the reporting period, which shall include the following:
 - a. Principal balance at the beginning of the reporting period.
 - b. Principal paid during the reporting period.
 - c. Principal outstanding at the end of the reporting period.
- C) The use of proceeds of issued debt during the reporting period, which shall include the following:
 - a. Debt proceeds available at the beginning of the reporting period.
 - b. Proceeds spent during the reporting and the purposes for which it was spent.
 - c. Debt proceeds remaining at the end of the reporting period.

In compliance with section 8855(k)(1)(A), issuers must provide in their annual debt transparency report to CDIAC the “debt authorized during the reporting period”. Issuers should understand the term “authorized” to mean a formal action of the governing body or a vote of the electorate or taxpayers establishing a maximum amount to be borrowed. In the case of certain loans, commercial paper programs, and some refunding programs, this action may be a

resolution of the governing body establishing a maximum limit that the issuer may borrow. For debt issued in more than one sale or transaction that will generate more than one Report of Final Sale, the “debt authorized” should be understood to mean to total amount approved by the voters or taxpayers or by act of the governing body. For debt issued in a single sale or transactions, the “debt authorized” is expected to equal the amount of the debt reported on the Report of Final Sale.

Issuers submitting a Report of Final Sale between January 21, 2017 and June 30, 2017, must include in their annual debt transparency report, due on or before January 31, 2018, the following information:

- 1) The total amount of debt authorized as of January 1, 2017;
- 2a) The amount of additional debt authorized during the reporting period;
- 2b) The amount issued between January 1, 2017 and June 30, 2017 from the authority available in 1) and 2a), combined;
- 3) The amount of debt authorized that was not issued between January 1, 2017 and June 30, 2017 (logically, the result of (1 plus 2a) minus 2b); and,
- 4) The amount of debt authority (represented by (1 plus 2a)) that has lapsed between January 1, 2017 and June 30, 2017.

The term “authority that has lapsed” will mean authority that is no longer valid and, therefore, does not provide a legal basis to issue debt, including authority that has expired or that the issuer has taken an action to revoke.

In subsequent years, the amount of debt authorized at the beginning of the period will be equivalent to the amount of debt authorized but not issued at the end of the prior reporting period less any authority that has lapsed.

An issuer that has received authority during the reporting period, but has not issued debt based upon that authority and has not, therefore, submitted a Report of Final Sale is not required to submit an annual debt transparency report with respect to that authority. Once it does issue debt and submits a Report of Final Sale it will be obligated to submit an annual debt transparency report within seven (7) months of the close of the reporting period during which it issued the debt. There may be circumstances in which an issuer has available authority based upon a ballot measure or act of the governing body even though it has paid off or fully refunded the debt previously issued under that authority. In this case, the issuer would not be required to submit an annual debt transparency report.

Issuers must provide on the annual debt transparency report the debt outstanding during the reporting period. Issuers should understand the term “debt outstanding” to mean the original principal received from the sale of debt that has not been fully repaid to debtholders.

In the case of a zero-coupon bond or capital appreciation structure, issuers should consider the original principal to be the full accreted value of the bonds at the end of the reporting period. Because of the nature of capital appreciation structure an issuer’s annual debt transparency report is likely to report an increase in the “debt outstanding” year over year.

Issuers submitting a Report of Final Sale between January 1, 2017 and June 30, 2017, must include in their annual debt transparency report, due on or before January 31, 2018, the following information:

- 1) The original principal received on the date of sale.
- 2) The amount of the principal paid off between January 1, 2017 and June 30, 2017.
- 3) The amount of principal remaining as of June 30, 2017.

Issuers must provide on the annual debt transparency report the use of debt proceeds during the reporting period. Issuers should understand the term “proceeds” to mean all funds received from the sale of debt inclusive of premium and discount.

Issuers submitting a Report of Final Sale between January 21, 2017 and June 30, 2017, must include in their annual debt transparency report, due on or before January 31, 2018, the following information:

- 1) Debt proceeds available upon the date of settlement.
- 2) The amount of proceeds spent between the date of settlement and June 30, 2017 and the purposes for which these proceeds were spent.
- 3) The amount of proceeds remaining as of June 30, 2017.

CDIAC does not anticipate defining or categorizing “purposes” for which the proceeds were spent. Instead, CDIAC will provide a reporting form that will enable issuers to self-identify categories of “purpose” on their annual debt transparency report.

Issuers must continue to submit annual debt transparency reports until the debt has been paid off or the bond proceeds have fully spent.

There are special considerations issuers of refunding debt must take into account. If the issuer fully refunds a debt with a refunding debt, the issuer must submit an annual debt transparency report on both the refunding debt and a final annual report on the refunded debt. If there are any proceeds left in the refunded debt, the issuer must continue to report on the refunded debt until the proceeds have been spent. If the issuer partially refunds a debt with a refunding debt, the issuer must report on the refunded debt and the refunding debt until either the debtholders are full repaid or the proceeds have been fully spent, whichever is later. In other words, even though the proceeds of the refunding debt were used to pay off the refunded debt, the issuer must take the approach that the purpose of the annual debt transparency report is to account for the use of proceeds received from the original debt issuance.

If the refunding debt includes new money, the issuer must report the use of proceeds of the portion of refunding debt used to refund the refunded debt as “refunding <debt identifier>” AND the use of new money proceeds for their intended uses. If the refunding debt includes no new money, the issuer must report the use of proceeds of the refunding debt as “refunding <debt identifier>”. The debt identifier is currently the CDIAC Issue Number.

In reporting on the use of proceeds that are received from the sale of debt but are comingled with other funds not received from the sale of debt, the issuer should report on the proceeds from the sale of debt only.

Issuers of conduit bonds must report on the use of proceeds as used by the borrower. Conduit issuers should not report that the proceeds were “lent to a borrower”, but for the purposes to which the borrower used the proceeds. The issuer may wish to assign responsibility to the borrower to report on the use of proceeds. Conduit issuers issuing lease revenue bonds must also comply with section 8855(k).



GFOA Best Practice

Debt Management Policy

Background. Debt management policies are written guidelines, allowances, and restrictions that guide the debt issuance practices of state or local governments, including the issuance process, management of a debt portfolio, and adherence to various laws and regulations. A debt management policy should improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and therefore is likely to meet its debt obligations in a timely manner. Debt management policies should be written with attention to the issuer's specific needs and available financing options and are typically implemented through more specific operating procedures. Finally, debt management policies should be approved by the issuer's governing body to provide credibility, transparency and to ensure that there is a common understanding among elected officials and staff regarding the issuer's approach to debt financing.

Recommendation. GFOA recommends that state and local governments adopt comprehensive written debt management policies. These policies should reflect local, state, and federal laws and regulations. To assist with the development of these policies GFOA recommends that a government's Debt Management Policy (Policy) should be reviewed periodically (and updated if necessary) and should address at least the following:

1. **Debt Limits.** The Policy should consider setting specific limits or acceptable ranges for each type of debt. Limits generally are set for legal, public policy, and financial reasons.
 - a. *Legal restrictions* may be determined by:
 - State constitution or law,
 - Local charter, by-laws, resolution or ordinance, or covenant, and
 - Bond referenda approved by voters.
 - b. *Public Policies* will address the internal standards and considerations within a government and can include:
 - Purposes for which debt proceeds may be used or prohibited,
 - Types of debt that may be issued or prohibited,
 - Relationship to and integration with the Capital Improvement Program, and
 - Policy goals related to economic development, including use of tax increment financing and public-private partnerships.

- c. *Financial restrictions or planning considerations* generally reflect public policy or other financial resources constraints, such as reduced use of a particular type of debt due to changing financial conditions. Appropriate debt limits can have a positive impact on bond ratings, particularly if the government demonstrates adherence to such policies over time. Financial limits often are expressed as ratios customarily used by credit analysts. Different financial limits are used for different types of debt. Examples include:
- *Direct Debt*, including general obligation bonds, are subject to legal requirements and may be able to be measured or limited by the following ratios:
 - Debt per capita,
 - Debt to personal income,
 - Debt to taxable property value, and
 - Debt service payments as a percentage of general fund revenues or expenditures.
 - *Revenue Debt* levels often are limited by debt service coverage ratios (e.g., annual net pledged revenues to annual debt service), additional bond provisions contained in bond covenants, and potential credit rating impacts.
 - *Conduit Debt* limitations may reflect the right of the issuing government to approve the borrower's creditworthiness, including a minimum credit rating, and the purpose of the borrowing issue. Such limitations reflect sound public policy, particularly if there is a contingent impact on the general revenues of the government or marketability of the government's own direct debt.
 - *Short-Term Debt Issuance* should describe the specific purposes and circumstances under which it can be used, as well as limitations in term or size of borrowing.
 - *Variable Rate Debt* should include information about when using non-fixed rate debt is acceptable to the entity either due to the term of the project, market conditions, or debt portfolio structuring purposes.
2. **Debt Structuring Practices.** The Policy should include specific guidelines regarding the debt structuring practices for each type of bond, including:
- Maximum term (often stated in absolute terms or based on the useful life of the asset(s)),
 - Average maturity,
 - Debt service pattern such as equal payments or equal principal amortization,
 - Use of optional redemption features that reflect market conditions and/or needs of the government,
 - Use of variable or fixed-rate debt, credit enhancements, derivatives, short-term debt, and limitations as to when, and to what extent, each can be used, and

- Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.
3. Debt Issuance Practices. The Policy should provide guidance regarding the issuance process, which may differ for each type of debt. These practices include:
- Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,
 - Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,
 - Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
 - Criteria for issuance of advance refunding and current refunding bonds, and
 - Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.
4. Debt Management Practices. The Policy should provide guidance for ongoing administrative activities including:
- Investment of bond proceeds,
 - Primary and secondary market disclosure practices, including annual certifications as required,
 - Arbitrage rebate monitoring and filing,
 - Federal and state law compliance practices, and
 - Ongoing market and investor relations efforts.
5. Use of Derivatives. The Debt Management Policy should clearly state whether or not the entity can or should use derivatives. If the policy allows for the use of derivatives, a separate and comprehensive derivatives policy should be developed (see GFOA's Advisory, Developing a Derivatives Policy and Derivatives Checklist).

References.

GFOA Advisory, Using Variable Rate Debt Instruments, 2010.

GFOA Advisory, Use of Debt-Related Derivatives Products and the Development of a Derivatives policy, 2010.

GFOA Derivatives Checklist, 2010.

GFOA Best Practice, Selecting Bond Counsel, 2008.

GFOA Best Practice, Selecting Financial Advisors, 2008.

GFOA Best Practice, Selecting Underwriters for a Negotiated Bond Sale, 2008.

GFOA/NABL Post Issuance Compliance Checklist, 2003.

Benchmarking and Measuring Debt Capacity, Rowan Miranda and Ron Picur, GFOA, 2000.

A Guide for Preparing a Debt Policy, Patricia Tigue, GFOA, 1998.

Approved by the GFOA's Executive Board, October, 2012.



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Nitish Sharma, Finance Director (Interim)

DATE: December 20, 2022

SUBJECT: Adopt a Resolution Renewing Signature Authorizations For Investing City Funds In The Local Agency Investment Fund

RECOMMENDATION

Staff respectfully recommends that the City Council approve the proposed Resolution renewing signature authority to invest monies in the Local Agency Investment Fund ("LAIF") in accordance with Section 16429.1 of the California Government Code on behalf of the City. The LAIF is a pooled investment fund managed by the State of California Treasures Office.

BACKGROUND

The LAIF is a voluntary program created by State statute in 1977 as an investment alternative for California's local governments. This program is administered by the State Treasurer's Office with monies from the LAIF invested with State monies through the Pooled Money Investment Account ("PMIA"). This program offers local agencies the opportunity to participate in a major portfolio that invests billions of dollars using the investment expertise of the State Treasurer's Office investment staff. LAIF has 2,385 participants and \$29.8 billion as of September 30, 2022. At the end of each calendar quarter, all interest earned in the Fund is distributed by LAIF to the participating governmental agencies directly proportionate to their respective amounts deposited in the Fund and the length of time such amounts remained therein. Prior to the distribution, an amount equal to the reasonable costs of making the investments, not to exceed one-half of 1 percent of the earnings of the Fund, are deducted from the interest earnings. A statement is sent to all fund participants showing balances and transactions for the month.

DISCUSSION

As of September 30, 2022, the City had \$1.5 million invested in LAIF. Investing in LAIF is an authorized investment in the City's Investment Policy that meets the investment objective of safety. Under Federal Law, the State of California cannot declare bankruptcy, specifically

Section 16429.3 of the State Government Code states that money's placed with the Treasurer for deposit in the LAIF shall not be subject to impound or seizure by any State official or State agency. California Government Code Section 16429.4 was added in 2002 and states that the State cannot withhold LAIF monies if they fail to adopt a budget by the June 30th deadline. Due to staff turnover and title changes staff is requesting the approval of a new Resolution which will renew authorization to invest monies not required for immediate cash flow needs in the LAIF and designate those authorized to complete such transactions.

The following City employees will be allowed to create or approve transactions with LAIF pursuant to the proposed Resolution:

- Interim Finance Director or Finance Director
- City Clerk
- Assistant to the City Manager

The changes are to add the title of "Interim Finance Director" and the City Clerk to the authorization list. The City Manager shall oversee the transactions.

FISCAL IMPACTS

Approval of this resolution will allow the City staff to invest the excess funds and can earn interest. These funds are liquid and can be available for use within one day.

ATTACHMENTS

Resolution

RESOLUTION NO. ##-2022

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAYTON
DESIGNATING CITY PERSONNEL AUTHORIZED TO INVEST MONIES IN THE
LOCAL AGENCY INVESTMENT FUND (LAIF)**

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

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City of Clayton does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the City of Clayton; and

WHEREAS, this Resolution supersedes and replaces prior authorities stipulated in Resolution No. 53-2021.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Clayton does hereby authorize the deposit and withdrawal of City of Clayton monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following City of Clayton officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

Interim Finance Director or Finance Director

City Clerk

Assistant to the City Manager

Passed, Approved and adopted by the City Council of the City of Clayton at a regular meeting of said Council held on December 20, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY COUNCIL OF CLAYTON, CA

Jeff Wan, Mayor

ATTEST:

Janet Calderon, City Clerk



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Police Chief McEachin

DATE: December 20, 2022

SUBJECT: City Council Approval of Declaring Certain Police Department Equipment as Surplus

RECOMMENDATION

It is recommended that City Council approve the surplus of the following items, which are no longer of use to the Clayton Police Department.

- 1971 Plymouth Satellite classic police car
- 1998 Smart Radar trailer
- 2 Talon handheld radar units
- 2 Canon digital cameras
- 1 Vehicle jump start box
- 20 Streamlight flashlights
- 8 Kyocera cellphones
- 9 iPhones
- 1 Mobile Data Computer car mount
- 1 Casio digital calculator

BACKGROUND

The 1971 Plymouth Satellite classic patrol car was a vision of retired Clayton Police Chief Dan Lawrence. Chief Lawrence wanted a vehicle that resembled the original Clayton Police cars that were used at the inception of the Clayton Police Department in 1972. Chief Lawrence intended on using the car during the City's parades and downtown events, as well as at car shows spotlighting classic emergency vehicles. Many people with ties to Clayton played a role in making Chief Lawrence's vision a reality. Two of those people were Kevin McLaughlin and his son, Matt, owners of numerous classic police cars, and former Clayton residents. The McLaughlin's obtained and installed most of the emergency equipment that is

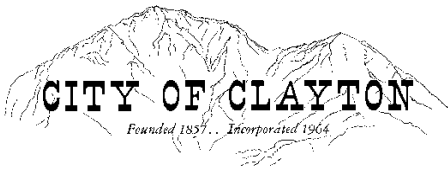
still in the vehicle. The City of Clayton purchased the car from its previous owner for \$800. The City also invested \$250 to help get the car running, for a total out-of-pocket investment to the City of \$1,050. All other costs were absorbed by those that assisted in obtaining the vehicle and restoring it. The vehicle is in mechanical disrepair and is no longer used in community events. The McLaughlin's own multiple classic emergency vehicles and enter them in classic emergency vehicle shows throughout California. They would welcome the donation back of the vehicle and ensure that the vehicle remains relevant on the classic car show circuit.

The 1998 Smart Radar trailer was used in the late 1990's-early 2000's to alert motorists of their speed. It utilized Stalker radar gun technology. In the late 2000's-early 2010's, we attempted to repair the trailer so that it could be used again, but it was decided that it would be cost-prohibitive to repair it.

All other items have either been replaced with newer models or are no longer needed due to obsolete technology.

FISCAL IMPACT

There is no cost to the City to remove these items from our equipment inventory. The only savings to the City by declaring these items surplus would be any costs associated with getting them back in mechanical working order. In general, none of the items have any material value if they were offered for auction or sale. From a more practical standpoint, it will free up space currently taken up by the storage of these items.



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: REINA SCHWARTZ, CITY MANAGER

DATE: December 20, 2022

SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAYTON AMENDING A PROFESSIONAL SERVICES AGREEMENT WITH GOVINVEST FOR INTERIM FINANCE DIRECTOR SERVICES AND FOR A COMPREHENSIVE FEE UPDATE IN THE AMOUNT OF \$35,875 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$65,875

RECOMMENDATION

It is recommended the City Council adopt the attached Resolution amending a professional services agreement with the firm GovInvest for Interim Finance Director services and for a comprehensive fee update.

BACKGROUND

As has been previously discussed with the City Council, the City has faced significant turnover in the Finance Director role over the past four years. The most recent Finance Director left the City near the beginning of September 2022. Since September, the City has been contracting with a company called GovInvest to provide an Interim Finance Director, Nitish Sharma.

Since September, the City has been recruiting for a permanent Finance Director. The first recruitment round did not yield a viable candidate. The City is now in the middle of a second round of recruitment and will hold preliminary interviews on December 19th. Even if this round of recruitment is successful, it will likely be at least 6-8 weeks at the earliest before a new Finance Director might be on board.

Additionally, since the FY2022/23 budget and Master Fee schedule were adopted in June 2022, there has been an item on staff's workplan to complete a comprehensive user fee review and update. Given the staffing challenges, that update has not yet been started.

Subject: Resolution of the City Council of the City of Clayton Amending a Professional Services Agreement with GovInvest for Interim Finance Director Services and Comprehensive Fee Update

Date: December 20, 2022

Page: 2 of 2

DISCUSSION

Given the delay in bringing a full-time Finance Director on board, the initial contract with GovInvest for the Interim Finance Director needs to be amended to increase the total compensation that can be spent under the agreement requiring City Council approval. It is estimated that the additional hours by the Interim Finance Director will be at least another 80 hours, but likely more. The proposed amendment to the compensation authorized in the Agreement would provide funding for up to 120 hours or \$21,000, for the Interim Finance Director.

With respect to the comprehensive fee update, the City has received a proposal from GovInvest to perform the update. GovInvest has the expertise needed to perform the update and the organizational capacity needed for that work. The anticipated time needed to perform the update is up to 85 hours, for a cost of \$14,875.

FISCAL IMPACT

The initial agreement with GovInvest for Interim Finance Director services was executed for a total not-to-exceed of \$30,000. With the additional compensation of up to \$21,000 for Interim Finance Director and \$14,875 for the comprehensive fee update, the new not-to-exceed amount will be \$65,875.

The additional cost for the Interim Finance Director will be covered by the savings from the full-time Finance Director position being vacant. So, although the hourly rate is higher for the Interim via the agreement, the net cost is about the same as there are no benefit costs and there are fewer hours being spent.

The cost for the fee update can also be absorbed within the existing budget appropriation as the City has not been able to find a full-time Senior Accountant to fill the position that was added to the budget this year. The savings from filling that with a less-than-full-time annuitant should be sufficient to cover the cost of the fee update.

Attachments: 1. Resolution
 2. First Amendment to Professional Services Agreement with GovInvest
 3. Professional Services Agreement with GovInvest

RESOLUTION ##-2022

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAYTON, CA AMENDING THE PROFESSIONAL SERVICES AGREEMENT WITH GOVINVEST FOR INTERIM FINANCE DIRECTOR SERVICES AND FOR A COMPREHENSIVE FEE UPDATE IN THE AMOUNT OF \$35,875 FOR A REVISED NOT-TO-EXCEED TOTAL OF \$65,875

WHEREAS, this is not a project as defined by CEQA;

WHEREAS, the full-time position of Finance Director is currently vacant;

WHEREAS, recruitment continues for a full-time Finance Director;

WHEREAS, the City is in need of a comprehensive review of its user fees;

WHEREAS, GovInvest is a firm that has the expertise and capacity to assist the City in these needed areas; and

WHEREAS no additional budget resources are requested at this time.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Clayton hereby authorizes the City Manager to execute the attached amendment to the Professional Services Agreement with GovInvest for Interim Finance Director services and Comprehensive Fee Update in the amount of \$35,875 for a revised not-to-exceed total of \$65,875.

* * * * *

ADOPTED ON the 20th day of December, 2022 by the City Council of the City of Clayton by the following vote count:

AYES:

NOES:

ABSENT:

ABSTAIN

THE CITY COUNCIL OF CLAYTON, CA

Jeff Wan, Mayor

ATTEST

Janet Calderon, City Clerk

**FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN CITY OF
CLAYTON, CALIFORNIA, AND GOVINVEST**

This Amendment to the Professional Services Agreement ("First Amendment") is entered into effective January 1, 2023 by and amongst the City of Clayton, California ("City"), a municipal corporation, and GovInvest, a Corporation ("Consultant").

RECITALS

- A. WHEREAS, in September 2022 the City and Consultant entered into a Professional Services Agreement to provide financial support services to the City ("Agreement");
- B. WHEREAS, additional work is needed beyond the compensation identified in the original Agreement; and
- C. WHEREAS, the City and Consultant mutually desire to amend certain provisions of the Agreement which the parties hereby acknowledge and agree as follows:

AGREEMENT

Now therefore, the parties agree as follows:

1. Section 1. Services. Of the Agreement is amended by adding supplemental scope as attached herein as Attachment 1 to this Amendment including a comprehensive fee update.
2. Subdivision b of Section 2. Compensation of the Agreement is hereby amended to read as follows:

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of sixty-five thousand eight hundred seventy-five dollars (\$65,875).
3. Except as otherwise specifically set forth in this Agreement, the remaining provisions of the Agreement including all prior amendments shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Professional Services Agreement on the date above written.

CITY OF CLAYTON, CALIFORNIA

GOVINVEST

By: _____
Reina J. Schwartz
City Manager

By: _____
Printed Name: _____
Title: _____

ATTEST:

Janet Calderon, City Clerk

Attachment 1



Proposal for Financial Forecasting Solutions & Services

Save Time | Save Money | Make Informed Decisions

Customized For Clayton, CA

Prepared By: Nitish Sharma, Max Stoff, and Ron Broere

Date: 12/13/2022





Company Overview

Founded in 2014, [GovInvest](#) empowers public sector agencies to run their own financial forecasting at a fraction of the cost and time through powerful software and concierge consulting. We provide solutions that help over 1,000 agencies nationwide better analyze and manage their Pension, OPEB and Labor Costs. Our pioneering technology quickly pays for itself and provides real-time, visual projections that allow our clients to simplify communications with stakeholders and make better informed decisions for years to come.

WHY WE DO IT

- To provide accurate analysis with enhanced transparency
- To alleviate the enormous task of assessing Pension, OPEB, Labor costs and building forecasts
- To improve every agency's bottom line

To avoid agency bailouts and reputational risk, the [Government Finance Officers Association](#) (GFOA) recommends that governments at all levels forecast major revenues and expenditures. The GFOA recommends that your forecast extend several years into the future. The forecasts should be clearly stated, made available to stakeholders in the budget process, regularly monitored and periodically updated.

What Our Clients Are Saying

"It was extremely helpful to have access to an actuary as an additional resource through GovInvest"

- Finance Manager, Lake Arrowhead CSD

"The city's former finance director resigned at the beginning of budget season; and worse, all the links were broken in the labor costing excel worksheet that was used in previous years. GovInvest quickly onboarded their software, and within a week I was running the three budgeting scenarios that the city manager requested."

- Administrative Services Director/Treasurer, City of Sausalito

"Using GovInvest consultants for policy projects allows me to spend more time advising Councilmembers on how to interpret results and less time updating spreadsheets."

- Finance Director, City of Benicia

"The software is very user friendly, and staff is very helpful in assisting with questions and helping to better understand the software data."

- Deputy City Manager, City of Brisbane

"We leverage the labor aspects to increase transparency and enhance cooperation during negotiations. They find it easier to work together towards a compromise with accurate costing data and info-graphics."

- Finance Director, City of Reno



Services Proposed

Based on our conversations with Clayton our understanding of your key needs and objectives, we are proposing the following GovInvest solutions

GovInvest Interim Finance Director Services - \$14,000

- Up to 80 hours of support
- Oversee A/P, AR, Payroll
- Bank Reconciliations/Investments Rec
- Staff Oversight/Audit Paperwork
- Treasury Management
- Mid-Year Budget Update/Review
- Additional A la Carte Hours Available - \$175 per hour

GovInvest Book of Fees Consulting - \$14,875

- Up to 85 hours of support
- Work and meet with City staff to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedules and answer any questions pertaining to the successful development of the study.
- Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations. Conduct a comprehensive review of the City's existing fees, rates and charges.
- Identify the total cost of providing each City service at the appropriate activity level and in a manner consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates, and charges by public entities including, but not limited to, Proposition 26 and Proposition 218.
- Compare service costs with existing recovery levels. This should include any service areas where the City is currently charging for services as well as areas where perhaps the City should charge, considering the City's practices, or the practices of similar or neighboring cities.
- Recommend potential new fees and charges for services the City currently provides but does not have any fees and/or charges established. Recommendations based on practices by surrounding cities that may charge for similar services, industry best practices, or the consultant's professional opinion.
- Recommend appropriate fees and charges based on the firm's analysis together with the appropriate subsidy percentage of those fees where full cost recovery may be unrealistic.
- Prepare a report that identifies each fee service, its full cost, recommended and current cost recovery levels. The report will identify the direct cost, the indirect cost, and the overhead cost for each service.
- Prepare a report that identifies the present fees, recommended fees, percentage change, cost recovery percentage, revenue impact and fee comparison with other County cities or other California cities that are comparable to the City of Clayton.
- Provide a computer-based model in Microsoft Excel for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs. The requirements of the models should allow for

- Additions, revisions, or removal of the direct and overhead costs so the comprehensive fee study can be easily adapted to a range of activities, both simple and complex.
 - The ability of the City to continuously update the model and fees from year to year as the organization changes.
- Prepare and deliver presentation to the City Council to facilitate their understanding of the plan and its implication for the City and make necessary adjustments as requested.

**CITY OF CLAYTON
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of September 19, 2022 by and between the City of Clayton, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 6000 Heritage Trail, Clayton, California 94517 ("City"), and GovInvest, a Corporation, with its principal place of business at 8605 Santa Monica Blvd PMB 52465 West Hollywood, CA 90069-4109 (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

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

Interim Finance Director and other financial support services (hereinafter referred to as "the Project").

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

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

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

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

2. Compensation.

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

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of thirty-thousand dollars (\$30,000). This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following

manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

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

5. Term.

The term of this Agreement shall be from September 19, 2022 to June 30, 2023, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

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

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

7. Compliance with Law.

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

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

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

8. Standard of Care

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

9. Assignment and Subconsultant

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

10. Independent Contractor

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

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

a. Commercial General Liability

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

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

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

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

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

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

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

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

b. Automobile Liability

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

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

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

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

c. Workers' Compensation/Employer's Liability

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

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

d. Professional Liability (Errors and Omissions)

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

e. Minimum Policy Limits Required

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

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 combined single limit
Employer's Liability	\$1,000,000 per accident or disease
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

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

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

f. Evidence Required

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

g. Policy Provisions Required

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

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

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

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

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

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

h. Qualifying Insurers

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

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

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise

assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

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

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

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

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

12. Indemnification.

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

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

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

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

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

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Reserved.

16. Laws and Venue.

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

17 Termination or Abandonment

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

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

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

19. Organization

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

20. Limitation of Agreement.

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

21. Notice

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

CITY:
City of Clayton
6000 Heritage Trail

CONSULTANT:
GovInvest, Inc.

Clayton, CA 94517
Attn: City Manager

8605 Santa Monica Blvd PMB 52465 West
Hollywood, CA 90069-4109

and shall be effective upon receipt thereof.

22. Third Party Rights

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

23. Equal Opportunity Employment.

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

24. Entire Agreement

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

25. Severability

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

26. Successors and Assigns

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

27. Non-Waiver

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

28. Time of Essence

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

29. City's Right to Employ Other Consultants

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

30. Prohibited Interests

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

[SIGNATURES ON FOLLOWING PAGE]

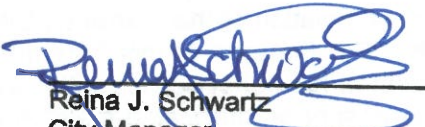
**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF CLAYTON
AND GOVINVEST**

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

CITY OF CLAYTON

GOVINVEST

By:


Reina J. Schwartz
City Manager

By:



Its:

VP of Sales

Printed Name:

Marc Sitterud

ATTEST:

By:


City Clerk

EXHIBIT A
Scope of Services



Proposal for Financial Forecasting Solutions & Services

Save Time | Save Money | Make Informed Decisions

Customized For: Clayton, CA

Prepared By: Nitish Sharma, Max Stoff, and Ron Broere

Date: 9/14/2022



Company Overview

Founded in 2014, GovInvest empowers public sector agencies to run their own financial forecasting at a fraction of the cost and time through powerful software and concierge consulting. We provide solutions that help over 1,000 agencies nationwide better analyze and manage their Pension, OPEB and Labor Costs. Our pioneering technology quickly pays for itself and provides real-time, visual projections that allow our clients to simplify communications with stakeholders and make better informed decisions for years to come.

WHY WE DO IT

- To provide accurate analysis with enhanced transparency
- To alleviate the enormous task of assessing Pension, OPEB, Labor costs and building forecasts
- To improve every agency's bottom line

To avoid agency bailouts and reputational risk, the Government Finance Officers Association (GFOA) recommends that governments at all levels forecast major revenues and expenditures. The GFOA recommends that your forecast extend several years into the future. The forecast should be clearly stated, made available to stakeholders in the budget process, regularly monitored and periodically updated.

What Our Clients Are Saying

"It was extremely helpful to have access to an actuary as an additional resource through GovInvest."

- Finance Manager, Lake Arrowhead CSD

"The city's former finance director resigned at the beginning of budget season; and worse, all the links were broken in the labor costing excel worksheet that was used in previous year. GovInvest quickly onboarded their software, and within a week I was running the three budgeting scenarios that the city manager requested."

- Administrative Services Director/Treasurer, City of Sausalito

"Using GovInvest consultants for policy projects allows me to spend more time advising Council members on how to interpret results and less time updating spreadsheets."

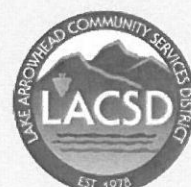
- Finance Director, City of Benicia

"The software is very user friendly, and staff is very helpful in assisting with questions and helping to better understand the software data."

- Deputy City Manager, City of Brisbane

"We leverage the labor aspects to increase transparency and enhance cooperation during negotiations. They find it easier to work together towards a compromise with accurate costing data and info-graphics."

- Finance Director, City of Reno





GovInvest Accounting Consulting Services

Based on our conversations with Clayton and our understanding of your key needs and objectives, we are proposing the following GovInvest services and deliverables to create data-driven policy outcomes for the City:

GovInvest Financial Consulting Services

The scope of services included but not limited to the following types of duties with one on site visit per week:

Functions
Oversee A/P, AR, Payroll
Bank Reconciliations/Investments Rec
Staff Oversight/Audit Paperwork
Treasury Management
Mid-Year Budget Update/Review
Total Estimated Hours/Week: 16

An Investment That Pays For Itself

- Option to renew annually with an updated scope of work.
- Annual consultations to review and necessary services.
- Optional Year 2 additional consulting fee not to exceed \$2,500.

1-Year Term	
Service	Proposed Fee
Financial Consulting Services	\$30,000
Additional Hours	\$175/hr.



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Nitish Sharma, Finance Director (Interim)

DATE: December 5, 2022

SUBJECT: Receive and File the Quarterly Financial Reports on the City's Investment Portfolio for the Periods Ending March 31, 2022, June 30, 2022 and September 30, 2022

RECOMMENDATION

Staff respectfully recommends that the Committee receive and file the Quarterly Financial Reports on the City's investment portfolio for the periods ending March 31, 2022, June 30, 2022, and September 30, 2022.

BACKGROUND

All local agencies are required to file regular financial reports with their legislative body on the status of their investment portfolio. One of the roles of the City's Finance Department is to manage investments of the City to ensure that cash flow needs are met while maximizing the investment portfolio.

Under section 53646(b)(1) of the Government Code, the City Finance Department may prepare, and the City Treasurer approve a quarterly financial report to the City Council on the City's investment portfolio. This report includes:

1. The type of investment, issuer, date of maturity, and par and dollar amount invested on all securities, investments and funds held by the City;
2. A current market value as of the date of the report;
3. A stated compliance of the portfolio to the statement of the City's adopted investment policy, or manner in which the portfolio is not in compliance; and
4. A statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months or provide an explanation as to why sufficient money shall or may not be available. Once a year, the statement of investment policy is included in the report.

The attached quarterly reports were prepared by UBS Financial Services, with a revised format that provides enhanced reporting with more analysis, better graphics, and an expanded analysis of the City's Investment Portfolio. UBS Financial Services is a Warren, New Jersey based firm with municipal clients throughout California and the United States.

These reports were initially presented to the City Council's Budget and Audit Subcommittee on December 5, 2022. At that time, several corrections were identified. Those corrections have been incorporated here. At that meeting on December 5th, staff also presented to the Committee a draft of a new Investment Policy. After discussion with the Committee, staff is working on revisions to the policy. In order to avoid delaying the reporting of investment reports to the City Council any further, those reports are presented here, and the proposed new Investment Policy will be presented in January or February 2023.

DISCUSSION

The attached quarterly financial reports summarize the status of pooled treasury investments as of March 31, 2022, June 30, 2022, and September 30, 2022. For the most recent quarter, the City-held treasury investments consisted of investments with a book value of \$12.8 million. The largest amount of the City's portfolio continues to be invested in CDs as well as in 100% liquid investments, including a checking account, and pooled investment funds.

Historically, it had been the City's practice to focus much of its investing in two municipal "pooled" investment funds: 1) the Local Agency Investment Fund (LAIF), and 2) the California Asset Management Program (CAMP) as well as in certificates of deposit. Staff continue to seek to increase portfolio returns through other higher-yielding investments.

The following is a summary of total investment by type.

Report Date: October 1, 2021 through December 31, 2021

Investment Type	Market Value	Percent of Portfolio
CAMP	\$891,041	5.63%
LAIF	\$2,997,392	18.94%
UBS Cash Holding	\$32,123	0.20%
CDs (Insured)	\$9,074,269	57.35%
US Federal Agency Bonds	\$1,562,125	9.87%
Bank of America - Checking	\$1,265,597	8%
Totals	\$15,822,547	100%

Report Date: January 1, 2022 through March 30, 2022

Investment Type	Market Value	Percent of Portfolio
CAMP	\$891,313	5.82%
LAIF	\$2,999,117	19.58%
CDs (Insured)	\$8,863,782	57.87%
US Federal Agency Bonds	\$233,509	1.52%
US Treasury Notes	\$1,269,764	8.29%
Bank of America - Checking	\$1,058,985	6.91%
Totals	\$15,316,470	100%

Report Date: April 1, 2022 through June 30, 2022

Investment Type	Market Value	Percent of Portfolio
CAMP	\$893,135	5.53%
LAIF	\$3,001,481	18.60%
CDs (Insured)	\$8,758,702	54.26%
US Federal Agency Bonds	\$727,312	4.51%
US Treasury Notes	\$1,254,611	7.77%
Bank of America - Checking	\$1,505,617	9.33%
Totals	\$16,140,858	100%

Report Date: July 1, 2022 through September 30, 2022

Investment Type	Market Value	Percent of Portfolio
CAMP	\$898,049	5.98%
LAIF	\$1,507,100	10.03%
CDs (Insured)	\$8,644,101	57.54%
US Federal Agency Bonds	\$699,951	4.66%
US Treasury Notes	\$1,227,370	8.17%
Bank of America - Checking	\$2,045,989	13.62%
Totals	\$15,022,560	100%

In the most recent quarter (July 1, 2022 through September 30, 2022), the returns on the City's portfolio were 1.66%, up slightly from the previous quarter ending 06/30/2022 when the Yield to Maturity (YTM) was 1.32%. The investment average duration is 2.32 years, this

is the same as six months ago. The Portfolio consists of \$8.6 million of Insured CDs, \$1.2 million of US Treasuries and \$700,000 of US Federal Agency Bonds. The expected Annual Cash Flow is \$155,126, this should be expected to move higher as lower investment rates mature and funds are reinvested into higher yielding investments.

It should be noted that the gain or loss within a given quarter is not an issue since the City intends to hold the securities to maturity. The “Book Value” represents what the City paid for the security whereas “Market Value” is a constantly changing amount based on the current value. Market values fluctuate with changes in interest rates, and price has an inverse relationship to interest rates. Thus, while the City is required to calculate market values on an ongoing basis, at maturity the investment will achieve the stated “Yield to Maturity” based on the Book Value, or what the City paid for the security. Overall, the book value of the portfolio exceeds market value by \$682,333. Increasing interest rates decrease the value of the portfolio, although a loss would not be realized unless certain assets were to be sold prior to the maturity date.

In the current quarter, staff will continue to evaluate liquidity needs and, where possible, continue the investment in higher yielding securities. At the same time, the fixed income market is experiencing significant instability and sharply rising yields. This will likely be reflected in lower market values to be reported in the next quarterly report.

FISCAL IMPACTS

The investment portfolio, as a whole, earned returns at least consistent with the revenue estimates contained in the budget, and the portfolio yield of 1.66% exceeded the LAIF yield of 1.513%, which is the City’s benchmark for evaluating returns on the portfolio.

ATTACHMENTS

1. Investment Portfolio Review from UBS
2. Consolidated Investment Summary December 2021 through September 2022
3. UBS Quarterly Investment Report as of March 31, 2022
4. UBS Quarterly Investment Report as of June 30, 2022
5. UBS Quarterly Investment Report as of September 30, 2022

Investment Portfolio Review

Prepared for:
City of Clayton

Market Overview - In the US, more persistent inflation in services and shelter is dashing hopes that a decline in gasoline prices and a normalization in goods supply would drive a sustained easing in price trends. Labor market supply remains short of pre-COVID trend levels, and the Federal Reserve remains committed to raising interest rates until inflation falls.

Meanwhile, the labor market remains tight. Job growth in August slowed to 315,000 new payrolls from 500,000 in July, and the unemployment rate ticked up to 3.7% from 3.5%. But absolute growth is still strong, jobless claims have actually started falling, and the labor market remains fundamentally unbalanced, with significantly greater demand for labor than available supply. Currently, there are around 6 million unemployed but 11.2 million job openings, according to the latest JOLTS data. Participation has been recovering and in August reached 62.4%, the highest since the pandemic, but it is still a full percentage point (or 1.6 million people) below pre-pandemic levels.

Ten-year US Treasury yields have risen 120 basis points since the beginning of August, while UK 10-year gilts rose over 100bps in a mere three days in late September. The fiscal monetary tensions in the UK rippled through the US market, initially pushing US rates higher, followed by the largest one day decline (30bps) in US 10-year yields since March 2020.

Unfortunately, this volatility will persist as we enter the fourth quarter, as liquidity continues to abate into year-end. Low liquidity and high volatility will remain a sheer reminder that central banks do not operate in a vacuum and volatility is here to stay over the next several months.

The market's projected path of the federal funds rate is now aligned to the Fed's new dot plot, with 4. % expected by year-end and a peak of 4.5% in March 2023. Core inflation will remain persistently elevated over the next several months, and regardless of the potential below-consensus inflation prints, they are unlikely to alter the Fed's or the market's current projected year-end fed funds rate of 4.25%. So, fighting the Fed in the short term is not advised. However, with the market now pricing north of 4% as the terminal rate, it is not a question of level, but a question of sustainability.

Current Portfolio Observations - Current Yield is 1.66%, this is up 0.34% from 6 months ago, the average duration is 2.32 years, this is the same as 6 months ago. The Portfolio consists of \$8.6 million of Insured CDs, \$1.2 million of US Treasuries and \$700,000 of US Federal Agency Bonds. Expected Annual Cash Flow is \$155,126, this should be expected to move higher as lower investment rates mature and funds are reinvested into higher yielding investments.

Portfolio Considerations

1. Breakeven Analysis on selling some lower yielding investments and reinvesting the funds into higher yielding options.
2. Based on Investment Policy, consider High Grade Corporate Bonds, yields are +5.00% and spreads are attractive based on historical averages.
3. Bank and Credit Unions CDs in the 2yr-5yr range are also attractive options for excess liquidity, yields range from 4.00% to 4.50%.

City of Clayton
Investment Holdings Summary
Qtr. Ending: December 31, 2021

ATTACHMENT 1

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value (holding all securities until maturity)	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 891,040.81			\$ 891,040.81	5.63%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 2,997,391.62	0.23%	0.23%	\$ 2,997,391.62	18.94%
UBS Financial Services Inc.	Cash	UBS Cash Holding	\$ 32,122.86	n/a	n/a	\$ 32,122.86	
	Fixed Income	Certificates of Deposit	\$ 9,074,269.43	varies by holding	varies by holding	\$ 9,074,269.43	
	Fixed Income	U.S. Federal Agencies	\$ 1,562,125.12	varies by holding	varies by holding	\$ 1,562,125.12	
	Total UBS Financial Services		\$ 10,668,517.41			\$ 10,668,517.41	67.43%
Bank of America	Checking	(General Ledger - book value)	1,265,596.94	0.00%	0.00%	1,265,596.94	8.00%
Total Investment Portfolio			15,822,546.78			15,822,546.78	

Budget to Actual Analysis of Interest Revenue			
10/1/2021- 12/31/2021			

	Budgeted (10/1/2021 to 12/31/2021)	Actuals (10/1/2021 to 12/31/2021)	YTD Variance
General Fund	\$ 21,500	\$ 41,543	48%

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

Hank Stratford, City Treasurer

Nitish Sharma, Finance Director (Interim)

City of Clayton
Investment Holdings Summary
Qtr. Ending: March 31, 2022

ATTACHMENT 1

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value (holding all securities until maturity)	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 891,313.03			\$ 891,313.03	5.82%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 2,999,117.23	0.32%	0.32%	\$ 2,999,117.23	19.58%
UBS Financial Services Inc.							
	Fixed Income	Certificates of Deposit	\$ 8,863,781.68	varies by holding	varies by holding	\$ 8,863,781.68	
	Fixed Income	U.S. Federal Agencies	\$ 233,509.28	varies by holding	varies by holding	\$ 233,509.28	
	Fixed Income	U.S. Treasuries	\$ 1,269,763.87			\$ 1,269,763.87	
		Total UBS Financial Services	\$ 10,367,054.83			\$ 10,367,054.83	67.69%
Bank of America	Checking	(General Ledger - book value)	1,058,985.42	0.00%	0.00%	1,058,985.42	6.91%
Total Investment Portfolio			15,316,470.51			15,316,470.51	

Budget to Actual Analysis of Interest Revenue 1/1/2022- 3/31/2022
--

	Budgeted (1/1/2022 to 3/31/2022)	Actuals (1/1/2022 to 3/31/2022)	YTD Variance
General Fund	\$ 21,500	\$ 28,323	24%

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

Hank Stratford, City Treasurer

Nitish Sharma, Finance Director (Interim)

City of Clayton
Investment Holdings Summary
Qtr. Ending: June 30, 2022

ATTACHMENT 1

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value (holding all securities until maturity)	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 893,135.02			\$ 893,135.02	5.53%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 3,001,480.61	0.75%	0.75%	\$ 3,001,480.61	18.60%
UBS Financial Services Inc.	Fixed Income	Certificates of Deposit	\$ 8,758,702.45	varies by holding	varies by holding	\$ 8,758,702.45	
	Fixed Income	U.S. Federal Agencies	\$ 727,312.19	varies by holding	varies by holding	\$ 727,312.19	
	Fixed Income	U.S. Treasuries	\$ 1,254,611.02			\$ 1,254,611.02	
		Total UBS Financial Services	\$ 10,740,625.66			\$ 10,740,625.66	66.54%
Bank of America	Checking	(General Ledger - book value)	1,505,617.26	0.00%	0.00%	1,505,617.26	9.33%
Total Investment Portfolio			16,140,858.55			16,140,858.55	

Budget to Actual Analysis of Interest Revenue			
4/1/2022-06/30/2022			

	Budgeted (4/1/2022 to 6/30/2022)	Actuals (4/1/2022 to 6/30/2022)	YTD Variance
General Fund	\$ 21,500	\$ 22,862	6%

* Actual amount does not include GASB 31 Adjustment (market value adjustments)

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

Hank Stratford, City Treasurer

Nitish Sharma, Finance Director (Interim)

City of Clayton
Investment Holdings Summary
Qtr. Ending: September 30, 2022

ATTACHMENT 1

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value (holding all securities until maturity)	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 898,049.04			\$ 898,049.04	5.98%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 1,507,100.01	1.35%	1.35%	\$ 1,507,100.01	10.03%
UBS Financial Services Inc.							
	Fixed Income	Certificates of Deposit	\$ 8,644,100.78	varies by holding	varies by holding	\$ 8,644,100.78	
	Fixed Income	U.S. Federal Agencies	\$ 699,951.19	varies by holding	varies by holding	\$ 699,951.19	
	Fixed Income	U.S. Treasuries	\$ 1,227,370.18			\$ 1,227,370.18	
		Total UBS Financial Services	\$ 10,571,422.15			\$ 10,571,422.15	70.37%
Bank of America	Checking	(General Ledger - book value)	2,045,989.09	0.00%	0.00%	2,045,989.09	13.62%
Total Investment Portfolio			15,022,560.29			15,022,560.29	

Budget to Actual Analysis of Interest Revenue			
7/1/2022-9/30/2022			

	Budgeted (7/1/2022 to 9/30/2022)	Actuals (7/1/2022 to 9/30/2022)	YTD Variance
General Fund	\$ 21,500	\$ 29,530	27%

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

Hank Stratford, City Treasurer

Nitish Sharma, Finance Director (Interim)



Branch office:
184 Liberty Corner Road
Suite 101
Warren, NJ 070596868

Financial Advisor:
James Dill
908-470-6200

UBS Client Review

as of March 31, 2022

Prepared for

City of Clayton

Accounts included in this review

Account	Name	Type
EX XX244	• City of Clayton	• Business Service Account
Risk profile:	Conservative	
Return Objective:	Current Income and Capital Appreciation	

What's inside

Bond summary.....	2
Bond holdings.....	4
Expected cash flow.....	10
House View - Executive Summary.....	15
Important information about this report.....	16



Bond summary

as of March 31, 2022

Bond overview

Total quantity	10,656,000
Total market value	\$10,341,851.75
Total accrued interest	\$25,203.08
Total market value plus accrued interest	\$10,367,054.83
Total estimated annual bond interest	\$136,916.50
Average coupon	1.31%
Average current yield	1.32%
Average yield to maturity	1.92%
Average yield to worst	1.92%
Average modified duration	2.24
Average effective maturity	2.26

Credit quality of bond holdings

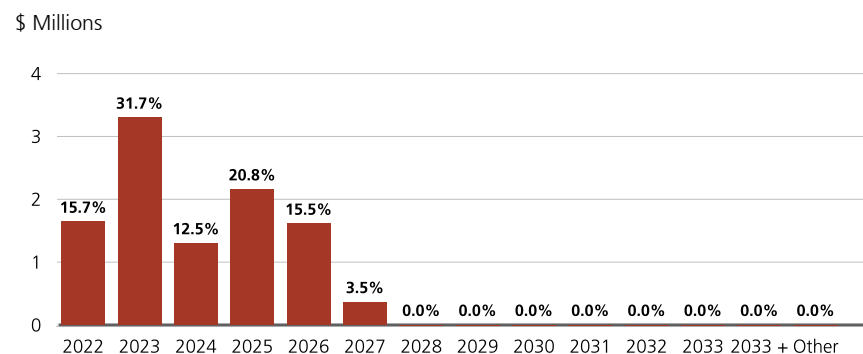
Effective credit rating	Issues	Value on 03/31/2022 (\$)	% of port.
A Aaa/AAA/AAA	5	1,503,273.15	14.52
B Aa/AA/AA	0	0.00	0.00
C A/A/A	0	0.00	0.00
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	48	8,863,781.68	85.48
G Not rated	0	0.00	0.00
Total	53	\$10,367,054.83	100%



Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	8,863,781.68	0.00	8,863,781.68	85.50
U.S. federal agencies	233,509.28	0.00	233,509.28	2.25
U.S. treasuries	1,269,763.87	0.00	1,269,763.87	12.25
Total	\$10,367,054.83	\$0.00	\$10,367,054.83	100%

Bond maturity schedule



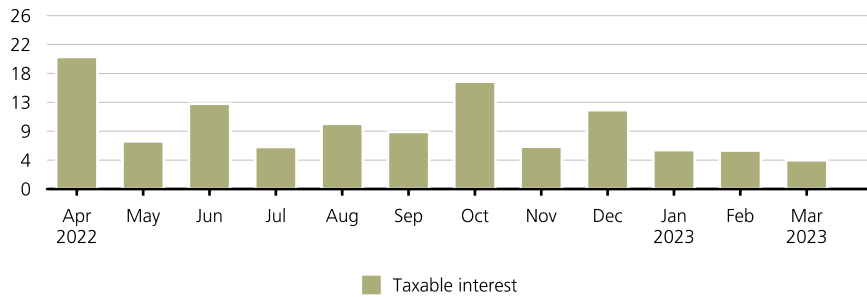
Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.

Bond summary - as of March 31, 2022 (continued)

Expected bond cash flow

\$ Thousands



Total taxable income: \$116,526.00

Total expected bond cash flow: \$116,526.00

Cash flows displayed account for known events such as maturities and mandatory puts.



Bond holdings

as of March 31, 2022

City of Clayton

Prepared for

Risk profile:

Return Objective:

City of Clayton

Conservative

Current Income and Capital Appreciation

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2022	9	1,625,000	38,818.00	2.38%	0.70 %	0.70 %	0.32	1,625,000	8,365.00	1,641,141.51	15.79%
2023	16	3,293,000	49,692.00	1.51%	1.51 %	1.51 %	1.15	3,292,225	-4,044.48	3,297,442.35	31.79%
2024	6	1,343,000	11,152.50	0.86%	2.27 %	2.27 %	2.30	1,343,000	-45,152.09	1,298,965.21	12.55%
2025	10	2,293,000	15,534.50	0.72%	2.55 %	2.55 %	3.35	2,295,446.3	-143,229.06	2,156,454.14	20.81%
2026	9	1,722,000	15,369.50	0.96%	2.57 %	2.57 %	4.13	1,719,300	-112,176.82	1,609,514.40	15.54%
2027	3	380,000	6,350.00	1.75%	2.64 %	2.64 %	4.66	380,000	-16,882.10	363,537.22	3.51%
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2051	0	0			NA	NA	NA				
2051 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	53	10,656,000	\$136,916.50	1.32%	1.92 %	1.92 %	2.24	\$10,654,971.30	\$-313,119.55	\$10,367,054.83	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Report created on: October 11, 2022

Page 4 of 17



Bond holdings - as of March 31, 2022 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		10,656,000	1.31%	07/05/2024	NA	\$136,916.50 1.32%	1.92% 1.92%	2.24	\$10,654,971.3 \$-313,119.55	NA	\$10,341,851.75 \$25,203.08 \$10,367,054.83	100%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2022												
SALLIE MAE BANK UT US RT 02.6500% MAT 04/04/22 FIXED RATE CD /UT	CD	197,000	2.65%	04/04/2022		5,220.50 2.65%	0.46% 0.46%	0.01	197,000.00 47.28	100.024	197,047.28 2,560.19	1.91%
LIVE OAK BKG CO NC US RT 02.2500% MAT 04/07/22 FIXED RATE CD /NC	CD	97,000	2.25%	04/07/2022		2,182.50 2.25%	0.42% 0.42%	0.01	97,000.00 33.95	100.035	97,033.95 179.38	0.94%
FIRST NATL BK OF M TX US RT 02.3500% MAT 06/20/22 FIXED RATE CD /TX	CD	145,000	2.35%	06/20/2022		3,407.50 2.34%	0.93% 0.93%	0.22	145,000.00 455.74	100.314	145,455.74 102.69	1.41%
BANK OF NEW ENGLAN NH US RT 03.1500% MAT 07/29/22 FIXED RATE CD /NH	CD	246,000	3.15%	07/29/2022		7,749.00 3.12%	NA NA	NA	246,000.00 2,081.16	100.846	248,081.16 0.00	2.40%
ALLY BK UT US RT 02.1500% MAT 08/01/22 FIXED RATE CD /UT	CD	247,000	2.15%	08/01/2022		5,310.50 2.14%	0.58% 0.58%	0.33	247,000.00 1,304.16	100.528	248,304.16 843.86	2.40%
ENERBANK UT US RT 02.0500% MAT 08/08/22 FIXED RATE CD /UT	CD	100,000	2.05%	08/08/2022		2,050.00 2.04%	0.61% 0.61%	0.35	100,000.00 510.00	100.510	100,510.00 292.05	0.97%
FIRST BK HIGHLAND IL US RT 02.2000% MAT 09/07/22 FIXED RATE CD /IL	CD	247,000	2.20%	09/07/2022		5,434.00 2.19%	0.75% 0.75%	0.43	247,000.00 1,563.51	100.633	248,563.51 357.30	2.40%
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD /VA	CD	99,000	2.30%	10/04/2022		2,277.00 2.28%	0.87% 0.87%	0.50	99,000.00 721.71	100.729	99,721.71 1,110.43	0.96%
COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22 FIXED RATE CD /IA	CD	247,000	2.10%	10/18/2022		5,187.00 2.09%	0.88% 0.88%	0.54	247,000.00 1,647.49	100.667	248,647.49 2,330.60	2.40%
Total 2022		1,625,000	2.39%	07/29/2022		\$38,818.00 2.38%	0.70% 0.70%	0.32	\$1,625,000.00 \$8,365.00		\$1,633,365.00 \$7,776.51	15.79%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of March 31, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD /NV	CD	248,000	1.90%	01/17/2023		4,712.00 1.89%	1.03% 1.03%	0.79	248,000.00 1,711.20	100.690	249,711.20 180.73	2.41%
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD /NY	CD	145,000	1.90%	01/23/2023		2,755.00 1.89%	1.05% 1.05%	0.80	145,000.00 994.70	100.686	145,994.70 513.26	1.41%
TEXAS CAP BK NA DA TX US RT 00.3000% MAT 02/07/23 FIXED RATE CD /TX	CD	250,000	0.30%	02/07/2023		750.00 0.30%	1.11% 1.11%	0.85	250,000.00 -1,722.50	99.311	248,277.50 106.85	2.40%
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD /NY	CD	250,000	2.65%	02/14/2023		6,625.00 2.62%	1.14% 1.14%	0.86	250,000.00 3,287.50	101.315	253,287.50 308.56	2.45%
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD /MA	CD	200,000	2.70%	02/28/2023		5,400.00 2.66%	1.19% 1.19%	0.90	200,000.00 2,744.00	101.372	202,744.00 44.38	1.96%
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD /NY	CD	250,000	1.45%	03/31/2023		3,625.00 1.45%	NA NA	NA	250,000.00 375.00	100.150	250,375.00 0.00	2.42%
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD /SD	CD	200,000	2.90%	04/11/2023		5,800.00 2.85%	1.32% 1.32%	1.00	200,000.00 3,214.00	101.607	203,214.00 2,717.26	1.96%
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD /VA	CD	150,000	1.40%	04/17/2023		2,100.00 1.40%	1.34% 1.34%	1.02	150,000.00 96.00	100.064	150,096.00 960.82	1.45%
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD /UT	CD	100,000	1.30%	04/17/2023		1,300.00 1.30%	1.34% 1.34%	1.03	100,000.00 -40.00	99.960	99,960.00 587.67	0.97%
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD /UT	CD	100,000	2.65%	05/08/2023		2,650.00 2.61%	1.38% 1.38%	1.07	100,000.00 1,381.00	101.381	101,381.00 1,038.22	0.98%
COMENITY BANK DE US RT 00.2000% MAT 05/15/23 JUMBO CD - HELD AT UBS /DE	CD	200,000	0.20%	05/15/2023		400.00 0.20%	1.83% 1.83%	1.11	200,000.00 -3,620.88	98.190	196,379.12 30.69	1.90%
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD /UT	CD	100,000	3.20%	07/31/2023		3,200.00 3.13%	NA NA	NA	100,000.00 2,142.00	102.142	102,142.00 0.00	0.99%
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD /OH	CD	200,000	0.25%	08/21/2023		500.00 0.25%	1.63% 1.63%	1.37	200,000.00 -3,780.00	98.110	196,220.00 54.79	1.90%
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	Aaa/AAA/NR NR/NR/NR	500,000	0.13%	10/15/2023		625.00 0.13%	2.14% 2.14%	1.52	499,225.00 -14,400.00	96.965	484,825.00 286.74	4.69%
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD /NY	CD	150,000	0.25%	10/16/2023		375.00 0.26%	1.75% 1.75%	1.52	150,000.00 -3,414.00	97.724	146,586.00 170.55	1.42%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

**City of Clayton**

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Bond holdings - as of March 31, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD /NY	CD	250,000	3.55%	12/28/2023		8,875.00 3.45%	1.91% 1.91%	1.67	250,000.00 6,987.50	102.795	256,987.50 2,261.30	2.48%
Total 2023		3,293,000	1.53%	05/30/2023		\$49,692.00 1.51%	1.51% 1.51%	1.15	\$3,292,225.00 \$-4,044.48		\$3,288,180.52 \$9,261.83	31.79%
Maturing 2024												
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD /SD	CD	197,000	2.75%	05/03/2024		5,417.50 2.72%	2.16% 2.16%	2.02	197,000.00 2,362.03	101.199	199,362.03 415.59	1.93%
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD /UT	CD	198,000	0.25%	06/11/2024		495.00 0.26%	2.21% 2.21%	2.16	198,000.00 -8,284.32	95.816	189,715.68 149.18	1.83%
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD /IL	CD	250,000	0.55%	07/29/2024	04/29/2022 100.00	1,375.00 0.57%	2.27% 2.27%	2.30	250,000.00 -9,702.50	96.119	240,297.50 229.79	2.32%
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD /NV	CD	250,000	0.60%	08/12/2024		1,500.00 0.62%	2.28% 2.28%	2.32	250,000.00 -9,650.00	96.140	240,350.00 193.15	2.32%
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD /UT	CD	250,000	0.55%	08/12/2024		1,375.00 0.57%	2.28% 2.28%	2.34	250,000.00 -9,957.50	96.017	240,042.50 75.34	2.32%
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD /TX	CD	198,000	0.50%	12/11/2024	04/11/2022 100.00	990.00 0.53%	2.42% 2.42%	2.67	198,000.00 -9,919.80	94.990	188,080.20 54.25	1.82%
Total 2024		1,343,000	0.85%	08/03/2024		\$11,152.50 0.86%	2.27% 2.27%	2.30	\$1,343,000.00 \$-45,152.09		\$1,297,847.91 \$1,117.30	12.55%
Maturing 2025												
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD /VA	CD	250,000	1.45%	04/22/2025		3,625.00 1.50%	2.55% 2.55%	2.94	259,817.50 -17,890.00	96.771	241,927.50 1,589.04	2.34%
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD /MI	CD	250,000	1.15%	04/29/2025		2,875.00 1.20%	2.55% 2.55%	2.98	250,000.00 -10,335.00	95.866	239,665.00 1,205.14	2.32%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of March 31, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2025												
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD /NY	CD	250,000	0.55%	07/21/2025		1,375.00 0.59%	2.57% 2.57%	3.23	250,000.00 -15,910.00	93.636	234,090.00 222.26	2.26%
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD /NC	CD	150,000	0.60%	08/13/2025		900.00 0.64%	2.57% 2.57%	3.32	150,000.00 -9,520.50	93.653	140,479.50 73.97	1.36%
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD /NY	CD	149,000	0.55%	08/28/2025	05/28/2022 100.00	819.50 0.59%	2.57% 2.57%	3.37	149,000.00 -9,822.08	93.408	139,177.92 6.74	1.35%
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD /IL	CD	200,000	0.50%	09/22/2025		1,000.00 0.54%	2.58% 2.58%	3.40	200,000.00 -13,746.00	93.127	186,254.00 24.66	1.80%
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD /DE	CD	250,000	0.40%	10/30/2025	04/30/2022 100.00	1,000.00 0.43%	NA NA	NA	250,000.00 -16,580.00	93.368	233,420.00 0.00	2.26%
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	Aaa/AAA/AA+ NR/NR/NR	150,000	0.60%	11/24/2025		900.00 0.64%	2.56% 2.56%	3.55	150,000.00 -10,164.00	93.224	139,836.00 317.50	1.35%
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD /DE	CD	100,000	1.00%	12/15/2025		1,000.00 1.06%	2.59% 2.59%	3.59	100,000.00 -5,577.00	94.423	94,423.00 290.41	0.91%
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	Aaa/AAA/NR NR/NR/NR	544,000	0.38%	12/31/2025		2,040.00 0.41%	2.49% 2.49%	3.67	536,628.80 -33,684.48	92.453	502,944.32 507.18	4.86%
Total 2025		2,293,000	0.68%	09/13/2025		\$15,534.50 0.72%	2.55% 2.55%	3.35	\$2,295,446.30 \$-143,229.06		\$2,152,217.24 \$4,236.90	20.81%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD /UT	CD	245,000	0.50%	01/29/2026		1,225.00 0.54%	2.59% 2.59%	3.78	245,000.00 -18,666.55	92.381	226,333.45 0.00	2.19%
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	Aaa/NR/AA+ NR/NR/NR	100,000	0.52%	02/12/2026		520.00 0.56%	2.35% 2.35%	3.78	100,000.00 -6,715.00	93.285	93,285.00 70.78	0.90%
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD /FL	CD	94,000	0.65%	03/05/2026	06/05/2022 100.00	611.00 0.70%	2.60% 2.60%	3.85	94,000.00 -6,818.76	92.746	87,181.24 43.52	0.84%
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD /FL	CD	135,000	0.95%	03/31/2026	03/31/2022 100.00	1,282.50 1.01%	NA NA	NA	135,000.00 -8,449.65	93.741	126,550.35 0.00	1.22%
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD /NY	CD	248,000	0.95%	05/19/2026		2,356.00 1.02%	2.61% 2.61%	3.99	248,000.00 -16,013.36	93.543	231,986.64 852.03	2.24%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of March 31, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	Aaa/AAA/NR NR/NR/NR	300,000	0.88%	06/30/2026		2,625.00 0.94%	2.49% 2.49%	4.11	297,300.00 -16,752.00	93.516	280,548.00 652.62	2.71%
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE /IA	CD	250,000	0.95%	08/18/2026		2,375.00 1.02%	2.62% 2.62%	4.28	250,000.00 -17,262.50	93.095	232,737.50 195.21	2.25%
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD /UT	CD	150,000	1.25%	12/10/2026		1,875.00 1.33%	2.63% 2.63%	4.49	150,000.00 -9,123.00	93.918	140,877.00 570.21	1.36%
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD /UT	CD	200,000	1.25%	12/30/2026		2,500.00 1.33%	2.64% 2.64%	4.59	200,000.00 -12,376.00	93.812	187,624.00 6.85	1.81%
Total 2026		1,722,000	0.89%	06/24/2026		\$15,369.50 0.96%	2.57% 2.57%	4.13	\$1,719,300.00 \$-112,176.82		\$1,607,123.18 \$2,391.22	15.54%
Maturing 2027												
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD /UT	CD	80,000	1.75%	02/16/2027		1,400.00 1.82%	2.64% 2.64%	4.62	80,000.00 -3,257.60	95.928	76,742.40 164.93	0.74%
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD /UT	CD	50,000	1.90%	02/16/2027		950.00 1.97%	2.64% 2.64%	4.61	50,000.00 -1,694.50	96.611	48,305.50 111.92	0.47%
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD /IA	CD	250,000	1.60%	02/18/2027	08/18/2022 100.00	4,000.00 1.68%	2.64% 2.64%	4.68	250,000.00 -11,930.00	95.228	238,070.00 142.47	2.30%
Total 2027		380,000	1.67%	02/18/2027		\$6,350.00 1.75%	2.64% 2.64%	4.66	\$380,000.00 \$-16,882.10		\$363,117.90 \$419.32	3.51%
Total Bond Portfolio												
		10,656,000	1.31%	07/05/2024	NA	\$136,916.50 1.32%	1.92% 1.92%	2.24	\$10,654,971.3 \$-313,119.55	NA	\$10,341,851.75 \$25,203.08 \$10,367,054.83	100%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Expected cash flow

from 04/01/2022 to 03/31/2023

City of Clayton

Prepared for

Risk profile:

Return Objective:

City of Clayton

Conservative

Current Income and Capital Appreciation

Summary of expected cash flows

	2022									2023			
	April	May	June	July	August	September	October	November	December	January	February	March	Total (\$)
Total Portfolio	20,135	7,274	13,004	6,410	9,946	8,700	16,369	6,459	12,028	5,937	5,871	4,393	116,526
Taxable	20,135	7,274	13,004	6,410	9,946	8,700	16,369	6,459	12,028	5,937	5,871	4,393	116,526
Taxable U.S. income	20,135	6,106	8,579	6,410	9,946	8,196	16,369	5,271	7,578	5,937	5,871	3,897	
Interest payments	20,135	6,106	8,579	6,410	9,946	8,196	16,369	5,271	7,578	5,937	5,871	3,897	104,295
Taxable non-U.S. income		1,168	4,425			504		1,188	4,450			496	
Interest payments		1,168	4,425			504		1,188	4,450			496	12,231

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 04/01/2022 to 03/31/2023 (continued)

Details of expected cash flows

	2022 April	May	June	July	August	September	October	November	December	2023 January	February	March	Total (\$)
Total Portfolio	20,135	7,274	13,004	6,410	9,946	8,700	16,369	6,459	12,028	5,937	5,871	4,393	116,526

Taxable

Taxable U.S. income

Interest payments

	Quantity	2022 April	May	June	July	August	September	October	November	December	2023 January	February	March	Total (\$)
ALLY BK UT US RT 02.1500% MAT 08/01/22 FIXED RATE CD	247,000.00					2,633.43 Aug 01								2,633.43
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD	250,000.00						1,817.47 Sep 30						1,807.53 Mar 31	3,625.00
BANK OF NEW ENGLAN NH US RT 03.1500% MAT 07/29/22 FIXED RATE CD	246,000.00	636.90 Apr 30	658.13 May 31	636.90 Jun 30	615.67 Jul 29									2,547.62
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD	94,000.00			154.01 Jun 05			154.01 Sep 05			152.33 Dec 05			150.66 Mar 05	611.00
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD	135,000.00	105.41 Apr 30	108.92 May 31	105.41 Jun 30	108.92 Jul 31	108.92 Aug 31	105.41 Sep 30	108.92 Oct 31	105.41 Nov 30	108.92 Dec 31	108.92 Jan 31	98.38 Feb 28	108.92 Mar 31	1,282.50
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD	100,000.00			498.63 Jun 15						501.37 Dec 15				1,000.00
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD	200,000.00	458.63 Apr 28	443.84 May 28	458.63 Jun 28	443.84 Jul 28	458.63 Aug 28	458.63 Sep 28	443.84 Oct 28	458.63 Nov 28	443.84 Dec 28	458.63 Jan 28	458.63 Feb 28		4,985.75
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD	250,000.00	339.04 Apr 29			342.81 Jul 29			346.58 Oct 29			346.58 Jan 29			1,375.00
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD	198,000.00			246.82 Jun 11						248.18 Dec 11				495.00
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD	99,000.00	1,135.38 Apr 04						1,141.62 Oct 04						2,277.00
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD	150,000.00	1,047.12 Apr 15						1,052.88 Oct 15						2,100.00
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD	200,000.00	2,892.05 Apr 11						2,907.95 Oct 11						5,800.00

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 04/01/2022 to 03/31/2023 (continued)

Interest payments

Interest payments		2022										2023				
	Quantity	April	May	June	July	August	September	October	November	December	January	February	March	Total (\$)		
COMENITY BANK DE US RT 00.2000% MAT 05/15/23	200,000.00	33.97 Apr 03	32.88 May 03	33.97 Jun 03	32.88 Jul 03	33.97 Aug 03	33.97 Sep 03	32.88 Oct 03	33.97 Nov 03	32.88 Dec 03	33.97 Jan 03	33.97 Feb 03	30.68 Mar 03	400.00		
JUMBO CD - HELD AT UBS COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22 FIXED RATE CD	247,000.00	2,586.39 Apr 18						2,600.61 Oct 18						5,187.00		
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD	250,000.00	1,807.53 Apr 22						1,817.47 Oct 22						3,625.00		
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD	250,000.00				681.85 Jul 31						693.15 Jan 31			1,375.00		
ENERBANK UT US RT 02.0500% MAT 08/08/22 FIXED RATE CD	100,000.00					1,016.58 Aug 07								1,022.19		
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD	100,000.00	263.01 Apr 30	271.78 May 31	263.01 Jun 30	271.78 Jul 31	271.78 Aug 31	263.01 Sep 30	271.78 Oct 31	263.01 Nov 30	271.78 Dec 31	271.78 Jan 31	245.48 Feb 28	271.78 Mar 31	3,200.00		
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	150,000.00		450.00 May 24						450.00 Nov 24					900.00		
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	100,000.00					260.00 Aug 12						260.00 Feb 12		520.00		
FIRST BK HIGHLAND IL US RT 02.2000% MAT 09/07/22 FIXED RATE CD	247,000.00						2,739.33 Sep 07							2,739.33		
FIRST NATL BK OF M TX US RT 02.3500% MAT 06/20/22 FIXED RATE CD	145,000.00	289.40 Apr 20	280.07 May 20	289.40 Jun 20										858.88		
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD	250,000.00	1,433.56 Apr 29						1,441.44 Oct 29						2,875.00		
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD	145,000.00				1,366.18 Jul 22						1,388.82 Jan 22			2,762.55		
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD	100,000.00		1,314.11 May 08						1,335.89 Nov 08					2,650.00		
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE	250,000.00	201.71 Apr 01	195.21 May 01	201.71 Jun 01	195.21 Jul 01	201.71 Aug 01	201.71 Sep 01	195.21 Oct 01	201.71 Nov 01	195.21 Dec 01	201.71 Jan 01	201.71 Feb 01	182.19 Mar 01	2,375.00		
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD	250,000.00	339.73 Apr 18	328.77 May 18	339.73 Jun 18	328.77 Jul 18	339.73 Aug 18	339.73 Sep 18	328.77 Oct 18	339.73 Nov 18	328.77 Dec 18	339.73 Jan 18	339.73 Feb 18	306.85 Mar 18	4,000.00		
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD	250,000.00	562.67 Apr 14	544.52 May 14	562.67 Jun 14	544.52 Jul 14	562.67 Aug 14	562.67 Sep 14	544.52 Oct 14	562.67 Nov 14	544.52 Dec 14	562.67 Jan 14	562.67 Feb 14		6,116.78		

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 04/01/2022 to 03/31/2023 (continued)

Interest payments

Interest payments		2022										2023			
	Quantity	April	May	June	July	August	September	October	November	December	January	February	March	Total (\$)	
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD	250,000.00	495.89 Apr 30						504.11 Oct 31						1,000.00	
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD	150,000.00	76.44 Apr 01	73.97 May 01	76.44 Jun 01	73.97 Jul 01	76.44 Aug 01	76.44 Sep 01	73.97 Oct 01	76.44 Nov 01	73.97 Dec 01	76.44 Jan 01	76.44 Feb 01	69.04 Mar 01	900.00	
LIVE OAK BKG CO NC US RT 02.2500% MAT 04/07/22 FIXED RATE CD	97,000.00	185.36 Apr 01												221.24	
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD	200,000.00	212.33 Apr 30	205.48 May 30	212.33 Jun 30	205.48 Jul 30	212.33 Aug 30	212.33 Sep 30	205.48 Oct 30	212.33 Nov 30	205.48 Dec 30	212.33 Jan 30	198.63 Feb 28	205.48 Mar 30	2,500.00	
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD	245,000.00	100.68 Apr 30	104.04 May 31	100.68 Jun 30	104.04 Jul 31	104.04 Aug 31	100.68 Sep 30	104.04 Oct 31	100.68 Nov 30	104.04 Dec 31	104.04 Jan 31	93.97 Feb 28	104.04 Mar 31	1,225.00	
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD	80,000.00					694.25 Aug 16						705.75 Feb 16		1,400.00	
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD	150,000.00	186.99 Apr 16						188.01 Oct 16						375.00	
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD	50,000.00					471.10 Aug 16						478.90 Feb 16		950.00	
SALLIE MAE BANK UT US RT 02.6500% MAT 04/04/22 FIXED RATE CD	197,000.00	2,603.10 Apr 03												2,617.40	
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD	150,000.00			934.93 Jun 10						940.07 Dec 10				1,875.00	
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD	100,000.00	648.22 Apr 17						651.78 Oct 17						1,300.00	
TEXAS CAP BK NA DA TX US RT 00.3000% MAT 02/07/23 FIXED RATE CD	250,000.00					371.92 Aug 07						378.08 Feb 07		750.00	
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD	198,000.00	84.08 Apr 11	81.37 May 11	84.08 Jun 11	81.37 Jul 11	84.08 Aug 11	84.08 Sep 11	81.37 Oct 11	84.08 Nov 11	81.37 Dec 11	84.08 Jan 11	84.08 Feb 11	75.95 Mar 11	990.00	
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD	200,000.00					247.95 Aug 19						252.05 Feb 19		500.00	
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD	250,000.00					743.84 Aug 12						756.16 Feb 12		1,500.00	
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD	250,000.00	116.78 Apr 11	113.01 May 11	116.78 Jun 11	113.01 Jul 11	116.78 Aug 11	116.78 Sep 11	113.01 Oct 11	116.78 Nov 11	113.01 Dec 11	116.78 Jan 11	116.78 Feb 11	105.48 Mar 11	1,375.00	

Includes all fixed income securities in the selected portfolio.

**City of Clayton**

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Expected cash flow - from 04/01/2022 to 03/31/2023 (continued)

Interest payments		2022										2023			
	Quantity	April	May	June	July	August	September	October	November	December	January	February	March	Total (\$)	
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	500,000.00	312.50 Apr 15						312.50 Oct 15						625.00	
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	544,000.00			1,020.00 Jun 30						1,020.00 Dec 31				2,040.00	
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	300,000.00			1,312.50 Jun 30						1,312.50 Dec 31				2,625.00	
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD	149,000.00	69.60 Apr 28	67.36 May 28	69.60 Jun 28	67.36 Jul 28	69.60 Aug 28	69.60 Sep 28	67.36 Oct 28	69.60 Nov 28	67.36 Dec 28	69.60 Jan 28	69.60 Feb 28	62.87 Mar 28	819.50	
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD	197,000.00	460.12 Apr 03	445.27 May 03	460.12 Jun 03	445.27 Jul 03	460.12 Aug 03	460.12 Sep 03	445.27 Oct 03	460.12 Nov 03	445.27 Dec 03	460.12 Jan 03	460.12 Feb 03	415.59 Mar 03	5,417.50	
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD	248,000.00	400.20 Apr 17	387.29 May 17	400.20 Jun 17	387.29 Jul 17	400.20 Aug 17	400.20 Sep 17	387.29 Oct 17	400.20 Nov 17	387.29 Dec 17	400.20 Jan 17			3,950.33	
Total Interest payments		20,135	6,106	8,579	6,410	9,946	8,196	16,369	5,271	7,578	5,937	5,871	3,897	104,295	

Taxable non-U.S. income

Interest payments		2022										2023			
	Quantity	April	May	June	July	August	September	October	November	December	January	February	March	Total (\$)	
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD	250,000.00			4,425.34 Jun 28						4,449.66 Dec 28				8,875.00	
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD	248,000.00		1,168.32 May 19						1,187.68 Nov 19					2,356.00	
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD	200,000.00						504.11 Sep 22						495.89 Mar 22	1,000.00	
Total Interest payments			1,168	4,425			504		1,188	4,450			496	12,231	

	2022										2023			
	April	May	June	July	August	September	October	November	December	January	February	March	Total (\$)	
Total Portfolio	20,135	7,274	13,004	6,410	9,946	8,700	16,369	6,459	12,028	5,937	5,871	4,393	116,526	

Includes all fixed income securities in the selected portfolio.

House View: Executive summary

Month in review

- Market volatility remains elevated as high inflation and rising interest rates are bringing down global growth expectations. Inflation looks set to remain at above-average levels and economic growth looks set to continue slowing on the back of higher interest rates. In this more challenging environment, there are still clear winners, in our opinion.
- We face significant geopolitical and economic uncertainty. The war in Ukraine has caused a humanitarian crisis. Sanctions have been imposed, disrupting commodity flows and creating extreme volatility in some markets. Cease-fire talks have yet to yield results.
- On an asset class level, we prefer commodities and commodity-related investments. Within equities, we believe value-oriented companies will outperform. Investors should ensure portfolios are well diversified, with exposure to alternatives such as hedge funds and private markets.

Global economic outlook



- With extremely negative real wage growth across the major economies, consumers can only maintain consumer spending levels by reducing savings rates or increasing borrowing rates. If that happens, the outcome is a soft landing. If consumers stop using savings or borrowing to support consumption, before real incomes stabilize, then economic slump is likely.
- Central banks need to reduce inflation to stabilize real incomes. The risk is that interest rate increases are occurring as inflation is being driven more by factors that will not respond to rate increases. This means they need to lower demand to squeeze corporate profit margins, without lowering demand as far as creating job insecurity and elevate precautionary savings.
- Economies are experiencing consumption inequality as lower-income groups have fewer resources available to support spending. If consumer spending patterns change, the shift is likely to be more abrupt than is normally the case—because any shift is more likely to be driven by sentiment and concerns about the future, rather than a gradual change in labor market conditions.

Source: UBS, as of 30 September 2022

Report created on: October 11, 2022

Tactical preferences

Preferred Investment Views

Asset Classes	Most Preferred 	Least Preferred 
Equities	<ul style="list-style-type: none"> • US large-cap value • UK equity • Australia equity 	<ul style="list-style-type: none"> • US large-cap growth
Fixed income	<ul style="list-style-type: none"> • Agency MBS 	<ul style="list-style-type: none"> • US gov't bonds (int.)
Foreign exchange	<ul style="list-style-type: none"> • USD • CAD • CHF 	<ul style="list-style-type: none"> • EUR • GBP
Real assets	<ul style="list-style-type: none"> • Oil • Broad commodities 	<ul style="list-style-type: none"> • Gold
US sectors	<ul style="list-style-type: none"> • Energy • Healthcare • Consumer Staples 	<ul style="list-style-type: none"> • Consumer discretionary • Materials

Economic forecasts (real GDP, in %)

	2021	2022E	2023E
US	5.7	1.6	0.5
Eurozone	5.3	2.9	0.8
China	8.1	2.7	4.6
Latin America	6.7	2.9	1.7
World	6.2	3.0	3.0

The views expressed in this slide belong to CIO Americas, GWM



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS account statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports. You should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Tax lots: This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot

level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Estimated Annual Income: The Estimated Annual Income is the annualized yearly per share Dividends/Interest paid and multiplied by the quantity of shares held in the selected account(s). For savings product & sweep funds this value is not calculated and is displayed as 0.

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no

ratings are currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Interest Rate Risk: Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Call Provisions: When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state

or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Taxability unknown: Taxability unknown items may include, but not to be limited to, Money Market interest, ordinary interest, and ordinary dividends. The value shown for interest bearing securities that have been deposited or received in your account includes accrued interest, where applicable.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Bond sensitivity analysis: This analysis uses Modified Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/loss for these positions are excluded in the calculation for the Gain/Loss. As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Accounts Included in this Report: The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "@" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or to make changes, contact your Financial Advisor.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in this report and is based on data provided by third party

sources. UBS Financial Services Inc. has not independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of the information.

Important information about brokerage and advisory services.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review client relationship summary provided at ubs.com/relationshipsummary.

UBS FS All Rights Reserved. Member SIPC.



Branch office:
184 Liberty Corner Road
Suite 101
Warren, NJ 070596868

Financial Advisor:
James Dill
908-470-6200

UBS Client Review

as of June 30, 2022

Prepared for

City of Clayton

Accounts included in this review

Account	Name	Type
EX XX244	• City of Clayton	• Business Service Account
Risk profile:	Conservative	
Return Objective:	Current Income and Capital Appreciation	

What's inside

Bond summary.....	2
Bond holdings.....	3
Expected cash flow.....	9
House View - Executive Summary.....	14
Important information about this report.....	15



Bond summary

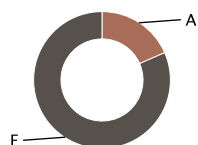
as of June 30, 2022

Bond overview

Total quantity	11,200,000
Total market value	\$10,721,990.27
Total accrued interest	\$18,635.40
Total market value plus accrued interest	\$10,740,625.67
Total estimated annual bond interest	\$164,286.00
Average coupon	1.50%
Average current yield	1.53%
Average yield to maturity	3.00%
Average yield to worst	3.00%
Average modified duration	2.35
Average effective maturity	2.37

Credit quality of bond holdings

Effective credit rating	Issues	Value on 06/30/2022 (\$)	% of port.
A Aaa/AAA/AAA	6	1,981,923.22	18.48
B Aa/AA/AA	0	0.00	0.00
C A/A/A	0	0.00	0.00
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	48	8,758,702.45	81.52
G Not rated	0	0.00	0.00
Total	54	\$10,740,625.67	100%

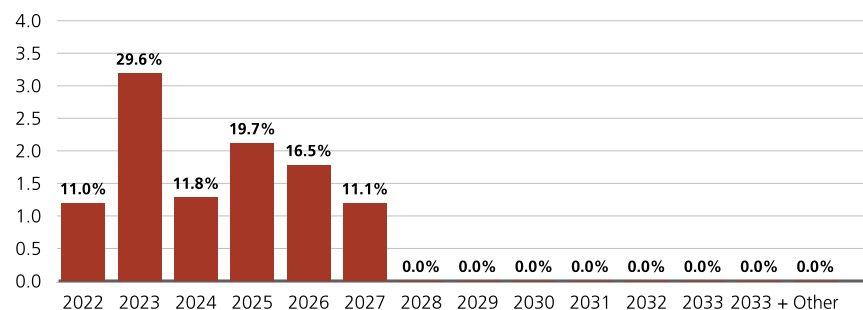


Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	8,758,702.45	0.00	8,758,702.45	81.55
U.S. federal agencies	727,312.19	0.00	727,312.19	6.77
U.S. treasuries	1,254,611.02	0.00	1,254,611.02	11.68
Total	\$10,740,625.66	\$0.00	\$10,740,625.66	100%

Bond maturity schedule

\$ Millions



Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.



Bond holdings

as of June 30, 2022

City of Clayton

Prepared for

Risk profile:

Return Objective:

City of Clayton

Conservative

Current Income and Capital Appreciation

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2022	6	1,186,000	28,007.50	2.36%	1.78 %	1.78 %	0.18	1,186,000	892.64	1,193,155.86	11.07%
2023	16	3,214,000	54,072.00	1.70%	2.68 %	2.68 %	0.93	3,213,225	-34,049.01	3,184,603.12	29.65%
2024	6	1,343,000	11,152.50	0.87%	3.30 %	3.30 %	2.05	1,343,000	-67,844.93	1,276,505.38	11.89%
2025	10	2,293,000	15,534.50	0.74%	3.27 %	3.27 %	3.11	2,295,446.3	-182,325.97	2,115,340.09	19.71%
2026	10	1,937,000	20,959.50	1.18%	3.31 %	3.31 %	3.85	1,934,300	-156,500.56	1,778,848.20	16.58%
2027	6	1,227,000	34,560.00	2.90%	3.52 %	3.52 %	4.47	1,227,000	-37,153.20	1,192,173.02	11.1%
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2051	0	0			NA	NA	NA				
2051 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	54	11,200,000	\$164,286.00	1.53%	3.00 %	3.00 %	2.35	\$11,198,971.30	\$-476,981.03	\$10,740,625.67	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Report created on: October 12, 2022

Page 3 of 16



Bond holdings - as of June 30, 2022 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		11,200,000	1.50%	11/13/2024	NA	\$164,286.00 1.53%	3.00% 3.00%	2.35	\$11,198,971.3 \$-476,981.03	NA	\$10,721,990.27 \$18,635.40 \$10,740,625.67	100%

Maturing 2022

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
BANK OF NEW ENGLAN NH US RT 03.1500% MAT 07/29/22 FIXED RATE CD /NH	CD	246,000	3.15%	07/29/2022		7,749.00 3.15%	NA NA	NA	246,000.00 287.82	100.117	246,287.82 0.00	2.30%
ALLY BK UT US RT 02.1500% MAT 08/01/22 FIXED RATE CD /UT	CD	247,000	2.15%	08/01/2022		5,310.50 2.15%	1.70% 1.70%	0.08	247,000.00 93.86	100.038	247,093.86 2,167.85	2.30%
ENERBANK UT US RT 02.0500% MAT 08/08/22 FIXED RATE CD /UT	CD	100,000	2.05%	08/08/2022		2,050.00 2.05%	1.72% 1.72%	0.10	100,000.00 34.00	100.034	100,034.00 803.15	0.93%
FIRST BK HIGHLAND IL US RT 02.2000% MAT 09/07/22 FIXED RATE CD /IL	CD	247,000	2.20%	09/07/2022		5,434.00 2.20%	1.79% 1.79%	0.18	247,000.00 182.78	100.074	247,182.78 1,712.08	2.31%
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD /VA	CD	99,000	2.30%	10/04/2022		2,277.00 2.30%	1.81% 1.81%	0.26	99,000.00 123.75	100.125	99,123.75 542.74	0.92%
COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22 FIXED RATE CD /IA	CD	247,000	2.10%	10/18/2022		5,187.00 2.10%	1.86% 1.86%	0.29	247,000.00 170.43	100.069	247,170.43 1,037.40	2.31%
Total 2022		1,186,000	2.36%	08/31/2022		\$28,007.50 2.36%	1.78% 1.78%	0.18	\$1,186,000.00 \$892.64		\$1,186,892.64 \$6,263.22	11.07%

Maturing 2023

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD /NV	CD	248,000	1.90%	01/17/2023		4,712.00 1.90%	2.16% 2.16%	0.54	248,000.00 -357.12	99.856	247,642.88 167.82	2.31%
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD /NY	CD	145,000	1.90%	01/23/2023		2,755.00 1.90%	2.18% 2.18%	0.55	145,000.00 -232.00	99.840	144,768.00 1,200.12	1.35%
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD /NY	CD	250,000	2.65%	02/14/2023		6,625.00 2.64%	2.27% 2.27%	0.62	250,000.00 592.50	100.237	250,592.50 290.41	2.34%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of June 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD /MA	CD	200,000	2.70%	02/28/2023		5,400.00 2.69%	2.32% 2.32%	0.65	200,000.00 504.00	100.252	200,504.00 29.59	1.87%
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD /NY	CD	250,000	1.45%	03/31/2023		3,625.00 1.46%	NA NA	NA	250,000.00 -1,830.00	99.268	248,170.00 903.77	2.31%
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD /SD	CD	200,000	2.90%	04/11/2023		5,800.00 2.89%	2.48% 2.48%	0.76	200,000.00 638.00	100.319	200,638.00 1,271.23	1.87%
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD /VA	CD	150,000	1.40%	04/17/2023		2,100.00 1.41%	2.52% 2.52%	0.78	150,000.00 -1,320.00	99.120	148,680.00 437.26	1.39%
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD /UT	CD	100,000	1.30%	04/17/2023		1,300.00 1.31%	2.52% 2.52%	0.78	100,000.00 -959.00	99.041	99,041.00 263.56	0.92%
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD /UT	CD	100,000	2.65%	05/08/2023		2,650.00 2.65%	2.61% 2.61%	0.83	100,000.00 30.00	100.030	100,030.00 384.79	0.93%
COMENITY BANK DE US RT 00.2000% MAT 05/15/23 JUMBO CD - HELD AT UBS /DE	CD	200,000	0.20%	05/15/2023		400.00 0.21%	3.27% 3.27%	0.87	200,000.00 -5,284.16	97.358	194,715.84 29.59	1.82%
DEPARTMENT OF COMM DC US RT 03.0000% MAT 06/29/23 LICU SHARE CERTIFICATE /DC	CD	171,000	3.00%	06/29/2023		5,130.00 3.00%	2.85% 2.85%	0.92	171,000.00 234.27	100.137	171,234.27 14.05	1.60%
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD /UT	CD	100,000	3.20%	07/31/2023		3,200.00 3.19%	NA NA	NA	100,000.00 318.00	100.318	100,318.00 0.00	0.94%
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD /OH	CD	200,000	0.25%	08/21/2023		500.00 0.26%	2.93% 2.93%	1.12	200,000.00 -5,984.00	97.008	194,016.00 179.45	1.81%
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	Aaa/AAA/NR NR/NR/NR	500,000	0.13%	10/15/2023		625.00 0.13%	2.93% 2.93%	1.27	499,225.00 -16,900.00	96.465	482,325.00 129.78	4.50%
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD /NY	CD	150,000	0.25%	10/16/2023		375.00 0.26%	3.00% 3.00%	1.27	150,000.00 -5,209.50	96.527	144,790.50 77.05	1.35%
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD /NY	CD	250,000	3.55%	12/28/2023		8,875.00 3.53%	3.08% 3.08%	1.44	250,000.00 1,710.00	100.684	251,710.00 48.63	2.35%
Total 2023		3,214,000	1.70%	06/09/2023		\$54,072.00 1.70%	2.68% 2.68%	0.93	\$3,213,225.00 \$-34,049.01		\$3,179,175.99 \$5,427.13	29.65%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of June 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2024												
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD /SD	CD	197,000	2.75%	05/03/2024		5,417.50 2.77%	3.23% 3.23%	1.78	197,000.00 -1,692.23	99.141	195,307.77 400.75	1.82%
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD /UT	CD	198,000	0.25%	06/11/2024		495.00 0.27%	3.29% 3.29%	1.91	198,000.00 -11,266.20	94.310	186,733.80 25.77	1.74%
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD /IL	CD	250,000	0.55%	07/29/2024	07/29/2022 100.00	1,375.00 0.58%	3.31% 3.31%	2.05	250,000.00 -13,807.50	94.477	236,192.50 233.56	2.20%
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD /NV	CD	250,000	0.60%	08/12/2024		1,500.00 0.63%	3.31% 3.31%	2.06	250,000.00 -13,767.50	94.493	236,232.50 567.12	2.20%
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD /UT	CD	250,000	0.55%	08/12/2024		1,375.00 0.58%	3.31% 3.31%	2.09	250,000.00 -14,095.00	94.362	235,905.00 71.58	2.20%
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD /TX	CD	198,000	0.50%	12/11/2024	07/11/2022 100.00	990.00 0.54%	3.34% 3.34%	2.42	198,000.00 -13,216.50	93.325	184,783.50 51.53	1.72%
Total 2024		1,343,000	0.85%	08/03/2024		\$11,152.50 0.87%	3.30% 3.30%	2.05	\$1,343,000.00 \$-67,844.93		\$1,275,155.07 \$1,350.31	11.89%
Maturing 2025												
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD /VA	CD	250,000	1.45%	04/22/2025		3,625.00 1.53%	3.38% 3.38%	2.71	259,817.50 -22,687.50	94.852	237,130.00 685.27	2.21%
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD /MI	CD	250,000	1.15%	04/29/2025		2,875.00 1.22%	3.39% 3.39%	2.74	250,000.00 -14,980.00	94.008	235,020.00 488.36	2.19%
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD /NY	CD	250,000	0.55%	07/21/2025		1,375.00 0.60%	3.40% 3.40%	2.97	250,000.00 -20,527.50	91.789	229,472.50 565.07	2.14%
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD /NC	CD	150,000	0.60%	08/13/2025		900.00 0.65%	3.39% 3.39%	3.08	150,000.00 -12,387.00	91.742	137,613.00 71.51	1.28%
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD /NY	CD	149,000	0.55%	08/28/2025	08/28/2022 100.00	819.50 0.60%	3.39% 3.39%	3.12	149,000.00 -12,678.41	91.491	136,321.59 4.49	1.27%
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD /IL	CD	200,000	0.50%	09/22/2025		1,000.00 0.55%	3.39% 3.39%	3.15	200,000.00 -17,548.00	91.226	182,452.00 273.97	1.70%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of June 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2025												
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD /DE	CD	250,000	0.40%	10/30/2025	10/30/2022 100.00	1,000.00 0.44%	NA NA	NA	250,000.00 -21,515.00	91.394	228,485.00 0.00	2.13%
FFCB BOND 00.600 % DUE 11/24/25 DTD 112420 FC 05242021	Aaa/AAA/AA+ NR/NR/NR	150,000	0.60%	11/24/2025		900.00 0.65%	3.11% 3.11%	3.31	150,000.00 -12,042.00	91.972	137,958.00 90.00	1.29%
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD /DE	CD	100,000	1.00%	12/15/2025		1,000.00 1.08%	3.38% 3.38%	3.34	100,000.00 -7,710.00	92.290	92,290.00 41.10	0.86%
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	Aaa/AAA/NR NR/NR/NR	544,000	0.38%	12/31/2025		2,040.00 0.41%	3.03% 3.03%	3.42	536,628.80 -40,250.56	91.246	496,378.24 0.00	4.63%
Total 2025		2,293,000	0.68%	09/13/2025		\$15,534.50 0.74%	3.27% 3.27%	3.11	\$2,295,446.30 \$-182,325.97		\$2,113,120.33 \$2,219.76	19.71%
Maturing 2026												
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD /UT	CD	245,000	0.50%	01/29/2026		1,225.00 0.55%	3.37% 3.37%	3.54	245,000.00 -23,691.50	90.330	221,308.50 0.00	2.06%
FHLB NTS 00.520 % DUE 02/12/26 DTD 021221 FC 08122021	Aaa/NR/AA+ NR/NR/NR	100,000	0.52%	02/12/2026		520.00 0.57%	3.28% 3.28%	3.52	100,000.00 -9,330.00	90.670	90,670.00 199.33	0.85%
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD /FL	CD	94,000	0.65%	03/05/2026	09/05/2022 100.00	611.00 0.72%	3.37% 3.37%	3.60	94,000.00 -8,805.92	90.632	85,194.08 41.85	0.79%
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD /FL	CD	135,000	0.95%	03/31/2026	06/30/2022 100.00	1,282.50 1.04%	NA NA	NA	135,000.00 -11,479.05	91.497	123,520.95 0.00	1.15%
COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26 FIXED RATE CD /UT	CD	215,000	2.60%	04/14/2026		5,590.00 2.67%	3.36% 3.36%	3.59	215,000.00 -5,785.65	97.309	209,214.35 245.04	1.95%
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD /NY	CD	248,000	0.95%	05/19/2026		2,356.00 1.04%	3.36% 3.36%	3.75	248,000.00 -21,583.44	91.297	226,416.56 271.10	2.11%
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	Aaa/AAA/NR NR/NR/NR	300,000	0.88%	06/30/2026		2,625.00 0.95%	3.03% 3.03%	3.87	297,300.00 -21,522.00	91.926	275,778.00 0.00	2.57%
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE /IA	CD	250,000	0.95%	08/18/2026		2,375.00 1.05%	3.36% 3.36%	4.03	250,000.00 -23,220.00	90.712	226,780.00 188.70	2.12%
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD /UT	CD	150,000	1.25%	12/10/2026		1,875.00 1.37%	3.40% 3.40%	4.25	150,000.00 -13,179.00	91.214	136,821.00 102.74	1.28%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



City of Clayton

Prepared for

Risk profile:

Return Objective:

City of Clayton

Conservative

Current Income and Capital Appreciation

Bond holdings - as of June 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD /UT	CD	200,000	1.25%	12/30/2026		2,500.00 1.37%	3.40% 3.40%	4.35	200,000.00 -17,904.00	91.048	182,096.00 0.00	1.70%
Total 2026		1,937,000	1.09%	06/16/2026		\$20,959.50 1.18%	3.31% 3.31%	3.85	\$1,934,300.00 \$-156,500.56		\$1,777,799.44 \$1,048.76	16.58%
Maturing 2027												
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD /UT	CD	80,000	1.75%	02/16/2027		1,400.00 1.88%	3.41% 3.41%	4.35	80,000.00 -5,651.20	92.936	74,348.80 513.97	0.69%
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD /UT	CD	50,000	1.90%	02/16/2027		950.00 2.03%	3.41% 3.41%	4.34	50,000.00 -3,213.50	93.573	46,786.50 348.77	0.44%
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD /IA	CD	250,000	1.60%	02/18/2027	08/18/2022 100.00	4,000.00 1.73%	3.41% 3.41%	4.44	250,000.00 -19,372.50	92.251	230,627.50 131.51	2.15%
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 LICU SHARE CERTIFICATE /NY	CD	100,000	2.85%	04/27/2027	10/27/2022 100.00	2,850.00 2.93%	3.43% 3.43%	4.49	100,000.00 -2,568.00	97.432	97,432.00 23.42	0.91%
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD /UT	CD	247,000	3.00%	04/29/2027	04/29/2023 100.00	7,410.00 3.06%	3.43% 3.43%	4.43	247,000.00 -4,693.00	98.100	242,307.00 1,258.68	2.26%
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	Aaa/NR/AA+ NR/NR/NR	500,000	3.59%	06/29/2027	12/29/2022 100.00	17,950.00 3.60%	3.66% 3.66%	4.53	500,000.00 -1,655.00	99.669	498,345.00 49.86	4.65%
Total 2027		1,227,000	2.84%	05/04/2027		\$34,560.00 2.90%	3.52% 3.52%	4.47	\$1,227,000.00 \$-37,153.20		\$1,189,846.80 \$2,326.22	11.10%
Total Bond Portfolio												
		11,200,000	1.50%	11/13/2024	NA	\$164,286.00 1.53%	3.00% 3.00%	2.35	\$11,198,971.3 \$-476,981.03	NA	\$10,721,990.27 \$18,635.40 \$10,740,625.67	100%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Expected cash flow

from 07/01/2022 to 06/30/2023

City of Clayton

Prepared for

Risk profile:

Return Objective:

City of Clayton

Conservative

Current Income and Capital Appreciation

Summary of expected cash flows

	2022						2023						
	July	August	September	October	November	December	January	February	March	April	May	June	Total (\$)
Total Portfolio	7,526	10,726	9,853	21,199	7,611	22,118	7,090	6,632	5,448	16,086	6,089	20,750	141,127
Taxable	7,526	10,726	9,853	21,199	7,611	22,118	7,090	6,632	5,448	16,086	6,089	20,750	141,127
Taxable U.S. income	7,526	10,726	9,349	21,199	6,424	17,668	7,090	6,632	4,952	16,086	4,921	16,324	
Interest payments	7,526	10,726	9,349	21,199	6,424	17,668	7,090	6,632	4,952	16,086	4,921	16,324	128,896
Taxable non-U.S. income			504		1,188	4,450			496		1,168	4,425	
Interest payments			504		1,188	4,450			496		1,168	4,425	12,231

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2022 to 06/30/2023 (continued)

Details of expected cash flows

	2022						2023						
	July	August	September	October	November	December	January	February	March	April	May	June	Total (\$)
Total Portfolio	7,526	10,726	9,853	21,199	7,611	22,118	7,090	6,632	5,448	16,086	6,089	20,750	141,127

Taxable

Taxable U.S. income

Interest payments

	Quantity	2022	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023	2023	2023
		July	August	September	October	November	December	January	February	March	April	May	June	Total (\$)
ALLY BK UT US RT 02.1500% MAT 08/01/22 FIXED RATE CD	247,000.00		2,633.43 Aug 01											2,633.43
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD	250,000.00			1,817.47 Sep 30						1,807.53 Mar 31				3,625.00
BANK OF NEW ENGLAN NH US RT 03.1500% MAT 07/29/22 FIXED RATE CD	246,000.00	615.67 Jul 29												615.67
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD	94,000.00			154.01 Sep 05			152.33 Dec 05			150.66 Mar 05			154.01 Jun 05	611.00
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD	135,000.00	108.92 Jul 31	108.92 Aug 31	105.41 Sep 30	108.92 Oct 31	105.41 Nov 30	108.92 Dec 31	108.92 Jan 31	98.38 Feb 28	108.92 Mar 31	105.41 Apr 30	108.92 May 31	105.41 Jun 30	1,282.50
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD	100,000.00						501.37 Dec 15						498.63 Jun 15	1,000.00
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD	200,000.00	443.84 Jul 28	458.63 Aug 28	458.63 Sep 28	443.84 Oct 28	458.63 Nov 28	443.84 Dec 28	458.63 Jan 28	458.63 Feb 28					3,624.66
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD	250,000.00	342.81 Jul 29			346.58 Oct 29			346.58 Jan 29			339.04 Apr 29			1,375.00
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD	198,000.00						248.18 Dec 11						246.82 Jun 11	495.00
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD	99,000.00				1,141.62 Oct 04									1,141.62
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD	150,000.00				1,052.88 Oct 15						1,047.12 Apr 15			2,111.51
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD	200,000.00				2,907.95 Oct 11						2,892.05 Apr 11			5,800.00

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2022 to 06/30/2023 (continued)

Interest payments

	Quantity	2022						2023						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
COMENITY BANK DE US RT 00.2000% MAT 05/15/23	200,000.00	32.88 Jul 03	33.97 Aug 03	33.97 Sep 03	32.88 Oct 03	33.97 Nov 03	32.88 Dec 03	33.97 Jan 03	33.97 Feb 03	30.68 Mar 03	33.97 Apr 03	32.88 May 03		379.18
JUMBO CD - HELD AT UBS COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26	215,000.00	459.45 Jul 14	474.77 Aug 14	474.77 Sep 14	459.45 Oct 14	474.77 Nov 14	459.45 Dec 14	474.77 Jan 14	474.77 Feb 14	428.82 Mar 14	474.77 Apr 14	459.45 May 14	474.77 Jun 14	5,590.00
FIXED RATE CD COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22	247,000.00				2,600.61 Oct 18									2,600.61
FIXED RATE CD CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25	250,000.00				1,817.47 Oct 22						1,807.53 Apr 22			3,625.00
FIXED RATE CD DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25	250,000.00	681.85 Jul 31						693.15 Jan 31						1,375.00
DEPARTMENT OF COMM DC US RT 03.0000% MAT 06/29/23 LICU SHARE CERTIFICATE	171,000.00	421.64 Jul 29	435.70 Aug 29	435.70 Sep 29	421.64 Oct 29	435.70 Nov 29	421.64 Dec 29	435.70 Jan 29	421.64 Feb 28	407.59 Mar 29	435.70 Apr 29	421.64 May 29	435.70 Jun 29	5,130.00
ENERBANK UT US RT 02.0500% MAT 08/08/22	100,000.00		1,016.58 Aug 07											1,022.19
FIXED RATE CD ENERBANK UT US RT 03.2000% MAT 07/31/23	100,000.00	271.78 Jul 31	271.78 Aug 31	263.01 Sep 30	271.78 Oct 31	263.01 Nov 30	271.78 Dec 31	271.78 Jan 31	245.48 Feb 28	271.78 Mar 31	263.01 Apr 30	271.78 May 31	263.01 Jun 30	3,200.00
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	150,000.00					450.00 Nov 24						450.00 May 24		900.00
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	500,000.00						8,975.00 Dec 29						8,975.00 Jun 29	17,950.00
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	100,000.00		260.00 Aug 12						260.00 Feb 12					520.00
FIRST BK HIGHLAND IL US RT 02.2000% MAT 09/07/22	247,000.00			2,739.33 Sep 07										2,739.33
FIXED RATE CD FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25	250,000.00				1,441.44 Oct 29						1,433.56 Apr 29			2,875.00
FIXED RATE CD GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD	145,000.00	1,366.18 Jul 22						1,388.82 Jan 22						2,762.55
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD	100,000.00					1,335.89 Nov 08						1,314.11 May 08		2,650.00
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE	250,000.00	195.21 Jul 01	201.71 Aug 01	201.71 Sep 01	195.21 Oct 01	201.71 Nov 01	195.21 Dec 01	201.71 Jan 01	201.71 Feb 01	182.19 Mar 01	201.71 Apr 01	195.21 May 01	201.71 Jun 01	2,375.00

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2022 to 06/30/2023 (continued)

Interest payments

		2022						2023						
	Quantity	July	August	September	October	November	December	January	February	March	April	May	June	Total (\$)
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD	250,000.00	328.77 Jul 18	339.73 Aug 18	339.73 Sep 18	328.77 Oct 18	339.73 Nov 18	328.77 Dec 18	339.73 Jan 18	339.73 Feb 18	306.85 Mar 18	339.73 Apr 18	328.77 May 18	339.73 Jun 18	4,000.00
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD	250,000.00	544.52 Jul 14	562.67 Aug 14	562.67 Sep 14	544.52 Oct 14	562.67 Nov 14	544.52 Dec 14	562.67 Jan 14	562.67 Feb 14					4,446.92
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD	250,000.00				504.11 Oct 31						495.89 Apr 30			1,000.00
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD	150,000.00	73.97 Jul 01	76.44 Aug 01	76.44 Sep 01	73.97 Oct 01	76.44 Nov 01	73.97 Dec 01	76.44 Jan 01	76.44 Feb 01	69.04 Mar 01	76.44 Apr 01	73.97 May 01	76.44 Jun 01	900.00
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD	200,000.00	205.48 Jul 30	212.33 Aug 30	212.33 Sep 30	205.48 Oct 30	212.33 Nov 30	205.48 Dec 30	212.33 Jan 30	198.63 Feb 28	205.48 Mar 30	212.33 Apr 30	205.48 May 30	212.33 Jun 30	2,500.00
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD	245,000.00	104.04 Jul 31	104.04 Aug 31	100.68 Sep 30	104.04 Oct 31	100.68 Nov 30	104.04 Dec 31	104.04 Jan 31	93.97 Feb 28	104.04 Mar 31	100.68 Apr 30	104.04 May 31	100.68 Jun 30	1,225.00
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD	247,000.00				3,715.15 Oct 29						3,694.85 Apr 29			7,410.00
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD	80,000.00		694.25 Aug 16						705.75 Feb 16					1,400.00
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD	150,000.00				188.01 Oct 16						186.99 Apr 16			375.00
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD	50,000.00		471.10 Aug 16						478.90 Feb 16					950.00
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD	150,000.00						940.07 Dec 10						934.93 Jun 10	1,875.00
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD	100,000.00				651.78 Oct 17						648.22 Apr 17			1,300.00
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD	198,000.00	81.37 Jul 11	84.08 Aug 11	84.08 Sep 11	81.37 Oct 11	84.08 Nov 11	81.37 Dec 11	84.08 Jan 11	84.08 Feb 11	75.95 Mar 11	84.08 Apr 11	81.37 May 11	84.08 Jun 11	990.00
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD	200,000.00		247.95 Aug 19						252.05 Feb 19					500.00
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD	250,000.00		743.84 Aug 12						756.16 Feb 12					1,500.00
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD	250,000.00	113.01 Jul 11	116.78 Aug 11	116.78 Sep 11	113.01 Oct 11	116.78 Nov 11	113.01 Dec 11	116.78 Jan 11	116.78 Feb 11	105.48 Mar 11	116.78 Apr 11	113.01 May 11	116.78 Jun 11	1,375.00

Includes all fixed income securities in the selected portfolio.

**City of Clayton**

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Expected cash flow - from 07/01/2022 to 06/30/2023 (continued)

Interest payments

	Quantity	2022						2023						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	500,000.00				312.50 Oct 15						312.50 Apr 15			625.00
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	544,000.00						1,020.00 Dec 31						1,020.00 Jun 30	2,040.00
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	300,000.00						1,312.50 Dec 31						1,312.50 Jun 30	2,625.00
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD	149,000.00	67.36 Jul 28	69.60 Aug 28	69.60 Sep 28	67.36 Oct 28	69.60 Nov 28	67.36 Dec 28	69.60 Jan 28	69.60 Feb 28	62.87 Mar 28	69.60 Apr 28	67.36 May 28	69.60 Jun 28	819.50
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 LICU SHARE CERTIFICATE	100,000.00	234.25 Jul 27	242.05 Aug 27	242.05 Sep 27	234.25 Oct 27	242.05 Nov 27	234.25 Dec 27	242.05 Jan 27	242.05 Feb 27	218.63 Mar 27	242.05 Apr 27	234.25 May 27	242.05 Jun 27	2,850.00
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD	197,000.00	445.27 Jul 03	460.12 Aug 03	460.12 Sep 03	445.27 Oct 03	460.12 Nov 03	445.27 Dec 03	460.12 Jan 03	460.12 Feb 03	415.59 Mar 03	460.12 Apr 03	445.27 May 03	460.12 Jun 03	5,417.50
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD	248,000.00	387.29 Jul 17	400.20 Aug 17	400.20 Sep 17	387.29 Oct 17	400.20 Nov 17	387.29 Dec 17	400.20 Jan 17						2,762.65
Total Interest payments		7,526	10,726	9,349	21,199	6,424	17,668	7,090	6,632	4,952	16,086	4,921	16,324	128,896

Taxable non-U.S. income**Interest payments**

	Quantity	2022						2023						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD	250,000.00						4,449.66 Dec 28						4,425.34 Jun 28	8,875.00
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD	248,000.00					1,187.68 Nov 19						1,168.32 May 19		2,356.00
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD	200,000.00			504.11 Sep 22						495.89 Mar 22				1,000.00
Total Interest payments				504		1,188	4,450			496		1,168	4,425	12,231

	2022						2023						Total (\$)
	July	August	September	October	November	December	January	February	March	April	May	June	
Total Portfolio	7,526	10,726	9,853	21,199	7,611	22,118	7,090	6,632	5,448	16,086	6,089	20,750	141,127

Includes all fixed income securities in the selected portfolio.

House View: Executive summary

Month in review

- Market volatility remains elevated as high inflation and rising interest rates are bringing down global growth expectations. Inflation looks set to remain at above-average levels and economic growth looks set to continue slowing on the back of higher interest rates. In this more challenging environment, there are still clear winners, in our opinion.
- We face significant geopolitical and economic uncertainty. The war in Ukraine has caused a humanitarian crisis. Sanctions have been imposed, disrupting commodity flows and creating extreme volatility in some markets. Cease-fire talks have yet to yield results.
- On an asset class level, we prefer commodities and commodity-related investments. Within equities, we believe value-oriented companies will outperform. Investors should ensure portfolios are well diversified, with exposure to alternatives such as hedge funds and private markets.

Global economic outlook



- With extremely negative real wage growth across the major economies, consumers can only maintain consumer spending levels by reducing savings rates or increasing borrowing rates. If that happens, the outcome is a soft landing. If consumers stop using savings or borrowing to support consumption, before real incomes stabilize, then economic slump is likely.
- Central banks need to reduce inflation to stabilize real incomes. The risk is that interest rate increases are occurring as inflation is being driven more by factors that will not respond to rate increases. This means they need to lower demand to squeeze corporate profit margins, without lowering demand as far as creating job insecurity and elevate precautionary savings.
- Economies are experiencing consumption inequality as lower-income groups have fewer resources available to support spending. If consumer spending patterns change, the shift is likely to be more abrupt than is normally the case—because any shift is more likely to be driven by sentiment and concerns about the future, rather than a gradual change in labor market conditions.

Source: UBS, as of 30 September 2022

Report created on: October 12, 2022

Tactical preferences

Preferred Investment Views

Asset Classes	Most Preferred 	Least Preferred 
Equities	<ul style="list-style-type: none"> • US large-cap value • UK equity • Australia equity 	<ul style="list-style-type: none"> • US large-cap growth
Fixed income	<ul style="list-style-type: none"> • Agency MBS 	<ul style="list-style-type: none"> • US gov't bonds (int.)
Foreign exchange	<ul style="list-style-type: none"> • USD • CAD • CHF 	<ul style="list-style-type: none"> • EUR • GBP
Real assets	<ul style="list-style-type: none"> • Oil • Broad commodities 	<ul style="list-style-type: none"> • Gold
US sectors	<ul style="list-style-type: none"> • Energy • Healthcare • Consumer Staples 	<ul style="list-style-type: none"> • Consumer discretionary • Materials

Economic forecasts (real GDP, in %)

	2021	2022E	2023E
US	5.7	1.6	0.5
Eurozone	5.3	2.9	0.8
China	8.1	2.7	4.6
Latin America	6.7	2.9	1.7
World	6.2	3.0	3.0

The views expressed in this slide belong to CIO Americas, GWM
Page 14 of 16



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS account statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports. You should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Tax lots: This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot

level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Estimated Annual Income: The Estimated Annual Income is the annualized yearly per share Dividends/Interest paid and multiplied by the quantity of shares held in the selected account(s). For savings product & sweep funds this value is not calculated and is displayed as 0.

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no

ratings are currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Interest Rate Risk: Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Call Provisions: When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state

or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Bond sensitivity analysis: This analysis uses Modified



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. A For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Accounts Included in this Report: The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "@" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or to make changes, contact your Financial Advisor.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

1) Have there been any changes to your financial

situation or investment objectives?

2) Would you like to implement or modify any restrictions regarding the management of your account? If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in this report and is based on data provided by third party sources. UBS Financial Services Inc. has not independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of the information.

Important information about brokerage and advisory services. As a firm providing wealth

management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review client relationship summary provided at ubs.com/relationshipsummary.

UBS FS All Rights Reserved. Member SIPC.



Branch office:
184 Liberty Corner Road
Suite 101
Warren, NJ 070596868

Financial Advisor:
James Dill
908-470-6200

UBS Client Review

as of September 30, 2022

Prepared for

City of Clayton

Accounts included in this review

Account	Name	Type
EX XX244	• City of Clayton	• Business Service Account
Risk profile:	Conservative	
Return Objective:	Current Income and Capital Appreciation	

What's inside

Bond summary.	2
Bond holdings.	4
Expected cash flow.	10
House View - Executive Summary.	15
Important information about this report.	16



Bond summary

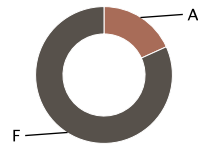
as of September 30, 2022

Bond overview

Total quantity	11,225,000
Total market value	\$10,541,638.28
Total accrued interest	\$29,783.87
Total market value plus accrued interest	\$10,571,422.15
Total estimated annual bond interest	\$174,605.00
Average coupon	1.59%
Average current yield	1.66%
Average yield to maturity	4.19%
Average yield to worst	4.19%
Average modified duration	2.23
Average effective maturity	2.32

Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/30/2022 (\$)	% of port.
A Aaa/AAA/AAA	6	1,927,321.37	18.22
B Aa/AA/AA	0	0.00	0.00
C A/A/A	0	0.00	0.00
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	48	8,644,100.78	81.78
G Not rated	0	0.00	0.00
Total	54	\$10,571,422.15	100%



City of Clayton

Prepared for

Risk profile:

Return Objective:

City of Clayton

Conservative

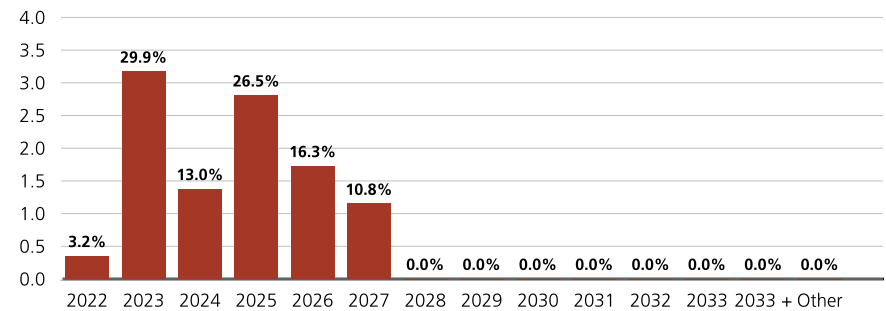
Current Income and Capital Appreciation

Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	8,644,100.78	0.00	8,644,100.78	81.77
U.S. federal agencies	699,951.19	0.00	699,951.19	6.62
U.S. treasuries	1,227,370.18	0.00	1,227,370.18	11.61
Total	\$10,571,422.15	\$0.00	\$10,571,422.15	100%

Bond maturity schedule

\$ Millions



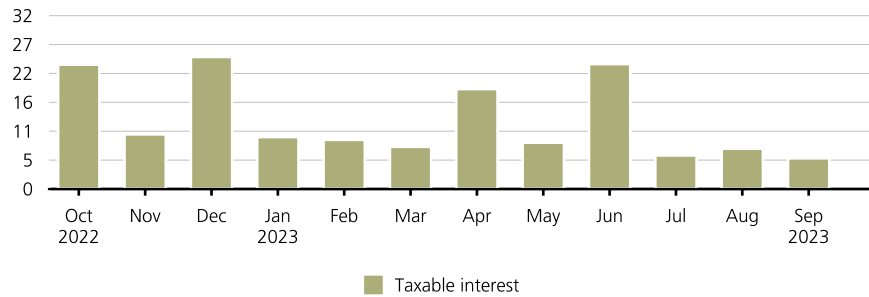
Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.

Bond summary - as of September 30, 2022 (continued)

Expected bond cash flow

\$ Thousands



Total taxable income: \$155,126.17

Total expected bond cash flow: \$155,126.17

Cash flows displayed account for known events such as maturities and mandatory puts.



Bond holdings

as of September 30, 2022

City of Clayton

Prepared for

Risk profile:

Return Objective:

City of Clayton

Conservative

Current Income and Capital Appreciation

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2022	2	346,000	7,464.00	2.16%	2.92 %	2.92 %	0.03	346,000	-110.67	349,350.80	3.28%
2023	16	3,214,000	54,072.00	1.71%	3.94 %	3.94 %	0.68	3,213,225	-53,162.25	3,169,267.88	29.98%
2024	7	1,458,000	14,890.00	1.08%	4.29 %	4.29 %	1.76	1,458,000	-84,510.41	1,374,643.64	13.03%
2025	13	3,043,000	42,659.50	1.52%	4.32 %	4.32 %	2.78	3,045,446.3	-245,522.15	2,805,137.48	26.56%
2026	10	1,937,000	20,959.50	1.22%	4.34 %	4.34 %	3.59	1,934,300	-211,845.91	1,725,095.55	16.34%
2027	6	1,227,000	34,560.00	3.03%	4.57 %	4.57 %	4.21	1,227,000	-87,181.63	1,147,926.80	10.81%
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2051	0	0			NA	NA	NA				
2051 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	54	11,225,000	\$174,605.00	1.66%	4.19 %	4.19 %	2.23	\$11,223,971.30	\$-682,333.02	\$10,571,422.15	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Report created on: October 11, 2022

Page 4 of 17

Bond holdings - as of September 30, 2022 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		11,225,000	1.59%	01/23/2025	NA	\$174,605.00 1.66%	4.19% 4.19%	2.23	\$11,223,971.3 \$-682,333.02	NA	\$10,541,638.28 \$29,783.87 \$10,571,422.15	100%

Maturing 2022

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD /VA	CD	99,000	2.30%	10/04/2022		2,277.00 2.30%	2.91% 2.91%	0.01	99,000.00 -6.93	99.993	98,993.07 1,116.67	0.94%
COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22 FIXED RATE CD /IA	CD	247,000	2.10%	10/18/2022		5,187.00 2.10%	2.93% 2.93%	0.04	247,000.00 -103.74	99.958	246,896.26 2,344.81	2.34%
Total 2022		346,000	2.16%	10/14/2022		\$7,464.00 2.16%	2.92% 2.92%	0.03	\$346,000.00 \$-110.67		\$345,889.33 \$3,461.47	3.28%

Maturing 2023

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD /NV	CD	248,000	1.90%	01/17/2023		4,712.00 1.91%	3.42% 3.42%	0.29	248,000.00 -1,118.48	99.549	246,881.52 167.82	2.34%
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD /NY	CD	145,000	1.90%	01/23/2023		2,755.00 1.91%	3.48% 3.48%	0.31	145,000.00 -717.75	99.505	144,282.25 528.36	1.37%
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD /NY	CD	250,000	2.65%	02/14/2023		6,625.00 2.66%	3.61% 3.61%	0.37	250,000.00 -890.00	99.644	249,110.00 290.41	2.36%
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD /MA	CD	200,000	2.70%	02/28/2023		5,400.00 2.71%	3.70% 3.70%	0.41	200,000.00 -820.00	99.590	199,180.00 29.59	1.89%
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD /NY	CD	250,000	1.45%	03/31/2023		3,625.00 1.47%	NA NA	NA	250,000.00 -3,037.50	98.785	246,962.50 0.00	2.34%
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD /SD	CD	200,000	2.90%	04/11/2023		5,800.00 2.92%	3.91% 3.91%	0.51	200,000.00 -1,046.00	99.477	198,954.00 2,733.15	1.89%
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD /VA	CD	150,000	1.40%	04/17/2023		2,100.00 1.42%	3.91% 3.91%	0.53	150,000.00 -2,017.50	98.655	147,982.50 966.58	1.40%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD /UT	CD	100,000	1.30%	04/17/2023		1,300.00 1.32%	3.91% 3.91%	0.53	100,000.00 -1,398.00	98.602	98,602.00 591.23	0.94%
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD /UT	CD	100,000	2.65%	05/08/2023		2,650.00 2.67%	3.92% 3.92%	0.58	100,000.00 -755.00	99.245	99,245.00 1,052.74	0.94%
COMENITY BANK DE US RT 00.2000% MAT 05/15/23 JUMBO CD - HELD AT UBS /DE	CD	200,000	0.20%	05/15/2023		400.00 0.20%	4.18% 4.18%	0.61	200,000.00 -4,875.54	97.562	195,124.46 29.59	1.85%
DEPARTMENT OF COMM DC US RT 03.0000% MAT 06/29/23 LICU SHARE CERTIFICATE /DC	CD	171,000	3.00%	06/29/2023		5,130.00 3.02%	3.94% 3.94%	0.73	171,000.00 -1,176.48	99.312	169,823.52 14.05	1.61%
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD /UT	CD	100,000	3.20%	07/31/2023		3,200.00 3.22%	NA NA	NA	100,000.00 -664.00	99.336	99,336.00 0.00	0.94%
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD /OH	CD	200,000	0.25%	08/21/2023		500.00 0.26%	4.09% 4.09%	0.87	200,000.00 -6,664.00	96.668	193,336.00 57.53	1.83%
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	Aaa/AAA/NR NR/NR/NR	500,000	0.13%	10/15/2023		625.00 0.13%	4.27% 4.27%	1.01	499,225.00 -20,125.00	95.820	479,100.00 286.89	4.54%
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD /NY	CD	150,000	0.25%	10/16/2023		375.00 0.26%	4.16% 4.16%	1.02	150,000.00 -5,929.50	96.047	144,070.50 171.58	1.37%
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD /NY	CD	250,000	3.55%	12/28/2023		8,875.00 3.58%	4.18% 4.18%	1.19	250,000.00 -1,927.50	99.229	248,072.50 2,285.62	2.35%
Total 2023		3,214,000	1.70%	06/09/2023		\$54,072.00 1.71%	3.94% 3.94%	0.68	\$3,213,225.00 \$-53,162.25		\$3,160,062.75 \$9,205.13	29.98%
Maturing 2024												
CITY & CNTY CREDIT MN US RT 03.2500% MAT 02/26/24 CREDIT UNION SHARE CERT /MN	CD	115,000	3.25%	02/26/2024		3,737.50 3.29%	4.21% 4.21%	1.37	115,000.00 -1,506.50	98.690	113,493.50 40.96	1.08%
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD /SD	CD	197,000	2.75%	05/03/2024		5,417.50 2.81%	4.24% 4.24%	1.54	197,000.00 -4,505.39	97.713	192,494.61 400.75	1.83%
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD /UT	CD	198,000	0.25%	06/11/2024		495.00 0.27%	4.26% 4.26%	1.65	198,000.00 -12,871.98	93.499	185,128.02 150.53	1.76%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

**City of Clayton**

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2024												
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD /IL	CD	250,000	0.55%	07/29/2024	10/29/2022 100.00	1,375.00 0.59%	4.38% 4.38%	1.79	250,000.00 -16,730.00	93.308	233,270.00 237.33	2.21%
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD /NV	CD	250,000	0.60%	08/12/2024		1,500.00 0.64%	4.30% 4.30%	1.81	250,000.00 -16,410.00	93.436	233,590.00 201.37	2.22%
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD /UT	CD	250,000	0.55%	08/12/2024		1,375.00 0.59%	4.28% 4.28%	1.84	250,000.00 -16,700.00	93.320	233,300.00 71.58	2.21%
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD /TX	CD	198,000	0.50%	12/11/2024	10/11/2022 100.00	990.00 0.54%	4.31% 4.31%	2.17	198,000.00 -15,786.54	92.027	182,213.46 51.53	1.73%
Total 2024		1,458,000	1.04%	07/21/2024		\$14,890.00 1.08%	4.29% 4.29%	1.76	\$1,458,000.00 \$-84,510.41		\$1,373,489.59 \$1,154.05	13.03%
Maturing 2025												
MOUNTAIN AMERICA C UT US RT 03.4500% MAT 02/28/25 LICU SHARE CERTIFICATE /UT	CD	250,000	3.45%	02/28/2025		8,625.00 3.52%	4.32% 4.32%	2.30	250,000.00 -4,975.00	98.010	245,025.00 708.90	2.32%
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD /VA	CD	250,000	1.45%	04/22/2025		3,625.00 1.56%	4.33% 4.33%	2.45	259,817.50 -27,085.00	93.093	232,732.50 1,598.97	2.21%
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD /MI	CD	250,000	1.15%	04/29/2025		2,875.00 1.25%	4.33% 4.33%	2.48	250,000.00 -19,210.00	92.316	230,790.00 1,213.01	2.19%
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD /NY	CD	250,000	0.55%	07/21/2025		1,375.00 0.61%	4.35% 4.35%	2.72	250,000.00 -24,872.50	90.051	225,127.50 229.79	2.14%
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD /NC	CD	150,000	0.60%	08/13/2025		900.00 0.67%	4.34% 4.34%	2.83	150,000.00 -15,123.00	89.918	134,877.00 71.51	1.28%
CONNEXUS CREDIT UN WI US RT 03.4000% MAT 08/15/25 LICU SHARE CERTIFICATE /WI	CD	250,000	3.40%	08/15/2025		8,500.00 3.49%	NA NA	NA	250,000.00 -6,370.00	97.452	243,630.00 0.00	2.31%
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD /NY	CD	149,000	0.55%	08/28/2025	11/28/2022 100.00	819.50 0.61%	4.35% 4.35%	2.87	149,000.00 -15,437.89	89.639	133,562.11 4.49	1.27%
KEMBA FINL CREDIT OH US RT 04.0000% MAT 09/22/25 CREDIT UNION SHARE CERT /OH	CD	250,000	4.00%	09/22/2025	03/21/2023 100.00	10,000.00 4.04%	4.35% 4.35%	2.79	250,000.00 -2,432.50	99.027	247,567.50 246.58	2.35%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2025												
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD /IL	CD	200,000	0.50%	09/22/2025		1,000.00 0.56%	4.35% 4.35%	2.89	200,000.00 -21,302.00	89.349	178,698.00 21.92	1.70%
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD /DE	CD	250,000	0.40%	10/30/2025	10/30/2022 100.00	1,000.00 0.45%	NA NA	NA	250,000.00 -26,405.00	89.438	223,595.00 0.00	2.12%
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	Aaa/AAA/AA+ NR/NR/NR	150,000	0.60%	11/24/2025		900.00 0.68%	4.46% 4.46%	3.04	150,000.00 -16,858.50	88.761	133,141.50 315.00	1.26%
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD /DE	CD	100,000	1.00%	12/15/2025		1,000.00 1.11%	4.35% 4.35%	3.08	100,000.00 -9,941.00	90.059	90,059.00 293.15	0.85%
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	Aaa/AAA/NR NR/NR/NR	544,000	0.38%	12/31/2025		2,040.00 0.42%	4.22% 4.22%	3.16	536,628.80 -55,509.76	88.441	481,119.04 510.00	4.56%
Total 2025		3,043,000	1.46%	08/25/2025		\$42,659.50 1.52%	4.32% 4.32%	2.78	\$3,045,446.30 \$-245,522.15		\$2,799,924.15 \$5,213.33	26.56%
Maturing 2026												
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD /UT	CD	245,000	0.50%	01/29/2026		1,225.00 0.57%	4.35% 4.35%	3.29	245,000.00 -29,218.70	88.074	215,781.30 0.00	2.05%
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	Aaa/NR/AA+ NR/NR/NR	100,000	0.52%	02/12/2026		520.00 0.59%	4.54% 4.54%	3.26	100,000.00 -12,417.00	87.583	87,583.00 69.33	0.83%
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD /FL	CD	94,000	0.65%	03/05/2026	12/05/2022 100.00	611.00 0.74%	4.36% 4.36%	3.35	94,000.00 -11,034.66	88.261	82,965.34 41.85	0.79%
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD /FL	CD	135,000	0.95%	03/31/2026	09/30/2022 100.00	1,282.50 1.07%	NA NA	NA	135,000.00 -14,902.65	88.961	120,097.35 0.00	1.14%
COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26 FIXED RATE CD /UT	CD	215,000	2.60%	04/14/2026		5,590.00 2.76%	4.35% 4.35%	3.36	215,000.00 -12,319.50	94.270	202,680.50 245.04	1.92%
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD /NY	CD	248,000	0.95%	05/19/2026		2,356.00 1.07%	4.35% 4.35%	3.48	248,000.00 -28,098.40	88.670	219,901.60 864.94	2.09%
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	Aaa/AAA/NR NR/NR/NR	300,000	0.88%	06/30/2026		2,625.00 0.99%	4.20% 4.20%	3.60	297,300.00 -31,602.00	88.566	265,698.00 656.25	2.52%
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE /IA	CD	250,000	0.95%	08/18/2026		2,375.00 1.08%	4.35% 4.35%	3.79	250,000.00 -30,320.00	87.872	219,680.00 188.70	2.08%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD /UT	CD	150,000	1.25%	12/10/2026		1,875.00 1.42%	4.37% 4.37%	3.98	150,000.00 -17,757.00	88.162	132,243.00 575.34	1.25%
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD /UT	CD	200,000	1.25%	12/30/2026		2,500.00 1.42%	4.37% 4.37%	4.11	200,000.00 -24,176.00	87.912	175,824.00 0.00	1.67%
Total 2026		1,937,000	1.09%	06/15/2026		\$20,959.50 1.22%	4.34% 4.34%	3.59	\$1,934,300.00 \$-211,845.91		\$1,722,454.09 \$2,641.46	16.34%
Maturing 2027												
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD /UT	CD	80,000	1.75%	02/16/2027		1,400.00 1.95%	4.39% 4.39%	4.12	80,000.00 -8,324.80	89.594	71,675.20 172.60	0.68%
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD /UT	CD	50,000	1.90%	02/16/2027		950.00 2.11%	4.38% 4.38%	4.11	50,000.00 -4,906.50	90.187	45,093.50 117.12	0.43%
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD /IA	CD	250,000	1.60%	02/18/2027	10/18/2022 100.00	4,000.00 1.80%	4.38% 4.38%	4.20	250,000.00 -27,685.00	88.926	222,315.00 131.51	2.11%
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 LICU SHARE CERTIFICATE /NY	CD	100,000	2.85%	04/27/2027	10/27/2022 100.00	2,850.00 3.04%	4.40% 4.40%	4.26	100,000.00 -6,395.00	93.605	93,605.00 23.42	0.89%
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD /UT	CD	247,000	3.00%	04/29/2027	04/29/2023 100.00	7,410.00 3.18%	4.40% 4.40%	4.15	247,000.00 -14,175.33	94.261	232,824.67 3,126.41	2.21%
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	Aaa/NR/AA+ NR/NR/NR	500,000	3.59%	06/29/2027	12/29/2022 100.00	17,950.00 3.78%	4.81% 4.81%	4.25	500,000.00 -25,695.00	94.861	474,305.00 4,537.36	4.50%
Total 2027		1,227,000	2.84%	05/04/2027		\$34,560.00 3.03%	4.57% 4.57%	4.21	\$1,227,000.00 \$-87,181.63		\$1,139,818.37 \$8,108.43	10.81%
Total Bond Portfolio												
		11,225,000	1.59%	01/23/2025	NA	\$174,605.00 1.66%	4.19% 4.19%	2.23	\$11,223,971.3 \$-682,333.02	NA	\$10,541,638.28 \$29,783.87 \$10,571,422.15	100%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Expected cash flow

from 10/01/2022 to 09/30/2023

City of Clayton

Prepared for

Risk profile:

Return Objective:

City of Clayton

Conservative

Current Income and Capital Appreciation

Summary of expected cash flows

	2022			2023									
	October	November	December	January	February	March	April	May	June	July	August	September	Total (\$)
Total Portfolio	23,235	10,209	24,678	9,711	9,183	7,885	18,684	8,649	23,348	6,273	7,532	5,740	155,126
Taxable	23,235	10,209	24,678	9,711	9,183	7,885	18,684	8,649	23,348	6,273	7,532	5,740	155,126
Taxable U.S. income	23,235	9,022	20,228	9,711	9,183	7,390	18,684	7,481	18,922	6,273	7,532	5,236	
Interest payments	23,235	9,022	20,228	9,711	9,183	7,390	18,684	7,481	18,922	6,273	7,532	5,236	142,895
Taxable non-U.S. income		1,188	4,450			496		1,168	4,425			504	
Interest payments		1,188	4,450			496		1,168	4,425			504	12,231

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 10/01/2022 to 09/30/2023 (continued)

Details of expected cash flows

	2022			2023									
	October	November	December	January	February	March	April	May	June	July	August	September	Total (\$)
Total Portfolio	23,235	10,209	24,678	9,711	9,183	7,885	18,684	8,649	23,348	6,273	7,532	5,740	155,126

Taxable**Taxable U.S. income****Interest payments**

	Quantity	2022			2023									
		October	November	December	January	February	March	April	May	June	July	August	September	Total (\$)
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD	250,000.00						1,807.53 Mar 31							1,807.53
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD	94,000.00			152.33 Dec 05			150.66 Mar 05			154.01 Jun 05			154.01 Sep 05	611.00
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD	135,000.00	108.92 Oct 31	105.41 Nov 30	108.92 Dec 31	108.92 Jan 31	98.38 Feb 28	108.92 Mar 31	105.41 Apr 30	108.92 May 31	105.41 Jun 30	108.92 Jul 31	108.92 Aug 31	105.41 Sep 30	1,282.50
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD	100,000.00			501.37 Dec 15						498.63 Jun 15				1,000.00
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD	200,000.00	443.84 Oct 28	458.63 Nov 28	443.84 Dec 28	458.63 Jan 28	458.63 Feb 28								2,263.56
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD	250,000.00	346.58 Oct 29			346.58 Jan 29			339.04 Apr 29			342.81 Jul 29			1,375.00
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD	198,000.00			248.18 Dec 11						246.82 Jun 11				495.00
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD	99,000.00	1,141.62 Oct 04												1,141.62
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD	150,000.00	1,052.88 Oct 15						1,047.12 Apr 15						2,111.51
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD	200,000.00	2,907.95 Oct 11						2,892.05 Apr 11						5,800.00
CITY & CNTY CREDIT MN US RT 03.2500% MAT 02/26/24 CREDIT UNION SHARE CERT	115,000.00	307.19 Oct 26	317.43 Nov 26	307.19 Dec 26	317.43 Jan 26	317.43 Feb 26	286.71 Mar 26	317.43 Apr 26	307.19 May 26	317.43 Jun 26	307.19 Jul 26	317.43 Aug 26	317.43 Sep 26	3,737.50

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 10/01/2022 to 09/30/2023 (continued)

Interest payments

Interest payments		2022			2023										
	Quantity	October	November	December	January	February	March	April	May	June	July	August	September	Total (\$)	
COMENITY BANK DE US RT 00.2000% MAT 05/15/23 JUMBO CD - HELD AT UBS	200,000.00	32.88 Oct 03	33.97 Nov 03	32.88 Dec 03	33.97 Jan 03	33.97 Feb 03	30.68 Mar 03	33.97 Apr 03	32.88 May 03					278.36	
COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26	215,000.00	459.45 Oct 14	474.77 Nov 14	459.45 Dec 14	474.77 Jan 14	474.77 Feb 14	428.82 Mar 14	474.77 Apr 14	459.45 May 14	474.77 Jun 14	459.45 Jul 14	474.77 Aug 14	474.77 Sep 14	5,590.00	
FIXED RATE CD COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22	247,000.00	2,600.61 Oct 18												2,600.61	
CONNEXUS CREDIT UN WI US RT 03.4000% MAT 08/15/25	250,000.00	721.92 Oct 31	698.63 Nov 30	721.92 Dec 31	721.92 Jan 31	652.05 Feb 28	721.92 Mar 31	698.63 Apr 30	721.92 May 31	698.63 Jun 30	721.92 Jul 31	721.92 Aug 31	698.63 Sep 30	8,500.00	
LICU SHARE CERTIFICATE CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25	250,000.00	1,817.47 Oct 22						1,807.53 Apr 22						3,625.00	
FIXED RATE CD DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25	250,000.00				693.15 Jan 31						681.85 Jul 31			1,375.00	
FIXED RATE CD DEPARTMENT OF COMM DC US RT 03.0000% MAT 06/29/23	171,000.00	421.64 Oct 29	435.70 Nov 29	421.64 Dec 29	435.70 Jan 29	421.64 Feb 28	407.59 Mar 29	435.70 Apr 29	421.64 May 29	435.70 Jun 29				3,836.96	
LICU SHARE CERTIFICATE ENERBANK UT US RT 03.2000% MAT 07/31/23	100,000.00	271.78 Oct 31	263.01 Nov 30	271.78 Dec 31	271.78 Jan 31	245.48 Feb 28	271.78 Mar 31	263.01 Apr 30	271.78 May 31	263.01 Jun 30	271.78 Jul 31			2,665.21	
FIXED RATE CD FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	150,000.00		450.00 Nov 24						450.00 May 24					900.00	
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	500,000.00			8,975.00 Dec 29						8,975.00 Jun 29				17,950.00	
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	100,000.00					260.00 Feb 12						260.00 Aug 12		520.00	
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25	250,000.00	1,441.44 Oct 29						1,433.56 Apr 29						2,875.00	
FIXED RATE CD GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23	145,000.00				1,388.82 Jan 22									1,396.37	
FIXED RATE CD GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23	100,000.00		1,335.89 Nov 08						1,314.11 May 08					2,650.00	
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26	250,000.00	195.21 Oct 01	201.71 Nov 01	195.21 Dec 01	201.71 Jan 01	201.71 Feb 01	182.19 Mar 01	201.71 Apr 01	195.21 May 01	201.71 Jun 01	195.21 Jul 01	201.71 Aug 01	201.71 Sep 01	2,375.00	
LICU SHARE CERTIFICATE HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27	250,000.00	328.77 Oct 18	339.73 Nov 18	328.77 Dec 18	339.73 Jan 18	339.73 Feb 18	306.85 Mar 18	339.73 Apr 18	328.77 May 18	339.73 Jun 18	328.77 Jul 18	339.73 Aug 18	339.73 Sep 18	4,000.00	
FIXED RATE CD															

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 10/01/2022 to 09/30/2023 (continued)

Interest payments

Interest payments		2022			2023										
	Quantity	October	November	December	January	February	March	April	May	June	July	August	September	Total (\$)	
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD	250,000.00	544.52 Oct 14	562.67 Nov 14	544.52 Dec 14	562.67 Jan 14	562.67 Feb 14								2,777.05	
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD	250,000.00	504.11 Oct 31						495.89 Apr 30						1,000.00	
KEMBA FINL CREDIT OH US RT 04.0000% MAT 09/22/25 CREDIT UNION SHARE CERT	250,000.00	273.97 Oct 01	849.32 Nov 01	821.92 Dec 01	849.32 Jan 01	849.32 Feb 01	767.12 Mar 01	849.32 Apr 01	821.92 May 01	849.32 Jun 01	821.92 Jul 01	849.32 Aug 01	849.32 Sep 01	9,452.05	
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD	150,000.00	73.97 Oct 01	76.44 Nov 01	73.97 Dec 01	76.44 Jan 01	76.44 Feb 01	69.04 Mar 01	76.44 Apr 01	73.97 May 01	76.44 Jun 01	73.97 Jul 01	76.44 Aug 01	76.44 Sep 01	900.00	
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD	200,000.00	205.48 Oct 30	212.33 Nov 30	205.48 Dec 30	212.33 Jan 30	198.63 Feb 28	205.48 Mar 30	212.33 Apr 30	205.48 May 30	212.33 Jun 30	205.48 Jul 30	212.33 Aug 30	212.33 Sep 30	2,500.00	
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD	245,000.00	104.04 Oct 31	100.68 Nov 30	104.04 Dec 31	104.04 Jan 31	93.97 Feb 28	104.04 Mar 31	100.68 Apr 30	104.04 May 31	100.68 Jun 30	104.04 Jul 31	104.04 Aug 31	100.68 Sep 30	1,225.00	
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD	247,000.00	3,715.15 Oct 29						3,694.85 Apr 29						7,410.00	
MOUNTAIN AMERICA C UT US RT 03.4500% MAT 02/28/25 LICU SHARE CERTIFICATE	250,000.00	732.53 Oct 01	732.53 Nov 01	708.90 Dec 01	732.53 Jan 01	732.53 Feb 01	661.64 Mar 01	732.53 Apr 01	708.90 May 01	732.53 Jun 01	708.90 Jul 01	732.53 Aug 01	732.53 Sep 01	8,648.63	
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD	80,000.00					705.75 Feb 16						694.25 Aug 16		1,400.00	
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD	150,000.00	188.01 Oct 16						186.99 Apr 16						375.00	
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD	50,000.00					478.90 Feb 16						471.10 Aug 16		950.00	
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD	150,000.00			940.07 Dec 10						934.93 Jun 10				1,875.00	
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD	100,000.00	651.78 Oct 17						648.22 Apr 17						1,300.00	
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD	198,000.00	81.37 Oct 11	84.08 Nov 11	81.37 Dec 11	84.08 Jan 11	84.08 Feb 11	75.95 Mar 11	84.08 Apr 11	81.37 May 11	84.08 Jun 11	81.37 Jul 11	84.08 Aug 11	84.08 Sep 11	990.00	
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD	200,000.00					252.05 Feb 19						247.95 Aug 19		502.74	
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD	250,000.00					756.16 Feb 12						743.84 Aug 12		1,500.00	

Includes all fixed income securities in the selected portfolio.

**City of Clayton**

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Expected cash flow - from 10/01/2022 to 09/30/2023 (continued)**Interest payments**

	Quantity	2022			2023									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD	250,000.00	113.01 Oct 11	116.78 Nov 11	113.01 Dec 11	116.78 Jan 11	116.78 Feb 11	105.48 Mar 11	116.78 Apr 11	113.01 May 11	116.78 Jun 11	113.01 Jul 11	116.78 Aug 11	116.78 Sep 11	1,375.00
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	500,000.00	312.50 Oct 15						312.50 Apr 15						625.00
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	544,000.00			1,020.00 Dec 31						1,020.00 Jun 30				2,040.00
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	300,000.00			1,312.50 Dec 31						1,312.50 Jun 30				2,625.00
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD	149,000.00	67.36 Oct 28	69.60 Nov 28	67.36 Dec 28	69.60 Jan 28	69.60 Feb 28	62.87 Mar 28	69.60 Apr 28	67.36 May 28	69.60 Jun 28	67.36 Jul 28	69.60 Aug 28	69.60 Sep 28	819.50
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 LICU SHARE CERTIFICATE	100,000.00	234.25 Oct 27	242.05 Nov 27	234.25 Dec 27	242.05 Jan 27	242.05 Feb 27	218.63 Mar 27	242.05 Apr 27	234.25 May 27	242.05 Jun 27	234.25 Jul 27	242.05 Aug 27	242.05 Sep 27	2,850.00
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD	197,000.00	445.27 Oct 03	460.12 Nov 03	445.27 Dec 03	460.12 Jan 03	460.12 Feb 03	415.59 Mar 03	460.12 Apr 03	445.27 May 03	460.12 Jun 03	445.27 Jul 03	460.12 Aug 03	460.12 Sep 03	5,417.50
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD	248,000.00	387.29 Oct 17	400.20 Nov 17	387.29 Dec 17	400.20 Jan 17									1,574.97
Total Interest payments		23,235	9,022	20,228	9,711	9,183	7,390	18,684	7,481	18,922	6,273	7,532	5,236	142,895

Taxable non-U.S. income**Interest payments**

	Quantity	2022			2023									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD	250,000.00			4,449.66 Dec 28						4,425.34 Jun 28				8,875.00
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD	248,000.00		1,187.68 Nov 19						1,168.32 May 19					2,356.00
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD	200,000.00						495.89 Mar 22						504.11 Sep 22	1,000.00
Total Interest payments			1,188	4,450			496		1,168	4,425			504	12,231

	2022			2023									Total (\$)
	October	November	December	January	February	March	April	May	June	July	August	September	
Total Portfolio	23,235	10,209	24,678	9,711	9,183	7,885	18,684	8,649	23,348	6,273	7,532	5,740	155,126

Includes all fixed income securities in the selected portfolio.

House View: Executive summary

Month in review

- Market volatility remains elevated as high inflation and rising interest rates are bringing down global growth expectations. Inflation looks set to remain at above-average levels and economic growth looks set to continue slowing on the back of higher interest rates. In this more challenging environment, there are still clear winners, in our opinion.
- We face significant geopolitical and economic uncertainty. The war in Ukraine has caused a humanitarian crisis. Sanctions have been imposed, disrupting commodity flows and creating extreme volatility in some markets. Cease-fire talks have yet to yield results.
- On an asset class level, we prefer commodities and commodity-related investments. Within equities, we believe value-oriented companies will outperform. Investors should ensure portfolios are well diversified, with exposure to alternatives such as hedge funds and private markets.

Global economic outlook



- With extremely negative real wage growth across the major economies, consumers can only maintain consumer spending levels by reducing savings rates or increasing borrowing rates. If that happens, the outcome is a soft landing. If consumers stop using savings or borrowing to support consumption, before real incomes stabilize, then economic slump is likely.
- Central banks need to reduce inflation to stabilize real incomes. The risk is that interest rate increases are occurring as inflation is being driven more by factors that will not respond to rate increases. This means they need to lower demand to squeeze corporate profit margins, without lowering demand as far as creating job insecurity and elevate precautionary savings.
- Economies are experiencing consumption inequality as lower-income groups have fewer resources available to support spending. If consumer spending patterns change, the shift is likely to be more abrupt than is normally the case—because any shift is more likely to be driven by sentiment and concerns about the future, rather than a gradual change in labor market conditions.

Source: UBS, as of 30 September 2022

Report created on: October 11, 2022

Tactical preferences

Preferred Investment Views

Asset Classes	Most Preferred 	Least Preferred 
Equities	<ul style="list-style-type: none"> • US large-cap value • UK equity • Australia equity 	<ul style="list-style-type: none"> • US large-cap growth
Fixed income	<ul style="list-style-type: none"> • Agency MBS 	<ul style="list-style-type: none"> • US gov't bonds (int.)
Foreign exchange	<ul style="list-style-type: none"> • USD • CAD • CHF 	<ul style="list-style-type: none"> • EUR • GBP
Real assets	<ul style="list-style-type: none"> • Oil • Broad commodities 	<ul style="list-style-type: none"> • Gold
US sectors	<ul style="list-style-type: none"> • Energy • Healthcare • Consumer Staples 	<ul style="list-style-type: none"> • Consumer discretionary • Materials

Economic forecasts (real GDP, in %)

	2021	2022E	2023E
US	5.7	1.6	0.5
Eurozone	5.3	2.9	0.8
China	8.1	2.7	4.6
Latin America	6.7	2.9	1.7
World	6.2	3.0	3.0

The views expressed in this slide belong to CIO Americas, GWM



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS account statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports. You should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Tax lots: This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot

level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Estimated Annual Income: The Estimated Annual Income is the annualized yearly per share Dividends/Interest paid and multiplied by the quantity of shares held in the selected account(s). For savings product & sweep funds this value is not calculated and is displayed as 0.

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no

ratings are currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Interest Rate Risk: Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Call Provisions: When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state

or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Taxability unknown: Taxability unknown items may include, but not to be limited to, Money Market interest, ordinary interest, and ordinary dividends. The value shown for interest bearing securities that have been deposited or received in your account includes accrued interest, where applicable.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Bond sensitivity analysis: This analysis uses Modified Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/loss for these positions are excluded in the calculation for the Gain/Loss. As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Accounts Included in this Report: The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "@" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or to make changes, contact your Financial Advisor.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in this report and is based on data provided by third party

sources. UBS Financial Services Inc. has not independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of the information.

Important information about brokerage and advisory services.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review client relationship summary provided at ubs.com/relationshipsummary.

UBS FS All Rights Reserved. Member SIPC.



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: MALA SUBRAMANIAN, CITY ATTORNEY

DATE: DECEMBER 20, 2022

**SUBJECT: RESOLUTION ##-2022 AMENDING THE ORDER OF BUSINESS
TAKEN UP BY THE CITY COUNCIL AT CITY COUNCIL MEETINGS
PURSUANT TO CLAYTON MUNICIPAL CODE SECTION 2.04.070**

RECOMMENDATION

Staff recommends that the City Council consider whether to adopt Resolution ##- 2022.

BACKGROUND

Clayton Municipal Code section 2.04.070 authorizes the City Council to establish the order of business it takes up at its public meeting by adopting a resolution. At the December 6, 2022 Council Meeting, Mayor Wan requested the Council consider updating this Resolution.

DISCUSSION

The attached Resolution as requested by Mayor Wan amends the order of business to move public comment earlier in the meeting and eliminates Council reports. There is a new item for Mayor and City Manager Announcements and Upcoming Events. A few detailed items from consent calendar have also been removed since there is a catch-all category within the consent calendar. The Resolution with revisions in redline format and as a clean version is attached.

ATTACHMENT

1. Resolution ##--2022 (redline version)
2. Resolution ##-2022 (clean version)

RESOLUTION NO. ##-2022

**A RESOLUTION AMENDING THE ORDER OF BUSINESS TAKEN UP BY THE
CITY COUNCIL AT CITY COUNCIL MEETINGS PURSUANT TO CLAYTON
MUNICIPAL CODE SECTION 2.04.070**

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

WHEREAS, section 2 04.070 of the Clayton Municipal Code authorizes the City Council to establish the order of the business it takes up at its public meetings by duly adopting a resolution to that effect; and

WHEREAS, the City Council wishes to adopt and amend the order of business to more accurately reflect the current priorities and needs of the Council and the departments and groups that report at meetings.

NOW THEREFORE, BE IT RESOLVED, the City Council of Clayton does determine the foregoing recitals are true and correct and hereby sets forth the following as the official Order of Business of the City Council:

A. Regular City Council Agenda

1. Meeting ~~e~~Called to ~~e~~Orders/~~Roll Call~~

2. Pledge of Allegiance

~~2. Study Session (if needed)~~

3. Public Comment on Non-Agenda Items

~~3~~4. Closed Session (if needed)

~~a. Litigation Session~~

~~b. Personnel Session~~

~~4. Pledge to the Flag~~

5. Consent Calendar as follows:

"NOTICE TO THE PUBLIC"

All matters listed under Item 5, Consent Calendar, are considered to be routine by the City Council and will be enacted by one motion in the form listed below. There will be no separate discussion of these items. If discussion is required, that item will be removed from the consent calendar and will be considered separately. Vote may be by roll call.

- a. Approval of minutes
- b. Approval of warrants
- ~~c. Payments on public works projects~~
- ~~d. Authorization for call for bids~~
- ~~e. Approval of final tract maps and acceptance of dedications.~~
- ~~f. Claims against the City~~
- ~~g. Award of bids~~
- ~~h. Adoption of Ordinances that have been introduced at previous council meetings as an action item~~
- ~~i. Resolutions~~
- ~~j-c. Such other routine items as the Council may add by resolution to the consent calendar procedure~~

6. Recognitions and Presentations~~Ceremonial Matters~~

7. City Manager and Staff Reports

8. Mayor and City Manager Announcements and Upcoming Events

~~a. Staff~~

~~b. Council~~

~~c. Other~~

~~8. Public Comment Period~~

9. Public Hearings

10. Action Items

[11. Closed Session \(if needed\)](#)

[12. Council Items](#)

[13](#)4. Adjourn

B. Successor Agency Agenda

1. Call to Order
2. Consent Calendar
3. Public Hearings
4. Action Items
5. Adjourn

C. Geological Hazard Abatement District

1. Call to Order
2. Consent Calendar
3. Public Hearings
4. Action Items
5. Adjourn

The foregoing order of business may be formally changed from time to time by duly adopted resolution of the City Council.

PASSED, APPROVED and ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 20th day of December, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Jeff Wan, Mayor

ATTEST:

Janet Calderon, City Clerk

RESOLUTION NO. ##-2022

**A RESOLUTION AMENDING THE ORDER OF BUSINESS TAKEN UP BY THE
CITY COUNCIL AT CITY COUNCIL MEETINGS PURSUANT TO CLAYTON
MUNICIPAL CODE SECTION 2.04.070**

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

WHEREAS, section 2 04.070 of the Clayton Municipal Code authorizes the City Council to establish the order of the business it takes up at its public meetings by duly adopting a resolution to that effect; and

WHEREAS, the City Council wishes to adopt and amend the order of business to more accurately reflect the current priorities and needs of the Council and the departments and groups that report at meetings.

NOW THEREFORE, BE IT RESOLVED, the City Council of Clayton does determine the foregoing recitals are true and correct and hereby sets forth the following as the official Order of Business of the City Council:

A. Regular City Council Agenda

1. Meeting Called to Order
2. Pledge of Allegiance
3. Public Comment on Non-Agenda Items
4. Closed Session (if needed)
5. Consent Calendar as follows:

"NOTICE TO THE PUBLIC"

All matters listed under Item 5, Consent Calendar, are considered to be routine by the City Council and will be enacted by one motion in the form listed below. There will be no separate discussion of these items. If discussion is required, that item will be removed from the consent calendar and will be considered separately. Vote may be by roll call.

- a. Approval of minutes

- b. Approval of warrants
- c. Such other routine items

6. Recognitions and Presentations

7. City Manager and Staff Reports

8. Mayor and City Manager Announcements and Upcoming Events

9. Public Hearings

10. Action Items

11. Closed Session (if needed)

12. Council Items

13. Adjourn

B. Successor Agency Agenda

1. Call to Order

2. Consent Calendar

3. Public Hearings

4. Action Items

5. Adjourn

C. Geological Hazard Abatement District

1. Call to Order

2. Consent Calendar

3. Public Hearings

4. Action Items

5. Adjourn

The foregoing order of business may be formally changed from time to time by a duly adopted resolution of the City Council.

PASSED, APPROVED and ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 20th day of December, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

Jeff Wan, Mayor

ATTEST:

Janet Calderon, City Clerk



AGENDA REPORT

TO: HONORABLE COMMITTEE MEMBERS

FROM: Reina J. Schwartz, City Manager

DATE: December 20, 2022

SUBJECT: Appoint Two Members to the Community Financial Sustainability Committee as Recommended by the City Council's Budget & Audit Subcommittee

RECOMMENDATION

Consider the recommendation from the Budget & Audit Subcommittee to appoint by Minute Order two members to the Community Financial Sustainability Committee for two-year terms of office expiring December 31, 2024.

BACKGROUND

On October 18, 2022, the City Council established the Community Financial Sustainability Committee via Resolution 76-2022.

Staff advertised the Committee positions on the City's website, at the City's three (3) posting areas and on social media accounts. Applications were initially due by November 7, 2022, but the application period was extended to provide the biggest pool possible. The City Council's Budget & Audit Subcommittee reviewed applications and held interviews of the three applicants on December 5, 2022 and December 14, 2022 (applications attached).

The Budget & Audit Committee recommends appointing Hank Stratford and Howard Kaplan to the Community Financial Sustainability Committee for two-year terms expiring December 31, 2024.

With these appointments, the Committee will still need three additional members for the Committee to be fully seated and to achieve a quorum for meeting. The call for volunteers has been re-posted to the City's website and social media sites on Monday December 12th and the City will continue to solicit volunteers for this Committee.

FISCAL IMPACT

None other than staff time to support the Committee.

Attachments:

1. Press Release and Application
2. Committee Member Applications

PRESS RELEASE



Now accepting Applications for COMMUNITY FINANCIAL SUSTAINABILITY COMMITTEE CITY OF CLAYTON

The Community Financial Sustainability Committee shall include five Clayton residents as voting members, appointed by the City Council. All members shall possess a background in finance, accounting auditing or related field. The Council Budget and Audit Standing Committee will be responsible for screening applications and interviewing candidates for the Committee.

- The Community Financial Sustainability Committee shall hold at least four meetings per year. All meetings of the Committee are open to the public.
- The term of service for each member shall generally be two years. The initial term of some members may be less or more than two years so that the expiration dates are staggered.
- An applicant must be 18 years of age, a registered voter and a resident of Clayton.
- There is no compensation for service.

An application may be obtained:

By mail: Call City offices at (925) 673-7300

E-mail: janetc@claytonca.gov

City's website: www.claytonca.gov

Please return a completed application to the City Clerk **by 5:00 p.m., Monday, November 7, 2022**. City Council Budget/Audit Committee interview of applicants will be held on November 28, 2022 at 4pm and will be open to the public. After that meeting, it is anticipated that the Budget/Audit Committee will make a recommendation to the full City Council for Appointment of the Committee in December 2022.

Applications filed are subject to public disclosure, and the appointed Financial Sustainability Committee member must file a Statement of Economic Interests required by the California Fair Political Practices Commission.

RESOLUTION NO. 76-2022

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAYTON ESTABLISHING A COMMUNITY FINANCIAL SUSTAINABILITY COMMITTEE

THE CITY COUNCIL City of Clayton, California

WHEREAS, the City of Clayton like many other municipalities faces financial pressures;

WHEREAS, polling completed in the Spring of 2022 indicates that the Clayton community is very satisfied with the quality of life in Clayton;

WHEREAS, the Clayton community is generally not aware of the financial challenges facing the City; and

WHEREAS, increased engagement with the community around financial matters will benefit the City and the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLAYTON, CALIFORNIA:

1. **Membership:** The Committee shall include five Clayton residents as voting members, appointed by the City Council. All members shall possess a background in finance, accounting auditing or related field. Membership shall include at a minimum:
 - a. One member with experience in governmental accounting
 - b. One member with experience in governmental finance and/or budgeting
 - c. One member with experience in auditing
2. **Appointment Process:** The Council Budget & Audit Standing Committee will be responsible for screening applications and interviewing candidates for the Committee. The Budget & Audit Committee will make recommendations on appointment to the full City Council. Appointment will be by a majority of the full City Council.
3. **Term of Service:** The term of service for each member shall generally be two years. The initial term of some members may be less or more than two years so that the expiration dates are staggered.
4. **Compensation:** Members of the Committee will receive no compensation for their service.
5. **Meetings:** All meetings of the Committee are open to the public. The Committee shall determine the meeting schedule provided that the Committee holds at least four meetings per year. The Committee shall comply with state law regarding the noticing and conduct of public meetings.

6. **Quorum:** Three members of the Committee constitute a quorum. A majority vote of a quorum is required for the Committee to take any action, including approval of a recommendation to the City Council.

7. **Mission Statement:** The Committee shall act in an advisory capacity to the City Manager and City Council and shall make recommendations on the annual budget and financial matters related to the City's operation but shall not have any direct spending or operational authority. It is the goal of the Committee to increase engagement and information around City financial matters.

8. **Duties of the Committee:**

- a. Identify areas for additional evaluation for financial savings or revenue generation.
- b. Communicate with the community on City financial matters.
- c. Review the City's proposed annual budget and provide recommendations to the City Manager, Budget & Audit Subcommittee and the City Council.
- d. At the request of the City Council, have a representative attend other meetings such as the City Council's annual goal-setting meeting.
- e. Select at least one and no more than two Committee members to attend City Council Budget & Audit Subcommittee meetings to represent the Community Committee.
- f. Make recommendations to the Budget & Audit Subcommittee and City Council on financial matters related to City operations including but not limited to:
 - i. Each year, to the extent that the City's external audit identifies available General Fund surplus in the prior budget year, make recommendations regarding potential uses or reservations of those funds (January);
 - ii. On a semi-annual basis, typically during the annual budget process (May/June) and mid-year budget process (January/February), review the City's current financial circumstances and capital needs to make recommendations regarding expenditures and revenues.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Clayton, California, at a regular public meeting thereof held on the 18th day of October 2022, by the following vote:


AYES: Mayor Cloven, Vice Mayor Tillman, Councilmembers Diaz, Wan, and Wolfe.

NOES: None.

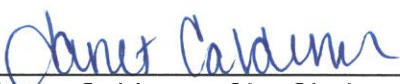
ABSENT: None.

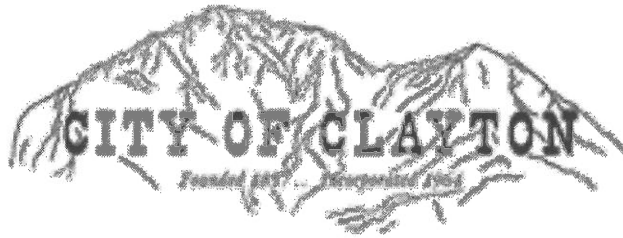
ABSTAIN: None.

THE CITY COUNCIL OF CLAYTON, CA


Peter Cloven, Mayor

ATTEST:


Janet Calderon, City Clerk



RECEIVED

NOV 07 2022

City of Clayton

CITY OF CLAYTON

COMMUNITY FINANCIAL SUSTAINABILITY COMMITTEE APPLICATION

Name: James Killoran

Date: November 6, 2022

Home address: [REDACTED]

Length of residence in Clayton: 25 years

Email address: _____

Present employer: Retired. Past employer Chevron

Occupation: * Supervisory Committee Member - Chevron Federal Credit Union
Past Occupation - Chevron Finance, Governance, and Compliance

* A financial oversight committee review and reports
Education and special training. Specifically identify your background and experience in governmental finance and accounting, auditing, financial management:

Three decades of experience in Finance, accounting, Audit, governance, and compliance. Responsibilities include budgeting, cost management, transfer pricing, economic analysis, optimization, credit management, internal controls and audit, bank risk analysis and security, training, ERP project management, and financial statement preparation and accounting policy.

Please provide an example of how you have addressed a complex financial challenge in your work. Please provide as many specifics as possible, particularly to actions or decisions for which you were personally responsible.

~~at~~ Initiated and led optimization of digital analytics and a significant accounting policy ~~renew~~ review over a two year period. Significant world wide engagement with finance, business, accounts policy, and external auditor representatives with blessing from CFO. Developed best practices by ~~present~~ ^{research} to other Fortune 500 firms and various vendors. My direct work results led to over \$50 million cost reduction in year one, plus the work allowed us to simplify our processes. Further significant savings occurred through our restructuring of our worldwide credit organization.

Since this is a new Committee, what do you think are the three most important goals for the Committee to achieve in its first year?

① Team build - ensure alignment with mission, opportunities, scope, timeline, resources, and reporting. ② Understand details of budget and core assumptions, and develop recommend scenarios and reporting to public. ③ Worked with city staff and Council to develop metrics to core work performance.

Please describe what you believe the top financial challenge is facing the City of Clayton. What research have you done in reaching this conclusion?

In reading budget and city staff/council meeting discussions, expenses are rising faster than revenues. Core risks are inflation, heated job market, and volatile governance (Coppers) that will likely lead to significant increases in pension expenses.

List three references with phone numbers:

Available Upon Request

Please attach a resume or other summary of your relevant financial experience.


Signature

11/06/22
Date

RECEIVED

NOV 04 2022

City of Clayton



CITY OF CLAYTON

COMMUNITY FINANCIAL SUSTAINABILITY COMMITTEE APPLICATION

Name: Howard Kaplan

Date: 11/4/2022

Home address: [REDACTED]

Length of residence in Clayton: 33 years

Email address: [REDACTED]

Present employer: Farmvest, Inc.

Occupation: Founder and President

Education and special training. Specifically identify your background and experience in governmental finance and accounting, auditing, financial management:

University of California at Berkeley MBA-Finance
Chartered Financial Analyst

Please provide an example of how you have addressed a complex financial challenge in your work. Please provide as many specifics as possible, particularly to actions or decisions for which you were personally responsible.

Prepared annual operating budgets with direct responsibility for variances.
Developed and executed real estate improvement projects
Multi-state real estate portfolio management.

Since this is a new Committee, what do you think are the three most important goals for the Committee to achieve in its first year?

- 1) Establishing credibility with sound, fair, and balanced judgment.
- 2) Understanding unfunded state mandates
- 3) Listening, considering, and deciding positions while respecting contrary opinions

Please describe what you believe the top financial challenge is facing the City of Clayton. What research have you done in reaching this conclusion?

Establishing a sinking fund for replacement of long term capital assets while prioritizing services provided.

List three references with phone numbers:

Howard Gelber - [REDACTED]
Keith Hayden - [REDACTED]
Ed Hartley - [REDACTED]

Please attach a resume or other summary of your relevant financial experience.

Howard Kaplan

Signature

11/4/2022

Date

Howard M. Kaplan

PROFESSIONAL EXPERIENCE:

Farmvest, Inc., President, Clayton, CA

2011 - Present

2002 - 2008

1981 - 1998

Farmvest, Inc. has been providing natural resources real estate investment management and consulting for over 30 years except for two periods of dormancy. The firm advises institutional investors on commingled funds investing in global agriculture, global timber, water, and domestic mitigation banking. In addition, services provided to direct investment clients include: acquisition, management, valuation, leasing, and disposition of perennial and annual crop agricultural properties, timber due diligence, secondary market transactions, economic research, feasibility studies, commodity market development, capital improvements, litigation support, and debt negotiations.

The firm currently assists an institutional investor with development of a \$350 million global renewable resources portfolio in affiliation with Hamilton Lane Real Assets. Through this work, Howard Kaplan has gained extensive knowledge of the fund manager universe serving this category. Experience includes due diligence of fund offerings, drafting policies, and making recommendations for investment with the managers that offer the best risk-adjusted returns consistent with client's objectives. Recommendations require presentation to client staff, the internal Investment Committee, and the client Board.

Through Mr. Kaplan's efforts, the firm has executed consulting projects including industry economic studies, portfolio value estimates, wine grape production and processing portfolio management, strategic planning for an emerging microbial pesticide company, managing multi-location, and multi-product operations in production, processing, and marketing of crops, and investment portfolio strategy for a large endowment fund. Innovation, initiative, leadership, and strategic planning were skills developed through broad-based, generalist experience supported by an entrepreneurial perspective.

ORG Portfolio Management, LLC, President, Natural Resources Division 2008 - 2011

Established the Natural Resources division of ORG Portfolio Management, an institutional real estate advisory firm. ORG Natural Resources, as an independent fiduciary, consulted on over \$3 billion of timber and agriculture transactions and funds. The division advised on manager selection for a \$300 million mandate in global timber, global agriculture, and domestic mitigation banking.

MacKenzie Patterson, Inc., Vice President - Moraga, CA

2000-2002

Director of acquisitions for opportunistic real estate investment fund. Investor funds purchased illiquid real estate securities in the form of Limited Partnerships, small Real Estate Investment Trusts, and distressed debentures. Accomplishments include identification of Senior Housing and Healthcare real estate as the most promising sectors and acquiring superior performers who made a significant contribution to the managed portfolio outperforming its benchmark. Investment follow-through involved participation on the Creditors Committee of a \$120 million bond issue in bankruptcy.

Premier Pacific Vineyards, Vice President. San Francisco and Napa, CA 1999-2000
Supported start-up of integrated vineyard and wine operating company focused on the ultra and luxury premium segment. Responsible for vineyard development and operations budgeting, acquisition due diligence, and lender relations management. Provided pro forma financials and support for draft Private Placement Memorandum, working with investment bankers and securities attorneys.

CB Richard Ellis Global Capital Markets Group, San Francisco, CA 1998 - 1999
Associate Director/Securities Research. Provided Real Estate Investment Trust (REIT) research and analysis to support management of a \$500 million dedicated REIT mutual fund. Responsible for all aspects of securities valuation including sub-market analysis, management quality assessment, risk-adjusted relative pricing, forecast modeling, and recommendations.

J. Allen Bray Investments, Portfolio Manager, Oakland, CA 1977 - 1981
Managed assets for a portfolio of farmland and financial securities. Developed crop rotation schedules, marketing plans, and capital improvement recommendations. Made strategic capital improvements to farm properties resulting in significant increase in operating income. Created a fundamental securities screening and ratio analysis selection procedure that over 36 monthly periods, produced 600 basis points greater annual return than the comparable S&P 500 benchmark.

EDUCATION:

University of California, Berkeley, MBA, Accounting and Finance, 1981
Michigan State University, BS, Agriculture and Natural Resources, 1974

PROFESSIONAL AFFILIATION:

Chartered Financial Analyst	1981 - Present
Member CFA Institute	1981 - Present
California Real Estate Broker	1982 - Present

INTERESTS:

Married 39 years, a 38-year-old daughter and 35-year-old son
Skiing, sailing, and hiking.

References available on request.

OCT 31 2022

City of Clayton
Community Financial Sustainability Committee Application

City of Clayton

Hank Stratford

10/31/22

Lived in Clayton over 40 years

Self-employed – Diablo View Cleaning and CPA
Carpet and tile cleaning and CPA

Education and special training: Certified public accountant with an active license. Master of Accountancy degree from Brigham Young University. MBA degree from UC Berkeley. Worked as an auditor for KPMG. Worked as the controller for a food manufacturing business. Served 8 years on the Clayton City Council and on the Budget Sub-committee.

Work examples of addressing financial challenges: With my current business I have consistently made sure that my expenses weren't exceeding my income. This meant that some purchases had to be delayed or eliminated. I also put aside money each month for future capital expenditures and for large annual expenses.

While serving on the Clayton City Council we made sure that the City operated within its means. We made the tough decision to implement furlough days for a time to cut expenses. We resisted using the City's reserves for operating expenses.

Three most important goals for the Committee in its first year: 1) Provide recommendations to the City for balancing the City budget, 2) Provide additional transparency and engagement with respect to the City's financial matters, and 3) Establish a workable pattern of involvement with the City Council and staff.

Top financial challenge facing the City of Clayton: I believe the top financial challenge facing Clayton is being able to operate within its revenue. With rising costs and increased State mandates and without additional sources of income it is extremely challenging to make the budget balance. Each year the City's revenues should increase as property taxes and vehicle license fees increase. Hopefully, sales tax revenue increases. The big challenge is making sure that the City's expenses don't exceed these revenues. When there is a shortfall cutting expenses is unpopular and difficult but must be done. This is especially true to avoid a structural deficit.

References: Mary Tollefson, Erik Adams, Jason Habermeyer



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: REINA J. SCHWARTZ, CITY MANAGER

DATE: DECEMBER 20, 2022

SUBJECT: Discuss and approve City Council Committees and Assignments for Standing/Ad-Hoc Committees and Liaison Positions

RECOMMENDATION

Staff recommends that the City Council discuss and approve City Council Committees and Assignments for Standing/Ad Hoc Committees and Liaison positions for 2023.

BACKGROUND

At the City Council meeting of November 1, 2022, Vice Mayor Tillman requested that information be brought back to the City Council for discussion City Council Assignments, Standing/Ad-Hoc Committees and Liaisons.

DISCUSSION

Attached for the City Council's information are the current City Council Assignments, Standing/Ad-Hoc Committees and Liaisons for 2022. Also attached is Mayor Wan's proposal for changes to Committees and 2023 Council Assignments.

FISCAL IMPACTS

Unknown.

ATTACHMENTS

Attachment 1: 2022 City Council Assignments, Standing/Ad-Hoc Committees, and Liaisons.

Attachment 2: Proposed 2023 City Council Assignments for Standing/Ad Hoc Committees and Liaison Positions

CITY COUNCIL ASSIGNMENTS STANDING/AD-HOC COMMITTEES/LIAISONS

CITY OF CLAYTON 2022

Association of Bay Area Governments (ABAG)	Mayor Cloven Alternate: Carl Wolfe
Budget/Audit Standing Committee	Jeff Wan/Vice Mayor Tillman Alternate: Jim Diaz
Citizens Corps Council (CERT)	Jim Diaz Alternate: Jeff Wan
Clayton Financing Authority [CFA]* *[offices automatically go to Mayor & Vice Mayor, per Bylaws]	President – Mayor Cloven Vice President–Vice Mayor Tillman
Community Park Sports Fields Ad-Hoc Committee	Mayor Cloven/Jeff Wan
Contra Costa Water District [CCWD] Liaison	Jim Diaz Alternate: Vice Mayor Tillman
Central Contra Costa Transit Authority [CCCTA]	Keith Haydon Alternate: Carl Wolfe
Do the Right Thing /Unsung Heroes Program	Carl Wolfe/Mayor Cloven
Downtown Activities Committee	Carl Wolfe/Jim Diaz
East Bay Division - League of California Cities	Mayor Cloven Alternate: Jim Diaz
East Contra Costa County Habitat Conservancy	Carl Wolfe Alternate: Jeff Wan
Economic Development Committee	Mayor Cloven/Jeff Wan Alternate: Carl Wolfe

Endeavor Hall Marketing Committee	Jim Diaz, Carl Wolfe Alternate: Vice Mayor Tillman
Garbage & Recycling Committee	Jim Diaz, Vice Mayor Tillman
Interview Committees:	
a. Planning Commission applicants	City Council
b. Trails and Landscaping Committee applicants	Mayor Cloven Vice Mayor Tillman
Clayton Library Foundation Liaison	Vice Mayor Tillman Alternate: CW Wolfe
Mayors' Conference – Contra Costa County	Mayor & Council
Mt. Diablo School District Liaison Committee	Jeff Wan, Vice Mayor Tillman Alternate: Carl Wolfe
Oakhurst Geological Hazard Abatement District [GHAD]	Chair – Jim Diaz Vice Chair– Carl Wolfe
Trails and Landscaping Committee (TLC) Liaison	Vice Mayor Tillman Alternate: Jeff Wan
TRANSPAC	Mayor Cloven Alternate: Carl Wolfe

* * * *

Revised: 04 January 2022
Original Adoption: 17 December 2004

CITY COUNCIL ASSIGNMENTS STANDING/AD-HOC COMMITTEES/LIAISONS

ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG)

Created in 1961, ABAG is the regional council of governments for the larger Bay Area, as required by state law. It partners with local governments to provide planning and research related to land use, housing, environmental and water resource protection, disaster resilience, energy efficiency and hazardous waste mitigation, risk management, financial services and staff training. ABAG is the determiner/distributor of the Regional Housing Needs Allocation (RHNA) numbers funneled by the state of California to local governments in the Bay Area.

ABAG convenes its General Assembly once each year in April at which a voting delegate participates from each of the 9 counties and 101 members cities/towns. Clayton's representative attends that assembly and may become selected for greater involvement on ABAG's Executive Board or as one of its governing officers.

► Public meetings of the General Assembly and the Executive Board are held in San Francisco at the Bay Area Metro Center Board Room. **Currently, these meetings are virtual.**

* * *

City Budget/Audit Committee

Offers initial feedback to the City Manager and the Finance Manager regarding the staff recommended City Budget for each fiscal year, typically meeting in the spring. It also offers initial feedback to staff on the Mid-Year Budget Review process conducted in approximately February each year.

The Audit Committee meets with the City's contract independent auditor in the summer of each year during the field audit, and again in early fall with the City Manager and Finance Manager for initial review of the Comprehensive Annual Financial Report (CAFR).

► Meetings when called are held at Clayton City Hall during the workweek (daytime). **Currently, these meetings are virtual.**

* * *

Citizens Corps Council (CERT)

The City's Community Emergency Response Team (CERT) is comprised of local volunteers/residents willing and trained to render assistance during local disaster events. CERT is adjunct to the Clayton Police Department. The Council liaison interfaces and interacts with the CERT team and the Council liaison is ideally CERT-certified [trained] as well.

► Meetings are held at the Clayton police station (infrequently).

Clayton Financing Authority (CFA)

A joint exercise of powers agency established in December 1990 by the City as a separate legal public entity. It functions as a local financing authority initially created to issue redevelopment tax allocation bonds at a more favorable negotiated basis than a public basis. The CFA has the authority to incur, issue and manage public debt.

- Public meetings are held in the City Council Chambers on an as-needed basis, normally on a 1st or 3rd Tuesday evening following a City Council meeting. **Currently, these meetings are virtual.**

* * *

Community Park Sports Field Ad-hoc Committee

Meets as warranted to partner with organized community sports groups (e.g. CVLL, MDSA) for mutual capital improvement and/or maintenance of the public sports fields at Clayton Community Park.

- Meetings are held in the field or at Clayton City Hall, as necessary.

* * *

Contra Costa Water District (CCWD) Liaison

Council liaisons assigned will monitor agendas and actions of the CCWD Board of Directors, and possibly attend its public meetings to address potential financial, community or stakeholder impacts. Clayton resides in Division 3 of this independent special public district.

- CCWD Board meetings are held the 1st and 3rd Wednesdays of each month at 6:30 p.m. at 1331 Concord Avenue, Concord. **Currently, these meetings are virtual.**

* * *

Central Contra Costa Transit Authority (CCCTA)

Formed in 1980 as a joint powers agency (JPA), CCCTA provides fixed-route and paratransit bus services within Central Contra Costa County. Its Board consists of 11 members from each incorporated city in Central County and the county. A city's voting representative may be an elected official or other public official or a private person [per CCCTA].

- The Board meets the 3rd Thursday of each month at 9:00 a.m. at the CCCTA offices in Concord. Additional CCCTA committee meetings may be required for attendance each month. **Currently, these meetings are virtual.**

* * *

“Do the Right Thing” Program

Developed in the summer of 2010 and adopted by the City Council in partnership with the Clayton Business and Community Association (CBCA) and the local MDUSD public and charter schools, members promote and coordinate the bi-monthly recognition of students exhibiting the seven (7) chosen character traits of Integrity, Responsibility, Inclusion, Courage, Kindness, Self-Discipline, and Respect.

- Program coordination meetings with MDUSD and CBCA are held when necessary.

* * *

Downtown Activities Committee

Members interface and coordinate as necessary with various community and civic groups hosting/holding community events in the Clayton Town Center (e.g. CBCA, Historical Society, Concerts in The Grove).

- Meetings held when necessary, usually at Clayton City Hall.

* * *

East Bay Division – Cal Cities (formerly League of California Cities)

One of the 16 regional divisions of the League of California Cities, the East Bay Division functions as a grassroots advocacy core of elected and appointed public officials to monitor and engage on state legislation impacting cities. The East Bay Division includes 33 city representatives in Alameda and Contra Costa counties.

- Meetings are held in the evening on the 4th Thursday of each month rotated at various locations within member cities. **Currently, these meetings are virtual.**

* * *

East Contra Costa County Habitat Conservancy

A joint exercise of powers authority (JPA) formed by the cities of Brentwood, Clayton, Oakley, Pittsburg and Contra Costa County to implement its Habitat Conservation Plan (HCP). The HCP is designed to protect natural resources in eastern Contra Costa County while improving and streamlining the environmental permitting process for impacts on endangered species. Each city representative is a voting member of the JPA Board of Directors.

- Public meetings are usually scheduled the 4th Monday of every other month at 2:00 p.m. at host city rotation sites. **Currently, these meetings are virtual.**

* * *

Economic Development Committee

A City committee that meets as necessary with the City Manager and Community Development Director to consider proposals or offers for the private purchase/lease and/or development of City-owned real properties in the Clayton Town Center. The committee does not meet with private developers seeking development of private properties.

- Meetings held at Clayton City Hall on an as-needed basis.

* * *

Endeavor Hall Marketing Committee

Created to brainstorm and evaluate ways and means to promote greater utilization and rental of this publicly-restored facility in the Clayton Town Center. Topics range from promotional materials to facility upgrades and improvements.

- Meetings held at Clayton City Hall on an as-desired basis.

* * *

Garbage & Recycling Committee

Serves as the initial sounding board between the City and the City's exclusive franchise agreement operator (presently, Republic Services) regarding solid waste management and collection services terms and conditions and customer rates in Clayton.

- Meetings held at Clayton City Hall when needed.

* * *

Interview Committees

a. Planning Commission applicants

The City Council, as a whole, interviews citizen applicants for consideration for appointment to vacancies or term of office expirations on this statutory land use body.

- Interviews are held when needed at a public meeting of the City Council. **Currently, these meetings are virtual.**

* *

b. Trail and Landscaping Committee applicants

Sub-committee of the City Council interviews citizen applicants for consideration and recommendation to the City Council for appointment to this citizen advisory committee.

- Interview are scheduled and held when needed at Clayton City Hall. **Currently, these meetings are virtual.**

* * *

Clayton Library Foundation Liaison

Attends, shares information, and receives issues of concern with the Foundation's Board of Directors regarding the City's ownership and maintenance of this public facility. The Council liaison is not a member of the Library Foundation Board.

- Foundation Board meetings are held the 2nd Tuesday of each month at 7:00 p.m. in the Clayton Community Library. **Currently, these meetings are virtual.**

* * *

Mayors' Conference – Contra Costa County

Established in 1951, the Conference provides an educational forum for local elected public officials and a place to network and exchange information. The Conference also serves as the Contra Costa City Selection Committee [state law] to appoint city representation to area-wide agencies. Each city designates its own voting delegate, usually its mayor as the name implies.

- Public meetings are held on the first Thursday of each month. The meeting location rotates among the 19 Contra Costa cities/towns. **Currently, these meetings are virtual.**

* * *

Mt. Diablo School District Liaison Committee

Interfaces with and communicates to Mount Diablo Unified School District (MDUSD) elected officials on issues of mutual benefit or concern. Monitors public activities and actions of the school district to report on matters of public interest or impact to the community or the public school campuses.

- Meetings are held when necessary.

* * *

Oakhurst Geological Hazard Abatement District (GHAD)

The Clayton City Council serves as the Board of Directors for this special public district. The District oversees the demarcated geological hazard abatement area overlapping portions of the incorporated city, essentially the Oakhurst Development area. It has the authority, but not the obligation, to abate or repair geological hazards or damages to public infrastructure or open space properties within the District.

- Public meetings are held in the Council Chambers as necessary, usually following a regularly-scheduled City Council meeting. **Currently, these meetings are virtual.**

* * *

Trails and Landscaping Committee (TLC) Liaison

The Citywide Landscaping Maintenance District is a legally-formed community facilities district (CFD 2007-1). The City Council functions as the District's governing body and appoints up to 11 residents to the District's citizens' advisory committee. The current Vice Mayor automatically serves as the Council's liaison to attend the TLC's meetings and assist in the exchange of information, City policies, and concerns with committee members.

► Public meetings of the TLC are scheduled for the 3rd Monday of each month at 7:00 p.m. in the Council Chambers. However, meetings more often occur as necessary. **Currently, these meetings are virtual.**

* * *

TRANSPAC

The Regional Transportation Planning Committee (RTPC) for Central Contra Costa County. It is responsible for the development of transportation plans, projects and programs for the Central County areas. It also appoints two (2) of its representatives to the Central Contra Costa Transportation Authority (CCTA). Its Board is comprised of elected public officials from each of the 5 cities in Central County (Clayton, Concord, Martinez, Pleasant Hill, and Walnut Creek) plus the county supervisor representing the Central County area.

► Public meetings are usually held the 2nd Thursday of every other month at 9:00 a.m. in at Pleasant Hill City Hall. **Currently, these meetings are virtual.**

* * *

* * * * *

Date: 25 January 2022

**Proposed 2023 City Council Assignments
Standing/Ad Hoc Committees/Liaisons**

		2023		2022		2021	
	Committees	Main	Alternate	Main	Alternate	Main	Alternate
	Association of Bay Area Governments (ABAG)	Wan	Diaz	Cloven	Wolfe	Wolfe	Cloven
	Budget/Audit Standing Committee	Wan/Trupiano	Diaz	Tillman/Wan	Diaz	Tillman/Wan	Diaz
	Citizens Corps Council (CERT)	Diaz	Trupiano	Diaz	Wan	Diaz	Wan
	Clayton Financing Authority (CFA)	Wan/Diaz		Cloven/Tillman		Wolfe/Cloven	
	Community Park Sports Fields Ad Hoc Committee	Wan/Diaz		Cloven/Wan		Wolfe/Wan	
	Contra Costa Water District (CCWD) Liaison	Diaz	Tillman	Diaz	Tillman	Diaz	Tillman
	Central Contra Costa Transit Authority (CCCTA)	Diaz	Trupiano	Haydon	Wolfe	Haydon	Wolfe
	Do the Right Thing / Unsung Heroes Program	Cloven/Tillman		Wolfe/Cloven		Wolfe/Cloven	
Eliminate	Downtown Activities Committee			Wolfe/Diaz		Wolfe/Diaz	
	East Bay Division - League of California Cities	Trupiano	Diaz	Cloven	Diaz	Diaz	Cloven
	East Contra Costa County Habitat Conservancy	Trupiano	Wan	Wolfe	Wan	Wolfe	Wan
Eliminate	Economic Development Committee			Cloven/Wan	Wolfe	Cloven/Wan	Wolfe
Eliminate	Endeavor Hall Marketing Committee			Diaz/Wolfe	Tillman	Diaz/Wolfe	Tillman
	Garbage & Recycling Committee	Wan/Trupiano		Diaz/Tillman		Diaz/Tillman	
	Interview Committees - Planning Commission	Council		Council		Council	
	Interview Committees - Trails and Landscaping	Tillman	Trupiano	Cloven	Tillman	Cloven	Wan
	Clayton Library Foundation Liaison	Trupiano	Tillman	Tillman	Wolfe	Tillman	Cloven
	Mayor's Conference - Contra Costa County	Mayor and Council		Mayor and Council		Mayor and Council	
	Mt. Diablo School District Liaison	Wan/Tillman	Cloven	Wan/Tillman	Wolfe	Wan/Tillman	Wolfe
	Oakhurst Geological Hazard Abatement District (GHAD)	Trupiano	Cloven	Diaz	Wolfe	Tillman	Cloven
Eliminate	Ad hoc Public Safety Committee					Diaz/Tillman	
	Trails and Landscape Committee (TLC) Liaison	Tillman	Trupiano	Tillman	Wan	Cloven	Wan
	TRANSPAC	Trupiano	Cloven	Cloven	Wolfe	Cloven	Wolfe
Add	Ad Hoc City Manager Recruitment Committee	Wan/Tillman					
Add	Concerts in the Park Committee	Diaz/Trupiano					
Add	Internship/Training Committee	Wan/Trupiano					

CITY COUNCIL ASSIGNMENTS STANDING/AD-HOC COMMITTEES/LIAISONS

ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG)

Created in 1961, ABAG is the regional council of governments for the larger Bay Area, as required by state law. It partners with local governments to provide planning and research related to land use, housing, environmental and water resource protection, disaster resilience, energy efficiency and hazardous waste mitigation, risk management, financial services and staff training. ABAG is the determiner/distributor of the Regional Housing Needs Allocation (RHNA) numbers funneled by the state of California to local governments in the Bay Area.

ABAG convenes its General Assembly once each year in April at which a voting delegate participates from each of the 9 counties and 101 members cities/towns. Clayton's representative attends that assembly and may become selected for greater involvement on ABAG's Executive Board or as one of its governing officers.

- Public meetings of the General Assembly and the Executive Board are held in San Francisco.

* * *

City Budget/Audit Committee

Offers initial feedback to the City Manager and the Finance Manager regarding the staff recommended City Budget for each fiscal year, typically meeting in the spring. It also offers initial feedback to staff on the Mid-Year Budget Review process conducted in approximately February each year.

The Audit Committee meets with the City's contract independent auditor in the summer of each year during the field audit, and again in early fall with the City Manager and Finance Manager for initial review of the Comprehensive Annual Financial Report (CAFR).

- Meetings when called are held at Clayton City Hall during the workweek (daytime).

* * *

Citizens Corps Council (CERT)

The City's Community Emergency Response Team (CERT) is comprised of local volunteers/residents willing and trained to render assistance during local disaster events. CERT is adjunct to the Clayton Police Department. The Council liaison interfaces and interacts with the CERT team and the Council liaison is ideally CERT-certified [trained] as well.

- Meetings are held at the Clayton police station (infrequently).

Clayton Financing Authority (CFA)

A joint exercise of powers agency established in December 1990 by the City as a separate legal public entity. It functions as a local financing authority initially created to issue redevelopment tax allocation bonds at a more favorable negotiated basis than a public basis. The CFA has the authority to incur, issue and manage public debt.

- Public meetings are held in the City Council Chambers on an as-needed basis, normally on a 1st or 3rd Tuesday evening following a City Council meeting.

* * *

Community Park Sports Field Ad-hoc Committee

Meets as warranted to partner with organized community sports groups (e.g. CVLL, MDSA) for mutual capital improvement and/or maintenance of the public sports fields at Clayton Community Park.

- Meetings are held in the field or at Clayton City Hall, as necessary.

* * *

Contra Costa Water District (CCWD) Liaison

Council liaisons assigned will monitor agendas and actions of the CCWD Board of Directors, and possibly attend its public meetings to address potential financial, community or stakeholder impacts. Clayton resides in Division 3 of this independent special public district.

- CCWD Board meetings are held the 1st and 3rd Wednesdays of each month at 6:30 p.m. in Concord.

* * *

Central Contra Costa Transit Authority (CCCTA)

Formed in 1980 as a joint powers agency (JPA), CCCTA provides fixed-route and paratransit bus services within Central Contra Costa County. Its Board consists of 11 members from each incorporated city in Central County and the county. A city's voting representative may be an elected official or other public official or a private person [per CCCTA].

- The Board meets the 3rd Thursday of each month at 9:00 a.m. at the CCCTA offices in Concord. Additional CCCTA committee meetings may be required for attendance each month.

* * *

"Do the Right Thing" Program/"Unsung Heroes" Program

Developed in the summer of 2010 and adopted by the City Council in partnership with the Clayton Business and Community Association (CBCA) and the local MDUSD public and charter schools, members promote and coordinate the bi-monthly recognition of students exhibiting the six (6) chosen character traits of Responsibility, Respect, Kindness, Self-Discipline, Integrity, and Courage.

"Unsung Heroes" Program Committee

Created with the benevolent mission to periodically recognize community members or business persons who have or are performing under-the-radar acts of service to others or to the Clayton community. Its Program has yet to be defined or established.

► Meetings held at Clayton City Hall when necessary.

- Program coordination meetings with MDUSD and CBCA are held when necessary.

Downtown Activities Committee

~~Members interface and coordinate as necessary with various community and civic groups hosting/holding community events in the Clayton Town Center (e.g. CBCA, Historical Society, Concerts in The Grove).~~

- ~~► Meetings held when necessary, usually at Clayton City Hall.~~

* * *

East Bay Division – League of California Cities

One of the 16 regional divisions of the League of California Cities, the East Bay Division functions as a grassroots advocacy core of elected and appointed public officials to monitor and engage on state legislation impacting cities. The East Bay Division includes 33 city representatives in Alameda and Contra Costa counties.

- Meetings are held in the evening on the 4th Thursday of each month rotated at various locations within member cities.

* * *

East Contra Costa County Habitat Conservancy

A joint exercise of powers authority (JPA) formed by the cities of Brentwood, Clayton, Oakley, Pittsburg and Contra Costa County to implement its Habitat Conservation Plan (HCP). The HCP is designed to protect natural resources in eastern Contra Costa County while improving and streamlining the environmental permitting process for impacts on endangered species. Each city representative is a voting member of the JPA Board of Directors.

- Public meetings are usually scheduled the 4th Monday of every other month at 2:00 p.m. at host city rotation sites.

* * *

Economic Development Committee

~~A City committee that meets as necessary with the City Manager and Community Development Director to consider proposals or offers for the private purchase/lease and/or development of City-owned real properties in the Clayton Town Center. The committee does not meet with private developers seeking development of private properties.~~

- ~~► Meetings held at Clayton City Hall on an as-needed basis.~~

* * *

Endeavor Hall Marketing Committee

~~Created to brainstorm and evaluate ways and means to promote greater utilization and rental of this publicly restored facility in the Clayton Town Center. Topics range from promotional materials to facility upgrades and improvements.~~

- ~~► Meetings held at Clayton City Hall on an as-desired basis.~~

~~* * *~~

Garbage & Recycling Committee

Serves as the initial sounding board between the City and the City's exclusive franchise agreement operator (presently, Republic Services) regarding solid waste management and collection services terms and conditions and customer rates in Clayton.

- Meetings held at Clayton City Hall when needed.

* * *

Interview Committees

a. Planning Commission applicants

The City Council, as a whole, interviews citizen applicants for consideration for appointment to vacancies or term of office expirations on this statutory land use body.

- Interviews are held when needed at a public meeting of the City Council.

* *

b. Trail and Landscaping Committee applicants

Sub-committee of the City Council interviews citizen applicants for consideration and recommendation to the City Council for appointment to this citizen advisory committee.

- Interview are scheduled and held when needed at Clayton City Hall.

* * *

Clayton Library Foundation Liaison

Attends, shares information, and receives issues of concern with the Foundation's Board of Directors regarding the City's ownership and maintenance of this public facility. The Council liaison is not a member of the Library Foundation Board.

- Foundation Board meetings are held the 3rd Wednesday of each month at 7:00 p.m. in the Clayton Community Library.

* * *

Mayors' Conference – Contra Costa County

Established in 1951, the Conference provides an educational forum for local elected public officials and a place to network and exchange information. The Conference also serves as the Contra Costa City Selection Committee [state law] to appoint city representation to area-wide agencies. Each city designates its own voting delegate, usually its mayor as the name implies.

► Public meetings are held on the first Thursday of each month. The meeting location rotates among the 19 Contra Costa cities/towns.

* * *

Mt. Diablo School District Liaison Committee

Interfaces with and communicates to Mount Diablo Unified School District (MDUSD) elected officials on issues of mutual benefit or concern. Monitors public activities and actions of the school district to report on matters of public interest or impact to the community or the public school campuses.

► Meetings are held when necessary.

* * *

Oakhurst Geological Hazard Abatement District (GHAD)

The Clayton City Council serves as the Board of Directors for this special public district. The District oversees the demarcated geological hazard abatement area overlapping portions of the incorporated city, essentially the Oakhurst Development area. It has the authority, but not the obligation, to abate or repair geological hazards or damages to public infrastructure or open space properties within the District.

► Public meetings are held in the Council Chambers as necessary, usually following a regularly-scheduled City Council meeting.

* * *

Trails and Landscaping Committee (TLC) Liaison

The Citywide Landscaping Maintenance District is a legally-formed community facilities district (CFD 2007-1). The City Council functions as the District's governing body and appoints up to 11 residents to the District's citizens' advisory committee. The current Vice Mayor automatically serves as the Council's liaison to attend the TLC's meetings and assist in the exchange of information, City policies, and concerns with committee members.

► Public meetings of the TLC are scheduled for the 3rd Monday of each month at 7:00 p.m. in the Council Chambers. However, meetings more often occur as necessary.

* * *

TRANSPAC

The Regional Transportation Planning Committee (RTPC) for Central Contra Costa County. It is responsible for the development of transportation plans, projects and programs for the Central County areas. It also appoints two (2) of its representatives to the Central Contra Costa Transportation Authority (CCTA). Its Board is comprised of elected public officials from each of the 5 cities in Central County (Clayton, Concord, Martinez, Pleasant Hill, and Walnut Creek) plus the county supervisor representing the Central County area.

► Public meetings are usually held the 2nd Thursday of every other month at 9:00 a.m. in at Pleasant Hill City Hall.

* * *

~~“Unsung Heroes” Program Committee~~

~~Created with the benevolent mission to periodically recognize community members or business persons who have or are performing under the radar acts of service to others or to the Clayton community. Its Program has yet to be defined or established.~~

~~► Meetings held at Clayton City Hall when necessary.~~

* * * * *

City Manager Recruitment AdHoc Committee

Select and interact with executive recruiter for City Manager recruitment beginning in November 2022.

► Meetings held at Hoyer Hall when necessary.

Concerts in the Park Program Committee

To manage the summer concerts in The Grove Park. Activities include soliciting and securing bands and sponsors, working with city staff on permits, and other administrative efforts as needed.

► Meetings held at Clayton City Hall when necessary.

Internship/Training Program Committee

To promote and secure the acquisition of interns from local communities to support city operations and provide training and educational opportunities.

► Meetings held at Clayton City Hall when necessary.

Date: December 20, 2022



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: REINA J. SCHWARTZ, CITY MANAGER

DATE: DECEMBER 20, 2022

SUBJECT: Request by Mayor Wan to Discuss Potential Solar Lease Project and Provide Direction to Staff

RECOMMENDATION

Discuss a potential solar lease project as requested by Mayor Wan and provide direction to staff if needed.

BACKGROUND

At the City Council meeting of December 6, 2022, Mayor Wan requested that an item be placed on the Agenda to discuss a potential solar lease project. Per Mayor Wan, the request is to discuss policy direction to work with Oakhurst Golf and Country Club in determining potential feasibility of leasing city-owned land to Oakhurst with the following guidelines: Oakhurst assumes all cost of infrastructure necessary, nominal lease cost to Oakhurst, City will receive a portion of energy generated with the option to add additional capacity.

FISCAL IMPACTS

Unknown at this time.

MINUTES OF THE REGULAR MEETING

CLAYTON SUCCESSOR and SUCCESSOR HOUSING AGENCIES

December 7, 2021

1. **CALL TO ORDER & ROLL CALL** - the meeting was called to order at 8:18 p.m. by Chair Cloven on a virtual web meeting and telephonically (877) 853-5257. Board members present: Chair Cloven, Vice Chair Tillman, and members Diaz, Wan and Wolfe. Members absent: None. Staff present: City Manager Reina Schwartz, City Attorney Mala Subramanian, and City Clerk/HR Manager Janet Calderon.

2. **CONSENT CALENDAR-** It was moved by Board Member Diaz, seconded by Board Member Wolfe, to approve the Consent Calendar as submitted (Passed; 5-0 vote).
 - (a) Approve the minutes of the regular meeting of January 5, 2021.
 - (b) Adopted Resolution No. SA02-2021 to Approve and Adopt the Recognized Obligation Payment Schedule for the year ending June 30, 2023 (ROPS 2022/2023), Pursuant to the Dissolution Act. (Finance Director)

3. **PUBLIC COMMENT 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 Chair's discretion. 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 when each item is considered by the Board.

4. **PUBLIC HEARINGS** – None.

5. **ACTION ITEMS** – None.

6. **BOARD ITEMS** – None..

7. **ADJOURNMENT** – on call by Chair Cloven, the Board adjourned its meeting at 8:21 p.m.

#

Respectfully submitted,

Janet Calderon, Secretary

Approved by the
Clayton Successor and Successor Housing
Agencies Board

Peter Cloven, Chair



STAFF REPORT

TO: CITY OF CLAYTON SUCCESSOR AGENCY BOARD

FROM: REINA J. SCHWARTZ, CITY MANAGER

DATE: DECEMBER 20, 2022

SUBJECT: ADOPT A RESOLUTION TO APPROVE AND ADOPT THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE YEAR ENDING JUNE 30, 2024 (ROPS 2023-2024), PURSUANT TO THE DISSOLUTION ACT

RECOMMENDATION

It is recommended the Successor Agency Board adopt the attached Resolution approving the 17th Recognized Obligation Payment Schedule (ROPS 2023-2024) covering the timeframe July 1, 2023 through June 30, 2024 pursuant to Section 31471(h) and 34177(l)(1) of the California Redevelopment Law – the Dissolution Act, [ABx1 26 and AB 1484].

BACKGROUND

Under the Dissolution Act, “enforceable obligations” of the former redevelopment agency (e.g. Clayton Redevelopment Agency) include the following financial arrangements (the ROPS of a city or county):

- Bonds
- Loans
- Payments required by state or federal government
- Obligations to employees
- Judgments or settlements
- Binding and legally enforceable agreements entered into before AB1x26
- Contracts for Redevelopment Agency (RDA) administration, Successor Agency administration, and Oversight Board administration

The monies to fund payment of the requested ROPS enforceable obligations are issued by the Contra Costa County Auditor-Controller's Office (CAC) to Clayton's Redevelopment Obligation Retirement Fund. As its name implies, this fund replaces the former Redevelopment Agency's three Funds and functions as the repository for sufficient tax increment revenues in the amounts identified and approved in subsequent ROPS to effectively "retire" all former Clayton Redevelopment Agency debts and contractual obligations over a multi-year period. Once all identified and certified debts and obligations have been satisfied, the Successor Agency is then dissolved.

Pursuant to *California Health and Safety Code* section 34179(j), on and after July 1, 2018, in each county where more than one oversight board was created (including Contra Costa County), there shall be only one County Oversight Board staffed by the County Auditor-Controller. The Countywide Oversight Board of Contra Costa County is comprised of a seven-member board consisting of one member from each of the following groups: County Board of Supervisors, Mayors Conference, Special Districts, the Superintendent of Schools, Community College District, a member of the public, and a former employee of a County public agency. Following this re-organization of the Oversight Board, commencing July 1, 2018, the Department of Finance (DOF) only recognizes actions taken by the newly established Countywide Oversight Board.

DISCUSSION

Prior Recognized Obligation Payment Schedule

A DOF Determination Letter dated April 12, 2022, made one modification to the Clayton Oversight Board-approved ROPS 2022-2023; the allowable amount for administrative recovery was reduced from \$250,000 to \$196,338 due to the relatively small dollar amount the Successor Agency requires to meet its obligations. Following the DOF's approval this resulted in the Clayton Successor Agency receiving \$480,386 in June 2022 for enforceable obligations through the six-month period ending December 31, 2022. Also, pursuant to the DOF's April 13, 2022 determination letter, the Clayton Successor Agency expects to receive \$80,193 in January 2023 for enforceable obligations through the six-month period ending June 30, 2023.

Current Recognized Obligation Payment Schedule

Included herein, as Attachment 1 to this staff report, is the 17th Recognized Obligation Payment Schedule (ROPS 2023-2024). Pursuant to *California Health & Safety Code* section 34177(o)(1), commencing with the ROPS 2016-2017 and thereafter, agencies were authorized to submit an annual ROPS to the DOF and the CAC by February 1, 2016 and each February 1st thereafter. Following the annual submission of an approved ROPS, the DOF has been directed to make its determination of approval by the following April 15th.

On this annual ROPS, the Successor Agency is requesting Redevelopment Property Tax Trust Fund (RPTTF) monies to pay for local obligations totaling \$516,255 and \$129,485 for the six-month periods ending December 31, 2023 and June 30, 2024, respectively. In addition to RPTTF, the Successor Agency is requesting authorization to use other unencumbered Successor Agency balances to make

payments on enforceable obligations consistent with the law and the DOF's April 13, 2022 determination letter.

For the six-month period ending December 31, 2023, the Successor Agency is requesting authorization to make payments on the following enforceable obligations:

- Principal and interest on the 2014 Refunding Tax Allocation Bonds;
- Trustee and other professional service fees directly related to the bonds;
- Administrative costs under *California Health & Safety Code* section 34171(b).

Immediately thereafter, for the six-month period ending June 30, 2024, the Successor Agency is requesting authorization to make payments on the following enforceable obligations:

- Interest on the 2014 Refunding Tax Allocation Bonds, and
- Administrative costs under *California Health & Safety Code* section 34171(b).

FISCAL IMPACT

Once approved by the DOF, ROPS 2023-2024 will be in place for the Successor Agency to make payments on agreements and other obligations of the former Redevelopment Agency for the period July 1, 2023, through June 30, 2024. Absent of this approval, the Successor Agency is not permitted to make such payments which would cause the Successor Agency to be in breach of legal bond covenants.

Attachments:

1. Successor Agency Resolution approving the ROPS 2023-2024 Resolution (3 pp.)
 - Exhibit A: Recognized Obligation Payment Schedule (ROPS 2023-2024)

RESOLUTION NO. SA##-2022

**A RESOLUTION APPROVING AND ADOPTING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE TIME PERIOD OF JULY 01, 2023 THROUGH JUNE 30,
2024 (ROPS 2023-2024), PURSUANT TO SECTION 31471(h)
AND 34177(l)(1) OF THE CALIFORNIA REDEVELOPMENT LAW**

**THE CITY COUNCIL (AS SUCCESSOR AGENCY)
City of Clayton, California**

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "Redevelopment Law"), the City Council (the "City Council") of the City of Clayton (the "City") adopted in accordance with the California Community Redevelopment Law, City Ordinance No. 243 on July 20, 1987, adopting the Redevelopment Plan for the Clayton Redevelopment Project Area (the "Redevelopment Plan"), as amended from time to time; and

WHEREAS, the Redevelopment Agency of the City of Clayton (the "Agency") is responsible for implementing the Redevelopment Plan pursuant to said Redevelopment Law; and

WHEREAS, Assembly Bill X1 26 (the "Dissolution Act") and Assembly Bill X1 27 (the "Alternative Redevelopment Program Act") were enacted by the State of California on June 28, 2011, to significantly modify the Community Redevelopment Law and to end the existence of or modify continued operation of redevelopment agencies throughout the state (Health & Safety Code §33000, et seq.; the "Redevelopment Law"); and

WHEREAS, on December 29th, 2011, the California Supreme Court ruled that the Dissolution Act is largely constitutional, and the Alternative Redevelopment Program Act is unconstitutional meaning all California redevelopment agencies, including the Clayton Redevelopment Agency, were terminated and automatically dissolved on February 1st, 2012 pursuant to the Dissolution Act; and

WHEREAS, on January 17th, 2012, by Resolution No. 03-2012, the Clayton City Council did exercise its priority right and took action to become the Successor Agency and the Successor Housing Agency of the former Clayton Redevelopment Agency; and

WHEREAS, December 1, 2022, the California Department of Finance (DOF) posted instructions for completing the Recognized Obligation Payment Schedule covering the time period of July 1, 2023 through June 30, 2024 (ROPS 2023-2024), including the requirement that the ROPS 2023-2024 must be approved by the Countywide Oversight Board and submitted electronically to the DOF by February 1st, 2023; and

WHEREAS, pursuant to *California Health and Safety Code* section 34179(j), on and after July 1, 2018 in each county where more than one oversight board was created, there shall be only one County Oversight Board; and

WHEREAS, the Countywide Oversight Board shall be staffed by the County Auditor-Controller (CAC), by another county entity selected by the CAC, or by a city within the county that the CAC may select after consulting with the DOF; and

WHEREAS, commencing July 1st, 2018, the DOF will only recognize actions taken by the Countywide Oversight Board; and

WHEREAS, the CAC instructed local Successor Agencies, including the City of Clayton Successor Agency, to prepare the ROPS 2023-2024 to be presented to the newly established Countywide Oversight Board for approval at a forthcoming meeting to be scheduled in January 2023; and

WHEREAS, the City of Clayton Successor Agency Board has reviewed and duly considered the Staff Report, the proposed ROPS 2023-2024, plus documents and other written evidence presented at the meeting.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Clayton, California, and serving as the Successor Agency Board, does hereby find the above Recitals are true and correct and have served, together with the supporting documents, as the basis for the findings and approvals set forth below.

BE IT FURTHER RESOLVED that the Successor Agency Board does hereby approve and adopt the ROPS 2023-2024, attached hereto as “Exhibit A” and incorporated herein as if fully set forth in this Resolution.

BE IT FURTHER RESOLVED that the Successor Agency Board authorizes and directs its City Manager or the City Manager's designee to: (1) post the ROPS 2023-2024 (Exhibit A) on the City's website; (2) designate a City representative to submit the approved ROPS to the Countywide Oversight board for approval and to whom all questions related to the ROPS can be directed; (3) notify, by mail or electronic means, the County Auditor-Controller, the State Department of Finance, and the State Controller's Office of the Countywide Oversight Board's action to adopt the ROPS 2023-2024, and to provide those persons with the internet website location of the posted schedule and the contact information for the City's designated contact; and (4) to take such other actions and execute such other documents as are appropriate to effectuate the intent of this Resolution and to implement the ROPS on behalf of the Successor Agency and City.

BE IT FURTHER RESOLVED that if any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Resolution or of Exhibit A, or any part thereof is for any reason held to be unconstitutional, invalid or ineffective, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution, Exhibit A or any part thereof. The Successor Agency Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Resolution or of Exhibit A irrespective of the fact that one or more sections, subsections, subdivision, paragraphs, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective. To this end the provisions of this Resolution and of Exhibit A are declared to be severable.

AND BE IT FURTHER RESOLVED that this Resolution shall and does take immediate effect upon its adoption.

PASSED, APPROVED AND ADOPTED by the Successor Agency Board of Clayton, California at a regular public meeting thereof held on the 20th day of December 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA
Serving as the Clayton Successor Agency Board

Jeff Wan, Chair

ATTEST:

Janet Calderon, Clerk

Recognized Obligation Payment Schedule (ROPS 23-24) - Summary
Filed for the July 1, 2023 through June 30, 2024 Period

Successor Agency: Clayton

County: Contra Costa

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	23-24A Total (July - December)	23-24B Total (January - June)	ROPS 23-24 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 37,044	\$ -	\$ 37,044
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	37,044	-	37,044
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 479,211	\$ 129,485	\$ 608,696
F RPTTF	354,211	4,485	358,696
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 516,255	\$ 129,485	\$ 645,740

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Clayton
Recognized Obligation Payment Schedule (ROPS 23-24) - ROPS Detail
July 1, 2023 through June 30, 2024

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					23-24B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$1,040,225		\$645,740	\$-	\$-	\$37,044	\$354,211	\$125,000	\$516,255	\$-	\$-	\$-	\$4,485	\$125,000	\$129,485
4	Fiscal Agent Fees (US Bank Trustee)	Fees	11/01/1996	08/01/2024	US Bank	Paying Agent Fees	All	2,400	N	\$2,400	-	-	-	2,400	-	\$2,400	-	-	-	-	-	\$-
7	Successor Agency Functions	Admin Costs	06/25/2014	08/01/2024	City of Clayton	Expenses for Successor Agency Operation	All	250,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
16	Refunding Tax Allocation Bonds 2014	Refunding Bonds Issued After 6/27/12	06/25/2014	08/01/2024	US Bank	Bonds issued to refund the 1996 and 1999 non-housing RDA Tax Allocation Bonds	All	787,825	N	\$393,340	-	-	37,044	351,811	-	\$388,855	-	-	-	4,485	-	\$4,485

Clayton
Recognized Obligation Payment Schedule (ROPS 23-24) - Report of Cash Balances
July 1, 2020 through June 30, 2021
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
	ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/20) RPTTF amount should exclude "A" period distribution amount.	-			-		
2	Revenue/Income (Actual 06/30/21) RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller	-				646,816	
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)					609,749	
4	Retention of Available Cash Balance (Actual 06/30/21) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					37,044	
5	ROPS 20-21 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 20-21 PPA form submitted to the CAC		No entry required			23	
6	Ending Actual Available Cash Balance (06/30/21) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-	

Clayton
Recognized Obligation Payment Schedule (ROPS 23-24) - Notes
July 1, 2023 through June 30, 2024

Item #	Notes/Comments
4	
7	
16	



Transmitted via e-mail

April 13, 2022

Katherine Korsak, Finance Director
City of Clayton
6000 Heritage Trail
Clayton, CA 94517

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Clayton Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 26, 2022. Finance has completed its review of the ROPS 22-23.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- The claimed administrative costs exceed the allowance by \$53,662. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the Redevelopment Property Tax Trust Fund (RPTTF) distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$196,338 for fiscal year 2022-23. Although \$250,000 is claimed for ACA, only \$196,338 is available pursuant to the cap. Therefore, as noted in the table below, \$53,662 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2021-22	\$642,676
Less distributed Administrative RPTTF	(250,000)
RPTTF distributed for 2021-22 after adjustments	\$392,676
ACA Cap for 2022-23 per HSC section 34171 (b)	\$196,338
ACA requested for 2022-23	250,000
ACA in Excess of the Cap	(\$53,662)

Additionally, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$560,579, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted item, Finance approves the remaining items listed on the ROPS 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 22-23. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 22-23 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 22-23 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Zuber Tejani, Supervisor, or Michael Barr, Staff, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Jennifer Giantvalley, Accounting Technician, City of Clayton
Bob Campbell, Auditor-Controller, Contra Costa County

Attachment

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 358,901	\$ 8,855	\$ 367,756
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	483,901	133,855	617,756
RPTTF Authorized	358,901	8,855	367,756
Administrative RPTTF Requested	125,000	125,000	250,000
Excess Administrative Costs	(0)	(53,662)	(53,662)
Administrative RPTTF Authorized	125,000	71,338	196,338
ROPS 19-20 prior period adjustment (PPA)	(3,515)	0	(3,515)
Total RPTTF Approved for Distribution	\$ 480,386	\$ 80,193	\$ 560,579