



# City of Clayton

## City of Clayton Fiscal Year 2022/23 Budget



**Adopted Version**



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# FY2022/23 BUDGET

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# FY2022/23 City of Clayton Budget

## The City Council

Peter Cloven, Mayor

Letecia "Holly" Tillman, Vice-Mayor

Jeff Wan, Councilmember

Jim Diaz, Councilmember

Carl "CW" Wolfe, Councilmember

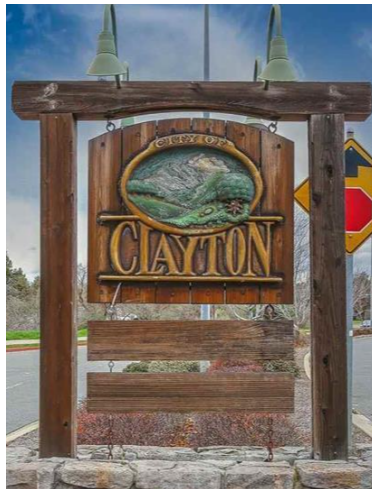
Recommended by:

Reina J. Schwartz, City Manager

Prepared and Presented by:

Reina J. Schwartz, City Manager

Katherine Korsak, Finance Director



City of Clayton  
6000 Heritage Trail Drive  
Clayton, CA 94517  
[www.claytonca.gov](http://www.claytonca.gov)

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## BACKGROUND INFORMATION

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# Directory of Officials and Advisory Bodies

The City of Clayton operates under the Council-Manager form of government. Under this system, the City Council hires a professional City Manager who is responsible for translating council policy into action, as well as the daily administration and management of all City departments. The strength of the Council-Manager form of government lies in the political leadership of the City Council combined with the managerial expertise of the City Manager.

## The City Council

Peter Cloven, Mayor  
Letecia "Holly" Tillman, Vice-Mayor  
Jeff Wan, Councilmember  
Jim Diaz, Councilmember  
Carl "CW" Wolfe, Councilmember

## Commissions

Planning Commission

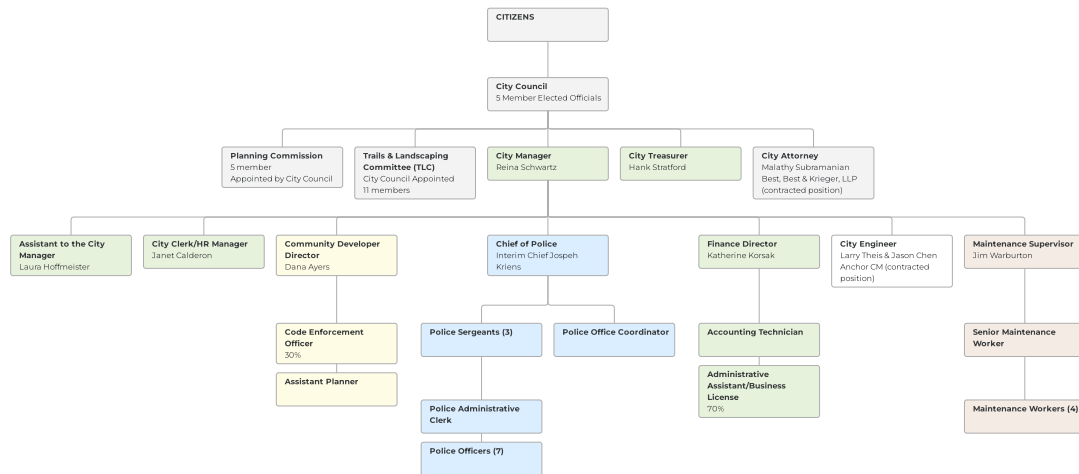
## Committees

Trails and Landscape Committee

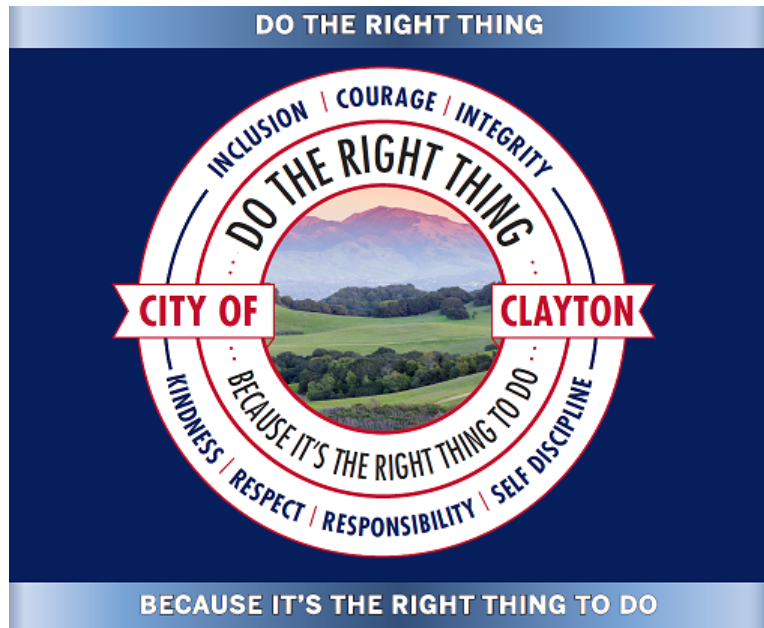
## Appointed Officials and Department Heads

City Manager, Reina J. Schwartz  
City Attorney (contract), Malathy Subramanian  
Interim Chief of Police, Joseph Kreins  
City Clerk/HR Manager, Janet Calderon  
Finance Director, Katherine Korsak  
City Treasurer, Hank Stratford  
Community Development Director, Dana Ayers  
City Engineer (contract), Larry Theis  
Assistant to the City Manager, Laura Hoffmeister  
Maintenance Supervisor, Jim Warburton

# City of Clayton Organization Chart



# Mission, Vision, Values



## Mission

Enhance the City of Clayton by providing quality of service through:

Responsible Stewardship  
Effective Collaboration  
Continuous Progress

## Our Vision

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

## Our Values

Excellence  
Integrity  
Respect  
Teamwork

(Updated 2020)



## Population Overview



TOTAL POPULATION

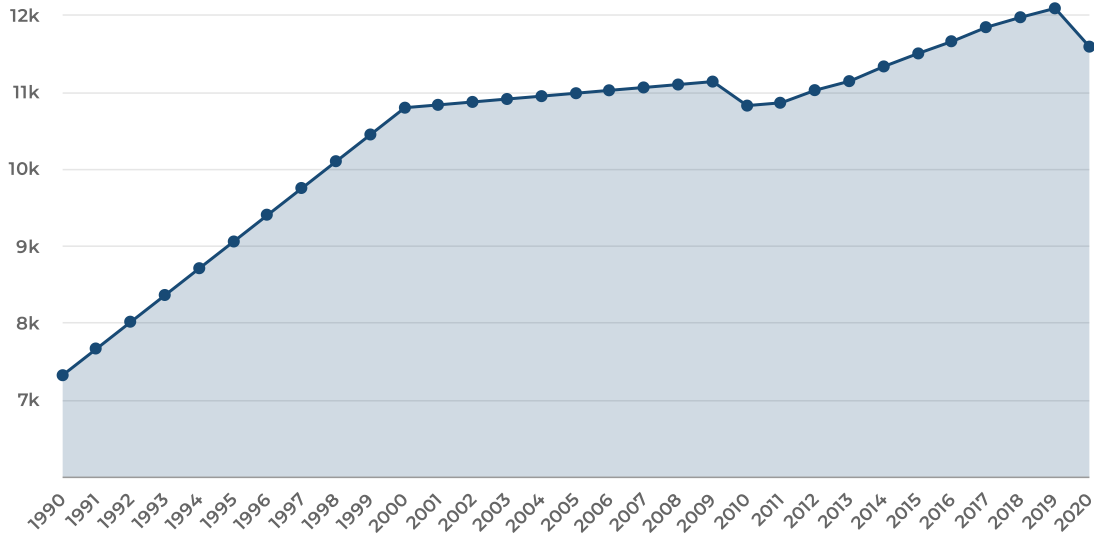
**11,585**

▼ **4.1%**  
vs. 2019

GROWTH RANK

**467** out of **484**

Municipalities in California



\* Data Source: American Community Survey, 2010 Census, 2000 US Census and 1990 US Census



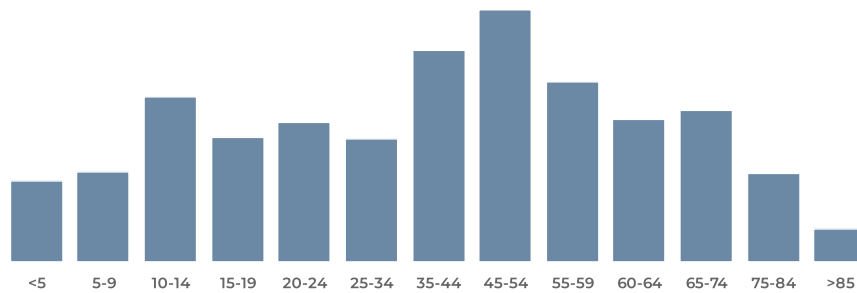
DAYTIME POPULATION

**8,450**

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

\* Data Source: American Community Survey, 2010 Census, 2000 US Census and 1990 US Census

## POPULATION BY AGE GROUP



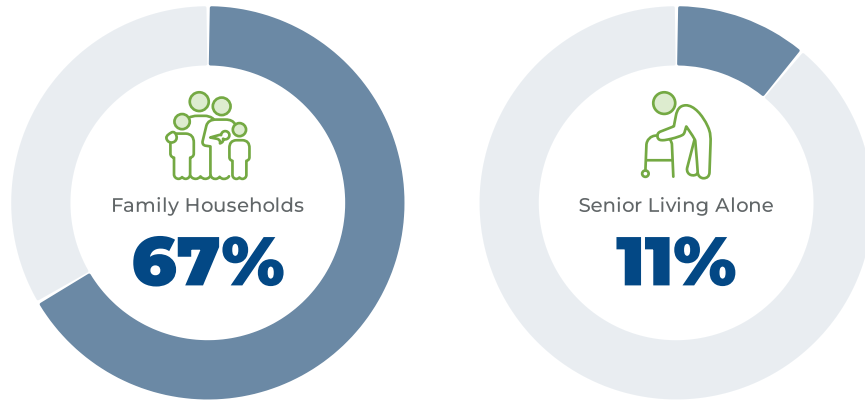
Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

\* Data Source: American Community Survey, 2010 Census, 2000 US Census and 1990 US Census

# Household Analysis

## TOTAL HOUSEHOLDS

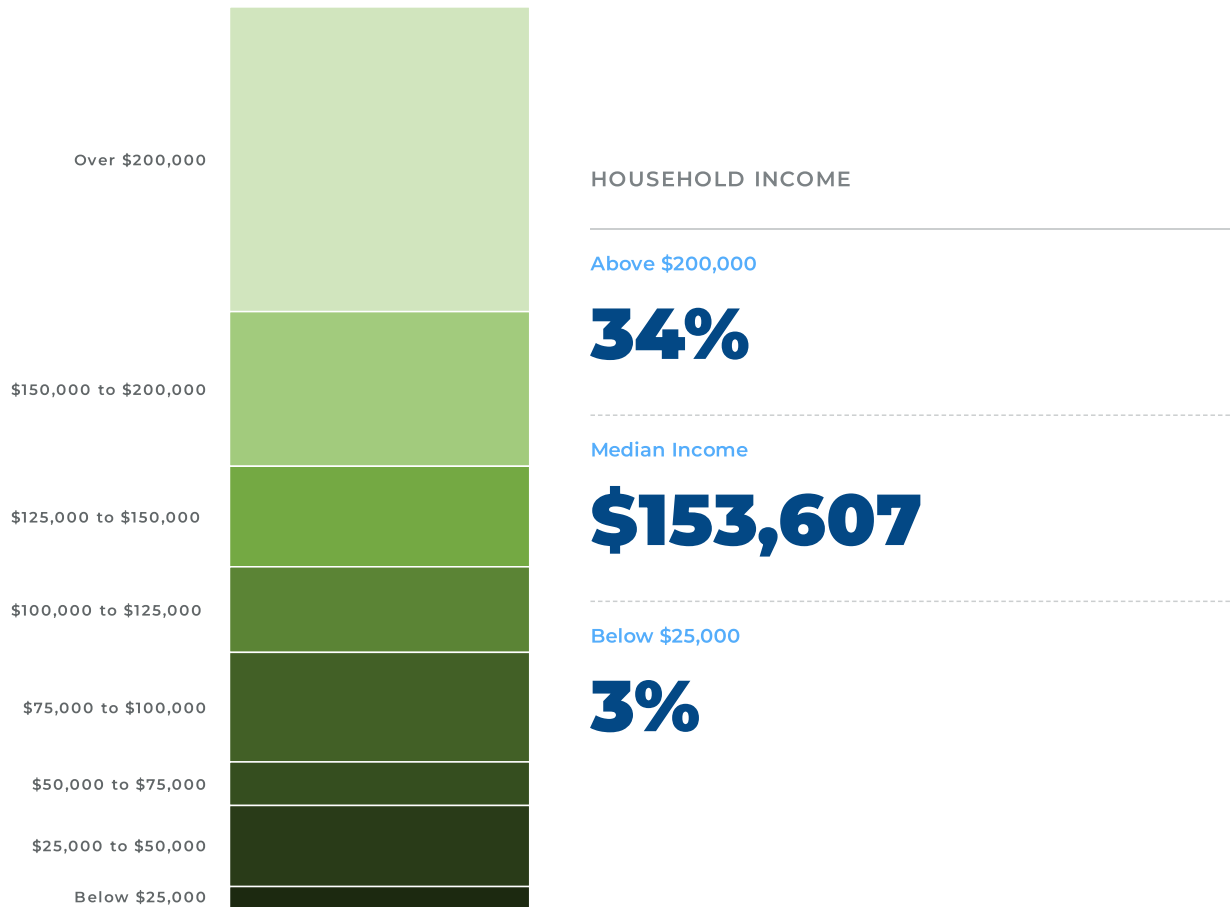
Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



*\* Data Source: Clayton, CA 2020*

## Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



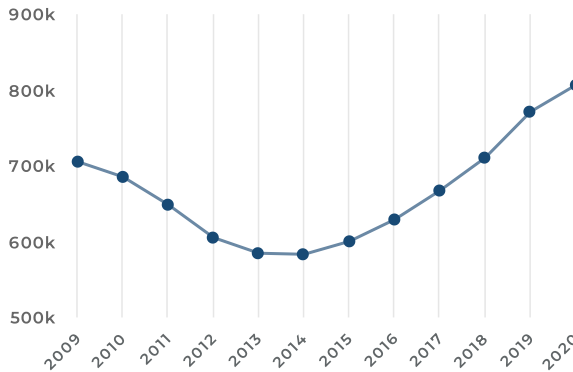
\* Data Source: American Community Survey, 2010 Census, 2000 US Census and 1990 US Census



## Housing Overview



2020 MEDIAN HOME VALUE  
**\$806,600**



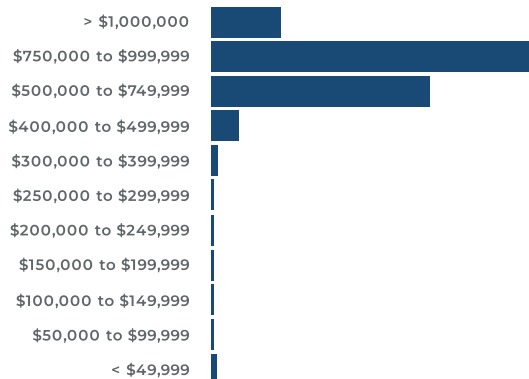
\* Data Source: 2020 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

### HOME OWNERS VS RENTERS

Clayton State Avg.



### HOME VALUE DISTRIBUTION



\* Data Source: 2020 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

\* Data Source: 2020 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

# History of Clayton

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## The Incorporation of Clayton

by Eldora Hoyer and Julie Pierce



A California voting record was established when ninety-one percent of Clayton's 364 registered voters approved incorporation of Contra Costa County's 13th city on March 3, 1964, in Endeavor Hall. Clayton residents wanted local control of planning and development. They worried about development quality and density and the commercial strip zoning racing their way. They did not oppose development, but after many futile hearings in Martinez and elsewhere, they wanted to retain the semi-rural ambience of the Upper Clayton Valley.

In 1959, some leading Clayton citizens discussed incorporating Clayton to retain its historic identity and rural atmosphere through local control of land use planning and zoning. They were Randall "Chubby" Humble, owner of the Pioneer Inn; George Murchio, land owner; M. F. Ohman, general manager of Pittsburg's Dow Chemical plant; Judge Wroy Renaghan; and Lawrence Wallace, real estate appraiser. Appointed to their committee were Henry White, Martinez Hospital administrator; Thomas Grundy, Eldora Hoyer and Robert Kuntz.

Although an initial incorporation attempt failed in 1960, when two quarry properties requested exclusion, the Clayton Revolution was rekindled in 1963 by an impending annexation that would divide the town and forever prevent incorporation of historic Clayton.

News of a cherry stem annexation using streets and the Clayton home of Concord's city attorney to access Cardinet Glen [the subdivision of homes near City Hall on Wallace and Cardinet] was seen in an obscure paragraph of the Oakland Tribune by Clayton's Nan Wallace on March 3, 1963, who alerted Clayton residents and formed an incorporation study committee.

To delay the Concord annexation long enough to explore alternatives, shocked Claytonians immediately filed notice of intention to begin incorporation proceedings. Many residents circulated petitions and Eldora had the honor of delivering the papers to the county offices in Martinez to place it on the ballot. James Conley walked house to house collecting contributions for election expenses and ended up with enough extra money to buy a flag for city meetings. This time, the proposed incorporation area excluded large properties whose owners, wanting Concord sewers, could be expected to withdraw their lands and defeat the attempt to bring incorporation to a vote. It was hoped that future residents would annex to Clayton later.

While exploring alternatives to incorporation, the Clayton Incorporation Committee managed to have the Concord annexation attempt withdrawn because of irregularities, but it seemed evident that annexation attempts would continue. Clayton residents decided to bring incorporation to a vote feeling that it must be done now or probably never.

At 8:00 pm on March 3, 1964, Sigrid Frank, a 69-year-old Clayton old-timer who was the poll inspector, stepped onto the front porch of Endeavor Hall, rang a brass bell, and in traditional style proclaimed, "Hear Ye! Hear Ye! Hear Ye! The polls are closed." The incorporation workers were tired but hopeful and euphoria built as the votes were tallied, with community "watchdogs" looking on. On top of the hill above town, Ken Byrd and Richard Hamb began ringing victory news across the valley with Clayton's old school bell. The community had successfully declared its independence on March 3, 1964 in that historic vote.

Clayton's first official meeting was March 18, 1964, when the council was sworn into office by Judge Wroy Renaghan with a large crowd in attendance. George Abbott and Al Liming drove to Sacramento to file the incorporation papers directly with the Secretary of State, to ensure prompt processing.

Maurice Huguette, Jr. was hired as city attorney and Marguerite Ellingson became the city's part-time clerk. Huguette was then the youngest city attorney in Contra Costa County.

Our inaugural Planning Commission consisted of Joe Wallace, chairman, Joe Swicegood, Beth Laurence, Charles Levine and Howard Sumerlin. William Walker, a professional accountant, was appointed the first City Treasurer. Clayton's city letterhead, still in use today, was designed in 1964 by Bob Hoyer with art by Ray Hare, a Clayton Valley High School art student.

Clayton's standing among other jurisdictions grew with its activity on county, district, and regional boards and commissions and in the League of California Cities. In 1966-67 Clayton's mayor chaired the Contra Costa Mayors' Conference, and Clayton's part-time clerk was Conference secretary. Clayton was represented at the 1967 National Mayors' Conference in Honolulu (at no expense to Clayton). Clayton councilmen and appointees filled many key roles and influenced regional decisions affecting Clayton.

On Clayton's first anniversary, the City received a resolution from the County Board of Supervisors commending the City on its first year and its efforts to comply with the wishes of its citizens in terms of community life, and for its forward-looking actions related to balanced development. The resolution noted that Clayton was incorporated to maintain a careful balance between progressive development and preservation of one of the most scenic landscapes in the central part of Contra Costa County.

#### **Incorporation Facts:**

- Election Day: March 3, 1964
- Number of Registered Voters in Clayton 364
- Number of Voters who cast ballots in election: 312
- Turnout 91% of Registered Voters cast ballots, the largest percentage in the history of California for a municipal election.
- Votes in Favor of Incorporation: 251
- Votes Against Incorporation: 61
- Clayton became the 13th City in Contra Costa County
- Results of Council Election: Robert Hoyer-183; Henry Wagner-179; George Abbott-151; David Cook-147; Alvin Liming-140; Clyde Baker-113; Richard Hamb-104; Kenneth Byrd-90; Jack Leue-68; Gloria Patten-56.
- City's First Treasurer: William Walker
- City's First Clerk: Marguerite Ellingson
- Police Services Contracted with the City of Concord
- Public Works/Engineering Services Contracted with County
- City Attorney Maurice Huguette, Jr.
- Population Approximately: 600
- Clayton City Limits consisted of ½ square mile
- City Boundaries: Clayton Road and Mt. Diablo Creek on the north, Marsh Creek Road on the east, Mitchell Canyon Road on the west and certain properties on the east.
- Assessed Land Valuation: \$1,200,000
- City's Budget: \$23,517.00
- Year-end Surplus: \$2,589.00



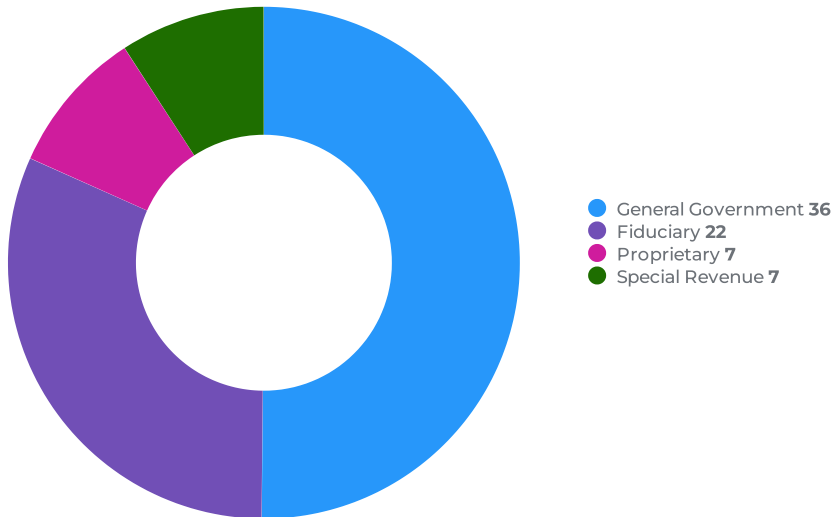
- Partial List of Expenses: City Attorney, \$2,000; City Clerk, \$1,500; Police Services, \$8,875.00; Accounting Services, \$250; Insurance and Bonding, \$425; Utilities, \$48; Telephone, \$160; Supplies, \$250; Rent, \$175.

One year after incorporating, the City of Clayton was recognized by the Contra Costa County Board of Supervisors for their superb effort. In 1966, just two years following cityhood, Clayton hosted the Mayor's Conference. Robert Hoyer served the City of Clayton for 16 years, and chaired the Bay Area Air District in 1971 after being appointed in 1968 to the District.

## Fund Structure

According to the Government Finance Officers Association (GFOA), fund accounting is used to meet the reporting objective of providing information as to whether resources were obtained and used in accordance with the budget and other finance related requirements by accounting for financial transactions and balances through several separate funds, each accounting for designated assets, liabilities and equity. The City of Clayton reviews our fund structures annually to ensure appropriate and relevant data is reflected in our financial reporting. Additionally, all new funds must be reviewed and approved by the City Council. Healthy fund balances are essential to making good long-term decisions for any government organization. Our funds are broken into four different types: General Government (General fund with 9 different departments and 2 reserve accounts), Proprietary (business-like activities), Fiduciary (held in trust) and Special Revenue Funds (used for specific projects or uses).

Fund Categories



## Listing of Funds

### General Fund

	Fund
General Fund	101
Rainy Day Fund	110
Pandemic Recovery Reserve Fund	111

### Special Revenue Funds

HUTA Gas Tax	201
RMRA Gas Tax	202
Landscape Maintenance District	210
The Grove Park	211
Geological Hazard & Abatement District	212
Presley GHAD Settlement Fund	213
Neighborhood Street Lights	214
Stormwater	216
Measure J	220
Restricted Grants	230
American Rescue Plan Act Fund	232
Development Impact Fees	304
Successor Housing Agency	616

### Proprietary Funds

Self Insurance	501
Capital Equipment Replacement	502
Pension Rate Stabilization	503
Endeavor Hall	702

### Fiduciary Funds

High Street Bridge Benefit Assessment District	217
Oak Street Bridge Benefit Assessment District	218
Lydia Lane Sewer Benefit Assessment District	222
Oak Street Sewer Benefit Assessment District	223
Diablo Estates Benefit Assessment District	231
Clayton Financing Authority	405
Middle School Community Facilities District No.1990-1	420
Clayton Financing Authority 2007 Refunding	422
Successor Agency	615



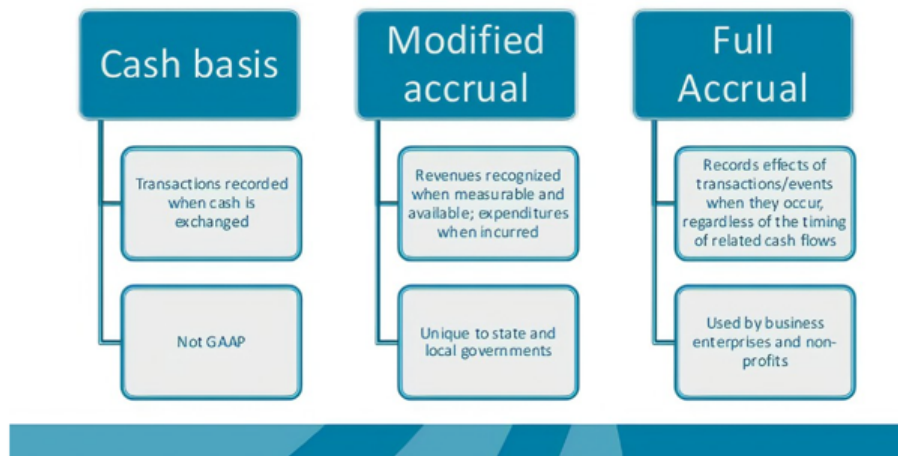
## Basis of Budgeting

**Basis of budgeting** - the basis of accounting utilized throughout the budget process. The City of Clayton is required by law to pass an annual balanced budget.

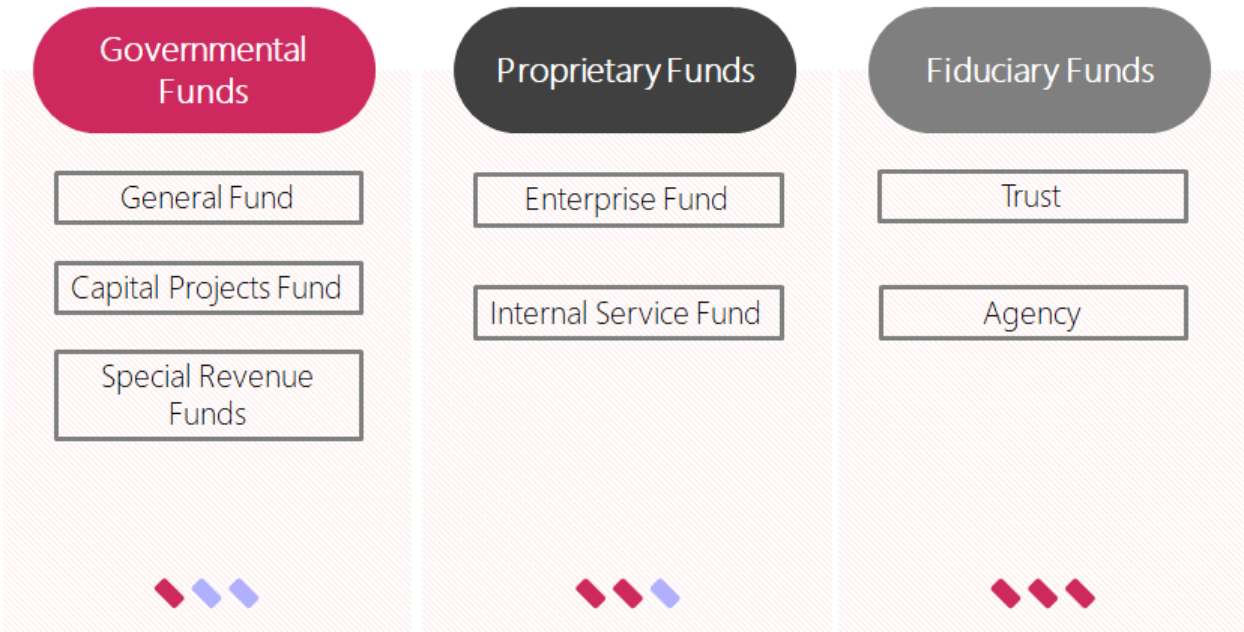


**Basis of accounting** - a term used to refer to when revenues and obligations are recognized in the accounts and reported in the financial statements. The City of Clayton's budgets for the General, Special Revenue, and Fiduciary funds are prepared on essentially the same as a modified accrual basis of accounting. This method is also used for the City's financial reporting and financial statements. Although the City of Clayton utilizes Modified Accrual that does not require budgeting for depreciation, the City still budgets for depreciation for Endeavor Hall, the main enterprise fund.

## Basis of Accounting



# Overall Financial Structure





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# BUDGET OVERVIEW

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# Budget Message



## Transmittal

Honorable Mayor and City Council Members:

Through the annual budget process, the City of Clayton ensures the efficient and effective use of economic resources as well as establishes that the highest priorities are accomplished. Through the budget, the City Council sets the direction of the City. The budget is expected to keep in mind both the positive and negative events happening within the City of Clayton and how they affect our bottom line. This document gives the City Council an ability to allocate resources and establish priorities.

The Fiscal Year 2022/23 Budget is respectfully submitted to the City Council and to the residents of Clayton, California. This budget represents the City Council's commitment to strong financial management practices and a strategic plan for a sustainable future. This budget document has been a collaboration between the City Manager, Department Managers, City staff, and members of the Clayton City Council to be used as a tool to identify funding priorities, reflect the needs and desires of the community, and to guide management throughout the year by clearly setting forth the goals and objectives of the Council for the coming year. The broad goals that the City Council adopted for FY2022/23 were as follows:

- Pursue a structurally sustainable budget;
- Identify what it takes to support staff in terms of technology and tools to bring the City into the 21st century;
- Present a compliant Housing Element to HCD.

In general, there is little added to the Proposed Budget other than acknowledging the impacts of inflation, price increases and the need to retain our city staff. The Proposed Budget reflects the previously negotiated cost-of-living adjustment (COLA) for the Clayton Police Officers Association (POA) members of 4%. It also reflects a proposed 3% COLA for the City's unrepresented miscellaneous employees.

As a whole, the City of Clayton is in a good position to be able to plan for the future, now. The authorization of the American Rescue Plan Act of 2021 has provided funding to help stabilize the City in the short term. With this money we were able to provide short-term relief to residents and local businesses who were negatively impacted by the COVID-19 pandemic. As we plan for future cost increases, we will have the option to use the Pandemic Recovery Reserve Fund to allocate funds as directed by the City Council as a possible stop-gap instrument to shore up the deficits that we will continue to have.

More than two years after the COVID-19 pandemic began, the local and national economies continue to be challenged. While overall, City of Clayton revenues have escaped deep impacts due to the public health shut-downs and economic contraction, the pandemic has nonetheless affected the City both financially and in terms of staffing.

At the time of the Proposed Budget, the most significant economic impact is that of inflation. Over the first part of calendar year 2022, inflation has increased more quickly than at any time in the last 40 years. In February, the national inflation rate was near 8% and the Bay Area inflation rate was over 5%. By the time the April-to-April CPI measure, which is the specific CPI calculation that is used for many local fiscal calculations, was released, it seems that while inflation is still at a high level, the rate of increase may be slowing. This may be in part due to the Federal Reserve already taking steps to increase interest rates, with indications that they will continue to increase borrowing rates over the next year to temper the effects of inflation.

We have our work cut out for us, but with thoughtful partnership with the City Council and local community members, we will be able to plan for the best uses of our financial resources and work together to ensure a sustainable future for the City of Clayton.

Reina J. Schwartz  
City Manager



# Policy and Process Improvement Opportunities



Comprehensive Review and development of a Fiscal Management Policy which will include:

- Pension and OPEB Policy
- Reserve Policy
- Investment Policy and Investment Management

## Pension and OPEB Policy

The Pension policy will provide goals for funding the pension debt, a clear structure for sustainability, risk tolerance, funding status and funding plans and clearly defined oversight.

The Other Post-Employment Benefits (OPEB) Policy will be a separate policy from the Pension Policy and will provide ways to invest funds to pay for these benefits as well as to reduce overall liabilities and increase overall net position of the City as well as manage this debt with a plan that maximizes the use of the City's resources.

## Reserve Policy

One of the key components of a financially stable municipality is the adherence to a policy of maintaining an appropriate level of reserves. Establishing a target minimum General Fund reserve is a mechanism that governments can implement to help ensure adequate levels of fund balance are available to help mitigate current and future risks. A minimum General Fund reserve is generally considered a prudent and conservative fiscal policy to deal with unforeseen situations. Some examples of unforeseen situations include, but are not limited to: extreme events, economic downturns, reduced revenues, Federal/State/County Budget Cuts, unfunded legislative or judicial mandates, capital obligations, one-time City Council approved expenditures, and innovative opportunities for the betterment of the community. To provide guidelines for establishing, maintaining, and reviewing minimum target General Fund reserves for the City of Clayton. This policy is developed to consider the minimum level necessary to:

- Maintain creditworthiness;
- Ensure cash availability during times of economic uncertainties and other financial hardships or downturns in the local or national economy or extreme events;
- Provide for long-range planning, especially around future debt or capital obligations;
- Deciding when to use reserves, define what the minimum level is and how to replenish this if it should fall below the defined minimum threshold.

## Investment Policy and Investment Management/Oversight

The objective of the investment portfolio is to meet the short and long-term cash flow demands of the City. To achieve this objective, the portfolio will be structured to provide Safety of Principal, Liquidity and Return on Investments.

It is the policy of the City of Clayton to meet the short and long-term cash flow demands of the City in a manner which will provide for the safety of principal monies with sufficient liquidity, while providing a reasonable investment return. The purpose of this Investment Policy is to identify and outline various methods and procedures for the prudent and systematic investment of public funds. This Investment Policy applies to all investment activities and financial assets of the City. The following Funds are covered by this Investment Policy and are accounted for in the City's Comprehensive Annual Financial Report:

- A. General Fund
- B. Special Revenue Fund
- C. Debt Service Fund
- D. Capital Project Funds
- E. Enterprise Funds
- F. Internal Services Funds
- G. Trust and Agency Funds
- H. Any new funds created by the City Council.

# Economic Recovery & Fiscal Stability

## Recent Economic Trends

### Sales Tax

Although the City of Clayton has a relatively small sales tax base, it is affected by global, national and local economic factors. Overall, in California, local sales tax receipts grew more than 11% in FY2022/21 (nearly 9% above pre-pandemic levels). Year-to-date, local tax receipts statewide are nearly 17% above one year ago.

For the coming year, it is likely that inflation will continue to be a significant factor, although the April to April Bay Area CPI increase was only 5% compared to the February to February increase of nearly 8%.

An additional factor is the international outlook which has increased economic disruption, particularly to the supply chain that was already stressed due to more than two years of COVID-related impacts.

Overall, statewide and likely locally, consumers are healthy in terms of savings, equity and stock market gains that preceded the increases in inflation.

HdL's short-term forecast for sales tax revenues calls for a continued expansion but a deceleration of growth in FY 2022/23 and FY 2023/24.

### Property Tax

The property tax estimates included in the Proposed Budget are based on data and projections from HdL with whom the City contracts for both property and sales tax analysis and advice. The assumptions included in the estimate for the Proposed Budget are as follows:

- All real property (except those that had Proposition 8 reduced assessments) will receive the maximum 2% CPI adjustment.
- For those properties that have sold between January and December 2021, the difference between the value on the prior property tax roll released for FY 2021/22 and the price paid for the property in the sale transaction has been calculated and used as a basis for increased overall market value of properties within the City.
- The personal property on the secured tax rolls and the unsecured property values are being budgeted flat at FY2021/22 levels. This is based on the analysis that depreciation of these business assets will be offset by new purchases.
- Because overall there has been relatively little new construction in Clayton, no additional increases are added to the projection associated with new construction.
- The projection reflects the reality that Clayton is a relatively "low" property tax City in that the City receives only about 6.5 percent of the base property tax bill paid by a Clayton property owner.
- The full net taxable value of property in Clayton is estimated to grow approximately 5.3% compared to the prior year.
- It appears that the City's adopted General Fund budget for property tax revenues was conservative and actual revenues for FY2021/22 have come in above the budgeted amounts.

# Public Employees Retirement Pension System (CalPERS)

## PUBLIC EMPLOYEES RETIREMENT PENSION SYSTEM

### A Brief History

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

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

In 2008, coinciding with the abrupt downturn in the national and local economies and the wave of retiring Baby Boomers (born 1946 - 1964), the press and the public waged a vigorous debate concerning the amount and scope of unfunded liabilities of governments [taxpayers] for the CalPERS defined benefit retirement plan. Public pension policies have been modified, reformed and threatened over the course of this examination and it continues today in the form of state legislation reform bills, statewide initiatives and court cases. Resulting from this, the State of California legislature enacted the Public Employee Pension Reform Act (PEPRA) effective January 2013 creating a new defined benefit pension tier for any newly-enrolled CalPERS-covered employees.

However, even in advance of PEPRA and most other public agencies, the City of Clayton established a 2<sup>nd</sup> Tier Plan effective January 2011 for all new “Classic” hires. To further mitigate its unfunded liability exposure, the Clayton City Council took action in March 2012 to prohibit all future local elected officials (e.g., city council members) from becoming members of the CalPERS pension plan.

In regards to action taken to address the reasonableness of actuarial assumptions, the 2016 Annual Review of Funding Levels and Risks published by CalPERS on September 20, 2016 concluded economic conditions at that time increased the risk associated with achieving a 7.5% rate of return over the medium term (10 years or so). With this in mind, action was taken by the CalPERS Board to re-address the viability of the actuarially assumed discount rate for future years with the goal of increasing funded status of pension plans. Accordingly, on December 21, 2016 the CalPERS Board voted to lower its discount rate from 7.5% to 7.0% over a three-year timeframe with the hope the incremental lowering of the rate would give employers more time to prepare for the changes in contribution costs. The first year of pension contribution increases resulting from lowering the discount rate was FY 2018/19.

### Various Pension Plan Groups and Composition

As a consequence of the actions taken as described previously the City of Clayton now has three (3) separate CalPERS pension plan tiers for its employees for both the Public Safety and Miscellaneous employee groups:

1. Tier I “Classic” – This plan covers existing City employees hired prior to January 2011. No future employee of the City can ever enroll into the Tier I Plan and accordingly this pool of existing employees will shrink in number as these employees move to other employment or retire from the City. The benefit formula for Public Safety Tier I members is 3% @ 55 and the benefit

formula for Miscellaneous Tier I members is 2% @ 55.

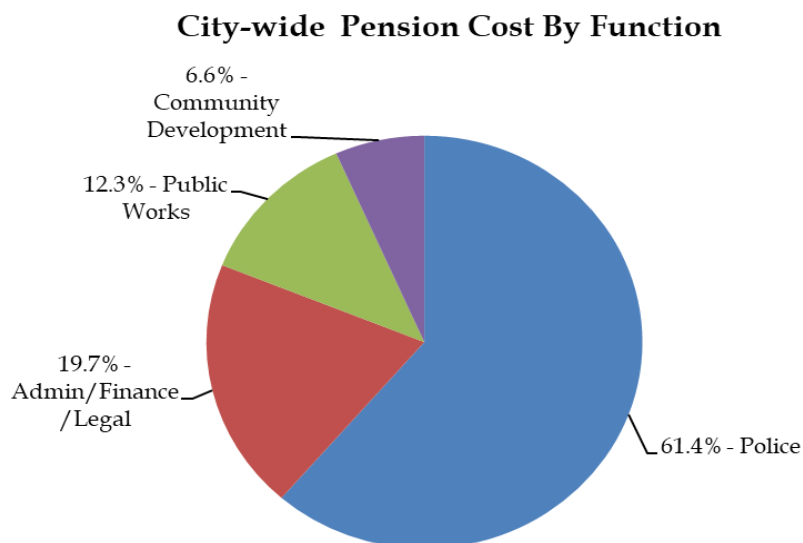
Previously, the City made the required employee contributions on behalf of all Tier I employees, which is defined as “Employer Paid Member Contributions” (EPMC) by CalPERS. As part of three-year Police Officers Association (POA) labor agreement approved on July 7, 2015, the previous 9% EPMC for Public Safety Tier I members has now been entirely phased out, with members of this group paying the full required employee contribution rate. While beneficial for future pension obligations, this phase-out did come at a cost and was offset by a negotiated 4% annual cost of living adjustment for all sworn officers for the three- year period ending June 30, 2018. In accordance with labor agreements currently in place and assuming status quo terms, the proposed budget for FY 2021/22 assumes the City will continue to make the full 7% EPMC for all Miscellaneous Tier I Plan Members, which comprises two full-time employees and one part-time employee. To add some perspective, this small group of Tier I Miscellaneous employees represents less than one quarter (25%) of the entire unrepresented Miscellaneous employee group of sixteen (16) permanent employees.

Commencing FY 2018/19, as part of the current three (3) year labor agreement with the POA, Tier I Public Safety members of the POA were required to help contribute towards the escalating normal cost employer rate. Referred to as “cost-sharing”, these member-paid employer contribution sharing rates were 0.5%, 1.25%, and 2.25% for FY 2018/19, FY 2019/20, and FY 2020/21, respectively. In FY 2021/22, net of any member-paid employer contributions, employer contribution rates for Tier I employees will be 20.64% and 10.34% for Public Safety and Miscellaneous Plan Members, respectively.

2. Tier II “Classic” – This plan covers City employees hired during the timeframe January 2011 through December 2012, plus any new hire of the City that comes from an employer previously enrolled in a CalPERS pension system (without a break in service longer than six months). The benefit formula for Public Safety Tier II members is 2% @ 50 and the benefit formula for Miscellaneous Tier II members is 2% @ 60. There is no EPMC provision, making employees responsible for the entire employee pension contribution rate, which is 9% for Public Safety plan members and 7% for Miscellaneous Plan members. In FY 2021/22 employer contribution rates for Tier II employees will be 18.19% and 8.65% for Public Safety and Miscellaneous Plan members, respectively.

3. Tier III “PEPRA” – This plan automatically covers any new employee of the City not previously a member of CalPERS or with a break in service longer than six months. The benefit formula for Public Safety Tier III members is 2.7% @ 57 and the benefit formula for Miscellaneous Tier III members is 2% @ 62. Under PEPRA law, members are required to pay at least 50% of the normal cost of benefits, essentially splitting the pension contribution rate requirement with some exceptions. In FY 2021/22 employer contribution rates for Tier III employees will be 13.13% and 7.59% for Public Safety and Miscellaneous Plan Members, respectively.

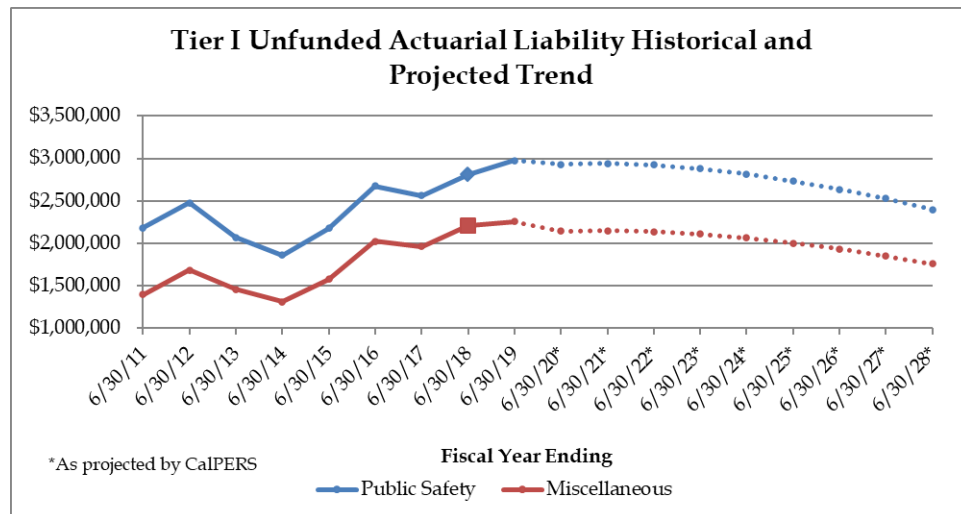
The following chart summarizes the organization-wide spread of the City’s pension contributions projected for FY 2021/22:



As depicted in the pie chart above, the Police Department makes up over fifty percent of the budgeted employer pension contributions. This statistic is generally reflective of the Police Department's share of the City's permanent workforce.

#### **Status of the City's Unfunded Actuarial Liability**

An unfunded actuarial liability (UAL) is the difference between the estimated current liability to pay future benefits and the current market value of assets accumulated to pay those benefits. If assets are greater, a plan is overfunded and if the liability is greater, a plan is underfunded, creating an unfunded liability. The unfunded liability is an estimated figure changing with each actuarial valuation pursuant to changes in market value of assets, investment earnings and actual results of the plan as compared to actuarial assumptions. Unfunded liabilities are not amounts that are actually due today but are estimates of what pension actuaries believe will be needed to pay future benefits. The funding policies established by CalPERS are intended to provide for full funding of the pension plan by the time employees retire. The following is a line chart summarizing the City's UALs for both the Public Safety Tier I and Miscellaneous Tier I employee plans over the past seven (7) years (since CalPERS began publishing this information in the actuarial reports) and CalPERS' estimates for the next ten (10) fiscal years:



As depicted in the chart above, when considering the current funded status of the City's pension plan's, the most recently issued actuarial reports (annual valuation report as of June 30, 2020/contributions for FY2022/23) reflect increases to both the Safety and Miscellaneous Tier I Plan UALs. As of the June 30, 2020 valuation, the Safety Tier I Plan UAL increased by approximately 9.5 % to \$3,255,816 reflecting a funded status of 72%. Similarly, the Miscellaneous Tier I Plan UAL also increased, by 6.1% to \$2,392,453, reflecting a funded status of 73.1%.

CalPERS reported a 21.3% investment return in FY 2020/21, which is substantially higher than the assumed 7.0% discount rate benchmark that was in place at the time. In response to these high earnings and consistent with previously adopted CalPERS policy, the Board considered and ultimately approved a reduction in the discount rate to 6.8%. While the positive results in FY 2020/21 will help reduce the increases in City pension costs, in future years the lower discount rate may put more pressure on employer funding of pension costs.

Prospectively, arising from policies adopted by the City, the state legislature, and CalPERS, gradual reductions are predicted for the City's UALs. These gradual reductions incorporate CalPERS policies to amortize annual plan investment gains and losses over thirty (30) year periods well as its five (5) year ramp up and down phases to smooth the volatility these annual conditions can have on employer pension contribution requirements. Consequently, the latest actuarial valuation reports project employer UAL pension contributions for the two "Classic" Tier I plans to gradually increase until reaching their ceiling in FY 2020/21, after which they steadily reduce until both plan UALs are fully paid off in FY 2043/44 (under present value calculations and CalPERS methodologies).

#### **Impacts of Statutory Pension Reform – Short and Long-term**

Since the adoption of PEPR and due to measures taken by the City Council in 2011 to create second retirement tiers, noteworthy savings were realized by the City in the three-year timeframe from FY 2012/13 to FY 2014/15. Ultimately, these savings were realized by the City through the gradual attrition of several Tier I "Classic" employees with those positions subsequently filled by less expensive Tier II and PEPR enrolled employees. However, commencing in FY 2015/16, in an



aggressive and deliberate measure to recapture these savings realized by participating agencies, CalPERS began billing for the unfunded portion of the City's Tier I pension liabilities as a fixed dollar amount as opposed to the "percentage of payroll" method used in all prior years leading up to FY 2015/16. Therefore, to understand and better prepare for fluctuations in employer pension costs, a city must monitor both the percentage of payroll (or "Normal Cost") rate as well as the relatively new fixed dollar UAL contribution components.

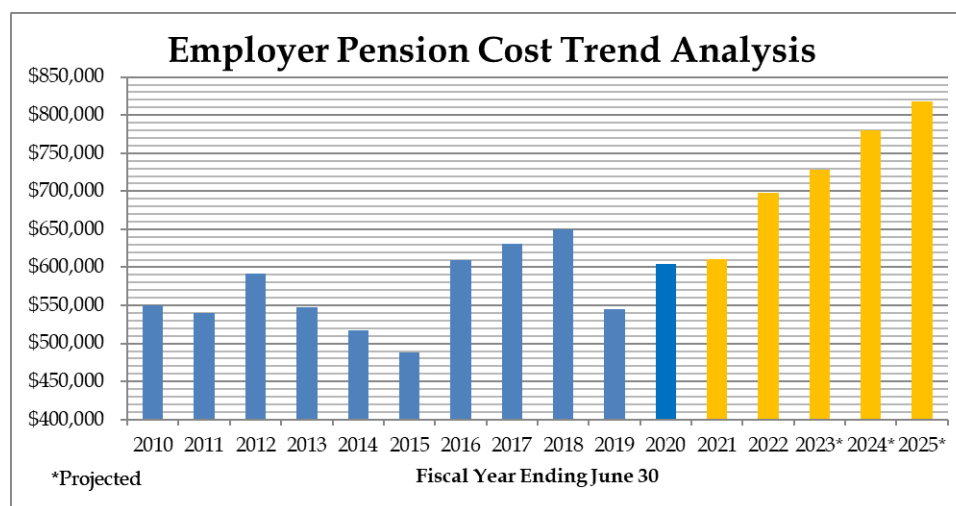
The latest CalPERS actuarial reports for the year ended June 30, 2020 establish the City's normal cost contribution rates as well as the fixed dollar UAL contribution requirements for the upcoming fiscal year. The City's FY 2022/23 contribution requirements relative to the prior year (FY 2020/21) are as follows:

Pension Tier	FY 2021/22	FY 2022/23
	Normal Cost Rate	Normal Cost
Safety Classic	20.64%*	20.64%*
Safety Tier II	18.19%	none
Safety PEPRA	13.13%	12.78%
Miscellaneous Classic	17.34%**	17.32%**
Miscellaneous Tier II	8.65%	8.63%
Miscellaneous PEPRA	7.59%	7.59%

\*Excludes negotiated member-paid employer contribution portions.

\*\*Includes employer-paid member contribution (EPMC) of 7.0%.

Changes in legislation, employee workforce attrition, and volatility of CalPERS estimates (i.e., investment returns), make it challenging to predict future pension costs as well as the status of the UAL with absolute certainty. However, the following chart provides a summary of historical City-wide employer pension contributions over the past ten (10) years as well as a projection for the current fiscal year still underway (FY 2021/22) and the following five future years thereafter using employment and actuarial information known at this time. As noted previously, the unpredictability of workforce and market factors makes these future year projections subject to change prospectively.



The steady decline in required employer pension contributions from FY 2011/12 to FY 2014/15 was caused by the gradual attrition of the City's Tier I employees (i.e., retirement, employment separation to pursue employment at another agency, etc.) and filling those vacancies with less expensive Tier II and Tier III "PEPRA" employees. Thereafter, the spike in FY 2015/16 and subsequent two (2) years is caused by CalPERS' implementation of fixed dollar UAL billings to supplement normal cost percentage-of-payroll contribution rates.

The chart also incorporates the impact of the CalPERS Board voting to decrease the discount rate in December 2016 impacting employer pension contribution assumptions from FY 2018/19 and onward. Pension costs are projected to rise with actuarially assumed wage growth as well as CalPERS' policy to (eventually) achieve "fully funded" status through calculated annual UAL payment increases.

The drop shown in FY2018/19 reflected the City paying off the “side fund” that was described earlier, thus reducing the annual pension cost to just the normal cost plus the standard UAL requirement.

In all, the total amount of monies in the proposed budget projected to be required to pay CalPERS retirement contributions in FY 2022/23 is approximately \$765,938 across all City funds, representing an increase of \$67,444 or 9.7%. The significant increase in FY2022/23, comes after a year in which the City already had a significant increase of nearly \$90,000 in PERS costs in FY2021/22. It should be noted as well that it appears the statewide pension reform that was enacted a decade ago, PEPPRA, does seem to be having an impact on reducing at least the annual “normal” cost of the City’s PERS requirements. It does not, however, yet have an impact on the unfunded accrued liability which continues to increase each year. This year it represents more than 60% of the City’s total PERS costs for FY2022/23. This means for every one dollar spent on employer pension contributions, 60¢ is used to address the buildup of the unfunded liability reported by CalPERS actuaries and not to address future retirement benefits of the current workforce.

### **Summary of Pension Analysis**

The purpose of this information published annually is not to marginalize the seriousness of the unfunded pension plan debate, but to provide transparency and context to a story often sensationalized by the media. Acknowledging the importance of addressing the City’s exposure to the growth of unfunded pension liabilities, several actions outlined in detail previously have been taken by the City Council, CalPERS, and the state legislature. These actions were designed to address the issue in the long-run, without causing immediate and detrimental set-backs to the City’s current ability to provide public services. Considering the already scarce local resources available, it is encouraging to see the City appears to be headed in the right fiscal direction on this matter. Nevertheless, prudent and regular monitoring of the City’s progress will be essential to achieving sustainable and sensible budgets well into the future.

## American Rescue Plan Act

On March 11, 2021, President Biden signed into law HR 1319, the American Rescue Plan Act of 2021 ("ARPA"), which provides a total of \$1.9 trillion in financial assistance to individuals, businesses, and state and local government agencies to assist in the economic recovery from the COVID-19 pandemic. ARPA included a provision entitled "Coronavirus State and Local Fiscal Recovery Funds" ("SLFRF") that includes \$350 billion in funding for state and local governments, of which \$65 billion was dedicated to local government agencies.

ARPA provided flexibility for each government to meet local needs in four areas: 1) supporting public health response to and economic impacts from the pandemic; 2) provide premium pay for essential workers; 3) replace lost public sector revenues; and 4) invest in water, wastewater and broadband infrastructure; and

The City is classified as a non-entitlement unit within the provisions of SLFRF and will receive a total of \$2,934,049, in federal relief funds divided into two equal payments (or "tranches") of approximately \$1,467,025. The City received its first payment in July 2021 and the second payment will be received on or before the same time this year.

In the fall of 2021, the City Council embarked on a process to identify investment opportunities of the one-time ARPA funds and approved an agreement with Management Partners to engage the community and provide an analysis of such investment opportunities for Council consideration. As a result of that outreach and analysis, the City Council has approved a series of programs related to COVID recovery.

The programs approved by the City Council included appropriating the initial tranche of \$1,467,025 for the Clayton Cares program to provide relief to businesses and community members and related administrative expenses. Subsequently, in January 2022, the City Council reappropriated \$242,000 of these funds to provide one-time essential worker premium pay to City employees. Additionally, in March, the City Council approved the use of \$49,500 in ARPA funding for the purchase and implementation of a 3-year license of the ClearGov budget software platform. The City Council also recently approved the creation of the American Rescue Plan Act special revenue fund (#232) for purposes of tracking revenues and expenditures associated with ARPA funds.

The US Treasury Department ("Treasury") is responsible for administering the provisions of the SLFRF. They issued an Interim Final Rule (IFR) on the use and reporting of SLFRF funds in May 2021, and issued their Final Ruling (FR) on January 6, 2022, the latter of which becomes effective April 1, 2022. Treasury also issued compliance and reporting guidelines on February 28, 2022 that assist local agencies in understanding the reporting requirements under the legislation.

One of the key changes that occurred in the FR is that Treasury determined that they would allow a standard revenue loss allowance for each agency of up to \$10 million, rather than having to rely on the formula originally contained in the Interim Rule. Under this category, known as the "Revenue Replacement" category, any agency can stipulate to this \$10 million revenue loss amount and claim up to that amount based on the funds they received. In practice, agencies that received less than \$10 million (like Clayton) are allowed to report their use of ARPA funds entirely as revenue replacement to streamline reporting of the use of the funds to the Treasury Department.

By assigning the use of ARPA funds for the purpose of reporting to Treasury under this category, the City has chosen to use the funds for the provision of general government services", which the FR defines as any service normally provided by the local government. The City has been able to report use of all of its ARPA funds under this revenue replacement category based on the expenditures incurred in the City's General Fund (which well exceed the ARPA funds received in any fiscal year).

The replenishment/inflow of these one-time revenues in the General Fund has allowed the City Council to designate the resulting unanticipated surplus from these funds as a "Pandemic Recovery Reserve Fund" (Fund 111) which then captures the ultimate use of the ARPA funds. The City Council has the ultimate discretion to invest these funds for purposes already identified such as the Clayton Cares program, premium pay for City essential workers and purchase of a 3-year license for the ClearGov software platform. The Council also has the discretion to program any funds remaining from the first tranche of ARPA funding and an amount equal to the full second tranche of the funding.

# Proposed Budget Changes

The Proposed Budget for FY2022/23 reflects cost increases in a number of areas.  
The most significant changes are summarized in the table below:

## Major Budget Changes for the General Fund

Budget Item	Increased Cost	Reduced Cost	Comments
POA COLA	\$43,218		Already negotiated agreement for 4%
Health Care Premiums	\$12,390		Anticipate increased costs of at least 5%
Insurance (MPA)	\$53,823		Insurance premium amounts for FY2022/23 from MPA
PERS Unfunded Liability	\$46,265		Per PERS Actuarial Report
Dispatch	\$15,388		Contract with Concord for 5% increase
Animal Care	\$14,180		Contract with CC County; reflects increased costs.
Electric/Gas	\$11,480		Anticipated increases in electric costs
Election	\$20,000		Every other year.
Required Actuarial Reports	\$11,500		GASB 68 and GASB 75 reports.
Legal Services	\$5,820		Agreement with BBK has CPI escalator (5% for FY23)
COLA Miscellaneous Empl	\$55,820		Proposed 3% COLA for Miscellaneous Employees
Engineering Services	\$28,949		Reflects minor increase in hourly costs and an increase in work hours.
Capital Equip Replacement	\$10,000		Reflects increased costs for Police vehicles
IT support for Council Meetings	\$7,400		Additional support needed for hybrid meetings.
PD Radio Lease Payment	\$35,000		Transfer from Rainy Day Fund shown in Revenues; no net General Fund Cost
Add 0.2 FTE Assistant Planner	\$21,000		Needed to address workload increases
Other changes		(\$20,902)	
PERS Normal cost		(\$20,607)	This reflects the impact of turnover, both in terms of lower salaries as well as an increasing percentage of the workforce covered under PEPRA rather than Classic PERS formulas.
Recruitment		(\$24,850)	Less need for recruitment expense with department head positions filled.
Water		(\$23,585)	Appears to have been over-budgeted in the past. Adjusted to better reflect actual experience, plus an anticipated increase in rates due to the drought.
<b>Totals</b>	<b>\$392,683</b>	<b>(\$79,733)</b>	
<b>Net Total</b>	<b>\$321,950</b>		

In the preliminary budget preparation as reflected above, total proposed costs compared to total proposed revenues, the General Fund shows a net deficit of \$107,139.

Additionally, the Neighborhood Streetlight Maintenance District (Fund 214) will exhaust its reserves this upcoming fiscal year and will require a subsidy of \$20,403 in FY2022/23 in order to maintain services. To the extent that this cost would revert to the General Fund absent any other action, the initial deficit is \$127,542.

To address this shortfall the City Council has given preliminary direction as shown below:

- Delay for one year the General Fund contribution for police vehicle replacement saving \$70,000. A replacement vehicle will still be purchased in FY2022/23 with a transfer from the Pandemic Recovery Reserve (Fund 111). This is a one-time action. Absent any additional funding, this cost will need to be accommodated in the General Fund in future years.

- Transfer from the Pandemic Recovery Reserve in the amount of \$37,139 to the General Fund to stabilize the budget while allowing needed expenditure increases to be incorporated.
- Transfer from the Pandemic Recovery Reserve in the amount of \$20,403 to the Neighborhood Streetlight Maintenance District (Fund 214) to stabilize that budget.

The City Council also gave direction to include the following additional expenditures from the Pandemic Recovery Reserve:

- Senior Accountant - one-year limited term appointment - approximately \$135,348
- Additional IT support for modernization and cybersecurity - \$50,000
- Records Management and digitization of records - \$35,000
- Organizational assessment - \$35,000
- ClearGov Software (previously approved) - \$16,500

# City Council Approved Uses of the Pandemic Recovery Reserve Fund

Based on the needs described above, the following uses are recommended for the Pandemic Recovery Reserve in FY2022/23:

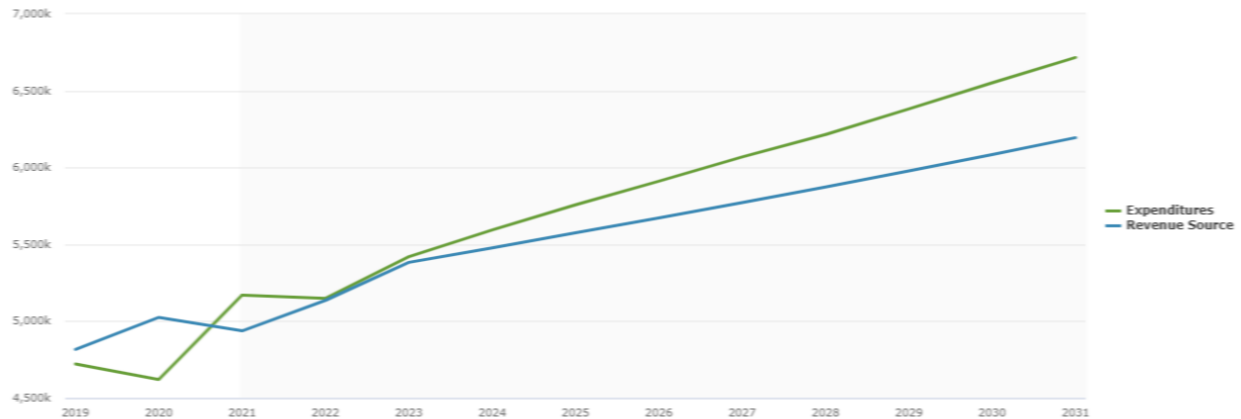
As directed at the June 7, 2022 City Council Meeting:

<b>1. Budget Stabilization (3 Major Items that contribute to this)</b>	
Replenish Fund 502 CERF for Police Vehicle Replacement	\$ 70,000
Transfer to General Fund	\$ 37,139
Replenish Shortfall in Fund 214 Neighborhood Streetlights	\$ 20,403
<b>Total Transfer from Fund 111 for FY23 Budget Stabilization</b>	<b>\$ 127,542</b>
<b>2. One time Costs</b>	
Full Time Senior Accountant Limited One Year Term	\$ 135,348
Software and Services to Digitize Records	\$ 35,000
Increased IT Support for cybersecurity	\$ 50,000
City Council Recommended Organizational Assessment	\$ 35,000
	<b>\$ 255,348</b>
<b>Previously Approved but will be spent in FY23</b>	
Clear Gov Software	\$ 16,500
<b>Total Use of Pandemic Recovery Reserve Fund in FY23</b>	<b>\$ 399,390</b>
<b>Fund 111 Pandemic Recovery Reserve Summary:</b>	
Proposed Fund Balance at beginning of FY23	\$ 382,392
Revenue in FY23	\$ 1,470,024
Proposed Expenditures in FY23	\$ (399,390)
<b>Proposed TOTAL Ending Fund Balance FY23</b>	<b>\$ 1,453,026</b>

## Long Range General Fund Forecast

While the proposed FY2022/23 General Fund budget is balanced, there remains an underlying structural imbalance between revenues and expenditures. Historical and current revenue growth is on the order of 2-3% per year, where expenditures are continuing to grow at 4% per year or more. This trend may worsen in the coming year due to historically high levels of inflation and general economic uncertainty that has resulted from the COVID-19 pandemic, and other world economic factors.

Ultimately, the City will need to significantly reduce costs and services or pursue new ongoing sources of revenue to support the current level of services. At the direction of the City Council, the City will undergo an organizational assessment to fully understand what the needs are, where the deficiencies exist, and how we will be able to maintain long-term stability for the future of the residents of Clayton.



## Staffing

Job Title	FY2019/20	FY2020/21	FY2021/22	FY 2022/23
<b>Administration</b>				
Accounting Technician	0.6	0.6	0.6	0.6
Assistant to the City Manager	1.0	1.0	1.0	1.0
City Clerk/HR Manager	1.0	1.0	1.0	1.0
City Manager	1.0	1.0	1.0	1.0
Finance Director	1.0	1.0	1.0	1.0
Office Assistant	0.7	0.7	0.7	0.7
Senior Accountant (new)	0.0	0.0	0.0	1.0
<b>Public Works</b>				
Maintenance Senior	1.0	1.0	1.0	1.0
Maintenance Supervisor	1.0	1.0	1.0	1.0
Maintenance Worker I	3.0	3.0	3.0	3.0
Maintenance Worker II	1.0	1.0	1.0	1.0
<b>Community Development</b>				
Assistant Planner	0.6	0.6	0.6	0.8
Community Development Director	1.0	1.0	1.0	1.0
Office Assistant	0.3	0.3	0.3	0.3
<b>Police</b>				
Chief of Police	1.0	1.0	1.0	1.0
Police Sergeant	3.0	3.0	3.0	3.0
Police Officer	7.0	7.0	7.0	7.0
Police Office Coordinator	1.0	1.0	1.0	1.0
Police Admin Clerk	1.0	1.0	1.0	1.0
<b><u>Total FTE</u></b>	<b><u>26.2</u></b>	<b><u>26.2</u></b>	<b><u>26.2</u></b>	<b><u>27.4</u></b>



# How to Read the Budget Document

The most significant value of a Budget document is to communicate to the City Council, employees and the public the City's priorities and plans for allocating scarce resources. This section of the budget document describes the sections of the document, the purpose of each and how the information is presented. The budget document includes the following sections:

## Introduction

This section of the document provides an overview of the City organization, its elected officials, mission and vision and some history and current statistics.

## Budget Overview

This section provides a broad overview of the context and challenges addressed in the Proposed Budget. It includes a Budget Message transmitting the document to the City Council; a discussion of priorities and issues including the City's economic recovery related to the COVID-19 pandemic, the ongoing significant impact of pension obligations as well as a look forward to improvement opportunities in the coming years.

## Fund Summaries

This section provides financial information regarding each of the City's funds including anticipated revenues and expenditures as well as information on the anticipated fund balances.

## Departments

This section provides an overview of each of the City's operating departments, including goals and proposed spending for FY2022/23.

## Capital Improvement Program

This section includes the City's proposed spending on capital projects. It includes information on the projects, the proposed spending for FY2022/23 as well as a look at future funding needs for each of the projects.

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# FUND SUMMARIES

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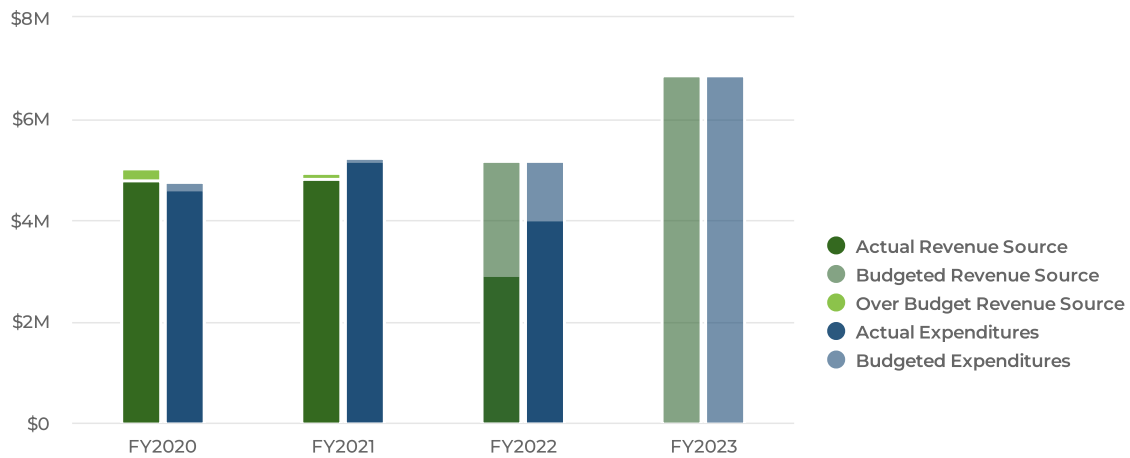


## General Fund 101

The General Fund is the City's largest and most flexible source for funding operations. The General Fund typically receives all tax and fee revenues that are not specifically restricted or dedicated to a specific purpose.

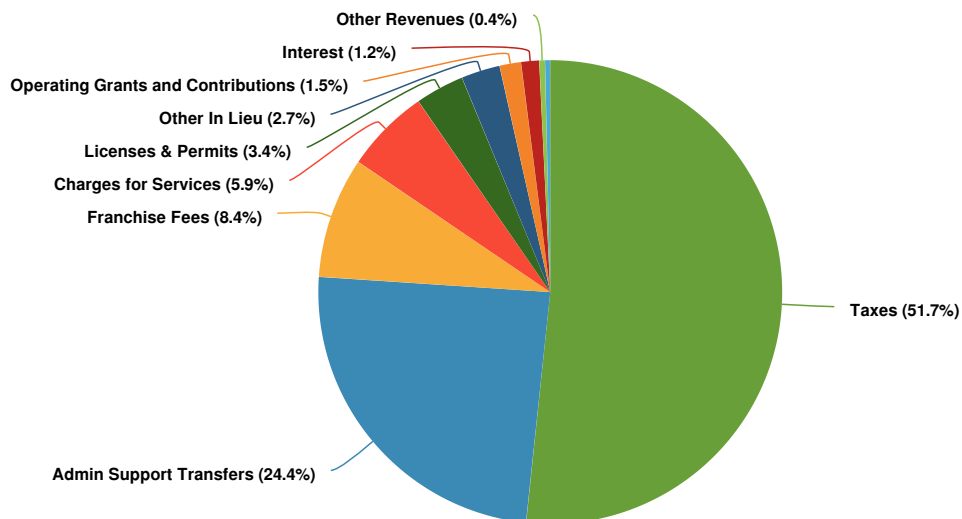
### Summary

The City of Clayton is projecting \$6,887,459 in revenue in FY2022/23, which represents a 32.8% increase over the prior year. Budgeted expenditures are projected to increase by 33% or \$1,709,974 to \$6,887,459 in FY2023. Absent the impact of the ARPA funds, revenues are projected at \$5,420,435, a \$234,985 (4.5%) increase over FY2021/22; and expenditures are projected at \$5,420,435, a \$242,950 (4.7%) increase over FY2021/22.

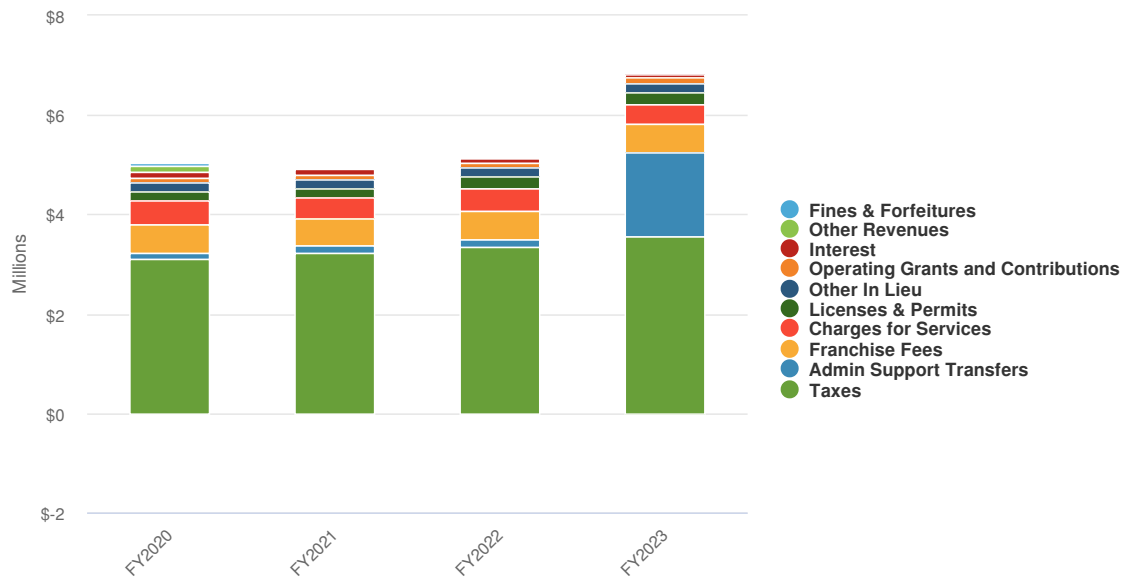


### Revenues by Source

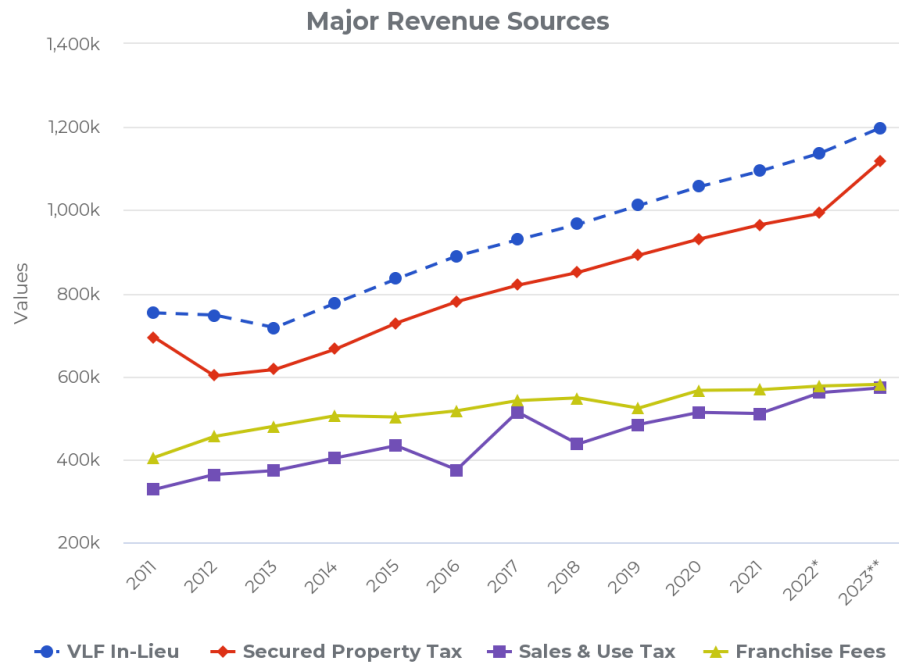
#### Projected 2023 Revenues by Source



### Budgeted and Historical 2023 Revenues by Source



As illustrated in the previous pie chart, a noteworthy portion (76.2% of General Fund revenues) is concentrated in just four sources. The “slice of the pie” of these four major revenue sources remained consistent with the prior year’s budget. In order of significance, these four key revenue sources include: (1) property tax in-lieu of vehicle license fees (VLF), (2) local secured ad valorem property taxes, (3) sales & use taxes, and (4) franchise fees. The following chart illustrates the ten-year trend of these four major revenue sources for the City:



This trend analysis illustrates the gradual recovery of local revenue sources following the “Great Recession.” Revenue sources with delayed downturns arising from the recession (i.e. property tax in-lieu of VLF and general property taxes) have made a comeback and have exceeded pre-recession levels since FY 2014/15, while sales and use taxes are steadily increasing, and franchise fees have flattened or started to decrease slightly.

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

#### Property Tax in - Lieu of Vehicle License Fees

The largest revenue source, making up 22.1% of General Fund budgeted revenues for FY 2022/23, is property tax in-lieu of vehicle license fees (VLF). The VLF is an annual value tax on the ownership of registered vehicles. It is collected by the California Department of Motor Vehicles and then distributed to cities and counties. In 2004, the California State Legislature permanently reduced the tax rate from 2.0% to 0.65% of a vehicle's current market value. The reduction in VLF revenue to cities and counties was offset by an increased transfer of the state's share of local secured property taxes. The VLF in-lieu estimate is based on the change in Net Taxable Value in the entire city. This revenue source is now tied to the property value change between tax years. The City is projecting revenue of \$1,198,595 in FY 2022/23, which is an increase of approximately 5.4% over last year's budgeted figure.

#### Local Secured Ad Valorem Property Taxes

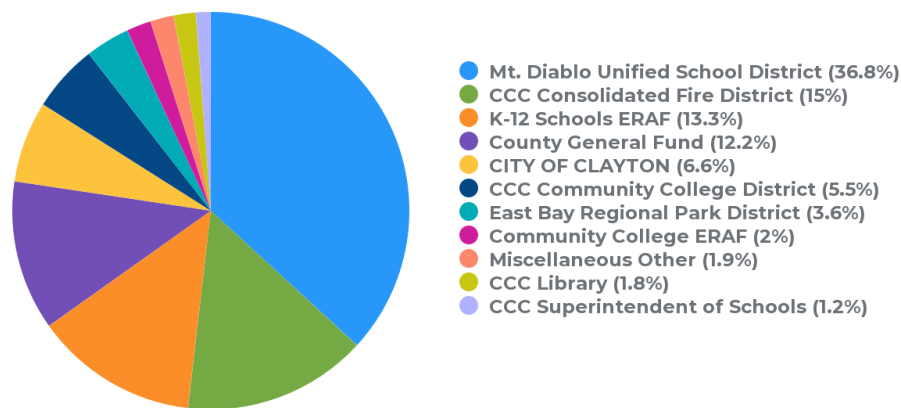
The second largest revenue source, making up 20.6% of General Fund budgeted revenues for FY 2022/23, is the City's share of the local ad valorem secured property taxes. Secured property taxes are taxes imposed on the calculated and controlled value of real property such as land and permanently attached improvements. Proposition 13 (1978) limits the real property tax rate to one percent (1%) of a property's assessed value for ad valorem tax purposes. Furthermore, Proposition 13 also restricts annual assessed property value growth to an inflationary factor equal to the lesser of the annual October to October California Consumer Price Index or two percent (2%). For FY2022/23, the Assessor's applied CPI factor will be 2%. For properties that sold between January and December 2021, the market value increase due to the sales is calculated as the difference between the value on the roll used for FY2021/22 and the price paid for the property in the sale transaction.

Following the County Assessor's Office completion of the annual assessment roll, individual parcel taxes are calculated by the County Auditor-Controller's Office (ACO) and levied and collected by the County Tax Collector's Office. The County ACO then allocates taxes levied to local taxing agencies pursuant to a statutory allocation formula applicable to the tax rate area (TRA) the underlying parcel is located within.

The City of Clayton has ten (10) such TRAs, with the largest TRA by current assessed value returning only 6.63% of the full one percent tax back to the General Fund. Comparatively, the City is considered a "low property tax city" stemming from the original implementation of Proposition 13 in 1978. For FY 2022/23, the City's share of secured local property tax revenues is projected to be significantly higher than in past years at \$1,118,781. This represents a projected increase of over 12% from the current year. This is almost entirely due to the rapid increase in home prices over the last two years coupled with increased turnover of homes in the City.

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

**Allocation of 1% Ad Valorem Property Tax**



### Franchise Fees

The third largest revenue source, making up 10.7% of General Fund budgeted revenues for FY 2022/23, is franchise fees. Franchise fees are rent paid by utilities or other businesses for the privilege of using the City's right-of-way (i.e. streets, sidewalks, etc.) to locate utility lines, operate vehicles, and/or conduct private business for profit. The City currently collects a 1% franchise fee from Pacific Gas & Electric and a 5% franchise fee from cable operators (i.e. Comcast and AT&T/Pacific Bell). In addition, the City collects a 10% franchise fee from Republic Services for its collection, transportation, disposal and diversion of solid waste and recyclable materials.

In the City's long-term forecasting of franchise revenues, staff had previously identified and communicated that the growth of streaming operations may eventually negatively impact the Comcast franchise fee as a reliable revenue source to local governments. This risk has now become a reality with FY 2018/19 Comcast franchise fee revenues falling short of the budget by \$18,000 (8.1%), which is the most significant year-to-year decrease in at least ten years. Again, this reduction is due to consumer migration to alternative cable-less options. Accordingly, budgeted revenues for Comcast franchise fees have been adjusted to reflect this reduction, and continued decreases seem to have curtailed.

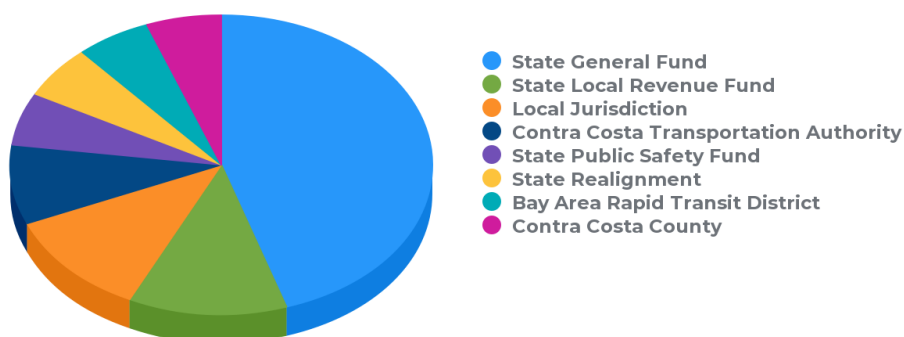
Despite PG&E franchise revenues decreasing as recently as FY 2018/19, with franchise fee revenues falling short of the budget by \$10,872 (8.4%), revenues since have been increasing. Due to recent fluctuations, the proposed PG&E franchise revenues are projected to be essentially flat for FY2022/23.

In the aggregate, however, it is expected total franchise fee revenues from all sources will remain stable, growing by less than 1% over FY2021/22 projected revenues for a total of \$580,380.

### Sales & Use Taxes

The fourth largest revenue source, making up 10.5% of General Fund budgeted revenues for FY 2022/23, is sales & use taxes. This is a tax imposed on the total retail price of any tangible personal property, unless deemed specifically exempt by the California Department of Tax and Fee Administration (CDTFA), as well as the use or storage of such property when sales tax is not paid. Although the unadjusted general state-wide sales tax rate applied to transactions is 7.25%, the basic local rate (aka "Bradley-Burns" rate) returned to local agencies (i.e. City of Clayton) is only one percent (1%). This local share is unrestricted and must be received into the General Fund. In the City of Clayton, the applicable sales tax rate is currently 8.75% due to a combination of other additional local and regional voter-approved measures. The following is a pie chart depicting the current allocation of the 8.75% sales tax rate applied to all taxable transactions in the City of Clayton:

**Allocation of Local 8.75% Sales Tax Rate**



The City is projecting sales & use tax revenue of \$571,816 in FY 2022/23, which is a decrease of approximately 2.4% from the current year adopted budget, but anticipated to be a slight increase over the anticipated FY2021/22 actuals. This projection is supported by historical local revenue trends as well as analysis performed by sales tax analysts HdL, Coren & Cone (HdL). On a regional level the economic outlook for the Bay Area anticipates continued recovery from the COVID-19 pandemic although inflation is starting to hamper further recovery efforts.

Along with the COVID-19 pandemic, there have been two other factors significantly affecting Clayton's sales tax revenues. The first has had a positive impact, which is the result of the California state legislature's passage of Assembly Bill 147 (AB 147) on April 25, 2019. This bill authorized the CDTFA to enforce the collection of sales and use taxes on online retailers with "significant nexus" effective April 1, 2019. Consistent with the U.S. Supreme Court's *South Dakota v. Wayfair* decision, AB 147 defines significant nexus as online sales of tangible property in excess of \$500,000 during the preceding or current calendar year. Given the City of Clayton's limited presence of "brick and mortar" retail businesses generating sales taxes, this new legislation has resulted in a noticeable increase in sales & use tax revenues.

A second factor has dampened the potential upside to the City for sales tax revenue and that reflects a change in how Amazon fulfillment centers (distribution warehouses) are owned and thus how their revenues are allocated. Previously, as the fulfillment centers were owned by Amazon directly, the revenues derived from the centers was allocated via the County "pool", meaning a (small) portion of all of these revenues were allocated to Clayton regardless of where in Contra Costa County the fulfillment center was located. For 2021 and beyond (at this point), the fulfillment centers are treated as if they are locally owned, meaning only those jurisdictions that have a fulfillment center receive revenues based on those sales; those revenues no longer flow through the County pool. Since Clayton does not have a fulfillment center, the City no longer receives a share of those revenues.

#### Redevelopment Property Tax Trust Fund Revenue

The fifth largest revenue source, making up 8.7% of General Fund budgeted revenues for FY 2022/23, is the City's share of the Redevelopment Property Tax Trust Fund (RPTTF) tax increment. Pursuant to Assembly Bill 1 26x, with the Clayton Redevelopment Agency's (RDA) dissolution in February 2012 (FY 2011/12), the Clayton "Successor Agency" became the heir to the RDA. The Successor Agency receives funds through the RPTTF sufficient to pay/retire debt service and enforceable obligations of the former RDA as requested through the semi-annual "Recognized Obligation Payment Schedule" (ROPS) process, which is subject to approval by the California Department of Finance (DOF). Prior to the City of Clayton receiving its share of RPTTF taxes levied by the County, monies are first used to pay County administrative fees, required tax sharing payments (i.e. pass through payments), and approved enforceable obligations on the Successor Agency's ROPS. Thereafter, the residual balance of the County RPTTF is distributed by the County to the school entities, city, county, and special districts based on their proportionate share of property tax revenues. The City of Clayton's share of this residual balance is approximately 6.96%.

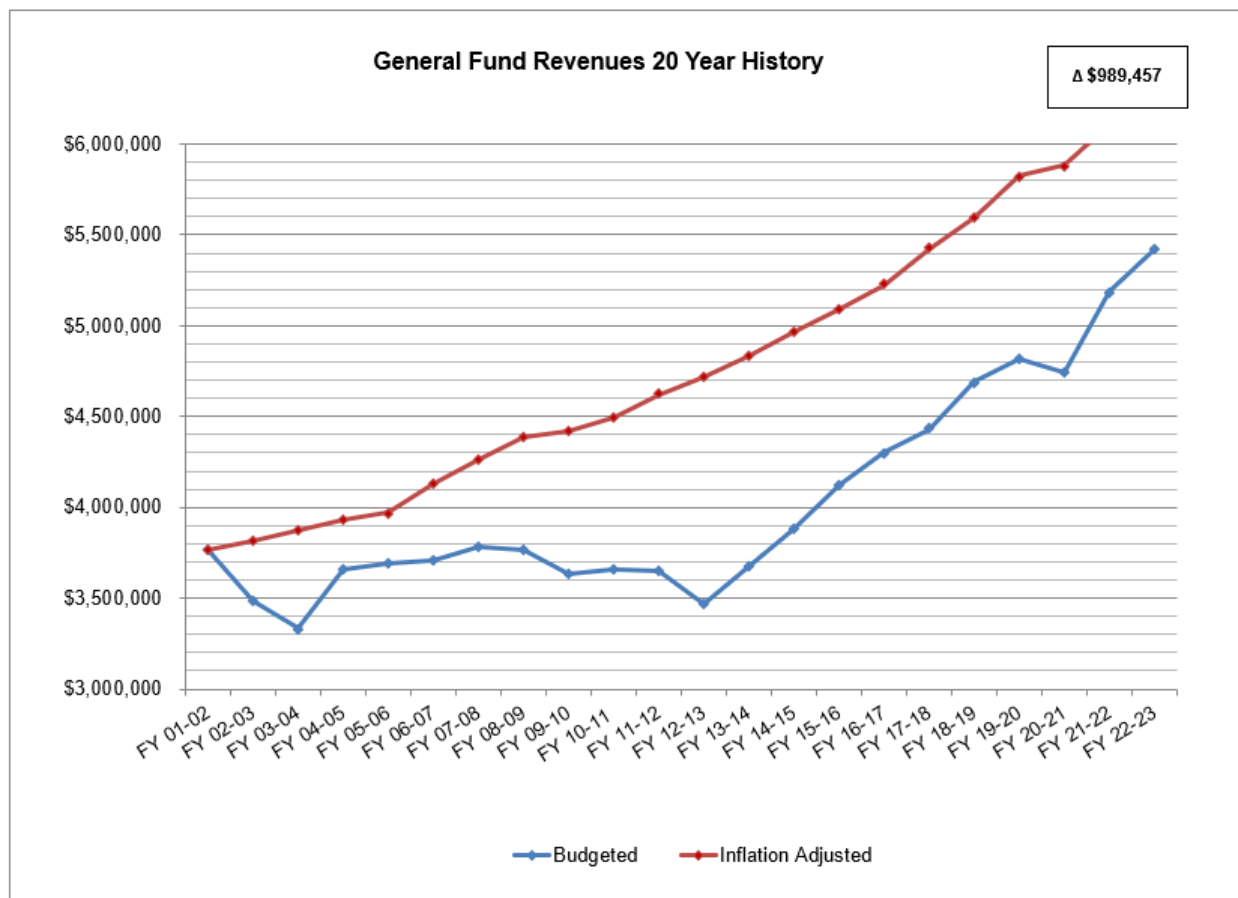
The amount of RPTTF residual balance allocated to the City is negatively correlated with the amount of state-approved obligations included in each ROPS. For FY 2022/23, after incorporating the state-approved ROPS and pass-through payments as well as total RPTTF expected to be available in the County pool for funding, it is projected the City will receive approximately \$367,756 in RPTTF revenues. As previously described, due to the process by which the amount of RPTTF distributable to the City is calculated, historical allocations of RPTTF to the City are not germane in predicting future allocations.

#### Fiduciary Funds Administrative Service Charges

The sixth largest revenue source making up 5.1% of General Fund budgeted revenues for FY 2022/23 is derived from administrative support charges from the Successor Agency and other fiduciary funds of the City. Since the creation of the Successor Agency in 2012, the City has received \$250,000 on an annual basis for administrative support services in accordance with *California Health & Safety Code* Section 34171(b). However, a few years following the dissolution of the Successor Agency, the Governor's May 2015 trailer bill (AB 113) placed additional restrictions on the amount of administrative allowance an administering agency may receive, potentially resulting in a cap substantially less than the previous \$250,000 floor amount. The most detrimental impact of this trailer bill was to apply an administrative allowance cap of 50% to RPTTF monies actually "received" in the prior year, rather than to the total amount of "approved" enforceable obligations. The City experienced its first loss from this new state decree in FY 2016/17 when the City was allocated only \$231,915 for Successor Agency administrative support purposes.

Pursuant to the April 13, 2022 Determination Letter issued by the California Department of Finance (DOF) approving the Successor Agency's 2022/23 Recognized Obligation Payment Schedule (ROPS), the City will not be receiving the full administrative allowance of \$250,000 for FY 2022/23 and will instead receive only \$196,338 pursuant to the cap described above. This one change results in a loss of \$53,662 in General Fund revenue when compared to last year. It is anticipated that the Successor Agency administrative allowance revenues will remain in the range of the \$196,000 being received this year until the dissolution of the Successor Agency in FY 2025/26 following the maturity of the 2014 refunding Tax Allocation Bonds. Including administrative cost recovery from the other fiduciary funds of the City, the total Fiduciary Funds Administrative Charges line item is expected to be \$220,878. This reflects an 18.8% decrease from projected actuals for FY 2021/22 for Fiduciary Funds.

When looking at a twenty (20) year history of General Fund budgeted revenues, actual revenue growth has clearly not kept pace with inflation. The following line chart, updated and presented annually, illustrates the growing difference between General Fund budgeted revenues versus FY 2002/03 base year revenues adjusted for annual changes in the consumer price index for the San Francisco-Oakland-Hayward region, with the difference in FY 2021/22 being \$989,457:





Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Taxes</b>					
Real Property Transfer Tax	\$125,221	\$112,000	\$116,493	\$114,240	2%
Sales and Use Tax	\$510,029	\$585,965	\$560,463	\$571,816	-2.4%
Property Taxes - Secured	\$964,432	\$992,164	\$996,817	\$1,118,781	12.8%
Property Taxes - Unsecured	\$43,102	\$40,000	\$37,403	\$30,748	-23.1%
Property Taxes - Unitary Tax	\$15,048	\$15,349	\$16,448	\$14,413	-6.1%
Property Taxes - Supplemental	\$24,831	\$2,300	\$25,007	\$30,000	1,204.3%
Property Taxes - Other	\$8,975	\$9,100	\$8,801	\$9,100	0%
Redevelopment Property Tax Trust Fund - Distribution	\$447,771	\$464,424	\$460,203	\$471,390	1.5%
Property Tax In-Lieu of VLF	\$1,093,525	\$1,137,266	\$1,132,352	\$1,198,595	5.4%
<b>Total Taxes:</b>	<b>\$3,232,934</b>	<b>\$3,358,568</b>	<b>\$3,353,987</b>	<b>\$3,559,083</b>	<b>6%</b>
<b>Charges for Services</b>					
Engineering Service Fees	\$6,407	\$5,457	\$11,210	\$5,566	2%
Abandoned Veh Abate (AVA)	\$6,385	\$5,600	\$2,552	\$5,712	2%
POST Reimbursements	\$4,145	\$6,000	\$2,223	\$6,120	2%
Planning Permits/Fees	\$10,903	\$11,115	\$16,410	\$15,000	35%
Police Permits/Fees	\$7,242	\$20,000	\$10,468	\$12,500	-37.5%
City Hall Rental Fees	\$0	\$200	\$0	\$204	2%
Planning Service Charges	\$41,367	\$48,000	\$10,234	\$35,000	-27.1%
Well Water Usage Charge	\$7,725	\$6,000	\$5,804	\$6,000	0%
Miscellaneous City Services	\$52	\$100	\$146	\$100	0%
Fiduciary Funds Administration	\$271,471	\$272,151	\$272,151	\$220,878	-18.8%
Park Use Fee	\$11,722	\$14,000	\$32,267	\$32,000	128.6%
Meeting Room Fee	-\$112	\$3,000	\$3,008	\$0	-100%
Cattle Grazing Lease Rent	\$10,526	\$10,710	\$10,710	\$10,710	0%
Cell Tower Lease Rent	\$36,627	\$37,587	\$37,447	\$37,587	0%
Fountain Use Fee	\$430	\$0	\$0	\$0	0%
Clayton Community Gymnasium Rent	\$5,900	\$18,600	\$0	\$18,600	0%
<b>Total Charges for Services:</b>	<b>\$420,790</b>	<b>\$458,520</b>	<b>\$414,630</b>	<b>\$405,977</b>	<b>-11.5%</b>
<b>Licenses &amp; Permits</b>					
Business Licenses	\$90,872	\$150,000	\$151,667	\$154,500	3%
Building Permit Remit Fees (Surcharge)	\$81,134	\$80,000	\$80,207	\$80,000	0%
<b>Total Licenses &amp; Permits:</b>	<b>\$172,005</b>	<b>\$230,000</b>	<b>\$231,874</b>	<b>\$234,500</b>	<b>2%</b>
<b>Operating Grants and Contributions</b>					
Public Safety Allocation	\$99,966	\$103,531	\$103,884	\$103,531	0%
State Mandated Cost Reimbursement	\$2,620	\$0	\$0	\$0	N/A
<b>Total Operating Grants and Contributions:</b>	<b>\$102,586</b>	<b>\$103,531</b>	<b>\$103,884</b>	<b>\$103,531</b>	<b>0%</b>



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Other In Lieu</b>					
Motor Vehicle In Lieu	\$8,315	\$8,320	\$13,017	\$12,000	44.2%
Other In Lieu	\$171,029	\$174,389	\$174,443	\$174,389	0%
<b>Total Other In Lieu:</b>	<b>\$179,344</b>	<b>\$182,709</b>	<b>\$187,460</b>	<b>\$186,389</b>	<b>2%</b>
<b>Franchise Fees</b>					
Franchises - Comcast Cable	\$198,606	\$204,400	\$207,784	\$208,488	2%
Franchises - Garbage Fees	\$211,855	\$216,000	\$212,809	\$214,000	-0.9%
Franchises - PG&E	\$139,858	\$140,000	\$138,001	\$140,000	0%
Franchises - Equilon Pipe	\$17,006	\$17,193	\$17,892	\$17,892	4.1%
AT&T Mobility Francise Fees	\$25	\$100	\$0	\$0	-100%
<b>Total Franchise Fees:</b>	<b>\$567,350</b>	<b>\$577,693</b>	<b>\$576,486</b>	<b>\$580,380</b>	<b>0.5%</b>
<b>Fines &amp; Forfeitures</b>					
Fines and Forfeitures	\$33,487	\$32,800	\$25,394	\$25,000	-23.8%
<b>Total Fines &amp; Forfeitures:</b>	<b>\$33,487</b>	<b>\$32,800</b>	<b>\$25,394</b>	<b>\$25,000</b>	<b>-23.8%</b>
<b>Interest</b>					
Interest	\$113,321	\$86,000	\$85,198	\$86,000	0%
<b>Total Interest:</b>	<b>\$113,321</b>	<b>\$86,000</b>	<b>\$85,198</b>	<b>\$86,000</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$50,967	\$0	\$0	\$0	N/A
Reimbursements/Refunds	\$0	\$1,000	\$8,000	\$8,000	700%
Other Revenues	\$14,571	\$8,000	\$13,179	\$8,000	0%
Overhead Cost Recovery	\$16,086	\$11,000	\$10,166	\$11,000	0%
<b>Total Other Revenues:</b>	<b>-\$20,310</b>	<b>\$20,000</b>	<b>\$31,345</b>	<b>\$27,000</b>	<b>35%</b>
<b>Admin Support Transfers</b>					
Admin Exp Rec - Measure J Fund	\$4,890	\$5,076	\$5,076	\$5,330	5%
Admin Exp Rec - HUTA Gas Tax Fund	\$8,150	\$8,460	\$8,460	\$8,883	5%
Admin Exp Rec - Neighborhood Street Lights Fund	\$12,530	\$13,006	\$13,006	\$13,656	5%
Admin Exp Rec - GHAD Fund	\$7,870	\$8,169	\$8,169	\$8,577	5%
Admin Exp Rec - Landscape Maint CFD Fund	\$39,190	\$40,679	\$40,679	\$42,713	5%
Admin Exp Rec - The Grove Park CFD Fund	\$7,970	\$8,273	\$8,273	\$8,687	5%
Admin Exp Rec - Stormwater Assessment Fund	\$40,430	\$41,966	\$41,966	\$44,064	5%
Trx. From Grant Fund	\$14,814	\$10,000	\$1,467,024	\$1,510,549	15,005.5%
Transfer from Fund 111 - Pandemic RR	\$0	\$0	\$0	\$37,139	N/A
<b>Total Admin Support Transfers:</b>	<b>\$135,844</b>	<b>\$135,629</b>	<b>\$1,592,653</b>	<b>\$1,679,598</b>	<b>1,138.4%</b>
<b>Total Revenue Source:</b>	<b>\$4,937,351</b>	<b>\$5,185,450</b>	<b>\$6,602,911</b>	<b>\$6,887,459</b>	<b>32.8%</b>



## General Fund Expenditures

The proposed FY 2022/23 budget incorporates total General Fund appropriations of \$6,887,459 which reflects an overall increase of 6% compared to the prior year's projected expenditures. It should be noted that both revenue and expenditure figures for FY2021/22 and proposed for FY2022/23 reflect the impact of receiving \$1,467,024 in American Rescue Plan Funds, which are transferred into the Pandemic Recovery Reserve established by the City Council. Any programmatic spending of ARPA funds will occur from the Pandemic Recovery Reserve (Fund 111).

### **FY 2021/22 Operating Expenditure Projections**

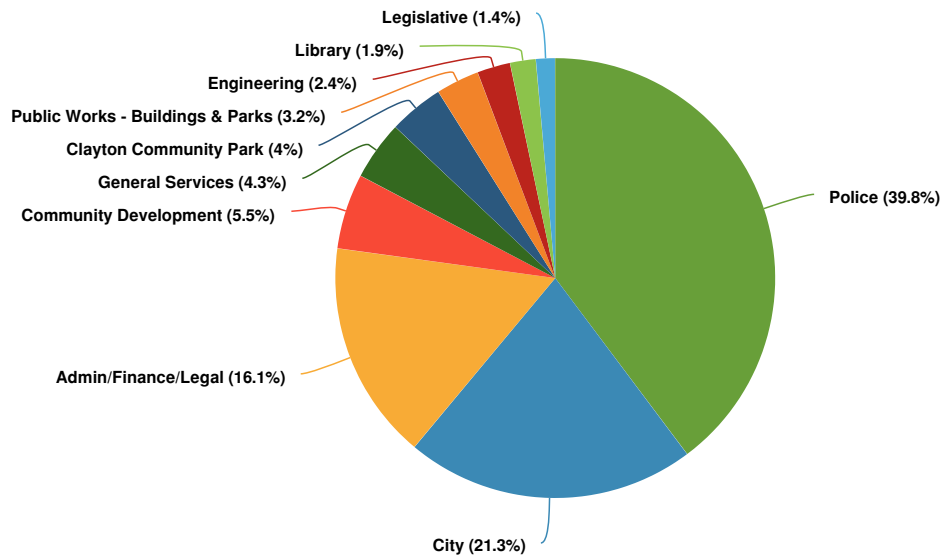
The starting point for developing next year's budget is forecasting current year results and comparing to the budgetary projections. General Fund operational expenditures are expected to total approximately \$5,135,600 absent the impact of ARPA funds by the close of FY 2021/22. If realized, this projection will result in expenditures coming in just under budgeted expectations. This variance suggests departments were generally successful in controlling their budgets within the constraints of the City Council approved legally enforceable departmental budgets. This is particularly important given that in FY2021/22, there were a number of extraordinary expenses related to accounting clean-up and IT related costs that were ultimately absorbed within existing budget parameters.

## Expenditures by Function

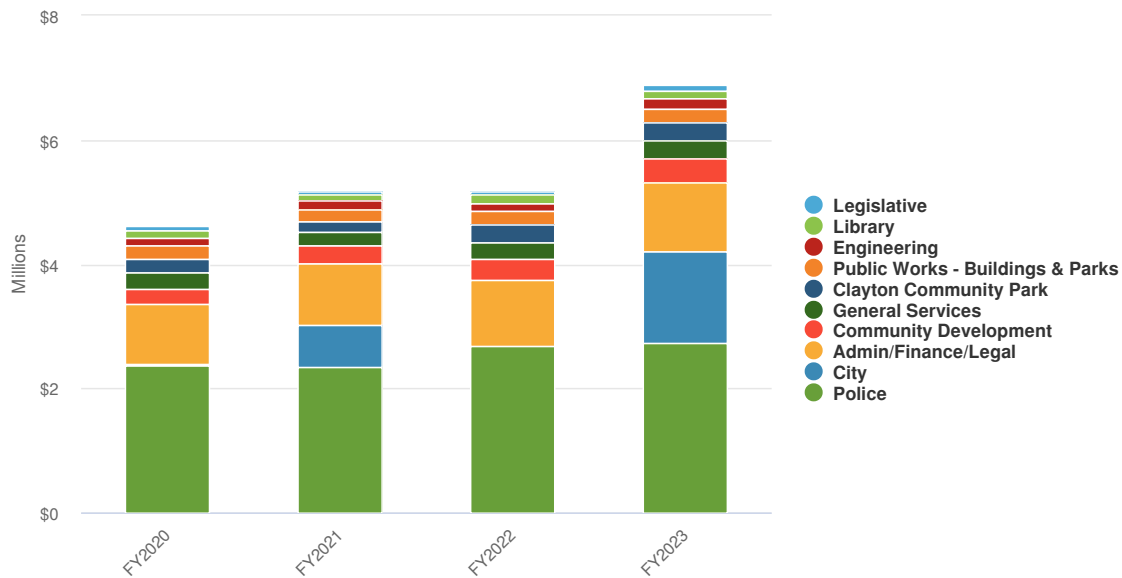
The following pie chart illustrates each department's proportionate share of total proposed General Fund operating expenditures for FY 2022/23.

The order of departmental appropriations by proportional share of the General Fund is consistent with the prior year's adopted budget, suggesting no significant change in the priority of City programs.

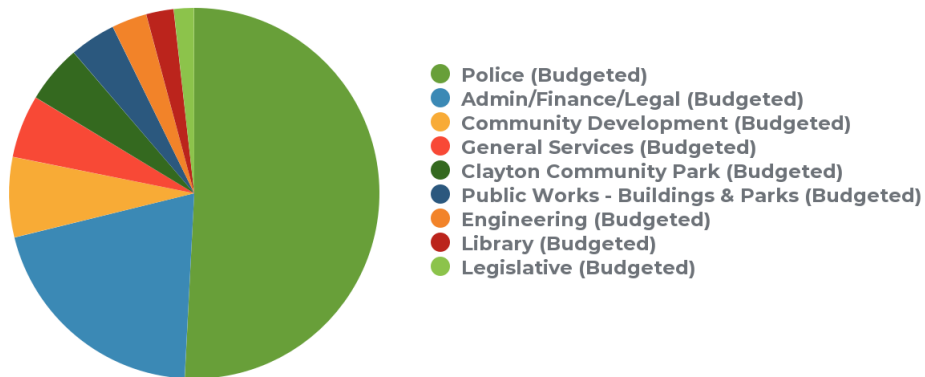
### Budgeted Expenditures by Function



### Budgeted and Historical Expenditures by Function



### Budgeted Expenditures by Function - Without ARPA



As anticipated, the Police Department's share of proposed General Fund appropriations in FY 2022/23 is a majority share of total appropriations at **51.3% when ARPA transfers are not included**; although the first pie chart above shows a lower percentage when the "City" department which includes the \$1,467,024 transfer to/from ARPA is included. As such, when considering the departmental distribution of appropriations, it is important to note for every \$1.00 paid by taxpayers as general tax revenue to the City, slightly over one-half of the tax monies (~52¢ of every \$1) are re-invested in the community to provide local law enforcement services.

As a service organization, unsurprisingly, the cost for personnel services comprises the bulk of General Fund appropriations. The proportion of expenditures related to personnel services remained relatively steady decreasing by less than 1% to a total of approximately 64.8% of the overall proposed operating General Fund budget. Overall, the proportion of General Fund appropriations attributable to labor-related costs has been controlled and remained relatively steady at approximately two-thirds of the General Fund budget over the past eight-plus years.

#### Legislative Department (No. 01).

This is the smallest General Fund department, making up 1.7% of proposed budgeted operating expenditures. Services funded by this department generally include: City Council members setting policy goals and objectives for the community, regular and special meetings of the City Council and recordings thereof, administering elections, and steering City promotional activities. Proposed appropriations for this department reflect an increase of \$28,150, consisting primarily of election year costs and additional information technology and audio-visual costs associated with the move to hybrid Council meetings.

#### Admin / Finance / Legal Department (No. 02).

This department makes up 20.2% of proposed General Fund budgeted operating expenditures. By its nature, the Admin/Finance/Legal Department provides essential administrative, oversight, and supportive services for all of the City's direct-cost programs, including but not limited to: police, community development, parks and landscape maintenance services, capital improvements, etc. Comprised of approximately 5.3 permanent full-time equivalent employees, functions funded by this department include, but are not limited to: executive management and policy execution; legal counsel; human resources; financial, budgetary and compliance reporting; treasury and investment management; payroll and benefits administration; disbursements; revenue collection; records retention management and public records act facilitation; and facility rentals. Proposed appropriations reflect an increase of 5% from the prior year adopted budget, primarily due to increases in salaries, benefits and IT-related costs.

#### Public Works Department (No. 03).

This department makes up 4% of proposed General Fund budgeted operating expenditures. Services funded by the Public Works Department include the maintenance of city hall and the adjacent corporation yard as well as maintenance of the City's five neighborhood parks (El Molino, Lydia Lane, North Valley, Stranahan, Westwood), as well as the Dog Park. Proposed appropriations for this department reflect an increase of 9.1% over the prior year primarily attributable to increases in labor and energy costs, janitorial and general building maintenance costs.

#### Community Development Department (No. 04).

This department makes up 6.9% of proposed General Fund budgeted operating expenditures. Comprised of approximately 1.9 permanent full-time equivalent employees, services funded by the Community Development Department generally include, but are not limited to: long-range planning and special studies (i.e. transportation, housing, zoning, etc.); ensuring compliance of land development and private party design proposals with local, state, and federal regulations; municipal code enforcement; and administration of the city's low to moderate income housing program. Proposed appropriations reflect an increase of 11.2% over the prior year adopted budget. This increase is the result of changes in labor costs as well as document recording fees and allocated legal costs.

#### General Services Department (No. 05).

This department makes up 5.7% of proposed General Fund operating budgeted expenditures. By its nature, the General Services Department captures essential support costs shared amongst all of the City's departments and funds. Functions funded by this department include, but are not limited to: city-wide risk management and insurance premiums; computer, software, and network technology support; and office supplies and shared printer/copy/scanning costs (excluding those of the police department, which are tracked separately). Proposed appropriations for this department are expected to increase 20.4% over the prior budget due primarily to increased insurance costs. Computer/IT services previously used by this department will continue to be paid using Comcast PEG fees in the Restricted Grant Fund.

#### Police Department (No. 06).

This is by far the largest General Fund department, making up 51.3% of proposed General Fund budgeted operating expenditures. This is the only department that works 24 hours, 7 days a week, and 365 days a year. This includes staffing and associated operations, such as contract dispatch services and vehicles. Services funded by the Police Department include, but are not limited to: traffic enforcement, vehicle collision investigation, crime investigation, animal control (contract), dispatch services (contract), and police records management. This department is comprised of thirteen (13)

permanent full-time equivalent employees, ten (10) of whom are permanent full-time sworn police officers (including the Chief of Police) and two (2) of whom are police operations support personnel funded through the General Fund. The City's eleventh (11<sup>th</sup>) sworn police officer is and has long been funded by the Supplemental Law Enforcement Services Fund (SLESF) restricted-use funding source, which is tracked in the City's Grants Fund and discussed in greater detail later. Proposed operating appropriations for this department reflect an increase of 5% over the prior year adopted budget. Of this increase, the majority is related to increases in negotiated salaries, salary step increases and contract cost increases for dispatch and animal control services.

#### Library Department (No. 07).

This department makes up 2.4% of proposed General Fund budgeted operating expenditures. Services funded by the Library Department include, but are not limited to: City maintenance of the City-owned Clayton Community Library building, grounds and equipment. Funding for Sunday and weekday County Library staffing hours beyond the County's base has been discontinued due to the cost estimate from the County increasing over 400%. Proposed operating appropriations reflect an increase of 3.1% over the prior year's budget.

#### Engineering Department (No. 08).

This department makes up 3% of proposed General Fund budgeted expenditures. Services funded by the contract Engineering Department include but are not limited to: administration of the City's capital improvement program, plan check and review of construction/development plans, administration of the City's encroachment permit program, and management of several benefit assessment districts. Professional engineering services are estimated to increase by 21.3%. While the City has brought in a new firm for City Engineer services, Anchor CM, the rates charged by this firm are not significantly greater than the rates that were charged by the prior contractor. The increase in costs is a reflection of the increased demand and need for capital and engineering services.

#### Clayton Community Park Department (No. 09).

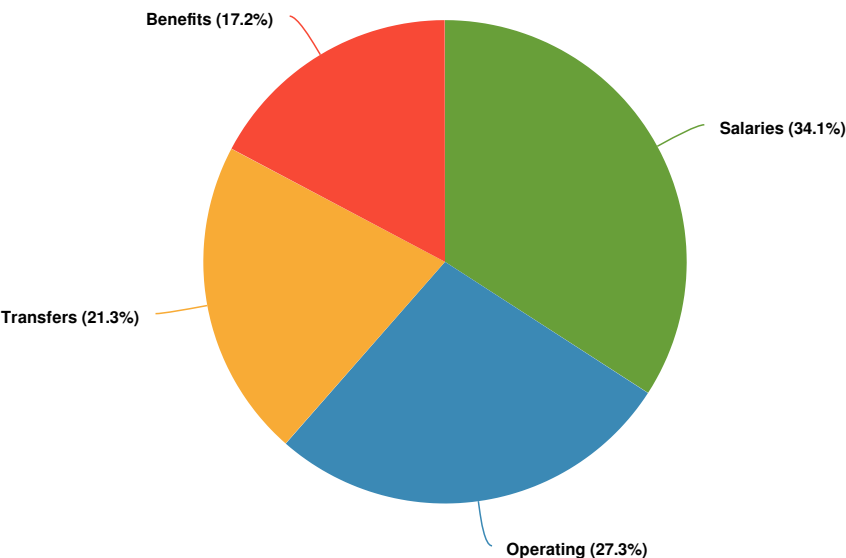
This department makes up 5% of General Fund operating appropriations included in the Proposed Budget. Services funded by the Clayton Community Park Department include but are not limited to: landscaping of the park grounds, maintenance of recreational sporting fields and related equipment/facilities, repairs and maintenance of the water irrigation network, and trash removal. Operating appropriations of this department are proposed to decrease by nearly 10% to more accurately reflect water and energy costs associated with the Park.

Detailed budgets for each of the departments can be found in the individual sections.

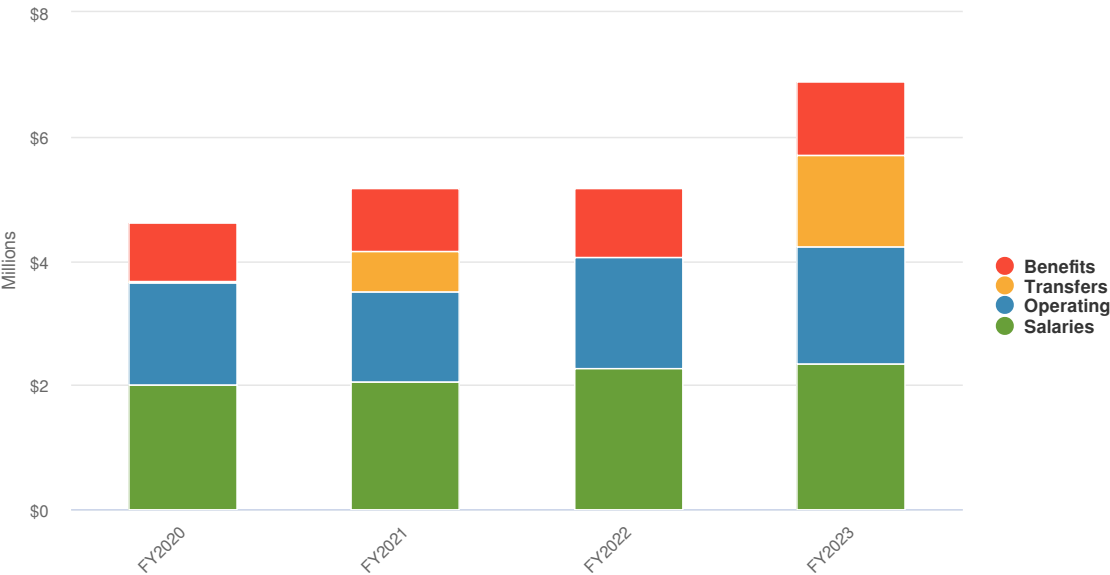
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Expenditures					
City	\$655,090	\$0	\$1,467,024	\$1,467,024	N/A
Legislative	\$52,921	\$63,471	\$57,125	\$96,621	52.2%
Admin/Finance/Legal	\$1,004,996	\$1,055,988	\$1,092,262	\$1,109,133	5%
Public Works - Buildings & Parks	\$184,780	\$201,462	\$187,599	\$219,718	9.1%
Community Development	\$290,222	\$343,416	\$305,031	\$381,717	11.2%
General Services	\$208,891	\$252,597	\$273,299	\$298,885	18.3%
Police	\$2,354,313	\$2,689,035	\$2,692,176	\$2,738,617	1.8%
Library	\$98,873	\$127,181	\$124,883	\$131,104	3.1%
Engineering	\$146,203	\$137,835	\$166,800	\$167,148	21.3%
Clayton Community Park	\$174,148	\$306,500	\$236,425	\$277,492	-9.5%
<b>Total Expenditures:</b>	<b>\$5,170,437</b>	<b>\$5,177,485</b>	<b>\$6,602,624</b>	<b>\$6,887,459</b>	<b>33%</b>

# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type

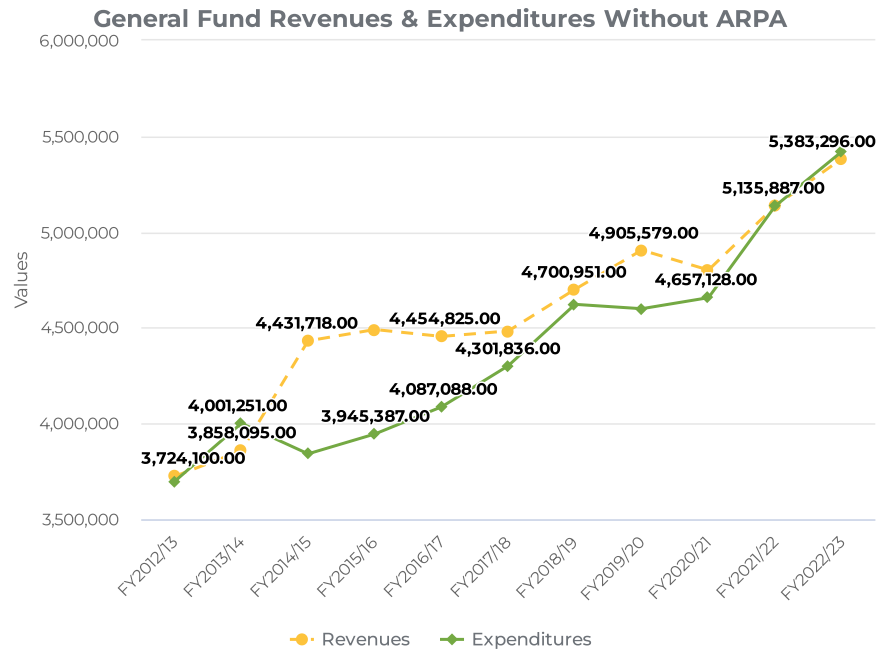




Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Expense Objects					
Salaries	\$2,052,298	\$2,268,629	\$2,263,355	\$2,351,230	3.6%
Benefits	\$1,003,840	\$1,124,618	\$1,039,757	\$1,187,676	5.6%
Operating	\$1,459,209	\$1,784,238	\$1,832,488	\$1,881,529	5.5%
Transfers	\$655,090		\$1,467,024	\$1,467,024	N/A
<b>Total Expense Objects:</b>	<b>\$5,170,437</b>	<b>\$5,177,485</b>	<b>\$6,602,624</b>	<b>\$6,887,459</b>	<b>33%</b>

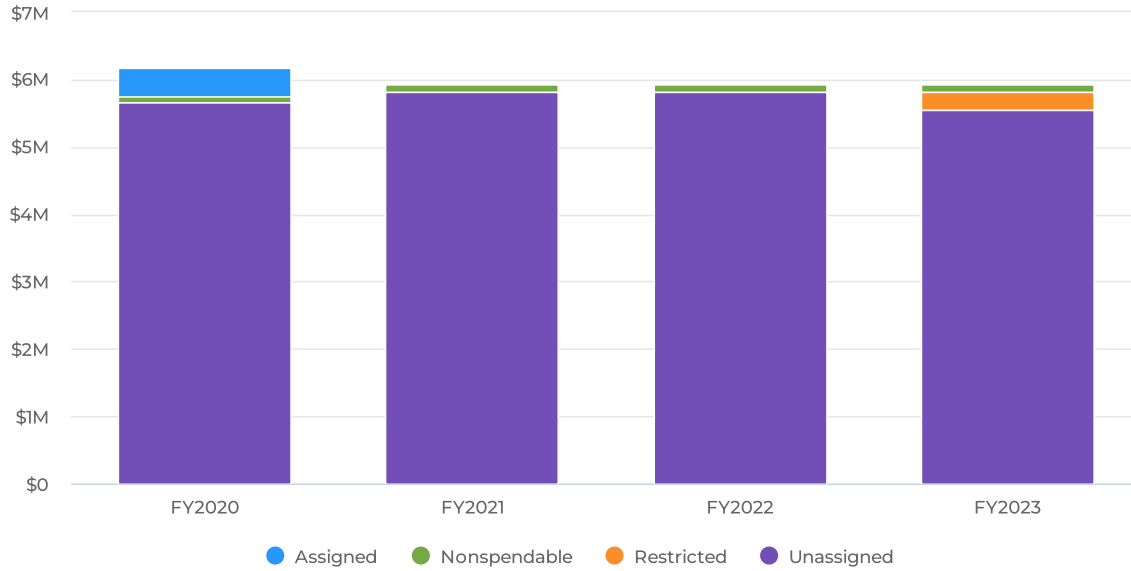
## General Fund Summary

The chart below shows the trend of General Fund expenditures over the last several years and reflects the anticipated deficit underlying the proposed FY2022/23 budget were it not for the transfer of \$37,139 from the Pandemic Recovery Reserve. With the transfer from the Pandemic Recovery Reserve, the overall General Fund budget is balanced.



# Fund Balance

Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Unassigned	\$5,654,925	\$5,810,862	\$5,811,772	\$5,561,772	-4.3%
Assigned	\$409,482	\$0	\$0	\$0	0%
Restricted	\$0	\$0	\$0	\$250,000	0%
Nonspendable	\$100,163	\$120,623	\$120,000	\$120,000	0%
<b>Total Fund Balance:</b>	<b>\$6,164,570</b>	<b>\$5,931,485</b>	<b>\$5,931,772</b>	<b>\$5,931,772</b>	<b>0%</b>

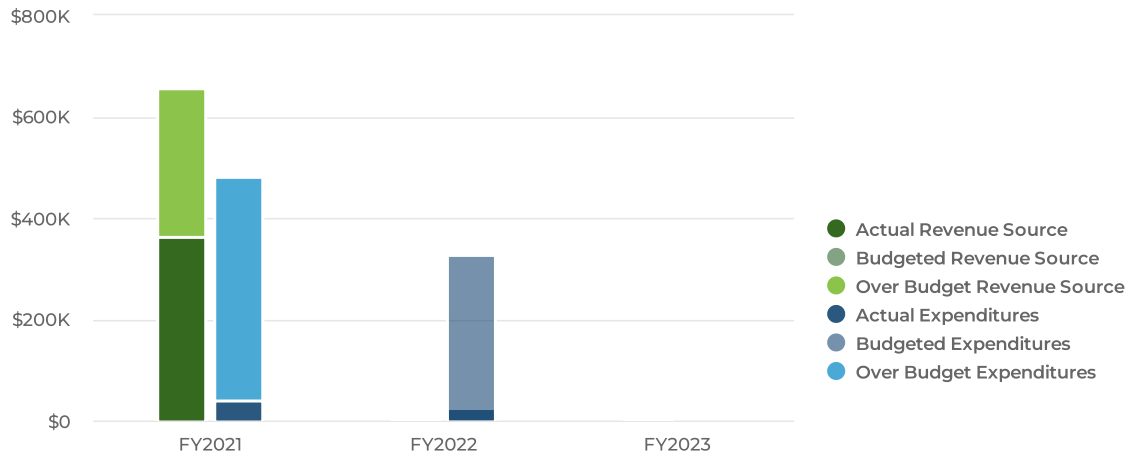


## Rainy Day Fund 110

In FY2020/21, the City Council established the Rainy-Day Fund, into which unanticipated year-end surplus funds can be transferred for specified projects or programs.

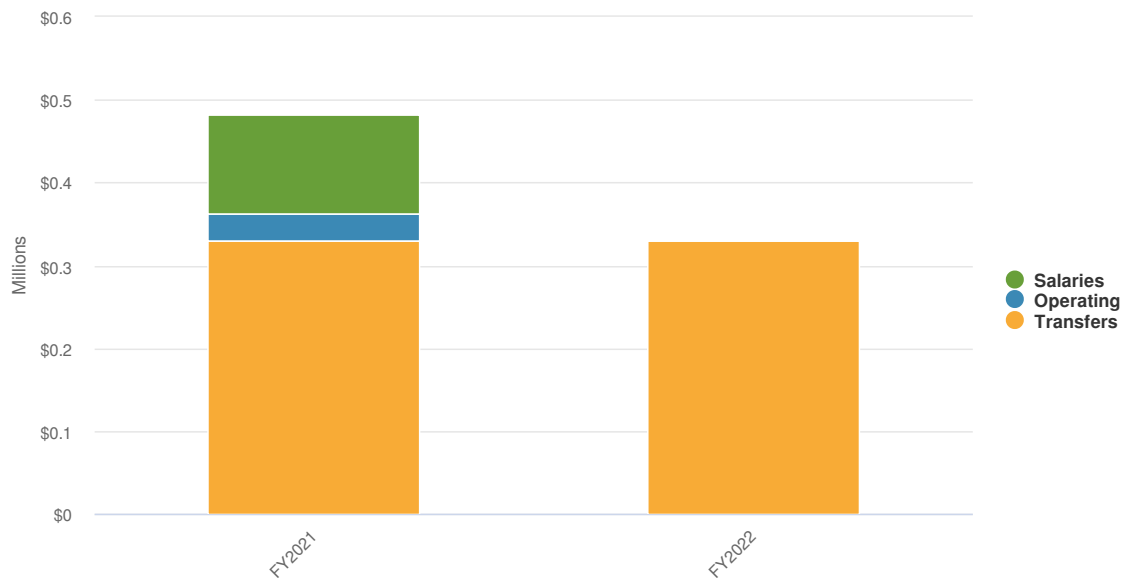
### Summary

The City of Clayton is projecting \$1.5K of revenue in FY2023, which represents a 50% decrease over the prior year. Budgeted expenditures are projected to decrease by 100% or \$330K to N/A in FY2023.



### Expenditures by Expense Type

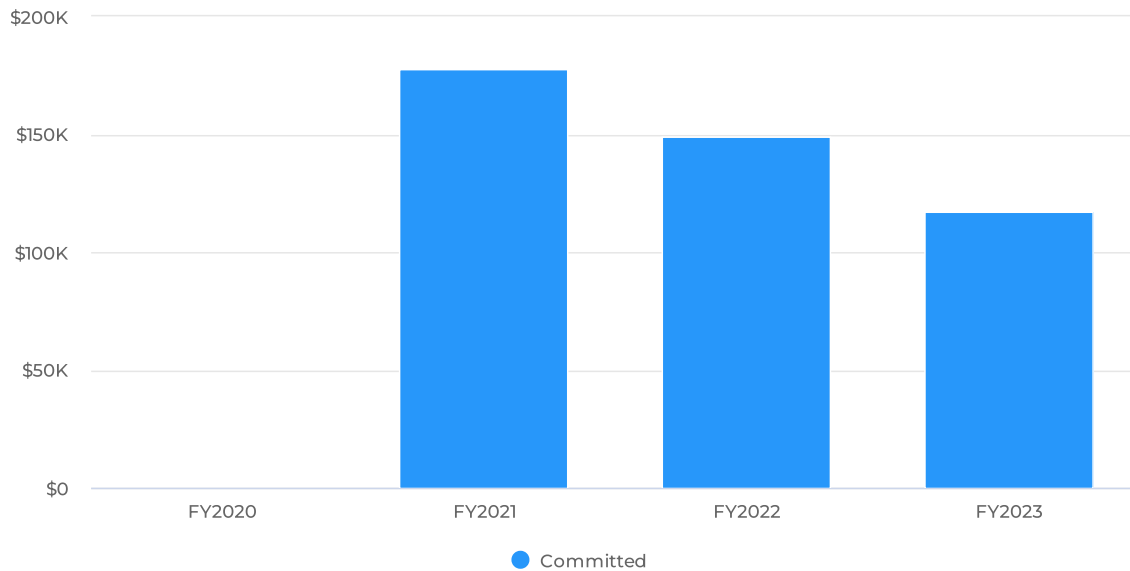
#### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Expense Objects					
Salaries	\$118,774	\$0	\$0	\$0	N/A
Operating	\$32,841	\$0	\$30,000	\$0	0%
Transfers	\$330,000	\$330,000	\$0	\$0	-100%
<b>Total Expense Objects:</b>	<b>\$481,615</b>	<b>\$330,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>-100%</b>

## Fund Balance

### Fund Balance Projections



	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Committed	\$177,496	\$148,996	\$116,971	-21.5%
<b>Total Fund Balance:</b>	<b>\$177,496</b>	<b>\$148,996</b>	<b>\$116,971</b>	<b>-21.5%</b>





## Pandemic Recovery Reserve (111)

The Pandemic Recovery Reserve (Fund 111) was established by the City Council to capture programmatic funding decisions associated with the American Rescue Plan Act funds the City has received. For the initial tranche of \$1,467,024 (and planned for the tranche to be received in July 2022), the City Council has chosen to transfer the funds to the City's General Fund to pay for public safety services. This funding for public safety then allows the transfer of an equal amount from the General Fund to the Pandemic Recovery Reserve. The funds in the Pandemic Recovery Reserve can be used for any valid general government purpose.

For FY2021/22, the City Council allocated Pandemic Recovery Reserve Funds in the following categories:

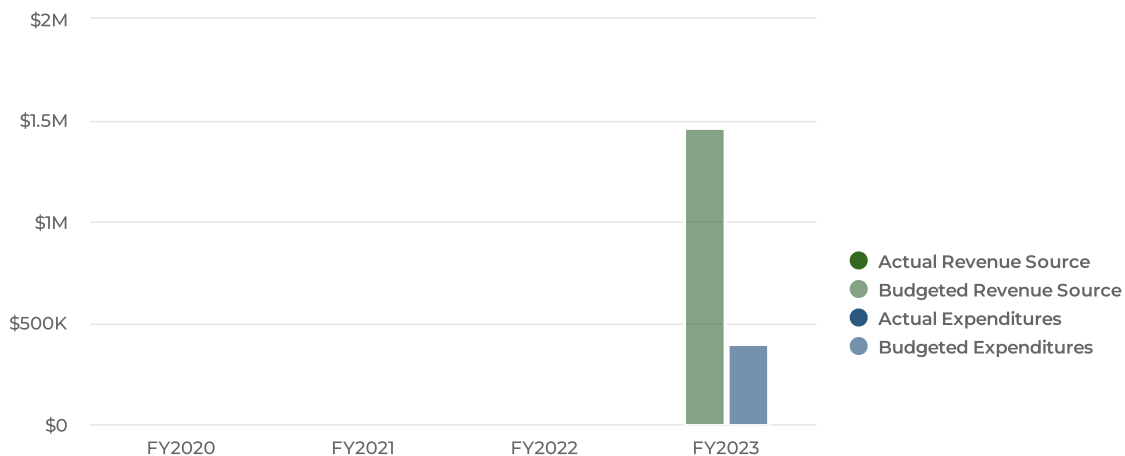
- Essential Worker Premium pay
- Clayton Cares Grants
  - Business
  - Household
- Program Administration and Management
- ClearGov Budget Software

The proposed expenditures of \$399,390 in the FY2022/23 budget include:

- Senior Accountant - one-year limited term appointment - approximately \$135,348
- Additional IT support for modernization and cybersecurity - \$50,000
- Records Management and digitization of records - \$35,000
- Organizational assessment - \$35,000
- ClearGov Software (previously approved) - \$16,500
- Transfers:
  - \$37,139 to the General Fund for budget stabilization
  - \$70,000 to the Capital Equipment Replacement Fund to maintain an adequate balance in the fund
  - 20,403 to the Street Light Assessment District fund to cover the shortfall in district funds relative to needed expenses

## Summary

The City of Clayton is projecting \$1.47M of revenue in FY2023, which is equal to the amount received in FY2021/22. Proposed Budgeted expenditures are projected to drop to \$399,390 in FY2023.

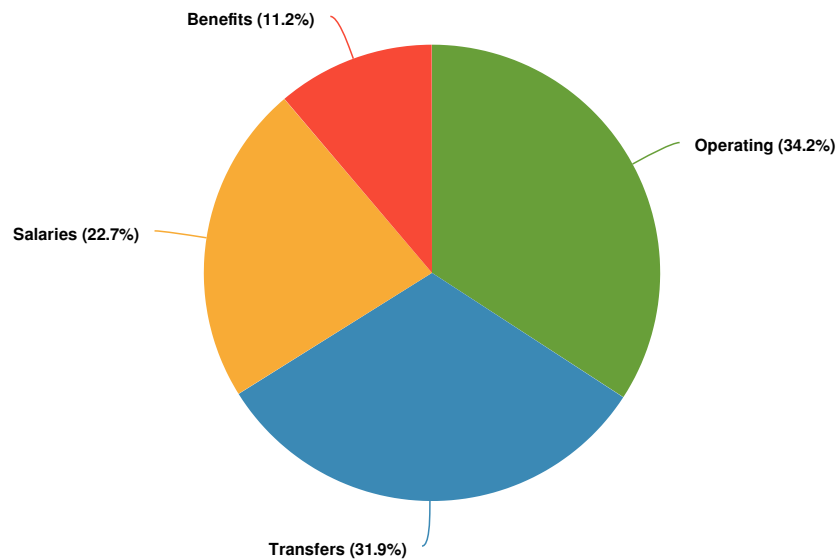


## Revenues by Source

Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Interest</b>					
Interest	\$0	\$0	\$3,000	\$0	N/A
<b>Total Interest:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$0</b>	<b>N/A</b>
<b>Admin Support Transfers</b>					
Transfer From CERF	\$0	\$0	\$1,467,024	\$0	0%
Transfer from General Fund	\$0	\$0	\$0	\$1,470,024	N/A
<b>Total Admin Support Transfers:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,467,024</b>	<b>\$1,470,024</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,470,024</b>	<b>\$1,470,024</b>	<b>N/A</b>

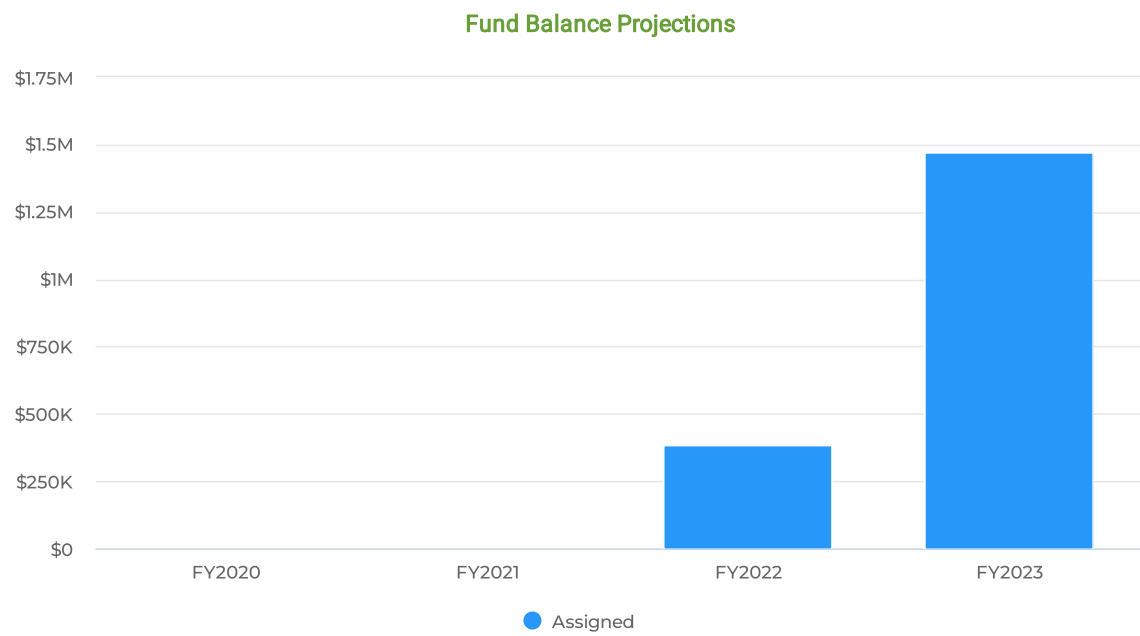
## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



Name	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>				
<b>Salaries</b>				
Regular Salaries	\$0	\$242,575	\$90,608	N/A
<b>Total Salaries:</b>	<b>\$0</b>	<b>\$242,575</b>	<b>\$90,608</b>	<b>N/A</b>
<b>Benefits</b>				
PERS Normal Cost	\$0	\$0	\$8,000	N/A
FICA Taxes	\$0	\$4,507	\$17,042	N/A
Benefit Insurance	\$0	\$0	\$19,698	N/A
<b>Total Benefits:</b>	<b>\$0</b>	<b>\$4,507</b>	<b>\$44,740</b>	<b>N/A</b>
<b>Operating</b>				
General Supplies	\$0	\$650	\$0	N/A
Office Supplies/Expense	\$0	\$775	\$0	N/A
Dues and Subscriptions	\$0	\$4,125	\$16,500	N/A
Computer/IT Support	\$0	\$0	\$85,000	N/A
Other Professional Services	\$0	\$35,000	\$35,000	N/A
Project Expenses	\$0	\$800,000	\$0	0%
<b>Total Operating:</b>	<b>\$0</b>	<b>\$840,550</b>	<b>\$136,500</b>	<b>N/A</b>
<b>Transfers</b>				
Transfer To General Fund	\$0	\$0	\$37,139	N/A
Transfer to CERF	\$0	\$0	\$70,000	N/A
Transfer to Streetlighting 214	\$0	\$0	\$20,403	N/A
<b>Total Transfers:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$127,542</b>	<b>N/A</b>
<b>Total Expense Objects:</b>	<b>\$0</b>	<b>\$1,087,632</b>	<b>\$399,390</b>	<b>N/A</b>

# Fund Balance



	FY2022	FY2023	% Change
Fund Balance	Projected	Budgeted	
Assigned	\$382,392	\$1,468,914	284.1%
Total Fund Balance:	\$382,392	\$1,468,914	284.1%





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

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



## Gas Tax (HUTA)

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

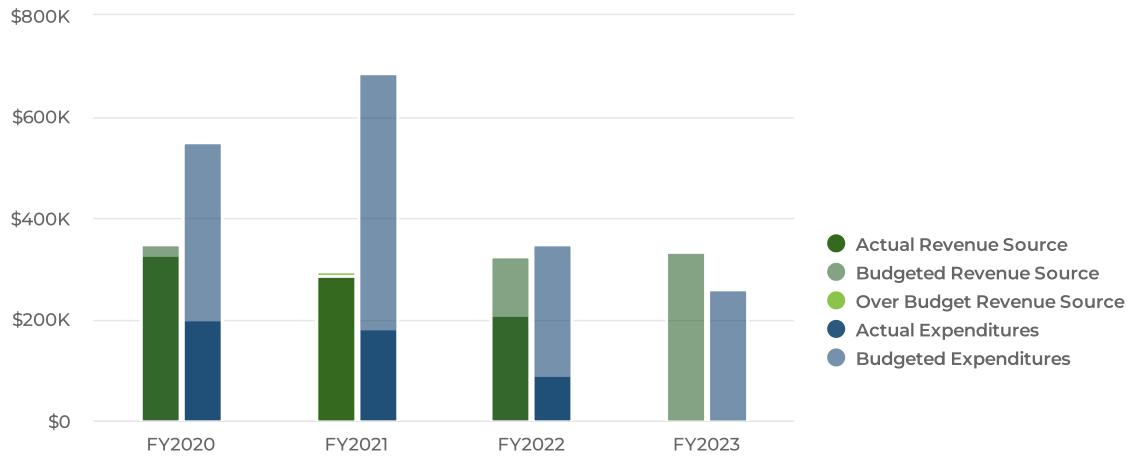
Due to the City’s pattern of heavy reinvestment of HUTA tax funds into maintenance and repair of local streets and roads, our City has been successful in its upkeep of this infrastructure. In total, the City has invested over \$1.5 million of HUTA tax monies into street repaving and capital projects over the last ten fiscal years (since FY 2010/11). This accomplishment has enabled Clayton to consistently remain in the Top 5 best average pavement condition streets within Contra Costa County and greater Bay Area. Clayton is currently ranked No. 3 in all of the Bay Area and tied for No. 1 in Contra Costa County with a PCI of 82. This Pavement Condition Index (PCI) ranks Clayton’s overall street system in the “Very Good” category, with the average Contra Costa PCI being 70 (Good) and Bay Area PCI being 67 (Fair). Pavements are rated from 0 to 100 with 100 being the index assigned to a newly paved street.

Utilizing the latest projections published by the League of California Cities, the FY 2022/23 HUTA gas tax revenues are estimated to total \$334,022, reflecting an increase of approximately 4.3% from FY 2021/22.

Consistent with the prior year plan in order to use existing HUTA Gas Tax fund reserves for eligible City streets projects, the proposed budget reflects expenditures of \$259,708. This is less than the anticipated expenditures in FY2021/22, which related to completing a significant ADA curb ramp project in conjunction with the 2022 Neighborhood Pavement Preservation Project.

## Summary

The City of Clayton is projecting \$334,021 of revenue in FY2023, which represents a 2.8% increase over the prior year. Budgeted expenditures are projected to decrease by 40.1% or \$139.85K to \$334,021 in FY2023.



## Revenues by Source

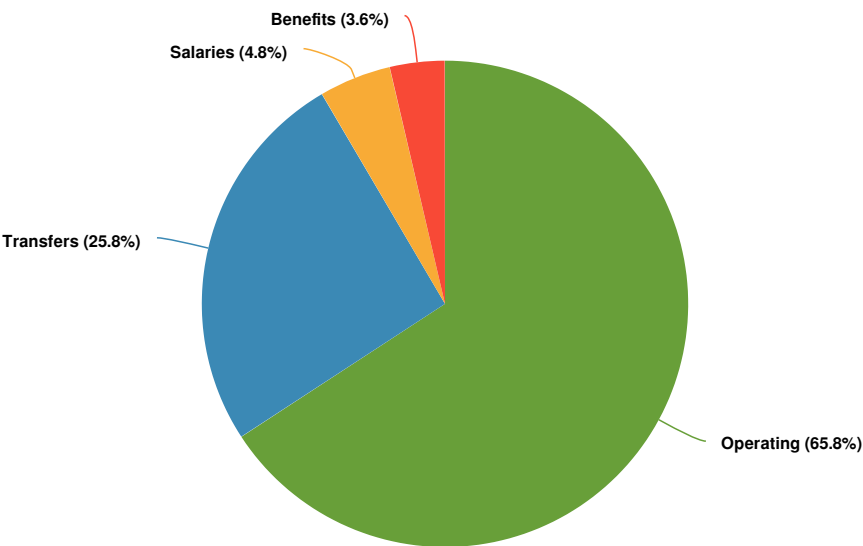
### Budgeted and Historical 2023 Revenues by Source



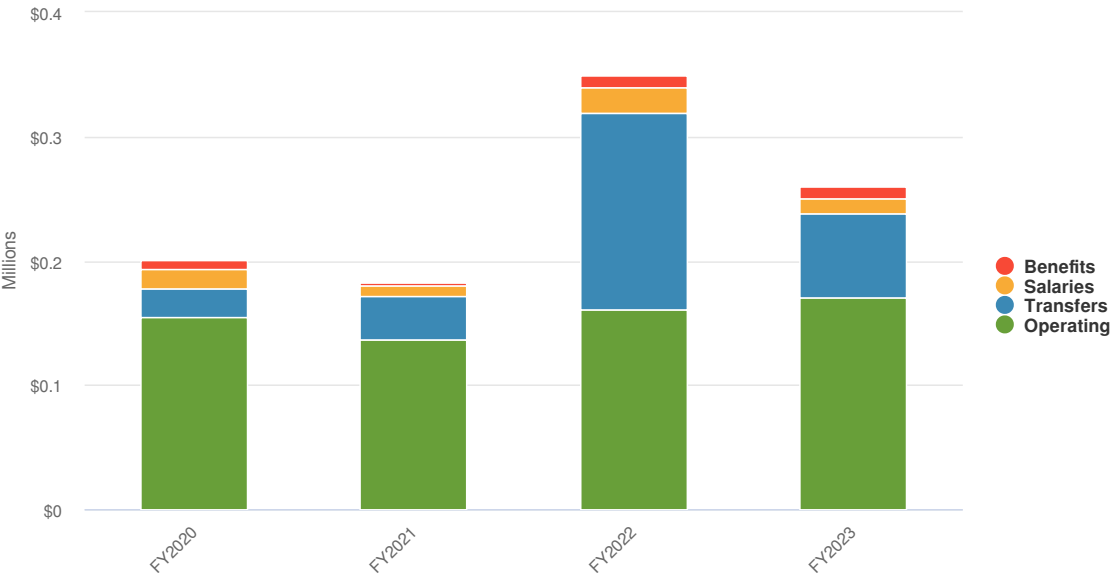
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Taxes</b>					
Property Taxes - Secured	\$39,240	\$39,900	\$41,064	\$0	-100%
Property Taxes - Unsecured	\$1,351	\$1,200	\$1,200	\$0	-100%
Property Taxes - Unitary Tax	\$501	\$500	\$526	\$0	-100%
Property Taxes - Supplemental	\$785	\$300	\$222	\$0	-100%
Property Taxes - Other	\$286	\$100	\$142	\$0	-100%
<b>Total Taxes:</b>	<b>\$42,163</b>	<b>\$42,000</b>	<b>\$43,154</b>	<b>\$0</b>	<b>-100%</b>
<b>Operating Grants and Contributions</b>					
State Gasoline 2105	\$57,758	\$64,178	\$62,260	\$72,699	13.3%
State Gasoline 2106	\$40,110	\$43,720	\$49,813	\$48,025	9.8%
State Gasoline 2107	\$78,157	\$81,622	\$74,298	\$99,319	21.7%
State Gasoline 2107.5	\$3,000	\$3,000	\$3,000	\$3,000	0%
State Gasoline 2103	\$75,637	\$87,364	\$79,883	\$110,978	27%
<b>Total Operating Grants and Contributions:</b>	<b>\$254,662</b>	<b>\$279,884</b>	<b>\$269,254</b>	<b>\$334,021</b>	<b>19.3%</b>
<b>Interest</b>					
Interest	\$4,066	\$3,000	\$3,000	\$0	-100%
<b>Total Interest:</b>	<b>\$4,066</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$0</b>	<b>-100%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$3,517	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$3,517</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$297,373</b>	<b>\$324,884</b>	<b>\$315,408</b>	<b>\$334,021</b>	<b>2.8%</b>

# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



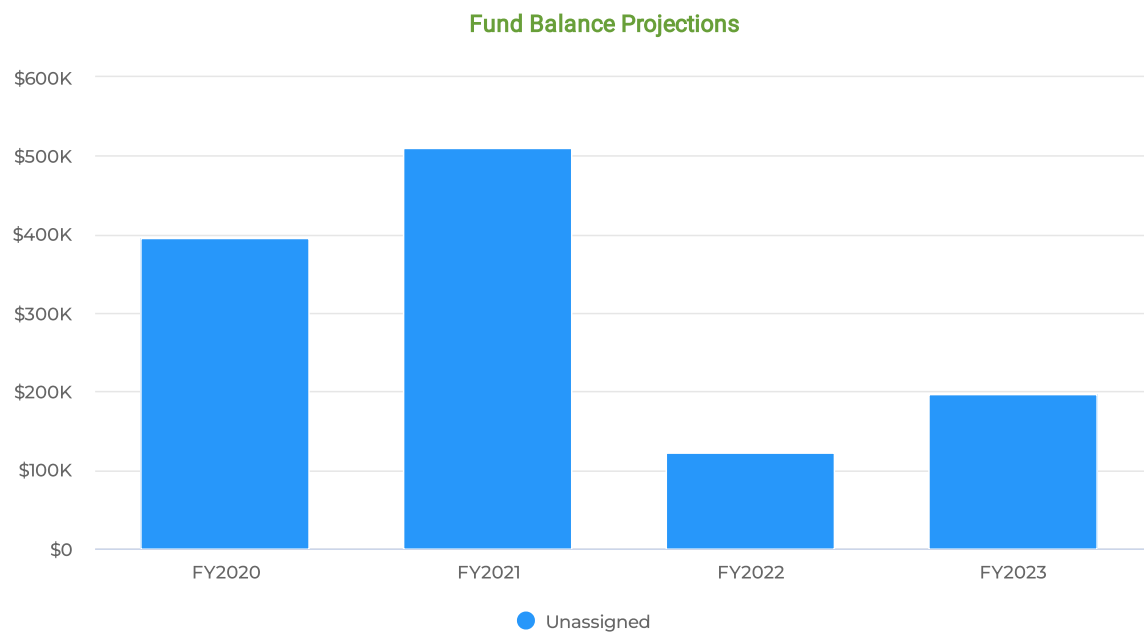
Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$6,497	\$19,813	\$19,813	\$11,949	-39.7%
Temporary Salaries	\$213	\$500	\$500	\$500	0%
Overtime	\$1,160	\$0	\$0	\$0	N/A
<b>Total Salaries:</b>	<b>\$7,869</b>	<b>\$20,313</b>	<b>\$20,313</b>	<b>\$12,449</b>	<b>-38.7%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$54	\$172	\$172	\$118	-31.4%
PERS Retirement-Normal Cost	\$593	\$1,830	\$1,830	\$991	-45.8%
PERS Retirement - Unfunded Liability	\$640	\$2,462	\$2,462	\$2,462	0%
Workers' Compensation	\$776	\$707	\$707	\$511	-27.7%
Unemployment Compensation	\$0	\$200	\$200	\$24	-88%
FICA Taxes	\$127	\$326	\$326	\$326	0%
Benefit Insurance	\$1,211	\$3,584	\$3,584	\$5,044	40.7%
<b>Total Benefits:</b>	<b>\$3,400</b>	<b>\$9,281</b>	<b>\$9,281</b>	<b>\$9,476</b>	<b>2.1%</b>
<b>Operating</b>					
General Supplies	\$1,512	\$1,000	\$1,000	\$1,000	0%
Pavement Repair Supplies	\$14	\$1,000	\$1,000	\$1,000	0%
Arterial Street Light Supplies	\$0	\$1,000	\$1,000	\$1,000	0%
Gas & Electricity	\$52,098	\$48,000	\$48,000	\$48,000	0%
Traffic Safety Supplies	\$5,575	\$9,000	\$9,000	\$9,000	0%
Machinery/Equipment Maintenance	\$162	\$0	\$0	\$0	N/A
Vehicle Maintenance	\$270	\$1,000	\$1,000	\$1,000	0%
Vehicles: Gas, Oil & Supplies	\$330	\$1,000	\$1,000	\$1,000	0%
Traffic Signal Maintenance	\$31,448	\$35,000	\$35,000	\$35,000	0%
Pavement Repairs/Maintenance	\$1,985	\$30,000	\$30,000	\$30,000	0%
Property Tax Admin. Costs	\$320	\$400	\$400	\$400	0%
Other Professional Services	\$19,773	\$25,000	\$25,000	\$35,000	40%
Street Light Maintenance	\$4,963	\$4,000	\$4,000	\$4,000	0%
Capital Outlay - Machinery, Vehicles & Equipment	\$13,347	\$0	\$0	\$0	N/A
CERF Charges	\$4,500	\$4,500	\$4,500	\$4,500	0%
<b>Total Operating:</b>	<b>\$136,297</b>	<b>\$160,900</b>	<b>\$160,900</b>	<b>\$170,900</b>	<b>6.2%</b>
<b>Transfers</b>					
Transfer To General Fund	\$8,150	\$8,460	\$8,460	\$8,883	5%
Transfer to CIP Fund	\$27,173	\$149,825	\$504,444	\$58,000	-61.3%
<b>Total Transfers:</b>	<b>\$35,323</b>	<b>\$158,285</b>	<b>\$512,904</b>	<b>\$66,883</b>	<b>-57.7%</b>
<b>Total Expense Objects:</b>	<b>\$182,889</b>	<b>\$348,779</b>	<b>\$703,398</b>	<b>\$259,708</b>	<b>-25.5%</b>



# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Unassigned	\$395,287	\$509,771	\$121,781	\$196,094	61%
Total Fund Balance:	\$395,287	\$509,771	\$121,781	\$196,094	61%



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

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

- A 12¢ per gallon increase to the gasoline excise tax effective November 1, 2017.
- A 12¢ per gallon increase to the diesel fuel excise tax effective November 1, 2017, half of which is allocated to the Trade Corridors Enhancement Account with the remaining half to the RMRA.
- A new vehicle registration tax called the "transportation improvement fee," effective January 1, 2018, based on vehicle market value.
- An additional new \$100 vehicle registration tax on zero emission vehicles model year 2020 and later effective July 1, 2020.

Annual rate increases to these taxes beginning July 1, 2020 (July 1, 2021 for the ZEV fee), and every July 1<sup>st</sup> thereafter for the change in the California consumer price index (CPI). The first adjustment made on July 1, 2020 will cover the CPI change for the two-year timeframe November 1, 2017 through November 12, 2019.



## RMRA Gas Tax

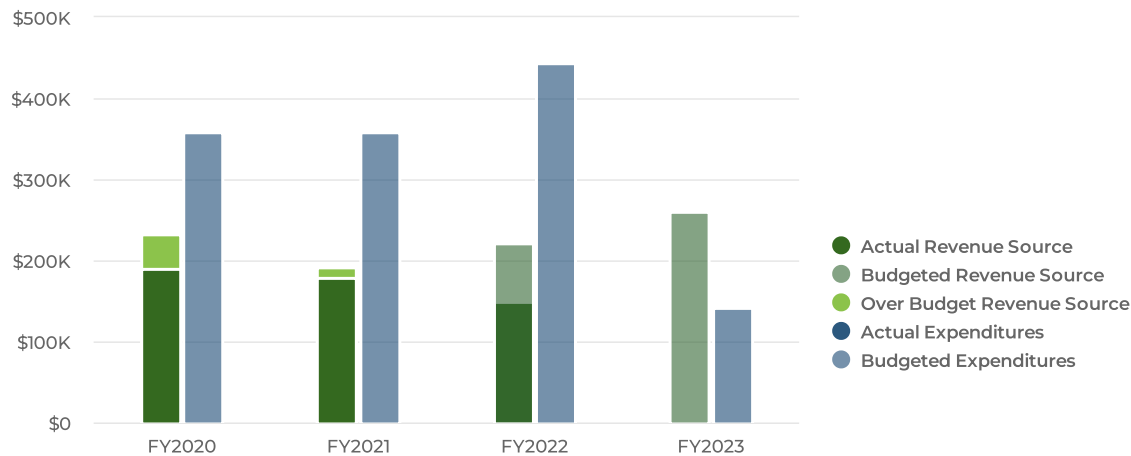
The restricted-use of RMRA gas tax monies is similar, but not identical, to HUTA gas tax monies. Pursuant to *California Streets and Highways Code* section 2030, RMRA allocations must be deposited into a separate restricted-use fund and may only be used for projects that include but are not limited to: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

Consistent with the City's regular objective to use all available HUTA gas tax reserves for eligible City streets projects, the proposed RMRA Gas Tax fund budget also plans to draw down all available reserves over the next several years, transferring funds to the Capital Improvement fund for eligible streets projects.

In FY2021/22, RMRA Gas Tax funding was used to complete a long-awaited pavement project. For FY2022/23, RMRA Gas Tax will again be used to fund a paving project, in conjunction with grant funding from OBAG 2 and Measure J funds.

# Summary

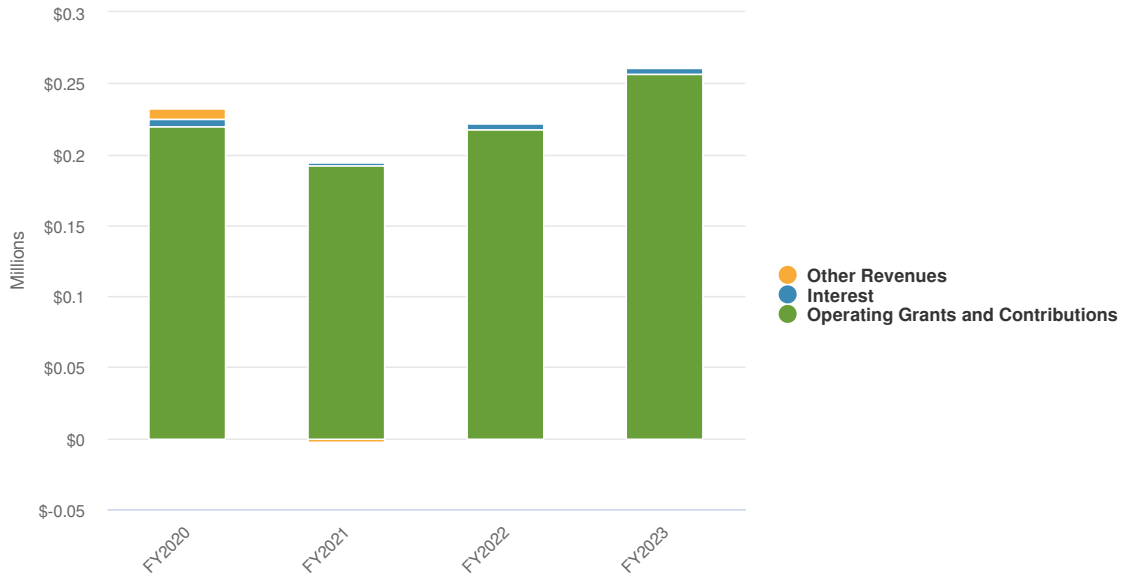
The City of Clayton is projecting \$261,050 of revenue in FY2023, which represents a 17.6% increase over the prior year. Budgeted expenditures are projected to decrease by 67.9% or \$302K to \$143,000 in FY2023.





## Revenues by Source

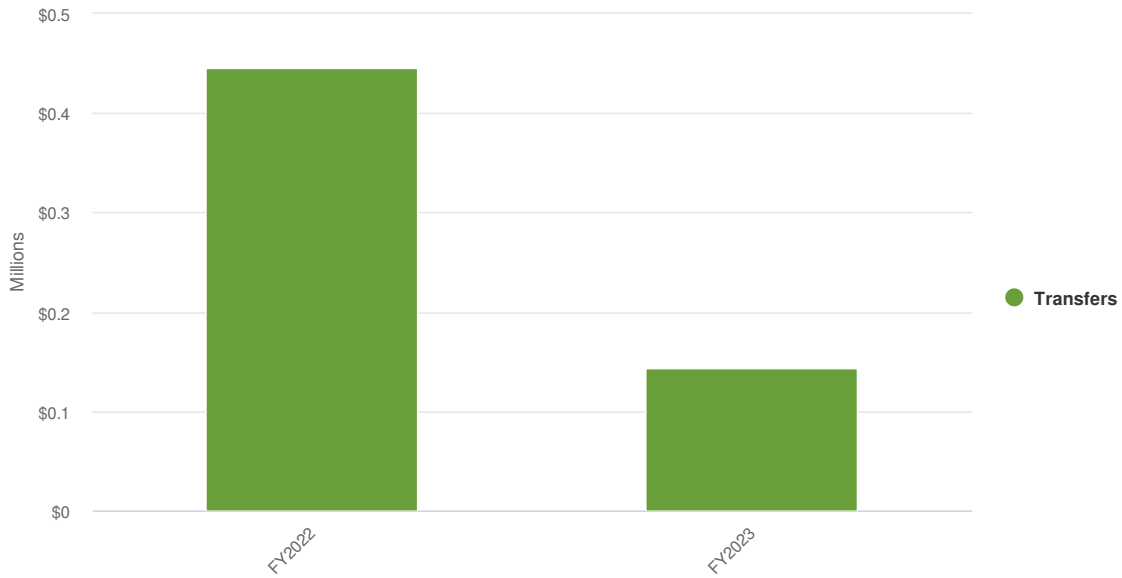
### Budgeted and Historical 2023 Revenues by Source



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Operating Grants and Contributions</b>					
State Gasoline 2030 (RMRA)	\$192,360	\$217,787	\$217,787	\$256,850	17.9%
<b>Total Operating Grants and Contributions:</b>	<b>\$192,360</b>	<b>\$217,787</b>	<b>\$217,787</b>	<b>\$256,850</b>	<b>17.9%</b>
<b>Interest</b>					
Interest	\$2,273	\$4,200	\$4,200	\$4,200	0%
<b>Total Interest:</b>	<b>\$2,273</b>	<b>\$4,200</b>	<b>\$4,200</b>	<b>\$4,200</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$2,215	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$2,215</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$192,417</b>	<b>\$221,987</b>	<b>\$221,987</b>	<b>\$261,050</b>	<b>17.6%</b>

## Expenditures by Expense Type

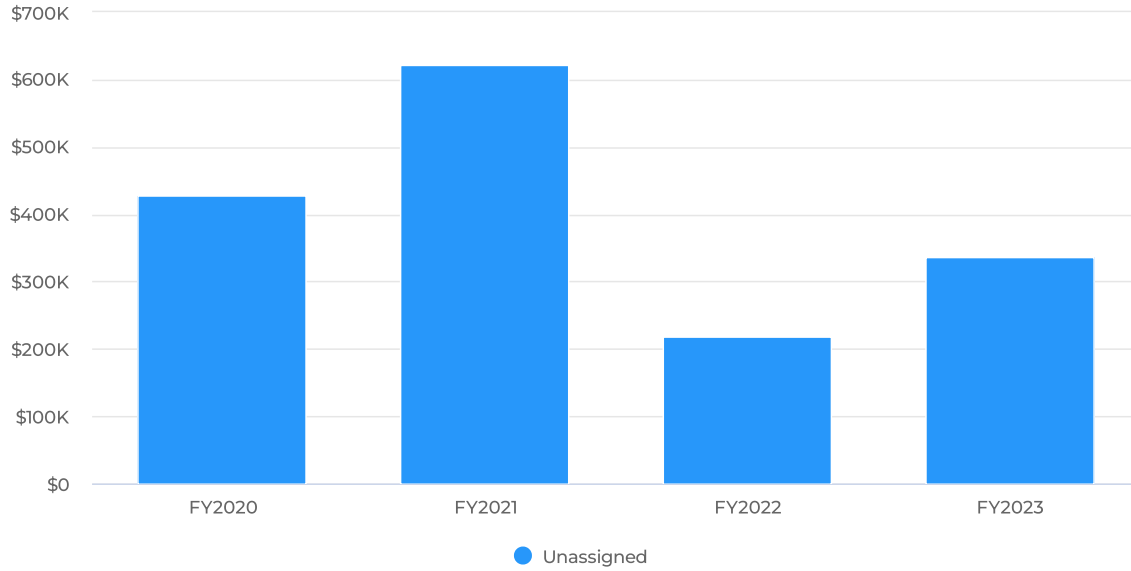
### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Transfers</b>					
Transfer to CIP Fund	\$0	\$445,000	\$624,880	\$143,000	-67.9%
<b>Total Transfers:</b>	<b>\$0</b>	<b>\$445,000</b>	<b>\$624,880</b>	<b>\$143,000</b>	<b>-67.9%</b>
<b>Total Expense Objects:</b>	<b>\$0</b>	<b>\$445,000</b>	<b>\$624,880</b>	<b>\$143,000</b>	<b>-67.9%</b>

# Fund Balance

Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Unassigned	\$428,499	\$620,917	\$218,024	\$336,074	54.1%
<b>Total Fund Balance:</b>	<b>\$428,499</b>	<b>\$620,917</b>	<b>\$218,024</b>	<b>\$336,074</b>	<b>54.1%</b>



## Landscape Maintenance District

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

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

Maintenance of City parks is not included as an authorized expenditure under the LMD Act; park maintenance obligations fall to the City's General Fund. *Citywide public landscaping services have always been funded by a special parcel tax levied on private properties throughout the City.*

## Landscape Maintenance District Operations

The LMD is now completing its fifth year of operation under Measure H. The LMD has a City Council-appointed Trails and Landscaping Citizens' Oversight Committee (TLC) that meets periodically to ensure these special-purpose tax revenues are used for their intended purpose as established under the previous ballot measure for the LMD. The TLC met on March 7, May 9 and May 16, 2022. The May meetings were for the review and input on the proposed LMD budget for City Council action in June. The Proposed Budget incorporates the Committee's recommendations for FY2022/23. The Committee's work is greatly appreciated and vital to the success of the District.

Pursuant to the terms of voter-approved Measure H, the special parcel tax rate may be modified annually by the change in the consumer price index (CPI) as published by the U.S. Bureau of Labor and Statistics from April to April for this geographic region (San Francisco-Oakland-Hayward, CA). In no event shall the special parcel tax rate be increased by more than three percent (3.0%) annually. Given the local CPI change (from April 2020 to April 2021) of 5%, the LMD's projected revenues are recommended by the TLC and included in the proposed budget to be increased by 3.0% to a total of \$1,241,053 for FY 2022/23. This results in a modest increase to LMD special parcel tax revenues of apx. \$36,121 over the prior year's adopted budget. The capped CPI growth adjustment will result in an increase of \$8.22 per residential parcel over the prior year's rate (last year's FY 2021/22 single-family rate was \$274.46; including the CPI adjustment factor, the new single-family parcel rate will be \$282.70).

Over the past fifteen years, from FY 2007/08 through FY 2020/21, it is estimated the LMD will have used approximately \$2.6 million of these special parcel tax funds for public landscape and irrigation and trail system improvements. When including additional LMD improvement projects planned for FY 2022/23, the LMD will have invested over \$3.3 million in various improvements in addition to more routine maintenance of landscaping.

For FY 2021/22, the LMD budgeted to fund the following landscape maintenance improvement projects:

<u>Project Description</u>	<u>Budget Amount</u>	<u>\$ used</u>	<u>Project ID</u>
*Cardinet trail section repave	\$185,000	0	7306 postponed to 22/23
*Trail reconstruct end of Peacock Ck	\$100,000	0	7306 postponed to 22/23
*Repave/Repair/Crack Seal Trails	\$30,000	0	7306 postponed to 23/24
Replace Irrigation Control (6 of them)	\$90,000	\$116,500	LMD 2021-2 in process
Native open space planting pilot project	\$12,500	\$12,500	7520 completed
Trim up trees btwn Blue Oak/Keller	\$100,000	\$50,000	LMD 2021-2 completed
Tree Trimming streets/trails	\$300,000	\$300,000	7440 in process
<b>Total</b>	<b>\$817,500</b>	<b>\$479,000</b>	

\*projects that were planned for 21/22, but postponed

Due to staffing shortages and project scheduling issues, the trail projects were not able to be completed during FY2021/22.

For FY 2022/23, the LMD budgeted to fund the following landscape maintenance improvement projects:

<u>Project Description</u>	<u>Amount</u>	<u>Account ID</u>
*Cardinet trail section repave	\$185,000	7306
*Trail reconstruct end of Peacock Ck	\$100,000	7306
Native wildflower open space planting project	\$25,000	7520
Strategic/safety/sustainability plan	\$30,000	7419
Enhanced non-native invasive weed management open space	\$35,000	7445
Trim trees open space areas	\$50,000	7520
Tree Trimming streets/trails	\$200,000	7440
Bark/compost/mulch landscape areas	0	7520
Weed control medians/rights-of-way non-glyphosate	\$30,000	7445
<b>Total</b>	<b>\$655,000</b>	

\*projects that were planned for 21/22, but postponed to FY 22/23



Due to insufficient funds and lower priority, staff has not included crack sealing of trails in the proposed FY 2022/23 budget. There are not any city street projects anticipated in FY 2022/23 that would have crack sealing so the ability to achieve a project at a reasonable cost is not viable. This will be re-evaluated in FY 2023/24 and a microseal/coatseal might be an appropriate method to be done concurrently with a future street paving project.

Due to drought conditions, replanting projects are not proposed that would require additional water. Therefore, it is planned to focus on trails maintenance, tree trimming, mulch/compost/barking landscape areas, weed management, enhanced native wildflower planting, and enhanced non native invasive plant management.

In addition, during FY 2022/23, funding in the amount of \$30,000 is proposed for the preparation of a strategic/safety/sustainability plan for the Landscape Maintenance District. This will greatly assist in future project planning, workload scheduling, etc. The City Engineer will be leading this effort and associated funds are included in the line item for other professional services [7419].

The proposed LMD budget is a balanced operational budget, responsibly utilizing fund balance to undertake non-recurring capital improvement projects. This practice is consistent with prior year budgets as the LMD is pay-as-you-go for such improvements, responsibly drawing on fund balance as needed. Proposed appropriations are annually adjusted for anticipated water and electrical utility rate increases as well as for fuel, fertilizer, etc.

Over the past year, the LMD has generated a modest reserve balance to allow the consideration of the aforementioned non-operational landscaping improvement projects to be undertaken. Although the proposed budget anticipates an ending fund balance reserve of \$111,276 by the close of FY 2022/23, staff is not proposing additional capital projects beyond those listed in order to allow time to complete these budgeted projects and to have sufficient funds for normal operational cash flow purposes.

An enormous impact on LMD operations from FY 2012/13 through FY 2016/17 was the declared drought conditions and the severe water conservation reductions imposed by Contra Costa Water District (CCWD) as directed by the Governor's Executive Order Emergency declaration, resulting in a 45% mandatory water reduction order. With irrigation cutbacks of that magnitude, the City Council ordered the LMD to suspend irrigation water to turf and bushes, reserving restricted water supplies to irrigate public trees. This action plan negatively impacted some of the landscape, however many shrubs and trees were sustained in the LMD. Capital improvement projects engaged during the extended drought timeframe were hardscape-only oriented. There have only been two sections of the Clayton Road median replanted since the prior drought.

Although the State of California and CCWD returned to unrestricted water conditions for a number of years, we are now in the third year of a new drought cycle, and the State is in drought conditions again, with many areas in or likely to be in Severe or Exceptional Drought, the highest category. CCWD has asked for 15% voluntary reductions, and may place a temporary drought surcharge on water bills of 15%. Additionally, it is forecasted that the dry conditions will likely continue into next year. Therefore, as with last year, no new replanting projects are being proposed, as it would require additional water to establish from irrigation and/or a normal "rainy" season. Water districts were required by case law to change billing rate structures to incorporate greater costs for service areas with greater water delivery demands (i.e. higher elevations requiring more energy for delivery). Clayton's geographic location resulted in a rate tier increase by CCWD in January 2022 of approximately 6%. CCWD increases the tier rates annually in January and staff have used a 6% increase based on discussions with CCWD staff that it is likely to be similar due to increased costs in energy from PGE that is used to pump water throughout their system. The proposed budget for the LMD includes the increased water costs with the adjusted rate estimated expenditure of \$230,000.

Personnel services (permanent including benefits etc. and contract seasonal) for this labor-intensive work effort account for 26% of the LMD budget expenditures in FY 2022/23 (\$488,570). Whenever possible, less complex tasks within the LMD are assigned to contract temporary seasonal personnel, which allows full-time permanent City maintenance personnel to focus their efforts on tasks requiring journeyman-level experience (i.e. irrigation line and system repairs). The LMD has only one full-time dedicated staff person of the six (6) permanent Maintenance Department personnel.

During this past fiscal year (2021/22) the continued pandemic had unexpected impacts to the LMD operations. The ability to use part-time/seasonal contract personnel was not fully possible due to many factors, including the lack of personnel available from the staffing agencies. In addition, there have been staff out for unexpected needs. Generally, in a given week over the past year, the staff levels have been three to four people on average, and one or two seasonal workers. However, as noted previously, these staff spend only a portion of their time in the LMD, as they also maintain parks, grounds/buildings,

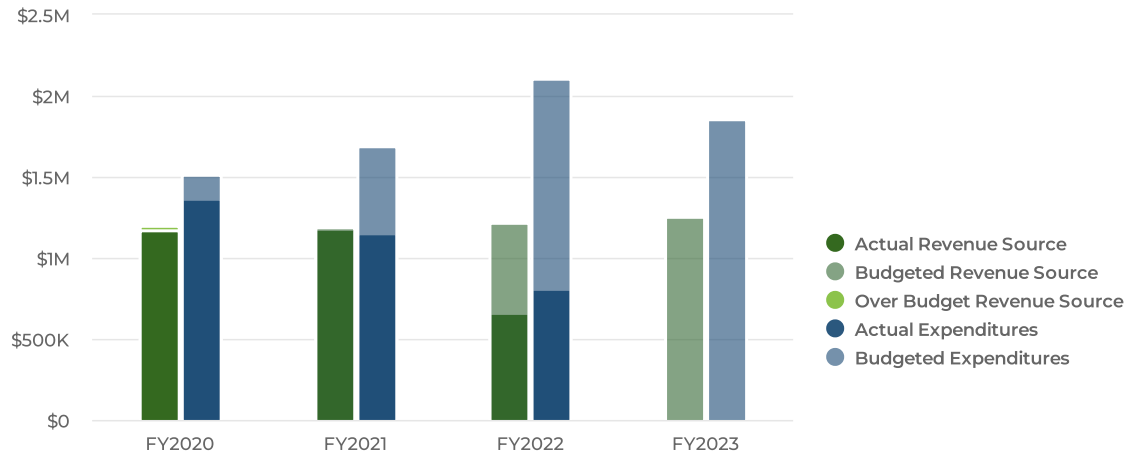
street signs, some street lights. With limited resources, staff continued to prioritize trimming to keep walks and paths clear, and irrigation repairs. Other trimming and weeding along rights of ways and medians were able to be partially done, and chips were placed in portions of the Clayton Road medians to help reduce weed growth and retain moisture. Staff is hopeful that as public health conditions continue to improve, overall temporary seasonal workers will be available to assist in the LMD in the future.

As approved by Measure H voters, the LMD'S budget includes a recurring line item (account 7316) for the purchase of replacement plants, budgeted at \$20,000. However, with drought conditions this expenditure will not occur. The LMD further contributes an annual allocation to the City's Capital Equipment Replacement Fund (CERF) for its shared cost of utilizing City Maintenance Department vehicles for LMD operations budgeted at \$30,000 in FY 2022/23. A relatively nominal amount of \$42,713 (3.4% of annual LMD revenue) is transferred to the City's General Fund to help defray the LMD's share of administrative support and overhead incurred by the City (i.e. telephones, payroll processing, accounts payable, management, compliance, legal, etc.).

With all of these actions, the LMD's ending fund balance on June 30, 2023 is projected to be **\$89,726**. The LMD's reserve position is evidence the City does not siphon "surplus" monies into its General Fund but uses the special parcel tax revenues for its intended voter-approved purposes. Its monetary existence allows the LMD to re-evaluate priorities in the future to replace landscape lost (including adding in more hardscape treatments) from the water conservation measures resulting from drought conditions.

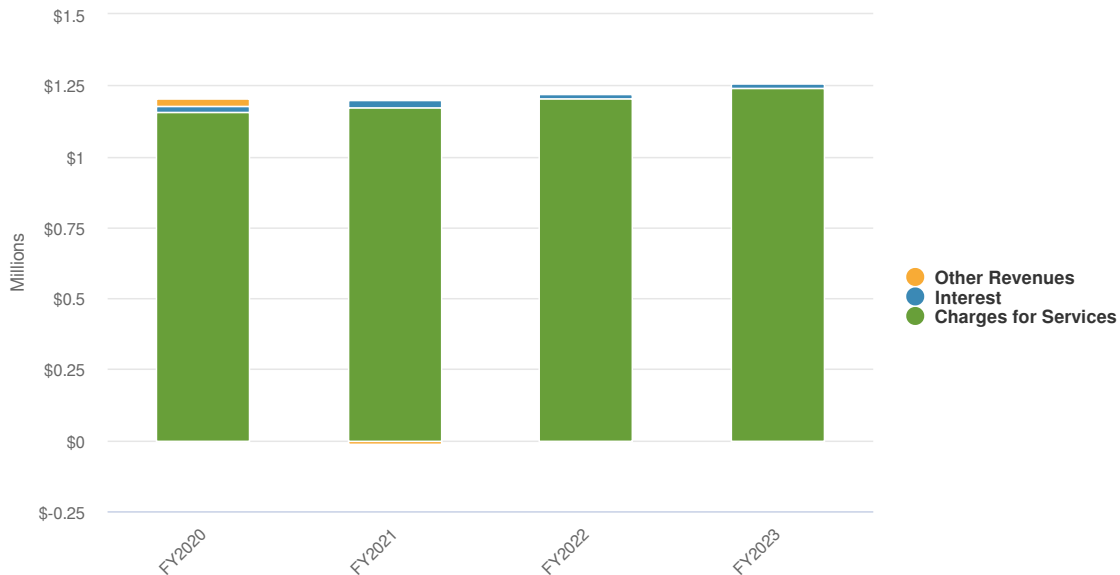
## Summary

For the Landscape Maintenance District, the City of Clayton is projecting \$1,256,053 of revenue in FY2023, which represents a 3% increase over the prior year. Budgeted expenditures are projected to decrease by 12% or \$253,311 to \$1,862,077 in FY2023 relative to the original adopted budget in FY2021/22. Actual expenditures for FY2021/22 are expected to come in significantly lower than budget.



## Revenues by Source

### Budgeted and Historical 2023 Revenues by Source

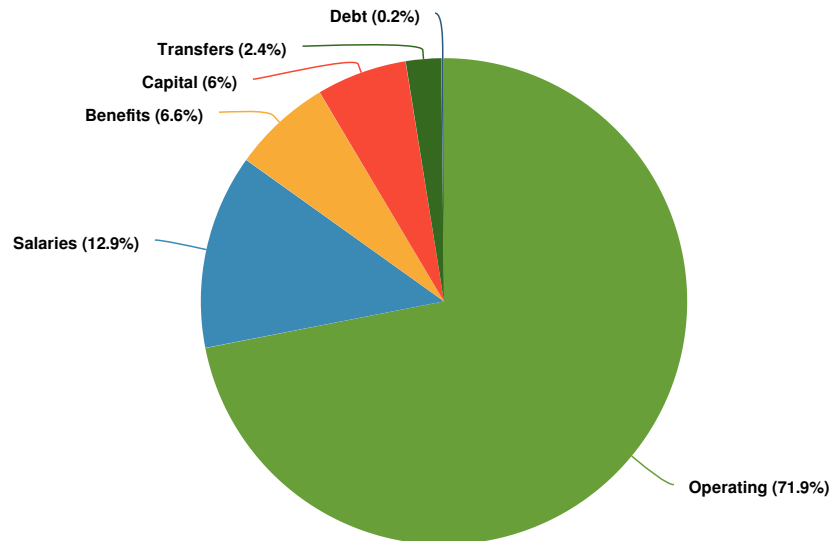




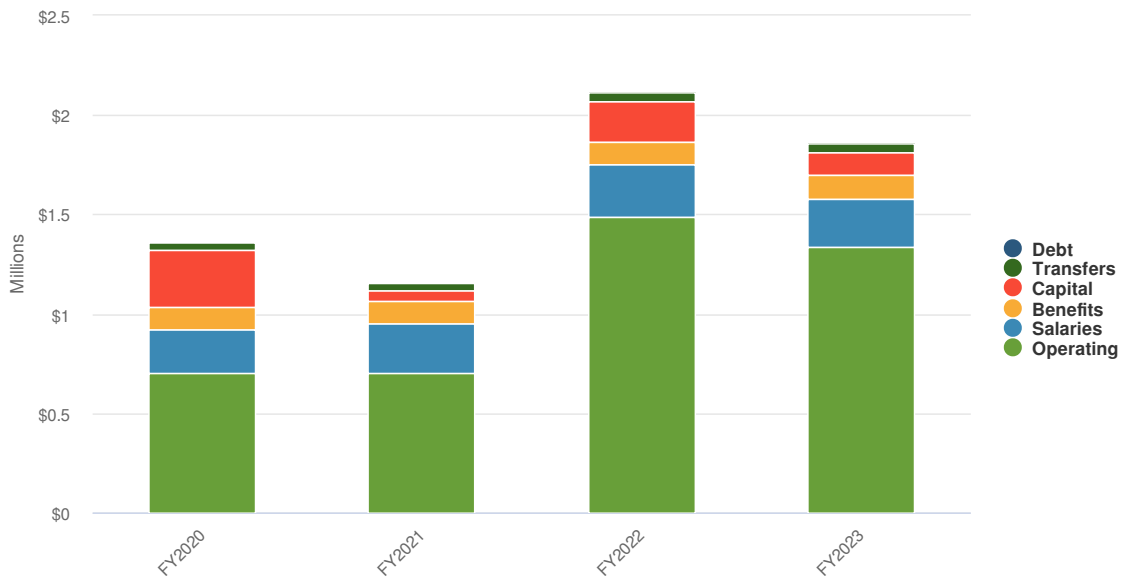
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
LMD Special Parcel Tax	\$1,169,764	\$1,204,857	\$1,204,857	\$1,241,053	3%
<b>Total Charges for Services:</b>	<b>\$1,169,764</b>	<b>\$1,204,857</b>	<b>\$1,204,857</b>	<b>\$1,241,053</b>	<b>3%</b>
<b>Interest</b>					
Interest	\$26,584	\$15,000	\$15,000	\$15,000	0%
<b>Total Interest:</b>	<b>\$26,584</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$12,530	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$12,530</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$1,183,819</b>	<b>\$1,219,857</b>	<b>\$1,219,857</b>	<b>\$1,256,053</b>	<b>3%</b>

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Budgeted and Historical Expenditures by Expense Type

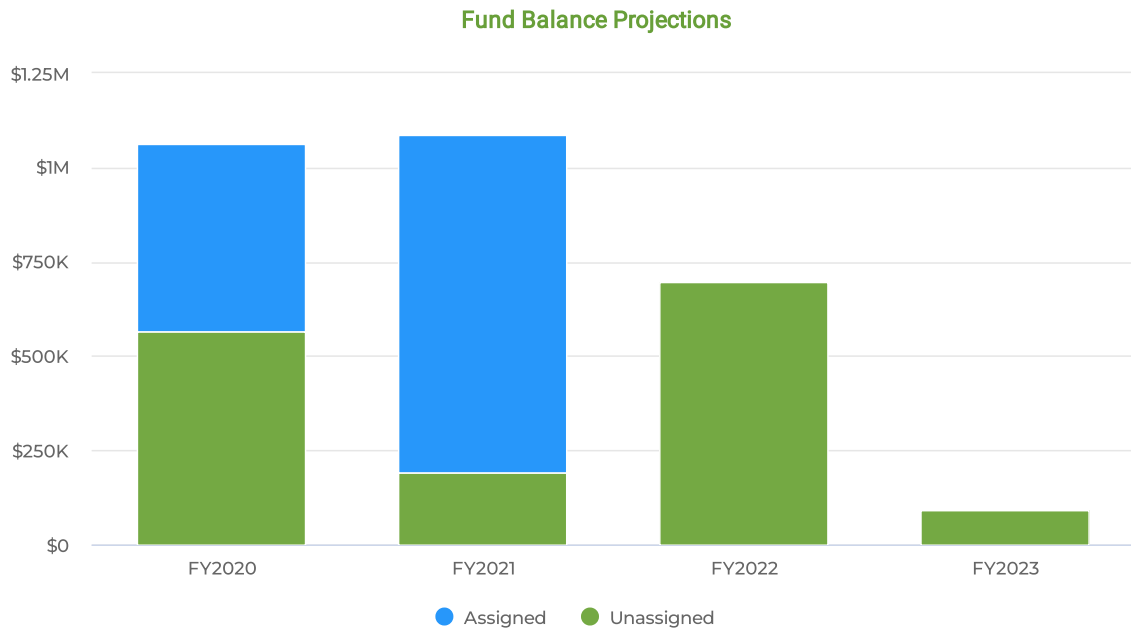


Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$243,827	\$237,756	\$265,336	\$238,989	0.5%
Temporary Salaries	\$6,987	\$20,665	\$0	\$0	-100%
Overtime	\$1,907	\$2,000	\$2,000	\$2,000	0%
<b>Total Salaries:</b>	<b>\$252,721</b>	<b>\$260,421</b>	<b>\$267,336</b>	<b>\$240,989</b>	<b>-7.5%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$2,382	\$2,061	\$2,061	\$4,254	106.4%
PERS Retirement-Normal Cost	\$23,147	\$21,966	\$24,000	\$23,439	6.7%
PERS Retirement - Unfunded Liability	\$26,422	\$29,540	\$36,000	\$33,031	11.8%
Workers' Compensation	\$10,484	\$9,587	\$8,677	\$10,223	6.6%
Unemployment Compensation	\$0	\$4,464	\$0	\$529	-88.1%
FICA Taxes	\$4,258	\$5,057	\$3,818	\$3,815	-24.6%
Benefit Insurance	\$43,315	\$43,013	\$57,895	\$47,291	9.9%
<b>Total Benefits:</b>	<b>\$110,008</b>	<b>\$115,688</b>	<b>\$132,451</b>	<b>\$122,581</b>	<b>6%</b>
<b>Operating</b>					
Recruitment/Pre-employment	\$0	\$250	\$0	\$250	0%
Trail Fixture Repairs/Replacement	\$178	\$320,000	\$0	\$290,000	-9.4%
Irrigation Supplies and Materials	\$0	\$10,000	\$10,000	\$10,000	0%
Weed Abatement Supplies and Materials	\$0	\$20,000	\$10,000	\$15,000	-25%
Plant Nutrition Supplies and Materials	\$0	\$10,000	\$10,000	\$12,500	25%
General Supplies	\$8,222	\$14,300	\$7,300	\$4,500	-68.5%



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Landscape Replacement Plants (Shrubs, Trees, Etc.)	\$2,822	\$20,000	\$0	\$0	-100%
Gas & Electric Services	\$26,995	\$50,000	\$28,000	\$30,000	-40%
Water Services	\$223,936	\$240,000	\$225,000	\$230,000	-4.2%
Traffic Safety Supplies	\$292	\$1,000	\$1,159	\$1,000	0%
Buildings/Grounds Maintenance	\$38,149	\$36,910	\$28,169	\$26,200	-29%
Machinery/Equipment Maintenance	\$13,793	\$21,050	\$10,750	\$26,550	26.1%
Vehicle Maintenance	\$9,482	\$15,000	\$22,000	\$20,000	33.3%
Vehicle Gas, Oil, and Supplies	\$12,374	\$14,000	\$14,000	\$14,000	0%
Property Tax Admin. Costs	\$3,740	\$4,100	\$4,100	\$4,100	0%
Other Professional Services	\$6,198	\$7,100	\$7,685	\$37,500	428.2%
Animal/Pest Control Services	\$4,653	\$15,000	\$15,000	\$51,000	240%
Contract Seasonal Labor	\$98,742	\$160,000	\$121,975	\$125,000	-21.9%
Tree Trimming Services	\$101,100	\$300,000	\$300,000	\$200,000	-33.3%
Weed Abatement Services	\$120,990	\$201,230	\$141,230	\$212,000	5.4%
CERF Charges/Depreciation	\$30,000	\$30,000	\$30,000	\$30,000	0%
<b>Total Operating:</b>	<b>\$701,664</b>	<b>\$1,489,940</b>	<b>\$986,368</b>	<b>\$1,339,600</b>	<b>-10.1%</b>
<b>Capital</b>					
Project Program Costs	\$53,813	\$204,500	\$179,000	\$112,000	-45.2%
<b>Total Capital:</b>	<b>\$53,813</b>	<b>\$204,500</b>	<b>\$179,000</b>	<b>\$112,000</b>	<b>-45.2%</b>
<b>Debt</b>					
CCC Property Tax	\$2,994	\$3,030	\$3,030	\$3,030	0%
<b>Total Debt:</b>	<b>\$2,994</b>	<b>\$3,030</b>	<b>\$3,030</b>	<b>\$3,030</b>	<b>0%</b>
<b>Transfers</b>					
Transfer To General Fund	\$39,190	\$40,679	\$40,679	\$42,713	5%
Transfer to Stormwater Fund	\$1,130	\$1,130	\$1,130	\$1,164	3%
<b>Total Transfers:</b>	<b>\$40,320</b>	<b>\$41,809</b>	<b>\$41,809</b>	<b>\$43,877</b>	<b>4.9%</b>
<b>Total Expense Objects:</b>	<b>\$1,161,519</b>	<b>\$2,115,388</b>	<b>\$1,609,994</b>	<b>\$1,862,077</b>	<b>-12%</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Unassigned	\$563,887	\$190,355	\$695,750	\$89,726	-87.1%
Assigned	\$499,700	\$895,531	\$0	\$0	0%
<b>Total Fund Balance:</b>	<b>\$1,063,587</b>	<b>\$1,085,886</b>	<b>\$695,750</b>	<b>\$89,726</b>	<b>-87.1%</b>



## The Grove Park CFD

The Grove Park officially opened to the community on January 12, 2008 and on May 29, 2008, the City Maintenance Department assumed full responsibility for the care and maintenance of The Grove Park. On Opening Day, the public park immediately became the signature statement of our community, and ever since it has been the popular gathering place for residents and visitors to the Clayton Town Center. Voters originally approved this restricted special parcel tax in November 2006 (Measure O) to maintain the park for ten (10) years, with the levy first collected in FY 2007/08. In November 2014, the voters overwhelmingly elected to extend The Grove Park special parcel tax for an additional twenty (20) years [from 2017/18 through 2036/37] through the passage of Measure P (81.3% positive vote) making FY 2022/23 the 16<sup>th</sup> year of the restricted-use special parcel tax's existence. Operations for The Grove Park are accounted for by the City in a legally separate restricted-use special revenue fund.

Pursuant to the terms of voter-approved Measure P, the special parcel tax rate may be modified annually by the change in the consumer price index (CPI) from April to April. However, in no event shall the tax rate be increased by more than 3.0% each year. The CPI change (from April 2021 to April 2022) was 5%. Accordingly, The Grove Park's proposed budget for FY 2022/23 incorporates an increase to the special parcel tax levy of 3.0% to a total of \$148,110, resulting in a minor increase of \$4,314 over the prior year's adopted budget. The capped CPI growth adjustment will result in an increase of \$0.69 per residential parcel over the prior year's rate (last year's single family rate was \$22.84; with the CPI adjustment factor the new rate will be \$23.54).

The Grove Park fund received its 10<sup>th</sup> and final installment of the generous \$10,000 annual donation from Endeashiian, Inc. (developers and landowners of the CVS/Pharmacy store site - formerly Longs Drugs Store), six years ago in FY 2016/17. Despite the conclusion of this ten-year pledge, Endeashiian, Inc. graciously donated an additional \$1,000 to The Grove Park fund in both FY 2017/18 and FY 2018/19, which was both unexpected and unsolicited. No additional funds have been received in the fiscal years since.

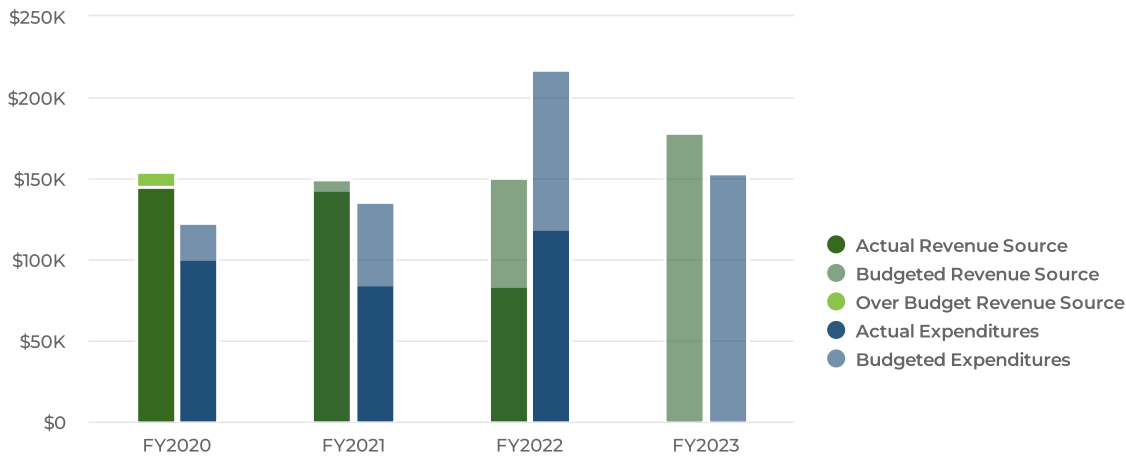
During FY 2021/22, due to more limited use of the Park due to the COVID-19 pandemic, overall actual expenses were less than budgeted. The Grove Park fund is projected to maintain a positive reserve balance of approximately \$445,849 by the close of FY 2021/22. As The Grove Park's apparatus and infrastructure ages following fourteen years of heavy public use, fund balance reserves will be critical to maintaining this public gem.

For FY 2022/23, total operational expenses of \$153,389 are projected. The expenses will be offset by revenues totaling \$179,116.

As The Grove Park continues to mature and its public attraction increases, more City Maintenance Department personnel time may be necessary to keep it in excellent condition. During the summer and on Saturday Concert Series weekends, existing maintenance staff work additional hours to ensure that The Grove Park is well maintained around event usage. The adjacent municipal well provides landscape irrigation and other non-potable water needs of The Grove Park, saving considerable taxpayer monies compared to the metered water prices of Contra Costa Water District.

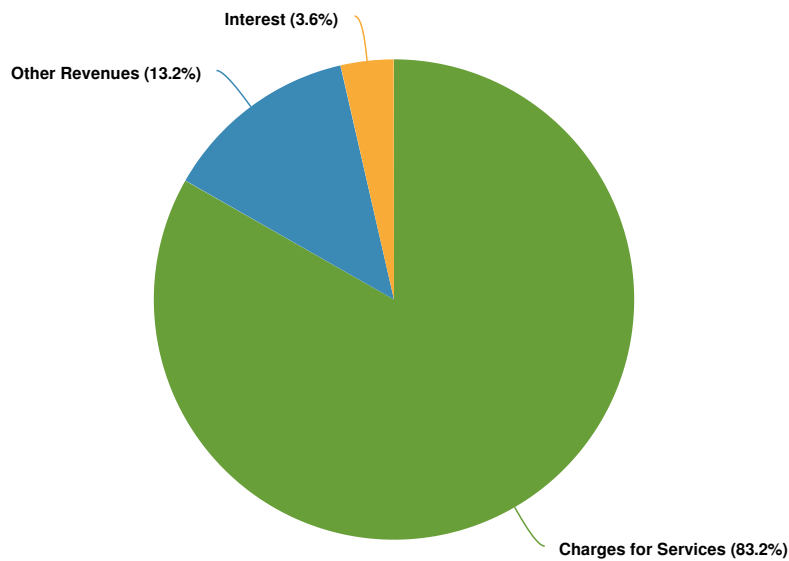
## Summary

The City of Clayton is projecting \$179.12K of revenue in FY2023, which represents a 18.5% increase over the prior year due primarily to the ability to use grant funds to pay for the expenses incurred to improve security cameras at the park. Budgeted expenditures are projected to decrease by 29.4% or \$63.78K to \$153.39K in FY2023.

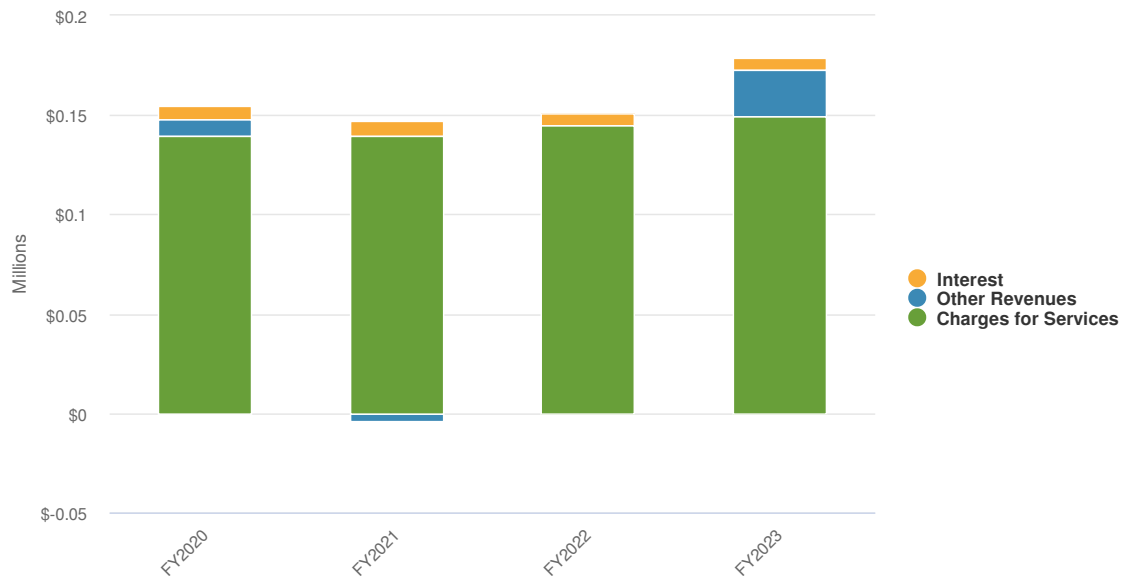


## Revenues by Source

Projected 2023 Revenues by Source



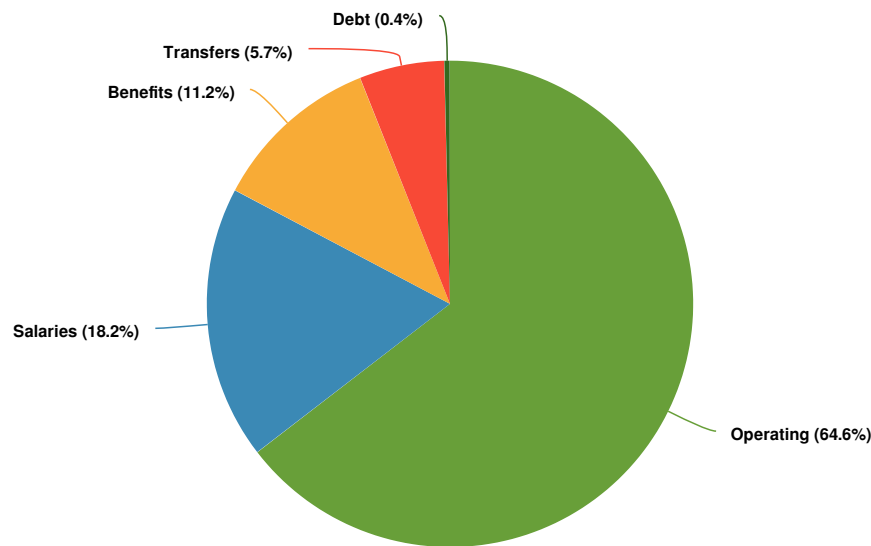
### Budgeted and Historical 2023 Revenues by Source



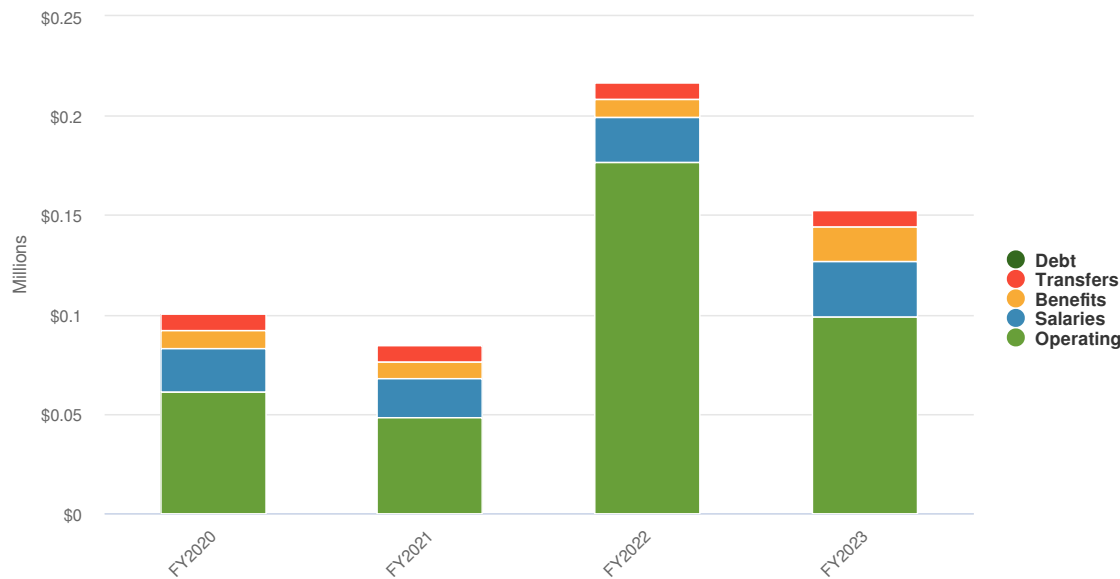
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Downtown Park Special Parcel Tax - O&M	\$139,609	\$143,796	\$143,796	\$148,110	3%
Park Use Fee	\$0	\$1,000	\$4,603	\$1,000	0%
<b>Total Charges for Services:</b>	<b>\$139,609</b>	<b>\$144,796</b>	<b>\$148,399</b>	<b>\$149,110</b>	<b>3%</b>
<b>Interest</b>					
Interest	\$7,417	\$6,400	\$6,400	\$6,400	0%
<b>Total Interest:</b>	<b>\$7,417</b>	<b>\$6,400</b>	<b>\$6,400</b>	<b>\$6,400</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$3,634	\$0	\$0	\$0	N/A
Transfer In from Fund 230	\$0	\$0	\$0	\$23,606	N/A
<b>Total Other Revenues:</b>	<b>-\$3,634</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,606</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$143,391</b>	<b>\$151,196</b>	<b>\$154,799</b>	<b>\$179,116</b>	<b>18.5%</b>

# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type





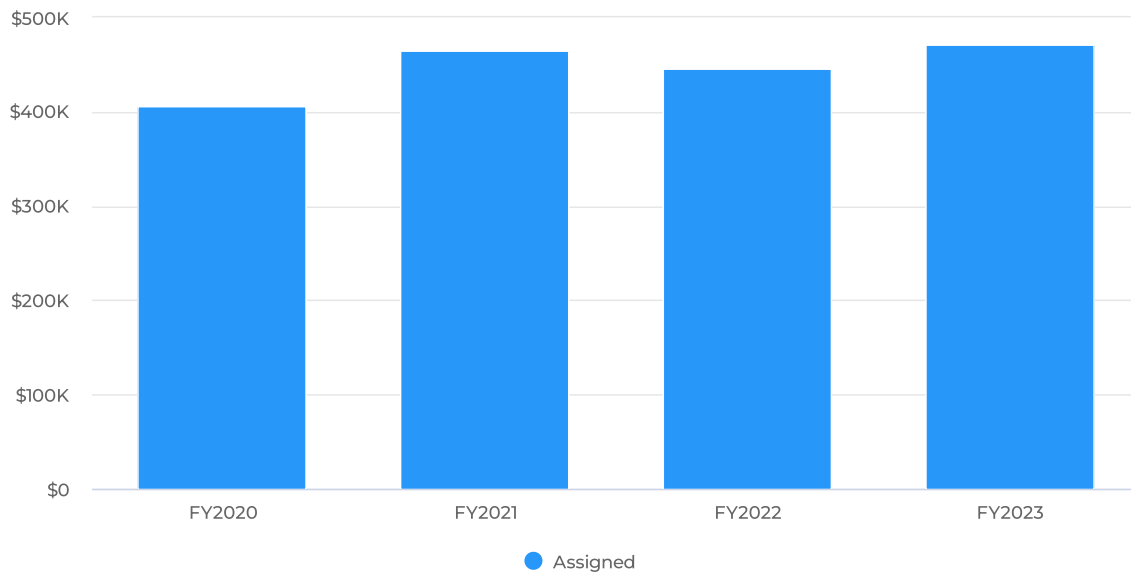
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$18,253	\$15,850	\$22,000	\$27,882	75.9%
Temporary Salaries	\$1,241	\$5,100	\$2,000	\$0	-100%
Overtime	\$672	\$2,000	\$2,000	\$0	-100%
<b>Total Salaries:</b>	<b>\$20,166</b>	<b>\$22,950</b>	<b>\$26,000</b>	<b>\$27,882</b>	<b>21.5%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$137	\$137	\$137	\$274	99.7%
PERS Retirement-Normal Cost	\$1,653	\$1,464	\$1,464	\$2,487	69.9%
PERS Retirement - Unfunded Liability	\$1,833	\$1,969	\$1,969	\$3,762	91.1%
Workers' Compensation	\$1,048	\$965	\$965	\$1,193	23.6%
Unemployment Compensation	\$0	\$820	\$820	\$62	-92.5%
FICA Taxes	\$316	\$649	\$649	\$0	-100%
Benefit Insurance	\$2,965	\$2,868	\$2,868	\$9,458	229.8%
<b>Total Benefits:</b>	<b>\$7,953</b>	<b>\$8,872</b>	<b>\$8,872</b>	<b>\$17,235</b>	<b>94.3%</b>
<b>Operating</b>					
General Supplies	\$886	\$2,800	\$2,800	\$2,800	0%
Rentals/leases	\$0	\$0	\$0	\$1,500	N/A
Telecommunications	\$0	\$0	\$575	\$1,500	N/A
Gas & Electric Services	\$1,619	\$2,000	\$2,000	\$1,800	-10%
Water Services	\$11,511	\$22,000	\$22,000	\$20,000	-9.1%
Buildings/Grounds Maintenance	\$9,197	\$7,800	\$10,000	\$10,000	28.2%
Machinery/Equip Maintenance	\$2,513	\$500	\$500	\$500	0%
Vehicle Maintenance	\$735	\$1,000	\$1,000	\$2,400	140%
Vehicle Gas, Oil and Supplies	\$892	\$1,200	\$1,200	\$1,500	25%
Property Tax Admin. Costs	\$3,744	\$3,744	\$3,744	\$4,000	6.8%
Janitorial Services	\$9,412	\$13,000	\$13,000	\$1,500	-88.5%
Other Professional Services	\$4,943	\$5,020	\$5,020	\$5,275	5.1%
Animal/Pest Control Services	\$29	\$750	\$750	\$750	0%
Contract Seasonal Labor	\$0	\$7,000	\$7,000	\$12,500	78.6%
Tree Trimming Services	\$0	\$10,000	\$15,000	\$15,000	50%
Capital Outlay - Structures and Improvements	\$0	\$27,000	\$13,000	\$15,000	-44.4%
Capital Outlay - Machinery, Vehicles & Equipment	\$0	\$70,000	\$30,000	\$0	-100%
CERF Charges/Depreciation	\$2,700	\$2,700	\$2,700	\$3,000	11.1%
<b>Total Operating:</b>	<b>\$48,181</b>	<b>\$176,514</b>	<b>\$130,289</b>	<b>\$99,025</b>	<b>-43.9%</b>
<b>Debt</b>					
CCC Property Tax	\$533	\$560	\$560	\$560	0%
<b>Total Debt:</b>	<b>\$533</b>	<b>\$560</b>	<b>\$560</b>	<b>\$560</b>	<b>0%</b>



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Transfers</b>					
Transfer To General Fund	\$7,970	\$8,273	\$8,273	\$8,687	5%
<b>Total Transfers:</b>	<b>\$7,970</b>	<b>\$8,273</b>	<b>\$8,273</b>	<b>\$8,687</b>	<b>5%</b>
<b>Total Expense Objects:</b>	<b>\$84,803</b>	<b>\$217,169</b>	<b>\$173,994</b>	<b>\$153,389</b>	<b>-29.4%</b>

## Fund Balance

### Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Assigned	\$406,456	\$465,044	\$445,849	\$471,576	5.8%
<b>Total Fund Balance:</b>	<b>\$406,456</b>	<b>\$465,044</b>	<b>\$445,849</b>	<b>\$471,576</b>	<b>5.8%</b>



## Oakhurst Geological Hazard Abatement District

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

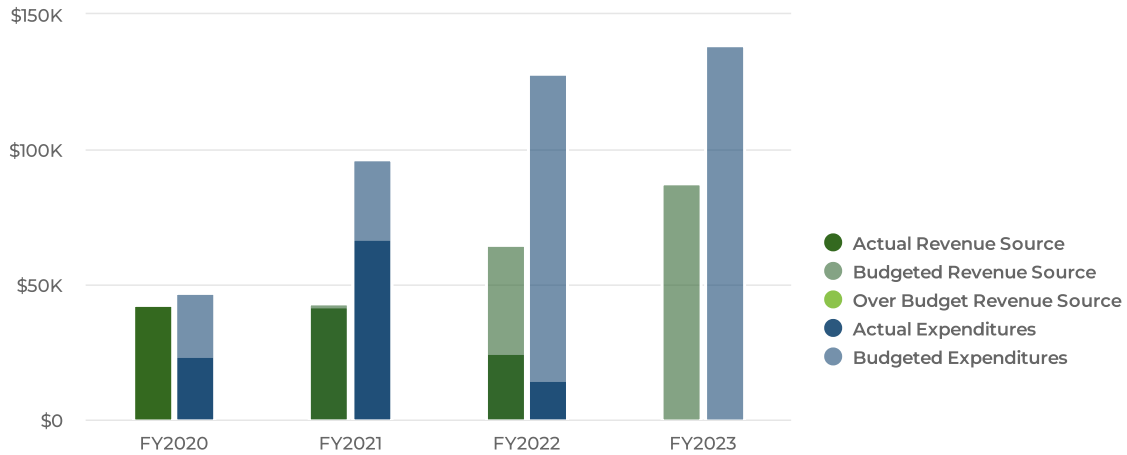
Due to the restricted amount of voter-approved assessments, the GHAD levies an annual assessment that generally produces the same amount of revenue each year for general geologic hazard abatement purposes within the Oakhurst Development (adjusted only for CPI annually). For FY 2022/23, assessment revenue is projected to be approximately \$87,796 which incorporates an April 2021 to April 2022 consumer price index (CPI) inflationary increase of 5% as well as a transfer of \$40,478.48 from the Presley Settlement Fund to cover one-time project costs. Currently, it is unlikely property owners within the district would approve a significant rate increase sufficient to arrest or mitigate hillside movements. Interest earnings are insignificant for the GHAD fund estimated to be \$210, which operates for most of the 12 months in a cash-flow deficit. The assessment revenues are not received by the GHAD until property owners pay their property tax bills in December and again in April each year.

Management expenses proposed for the GHAD this year include \$5,000 for City Engineering services (District Manager) and \$1,000 allocated for specialized legal services. Although litigation has been settled, the GHAD is still internally assessed a share of the City's general liability insurance premium increases, which were historically propelled by the Oakhurst hillside movement litigation, which served lawsuits against the GHAD as well as the City. This annual expenditure (\$7,000 in FY 2021/22) must remain for several years following settlement of the litigation as those defenses pertaining to the GHAD's share of General Fund insurance premium expenses still impact the annual calculation of the City's general liability insurance premium for that prospective time period. Since the GHAD does not have its own employees, a base transfer of \$8,169 to the City's General Fund for general administrative and clerical support services is critical to sustain the bare existence of the District (18% of annual assessment). County administrative fees to levy, collect, and disburse the GHAD property tax bill assessment are estimated at \$1,550.

Project costs totaling \$95,000 are planned for FY 2022/23, which includes monitoring reports, minor/emergency repairs and repair to a section of Ahwanee Lane near Miwok. Accordingly, and due to the limited financial resources available, the GHAD is projected to fully utilize its reserves and need a transfer of \$40,478.48 from the Presley Settlement Fund (Fund 213) to fund these key projects by the close FY 2022/23. Although these projects are designed to improve current conditions, no new or additional significant geologic hazards can be abated in exchange for the relatively small total assessment levy. The GHAD maintains its legal life with the foresight and wisdom that affected property owners might someday wish, or need, to proactively utilize this legal instrument to address hillside movement remediation.

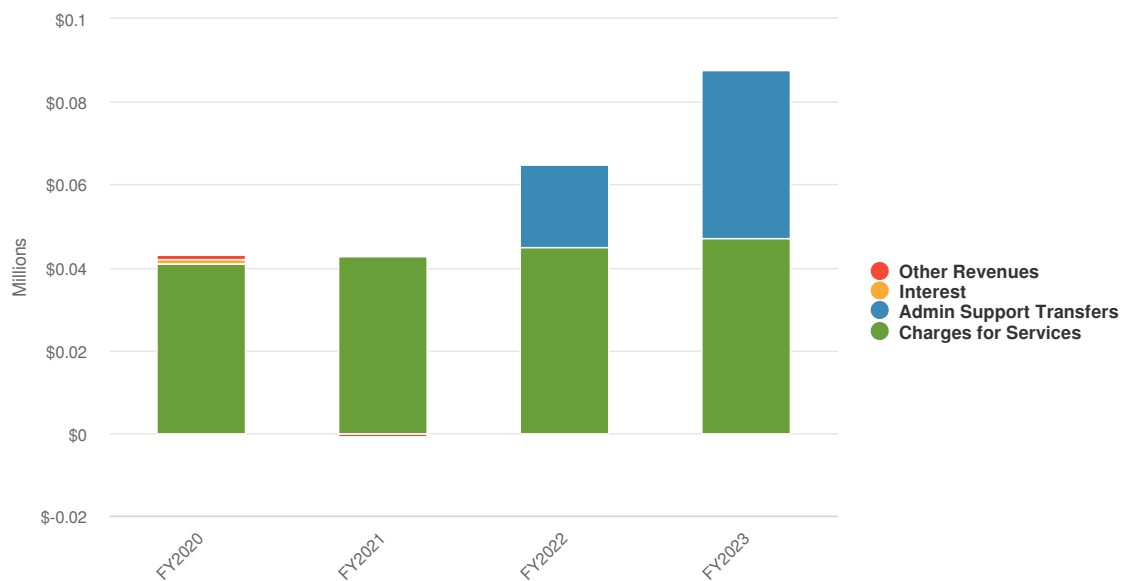
## Summary

The City of Clayton is projecting \$87.8K of revenue in FY2023, which represents a 34.7% increase over the prior year. Budgeted expenditures are projected to increase by 8.2% or \$10.59K to \$138.97K in FY2023.



## Revenues by Source

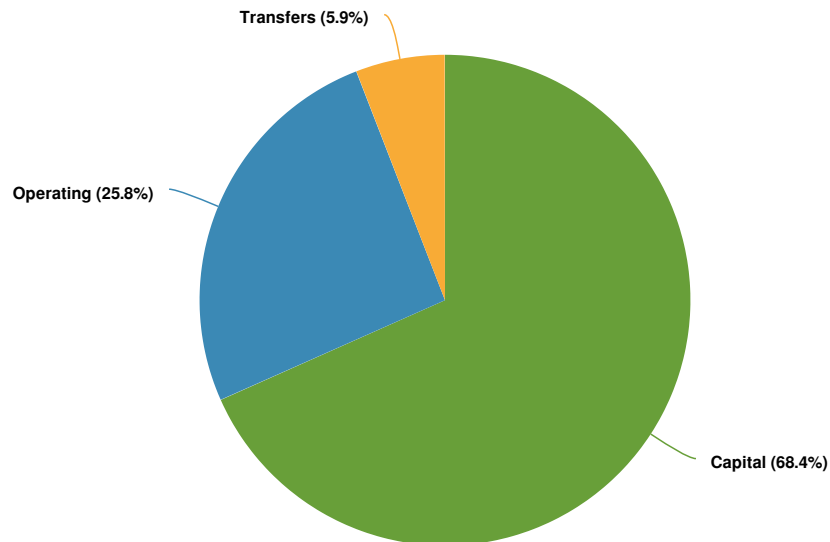
### Budgeted and Historical 2023 Revenues by Source



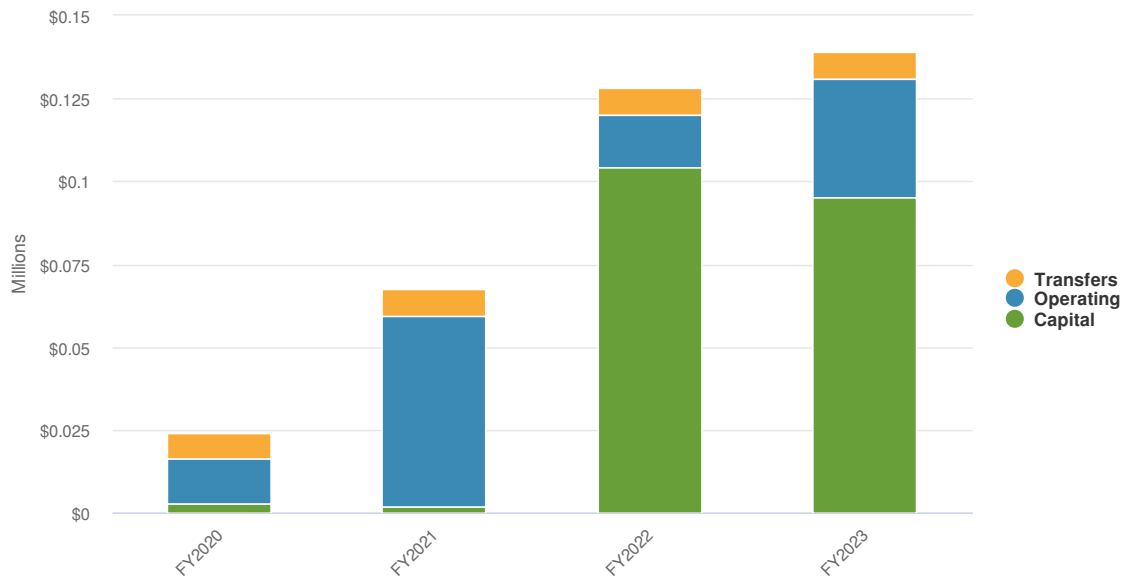
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Oakhurst GHAD Assessment	\$42,778	\$44,894	\$44,894	\$47,108	4.9%
<b>Total Charges for Services:</b>	<b>\$42,778</b>	<b>\$44,894</b>	<b>\$44,894</b>	<b>\$47,108</b>	<b>4.9%</b>
<b>Interest</b>					
Interest	\$320	\$210	\$283	\$210	0%
<b>Total Interest:</b>	<b>\$320</b>	<b>\$210</b>	<b>\$283</b>	<b>\$210</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$632	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$632</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Admin Support Transfers</b>					
Trx from Presley Settlement	\$0	\$20,084	\$20,084	\$40,478	101.5%
<b>Total Admin Support Transfers:</b>	<b>\$0</b>	<b>\$20,084</b>	<b>\$20,084</b>	<b>\$40,478</b>	<b>101.5%</b>
<b>Total Revenue Source:</b>	<b>\$42,466</b>	<b>\$65,188</b>	<b>\$65,261</b>	<b>\$87,796</b>	<b>34.7%</b>

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type

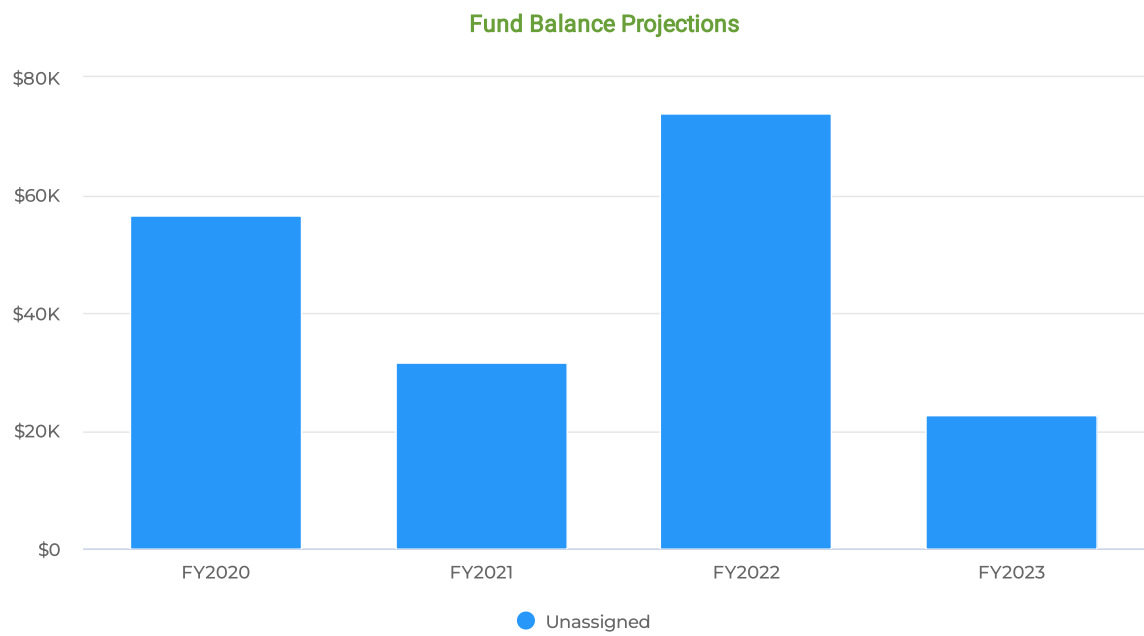


### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Postage	\$850	\$850	\$850	\$850	0%
Liability Insurance	\$6,486	\$7,000	\$5,944	\$7,000	0%
Property Tax Admin. Costs	\$1,038	\$1,550	\$1,550	\$1,550	0%
Legal Notices	\$0	\$100	\$100	\$100	0%
Misc. Expense	\$0	\$300	\$300	\$300	0%
Engineering/Inspection Service	\$49,476	\$5,000	\$5,000	\$25,000	400%
Special Legal Services	\$0	\$1,000	\$1,000	\$1,000	0%
<b>Total Operating:</b>	<b>\$57,849</b>	<b>\$15,800</b>	<b>\$14,744</b>	<b>\$35,800</b>	<b>126.6%</b>
<b>Capital</b>					
Project Costs	\$1,707	\$104,412	\$220	\$95,000	-9%
<b>Total Capital:</b>	<b>\$1,707</b>	<b>\$104,412</b>	<b>\$220</b>	<b>\$95,000</b>	<b>-9%</b>
<b>Transfers</b>					
Transfer To General Fund	\$7,870	\$8,169	\$8,169	\$8,169	0%
<b>Total Transfers:</b>	<b>\$7,870</b>	<b>\$8,169</b>	<b>\$8,169</b>	<b>\$8,169</b>	<b>0%</b>
<b>Total Expense Objects:</b>	<b>\$67,427</b>	<b>\$128,381</b>	<b>\$23,133</b>	<b>\$138,969</b>	<b>8.2%</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Unassigned	\$56,612	\$31,651	\$73,779	\$22,606	-69.4%
Total Fund Balance:	\$56,612	\$31,651	\$73,779	\$22,606	-69.4%





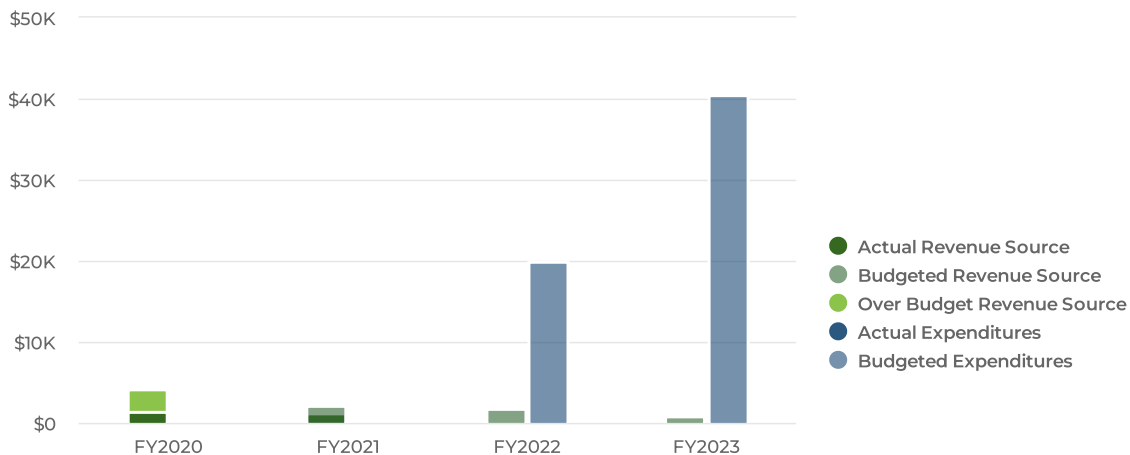
## Presley GHAD Settlement

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

For FY 2022/23 \$40,479 is planned to be used and transferred to the GHAD Fund 212, to cover the GHAD operational/project shortfall. After the inclusion of projected interest earnings to this fund of approximately \$1,000 it is anticipated this fund will end FY 2022/23 with a positive reserve balance of **\$55,711**. These monies may yet be tapped for further area repairs to damaged public infrastructure and/or arrest hillside movement in the future, as well as deficit operations of the GHAD fund.

## Summary

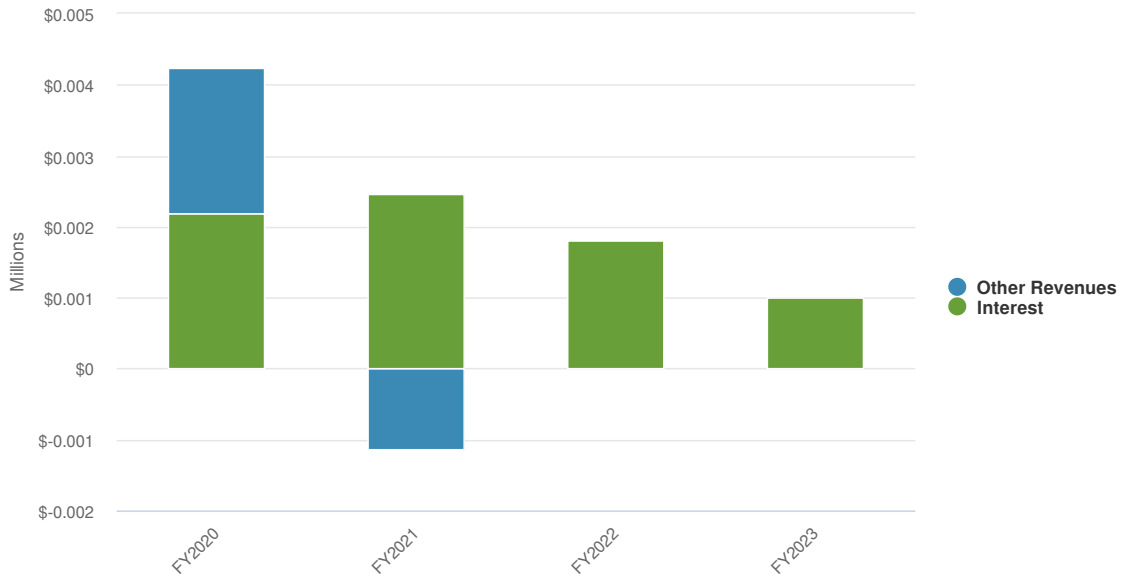
The City of Clayton is projecting \$1K of revenue in FY2023, which represents a 44.4% decrease over the prior year. Budgeted expenditures are projected to increase by 101.5% or \$20.39K to \$40.48K in FY2023.





## Revenues by Source

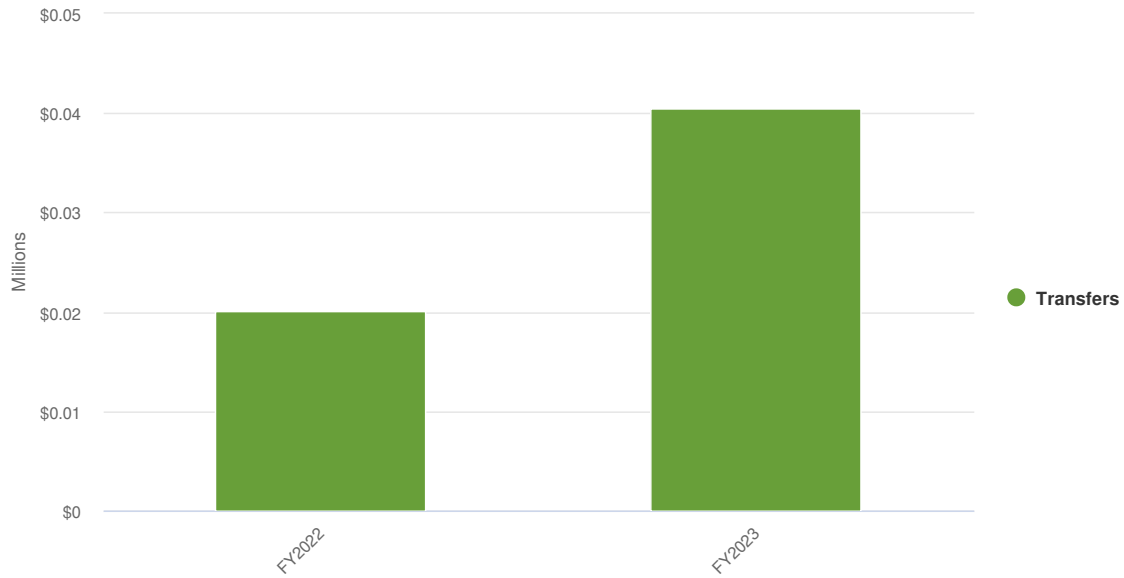
### Budgeted and Historical 2023 Revenues by Source



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Interest</b>					
Interest	\$2,455	\$1,800	\$1,800	\$1,000	-44.4%
<b>Total Interest:</b>	<b>\$2,455</b>	<b>\$1,800</b>	<b>\$1,800</b>	<b>\$1,000</b>	<b>-44.4%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$1,135	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$1,135</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$1,320</b>	<b>\$1,800</b>	<b>\$1,800</b>	<b>\$1,000</b>	<b>-44.4%</b>

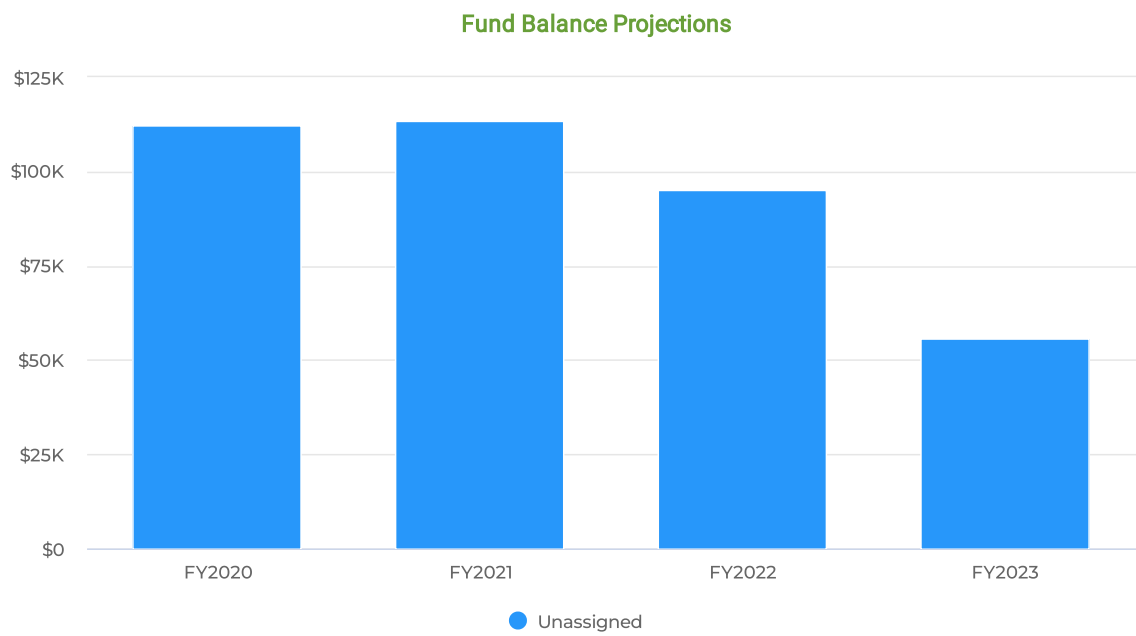
## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>				
<b>Transfers</b>				
Transfer to GHAD	\$20,084	\$20,084	\$40,478	101.5%
<b>Total Transfers:</b>	<b>\$20,084</b>	<b>\$20,084</b>	<b>\$40,478</b>	<b>101.5%</b>
<b>Total Expense Objects:</b>	<b>\$20,084</b>	<b>\$20,084</b>	<b>\$40,478</b>	<b>101.5%</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Unassigned	\$112,153	\$113,473	\$95,189	\$55,711	-41.5%
Total Fund Balance:	\$112,153	\$113,473	\$95,189	\$55,711	-41.5%





## Street Light Assessment District

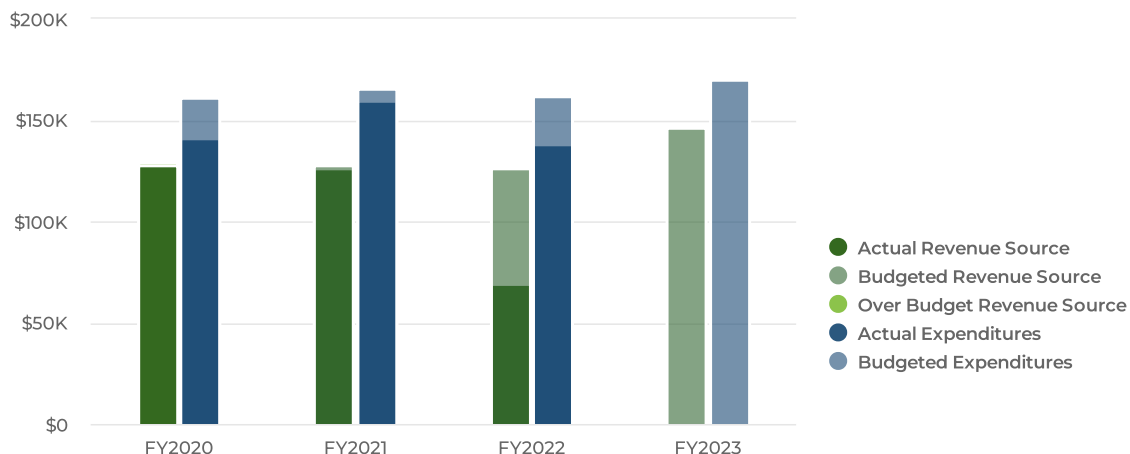
This fund accounts for the operations of the Clayton Neighborhood Streetlight Benefit Assessment District. This restricted-use assessment is collected through the real property tax bill on Clayton residential properties [current assessment ranges from \$8.34 - \$43.54 per residential unit per year]. Since FY 2000/01, the City has not requested or increased the rate charged to real property owners for the public street lights in their neighborhoods. These assessments are restricted for public street light operations and maintenance within residential neighborhoods, excluding arterial streetlights, which are funded through HUTA gas taxes accounted for in a separate restricted-use fund. This fund's proposed budget incorporates the same amount in revenues as last year (\$126,000) since this assessment can only be increased by affirmative vote of the assessed property owners pursuant to the law (Proposition 218). Total proposed appropriations of the fund are \$170,000.

For FY2022/23, it will not be possible to cover all of the costs of streetlights via the assessment revenue, even with fully depleting the reserves. In fact, one alarming projection in the proposed budget is the expectation the gas and electrical line item (account 7335) will now exceed the total assessment of the district by itself.

This fiscal year the City will need to supplement funding in the amount of \$20,403 from another source to continue to fund all streetlight costs on the City's streets. In the near future, the City will need to examine and potentially submit to the voters an assessment increase to sustain the operations and maintenance of these streetlights since power costs have risen along with expenses to replace burned-out streetlamps.

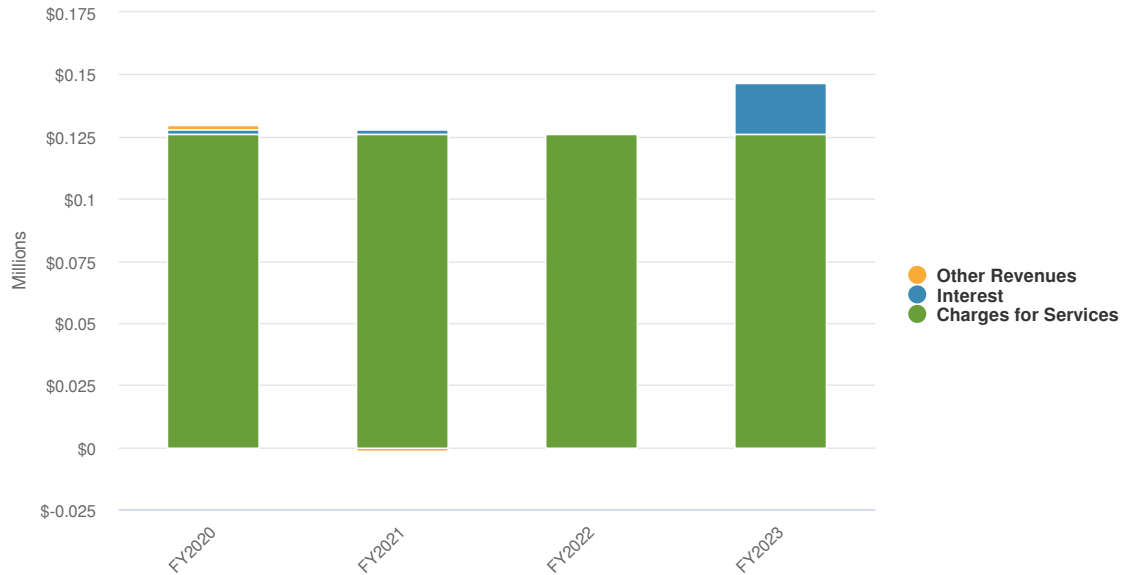
### Summary

The City of Clayton is projecting \$146,725 in revenue in FY2023, which represents a 0.4% decrease over the prior year due to reduced interest earnings. Budgeted expenditures are projected to increase by 4.7% to \$170,006 in FY2023.



## Revenues by Source

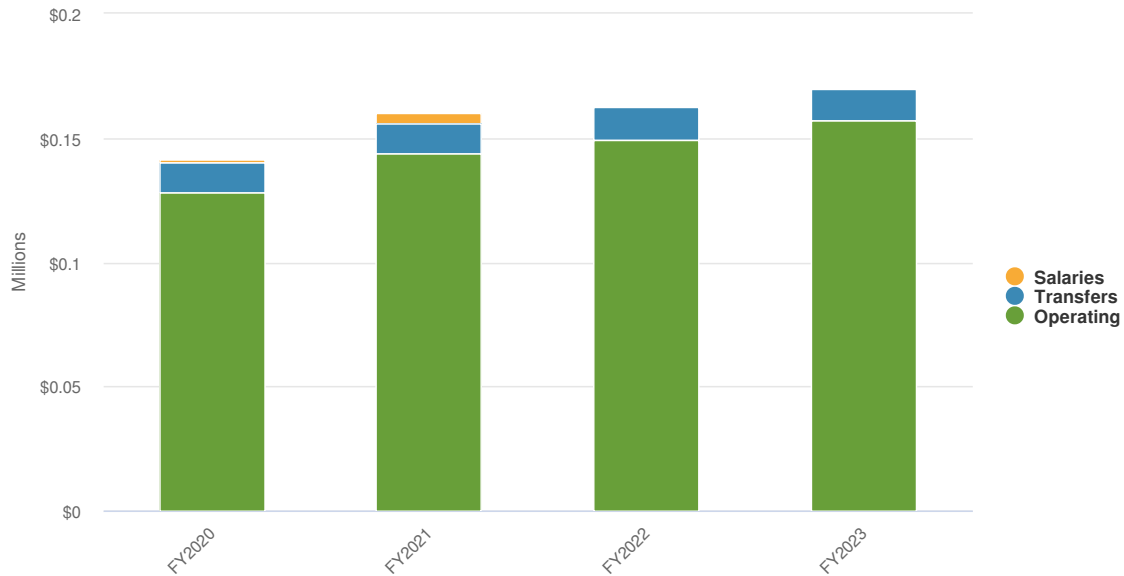
### Budgeted and Historical 2023 Revenues by Source



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Neighborhood Street Light Assessment	\$125,991	\$125,991	\$125,992	\$126,122	0.1%
<b>Total Charges for Services:</b>	<b>\$125,991</b>	<b>\$125,991</b>	<b>\$125,992</b>	<b>\$126,122</b>	<b>0.1%</b>
<b>Interest</b>					
Interest	\$1,951	\$800	\$807	\$200	-75%
Transfer from Fund 111	\$0	\$0	\$0	\$20,403	N/A
<b>Total Interest:</b>	<b>\$1,951</b>	<b>\$800</b>	<b>\$807</b>	<b>\$20,603</b>	<b>2,475.4%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$1,276	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$1,276</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$126,666</b>	<b>\$126,791</b>	<b>\$126,799</b>	<b>\$146,725</b>	<b>15.7%</b>

# Expenditures by Expense Type

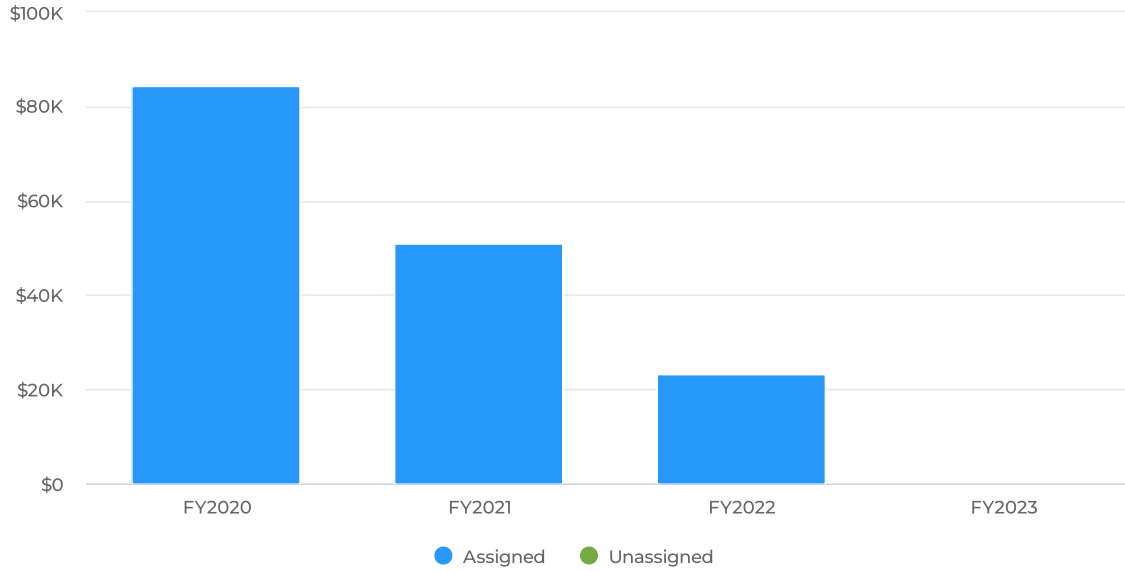
## Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$518	\$0	\$0	\$0	N/A
Overtime	\$3,681	\$0	\$0	\$0	N/A
<b>Total Salaries:</b>	<b>\$4,199</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Operating</b>					
General Supplies	\$0	\$500	\$500	\$0	-100%
Gas & Electric Services	\$120,201	\$127,600	\$121,434	\$135,000	5.8%
Property Tax Admin. Costs	\$3,680	\$3,680	\$3,680	\$5,000	35.9%
Misc. Expense	\$0	\$330	\$0	\$0	-100%
Engineering/Inspection Service	\$5,050	\$1,000	\$0	\$0	-100%
Other Professional Services	\$233	\$250	\$0	\$0	-100%
Street Light Maintenance	\$14,411	\$16,000	\$15,767	\$17,000	6.3%
<b>Total Operating:</b>	<b>\$143,575</b>	<b>\$149,360</b>	<b>\$141,381</b>	<b>\$157,000</b>	<b>5.1%</b>
<b>Transfers</b>					
Transfer To General Fund	\$12,530	\$13,006	\$13,006	\$13,006	0%
<b>Total Transfers:</b>	<b>\$12,530</b>	<b>\$13,006</b>	<b>\$13,006</b>	<b>\$13,006</b>	<b>0%</b>
<b>Total Expense Objects:</b>	<b>\$160,304</b>	<b>\$162,366</b>	<b>\$154,387</b>	<b>\$170,006</b>	<b>4.7%</b>

# Fund Balance

Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Unassigned	\$0	\$0	\$0	\$0	0%
Assigned	\$84,507	\$50,869	\$23,281	\$0	-100%
<b>Total Fund Balance:</b>	<b>\$84,507</b>	<b>\$50,869</b>	<b>\$23,281</b>	<b>\$0</b>	<b>-100%</b>



## Stormwater Assessment

This account manages collection and use of Stormwater Equivalent Runoff Units (ERU) levied locally to assist the City in compliance with unfunded State-mandated regulations through our National Pollution Discharge Elimination System (NPDES) Permit. Case law has now confirmed (previously challenged and lost by southern California cities) Regional Water Quality Control Boards do indeed have authority to levy unfunded mandates against pollutant dischargers (cities and counties) by virtue of the federal Clean Water Act and the California Porter-Cologne Water Quality Control Act.



## Stormwater Assessment Operations

By previous Council action long ago, this real property tax levy was maximized at its allowable cap in year 2000, which is projected to net the City \$74,109 for local use in FY 2021/22. In reality, the assessment generates higher gross revenues (\$126,306), however the following purposes snag portions of the City's local levy before ever touching our local coffers:

Contra Costa [Cities] Clean Water Program	\$ 34,397
Commercial Building Inspections by Sanitary Dist.	\$8,000
County Auditor-Controller Administrative Fee	\$3,800
Reserve Fund for the Clean Water Program	\$3,000
Flood Control District Management Expense	\$3,000
<hr/>	
<b>Total Revenue Offsets:</b>	\$ 52,197
	41.32%

In addition the City must pay an annual NPDES Regional Discharger Fee to the State projected to be approximately \$9,000, further dipping into the annual local assessment levied by the City.

The City's 5-year Stormwater Permit (MRP) is issued by the San Francisco Regional Water Quality Control Board. Public agencies, including Clayton, are now under requirements to elevate enforcement, monitoring measures, and treatment projects each year to ensure cleaner stormwaters. This permit, called MRP 2.0, was issued in 2016. The permit contains additional and enhanced requirements for cities such as: managing litter that can get into its drainage and creeks from private and public properties; PCB and Mercury pollutant testing/monitoring; maintenance and enforcement activities; "green infrastructure" which would set forth standards for cities to redirect existing storm drainage water from streets, sidewalks and parking lots and buildings into landscape areas; and enhanced Integrated Pest Management (IPM) policies, practices and mandatory training and certifications. These additional permit terms will continue to impact the Stormwater fund's reserves. As other cities in the state are experiencing similar funding constraints, State legislation (SB 231) did allow for consideration by the voters through a Prop 218 process to address some Stormwater improvements; however the legislation did not fully rectify the needs of local cities as it related to the permit mandates. The next permit (MRP 3.0) has been approved for use beginning in FY 2022/23 and will likely contain even more unfunded mandates.

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

The GI mandate has two main elements to be implemented:

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

The Green Infrastructure Plan requirements and deadlines are:

- Prepare a framework or workplan to be approved by the Permittee's City Manager or governing body, and submit it to the SF Regional Water Board with its FY 2016/17 Annual Report. This was completed in October 2018.
- Prepare a Green Infrastructure Plan and show estimated costs/budget for a GI projects and submit it to the SF Regional Water Board with the 2019 Annual Report.

The permit requires the Annual Report include: a review of current infrastructure (capital improvement) projects; preparation of a list of infrastructure projects planned for implementation with potential for GI measures; and an annual review, update, and submission of the list. Specifically, this list must include: *"a summary of how each public infrastructure project with green infrastructure potential will include green infrastructure measures to the maximum extent practical during the permit term. For any public infrastructure project where implementation of green infrastructure measures is not practicable, submit a brief description for the project and the reasons green infrastructure measures were impracticable to implement."*

The purpose of the GI Plan is to identify opportunities and projects, and include and incorporate them into its planned Capital Improvement Plan (CIP). Each public agency's Plan is intended to serve as an implementation and reporting tool, to set goals for reducing over the long term, the adverse water quality impacts of existing and new urban runoff on receiving waters.

City staff reviewed and compiled an initial list of its City Council approved CIP budget projects and submitted it with its FY 2015/16 Annual Report, and has updated it thereafter as needed in its Annual Report filings. During FY 2019/20 a City staff working group consisting of the Stormwater Manager/Assistant to the City Manager, City Engineer, and Community Development Director, along with outside consultants prepared Clayton's draft GI Plan. This work effort was funded by a City Council earmark of \$50,000 of FY 2016/17 General Fund annual excess monies. In April 2019 the City Council authorized a consultant contract to prepare this plan, which was filed with the Annual Report as required in the permit in October 2019. [Of the \$50,000 allocated only \$18,685 was utilized, the residual (\$31,315) was placed in the Rainy Day Fund 110 for future allocation].

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

As noted previously, the current permit contains mandated trash reduction requirements which are met through the implementation of the full trash capture devices. The City has installed and maintains twenty-five (25) devices in its four (4) designated trash management areas. Through this effort we have been able to achieve a 100% reduction in trash load baseline, and thereby permit compliance. The City of Clayton is one of only a few Bay Area cities to have already achieved this goal. However, recent refinements by the SF Regional Water Board to this requirement may mandate the installation and maintenance of additional full trash capture devices to remain in compliance.

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

Such permit conditions necessitate ever-increasing expenditures (for reports, studies, documentation, monitoring and projects) which will eventually consume current levy revenues. However, no new funds exist to help address these state mandates. Initial staff analyses reveal an additional \$225,000 to \$515,000 in annual costs could someday impact the City's fiscal operations for current and future state-mandated stormwater purpose alone. Only a Proposition 218 voter approval action can increase the levied rates. The failure of the Clean Water Coalition's Proposition 218 ballot in FY 2012/13 to raise levy revenues turned aside a potential \$93,700 for use in meeting state unfunded mandates for cleaner stormwaters. Since the City reached its parcel levy cap twenty-one (21) years ago there have been an astounding 512 additional permit requirements mandated by the SF Regional Water Board, with no increase in revenue to offset the associated costs, resulting in an erosion of the Stormwater Fund's reserves.

In the FY 2022/23 budget, the City's stormwater costs under the permit regulations exceed available revenues by approximately \$28,243. Fortunately, the proposed budget projects the Stormwater Fund will begin next year with a positive reserve balance of **\$36,742**, which is sufficient to cover the anticipated unavoidable operating deficit. The depletion of the Stormwater Fund's reserve balance over past several years is a direct result of added permit requirements imposed by the Regional Board in 1996 (referred to as "C-3 amendments"), MRP 1.0 (issued in 2010), and the current MRP 2.0 (issued in November 2015). All of these were state-imposed unfunded mandates, and the forthcoming MRP 3.0 will only exacerbate this fund's fiscal crisis.

Total budgeted FY 2022/23 labor-related expenditures are \$47,607, including contracted seasonal labor, are necessary for the City's maintenance of the municipal storm drain system including annual debris clearance of creeks and drainage ways as well as proactive measures for the prevention of pollutants into these waters, which ultimately emerge into the San Francisco – Oakland Bay. Educational materials and supplies are also part of the Stormwater Fund's budget, along with our membership in the Contra Costa County Clean Water Program. Recoverable expenses include the portion of staff time when working on clean water issues, programs, while Regional Water Quality Control Board directives target specific programs (i.e. "diaper" inserts in storm drain inlets) and local enforcement (i.e. fines). City administrative staff expends a significant portion of time

(approximately one-third or more) engaged in the management, administration and implementation of this federal and state mandated program for cleaner runoff waters. As such, the proposed budgeted transfer of \$41,966 to the City's General Fund to partially offset this incurred staff time as well as administrative and fiscal support costs is both reasonable and essential.

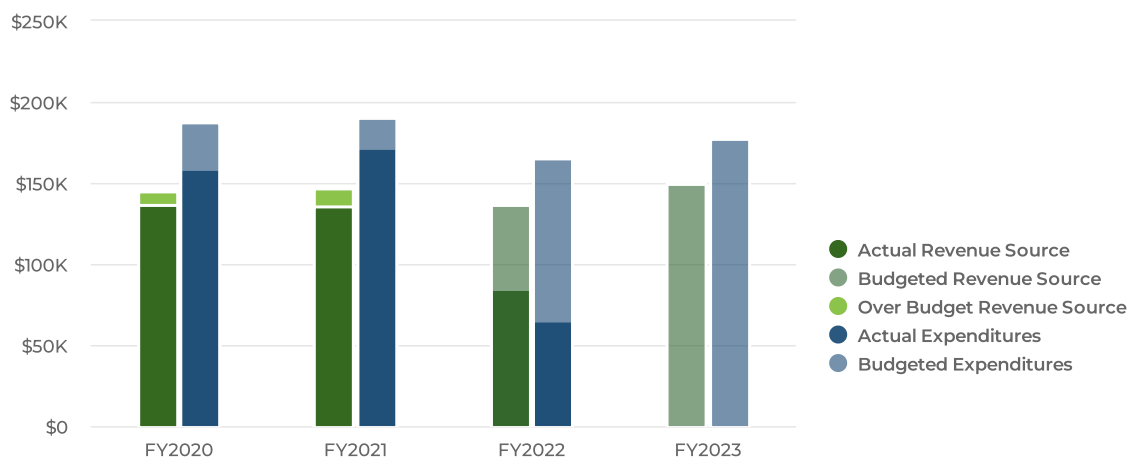
Total FY 2022/23 street sweeping costs are estimated at \$57,200 to cover monthly street sweeping services. Street sweeping services are paid through this fund as a program component of cleaner stormwater from street gutters. To clarify a common misconception, public streets and gutters are swept monthly to mitigate roadway pollutants from entering the storm drain system, not for street aesthetics or as the substitute broom for an abutting property owner's sweeping/clearance of leaves and debris from the front and/or side yard curbs of one's property. Offsetting revenue for this street sweeping is tendered by real property owners through their trash bills which is projected to be an equal and offsetting \$57,200.

Annual expenditures are incorporated into the proposed budget for required contracted services including: \$2,000 for engineering services, \$1,720 estimated for other professional services (i.e. bioswale inspections, etc.), and \$1,200 for contracted services for building/grounds maintenance (i.e. drainage insert cleaning, emergency tree removal, clearing, etc.). As needed contracted engineering services will assist in providing the City's response to state-mandates for performing additional drainage/GI analysis, evaluation and annual reporting of our mapped "trash management areas", and PCB analysis. The City Council has addressed the stormwater impact caused by new private construction activities and newer private developments through the requirement of self-supporting mechanisms and has implemented cost recovery through the establishment of fees for homeowners association and benefit assessment districts. Accordingly, new development generally has minimal to no net budgetary impact on either the Stormwater fund or the City's General Fund.

As noted previously, the Stormwater fund is projected to open FY 2022/23 with approximately \$36,742 in reserves, and projects a year-end fund balance of \$8,500 on June 30, 2023, nearly completely depleting the fund balance. At this rate, and with additional requirements associated with the new permit (MRP 3.0), the Stormwater fund will be oversubscribed beginning in FY2023/24, with the only sources of discretionary funds to patch the mandated gap being an annual budgeted operational subsidy from the Rainy Day Fund 110 or General Fund. Absent a new or increased funding source, the first course of action would likely result in either a reduction of permit compliance potentially triggering SF Regional Board action of fines of up to \$10,000 per day and/or other legal actions/financial penalties, or reduction in other non-mandated city services.

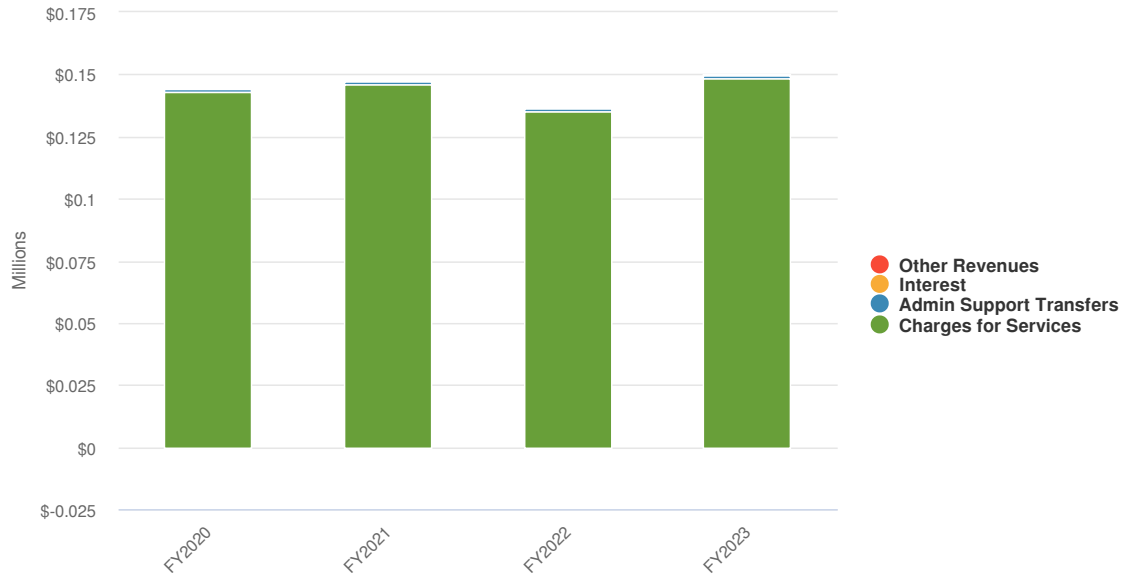
## Summary

The City of Clayton is projecting \$149,950 of revenue in FY2023, which represents a 9.6% increase over the prior year. Budgeted expenditures are projected to increase by 7.6% to \$178,193 in FY2023.



## Revenues by Source

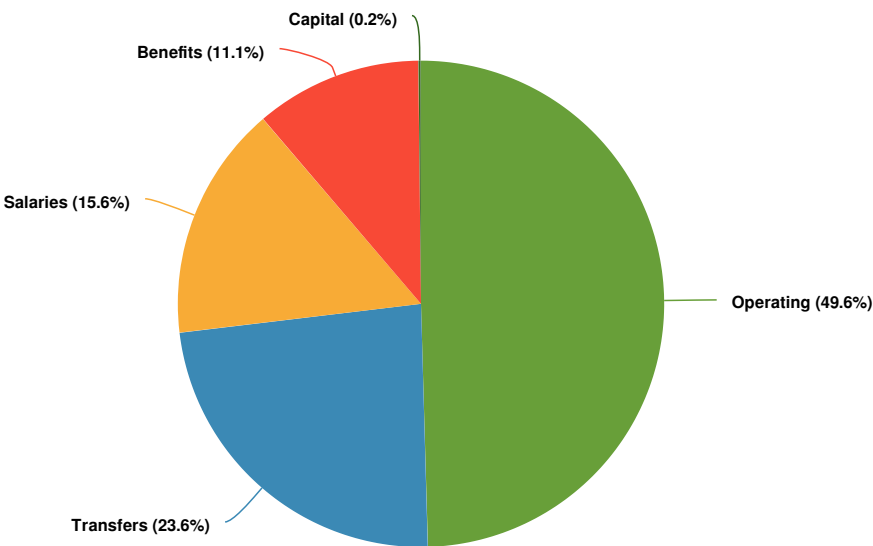
### Budgeted and Historical 2023 Revenues by Source



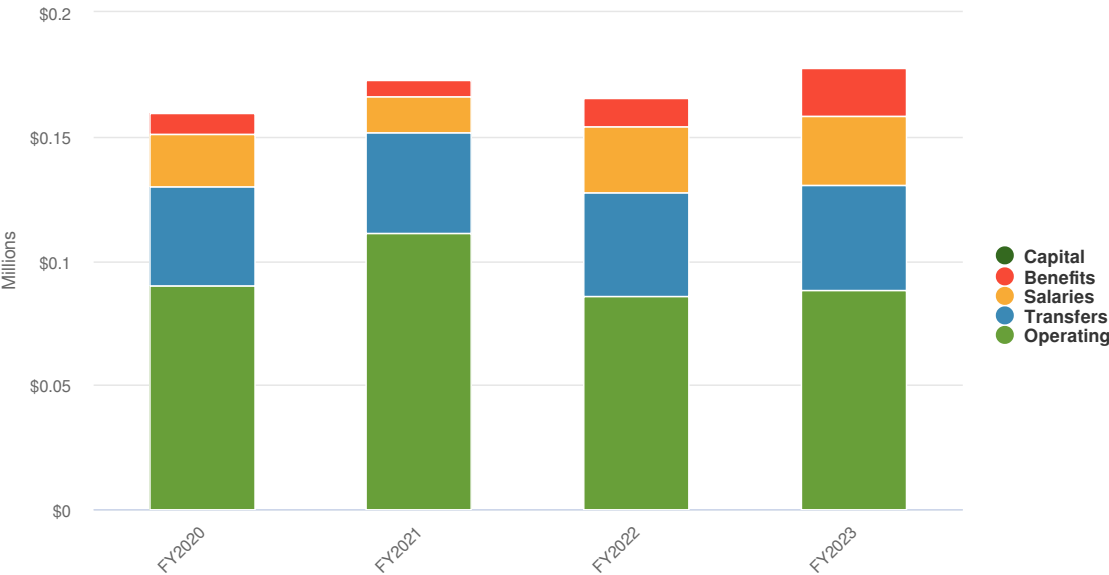
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Stormwater Assessment	\$86,401	\$74,109	\$84,000	\$84,000	13.3%
Stormwater O&M Annual Fee	\$0	\$5,020	\$5,020	\$5,020	0%
Street Sweeping Fees	\$59,430	\$55,900	\$59,200	\$59,200	5.9%
<b>Total Charges for Services:</b>	<b>\$145,830</b>	<b>\$135,029</b>	<b>\$148,220</b>	<b>\$148,220</b>	<b>9.8%</b>
<b>Interest</b>					
Interest	\$1,000	\$600	\$600	\$600	0%
<b>Total Interest:</b>	<b>\$1,000</b>	<b>\$600</b>	<b>\$600</b>	<b>\$600</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$398	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$398</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Admin Support Transfers</b>					
Trx. From Landscape Mtnce.	\$1,130	\$1,130	\$1,130	\$1,130	0%
<b>Total Admin Support Transfers:</b>	<b>\$1,130</b>	<b>\$1,130</b>	<b>\$1,130</b>	<b>\$1,130</b>	<b>0%</b>
<b>Total Revenue Source:</b>	<b>\$147,562</b>	<b>\$136,759</b>	<b>\$149,950</b>	<b>\$149,950</b>	<b>9.6%</b>

# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



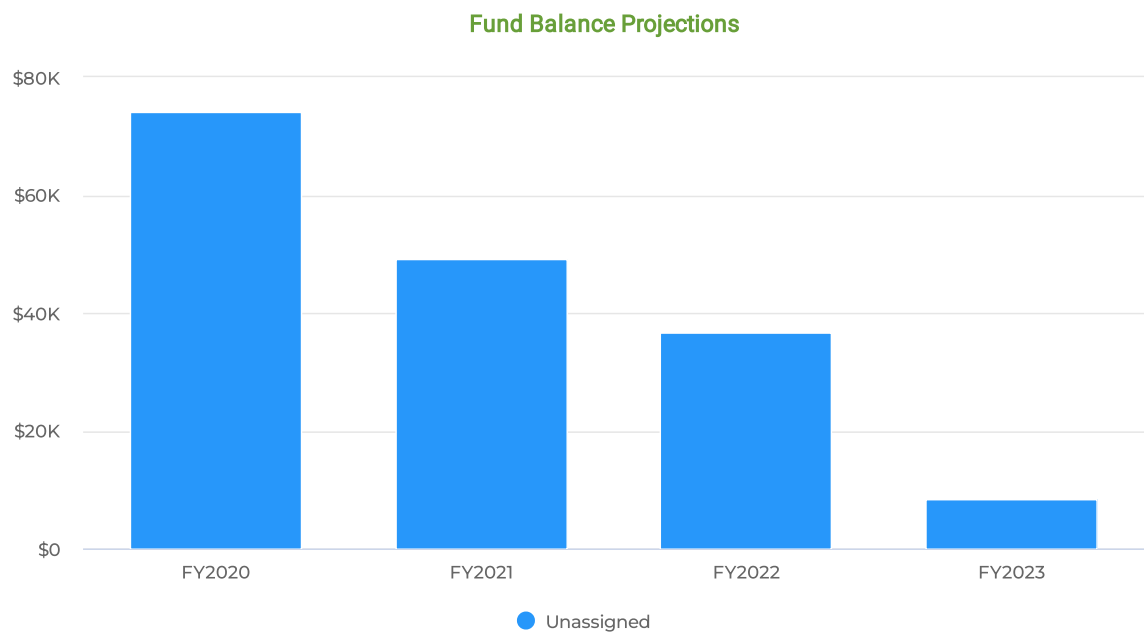
Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$14,310	\$23,776	\$23,776	\$27,882	17.3%
Temporary Salaries	\$578	\$2,635	\$2,635	\$0	-100%
Overtime	\$123	\$0	\$0	\$0	N/A
<b>Total Salaries:</b>	<b>\$15,011</b>	<b>\$26,411</b>	<b>\$26,411</b>	<b>\$27,882</b>	<b>5.6%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$73	\$206	\$206	\$274	32.8%
PERS Retirement-Normal Cost	\$1,285	\$2,197	\$2,197	\$2,359	7.4%
PERS Retirement - Unfunded Liability	\$1,307	\$2,954	\$2,954	\$5,016	69.8%
Workers' Compensation	\$1,083	\$992	\$992	\$1,193	20.2%
Unemployment Compensation	\$0	\$526	\$526	\$62	-88.3%
FICA Taxes	\$286	\$546	\$546	\$0	-100%
Benefit Insurance	\$2,245	\$4,301	\$4,301	\$10,822	151.6%
<b>Total Benefits:</b>	<b>\$6,278</b>	<b>\$11,722</b>	<b>\$11,722</b>	<b>\$19,725</b>	<b>68.3%</b>
<b>Operating</b>					
General Supplies	\$2,551	\$1,000	\$2,650	\$2,500	150%
Buildings/Grounds Maintenance	\$24,349	\$1,200	\$1,200	\$1,200	0%
Vehicle Maintenance	\$712	\$2,000	\$800	\$1,000	-50%
Vehicles: Gas, Oil & Supplies	\$720	\$2,000	\$500	\$1,000	-50%
Street Sweeping	\$53,775	\$55,900	\$54,000	\$57,200	2.3%
Engineering Services	\$0	\$2,000	\$2,000	\$2,000	0%
Other Professional Services	\$205	\$1,720	\$1,720	\$1,720	0%
Contract Seasonal Labor	\$14,938	\$6,000	\$4,000	\$6,000	0%
State Regional Annual Discharge Fee	\$8,992	\$9,000	\$10,602	\$11,000	22.2%
CERF Charges/Depreciation	\$4,700	\$4,700	\$4,700	\$4,700	0%
<b>Total Operating:</b>	<b>\$110,942</b>	<b>\$85,520</b>	<b>\$82,172</b>	<b>\$88,320</b>	<b>3.3%</b>
<b>Capital</b>					
Project/Program Costs - Outreach	\$0	\$0	\$0	\$300	N/A
<b>Total Capital:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300</b>	<b>N/A</b>
<b>Transfers</b>					
Transfer To General Fund	\$40,430	\$41,966	\$41,966	\$41,966	0%
<b>Total Transfers:</b>	<b>\$40,430</b>	<b>\$41,966</b>	<b>\$41,966</b>	<b>\$41,966</b>	<b>0%</b>
<b>Total Expense Objects:</b>	<b>\$172,660</b>	<b>\$165,619</b>	<b>\$162,271</b>	<b>\$178,193</b>	<b>7.6%</b>



# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Unassigned	\$74,161	\$49,063	\$36,742	\$8,499	-76.9%
Total Fund Balance:	\$74,161	\$49,063	\$36,742	\$8,499	-76.9%



This restricted-use special revenue fund tracks the receipt and expenditure of revenues from the ½ cent sales tax levy approved by County voters in 1988 (Measure C) to provide regional and local transportation and street improvements, a growth management process, and a regional planning process to address quality of life issues. One of the program components of the Measure is its “Return to Local Source” monies wherein cities fully complying with the Measure’s Growth Management Program (GMP) Checklist are eligible to receive an annual allocation of monies for local streets and roads maintenance. Disbursement of these monies hinges on a city earning and maintaining a certified Housing Element (either by the California Department of Housing and Community Development [HCD] or via self-certification), and filing a biennial Compliance Checklist. The Contra Costa Transportation Authority (CCTA), cities, and the Contra Costa County were successful in 2004 in obtaining voter approval of Measure J, which extended the authorization of the current sales tax in the County for an additional 25 years beyond Measure C’s expiration on March 31, 2009. Accordingly, Measure J is now in effect.

A letter to the City from HCD dated December 11, 2014 stated *“The Department is pleased to find the adopted housing element in full compliance with State housing element law”*. This letter effectively covers the City’s compliance with housing element requirements for eight (8) years from the date of issuance. In addition, with CCTA’s acceptance of the City’s most recent Compliance Checklist covering calendar years 2016 and 2017, the City is eligible to receive its full Measure J Local Streets Maintenance (LSM) or “Return to Local Source” funds for FY 2018/19 and FY 2019/20. The next biennial CCTA Compliance Checklist is scheduled to be presented to the City Council for approval sometime in the near future covering calendar years 2018 and 2019. For FY 2021/22 the City projects to receive “Return to Local Source” funds in an amount totaling \$239,204. This revenue, along with future Measure J revenue would be available for future eligible CIP transportation projects.



## Measure J

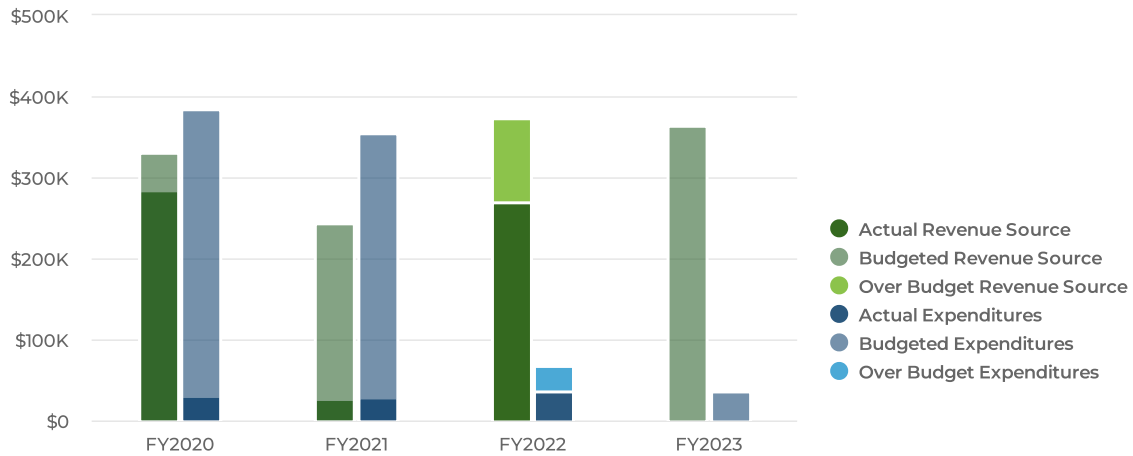
In addition to this funding, on October 7, 2014 the City signed a cooperative agreement with CCTA and its member cities to receive Program 28a grant funding for Sub-regional Transportation Needs. The co-operative agreement stipulated funds will be allocated starting in January 2015, and then each November until 2034 using a 50/50 population and road miles split formula. In FY 2021/22 the City is estimated to receive an additional \$31,072 per the co-operative agreement, which will also be available for future eligible projects.

For FY2021/22, a total of \$417,178 will ultimately be spent on capital projects including the 2022 Neighborhood Pavement Preservation Project that were not approved until after the FY2021/22 Budget was adopted. For FY2022/23, the only planned expenditure is for the City's participation in the Regional Transportation Planning Group, TRANSPAC. Additional capital expenditures may be brought during the course of the year as it is anticipated that there will be funding available of \$335,164 based on anticipated revenues for the year.



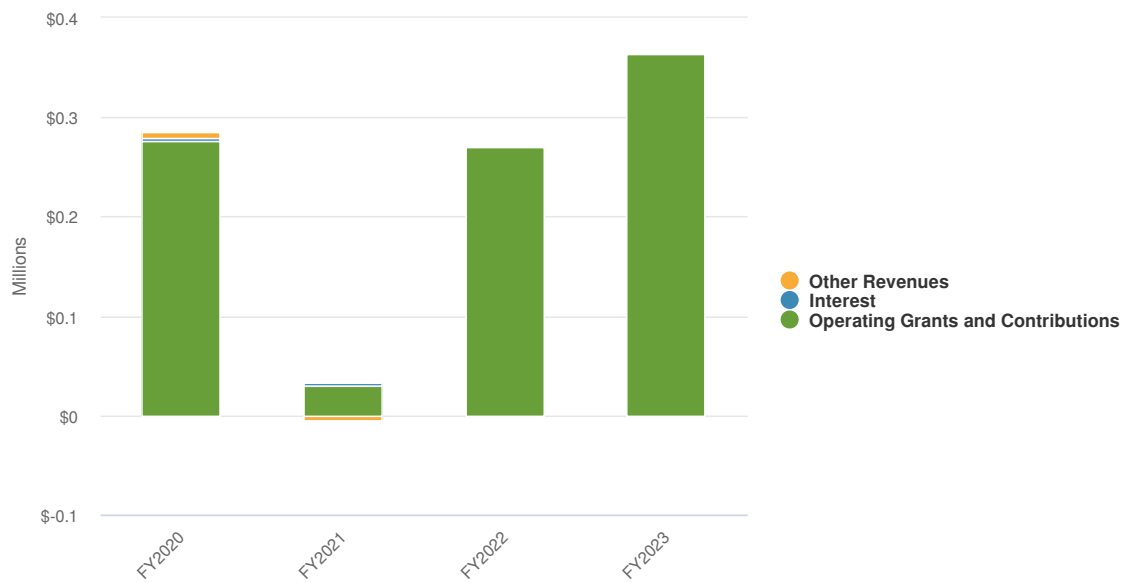
## Summary

The City of Clayton is projecting \$364.72K of revenue in FY2023, which represents a 34.5% increase over the prior year. Budgeted expenditures are projected to increase by 0.7% to \$37.33K in FY2023 absent additional capital spending.



## Revenues by Source

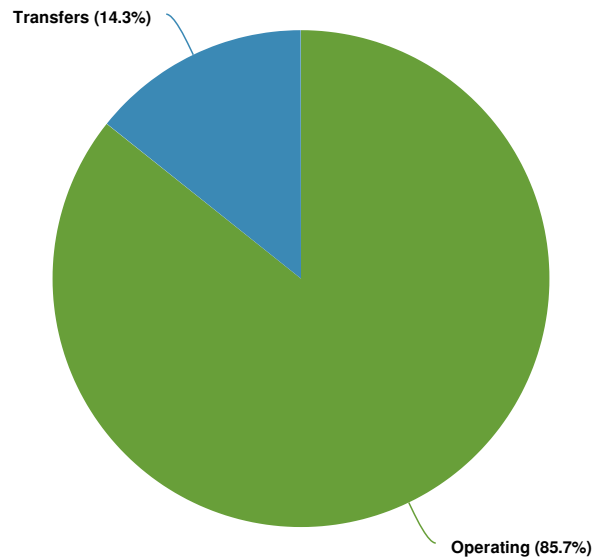
### Budgeted and Historical 2023 Revenues by Source



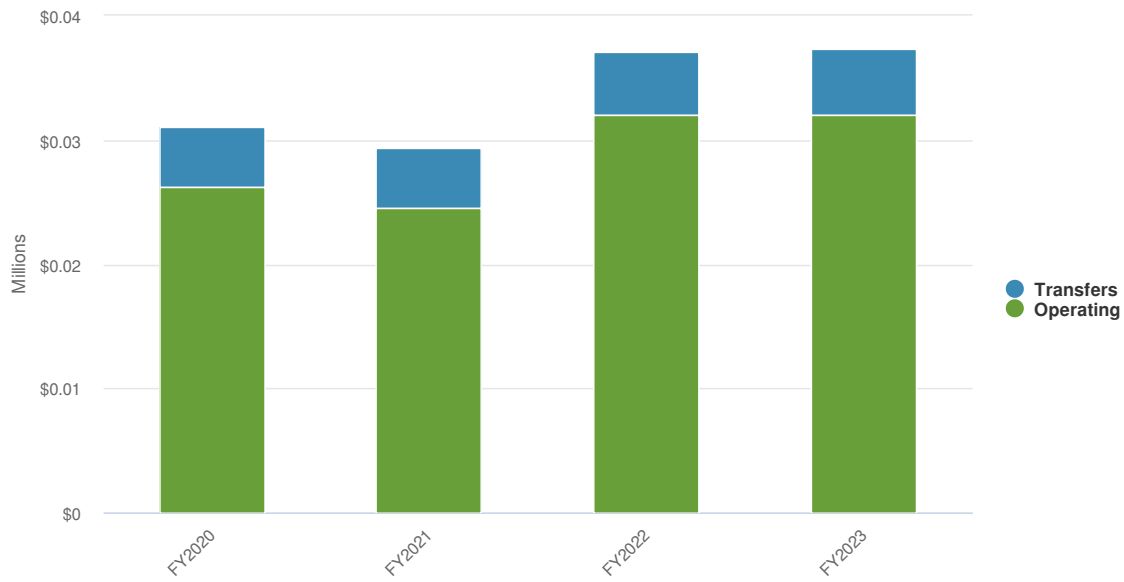
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Operating Grants and Contributions</b>					
Measure J Funds (Local Streets)	\$0	\$239,204	\$306,715	\$334,140	39.7%
Measure J Program 28a (Co-op)	\$30,576	\$31,072	\$68,170	\$29,680	-4.5%
<b>Total Operating Grants and Contributions:</b>	<b>\$30,576</b>	<b>\$270,276</b>	<b>\$374,885</b>	<b>\$363,820</b>	<b>34.6%</b>
<b>Interest</b>					
Interest	\$2,193	\$900	\$900	\$900	0%
<b>Total Interest:</b>	<b>\$2,193</b>	<b>\$900</b>	<b>\$900</b>	<b>\$900</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$5,427	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$5,427</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$27,343</b>	<b>\$271,176</b>	<b>\$375,785</b>	<b>\$364,720</b>	<b>34.5%</b>

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type

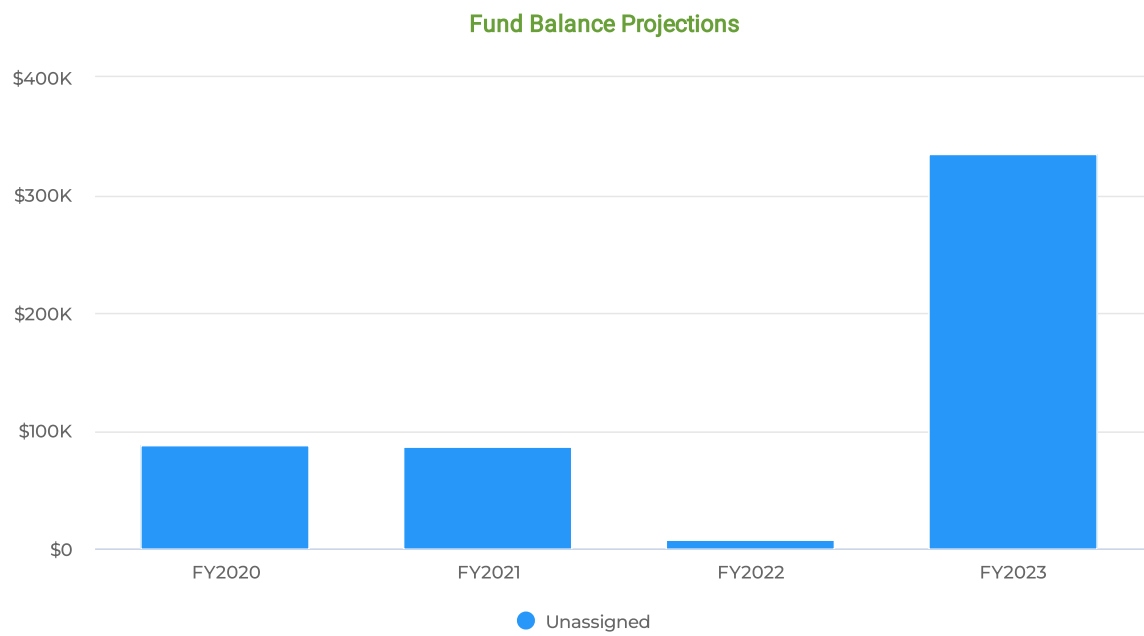


### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Dues and Subscriptions	\$1,209	\$2,000	\$2,000	\$2,000	0%
TRANSPAC Fees	\$23,292	\$30,000	\$30,000	\$30,000	0%
<b>Total Operating:</b>	<b>\$24,501</b>	<b>\$32,000</b>	<b>\$32,000</b>	<b>\$32,000</b>	<b>0%</b>
<b>Transfers</b>					
Transfer To General Fund	\$4,890	\$5,076	\$5,076	\$5,330	5%
Transfer to CIP Fund	\$0	\$0	\$417,178	\$0	N/A
<b>Total Transfers:</b>	<b>\$4,890</b>	<b>\$5,076</b>	<b>\$422,254</b>	<b>\$5,330</b>	<b>5%</b>
<b>Total Expense Objects:</b>	<b>\$29,391</b>	<b>\$37,076</b>	<b>\$454,254</b>	<b>\$37,330</b>	<b>0.7%</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Unassigned	\$88,291	\$86,243	\$7,774	\$335,164	%
Total Fund Balance:	\$88,291	\$86,243	\$7,774	\$335,164	%



This restricted-use special revenue fund accounts for the impact fees the City has collected from new development within the community. Revenues are private development driven and restricted for use based on the purpose of the impact fee. In recent years, minor development impact fees collected have pertained to relatively small two to six lot developments or accessory dwelling units. Since no new development occurred there were no additional development impact fees received in FY 2021/22, and none projected for FY 2021/22 at this time. Additionally, recent State legislation no longer allows for the collection of these fees for accessory dwelling units. The sole revenue source budgeted in FY 2022/23 is from interest earnings projected to total \$4,000, which is allocated on a quarterly basis to each respective impact fee account.



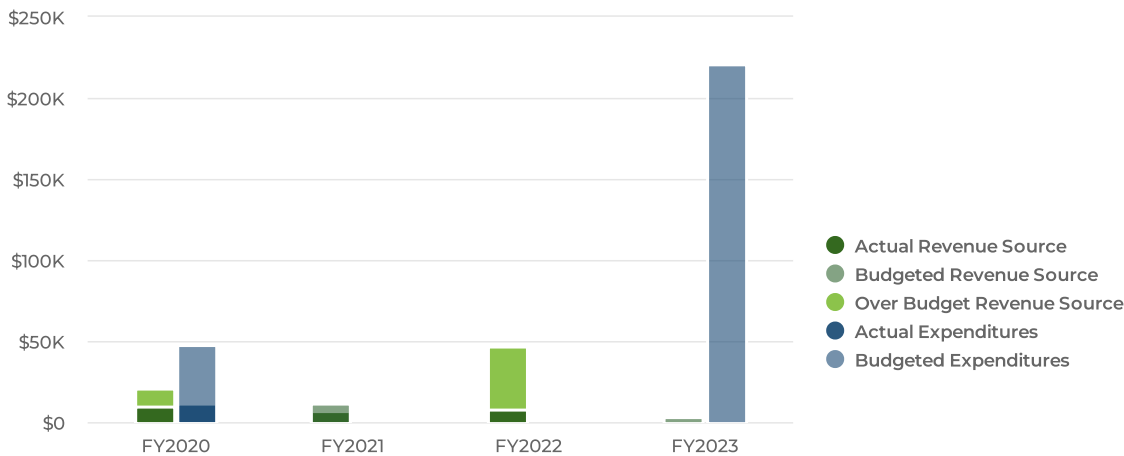
### Development Impact Fees

New community development may result in the collection of additional fees, and trigger the necessity to plan new projects to mitigate the increased city costs associated with development expansion. That being said, it is reasonably possible amendments may be required during FY 2021/22 to appropriately reflect new projects to address the demands of more development. Although \$49,838 was budgeted in 2019/20 to utilize unspent Childcare Fee reserves for eligible purposes, and not expended, and a \$12,012 in expense during FY 2019/20 for review of the open space development impact fee.

For FY2022/23, the Proposed Budget reflects spending of balances reflects collected from Developer Fees for prior projects, specifically for the types of uses collected. A total of \$221,074 is recommended for expenditure which is made of \$48,000 for the completion of ADA work at North Valley Park and \$173,074 to help complete a grant-funded project for improvements at Clayton Community Park. This will leave a balance of \$365,586 at FY2022/23 year end.

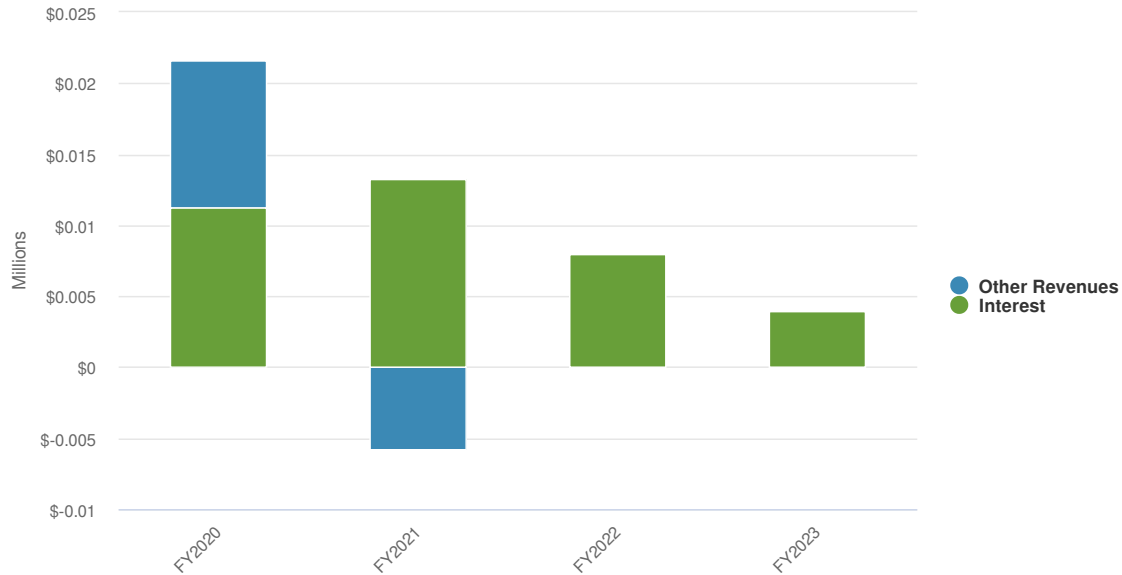
### Summary

The City of Clayton is projecting \$4K of revenue in FY2023, which represents a 50% decrease over the prior year. Budgeted expenditures are projected to increase to \$221.07K in FY2023.



## Revenues by Source

### Budgeted and Historical 2023 Revenues by Source



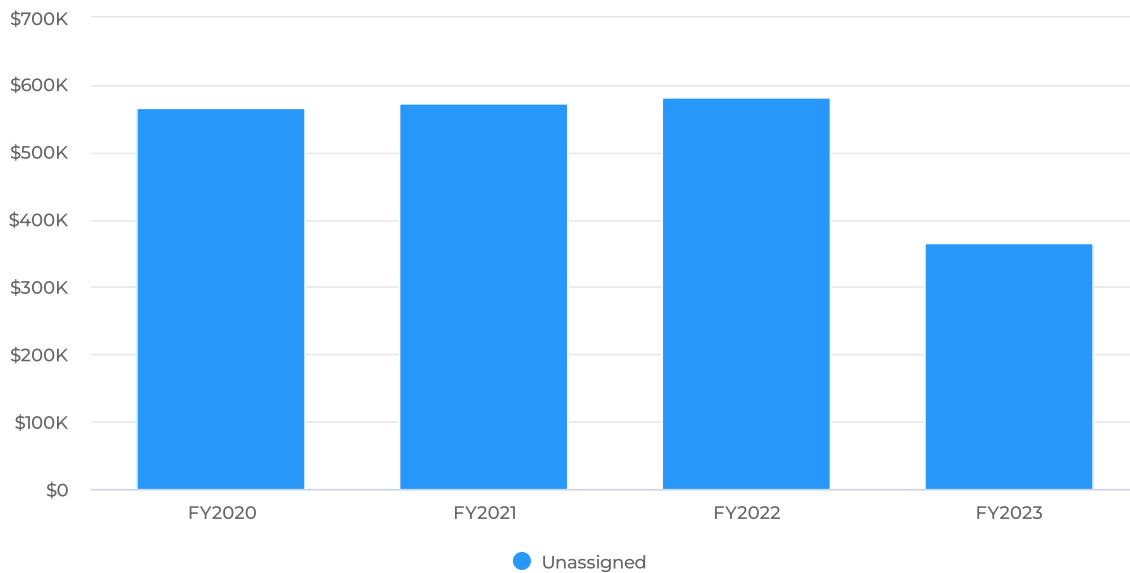
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Parkland Dedication Fees	\$0	\$0	\$4,640	\$0	N/A
<b>Total Charges for Services:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,640</b>	<b>\$0</b>	<b>0%</b>
<b>Interest</b>					
Interest	\$13,287	\$8,000	\$4,000	\$4,000	-50%
<b>Total Interest:</b>	<b>\$13,287</b>	<b>\$8,000</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>-50%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$5,781	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$5,781</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$7,505</b>	<b>\$8,000</b>	<b>\$8,640</b>	<b>\$4,000</b>	<b>-50%</b>

## Expenditures by Expense Type

Name	FY2020 Actuals	FY2023 Budgeted	FY2022 undefined vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>			
<b>Capital</b>			
Projects	\$12,012	\$0	N/A
<b>Total Capital:</b>	<b>\$12,012</b>	<b>\$0</b>	<b>N/A</b>
<b>Transfers</b>			
Transfer to CIP Fund	\$0	\$48,000	N/A
Transfer to 230 for Prop 68 Per Capita	\$0	\$173,074	N/A
<b>Total Transfers:</b>	<b>\$0</b>	<b>\$221,074</b>	<b>N/A</b>
<b>Total Expense Objects:</b>	<b>\$12,012</b>	<b>\$221,074</b>	<b>N/A</b>

## Fund Balance

### Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Unassigned	\$566,515	\$574,020	\$582,660	\$365,586	-37.3%
<b>Total Fund Balance:</b>	<b>\$566,515</b>	<b>\$574,020</b>	<b>\$582,660</b>	<b>\$365,586</b>	<b>-37.3%</b>

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

All monies in the former RDA's Low and Moderate Income (LMI) Housing Fund were transferred on the dissolution date (February 1, 2012) to the City's Successor Housing Agency Fund. In accordance with the law, the Successor Housing Agency is separate and distinct from all other funds and accounts of the City, to hold, administer and spend the monies originating from the former RDA's LMI Housing Fund to perform housing functions consistent with the Dissolution Act.

On April 24, 2015, the California Department of Finance (DOF) issued its Final Determination Letter approving the Low-Moderate Fund Due Diligence Review Report. This report, performed by an independent accountant in accordance with the law (AB 1484), was also approved via Resolution by the Oversight Board to the Successor Agency and authorized payment to be remitted to the County Auditor-Controller's Office totaling \$3,679,225, representing the "unencumbered balance" of Low-Moderate RDA funds. In accordance with the order letter from the DOF, this payment was remitted shortly thereafter on May 1, 2015. Furthermore, on December 30, 2015, the City received its Finding of Completion from the DOF, formally concluding the AB 1484 RDA dissolution and audit process.

With the demise of the City's LMI housing fund by the State pursuant to AB1484, the City's housing functions have now been largely reduced to loan transactions initiated by residents of existing low to moderate income housing units within the City's current inventory. In FY 2022/23 this fund is projected to incur expenditures totaling \$47,000. Total revenues for FY 2022/23 are projected to come in at \$125,000, comprised primarily of a \$110,000 loan repayment on the Diamond Terrace note, maturing in FY 2030/31, plus interest earnings of \$15,000. At the close of FY 2022/23, it is projected the Successor Housing Agency will report a restricted fund balance of \$5,602,643.

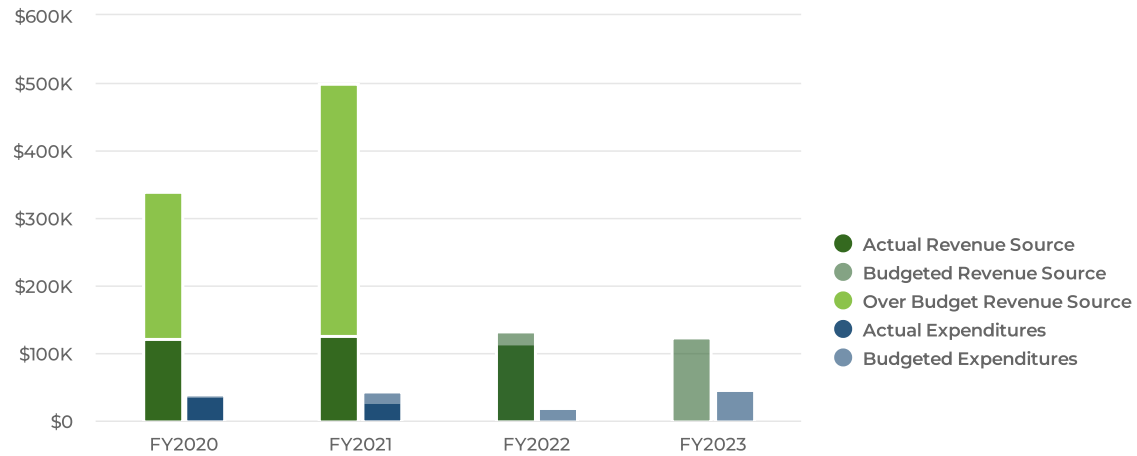


## Successor Housing Agency



## Summary

The City of Clayton is projecting \$125K of revenue in FY2023, which represents a 6.3% decrease over the prior year. Budgeted expenditures are projected to increase by 135% or \$27K to \$47K in FY2023.

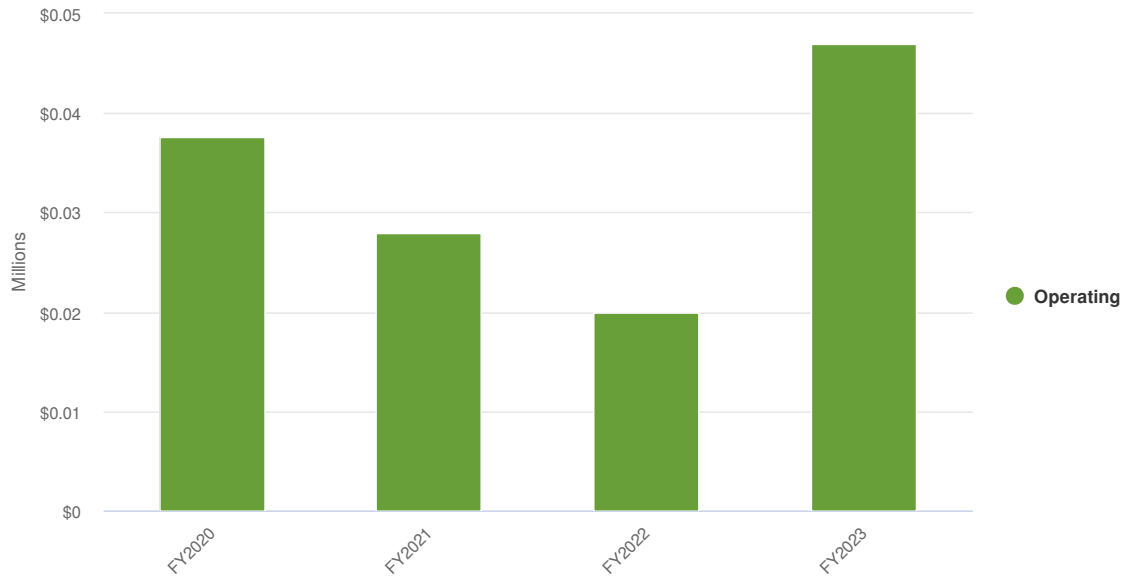


## Revenues by Source

Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
Program Revenue-Successor Housing Agency	\$106,400	\$111,400	\$111,400	\$110,000	-1.3%
Interest	\$23,566	\$22,000	\$15,000	\$15,000	-31.8%
Unrealized Inv. Gain/Loss	\$370,276	\$0	\$0	\$0	N/A
<b>Total Revenue Source:</b>	<b>\$500,242</b>	<b>\$133,400</b>	<b>\$126,400</b>	<b>\$125,000</b>	<b>-6.3%</b>

## Expenditures by Expense Type

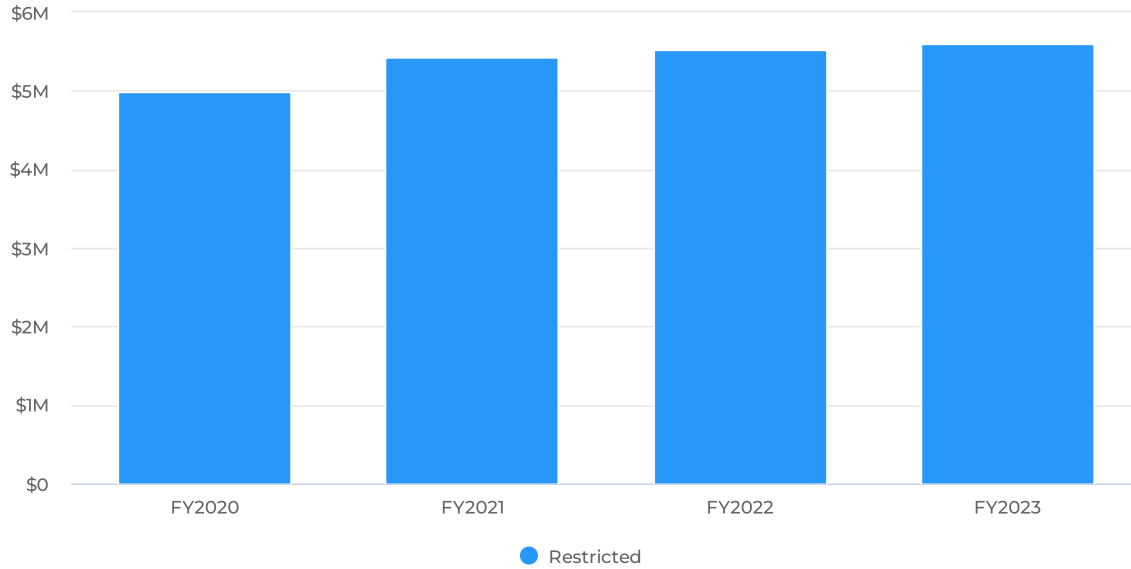
### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Misc. Expense	\$27,951	\$0	\$27,000	\$27,000	N/A
Special Legal Services	\$0	\$5,000	\$0	\$5,000	0%
Other Professional Services	\$0	\$10,000	\$5,000	\$10,000	0%
Administrative Costs	\$0	\$5,000	\$0	\$5,000	0%
<b>Total Operating:</b>	<b>\$27,951</b>	<b>\$20,000</b>	<b>\$32,000</b>	<b>\$47,000</b>	<b>135%</b>
<b>Total Expense Objects:</b>	<b>\$27,951</b>	<b>\$20,000</b>	<b>\$32,000</b>	<b>\$47,000</b>	<b>135%</b>

# Fund Balance

Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Restricted	\$4,984,389	\$5,430,243	\$5,524,643	\$5,602,643	1.4%
<b>Total Fund Balance:</b>	<b>\$4,984,389</b>	<b>\$5,430,243</b>	<b>\$5,524,643</b>	<b>\$5,602,643</b>	<b>1.4%</b>

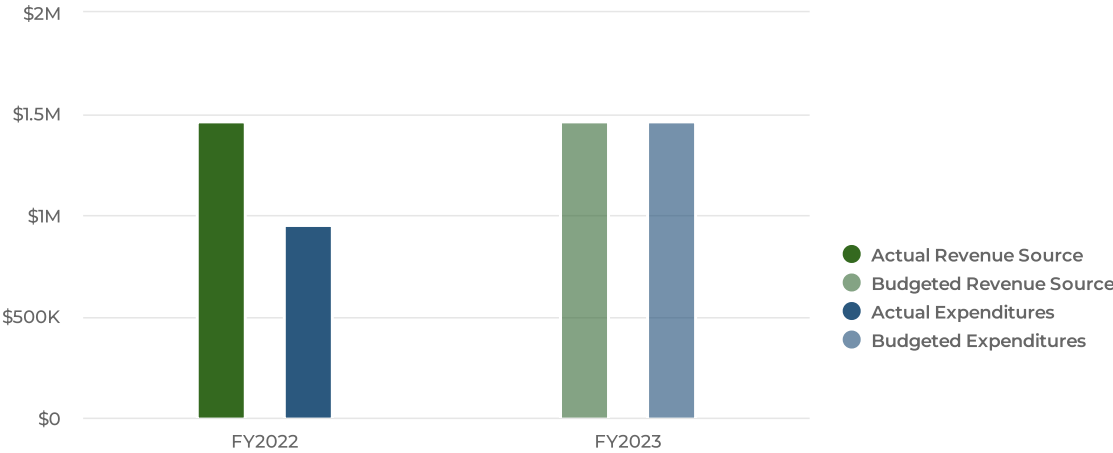


# American Rescue Plan Act - State & Local Fiscal Recovery

This fund was established to recieve the federal grant funding of \$2.9 million coming to the City of Clayton in 2021 and 2022. Consistent with the restrictions placed on these funds, the funds are transferred to the City's General Fund for purposes of providing general governmental services, in this case public safety services. These funds are reported on annually to the US Department of Treasury.

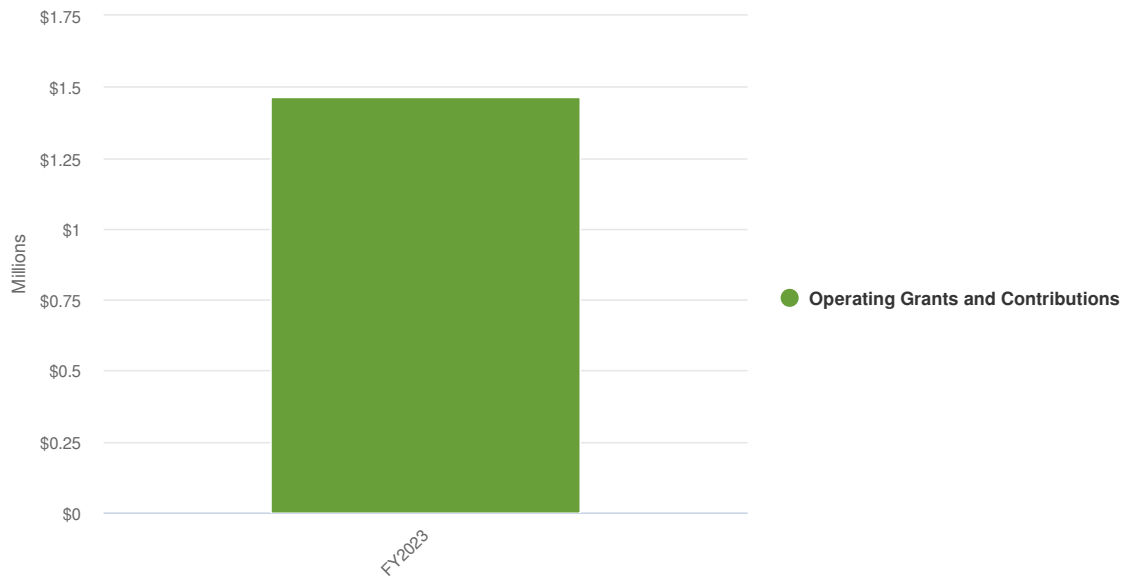
## Summary

The City of Clayton is projecting \$1.47M of revenue in FY2023, which represents a % increase over the prior year. Budgeted expenditures are projected to increase by % or \$1.47M to \$1.47M in FY2023.



## Revenues by Source

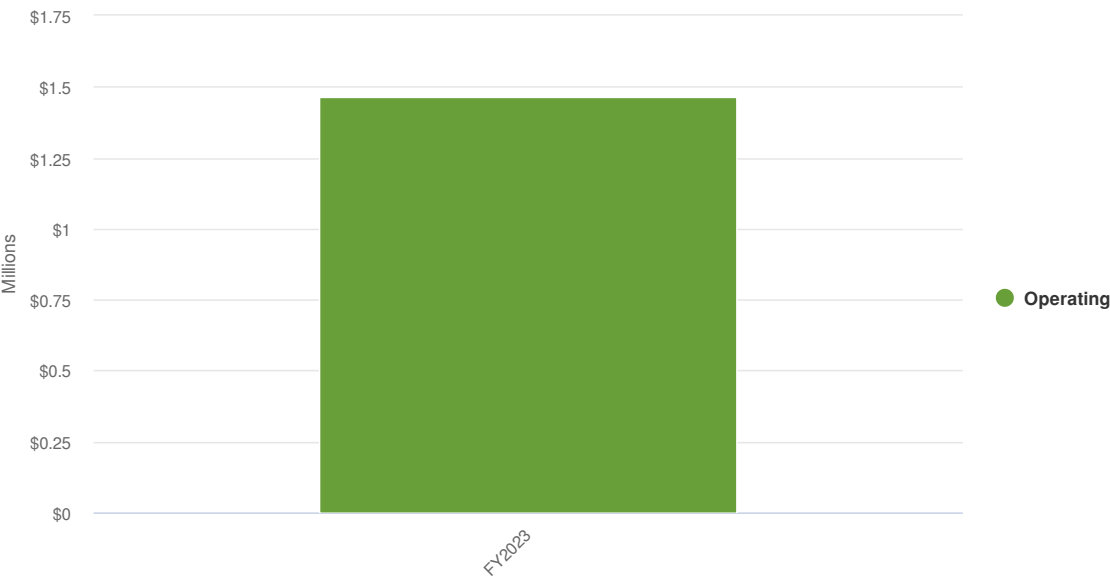
### Budgeted and Historical 2023 Revenues by Source



Name	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>				
<b>Operating Grants and Contributions</b>				
Restricted Grants	\$0	\$1,467,024	\$1,467,024	N/A
<b>Total Operating Grants and Contributions:</b>	<b>\$0</b>	<b>\$1,467,024</b>	<b>\$1,467,024</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$0</b>	<b>\$1,467,024</b>	<b>\$1,467,024</b>	<b>N/A</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>				
Project/Program Costs	\$0	\$1,467,024	\$1,467,024	N/A
<b>Total Expense Objects:</b>	<b>\$0</b>	<b>\$1,467,024</b>	<b>\$1,467,024</b>	<b>N/A</b>

This fund is the repository for grants and other subvention funding restricted by law or the underlying grant agreement for specific purposes. The following is a summary of the City's more significant activities funded from grants.

#### 1. SLESF Grant Program

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

Throughout the course of the year, the City receives monthly installments of SLESF funding from the County Auditor-Controller's Office based on County pool sales tax figures. Once the City receives its statutory minimum of \$100,000, monthly installments cease for the remainder of the fiscal year. Following the close of the fiscal year, the State Controller's Office calculates the growth in VLF (redirected by the State from city general funds in 2011) above and beyond the base allocation. Any growth in VLF revenues is allocated to participating local agencies essentially on a per capita basis. For the City's purposes, the growth allocation is received so long after the fiscal year end that it is reported on a cash basis in the fiscal year it is received. In FY 2021/22, the City is estimated to receive \$161,285 from this source. These funds were used to fund the 11<sup>th</sup> officer plus overtime and other related eligible public safety costs.

The proposed FY 2022/23 budget projects the City will receive SLESF funding of \$150,000. This revenue will be utilized to continue underwriting a portion of the costs associated with the City's 11<sup>th</sup> sworn police officer working patrol in the community as well as to cover costs associated with maintaining the state-mandated secure technology line for the Police Department and other related eligible public safety costs. In addition to the approximately \$110,000 to defray these recurring ongoing costs for the 11<sup>th</sup> officer, \$ of the SLESF grant is budgeted for other eligible expenses such as police supplies, training and computer replacement and state required secure data line costs.

#### 2. Other Grant Funds

Beyond the SLESF grant monies, the Grants Fund expects receipt of \$14,500 in annual revenue from the City's cable communications franchise company (Comcast) for restricted use in Public, Education & Government (PEG) broadcast services and equipment. Computer and IT costs paid from the General Fund are eligible to be paid from the PEG grant and have been budgeted in FY 2020/21, FY2021/22 and FY2022/23.

The FY 2022/23 proposed budget also projects the City will receive an allocation of \$5,000 for the annual CalRecycle Beverage Container Recycling grant, which is used to offset City staff time associated with eligible recycling and litter abatement projects mandated by the State.

Added in FY 2022/23 are new line items for:

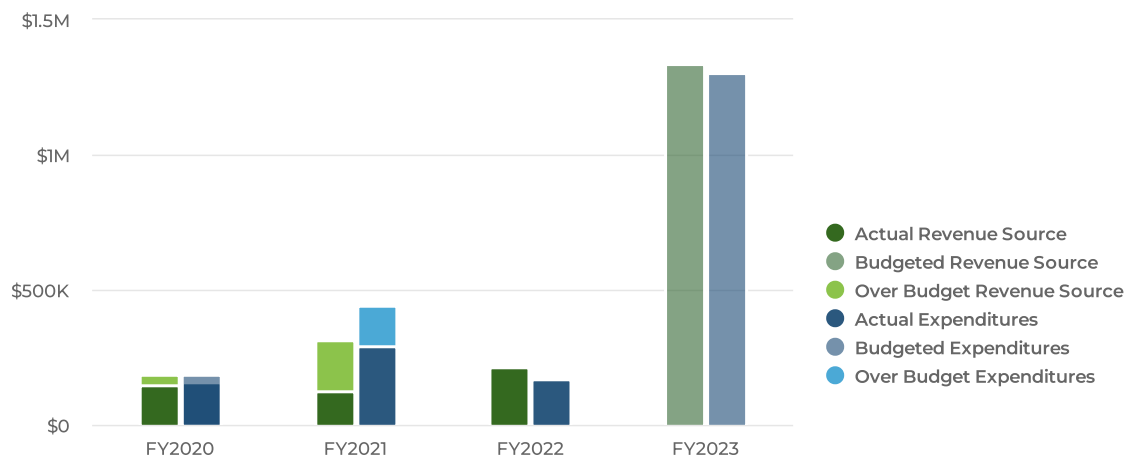


## Restricted Grants

- Housing Element Update Expense (grant funds totaling \$85,000 (REAP and LEAP)
- SB2 (\$160,000 Accessory Dwelling Unit plans and potential GIS work);
- Prop 68 Park Grant Fund - Per Capita grant of \$185,000 which will be used for improvements at Clayton Community Park. This project will also include the use of approximately \$173,100 from Developer Impact Fees and a generous \$20,000 donation from Clayton Valley/Concord Sunrise Rotary Club.
- Prop 68 Recreation Infrastructure Revenue Enhancement (RIRE) grant of \$250,000 for improvements at The Grove Park.
- Measure J Major Streets Grant and Transportation for Livable Communities Grant for a total of approximately \$300,000 toward the Downtown Pedestrian Improvement Project and the 2023 Neighborhood Pavement Preservation Project.

## Summary

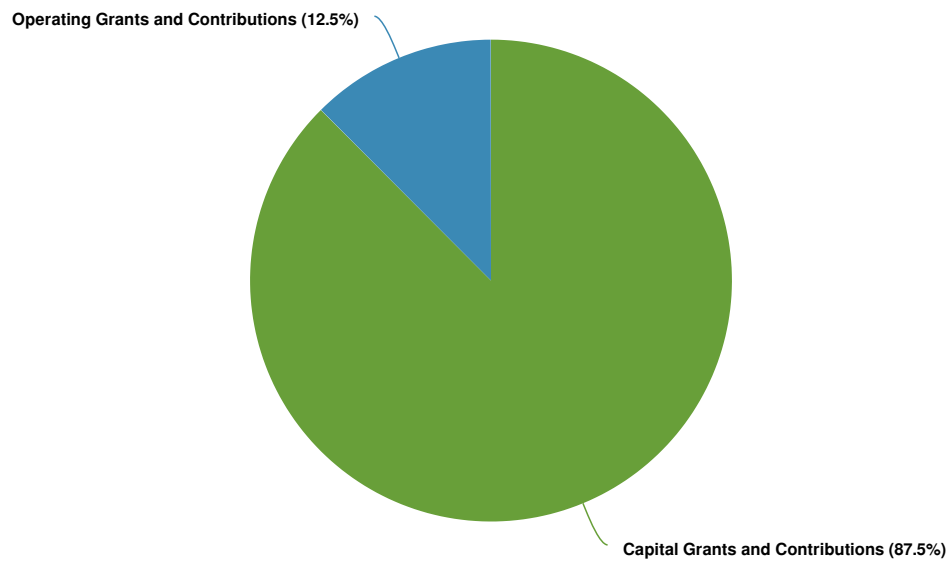
The City of Clayton is projecting \$1.34M of revenue in FY2023, which represents a % increase over the prior year. Budgeted expenditures are projected to increase by % or \$1.3M to \$1.3M in FY2023.



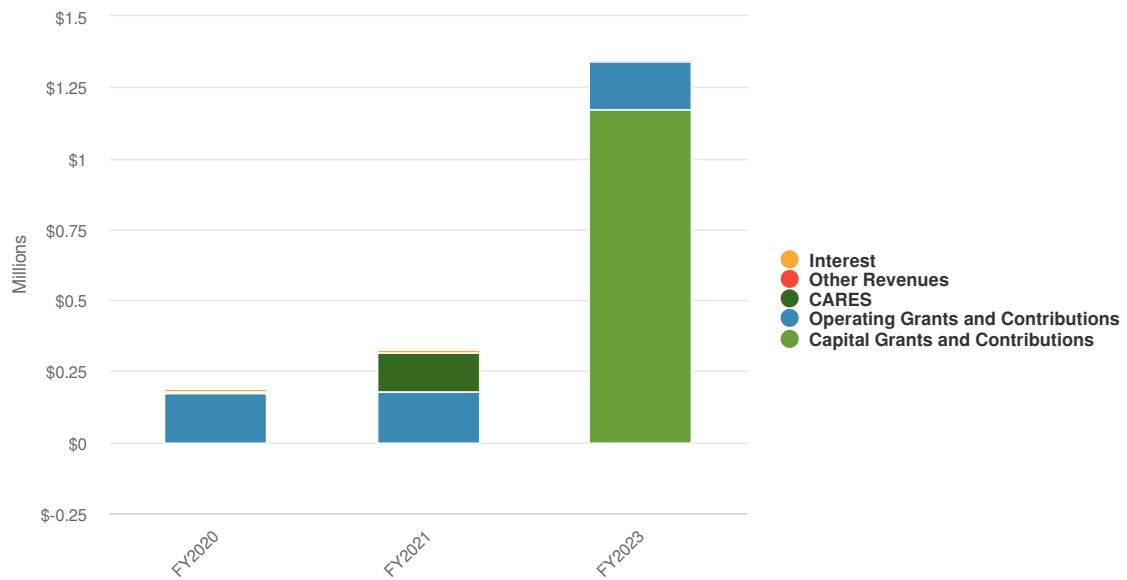


## Revenues by Source

### Projected 2023 Revenues by Source



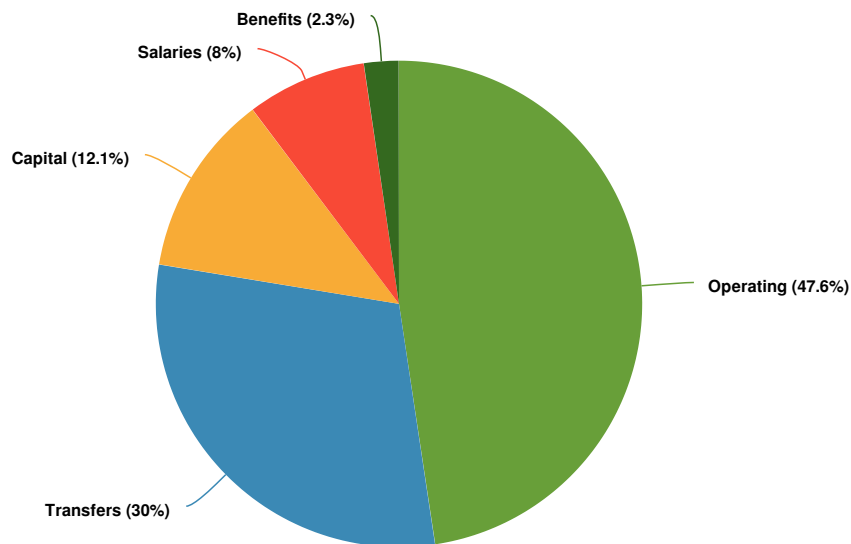
### Budgeted and Historical 2023 Revenues by Source



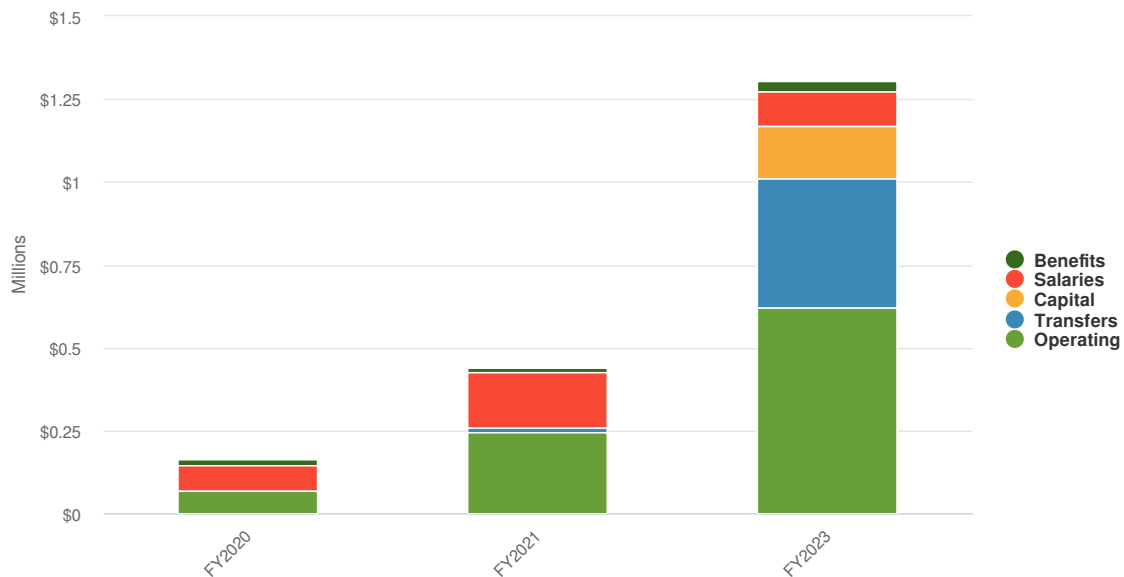
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Operating Grants and Contributions</b>					
CalRecycle Grant	\$5,000	\$0	\$0	\$5,000	N/A
Public Education Government (PEG) Fees	\$14,449	\$0	\$14,449	\$12,000	N/A
Supplemental Law Enforcement Services Fund (SLESF)	\$156,727	\$0	\$161,285	\$150,000	N/A
<b>Total Operating Grants and Contributions:</b>	<b>\$176,176</b>	<b>\$0</b>	<b>\$175,734</b>	<b>\$167,000</b>	<b>N/A</b>
<b>Interest</b>					
Interest	\$7,824	\$0	\$2,000	\$0	0%
<b>Total Interest:</b>	<b>\$7,824</b>	<b>\$0</b>	<b>\$2,000</b>	<b>\$0</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$4,895	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$4,895</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Capital Grants and Contributions</b>					
Measure J Grant	\$0	\$0	\$0	\$300,000	N/A
REAP Grant - Housing Element Update	\$0	\$0	\$0	\$20,000	N/A
LEAP Grant - Housing Element Update	\$0	\$0	\$0	\$65,000	N/A
SB2 Grant - ADU	\$0	\$0	\$0	\$160,000	N/A
Prop 68 - Per Capita (CCP)	\$0	\$0	\$0	\$378,074	N/A
Prop 68- RIRE (The Grove Park)	\$0	\$0	\$0	\$250,000	N/A
<b>Total Capital Grants and Contributions:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,173,074</b>	<b>N/A</b>
<b>CARES</b>					
Cares Grant	\$139,979	\$0	\$0	\$0	N/A
<b>Total CARES:</b>	<b>\$139,979</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$319,084</b>	<b>\$0</b>	<b>\$177,734</b>	<b>\$1,340,074</b>	<b>N/A</b>

# Expenditures by Expense Type

## Budgeted Expenditures by Expense Type



## Budgeted and Historical Expenditures by Expense Type



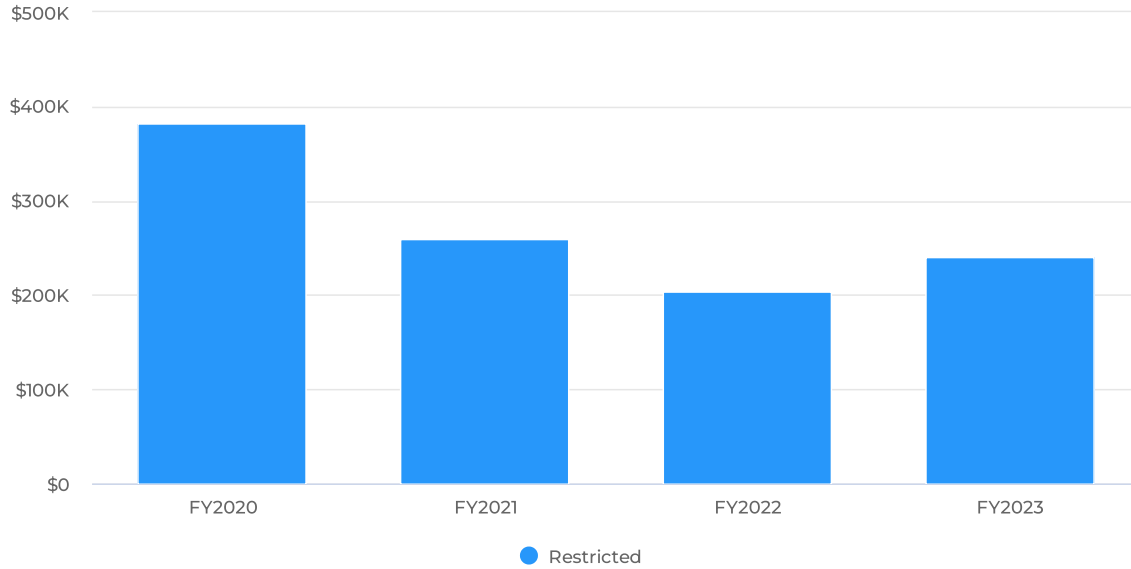
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$162,742	\$0	\$79,000	\$78,913	N/A



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Overtime	\$2,949	\$0	\$1,000	\$25,000	N/A
<b>Total Salaries:</b>	<b>\$165,691</b>	<b>\$0</b>	<b>\$80,000</b>	<b>\$103,913</b>	<b>N/A</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$635	\$0	\$0	\$579	N/A
PERS Retirement-Normal Cost	\$9,994	\$0	\$12,000	\$7,337	N/A
PERS Retirement Unfunded Liability	\$0	\$0	\$0	\$9,280	N/A
Workers' Compensation	\$3,077	\$0	\$0	\$2,461	N/A
Unemployment Compensation	\$0	\$0	\$0	\$103	N/A
FICA Taxes	\$1,143	\$0	\$0	\$832	N/A
Uniform Allowance	\$900	\$0	\$1,200	\$0	N/A
Benefit Insurance	\$104	\$0	\$9,000	\$9,484	N/A
<b>Total Benefits:</b>	<b>\$15,853</b>	<b>\$0</b>	<b>\$22,200</b>	<b>\$30,077</b>	<b>N/A</b>
<b>Operating</b>					
General Supplies	\$17,541	\$0	\$1,500	\$0	N/A
Office Supplies/Expense	\$1,512	\$0	\$0	\$0	N/A
Postage	\$0	\$0	\$110	\$0	N/A
Dues and Subscriptions	\$0	\$0	\$17,000	\$0	N/A
Rentals/Leases	\$2,330	\$0	\$0	\$0	N/A
Telecommunications	\$17,802	\$0	\$11,300	\$11,300	N/A
Buildings/Grounds Maintenance	\$8,799	\$0	\$0	\$0	N/A
Computer/IT Support	\$93,562	\$0	\$0	\$55,000	N/A
Janitorial Service	\$756	\$0	\$0	\$0	N/A
Other Professional Services	\$55,841	\$0	\$4,900	\$28,242	N/A
CAL ID	\$0	\$0	\$1,600	\$0	N/A
Capital Outlay - Structures and Improvements	\$0	\$0	\$0	\$526,468	N/A
Capital Outlay - Equipment & Machinery	\$47,175	\$0	\$8,613	\$0	N/A
<b>Total Operating:</b>	<b>\$245,318</b>	<b>\$0</b>	<b>\$45,023</b>	<b>\$621,010</b>	<b>N/A</b>
<b>Capital</b>					
Project/Program Costs	\$0	\$0	\$0	\$158,100	N/A
<b>Total Capital:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$158,100</b>	<b>N/A</b>
<b>Transfers</b>					
Transfer To General Fund	\$14,814	\$0	\$0	\$10,000	N/A
Transfer to Fund 303 CIP	\$0	\$0	\$85,000	\$357,000	N/A
Transfer to Fund 211 - RIRE	\$0	\$0	\$0	\$23,606	N/A
<b>Total Transfers:</b>	<b>\$14,814</b>	<b>\$0</b>	<b>\$85,000</b>	<b>\$390,606</b>	<b>N/A</b>
<b>Total Expense Objects:</b>	<b>\$441,676</b>	<b>\$0</b>	<b>\$232,223</b>	<b>\$1,303,707</b>	<b>N/A</b>

# Fund Balance

Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Restricted	\$381,399	\$258,807	\$204,318	\$240,685	17.8%
<b>Total Fund Balance:</b>	<b>\$381,399</b>	<b>\$258,807</b>	<b>\$204,318</b>	<b>\$240,685</b>	<b>17.8%</b>



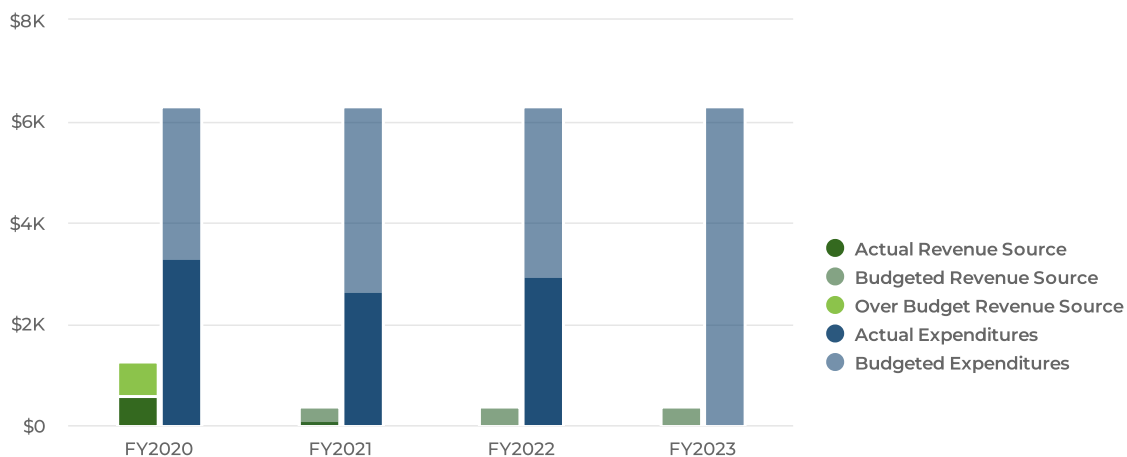
## Self Insurance Fund

This internal-service fund manages the fiscal obligations of the City's self-insured program for our retention deductible (\$5,000 per claim) on initial claims filed against the City for general liability and workers' compensation as well as deductibles for property, auto, and other insured losses incurred by the City. Pursuant to our membership in the Municipal Pooling Authority of Northern California ("MPA"; a municipal self-insured/pooled risk excess coverage joint powers authority [JPA]), our City is responsible for payment of the first \$5,000 in expense and/or damage on each filed claim. This fund also handles other periodic legal expenses to defend the City's interest in related cases. A recurring expense incurred by this fund is the annual premium (approximately \$1,300) to cover an Employee Assistance Program (EAP), a shared public entity consortium for City employee good-health counseling and wellness services benefiting our permanent organization.

Since there is no recurring or reliable replenishing source of revenue for this fund, the City Council must periodically authorize one-time transfers of General Fund reserves or Rainy Day Fund (Fund 110) to replenish the internal service fund's reserve balance. The most recent source of such funding was made in FY 2013/14, when the City Council authorized a transfer of \$54,154 from General Fund annual excess supported by the audited FY 2011/12 financial statements. This transfer assisted in replenishing losses arising from legal expenses on the Oakhurst Hillside litigation cases beginning in FY 2008/09. With total proposed FY 2022/23 expenditures of \$6,300, this fund is projected to utilize \$5,900 in reserves and close the fiscal year with a positive net position of **\$19,049**. The option to make "replenishment" transfers from the General Fund Reserve or Rainy Day Fund into the Self-Insurance Fund can be considered at a future time if needed by the City Council, no request by staff is proposed at this time.

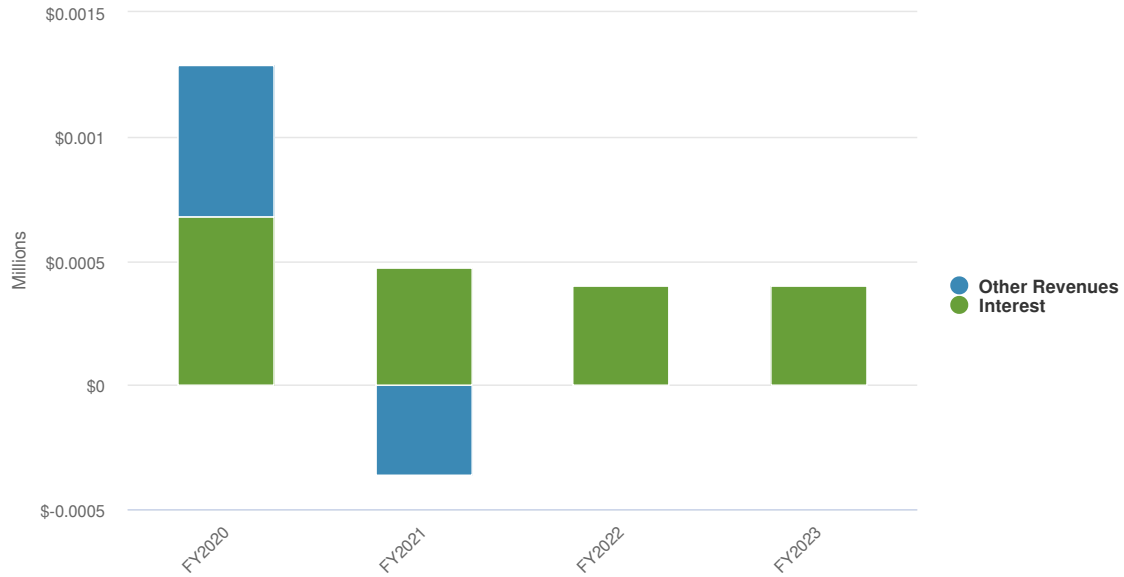
### Summary

The City of Clayton is projecting \$400 of revenue in FY2023, which represents a 0% increase over the prior year. Budgeted expenditures are projected to increase by 0% or N/A to \$6.3K in FY2023.



## Revenues by Source

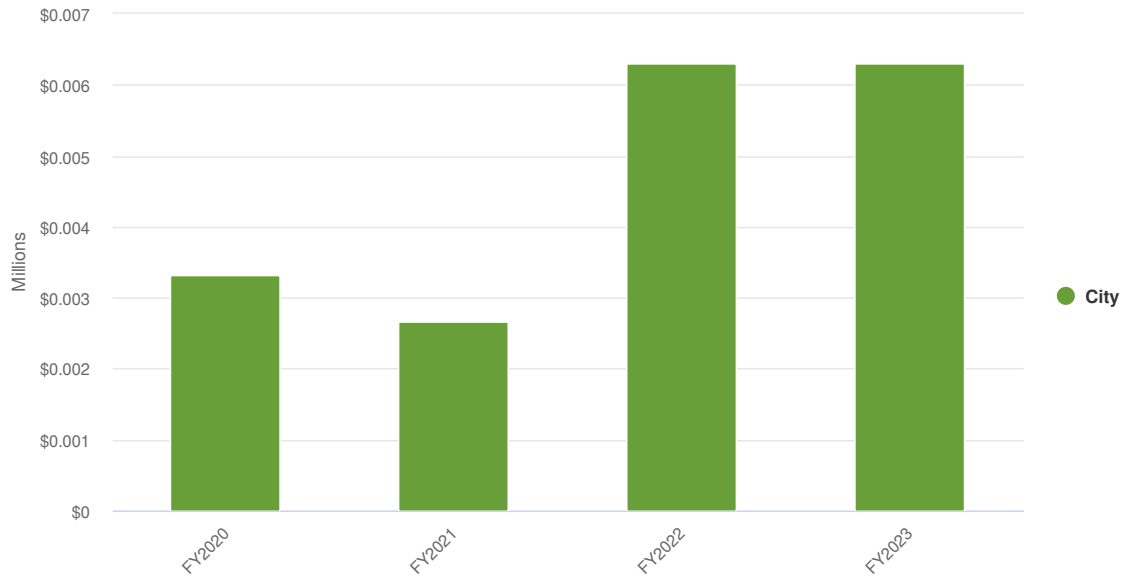
### Budgeted and Historical 2023 Revenues by Source



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Interest</b>					
Interest	\$473	\$400	\$400	\$400	0%
<b>Total Interest:</b>	<b>\$473</b>	<b>\$400</b>	<b>\$400</b>	<b>\$400</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$360	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$360</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$113</b>	<b>\$400</b>	<b>\$400</b>	<b>\$400</b>	<b>0%</b>

# Expenditures by Function

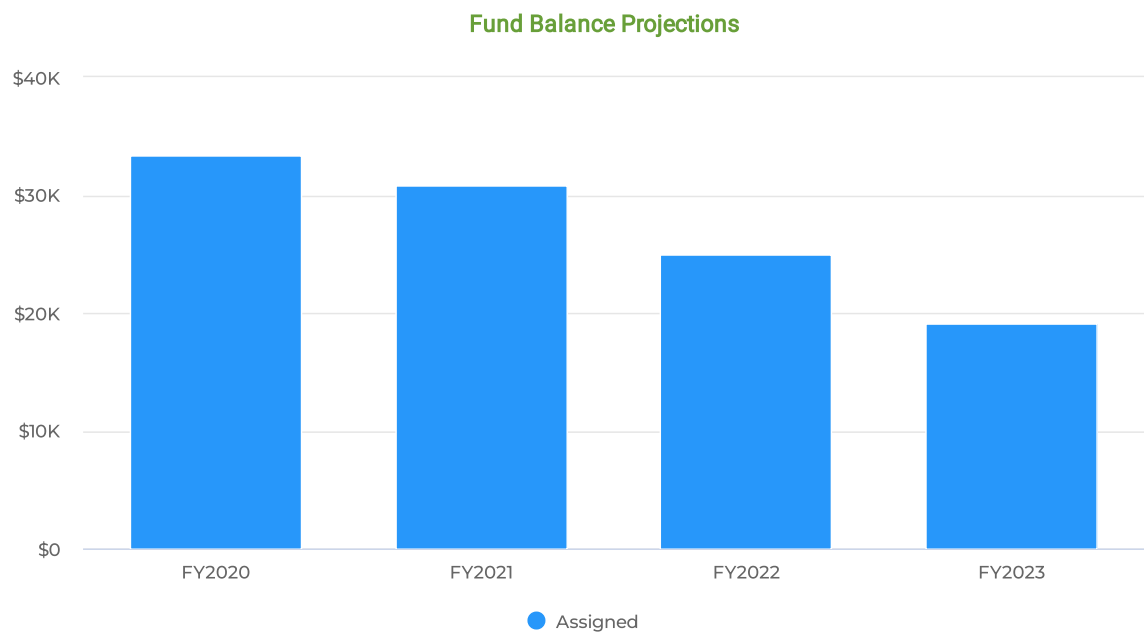
## Budgeted and Historical Expenditures by Function



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expenditures</b>					
<b>City</b>					
Insurance Premiums (EAP Plan)	\$1,074	\$1,300	\$1,300	\$1,300	0%
Insurance Claims Deductibles	\$1,598	\$5,000	\$5,000	\$5,000	0%
<b>Total City:</b>	<b>\$2,672</b>	<b>\$6,300</b>	<b>\$6,300</b>	<b>\$6,300</b>	<b>0%</b>
<b>Total Expenditures:</b>	<b>\$2,672</b>	<b>\$6,300</b>	<b>\$6,300</b>	<b>\$6,300</b>	<b>0%</b>



# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Assigned	\$33,408	\$30,849	\$24,949	\$19,049	-23.6%
Total Fund Balance:	\$33,408	\$30,849	\$24,949	\$19,049	-23.6%





## Capital Equipment Replacement Fund

This fund serves to track the depreciation and finance the replacement of City-owned vehicles, computers and other capital equipment used in operations, generally in excess of \$5,000, which is the minimum threshold per the City's capital asset policy. The Capital Equipment Replacement Fund (CERF) is projected to open FY 2022/23 with a positive reserve balance of \$573,921, of which \$190,339 is the fund's cash position available to finance the purchase of replacement assets. The remainder of this fund's net position pertains to equity resulting from the fund's non-liquid net investment in capital assets (i.e. fixed asset book value).

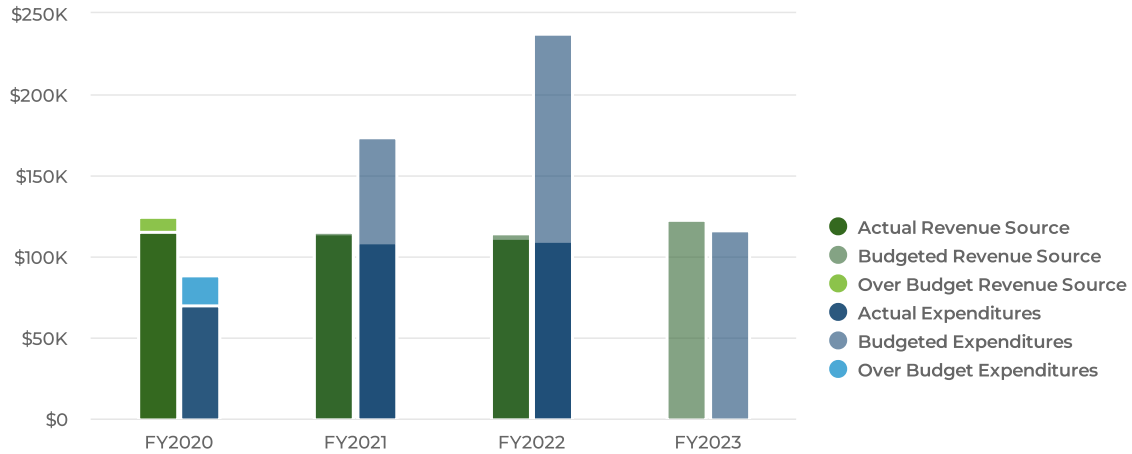
Ideally, though often not feasible, the CERF would annually recover its depreciation expense in the form of internal service fund service charges to the various departments using CERF assets in their respective operations. During previous challenging budgetary years, the General Fund had to cut back or even eliminate CERF funding altogether in an effort to stabilize the annual operating budget. These challenging budgetary years, paired with departments doing their best to stretch the useful lives of assets, has resulted in a current active fleet that is much depreciated. This hybrid "pay as you go" asset replacement strategy has left the CERF in an unavoidably under-funded position. With the June 30, 2021 annual comprehensive financial report (ACFR) reporting total CERF accumulated depreciation of \$1,185,949 and a total cash position available to finance the replacement of fixed assets was only \$185,929. This represents a total funded position of only 15.7%, which is the same struggle encountered by many of our neighboring public agencies.

Using the current annual depreciation expense presented in the City's latest audited CAFR, CERF depreciation expense is projected to be \$70,000 for FY 2022/23. The FY 2022/23 proposed CERF budget includes total revenues of \$123,200, nearly all of which is attributable to CERF charges. FY 2022/23 CERF charges are derived from the following sources: \$70,000 from the General Fund's Police Department, \$10,000 from General Fund's Maintenance Department, \$4,500 from HUTA Gas Tax Fund, \$30,000 from Landscape Maintenance District, \$3,000 from The Grove Park, \$4,700 from the Stormwater fund.

On an annual basis the Police and Public Works Departments communicate their capital equipment replacement needs to the City Manager and Finance Director. Based on an analysis of funds available as well as the most up-to-date CERF depreciation schedule, the urgency as well as prioritization of asset replacements is considered. The proposed FY 2022/23 CERF budget incorporates plans to purchase one replacement Ford Police Explorer SUV patrol response unit at an estimated cost of \$70,000. Furthermore, the proposed budget includes appropriations for the Maintenance Department to purchase a new mower for large field areas at a cost of \$30,000, and a new mower deck for existing equipment for \$17,000.

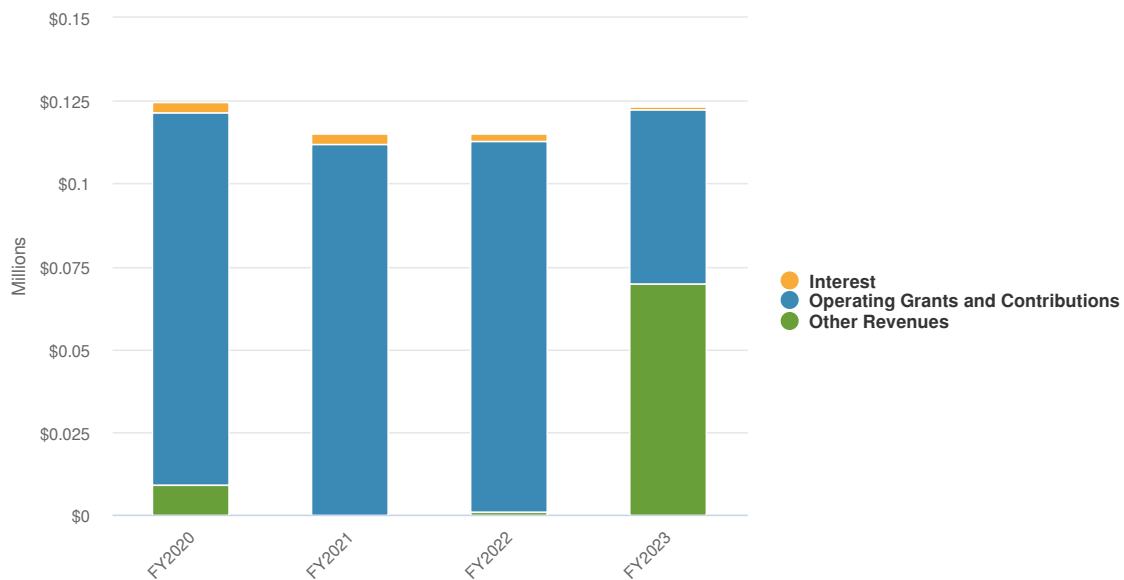
## Summary

The City of Clayton is projecting \$123.2K of revenue in FY2023, which represents a 6.9% increase over the prior year. Budgeted expenditures are projected to decrease by 50.8% or \$121K to \$117K in FY2023.



## Revenues by Source

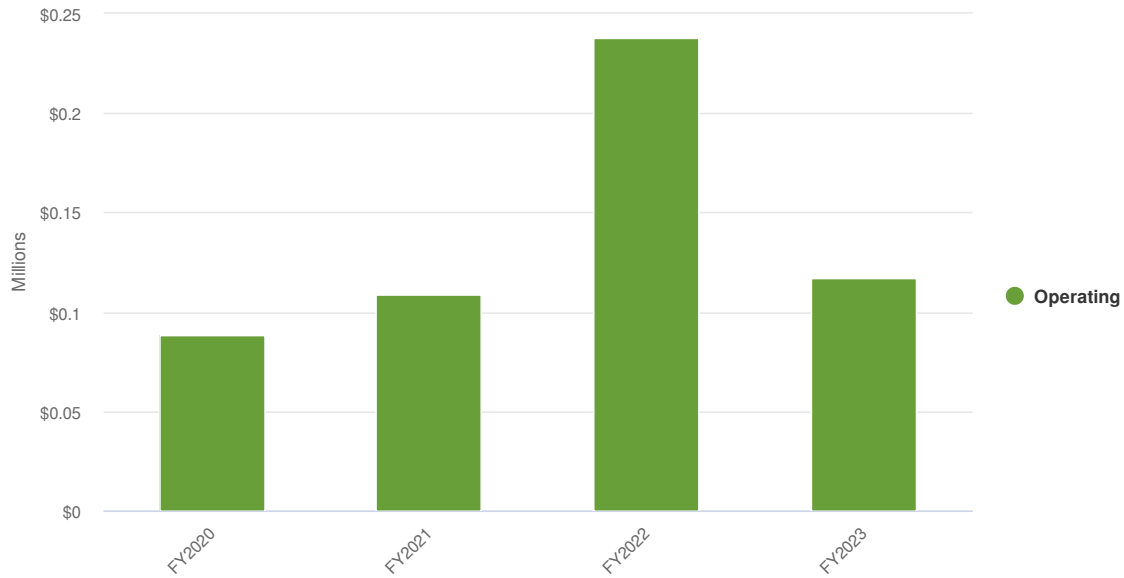
### Budgeted and Historical 2023 Revenues by Source



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Operating Grants and Contributions</b>					
CERF Charges to Depts.	\$111,900	\$111,900	\$111,900	\$52,200	-53.4%
<b>Total Operating Grants and Contributions:</b>	<b>\$111,900</b>	<b>\$111,900</b>	<b>\$111,900</b>	<b>\$52,200</b>	<b>-53.4%</b>
<b>Interest</b>					
Interest	\$2,913	\$2,300	\$2,300	\$1,000	-56.5%
<b>Total Interest:</b>	<b>\$2,913</b>	<b>\$2,300</b>	<b>\$2,300</b>	<b>\$1,000</b>	<b>-56.5%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$1,599	\$0	\$0	\$0	N/A
Sale of Assets	\$1,741	\$1,000	\$1,000	\$0	-100%
Trx from Fund 111 - Pandemic R.R	\$0	\$0	\$0	\$70,000	N/A
<b>Total Other Revenues:</b>	<b>\$142</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$70,000</b>	<b>6,900%</b>
<b>Total Revenue Source:</b>	<b>\$114,955</b>	<b>\$115,200</b>	<b>\$115,200</b>	<b>\$123,200</b>	<b>6.9%</b>

## Expenditures by Expense Type

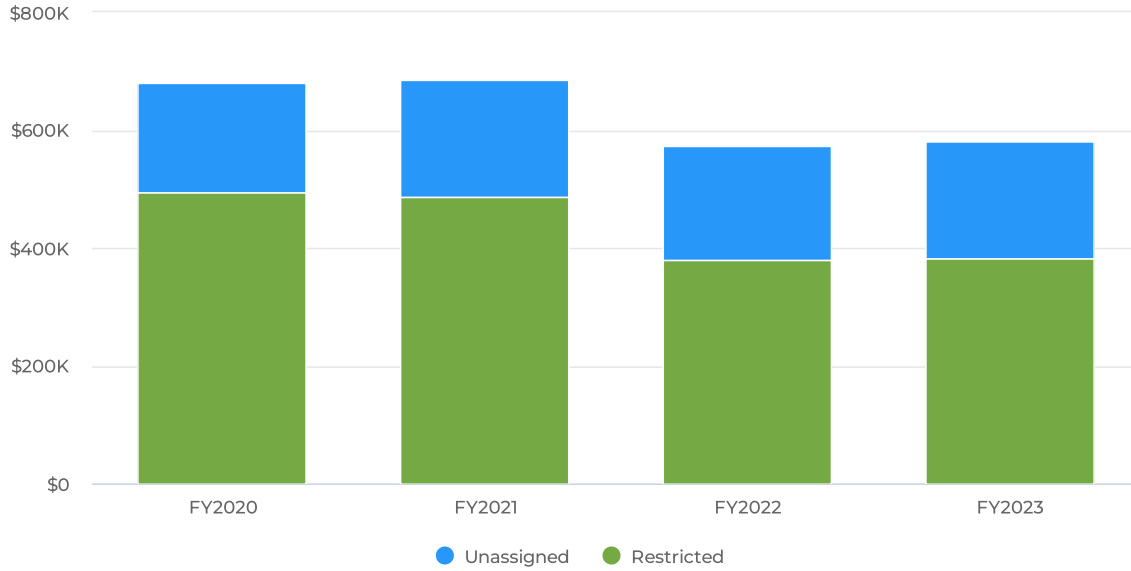
### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Depreciation Expense	\$99,979	\$70,000	\$70,000	\$0	-100%
Capital Outlay - Machinery, Vehicles & Equipment	\$8,851	\$168,000	\$157,185	\$117,000	-30.4%
<b>Total Operating:</b>	<b>\$108,830</b>	<b>\$238,000</b>	<b>\$227,185</b>	<b>\$117,000</b>	<b>-50.8%</b>
<b>Total Expense Objects:</b>	<b>\$108,830</b>	<b>\$238,000</b>	<b>\$227,185</b>	<b>\$117,000</b>	<b>-50.8%</b>

# Fund Balance

Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Unassigned	\$185,929	\$197,749	\$195,029	\$197,137	1.1%
Restricted	\$493,547	\$487,851	\$378,586	\$382,678	1.1%
<b>Total Fund Balance:</b>	<b>\$679,476</b>	<b>\$685,600</b>	<b>\$573,615</b>	<b>\$579,815</b>	<b>1.1%</b>

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

As summarized in the General Fund Reserves section previously, the City Council has three times now authorized the transfer of General Fund annual excess reserves to the newly created Pension Rate Stabilization Fund as seed monies. The last time being at the close of FY 2018/19 General Fund excess reserves of \$268,000 were transferred to this fund. By the close of FY 2021/22, when incorporating projected interest earnings, this fund is anticipated to close with a positive reserve balance of **\$293,531**.

While staff will continue to work on absorbing the employer pension contribution requirements within a balanced annual operating budget, unpredictability associated with future pension contributions makes this policy goal increasingly difficult. As illustrated in the Public Employees Retirement System section of the Budget Message, staff projects an upward, not downward, trend in employer pension contribution requirements over the next several years following CalPERS' reduction to the long-term actuarially-assumed discount rate and other funding policy changes. The establishment of the City's Pension Rate Stabilization Fund will greatly aid the City's mission to maintain and sustain current public services to the community. In addition to the three sources of seed monies described previously, as a stand-alone fund separate and distinct from the City's General Fund, our Pension Rate Stabilization Fund generates interest earnings from its share in the City's Investment Pool. Beyond ongoing allocations of interest earnings, future revenue sources could come from one-time transfers of Rainy Day Funds (Fund 110), General Fund Reserves as authorized by the City Council or budgeted charges to the City's various governmental funds utilizing City staff.

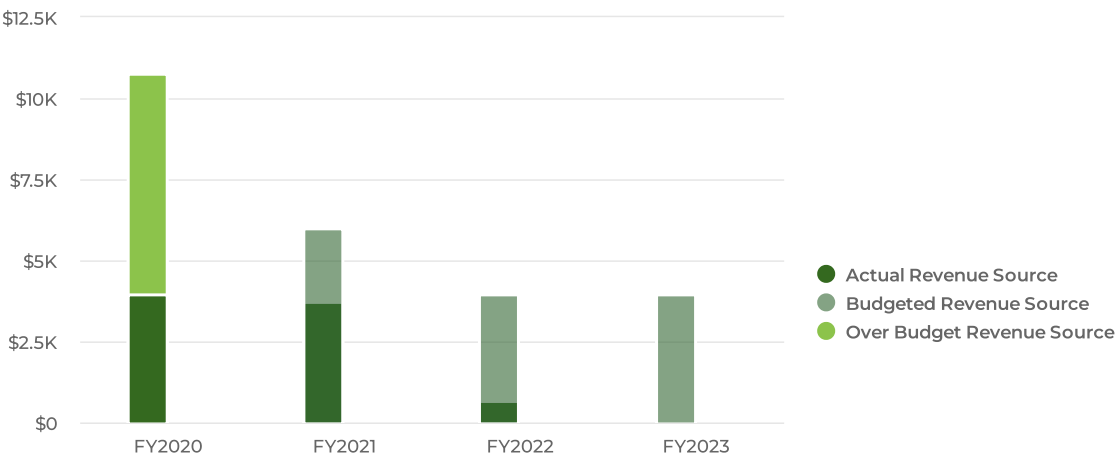
Contributions to this fund have no direct impact on City's unfunded pension liability, as that is only achieved by direct contributions to a CalPERS-administered irrevocable trust, which is not being recommended at this time. However, much like the City's Capital Equipment Replacement Fund (CERF) and the Self Insurance Fund, this fund is a useful tool to help mitigate the risk of fluctuations in future pension contribution requirements to the City's ongoing General Fund operating budget.



## Pension Rate Stabilization

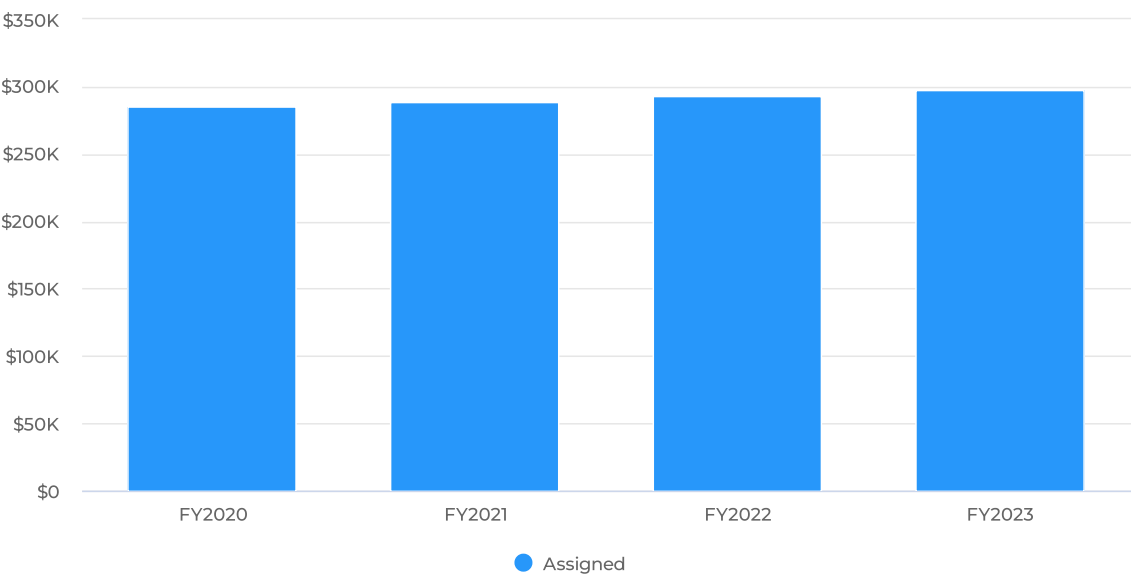
## Summary

The City of Clayton is projecting \$4K of revenue in FY2023, which represents a 0% increase over the prior year. Budgeted expenditures are projected to increase by 0% or N/A to N/A in FY2023.



## Fund Balance

### Fund Balance Projections





	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Assigned	\$285,331	\$289,093	\$293,093	\$297,093	1.4%
<b>Total Fund Balance:</b>	<b>\$285,331</b>	<b>\$289,093</b>	<b>\$293,093</b>	<b>\$297,093</b>	<b>1.4%</b>



This fund was established in the FY 2002/03 adopted budget to track specific revenues and expenses related to the million dollar historic Endeavor Hall renovation project. More residents and local organizations continue to discover Endeavor Hall's historical charm for hosting special occasions and meetings. Additionally, the Clayton Theatre Company used the Hall for its 8<sup>th</sup> consecutive year of theatrical productions. Facility-use rental fees for FY 2020/21 had a deficit of \$2,443 due to refund of FY 2019/20 rental fee that was processed in FY 2020/21, due to the COVID-19 pandemic. Rental income is projected about half of actuals from 2019/20, at a modest \$10,000. During FY 2020/21 the building front stairs/porch, rear stairs/porch and gates replaced apx. \$19,350. Operational expenditures (excluding depreciation), are projected to come in at \$37,532. This results in a projected FY 2021/22 operational deficit of **\$27,532**. When including depreciation, this shortfall increases to \$65,032. This structural deficit is result of several factors, largely beyond of the control of staff alone. On the expenditure side, increases in unavoidable fixed costs as well as maintenance costs necessary to maintain the facility in prime rental condition have been outpacing the rental revenue stream.

For FY 2022/23, minimal City staff labor costs of \$14,442 are projected for upkeep of the facility and staffing evening and weekend events as needed. Maintenance time is necessary for landscaping and gardening to ensure the facilities grounds have annual color plants sufficient to keep it desirable for the rental community. Naturally, when vandalism occurs on the building and grounds, extra expenses are incurred to make the necessary repairs. Furthermore, periodic staff time is necessary for the maintenance and upkeep of on-site equipment and fixtures. Total proposed (non-labor) operational and maintenance expenses in FY 2021/22 are budgeted at \$23,090, including one-time repairs/replacements of stairs and gates. Depreciation expense in this fund is projected to remain consistent at \$37,500 in FY 2022/23.



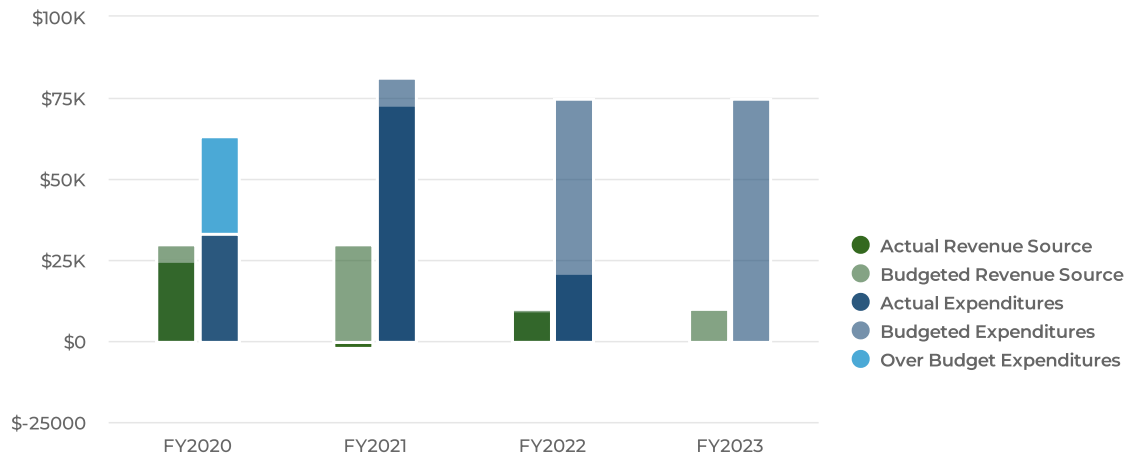
## Endeavor Hall

Most recently, during FY 2015/16 action was taken by the City Council to earmark \$25,863 in General Fund FY 2014/15 excess reserves for much needed facility repairs and replacements at Endeavor Hall. Specific activities funded by this action included: repainting of the exterior and interior walls, refinishing the oak wood flooring, and resealing the concrete walkway. During FY 2020/21 \$19,500 was used to replace the front and rear stairs/parch and gates. These improvements to the facility are a prime example of the periodic financial support needed from the General Fund for capital improvements/replacements as Endeavor Hall operations are not self-sustaining.

Ultimately, although the fund is projected to close FY 2022/23 with a total fund net position of \$742,351, a closer look at the components of fund equity reveals the positive position is caused by the fund's large net investment in capital assets (i.e. fixed asset book value) estimated to be \$998,175 as of June 30, 2021. This exceeds total net position due to a negative net unrestricted position expected be **\$144,433** at June 30, 2022. This negative position is reflective of the unavoidable structural deficit this fund has found itself in since its establishment. Increasing rental fees to solve this issue may only further discourage potential renters, worsening the already challenging rental position this fund finds itself in as described previously. As past rental experiences generate positive word of mouth promotion and expand the customer base, staff is hopeful Endeavor Hall operations will eventually become self-sustaining. Staff will continue to monitor this issue and provide updates to the City Council periodically as it has in past annual and mid-year budget as well as CAFR presentations.

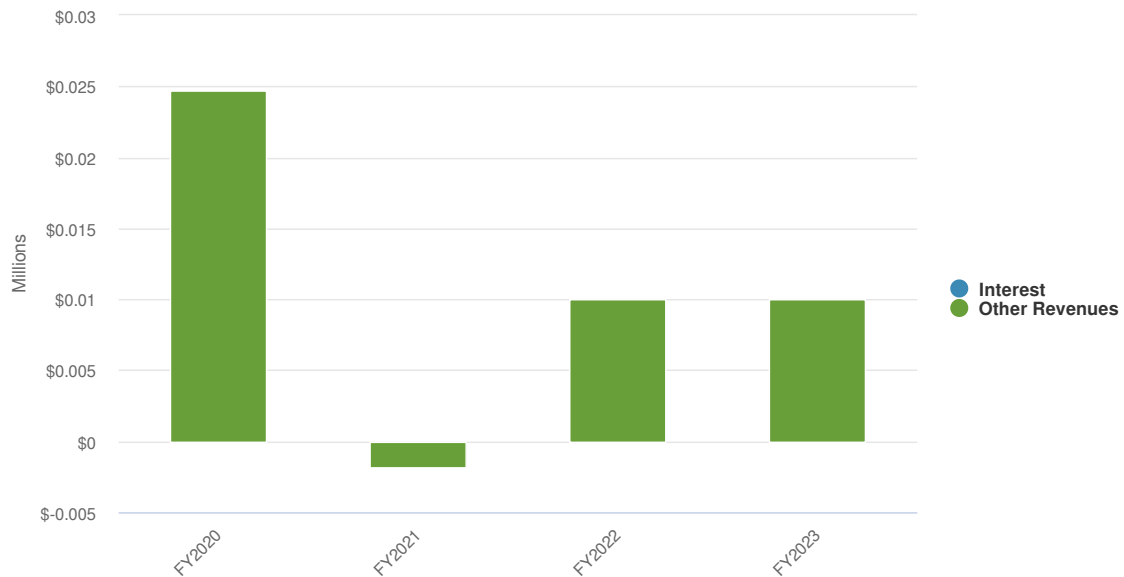
## Summary

The City of Clayton is projecting \$10K of revenue in FY2023, which represents a 0% increase over the prior year. Budgeted expenditures are projected to increase by 0% or N/A to \$75.03K in FY2023.



## Revenues by Source

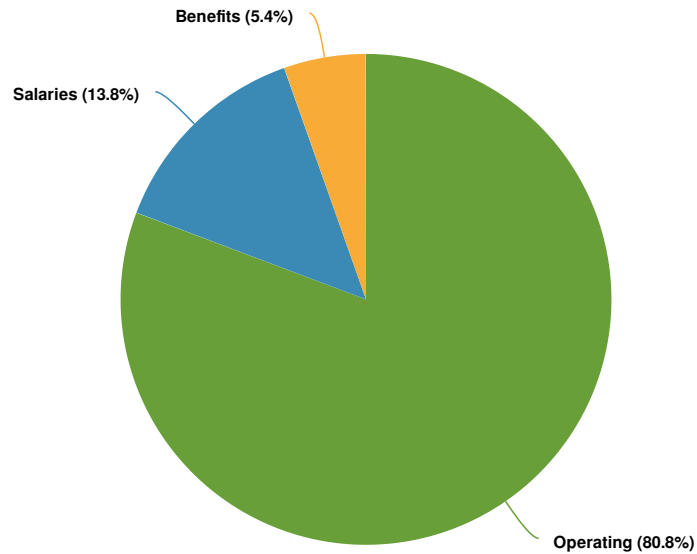
### Budgeted and Historical 2023 Revenues by Source



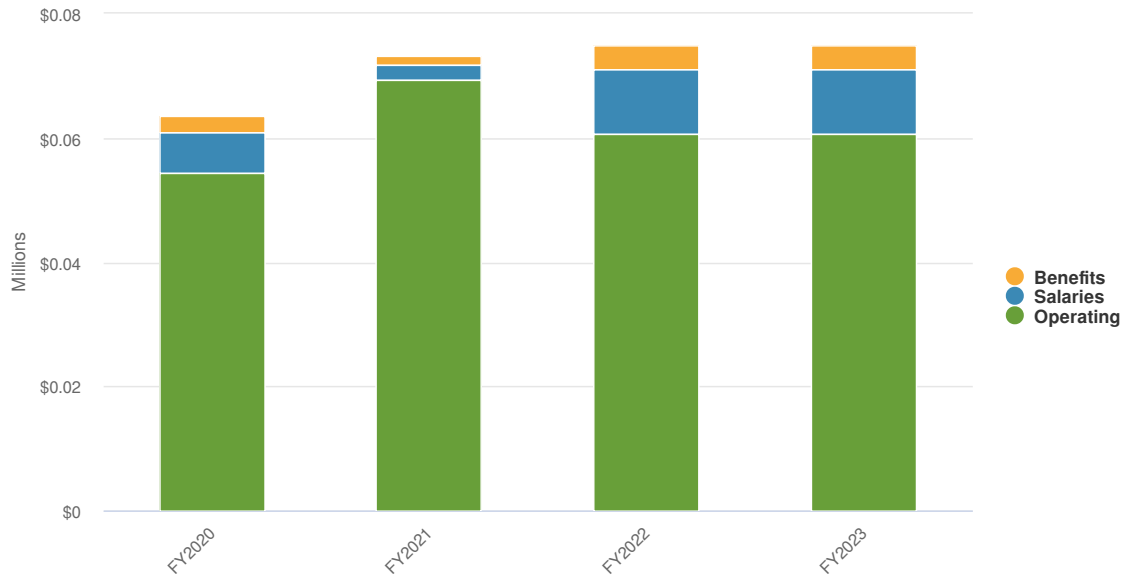
Name	FY2021 Actuals	FY2022 Amended	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>				
<b>Other Revenues</b>				
Unrealized Inv. Gain/Loss	-\$378	\$0	\$0	N/A
Endeavor Hall Rental Fee	-\$1,443	\$10,000	\$10,000	0%
<b>Total Other Revenues:</b>	<b>-\$1,821</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>0%</b>
<b>Total Revenue Source:</b>	<b>-\$1,821</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>0%</b>

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type

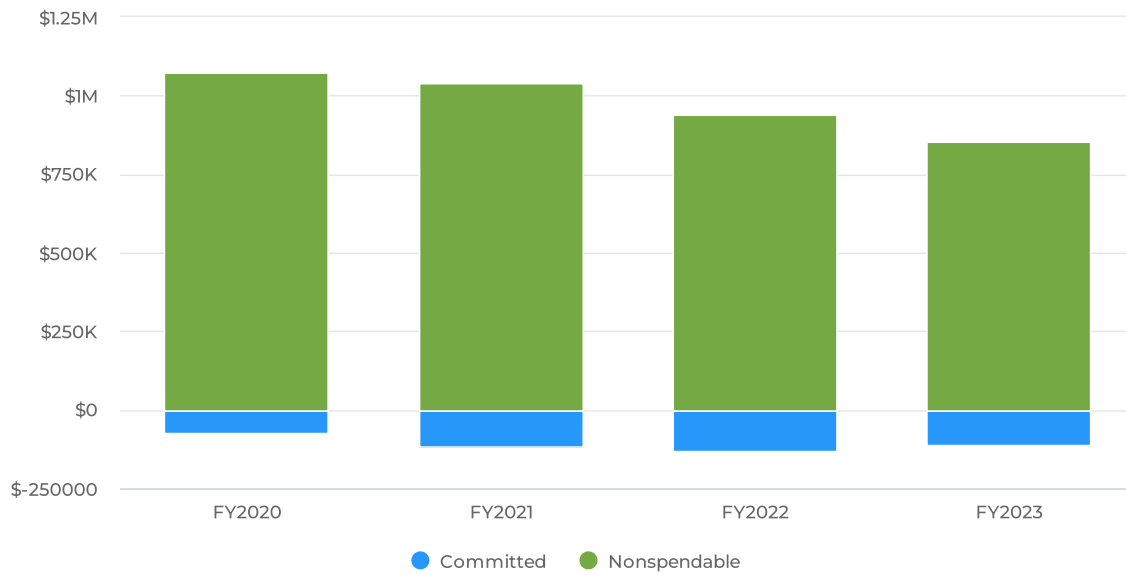


Name	FY2021 Actuals	FY2022 Amended	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>				
<b>Salaries</b>				
Regular Salaries	\$2,425	\$7,925	\$7,925	0%
Overtime	\$0	\$200	\$200	0%
Part-time Salaries	\$0	\$2,262	\$2,262	0%
<b>Total Salaries:</b>	<b>\$2,425</b>	<b>\$10,387</b>	<b>\$10,387</b>	<b>0%</b>
<b>Benefits</b>				
Long/Short Term Disability Insurance	\$18	\$69	\$69	0%
PERS Retirement-Normal Cost	\$217	\$732	\$732	0%
PERS Retirement - Unfunded Liability	\$251	\$985	\$985	0%
Workers' Compensation	\$344	\$352	\$352	0%
Unemployment Compensation	\$0	\$192	\$192	0%
FICA Taxes	\$40	\$291	\$291	0%
Benefit Insurance	\$404	\$1,434	\$1,434	0%
<b>Total Benefits:</b>	<b>\$1,273</b>	<b>\$4,055</b>	<b>\$4,055</b>	<b>0%</b>
<b>Operating</b>				
General Supplies	\$10	\$200	\$200	0%
Telecommunications	\$1,092	\$1,100	\$1,100	0%
Gas & Electric Services	\$1,686	\$3,000	\$3,000	0%
Water Services	\$3,908	\$4,500	\$4,500	0%
Buildings/Grounds Maintenance	\$24,834	\$7,070	\$7,070	0%
Vehicle Maintenance	\$88	\$400	\$400	0%

Name	FY2021 Actuals	FY2022 Amended	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Vehicles: Gas, Oil & Supplies	\$115	\$200	\$200	0%
HVAC Mtn & Repairs	\$591	\$1,500	\$1,500	0%
Depreciation Expense	\$35,667	\$37,500	\$37,500	0%
Janitorial Service	\$0	\$2,620	\$2,620	0%
Animal/Pest Control Services	\$1,428	\$1,500	\$1,500	0%
Contract Seasonal Labor	\$0	\$1,000	\$1,000	0%
<b>Total Operating:</b>	<b>\$69,419</b>	<b>\$60,590</b>	<b>\$60,590</b>	<b>0%</b>
<b>Total Expense Objects:</b>	<b>\$73,117</b>	<b>\$75,032</b>	<b>\$75,032</b>	<b>0%</b>

## Fund Balance

### Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Committed	\$-74,819	\$-114,090	\$-129,997	\$-113,000	-13.1%
Nonspendable	\$1,073,743	\$1,038,076	\$937,380	\$855,351	-8.8%
<b>Total Fund Balance:</b>	<b>\$998,924</b>	<b>\$923,986</b>	<b>\$807,383</b>	<b>\$742,351</b>	<b>-8.1%</b>



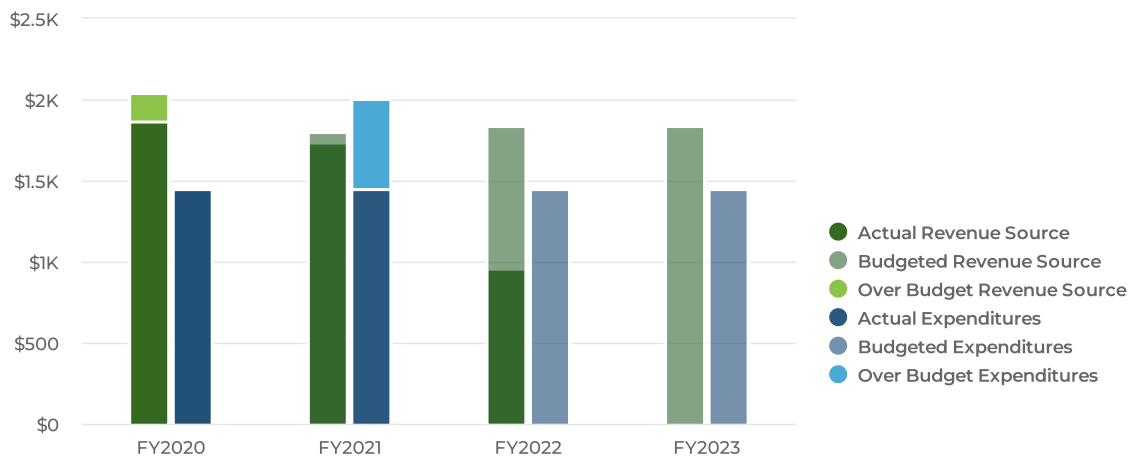


## High Street Bridge Assessment District

In 1998 the City Council ordered the formation of the High Street Permanent Road Division for the purpose of reconstructing and maintaining the High Street Bridge over Mitchell Creek. This annual assessment is levied against specified private property parcel owners within the High Street Bridge Benefit Assessment District in order to repay construction-related financing and for future maintenance of the bridge. The High Street Bridge debt is repaid over thirty (30) years with its ultimate maturity in FY 2028/29. The fund will continue to assess annual levies against covered parcels within the district until the underlying long-term debt owed to the Successor Agency to the former Redevelopment Agency is fulfilled. In FY 2022/23 the total budgeted assessment of \$1,754 will cover debt service payments and contribute to the annual bridge maintenance reserve (\$300 per year). This fund is projected to close FY 2022/23 with a positive reserve balance of **\$7,567**, of which \$6,600 (87%) is restricted for future bridge maintenance of the district.

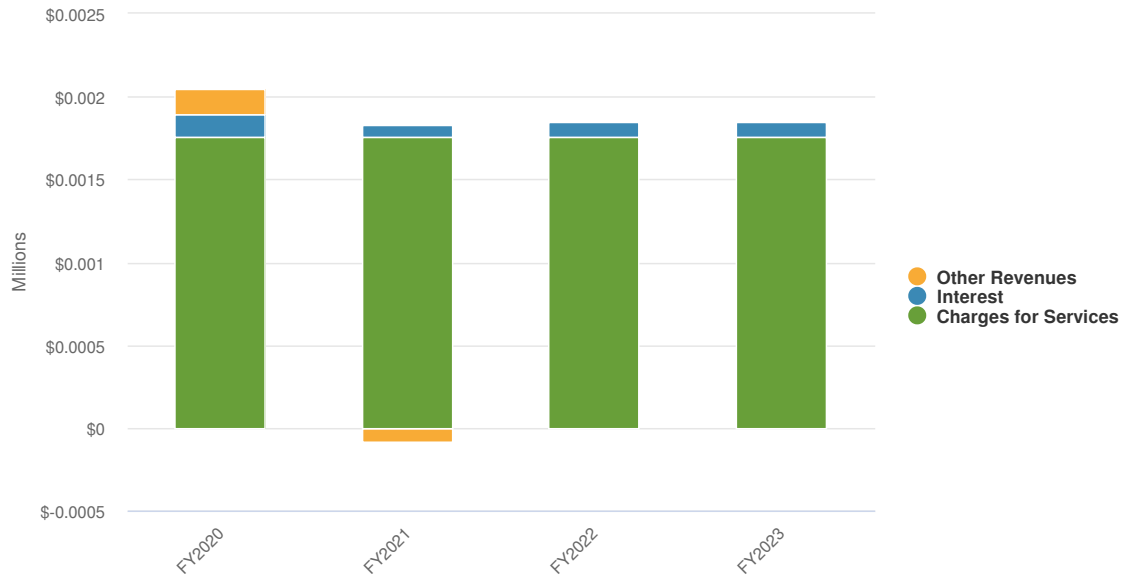
### Summary

The City of Clayton is projecting \$1,844 of revenue in FY2023, which represents a 0% increase over the prior year. Budgeted expenditures are projected to remain at \$1,454 in FY2023.



## Revenues by Source

### Budgeted and Historical 2023 Revenues by Source

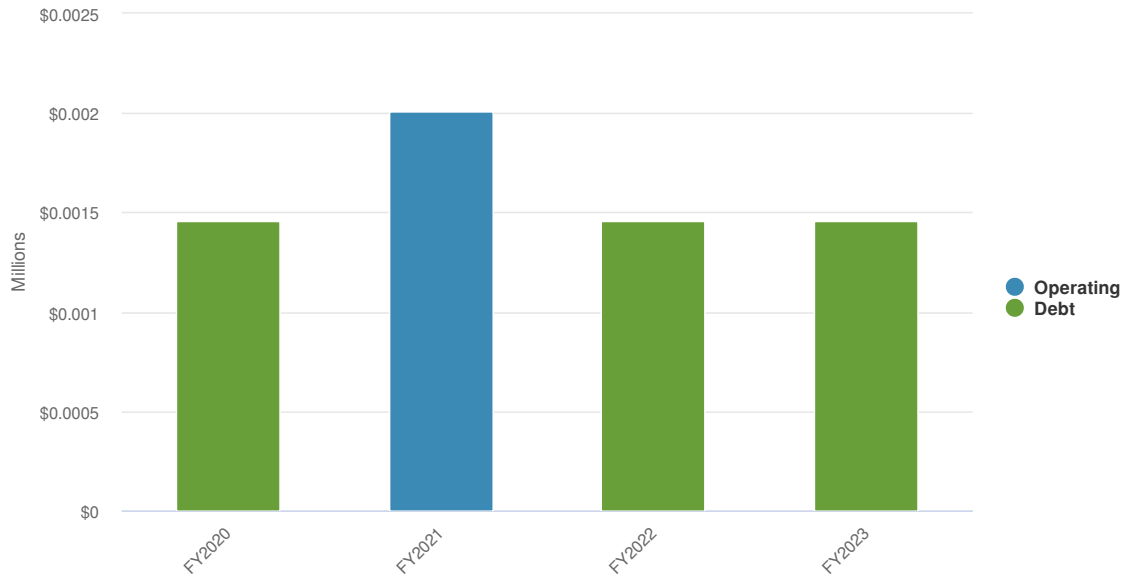


Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
High Street Bridge Assessment	\$1,754	\$1,754	\$1,754	\$1,754	0%
<b>Total Charges for Services:</b>	<b>\$1,754</b>	<b>\$1,754</b>	<b>\$1,754</b>	<b>\$1,754</b>	<b>0%</b>
<b>Interest</b>					
Interest	\$72	\$90	\$90	\$90	0%
<b>Total Interest:</b>	<b>\$72</b>	<b>\$90</b>	<b>\$90</b>	<b>\$90</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv Gain/Loss	-\$84	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$84</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$1,742</b>	<b>\$1,844</b>	<b>\$1,844</b>	<b>\$1,844</b>	<b>0%</b>

## Expenditures by Expense Type

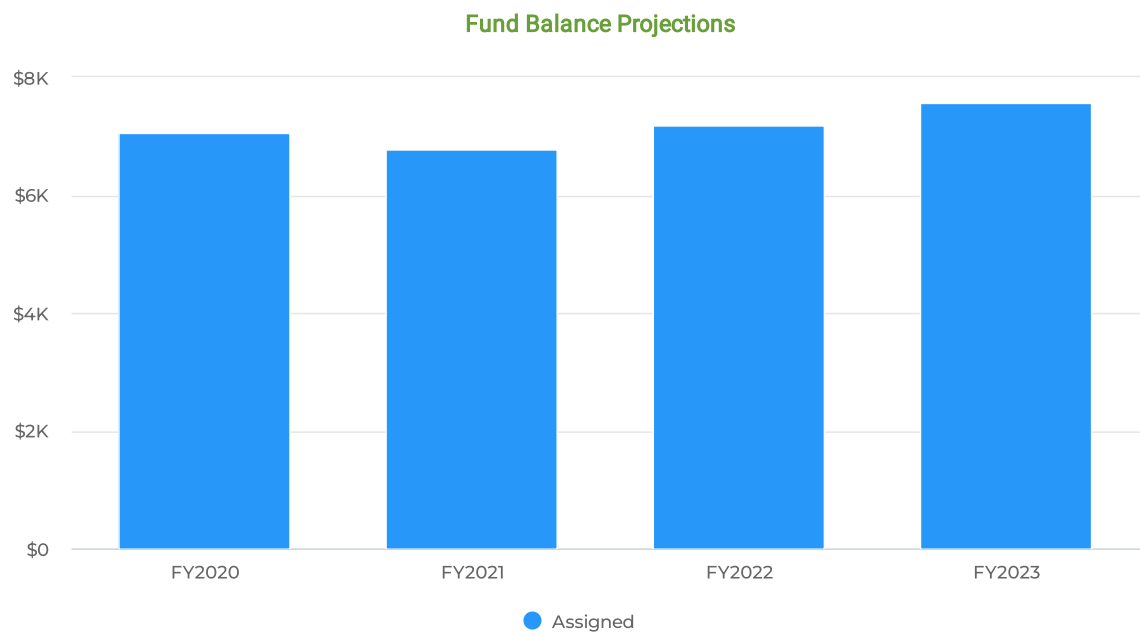


### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Engineering/Inspection Service	\$2,010	\$0	\$0	\$0	N/A
<b>Total Operating:</b>	<b>\$2,010</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Debt</b>					
Principal (RDA Successor Agency)	\$0	\$915	\$915	\$915	0%
Interest Expense	\$0	\$539	\$539	\$539	0%
<b>Total Debt:</b>	<b>\$0</b>	<b>\$1,454</b>	<b>\$1,454</b>	<b>\$1,454</b>	<b>0%</b>
<b>Total Expense Objects:</b>	<b>\$2,010</b>	<b>\$1,454</b>	<b>\$1,454</b>	<b>\$1,454</b>	<b>0%</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Assigned	\$7,054	\$6,787	\$7,177	\$7,567	5.4%
Total Fund Balance:	\$7,054	\$6,787	\$7,177	\$7,567	5.4%





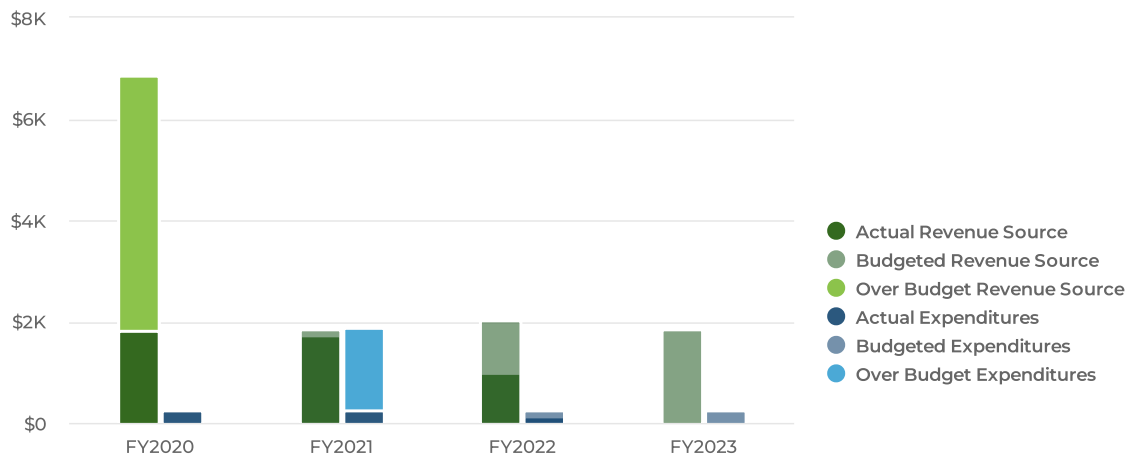
## Oak Street Bridge Assessment District

In 1999 the City Council ordered the formation of the Oak Street Permanent Road Division for the purpose of reconstructing and maintaining the Oak Street Bridge over Mitchell Creek. This annual assessment is levied against specified private property parcel owners within the Oak Street Bridge Benefit Assessment District in order to repay construction-related financing and for future maintenance of the bridge. Five years ago in FY 2016/17 this fund contributed \$12,000 to the City's Arterial Rehabilitation Project (CIP 10437A) to perform street re-pavement improvements needed in the District. In FY 2017/18, the district incurred \$4,396 for urgent pavement repairs on Oak Ct. No bridge or road maintenance is scheduled for FY 2021/22 in an effort to rebuild district maintenance reserves considering the maintenance projects already completed in recent years.

The Oak Street Bridge debt was repaid over twenty (20) years and was fully paid off in FY 2018/19. Despite the maturity of the debt, a minimal annual district levy is still necessary for bridge maintenance purposes as outlined in the district's establishing documents. After the inclusion of projected interest earnings and the continuing annual assessment for bridge maintenance purposes of \$1,760 (total), this fund is projected to close FY 2022/23 with a positive reserve balance of **\$22,782**.

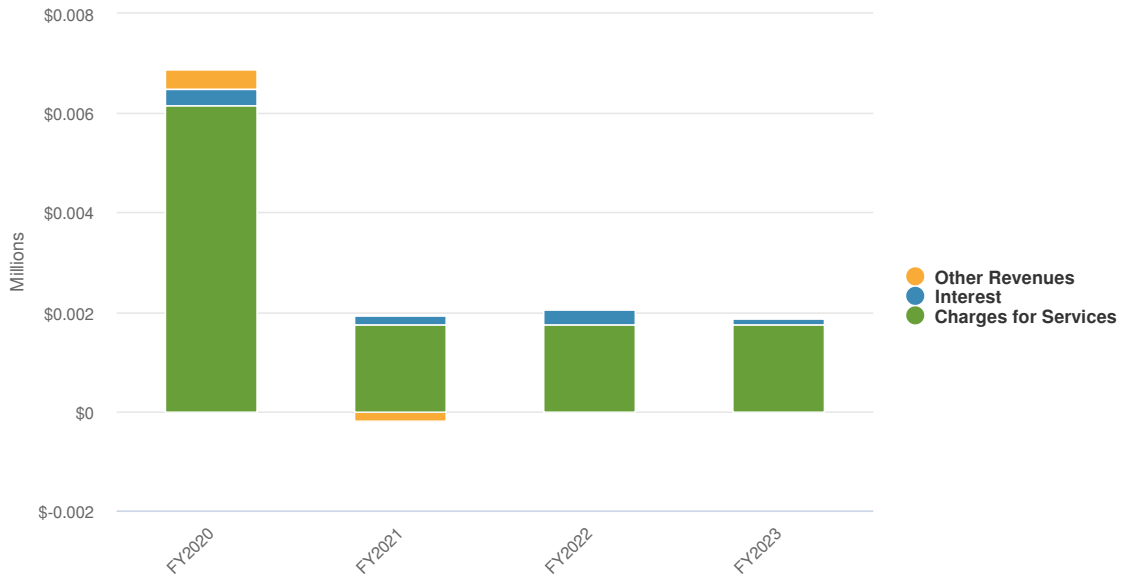
### Summary

The City of Clayton is projecting \$1,860 of revenue in FY2023, which represents a 6% decrease over the prior year largely due to reduced interest earnings. Budgeted expenditures are projected to be flat at \$258 in FY2023.



## Revenues by Source

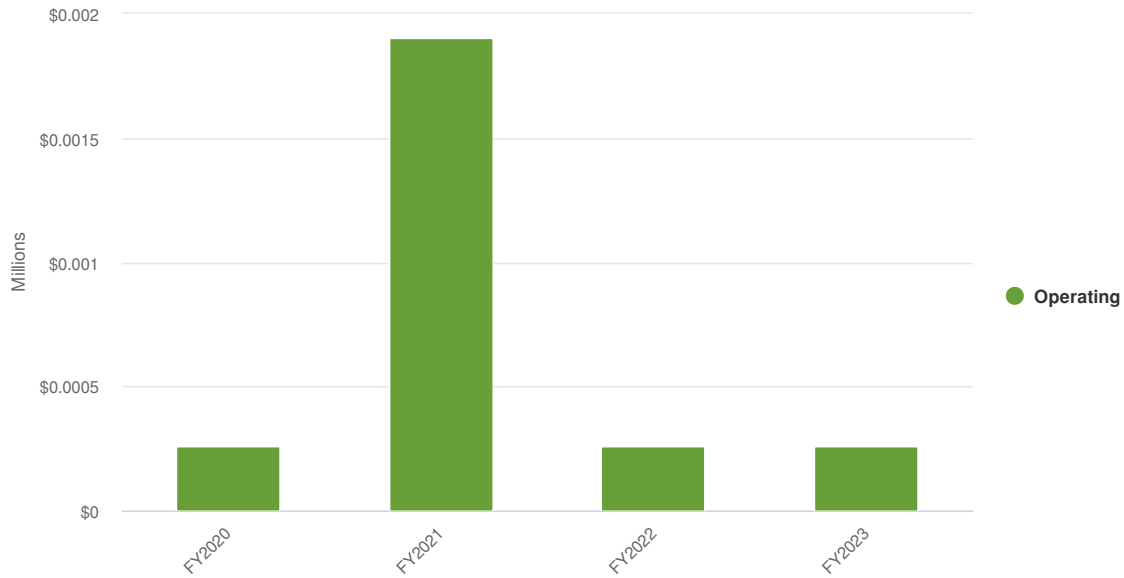
### Budgeted and Historical 2023 Revenues by Source



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Oak Street Bridge Assessment	\$1,760	\$1,760	\$1,760	\$1,760	0%
<b>Total Charges for Services:</b>	<b>\$1,760</b>	<b>\$1,760</b>	<b>\$1,760</b>	<b>\$1,760</b>	<b>0%</b>
<b>Interest</b>					
Interest	\$169	\$280	\$100	\$100	-64.3%
<b>Total Interest:</b>	<b>\$169</b>	<b>\$280</b>	<b>\$100</b>	<b>\$100</b>	<b>-64.3%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$195	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$195</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$1,734</b>	<b>\$2,040</b>	<b>\$1,860</b>	<b>\$1,860</b>	<b>-8.8%</b>

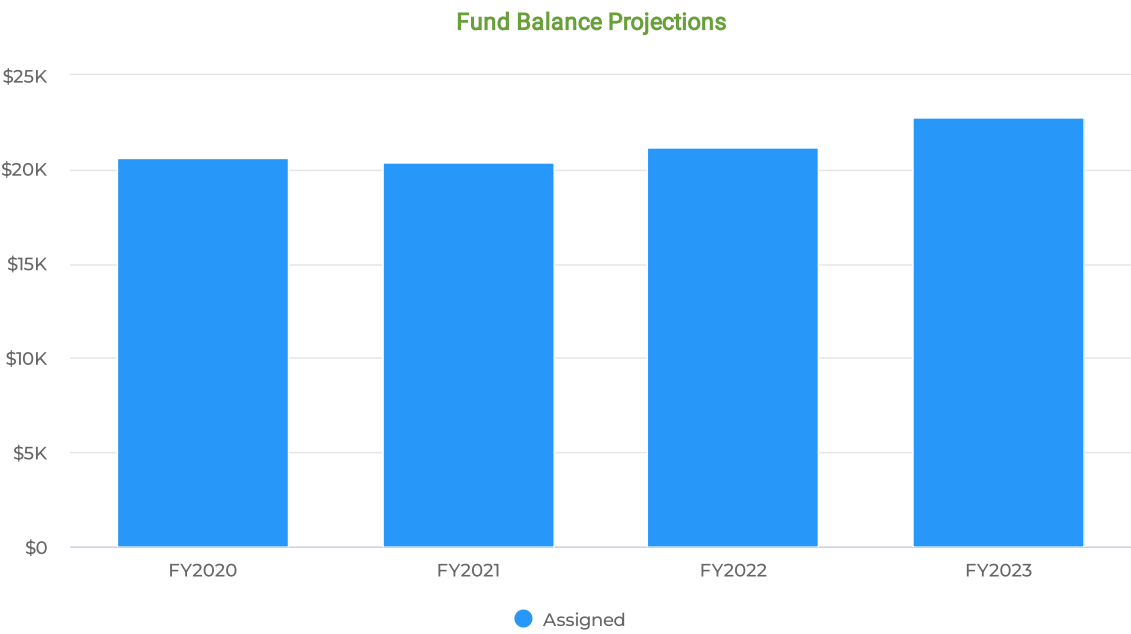
## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Property Tax Admin. Costs	\$258	\$258	\$258	\$258	0%
Engineering/Inspection Service	\$190	\$0	\$0	\$0	N/A
Administrative Costs	\$1,455	\$0	\$0	\$0	N/A
<b>Total Operating:</b>	<b>\$1,903</b>	<b>\$258</b>	<b>\$258</b>	<b>\$258</b>	<b>0%</b>
<b>Total Expense Objects:</b>	<b>\$1,903</b>	<b>\$258</b>	<b>\$258</b>	<b>\$258</b>	<b>0%</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Assigned	\$20,589	\$20,420	\$21,180	\$22,782	7.6%
Total Fund Balance:	\$20,589	\$20,420	\$21,180	\$22,782	7.6%



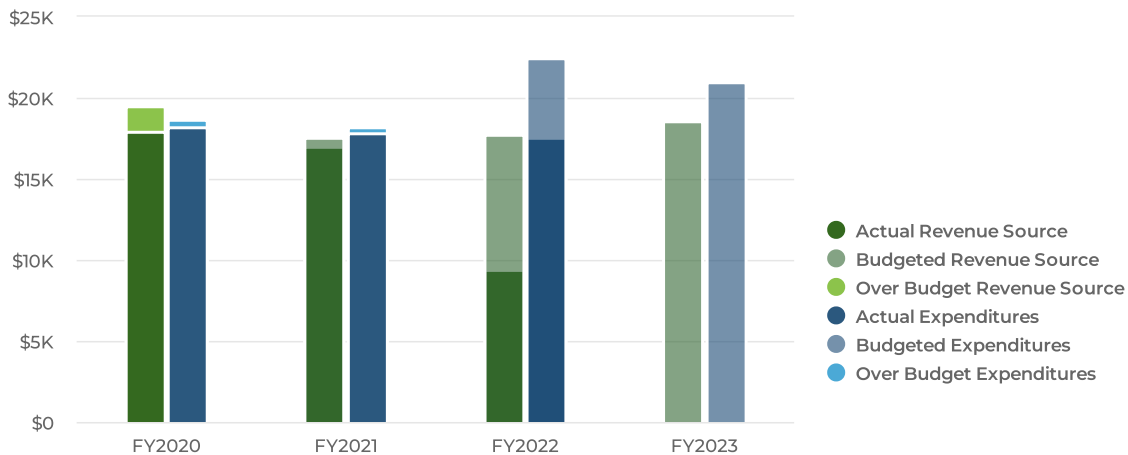


## Lydia Lane Sewer Assessment

In 2002 the City Council ordered the formation of the Lydia Lane Sewer Benefit Assessment District along south Lydia Lane for the purpose of funding the construction of municipal sewer main line lateral connections to specified homes within the District plus an associated street overlay. The project was funded by the private property parcel owners since they “opted out” of inclusion in the original Project Area of the since- dissolved Redevelopment Agency (RDA). As a result of opting out of inclusion, they were ineligible to receive RDA funds to address public health and safety blight for the installation of a municipal sewer line to eliminate their private septic tank systems. The project was completed in 2003 with bonds issued by the City for repayment by the district over a thirty (30) year life maturing in FY 2032/33. This annual assessment is levied against specified private property parcel owners within the Lydia Lane Sewer Benefit Assessment District in order to repay construction-related financing and to address ongoing operational and administrative costs. This fund will continue to assess annual levies against covered parcels within the district until the underlying long-term obligation due to private bondholders is fulfilled. Parcel assessments are projected to produce \$19,799 in FY 2022/23. Debt service payments for FY 2022/23 total \$18,000 or 91% of the District’s annual expenses. From the current fund balance \$2,2264 will be used to cover the residual needed for FY2022/23 district expenses. The principal balance of the bonds will be \$123,325 as of June 30, 2023. This fund is projected to close FY 2022/23 with a positive reserve balance of **\$68,875** for future sewer system maintenance in the district. Of this reserve balance, \$12,500 (18%) pertains to the bond reserve fund, held by the trustee and restricted for debt service per the bond indenture.

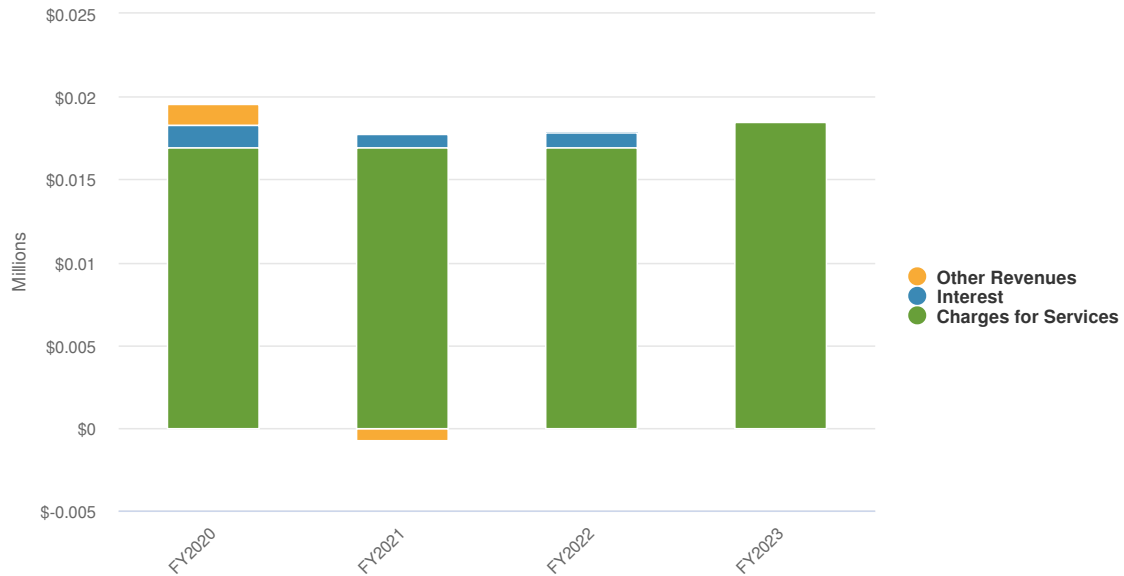
### Summary

The City of Clayton is projecting \$18.6K of revenue in FY2023, which represents a 4.5% increase over the prior year. Budgeted expenditures are projected to decrease by 6.5% or \$1.45K to \$21.01K in FY2023.



## Revenues by Source

### Budgeted and Historical 2023 Revenues by Source

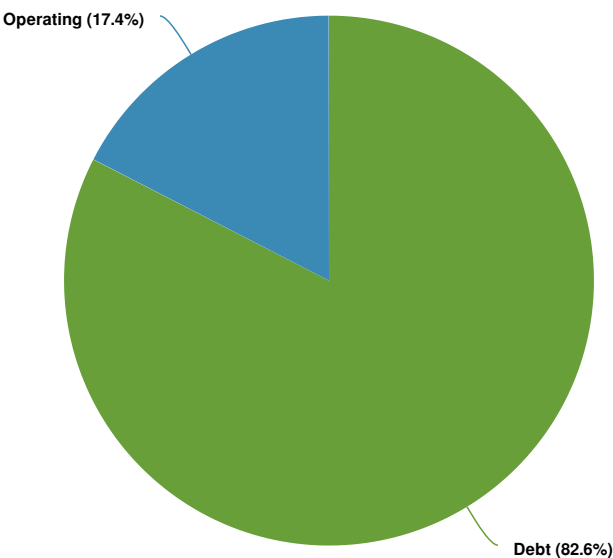


Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Lydia Lane Sewer Assessment	\$16,900	\$16,900	\$16,900	\$18,498	9.5%
<b>Total Charges for Services:</b>	<b>\$16,900</b>	<b>\$16,900</b>	<b>\$16,900</b>	<b>\$18,498</b>	<b>9.5%</b>
<b>Interest</b>					
Interest	\$849	\$900	\$125	\$100	-88.9%
<b>Total Interest:</b>	<b>\$849</b>	<b>\$900</b>	<b>\$125</b>	<b>\$100</b>	<b>-88.9%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$705	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$705</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$17,044</b>	<b>\$17,800</b>	<b>\$17,025</b>	<b>\$18,598</b>	<b>4.5%</b>

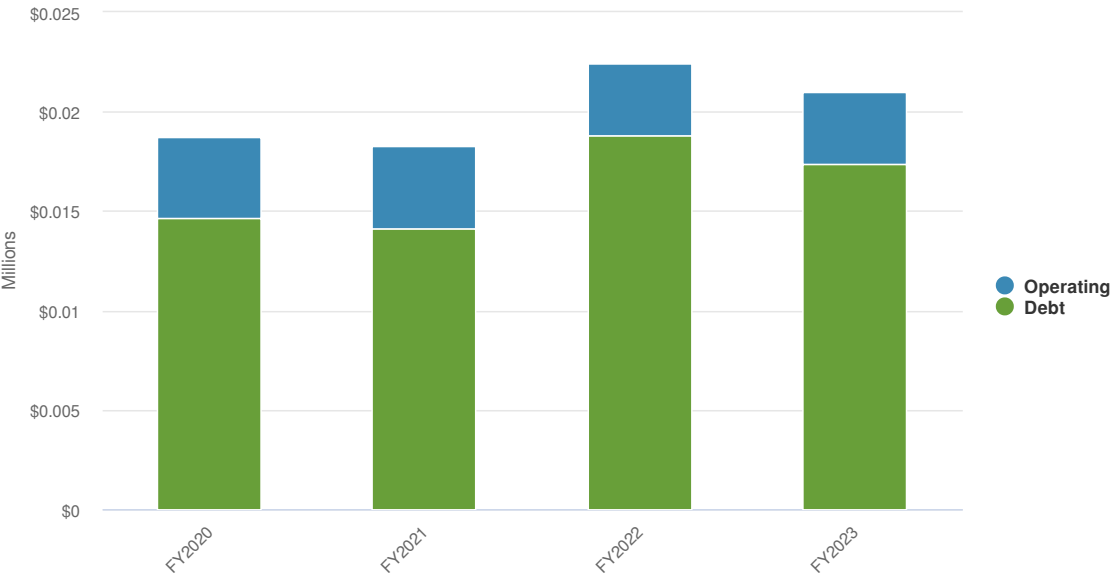


# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



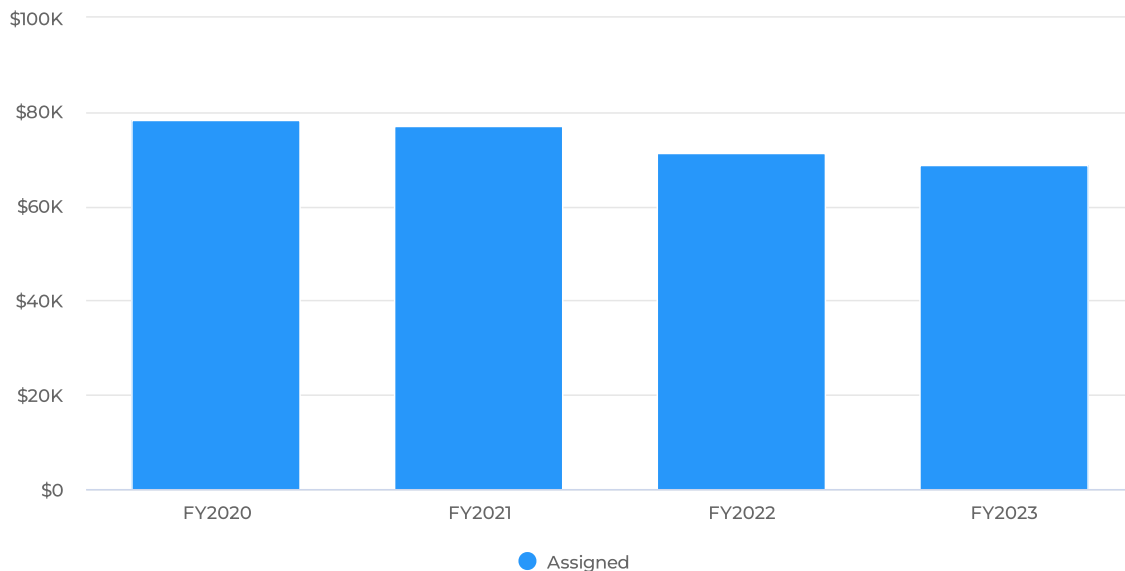
Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Property Tax Admin. Costs	\$264	\$264	\$264	\$264	0%
Other Professional Services	\$48	\$1,000	\$1,000	\$1,000	0%
Other Outside Services	\$3,815	\$2,400	\$2,400	\$2,400	0%
<b>Total Operating:</b>	<b>\$4,126</b>	<b>\$3,664</b>	<b>\$3,664</b>	<b>\$3,664</b>	<b>0%</b>
<b>Debt</b>					
Principal	\$5,000	\$10,000	\$10,000	\$10,000	0%
Interest Expense	\$8,658	\$8,300	\$8,600	\$6,850	-17.5%
Paying Agent Fee	\$500	\$500	\$500	\$500	0%
<b>Total Debt:</b>	<b>\$14,158</b>	<b>\$18,800</b>	<b>\$19,100</b>	<b>\$17,350</b>	<b>-7.7%</b>
<b>Total Expense Objects:</b>	<b>\$18,284</b>	<b>\$22,464</b>	<b>\$22,764</b>	<b>\$21,014</b>	<b>-6.5%</b>

## Fund Balance

### Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Assigned	\$78,270	\$77,030	\$71,291	\$68,875	-3.4%
<b>Total Fund Balance:</b>	<b>\$78,270</b>	<b>\$77,030</b>	<b>\$71,291</b>	<b>\$68,875</b>	<b>-3.4%</b>





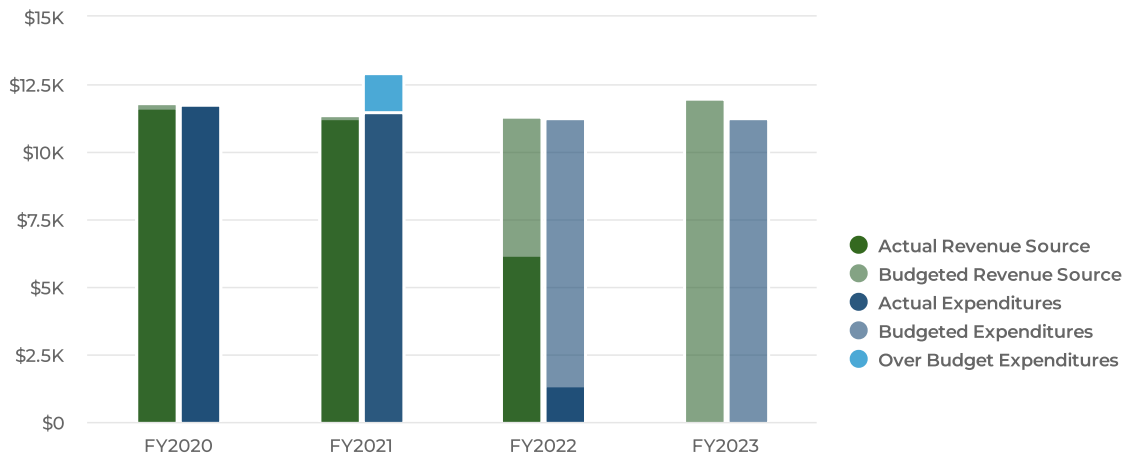
## Oak Street Sewer Assessment

In 2002 the City Council ordered the formation of the Oak Street Sewer Assessment Division for the purpose of funding the construction of municipal sewer main line lateral connections to specified homes within the District. This neighborhood sewer project was completed in 2004. Under its mission to eliminate public health and safety concerns, the former Clayton Redevelopment Agency (RDA) paid for half (50%) of the project and the adjacent real property owners agreed to annual parcel assessments for the balance of the capital project. This annual assessment is levied against specified private property parcel owners within the Oak Street Sewer Benefit Assessment District in order to repay construction-related financing. The Oak Street Sewer debt is repaid over twenty five (25) years with its ultimate maturity in FY 2027/28. This fund will continue to assess annual levies against covered parcels within the district until the underlying debt owed to the Successor Agency of the RDA is fulfilled. After incorporating any pre-payments by district members, the outstanding principal on the debt was \$60,909 as of June 30, 2020.

Annual parcel assessments are projected to produce \$11,977 in district revenue in FY 2022/23. Debt service payments for FY 2022/23 total \$9,764 or 82% of the district's proposed appropriations. The fund is projected to close FY 2022/23 with a modest reserve balance of **\$1,968**.

### Summary

The City of Clayton is projecting \$11.98K of revenue in FY2023, which represents a 5.4% increase over the prior year. Budgeted expenditures are projected to increase by 0% or N/A to \$11.26K in FY2023.



## Revenues by Source

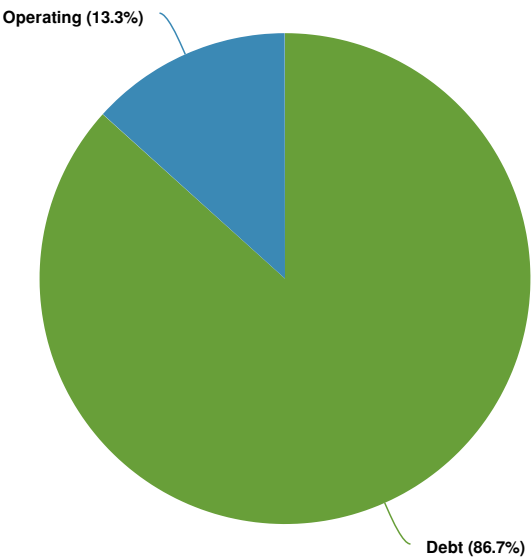
### Budgeted and Historical 2023 Revenues by Source



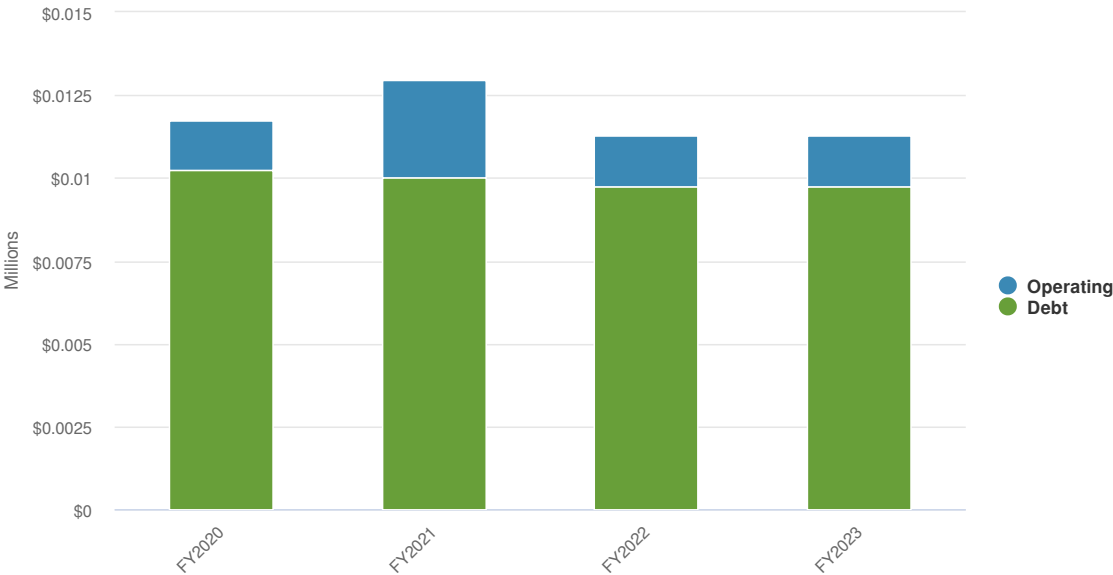
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Oak Street Sewer Assessment	\$11,309	\$11,309	\$11,309	\$11,927	5.5%
<b>Total Charges for Services:</b>	<b>\$11,309</b>	<b>\$11,309</b>	<b>\$11,309</b>	<b>\$11,927</b>	<b>5.5%</b>
<b>Interest</b>					
Interest	\$101	\$50	\$50	\$50	0%
<b>Total Interest:</b>	<b>\$101</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$132	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$132</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$11,278</b>	<b>\$11,359</b>	<b>\$11,359</b>	<b>\$11,977</b>	<b>5.4%</b>

# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



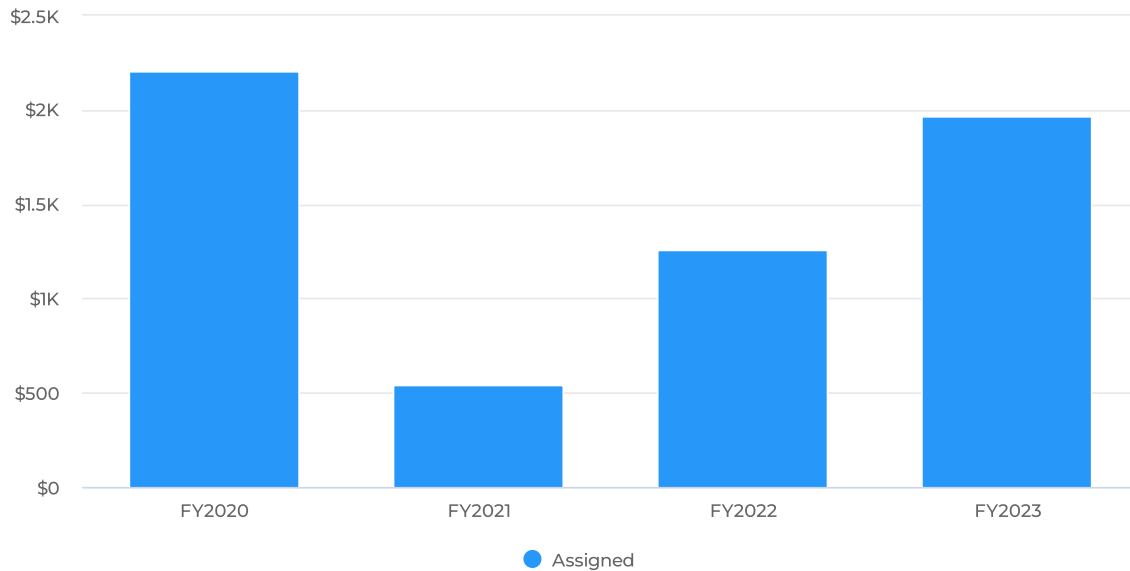
Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Property Tax Admin. Costs	\$259	\$259	\$259	\$259	0%
Other Outside Services	\$2,674	\$1,241	\$1,241	\$1,241	0%
<b>Total Operating:</b>	<b>\$2,932</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>0%</b>
<b>Debt</b>					
Principal	\$8,183	\$8,182	\$8,182	\$8,182	0%
Interest Expense	\$1,827	\$1,582	\$1,582	\$1,582	0%
<b>Total Debt:</b>	<b>\$10,010</b>	<b>\$9,764</b>	<b>\$9,764</b>	<b>\$9,764</b>	<b>0%</b>
<b>Total Expense Objects:</b>	<b>\$12,942</b>	<b>\$11,264</b>	<b>\$11,264</b>	<b>\$11,264</b>	<b>0%</b>

## Fund Balance

### Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Assigned	\$2,206	\$542	\$1,255	\$1,968	56.8%
<b>Total Fund Balance:</b>	<b>\$2,206</b>	<b>\$542</b>	<b>\$1,255</b>	<b>\$1,968</b>	<b>56.8%</b>





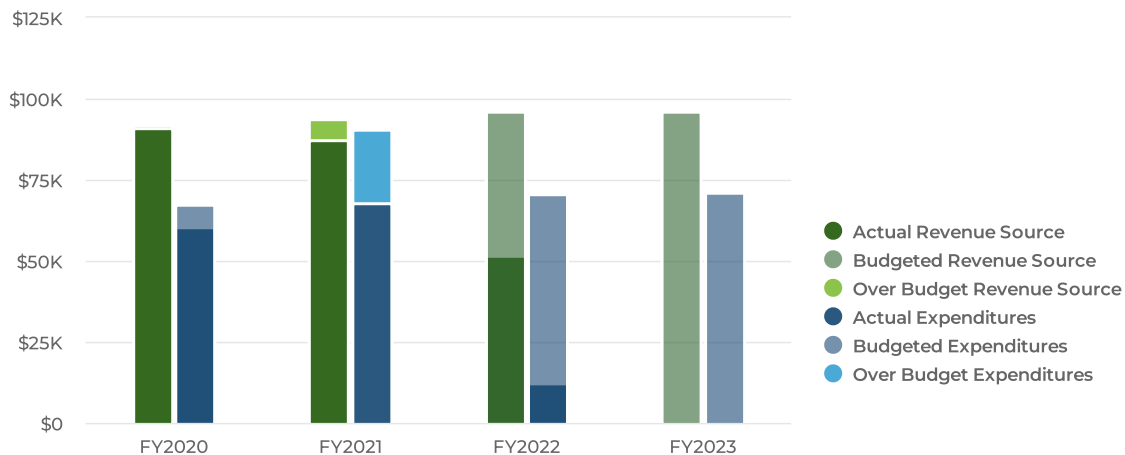
## Diablo Estates Benefit Assessment District

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

In FY 2022/23 the assessment revenue is projected to be approximately \$93,712, the same as the current year. Total proposed appropriations of the district are \$71,399 for FY 2022/23, of which the expense pertains to costs associated with a contracted property management services firm, estimated at \$59,000. The fund is projected to close FY 2022/23 with a positive reserve balance of approximately \$239,413, primarily retained for future infrastructure replacements in the District.

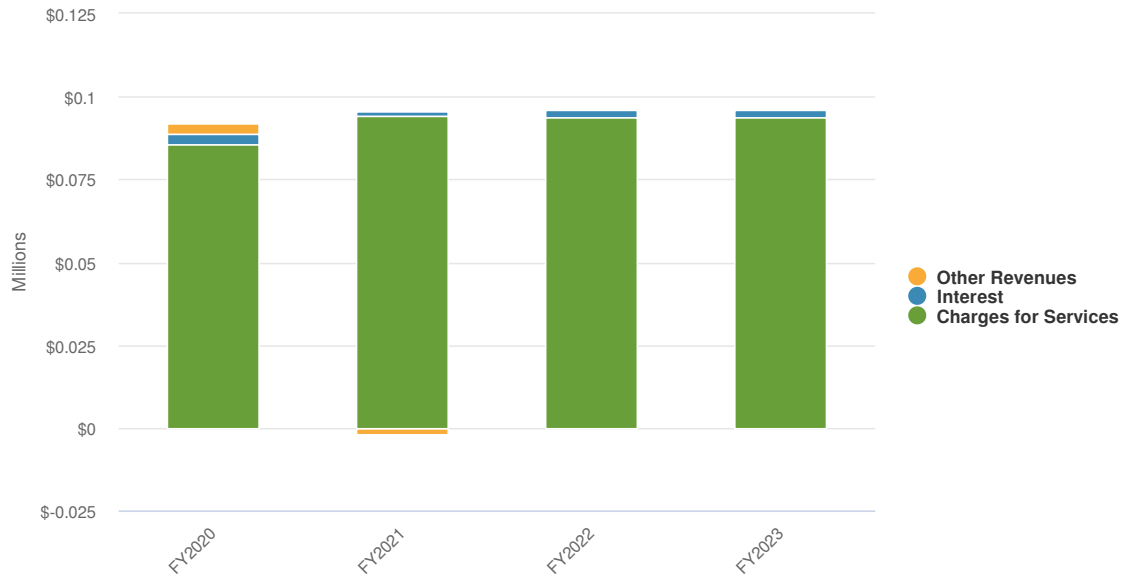
### Summary

The City of Clayton is projecting \$96,112 of revenue in FY2023, which represents a 0% increase over the prior year. Budgeted expenditures are projected to increase by 0.5% or \$350 to \$71,399 in FY2023.



## Revenues by Source

### Budgeted and Historical 2023 Revenues by Source

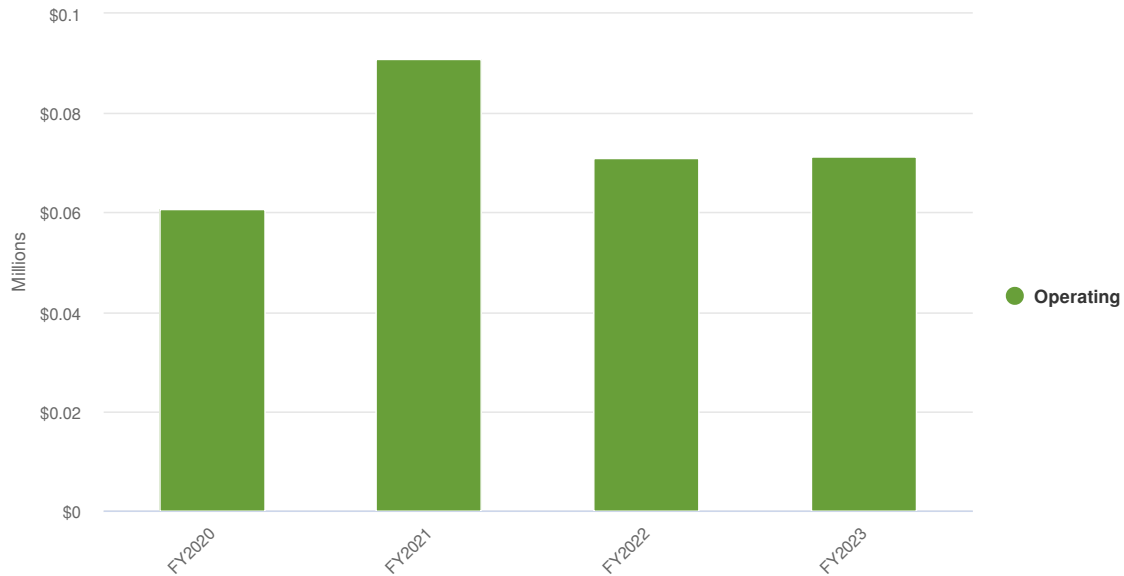


Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Diablo Estates Fiduciary Fund Assessment	\$93,997	\$93,712	\$93,712	\$93,712	0%
<b>Total Charges for Services:</b>	<b>\$93,997</b>	<b>\$93,712</b>	<b>\$93,712</b>	<b>\$93,712</b>	<b>0%</b>
<b>Interest</b>					
Interest	\$1,649	\$2,400	\$2,366	\$2,400	0%
<b>Total Interest:</b>	<b>\$1,649</b>	<b>\$2,400</b>	<b>\$2,366</b>	<b>\$2,400</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$1,675	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$1,675</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$93,971</b>	<b>\$96,112</b>	<b>\$96,078</b>	<b>\$96,112</b>	<b>0%</b>



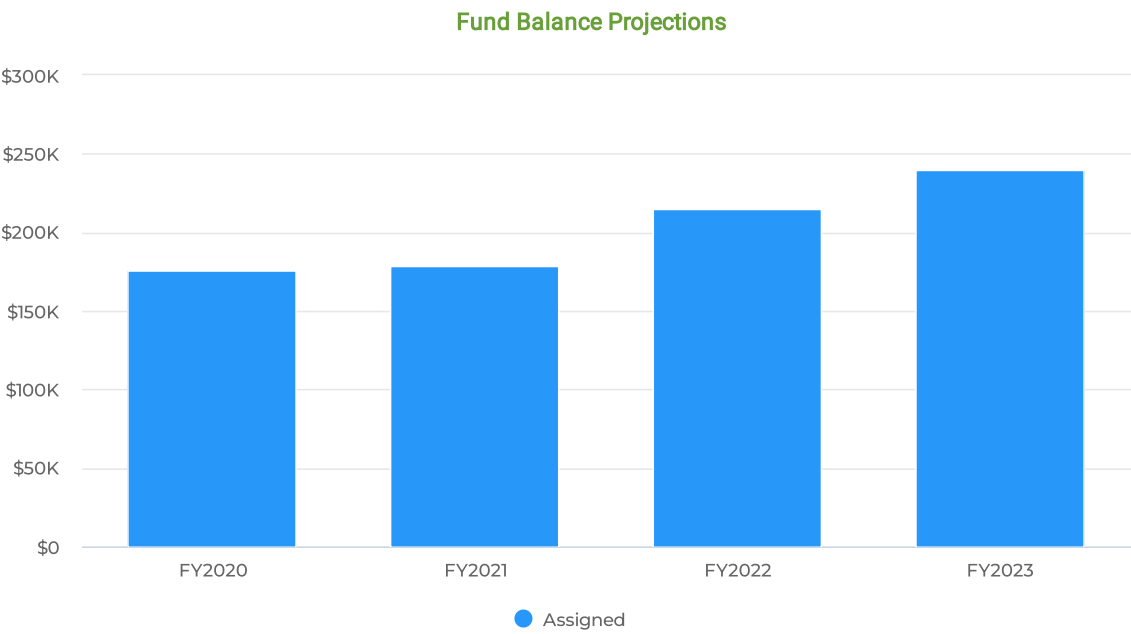
## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Gas & Electric Services	\$422	\$300	\$300	\$650	116.7%
Water Services	\$4,163	\$8,600	\$8,600	\$8,600	0%
Property Tax Admin. Costs	\$558	\$270	\$270	\$270	0%
Legal Notices	\$0	\$100	\$100	\$100	0%
Engineering/Inspection Service	\$7,490	\$0	\$0	\$0	N/A
Other Professional Services	\$74,030	\$59,390	\$48,832	\$59,390	0%
Administrative Costs	\$0	\$2,389	\$2,389	\$2,389	0%
Tree Trimming Services	\$4,200	\$0	\$0	\$0	N/A
<b>Total Operating:</b>	<b>\$90,863</b>	<b>\$71,049</b>	<b>\$60,491</b>	<b>\$71,399</b>	<b>0.5%</b>
<b>Total Expense Objects:</b>	<b>\$90,863</b>	<b>\$71,049</b>	<b>\$60,491</b>	<b>\$71,399</b>	<b>0.5%</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Assigned	\$176,007	\$179,114	\$214,701	\$239,413	11.5%
Total Fund Balance:	\$176,007	\$179,114	\$214,701	\$239,413	11.5%





## Clayton Financing Authority

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

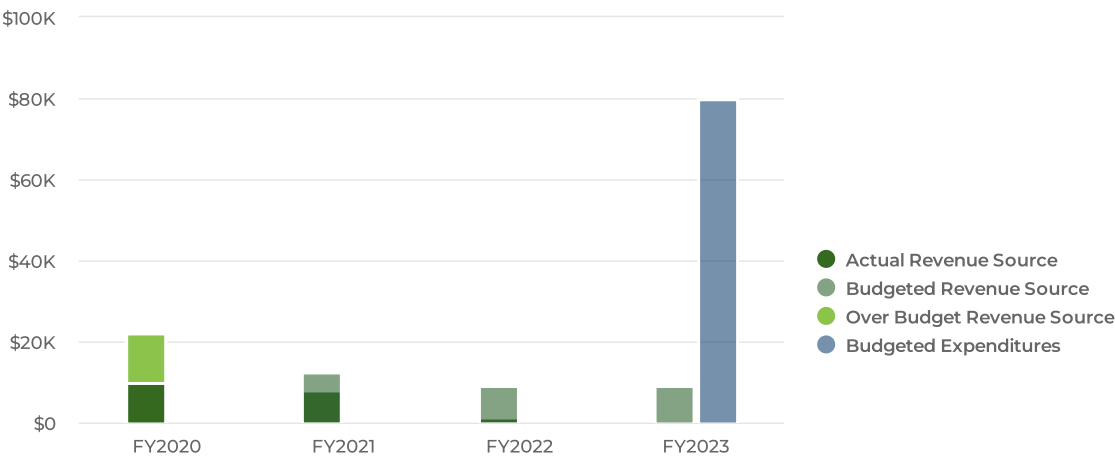
Arising from matters associated with the Oakhurst Development Project, the CFA held title to a one acre parcel located at the southwest corner of the Clayton Road-Oakhurst Drive-Center Street intersection. In October 2006, the CFA sold the real property for

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

During FY 2017/18, the replacement of the city hall HVAC system became a top priority as three of the five condensing units had failed and were rendered inoperable. This system failure resulted in a total cooling capacity of only 40% for the three-story building. Furthermore, the city hall boiler had completely failed eliminating all heating capacity of the HVAC unit essential for a productive office workplace. Acknowledging the importance of a functioning HVAC during the hot summer months and cold winter months for a productive office work environment, on July 18, 2017 the CFA Board authorized \$170,126 of this project to be financed with CFA fund reserves. No appropriations have been made in since FY 2017/18. It is recommended, however, that an appropriation be made to support needed HVAC repair/replacement at the Clayton Community Library. this facility has some aging systems and currently they are in need of major repair. A total of \$80,000 is recommended for this project.

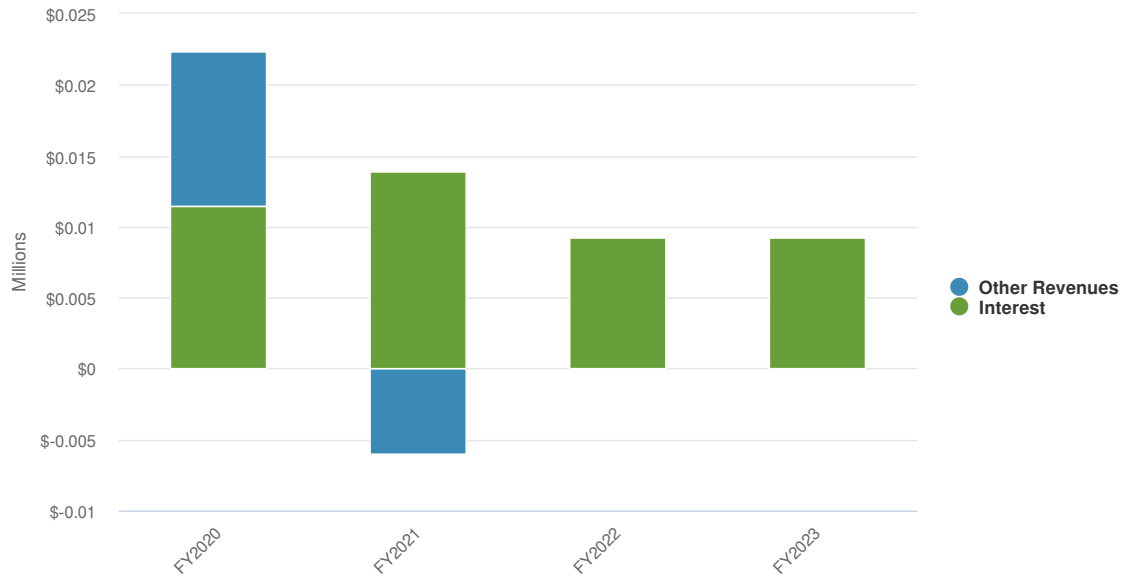
# Summary

The City of Clayton is projecting \$9.2K of revenue in FY2023, which represents a 0% increase over the prior year. Budgeted expenditures are projected to increase by \$80,000 for needed repairs at Clayton Community Library in FY2023.



## Revenues by Source

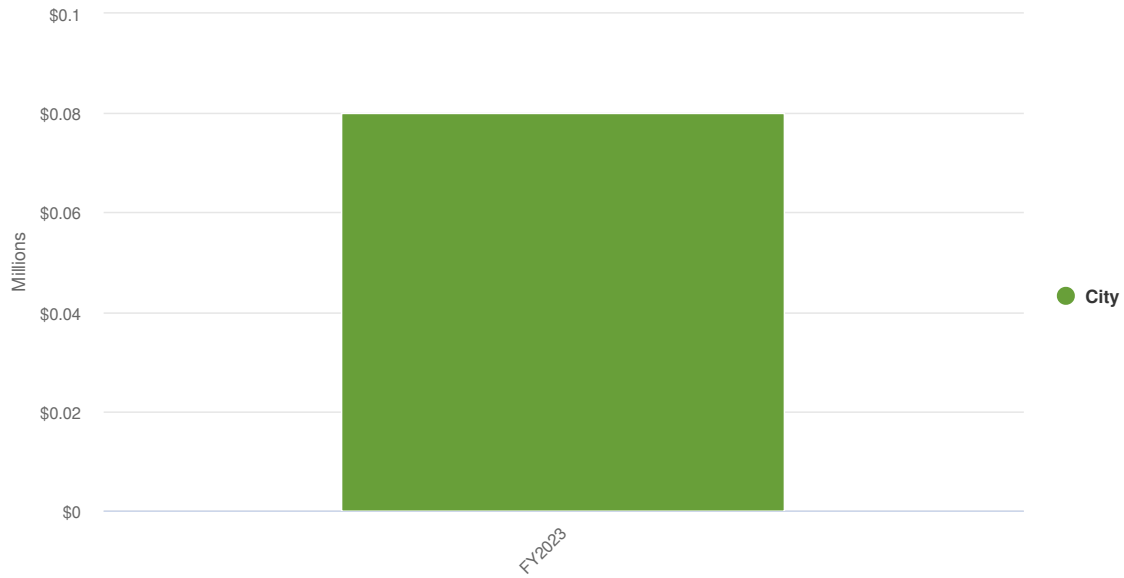
### Budgeted and Historical 2023 Revenues by Source



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Interest</b>					
Interest	\$13,941	\$9,200	\$9,200	\$9,200	0%
<b>Total Interest:</b>	<b>\$13,941</b>	<b>\$9,200</b>	<b>\$9,200</b>	<b>\$9,200</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$5,973	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$5,973</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Total Revenue Source:</b>	<b>\$7,968</b>	<b>\$9,200</b>	<b>\$9,200</b>	<b>\$9,200</b>	<b>0%</b>

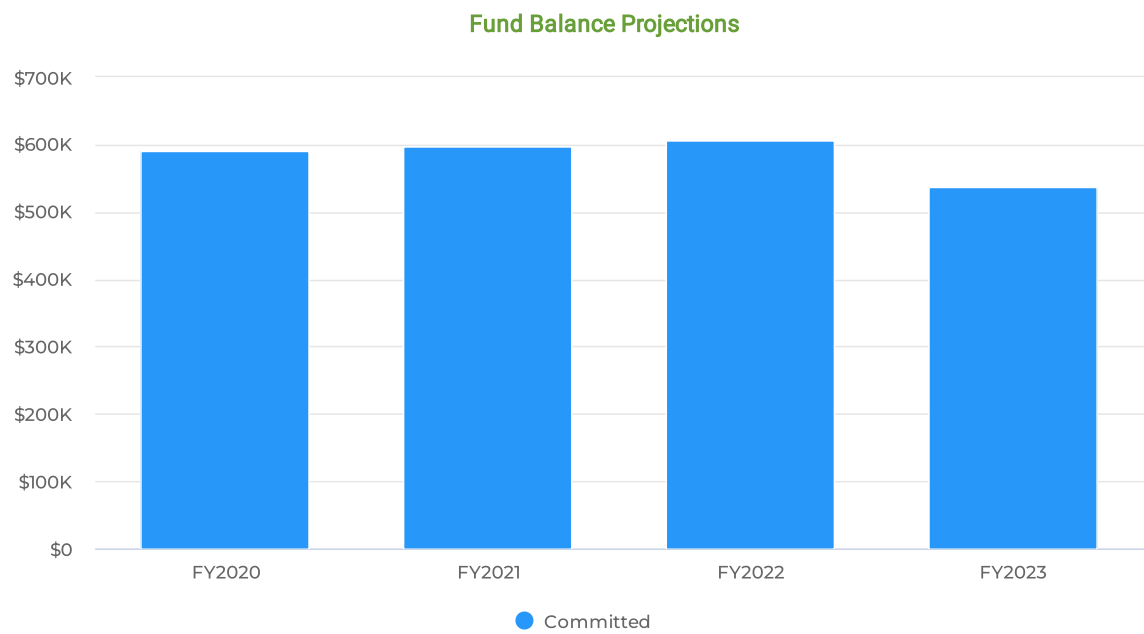
# Expenditures by Function

## Budgeted and Historical Expenditures by Function



Name	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Expenditures				
City	\$0	\$0	\$80,000	N/A
<b>Total Expenditures:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,000</b>	<b>N/A</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Committed	\$590,288	\$598,256	\$607,456	\$536,656	-11.7%
Total Fund Balance:	\$590,288	\$598,256	\$607,456	\$536,656	-11.7%



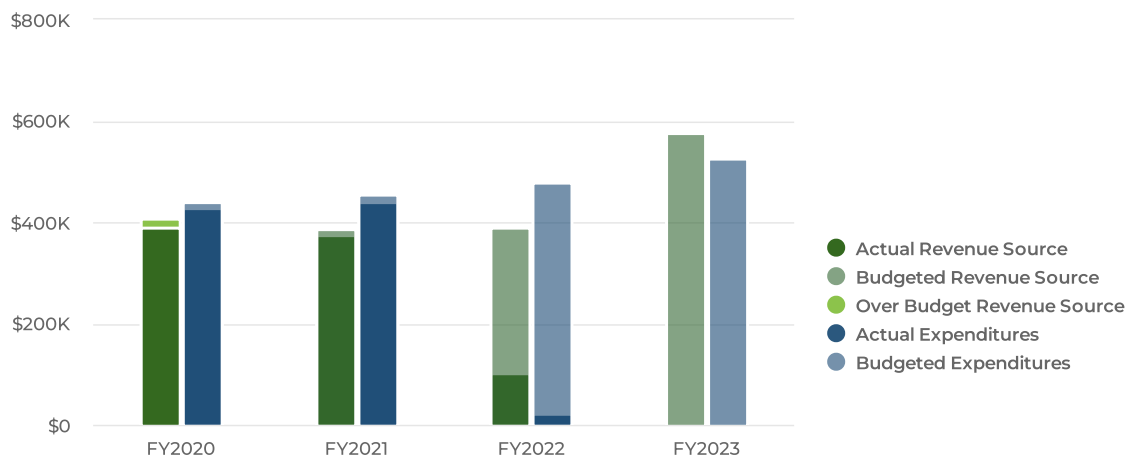


## Middle School CFD

As its name implies, this fund manages the annual collection of the real property Mello-Roos special parcel tax that helped finance the construction of the Diablo View Middle School, a 2017 California Gold Ribbon School. During FY 2007/08 the outstanding debt of the district was refunded to obtain a lower interest rate on the remaining principal (see Fund No. 422). The reduced interest rate savings achieved with the May 2007 refinancing are passed along to the rate payers over the remaining life of the bond. This was a City-initiated transaction which resulted in lower annual payments for the assessed real property owners of this district (Oakhurst Development properties). The savings vary by size of parcel; however, generally result in \$300 to \$500 in cumulative total savings from 2007/08 through 2022/23. The remainder of the budgeted expenses of the district covers required debt administration costs.

### Summary

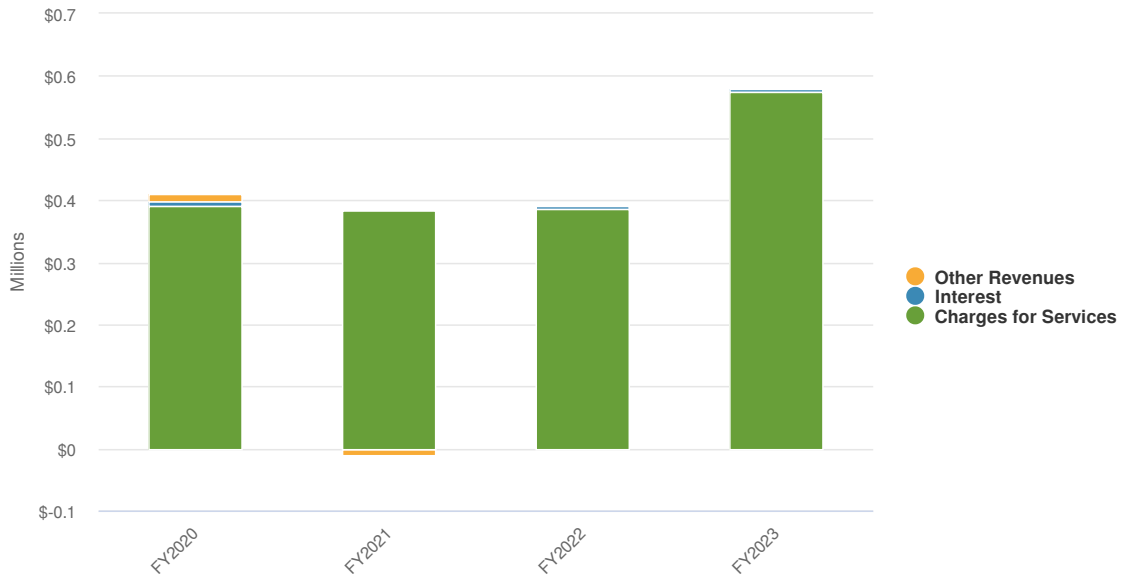
The City of Clayton is projecting \$579.14K of revenue in FY2023, which represents a 48.4% increase over the prior year. Budgeted expenditures are projected to increase by 9.7% or \$46.66K to \$527.5K in FY2023.





## Revenues by Source

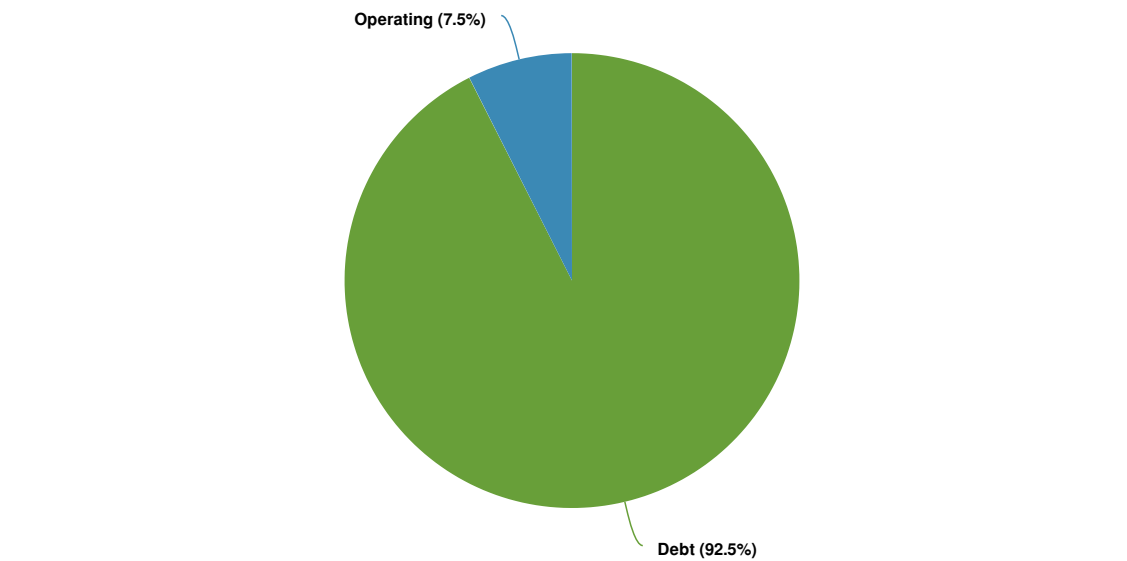
### Budgeted and Historical 2023 Revenues by Source



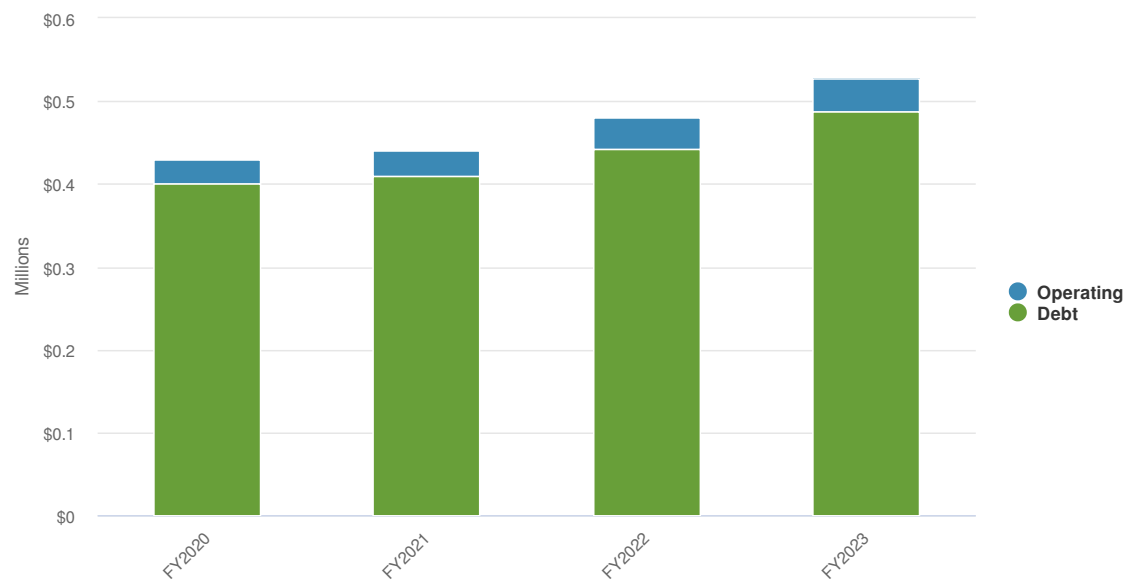
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Charges for Services</b>					
Middle School CFD 1990-1 Parcel Tax Assessment	\$383,465	\$385,784	\$385,784	\$574,542	48.9%
<b>Total Charges for Services:</b>	<b>\$383,465</b>	<b>\$385,784</b>	<b>\$385,784</b>	<b>\$574,542</b>	<b>48.9%</b>
<b>Interest</b>					
Interest	\$3,199	\$4,600	\$4,600	\$4,600	0%
<b>Total Interest:</b>	<b>\$3,199</b>	<b>\$4,600</b>	<b>\$4,600</b>	<b>\$4,600</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$10,045	\$0	\$0	\$0	N/A
<b>Total Other Revenues:</b>	<b>-\$10,045</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Source:</b>	<b>\$376,619</b>	<b>\$390,384</b>	<b>\$390,384</b>	<b>\$579,142</b>	<b>48.4%</b>

# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



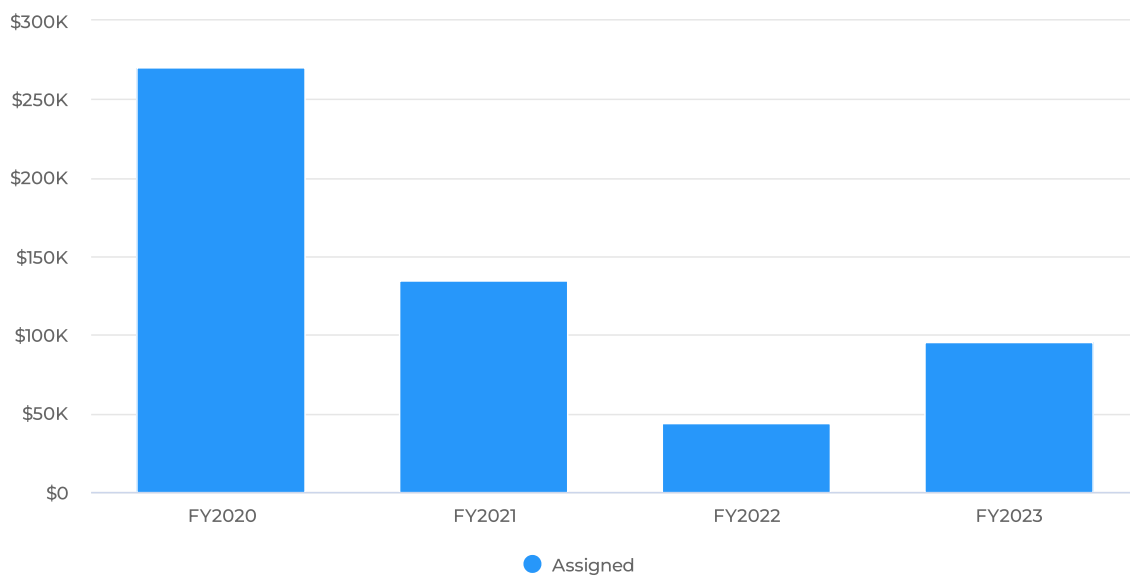
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Expense Objects					
Operating					
Property Tax Admin. Costs	\$1,404	\$1,404	\$1,404	\$1,404	0%



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Other Professional Services	\$10,642	\$19,450	\$19,450	\$19,450	0%
Other Outside Services	\$17,830	\$18,510	\$18,510	\$18,510	0%
<b>Total Operating:</b>	<b>\$29,876</b>	<b>\$39,364</b>	<b>\$39,364</b>	<b>\$39,364</b>	<b>0%</b>
<b>Debt</b>					
Principal	\$409,000	\$434,000	\$434,000	\$470,000	8.3%
Interest Expense	\$0	\$5,827	\$5,827	\$15,282	162.3%
Paying Agent Fee	\$787	\$1,000	\$1,000	\$2,200	120%
CCC Property Tax	\$603	\$650	\$650	\$650	0%
<b>Total Debt:</b>	<b>\$410,390</b>	<b>\$441,477</b>	<b>\$441,477</b>	<b>\$488,132</b>	<b>10.6%</b>
<b>Total Expense Objects:</b>	<b>\$440,266</b>	<b>\$480,841</b>	<b>\$480,841</b>	<b>\$527,496</b>	<b>9.7%</b>

## Fund Balance

### Fund Balance Projections



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Assigned	\$270,400	\$134,668	\$44,211	\$95,857	116.8%
<b>Total Fund Balance:</b>	<b>\$270,400</b>	<b>\$134,668</b>	<b>\$44,211</b>	<b>\$95,857</b>	<b>116.8%</b>



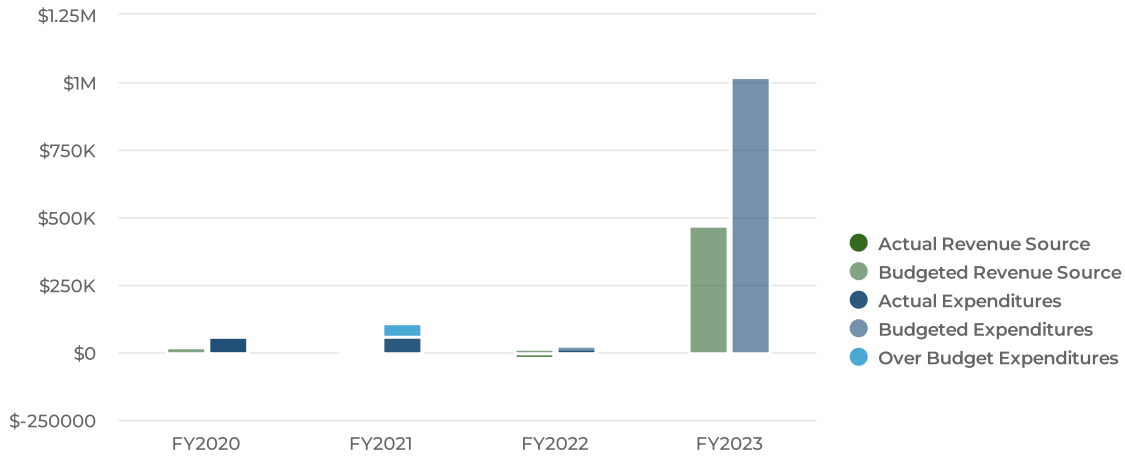


## CFA 2007 Middle School Refunding Bonds

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

## Summary

The City of Clayton is projecting \$470.8K of revenue in FY2023. Budgeted expenditures are projected to increase by \$991.03K to \$1.02M in FY2023.



## Revenues by Source

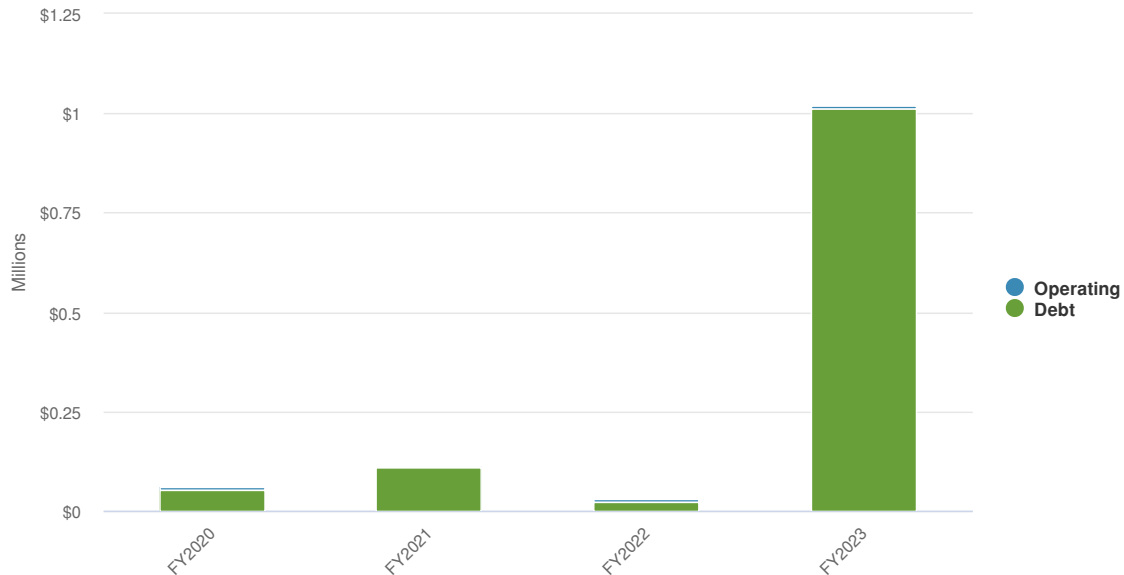
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Interest</b>					
Interest	-\$6,360	\$800	\$800	\$800	0%
<b>Total Interest:</b>	<b>-\$6,360</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>0%</b>
<b>Other Revenues</b>					
Principal Payment	\$0	\$0	\$434,000	\$470,000	N/A
Unrealized Inv. Gain/Loss	\$1,151	\$0	\$0	\$0	N/A
Reimbursements/Refunds (CFD 1990-1)	\$0	\$9,550	\$9,550	\$0	-100%



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Interest on Loans/Bonds	\$0	\$8,000	\$8,000	\$0	-100%
<b>Total Other Revenues:</b>	<b>\$1,151</b>	<b>\$17,550</b>	<b>\$451,550</b>	<b>\$470,000</b>	<b>2,578.1%</b>
<b>Total Revenue Source:</b>	<b>-\$5,209</b>	<b>\$18,350</b>	<b>\$452,350</b>	<b>\$470,800</b>	<b>2,465.7%</b>

## Expenditures by Expense Type

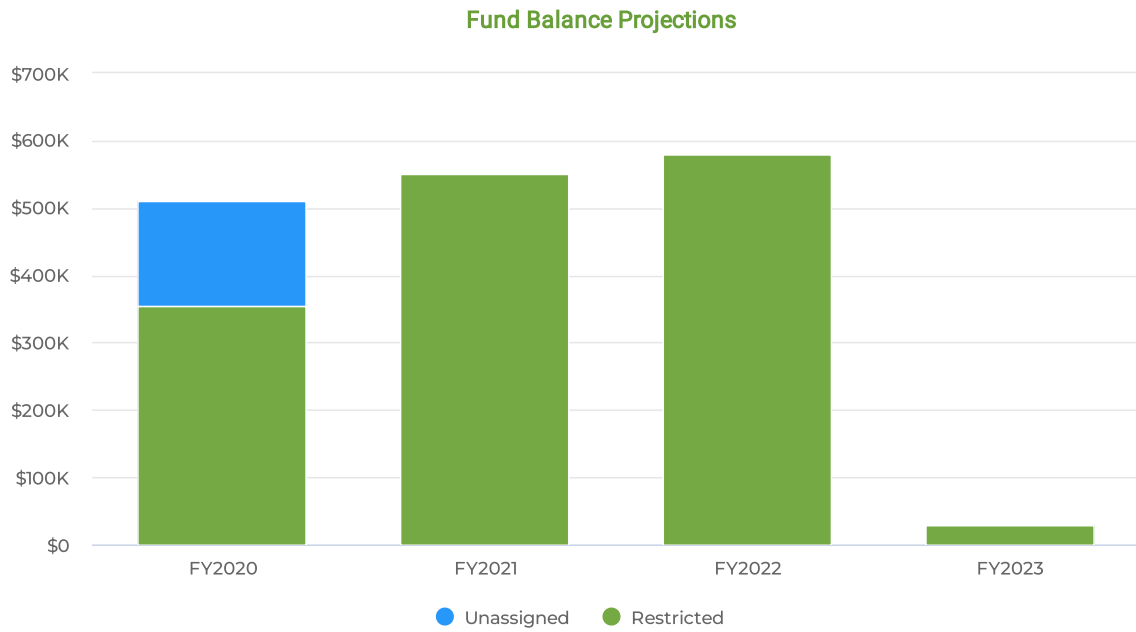
### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Other Professional Services	\$3,228	\$7,050	\$7,050	\$7,050	0%
<b>Total Operating:</b>	<b>\$3,228</b>	<b>\$7,050</b>	<b>\$7,050</b>	<b>\$7,050</b>	<b>0%</b>
<b>Debt</b>					
Principal	\$0	\$0	\$0	\$1,002,276	N/A
Interest Expense	\$107,711	\$19,965	\$19,965	\$8,663	-56.6%
Paying Agent Fee	\$2,541	\$2,541	\$2,541	\$2,600	2.3%
<b>Total Debt:</b>	<b>\$110,252</b>	<b>\$22,506</b>	<b>\$22,506</b>	<b>\$1,013,538</b>	<b>4,403.4%</b>
<b>Total Expense Objects:</b>	<b>\$113,479</b>	<b>\$29,556</b>	<b>\$29,556</b>	<b>\$1,020,588</b>	<b>3,353.1%</b>



## Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
<b>Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Audited Fund Balance</b>	<b>Projected</b>	<b>Budgeted</b>	
Unassigned	\$155,111	\$0	\$0	\$0	0%
Restricted	\$355,111	\$550,953	\$578,747	\$28,959	-95%
<b>Total Fund Balance:</b>	<b>\$510,222</b>	<b>\$550,953</b>	<b>\$578,747</b>	<b>\$28,959</b>	<b>-95%</b>



## Redevelopment Successor Agency

On June 28, 2011 the California State Legislature adopted two pieces of legislation – AB 1X 26 and AB 1X 27 (the Bill) – which eliminated redevelopment agencies (RDAs) and provided cities with the opportunity to preserve one's RDA if they agreed to make certain payments to the County Auditor-Controller's Office (ACO). On behalf of cities and redevelopment agencies throughout the State, the League of California Cities and California Redevelopment Association requested a stay on the implementation of both pieces of legislation and filed a lawsuit with the California Supreme Court challenging both pieces of legislation. The stay was rejected and on December 29, 2011, the Supreme Court validated AB 1X 26 and overturned AB 1X 27. Further, the Supreme Court indicated that all RDAs in the State of California were to be dissolved and cease operations as a legal entity as of February 1, 2012. On January 11, 2012, the City Council elected to become the Successor Agency to the former RDA in accordance with AB IX 26 as part of City Resolution 03-2012. As a result of the restrictions placed on the assets and liabilities of the former RDA, the balances were transferred to a private purpose trust fund (Fund No. 615) on February 1, 2012.

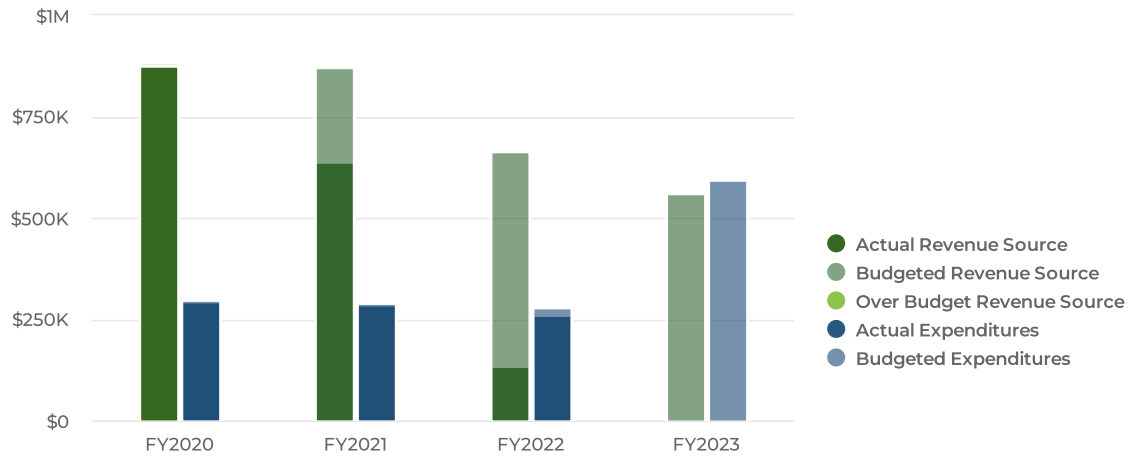
Under the new law, successor agencies in the State of California are prohibited from entering into new projects, obligations, or commitments. Subject to the control of a newly established Oversight Board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution. Commencing FY 2011/12, Successor Agencies are only allocated tax increment revenue in an amount necessary to finance the estimated annual installment payments on enforceable obligations of the former RDA until all such enforceable obligations have been paid in full and all assets have been liquidated. On an annual basis, in accordance with the law, the Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) outlining all of the funding requirements for upcoming fiscal year. The ROPS must be approved by the County-Wide Oversight Board via Resolution and thereafter be immediately submitted to the California Department of Finance (DOF) for review and approval. After a scrutinizing review by the DOF and its subsequent approval, funding for the obligations on the ROPS is received from the ACO in January and June each year. In FY 2015/16, following the DOF's approval of the All Other Funds Due Diligence Review pursuant to AB 1484, the DOF ordered the Successor Agency to first use any existing cash reserves before receiving additional ROPS funding for enforceable obligations. Pursuant to this action, the Successor Agency has and will continue to use remaining bond proceeds for the payment of interest on the 2014 Refunding Tax Allocation Bonds (2014 TABs) and trustee fees.

For FY 2022/23, the Successor Agency anticipates total expenses of \$595,961 of which 67% pertains to annual debt service on the 2014 TABs.

Through the ROPS process described previously, it is projected the Successor Agency will receive Redevelopment Property Tax Trust Fund (RPTTF) revenues totaling \$573,797 in FY 2022/23. At the close of FY 2022/23, it is expected the Successor Agency will close with a positive reserve balance of approximately **\$497,436**, which is nearly entirely restricted to ROPS obligations in the six month ROPS cycle ending December 31, 2023 (ROPS 2023-24A cycle). This positive reserve balance results from the timing of payments, as the first of two annual ROPS payments is received in June of each year, immediately prior to the fiscal year for which funds are restricted.

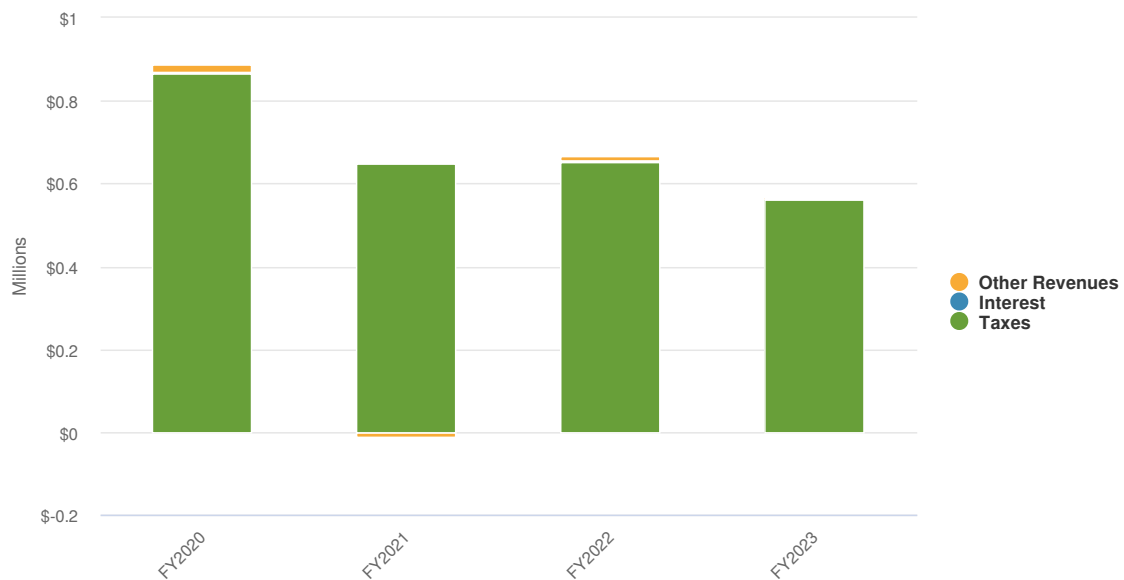
## Summary

The City of Clayton is projecting \$564.08K of revenue in FY2023, which represents a 15.4% decrease over the prior year. Budgeted expenditures are projected to increase by 110.8% or \$313.28K to \$595.96K in FY2023.



## Revenues by Source

### Budgeted and Historical 2023 Revenues by Source

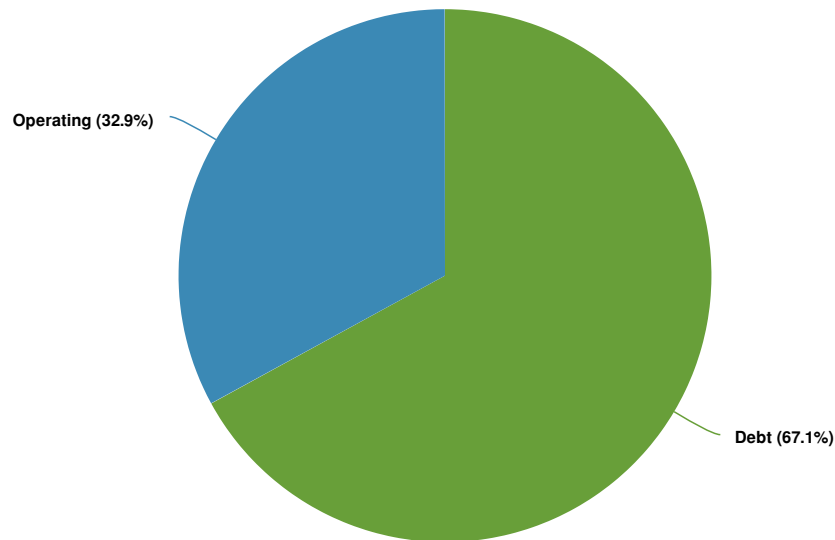




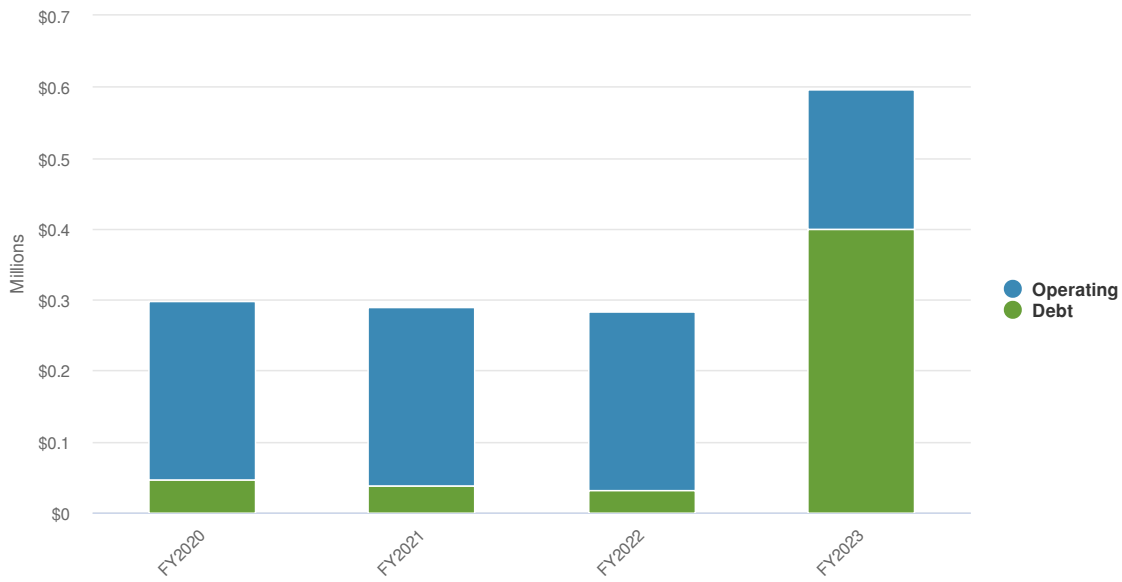
Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
<b>Taxes</b>					
Redevelopment Property Tax Trust Fund - Distribution	\$646,816	\$653,536	\$618,000	\$560,579	-14.2%
<b>Total Taxes:</b>	<b>\$646,816</b>	<b>\$653,536</b>	<b>\$618,000</b>	<b>\$560,579</b>	<b>-14.2%</b>
<b>Interest</b>					
Interest	\$2,368	\$2,000	\$2,000	\$2,000	0%
<b>Total Interest:</b>	<b>\$2,368</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>0%</b>
<b>Other Revenues</b>					
Unrealized Inv. Gain/Loss	-\$11,676	\$0	\$0	\$0	N/A
Other Revenues-RDA Successor Agency	\$1,827	\$11,218	\$1,500	\$1,500	-86.6%
<b>Total Other Revenues:</b>	<b>-\$9,849</b>	<b>\$11,218</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>-86.6%</b>
<b>Total Revenue Source:</b>	<b>\$639,336</b>	<b>\$666,754</b>	<b>\$621,500</b>	<b>\$564,079</b>	<b>-15.4%</b>

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type

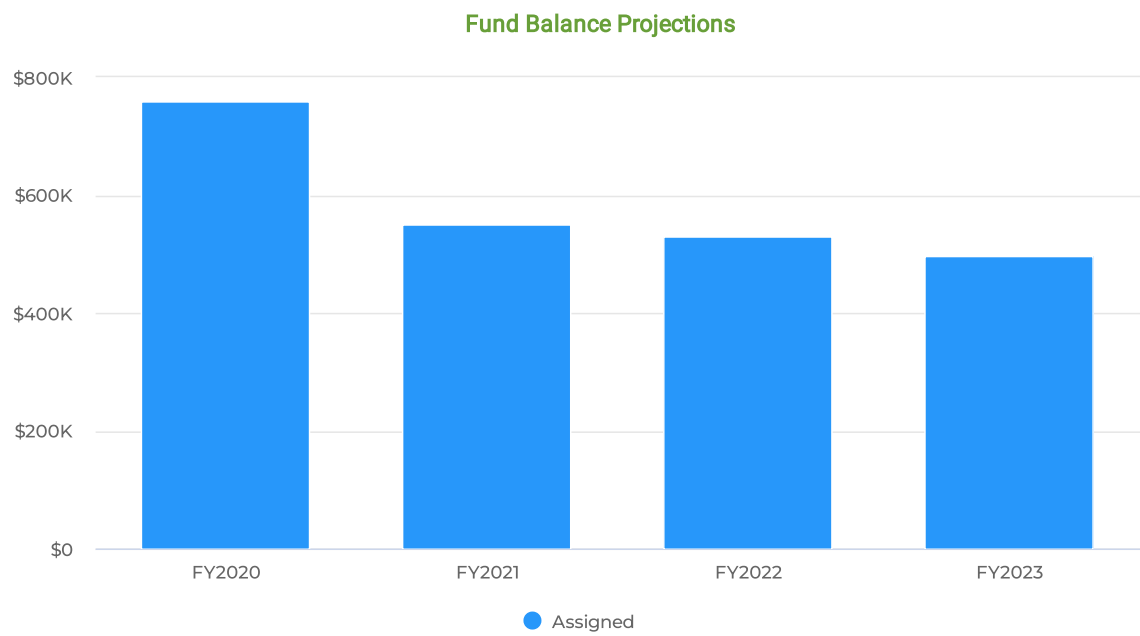


### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Administrative Costs	\$250,864	\$250,000	\$250,000	\$196,338	-21.5%
<b>Total Operating:</b>	<b>\$250,864</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$196,338</b>	<b>-21.5%</b>
<b>Debt</b>					
2014 Refunding Bonds	\$0	\$0	\$360,000	\$375,000	N/A
Interest Expense	\$38,302	\$30,476	\$30,476	\$22,023	-27.7%
Paying Agent Fee	\$0	\$2,200	\$2,200	\$2,600	18.2%
<b>Total Debt:</b>	<b>\$38,302</b>	<b>\$32,676</b>	<b>\$392,676</b>	<b>\$399,623</b>	<b>1,123%</b>
<b>Total Expense Objects:</b>	<b>\$289,166</b>	<b>\$282,676</b>	<b>\$642,676</b>	<b>\$595,961</b>	<b>110.8%</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Assigned	\$758,475	\$550,494	\$529,318	\$497,436	-6%
Total Fund Balance:	\$758,475	\$550,494	\$529,318	\$497,436	-6%



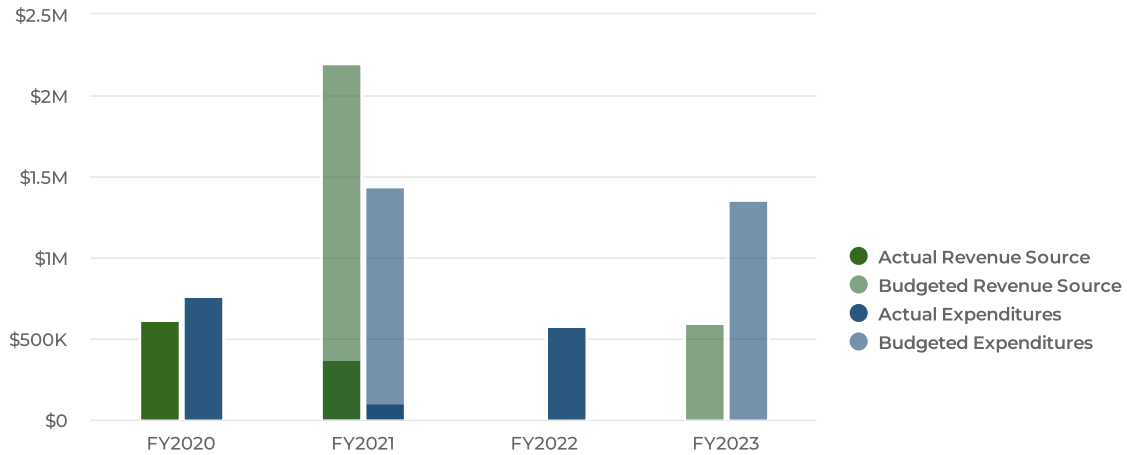


## Capital Improvements Fund

This fund is used to track and monitor funds spent for capital improvement projects. It reflects "revenue" as transfers from other funds and expenses via the individual capital projects. See Capital Improvement Section for more information.

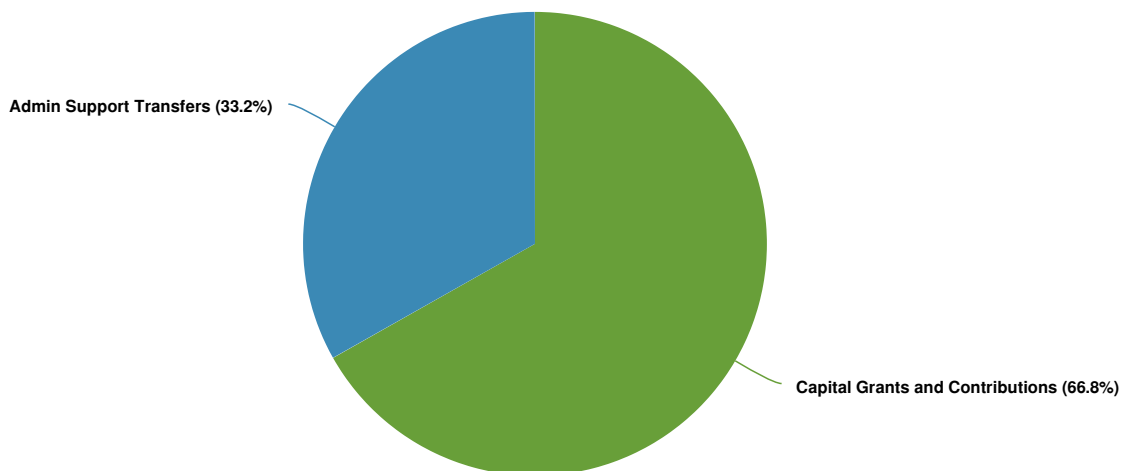
### Summary

The City of Clayton is projecting \$1,026,179 of revenue/transfers in FY2023. Budgeted expenditures are projected at \$1,314,497 in FY2023, including spending of some prior year project funds.

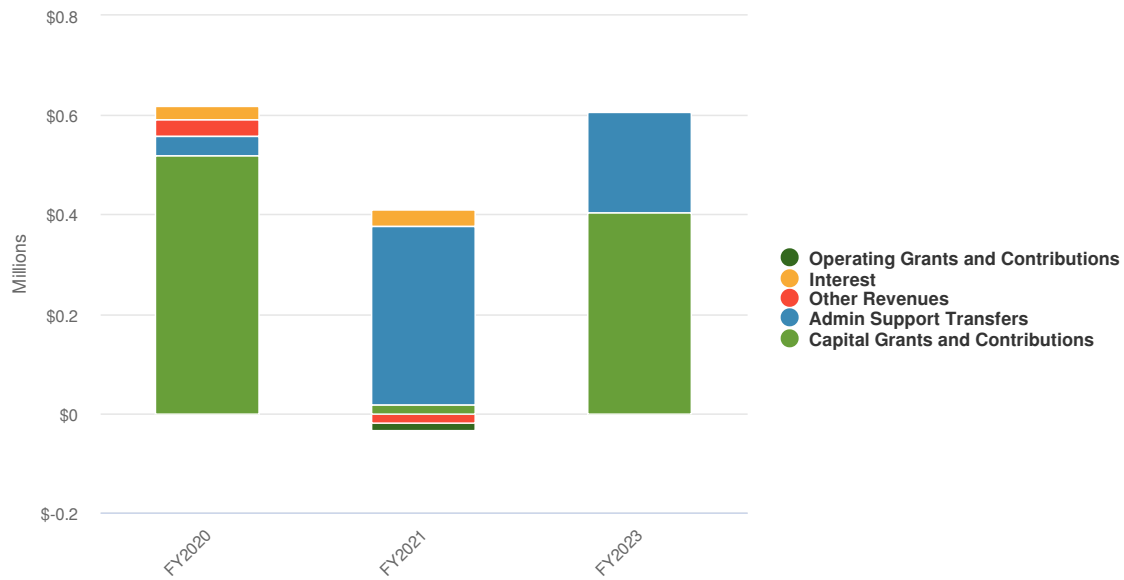


### Revenues by Source

#### Projected 2023 Revenues by Source



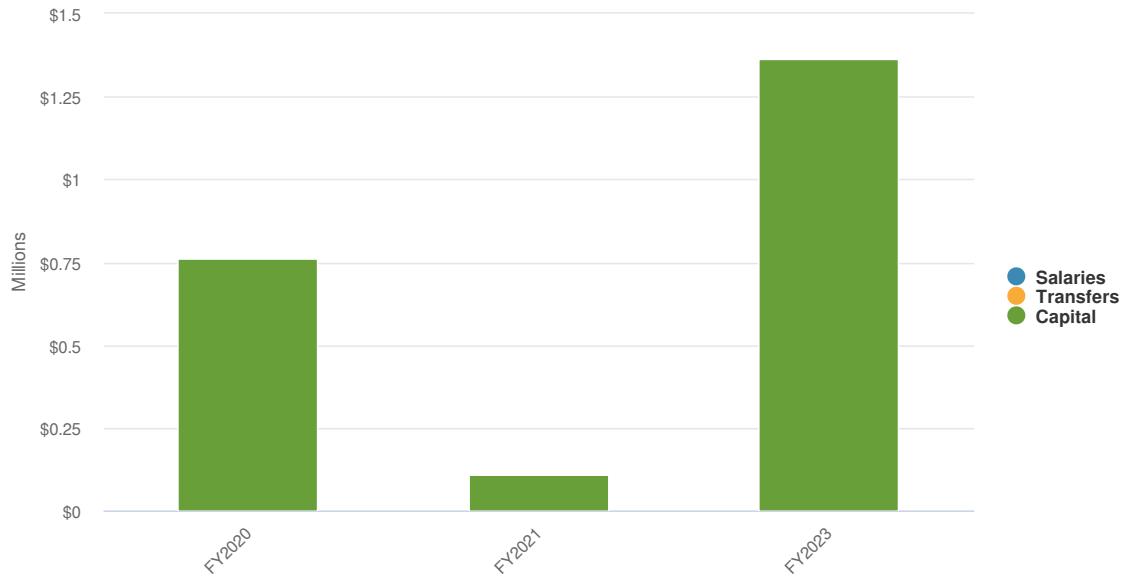
### Budgeted and Historical 2023 Revenues by Source



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Revenue Source</b>					
CalRecycle Grant	-\$16,389	\$0	\$0	\$0	N/A
Interest	\$32,759	\$0	\$3,823	\$0	N/A
Unrealized Inv. Gain/Loss	-\$17,838	\$0	\$0	\$0	N/A
Trx. From Measure J Fund	\$0	\$0	\$417,178	\$0	N/A
Trx. From CIP Fund	\$2,767	\$0	\$37,912	\$0	N/A
Trx. From HUTA Gas Tax Fund	\$27,173	\$0	\$630,549	\$58,000	N/A
Transfer from RMRA Gas Tax Fund	\$0	\$0	\$584,883	\$143,000	N/A
Transfer from Rainy Day Fund	\$330,000	\$0	\$0	\$0	N/A
Measure J Grant	\$0	\$0	\$0	\$92,000	N/A
Federal Grant - Local Streets & Roads Shortfall	-\$10,785	\$0	\$0	\$180,000	N/A
Project Revenue	\$0	\$0	\$0	\$48,000	N/A
Transfer from Grant Fund	\$0	\$0	\$0	\$85,000	N/A
Intergovernmental Capital Contributions (Sewer)	\$27,375	\$0	\$0	\$0	N/A
<b>Total Revenue Source:</b>	<b>\$375,062</b>	<b>\$0</b>	<b>\$1,674,345</b>	<b>\$606,000</b>	<b>N/A</b>

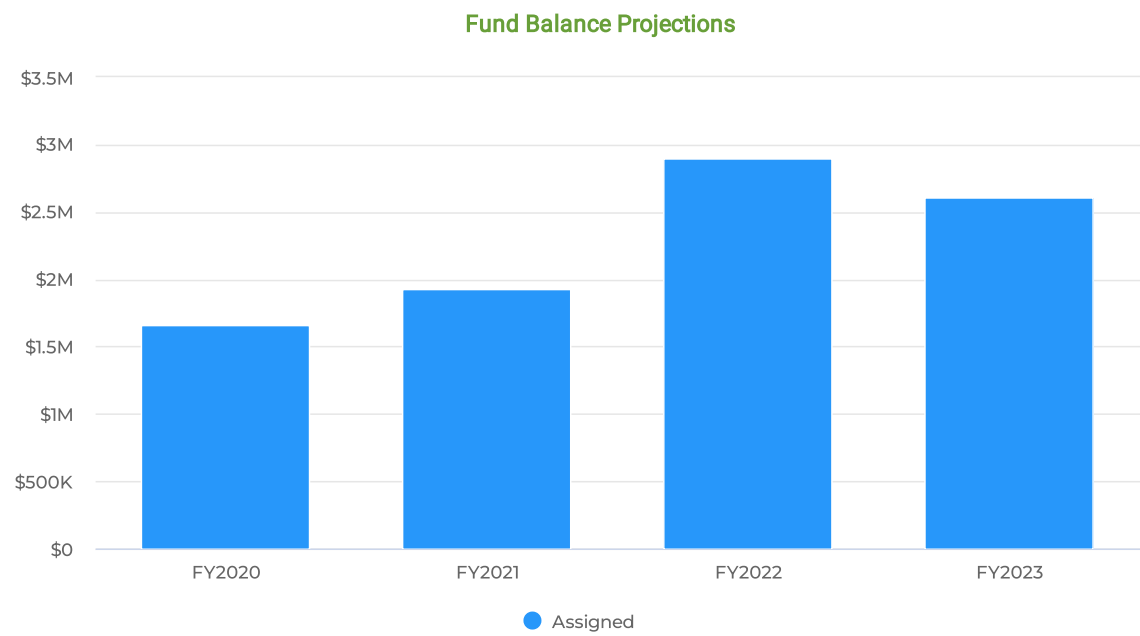
## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Capital</b>					
Project Expenses	\$2,628	\$0	\$2,707	\$0	N/A
Project Costs-Planning/Design	\$51,944	\$0	\$45,460	\$161,800	N/A
Project Costs-Construction/Execution	\$49,398	\$0	\$614,400	\$1,090,487	N/A
Project Costs-Monitoring/Inspections	\$190	\$0	\$0	\$110,210	N/A
Project Costs-Close-out/Punch List	\$6,756	\$0	\$0	\$0	N/A
<b>Total Capital:</b>	<b>\$110,916</b>	<b>\$0</b>	<b>\$662,568</b>	<b>\$1,362,497</b>	<b>N/A</b>
<b>Transfers</b>					
Transfer to CIP Fund	\$2,767	\$0	\$37,912	\$0	N/A
<b>Total Transfers:</b>	<b>\$2,767</b>	<b>\$0</b>	<b>\$37,912</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Expense Objects:</b>	<b>\$113,683</b>	<b>\$0</b>	<b>\$700,480</b>	<b>\$1,362,497</b>	<b>N/A</b>

# Fund Balance



	FY2020	FY2021	FY2022	FY2023	% Change
Fund Balance	Audited Fund Balance	Audited Fund Balance	Projected	Budgeted	
Assigned	\$1,663,367	\$1,924,746	\$2,898,611	\$2,610,293	-9.9%
Total Fund Balance:	\$1,663,367	\$1,924,746	\$2,898,611	\$2,610,293	-9.9%



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# DEPARTMENTS

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## Legislative Department - 01



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

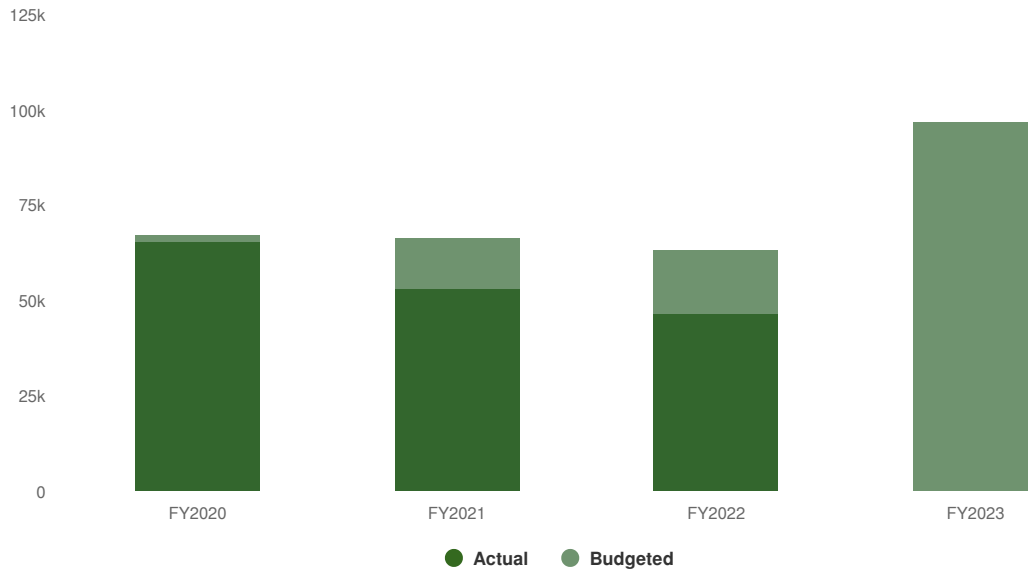
### Services funded:

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

## Expenditures Summary

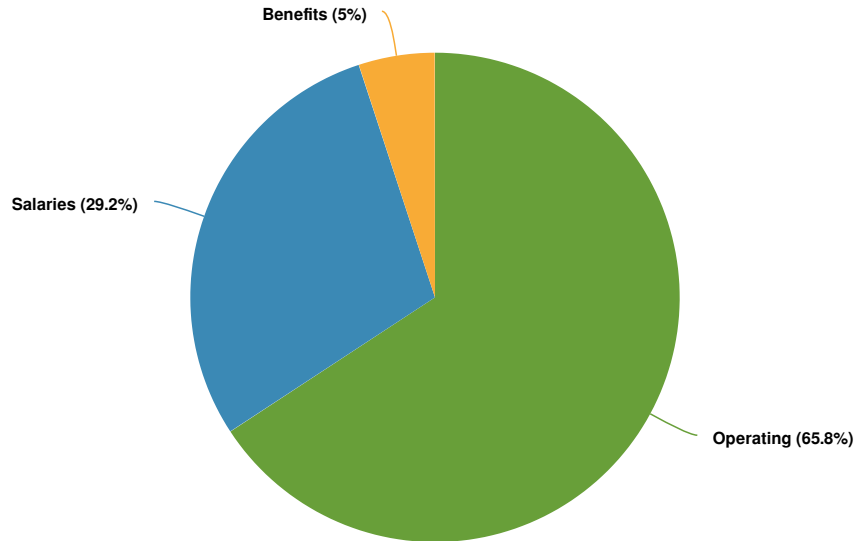
**\$96,621**    **\$33,150**  
(52.23% vs. prior year)

### Legislative Proposed and Historical Budget vs. Actual

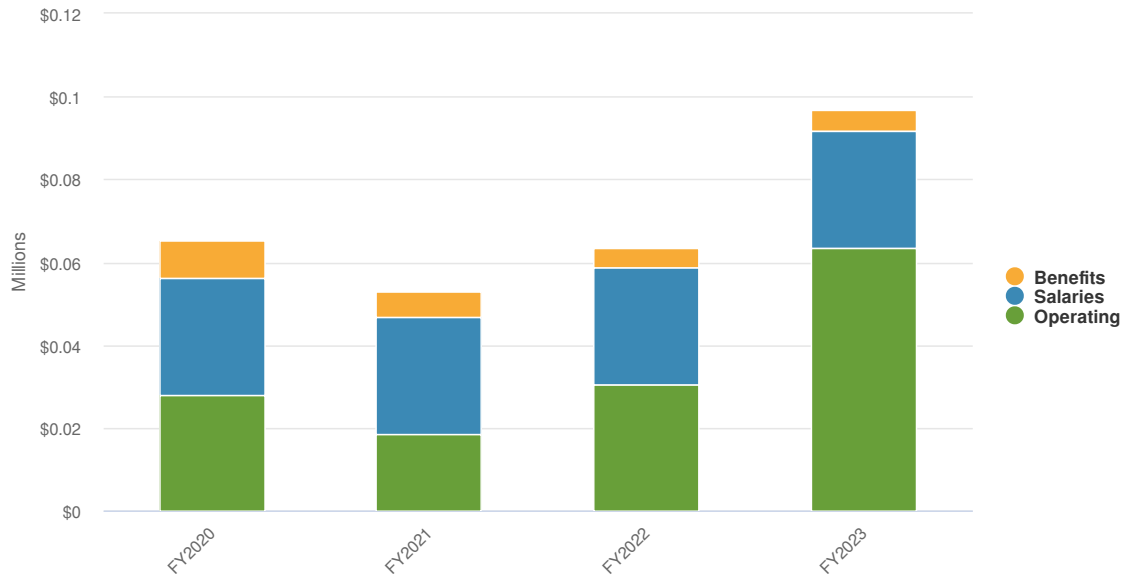


### Expenditures by Expense Type

#### Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Council/Commission Compensatio	\$28,200	\$28,200	\$28,634	\$28,200	0%
<b>Total Salaries:</b>	<b>\$28,200</b>	<b>\$28,200</b>	<b>\$28,634</b>	<b>\$28,200</b>	<b>0%</b>
<b>Benefits</b>					
PERS Retirement-Normal Cost	\$251	\$0	\$0	\$0	N/A
PERS Retirement - Unfunded Liability	\$2,767	\$0	\$0	\$0	N/A
Workers' Compensation	\$1,093	\$956	\$1,582	\$956	0%
Unemployment Compensation	\$0	\$1,748	\$1,748	\$1,748	0%
FICA Taxes	\$2,012	\$2,157	\$2,157	\$2,157	0%
<b>Total Benefits:</b>	<b>\$6,123</b>	<b>\$4,861</b>	<b>\$5,487</b>	<b>\$4,861</b>	<b>0%</b>
<b>Operating</b>					
Printing and Binding	\$0	\$300	\$0	\$500	66.7%
Dues and Subscriptions	\$11,351	\$13,660	\$13,000	\$13,660	0%
City Promotional Activity	\$5,646	\$4,500	\$4,500	\$4,500	0%
Business Meeting Expense	\$0	\$250	\$904	\$500	100%
Conferences/Meetings	\$1,500	\$1,700	\$0	\$2,000	17.6%
Education & Training	\$0	\$0	\$600	\$5,000	N/A
Election Services	\$332	\$0	\$0	\$20,000	N/A
Other Professional Services	-\$230	\$10,000	\$4,000	\$17,400	74%
<b>Total Operating:</b>	<b>\$18,599</b>	<b>\$30,410</b>	<b>\$23,004</b>	<b>\$63,560</b>	<b>109%</b>
<b>Total Expense Objects:</b>	<b>\$52,921</b>	<b>\$63,471</b>	<b>\$57,125</b>	<b>\$96,621</b>	<b>52.2%</b>



### Goal #1

Collaborate to create a structurally sustainable budget including long range planning and management of the long term liabilities.



### Goal #2

Concentrate on supporting City Staff - fostering dedicated people who want to be here long term and feel valued. Partnering with City staff to help them get the needed tools to do their work in the 21st Century - using technology to create efficiencies Citywide and ultimately make the best use of taxpayers' dollars.



### Goal #3

Develop and submit a compliant housing element by January 2023.



## Admin/Finance/Legal - Department 02



### Department Description

#### ***City Manager***

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

### Services funded:

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

## ***Finance***

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

### Services funded:

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

## ***City Attorney***

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

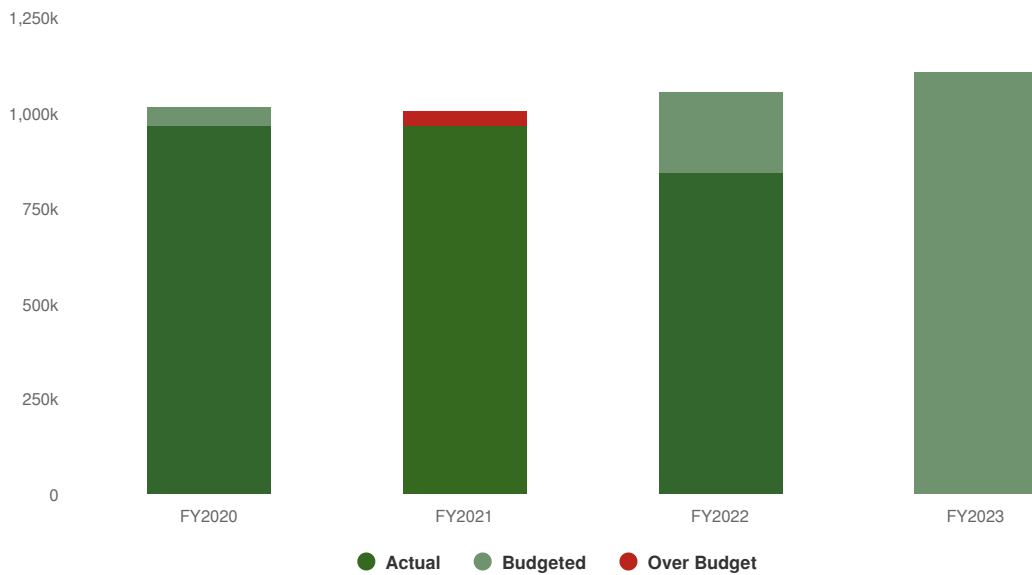
### Services funded:

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

## Expenditures Summary

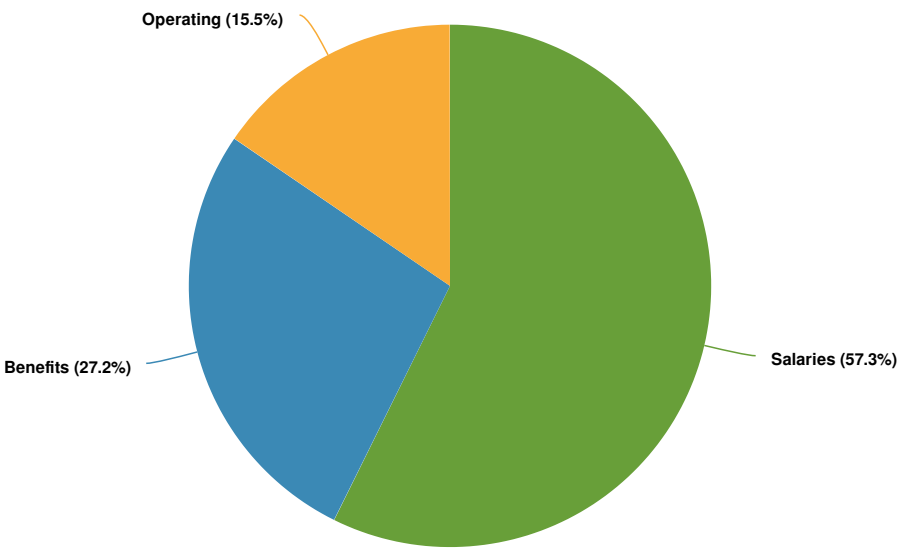
**\$1,109,133** **\$53,145**  
(5.03% vs. prior year)

### Admin/Finance/Legal Proposed and Historical Budget vs. Actual

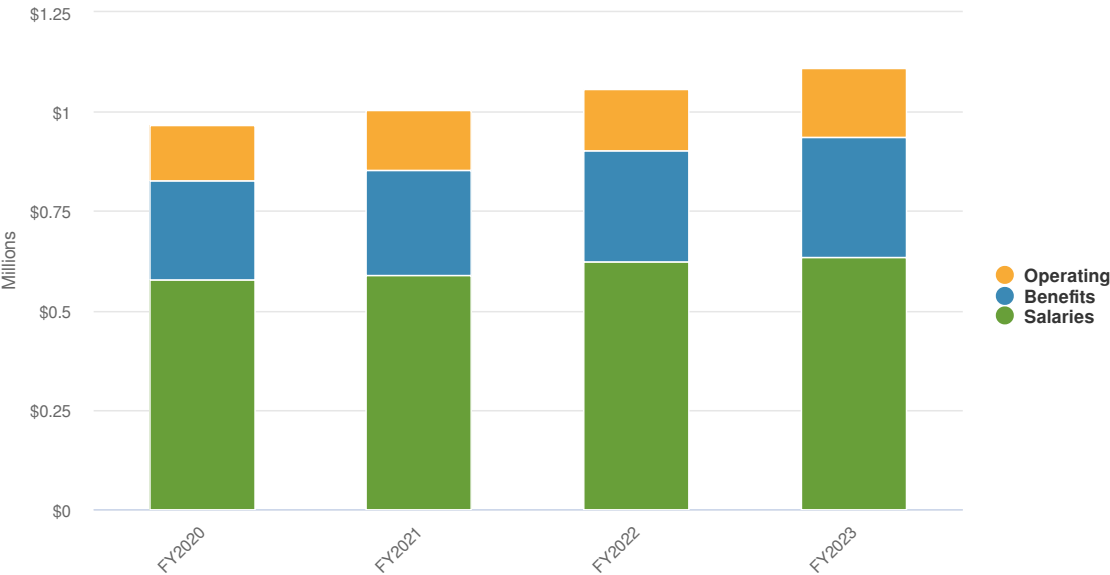


# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type





Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$589,797	\$622,698	\$621,784	\$635,808	2.1%
<b>Total Salaries:</b>	<b>\$589,797</b>	<b>\$622,698</b>	<b>\$621,784</b>	<b>\$635,808</b>	<b>2.1%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$5,376	\$5,191	\$4,674	\$6,255	20.5%
Deferred Compensation Retirement	\$2,585	\$4,800	\$6,462	\$9,600	100%
PERS Retirement-Normal Cost	\$60,762	\$60,278	\$54,763	\$62,775	4.1%
PERS Retirement - Unfunded Liability	\$58,664	\$77,368	\$74,794	\$78,415	1.4%
Workers' Compensation	\$23,205	\$21,107	\$19,103	\$27,354	29.6%
Unemployment Compensation	\$0	\$2,604	\$2,604	\$867	-66.7%
FICA Taxes	\$14,752	\$9,029	\$9,272	\$9,252	2.5%
Auto Allowance/Mileage	\$8,755	\$9,540	\$8,940	\$8,940	-6.3%
Benefit Insurance	\$90,336	\$88,388	\$88,388	\$98,327	11.2%
<b>Total Benefits:</b>	<b>\$264,437</b>	<b>\$278,305</b>	<b>\$269,000</b>	<b>\$301,785</b>	<b>8.4%</b>
<b>Operating</b>					
Dues and Subscriptions	\$454	\$2,278	\$2,720	\$2,800	22.9%
Telecommunications	\$6,774	\$6,860	\$6,900	\$7,460	8.7%
Travel	\$0	\$100	\$0	\$100	0%
Conferences/Meetings	\$654	\$1,225	\$2,680	\$1,250	2%
Education & Training	\$387	\$6,500	\$0	\$5,000	-23.1%
Misc. Expense	\$0	\$0	\$300	\$500	N/A
Legal Services Retainer	\$81,197	\$73,332	\$85,557	\$76,999	5%
Legal Services	\$14,352	\$6,000	\$6,000	\$6,000	0%
Audit & Financial Reporting Services	\$29,262	\$39,350	\$36,772	\$40,531	3%
Computer/IT Services	\$0	\$0	\$7,649	\$7,600	N/A
Other Professional Services	\$17,651	\$19,340	\$52,900	\$23,300	20.5%
Bank Service Charge	\$30	\$0	\$0	\$0	N/A
<b>Total Operating:</b>	<b>\$150,762</b>	<b>\$154,985</b>	<b>\$201,478</b>	<b>\$171,539</b>	<b>10.7%</b>
<b>Total Expense Objects:</b>	<b>\$1,004,996</b>	<b>\$1,055,988</b>	<b>\$1,092,262</b>	<b>\$1,109,133</b>	<b>5%</b>

## Public Works - Department 03



This department maintains city-owned buildings and grounds, and provides maintenance for all non-special district facilities and land. The core employee unit of six (6) permanent employees consists of one Maintenance Supervisor, one Senior Maintenance Worker and four Maintenance Workers. Labor is augmented by temporary seasonal workers. Although the General Fund's Public Works department serves as the "base" department for these maintenance employees, their direct labor costs are shared with two other departments of the General Fund as well as five other restricted-use special purposes funds based on actual hours worked.

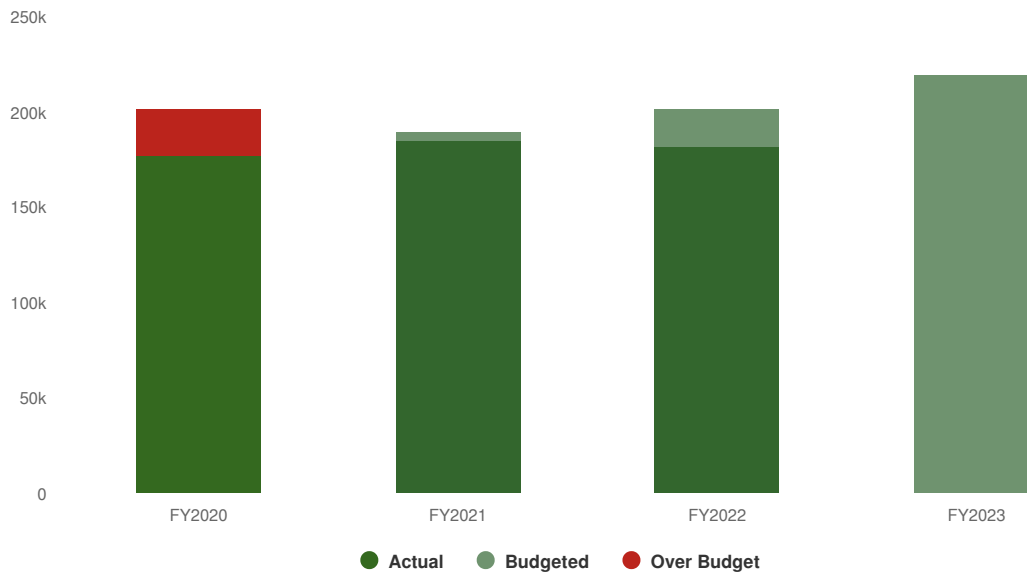
### Services funded:

- Provide routine building and grounds maintenance.
- Provide landscaping maintenance for all neighborhood parks in the City including:
  - Lydia Lane
  - The Grove Park
  - North Valley Park
  - Westwood
  - Stranahan
  - El Molino
  - Dog Park
- Tree trimming services (contract supervision).
- Ensure fire inspection compliance.
- HVAC system repairs (contract supervision).
- Ensure compliance with elevator safety and inspection services.
- Pest extermination services (contract supervision).
- Janitorial services (contract supervision).

## Expenditures Summary

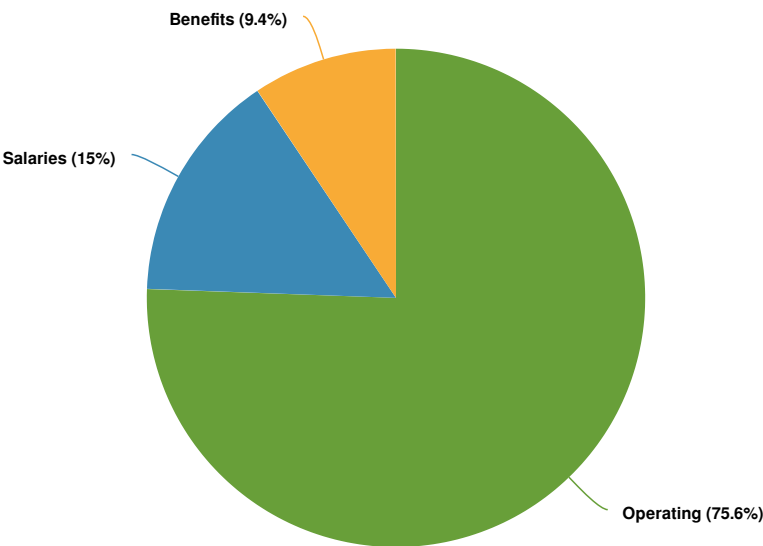
**\$219,718** **\$18,256**  
(9.06% vs. prior year)

### Public Works Proposed and Historical Budget vs. Actual

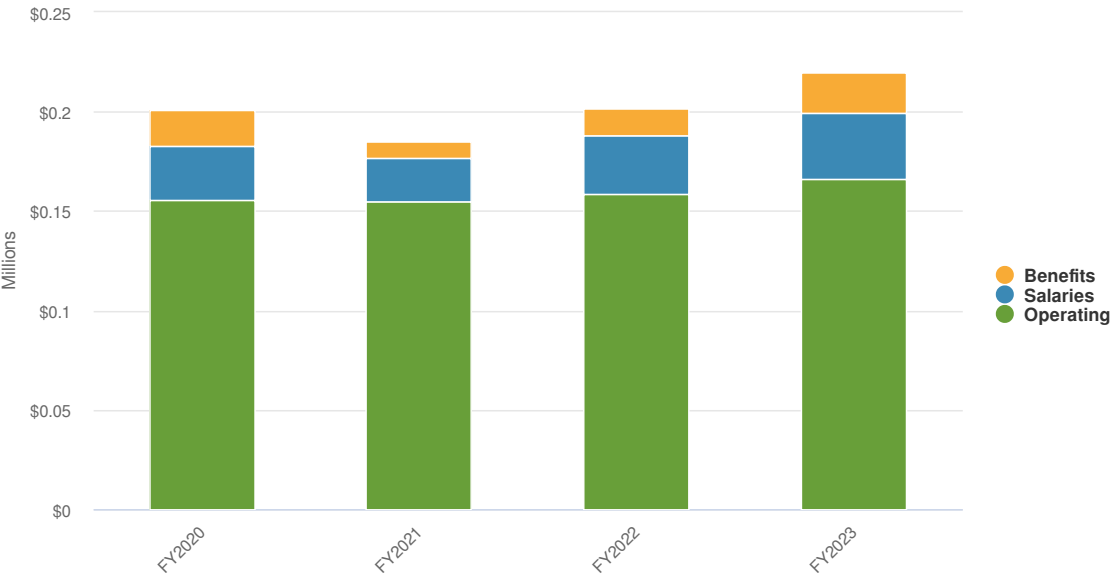


# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>				
<b>Salaries</b>				
Regular Salaries	\$20,253	\$27,738	\$32,026	15.5%
Temporary Salaries	\$663	\$1,122	\$0	-100%
Overtime	\$830	\$1,000	\$1,030	3%
<b>Total Salaries:</b>	<b>\$21,747</b>	<b>\$29,860</b>	<b>\$33,056</b>	<b>10.7%</b>
<b>Benefits</b>				
Long/Short Term Disability Insurance	\$197	\$240	\$1,126	369.2%
PERS Retirement-Normal Cost	\$1,799	\$2,563	\$2,745	7.1%
PERS Retirement - Unfunded Liability	\$926	\$3,446	\$2,914	-15.4%
Workers' Compensation	\$1,312	\$1,053	\$1,370	30.1%
Unemployment Compensation	\$0	\$340	\$71	-79.2%
FICA Taxes	\$106	\$503	\$1,957	289.1%
Benefit Insurance	\$3,792	\$5,018	\$10,425	107.7%
<b>Total Benefits:</b>	<b>\$8,132</b>	<b>\$13,163</b>	<b>\$20,607</b>	<b>56.6%</b>
<b>Operating</b>				
Recruitment/Pre-employment	\$190	\$500	\$500	0%
General Supplies	\$6,635	\$10,000	\$7,500	-25%
Dues and Subscriptions	\$0	\$0	\$139	N/A
Telecommunications	\$5,107	\$4,915	\$4,010	-18.4%
Gas & Electricity	\$47,346	\$47,000	\$51,700	10%
Water Services	\$15,711	\$20,000	\$21,000	5%
Buildings/Grounds Maintenance	\$7,736	\$15,250	\$19,433	27.4%
Machinery/Equipment Maintenance	\$7,011	\$1,750	\$1,750	0%
Vehicle Maintenance	\$785	\$1,500	\$1,500	0%
Vehicles: Gas, Oil & Supplies	\$973	\$1,100	\$1,100	0%
HVAC Mtn & Repairs	\$31,874	\$12,000	\$12,360	3%
Education & Training	\$675	\$2,000	\$2,000	0%
Legal Services Retainer	\$88	\$1,164	\$1,222	5%
Janitorial Service	\$13,331	\$12,500	\$13,900	11.2%
Animal/Pest Control Services	\$1,956	\$2,760	\$1,700	-38.4%
Contract Seasonal Labor	\$488	\$3,000	\$3,090	3%
Tree Trimming Services	\$4,995	\$5,000	\$5,150	3%
Dog Park Operating Costs	\$0	\$8,000	\$8,000	0%
CERF Charges	\$10,000	\$10,000	\$10,000	0%
<b>Total Operating:</b>	<b>\$154,902</b>	<b>\$158,439</b>	<b>\$166,054</b>	<b>4.8%</b>
<b>Total Expense Objects:</b>	<b>\$184,780</b>	<b>\$201,462</b>	<b>\$219,718</b>	<b>9.1%</b>



## Community Development - Department 04



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

### Services funded:

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

### *Development and Design Review Program*

- Review, analyze, and provide recommendations on land development and design proposals by private property owners and governmental agencies.
- Provide support to City Council, Planning Commission, and City Manager.
- Reviews land development plans for compliance with City zoning requirements.
- Coordinate and oversee contract with Contra Costa County Building Inspection Department.
- Department on building permits for construction projects.
- Administer environmental review process in compliance with the California Environmental Quality Act (CEQA).

### *Ordinance Information and Code Enforcement Program*

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

### *Housing Program*

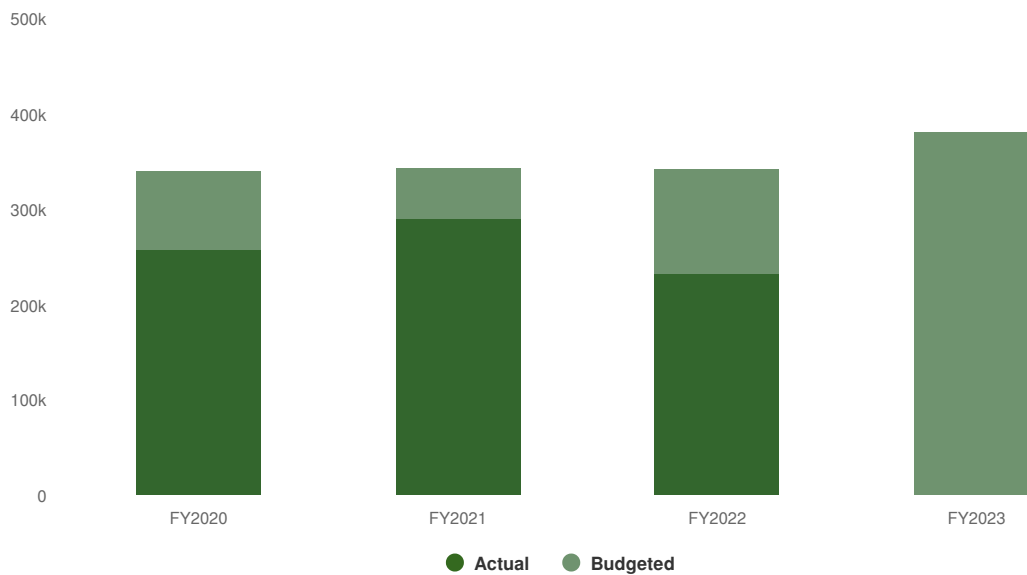
- Administer the low-and moderate-income housing programs of the City.
- Ensure low-and moderate-income units remain available to qualified applicants upon sale of units.
- Lead update to the City's Housing Element.

## Expenditures Summary

The primary changes in cost for the Community Development Department reflect updated labor costs as well as the increase from 60% to 80% funding for the Assistant Planner position.

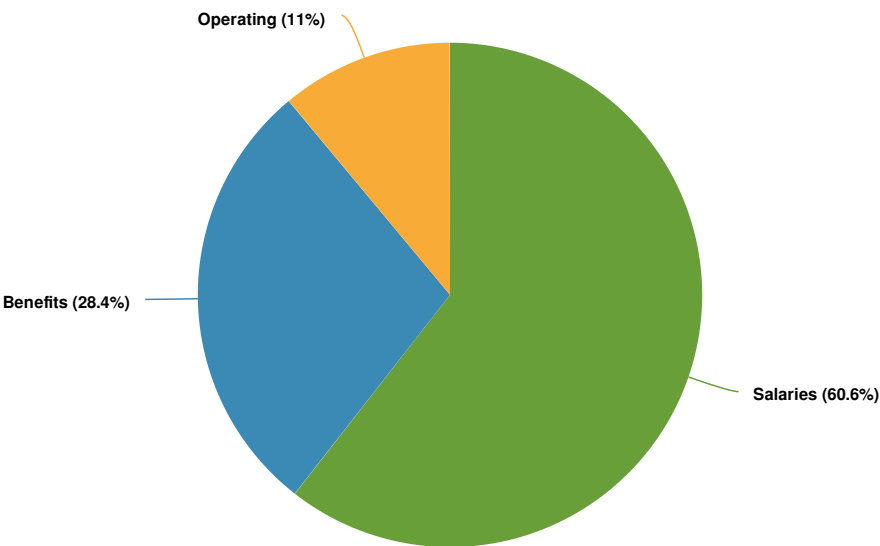
**\$381,717** **\$38,301**  
(11.15% vs. prior year)

### Community Development Proposed and Historical Budget vs. Actual

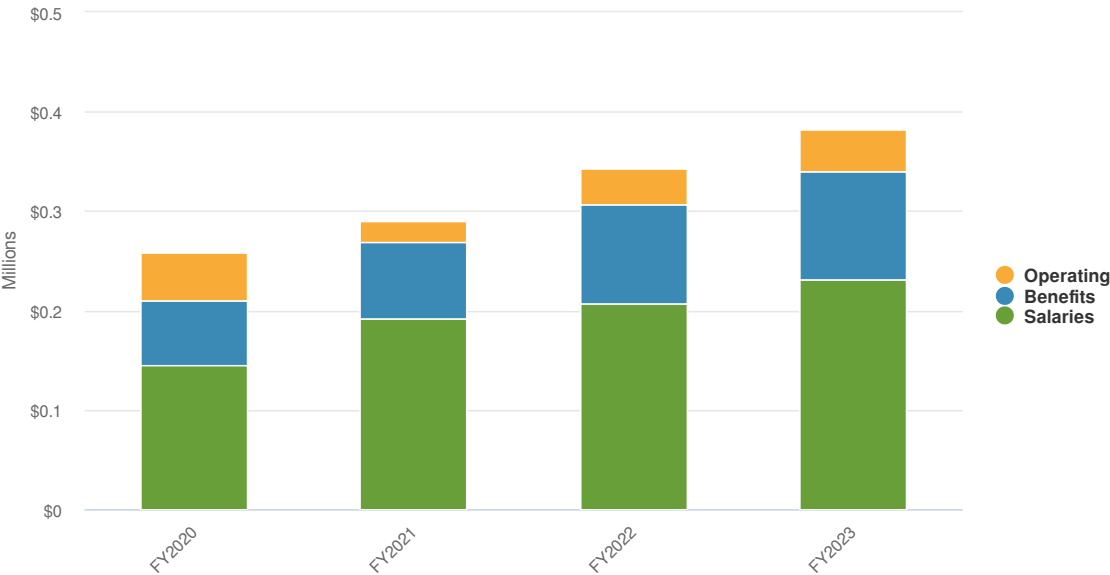


# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type





Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$184,689	\$199,274	\$185,587	\$223,947	12.4%
Council/Commission Compensation	\$6,960	\$7,200	\$4,440	\$7,200	0%
<b>Total Salaries:</b>	<b>\$191,649</b>	<b>\$206,474</b>	<b>\$190,027</b>	<b>\$231,147</b>	<b>11.9%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$1,258	\$1,728	\$1,245	\$2,074	20%
PERS Retirement-Normal Cost	\$16,760	\$21,554	\$17,817	\$21,210	-1.6%
PERS Retirement - Unfunded Liability	\$19,568	\$24,759	\$23,935	\$26,406	6.7%
Workers' Compensation	\$7,800	\$6,755	\$6,114	\$8,914	32%
Unemployment Compensation	\$0	\$868	\$868	\$353	-59.4%
FICA Taxes	\$2,008	\$2,889	\$2,411	\$3,015	4.4%
Auto Allowance/Mileage	\$3,185	\$4,140	\$3,397	\$4,140	0%
Benefit Insurance	\$26,819	\$37,619	\$26,691	\$42,314	12.5%
<b>Total Benefits:</b>	<b>\$77,397</b>	<b>\$100,312</b>	<b>\$82,478</b>	<b>\$108,426</b>	<b>8.1%</b>
<b>Operating</b>					
Books/Periodicals	\$0	\$200	\$200	\$200	0%
Dues and Subscriptions	\$0	\$950	\$1,800	\$1,800	89.5%
Telecommunications	\$705	\$700	\$674	\$700	0%
Travel	\$3,000	\$500	\$0	\$500	0%
Conferences/Meetings	\$0	\$1,500	\$652	\$1,500	0%
Education & Training	\$1,099	\$2,000	\$0	\$2,000	0%
Recording Fees	\$0	\$500	\$0	\$4,000	700%
Legal Notices	\$841	\$2,000	\$1,200	\$2,000	0%
Legal Services Retainer	\$9,179	\$23,280	\$14,000	\$24,444	5%
Legal Services	\$333	\$5,000	\$14,000	\$5,000	0%
Other Professional Services	\$6,019	\$0	\$0	\$0	N/A
<b>Total Operating:</b>	<b>\$21,175</b>	<b>\$36,630</b>	<b>\$32,526</b>	<b>\$42,144</b>	<b>15.1%</b>
<b>Total Expense Objects:</b>	<b>\$290,222</b>	<b>\$343,416</b>	<b>\$305,031</b>	<b>\$381,717</b>	<b>11.2%</b>



## General Services - Department 05



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

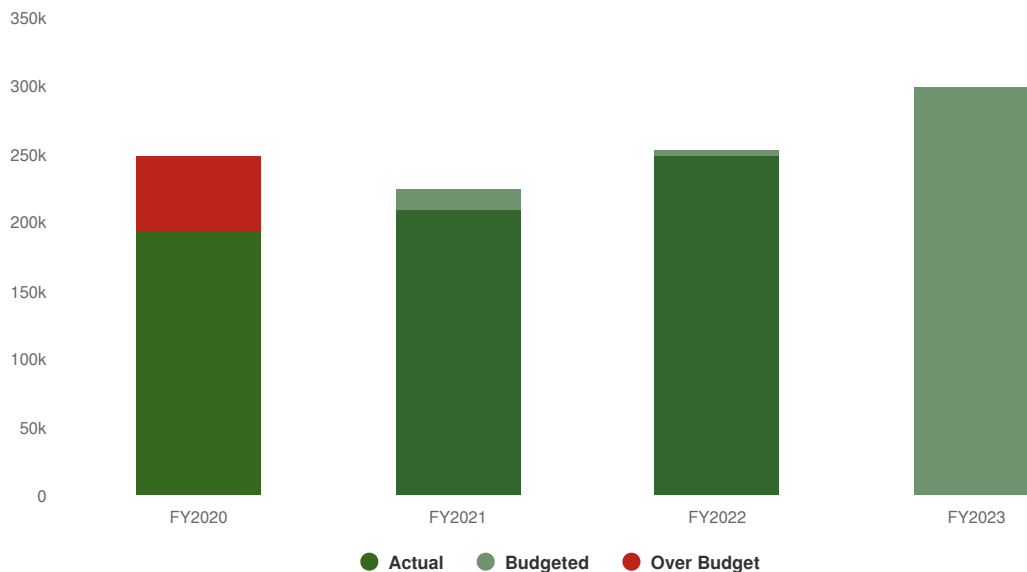
### Services funded:

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

## Expenditures Summary

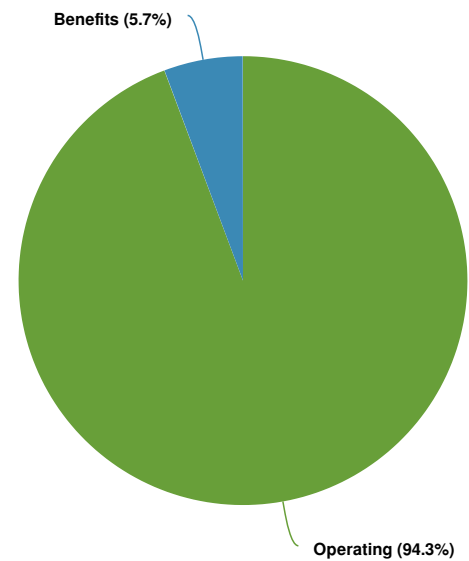
**\$298,885** **\$46,288**  
(18.32% vs. prior year)

### General Services Proposed and Historical Budget vs. Actual

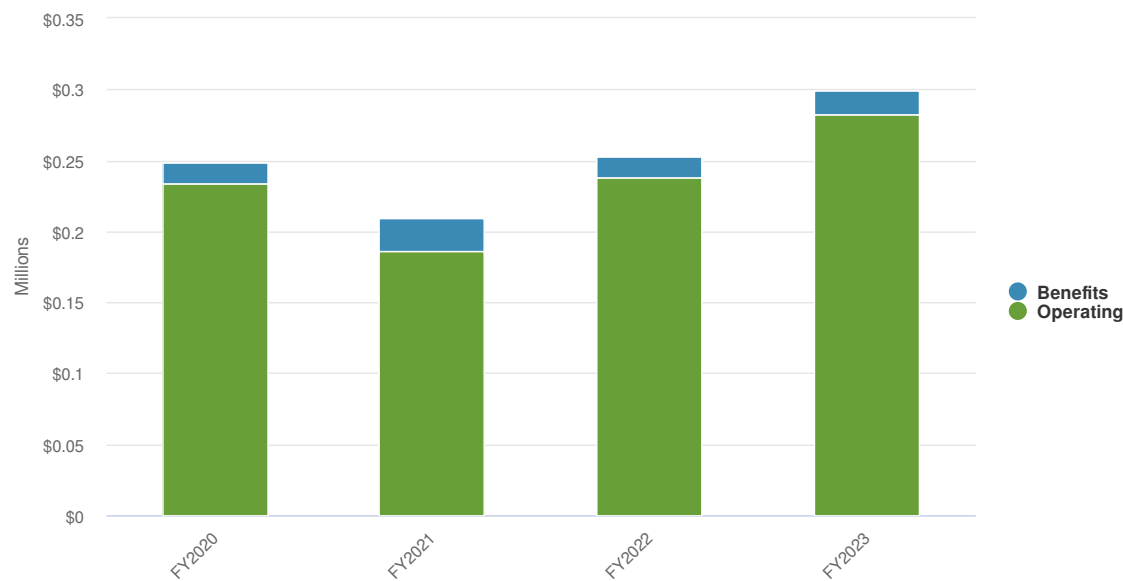


# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Benefits</b>					
Unemployment Compensation	\$7,856	\$0	\$0	\$0	0%
OPEB Contributions (Health Plan)	\$15,228	\$15,100	\$15,768	\$17,000	12.6%
<b>Total Benefits:</b>	<b>\$23,084</b>	<b>\$15,100</b>	<b>\$15,768</b>	<b>\$17,000</b>	<b>12.6%</b>
<b>Operating</b>					
Recruitment/Pre-employment	\$460	\$30,000	\$21,183	\$5,000	-83.3%
Office Supplies/Expense	\$3,373	\$8,000	\$9,473	\$8,000	0%
Postage	\$2,392	\$4,500	\$3,500	\$4,500	0%
Printing and Binding	\$1,002	\$1,500	\$1,000	\$1,500	0%
Rentals/Leases	\$17,780	\$16,438	\$19,700	\$17,591	7%
Telecommunications	\$4,633	\$5,000	\$5,000	\$4,700	-6%
Insurance Premiums	\$127,359	\$145,349	\$150,946	\$199,172	37%
Employee Recognition	\$578	\$1,500	\$1,415	\$1,500	0%
Property Tax Admin. Costs	\$9,023	\$9,300	\$8,735	\$9,319	0.2%
Janitorial Service	-\$2,500	\$0	\$0	\$0	N/A
Other Professional Services	\$15,355	\$10,800	\$22,869	\$13,954	29.2%
Merchant Fees	\$6,353	\$5,110	\$13,710	\$16,649	225.8%
<b>Total Operating:</b>	<b>\$185,808</b>	<b>\$237,497</b>	<b>\$257,531</b>	<b>\$281,885</b>	<b>18.7%</b>
<b>Total Expense Objects:</b>	<b>\$208,891</b>	<b>\$252,597</b>	<b>\$273,299</b>	<b>\$298,885</b>	<b>18.3%</b>

## Police Department - 06



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

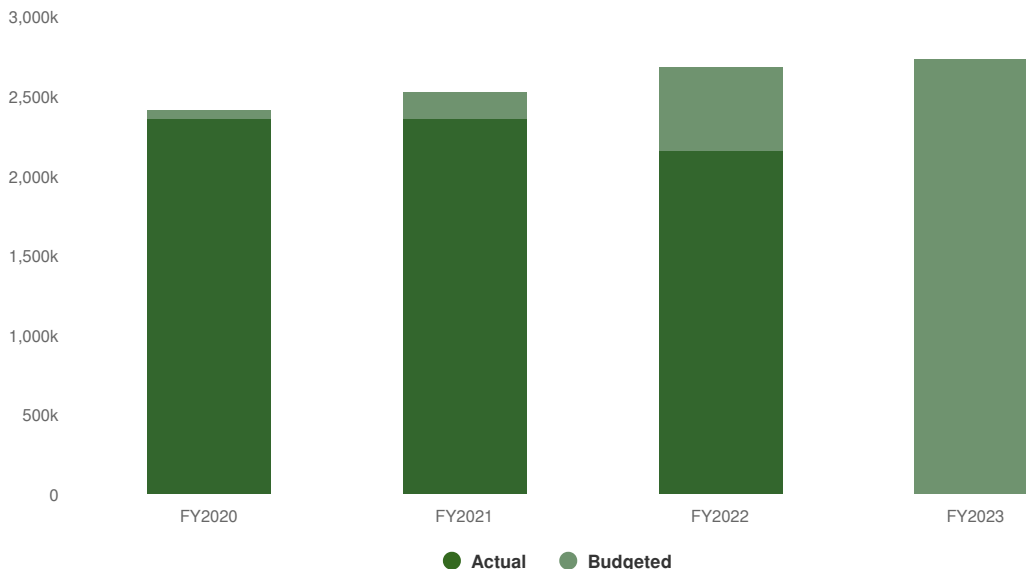
### Services funded:

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

## Expenditures Summary

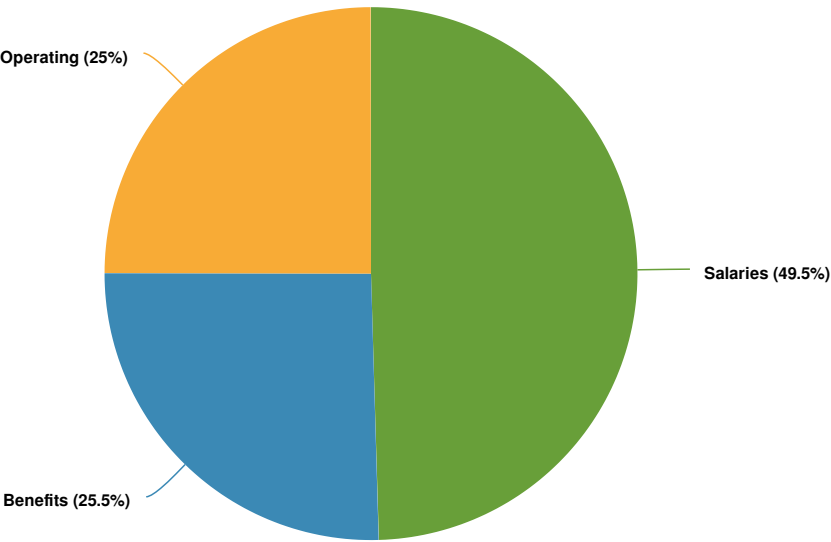
**\$2,738,617** **\$49,582**  
(1.84% vs. prior year)

### Police Proposed and Historical Budget vs. Actual

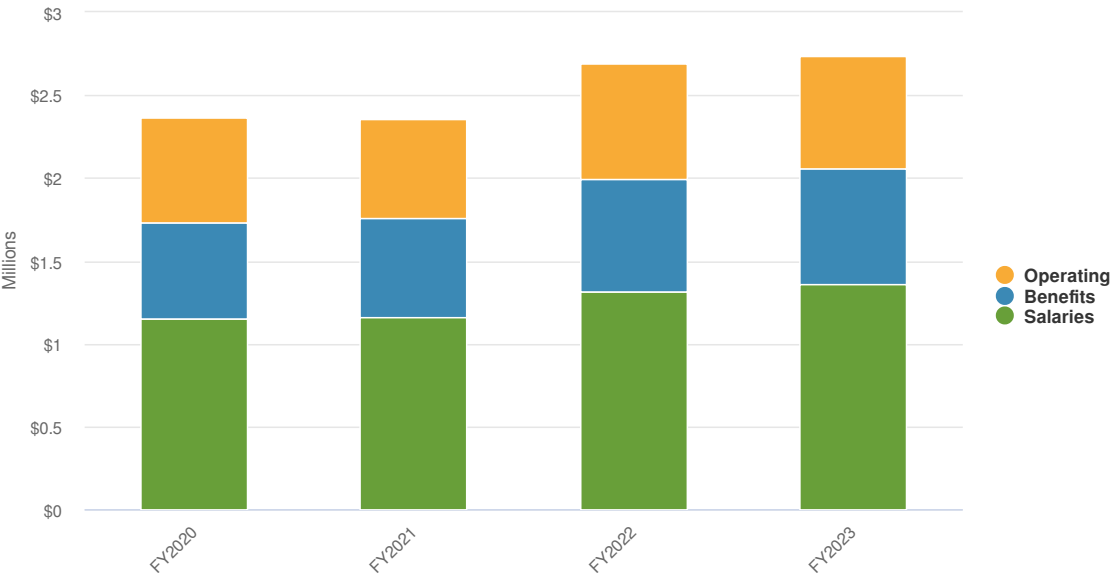


# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$1,026,721	\$1,205,892	\$1,161,000	\$1,250,688	3.7%
Overtime	\$131,663	\$100,000	\$194,662	\$100,000	0%
Part-time Salaries	\$0	\$6,125	\$2,526	\$6,125	0%
<b>Total Salaries:</b>	<b>\$1,158,385</b>	<b>\$1,312,017</b>	<b>\$1,358,188</b>	<b>\$1,356,813</b>	<b>3.4%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$7,538	\$10,455	\$9,171	\$11,381	8.9%
Deferred Compensation Retirement	\$2,700	\$2,700	\$2,326	\$2,700	0%
PERS Retirement-Normal Cost	\$152,410	\$176,439	\$155,348	\$158,116	-10.4%
PERS Retirement - Unfunded Liability	\$199,180	\$243,966	\$235,850	\$289,629	18.7%
Workers' Compensation	\$44,163	\$41,082	\$37,224	\$48,948	19.1%
Unemployment Compensation	\$0	\$5,588	\$5,588	\$1,808	-67.6%
FICA Taxes	\$17,296	\$19,404	\$19,404	\$16,555	-14.7%
Auto Allowance/Mileage	\$4,800	\$4,800	\$4,135	\$4,800	0%
Uniform Allowance	\$9,000	\$9,000	\$11,400	\$12,000	33.3%
Benefit Insurance	\$162,120	\$168,962	\$152,043	\$152,054	-10%
<b>Total Benefits:</b>	<b>\$599,208</b>	<b>\$682,396</b>	<b>\$632,489</b>	<b>\$697,990</b>	<b>2.3%</b>
<b>Operating</b>					
Recruitment/Pre-employment	\$4,436	\$5,000	\$14,000	\$5,150	3%
General Supplies	\$8,558	\$17,000	\$29,885	\$17,000	0%
Office Supplies/Expense	\$3,873	\$5,000	\$5,000	\$5,000	0%
Postage	\$274	\$100	\$500	\$500	400%
Printing and Binding	\$0	\$0	\$253	\$100	N/A
Books/Periodicals	\$384	\$400	\$400	\$250	-37.5%
Dues and Subscriptions	\$11,242	\$10,200	\$11,500	\$10,506	3%
EBRCSA System Subscription	\$10,077	\$10,800	\$10,620	\$11,000	1.9%
The Radio Lease (Trfr from Rainy Day Fund)	\$0	\$0	\$0	\$33,525	N/A
Telecommunications	\$15,220	\$20,000	\$15,000	\$15,000	-25%
Machinery/Equipment Maintenan	\$605	\$2,000	\$2,000	\$500	-75%
Vehicle Maintenance	\$22,046	\$30,000	\$16,500	\$30,000	0%
Vehicles: Gas, Oil & Supplies	\$30,071	\$40,000	\$40,000	\$41,200	3%
Office Equip-Maint/Repairs	\$2,018	\$3,200	\$3,200	\$3,200	0%
Business Meeting Expense	\$0	\$200	\$1,000	\$206	3%
Employee Recognition	\$0	\$200	\$200	\$206	3%
Education & Training	\$10,381	\$15,000	\$10,000	\$10,000	-33.3%
Crossing guard services	-\$1,813	\$28,000	\$28,457	\$29,400	5%
Legal Services Retainer	\$8,723	\$11,640	\$9,920	\$12,222	5%
Legal Services	\$15,957	\$5,000	\$10,235	\$5,000	0%
Janitorial Service	\$4,082	\$3,000	\$3,000	\$3,090	3%
Other Professional Services	\$7,482	\$4,000	\$2,570	\$1,600	-60%



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
Dispatch Services	\$293,027	\$307,755	\$307,755	\$323,143	5%
Crime Lab	\$5,658	\$10,000	\$15,256	\$14,000	40%
Jail Booking Fee	\$0	\$5,500	\$5,500	\$0	-100%
CAL ID	\$13,290	\$13,000	\$13,000	\$13,000	0%
Animal/Pest Control Services	\$76,264	\$75,627	\$76,978	\$89,807	18.7%
Integrated Justice System	\$11,173	\$12,000	\$8,770	\$9,209	-23.3%
CERF Charges	\$43,694	\$60,000	\$60,000	\$0	-100%
<b>Total Operating:</b>	<b>\$596,720</b>	<b>\$694,622</b>	<b>\$701,499</b>	<b>\$683,814</b>	<b>-1.6%</b>
<b>Total Expense Objects:</b>	<b>\$2,354,313</b>	<b>\$2,689,035</b>	<b>\$2,692,176</b>	<b>\$2,738,617</b>	<b>1.8%</b>



## Library - Department 07



The operation of the Clayton Community Library was the original model for other cities and is looked to as the example of County-City partnerships. While staffing of the Library is run by the Contra Costa County Library System, the City owns and maintains the building and grounds surrounding the Library at City expense. Beginning in FY 2021/22, the County will be providing 40 base hours of library service. This is an increase from their prior 35 hours of base library service.

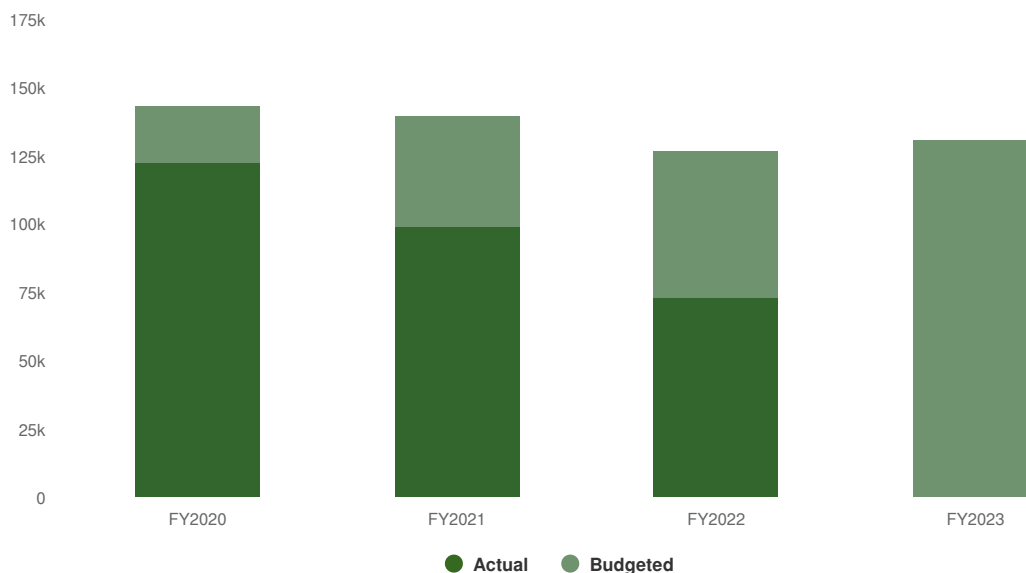
### Services funded:

- General maintenance of library facilities and parking lot.
- Ensure fire inspection compliance of library facility.
- HVAC system repairs (contract supervision).
- Pest extermination services (contract supervision).
- Tree trimming services (contract supervision).
- Janitorial services (contract supervision).

## Expenditures Summary

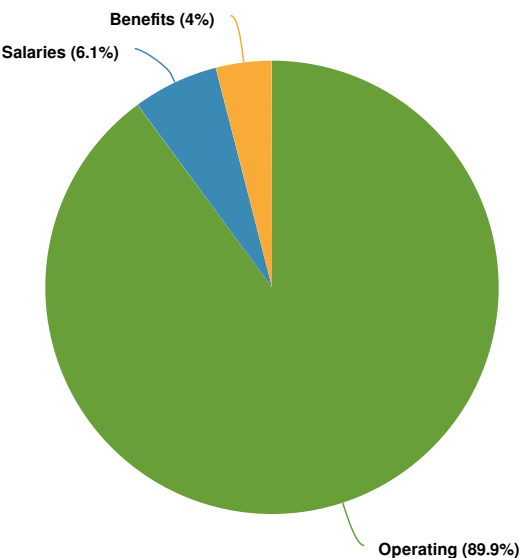
**\$131,104** **\$3,923**  
(3.08% vs. prior year)

### Library Proposed and Historical Budget vs. Actual

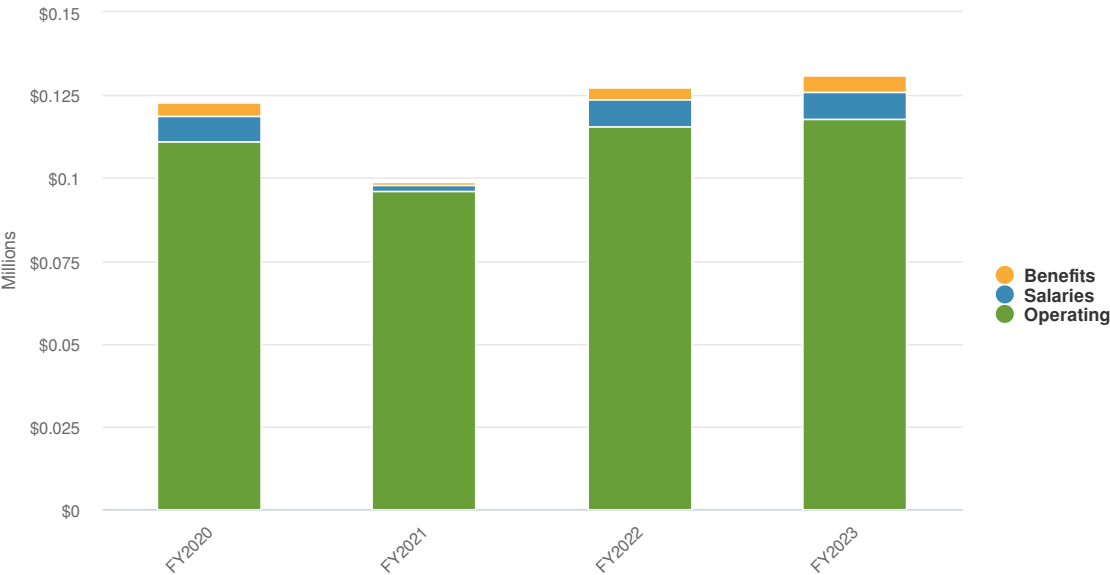


# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$1,698	\$7,925	\$4,500	\$8,007	1%
<b>Total Salaries:</b>	<b>\$1,698</b>	<b>\$7,925</b>	<b>\$4,500</b>	<b>\$8,007</b>	<b>1%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$22	\$69	\$50	\$80	16.1%
PERS Retirement-Normal Cost	\$160	\$732	\$250	\$750	2.5%
PERS Retirement - Unfunded Liability	\$182	\$985	\$373	\$975	-1%
Workers' Compensation	\$296	\$269	\$243	\$342	27.3%
Unemployment Compensation	\$0	\$52	\$52	\$18	-66.1%
FICA Taxes	\$29	\$115	\$55	\$118	3%
Benefit Insurance	\$252	\$1,434	\$548	\$2,943	105.3%
<b>Total Benefits:</b>	<b>\$941</b>	<b>\$3,656</b>	<b>\$1,571</b>	<b>\$5,227</b>	<b>43%</b>
<b>Operating</b>					
Telecommunications	\$2,398	\$2,500	\$3,600	\$2,700	8%
Gas & Electricity	\$56,434	\$58,000	\$58,000	\$63,800	10%
Water Services	\$2,339	\$2,300	\$2,600	\$2,415	5%
Buildings/Grounds Maintenance	\$9,196	\$14,300	\$14,160	\$10,150	-29%
Vehicle Maintenance	\$58	\$500	\$310	\$450	-10%
Vehicles: Gas, Oil & Supplies	\$84	\$500	\$328	\$500	0%
HVAC Mtn & Repairs	\$3,537	\$8,500	\$8,500	\$8,755	3%
Janitorial Service	\$7,278	\$20,000	\$23,120	\$23,394	17%
Library Additional Hours	\$11,344	\$0	\$0	\$0	N/A
Animal/Pest Control Services	\$1,572	\$2,000	\$1,694	\$1,846	-7.7%
Contract Seasonal Labor	\$0	\$2,000	\$1,500	\$2,060	3%
Tree Trimming Services	\$1,995	\$5,000	\$5,000	\$1,800	-64%
<b>Total Operating:</b>	<b>\$96,234</b>	<b>\$115,600</b>	<b>\$118,812</b>	<b>\$117,870</b>	<b>2%</b>
<b>Total Expense Objects:</b>	<b>\$98,873</b>	<b>\$127,181</b>	<b>\$124,883</b>	<b>\$131,104</b>	<b>3.1%</b>

# Engineering



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

## Services funded:

### *Administrative*

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

### *Capital Improvements*

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

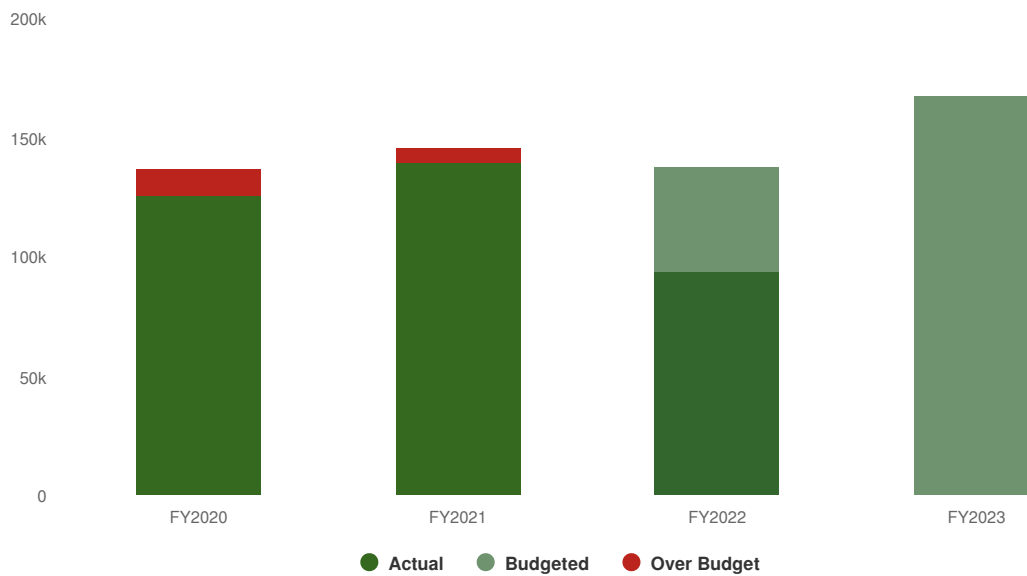
### *Land Development*

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

## Expenditures Summary

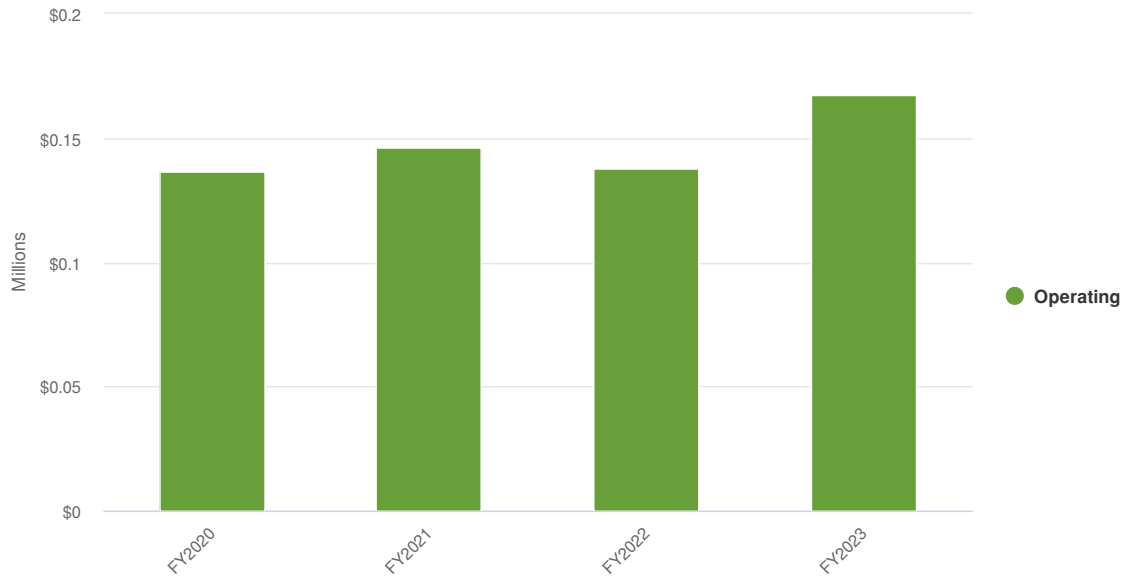
**\$167,148** **\$29,313**  
(21.27% vs. prior year)

### Engineering Proposed and Historical Budget vs. Actual



## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Operating</b>					
Dues and Subscriptions	\$3,319	\$3,300	\$3,300	\$3,300	0%
Professional Engineering Services	\$123,369	\$127,051	\$150,000	\$156,000	22.8%
Legal Services Retainer	\$13,822	\$6,984	\$13,000	\$7,333	5%
Engineering Inspection Service	\$0	\$500	\$500	\$515	3%
Legal Services	\$899	\$0	\$0	\$0	N/A
Other Professional Services	\$4,793	\$0	\$0	\$0	N/A
<b>Total Operating:</b>	<b>\$146,203</b>	<b>\$137,835</b>	<b>\$166,800</b>	<b>\$167,148</b>	<b>21.3%</b>
<b>Total Expense Objects:</b>	<b>\$146,203</b>	<b>\$137,835</b>	<b>\$166,800</b>	<b>\$167,148</b>	<b>21.3%</b>

# Clayton Community Park



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

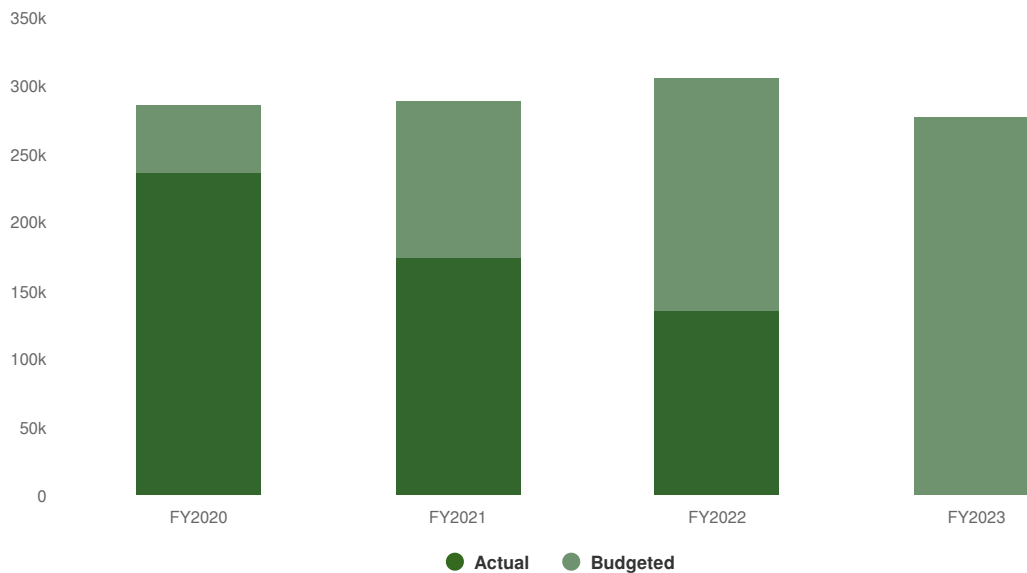
## Services funded:

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

## Expenditures Summary

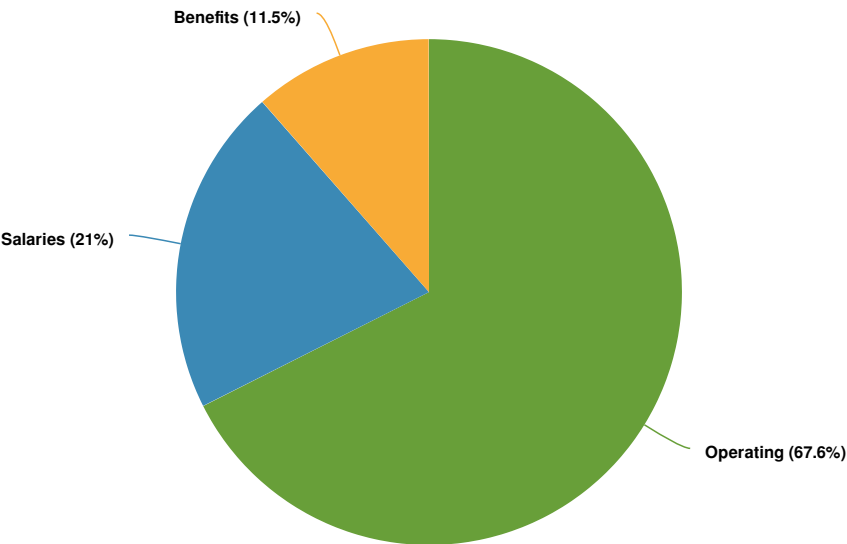
**\$277,492** **-\$29,008**  
(-9.46% vs. prior year)

### Clayton Community Park Proposed and Historical Budget vs. Actual

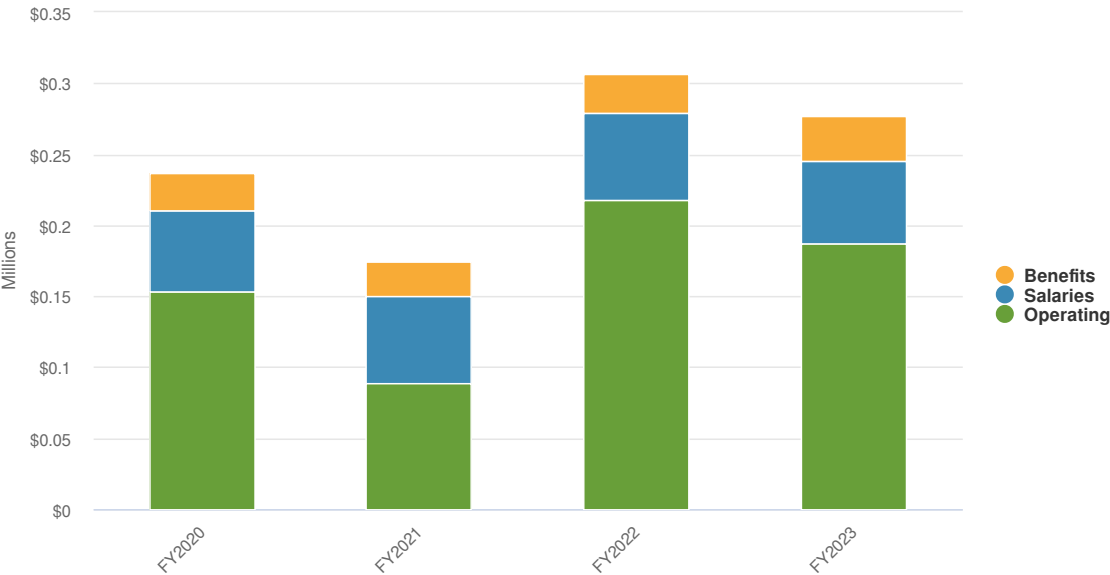


# Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type





Name	FY2021 Actuals	FY2022 Amended	FY2022 Projected	FY2023 Budgeted	FY2022 Amended vs. FY2023 Budgeted (% Change)
<b>Expense Objects</b>					
<b>Salaries</b>					
Regular Salaries	\$56,804	\$55,477	\$40,000	\$52,042	-6.2%
Temporary Salaries	\$3,137	\$3,978	\$1,500	\$4,097	3%
Overtime	\$882	\$2,000	\$1,600	\$2,060	3%
<b>Total Salaries:</b>	<b>\$60,822</b>	<b>\$61,455</b>	<b>\$43,100</b>	<b>\$58,200</b>	<b>-5.3%</b>
<b>Benefits</b>					
Long/Short Term Disability Insurance	\$552	\$481	\$481	\$519	7.9%
PERS Retirement-Normal Cost	\$5,096	\$5,125	\$3,464	\$4,620	-9.8%
PERS Retirement - Unfunded Liability	\$5,802	\$6,893	\$5,384	\$5,343	-22.5%
Workers' Compensation	\$2,521	\$2,229	\$2,017	\$2,226	-0.1%
Unemployment Compensation	\$0	\$923	\$982	\$115	-87.6%
FICA Taxes	\$1,249	\$1,138	\$582	\$1,172	3%
Benefit Insurance	\$9,299	\$10,036	\$9,515	\$17,783	77.2%
<b>Total Benefits:</b>	<b>\$24,519</b>	<b>\$26,825</b>	<b>\$22,425</b>	<b>\$31,778</b>	<b>18.5%</b>
<b>Operating</b>					
Irrigation Supplies and Materials	\$4,303	\$5,000	\$3,000	\$5,150	3%
General Supplies	\$3,814	\$9,300	\$3,000	\$9,579	3%
Gas & Electricity	\$2,241	\$2,100	\$2,800	\$3,080	46.7%
Water Services	\$32,177	\$134,700	\$100,000	\$110,000	-18.3%
Buildings/Grounds Maintenance	\$12,080	\$10,500	\$10,000	\$10,000	-4.8%
Machinery/Equipment Maintenan	\$0	\$5,000	\$1,500	\$5,000	0%
Vehicle Maintenance	\$1,978	\$2,500	\$4,500	\$3,800	52%
Vehicles: Gas, Oil & Supplies	\$2,718	\$3,500	\$3,000	\$3,605	3%
Janitorial Service	\$10,258	\$13,600	\$13,200	\$13,200	-2.9%
Animal/Pest Control Services	\$5,228	\$9,020	\$9,900	\$740	-91.8%
Contract Seasonal Labor	\$6,017	\$11,000	\$8,000	\$11,000	0%
Tree Trimming Services	\$7,995	\$12,000	\$12,000	\$12,360	3%
<b>Total Operating:</b>	<b>\$88,808</b>	<b>\$218,220</b>	<b>\$170,900</b>	<b>\$187,514</b>	<b>-14.1%</b>
<b>Total Expense Objects:</b>	<b>\$174,148</b>	<b>\$306,500</b>	<b>\$236,425</b>	<b>\$277,492</b>	<b>-9.5%</b>



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# CAPITAL IMPROVEMENTS

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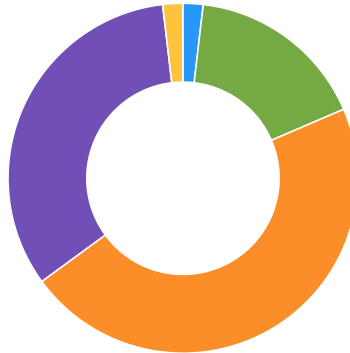
## Capital Improvements: One-year Plan

### Total Capital Requested

# \$1,362,497

#### 7 Capital Improvement Projects

#### Total Funding Requested by Source



● HUTA Gas Taxes - Fund #201 (2%)	\$8,000.00
● Measure J Grant (17%)	\$72,000.00
● Restricted Grants - Fund #230 (46%)	\$200,000.00
● RMRA Gas Taxes - Fund #202 (33%)	\$143,000.00
● Unfunded (2%)	\$8,000.00
<b>TOTAL</b>	<b>\$431,000.00</b>

## Engineering Requests

### Itemized Requests for 2023

2022 Neighborhood Street Repave Project	\$833,497
2023 Clayton Neighborhood Pavement Rehab Project	\$343,000
ADA Transition Compliance Program	\$6,000
Downtown Pedestrian Improvement	\$72,000
Local Roadway Safety Plan	\$10,000
North Valley Playground Rehabilitation	\$48,000
School Intersection Safety	\$50,000
Total: \$1,362,497	

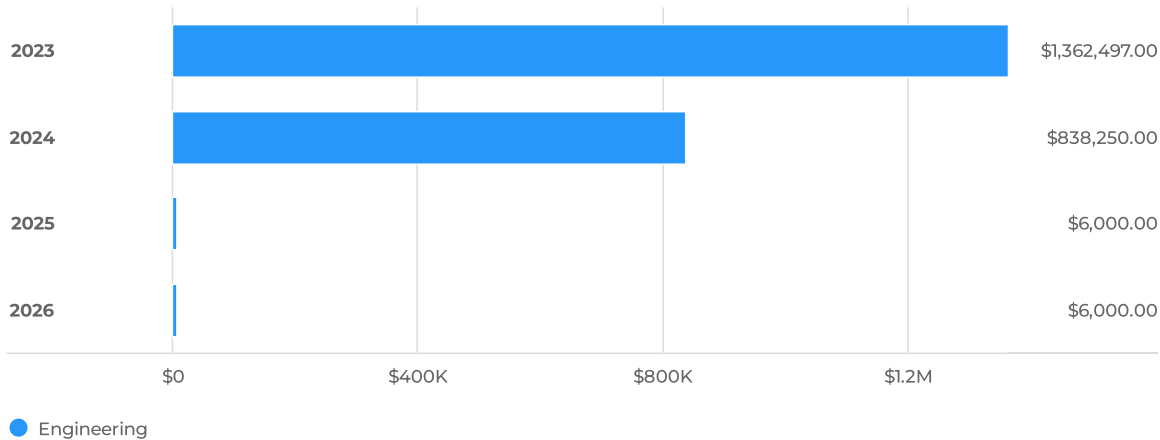


# Capital Improvements: Multi-year Plan

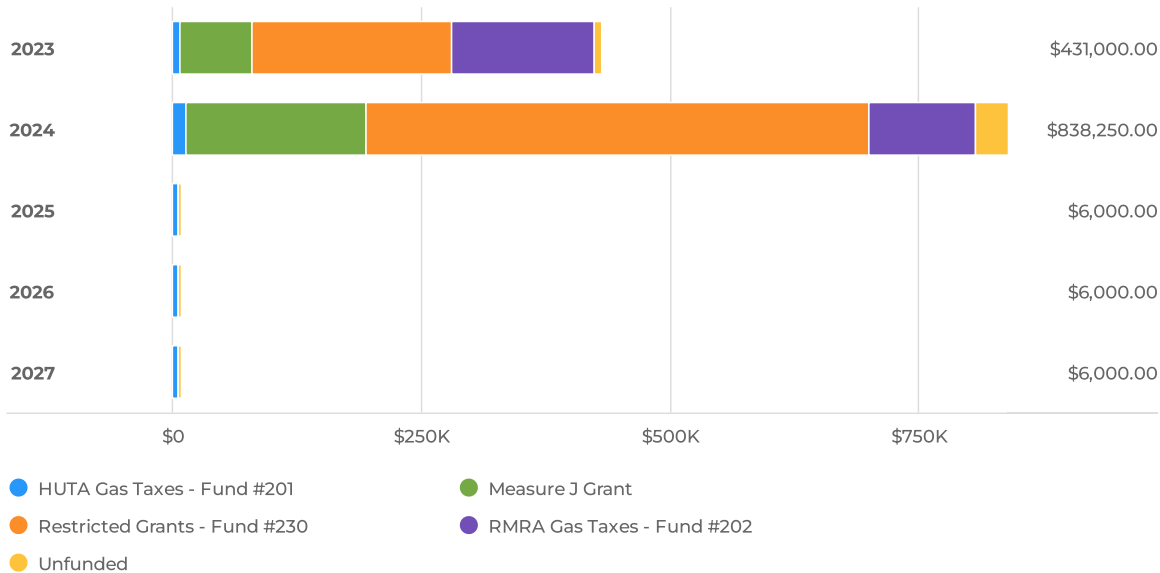
Total Capital Requested  
**\$2,212,747**

8 Capital Improvement Projects

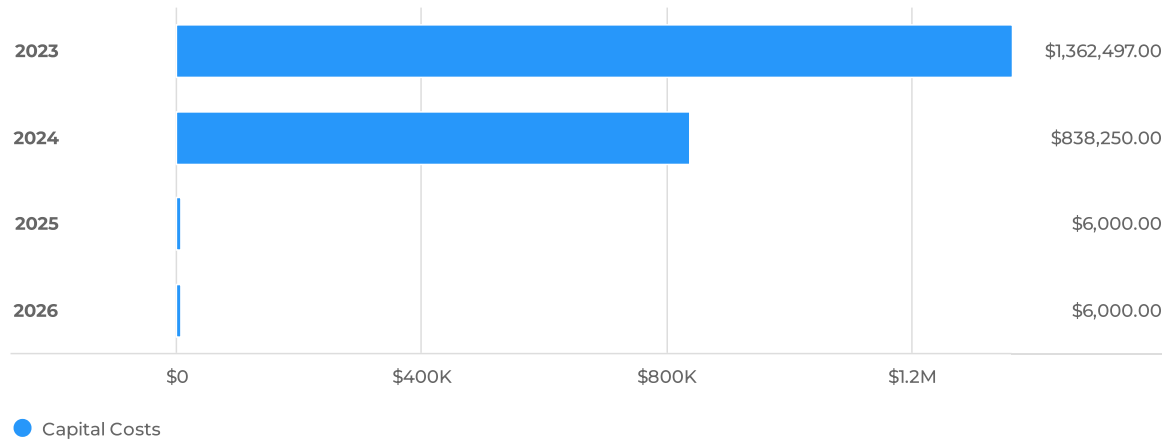
Total Funding Requested by Department



Total Funding Requested by Source



## Capital Costs Breakdown



## Engineering Requests

### Itemized Requests for 2023-2027

2022 Neighborhood Street Repave Project	\$833,497
2023 Clayton Neighborhood Pavement Rehab Project	\$955,250
ADA Transition Compliance Program	\$24,000
Downtown Pedestrian Improvement	\$252,000
Local Roadway Safety Plan	\$50,000
North Valley Playground Rehabilitation	\$48,000
School Intersection Safety	\$50,000
<b>Total: \$2,212,747</b>	

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# APPENDIX

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# ENGINEERING REQUESTS

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## 2023 Clayton Neighborhood Pavement Rehab Project

### Overview

Submitted By	Jason Chen, Deputy City Engineer
Request Owner	Jason Chen, Deputy City Engineer
Est. Start Date	07/01/2021
Est. Completion Date	12/31/2023
Department	Engineering
Type	Capital Improvement

### Description

On Mountaire Parkway from Marsh Creek Rd to Mountaire Circle; On Mitchell Canyon Rd from Clayton Rd to Herriman Ct; On Regency Dr from El Molino Dr to Weatherly Dr; On Capistrano Ct; On Caulfield Ct; On Mt. Dell Dr. from Mt. Washington Way to End; On Mount Vernon Drive from Mt. Edna Dr to End; On Fleming Drive; On Pinot Ct; on Bigelow St: Pavement Maintenance and restoration including replacing pavement markings. Maintenance or rehabilitation may include seal coat(s), AC overlay with ancillary work including pavement grinding, full depth asphalt repairs, adjusting utility frames and grates and replacing pavement markings as needed.

### Images

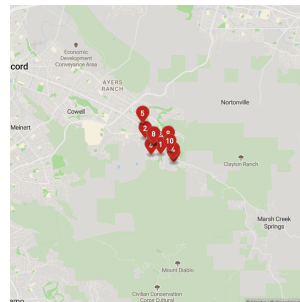


Paving Operation

### Details

Type of Project	Transportation/Drainage
-----------------	-------------------------

### Location



### Benefit to Community

Road way pavement rehabilitation work is necessary to prevent the pavement condition to fall into the "Poor" condition rating. Research has shown it would cost more to repair a roadway that deteriorated to the point where major rehabilitation or reconstruction is necessary.

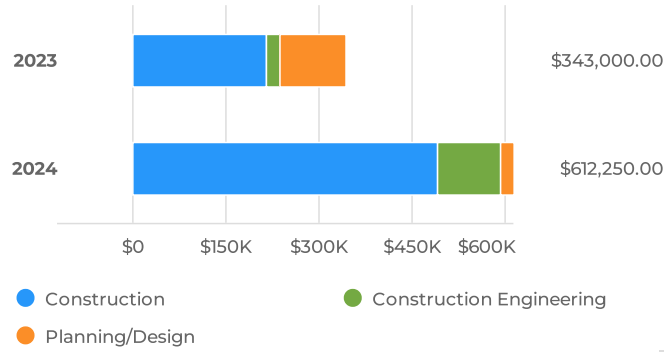
## Capital Cost

Total To Date  
**\$40,000**

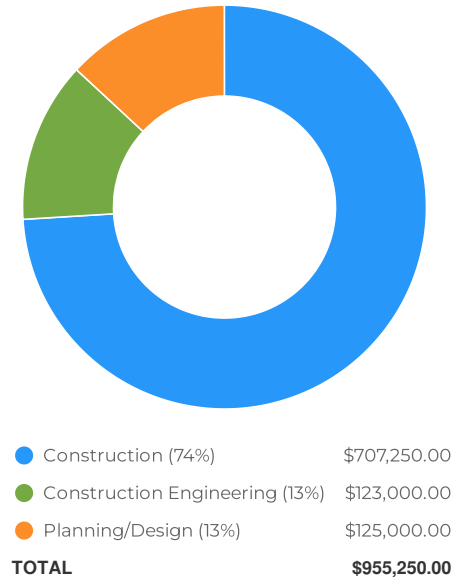
FY2023 Budget  
**\$343,000**

Total Budget (all years)  
**\$955.25K**

Capital Cost by Year (Proposed)



Capital Cost for Budgeted Years (Proposed)



Capital Cost Breakdown			
Capital Cost	To Date	FY2023	FY2024
Planning/Design	\$40,000	\$105,000	\$20,000
Construction		\$215,000	\$492,250
Construction Engineering		\$23,000	\$100,000
<b>Total</b>	<b>\$40,000</b>	<b>\$343,000</b>	<b>\$612,250</b>

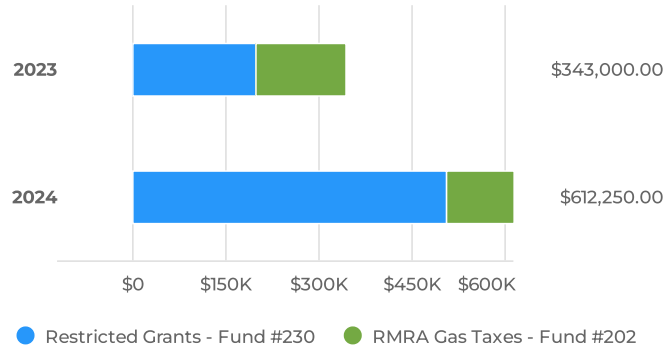
## Funding Sources

Total To Date  
**\$40,000**

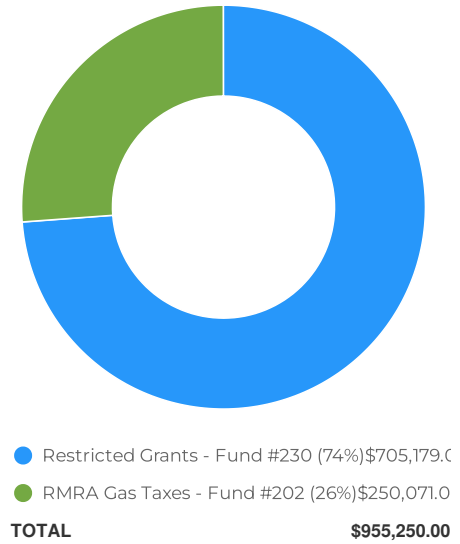
FY2023 Budget  
**\$343,000**

Total Budget (all years)  
**\$955.25K**

Funding Sources by Year (Proposed)



Funding Sources for Budgeted Years (Proposed)



### Funding Sources Breakdown

Funding Sources	To Date	FY2023	FY2024
RMRA Gas Taxes - Fund #202	\$40,000	\$143,000	\$107,071
Restricted Grants - Fund #230		\$200,000	\$505,179
<b>Total</b>	<b>\$40,000</b>	<b>\$343,000</b>	<b>\$612,250</b>

## ADA Transition Compliance Program

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### Overview

Submitted By	Jason Chen, Deputy City Engineer
Request Owner	Jason Chen, Deputy City Engineer
Est. Start Date	07/01/2021
Est. Completion Date	06/30/2026
Department	Engineering
Type	Capital Improvement
Project Number	10394A

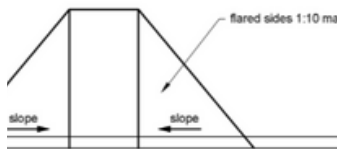
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### Description

This is an ongoing program which removes barriers to accessibility in the public right of way by replacing curbs with curb ramps at crosswalks and other public roadway locations and upgrading curb ramps to current standards. The annual funding is \$6,000. The City may elect to combine funds from multiple years to proceed with larger projects for economics of scale in project costs.

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### Images



**Figure 406.3**  
**Sides of Curb Ramps**

Cub Ramp

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### Details

Type of Project	Transportation/Drainage
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### Benefit to Community

This program will remove barriers to accessibility in the right of way.

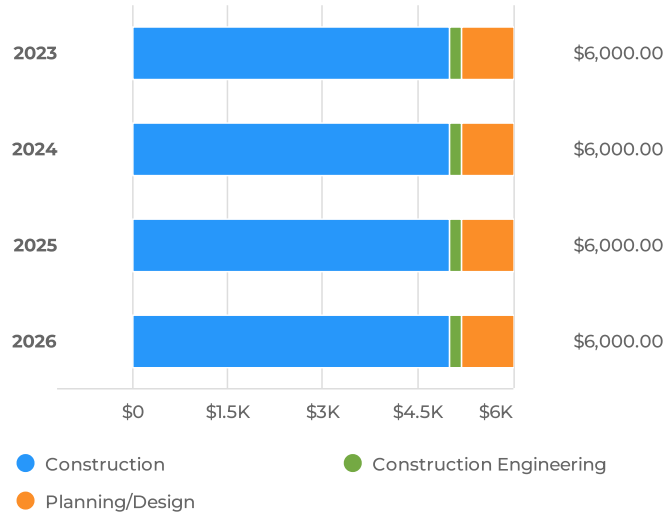
## Capital Cost

Total To Date  
**\$57,310**

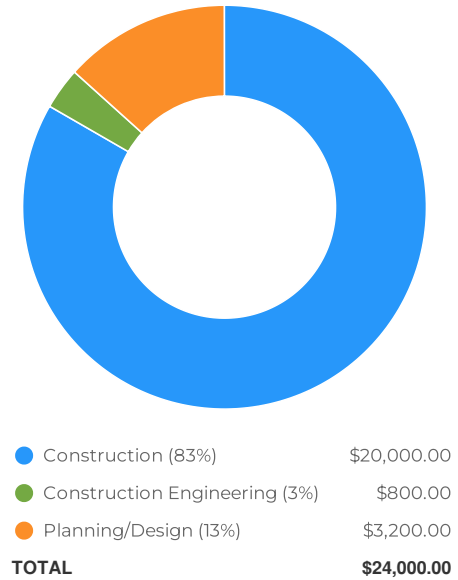
FY2023 Budget  
**\$6,000**

Total Budget (all years)  
**\$24K**

Capital Cost by Year (Proposed)



Capital Cost for Budgeted Years (Proposed)



### Capital Cost Breakdown

Capital Cost	To Date	FY2023	FY2024	FY2025	FY2026
Planning/Design	\$9,310	\$800	\$800	\$800	\$800
Construction	\$48,000	\$5,000	\$5,000	\$5,000	\$5,000
Construction Engineering		\$200	\$200	\$200	\$200
<b>Total</b>	<b>\$57,310</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>

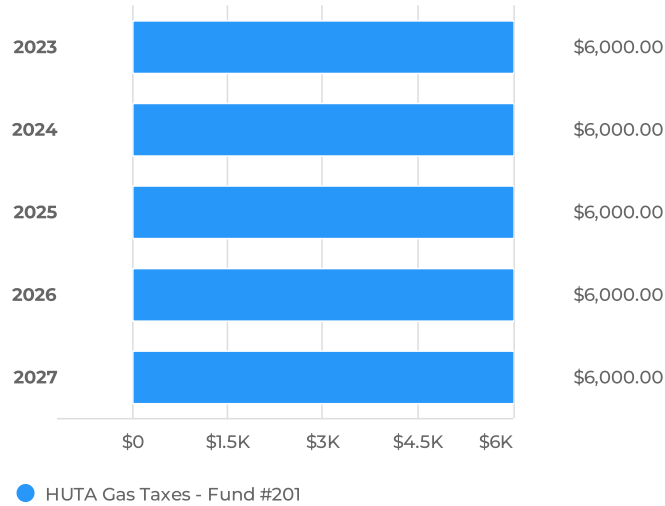
## Funding Sources

Total To Date  
**\$43,327**

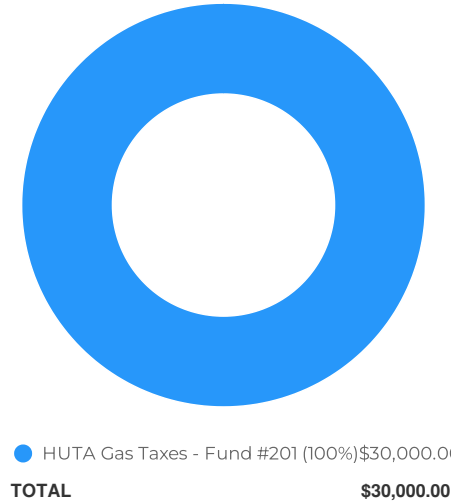
FY2023 Budget  
**\$6,000**

Total Budget (all years)  
**\$30K**

Funding Sources by Year (Proposed)



Funding Sources for Budgeted Years (Proposed)



### Funding Sources Breakdown

Funding Sources	To Date	FY2023	FY2024	FY2025	FY2026	FY2027
HUTA Gas Taxes - Fund #201	\$42,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Interest	\$1,327					
<b>Total</b>	<b>\$43,327</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>

This request information is generated from , Proposed Version.

# Pine Hollow Road Upgrade

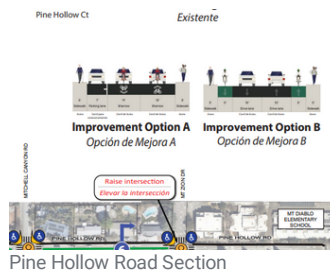
## Overview

Submitted By	Jason Chen, Deputy City Engineer
Request Owner	Jason Chen, Deputy City Engineer
Department	Engineering
Type	Capital Improvement
Project Number	10379

## Description

Improve Pine Hollow Road as a complete street including pedestrian and bicycle facilities and green street drainage along Pine Hollow Road from the City limit to Mt Diablo Elementary School. This project is currently at the feasibility study stage. This is a joint project with the City of Concord. The full project limit from Pine Hollow Rd/Alberta Way from Clayton Valley Charter High School to Mt Diablo Elementary School.

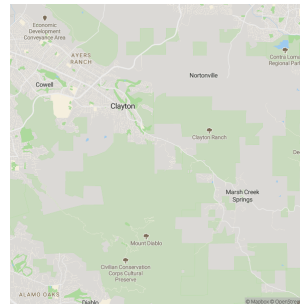
## Images



## Details

Type of Project      None

## Location



## Benefit to Community

The proposed improvements will enhance bicycle and pedestrian safety, auto circulation, trail connectivity, and residential and school access.

This requests information is generated from , Proposed Version.

## North Valley Playground Rehabilitation

### Overview

Submitted By	Jason Chen, Deputy City Engineer
Request Owner	Jason Chen, Deputy City Engineer
Est. Start Date	03/01/2018
Est. Completion Date	12/31/2023
Department	Engineering
Type	Capital Improvement
Project Number	CIP10442

### Description

Install new playground equipment, shade structure, and play surface. The majority of the project has been completed. The remaining item is to construct an ADA drop off area.

### Images

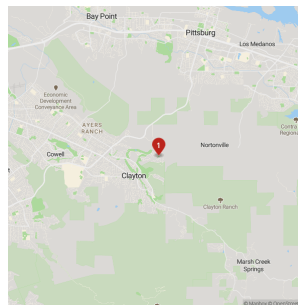


North Valley Playground Structure

### Details

Type of Project	New Construction
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### Location





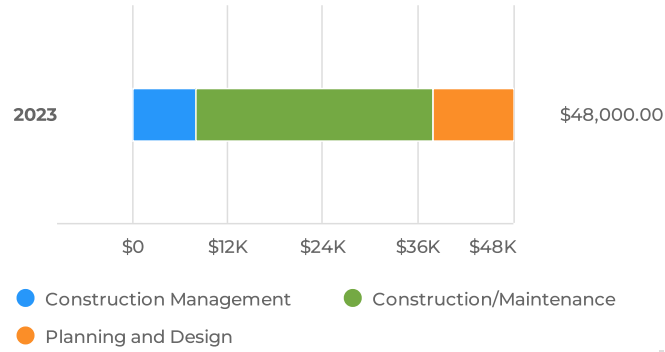
## Capital Cost

Total To Date  
**\$174,871**

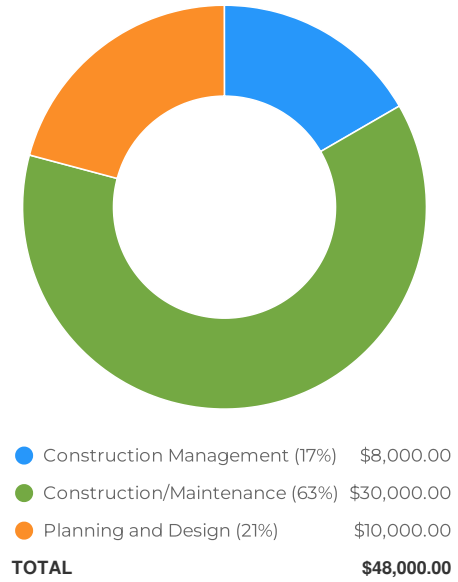
FY2023 Budget  
**\$48,000**

Total Budget (all years)  
**\$48K**

Capital Cost by Year (Proposed)



Capital Cost for Budgeted Years (Proposed)



### Capital Cost Breakdown

Capital Cost	To Date	FY2023
Planning and Design	\$850	\$10,000
Construction/Maintenance	\$174,021	\$30,000
Construction Management		\$8,000
<b>Total</b>	<b>\$174,871</b>	<b>\$48,000</b>

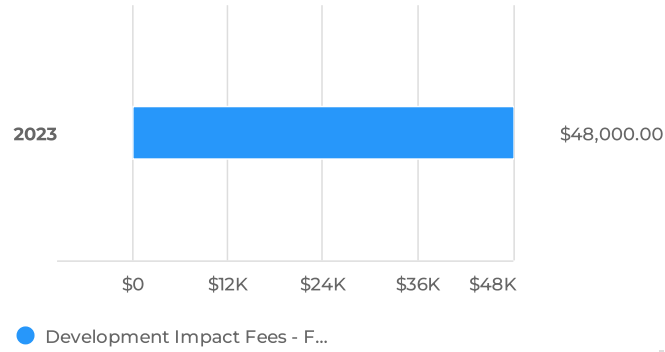
## Funding Sources

Total To Date  
**\$176,053**

FY2023 Budget  
**\$48,000**

Total Budget (all years)  
**\$48K**

Funding Sources by Year (Proposed)



Funding Sources for Budgeted Years (Proposed)



### Funding Sources Breakdown

Funding Sources	To Date	FY2023
Development Impact Fees - Fund #304	\$94,000	\$48,000
Deposits Fund	\$50,000	
Interest	\$32,053	
<b>Total</b>	<b>\$176,053</b>	<b>\$48,000</b>

This requests information is generated from , Proposed Version.

## Downtown Pedestrian Improvement

### Overview

Submitted By	Jason Chen, Deputy City Engineer
Request Owner	Jason Chen, Deputy City Engineer
Est. Start Date	07/01/2022
Est. Completion Date	12/31/2023
Department	Engineering
Type	Capital Improvement
Project Number	10450

### Description

This project is comprised of three elements:

- Raised and lighted crosswalk system to be located on Oak Street in the east/west direction at Center Street
- An additional raised and lighted crosswalk system to be located on Center Street in the north/south direction at Oak Street
- A tabletop or raised intersection at Marsh Creek Road and Main Street

### Images

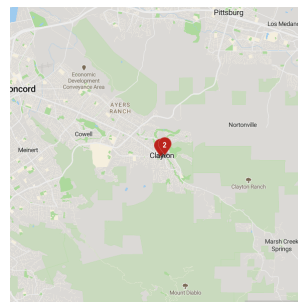


Map showing the improvements

### Details

Type of Project      Transportation/Drainage

### Location



### Benefit to Community

This project is to improve pedestrian safety in the Town Center of Clayton.

## Capital Cost

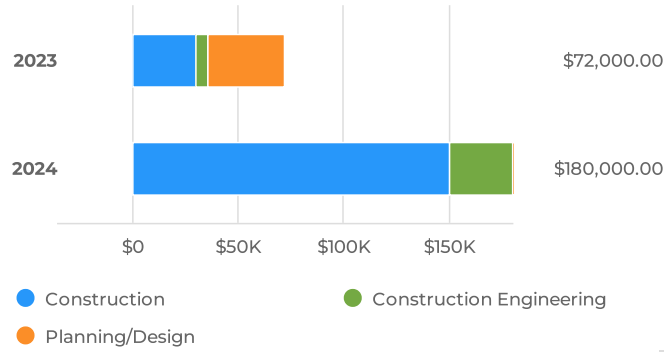
FY2023 Budget

**\$72,000**

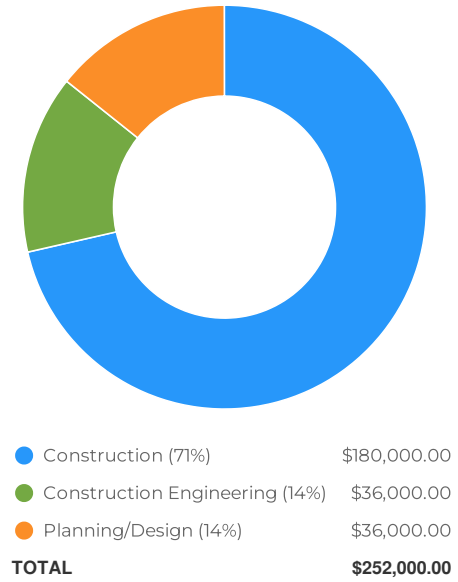
Total Budget (all years)

**\$252K**

Capital Cost by Year (Proposed)



Capital Cost for Budgeted Years (Proposed)



### Capital Cost Breakdown

Capital Cost	FY2023	FY2024
Planning/Design	\$36,000	
Construction	\$30,000	\$150,000
Construction Engineering	\$6,000	\$30,000
<b>Total</b>	<b>\$72,000</b>	<b>\$180,000</b>

## Funding Sources

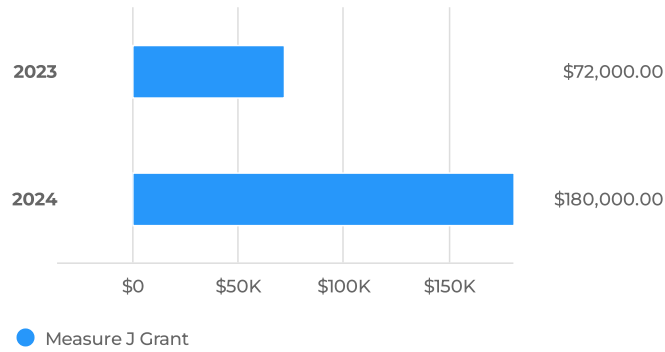
FY2023 Budget

**\$72,000**

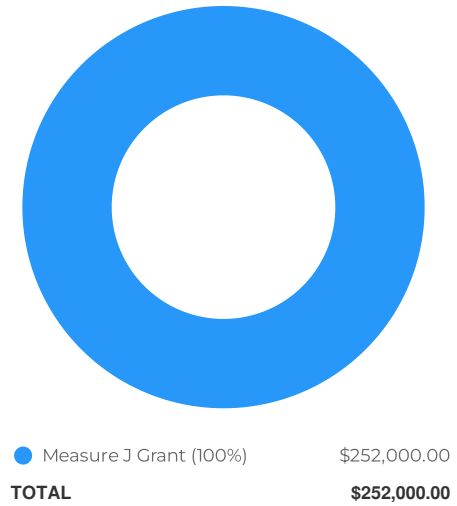
Total Budget (all years)

**\$252K**

Funding Sources by Year (Proposed)



Funding Sources for Budgeted Years (Proposed)



### Funding Sources Breakdown

Funding Sources	FY2023	FY2024
Measure J Grant	\$72,000	\$180,000
<b>Total</b>	<b>\$72,000</b>	<b>\$180,000</b>

This requests information is generated from , Proposed Version.

## Local Roadway Safety Plan

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### Overview

Submitted By	Jason Chen, Deputy City Engineer
Request Owner	Jason Chen, Deputy City Engineer
Est. Start Date	01/01/2023
Est. Completion Date	12/31/2023
Department	Engineering
Type	Capital Improvement

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### Description

The process of preparing a Local Roadway Safety Plan (LRSP) creates a framework to systematically identify and analyze safety problems and recommend safety improvements. The City will be seeking a grant opportunity that will fund the development of this grant.

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### Images



Local Roadway Safety Plan

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### Details

Type of Project	Transportation/Drainage
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### Benefit to Community

Preparing an LRSP facilitates the development of local agency partnerships and collaboration, resulting in a prioritized list of improvements and actions that can demonstrate defined needs. More and more grants are transitioning to requiring the City to have a LRSP before the City can apply for those grants. An adopted LRSP will allow the City to apply to those grants.

## Capital Cost

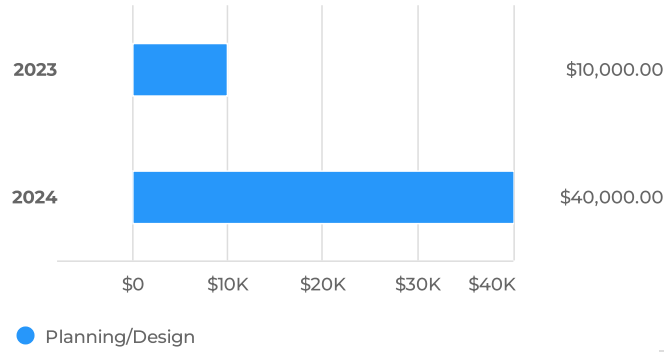
FY2023 Budget

**\$10,000**

Total Budget (all years)

**\$50K**

Capital Cost by Year (Proposed)



Capital Cost for Budgeted Years (Proposed)



### Capital Cost Breakdown

Capital Cost	FY2023	FY2024
Planning/Design	\$10,000	\$40,000
<b>Total</b>	<b>\$10,000</b>	<b>\$40,000</b>

## Funding Sources

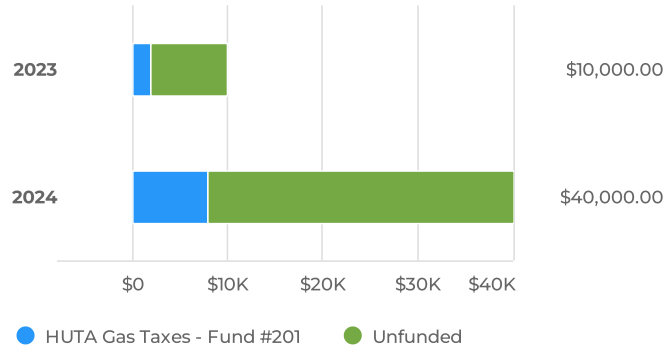
FY2023 Budget

**\$10,000**

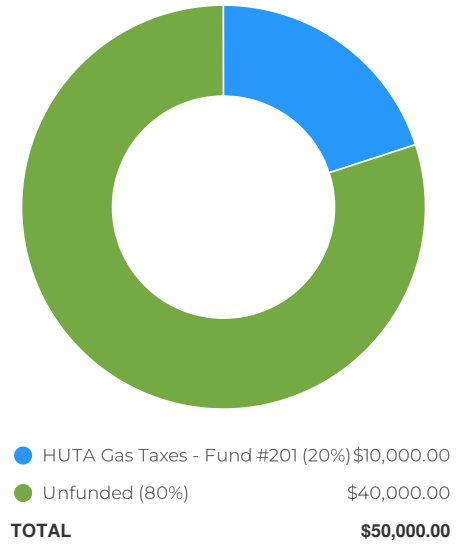
Total Budget (all years)

**\$50K**

Funding Sources by Year (Proposed)



Funding Sources for Budgeted Years (Proposed)



### Funding Sources Breakdown

Funding Sources	FY2023	FY2024
HUTA Gas Taxes - Fund #201	\$2,000	\$8,000
Unfunded	\$8,000	\$32,000
<b>Total</b>	<b>\$10,000</b>	<b>\$40,000</b>



This requests information is generated from , Proposed Version.

## 2022 Neighborhood Street Repave Project

### Overview

Submitted By	Jason Chen, Deputy City Engineer
Request Owner	Jason Chen, Deputy City Engineer
Est. Start Date	06/01/2020
Est. Completion Date	12/31/2022
Department	Engineering
Type	Capital Improvement
Project Number	10449

### Description

Perform pavement rehabilitation to elevate neighborhood streets to a Pavement Condition Index (PCI) of 80 or greater (where PCI score of 100 is equivalent to a brand-new street). The street consists of El Molino, Mitchell Canyon, Kenston Dr, Kenston Ct, Newman Ct, Tiffin Dr, Rolan Ct, Chardonnay Cir, Peacock Creek, and Pebble Beach Dr.

### Images

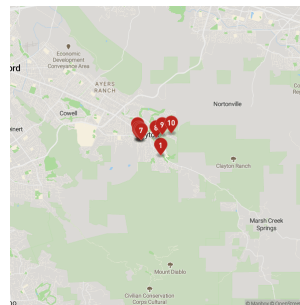


Paving Operation

### Details

Type of Project      Transportation/Drainage

### Location



### Benefit to Community

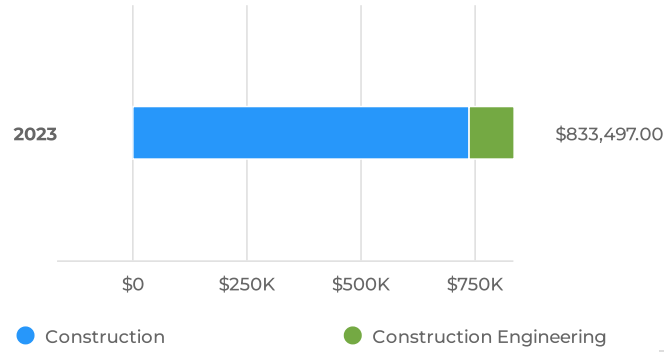
Road way pavement rehabilitation work is necessary to prevent the pavement condition to fall into the "Poor" condition rating. Research has shown it would cost more to repair a roadway that deteriorated to the point where major rehabilitation or reconstruction is necessary.



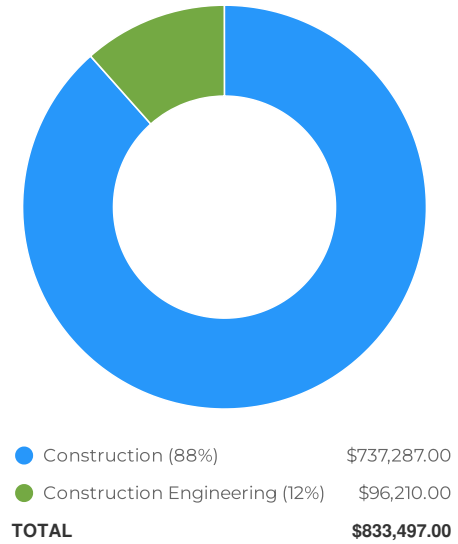
## Capital Cost

Total To Date	FY2023 Budget	Total Budget (all years)
<b>\$98,350</b>	<b>\$833,497</b>	<b>\$833.497K</b>

Capital Cost by Year (Proposed)



Capital Cost for Budgeted Years (Proposed)



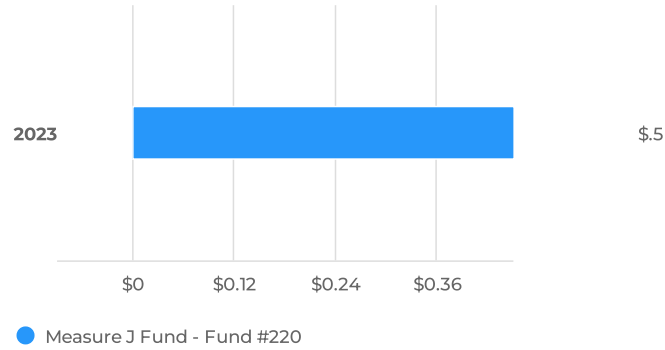
### Capital Cost Breakdown

Capital Cost	To Date	FY2023
Planning/Design	\$74,300	
Construction		\$737,287
Construction Engineering	\$24,050	\$96,210
<b>Total</b>	<b>\$98,350</b>	<b>\$833,497</b>

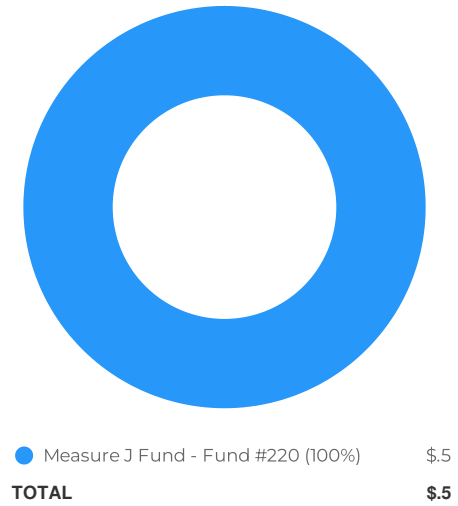
## Funding Sources

Total To Date	FY2023 Budget	Total Budget (all years)
<b>\$931,847</b>	<b>\$0</b>	<b>\$0.45</b>

Funding Sources by Year (Proposed)



Funding Sources for Budgeted Years (Proposed)



### Funding Sources Breakdown

Funding Sources	To Date	FY2023
RMRA Gas Taxes - Fund #202	\$584,880	\$0
Measure J Fund - Fund #220	\$346,967	\$0
<b>Total</b>	<b>\$931,847</b>	<b>\$0</b>

This requests information is generated from , Proposed Version.

## School Intersection Safety

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### Overview

Submitted By	Reina Schwartz, City Manager
Request Owner	Reina Schwartz, City Manager
Est. Start Date	07/01/2020
Est. Completion Date	06/30/2023
Department	Engineering
Type	Capital Improvement
Project Number	10448

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### Description

Various school intersection safety projects.

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### Details

Type of Project	Transportation/Drainage
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### Benefit to Community

Improved school safety.

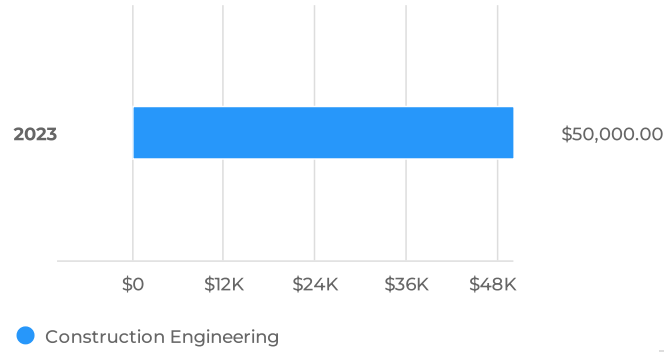
## Capital Cost

Total To Date  
**\$70,211**

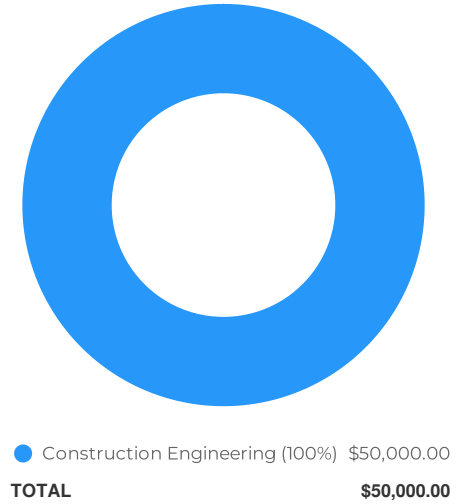
FY2023 Budget  
**\$50,000**

Total Budget (all years)  
**\$50K**

Capital Cost by Year (Proposed)



Capital Cost for Budgeted Years (Proposed)



### Capital Cost Breakdown

Capital Cost	To Date	FY2023
Construction Engineering	\$70,211	\$50,000
<b>Total</b>	<b>\$70,211</b>	<b>\$50,000</b>

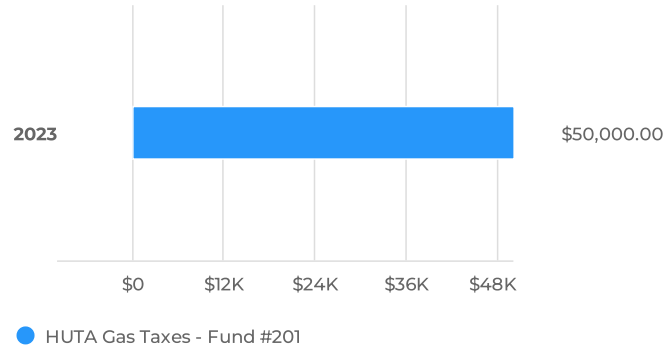
## Funding Sources

Total To Date  
**\$70,211**

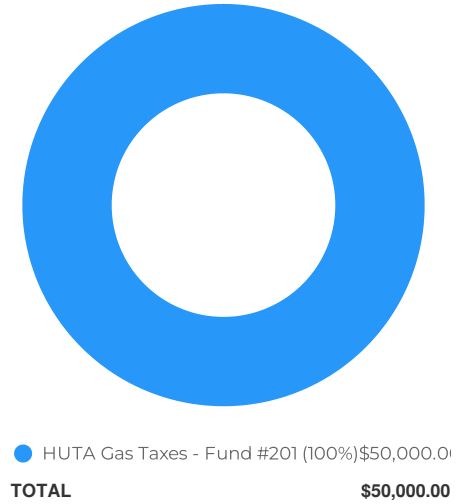
FY2023 Budget  
**\$50,000**

Total Budget (all years)  
**\$50K**

Funding Sources by Year (Proposed)



Funding Sources for Budgeted Years (Proposed)



### Funding Sources Breakdown

Funding Sources	To Date	FY2023
HUTA Gas Taxes - Fund #201		\$50,000
Measure J Fund - Fund #220	\$70,211	
<b>Total</b>	<b>\$70,211</b>	<b>\$50,000</b>

# Glossary

**Abatement:** A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

**Accounting System:** The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

**Accrued Interest:** The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

**Amortization:** The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

**Appropriation:** A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

**Arbitrage:** As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

**Assessed Valuation:** A value assigned to real estate or other property by a government as the basis for levying taxes.

**Audit:** An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Audit Report:** Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

**Available Funds:** Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

**Balance Sheet:** A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

**Betterments (Special Assessments):** Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

**Bond:** A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

**Bond and Interest Record:** (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

**Bonds Authorized and Unissued:** Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

**Bond Issue:** Generally, the sale of a certain number of bonds at one time by a governmental unit.

**Bond Rating (Municipal):** A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

**Budget:** A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)



**Capital Assets:** All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

**Capital Budget:** An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

**Cash:** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Cash Management:** The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

**Certificate of Deposit (CD):** A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

**Classification of Real Property:** Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

**Collective Bargaining:** The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union. regarding wages, hours and working conditions.

**Consumer Price Index:** The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

**Cost-Benefit Analysis:** A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

**Debt Burden:** The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

**Debt Service:** The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

**Encumbrance:** A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enterprise Funds:** An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs--are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

**Equalized Valuations (EQVs):** The determination of the full and fair cash value of all property in the community that is subject to local taxation.

**Estimated Receipts:** A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

**Exemptions:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.





**Expenditure:** An outlay of money made by municipalities to provide the programs and services within their approved budget.

**Fiduciary Funds:** Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**Fixed Assets:** Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

**Fixed Costs:** Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

**Float:** The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

**Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

**Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

**Fund Accounting:** Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

**GASB 34:** A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

**GASB 45:** This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

**General Fund:** The fund used to account for most financial resources and activities governed by the normal appropriation process.

**General Obligation Bonds:** Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

**Governing Body:** A board, committee, commission, or other executive or policymaking body of a municipality or school district.

**Indirect Cost:** Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

**Interest:** Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

**Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

**Line Item Budget:** A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

**Local Aid:** Revenue allocated by the state or counties to municipalities and school districts.

**Maturity Date:** The date that the principal of a bond becomes due and payable in full.



**Municipal(s):** (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

**Note:** A short-term loan, typically with a maturity date of a year or less.

**Objects of Expenditures:** A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

**Official Statement:** A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

**Operating Budget:** A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

**Overlapping Debt:** A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

**Performance Budget:** A budget that stresses output both in terms of economy and efficiency.

**Principal:** The face amount of a bond, exclusive of accrued interest.

**Program:** A combination of activities to accomplish an end.

**Program Budget:** A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

**Purchased Services:** The cost of services that are provided by a vendor.

**Refunding of Debt:** Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**Reserve Fund:** An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

**Revaluation:** The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

**Revenue Anticipation Note (RAN):** A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

**Revenue Bond:** A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

**Revolving Fund:** Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

**Sale of Real Estate Fund:** A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

**Stabilization Fund:** A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

**Surplus Revenue:** The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

**Tax Rate:** The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

**Tax Title Foreclosure:** The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.



**Trust Fund:** In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

**Uncollected Funds:** Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

**Undesignated Fund Balance:** Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

**Unreserved Fund Balance (Surplus Revenue Account):** The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

**Valuation (100 Percent):** The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.