



AGENDA

REGULAR MEETING

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CLAYTON CITY COUNCIL

* * *

TUESDAY, February 7, 2017

6:30 P.M.

and

7:00 P.M.

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

Mayor: Jim Diaz

Vice Mayor: Keith Haydon

Council Members

Julie K. Pierce

David T. Shuey

Tuija Catalano

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

*** CITY COUNCIL ***

February 7, 2017

6:30 P.M.

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

2. **COUNCIL INTERVIEW OF PLANNING COMMISSION APPLICANT**

One (1) candidate to be interviewed for one vacant term of appointed office expiring on June 30, 2017. ([View Here](#))

- Short Recess -

* * * * *

7:00 P.M. REGULAR PUBLIC MEETING

3. **RECALL TO ORDER THE CITY COUNCIL** – Mayor Diaz

4. **PLEDGE OF ALLEGIANCE** – led by Mayor Diaz.

5. **CONSENT CALENDAR**

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

- (a) Approve the minutes of the City Council's regular meeting of January 17, 2017. ([View Here](#))
- (b) Approve the Financial Demands and Obligations of the City. ([View Here](#))
- (c) Accept the City's Investment Portfolio Report for the Second Quarter of FY 2016-17 ending December 31, 2016. ([View Here](#))
- (d) Approve a time extension to the multi-year competitively-bid contract with Cropper Accountancy Corporation (Walnut Creek) in the base amount of \$79,950 (3-year total) for independent auditing services for Fiscal Years 2017, 2018, and an option for 2019. ([View Here](#))
- (e) Adopt a Resolution declaring a 2001 Kawasaki Police Motorcycle (Unit 1046) as surplus property to the City's needs and authorizing the City Manager to dispose of the vehicle at public auction. ([View Here](#))

6. **RECOGNITIONS AND PRESENTATIONS** – None.

7. **REPORTS**

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

8. **PUBLIC COMMENT ON NON - AGENDA ITEMS**

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

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

9. **PUBLIC HEARINGS** – None.

10. **ACTION ITEMS**

- (a) City Council discussion and determination of a citizen appointment to the one vacated term of office on the City Planning Commission (term expires June 30, 2017). ([View Here](#)) (Mayor Diaz)

Staff recommendation: Subject to any public comments, that Council determine the respective citizen appointment and then adopt the Resolution appointing a selected individual to the Clayton Planning Commission for the term expiring June 30, 2017.

- (b) Consider the research findings report on the City's prospective installation and use of roadway cameras and automated license plate readers (ALPRs) at entrances/exits to the City of Clayton to enhance local law enforcement effectiveness and public safety. ([View Here](#))
(Chief of Police)

Staff recommendation: Following staff presentation and opportunity for public comments, that City Council provide policy direction regarding implementation of cameras and license plate readers in the city.

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

12. **CLOSED SESSION**

- (a) *Government Code Section 54956.8*, Conference with Real Property Negotiator.
Real Properties: 6005 Main Street (APNs 119-011-002-1; 118-560-010-1; 118-370-041-6).
Instructions to City Negotiators: Council Members Pierce and Shuey, and
Ed Del Beccaro, Managing Director, Transwestern, concerning price and
terms of payment.
Negotiating Party: Pacific Union Land Investors, LLC (Joshua Reed; Chris Garwood).

Report out of Closed Session: Mayor Diaz.

13. **ADJOURNMENT**

The next regularly scheduled meeting of the City Council will be Tuesday, February 21, 2017.

#



Received
JAN 31 2017
City of Clayton

*** CITY PLANNING COMMISSION *
APPLICATION**

All information contained on this application is a public record subject to public disclosure. This includes home address and all phone numbers.
This public office is required by state law to complete and file an annual Financial Statement of Economic Interest

Name: Peter Cloven

Date: January 30, 2017

Home address: 739 Black Point Place Contact phone: 925-348-0884 cell

Length of residence in Clayton: 10 years

Email address: gobears86@gmail.com

Present employer: Pinnacle Environmental, Inc. (Principal/co-owner)

Occupation: Environmental Consultant

A. Education and special training: B.A. Biochemistry, U.C. Berkeley 1986
California Registered Environmental Assessor #7347
Nevada Environmental Assessor #1313

B. Please list experiences and activities which particularly qualify you for an appointment to the Clayton Planning Commission:

I have been an environmental consultant since 1986 specializing in the development of property that is impacted with hazardous materials. My projects cause regular interaction with regulatory entities on the city, county, state and Federal levels. I have a keen ear for listening & understanding the needs of all entities involved with the development process. As a consultant, while advocating for my Clients, I provide good communication with a consumate goal to arrive at win-win solutions for all entities involved.

C. What do you consider to be the role of a City Planning Commissioner?

Owners have the right to develop the property they own. It is not a matter if, but when. I see the Planning Commission's role as 1) listening clearly the proposed plan. 2) evaluating that plan against city of General & Specific Plan, and Zoning, as well as against the Housing Element Requirements of the state of California; 3) ask diligent questions and listen to public comment; and 4) render opinions based upon personal due diligence.

D. Other relevant information and interests:

I am a consummate volunteer involved in the community including: MDSA Soccer Coach, Elder and Youth Teacher for Clayton Valley Presbyterian Church; President of Oakland Masonic Center; President TKE Berkeley Alumni Association; member of Bacchus Bowlers Bocce team (Friday nights); and regular attendee of local civic and charity events. My daughters are 10 and 13 and go to Clayton public schools. My wife and I will stay in Clayton long time after we retire. We love this town and I desire to be a part of its future.

E. Please list three references with phone numbers:

1. Tuija Catalano, Clayton City Counsel Member - 925-404-4255
2. Barbara Barkley, Pastor Clayton Valley Presbyterian - 672-4848
3. John Tomlinson, Mayor, Dana Point, CA - 562-706-9370 cell



Signature

The City of Clayton appreciates your interest and willingness to seek involvement in your community through civic service on our City Planning Commission. Thank you for your application.

MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL

Agenda Date: 2-07-2017

Agenda Item: 5a

TUESDAY, January 17, 2017

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:00 p.m. by Mayor Diaz in Hoyer Hall, Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Diaz, Vice Mayor Haydon and Councilmembers Catalano, Pierce and Shuey. Councilmembers absent: None. Staff present: City Manager Gary Napper, City Attorney Mala Subramanian, Community Development Director Mindy Gentry, Assistant to the City Manager Laura Hoffmeister (arrived at 7:44 p.m.), and City Clerk/HR Manager Janet Brown.

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

3. **CONSENT CALENDAR**

It was moved by Vice Mayor Haydon, seconded by Councilmember Pierce, to approve the Consent Calendar as submitted. (Passed; 5-0 vote).

- (a) Approved the minutes of the regular meeting of December 20, 2016.
- (b) Approved Financial Demands and Obligations of the City.
- (c) Adopted Resolution No. 01-2017 approving three (3) contracts for the purchase and outfitting of a new 2017 Ford Police Interceptor in the total amount of \$53,752.86, and declaring a 1998 Ford Crown Victoria vehicle (Unit 1720) as property surplus to the City's needs and authorizing its disposal by the City Manager at public auction.

4. **RECOGNITIONS AND PRESENTATIONS**

- (a) Recognition to Endashian, LLC (McGuire Family) in appreciation for its generous donation of \$100,000 to The Grove Park Fund 2008-2017.

Mayor Diaz presented the Jack and Colleen McGuire with a local artist's framed color rendition of The Grove Park in appreciation for its generous donation of \$100,000 to The Grove Park Fund 2008-2017.

Mr. McGuire advised he has been involved in real estate for over 60 years and this is a very pleasant memory, working with Clayton and the City Council which was a real pleasure. When the Longs Drugstore project was approved, the mayor at that time asked what is the meaning of Endashian? Mr. McGuire advised his grandfather was from Minnesota and there is an Ojibwe Native American Tribe that he was quite fond of; the word "Endashian" means "the family" and he felt it was appropriate to use that name for the family's LLC.

- (b) Certificates of Recognition to public school students for exemplifying the "Do the Right Thing" character trait of "Kindness" during the months of November and December 2016.

Mayor Diaz and Mt. Diablo Elementary School Kindergarten teacher Ms. Lovejoy presented a Certificate to student Nathan Collier.

Mayor Diaz and Diablo View Middle School Principal Patti Bannister presented Certificates to students Michael Cianfrano and Ava Dodson.

- (c) Certificates of Recognition to Clayton Valley Charter High School students Kate Amos and Grace Lattin for their design and development of the Clayton Police Officer "baseball trading cards" and the Clayton Police Department's 2016 Holiday Greeting cards for use in the Department's community policing program.

Mayor Diaz and Police Chief Chris Wenzel thanked students Kate Amos and Grace Lattin for the development of the Clayton Police Officer "baseball trading cards", and Clayton Police Department's 2016 Holiday Greeting cards and presented them with Certificates of Recognition.

5. REPORTS

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

City Manager Gary Napper reported there remains a Planning Commissioner vacancy for the unexpired term of newly-elected Councilmember Catalano through June 30, 2017. Applications can be found on the City's Website or by contacting the City Clerk. Staff will extend the application deadline with a tentative Council interview to take place on February 7th prior to the regular City Council meeting.

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

Vice Mayor Haydon attended the Contra Costa County Mayors' Conference hosted by the City of Danville.

Councilmember Shuey had no report.

Councilmember Catalano attended the Successor Agency Oversight Board meeting and a community event, "Taste of Mount Diablo," hosted by a group of Mt. Diablo Elementary School parents who are raising funds for playfield renovations. If anyone would like more information on the fundraiser, there is a Facebook page one can visit called "MDUSD Playfield Project."

Councilmember Pierce attended three Association of Bay Area Governments meetings, two Metropolitan Transportation Commission meetings, the Bay Area Economic Institute meeting, and the Contra Costa County Mayors' Conference hosted by the City of Danville.

Mayor Diaz assisted the Clayton Business and Community Association's annual Holiday decorations removal, attended the County Connection Board meeting, the Contra Costa County Association of Realtors 2017 Inaugural Installation Dinner, and the 38th Annual Shellie Awards.

- (e) Other – None.

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

7. **PUBLIC HEARINGS** – None.

8. **ACTION ITEMS**

- (a) Presentation and discussion of Contra Costa County's Community Choice Aggregation (CCE) Technical Study findings and the range of further options for regional alternative electrical power.
(Community Development Director; and Jason Crapo, Deputy Director of Contra Costa County Department of Community Development)

Community Development Director Mindy Gentry introduced Jason Crapo, Deputy Director for the Contra Costa County Department of Conservation and Development who presented a slideshow regarding the findings of Community Choice Energy (CCE) Technical Study commissioned by Contra Costa County.

Mr. Crapo noted Seth Baruch CCE Consultant, Local Energy Aggregation Network (LEAN) Energy US, is in attendance to provide a summary of the findings of the Community Choice Energy Technical Study enabling local governments to procure and/or develop power on behalf of their public facilities, residents and businesses from "green" or renewable energy sources not already served by Marin Clean Energy (MCE). Mr. Crapo advised the County is continuing to take comments through January 31, 2017 and then the Final Technical Study will be presented to the Board of Supervisors and various City Councils in March/April for final decisions and direction. Mr. Crapo advised the purpose of the study was to evaluate Community Choice Energy compared with current electrical service with PG&E on a number of important criteria including electricity and renewable "green energy" sources, greenhouse gas emissions, potential local solar development and potential impact of CCE on local economy. This study compared three (3) different CCE program alternatives: 1. Contra Costa form a new JPA; 2. Join the existing Marin Clean Energy (MCE) or the newly-formed Alameda County JPA, East Bay Community Energy (EBCE); or 3. Continue with existing PG&E service. Mr. Crapo added just today, the County Board of Supervisors expressed its preferred interest in joining an existing CCE program and not starting one of its own.

Mr. Baruch spoke briefly about the comparative analyses of the study looking at historical PG&E rates and forecasting future rates and growth rates and other established CCE programs. Mr. Baruch outlined the advantages of joining MCE as it is an established program that was launched in 2010 and has delivered cleaner energy at lower rates and currently has five (5) Contra Costa County jurisdictions in its membership. Mr. Baruch noted East Bay Community Energy (EBCE) based in Alameda County is a recently-formed CCE Joint Powers Authority which will be having its first meeting in a few weeks; this option may present a ground-floor opportunity for cities wishing to join. He provided some information regarding JPA board voting shares between MCE and EBCE (Simple and Weighted) noting Contra Costa County would have a 61% voting share with MCE whereas the voting share with EBCE could be 52% (Simple) or 34% (Weighted). Mr. Baruch added there are risks to CCE programs focusing on the higher risks such as legislative and regulatory risks, Power Charge Indifference Adjustment "Exit Fee" and Policy uncertainty.

Councilmember Shuey inquired if the City decides to join MCE or CCE would the "exit fee" be payable to PG&E and is it a one-time fee or an on-going fee? Mr. Baruch clarified the exit fee would be collected for as long as PG&E has procured energy on the

City's behalf until those contracts expire, at which time in theory the PCIA fees would go down.

Councilmember Shuey inquired on procured contract length through PG&E? Mr. Baruch advised programs within the CCE have short, medium and long term contracts, and it depends on the contract structure for the power that comprises the CCE customers when they depart, probably ten (10) or fifteen (15) years. The PCIA fee could be \$5.00 to \$10.00 per month reflected on the consumer's billing statement; even with these exit fees, CCE program rates have still been lower than current PG&E rates.

[Assistant to the City Manager Laura Hoffmeister arrived – 7:44 p.m.]

Mr. Crapo concluded the presentation by announcing upcoming Contra Costa city council presentations and a Public Workshop on January 26 in Danville.

Councilmember Pierce inquired on identifying sites for potential local solar development and if wind is potential source for consideration since the Technical Study summary did not specifically mention such? Mr. Crapo advised wind is definitely a renewable energy source; given the resources and budget for the Technical Study their attention was focused on solar energy. Councilmember Pierce also noted the Board of Supervisors expressed its preference in joining an existing CCE program; did they also express their preference for a Clean Energy Program versus going with PG&E? Mr. Crapo advised the Board of Supervisors was silent on that point and it was not explicitly discussed.

Vice Mayor Haydon inquired on the start-up costs versus forming our own CCE or joining an existing program, indicating on the footnote start-up funds provided by the County and funding cities are likely to be reimbursed by the JPA; how likely would the start-up costs be reimbursed? Mr. Crapo advised in other CCA's the counties funded the program and have been reimbursed through program revenues. The biggest risk is if the program did not launch.

Councilmember Shuey inquired if the City joins a CCE program then decided they did not like it, is there an exit fee? Mr. Baruch advised yes, there will be an exit fee; however, they have not had a jurisdiction join, then leave, to date. It is very likely there would be a fee associated if that were to happen to cover the cost of the power that would have to be sold.

Councilmember Catalano inquired on the time period in which the City needs to make a decision to join or not? Mr. Crapo advised in March/April the various city councils will be given final information to make a decision including the specific terms of membership.

City Manager Napper commented that since the Board of Supervisors has now taken itself out of the lead option, going forward what the County does is irrelevant to the rest of the cities that have not joined a CCA program. For example, the City of Clayton can decide all on its own to join the MCE or EBCE Community Choice Energy JPAs or do nothing and stay with PG&E.

Mayor Diaz opened the item for Public Comment.

Dawn Weisz, CEO of Marin Clean Energy, advised it is difficult to compare an existing program to one that has not formed yet. Currently, MCE is 75% greenhouse gas free with lower rates for its customers, and it offer programs to get local renewable development built in Contra Costa County; MCE is interested in the wind and solar opportunities in this service area and job creation in the community. MCE also offers low income solar rebates having provided about 40 of those in the Contra Costa County in the last few years which enables the projects to complete. MCE's renewable energy portfolio is about twice as large as PG&E's which keeps rates very competitive and affordable; 50% renewable product and 100% renewable products. In addition, MCE offers a Local Solar choice which option allows customers that want their electricity to

come from a solar project within their service territory. Customers can also choose to opt-out of MCE and retain getting power generation from PG&E; but if one does not opt-out, you are getting greener power and paying about the same or less. MCE will be 75% greenhouse gas free this year moving to 100% by 2025 and 80% renewable by 2025. If Clayton decides to join MCE, they will be able to choose an elected official representative to sit on the JPA Board and attend monthly board meetings. MCE has a staff of about 40 with administrative costs of 3% to 5% of its budget.

Jenna Famular, Community Affairs Coordinator, Marin Clean Energy, added a concern of Clayton having the smallest weighted vote representation on the existing JPA Board is not accurate. Clayton would be the sixth smallest member, with two communities in Napa County and three in Marin County being smaller.

Jim Moita, 8117 Marsh Creek Road, noted the frustration he has gone through as a solar developer with a storage facility in Brentwood that is ready to provide a megawatt of power. Mr. Moita has worked with PG&E and it has been very difficult and he has not been able to sell power to PG&E. However, if someone wanted to sell power to MCE you can go to their website and review the power purchase agreement with a term of twenty years. Clayton needs to offer this option to its citizens and businesses.

Dara Salour, Clayton resident, inquired if a solar installation on a residential home using MCE or CCE, would "net metering" be available? Power that is purchased by CCAs is simply purchasing the renewable energy credits or purchasing power and wheeling it through the existing PG&E lines. Ms. Weisz advised MCE has a net energy meter program and the only difference between their program and PG&E is MCE pays more and allows customers to cash-out at the end of the year if they generated more energy than they have used in that year. MCE is purchasing actual energy and there is a list of entities that MCE is purchasing power from with a small percentage bought as renewable energy credits at 0% to 3%; the reason for that flexibility is you never know exactly how much load your customers will be using in the course of the year until the year is over.

Councilmember Pierce indicated she would like to see a little more dollars and cents written down or case studies before making a recommendation.

Mr. Napper indicated the Council will have an opportunity to provide input to the County within the noted time frame. He added a letter was sent out by MCE to all city managers in the county inviting cities to become members and offering a "no-cost" membership in MCE if joining by May 31, 2017. Additionally, should the Council wish to hear more details specific to MCE, he could invite them to return at a separate public meeting and provide additional information.

No Action Taken.

Public Comments

Mayor Diaz introduced Robert Lutzow, Battalion Chief with the Contra Costa Fire Protection District, who is the new Battalion Chief of Contra Costa County Fire at Fire Station No. 11 in Clayton. Chief Lutzow advised he worked at Station No. 22 for many years and when Station 11 was closed he was the person who drove back and forth everyday between the two stations. During that time he became familiar with the City of Clayton and its community events. He advised that Station 11 has now been open full time for two years. In 2016 they ran 358 calls for service in addition to calls to other jurisdictions as needed with an average response time of five (5) minutes and two (2) seconds. Station No. 11 responds to all-risks which means structure fires, EMS, vehicle accidents, water rescue and any hazardous materials that occur in Clayton.

- (b) Consider a Resolution approving and establishing City policy on Property Assessed Clean Energy (PACE) programs for the City's affordable housing units.
(Community Development Director)

Mindy Gentry, Community Development Director, presented the report noting the establishment of a policy is needed on a deed-restricted housing unit's participation in the Property Assessed Clean Energy Program (PACE), those units specifically included in the City's Affordable Housing Inventory. The intent is to alleviate concerns regarding the City monetary investment/subsidy in providing those affordable housing units, not to lose an affordable housing unit due to an overburdened debt load, while continuing to support the merits of the PACE program. Additional concerns include over-extending the property owner and putting a PACE lien on the real property that impacts the property owner's equity in the property's financial viability. As a reminder, PACE programs allow residential and commercial property owners located within a participating district to finance up to 100% of energy, renewable and water efficiency projects through payments on their existing property tax bill.

This policy question arose when a property owner in a deed-restricted unit requested to use a PACE financing program for energy upgrades to her home. The City's Resale Restriction Agreement recorded on the title states an owner is at default if ... "a lien is recorded against the property other than the lien of a bone fide first mortgage loan". Staff prepared the attached policy that would require an interested property owner to first seek City review and approval of participation in the PACE Program by requiring submittal of a letter of request with pertinent information and a description of the proposed improvements along with the amount to be financed through PACE. Approval of lien financing could be approved if the owner is able to meet all of the criteria outlined in the policy.

Director Gentry added that prior to this evening's meeting a written public comment was received which included a recent article published in the *Wall Street Journal* about PACE programs putting vulnerable populations at risk.

Councilmember Shuey inquired if a property owner has enough equity in the affordable housing unit at the time they are funded for a PACE project, what happens if the housing economy drops and the equity value of the home is eroded to the point the debt owed on the property, including the PACE lien, is more than its market value; is the City's financial subsidy subordinated to that PACE lien? Ms. Gentry responded essentially yes; one of the provisions of a PACE program is that its property lien takes a higher position than even the primary mortgage.

Councilmember Pierce expressed a concern with potentially rewarding commercial PACE businesses and excluding other options, such as the Bay Area Regional Energy Network (BayREN) offered through Association of Bay Area Governments. It is important for our property owners to know about the other discounts, rebates and financing options available to them, not necessarily subject to income. City Manager Napper confirmed the proposed policy would not be restricted to only PACE financing programs but allows other energy-saving financing programs the opportunity to be involved with the City's affordable housing units. He noted that City staff does not market or push one PACE program or alternate options; it merely makes them available for property owner access.

Councilmember Shuey advised our affordable housing program has not run flawlessly, and it is not required to allow this program or any other program as we have a limited inventory of Affordable Housing Units which are always a higher risk to be a loss to the City. Why would we allow a policy that could jeopardize the City's financial investments in these affordable housing homes?

Mayor Diaz opened the item for Public Comment. No comments were offered and Mayor Diaz then closed the matter to Public Comment.

Councilmember Catalano expressed concern on the type of lien this would incur on the property and its owner.

No Action Taken.

- (c) Consider a report on the likely construction and operation/maintenance costs, and possible site locations, for the City's construction of a possible second public restroom in the Clayton Town Center area.
(Laura Hoffmeister, Assistant to the City Manager)

Laura Hoffmeister, Assistant to the City Manager, presented the staff report arising from a previous Council request for more information on a possible permanent second restroom located in the Clayton Town Center area. During the Concert season, Republic Services has provided portable restrooms at the Black Diamond Corral area to reduce the wait lines at the existing permanent public restroom in The Grove Park. Staff conducted research of recommended industry standards for an event that are three (3) to four (4) hours in length with attendance levels of two hundred fifty (250) to two thousand (2,000) attendees. Within that attendance range, 4-12 toilets are the recommended accommodation; presently, The Grove Park restrooms have a total of 3 toilets, plus 2 portable toilets in the Corral open during actual concerts. The Grove Park restroom maintenance costs are \$18,900 per year so doubling the number of permanent toilets in the park would double its maintenance and operating costs to \$37,800 per year. Ms. Hoffmeister presented several options for consideration: 1. Build a second restroom at the Black Diamond Corral across the street from The Grove Park (\$250,000 - \$350,000); 2. Expand the existing restroom (\$200,000 - \$350,000) or rebuild it with a new larger building in The Grove Park (\$300,000 - \$450,000); and 3. Rent luxury portable restrooms during the Concert season as a more inviting environment than the current portables (\$30,000 per concert season).

Councilmember Shuey inquired about the cost of additional police services costs to close that section of old Marsh Creek Road to vehicles so concert attendees feel safer to cross the street there and use the temporary restrooms at Black Diamond Corral? Ms. Hoffmeister advised she would need to have the Police Department take a look at the area as it has previously been determined for buffer safety purposes its preferred closure location has always been at Clayton Road so that a driver does not inadvertently run the barrier and immediately drive into a crowd through a closure; it is also easier to divert traffic at Clayton Road rather than once the vehicle has entered the downtown area. City Manager Napper added from a staff perspective, it is unknown if the public's disinclination to use the temporary portables is due to ambiance or if crossing the street is the deterrent. Staff can always order additional portable restrooms at the Corral during concert season but doing so may not necessarily solve the issue with the wait lines at The Grove Park restroom.

Councilmember Pierce added she does not think it has anything to do with the number of portable restrooms, rather people just do not like using portables, period. Most people do not like to go to a location they consider the backside of the concert; they would rather stand in the line at The Grove Park restroom and enjoy the music and sociality of waiting in line. Given the recent City repairs and 2 mini water storage tanks that have been added to the current park restroom, they appear to be functioning properly now, the wait lines are significantly shorter, there were fewer complaints, and it creates a more social atmosphere when standing in the park where the concert is.

Mayor Diaz opened the item for Public Comment. No comments were offered and Mayor Diaz then closed Public Comment.

No Action Taken.

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

Councilmember Pierce suggested Tuesday, February 7th at 5:00 p.m. City Council Members reviewed their calendars and discussed options and availability.

It was moved by Councilmember Shuey, seconded by Vice Mayor Haydon, to call a City Council special meeting for Tuesday, February 7th, at 5:00 p.m. in the 3rd Floor Conference Room at City Hall for this purpose. (Passed; 5-0 vote).

9. **COUNCIL ITEMS** – None.

10. **CLOSED SESSION**

Mayor Diaz announced the City Council will adjourn to a closed session to discuss the subject matter listed below [9:27 p.m.]:

- (a) *Government Code Section 54956.8, Conference with Real Property Negotiator.*
Real Properties: 6005 Main Street (APNs 119-011-002-1; 118-560-010-1; 118-370-041-6).
Instructions to City Negotiators: Council Members Pierce and Shuey, and Ed Del Beccaro, Managing Director, Transwestern, concerning price and terms of payment.
Negotiating Party: Pacific Union Land Investors, LLC (Joshua Reed).

Report out from Closed Session (10:33 p.m.)

Mayor Diaz reported the City Council received and discussed information, and then directed its negotiators regarding these matters but no reportable action was taken.

11. **ADJOURNMENT**– on call by Mayor Diaz, the City Council adjourned its meeting at 10:34 p.m.

The next regularly scheduled meeting of the City Council will be February 7, 2017.

#

Respectfully submitted,

Janet Brown, City Clerk

APPROVED BY THE CLAYTON CITY COUNCIL

Jim Diaz, Mayor

#



Agenda Date 2/7/2017

Agenda Item: 5b

STAFF REPORT

Approved: 
Gary A. Napper
City Manager

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: Kevin Mizuno, FINANCE MANAGER
DATE: 02/07/2017
SUBJECT: INVOICE SUMMARY

RECOMMENDATION:

Approve the following Invoices:

02/03/2017	Cash Requirements	\$ 260,958.98
01/17/2017	ADP Payroll week 03, PPE 01/15/2017	\$ 81,810.72
01/31/2017	ADP Payroll week 05, PPE 01/29/2017	\$ 86,400.34

Total \$429,170.04

Attachments:

Cash Requirements Report dated 2/3/2017 (5 pages)
ADP payroll report for week 03 (1 page)
ADP payroll report for week 05 (1 page)

City of Concord

Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
ADP, LLC								
ADP, LLC	2/7/2017	2/7/2017	PPE1/5/17	Payroll processing services	\$149.55	\$0.00		\$149.55
				<i>Totals for ADP, LLC:</i>	<i>\$149.55</i>	<i>\$0.00</i>		<i>\$149.55</i>
All City Management Services, Inc.								
All City Management Services, Inc.	2/7/2017	2/7/2017	46829	Crossing guard services 1/1/17-1/14/17	\$254.55	\$0.00		\$254.55
				<i>Totals for All City Management Services, Inc.:</i>	<i>\$254.55</i>	<i>\$0.00</i>		<i>\$254.55</i>
AT&T (CalNet3)								
AT&T (CalNet3)	2/7/2017	2/7/2017	9175245	Telephone 12/22 - 1/21/17	\$1,613.73	\$0.00		\$1,613.73
				<i>Totals for AT&T (CalNet3):</i>	<i>\$1,613.73</i>	<i>\$0.00</i>		<i>\$1,613.73</i>
Bay Area Barricade Serv.								
Bay Area Barricade Serv.	2/7/2017	2/7/2017	0343109-IN	Sand bags, flashers, batteries	\$715.31	\$0.00		\$715.31
				<i>Totals for Bay Area Barricade Serv.:</i>	<i>\$715.31</i>	<i>\$0.00</i>		<i>\$715.31</i>
Board of Equalization								
Board of Equalization	2/7/2017	2/7/2017	SU CH 103-026324	10/1/13-12/31/13 purchase subject to use tax	\$425.24	\$0.00		\$425.24
Board of Equalization	2/7/2017	2/7/2017	SU CH 103-026324	7/1/16-9/30/16 Purchase subject to use tax	\$371.58	\$0.00		\$371.58
				<i>Totals for Board of Equalization:</i>	<i>\$796.82</i>	<i>\$0.00</i>		<i>\$796.82</i>
CalPERS Health								
CalPERS Health	2/7/2017	2/7/2017	2209	February Medical	\$31,084.52	\$0.00		\$31,084.52
				<i>Totals for CalPERS Health:</i>	<i>\$31,084.52</i>	<i>\$0.00</i>		<i>\$31,084.52</i>
CalPERS Retirement								
CalPERS Retirement	2/7/2017	2/7/2017	100000014897631	Survivor benefits 7/1/16-6/30/17	\$258.00	\$0.00		\$258.00
CalPERS Retirement	2/7/2017	2/7/2017	CC 1/24/17	City Council retirement ending 1/24/17	\$146.40	\$0.00		\$146.40
CalPERS Retirement	2/7/2017	2/7/2017	011517	Retirement PPE 1/15/17	\$14,121.30	\$0.00		\$14,121.30
CalPERS Retirement	2/7/2017	2/7/2017	020117	February 2017 UAL	\$31,062.09	\$0.00		\$31,062.09
CalPERS Retirement	2/7/2017	2/7/2017	PPE1/29/17	Calpers retirement PPE 1/29/17	\$14,151.11	\$0.00		\$14,151.11
CalPERS Retirement	2/7/2017	2/7/2017	9175245	Telephone 12/22/16-12/21/17	\$1,613.73	\$0.00		\$1,613.73
CalPERS Retirement	2/7/2017	2/7/2017	100000014898727	FY 2017 1959 survivor contribution	\$258.00	\$0.00		\$258.00
				<i>Totals for CalPERS Retirement:</i>	<i>\$61,610.63</i>	<i>\$0.00</i>		<i>\$61,610.63</i>
CCWD								
CCWD	2/7/2017	2/7/2017	G374947	Irrigation 11/11/16-1/24/17	\$204.04	\$0.00		\$204.04
				<i>Totals for CCWD:</i>	<i>\$204.04</i>	<i>\$0.00</i>		<i>\$204.04</i>
City of Concord								
City of Concord	2/7/2017	2/7/2017	700/706	February 2016 vehicle maintenance	\$2,559.63	\$0.00		\$2,559.63
				<i>Totals for City of Concord:</i>	<i>\$2,559.63</i>	<i>\$0.00</i>		<i>\$2,559.63</i>
Contra Costa County Public Works Dept								
Contra Costa County Public Works Dept	2/7/2017	2/7/2017	700862	Traffic signal maintenance for December 201	\$1,009.26	\$0.00		\$1,009.26
				<i>Totals for Contra Costa County Public Works Dept:</i>	<i>\$1,009.26</i>	<i>\$0.00</i>		<i>\$1,009.26</i>

City of Clayton Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Contra Costa County Sheriff - Forensic Svc Div (Lab)								
Contra Costa County Sheriff - Forensic S	2/7/2017	2/7/2017	CLPD-416	Blood testing Oct-Dec 2016	\$236.25	\$0.00		\$236.25
Contra Costa County Sheriff - Forensic S	2/7/2017	2/7/2017	CLPD-1612	Blood/drug tests December 2016	\$1,050.00	\$0.00		\$1,050.00
<i>Totals for Contra Costa County Sheriff - Forensic Svc Div (Lab):</i>					<u>\$1,286.25</u>	<u>\$0.00</u>		<u>\$1,286.25</u>
Contra Costa Topsoil								
Contra Costa Topsoil	2/7/2017	2/7/2017	127456	Sand, 10 yds	\$454.65	\$0.00		\$454.65
<i>Totals for Contra Costa Topsoil:</i>					<u>\$454.65</u>	<u>\$0.00</u>		<u>\$454.65</u>
Cornell Roofing Co								
Cornell Roofing Co	2/7/2017	2/7/2017	BP12-17	C&D Refund for 1377 El Camino Dr	\$2,000.00	\$0.00		\$2,000.00
<i>Totals for Cornell Roofing Co:</i>					<u>\$2,000.00</u>	<u>\$0.00</u>		<u>\$2,000.00</u>
CSI Forensic Supply								
CSI Forensic Supply	2/7/2017	2/7/2017	57567A	Sterile water paks/cotton swabs	\$28.09	\$0.00		\$28.09
<i>Totals for CSI Forensic Supply:</i>					<u>\$28.09</u>	<u>\$0.00</u>		<u>\$28.09</u>
De Lage Landen Financial Services, Inc.								
De Lage Landen Financial Services, Inc.	2/7/2017	2/7/2017	53218196	Copier lease 1/15/17-2/14/17	\$304.59	\$0.00		\$304.59
<i>Totals for De Lage Landen Financial Services, Inc.:</i>					<u>\$304.59</u>	<u>\$0.00</u>		<u>\$304.59</u>
Digital Services								
Digital Services	2/7/2017	2/7/2017	10905	IT Services 11/6/16-1/18/17	\$1,980.69	\$0.00		\$1,980.69
Digital Services	2/7/2017	2/7/2017	10909	Website development	\$3,250.00	\$0.00		\$3,250.00
<i>Totals for Digital Services:</i>					<u>\$5,230.69</u>	<u>\$0.00</u>		<u>\$5,230.69</u>
Esquire Deposition Solutions								
Esquire Deposition Solutions	2/7/2017	2/7/2017	111016	Deposit refund for City Hall 11/10/16 & 11/1	\$100.00	\$0.00		\$100.00
<i>Totals for Esquire Deposition Solutions:</i>					<u>\$100.00</u>	<u>\$0.00</u>		<u>\$100.00</u>
Globalstar LLC								
Globalstar LLC	2/7/2017	2/7/2017	100000007997845	Sat phone month ending 1/16/17	\$69.31	\$0.00		\$69.31
<i>Totals for Globalstar LLC:</i>					<u>\$69.31</u>	<u>\$0.00</u>		<u>\$69.31</u>
ICMA Retirement Corporation								
ICMA Retirement Corporation	2/7/2017	2/7/2017	17449	Annual Plan Fee for 1/1/17-3/31/17	\$125.00	\$0.00		\$125.00
<i>Totals for ICMA Retirement Corporation:</i>					<u>\$125.00</u>	<u>\$0.00</u>		<u>\$125.00</u>
J&R Floor Services								
J&R Floor Services	2/7/2017	2/7/2017	one 2017	January Janitorial Services	\$4,950.00	\$0.00		\$4,950.00
<i>Totals for J&R Floor Services:</i>					<u>\$4,950.00</u>	<u>\$0.00</u>		<u>\$4,950.00</u>
Arlene Kikkawa-Nielsen								
Arlene Kikkawa-Nielsen	2/7/2017	2/7/2017	020117	Volunteer coordinator - Feb 2017	\$900.00	\$0.00		\$900.00
<i>Totals for Arlene Kikkawa-Nielsen:</i>					<u>\$900.00</u>	<u>\$0.00</u>		<u>\$900.00</u>
Landscape Pest Control Services, Inc								

City of Clayton

Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Landscape Pest Control Services, Inc	2/7/2017	2/7/2017	95210	December Gopher Maintenance - CCP, Lydia	\$700.00	\$0.00		\$700.00
<i>Totals for Landscape Pest Control Services, Inc:</i>					<i>\$700.00</i>	<i>\$0.00</i>		<i>\$700.00</i>
LarryLogic Productions								
LarryLogic Productions	2/7/2017	2/7/2017	1629	City Council Meeting Production 1/17/17	\$350.00	\$0.00		\$350.00
<i>Totals for LarryLogic Productions:</i>					<i>\$350.00</i>	<i>\$0.00</i>		<i>\$350.00</i>
Local Government Consultants								
Local Government Consultants	2/7/2017	2/7/2017	206	FY 17 Contract for SB90 claims preparation	\$1,050.00	\$0.00		\$1,050.00
<i>Totals for Local Government Consultants:</i>					<i>\$1,050.00</i>	<i>\$0.00</i>		<i>\$1,050.00</i>
Diane Major								
Diane Major	2/7/2017	2/7/2017	040817	Partial refund for cancellation of EH rental 4/	\$250.00	\$0.00		\$250.00
<i>Totals for Diane Major:</i>					<i>\$250.00</i>	<i>\$0.00</i>		<i>\$250.00</i>
Marken Mechanical Services Inc								
Marken Mechanical Services Inc	2/7/2017	2/7/2017	3481	Bi-annual controls maintenance for Library-Ja	\$900.00	\$0.00		\$900.00
Marken Mechanical Services Inc	2/7/2017	2/7/2017	3477	November HVAC maintenance for Library	\$502.17	\$0.00		\$502.17
Marken Mechanical Services Inc	2/7/2017	2/7/2017	3489	October HVAC maintenance for City Hall	\$247.00	\$0.00		\$247.00
Marken Mechanical Services Inc	2/7/2017	2/7/2017	3488	November HVAC maintenance for City Hall	\$332.50	\$0.00		\$332.50
Marken Mechanical Services Inc	2/7/2017	2/7/2017	3480	Bi-annual controls maintenance for City Hall,	\$900.00	\$0.00		\$900.00
<i>Totals for Marken Mechanical Services Inc:</i>					<i>\$2,881.67</i>	<i>\$0.00</i>		<i>\$2,881.67</i>
Matrix Association Management								
Matrix Association Management	2/7/2017	2/7/2017	3843	December management services for Diablo E	\$4,375.00	\$0.00		\$4,375.00
<i>Totals for Matrix Association Management:</i>					<i>\$4,375.00</i>	<i>\$0.00</i>		<i>\$4,375.00</i>
Neopost (add postage)								
Neopost (add postage)	2/7/2017	2/7/2017	013017	Postage added 1/30/17	\$300.00	\$0.00		\$300.00
<i>Totals for Neopost (add postage):</i>					<i>\$300.00</i>	<i>\$0.00</i>		<i>\$300.00</i>
Office Depot								
Office Depot	2/7/2017	2/7/2017	887732278001	Paper, labels, batteries, air pak, notebooks	\$103.24	\$0.00		\$103.24
<i>Totals for Office Depot:</i>					<i>\$103.24</i>	<i>\$0.00</i>		<i>\$103.24</i>
Pacific Telemanagement Svc								
Pacific Telemanagement Svc	2/7/2017	2/7/2017	896276	February Courtyard Payphone	\$73.00	\$0.00		\$73.00
<i>Totals for Pacific Telemanagement Svc:</i>					<i>\$73.00</i>	<i>\$0.00</i>		<i>\$73.00</i>
PERMCO, Inc.								
PERMCO, Inc.	2/7/2017	2/7/2017	10692	General retainer services	\$5,158.00	\$0.00		\$5,158.00
PERMCO, Inc.	2/7/2017	2/7/2017	10693	Prep construction plans - El Molino CIP 1042	\$7,342.00	\$0.00		\$7,342.00
PERMCO, Inc.	2/7/2017	2/7/2017	10694	Construction inspection - 2016 Arterial CIP 1	\$300.00	\$0.00		\$300.00
PERMCO, Inc.	2/7/2017	2/7/2017	10695	Contract admin/CO #1- CIP 10437A	\$750.00	\$0.00		\$750.00
PERMCO, Inc.	2/7/2017	2/7/2017	10696	Prep base sheets/research - Main St. Planter B	\$3,392.50	\$0.00		\$3,392.50
PERMCO, Inc.	2/7/2017	2/7/2017	10697	Review plans/discuss w/ contractor- CAP023	\$675.00	\$0.00		\$675.00

City of Clayton Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
<i>Totals for PERMCO, Inc.:</i>					\$17,617.50	\$0.00		\$17,617.50
PG&E								
PG&E	2/7/2017	2/7/2017	011317	Gas & electricity 12/14/16-1/12/17	\$19,776.95	\$0.00		\$19,776.95
PG&E	2/7/2017	2/7/2017	012117	Gas & electricity 12/21/16-1/20/17	\$3,406.34	\$0.00		\$3,406.34
<i>Totals for PG&E:</i>					\$23,183.29	\$0.00		\$23,183.29
Pond M Solutions								
Pond M Solutions	2/7/2017	2/7/2017	0000087	January Fountain Maintenance	\$650.00	\$0.00		\$650.00
<i>Totals for Pond M Solutions:</i>					\$650.00	\$0.00		\$650.00
Riso Products of Sacramento								
Riso Products of Sacramento	2/7/2017	2/7/2017	165705	Copier maintenance/supplies 1/18-2/17/17	\$94.79	\$0.00		\$94.79
<i>Totals for Riso Products of Sacramento:</i>					\$94.79	\$0.00		\$94.79
Roto-Rooter Sewer/Drain Service								
Roto-Rooter Sewer/Drain Service	2/7/2017	2/7/2017	A-1905-17	Storm drain report, Mt Sequoia Ct	\$684.00	\$0.00		\$684.00
Roto-Rooter Sewer/Drain Service	2/7/2017	2/7/2017	A-1421-17	The Grove toilet service	\$209.75	\$0.00		\$209.75
<i>Totals for Roto-Rooter Sewer/Drain Service:</i>					\$893.75	\$0.00		\$893.75
SPRAYTEC								
SPRAYTEC	2/7/2017	2/7/2017	14102	December Waste water system maintenance	\$225.00	\$0.00		\$225.00
SPRAYTEC	2/7/2017	2/7/2017	13493	Swivel 1/2" 90 deg PVC	\$57.36	\$0.00		\$57.36
SPRAYTEC	2/7/2017	2/7/2017	13916	September Waste water system maintenance, 1	\$400.00	\$0.00		\$400.00
<i>Totals for SPRAYTEC:</i>					\$682.36	\$0.00		\$682.36
Sprint Comm (PD)								
Sprint Comm (PD)	2/7/2017	2/7/2017	703335311-182	Mobile phones 12/26/16-1/25/17	\$269.35	\$0.00		\$269.35
<i>Totals for Sprint Comm (PD):</i>					\$269.35	\$0.00		\$269.35
Stericycle Inc								
Stericycle Inc	2/7/2017	2/7/2017	3003720870	Jan 2017 steri-safe disposal	\$101.44	\$0.00		\$101.44
<i>Totals for Stericycle Inc:</i>					\$101.44	\$0.00		\$101.44
Uretek USA, Inc								
Uretek USA, Inc	2/7/2017	2/7/2017	18893	Pavement lifting CIP 10437	\$86,064.37	\$0.00		\$86,064.37
<i>Totals for Uretek USA, Inc:</i>					\$86,064.37	\$0.00		\$86,064.37
Western Exterminator								
Western Exterminator	2/7/2017	2/7/2017	4721240	December Pest Control	\$385.50	\$0.00		\$385.50
<i>Totals for Western Exterminator:</i>					\$385.50	\$0.00		\$385.50
Workers.com								
Workers.com	2/7/2017	2/7/2017	117776	Seasonal Workers week end 1/1/17	\$922.74	\$0.00		\$922.74
Workers.com	2/7/2017	2/7/2017	117875	Seasonal Workers week end 1/6/17	\$174.30	\$0.00		\$174.30
Workers.com	2/7/2017	2/7/2017	117830	Seasonal Workers week end 1/6/17	\$1,664.99	\$0.00		\$1,664.99
Workers.com	2/7/2017	2/7/2017	117886	Seasonal Workers week end 1/15/17	\$922.73	\$0.00		\$922.73

City of Canton

Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Workers.com	2/7/2017	2/7/2017	117953	Seasonal Workers week end 1/22/17	\$1,578.90	\$0.00		\$1,578.90
				<i>Totals for Workers.com:</i>	<u>\$5,263.66</u>	<u>\$0.00</u>		<u>\$5,263.66</u>
YP (Advertising)								
YP (Advertising)	2/7/2017	2/7/2017	EH YP	Annual fee for internet advertising for EH	\$223.44	\$0.00		\$223.44
				<i>Totals for YP (Advertising):</i>	<u>\$223.44</u>	<u>\$0.00</u>		<u>\$223.44</u>
				GRAND TOTALS:	\$260,958.98	\$0.00		\$260,958.98

WEEK 05 BATCH 5820 30 PAYS
0 Employees With Overflow Statement
0 Overflow Statement 1 Total Statement
Tot Cks/Vchrs:00000000030 Tot Docs in all:00000000033
First No. Last No. Total
Checks: ADPCHECK ADPCHECK 00000000004
Vouchers: 00000050001 00000050026 00000000026

Earnings Statement

Z7L TOTAL DOCUMENT
CITY OF CLAYTON
LOCATION 0001

COPY CHECK STUFFING, RECONCILIATION **COPY**

86400.34 GROSS
60217.95 NET PAY (INCLUDING ALL DEPOSITS)
10960.53 FEDERAL TAX
67.50 SOCIAL SECURITY
1191.70 MEDICARE
.00 MEDICARE SURTAX
.00 SUI TAX
3475.20 STATE TAX
.00 LOCAL TAX
69723.63 DEDUCTIONS
981.78 NET CHECK

COMPANY CODE Z7L
CITY OF CLAYTON
TOTAL DOCUMENT
LOCATION 0001


COPY **COPY**

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

VOID
NON-NEGOTIABLE - VOID - NON-NEGOTIABLE
NON-NEGOTIABLE - VOID - NON-NEGOTIABLE
NON-NEGOTIABLE - VOID - NON-NEGOTIABLE
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Approved:


 Gary A. Napper
 City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KEVIN MIZUNO, FINANCE MANAGER

DATE: FEBRUARY 7, 2017

SUBJECT: INVESTMENT PORTFOLIO REPORT – SECOND QUARTER FY 2016-17

RECOMMENDATION

It is recommended the City Council accept the City Investment Portfolio Report for the second quarter of fiscal year 2016-17 ending December 31, 2016.

BACKGROUND

Pursuant to the section XIII of the City of Clayton Investment Policy, last revised on April 21, 2015, the Finance Manager is required to submit a quarterly investment report to the City Council. This quarterly report is also designed to meet the local agency reporting requirements outlined in *California Government Code* section 53646. The second quarter 2016-17 fiscal year report is provided herein.

DISCUSSION

With the second quarter of the fiscal year completed, interest earnings for the General Fund is \$41,265 to-date, or 68.77% of forecasted General Fund interest revenues per the 2016-17 fiscal year adopted budget of \$60,000. City-wide investment earnings solely attributable to pooled investments (i.e. not related to cash with fiscal agents such as bond proceeds) through the second quarter of fiscal year 2016-17 totaled \$89,985. Approximately 3.91% of the current City Investment Pool (the Pool) is invested in Local Agency Investment Funds (LAIF). The LAIF quarterly apportionment rate was 0.68%, which is a slight increase (0.08%) from a rate of 0.60% in the preceding quarter. This is also a modest improvement compared to the LAIF apportionment rate of 0.37% one year ago on December 31, 2015. Investments in certificates of deposit comprised approximately 84.30% of the City investment portfolio as of the quarter ended December 31, 2016 and were the highest yielding investment type with a collective weighted average interest rate of 1.55%. Approximately 6.31% of the pool is made up of cash deposits and low (0.01%) interest bearing money market funds, available for

normal operating cash flow purposes. Federal Agency Notes, authorized by the revised April 21, 2015 investment policy, were the second highest yielding investment type making up approximately 5.47% of the portfolio with a weighted average interest rate of 1.50%. This relatively small proportion of government agency notes is due to several such investments being called recently following prior Fed announcements that long-postponed interest rate growth will be addressed cautiously with any increases to come slowly, if at all. The pool's proportional share of federal agency notes is expected to increase assuming federal interest rates continue to climb.

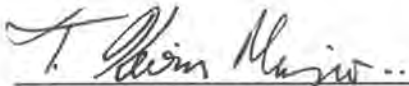
The market value of the total investment portfolio was approximately \$12,814,053, which is \$19,893 (or 0.16%) higher than total carrying value as of December 31, 2016. This marginal difference continues to demonstrate how the conservative nature of the City's investment strategy mitigates the risk of the City incurring large unrealized losses in market declines. Simultaneously, given less risk being incurred, more predictable and modest investment returns will be realized following this same strategy.

In conclusion, for the second quarter ending December 31, 2016, the City of Clayton Investment Portfolio is being managed in accordance with the City's investment policy. In addition, the City's cash management program provides sufficient liquidity to meet the next six month's expenditures. The attached City of Clayton Investment Holdings Summary – Second Quarter of Fiscal Year 2016-17 (Attachment 1) provides additional analysis and the specific investment reporting criteria required by *California Government Code* section 53646.

FISCAL IMPACT

The acceptance of this report has no direct fiscal impact to the City of Clayton.

Respectively submitted,



T. Kevin Mizuno, CPA
Finance Manager

Attachment 1: City of Clayton Investment Holdings Summary – Second Quarter of Fiscal Year 2016-17
(October 1, 2016 – December 31, 2016)

City of ton
Investment Holdings Summary
Quarter Ending: December 31, 2016

Investment Account	Investment Type	Institution	CUSIP	Carrying Value	Rate	Current Yield	Settlement Date	Maturity Date	Market Value
Local Agency Investment Fund (LAIF)	Local Agency Pool	LAIF	n/a	500,882.27	0.68%	0.68%	n/a	n/a	500,593.67
UBS Financial Services Inc.	Cash	BS Bank Sa Deposit Account	n/a	-	0.00%	0.00%	n/a	n/a	-
	Money Market Fund	RMA Government Portfolio	n/a	4,901.87	0.01%	0.01%	n/a	n/a	4,901.87
	Certificate of Deposit	Marlin Bus Bk, UT	57116AGM4	50,000.00	1.00%	1.00%	7/17/13	1/17/17	50,009.00
	Certificate of Deposit	BMW Bk Na Salt Lak, UT	05568PV95	198,000.00	1.75%	1.74%	4/13/12	4/13/17	196,699.34
	Certificate of Deposit	Comenity Cap Bk, UT	20033ABN5	245,000.00	1.20%	1.20%	7/5/13	7/5/17	245,553.70
	Certificate of Deposit	Midwest Bk, IL	59828PDT6	245,000.00	1.15%	1.15%	7/15/13	7/17/17	245,921.20
	Certificate of Deposit	Santander Bank NA, DE	80280JLP4	100,000.00	1.00%	1.00%	2/10/16	8/17/17	100,135.00
	Certificate of Deposit	First Bk Highland, IL	319141CG0	247,000.00	1.10%	1.10%	8/21/14	8/28/17	247,370.50
	Certificate of Deposit	Capital One Bank, VA	140420PF9	99,000.00	1.35%	1.35%	10/1/14	10/2/17	99,156.42
	Certificate of Deposit	Dollar Bk, PA	25665QAM7	198,000.00	1.20%	1.20%	11/17/14	11/17/17	198,435.60
	Certificate of Deposit	Banco Santander, PR	059646RZ4	245,000.00	1.20%	1.19%	1/23/15	1/23/18	246,153.95
	Certificate of Deposit	Oriental B&T, PR	686184WU2	200,000.00	1.15%	1.15%	2/10/16	2/20/18	200,344.00
	Certificate of Deposit	First Bus Bk, WI	31938QK78	200,000.00	1.15%	1.15%	3/31/15	4/2/18	200,090.00
	Certificate of Deposit	American Exp Cent, UT	02587DPT9	100,000.00	1.70%	1.70%	7/5/13	7/5/18	100,285.00
	Certificate of Deposit	Compass Bank, AL	20451PAU0	150,000.00	1.55%	1.54%	7/10/13	7/10/18	150,783.00
	Certificate of Deposit	Goldman Sachs Bank, NY	38147JHW5	100,000.00	1.75%	1.74%	7/10/13	7/10/18	100,823.00
	Certificate of Deposit	Cit Bank, UT	17284CHW7	146,000.00	1.80%	1.78%	7/17/13	7/17/18	147,312.54
	Certificate of Deposit	First Financial NW, WA	32022MAG3	100,000.00	1.14%	1.15%	1/28/16	8/20/18	99,857.00
	Certificate of Deposit	Bank Baroda New York, NY	060624SQ2	247,000.00	2.05%	2.03%	10/18/13	10/18/18	249,865.20
	Certificate of Deposit	Sallie Mae Bank, UT	795450C57	147,000.00	2.05%	2.02%	10/23/13	10/23/18	148,838.97
	Certificate of Deposit	American Express C, UT	02587DWJ3	100,000.00	2.00%	1.98%	11/28/14	11/28/18	101,182.00
	Certificate of Deposit	Sallie Mae Bank, UT	795450RT4	100,000.00	2.00%	1.98%	12/11/13	12/11/18	101,260.00
	Certificate of Deposit	Keybank NA, IN	493065VY9	100,000.00	1.53%	1.53%	1/20/16	1/22/19	101,053.00
	Certificate of Deposit	Discover Bank, DE	254672GC6	150,000.00	1.60%	1.59%	1/28/15	1/28/19	150,691.50
	Certificate of Deposit	Preferred Bank, CA	740367ER4	197,000.00	1.20%	1.20%	3/9/16	3/29/19	197,141.84
	Certificate of Deposit	First Savings Bank, IN	33621LBV4	99,000.00	1.15%	1.16%	5/4/16	5/24/19	98,421.84
	Certificate of Deposit	UBS Bank, UT	90348JAS9	200,000.00	1.20%	1.21%	6/9/16	6/17/19	198,736.00
	Certificate of Deposit	Discover Bank, DE	2546712B9	100,000.00	2.00%	1.97%	7/9/14	7/9/19	101,293.00
	Certificate of Deposit	Synchrony Bank, UT	87164XBQ8	100,000.00	2.05%	2.02%	7/11/14	7/11/19	101,292.00
	Certificate of Deposit	First Financial NW, WA	32022MAJ7	147,000.00	1.45%	1.45%	2/10/16	8/19/19	146,857.41
	Certificate of Deposit	Third Fed S&L Assn, OH	88413QA44	200,000.00	1.50%	1.48%	2/19/15	8/19/19	203,070.00
	Certificate of Deposit	Eagle B&T Co, AR	26942ADC4	150,000.00	1.60%	1.60%	3/6/15	9/6/19	150,142.50
	Certificate of Deposit	Park Natl Bk Newar, OH	700654AT3	240,000.00	2.15%	2.12%	9/12/14	9/12/19	243,148.80
	Certificate of Deposit	Gulf Coast B&T, LA	402194FB5	99,000.00	1.25%	1.26%	10/14/16	10/15/19	97,843.68
	Certificate of Deposit	GE Capital Bank UT	36162YF24	145,000.00	1.80%	1.77%	1/16/15	1/16/20	147,605.65
	Certificate of Deposit	Wells Fargo Bk Na Sd Us	94986TTT4	197,000.00	1.25%	1.25%	4/30/15	4/30/20	197,228.52
	Certificate of Deposit	Washington Trust, RI	940637HX2	99,000.00	1.45%	1.46%	11/18/16	5/18/20	98,303.04
	Certificate of Deposit	Comenity Bank, DE	981996XS5	100,000.00	2.30%	2.31%	6/30/15	7/1/20	99,619.50
	Certificate of Deposit	World'S Foremost B, NE	9159919E5	200,000.00	2.30%	2.32%	8/6/15	8/6/20	198,589.00
	Certificate of Deposit	Merrick Bk, UT	59013JHE2	149,000.00	1.90%	1.89%	8/20/15	8/20/20	149,871.65
	Certificate of Deposit	JP Morgan Chase, OH	48125YZB3	200,000.00	1.25%	1.25%	1/26/16	2/10/21	200,178.00
	Certificate of Deposit	Synchrony Bank, UT	87164XLH7	94,000.00	1.70%	1.70%	2/25/16	3/4/21	94,052.64
	Certificate of Deposit	UBS Bank, UT	90348JAU4	50,000.00	1.50%	1.53%	7/20/16	7/20/21	48,860.50
	Certificate of Deposit	Synchrony Bank, UT	87164XNA0	50,000.00	1.45%	1.48%	7/22/16	7/22/21	48,838.00
	Certificate of Deposit	Medallion Bank, UT	5840385Q5	198,000.00	2.05%	2.05%	12/16/16	12/16/21	197,703.00
	Government Agency	FHLMC	3134G8VZ9	250,000.00	1.25%	1.27%	3/29/16	4/28/21	245,562.50
	Total UBS Financial Services Inc.			6,735,901.87					6,733,040.86

City of Clayton
Investment Holdings Summary
Quarter Ending: December 31, 2016

ATTACHMENT 1

Investment Account	Investment Type	Institution	CUSIP	Carrying Value	Rate	Current Yield	Settlement Date	Maturity Date	Market Value
Morgan Stanley	Money Market Fund	Morgan Stanley	n/a	12,145.63	0.01%	0.01%	n/a	n/a	12,145.63
	Certificate of Deposit	Investors Savings Bank, NJ	46176PDX0	49,000.00	0.90%	0.45%	3/27/15	3/27/17	49,033.32
	Certificate of Deposit	CIT Salt Lake City, UT	17284CBL7	48,000.00	0.90%	0.44%	4/10/13	4/10/17	48,032.64
	Certificate of Deposit	Citizens National, Putnam, CT	176252AQ7	100,000.00	1.20%	0.59%	7/13/13	7/13/17	100,366.00
	Certificate of Deposit	Whitney Bank, MS	966594AM5	157,000.00	1.20%	1.19%	8/12/15	8/14/17	157,292.02
	Certificate of Deposit	Investors Savings Bank, NJ	46176FDY8	100,000.00	1.20%	1.19%	3/26/15	3/26/18	100,113.00
	Certificate of Deposit	Bank of North Carolina, NC	06414QUCL	200,000.00	1.50%	1.49%	1/16/15	4/16/18	200,956.00
	Certificate of Deposit	Bank Leumi, NY	063248FQ6	100,000.00	1.05%	1.05%	6/23/16	6/15/18	99,785.00
	Certificate of Deposit	BMO Harris, IL	05S81WHF5	197,000.00	1.05%	1.05%	6/23/16	6/22/18	196,550.84
	Certificate of Deposit	Compass Bank, AL	20451PMD5	100,000.00	1.50%	1.49%	6/30/15	7/2/18	100,452.00
	Certificate of Deposit	Mercantile Bank of Grand Rapids, MI	58740XYT1	147,000.00	1.65%	1.63%	8/14/13	8/14/18	148,686.09
	Certificate of Deposit	First Bank PR Santurce, PR	33767AUJ8	50,000.00	1.45%	1.44%	1/20/16	1/22/19	50,081.00
	Certificate of Deposit	Webster Bank, CT	94768NKJ2	100,000.00	1.35%	1.33%	1/20/16	1/28/19	100,831.00
	Certificate of Deposit	Homebank, NA	43738AFU5	200,000.00	1.50%	1.48%	3/30/15	3/29/19	201,828.00
	Certificate of Deposit	Ally Bank, UT	02006LZR7	100,000.00	1.20%	1.20%	4/14/16	4/15/19	99,917.00
	Certificate of Deposit	State Bank of India, ILL	856283YN0	198,000.00	1.65%	1.64%	5/28/15	5/28/19	198,926.64
	Certificate of Deposit	First Business Bank, WI	31938QL85	50,000.00	1.50%	1.49%	6/11/15	6/11/19	50,061.00
	Certificate of Deposit	Ally Bank, UT	02006LE66	148,000.00	1.25%	1.25%	6/23/16	6/24/19	147,009.88
	Certificate of Deposit	Barclays Bank, DE	06740KHK6	149,000.00	2.10%	2.07%	7/23/14	7/23/19	150,922.10
	Certificate of Deposit	American Express Bank FSB, UT	02587CAJ9	247,000.00	2.00%	1.97%	7/24/14	7/24/19	250,252.99
	Certificate of Deposit	BMW, UT	05580afa7	50,000.00	1.20%	1.21%	8/26/16	8/26/19	49,467.50
	Certificate of Deposit	Comenity Bank, DE	20099A7A9	100,000.00	2.10%	2.07%	8/27/14	8/27/19	101,293.00
	Certificate of Deposit	JPM, OH	48126XCP8	48,000.00	1.25%	1.26%	8/31/16	8/31/19	47,508.48
	Certificate of Deposit	Capital One Bank, VA	140420QF0	130,000.00	2.15%	2.11%	10/16/14	10/16/19	132,008.50
	Certificate of Deposit	State Bk India, NY	8562842P8	50,000.00	2.25%	2.20%	8/27/14	10/17/19	50,991.00
	Certificate of Deposit	The Privatebank & Trust Co., IL	74267CUU9	100,000.00	1.90%	1.86%	1/23/15	1/23/20	101,729.00
	Certificate of Deposit	American Express Centurion Bank, UT	02587DXE3	47,000.00	1.95%	1.92%	1/30/15	1/30/20	47,540.03
	Certificate of Deposit	Peoples United Bank, CT	71270QML7	151,000.00	1.75%	1.72%	3/4/15	3/4/20	153,003.77
	Certificate of Deposit	Everbank, FL	29976DVM7	200,000.00	1.75%	1.74%	3/30/15	3/30/20	200,758.00
	Certificate of Deposit	HSBC Bank, VA	40434ASZ3	247,000.00	1.25%	1.24%	3/30/15	3/30/20	247,088.92
	Certificate of Deposit	CIT Bank, UT	17284DBM3	50,000.00	2.00%	1.97%	6/3/15	6/3/20	50,534.50
	Certificate of Deposit	Capital One NA USA, VA (4297)	14042E4Y3	245,000.00	2.25%	2.21%	7/22/15	7/22/20	249,093.95
	Certificate of Deposit	Beneficial Mut, PA	08173QBT2	200,000.00	1.35%	1.37%	10/7/16	10/7/20	196,390.00
	Certificate of Deposit	Wells Fargo, SD	9497485W3	50,000.00	1.75%	1.77%	6/17/16	6/17/21	49,253.50
	Certificate of Deposit	Enerbank USA, UT	29266N3H8	50,000.00	1.45%	1.48%	8/26/16	8/26/21	48,777.00
	Certificate of Deposit	Privatebank, IL	74267CVM6	147,000.00	1.50%	1.53%	8/30/16	8/30/21	143,460.24
	Government Agency	Federal Farm Credit Bank	3133EGEX9	200,000.00	1.67%	1.71%	6/9/16	6/14/21	195,082.00
	Government Agency	Federal Home Loan Bank	3130A8HH9	250,000.00	1.62%	1.66%	6/16/16	6/23/21	242,967.50
	Total Morgan Stanley			4,767,145.63					4,770,189.04
Bank of America (book balance)	Cash (checking account)	Bank of America		790,229.73	0.00%	0.00%	n/a	n/a	790,229.73

Broker/Institution	Carrying Value	Percentage of Portfolio	Weighted Average Yield to Maturity	W.A.M. (yrs)	Market Value
Local Agency Investment Fund (LAIF)	500,882	3.91%	0.68%	0.64	500,594
URS Financial Services Inc.	6,735,902	52.65%	1.53%	2.19	6,753,041
Morgan Stanley	4,767,146	37.26%	1.58%	2.67	4,770,189
Bank of America (book balance)	790,230	6.18%	0.00%	0.00	790,230
Total investment Portfolio	12,794,160	100.00%			12,814,053
2016-17 Budgeted Interest - General Fund	\$	60,000			
2016-17 Actual Interest Revenue to date (7/1/16 - 12/31/16)		41,265			
Percent of General Fund Budget Realized		68.77%			
Quarterly Weighted Average Annual Yield*		1.42%			
2016-17 Total Pooled Investment Income To Date (7/1/16 - 12/31/16)	\$	89,985			

*This calculation excludes the City's non-interest bearing pooled checking account with Bank of America

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

 1/19/17
Kevin Mizuno, Finance Manager Date

 1/17/17
Merle Hufford, City Treasurer Date



Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KEVIN MIZUNO, FINANCE MANAGER, CPA

DATE: FEBRUARY 7, 2017

SUBJECT: APPROVE EXTENSION OF INDEPENDENT AUDITOR MULTI-YEAR CONTRACT

RECOMMENDATION

By minute motion, execute an extension to the existing competitively bid contract with Cropper Accountancy Corporation for independent auditing and other accounting services for the City of Clayton and Clayton Financing Authority. The term of the contract is for the fiscal years (FY) 2016-17, 2017-18 and 2018-19 with a three year base price of \$79,950 and a "not to exceed" total price of \$99,750 for all services.

BACKGROUND

In January 2010, staff prepared a Request for Proposal (RFP) for basic audit services, single audit services, and State Controller's reporting for FY 2008-09 through FY 2011-12. Staff sent out ten (10) RFP's to qualified CPA firms and received seven (7) responses.

The staff report presented at the March 2, 2010 City Council meeting detailed an analysis by staff recommending the splitting of audit and financial report drafting services between two consultants, Cropper Accountancy Corporation (Cropper) and Thales Consulting Solutions (Thales). Cropper was recommended to perform the audit of the City and former RDA financial statements as well as perform the annual GANN limit agreed-upon-procedures. Thales was recommended to draft the financial statements and prepare the annual State Controller's and Streets Reports. It was expected this segregation of audit and drafting duties would improve both audit efficiency and independence. With this expectation, the City Council awarded a contract both to Cropper and Thales for the audit and financial report preparation services respectively.

During the term of the original contract (FY 2008-09 through FY 2011-12) Finance staffing health matters and other complexities arising from a financial software conversion and the State-

mandated dissolution of the RDA resulted in significant delays in communication between the City, Thales and Cropper, ultimately resulting in the untimely completion of annual audit reports. As an emergency measure to mitigate this setback, the contract with Cropper was amended through engagement letters to include the drafting of the annual financial statements that were previously contracted to Thales.

On March 18, 2014 the City Council authorized an extension to the original audit contract with Cropper, with modifications to include financial report preparation services previously contracted with Thales as it was expected significant financial report drafting improvements would be realized based on previous experiences. Staff also concluded Cropper's robust understanding of the City's accounting policies and procedures, internal controls and financial history, would result in audit efficiencies as selection of a new auditor would result in significant increased hours in a first year audit.

DISCUSSION

Current Status:

Now with the completion of the FY 2015-16 audit and the expiration of the current contract, benefit of predicted audit efficiencies is evident as the City has been able to issue audited financial statements to the City Council in record-breaking time (early November) in each of the past three audit years (FY 2013-14, FY 2014-15 and FY 2015-16). In addition, commencing with the FY 2015-16 audited financial statements, for the first time Finance staff has fully taken over the role of financial statement compilation, producing all of the financial statement reports, footnotes and additional required and supplementary information in-house. This is a huge step forward for the City, allowing the auditors to focus efforts on audit procedures and documentation ultimately leading to an efficient and successful financial reporting process.

For FY 2015-16 the City has issued its first-ever Comprehensive Annual Financial Report (CAFR). In 1945, the Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program to encourage and assist state and local governments to go beyond the minimum requirements of GAAP to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. As stated on the GFOA's website (www.gfoa.org/coa), the goal of the program is not to assess the financial health of participating governments, but rather to ensure that users of financial statements have the information one needs to do so themselves. That being said, the City's CAFR is essentially the old basic financial reporting format, but significantly enhanced, including robust introductory section in the front and informative statistical section in the back of the report. Management plans to submit the City's FY 2015-16 CAFR to the GFOA for its review this month. If the CAFR passes the GFOA's rigorous expert review process, the City will be awarded a "Certificate of Achievement for Excellence in Financial Reporting" which will be included in the introductory section of the City's FY 2016-17 CAFR next year.

Future Audits:

When looking at upcoming financial reporting hurdles the City faces, in two fiscal years the City will be required to implement new complex accounting standards issued by the Government Accounting Standards Board (GASB) over the City's Other Post-Employment Benefits (OPEB) plan. Similar to the new pension standard implemented in FY 2014-15 (*GASB Statement 68*), the new OPEB standard (*GASB Statement 75*) will require the City to report any unfunded OPEB liability on the City's government-wide statement of net position. Staff expects these reporting requirements to be complex to implement and changing auditors in the middle of this new requirement may cause set-backs to continuously improving financial reporting efficiency, particularly with the City's limited Finance staff capacity.

Considering these factors, staff requested a quote from Cropper Accountancy for an extension of audit and continued ancillary financial reporting services for three additional audit years (FY 2016-17 through FY 2018-19). Cropper's proposal of fees results in savings of \$3,300 to be realized by the General Fund in FY 2016-17, largely due to the Finance Manager taking the drafting of the City's annual State Controller's report in-house (\$2,000 savings).

The attached professional services contract includes a provision requiring audit rotation after the FY 2018-19 audit year as new state law (*California Government Code Section 12410.6.(b)*) now limits public agencies from utilizing the same public accounting firm for audit services to six (6) consecutive years commencing with the FY 2013-14 audit engagement. Maintaining Cropper as the City's independent auditor through the FY 2018-19 audit engagement is in accordance with the new California financial audit rotation laws.

FISCAL IMPACT

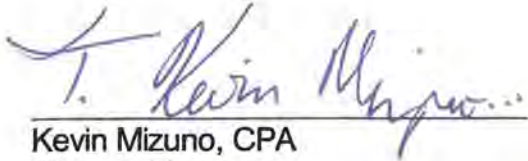
The cost of performing mandatory audit and other reporting services by Cropper is \$26,000 for the first contract year (FY 2016-17), \$26,650 for the second contract year (FY 2017-18) and \$27,300 for the third and final contract year (FY 2018-19). This results in a base audit price of \$79,950 over the three year term of the contract.

The contract also incorporates price quotes for optional services, not expected to be incurred by the City, but included for efficiency purposes should these services be required. These optional services include: (1) performance of a single audit should the federal expenditure threshold be exceeded triggering this requirement and (2) preparation and electronic submission of the City's annual financial transactions report required by the State Controller's Office. When incorporating these optional but not anticipated services, the cost of performing mandatory audit and other reporting services by Cropper is \$32,500 for the first contract year (FY 2016-17), \$33,250 for the second contract year (FY 2017-18) and \$34,000 for the third and final contract year (FY 2018-19). This results in a not to exceed price of \$99,750 over the three year term of the contract.

If approved, forthcoming City Budget preparations will incorporate this expense.

Subject: Approve Extension of Independent Auditor Multi-Year Contract
Date: February 7, 2017
Page: 4 of 4

Respectively submitted,

A handwritten signature in blue ink that reads "Kevin Mizuno". The signature is written in a cursive style and is positioned above a horizontal line.

Kevin Mizuno, CPA
Finance Manager

Attachment:

Cropper Accountancy Draft Extension Contract

- Exhibit A: Contract Scope of Services
- Exhibit B: Not to Exceed Price Proposal

**CITY OF CLAYTON
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as February 7, 2017 by and between the City of Clayton, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 6000 Heritage Trail, Clayton, California 94517 ("City"), and Cropper Accountancy Corporation, a Corporation with its principal place of business at 2700 Ygnacio Valley Road #270, Walnut Creek, California 94598 (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following projects: (1) Audit of the annual financial statements of the City and Clayton Financial Authority in accordance with auditing standards generally accepted in the United States of America, (2) compilation and uploading of the City's annual Gas Tax State Controller's report in accordance with *California Streets and Highways Code* Section 2151, (3) compilation and uploading of the Clayton Finance Authority's annual financial transactions report in accordance with *California Government Code* Section 53890-53897, and (4) agreed-upon procedures engagement over the City's annual Appropriations Limit in accordance with the League of California Cities publication *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*. Hereinafter these projects will collectively be referred to as "the Project".

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

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

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

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

2. Compensation and Term.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B." Consultant acknowledges all payments issued by the City for services performed must be approved by the City Council at a regularly scheduled City Council meeting following normal operating procedures. Regular City Council meetings are scheduled the first and third Tuesday of every month unless cancelled in advance by the City Council in a public meeting. In order for a Consultant invoice to be submitted to the City Council for approval, it must be received prior to the Friday immediately preceding the City Council meeting pursuant to Brown Act public meeting notice requirements.

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$99,750 over the three (3) year term of the audit engagement. The year term of the audit engagement shall encompass the three (3) fiscal years ending June 30, 2017, June 30, 2018, and June 30, 2019. This price includes the price of optional services not to be performed unless prior written consent is received by the Consultant from City Manager or his designee, which includes fees related to a single audit engagement or preparation and electronic filing of the City's annual financial transactions report due to the California State Controller's Office. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses.

c. The contract term shall expire following delivery of contracted services and reports for the fiscal year ending June 30, 2019, with no option to exercise an extension as the City intends to competitively bid for audit services to maintain compliance with *California Government Code* Section 12410.6.(b).

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

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

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). Consultant shall complete the services required and provide the related final deliverable documents to the City as outlined in Exhibit A. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

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

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party

describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

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

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

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

8. Standard of Care

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

9. Assignment and Subconsultant

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

10. Independent Consultant

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

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

a. Commercial General Liability

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

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

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

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

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

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

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

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

b. Automobile Liability

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

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

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

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

c. Workers' Compensation/Employer's Liability

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

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

d. Professional Liability (Errors and Omissions)

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

e. Minimum Policy Limits Required

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

Combined Single Limit

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

(ii) Except for professional liability, defense costs shall be payable in addition to the limits.

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

f. Evidence Required

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

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

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

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

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

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

h. Qualifying Insurers

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

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

i. Additional Insurance Provisions

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

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

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

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

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

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by the City), indemnify and hold the City, the City Council, members of the City Council, its employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, the City Council, members of the City Council, its employees, or authorized volunteers.

b. Additional Indemnity Obligations. Consultant shall defend, with counsel of City's choosing and at Consultant's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against the City, the City Council, members of the City Council, its employees, or authorized volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the City, the City Council, members of the City Council, its employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by the City, the City Council, members of the City Council, its employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for the City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse the City, the City Council, members of the City Council, its employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, the City Council, members of the City Council, its employees, or authorized volunteers.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

b. Effective March 1, 2015, if the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

14. Verification of Employment Eligibility.

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

15. Laws and Venue.

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

16. Termination or Abandonment

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

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

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

18. Organization

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

19. Limitation of Agreement.

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

20. Notice

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

CITY:

City of Clayton
6000 Heritage Trail
Clayton, CA 94517
Attn: Gary A. Napper

CONSULTANT:

Cropper Accountancy Corporation
2700 Ygnacio Valley Road, Suite 270
Walnut Creek, CA 94598
Attn: John Cropper

and shall be effective upon receipt thereof.

21. Third Party Rights

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

22. Equal Opportunity Employment.

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

23. Entire Agreement

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

24. Severability

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

25. Successors and Assigns

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

26. Non-Waiver

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

27. Time of Essence

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

28. City's Right to Employ Other Consultants

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

29. Prohibited Interests

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

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF CLAYTON
AND CROPPER ACCOUNTANCY CORPORATION**

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

CITY OF CLAYTON

CROPPER ACCOUNTANCY CORPORATION

By: _____
Gary A. Napper
City Manager

By: _____
John Cropper
Audit Partner

ATTEST:

By: _____
City Clerk

SCOPE OF SERVICES TO BE PERFORMED

I. AUDITOR RESPONSIBILITIES

A. Scope of the Work to be Performed

The City's goal is to provide the public and its constituents with a comprehensive financial statement that gives complete, accurate, and understandable information about the City's financial condition. At the conclusion of the audit engagement, the City requires an audit opinion on the presentation of the City's Comprehensive Annual Financial Report's (CAFR) in accordance with accounting principles generally accepted in the United States of America.

The City's independent auditor will be required to perform the following tasks:

1. Audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, and the City's financial records for each of the three fiscal years ending June 30, 2017, June 30, 2018, and June 30, 2019. The purpose of the audit is to obtain the auditor's opinion on whether the City's basic financial statements are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP). The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America as issued by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. If a Single Audit is required, that audit shall be conducted in accordance with the provisions of the Federal Single Audit Act as amended, and U.S. Office of Management and Budget (OMB) Circular A-133 Audits of State and Local Governments and Non-Profit Organizations, and shall include such tests as sampling and other audit techniques as determined by the auditor.
2. Following the completion of the audit of the City's CAFR and related records, the auditor shall prepare the following:
 - a. A standard audit opinion letter. The audit reports for the City shall include a signed opinion of the basic financial statements, including the government-wide financial statements and each major fund and the aggregate remaining fund information, for all funds, and accompanying notes to the basic financial statements. If applicable, a

report on compliance and on the internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.

- b. If applicable, a report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 (Single Audit).
 - c. If applicable, a schedule of findings and questioned costs (Single Audit).
 - d. If applicable, an "in-relation-to" report on the schedule of expenditures of federal awards (Single Audit).
3. Apply to the *management discussion and analysis* those procedures required by the auditing standards to be applied to required supplementary information. The auditor will apply an understanding of the method of preparation, the source and basis for the information presented, comparing for consistency to the audited data, and ascertaining that the *management's discussion and analysis* contains all of the information required by GASB 34 and does not contain information prohibited to be presented in the *management's discussion and analysis*.
 4. It is the responsibility of the auditor to request and acquire access to any needed information pertinent to audits of previous year's financial statements. The most likely source for obtaining such information is City staff and the City's independent financial auditor for the year(s) in question.
 5. Provide general recommendations on financial reporting matters as they arise during the contract term in the normal course of business.
 6. The auditors will meet with the Finance Manager and the City Manager prior to the conclusion of the audit to discuss preliminary audit findings. The auditor shall communicate in a letter to the City Manager any reportable conditions, as defined by professional auditing standards, found during the audit. Any irregularities or illegal acts that come to the auditor's attention will be reported immediately to the City Manager.
 7. If the auditors find indications of defalcation or other circumstances requiring an extension of procedures beyond the scope of the examination which would be sufficient under ordinary circumstances, the auditors will provide the City Manager with all readily ascertainable facts relative to such extraordinary circumstances together with an estimate for the additional cost

of investigating same. Fees relating to such additional services are not contemplated as being within the scope of services to be performed under the paragraphs above and will be mutually agreed upon between the City Manager and the audit firm unless the mutually agreed upon price requires City Council approval per the City procurement policy, whereby City Council approval will be sought.

8. Present and discuss the audit and results at the City Council audit sub-committee meeting to be scheduled near or at the conclusion of the audit engagement.
9. Present and discuss the audit and results at a publicly held regularly scheduled City Council meeting.
10. From time to time, the City may require special services or assistance which could be subject to a new contract or amendments to this contract entered into in accordance with all applicable City regulations. Any such additional work agreed to between the City and the firm shall be performed at a price that is mutually agreed upon between the City Manager and the audit firm unless the mutually agreed upon price requires City Council approval per the City procurement policy, whereby City Council approval must be requested.
11. All working papers and reports must be retained, at the auditors' expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. In addition, the firm shall respond to reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
12. An audit completion timeline shall be included preferably with interim field work to begin no later than July following the conclusion of each fiscal year under audit, with a completion date estimated at no later than November 30th.

B. Deliverables

1. Audit opinion letter and "Yellow Book" *Government Auditing Standards* report for the City CAFR. Deliver electronically by November 30th.
2. Audit opinion letter and "Yellow Book" *Government Auditing Standards* report for the Clayton Financing Authority basic financial statements. Deliver electronically by November 30th.

3. Agreed-upon-procedures report in accordance with AICPA attest standards on the City's annual Appropriations Limit in accordance with the League of California Cities publication *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*. Deliver electronically by November 30th.
4. Preparation and electronic submission of the Clayton Financing Authority's annual State Controller's Office financial transactions report in accordance with *California Government Code* Section 53890-53897. Deliver electronically by January 31st.
5. Preparation and electronic submission of the City's annual State Controller's Office gas tax Report in accordance with *California Streets and Highways Code* Section 2151. Deliver electronically by October 1st.
6. If applicable, a management letter with recommendations on internal controls and audit adjusting journal entries. Deliver electronically by November 30th.
7. If applicable, a Single Audit opinion letter of the City's compliance with the types of compliance requirements described in the *OMB Uniform Grant Guidance* for each major federal program. Deliver electronically by March 15th.
8. If not prepared by City staff, preparation and electronic submission of the City's annual State Controller's Office financial transactions report in accordance with *California Government Code* Section 53890-53897. Deliver electronically by January 31st.

II. CITY'S RESPONSIBILITIES

- A. City staff will prepare and provide to the auditors all necessary supporting general ledger and other reports or supporting documentation as requested by the auditors within an annual "Prepared by Client" (PBC) listing. The PBC listing should be provided to the City sufficiently prior to each scheduled fieldwork period in order to ensure adequate time is available for City staff to produce the necessary supporting audit documentation. City staff shall also be responsible for the printing and binding of the final CAFR for distribution.
- B. City staff will assist in producing confirmation letters as directed by the auditors. Confirmation letters shall be mailed out to recipients by the auditors.

- C. City staff will be available to assist the auditors by providing information, documentation and explanations. All requests will first be directed to the Finance Manager or City Manager.
- D. The City will provide the auditor with reasonable workspace, desks, and chairs. The auditors will also be furnished access to internet access, general ledger financial system data, telephones, facsimile machines, and photocopying machines.
- E. The Finance Manager shall prepare the City's CAFR, including the notes to the basic financial statements, required supplementary information (including Management's Discussion & Analysis) and all other supplementary information. City staff shall also be responsible for the printing and binding of the final basic financial statements for distribution.
- F. The Finance Manager shall prepare the Clayton Financing Authority basic financial statements, including the notes to the basic financial statements, required supplementary information (including Management's Discussion & Analysis) and all other supplementary information.
- G. The Finance Manager will be responsible for coordinating the audit process internally.



2700 Ygnacio Valley Road, Ste 270
Walnut Creek, CA 94598

(925) 932-3860 tel

2977 Ygnacio Valley Rd, PMB 460
Walnut Creek, CA 94598

(925) 476-9930 efax


www.cropperaccountancy.com

NOT TO EXCEED PRICE FOR PROPOSED SERVICES SCHEDULE

Cropper Accountancy hereby submits the following cost proposal:

	Year Ended June 30th		
	2017	2018	2019
Basic Reports to be Issued:			
City Audit	21,500	22,000	22,500
Clayton Finance Authority (CFA)	2,800	2,900	3,000
State Controllers Report - CFA annual report	500	550	600
State Controllers Report - Streets annual report	1,000	1,000	1,000
Gann Limit	200	200	200
Total	\$ 26,000	\$ 26,650	\$ 27,300
Additional Audit Reports To Be Requested At City Option			
State Controllers Report, City annual report	1,500	1,600	1,700
Single Audit Act Report (Uniform Guidance/formerly OMB-133)	5,000	5,000	5,000
Grand Total	\$ 32,500	\$ 33,250	\$ 34,000

I hereby certify that the undersigned is authorized to represent the firm stated above, and empowered to submit this bid on behalf of Cropper Accountancy Corporation.

Signature: 
 Printed Name: John Cropper, CPA, CGFM, CGMA
 Title: Managing Partner
 Date: Tuesday, January 10, 2017





Agenda Date: 2-7-2017

Agenda Item: 5e

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: CHRIS WENZEL, CHIEF OF POLICE
DATE: February 7, 2017
SUBJECT: DECLARATION OF EQUIPMENT SURPLUS TO THE CITY'S NEEDS

RECOMMENDATION

By Resolution, declare one Police Department motorcycle, a 2001 Kawasaki KLR-650 (Vehicle 1046), as property surplus to the City's needs, and authorize the City Manager to dispose of the surplus and unserviceable vehicle for its most economical value.

DISCUSSION

A 2001 Kawasaki KLR-650 (Number 146) was purchased in order to provide patrol service and trail access for the Police Department. In December 2015, the Police Department applied for and was awarded a grant from the Tesoro Foundation to purchase a Zero Brand, emissions free motorcycle. In January 2016, the funds were disbursed, and in February 2016, the Zero motorcycle (Unit 1739) was purchased and placed into service.

The acquisition by grant of the Zero Motorcycle and the aging of the Kawasaki KLR-650 (16 years old) render its retention and rehabilitation cost prohibited and unnecessary.

Staff recommends that the City Council authorize the City Manager to dispose of the described surplus unserviceable vehicle at public auction.

FISCAL IMPACT

Surplus patrol vehicles are typically disposed of at auction. Many factors impact what the vehicle will sell for. The last vehicle sold at auction was in need of significant repair. That vehicle sold for approximately \$1,100 dollars. There has been no previous motorcycle auctions by the Police Department.

All proceeds from the sale of this surplus vehicle belong to the taxpayers (City) and will be placed into the City's Capital Equipment Replacement Fund (CERF).

**A RESOLUTION DECLARING A 2001 KAWASAKI POLICE MOTORCYCLE
(UNIT NUMBER 1046) AS SURPLUS TO THE CITY'S NEEDS
AND AUTHORIZATION TO SELL AT PUBLIC AUCTION**

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

WHEREAS, the City of Clayton Police Department uses police motorcycles to perform beneficial patrol functions and provide law enforcement services to the community; and

WHEREAS, patrol motorcycles need to be replaced on a regular basis to assure each is in operable and dependable condition for public safety and first responder services; and

WHEREAS, the City of Clayton Police Department recently acquired a new Zero motorcycle (Unit Number 1739) through the award of a Tesoro Foundation Grant, thereby rendering its existing 16-year old 2001 Kawasaki Police Motorcycle unnecessary and obsolete;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Clayton, California does hereby formally approve as follows:

Section 1.

Does herewith declare an existing 2001 Kawasaki KLR-650 Motorcycle (Unit Number 1046) as surplus to the City's needs and herein authorizes its City Manager to dispose of said vehicle by public auction with any proceeds thereof to be deposited in the City's Capital Equipment Replacement Fund (CERF).

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held the 7th day of February 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

THE CITY COUNCIL OF CLAYTON, CA

Jim Diaz, Mayor

ATTEST:

Janet Brown, City Clerk



Agenda Date: 2-07-2017

Agenda Item: 10a

STAFF REPORT

Approved:

Gary A. Napper
City Manager

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: Janet Brown, City Clerk
DATE: February 7, 2017
SUBJECT: Consider applicant for appointment to the Planning Commission.

BACKGROUND

A vacant term of office for one (1) Planning Commissioner expires on June 30, 2017, created by a Commissioner elected to the City Council in November 2016.

Staff advertised the Planning Commission vacancy in the Clayton Pioneer, on the City's website, and at the City's three (3) posting areas. Applications were due on February 2, 2017 and one (1) application was received by the extended filing date.

Earlier in this meeting the full City Council interviewed the one candidate. Official appointments to the Planning Commission require full City Council vote.

RECOMMENDATION

Consider adopting the attached Resolution appointing one (1) individual to the Planning Commission for the vacant term of office expiring June 30, 2017.

FISCAL IMPACT

None.

Attachments: Resolution – 1 page
Applications (1) - 2 pages



Received
JAN 31 2017
City of Clayton

*** CITY PLANNING COMMISSION *
APPLICATION**

All information contained on this application is a public record subject to public disclosure. This includes home address and all phone numbers. This public office is required by state law to complete and file an annual Financial Statement of Economic Interest

Name: Peter Cloven

Date: January 30, 2017

Home address: 739 Black Point Place Contact phone: 925-348-0884 cell

Length of residence in Clayton: 10 years

Email address: gobears86@gmail.com

Present employer: Pinnacle Environmental, Inc. (Principal/co-owner)

Occupation: Environmental Consultant

A. Education and special training: B.A. Biochemistry, U.C. Berkeley 1986
California Registered Environmental Assessor #7347
Nevada Environmental Assessor #1313

B. Please list experiences and activities which particularly qualify you for an appointment to the Clayton Planning Commission:

I have been an environmental consultant since 1986 specializing in the development of property that is impacted with hazardous materials. My projects cause regular interaction with regulatory entities on the city, county, state and Federal levels. I have a keen ear for listening & understanding the needs of all entities involved with the development process. As a consultant, while advocating for my Clients, I provide good communication with a consumate goal to arrive at win-win solutions for all entities involved.

C. What do you consider to be the role of a City Planning Commissioner?


Owners have the right to develop the property they own. It is not a matter if, but when. I see the Planning Commission's role as 1) listening clearly the proposed plan, 2) evaluating that plan against city of General & Specific Plan, and Zoning, as well as against the Housing Element Requirements of the state of California; 3) ask diligent questions and listen to public comment; and 4) render opinions based upon personal due diligence.

D. Other relevant information and interests:

I am a consummate volunteer involved in the community including: MDSA Soccer Coach, Elder and Youth Teacher for Clayton Valley Presbyterian Church; President of Oakland Masonic Center; President TKE Berkeley Alumni Association; member of Bacchus Bowlers Bocce team (Friday nights); and regular attendee of local civic and charity events. My daughters are 10 and 13 and go to Clayton public schools. My wife and I will stay in Clayton long time after we retire. We love this town and I desire to be a part of its future.

E. Please list three references with phone numbers:

1. Tuija Catalano, Clayton City Counsel Member - 925-404-4255
2. Barbara Barkley, Pastor Clayton Valley Presbyterian - 672-4848
3. John Tomlinson, Mayor, Dana Point, CA - 562-706-9370 cell



Signature


The City of Clayton appreciates your interest and willingness to seek involvement in your community through civic service on our City Planning Commission. Thank you for your application.



Agenda Date: 2-07-2017

Agenda Item: 10b

Approved:


Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: Chris Wenzel, Chief of Police 
DATE: February 7, 2017
SUBJECT: Discussion of Research for Installation of a City Streets Camera System

RECOMMENDATION

Following staff report and opportunity for public comment, it is recommended the City Council instruct staff to prepare the necessary vendor contracts to purchase and install an entrance/exit camera system involving Automated License Plate Readers (ALPRs) and Situational Awareness Cameras for City Council consideration and approval at its regular public meeting on March 7, 2017.

BACKGROUND

Law enforcement agencies continue to research ways to provide better service to their community through effective and financially prudent means as it relates to quality of life and criminal behavior. Increasingly, these public safety enhancements involve aspects of technology to aid human resources in the efforts to protect public health, safety and welfare.

During discussions on community and organizational needs using the FY 2015 General Fund surplus of \$338,608, staff and the City Council identified the possibility of installing automated license plate readers (ALPRs) and other camera systems at the entrances and exits of the Clayton community to assist local law enforcement personnel. The City Council ultimately earmarked \$132,983 for that purpose at its February 2016 public meeting and requested the Chief of Police to research options and present recommendations. Since that meeting, periodically citizens have inquired as to the status of the camera installations, expressing support for the use of this technology.

It was acknowledged at the time that positioning such cameras at strategic locations at or near three (3) entry/exit points within the city would provide valuable information to be used in the investigation of crimes committed within the City of Clayton. An ALPR system would also warn the Clayton Police Department of stolen and wanted vehicles entering the City.

This camera system technology will enhance sworn personnel's crime prevention abilities and assist in a majority of the criminal investigations in the city.

USE IN OTHER COMMUNITIES

The Situational Awareness Camera systems staff is interested in have been successfully utilized in a number of East Bay cities including Piedmont, Pittsburg, San Pablo, Lafayette, Orinda, Dublin, Pleasanton San Ramon and Livermore. This supplemental law enforcement resource is not a monitoring surveillance-type system but rather a system which will alert law enforcement when a particular criminal activity is occurring or as a resource after a criminal event occurs to assist in identifying the perpetrator. As we learn more communities have installed these systems, so have the criminal element and their bad intentions naturally migrate to communities without them. Consequently, the City Council expressed its general interest in and preliminary support for the use of this technology.

RESEARCH RECOMMENDATIONS

Originally, three major arterial roadways (Clayton Road, Oakhurst Drive, Marsh Creek Road) were noted as the main concern for the City, leaving out the street segment on Pine Hollow Road. It is staff's opinion this fourth (4th) entrance/exit way is heavily utilized and should be included in any City camera installation project. Based on the amount of earmarked funds, another camera system could be incorporated into the project as well as an ALPR that would capture the area of Pine Hollow Road. By having this type of coverage all exits and entrances to the City would then be covered by a camera system yet still keep within the earlier earmarked amount. With the deployment of these two types of law enforcement tools, namely ALPRs manufactured by Vigilant and the Situational Awareness Cameras manufactured by Hitachi, the technology would capture the license plate of each vehicle using those access points and a picture of what the vehicle looks like.

The ALPR system captures images of vehicle license plates, compares data acquired to one or more databases, and alerts local law enforcement to vehicles of interest. The ALPR camera is intended to identify vehicles and not the occupants.

The cameras would be affixed to City street lights. Three of the four locations belong to the City of Clayton and one belongs to the City of Concord:

1. Tara Drive @ Clayton Road
2. Yolanda Circle @ Oakhurst Drive
3. Marsh Creek Road @ Diablo Parkway
4. Pine Hollow Road @ Pine Shadow (**City of Concord*)
(Encroachment Permit necessary)

Projected project costs include: 1) The purchase and installation of all equipment; 2) Annual operating expenses including licensing fees and the cost to transmit data over cellular service; 3) warranty costs.

UNRESOLVED ISSUES

Naturally, the APLRs and associated cameras require power to operate, and securing a permanent power source has been a little problematic for staff. We continue to work with PG&E to arrange its approval and our use of power from the adjacent street lights at a fixed flat rate. Staff is also in communication with a local cellular provider to determine an annual cost for SIM card for each camera system.

PUBLIC COMMENT PERIOD

Posting of this meeting agenda serves as a notice to the general public. Additionally, recent California Senate Bill 34 now requires public agencies intending to operate an ALPR system to provide an opportunity for public comment at a regular scheduled meeting prior to implementing this program. This meeting would fulfill that responsibility, as would the time period between this meeting and the intended action on March 7th, if endorsed by the City Council at this meeting.

FISCAL IMPACT

The initial cost for the entire hardware system, as outlined above to include ALPRs and Situational Awareness Cameras, is \$115,542. There is a reoccurring annual cost of approximately \$12,765 for licensing/proprietary software fees and extended warranty for maintenance services.

Attachments: 1. Include such materials as photo and specs of the cameras and ALPRs, etc.

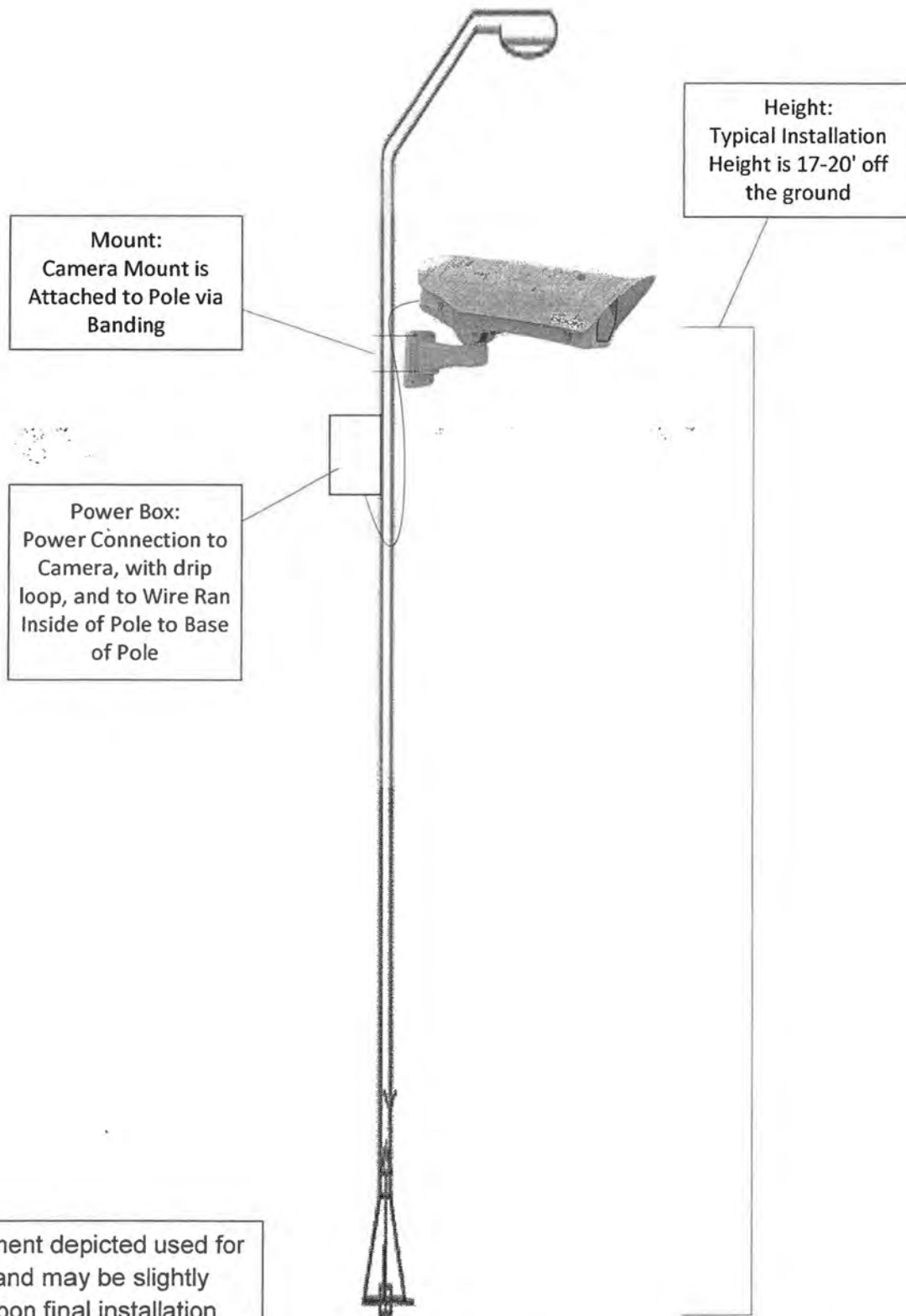
LPR Vigilant Camera

CAUTION

VERTICAL
CLEARANCE

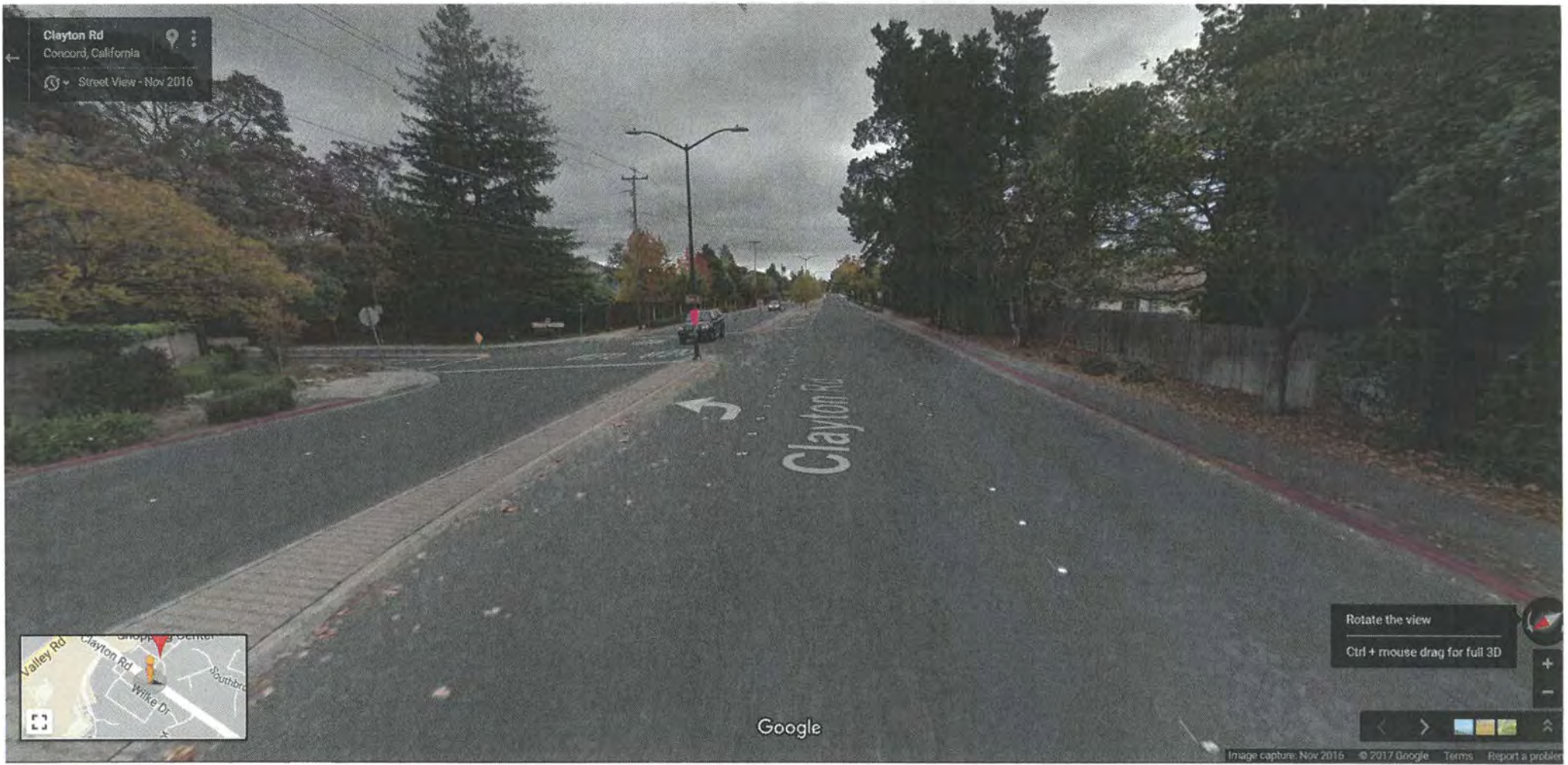
Peppertree

CT



Note: Equipment depicted used for example and may be slightly different upon final installation

Clayton Road at Tara Drive



Yolanda Circle at Oakhurst Drive



Marsh Creek at Diablo Parkway



Marsh Creek at Diablo Parkway looking towards Pine Lane



Pine Hollow at Pine Shadow Lane



Pine Hollow Rd at El Camino Drive



5602 Pine Hollow Rd
Concord, California
Street View - Jul 2015



Google