

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

TUESDAY, November 4, 2014

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:02 p.m. by Mayor Stratford in Hoyer Hall, Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Stratford, Vice Mayor Shuey and Councilmembers Diaz, Geller and Pierce. Councilmembers absent: None. Staff present: City Manager Gary Napper, City Engineer Rick Angrisani, Finance Manager Kevin Mizuno, Assistant City Attorney Christopher Diaz, and City Clerk Janet Brown.

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

3. **CONSENT CALENDAR**

It was moved by Vice Mayor Shuey, seconded by Councilmember Diaz, to approve the Consent Calendar. (Passed; 5-0 vote).

(a) Information Only – No Action necessary.

1. Community Development Director memo regarding “by right’ terminology in the City’s proposed Housing Element as required by state law.

(b) Approved the minutes of the regular meeting of October 21, 2014.

(c) Approved Financial Demands and Obligations of the City.

4. **RECOGNITIONS AND PRESENTATIONS**

(a) Proclamation declaring November 2014 as “American Indian Heritage Awareness Month”.

Mayor Stratford read the Proclamation and requested it mailed as no one was present to receive it.

(b) Proclamation declaring November 2014 as “Safe Digging Month”.

Mayor Stratford read the Proclamation and presented it to Jacqueline Clarke with PG&E.

(c) Certificate of Recognition to Andrew M. Knauer, BSA Troop 492, for his Eagle Scout Project involving the construction and installation of elevated signage in Clayton Dog Park.

Mayor Stratford presented the Certificate to Eagle Scout candidate Andrew M. Knauer from Boy Scout Troop 492. During a photo slideshow about the project at the Clayton Dog Park, Andrew Knauer noted project planning began in February 2014 and actual construction started in October 2014. The structure took 18 days, 500 man hours, weighs 600 pounds and took 12 people to help lift and install it.

- (d) Certificates of Recognition to “Do The Right Thing” public school students selected for exemplifying the character trait of “Respect” during the month of October 2014.

Mayor Stratford and Mt. Diablo Elementary School Teachers Mrs. Pike and Mrs. Buchanan recognized students Corrine Jeandheur and Logan Remington.

Mayor Stratford and Diablo View Middle School Teachers Mrs. Ploetz and Mrs. Parker recognized students Alex Dyer and Emilee Rabago. They also recognized Lauren Utne and Uriel Rodriguez for exemplifying “Responsibility” for August and September.

Mayor Stratford and a teacher from Clayton Valley Charter High School recognized students Lauren Gloekler, Cesar Ledesma and Katelynn Van Tuyl.

5. REPORTS

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

Councilmember Geller noted he voted in the General Election today.

Vice Mayor Shuey reminded the public comments on the Clayton Valley Charter High School’s re-chartering application are due by November 5, 2014 and he encouraged the community to send emails or letters to the Contra Costa County Board of Education as soon as possible.

Mayor Stratford added he had already emailed the Contra Costa County Board of Education to support renewal of Clayton Valley Charter High School’s charter school status.

Councilmember Diaz attended the Candidates’ Night hosted by League of Women Voters at the Clayton Library. He also attended the Clayton Business and Community Association general membership, City Audit Sub-Committee, and CERT group meetings.

Councilmember Pierce also attended the Candidates’ Night hosted by League of Women Voters at the Clayton Library, and a Bay Planning Coalition meeting. She also visited the East Contra Costa County Bypass at Sand Creek Road.

Mayor Stratford attended the City Audit Sub-Committee meeting and the East Contra Costa County Conservancy meetings. He also announced the “Do The Right Thing” character trait focus for November and December is “Kindness”.

- (e) Other – None.

6. PUBLIC COMMENT ON NON-AGENDA ITEMS

Bruce Albert commented he had received in the mail the Memo from Community Development Director Charlie Mullen providing the explanation of the term “by right” referenced in the 2015-2023 Housing Element Update as requested at the October 21, 2014 regular meeting of the Clayton City Council. Mr. Albert noted CA Government Code Section 65584 which site capacity had not been identified in the

land inventory. He indicated that something may have not been done right before, so now the term “by right” goes into effect. Who did not do their job? He also noted the phrase “use by right” shall mean the local government’s review may not require a conditional use permit; however a minor design review can still occur. Mr. Albert further added he did not appreciate the unsolicited comments of the City Manager at the last meeting and maintained if adequate [multi-family housing] sites had been identified then the terms “by right” and “use by right” are not required by state law.

Samantha Strong requested the City Council meet with members of the Mt. Diablo School District to improve maintenance of the path from Mt. Diablo Elementary School into downtown Clayton. The path is a safety hazard as run off has created a surface that someone could easily slip and fall. Mrs. Strong would like to see a more permanent solution to what appears to be a drainage problem and requested both the City and the Mt. Diablo School District collaborate and find a permanent solution.

7. PUBLIC HEARINGS

- (a) Public Hearing on the proposed Second Reading and adoption of City-initiated Ordinance No. 456 amending Chapter 13.06 and Chapter 13.08 of the Clayton Municipal Code adopting by reference Concord Municipal Code chapter 1305 and Central Contra Costa Sanitary District Code Title 10 concerning municipal sewer services and regulations.

City Engineer Rick Angrisani presented the staff report and requested that Ordinance 456, updating portions of Clayton Municipal Code relating to sewers, be approved.

Mayor Stratford opened the Public Hearing to receive public comments on the amendment of Clayton Municipal Code Chapters 13.06 and 13.08 by reference of Concord Municipal Code Chapter 13.05 and Central Contra Costa Sanitary district Code Title 10 regarding Sewer Services and Regulations.

No public comments were offered. Mayor Stratford then closed the Public Hearing.

It was moved by Councilmember Pierce, seconded by Councilmember Geller, to approve a motion to have the City Clerk read Ordinance No. 456 by title and number only and waive further reading. (Passed; 5-0 vote).

The City Clerk read Ordinance No. 456 by title and number only.

It was moved by Councilmember Pierce, seconded by Councilmember Geller, to approve Ordinance No. 456 with findings its adoption will not have a significant adverse impact on the environment and is therefore exempt under CEQA. (Passed; 5-0 vote).

8. ACTION ITEMS

- (a) Presentation and approval of the City’s Audited Financial Statement for Fiscal Year 2013-2014 prepared by Cropper Accountancy Corporation, independent Certified Public Accountant firm.

Finance Manager Kevin Mizuno advised the City’s auditor, Cropper Accountancy, has issued an “unmodified opinion” on the City’s financial statements for the fiscal year

ended on June 30, 2014. "Unmodified opinion" translates into a "clean opinion" in accordance with Generally Accepted Accounting Principles (GAAP). Mr. Mizuno noted the audited financial statements revealed an annual General Fund shortfall of \$143,153 (3.65%). During last year's operation, the City incurred urgent non-recurring expenditures to hire a temporary accounting expert experienced with the City's new financial management software, expenses managing the Police Department's unexpected turnover in police officers, and financial management delays caused the auditors to incur and perform expanded examination procedures which cost more money.

The final fiscal year 2011-12 audited General Fund results made available on November 19, 2013 reported an unanticipated General Fund surplus of \$182,671, which the City Council authorized the allocation of this surplus to address unresolved operating priorities at that time. Mr. Mizuno also pointed out five items for consideration of the City Council: 1. The City Council approved the necessary General Fund budget transfers; 2. The General Fund balance remains strong at over \$5.1 million; 3. The General Fund still experienced a net increase of \$66,000 over the last 3 years; 4. Fiscal year 2015 looks brighter; and 5. The backlogged audit delays were addressed early by the City Council and City Manager to resolve; for example, this is the earliest Audit Report to the City since the last decade.

Mr. Cropper presented the "State of the City" to the Council explaining the City's overall decline in Government-Wide Net Position of \$802K comprised the change in presentation of the Clayton Financing Authority from a Governmental Fund to an Agency Fund, treated as \$689,000 transfer to Fiduciary Funds in accordance with GASB 61. The ending Government-wide net position was \$40.4 million including \$6.3 million Unrestricted Net Position.

Mr. Sasse explained the General Fund Balance is strong especially regarding the unassigned fund balance per GASB 54 of \$3,871,849. He also indicated the Expenditures exceeded Revenues before transfers in by \$212,314 and continued with explanation of Statement of Activities. He concluded the presentation advising to expect Auditor's letters SAS 114 communication with those charges with governance and SAS 115 Communication of internal control matters identified in an audit.

Mayor Stratford added since his membership on the City's audit sub-committee he has seen an improved quality of audit work performed due to the efforts of the Cropper Accountancy who has done a great job as a small firm. Mr. Cropper responded he enjoys working with the Clayton staff and the active involvement of a City Manager who understands the financials.

City Manager Napper noted the auditors reviewed the last three years of General Fund operations but if the 4th year is added into the equation, the General Fund's reserve had a net growth of over \$272,000, which is remarkable during a time of the Great Recession. Mr. Napper indicated the most difficult year of the City was actually last year for a variety of noted reasons, and this was the first time in his career of 30 years as a city manager that a General Fund came in at a deficit. Overall, Clayton's General Fund is still building up and he appreciated the compliments of the auditors and Finance Manager Kevin Mizuno's explanations.

Councilmember Diaz remarked the ending Fund Balance is indeed remarkable and there has been a very positive impact with the new Finance Manager and Cropper Accountancy; he appreciated the recognition of the financial issue and its explanation.

Councilmember Pierce added that City Staff is watching over every extremely-limited dollar carefully.

Councilmember Geller included that it feels good to be caught up financially. Mr. Cropper added this is his firm's first presentation conducted this year for any of his city clients.

Mayor Stratford opened the floor to receive public comments on the fiscal year 2013-14 Audited Financial Statement of the City of Clayton; no public comments were offered.

It was moved by Councilmember Pierce, seconded by Councilmember Diaz, to accept as submitted the FY 2013-14 Audited Financial Statement of the City of Clayton. (Passed; 5-0 vote).

- (b) Council Member request for the City to pay the registration fee for his attendance at the League of California Cities' New Mayors and Council Members Academy in Sacramento, CA during January 14-16, 2015
(Council Member Diaz)

Councilmember Diaz indicated when he was elected to City Council he was unable to attend the League of California Cities' New Mayors and Council Members Academy last January, which is one primarily attended by newly elected officials. He would like to go to the upcoming Academy in January 2015 and requested the City pay for the registration fee of \$550.00 and he would assume all other costs associated with travel and accommodations.

Councilmember Pierce appreciated his enthusiasm for these conferences; however, she noted Councilmember Diaz recently attended the Annual League of California Cities Conference in September as the City's delegate with a registration fee of \$500.00. Councilmember Pierce would consider funding in an extreme circumstance, however, felt two conferences in one year is too much when conference expenses have been eliminated from the City Budget and City staff cannot even go.

Vice Mayor Shuey considered staff training seminars more important and does not think the New Mayors and Council Members Academy would benefit the City or Councilmember Diaz as he has already served on the Council for the last two years.

Mayor Stratford noted he attended the League of California Cities' New Mayors and Council Members Academy 8 years ago and found it beneficial; however, he would rather send a newly elected councilmember to the training.

Councilmember Pierce added some of the same seminars were offered at the League of California Cities' Annual Conference that Councilmember Diaz recently attended. Councilmember Diaz advised there was only one session offered one day during the annual conference on such topics.

Mayor Stratford asked if there is available any free local training?

Councilmember Geller indicated he would like to leave such funds open for a newly elected councilmember to attend.

Mayor Stratford opened the item to receive public comments; no public comments were offered and Mayor Stratford then closed the public comment period.

The City Council took no action on this item.

9. **COUNCIL ITEMS**

Councilmember Pierce requested an item be placed on a future agenda regarding the Clayton Historical Society's addition of monuments to the Clayton Downtown area.

10. **CLOSED SESSION** – None.

11. **ADJOURNMENT**– on call by Mayor Stratford, the City Council meeting adjourned at 8:24 p.m.

The next regularly-scheduled City Council meeting is November 18, 2014.

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Respectfully submitted,



Janet Brown, City Clerk

APPROVED BY CLAYTON CITY COUNCIL



Hank Stratford, Mayor

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