[Speaker 4] (0:03 - 0:24)
All right, seven o'clock. Knock, knock, knock. All right, it is seven o'clock.

It is August the 17th. This is the City of Clayton City Council and ready to start our meeting. So we will call this to order and check the roll.

Janet, please.

[Speaker 7] (0:25 - 0:26)
Council Member Diaz.

[Speaker 4] (0:27 - 0:27)
Present.

[Speaker 7] (0:27 - 0:31)
Council Member Tillman. Here. Council Member Wan.

[Speaker 4] (0:32 - 0:32)
Here.

[Speaker 7] (0:33 - 0:34)
Vice Mayor Clovin.

[Speaker 4] (0:34 - 0:35)
I'm here.

[Speaker 7] (0:35 - 0:36)
Mayor Wolfe.

[Speaker 4] (0:37 - 0:44)
I'm here too. So we are all here. We're now going to watch our meeting protocol video.

[Speaker 11] (0:56 - 2:35)
Due to COVID-19, this meeting will be conducted as a Zoom webinar pursuant to the provisions of the Governor's Executive Order N-2920, which suspends certain requirements of the Brown Act. This meeting is being webcast on the City of Clayton's website. The Mayor will call upon its Council, presenters, staff and other speakers by name and ask that they speak clearly and state their name before giving comments or remarks.

Persons participating via webcast and Zoom with their cameras enabled are reminded that their activities are visible to viewers. Members of the public participating by Zoom wishing to speak should use the raise hand feature or dial star 9 and the Mayor will call upon them at the appropriate time. Telephone attendees will be called upon by the last four digits of their phone

number.

It is requested that public speakers state their name, but providing such information is voluntary. Written public comments received by Clayton City Clerk by 5 p.m. today will be entered into the record but will not be read out loud. If authors of the written correspondence would like to speak, they are free to do so and should raise their hand and the Mayor will call upon them at the appropriate time.

A roll call vote will be taken for all action items. The chat feature is not active. In order to get the full Zoom experience, please make sure your application is up to date.

[Speaker 4] (2:40 - 2:48)
All right, thank you very much. Okay, we're going to move on now to item number three, the Pledge of Allegiance led by Council Member Diaz. Take it away, Jim.

[Speaker 3] (2:48 - 3:04)
Thank you. I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

[Speaker 4] (3:04 - 3:18)
Thank you, Council Member Diaz. Moving on to item number four now, that is our Consent Calendar. I want to find out if anybody on the Council has anything they'd like to talk about pulled from the Consent Calendar before we go to public comment.

[Speaker 3] (3:18 - 3:20)
Move approval.

[Speaker 2] (3:21 - 3:33)
I actually had a comment on a couple items. If we could pull items C and D. C and D.

[Speaker 16] (3:41 - 3:42)
Okay.

[Speaker 1] (3:45 - 3:52)
And Mary will want to see if there's any public comment before we move on any sets of the items.

[Speaker 4] (3:53 - 4:00)
Okay, we'll hold the comment. Does anybody, Janet, have any public comment on the Consent Calendar?

[Speaker 7] (4:01 - 4:03)
Mayor Wolfe, I do not have any hands raised on this item.

[Speaker 4] (4:04 - 4:16)
All right, and we will close the public comment on the Consent Calendar and bring it back to Council and discuss items C and D as Council Member Wan.

[Speaker 2] (4:18 - 4:41)
Yeah, for item C, what are we doing with the existing radios that we're replacing? That was kind of my question. Do those get surplused, or do they continue to be used by maintenance because they don't need the security requirements, or it doesn't really say, or maybe I missed it.

[Speaker 1] (4:42 - 4:51)
The Chief is on, but they will be, we've gotten a credit for turning those back in, so it's one of the reductions in the total cost of the equipment.

[Speaker 2] (4:52 - 5:25)
Okay, that's great. And then, is the replacement, since these are end-of-life, do they normally get budgeted, like in our replacement costs? Like, you know, these were end-of-life, so I'm assuming that we had a plan to replace them at some point in time, so it seems like we're using funds where the recommendation is to use funds, but I would assume, I guess, that they would be part of just the regular operational replacement cost of end-of-life items.

[Speaker 1] (5:28 - 5:53)
We haven't, and then the Chief can speak to this as well, we haven't included those in the equipment replacement fund in any recent memory, mostly because we've had those same radios since 2012, and so we would have needed to bring that forward as an item in next year's budget regardless, but we didn't have money set aside for it in this year's budget.

[Speaker 2] (5:54 - 5:58)
Okay, what's the useful life on the units?

[Speaker 13] (6:04 - 6:20)
You know, it depends on technology, from talking to the county's radio expert, probably five to seven years, a lot of it is just technology advances so quickly, so.

[Speaker 2] (6:21 - 6:38)
Okay, that's cool. Yeah, I just didn't know if, like, when we're talking about budget, you know, when we do our next budget cycle, if we should include, like, these types of set-aside money or start to accumulate money over time to accommodate for these going forward. It just seems like a prudent thing to do.

[Speaker 13] (6:39 - 6:41)
Yeah, I mean, with all of the...

[Speaker 3] (6:41 - 8:33)
Sorry. If I may interject, just to clarify, this is a following direction from the California Department of Justice. I sit on as the mayor's conference representative to eBRICS, which is the East Bay Regional Communication System Authority, and this mandate is coming down from the Department of Justice for every agency, mostly law enforcement, primarily law enforcement, simply because of the sensitivity of broadcast information that is transmitted when they do, for example, a traffic stop.

And what this will do, this is something that isn't going to happen every seven years, Jeff. It's something now because of the potential for compromising personal information. When a traffic stop is initiated, for example, when the information is requested by the officer, the dispatcher, through the system that they have to access actually relays back to that officer any critical information about that person or the registered owner.

But in addition, it gives the name, address, and so forth, which is potentially a confidential matter. So this upgrading of all radios by encrypting that information will preclude unlawful individuals from accessing or hearing sensitive data.

[Speaker 2] (8:34 - 9:11)
No, I mean, I think that's great. I just, you know, even if we don't need to, you know, because there's a recent mandate, so it requires us to replace the thing. I mean, that makes sense.

But even if that is a one-time event, I would imagine that we'd replace radios over time just because of wear and tear and, you know, offset lessons and all that. So if we don't already budget for replacement of the equipment, it's kind of pricey. So something that we should, if we add a little bit every year, I think that makes it a little easier going forward, just in general for either lost damage or just wear and tear.

So that was all.

[Speaker 15] (9:12 - 9:19)
I agree. That's something that we need to plan for the future for all of our law enforcement technology. It's all very expensive.

[Speaker 2] (9:19 - 10:00)
Yeah. And it's hard to do a complete recycle every year. So I would imagine if we start saving a little bit, it'll help out.

That was it. I just wanted to make sure that we keep that in mind when we start doing our budget for next year. That was all for that item.

Does anyone else have any questions on that one? All right, cool. So for D, I need to advance to the item here.

A couple things. We talk about UBS in the staff report as an acronym, but we don't define UBS. What's UBS?

[Speaker 1] (10:01 - 10:17)
I don't know what the acronym stands for quite frankly, but it's our brokerage company. So it's not defined because I don't even know what it is. We just use it as they go by their initials as the brokerage company.

[Speaker 2] (10:18 - 10:19)
That's odd, but okay.

[Speaker 1] (10:20 - 10:30)
When we get to the resolutions, I do have actually a correction I need to read into the record, which you asked a question on.

[Speaker 2] (10:30 - 10:50)
Maybe I'll cover it. We don't talk about camp here either in the staff report. Was our intention to include camp as one of the...

When we're talking about LAIF and UBS authorizing investments in those, was the intent to include camp as well?

[Speaker 1] (10:50 - 11:03)
I think the camp authorizations are more recent than the LAIF and UBS authorizations, and so the interim finance director did not feel we needed to bring that forward yet.

[Speaker 2] (11:04 - 12:15)
Okay. And then in the discussion section, it says that the... Let's see here.

It says that the investment policy identifies city manager as chief fiscal officer to appoint staff to handle day-to-day. It says the city manager is not named here, but when I read the investment policy, it says that the treasurer needs to get authorization from the city manager, and then it doesn't really clearly delineate, but then it says routine investments can be made by the finance director, but it doesn't really say if there's an authorization required. So the policy says that there's supposed to be a system of internal controls created, but I don't see that in the policy.

When we are talking about that, is that supposed to... Is that the separation of duties and control section of the policy? Is that the thing that's supposed to describe the actual policy, or is there something more detailed?

[Speaker 1] (12:17 - 12:56)
What you see is what you get, unfortunately, with that existing policy. So whatever is described

there is all that there is at this point. The plan is pending council adoption of a reserve policy.

Then shortly after that, we will bring back the investment policy because they're intertwined and they refer to each other, and so the investment policy has to come back anyway, and that's something we can address and probably should address when we bring the investment policy back to the council, which would be later this fall.

[Speaker 2] (12:57 - 13:13)
Okay. Yeah, because in the investment policy under internal control section, it's XIV. It says the city manager shall ensure the development of a system of internal investment controls and segregation of duties and responsibilities and investment functions.

Does that exist somewhere?

[Speaker 1] (13:14 - 13:20)
I'm not aware of a written policy, which is why we're going to come back and look at the whole thing.

[Speaker 2] (13:21 - 13:25)
Okay. So we think that there's some gaps that may exist?

[Speaker 16] (13:26 - 13:26)
Yes.

[Speaker 2] (13:27 - 13:46)
Okay. And now I guess the last question is, the way that I understand it is the change that we're contemplating now, is it... It doesn't really...

It's not a red line, so I can't tell what the change is. Is it adding the city clerk or what is the nature of the change that we're doing right now?

[Speaker 1] (13:47 - 14:02)
So there are a couple of things. One is changing the language from finance manager to finance director because we've changed the name of that position in the last 12-ish months.

[Speaker 5] (14:02 - 14:02)
Okay. Title change.

[Speaker 1] (14:03 - 14:35)
So that's a correction, and actually the correction I want to read into the record and will reflect in the adopted resolution would be on the LAIF resolution. It should be finance director, assistant to the city manager and city treasurer. I want to align those two and that's not the way it was written.

So city clerk would be replaced by city treasurer so that both resolutions identify finance director, assistant to and city treasurer.

[Speaker 2] (14:36 - 14:51)
Yeah, that was my other question. It makes sense now the treasurer I mean, not to besmirch Shannon or anything, but I didn't really think that the city clerk was the one making the LAIF investment. So that was unintentional.

[Speaker 1] (14:52 - 15:09)
That I think is how it actually was written before and I didn't catch it until I was looking at it and I was like, wait a minute, I think that should be treasurer. So it got published with clerk but should be treasurer.

[Speaker 14] (15:09 - 15:12)
Okay. That was my last question.

[Speaker 2] (15:13 - 15:25)
I thought it might be. So it looks like the nature of the change is really just clerical to change this wording, but then also title change, nothing other, no other substantive changes.

[Speaker 1] (15:26 - 15:56)
Correct. And the UBS I think requires a council action regardless. Anytime we change the signature cards for UBS, we need to take a council action to attach to that.

So we would have had to take that regardless, even if the titles weren't changing that the people were changing. And in the case of LAIF, we're changing the title from finance manager to finance director and then city clerk to city treasurer.

[Speaker 2] (15:58 - 16:08)
Okay. Did we want to include camp to make it comprehensive or do you believe that camp is covered somewhere else with the same authorized individual?

[Speaker 1] (16:08 - 16:28)
I believe camp is covered somewhere else. I mean, it wouldn't, I'd wanna, if it turns out that we need to do camp, I would prefer to bring back an actual written resolution. So we've got all the right code references, et cetera.

I don't want to try to do it on the fly here. I would prefer to bring it back.

[Speaker 2] (16:30 - 16:38)
Okay. Okay, cool. You're good?

Yep.

[Speaker 5] (16:38 - 16:43)
I just wanted to answer one question for council number one and it's Union Bank of Switzerland.

[Speaker 4] (16:45 - 16:45)
Cool.

[Speaker 16] (16:45 - 16:45)
Thank you.

[Speaker 4] (16:48 - 17:04)
Okay. We're good. Thank you.

I was with UBS for a lot of years. I never knew it was the Union Bank of Switzerland. Okay.

So Jim, you want to move for approval again? You're on mute, but I think you said you do.

[Speaker 3] (17:04 - 17:10)
I'm on mute like one of our many public commenters. Yes. But anyway, yes, I move approval.

[Speaker 2] (17:10 - 17:12)
With the amendments noted. Yes.

[Speaker 3] (17:13 - 17:14)
Yes, please.

[Speaker 4] (17:16 - 17:23)
Do you have a second? I'll second that. So first by Diaz, second by Juan and Janet, please call the vote.

[Speaker 7] (17:23 - 17:24)
Council member Diaz?

[Speaker 4] (17:25 - 17:25)
Yes.

[Speaker 7] (17:26 - 17:29)
Council member Tillman? Yes. Council member Juan?

[Speaker 4] (17:29 - 17:30)
Aye.

[Speaker 7] (17:30 - 17:31)
Vice mayor Cloven?

[Speaker 4] (17:32 - 17:32)
Yes.

[Speaker 7] (17:32 - 17:33)
Mayor Wolfe?

[Speaker 4] (17:33 - 17:34)
Yes.

[Speaker 7] (17:34 - 17:34)
Thank you.

[Speaker 4] (17:35 - 17:46)
That passes and we move on to item number five, recognitions and presentations. We have none. So we'll move on to item six, our reports starting with the city manager and staff report.

[Speaker 1] (17:47 - 19:40)
Great. Thank you. Mayor, members of the council, two items to report on this evening.

I feel a little bit like a Debbie Donner because they're neither very positive items. The first is, as you may have seen, PG&E expects to potentially have a PSPS event starting later tonight. There's a little piece of Contra Costa County, not Clayton, but east of Clayton, east and south of Clayton.

So just to know that it's fire season and the fire danger is real, the smoke danger is real. And I just, you know, I keep a close watch on that to make sure that we're, we know kind of what's happening as does our, do our public safety folks. So that was the first.

The second is, again, not a, not a great topic. COVID is still a very much a concern here in Contra Costa County and elsewhere. Clayton, which has been doing relatively well over the course of the pandemic, is now seventh from the bottom of 19 cities in terms of like seventh from the bottom being bad cases per 100,000 in the last 14 days.

So just a reminder that we do need to continue to be vigilant about COVID and, you know, obviously the county has a mask mandate indoors and we're implementing that at City Hall. And just, you know, a reminder to, you know, keep yourselves safe and be smart as this is a creative little bug that we have among us. With that, that is all I have for you this evening.

[Speaker 4] (19:42 - 19:53)
Well, thank you, Debbie. Okay, moving on to our City Council reports. Let's start with Peter

today.

[Speaker 6] (19:54 - 21:05)
All right. Oh, am I on? Yes.

So, like many people in Clayton, this past couple weeks was back to school and got a chance to watch my daughter go to high school for the first time because she was virtual all last year. And that was pretty darn cool. I'm glad we're getting back in the swing of things and getting back to normal because in light of the numbers, I understand the COVID, as Debbie Downer just said, I've had a chance to play bocce in the summertime and enjoy the concert series, which we've been doing.

I get it. There's some challenges we have, but it feels good to be Clayton again and be with the people in Clayton again. I do know that I've had a lot of conversations.

Recently, I put out an article about who's really in favor of high density housing. And surprisingly, I've had several people contact me and say that they are and had some interesting conversations with them. So, that's been very enlightening.

But I've also had conversations with city staff, former electives, and our mayor as well. So, it's been a good couple of weeks and reporting. Thank you, Vice Mayor.

Jeff?

[Speaker 2] (21:09 - 21:25)
Yeah, kids going back to school is good. Kids in school is good. So, mostly email and phone calls with folks.

I'm still at home most of the time because COVID is terrible. End of report. Thank you.

Holly?

[Speaker 5] (21:28 - 22:57)
Thank you, Mayor. Mine will be brief because I was on vacation most of the time. So, I have met with the city manager.

I took a couple of calls or at least one call regarding an unsafe condition. This is the second call I've gotten about it regarding a trail area by elementary school and a fence missing, as well as issues with some trails and landscapes. So, I referred that to the city manager and the trails and landscape chair.

And they're taking care of that. I also relayed some information regarding the library foundation and some needs that they had for our maintenance staff. And that's being taken care of.

And then I had the pleasure of meeting with some other local public servants that are in our county, the DA, some city council members from Pittsburgh, as well as a couple of our Mount Diablo Unified School Board trustees, and the Contra Costa College Board of Trustees members. And we had an afternoon tea. It was part of a fundraiser that we were part of back in the spring, I guess, or earlier in the summer.

And we finally had that date. So, it was nice to meet some new people in our area that are also serving the public and hear all of the needs of their cities as well. And I got my third shot today.

So, I've got my COVID booster, which is why you keep seeing me move my arm and rub it. So, you'll have to forgive me for that. But I'm glad that I'm better protected since COVID is still out there and kids are in school and we're getting notices that it's already spreading.

So, stay safe. That's it.

[Speaker 4] (22:59 - 23:03)
Thank you. Okay. And Council Member Diaz.

[Speaker 3] (23:03 - 28:17)
Yes, thank you. I've been a little active over the past couple of weeks. First on the 4th of August, I had the final Clayton Classic Car Show.

Another one well attended with over 30 vehicles and a variety of people coming by just to say hello and visit the cars and their owners and so forth. I do want to particularly thank the sponsors that provided the underwriting for the car show. Public Services, West Tech Alarm, and the Clayton Club joined us for the first time this year with a new ownership.

They joined in. In fact, they were out at the last concert meeting and greeting with the patrons that came by to say hello. On Friday the 6th, I met with the Contra Costa County Water District, some officials from there, Vice President Ernie Avila, who's also a resident of Clayton, and their new general manager, Steve Welch.

We went over a couple of issues there relative to water matters and access to the water supply for emergency services. The 14th, Concert in the Grove, another outstanding performance by the Cocktail Monkeys, pretty much an all-electric band, if you will, including the drums, which was sort of interesting. And that was the third concert.

We have two left. The crowd was just incredibly well-mannered. We had, again, a full house.

I don't think we could have squeezed in another person out on the main part of the part. I do want to note that Howard Geller and his team, they collected over $2,600 at that event. But better yet, there was a marvelous patron who stood up and came to Howard and said, I would

like to match whatever you get.

So Howard got in contact with him, and we're waiting for the matching $2,600 check. We'll see, make sure when that comes, we'll let you know. But that will be an extremely outstanding collection for that event for the 14th.

Next one is on the 28th, Forever Rod. That's a Rod Stewart tribute band. I need to compliment and thank the people that helped me assemble that.

People come down there on a Saturday evening, 4 or 5 o'clock, set up and enjoy the concert. But what they don't realize is what goes into the back of that to set that up. My team arrives anywhere from 745 to 8 in the morning and set up all of the pop-ups, the chains, the tape, and all that.

And I want to thank particularly, I want to name them by name, Richard Nelson, Dan Sullivan, Richard Perdue, Mike Williams, and from the Morgan Territory Community Association, who has joined us this year to assist us, John Koshabi, Doug Fountain, Mari, that's M-A-R-I, NIST, Terrence McGinnis, and Sean Lail. Couldn't do without them. They get out there in the morning, help us set up, and then they help take it down.

The very next day, I attended what was characterized as a delayed but very wonderful owner-to-owner changership barbecue at the Clayton Club Saloon. The old leadership that owned it, Steve Barton and Dennis Mitchell, officially, at a barbecue, handed it off to Misty Leone and company. Last night, I need to let people know what a great job our police department did.

There is something that's starting to happen, and it's troubling throughout the area, and I'm not sure if it's out the state, but it's called swatting. And basically, what that is, is a person calls in a phony police report, basically saying that they have taken out the residents of a house, and they are about to take themselves out. Well, our two officers and a negotiator, led by Tim Marchute, the watch commander, and supported by Sergeant Bichetti, came to that residence, not knowing what to expect.

It was over in the Prospector Gold Rush area, and cordoned off the area, made sure all citizens were safe, went into the residence, found out there was nothing going on. But again, this is something that's very troubling that's taking place. But again, our team stood up, they did an excellent job keeping our people safe, and making sure that the area was safe.

Finally, I did have a number of meetings with a variety of citizens, and of course, the city manager and the chief of police. Thank you very much.

[Speaker 4] (28:18 - 30:37)
Thank you for the report. Okay, for me, of course, I met with the city manager. So took emails

and calls.

I attended the mayor's conference. And there we talked about the implementation of the presentation about the implementation of the upcoming mental health crisis line, which is which would be 211, like 911211. While that is up and running on a small basis, it's going to be quite some time before they pull it all together.

But once they do, I think that'll be a very beneficial call line for mental health crisis. And let's see what else did my articles for the various papers. And then on what was it the seventh, August the seventh, I got the honor of presenting proclamations on behalf of the city of Clayton to our newest 484 Eagle Scouts from Clayton, Justin Rule, William McAdam, and Michael Cianfrano.

And I got to tell you, I had no idea what goes into becoming an Eagle Scout, but just just briefly. They need to earn a minimum of 21 merit badges. They need to serve in a leadership position, complete a community service project.

And the badge stands for a job that started and finished and understanding of our community and nation and a willingness to help others, among other things. But the amazing thing about this Eagle badge is that only 8% of people who enter scouting achieved this Eagle Scout rank. So we want to congratulate those three guys from Clayton, Justin Rule, William McAdam, and Michael Cianfrano.

And I was a pleasure and an honor to be with them. So that, let me see, I think is my report. And we will move on now to item number seven, which is public comment on non-agenda items.

You have up to three minutes to speak on anything that is not on the agenda. And let's take a look and see how many hands we have, Janet.

[Speaker 7] (30:37 - 30:47)
Chair Wolf, I have one hand raised on this item. Dee, as I promote you to panelist, if you can please unmute your microphone, you will have three minutes to speak.

[Speaker 10] (30:57 - 30:57)
Can you hear me?

[Speaker 4] (30:58 - 30:59)
Hello, Dee, we can hear you.

[Speaker 10] (31:00 - 32:58)
Hi, good evening, Council. Tonight, I would like to address some things that have been on my mind. I haven't commented on the recent topic of CBCA and the city financial relations, but it hasn't gone unnoticed how much time city staff has been addressing the line of questioning from both Councilman Jim Diaz and Planning Commissioner Frank Gavidia.

Not once did Jim neglect to say it is all for the good of the community, meaning everything that CBCA does for our community is good. We know that you do a lot for our community through CBCA and your contributions are very much appreciated, Jim. So I don't understand why all the passive aggressive commenting and accusatory toned questioning, even after the city manager and the CBCA treasurer and others answered every question and proved there is no wrongdoings.

This entire escapade has caused confusion and upset in our community. And I just want to know, was it worth that effort and harmed friendships? I also worry that stuff like this will discourage city staff and they might leave for better opportunities.

And second to Jim, and this is just my opinion, so please take this as constructive criticism. I'm not sure if you're aware of how your tone comes across on Zoom, but I am pretty sure I know rude and disrespectful when I hear it. I would like to make you aware of this so you can be more mindful of how you speak to your colleagues.

Some examples are you interrupt Holly and others before they're done speaking, your rude tone of questioning towards Reena and your rude comments towards our city attorney, Mala. I think it's unacceptable. And also just so you know, there are students doing civic reports and are listening to you.

So I'm going to play back your voice on two occasions so you know what I'm talking about. Okay, here's the first one.

[Speaker 3] (33:05 - 33:08)
Tuesday, July 13th. Today is July 20th.

[Speaker 10] (33:09 - 33:17)
I have not heard back from him. What is he doing, Mala? Okay, that was kind of rude towards Mala.

And here's the second one.

[Speaker 3] (33:19 - 33:40)
In my view, it's the pain to claim that the homeowner asked for. That's my view. So then you would want it to come to a future meeting because it's just a discussion.

It's not an action item. Okay, whatever we have to do, procedure, ask that counselor that we pay $100,000 a year. She's silent.

Ask her that question.

[Speaker 10] (33:41 - 34:02)
So those are just examples, Jim, and how the tone is. And I think you owe them an apology. I think we can all do better to be kinder to one another, no matter what our differences are.

We all love Clayton and we appreciate our city staff and CBCA and all that they do for our community. So thank you. I just wanted to bring that to your attention.

[Speaker 4] (34:03 - 34:06)
Thank you, Dee. Janet, do we have anyone else?

[Speaker 7] (34:08 - 34:11)
Mayor Wolf, I do not have any other hands raised on this item.

[Speaker 4] (34:12 - 34:16)
Okay, going once, going twice. Anybody?

[Speaker 7] (34:16 - 34:17)
Still no hands.

[Speaker 4] (34:17 - 34:42)
Okay, then we will close our public comment and move on now. We have no public hearing, so we'll move to action items, starting with action item 9A, excuse me, designation of voting delegate and alternate delegate for the League of California Cities 2021 Annual Conference held in September. And our city clerk is going to take this one.

[Speaker 7] (34:44 - 37:14)
Thank you, Mayor Wolf and city council members. Before you this evening is the opportunity to designate a voting delegate and or an alternate voting delegate for the Cal Cities Annual Conference. The conference is being held at the Sacramento Convention Center, September 22nd through 24th.

On September 24th, the voting delegate or alternative will have the opportunity to vote on two resolutions that were released on August 6th, 2021. The first resolution for consideration is to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases based on data where products are shipped to and that are rightfully takes into consideration the impacts that fulfillment centers have on host cities, but also provides a fair share to California cities that do not and or and or cannot have a fulfillment center within a jurisdiction. The second resolution calls upon the governor and the legislature to provide necessary funding for the California Public Utilities Commission to fulfill its obligation to inspect railroad lines to ensure that operators are removing illegal dumping, graffiti, and homeless encampments that degrade the quality of life and results in increased public safety concerns for communities and neighborhoods that abut to the railroad right of way. Cal City bylaws provide each city entitlement to one vote in matters affecting municipal or league policy.

Conference registration is required for the voting delegate and or alternative.

During the last 12 fiscal years, a vast majority of conference and training budget for city staff and city council was eliminated or significantly reduced except for Cal City's East Bay Division and Contra Costa County Mayor's conference attendance. If it is decided to send a voting delegate, funds will need to be expended. The conference registration is $600 per person plus lodging and transportation expenses.

The fiscal year 2021-22 budget adopted June 29, 2021 approved a budget of $1,700. In the past, the city has not provided funds for lodging or expenses at annual conferences when held in northern California. City council assignments adopted December 15, 2020 designated Councilman Diaz as the primary representative and Vice Mayor Kloven as the alternate on the Cal City's East Bay Division.

The voting delegate form is due to Cal City's no later than Wednesday, September 15, 2021. And that concludes my report.

[Speaker 4] (37:16 - 37:17)
Thank you, Janet.

[Speaker 7] (37:17 - 37:18)
You're welcome.

[Speaker 4] (37:20 - 37:22)
Any questions of Council of Janet?

[Speaker 16] (37:24 - 37:25)
No?

[Speaker 4] (37:25 - 37:29)
Okay. We'll open it up for public comment.

[Speaker 7] (37:31 - 37:34)
And Mayor Wolfe, I do not have any hands raised on this item.

[Speaker 4] (37:35 - 37:43)
Okay, we'll close the public comment for this and bring it back to Council for discussion on designation of the delegates.

[Speaker 2] (37:45 - 37:54)
When we talk about the designation, does it also include the actual vote or is it up to the delegate to vote how they want?

[Speaker 4] (37:54 - 38:06)
I don't know. I think the last time we did this, we asked for the Council's recommendation for a vote. I think that's probably the way we should go.

I don't know.

[Speaker 2] (38:07 - 38:21)
Yeah, that wasn't included in the staff report. So it wasn't clear if that was what we should be doing. But if we're going to talk about the actual two resolutions, are we going to make a recommendation on the resolutions as well?

[Speaker 4] (38:21 - 38:59)
I think we should. I mean, personally, I think that these resolutions will pass in some form. Certainly, as far as Clayton's concerned, the second one, we have no railroads and probably doesn't affect us directly.

The first one certainly does with the taxes. But judging by the amount of support from other cities already noted in the letters, I would guess that those resolutions will both pass. Certainly, the tax thing is directly affecting us.

[Speaker 1] (39:00 - 39:02)
And it would be to Clayton's advantage.

[Speaker 4] (39:03 - 39:04)
I'm sorry? I'm sorry.

[Speaker 1] (39:04 - 39:34)
Go ahead. I would just say it would be very much to Clayton's advantage because we don't have a fulfillment center so that if we retain some of the revenue from where the product is shipped, anybody in the city who orders online and has the materials shipped to them, we don't then lose all of that sales tax, which is now currently the case under the most recent change that Amazon made to how it the corporate structure of their fulfillment centers.

[Speaker 4] (39:34 - 39:37)
Any time we can get some extra money. What were you going to say, Jim?

[Speaker 3] (39:37 - 40:15)
I was just say, based upon past protocol, when you and I were the primary and alternate delegates and it was virtual, we carry the message of the entire council to the league. And just as in passing, as I was talking with the city manager, realized at first that it was going to be held in person up in Sacramento. My calendar is clear and I've kept it clear to be able to attend all three days if necessary up in Sacramento, especially with the day of the vote on Friday, the 24th.

[Speaker 2] (40:19 - 41:07)
The sales tax fund does seem like it would be to Clayton's advantage to do that. So I guess that makes sense. Although I think it's kind of like a bunch of wolves and one sheep voting on what's for dinner.

So of course the fulfillment centers get the tax revenue now, but there's a lot more cities who don't. So if it's up for a vote, clearly, I mean, they're probably just going to vote to take their money. So it seems the language and the resolution seems pretty loaded to me.

I would say it's not an objective framing of the matter, but those who have the votes make the rules. So that seems fine. On the second one, is that more just like window dressing?

[Speaker 4] (41:08 - 41:16)
Well, for us, it probably doesn't matter. I mean, we have no railroads and I don't know how that affects us directly.

[Speaker 2] (41:18 - 41:31)
Yeah. I mean, none of these are really binding anyways, right? It's really just, Oh yeah.

Hey, governor and legislature, can you take care of this please? Yeah, that's fine. Any other discussion?

[Speaker 4] (41:31 - 41:33)
Anybody want to be the delegates here?

[Speaker 2] (41:34 - 41:41)
Well, Jim's the delegate, right? I mean, he's the designated delegate. So I think unless we want to change that, that's kind of our de facto position.

[Speaker 6] (41:43 - 41:49)
Isn't the mayor usually the delegate to South Curiosity? No, I think it's in part of the council.

[Speaker 4] (41:50 - 42:03)
Last time it was Jim and I, and I sat in as the alternate. I was not the mayor then, and Jim did the voting. Jim said it was virtual.

[Speaker 5] (42:04 - 42:07)
How did you guys do it in prior years when it was in person?

[Speaker 4] (42:08 - 42:10)
I have not done one in person.

[Speaker 3] (42:10 - 42:32)
I have. I've been to several. I've even been to the ones in Southern California.

So having had the pleasure of serving as the primary delegate, I've attended at least two of the in-person ones in Southern California and one over in South San Francisco.

[Speaker 4] (42:33 - 42:37)
And right now, just for clarification again, Janet, is it Jim and...

[Speaker 7] (42:39 - 42:46)
Currently the city council assignments is Council Member Diaz as the primary representative and Vice Mayor Clovin as the alternate.

[Speaker 5] (42:47 - 42:48)
But how did that come out?

[Speaker 7] (42:49 - 42:54)
That was back at our December 15th city council meeting when the mayor made the appointments for the year.

[Speaker 4] (42:56 - 43:14)
Of course, there's no preclusion for anybody else going, is that right? As long as they have to pay their own way, is that right? That's correct.

No matter what the... As I understand it, we have to pay our own way with regard to the hotel if we decide to stay and everything, right? Right.

[Speaker 3] (43:14 - 43:15)
That's correct.

[Speaker 4] (43:17 - 43:30)
So I certainly would like to do that. Peter, you're the alternate delegate and Jim's the delegate. If I'm with me, go nuts, Jim.

[Speaker 6] (43:32 - 43:38)
I mean, at this point, we're directing whoever is the delegate to vote yes on both of these.

[Speaker 4] (43:39 - 43:42)
I think that's the consensus here. I didn't hear anything.

[Speaker 6] (43:42 - 43:49)
Is there anybody who's opposed to that, just out of curiosity? Because I think we probably have that answered first. On the voting or the delegate piece?

[Speaker 4] (43:50 - 43:51)
Just on the two resolutions.

[Speaker 6] (43:52 - 43:57)
Because we're basically giving direction to whoever our delegate is to vote in a particular way, correct?

[Speaker 2] (43:57 - 44:02)
I think it's a recommendation, not a directive, but yes.

[Speaker 3] (44:03 - 44:16)
Again, in the past, as the lead delegate, I've always taken the recommendation of the entire city council to the league for our vote.

[Speaker 6] (44:20 - 44:29)
I don't have any energy, Mayor, to be the alternate delegate. If you desire to be the alternate delegate and go in my stead, that's fine.

[Speaker 4] (44:29 - 44:59)
Well, the main thing for me is the relationship piece, the voting piece. If Jim is going to be the voting delegate, being the alternate is great. I'd like to do that, just to keep the relationships going and to have that connection with the various people that are there, especially since we didn't get to do it in person last year.

But that's up to you.

[Speaker 6] (45:01 - 45:22)
At this point, I wouldn't mind going up to the cocktail party alone. Just do it. Yeah, finally, right?

I'd like to add to that a bit. I do find a lot of value in CalCities in networking with other electives and finding out what is going on in their cities and how it may be pertained to us and bringing it back home.

[Speaker 4] (45:23 - 45:31)
There's a lot of good seminars, too. I was looking through the agenda and a lot of good seminars there to come out and do that.

[Speaker 3] (45:32 - 46:11)
The League is a very valuable association, and they do carry a lot of weight on legislative matters. Having served on the Public Safety Committee for a number of years, I can tell you firsthand that some of the foolishness of the legislators and their goals, I have no idea what they want to do with some legislation. But the Public Policy Committee has a way of short-circuiting

that to keep the, for lack of a better phrase, the crazies out of the game.

[Speaker 6] (46:12 - 46:58)
I just want to do a quick segue. Before I became a city council member, I talked to two people. One was the acting mayor of Pleasant Hill.

And Mayor Wren said if you want to know anything about being a council member, talk to CalCities and your representative Sam Cahill. And he was absolutely correct. The second thing is a friend of mine who is a vice president in charge of SALT, a state municipal tax for a major telecom, said that CalCities is the place to go because they are the best representative for your buck and counseling somebody in business.

They have proven that in every interaction I've had with them, and I appreciate them. Okay.

[Speaker 4] (46:58 - 47:21)
So how do you want to handle this? Jim is going to be the voting delegate. Is that what we're looking at here?

Do we need to take a vote on this, Serena? Yeah, we do. Okay.

So we'll make a motion that, or I'll put it out there. Would someone like to make a motion that Jim be the official voting delegate? I'll move it.

[Speaker 5] (47:22 - 47:27)
I'll second. Do we need to do it both? Just do it all at once.

[Speaker 4] (47:28 - 47:29)
Do it all at once?

[Speaker 6] (47:30 - 47:37)
And then I would also move that the alternate be Mayor Wolfe. I'll take the alternate.

[Speaker 4] (47:39 - 47:42)
Okay. Do we have a second on that?

[Speaker 5] (47:42 - 47:43)
I'll still second it.

[Speaker 4] (47:44 - 47:49)
Okay. So that'll be just one motion, Jim, and I'll be the alternate. Yes.

[Speaker 3] (47:50 - 47:58)
And you're going to vote as well. Are we already assuming that it's a yes for the supporting of

the two action items?

[Speaker 4] (47:59 - 48:00)
That sounds like that would be our...

[Speaker 3] (48:02 - 48:04)
Do we need to vote on that? That's a question.

[Speaker 4] (48:05 - 48:15)
I don't think we need to vote on that though. That's, like Jeff said, I think that's just a direct mandate. Okay.

So let's do the vote, Janet.

[Speaker 7] (48:15 - 48:17)
All righty. Council Member Diaz.

[Speaker 4] (48:18 - 48:18)
Yes.

[Speaker 7] (48:18 - 48:22)
Council Member Tillman. Aye. Council Member Wan.

[Speaker 4] (48:22 - 48:23)
Aye.

[Speaker 7] (48:23 - 48:24)
Vice Mayor Cloven.

[Speaker 4] (48:25 - 48:25)
Aye.

[Speaker 7] (48:25 - 48:26)
Mayor Wolfe.

[Speaker 4] (48:26 - 48:33)
Aye. Okay. That will be Jim and I then.

All right. We'll finally get to do it in person. So that'll be great.

Thank you.

[Speaker 3] (48:34 - 48:35)

I'm looking forward to that.

[Speaker 4] (48:35 - 48:51)
Yeah. And next, where do we have... Okay.

Oh, we're on action item 9B. The resolution of the City Council of the City of Clayton adopting the general fund reserve policy. And this will go to Reina.

[Speaker 1] (48:52 - 52:58)
Great. Thank you, Mayor and City Council. This is the second time that you've seen the reserve or proposed reserve policy in front of you.

After the first meeting, there were several changes and requests that were made. Those have been addressed both in the staff report and in the proposed policy itself, including some more definition and stronger controls around some of the spending, a little bit more process description, and then the reserve amounts and policies from other jurisdictions. I will say just that the proposed policy is really a first step on this.

It establishes what I believe to be the base level of reserves that we need to have for strong financial management for the city. It does leave a relatively large, unassigned, undesignated fund balance as part of this. There is no intent in the policy, and it states also in the policy, this is not intended for day-to-day operations.

There's no plan to go spend this undesignated reserve or undesignated fund balance down. What this does, though, is allow us to establish those base reserves and then come back and have further conversation about the undesignated balance. For example, are there additional reserves that are needed around technology or pension or OPEB, other post-employment benefits, those things that we're on the hook for for our retirees.

There are a number of other areas that I think the city would be well served by putting in place certain reserves, but I think that's part of the larger conversation about the longer-term financial sustainability. This is the first step that puts in place those base reserves and then holds onto, quite literally, that undesignated fund balance, and that would be the subject of a future conversation with the Council in the context between now and ultimately the next budget cycle, what are the rest of our financial plans going to look like for this process. That, I would say, as the backdrop for the revised policy that you have in your packet.

One of the other things that I'll just add to that is I have been talking to a software company that does, that provides a product that will allow us to do modeling for pension liability, OPEB liability, labor costing, as well as financial modeling across various types of assumptions around our finances, and I'm very excited about being able to bring that on board and be able to have that capacity in-house to really continue to do the kind of modeling that we need to do to stay on top of things.

I'm also pleased to announce, but I can't say who, but we have made a conditional job offer to a new finance director, and that conditional offer has been accepted, and we are waiting just to get through the background process, and as soon as it is a non-conditional background offer, we will be able to announce who that is, so I'm very excited about that, and I'm looking forward to having a full-time finance director back, and I think we'll be very well served by the person who I'm looking to bring on board. With that, I'd be happy to answer any questions.

[Speaker 4] (52:59 - 53:02)
Thank you, Reyna. Anyone have any questions for Reyna?

[Speaker 5] (53:06 - 53:13)
Not a question, but I want to say congrats. I'm happy for you. I'm going to knock on some more, sooner rather than later, so that that seat can get filled.

[Speaker 4] (53:16 - 53:21)
It's pretty important. Okay, anyone else? Otherwise, we'll go to the public.

[Speaker 7] (53:23 - 53:26)
Mayor Wolf, I do not have any hands raised on this item.

[Speaker 4] (53:26 - 53:38)
Okay, we did open the public comment, and there are no hands raised, so we will now close the public comment and bring it back to council for questions, comments, and discussion.

[Speaker 2] (53:44 - 54:14)
I'll move approval as written. I had a couple questions here. I'm trying to figure out how to frame them in a good way.

Sorry, Peter, to interrupt you. Why are we delineating between all the various different reserves? I mean, the money is fungible, so what's the value add to do that?

I'm just curious.

[Speaker 1] (54:16 - 55:34)
I think it provides some clarity around priorities, but also in the case, I mean, not that the council can always change their mind on anything that they adopt by resolution, right? They just bring it back and take a new resolution. However, the kind of clarity that you get by adopting it in more specificity, I think, communicates to the public.

It certainly communicates if the city were ever to want to issue debt. It communicates to investors. It communicates to rating agencies what the strength of the city's financial policies are.

It can, if we were to go after any of the GFOA awards, both for financial, not so much for the financial reports, but if we ever were to go after any of the sort of budgeting or overall GFOA awards, then again, that's another thing where it's a best practice to have that kind of more specific designations that we have in place and that we can communicate to the public, the rating agencies, et cetera.

[Speaker 14] (55:35 - 55:36)
Okay.

[Speaker 2] (55:38 - 58:28)
Okay, that's helpful. Thank you. And then I guess my biggest concern with the policy as stated is the undesignated fund balance.

I think it's, I mean, long story short, I think it's too high. Like, I would like to see our catastrophic reserve greater and our undesignated fund balance lower. That, I mean, that's just my take.

It seems like the undesignated fund balance, if we do, if we execute this policy as written, then the next logical step would be to start spending the undesignated fund balance. And if that's not our intent, then I think that we should change it to make the language more clear that that's not what we want to do. Because nothing in this policy prevents us collectively from essentially just spending 50% of the reserve.

And so here's what I'm talking about. So like on page, well, it's internal document page three and four, but the PDF page 168. So it says the undesignated fund balance is the remaining fund balance after you add other reserves.

It should not be appropriate for day-to-day expenses, should not as permissive. There's no controlling language there. But rather it should be considered conservatively.

That's really just a guideline, not a requirement. And use a higher priority. Priority is always a matter of interpretation.

So that could be anything. Mandatory purposes, I guess, is a little bit more clear. But all the language before that, I think is pretty permissive.

So if we want to say, like, if our intent is really to restrict this greater, then I would say that we either change the percent mix, because that would do that, or strengthen the language here to be more prescribed rather than discretionary. Essentially, what this says is a majority vote, which is any of our spending, you could just spend everything. There's no restriction here.

And so if our intent is to actually put a restriction, I think we should change the percentage. I don't know if there's any alternative. My preference would be to increase the percent of the

catastrophic reserve and also increase the voting threshold for spending the catastrophic reserve.

Because it doesn't seem that it does, if that is our intent. So I don't know if anyone has any thoughts on that.

[Speaker 4] (58:28 - 58:31)
Are you looking to change everything to a four-fifths?

[Speaker 2] (58:32 - 59:01)
I like four-fifths on reserves, because if we're spending reserves, that means something bad has happened. And if something bad has happened, I think we'll all agree we need to do something about it. So I don't, you know, I think that is how you should typically treat reserves.

They should be not spent on, not spent easily.

[Speaker 6] (59:03 - 59:33)
So. I don't think there's any intention to go out and spend the reserves on a new ballpark or, you know, or something like that. I think all of us are pretty conservative here.

And I concur with you, Jeff. I think that I'd like the reserves to have some serious guardrails on it, whether it's increasing the percentages or just increasing it to a four-fifths. No, I'm fine with that.

I'd like to keep a nice hold on those when we need them only, period. Yeah.

[Speaker 2] (59:33 - 1:05:30)
Yeah. And I think we tend to agree on that. But I, you know, whenever you're crafting policy, it's really, I always look at it, it's not me.

It's me. It's us now, but it's everyone after us as well. And so it should be independent of our individual takes.

I mean, that's, I mean, we're irrelevant to the policy, right? The policy stands alone. And so whatever our predilections are, I would say are irrelevant to the policy.

We want to make sure the language in the policy is controlling in and of itself, regardless of if we're here or not. And so that's, that's, that's the way I'm thinking about it. So like the should language is very permissive.

I don't like that. I think any policy should never have discretionary items. It should always be very specific.

So if we want to say, if we don't want to be on one-time items, then we should say must not be spent on one time or on day-to-day expenses or operational expenses, something like that. The must language is controlling versus the should language is decorative. So, so that's one way to do it, but I mean, there's multiple ways to do it, right?

I mean, I would, I would make the, I would increase the cash profit or probably like, I don't know, I'm just making it up, but it could be like 75%, right? And we can make that for fifth. And then the other one could be the other undesignated.

And then when we have our later discussions about, you know, long-term fiscal behaviors and actions, then we, you know, we could talk about the 25%, the remainder undesignated, something like that. And then there's something else here. I was reading it.

I read it a few times. I just want to make sure I got the language right, because the policy language is always important to get very precise. Yeah, wait, let's see.

So on the catastrophic one, let's see. That was it. The, the A and B on the catastrophic reserve.

So that's a little bit up on the policy document on page two. It says, I mean, I think A and B here are the items that are supposed to describe what the catastrophic reserve, the eligible uses of catastrophic reserve, right? I think we don't have the four fifths here.

So to me, I like that, but I would, you know, I would like that provision, but the, the A and B are pretty broad. And I don't, I think, I'm not sure if that's our intent. So A is stabilize the fiscal base by anticipating fluctuations in revenues and expenditures.

So like, for example, go back in time to 2009, when the, what are we calling it? Mortgage crisis or banking crisis, or one of the crisis. Market crash.

Market crash. The city's property tax base was impacted negatively during that time. So that would, I think that would qualify as a fluctuation in revenue.

So would we say that that is an eligible use of the reserve? Maybe, maybe not. I mean, it could be, right?

Like if the property tax base craters and the county assessor says, hey, property tax holiday for everyone, we would be in trouble. So, you know, that, that would, seems like a good use, but it doesn't really say what type of fluctuation, because we could fluctuate half a percent and that is a fluctuation in revenue. And therefore future councils could use that, could then use your reserves.

So it's a little, it's very broad and it allows for things that probably we don't want to allow for. Just saying. And then on B, B is even, is also, I would say, fairly broad.

Non-recurring, unanticipated expenditures, including those associated with natural disasters. So the including part is really an opposite. So it's, it gives you some clarity, but it doesn't restrict the first clause, right?

So for example, replacing the police radios is an unanticipated expenditure. It's required. We had to do it.

There's, you know, all the reasons that we talked about earlier, but that falls under this bucket. So we could use reserves for that. Like that's probably not what we would use the reserves for, the catastrophic reserves, but it does allow for it.

So, you know, those are the types of things when I read the policy, I say, oh, like it allows for these things that we probably don't want to allow for it. That'd be my take on it. I don't know what you guys think.

If you want to, if you think those are good things to spend on. And so we can, we can, we can address that multiple ways. And you really, when you're talking about controls, it's always layers of controls, right?

So if one fails or doesn't work the way you intend, then the others will kind of pick up the slack, right? So the fourth, fifth thing is a good catch-all because if something is a bad idea, you know, then you hope that would catch it. But in addition, you could update the policy language possibly to like talk about dollar thresholds or something that has to be sufficiently large.

You know, that is one way to do it. Or I don't know that we'd have, we can get creative on other ways, but that's, that's the way when I read the policy, I think of ways that it could go south. So those are, those are my thoughts.

[Speaker 1] (1:05:31 - 1:07:01)
If I could add to just the, and I need to check whether the language says, no, it is must. For the catastrophic reserve, they must, and it would probably fall into the category that I had already recommended a four fifths for. So it has to be repaid or replenished within three years.

So there, there, there's another layer of control because it's like, oh, I might want to spend this now, but I'm just gonna have to take it out of something else next year and the year after and the year after. And so, so there is that additional layer of control. And so, so there's that and, and coupled with the four fifths vote, I think that, you know, provides two.

The third is, and I'm not sure how to address it in the language, but there is a budget stabilization reserve proposed, which is for those more minor things that sort of like the half percent. Okay. That's a budget stabilization reserve.

That's not going to, to rise to the level of a catastrophic. And it is intended to be tiered that way so that, and it has a one year payback, must be paid back in the following fiscal year. So, so I'm not sure if there's more language that's needed to, to provide for that tiering with the budget stabilization and the catastrophic, but that is how they're intended to work is use the little one first before you'd ever touch the big one.

[Speaker 2] (1:07:01 - 1:07:30)
Yeah. And I think that makes sense. Like that totally makes sense.

I just think the language may not be all the way there to, to make that a requirement. Like that is our intent. It makes sense how it's laid out.

However, the policy language itself doesn't require that. So if we want to require that, I think we can do it. If, you know, and the easiest way to do that is with dollar threshold.

[Speaker 1] (1:07:33 - 1:07:59)
You could make it a relative dollar threshold and then for anything that is, you know, an unexpected expense or bobble in the revenues that is, you know, could be handled within the dollar amount of the budget stabilization reserve should be taken, must be taken from the budget stabilization reserve. And anything larger would then be a question of, is it catastrophic enough to be taken from the catastrophic?

[Speaker 2] (1:08:00 - 1:09:10)
Yeah. And so like for the budget stabilization reserve, you know, a simple majority there seems fine because it's relatively smaller. So that, that seems like, so you tier your, tier your policy to match the severity of the spend.

I think that, that kind of, that has a certain elegance to it. So I like that, but for the catastrophic, you know, I guess, so I would say, I would suggest we increase the catastrophic to 75%, increase it to four fifths and probably update the language a little bit to reflect the nature of the, of the spend to make it larger. And then for the, for the undesignated, sorry, I'm trying to get the language right.

The undesignated fund balance, I would also say that should be four fifths, that would be 25%. And then I would make the language more restrictive rather than permissive there. So those would be my edit.

I didn't know how you looked like you were saying something, but you're on mute.

[Speaker 5] (1:09:19 - 1:09:19)
Are you talking to me?

[Speaker 2] (1:09:20 - 1:09:25)

Oh yeah. I saw, I saw your, I thought you're not moving. I wasn't sure if you were talking.

You're talking to me. Hey, you're talking to me.

[Speaker 5] (1:09:25 - 1:09:34)
No, that was me trying to ask for a plug because my iPad was about to die and me frantically calling for family members, asking somebody to bring me a cord.

[Speaker 4] (1:09:36 - 1:09:55)
Can't help you with that. Jim, Jim, you, you brought back last time you wanted the survey on the various cities with regard to the percentages and things in various cities. Didn't you bring that back?

The information at the beginning of the staff. Yeah. The information.

Are you, are you happy with what you're seeing here?

[Speaker 3] (1:09:55 - 1:09:56)
Are you asking me?

[Speaker 4] (1:09:56 - 1:09:57)
Yes, sir.

[Speaker 3] (1:09:57 - 1:10:25)
Yeah. Yeah. No, I did.

I saw it in there. Yeah. Yeah.

Yeah. I'm that satisfies my, my curiosity and what the cities were doing. Okay.

But I'm, but I'm listening with great intent to Jeff's recommendations. And and I think that the comment he makes about four fifths is very, very valuable. So anyway.

[Speaker 5] (1:10:27 - 1:11:25)
Yeah. Since it's on that, the last meeting on, sorry, Rena on July 20th, where we agreed that having more guardrails would help. And I agree that the language is rather permissive and passive actually, and can be tightened up, but I do, let me see if I can get my page numbers right here.

Hold on a second. The only piece that I was questioning as we were going through this and listening to Jeff was the 75%. I'm just trying to get to what the percent number was from the other cities, because I think this is how our conversation started earlier in the year.

When I had inquired, I think it was when Paul brought this to us and I was asking what other cities usually have. I'm not opposed to 75%. I'm just curious why, how Jeff landed on that number.

[Speaker 2] (1:11:26 - 1:13:27)
It's one of these, but at the same time, you know, our revenue base is slightly different than a lot of these other cities. And so, you know, and plus with our, and not only is our sorry, I mean, our revenue sources, and then our base is actually smaller as well. So our ability to be nimble in taking action should we need to is, I think is not as great as some other cities, like, you know, Reina Hales from San Pablo, they have a very successful casino to squeeze, or Concord has, you know, a more, one, a greater geographic area, and then also a greater diversity of revenue sources.

You know, I'm not as familiar with Moraga, I think it is somewhat close to us, and it's a smaller bedroom community. So if you look here, they're on the higher side. Pittsburgh is also a pretty diverse revenue base, I would say, because they're just generally larger.

And so, you know, they just have other means, and we don't, like, if we need to raise money really quick, we can't. Maybe we could float a bond, like if we really needed to, that'd probably be our best bet. And so I just think, you know, having a larger base makes me feel safer.

I'm just a very conservative on that. So 100% is great, 200% is even better. But it's not always the most realistic.

So I kind of did one of these and split the middle. That was where I came with it. I do think having the other cities information is useful as data points.

I just, I, it's hard for me to really, I don't want to copy other cities unless there's a good copy. So that was my thought process around that. I mean, it's, it's not right or wrong, I guess, it's just what it is.

[Speaker 5] (1:13:27 - 1:13:40)
No, that's helpful. Thank you. I was just curious.

Yeah, I don't have a problem with any of the guardrails that you suggested. I'm just trying to tie.

[Speaker 2] (1:13:41 - 1:13:43)
It was internal document page 162.

[Speaker 6] (1:13:44 - 1:13:57)
Jim, as our senior council member, how long have we had our current balance of $5.6 million or above $5 million? I mean, how long have we had that?

[Speaker 3] (1:13:57 - 1:14:02)
It's been at least eight years or longer, probably even before that.

[Speaker 2] (1:14:02 - 1:14:43)
No, no, it's risen slowly over time. It's always been about, you know, in the 90 to 100% range, give or take, and it's gone up and down a little bit. But I think it was for, if you go back in time, like five years ish, it was like 4.2. But also, that was commensurate with our budget. So if you look at it in terms of percent of our budget, it's more consistent, but not the actual dollar amount, because the dollar amount has risen with our budget, because each year, you know, we try to budget conservatively. And we've been fortunate enough that we've had certain windfalls or whatever. And so we've kind of added to the unreserved fund balance.

So that's, it has been consistent, just in percent, not necessarily in dollars.

[Speaker 3] (1:14:45 - 1:15:21)
We've had, we were blessed over all those years, and I might add, with very good oversight from the city administrator, our manager, and his finance team and capability. So I will just say this, we were always very comfortable with what he presented and was able to put in place and keep in place. And yes, we did have a down year, and I had forgotten about that.

But yes, overall, it's always been very strong like this to keep it at this level.

[Speaker 6] (1:15:22 - 1:15:48)
So even without the guardrails in the past, we've all collectively had the best interests of Clayton with regard to our budgets. And while I appreciate what you're saying, Jeff, and I totally appreciate it, if we're going to create policy, let's make sure it's accurate and flexible we're intending. Again, I don't see that changing that there's going to be a protection of Clayton in mind for the long term with any future city council.

It surprised me, I can't imagine that happening.

[Speaker 2] (1:15:49 - 1:15:56)
Yeah, I mean, but policy, yeah, I hope that is the case and we are fortunate.

[Speaker 6] (1:15:56 - 1:15:58)
I hope it's been that way for a long time.

[Speaker 2] (1:15:58 - 1:17:17)
It has been that way, but it only takes one. And then you have like weird bad stuff. I mean, there's, you know, you could read the news over all the bad stuff.

And I don't, I'm not saying that that's on the horizon or anything like that, but when we craft policy, it's always with how can this go wrong? And how can we craft policy to prevent it from

going badly? That's just the way I think about it.

Like, how will this break? And let's make sure it doesn't. So that's all.

That's why I think for the most, I would say, if I had to bet money, if there's something that happens that we need to pull the reserve, I would say, we would all say, yes, this makes sense. It would be very clear and it would be no problem. And so then if that is true, then the creating the guardrails works.

We all agree. And then it's perfect. And if there's something that's questionable, then the guardrails work because then you really need consensus, which is what we want or what I think is a good practice.

And then if you don't have it, I don't know. You've read a lot of bad stories. I could name them if you want, but lots of people get sued and it's bad news bears all the way down.

[Speaker 1] (1:17:18 - 1:17:43)
So if I could, is there, if there's a desire to see this one more time, I would just ask if there's a preference that perhaps it go to the budget and audit committee to work out the last of the last, or do you feel I have sufficient direction to move forward? How would you like to proceed? I just wanted to add the option of taking it to the committee.

[Speaker 4] (1:17:44 - 1:17:47)
First of all, Holly, you had a question and then we can go to that.

[Speaker 5] (1:17:48 - 1:18:10)
Yes. Thank you, Mayor. I was just going to play devil's advocate for just a second and thinking of there being a catastrophe.

And if something happens and we had to call a meeting, we would, we can do that quickly if we had to in our emergency orders. However, if three of us are involved in that emergency, then what happens? Where is that contingency in here?

[Speaker 2] (1:18:10 - 1:18:18)
So that we can't, like if three people are incapacitated, if they're incapacitated, then you wouldn't have a quorum. Yeah.

[Speaker 5] (1:18:19 - 1:18:26)
Correct. So there's two and then there's three of us here. Then we can't even do anything with the four bits.

[Speaker 2] (1:18:27 - 1:18:33)
Well, no, you, you would have a quorum of three. And then if it's unanimous, you've met the four

fifths requirement.

[Speaker 16] (1:18:34 - 1:18:34)
Okay.

[Speaker 2] (1:18:34 - 1:18:41)
Because that is 100% of the quorum. I think that's how, I think that's how the math would work, but maybe Ms. Charne would.

[Speaker 1] (1:18:42 - 1:18:55)
Just going to ask if Amanda, typically no. I mean, when you say four fifths, it's not four fifths of who's there. It is four fifths of the council, which is four votes.

But Amanda, I turn it over to you.

[Speaker 12] (1:18:55 - 1:19:16)
Thanks. Yeah. Typically, well, it can vary in context.

And I think it's just whatever the council preferences should be stated in the policy. Some statutes will say four fifths of those present. Some statutes will say four fifths of the council.

[Speaker 2] (1:19:16 - 1:19:28)
So I would say four, yeah, I would say four fifths of those present. And that mitigates the fact that if like two of us are under a bus.

[Speaker 4] (1:19:32 - 1:19:54)
So, so there's, you know, there's always been a great hesitancy to spend down the reserves in, in Cleveland. That's, there's no question, but I agree that, you know, if we're going to make policy, we might as well get it as precise as possible. So my suggestion would be to go back to Raina's question and, and turn this back.

Yes, Amanda. Sorry. Yes.

[Speaker 12] (1:19:55 - 1:19:59)
Mayor, if I may just, I don't know if we've had public comment on this item yet.

[Speaker 4] (1:20:00 - 1:20:06)
We did. We did. And we had none.

Correct. Janet, just making sure.

[Speaker 7] (1:20:07 - 1:20:10)
I will state that there are no hands raised on this item.

[Speaker 4] (1:20:10 - 1:20:36)
Okay. You did open and close public I thought I did. Yes, but we're trying to be, we're trying to be careful.

Thank you. Thank you, Amanda. And, and C would the budget committee like to clean up the language on this?

I mean, there seems to be quite a bit yet to be done with regard to the shells and the musts. I'd be glad to, if that's the preference. I would prefer that myself.

[Speaker 3] (1:20:36 - 1:20:38)
And I would support that as well.

[Speaker 1] (1:20:39 - 1:20:56)
And I will work on a revised policy and schedule a budget and audit committee meeting to knock out the last of the word and policy changes and then should come back and be smooth sailing at the council.

[Speaker 4] (1:20:57 - 1:21:15)
Yes, it will. Okay. So we're good with the direction there.

Everything's fine. Then we will move on to nine C presentation, discussion, direction to staff regarding the use of the American rescue rescue plan act funds. And again, we'll go back to Raina.

[Speaker 1] (1:21:21 - 1:39:16)
I am looking forward to having more staff and then you won't have to hear from me quite so many times in these, at least I'll try to aim for that. So I am in theory going to, there we go. Can everybody see the slide presentation not thank you.

Okay, great. So tonight is our first conversation regarding the American rescue plan, fiscal recovery funds. I typically refer to it as the American rescue plan act or ARPA.

So if you hear me say ARP or ARPA that is what I am referring to. So hopefully it won't be confusing. So the goal this evening is really for the first conversation regarding options and a process for programming these funds.

I will give an overview of the ARPA and the key considerations in this process. And then I'm requesting direction on key focus areas and a process to bring back to the council for further action. So what is the ARPA funding for Clayton?

Clayton is scheduled to receive just under $3 million. About half of the funding has already been

received. The other half will be received in about one year's time.

Our primary focus this evening will be on the funds directly allocated to state and local governments, including Clayton, but ARPA also included many other programs that are available for specific industries, specific programs, infrastructure, et cetera. And so where we can, we will look to leverage those, but the discussion this evening is really about those funds that were sent directly to state and local governments for COVID relief and recovery. So what are the requirements for spending the funds?

Treasury has issued an interim final rule. We're hoping to get the final, final rule in the next month. And we've gotten a fair amount of guidance from Treasury, but there are still some areas where we're looking for more guidance.

Funds must be obligated by December 31st, 2024 and fully spent by December 31st, 2026, or they must be returned to the federal government. With just a few exceptions, the program is only to cover costs from March 3rd, 2021 forward or the date of the ARPA. Our first annual report will be due October 31st.

We may not have anything by then to report as we will unlikely have spent funds by that time, but we'll be reporting annually thereafter. So here's the basic categories into which the ARPA uses fall to respond to the public health emergency or its negative economic impacts. Okay.

That's the first major category. The second is to respond to workers performing essential work during the COVID-19 emergency by providing premium pay. The third is for the provision of government services to the extent that there was a reduction in revenue due to COVID-19.

And there's some very specific formula for determining that. And the last category is to make necessary improvements in water, sewer, stormwater, or broadband infrastructure. So public health uses.

Some of the most common are support for quarantine or health access, enforcement or communication of health orders, capital investments like ventilation, glass spacing, behavioral health, including addiction treatment. Unlike the CARES Act, which we were talking about last year, where public safety expenses were deemed essentially to be presumed to be CARES Act reimbursable. In this case, it is only for the period of March 3rd, 2021 and forward.

And it must be for time dedicated primarily to responding to COVID-19. And there will be requirements to be able to demonstrate that we have tracked that and we can essentially prove that. The next area, economic support for individuals.

Again, this is to address economic harm resulting from or exacerbated by COVID and be proportional to the harm experienced. There is a presumption that COVID affected unemployed, food or housing insecure, or lower moderate income persons. So some of the areas that cities

have identified assistance to the unemployed, food, rent, mortgage, or utility assistance, counseling or legal aid, and some limited ability to do cash assistance.

But again, it must be specific economic harm from the pandemic and be proportional to the harm experienced. A similar issue related to small businesses or nonprofits, again, resulting from or exacerbated by COVID and proportional to the harm. So loans or grants to mitigate financial hardships, such as declines in revenues or closures.

Loans, grants, in-kind assistance for implementing COVID health protocols or making COVID required improvements in facilities, technical assistance, etc. Also with business planning and other services. So additional guidance from Treasury on economic support.

Rehiring public sector staff to pre-pandemic levels is considered an eligible economic support expense. Clayton had no full-time FTE reductions. We may be able to recoup some costs for staffing backup on temporary help for landscape maintenance, which is the area that we reduced because we were not able to have multiple employees in a single vehicle.

So that really limited our ability to bring on board temporary help. Certain uses called out as not allowed, general infrastructure, outstanding debt, settlements or judgments, replenishing rainy day or reserve funds. There is a category for premium pay for essential workers.

There's a limit on the dollar amount, both per hour and cumulative, as well as the relationship to the wage in the area. We have talked about essential workers across this entire pandemic, but nursing homes, hospitals, home care, farms, food productions, grocery stores, janitors, sanitation workers, public safety staff, child care workers, etc. So this is another category for potential spending of the ARPA funds.

The third category is revenue replacement. Cities may use the funds for general purposes to the extent of the reduction in revenue due to COVID. The loss is calculated across all revenue streams.

And under the formula defined in the Act, Clayton does not have any revenue loss in the first half of the funds that qualifies for, we can't use any of our ARPA funds for this category of revenue replacement. Because of how the formula in the Act is structured, and how our revenues grow, or the rate at which our revenues typically grow, there may be some ability in the second half of the funds to have a small portion be available for more general purposes, and the Council would have more flexibility, but that's at least a year out for us. Water, sewer, stormwater infrastructure, wide latitude to identify the highest priority projects.

For us, stormwater will be the most likely, and the criteria for projects that qualify aligns with projects that would be eligible for EPA's Clean Water State Revolving Fund, or Drinking Water State Revolving Fund. So we will be looking at all of our stormwater expenses, both projects, maintenance, etc., and identifying which of those may be eligible. It's a good opportunity for us

to be able to invest in those stormwater expenses, especially as those continue, the requirements under stormwater continue to evolve and become more significant.

And in January of 2023, I believe is when, approximately January of 2023, there will be a new permit in place for stormwater, and we may have projects that we need to implement at that point that will otherwise be extraordinarily expensive for us. So something definitely to keep in mind for that, particularly for the second half of the funds. Broadband infrastructure, this is a very specific use related to broadband.

The goal is to ensure adequate speed, particularly for underserved households or underserved public facilities. The goal is to have quite a high level of service and should be focused on areas that have quite a low level of service. We are in the process of working with the local provider to determine if we have anywhere in the city that is currently served with less than 25.3 for download upload, and we'll see if there's much that would really qualify for it. I was hoping that we could potentially do some last mile work to Hoyer Hall, but I'm not sure that it will meet the criteria laid out in the guidance. And so we're continuing to look at that, but that I think is a challenging area for us. General restrictions on use, no pension deposits, no offset of tax reduction.

So we can't say, oh, hey, we're going to get $3 million, or we're going to lower our taxes so that we can just use that money instead. Nope, won't work. So recommended considerations for selecting projects, one-time projects rather than ongoing expenses.

This is one-time money. It comes and then it's gone. It has to be completed.

We have to be able to complete spending by 2026. An opportunity to address critical needs that may save money in the future to the extent that we can make that happen. If we have unfunded CIPs, again, to the extent that it meets the criteria that I've just gone through, to the extent they can align with the Council's adopted FY22 priority areas, again, still meeting the criteria, and focusing on benefits specifically to Clayton residents and businesses.

That's our real opportunity here is to focus those benefits within our community. Just a brief reminder on the City Council priority areas that were adopted in March of this year. In a number of areas, so land use and housing, we are working on the state required housing element update, and we will be working on the ADU update at some point, although that's a lower priority.

State law takes precedence at this point, regardless of we update our ordinance or not. General plan safety and circulation elements, that's kind of a next step item beyond the housing element update. The local hazard mitigation plan, we are almost complete with that update and should be coming back to Council for adoption sometime in the next several months.

We do need to update our emergency operations plan. We will be moving forward with

implementing NPSL, and we're continuing to work on pedestrian traffic safety items. The long-term financial plan, we're just getting ready to get rolling on.

We are almost there on a financial reserve policy, and I think we still have some real work to do on CIP information and planning. And just as a reminder, the things that say 2020 next to them is not that we were supposed to get them done in 2020, but that's when they came on to the list. So in case you were thinking, good grief, we haven't done a darn thing.

That's when they they weren't supposed to be done. It's when they came on to the plan. Quality of life, consider a community survey.

I am going to recommend some survey work associated with the ARPA funds, so there's some opportunity to do that. And the cannabis ordinance will be coming back later this fall, thanks to Amanda, who is here this evening. She's done that work for us, and I will be bringing it back in the fall for Council consideration.

And then we are working on closed captioning. I should have a proposal by next week for what we need to do for that. Purchasing policy, employee handbooks, some of these things will be continuing to come forward.

Creating an annual city manager contingency for small unforeseen events. That is potentially a subsequent item in your reserve policy. And always trying to work on employee recruitment and retention, although right now I'm going to focus on retention because I think I'm good with my recruitments.

All right, just a couple more slides here. Most likely areas for ARPA investment for us. Responding to the negative economic impacts of the pandemic.

Loans or grants to local small businesses, premium pay for impacted essential employees, stormwater, maybe some broadband, and maybe some funds in year two and three with the revenue loss calculation. So one of the things that Treasury is encouraging cities to do is community engagement. So I think that's an important component for us.

Some cities, such as Lafayette, have done surveys targeting their local business community. Others, a number of them, are using a variety of methods to solicit input from the broader community, not just the business community. My recommendation will be that we develop at least two surveys, one targeted specifically to businesses, one more generally for the community, and use a variety of means to alert our community to complete the surveys.

The business survey in particular will bring us some information about what the biggest needs are for businesses in our community, and that will help us structure some kind of program if the council wants to do that to help small local businesses who may have been impacted by the pandemic. And then the broader community survey is really an opportunity to gain some

feedback on areas of high priority to the community. So what I'm hoping for this evening is direction, one on high priority areas from the council's perspective, desired community engagement relative to the recommendations, any other general program goals or guidance, and feedback on my recommendation that we hire once we sort of see where our next steps are.

Staff does not have the capacity to, you know, look at the survey, put together the survey, get a survey out, look at the survey data, analyze it, develop a program, and run a program to provide local economic relief. That is just something we don't have the bandwidth for. We can use ARPA funds for administration of the program, and so my recommendation will be that we bring someone on board or a company on board to help us develop and administer that program as we get going.

So I recognize that that is a lot of information about ARPA, but I know it's been a huge desire to get going on this. The good news is we have plenty of time to spend the funds, and we can take the time to plan adequately for it. And with that, I am going to stop talking and answer questions and get feedback.

Thank you.

[Speaker 4] (1:39:17 - 1:39:24)
Thanks for the in-depth analysis and presentation. Appreciate that. Yes, Council Member Diaz, you have a question.

[Speaker 3] (1:39:24 - 1:40:29)
Yeah, I want to compliment the city manager on that. I think this is a very thorough report and analysis on what we can expect to do over the next few years. I'm going to make my comments very limited.

I strongly support getting a consultant firm or someone in a consultant capacity to assist us with this, because this is going to be a very complicated and very comprehensive program to implement and make happen. And so whatever steps that we need to do to take that, I would support that. In terms of the priority list, some of our small businesses have been hit and hit very hard.

And that's going to be one of the key things that I'm personally going to be looking at to make sure that if you're looking for priorities, that, in my view, would be one we need to look very closely at. Thank you.

[Speaker 4] (1:40:30 - 1:40:33)
Thank you. Any other questions for Reina?

[Speaker 2] (1:40:35 - 1:40:47)

Yeah. Can you clarify, if we bring on a consultant, is that an eligible use of funds under the Act? No.

I asked that.

[Speaker 1] (1:40:48 - 1:41:28)
The program administration is an eligible cost. Is there a threshold? That is something that I have not yet seen guidance on, but will be seeking guidance before I bring back the cost.

I know that other communities I've seen up to 4% used, and that didn't seem to cause any consternation in those communities. So that's kind of my immediate thought, but I am still seeking additional guidance on that.

[Speaker 2] (1:41:28 - 1:41:42)
What would be the scope of what we would engage a consultant to do? Is it like making recommendations, or is it more like actual planned administration throughout the duration of the time period?

[Speaker 1] (1:41:44 - 1:42:22)
It's a little of both. Particularly, I'm thinking about a small business program, so it's evaluating the data we get from a survey, developing a program, including the criteria, the forms, the process, all of those pieces, which would then come to the council for adoption, and then running that program. So people are turning in their forms to this person we've hired, or company we've hired, and they're running the program administration.

[Speaker 2] (1:42:24 - 1:43:15)
So our runway is, I'm sorry, it's in the FAFSA. I don't remember off the top of my head. It needs to be encumbered by December 2024.

So that is three years and three months-ish. At 4%, that's $116,000-ish. Three years of work yields about just shy of $40,000 a year for a consultant.

Is that enough? Consultants are expensive. I don't know.

I'm just wondering, because if we're going to outsource the administration of a program that has the potential of the last three years, I think it's really important to see if there's a limit, because our runway is... That's an open question, I guess.

[Speaker 1] (1:43:16 - 1:43:40)
And I wouldn't expect to see the program itself last a full three years. I would say we're going to have some money spent on a small business program, and some on stormwater, and some on some other things. I think that, based on the fact that we've had 18 months now of negative economic impact to small businesses, I would front load that.

[Speaker 2] (1:43:40 - 1:43:48)
Yeah, that's true. We don't have to take the whole time. We could blow it all in one shot, like right in the beginning.

[Speaker 1] (1:43:49 - 1:43:52)
Whatever portion of it we choose to allocate to that program, that's correct.

[Speaker 2] (1:43:53 - 1:44:35)
All right, that's cool. And then on the broadband, because you delineated all the categories of eligible funds, right? A, B, C, D.

So for D, which is the broadband, that includes broadband, sewer, and storm drain. Storm seems to be a good candidate, but is broadband having available providers? Does Comcast come to your house?

Or is it more like, there's a dead spot on my street, so let's talk about towers, something like that. What would constitute an eligible, or what would trigger the lack of broadband access?

[Speaker 1] (1:44:37 - 1:44:59)
So the most definitive answer that's in the Act is households that are, or areas that are served by less than, and I don't remember what the numbers are, whatever it is, hardwire service.

[Speaker 2] (1:44:59 - 1:45:12)
Okay, hardwire service. Okay. So it's like, if I can get Comcast to serve my house, but I have no mobile data here because I'm in a bad spot, that wouldn't qualify.

[Speaker 16] (1:45:12 - 1:45:13)
Is that right?

[Speaker 2] (1:45:13 - 1:45:42)
Okay. Just want to make sure that's how to interpret it. Okay.

And then the premium pay component in the deck, it said $25,000 per individual maximum, right? Did I read that right? Okay.

And then it had like a dollar amount per hour as well, right? So it had both a unit limit and the gross limit.

[Speaker 1] (1:45:43 - 1:45:46)
Yes. And a percentage of median.

[Speaker 2] (1:45:47 - 1:45:52)

Okay. So there's some things to prevent people from getting like a massive windfall, essentially.

[Speaker 4] (1:45:54 - 1:45:56)
$25,000 or something is the max.

[Speaker 14] (1:45:56 - 1:46:04)
Yes. Okay. I think that was all of my questions.

[Speaker 4] (1:46:05 - 1:46:19)
Thank you. Anybody have any other questions before we go to the public? No.

Okay. We shall open public comment on this item. Janet, do we have anyone that would like to speak toward it?

[Speaker 7] (1:46:20 - 1:46:29)
Mayor Wolf, I have one hand raised. Larry, as I promote you to panelist, if you can please unmute your microphone, you will have three minutes to speak.

[Speaker 16] (1:46:32 - 1:46:37)
Larry Love. I like that name.

[Speaker 9] (1:46:43 - 1:49:45)
Larry's still muted. Are you guys there? There we go.

Hi, Larry. Welcome. Hey, how everybody doing?

So I know I'm short-timed here and I would just like to say thank you for your time to give me today to talk to you about the pandemic and what's going on in city of Clayton. I've been here since 2003. I'm obsessed with my town.

I love the people. I love everyone about it. I made a decision in 2007 after I realized coming from the state of Ohio that I could not become a firefighter in the state of California because I was an outstate guy.

It was very difficult. It's almost trying to get into the NFL. So I went home for my 20-year reunion and realized that a guy that I grew up with owned five barbershops in the city of Ohio of Akron, Ohio.

I went back and made a decision that I was going to become a barber and do the city of Clayton a favor and have a great location for family and friends and moms and dads for everyone could go in and do this as a business. During the time of having this business, I've witnessed a lot and then here all of a sudden comes the pandemic. When the pandemic hit us, I sat in my business for three days not realizing what to do.

I ran into the owner of the pavilion restaurant and we both stared at each other and had a cup of coffee and we just almost in tears. I want the city council to know tonight that us as small businesses are still very impacted. I was at work today by myself.

I've lost more than half my staff and I'm doing everything I can today. I actually had to move out of the Safer Shopping Center and I moved up to a better location, a little better in rent, but I spent as much money as I could to go into a new location. I'm not going to give up on the pandemic because I'm going to push forward.

I'm also going to not ever give up on the city of Clayton. I just want you as the council to realize that I'm friends with most of all the business owners in town and we are asking for your help. We really need this at this point in time.

Jim, you had mentioned that earlier. I appreciate that. I could feel the warmth of your heart.

That meant a lot for me. I know you have a lot of decisions to make. Running a city is not easy.

I think you guys do a great job. I'm very blessed to have this time tonight. It's hard to get everything together in three minutes, but I want you to know that this means a lot to us.

So in the next several months when you guys go down this road, feel free to call me. I would love to talk more, but just keep in mind we're still struggling. A lot of business owners today, when you talk in the city of Clayton, they're a little embarrassed.

Those things are great. It's not great. We're still struggling and we need your help.

Some of us did get a little help and some of us did not, and unfortunately I was one of those people. So keep in your hearts and I appreciate the time and see what you guys come up with and thank you so much.

[Speaker 2] (1:49:46 - 1:49:51)
Thank you, Larry. Hey Larry, why don't you send an email to the council with your contact?

[Speaker 9] (1:49:52 - 1:49:54)
Yes, sir. I would do that. I appreciate that.

[Speaker 4] (1:49:55 - 1:50:00)
Thank you. Thanks, Jeff. Okay, Janet, do we have another speaker?

[Speaker 7] (1:50:01 - 1:50:04)
Mayor Wolf, I do not have any other hands raised on this item.

[Speaker 4] (1:50:05 - 1:50:13)
Okay, and we will bring this. So we'll close the public comment and bring it back to the council for further discussion.

[Speaker 6] (1:50:16 - 1:52:14)
It's something that I completely agree with, Jim, that our small businesses like Larry were devastated in the pandemic. And if they got a PPP loan, it only helped a little bit. It didn't get them through all the way.

And whatever we can do to help them survive and continue in Clayton, I'm totally up for that. But that being said, I also want to put some guardrails a little bit on that. I want the businesses that do get served by any funds that we're able to give them be businesses that do have business licenses in the city of Clayton and serve the city of Clayton citizens.

Now I'll give you an example. I have a business license in the city of Clayton, but my business is not in the city of Clayton. It's all over California and the United States.

So I would not expect that I would qualify for something like that or know what I want to even apply. But there are lots of, there are businesses like that who have business licenses that are not serving the city of Clayton citizens. And I think that's what this is about, is really, if you invest yourself in Clayton, then you should be able to receive some benefit from that.

I'll throw one more thing in. We talked about the possibility of hazard pay for the residents of Clayton who work at Safeway in our town. Unfortunately, there are a lot of people who work at that Safeway in Clayton who are Concord residents.

But those who are Clayton residents, I think there are five or six that are Clayton residents. There is an example of people who I think as individuals could be part of receiving from this program. And I definitely want to support them as much as we're able to as a city and the residents accordingly.

My comments.

[Speaker 2] (1:52:18 - 1:52:34)
Are we able to craft a program that delineates an employee population based on residency that way? Is that something that we're allowed to do?

[Speaker 1] (1:52:34 - 1:53:08)
I think we could craft it around, it's Clayton residents who, and then we'd have to define how we say who they work for. But we would define first that they were a Clayton resident, and then some business component if we wanted to do that. And I think we could, but we'd have to, it's a needle to thread for sure.

[Speaker 2] (1:53:09 - 1:53:56)
Okay. Yeah. I mean, that sounds great.

Yeah. On the maintenance component, what's our ability, like, because one of the things that you mentioned in your presentation was the maintenance workers that we, we didn't bring on maintenance. And I think a lot of people know during our shelter in place, our ability to provide the same level of service and maintenance was reduced.

And so what is the contours of this funding source for that? It said that it's only for activities that transpired after March something of this year. So how much room do we have to maneuver in that space?

[Speaker 4] (1:53:57 - 1:53:59)
Full-time too, didn't it?

[Speaker 1] (1:54:03 - 1:55:29)
I don't think it's limited to full-time. We didn't have any full-time reductions, so we don't have any full-time rehiring to do. I think if we structure it as, here's the defined level of the average we've had eight temporary workers over these months for the past five years.

And then in 2020, we had this many temporary workers, way less than what we've had. And so we can rehire to pre-pandemic levels. So that's the criteria is rehiring to pre-pandemic levels.

And so once we've defined what that pre-pandemic level is, I believe we can rehire to that level. And the costs associated with that rehire are after March, 2021, because we're after March, 2021. We don't have those costs yet.

So as long as we can define what that, it's not as easy saying we didn't hire, we laid off a full-time employee and now we're going to bring them back. It's a little more complicated because we have to define what that level looked like, but we absolutely have the records to do that. And then we can hire to pre-pandemic levels with ARPA funds.

[Speaker 2] (1:55:30 - 1:56:09)
Okay, that's helpful. Thank you. The other thing was on the water piece.

Can you expand a little bit on like, because I know that there's like some pretty rigorous requirements for water reclamation and in that whole space and the work that's required is quite expensive, you know, and the requirements are only growing. So like what, we have certain activities I believe planned in the out years for this. Are we able to like bring those forward and take care of those infrastructure projects related to water, the water component here?

I forget what they call it. Sorry.

[Speaker 16] (1:56:09 - 1:56:10)
Stormwater.

[Speaker 2] (1:56:10 - 1:56:11)
Yeah, stormwater.

[Speaker 16] (1:56:11 - 1:56:11)
Yes.

[Speaker 2] (1:56:12 - 1:56:19)
Sewer and stormwater. Like how big are those projects on the horizon that we will need to do?

[Speaker 1] (1:56:20 - 1:57:10)
Laura may be able to speak to it. I can't tell you, but I do know that, you know, with some of the requirements that they're looking at with what we fondly refer to as MRP 3.0, the municipal regional permit for stormwater for the next one coming, you know, they're talking about potentially requiring green infrastructure to go along with road maintenance projects and not just road construction projects. That was a distinction that existed in MRP 2.0. So that's a chunk that we don't know what that would be yet, but I can tell you that that's significant because, you know, otherwise, I mean, it basically just comes out of our road funds, which we already know are woefully inadequate.

[Speaker 2] (1:57:11 - 1:57:11)
Constrained.

[Speaker 1] (1:57:12 - 1:57:42)
Constrained. Yeah, so I don't, I mean, one of the things that Laura and I haven't had a chance to touch base yet on what those out-year projects look like, but I know just from some of the changes they're talking about making in the permit that we're about to see in, you know, 2022-2023, significantly higher requirements for essentially green infrastructure. So it's, you know, treatment, trash capture, etc.

[Speaker 2] (1:57:43 - 1:58:21)
But yeah, that seems somewhat operational, right? So it's like as you do your maintenance work, you need to do other stuff. But are there other types of projects that are less operational and more like we need to update all of our storm capture like systems so that we have less trash going in or things like that of a stormwater nature?

Because I get the sense that those types of projects are very expensive, but I don't know what that would entail. It just seems like there could be a lot there. And so I want to, and it's mostly just informational to get a sense of like these other, there's all these competing priorities and like I don't have a sense of scale.

[Speaker 1] (1:58:23 - 1:58:41)
Yeah, and I don't have enough detail to give you. Oh, Laura's got her hand raised, but Laura, you need to unmute and start talking. Come back, Laura.

Unmute. Start talking. I don't know.

Ask to unmute.

[Speaker 4] (1:58:44 - 1:58:45)
Unmute's better broadband.

[Speaker 1] (1:58:46 - 1:58:47)
There you go.

[Speaker 8] (1:58:48 - 1:58:48)
You okay?

[Speaker 1] (1:58:49 - 1:58:50)
Now I can hear you.

[Speaker 8] (1:58:51 - 1:59:55)
Okay, fine. I'm trying to do this with my cell phone and a laptop. I apologize for the technology clunkiness.

But actually, thank you very much for the question, Council Member Wan. Tomorrow, the region-wide, the Contra Costa County-wide stormwater program coordinators are going to meet to talk about this very topic to find out about what we can and cannot use the funds for because there's so many nuances in it. And it seems like regular routine maintenance, and we already have trash capture devices in about 25 catch basins in our area, which we meet the state requirements on.

And is there something else beyond that that we can use it for? Are we allowed to use it for routine maintenance for the next two years? It's very unclear.

So we're going to have a discussion tomorrow. So thank you for bringing it up very timely. And we'll report back with more information.

But my goal is to get back to the city manager as much information as to what are the options so she can present that back to the council about what your options are, what we can and cannot use the funds for.

[Speaker 2] (1:59:56 - 2:00:07)
Okay. Yeah, I mean, information is great. So I know that the stormwater programs are more

complicated than any person really wants to understand.

[Speaker 8] (2:00:10 - 2:00:26)
No problem, but it's very good. And I'm glad the city manager highlighted that as a potential possibility for spending money on. And we just need to understand more about what it can and can't be used for and get back to you with those details for you to consider about how to proceed.

[Speaker 2] (2:00:27 - 2:03:09)
Okay, thank you. I would say, you know, in terms of what we talked about so far, I don't know where it sounds like I think I know where Jim and Peter's stand on prioritization, but I and I would probably agree with them that I think, you know, are the businesses within the and the employees that work within the city. And there's probably another category in there, it's probably the residents within the city that don't necessarily work in the city.

But we're impacted as well, in various ways. I think a lot of people who just happen to just live here, that may work elsewhere, were impacted in a variety of ways as well. So I think that's the probably a third category that I would also elevate to a priority item in terms of funding.

You know, there's a lot of I think there's a lot of runway there in those three categories alone. I mean, if you're talking Hold on, I was doing some math. I mean, 2.9 million at 25,000. I mean, 100, just north of 100 people, it's not that many. So the program in place to kind of be to be, what do you call it? Deliberate, that's the word I was looking for.

To be deliberate in how we do it, I think would be really valuable. But I think I would agree with Jim and Peter about where we prioritize is the business and the people working here, and the people living here, for sure, at an individual level. There's infrastructure stuff like stormwater that I think is important.

But you know, a lot of that seems like we would have been required to cover it regardless of ARPA. Or is it ARPA? Is that how we're saying that?

That sounds like the company from Lost. That's DARPA. It sounds like we would have had to cover it anyway.

So it's like no kind of status quo there. But for the people and the businesses here, especially the comment from Larry earlier, as well as I know that we all know many people who live and work here that were impacted. So I feel like that's the clear winner in terms of prioritization.

Yes, Holly.

[Speaker 5] (2:03:10 - 2:03:33)
I don't disagree with anything that was just now said. I just wanted to clarify. The $25,000 figure

is on the slide where the essential workers were listed.

Was that to be all encompassing with all the slides that came before that to say that the individuals, the small businesses, and the essential workers, that that was the max for all of those categories? Or is that just the max for the essential workers?

[Speaker 1] (2:03:34 - 2:04:47)
That is the maximum that is allowed under ARPA for premium pay. That is solely related to premium pay. To the extent that there is a small business or employee, however we characterize it, that is at the city's discretion, I think for the most part, to develop what the criteria are.

So we could set it's a $5,000 cap or a $10,000 cap or a $15,000 cap. Or if you lost 50% of your revenues, it's this dollar amount. And if you lost 100% of revenues, it's this dollar amount.

It's not constrained per se. It's really just what the program design looks like. And of course, it has to be, as it said on several of the slides, proportional to the harm that was endured as a result of COVID.

So the $25,000 only refers to the specifics associated with premium pay. Okay.

[Speaker 5] (2:04:47 - 2:08:02)
And then, thank you. And then the consultant that we would hire using these funds, excuse me, would develop all of that based on the input that the city gives to them. Okay.

And then the, let's see here. Is there, let me go to the other page. Hold on one second.

Sorry. So then is the intent then for us to, but on this night, say we agree, let's go forward, hire someone, because my concern is that the rest of the funds wouldn't be available until next year, which means the consultant or with our help and our input would need to decide one, the priority, how big that amount would be for each category. But only half of the money is available now, which means other people would have to wait until next year to receive theirs.

Or, well, I guess we'd have to prioritize that. And my concern is if it's the businesses that we all know need help now, they're all struggling. And therefore thinking about all of the residents that have been affected as well, it's kind of hard to figure out, was it somebody who needs to make their mortgage payment?

Because if the eviction moratorium gets lifted, and let's say that they were renting here in town, if they're affected, does that take priority over a business that was able to keep afloat during this time? I'm just trying to figure out the parameters that we might want to consider and possibly even just discuss what we want the consultant to include in the survey, because that might help us or help them figure out the better priority to have, at least for the first funds going out before 2022. I think it said July 2022 is when those extra funds will be available, or the additional funds.

Just another piece to think about as we're thinking about this tonight. But I like it all. I agree that individuals in town might be affected.

Those who live in town, work someplace else. The essential workers that might also live here, Peter alluded to earlier. I don't know the exact number.

I wouldn't find that out. But I am concerned about the businesses. I would like to see us not just necessarily give funds to them, but also thinking about ways we can help make their businesses more profitable.

For example, if there's another shutdown, and they have to go to only outdoor seating, are there any steps that we can take as a city to help alleviate that for them so that we can help build infrastructure outside so that they can lower looks? She's got her hand raised and wants to chime in. I'll let her do that.

But I'm just wondering if there are other things that we can think of and that we might want to include in the survey. I know we have time to think about that later. But without them having to use, I'm going to use a $25,000 figure.

Let's say that we wanted to give some of the businesses $25,000. If there is a way that we as a city can think outside the box on how we can be more business friendly in the event that we have to have another shutdown, and they're affected even more within the next three years. Laura, go ahead.

Sorry.

[Speaker 4] (2:08:06 - 2:08:26)
Did Laura actually put her hand up again? Or she's just been there? Yes.

Okay. Laura? Come in, Laura.

Okay. Well, anyway.

[Speaker 5] (2:08:27 - 2:08:29)
Remember, she's working with her cell phone and laptop.

[Speaker 4] (2:08:30 - 2:08:31)
Laptop and cell phone.

[Speaker 1] (2:08:32 - 2:08:41)
Gav, if I see her unmute, we'll stop and she can chime in. There she is.

[Speaker 4] (2:08:42 - 2:08:43)
Okay.

[Speaker 8] (2:08:44 - 2:08:44)
Can you hear me?

[Speaker 4] (2:08:45 - 2:08:45)
Yes.

[Speaker 8] (2:08:46 - 2:10:58)
Okay. Sorry. I'm trying to figure out which one I have to unmute.

But in answer to Council Member Tillman's question, when the pandemic first unfolded, and as things progressed, and things were shut down, and businesses were allowed to kind of reopen, I went out and met with all of our small businesses to find out what they would need to allow them to move outdoors without any fee to the city to just get them the proper permits. And that's extended. And that went administratively.

Then we took them to the Planning Commission to go indefinitely until the pandemic restrictions were gone. And so there are things like that that we can do that doesn't cost a lot of money. But I keep in touch with all of our downtown businesses on a periodic basis just to find out what's happening, how are they feeling, what have they done with the state funds.

And most of the feedback I've heard from them was the state and the funds that they could receive and how they went about it. It was so complicated to do for getting $5,000 back. It was a headache.

It wasn't worth the amount of money they got back. So I think with the city manager suggesting getting a company or an expert or somebody that knows how to do this, that can try to figure out what the right structure of a program is to make it easy and simple. That's what I've heard so far from our business mates.

And in essence, at the end of the day, the state or the feds may say, you still need three years of your business operations and your taxes and all this stuff to be submitted in order for us to give them the funds. But we'll have a staff person that can better or a consultant that can better ascertain all that, communicate to the businesses on a regular basis. Because I was just doing this on my own time on the weekends and going out to them and talking to them.

And I kind of ignored our chain businesses, the franchises, because I knew they had support from up above versus our local businesses that were independent and here in our community to find out what they need, what can we do to help them. I think what the city manager is presenting to you, there's ways in this new funding that we can continue to do that if that's an area the city council has an interest in. Okay, great.

[Speaker 5] (2:10:58 - 2:10:59)
Thank you.

[Speaker 4] (2:11:02 - 2:11:40)
So we're all in agreement that the priority one, our businesses, our citizens, people that live and work here, and like Jeff said, those that live here and don't necessarily work here. The other thing is the other priorities. I saw on what was it slide 16, 17, 18, something like that.

There were several good priorities there as well. But I guess the next question for the council is, are we going to hire a consultant here? To me, it just seems inevitable.

[Speaker 3] (2:11:41 - 2:12:26)
From my perspective in my discussions with the city manager, that appears to be first priority, get somebody on board. Because my feeling is we need to get something started immediately and not delay this. And the only way we're going to do that is if we bring in a knowledgeable consulting individual or firm to get this program off the ground.

We've got businesses that are waiting. I know we received an email from one of them today. And I know one of us online right now watching this.

We hear you. And at least from my perspective, and listening to Larry Love, for example, we got to do this sooner than later.

[Speaker 4] (2:12:29 - 2:12:31)
So what else do you need right now?

[Speaker 1] (2:12:32 - 2:13:39)
I think I have great direction to go forward, look to bring someone on board to help essentially stop this process and get it rolling. That would probably come back as an agreement to the council and with some additional information on a schedule of survey, program development, program implementation, et cetera. And then in that same time frame, we should have more information on the stormwater piece, as well as clarity on whether there's any broadband, and any areas in the city that would really qualify for hardline broadband under the criteria in the act.

And that will get us rolling onto that process. So I think I have what I need. We'll just make sure to see what I asked for.

I got everything.

[Speaker 2] (2:13:40 - 2:13:44)
Does it require you to bring something back? Because we're not meeting again for five weeks.

[Speaker 1] (2:13:48 - 2:13:57)
It, well, so this is, eventually, yes, because my spending of my signature authority is only $20,000. So I can get started.

[Speaker 2] (2:13:58 - 2:14:02)
Is that sufficient to engage?

[Speaker 1] (2:14:02 - 2:14:27)
It's sufficient to get started. It's just not sufficient to take us through the first year. But we do need to bring that purchasing policy back and raise that city manager's signature authority.

Good try. It's true. It hasn't been raised.

And actually, I did a quick, I know Laura isn't working on this, but I did a quick little, hey, there's a CPI thing you can tell.

[Speaker 2] (2:14:27 - 2:14:28)
Not on the agenda.

[Speaker 13] (2:14:29 - 2:14:31)
Yeah, right. There you go.

[Speaker 4] (2:14:34 - 2:14:44)
Okay. So it sounds like you have what you need. Engage away.

So we're ready to move on. We're good.

[Speaker 1] (2:14:45 - 2:14:57)
That's great. Thank you, Council Member Vaughn, for the clarity and the channeling of what I usually do. I'm usually channeling Mala.

You're channeling Mala, and Amanda appreciates it, I'm sorry.

[Speaker 2] (2:14:57 - 2:15:09)
Can we plagiarize from other places that have already probably done some program design? Yeah. Do you know anybody in San Pablo?

[Speaker 1] (2:15:09 - 2:15:19)
I do. As a matter of fact, I've already reached out to them and I've stolen Lafayette's little mini RFP for getting someone on board.

[Speaker 2] (2:15:19 - 2:15:21)
Yeah, plagiarizing is really good.

[Speaker 5] (2:15:22 - 2:15:25)
We want to borrow it.

[Speaker 2] (2:15:25 - 2:15:31)
We're borrowing from colleagues. Yeah. I mean, why reinvent the wheel?

[Speaker 1] (2:15:31 - 2:15:35)
Definitely no reinventing the wheel where we can.

[Speaker 4] (2:15:36 - 2:15:37)
Okay.

[Speaker 1] (2:15:37 - 2:15:37)
Yeah.

[Speaker 4] (2:15:37 - 2:16:29)
All right. So moving on now to item number 10, council items limited to requests or directives for future meetings. Somebody want to reinvent the wheel?

Anybody want anything? No? All right.

So I will take this time to say that we all in Clayton very much appreciate our maintenance supervisor, Jim Warburton, for getting the clock fixed. I know it was a long and hard road, but it's nice to now have the clock right more than two times a day. So we thank you, Jim.

We are not going to be meeting in September until when? The 21st. So we are going to adjourn now until September 21st.

So thank you all. Good night. Stay safe.

[Speaker 1] (2:16:29 - 2:16:32)
Bye. Bye. Thank you.