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August 23, 2018

**VIA U.S. REGULAR MAIL AND
REQUESTED EMAIL TO: ctadmin@contracosta.courts.ca.gov**

Mario Gutierrez, Foreperson
Civil Grand Jury 2017-18, County of Contra Costa
725 Court Street
P O Box 431
Martinez, CA 94553-0091

Re: City Response to Civil Grand Jury Report No. 1808

Dear Mr. Gutierrez:

Pursuant to a cover letter dated June 6, 2018 addressed to members of the Clayton City Council that transmitted of a copy of the Civil Grand Jury's Report No. 1808, "Joint Powers Authorities," attached as required by applicable law is the City of Clayton's official response. This response was reviewed and authorized by the Clayton City Council at its public meeting held on August 21, 2018.

We appreciate the Civil Grand Jury's efforts in examining this subject.

Sincerely,

Keith Haydon
Mayor

Attachment: 1. City Reply to Civil Grand Jury Report No. 1808 [2 pp.]

cc: Honorable Clayton City Council Members
Honorable Anita Santos, Judge of the Superior Court



**CITY OF CLAYTON RESPONSE TO
CIVIL GRAND JURY REPORT NO. 1808
“Joint Powers Authorities”**

2017-18 CONTRA COSTA COUNTY CIVIL GRAND JURY

The City of Clayton, California provides the following response to Civil Grand Jury Report No. 1808, “Joint Powers Authorities”, issued by the 2017-18 Civil Grand Jury of Contra Costa County, California, on 06 June 2018. Pursuant to page 10 of the Report, this City is required to respond to Finding No. 1 and Recommendations Nos. 1 and 5, adhering to format guidelines prescribed by the California Penal Code (Section 933.05).

FINDING

1. *In the Direct JPA model, each member delegates to the JPA a function that each member has the legal authority to provide. This shared approach results in cost savings and better efficiency on behalf of taxpayers.*

City Response

The City of Clayton agrees with this Finding.

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RECOMMENDATIONS

1. *All cities with JPAs in the County should confirm their compliance with Gov. Codes Sections 6505 by submitting the required audit report to the County Auditor by December 31, 2018.*

City Response

The recommendation has not yet [partially] been implemented, but will be implemented in the future within the timeframe described in the Report [by December 31, 2018].

This City already files an annual financial transaction report for its Clayton Financing Authority (“CFA”) JPA with the California State Controller’s Office (SCO), in accordance with California Government Code section 53891. Furthermore, on an annual basis the CFA publishes independently-audited financial statements on the City’s website, provides a copy of the audited statements to the CFA’s Board of Directors at a public meeting thereof before December 31st of each year, and emails it to the SCO for review and publication pursuant to California Government Code section 26909. The CFA’s audited financial statement for FY 2017-2018 will also be mailed to the County Auditor by December 31, 2018.

With respect to this City’s membership in other JPAs, this Recommendation will not be implemented as it is the responsibility of each JPA, not its member agencies (some but not all who may be cities), to submit any required audit reports to the County Auditor. Under state law, JPAs are distinct and separate public entities. The City of Clayton is a reported member of ten (10) JPAs, several of which cross multiple county jurisdictions, have its own full-time staff, and include over 20 member agencies. It is unfeasible, unreasonable and duplicative for JPA member agencies to fulfill the duties of other governmental public entities, including JPAs.

- 5. *All cities with JPAs should consider making special efforts, such as special mailings to taxpayers, website postings and announcements in local media, to communicate JPA debt decisions and audit reports to the public beyond simple notifications by December 31, 2018.*

City Response

The recommendation will not be implemented because it is not warranted or is not reasonable.

As noted above, JPAs are distinct and separate public entities. It is the responsibility of each JPA and not its member agencies to communicate its debt decisions and audit reports to the public on its particular website. As the Civil Grand Jury’s Finding No. 1 clearly notes, “... each member delegates to the JPA a function that each member has the legal authority to provide.” Having cities with JPAs communicate JPA debt decisions and audit reports on their city websites, when the information should be available on each JPA’s website, is counter to this Report’s stated Finding that JPAs result “... in cost savings and better efficiency on behalf of taxpayers.”

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