CITY COUNCIL MEETING

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

MAYOR TOM PARNHAM • MAYOR PRO-TEM STEVE HARVEY
COUNCILMEMBERS • KIM DOUGLASS • TONY HESCH • WILL STOCKWIN

REGULAR MEETING AGENDA AND MARIJUANA ORDINANCE WORKSHOP AGENDA
July 27, 2016
Regular Session 7:00 PM

1) OPEN REGULAR MEETING

1A. **Call to Order**
1B. **Pledge of Allegiance**
1C. **Roll Call**
1D. **Approval of Agenda Order**

This is the time for changes to the agenda to be considered including removal, postponement, or change to the agenda sequence.

RECOMMENDED ACTION: By motion, accept the agenda as presented or amended.

2) CONSENT CALENDAR

Matters on the Consent Agenda are routine in nature and will be approved by one blanket motion with a Council vote. No discussion of these items ensues unless specific items are pulled for discussion and separate action. If you wish to have an item pulled from the Consent Agenda for discussion, please notify the City staff.

RECOMMENDED ACTION: Approve Consent Calendar

2A. **Minutes City Council Meeting of July 13, 2016**
Recommendation: Approve the Minutes of the Regular Meeting of July 13, 2016.

2B. **Cash Summary Report, June 2016**
Recommendation: Receive and File

2C. **City Hall Telephone System Purchase**
Recommendation: Adopt Resolution 31-2016 authorizing the Technical Services Manager to execute a purchase agreement with Danckert Communications for a telephone system for the City Hall Offices in an amount not to exceed $7,300.

3) COUNCIL, STAFF AND OTHER REPORTS

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

3A. **Committee Reports and Colfax Informational Items - All Councilmembers**
3B. **City Operations Update – City staff**
3C. **Additional Reports – Agency partners**

4) PUBLIC COMMENT

Members of the audience are permitted to address the Council on matters of concern to the public within the subject jurisdiction of the City Council that are not listed on this agenda. Please make your comments as brief as possible; not to exceed three (3) minutes in length. The Council cannot act on items not included on this agenda; however, if action is required it will be referred to staff.

5) COUNCIL BUSINESS

5A. **Animal Control Contract**

STAFF PRESENTATION: John Schempf, City Manager

RECOMMENDATION: Appoint two members of Council to serve on the Animal Control Ad Hoc Committee.

6) CLOSE REGULAR MEETING

7) OPEN MEDICAL MARIJUANA WORKSHOP (NO PUBLIC COMMENT)

STAFF PRESENTATION: John Schempf, City Manager

8) ADJOURNMENT

I, Lorraine Cassidy, City Clerk for the City of Colfax declare that this agenda was posted at Colfax City Hall and the Colfax Post Office. The agenda is also available on the City website at www.Colfax-ca.gov.

Lorraine Cassidy, City Clerk

Administrative Remedies must be exhausted prior to action being initiated in a court of law. If you challenge City Council action in court, you may be limited to raising only those issues you or someone else raised at a public hearing described in this notice/agenda, or in written correspondence delivered to the City Clerk of the City of Colfax at, or prior to, said public hearing.

City of Colfax
City Council Minutes
Regular Meeting of Wednesday, July 13, 2016
City Hall Council Chambers
33 S. Main Street, Colfax CA

1 CONVENE MEETING

1A. Call to Order

Mayor Parnham called the meeting to order at 7:02PM.

1B. Pledge of Allegiance

City Manager Schempf led the Pledge of Allegiance.

1C. Roll Call

Council members present: Douglass, Harvey, Hesch, Parnham, Stockwin

1D. Approval of Agenda Order

On a motion by Councilmember Hesch, seconded by Councilmember Stockwin, the City Council approved the agenda with.

AYES: Douglass, Harvey, Hesch, Parnham, Stockwin

2 PRESENTATION

2A. Introduction of Countywide Community Choice Aggregation Program

Ms. Jenine Windeshausen, Placer County Treasurer-Tax Collector, introduced an energy program which could be initiated within the County to combine resources for energy production with more local control. The program would utilize PG&E for transmission of power and allow local sources for production using solar, biomass, wind and hydro-electric power. The Community Choice Program could control rate structures and provide incentives to economic development, essentially eliminating a middleman and ultimately providing lower rates to citizens. The County has initiated a three step implementation of the program. Phase I, the feasibility and analysis stage is completed. Phase II includes outreach to the Cities and during Phase III the City would be asked to join a Joint Powers Authority if the City is interested.

Council discussed the concept of the Aggregation Program and expressed concern that this program would make the citizens more vulnerable to economic fluctuations, state mandates and receive inconsistent service in a crisis.

City Manager Schempf reminded Council that the potential of this program lies in the ability of smaller organizations to function more efficiently than larger organizations allowing them to deliver services at reduced rates.

Ms. Windeshausen confirmed that individuals can opt out of the program if it is not cost effective for them and all state regulations would apply equally with or without the Energy Aggregation.

Mr. Al Turner of the Mink Creek HOA stated his subdivision would opt out.

Mayor Parnham thanked Ms. Windeshausen for presenting the program to Council.

3 CONSENT CALENDAR

3A. **Minutes City Council Meeting of June 22, 2016**
Recommendation: Approve the Minutes of the Regular Meeting of June 22, 2016.

3B. **Cash Summary Report, May 2016**
Recommendation: Receive and File.

3C. **Audit Services Contract**
Recommendation: Adopt Resolution 25-2016 authorizing the City Manager to execute an agreement with Richardson & Co., LLP to provide Annual Audit Services for the Fiscal Year ending June 30, 2016.

3D. **Oil Recycling Grant**
Recommendation: Approve Resolution 26-2016 authorizing the submittal for payment programs and related authorizations.

3E. **South Auburn Street Roundabout – Contract for Professional Services**
Recommendation: Adopt Resolution 27-2016 authorizing the City Manager to execute an agreement with Mark Thomas & Company, Inc. for an Intersection Control Evaluation for the South Auburn Street Roundabout in an amount not to exceed $19,230.

Item 3A and 3E were pulled for discussion.

On a motion by Mayor Pro Tem Harvey, seconded by Councilmember Douglass, the City Council approved Items 3B, 3C, and 3D.
AYES: Douglass, Harvey, Hesch, Parnham, Stockwin
NOES: None

Item 3A: Minutes City Council Meeting of June 22, 2015
Mayor Parnham abstained from approving the minutes of the meeting, as he was not in attendance.

On a motion by Mayor Pro Tem Harvey, seconded by Councilmember Douglass, the City Council approved the minutes of the City Council Meeting of June 22, 2016.
AYES: Douglass, Harvey, Hesch, Stockwin
ABSTAIN: Parnham

Item 3E: South Auburn Street Roundabout – Contract for Professional Services
Councilmember Hesch stated he is pleased to see that staff is moving forward with issues related to this intersection.

On a motion by Mayor Pro Tem Harvey and seconded by Councilmember Stockwin the Council adopted Resolution 27-2016.
AYES: Douglass, Harvey, Hesch, Parnham, Stockwin
NOES: None

4 COUNCIL, STAFF, AND OTHER REPORTS

Paul Lundberg, Principal of Colfax High School

- Asked Council to allow the High School to host a parade and community float-building event on October 28, 2016 to celebrate their homecoming week.

Council expressed unanimous support.

4A. **Committee Reports and Colfax Informational Items – All Councilmembers**

Councilmember Hesch

- Councilmember Hesch expressed support for local law enforcement.
- He announced the upcoming Summer Festival hosted by the Colfax Baptist Church which is a free event giving school supplies to local students. The Festival will be July 30, 2016 from 9:30 -11:30AM.
- He congratulated the Green Machine and other local organizations on a great 3rd of July Celebration.

Councilmember Stockwin

- Councilmember Stockwin reported the Oakland City Council voted not to allow coal exports through its port which will limit the coal being transported through Colfax.
- He attended the Mosquito and Vector Control District Board meeting. West Nile Virus has been reported in Placer County and the district requests residents call 916-380-5444 to report any dead birds.

Councilmember Douglass

- Councilmember Douglass reported the Benicia City Council also voted not to allow coal exports through its port.
- He recently attended several events to represent the Council to the public and develop connections with people: Chamber Mixer, Coffee with a Cop, the Colfax Garden Tour, and the Colfax Art Walk.
- He suggested the public check the City website for a link to a video of the Garden Club Tour.
- He met with French Students at the Colfax Passenger Depot as ambassador for the City.
- Councilmember Douglass reminded everyone of the Coffee with Supervisor Montgomery held at Café Luna's on the second Wednesday of every month.

Mayor Pro Tem Harvey

- Mayor Pro Tem Harvey had nothing to report.

Mayor Parnham

- Mayor Parnham commented he enjoyed the 3rd of July Celebration.
- He acknowledged local law enforcement for doing a great job.

4B. **City Operations – City Staff**

Mayor Parnham welcomed John Schempf, new City Manager

City Manager Schempf

- City Manager Schempf stated he will spend some time to listen and learn about Colfax. His office is open and residents can come in or call. He would like the opportunity to get to know residents and their issues.
- He asked Council to write down a list of their main ideas for moving the City forward and bring it in to share with him.
- He asked Council to let him know who would like to attend the League of California Cities conference in the fall which will be held in Long Beach.
- He mentioned plans for improvements to the Wastewater Treatment Plant are underway.

4C. **Additional Reports – Agency Partners**

Ty Conners, Placer County Sheriff's Office Colfax Substation Commander

- Sergeant Conners congratulated Kristy Brothers and the Green Machine for the success of the July 3rd Celebration.
- He reminded everyone to register cell phones with Placer Alert to receive notice of emergencies or evacuations.
- He mentioned a fund raiser for the Skatepark which will be held July 19th in Auburn.
- Officer Begs has been reassigned as one of the Transient Liaisons, so interviews will be held for a new deputy to fill his position in Colfax.

Frank Klein, Colfax Area Chamber President

- Mr. Klein welcomed City Manager Schempf.
- He announced the next two mixers will be August 9th at Colfax Thrift and Gift and September 6th at L'Orange.

Ty LaBelle, Colfax Battalion Chief

- Chief LaBelle stated the 3rd of July Celebration was a success from a fire standpoint. Captain John Fracchia stepped in as lead since Chief LaBelle was working the Trailhead Fire.
  Council commended Chief LaBelle for the excellent work containing the Trailhead Fire.

Kristy Brothers, Colfax Green Machine

- Ms. Brothers stated it was an honor to be part of the 3rd of July Celebration. Many volunteers from the organization were responsible for the success! There was a $3,200 profit from the event.
- She thanked Frank Klein and the Chamber for their outline of how to organize the event. Mr. Klein was very helpful.

5 PUBLIC COMMENT

Al Turner, Mink Creek HOA President

- Mr. Turner presented several issues he has with the City regarding contested ownership of the Mink Creek Subdivision utilities, claims of failing drainage pipes, security issues due to the homeless, construction on an adjacent parcel, and general disagreement with City staff. He requested time on a future agenda to fully discuss his complaints.

6 COUNCIL BUSINESS

6A. **Recology Contract – First Amendment.**

STAFF PRESENTATION: Wes Heathcock, Community Services Director

RECOMMENDATION: Adopt Resolution 28-2016 authorizing the City Manager to execute the first amendment with Recology Auburn-Placer for an additional term of 15 years with an automatic 5-year extension and optional 5-year extension and include additional solid waste programs for the community.

Mayor Pro Tem Harvey recused himself from the discussion.

Community Services Director Heathcock explained that he had been asked to negotiate with Recology to remove Cost of Living Adjustments (COLA) which Recology had voluntarily deferred for several years. These adjustments, if implemented, would result in an 8.5% increase in rates. In addition to eliminating the COLA increases, he was able to negotiate extra services for the community at no extra cost. In exchange, Recology requests an extension to the contract period.

Council discussed the merits of the proposed changes to the contract and questioned Community Services Director Heathcock as well as Mr. Rowe, General Manager from Recology.

Mr. Turner, Mink Creek Subdivision HOA, spoke against the contract changes.
Jim Dion, Colfax business owner, spoke in favor of the contract.
Ted Back, City resident, spoke against the contract.

On a motion by Councilmember Hesch, seconded by Councilmember Stockwin, Council adopted Resolution 28-2016.
AYES: Hesch, Parnham, Stockwin
ABSTAIN: Douglass, Harvey
The motion carried.

Council took a brief recess at 9:30PM and reconvened at 9:39PM.

6B. **North Main Bike Lanes and Ped Improvement Project**
STAFF PRESENTATION: Wes Heathcock, Community Services Director
RECOMMENDATION: Adopt Resolution 29-2016 approving the construction plans and specifications for the N. Main Street Bike Lanes & Ped Improvement Project № 16-02 and authorizing the Community Services Director to solicit construction bids and issue a request for inspection services.

Community Services Director Heathcock stated this project has grant funding. At an earlier meeting Council approved a contract with Bennet Engineering to produce the plans and specifications for the project which are included in the agenda packet. With Council approval of the plans, staff will solicit bids with a planned completion of construction by fall of 2016.

Councilmember Hesch stated his in favor of the project and would like to see details of the grant funding in the staff report.

On a motion by Councilmember Hesch and a second by Councilmember Stockwin, Council approved Resolution 29-2016.
AYES: Douglass, Harvey, Hesch, Parnham, Stockwin

6C. **Animal Control Contract**
STAFF PRESENTATION: John Schempf, City Manager
RECOMMENDATION: Adopt Resolution 30-2016 authorizing the City Manager to execute a two year agreement with Placer County for Animal Control Services and form an ad hoc committee to report back to Council if a viable alternative can be engaged.

City Manager Schempf stated the City is obligated to have animal control services and this contract can be ended with a 30 day notice. Staff is recommending the City continue the service from the County and form an ad hoc committee to explore options.
Council agreed to form an ad hoc committee at the next regular City Council meeting.

On a motion by Councilmember Hesch and a second by Councilmember Douglass, Council approved Resolution 30-2016.
AYES: Douglass, Harvey, Hesch, Parnham, Stockwin
Noes: None

6D. **Medical Marijuana Ordinance Discussion**
STAFF PRESENTATION: John Schempf, City Manager
RECOMMENDATION: Discuss and direct staff as appropriate.

City Manager Schempf recommended Council defer spending more time and money on the ordinance until after the results of the ballot measure have been reported from the November 8th election. If the measure does not pass, then the ordinance will not be necessary and if the measure does pass, Council will have more of an incentive to create a document which reflects the needs of the City. Alternatively, Council could have a workshop and work out the details of the ordinance.

Councilmember Hesch mentioned the three page document which is included in the Agenda Packet with his concerns about the current rendition of the ordinance. After a thorough discussion, the majority of the Council directed staff to edit the proposed ordinance in light of the County ordinance and comments from Council. Council will discuss the ordinance again at the next Council meeting.

Linda Lou Haines asked for clarification of the ballot measure process.
Jim Dion dislikes the wording of the ballot, disagrees with Council's decision to designate the tax revenues from potential dispensaries, requested his license to operate a medical marijuana dispensary be reinstated and stated he is still servicing 11 patients. He feels the ordinance is a waste of time.

7 ADJOURNMENT

As there was no further business on the agenda, Mayor Parnham adjourned the meeting at 10:32PM.

Respectfully submitted to City Council this 27th day of July, 2016

Lorraine Cassidy, City Clerk

STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE JULY 27, 2016 COUNCIL MEETING

FROM: John Schempf, City Manager
PREPARED BY: Laurie Van Groningen, Finance Director
DATE: July 15, 2016
SUBJECT: City of Colfax Cash Summary Report: June 2016

X	N/A		FUNDED		UN-FUNDED	AMOUNT:	FROM FUND:

RECOMMENDED ACTION: Accept and File City of Colfax Cash Summary Report: June 2016.

BACKGROUND AND ANALYSIS:
These monthly financial reports include General Fund Reserved Cash Analysis Graphs and the City of Colfax Cash Summary Report (with supporting documentation). The reports are prepared monthly on a cash basis and are reconciled to the General Ledger accounting system, previous reports, and bank statements. Detailed budget comparisons are provided as a mid-year report and also as part of the proposed budget process each year.

The purpose of the reports is to provide status of funds and transparency for Council and the public of the financial transactions of the City.

CONCLUSION:
The attached reports reflect an overview of the financial transactions of the City of Colfax in June 2016.

Monthly highlights include:

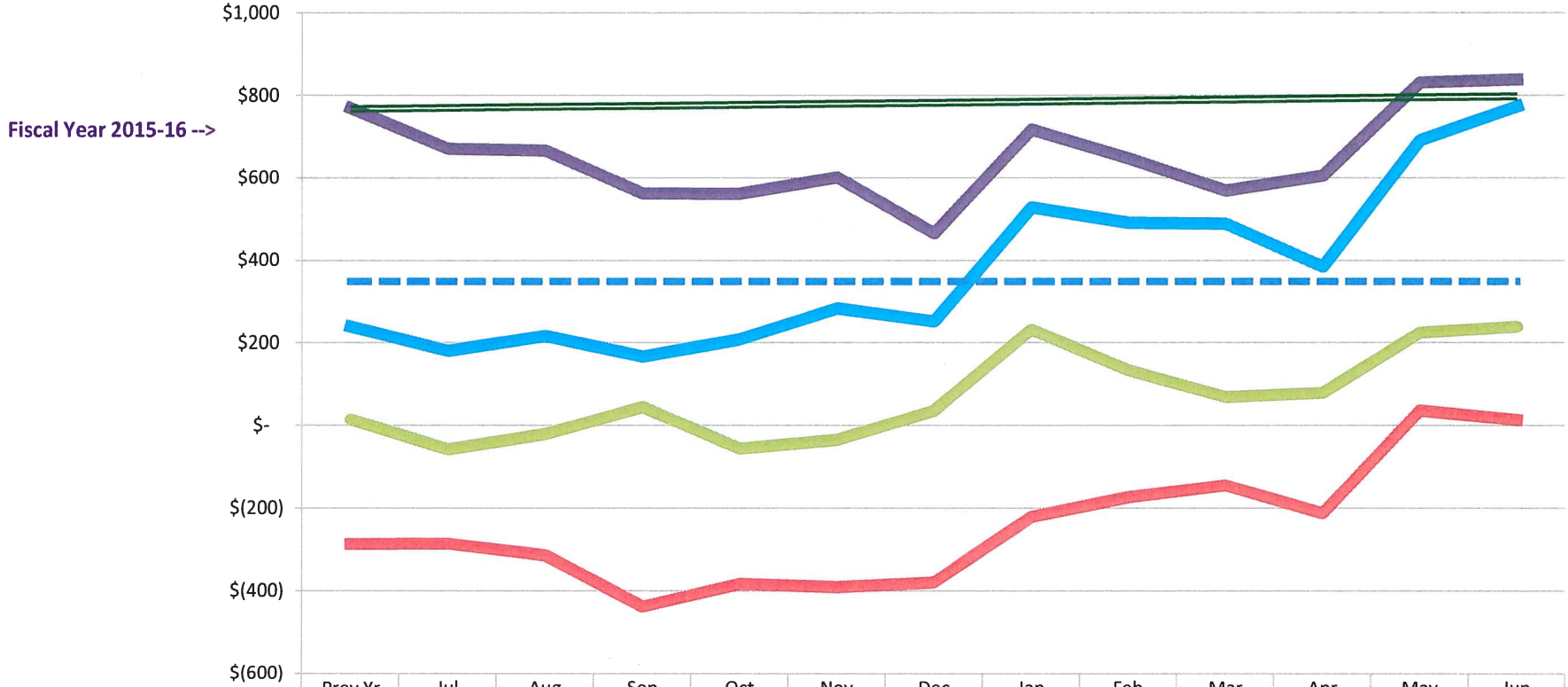
- General Fund Reserved Cash is tracking consistently with previous years and our General Fund Reserve balance has been met consistently for the past seventeen months.
- Negative cash fund balances in Capital Funds are due to timing of funding allocations and reimbursements.
    - Capital Fund 350 (UPPR Ped Xing Project) received PTSMEA funding from PCTPA in February and the first reimbursement payment from Cal Trans ($244K) has been received in March. Final reimbursement request was submitted to Cal Trans ($57K) in June and is expected to be paid in late July or August.
    - Capital Fund 370 and 375 reimbursement requests are pending.

ATTACHMENTS:

1. General Fund Reserved Cash Analysis Graphs
    a. Cash Analysis – Balance
    b. Expenses by Month
    c. Revenues by Month
2. Cash Activity Reports
    a. Cash Summary
    b. Cash Transaction Report – by individual fund
    c. Check Register Report - Accounts Payable
    d. Daily Cash Summary Report (Cash Receipts)

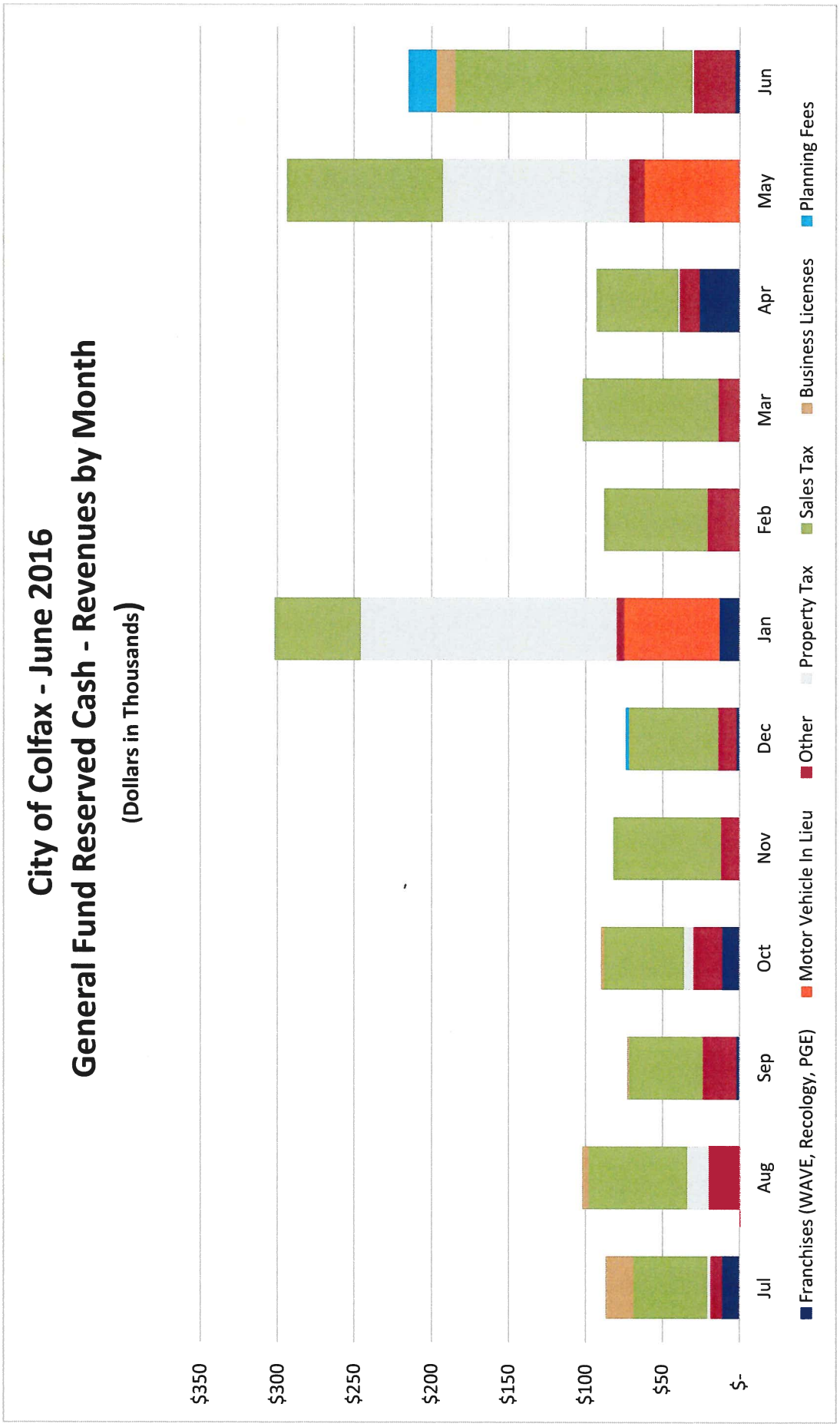
City of Colfax - June 2016
General Fund Reserved Cash Analysis

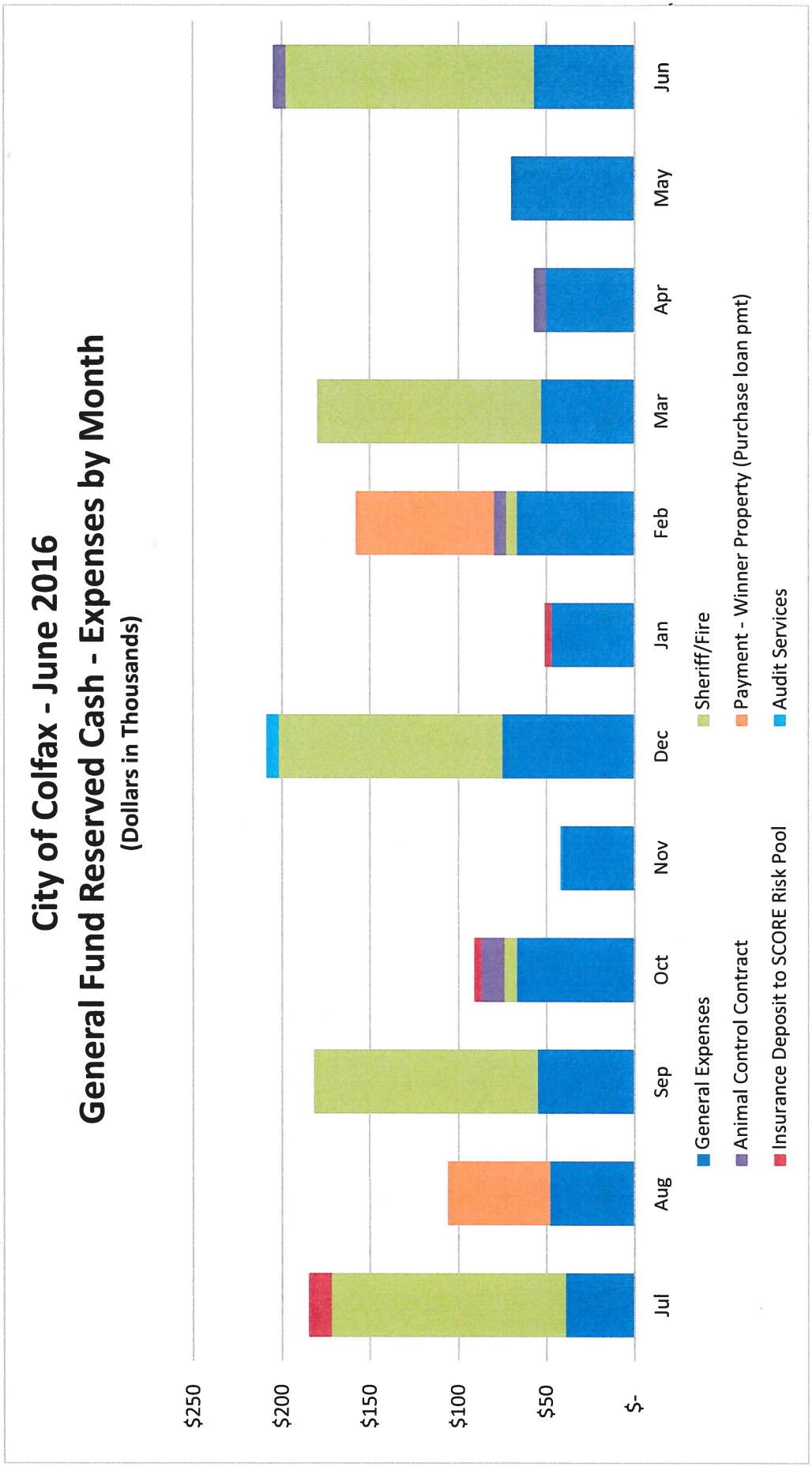
(Dollars in Thousands)



	Prev Yr	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Balance FY2015-16	$768	$670	$666	$562	$561	$601	$466	$717	$647	$569	$605	$831	838
Cash Balance FY2014-15	$240	$181	$217	$167	$209	$284	$253	$528	$491	$489	$385	$691	773
Cash Balance FY2013-14	$15	$(57)	$(20)	$45	$(55)	$(34)	$36	$233	$134	$69	$79	$225	240
Cash Balance FY2012-13	$(287)	$(286)	$(314)	$(438)	$(383)	$(391)	$(380)	$(221)	$(173)	$(144)	$(212)	$37	15
*Reserves Target 25%	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	350
Budget FY2016	$767	$770	$772	$775	$777	$780	$782	$785	$787	$790	$792	$795	797

*City Administrative policy stipulates General Fund Reserve of 25% (3 months) of annual General Fund Revenues.


City of Colfax - June 2016
General Fund Reserved Cash - Revenues by Month
(Dollars in Thousands)
$350
$300
$250
$200
$150
$100
$50
$-
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Franchises (WAVE, Recology, PGE)
Motor Vehicle In Lieu
Other
Property Tax
Sales Tax
Business Licenses
Planning Fees


City of Colfax - June 2016
General Fund Reserved Cash - Expenses by Month
(Dollars in Thousands)
$250
$200
$150
$100
$50
$-
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
General Expenses
Sheriff/Fire
Animal Control Contract
Payment - Winner Property (Purchase loan pmt)
Insurance Deposit to SCORE Risk Pool
Audit Services

City of Colfax
Cash Summary
June 30, 2016

	Balance 05/31/16	Revenues In	Expenses Out	Transfers	Balance 06/30/2016
US Bank	$ 145,577.98	$ 529,820.69	$ (536,817.55)	$ -	$ 138,581.12
LAIF	$ 3,706,910.42	$ -		$ -	$ 3,706,910.42
Total Cash - General Ledger	$ 3,852,488.40	$ 529,820.69	$ (536,817.55)	$ -	$ 3,845,491.54
Petty Cash (In Safe)	$ 300.00				$ 300.00
Total Cash	$ 3,852,788.40	$ 529,820.69	$ (536,817.55)	$ -	$ 3,845,791.54

Change in Cash Account Balance - Total **$ (6,996.86)**

Attached Reports:

1. Cash Transactions Report (By Individual Fund)
2. Check Register Report (Accounts Payable) $ (366,466.13)
3. Cash Receipts - Daily Cash Summary Report $ 272,555.70

Payroll Checks and Tax Deposits	$ (66,964.89)	
Utility Billings - Receipts	$ 153,825.94	
Bank Service Charge	$ (141.81)	
Voided checks	$ 258.83	
Deposit Correction	$ (64.50)	
	$ (6,996.86)	$ 0.00

Prepared by: Laurie Van Groningen 7/15/16
Laurie Van Groningen, Finance Director

Reviewed by: John Schempf
John Schempf, City Manager

City of Colfax

Cash Transactions Report - June 2016

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
Fund Type: 1.11 - General Fund - Unassigned				
Fund: 100 - General Fund	$ 1,047,913.58	$ 210,926.43	$ (220,490.63)	$ 1,038,349.38
Fund: 120 - Land Development Fees	$ 8,627.94	$ 17,120.00	$ -	$ 25,747.94
Fund: 570 - Garbage Fund	$ (225,953.89)	$ -	$ -	$ (225,953.89)
Fund Type: 1.11 - General Fund - Unassigned	**$ 830,587.63**	**$ 228,046.43**	**$ (220,490.63)**	**$ 838,143.43**
Fund Type: 1.14 - General Fund - Restricted				
Fund: 571 - AB939 Landfill Diversion	$ 30,517.26	$ -	$ -	$ 30,517.26
Fund: 572 - Landfill Post Closure Maintenance	$ 778,958.63	$ -	$ (5,381.89)	$ 773,576.74
Fund Type: 1.14 - General Fund - Restricted	**$ 809,475.89**	**$ -**	**$ (5,381.89)**	**$ 804,094.00**
Fund Type: 1.24 - Special Rev Funds - Restricted				
Fund: 210 - Mitigation Fees - Roads	$ 52,726.76	$ -	$ -	$ 52,726.76
Fund: 211 - Mitigation Fees - Drainage	$ 3,045.79	$ -	$ -	$ 3,045.79
Fund: 212 - Mitigation Fees - Trails	$ 42,670.80	$ -	$ -	$ 42,670.80
Fund: 213 - Mitigation Fees - Parks/Rec	$ 97,717.50	$ -	$ -	$ 97,717.50
Fund: 214 - Mitigation Fees - City Bldgs	$ 943.40	$ -	$ -	$ 943.40
Fund: 215 - Mitigation Fees - Vehicles	$ 4,487.96	$ -	$ -	$ 4,487.96
Fund: 217 - Mitigation Fees - DT Parking	$ 26,597.47	$ -	$ -	$ 26,597.47
Fund: 218 - Support Law Enforcement	$ 36,443.68	$ 3,374.57	$ (39,818.25)	$ -
Fund: 241 - CDBG Housing Rehabiliation	$ 94,488.89	$ -	$ -	$ 94,488.89
Fund: 244 - CDBG MicroEnterprise Lending	$ 120,287.36	$ 800.00	$ -	$ 121,087.36
Fund: 250 - Streets - Roads/Transportation	$ (79,532.90)	$ 99,200.39	$ (19,667.49)	$ -
Fund: 253 - Gas Taxes	$ 46,377.59	$ 8,111.63	$ (41,347.89)	$ 13,141.33
Fund: 270 - Beverage Container Recycling	$ 38,141.07	$ -	$ (250.00)	$ 37,891.07
Fund: 280 - Oil Recycling	$ 3,326.35	$ -	$ (440.15)	$ 2,886.20
Fund: 286 - Community Projects	$ 5,260.09	$ -	$ -	$ 5,260.09
Fund: 292 - Fire Department Capital Funds	$ 139,967.59	$ -	$ -	$ 139,967.59
Fund: 342 - Fire Construction - Mitigation	$ 2,426.04	$ -	$ -	$ 2,426.04
Fund: 343 - Recreation Construction	$ 2,426.49	$ -	$ -	$ 2,426.49
Fund Type: 1.24 - Special Rev Funds - Restric	**$ 637,801.93**	**$ 111,486.59**	**$ (101,523.78)**	**$ 647,764.74**
Fund Type: 1.34 - Capital Projects - Restricted				
Fund: 350 - Street Improvement Projects	$ (8,743.56)	$ 13,251.20	$ (60,270.67)	$ (55,763.03)
Fund: 370 - North Main Street Bike Route	$ (23,181.45)	$ -	$ (4,748.00)	$ (27,929.45)
Fund: 375 - East Oak Street Sidewalk	$ (490.41)	$ -	$ (68,067.21)	$ (68,557.62)
Fund Type: 1.34 - Capital Projects - Restricted	**$ (32,415.42)**	**$ 13,251.20**	**$ (133,085.88)**	**$ (152,250.10)**
Fund Type: 2.11 - Enterprise Funds - Unassigned				
Fund: 560 - Sewer	$ 430,686.93	$ 110,326.40	$ (52,938.01)	$ 488,075.32
Fund: 561 - Sewer Liftstations	$ 363,115.00	$ 18,842.95	$ (8,173.17)	$ 373,784.78
Fund: 563 - Wastewater Treatment Plant	$ 392,320.84	$ 46,818.82	$ (5,607.48)	$ 433,532.18
Fund: 564 - Sewer Connections	$ 41,080.00	$ -	$ -	$ 41,080.00
Fund: 565 - General Obligation Bond 1978	$ 16,085.61	$ -	$ -	$ 16,085.61
Fund: 567 - Inflow & Infiltration	$ 354,997.48	$ 1,048.30	$ (564.20)	$ 355,481.58
Fund Type: 2.11 - Enterprise Funds - Unassigi	**$ 1,598,285.86**	**$ 177,036.47**	**$ (67,282.86)**	**$ 1,708,039.47**
Fund Type: 9.0 - CLEARING ACCOUNT				
Fund: 998 - PAYROLL CLEARING FUND	$ 9,052.51	$ -	$ (9,052.51)	$ -
Fund Type: 9.0 - CLEARING ACCOUNT	**$ 9,052.51**	**$ -**	**$ (9,052.51)**	**$ -**
Grand Totals:	**$ 3,852,788.40**	**$ 529,820.69**	**$ (536,817.55)**	**$ 3,845,791.54**

Check Register Report

Checks Processed June 2016

Date: 07/08/2016
Time: 12:27 pm
Page: 1

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks							
51798	06/08/2016	Printed		01414	ALHAMBRA & SIERRA SPRINGS	WATER CITY HALL/ WWTP	124.33
51799	06/08/2016	Printed		01413	ALLIANT INSURANCE SERVICES,	16-17 ACIP CRIME RENEWAL	950.00
51800	06/08/2016	Printed		01460	AMERIPRIDE UNIFORM SERVICE	STMT MAY 2016	627.35
51801	06/08/2016	Printed		02829	BLUE RIBBON PERSONNEL SERVICES	LABOR & ACT TEMPS	2,838.76
51802	06/08/2016	Printed		03204(2)	CENTRAL VALLEY ENGINEERING &	PED & ADA IMPROVEMENT	65,284.71
51803	06/08/2016	Printed		03562	COMMERCIAL PUMP SERVICE, INC	MAINTENANCE	1,480.70
51804	06/08/2016	Printed		07460	GOLD COUNTRY MEDIA	ONE BIG BIN AD	250.00
51805	06/08/2016	Printed		07576	GRASS VALLEY PEST & WEED	WEED SPRAYING	750.00
51806	06/08/2016	Printed		08050	HACH COMPANY	WWTP SUPPLIES	394.03
51807	06/08/2016	Printed		08086	HBE RENTALS	CHIPER BRUSH &	1,069.30
51808	06/08/2016	Printed		08170	HILLS FLAT LUMBER CO	STMT 5/25/16	825.15
51809	06/08/2016	Printed		08660	HUNT AND SONS, INC.	FIRE DEPARTMENT FUEL	647.30
51810	06/08/2016	Printed		12180	LAWRENCE & ASSOCIATES INC	APRIL 2016 LAND FILL	1,805.50
51811	06/08/2016	Printed		16011(2)	PELLETREAU, ANDERSON & CABRAL	STMT JUNE 1, 2016	7,640.52
51812	06/08/2016	Printed		18193	RECOLOGY AUBURN PLACER	STMT 5/31/16	460.00
51813	06/08/2016	Printed		18400	RIEBES AUTO PARTS	STMT 5/31/2016	14.72
51814	06/08/2016	Printed		18498	RK ADVERTISING	PART OF $250 COMMITMENT	223.60
51815	06/08/2016	Printed		19279	SERVICE ENGINEERING	TECHNICIAN FOR WATERWELL	180.00
51816	06/08/2016	Printed		21131	UNION PACIFIC RAILROAD COMPANY	PEDESTRIAN XING PROJECT	60,270.67
51817	06/08/2016	Printed		21560	US BANK CORPORATE PMT SYSTEM	STMT 5/23/2016	2,435.26
51818	06/08/2016	Printed		22106	VAN GRONINGEN & ASSOCIATES	STMT MAY 2016	7,166.25
51819	06/08/2016	Void	06/08/2016	23169	WAVE BUSINESS SOLUTIONS	FIRE STATION	0.00
51820	06/08/2016	Printed		03556	COLFAX RECORD	7/1/16 - 6/30/2017	38.00
51821	06/08/2016	Printed		23169	WAVE BUSINESS SOLUTIONS	CITY HALL TELEPHONE	518.60
51822	06/15/2016	Printed		01766	AT&T MOBILITY	MAY 2016 CELL PHONES	506.72
51823	06/15/2016	Printed		02031	BACK TO THE DRAWING BOARD SIGN	20% DEPOSIT FOR SIGN	1,000.00
51824	06/15/2016	Printed		02630	BENNETT ENGINEERING SERVICES	N. MAIN ST BIKE ROUTE	4,748.00
51825	06/15/2016	Printed		02829	BLUE RIBBON PERSONNEL SERVICES	TEMP LABOR & ACT	1,282.00
51826	06/15/2016	Printed		03493	COASTLAND CIVIL ENGINEERING	E. OAK ADA IMPROVEMENT	2,782.50
51827	06/15/2016	Printed		04592	DWAYNE ARMSTRONG COMMUNICATION	WWTP INTERNET	99.95
51828	06/15/2016	Printed		05221	EOSI - ENVIRONMENT OPERATING	WWTP CHEMICALS	5,236.32
51829	06/15/2016	Printed		06419	FISCHER TOWING	TOW FIRE DEPT ENG #37	300.00
51830	06/15/2016	Printed		07456	GOLD-N-GREEN EQUIPMENT RENTALS	BRUSH CHIPPER RENTAL	800.00
51831	06/15/2016	Printed		08070	HANSEN BROS. ENTERPRISES	REPAIR SEWER LINE	466.84
51832	06/15/2016	Printed		16190	PLACER COUNTY DEPARTMENT OF	TRANSIT SERVICES	12,377.00
51833	06/15/2016	Void	06/20/2016	16500	PLACER OPERATIONAL AREA	Q3 FIRE PROTECTION	0.00
51834	06/15/2016	Printed		19591	STANLEY CONVERGENT SECURITY	DEPOT SECURITY 7/1 - 9/30/16	132.57
51835	06/15/2016	Printed		21131	UNION PACIFIC RAILROAD COMPANY	LAND LEASE FOR FENCES	250.00
51836	06/15/2016	Printed		23169	WAVE BUSINESS SOLUTIONS	CITY HALL TELEPHONE	244.80
51837	06/15/2016	Printed		23301	WESTERN PLACER WASTE	MAY 2016 SLUDGE REMOVAL	666.27
51838	06/23/2016	Printed		01790	AUBURN OFFICE PRODUCTS	Office supplies	296.69
51839	06/23/2016	Printed		30018	TRAVIS BERRY	EXP REPORT	135.47
51840	06/23/2016	Printed		02829	BLUE RIBBON PERSONNEL SERVICES	LABOR & ACT TEMPS	1,474.15
51841	06/23/2016	Printed		03164	CASH- PETTY CASH REIMBURSEMENT	Petty Cash Reimbursement	104.50
51842	06/23/2016	Printed		03173	LORRAINE CASSIDY	City Manager Retirement Party	81.88

Check Register Report

Checks Processed June 2016

Date: 07/08/2016
Time: 12:27 pm
Page: 2

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks							
51843	06/23/2016	Printed		04234	DE LAGE LANDEN FINANCIAL	COPY MACHINE MAINT & LEASE	298.50
51844	06/23/2016	Printed		06278	FRONTIER COMMUNICATIONS	WWTP PHONE SERVICES	174.04
51845	06/23/2016	Printed		07460	GOLD COUNTRY MEDIA	Ad Ordinance No. 528	89.20
51846	06/23/2016	Printed		07591	GREEN MACHINE	DONATION JULY 3RD	500.00
51847	06/23/2016	Printed		08660	HUNT AND SONS, INC.	Fire Department Fule	287.67
51848	06/23/2016	Printed		16200	PLACER COUNTY SHERIFF DEPT.	FY 2015-16	152,080.00
51849	06/23/2016	Printed		16500	PLACER OPERATIONAL AREA	Q4 PIRE PROTECTION	14,394.80
51850	06/23/2016	Printed		16727	PONTICELLO ENTERPRISES	PROJECT NO. 12-01	637.50
51851	06/23/2016	Printed		18194	RGS - REGIONAL GOV SERVICES	mAY 2016 PLANNING SERVICES	5,130.00
51852	06/23/2016	Printed		19796	SWARTZ DIESEL	FIRETRUCK ANNUAL OIL & FILTERS	3,880.37
51853	06/23/2016	Printed		23169	WAVE BUSINESS SOLUTIONS	RAILROAD DEPOT	13.64

Total Checks: 56 **Checks Total (excluding void checks): 366,466.13**

Total Payments: 56 **Bank Total (excluding void checks): 366,466.13**

Total Payments: 56 **Grand Total (excluding void checks): 366,466.13**

DAILY CASH SUMMARY REPORT

06/01/2016 - 06/30/2016

City of Colfax

			Debit	Credit	Net Chng
Fund: 100 - General Fund					
06/10/2016	Daily Totals		9,472.11	0.00	9,472.11
06/14/2016	Daily Totals		2,724.98	0.00	2,724.98
06/23/2016	Daily Totals		5,671.00	0.00	5,671.00
06/24/2016	Daily Totals		153,484.83	0.00	153,484.83
06/29/2016	Daily Totals		4,970.70	0.00	4,970.70
06/30/2016	Daily Totals		7,081.00	0.00	7,081.00
Fund: 100 - General Fund		**TOTALS:**	**183,404.62**	**0.00**	**183,404.62**
Fund: 120 - Land Development Fees					
06/10/2016	Daily Totals		3,000.00	0.00	3,000.00
06/30/2016	Daily Totals		14,120.00	0.00	14,120.00
Fund: 120 - Land Development Fees		**TOTALS:**	**17,120.00**	**0.00**	**17,120.00**
Fund: 218 - Support Law Enforcement					
06/14/2016	Daily Totals		3,174.57	0.00	3,174.57
Fund: 218 - Support Law Enforcement		**TOTALS:**	**3,174.57**	**0.00**	**3,174.57**
Fund: 244 - CDBG MicroEnterprise Lending					
06/10/2016	Daily Totals		300.00	0.00	300.00
06/30/2016	Daily Totals		500.00	0.00	500.00
Fund: 244 - CDBG MicroEnterprise Lending		**TOTALS:**	**800.00**	**0.00**	**800.00**
Fund: 250 - Streets - Roads/Transportation					
06/10/2016	Daily Totals		57,762.50	0.00	57,762.50
06/30/2016	Daily Totals		90.00	0.00	90.00
Fund: 250 - Streets - Roads/Transportation		**TOTALS:**	**57,852.50**	**0.00**	**57,852.50**
Fund: 253 - Gas Taxes					
06/10/2016	Daily Totals		4,122.40	0.00	4,122.40
06/28/2016	Daily Totals		3,989.23	0.00	3,989.23
Fund: 253 - Gas Taxes		**TOTALS:**	**8,111.63**	**0.00**	**8,111.63**

DAILY CASH SUMMARY REPORT

06/01/2016 - 06/30/2016

City of Colfax

			Debit	Credit	Net Chng
Fund: 560 - Sewer					
06/10/2016	Daily Totals		322.66	0.00	322.66
06/30/2016	Daily Totals		141.72	0.00	141.72
Fund: 560 - Sewer		**TOTALS:**	**464.38**	**0.00**	**464.38**
Fund: 561 - Sewer Liftstations					
06/10/2016	Daily Totals		814.00	0.00	814.00
06/30/2016	Daily Totals		814.00	0.00	814.00
Fund: 561 - Sewer Liftstations		**TOTALS:**	**1,628.00**	**0.00**	**1,628.00**
		GRAND TOTALS:	**272,555.70**	**0.00**	**272,555.70**

STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE JULY 27, 2016 COUNCIL MEETING

FROM: John Schempf, City Manager
PREPARED BY: Travis Berry, Technical Services Manager
DATE: July 15, 2016
SUBJECT: City Hall Telephone System Purchase

	N/A	**X**	**FUNDED**		**UN-FUNDED**	**AMOUNT: $7,124.98**	**FROM FUND: 100-100**

RECOMMENDED ACTION: Adopt Resolution 31-2016 authorizing the Technical Services Manager to purchase a new telephone system for the City Hall Offices in an amount not to exceed $7,300.

BACKGROUND AND DISCUSSION

The existing phone system in the City Hall office was installed in the 1990s. It has a limit of four voicemail boxes, lacks caller ID and numerous other features standard in today's phone systems. It has served its purpose but by today's standards it's old and clunky.

Staff recommends the purchase of a new telephone system for City Hall offices. The proposed system includes all the standard features you'd expect, and more. For example, all the deskphones have integrated Bluetooth® technology that work with any regular Bluetooth® headset – an excellent feature for the Receptionist and the Building Official when he's going over plans while speaking with clients. The call management features are virtually endless, providing the ability to forward calls to other phone numbers, setup virtual extensions to remote phones (working from home or while on the road, for example) and more. Everything is computer controlled and configured through any office computer terminal or directly through the phone itself using its 3.7 x 2.1 inch color touchscreen display. The system features wideband audio through the handset as well as the speakerphone. If you have a newer cellphone and you've talked to someone else with one, you'll know there is a dramatic improvement in sound quality with wideband audio. The system also has the ability to store contact lists and access them through the deskphone, similar to speed-dial but with unlimited contacts and the contacts can be managed, updated, and distributed to each phone by a single employee. Last but not least, every extension will have a voicemail box which will ease the workload of those tasked with answering the phone. In addition, the proposed system works with Plain Old Telephone System networks (yes, that's a real term) but is IP based, meaning it will work with the next generation phone networks currently branching out across the country, like Voice over Internet Protocol (VoIP).

FINANCIAL IMPLICATIONS

$15,000 has been budgeted for this telephone system in the 2016-2017 FY Budget. Staff has solicited for quotes and the lowest bidder is Danckert Communications in the amount of $7,124.98. The cost is all inclusive, including the installation of new wiring from the phone system to each deskphone, setup and configuration, and thorough training.

RECOMMENDATION

Staff recommends that City Council adopt Resolution № 31-2016, authorizing the Technical Services Manager to enter into an agreement with Danckert Communications for the purchase of a new telephone system for the City Hall offices in the amount of $7,124.98.

Attachments:

1. Resolution № 31-2016
2. Avaya IP500 V2 Complete System Quote

City of Colfax
City Council

Resolution № 31-2016

AUTHORIZING THE TECHNICAL SERVICES MANAGER TO EXECUTE A PURCHASE AGREEMENT WITH DANCKERT COMMUNICATIONS FOR A TELEPHONE SYSTEM FOR THE CITY HALL OFFICES IN AN AMOUNT NOT TO EXCEED $7,300

WHEREAS, the current telephone system in City Hall is outdated and lacks standard features expected for efficient operations in an office setting; and

WHEREAS, on June 8, 2016 the City Council of the City of Colfax adopted the 2016-2017 and 2017-2018 Budget which included funding to upgrade the telecommunication system within City Hall; and

WHEREAS, City staff has solicited for quotes for a new phone system and obtained the lowest bid from Danckert Communications for an all-inclusive installation of the system in an amount well below the budgeted allotment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Colfax authorizes the Technical Services Manager to execute a purchase agreement with Danckert Communications in an amount not to exceed $7,300.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at a regular meeting of the City Council of the City of Colfax held on the 27th day of July, 2016 by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Tom Parnham, Mayor

ATTEST:

_____
Lorraine Cassidy, City Clerk

BID-PROPOSAL

This form complies with professional standards and laws in effect January 1-December 31, 2001

DATE: 7/13/16 /01
PROPOSAL NO: 1013

PROPOSAL SUBMIT TO:

Name: City Of Colfax
Address: 33 S. Main Street
City: Colfax State: Ca. Zip: 95713
Telephone: (530)346-2313 Fax: (530)346-6214

WORK TO BE PERFORMED AT:

Name: City of Colfax Offices
Address: 33 S. Main Street
City: Colfax State: Ca Zip: 95713
Telephone: (530)346-2313 Fax: (530)346-6214

Construction To Begin: TBD Contract Completion Date: TBD
Date Of Plans: 7/10/16 Architect: Engineer:

We hereby propose to furnish all materials and necessary equipment, and perform all labor necessary to complete the following work (Describe Labor, Material And Equipment To Be Furnished):

1. Avaya IP500 V2 Control Unit - 700476005
2. Avaya IP500 V2 System SD Card Mu Law - 700479710
3. Avaya IP500 Rack Mounting Kit - 700429202
4. Avaya IP Office Essential Edition ADI License R9 (275631)
5. Avaya IP500 VCM 32 V2 Base Card - 700504031 - Unused 1 69.00 69.00
6. Avaya IP500 Analog Trunk Card 4 V2 Universal - 700503164
7. Avaya IP Office IP Endpoint 5 ADI License (275619)
8. Avaya D100 SIP DECT Wireless Phone Kit - 700503098
9. Avaya 9621G IP Deskphone - 700480601, 700506514
10. Provide and place nine 3' patch cords from switch to new cabling
11. Provide and place 1 cat. 5e cable to 9 locations.
12. Provide and place 24 port patch panel.
13. Provide and place Netgear JGS524PE ProSAFE 24-Port Gigabit Plus Switch with 12 PoE Ports

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and substantially completed in a professional manner for the sum of:
Seven Thousand One Hundred Twenty-Four and 98/100 Dollars ($7124.98) with payments to be made as follows: Due and payable upon completion

Contractors are required by law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigation complaints against contractors if a complaint is filed within four years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA. 95826.

Contractor's Name: Daniel Danckert Address: 19740 Matthew Road
By: Daniel Danckert City/St: Grass Valley, Ca. 95945
Contractor's License #: Phone: 916-718-3235 Fax: ddanckert@hotmail

NOTE: This proposal may be withdrawn by us if not accepted within 5 days.

ACCEPTANCE OF PROPOSAL

You are hereby authorized to furnish all material, equipment and labor required to complete the work described in the above proposal, for which the undersigned agrees to pay the amount stated in said proposal and according to the terms thereof.

Signature: Date: / /01 Signature: Date: / /01

TERMS AND CONDITIONS:

I. CHANGES IN THE WORK. Should the owner, construction lender, or any public body or inspector direct any modification or addition to the work covered by this contract, the contract price shall be adjusted accordingly.

Modification or addition to the work shall be executed only when a contract Change Order has been signed by both the Owner and the Contractor. The change in the contract price caused by such contract Change Order shall be as agreed to in writing, or if the parties are not in agreement as to the change in contract price, the Contractor's actual cost of all labor, equipment, subcontracts and materials, plus a Contractor's fee of **15%** shall be the change in contract price. The Change Order may also increase the time within which the contract is to be completed.

Contractor shall promptly notify the Owner of (a) latent physical conditions at the site differing materially from those indicated in the contract, or (b) unknown physical conditions differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this contract. Any expenses incurred due to such conditions shall be paid for by owner as added work.

II. OWNER'S RESPONSIBILITIES. Owner agrees to allow and provide Contractor and his/her equipment access to the property.

III. DELAYS. Contractor agrees to start and diligently pursue work through to completion, but shall not be responsible for delays for any of the following reasons: failure of the issuance of all necessary building permits within a reasonable length of time, funding of loans, disbursement of funds into funding control or escrow, acts of neglect or omission of Owner or Owner's employees or Owner's agent, acts of God, stormy or inclement weather, strikes, lockouts, boycotts, or other labor union activities, extra work ordered by Owner, acts of public enemy, riots or civil commotion, inability to secure material through regular recognized channels, imposition of Government priority or allocation of materials, failure of Owner to make payments when due, or delays caused by inspection or changes ordered by the inspectors of authorized governmental bodies, or for acts of independent contractors, or holidays, or other causes beyond Contractor's reasonable control.

IV. SUBCONTRACTS. The Contractor may subcontract portions of this work to properly licensed and qualified subcontractors.

V. TAXES AND ASSESMENTS. Taxes and assessments of all descriptions will be paid for by Owner.

VI. INSURANCE AND DEPOSITS. Contractor shall carry Worker's Compensation Insurance for the protection of Contractor's employees during the progress of the work. Contractor shall carry liability insurance to cover any damages to Owner's property resulting out of the acts of Contractor. Owner shall obtain and pay for insurance against injury to his own employees and persons under persons on the job site at Owner's invitation.

Owner shall also procure at own expense and before the commencement of work hereunder "all-risk" insurance with course of construction, theft, vandalism and malicious mischief endorsements attached, the insurance to be in a sum at least equal to the contract price. The insurance shall name the Contractor and any subcontractors as additional insureds, and will be written to protect owner, Contractor and subcontractors as their interests may appear.

Should Owner fail to procure such insurance, Contractor may do so at the expense of Owner, but is not required to do so. Owner and Contractor waive rights of subrogation against each other to the extent that any loss is covered by valid and collectible insurance. If the project is destroyed or damaged by accident, disaster, or calamity such as fire, storm, flood, landslide, subsidence or earthquake, work done by Contractor in rebuilding or restoring the project shall be paid for by owner as extra work.

VII. RIGHT TO STOP WORK. Contractor shall have the right to stop work if any payment shall not be made, when due, to Contractor under this Agreement; Contractor may keep the job idle until all payments due are received. Failure to make payment, within five (5) days of the due date, is a material breach of this Agreement and shall entitle contractor to cease any further work.

VIII. CLEAN-UP. Contractor will remove from Owner's property debris and surplus material created by the operation and leave it in a neat and broom clean condition.

IX. COMPLIANCE WITH LAWS. In connection with the performance by Contractor of his/her duties pursuant to this Agreement, Contractor shall obtain and pay for all permits and comply with all federal, state, county and local laws, ordinances and regulations.

X. ARBITRATION, VALIDITY AND DAMAGES. Any controversy or claim arising out of or related to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

XI. ASBESTOS AND HAZARDOUS WASTE. Unless the contract specifically calls for the removal, disturbance, or transportation of asbestos or other hazardous substances, the parties acknowledge that such work requires special procedures, precautions, and/or licenses. Therefore, unless the contract specifically calls for same, if Contractor encounters such substances, Contractor shall immediately stop work and allow the Owner to obtain a duly qualified asbestos and/or hazardous material contractor to perform the work or do the work at contractor's option. Said work shall be treated as an extra under the contract.

XII. LIMITED WARRANTY. Contractor hereby warrants its work for **5** year(s) after completion against any defects in workmanship or material. This limited warranty is in lieu of any other warranty express or implied.

XIII. ATTORNEY FEES. In the event legal action or arbitration instituted for the enforcement of any term or condition of this contract, the prevailing party shall be entitled to an award of reasonable attorneys fees in said action or arbitration, in addition to costs and reasonable expenses incurred in the prosecution or defense of said action or arbitration.

STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE JULY 27, 2016 COUNCIL MEETING

FROM: John Schempf, City Manager
PREPARED BY: Staff
DATE: July 21, 2016
SUBJECT: Animal Control Contract

	N/A	X	**FUNDED**		**UN-FUNDED**	**AMOUNT:**	**FROM FUND:**

RECOMMENDED ACTION: Appoint two Councilmembers to serve on the Animal Control Ad Hoc Committee

BACKGROUND AND DISCUSSION:

At the July 13, 2016 meeting, the City Council approved a 2-year contract for animal control services with the County which increased costs to share in a portion of the operation of the new County animal shelter facility. In discussion with the County last year, City staff made clear the understanding that Colfax may not participate in the future if costs increase substantially. At Council's pleasure the contract can be reconsidered and give a 30 day notice for cancellation if a viable alternative can be engaged.

Council has expressed some concern regarding the cost for animal control services and has investigated alternatives, including the possibility of contracting with one of the local veterinarians.

RECOMMENDATION:

Staff recommends Council appoint two Councilmembers to join with staff to form an ad hoc committee for evaluation of animal control alternatives.

Medical Marijuana

Marijuana License Fees and Taxes: *Fees are revenue neutral as in the cost of the license will be based on program costs. Taxes will be a revenue generator.*

Agreed Yes or No?

Fee Renewals: Annually? Two years? None? Staff recommends None.

Cultivation: *State will not require license for 6 plants or 100 square feet.*

Do you want more than 6 plants/100 sq. ft.? Yes or no. If yes, how much more and do we tax? *(Will be licensed by the State)* Staff recommends No. If no, do we license? Staff recommends No.

Delivery: *State will license.*

Do you want to allow, Yes or No? If Yes, do we charge a fee? If No, must be in the ordinance.

Dispensary: Allow, Yes or No? If No, must be in ordinance. If Yes, what tax rate? Staff recommends 15%.

December 16, 2015

Frequently Asked Questions (FAQs)

Medical Marijuana Regulation and Safety Act[1]

Topic #1: Cultivation

The State will be the sole licensing authority for the commercial cultivation of medical marijuana unless a city adopts a land use regulation or ordinance regulating or prohibiting the cultivation of marijuana — either expressly or otherwise under the principles of permissive zoning. The land use regulation or ordinance must take effect before ***March 1, 2016.***[2]

Question: If a city wants to enact a total ban on cultivation, can the ban include cultivation for personal use?

> **Answer:** Yes. Under *Live Oak*[3], a city can ban all marijuana cultivation — even cultivation of small amounts by qualified patients. The *Live Oak* ban had no exceptions for personal use by a qualified patient. The new legislation does not change the law in this regard.

Question: Must a city's ordinance prohibiting cultivation make an exception for personal medical marijuana cultivation of up to 6 mature or 12 immature plants?[4]

> **Answer:** No. In the *Live Oak* case, the California Court of Appeal upheld the city's total ban on all marijuana cultivation. That authority is preserved under the new legislation.

Question: Is a person who cultivates marijuana for his or her personal medical use required to get a cultivation license from the State?

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[1] AB 266 (Bonta, Cooley, Jones-Sawyer, Lack, Wood); AB 243 (Wood); and SB 643 (McGuire). Effective 1/1/2016. Please consult your City Attorney before taking action to implement the MMRSA. The answers to these FAQs may be different in your city based upon your municipal code, regulations, and policies.
The answers do not constitute legal advice from the League of California Cities®.

[2] Health & Safety 11362.777(c).

[3] *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975.

[4] Health & Safety Code 11362.77 allows a qualified patient to cultivate 6 mature or 12 immature plants without criminal liability.

Answer: No, if the area used for cultivation does not exceed 100 square feet, or 500 square feet for a primary caregiver with no more than five patients.[5] If the areas exceed these limits, then a State license is required. The exemption from the State licensing requirements does not prevent a city from regulating or banning cultivation by persons exempt from State licensing requirements.[6]

Question: Can a city prevent the State from becoming the sole licensing authority for cultivation by adopting an ordinance (that takes effect before March 1, 2016) that permits the cultivation of six plants per residence?

Answer: Yes. The State becomes the sole licensing authority for cultivation as of March1, 2016 if a city does not have a land use regulation or ordinance "regulating or prohibiting the cultivation of marijuana" that has taken effect before March 1. An ordinance permitting cultivation under certain specific conditions (not more than six plants per residence) is an ordinance "regulating" marijuana cultivation and therefore qualifies. However, in order to be completely clear, the City Attorney may wish to determine whether it is advisable to prohibit all other types of cultivation as part of the ordinance.

Question: Must the cultivation prohibition be adopted as part of a city's zoning code? Could it be adopted instead under the city's business licenses and regulations?

Answer: It is not possible to answer "yes" or "no." AB 243 requires a "land use regulation or ordinance." Whether the phrase "land use" requires a zoning ordinance is a question for the city attorney to answer based on the particular language of the city's municipal code.

Question: Can a city ban large growers but still allow qualified patients to cultivate a small amount of medical marijuana in their private residences?

Answer: Yes. There's nothing in the legislation that requires a total ban. The most important consideration is to clearly identify cultivation that is prohibited and cultivation that is allowed and to do so with an ordinance that takes effect before March 1, 2016.

Question: Is a temporary land use moratorium (under Government Code section 65858) on medical marijuana cultivation that is effective before March 1, 2016 sufficient to prevent the State from having sole licensing authority under the new law for medical marijuana cultivation applicants in that city?

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[5] Business & Professions Code 19319; Health & Safety 11362.777(g).
[6] Health & Safety Code 11362.777(g)

Answer: Probably not. Some attorneys think that a temporary land use moratorium is not sufficient because the new law requires a land use regulation or ordinance that prohibits or regulates cultivation. Because a moratorium adopted under Government Code 65858 would only temporarily prohibit cultivation, it may not qualify as a land use ordinance that "prohibits" cultivation. Be sure to consult your city attorney on this question.

Question: Can a local medical marijuana cultivation ordinance be enacted on an urgency basis in order to comply with the March 1, 2016 deadline in the new legislation?

Answer: Probably so. The special findings required for an urgency ordinance adopted under Government Code 36937 could be based upon the March 1 statutory deadline. Some attorneys think that this type of urgency ordinance cannot be used to adopt a land use ordinance. Be sure to consult your city attorney on this question.

Topic #2: Delivery

Deliveries of medical marijuana can only be made by a State-licensed dispensary in a city that does not explicitly prohibit deliveries by local ordinance. If a city wants to prevent deliveries within its jurisdiction, it must adopt an ordinance expressly prohibiting them.[7]

Question: Is there a deadline for adopting an ordinance explicitly prohibiting deliveries?

Answer: There is no deadline in the new law. However, best practice would be to adopt the ordinance prior to the date the State begins issuing licenses allowing deliveries so as to reduce the risk of confusion and to avoid the process of requesting the State to terminate the operations of a dispensary making deliveries within the city.

The legislation does not specify a deadline for the State to begin issuing any category of license. The State is generally expected to begin issuing licenses on January 1, 2018, but it could begin sooner.

Question: What are the quantities that delivery services will be authorized to transport?

Answer: The amount that local delivery services will be authorized to carry will be determined by the Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs. The determination will be based on security considerations, cash value, and other factors. The amount will be a statewide threshold, authorized for delivery primarily to patients, primary caregivers, and testing labs. Larger amounts will not be considered "delivery" but rather "transport" triggering heightened security requirements while the product is being moved.

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[7] Health & Safety 19340.

December 16, 2015

Topic #3: Dispensaries and Retail Operations

Question: Will cities still be able to ban dispensaries?

> **Answer:** Yes. Cities currently have the ability to enact bans on dispensaries and other marijuana retail operations. The new law will not change that, and in fact requires a local permit and a State license before a marijuana business can begin operations within a specific jurisdiction. Cities will retain the discretion to deny permits or licenses to marijuana dispensaries.

Question: Can a city allow dispensaries and prohibit delivery services?

> **Answer:** Yes. But cities should be aware that if they wish to prohibit delivery services, an ordinance prohibiting delivery services is required.

Topic #4: Other Questions

Question: Does the new legislation make any distinction between "not-for-profit" and "for profit" medical marijuana businesses?

> **Answer:** No. There is no distinction in the new legislation between medical marijuana businesses that operate "for profit" and those that operate on a "not-for-profit" basis. The new law does not mandate that dispensaries or other businesses operate under either business model.

Question: Are marijuana edibles covered under the new legislation? Is there a separate designation for them under the new law, with additional State regulatory requirements?

> **Answer:** The new legislation directs the State Department of Public Health (DPH) to develop standards for the production and labeling of all edible medical cannabis products (Business & Professions Code section 19332(c)). A license is required from DPH to "manufacture" edibles. The DPH standards are "minimum standards." A city may adopt additional stricter standards, requirements and regulations regarding "edibles" (Business & Professions Code section 19316(a)). Cities also retain their ability to license and regulate edible sales or distribution.

Question: The new law says: "upon approval of the state, cities may enforce state law". If an existing medical marijuana dispensary does not have both licenses (State and city), then must a city wait for the State to approve shutting the dispensary down before a city can cite the dispensary or otherwise seek to shut it down under the city's ordinances and regulations?

> **Answer:** No. A city may enforce its own ordinances and regulations against the dispensary since a medical marijuana dispensary cannot operate lawfully unless it complies with all local ordinances and regulations.

Question: Does a P.O. Box qualify as a medical marijuana business location? Is that considered a "use" in a city?

Answer: The answer to this question depends upon a city's municipal code. The State law prohibits a person from engaging in commercial cannabis activity without possessing both a State license and a local permit, license or other authorization. A State licensee may not commence activity under the authority of a State license until the applicant has complied with all requirements of the applicable local ordinance (Business & Professions Code section19320). A city's municipal code will determine whether a "use" includes a post office box.

Question: Does the new law address extraction of THC, butane or other substances from marijuana?

Answer: The new law does not specifically address the issue of extraction at all — other than to acknowledge very generally that extraction falls within the definition of manufacturing, and that medical marijuana or a product derived from it may contain extracts.

Question: Since patients and primary caregivers are exempt from the licensing requirement under specified circumstances, how will that work if they are also owners of a dispensary or cultivation site?

Answer: A primary caregiver or qualified patient who seeks to operate a dispensary or cultivation site is subject to the same State licensing requirements and local permitting requirements as any other person.

Question: What types of medical marijuana businesses require a State license?

Answer: The new law creates six State licensing categories: Dispensary, Distributor, Transport, Cultivation, Manufacturing, and Special Dispensary Status for licensees who have a maximum of three dispensaries. Any person or entity wishing to operate under a State license must also comply with all local requirements.

Question: Several initiative measures to legalize recreational marijuana have been filed with the Attorney General in advance of the November 2016 ballot. Should a city be considering prohibiting or regulating recreational marijuana at this time?

Answer: No. The new law does not address recreational use of marijuana. It adds a licensing structure for businesses that wish to serve those qualified patients and primary caregivers who use medical marijuana for their personal use. The League of California Cities is following the various recreational marijuana initiative measures that have been filed with the Attorney General. There is no need for a city to take any action at this time. If a city is interested in following these measures, more information can be found at: https://www.oag.ca.gov/initiatives/active-measures.

Question: Does the new law protect the privacy of patients and primary caregivers?

Answer: Yes. Patient and primary caregiver information is confidential and not subject to disclosure under the California Public Records Act, except as necessary for employees of

the State or any city to perform official duties.

Question: Is there a provision in the new law giving business operators priority for State licensing if they can show that they are in compliance with local ordinances? If so, what is the purpose of this provision?

Answer: Yes. The State licensing authority is required to prioritize any facility or entity that can demonstrate to the authority's satisfaction that it was in operation and in good standing with the local jurisdiction by January 1, 2016. This provision is intended as an incentive for business operators to be in compliance with local ordinances, to ease any difficulties local governments may have in launching their local regulatory structures, and to help expedite the initial phase of issuing state licenses.

Question: Does the new law address food trucks that sell marijuana edibles?

Answer: No. The operation of food trucks are within the control and regulation of cities and county health departments.

PLEASE NOTE: This document will be updated periodically, as needed, and will remain available at www.cacities.org. As noted above, each city should consult with its city attorney on all of these issues. The answers to these FAQs do not constitute legal advice from the League of California Cities®.

MEDICAL MARIJUANA REGULATION AND SAFETY ACT[1]

What Cities Need to Know About the New Law and Cultivation

OVERVIEW

Here's what you need to know:

- **Local prohibition or regulation:** Cities may prohibit or regulate medical marijuana businesses within their jurisdictions. **Local authority remains intact under the new law.**
- **State license required:** All medical marijuana businesses – dispensary sales, delivery service, cultivation, transport or distribution – must have a State license[2].
- **State license not enough:** A medical marijuana business in any city may only operate if it has permission from the State and permission from the city ("dual licensing").
- **Enforcement:** Revocation of local permission to operate means a medical marijuana business must terminate operation because the new law requires dual licensing. Upon approval of the State, a city may enforce State law.
- **State law penalties for unlicensed activity:** There are civil penalties and criminal penalties for operating without a State license.

CULTIVATION

Here's what you need to know:

If your city does **not** have a land use ordinance in place regulating or prohibiting the cultivation of marijuana, *either expressly or otherwise under the principles of permissive zoning*, or chooses not to administer a conditional permit program, then commencing **March 1, 2016**, the State Department of Food and Agriculture will be the sole licensing authority for medical marijuana cultivation applicants.

1 AB 266 (Bonta, Cooley, Jones-Sawyer, Lack, Wood); AB 243 (Wood); and SB 643 (McGuire). Effective 1/1/2016.

2 The Department of Consumer Affairs estimates it will begin issuing State licenses in January 2018. The Department of Food and Agriculture and the Department of Public Health also have licensing authority under the new law. Businesses operating in compliance with local ordinances will get priority in the State licensing application process.

October 27, 2015

CULTIVATION

Here's what you need to do:

Determine if your city fits within City #1 or City #2 as described below:

- **City #1:** Municipal Code that does not expressly prohibit nor expressly regulate cultivation of medical marijuana and is not a "permissive zoning" code. **Need to take action.**

  ACTION REQUIRED: Adopt a land use ordinance regulating or prohibiting the cultivation of medical marijuana. The ordinance must be effective by February 28, 2016. The ordinance may be adopted as an "urgency ordinance," or second reading must occur on or before January 29, 2016.

- **City #2:** Municipal Code that is a "permissive zoning" code and does not enumerate cultivation of medical marijuana as a permitted or conditional use. **Need to take action.**

  ACTION REQUIRED: (1) Check and confirm that your city's zoning code is adopted and implemented under the principles of permissive zoning. If not, take action recommended for City #1. (2) If confirmed, adopt a resolution that includes the following provisions:

  - States that Health & Safety Code section 11362.777(b)(3) provides that the Department of Food and Agriculture may not issue a State license to cultivate medical marijuana within a city that prohibits cultivation under principles of permissive zoning;
  - Re-affirms and confirms that the Zoning Code is adopted and operates under the principles of permissive zoning;
  - States this means that cultivation of marijuana is not allowed within City #2 because it is not expressly permitted; and
  - Therefore, the State is not allowed to issue a license for the cultivation of medical marijuana within City #2.

Be sure to consult with your city attorney before taking any of the actions recommended in this document.

MEDICAL MARIJUANA REGULATION AND SAFETY ACT[1]

What Cities Need to Know About the New Law and Delivery Services

OVERVIEW

Here's what you need to know:

- **Local prohibition or regulation:** Cities may prohibit or regulate medical marijuana businesses within their jurisdictions. **Local authority remains intact under the new law.**
- **State license required:** All medical marijuana businesses – dispensary sales, delivery service, cultivation, or transport – must have a State license[2].
- **State license not enough:** A medical marijuana business in any city may only operate if it has permission from the State **and** permission from the city ("dual licensing").
- **Enforcement:** Revocation of local permission to operate means a medical marijuana business must terminate operation because the new law requires dual licensing. Upon approval of the State, a city may enforce State law.
- **State law penalties for unlicensed activity:** There are civil penalties and criminal penalties for operating without a State license.

DELIVERY

Here's what you need to know:

If a city does not expressly prohibit the delivery of medical marijuana within its jurisdiction, delivery will be allowed (with a State dispensary license). This means that if your city wishes to prohibit the delivery of medical marijuana within its jurisdiction, the city must adopt an ordinance expressly prohibiting delivery services and mobile dispensaries.

DELIVERY

Here's what you need to do:

- Determine whether your city currently bans delivery services for medical marijuana.
- If you have a ban, determine whether it is an express ban, or a ban enacted via permissive zoning (i.e., it is not listed in your zoning or other codes as a permitted activity within the city limits).
- If you have an express ban specifically identifying marijuana deliveries as a prohibited activity, you do not need to take further action.
- If you wish to prohibit delivery services but do not have an express ban, **you need to take further action.**

  ACTION REQUIRED: Adopt an ordinance expressly banning deliveries within your jurisdiction. If you do not adopt an express ban ordinance before the State begins issuing any State licenses, a State-licensed dispensary will be able to deliver medical marijuana within your jurisdiction. You may adopt an ordinance expressly banning deliveries after the State begins to issue licenses. However, it may be difficult to terminate the State licensee's deliveries at that time. Therefore, best practice is for an ordinance to be in place before the State begins issuing State licenses. The State currently estimates that it will begin issuing dispensary licenses in January 2018, but that could certainly happen sooner.
- A ban enacted via permissive zoning is not an express ban.

Be sure to consult with your city attorney before taking any of the actions recommended in this document.

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1 AB 266 (Bonta, Cooley, Jones-Sawyer, Lack, Wood); AB 243 (Wood); and SB 643 (McGuire). Effective 1/1/2016.

2 The Department of Consumer Affairs estimates it will begin issuing State licenses in January 2018. The Department of Food and Agriculture and the Department of Public Health also have licensing authority under the new law. Businesses operating in compliance with local ordinances will get priority in the State licensing application process.

October 27, 2015

LEAGUE® OF CALIFORNIA CITIES

ORDINANCE NO. 7,464–N.S.

ZONING ORDINANCE AMENDMENT: AMENDING SECTION 23E.72.040 OF THE BERKELEY MUNICIPAL CODE TO AMEND THE MEDICAL CANNABIS CULTIVATION ORDINANCE

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. That Berkeley Municipal Code Section 23E.72.040 is amended to read as follows:

Section 23E.72.040 Medical Cannabis Cultivation

A. Notwithstanding anything to the contrary in this Chapter, cultivation of medical cannabis as defined in Chapter 12.23, Chapter 12.26, Chapter 12.25 and the State's Medical Marijuana Regulation and Safety Act shall be permitted as a matter of right with a Zoning Certificate in the M District, subject to the following limitations:

   1. Such locations shall be limited to licensed medical cannabis organizations.

   2. Medical cannabis may not be dispensed, and client, patient or member services are prohibited, at such locations.

   3. No single location used for cultivation and associated uses by a licensee may exceed 22,000 square feet, except that separate spaces used by different licensees may be aggregated on the same location.

   4. The total area used for medical cannabis cultivation shall not exceed 180,000 square feet.

B. Such locations shall comply with security regulations promulgated by the Chief of Police, and the requirements of this Chapter, and shall not be located within 600 feet of a private or public elementary, middle or high school. Such locations may include testing, processing, manufacturing and food preparation, if permitted by the State's Medical Marijuana Regulation and Safety Act.

C. No medical cannabis uses may be approved under this Section until the City Council adopts a licensing process and standards for such uses. Such standards shall include a requirement that indoor cultivation uses provide for an energy offset through a program specified by the City to offset the net increased energy that is used by the facility as compared to a regular industrial facility, and may include, but shall not be limited to, whether proposed facilities will provide a percentage of all usable product cultivated at no cost to very low income patients and will use organic methods in cultivation and processing to the maximum extent reasonable; and whether their form of organization, ownership and practices ensure equity and accountability, low prices and an adequate supply of high quality medical cannabis to their members.

Section 2. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

At a regular meeting of the Council of the City of Berkeley held on February 23, 2016, this Ordinance was passed to print and ordered published by posting by the following vote:

Ayes: Anderson, Arreguin, Capitelli, Droste, Maio, Moore, Wengraf, Worthington and Bates.

Noes: None.

Absent: None.

At a regular meeting of the Council of the City of Berkeley held on March 8, 2016, this Ordinance was adopted by the following vote:

Ayes: Arreguin, Capitelli, Droste, Maio, Moore, Wengraf, Worthington and Bates.

Noes: None.

Absent: Anderson.

Tom Bates
Tom Bates, Mayor

ATTEST: Mark Numainville
Mark Numainville, City Clerk

Date signed: March 11, 2016

City of Sacramento
Ordinance Regulating Cultivation of Medical Marijuana

8.132.030 Cultivation of medical marijuana.

A. Prohibitions. A person owning, leasing, occupying, or having charge or possession of any premises within a residential zone or used for residential purposes, shall not cause, allow, or permit the premises to be used for the following:

1. The outdoor cultivation of marijuana plants.

2. The cultivation of marijuana plants, unless the person cultivating the plants is a qualified patient, primary caregiver, or person with an identification card and that

person resides full-time on the premises where the marijuana cultivation occurs.

B. Indoor Cultivation. The indoor cultivation of medical marijuana in residential zones or on premises used for residential use shall be conducted only within an allowable structure and shall conform to the following minimum standards:

1. Regardless of how many qualified patients, primary caregivers, or persons with identification cards are residing at the premises, the cumulative area used for cultivation on the premises shall not exceed four hundred (400) square feet.

2. Indoor grow lighting systems shall:

a. Not exceed three thousand eight hundred (3,800) watts;

b. Be shielded to confine light and glare to the interior of the allowable structure;

c. Comply with the city building code and fire prevention code.

3. Allowable structures shall have ventilation and filtration systems installed that prevent medical marijuana plant odors from exiting the interior of the structure. The ventilation and filtration system shall be approved by the building official and installed prior to commencing cultivation within the allowable structure.

4. Medical marijuana cultivation shall be concealed from public view at all stages of growth and there shall be no exterior evidence of cultivation occurring at the premises from a public right-of-way or from an adjacent parcel.

5. The medical marijuana cultivation shall not create offensive odors; create excessive dust, heat, noise, smoke, traffic, or other impacts that are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public; or be hazardous due to use or storage of materials, processes, products, or wastes.

6. Medical marijuana cultivation areas, whether in a detached building or inside a residence, shall not be accessible to juveniles who are not qualified patients, primary caregivers, or persons with an identification card. (Ord. 2012-045 § 2)

Medical Marijuana Regulation and Safety Act

- The Medical Marijuana Regulation and Safety Act consists of three discrete pieces of legislation:
- **AB 266 (Bonta, Cooley, Jones-Sawyer, Lackey, Wood)** – Establishes dual licensing structure requiring state license ***and*** a local license or permit. Department of Consumer Affairs heads overall regulatory structure establishing minimum health and safety and testing standards.
- **AB 243 (Wood)**– Establishes a regulatory and licensing structure for cultivation sites under the Department of Food and Agriculture.
- **SB 643 (McGuire)** - Establishes criteria for licensing of medical marijuana businesses, regulates physicians, and recognizes local authority to levy taxes and fees.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- This legislation protects local control in the following ways:
- **Dual licensing:** A requirement in statute that all marijuana businesses must have **both** a state license, and a local license or permit, to operate legally in California. Jurisdictions that regulate or ban medical marijuana will be able to retain their regulations or ban.
- **Effect of Local Revocation of a Permit or License:** Revocation of a local license or permit terminates the ability of a marijuana business to operate in that jurisdiction under its state license.
- **Enforcement:** Local governments may enforce state law in addition to local ordinances, if they request that authority and if it is granted by the relevant state agency.
- **State law penalties for unauthorized activity:** Provides for civil penalties for unlicensed activity, and applicable criminal penalties under existing law will continue to apply.
- With certain exceptions, expressly protects local licensing practices, zoning ordinances, and local actions taken under the constitutional police power.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- This legislation protects public safety in the following ways:

- **SB 643**: Establishes a track and trace program for all marijuana.

- **AB 266**:
  - Limits vertical integration by requiring third party distribution, transportation and testing.
  - Requires the development of a study that identifies the impact and impairing effect that marijuana has on motor skills.
  - Establishes uniform security requirements at dispensaries as well as for transporters.

LEAGUE OF CALIFORNIA CITIES

Key State Medical Marijuana Laws

- Compassionate Use Act of 1996 (Health and Safety Code section 11362.5). Criminal violations relating to possession and cultivation of marijuana do not apply to patients and primary caregivers for possession and cultivation of marijuana for personal medical use with doctor's approval.

- Medical Marijuana Program (Health and Safety Code section 11362.7 through 11362.9). Establishes voluntary program for identification cards issued by county for qualified patients and primary caregivers and provides criminal immunity to qualified patients and primary caregivers for certain activities involving medical marijuana.

- Medical Marijuana Regulation and Safety Act (Business and Profession Code section 19300 through 19360). Governs the licensing and control of all medical marijuana businesses in the state and provides criminal immunity for licensees.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

Two areas will require immediate attention from local governments:

- **Deliveries and mobile dispensaries:** Delivery is permitted with a State license unless a city adopts an express prohibition on delivery (AB 266).

- **Cultivation ordinances:** Cities must adopt an ordinance prohibiting or regulating cultivation prior to March 1, 2016. Otherwise the State will be sole licensing authority.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **AB 266 Medical Marijuana – what the bill does:**

- Establishes a statewide regulatory scheme administered by the Bureau of Medical Marijuana Regulation (BMMR) within the Department of Consumer Affairs (DCA).
- Provides for dual licensing: both a state license, and a local permit or license, ***issued according to local ordinances,*** are required.
- Caps total cultivation for a single licensee at 4 acres statewide, subject to local ordinances.
- Creates four licensing categories: Dispensary, Distributor, Transport, and Special Dispensary Status for licensees who have a maximum of three dispensaries. Specifies various sub-categories of licensees (indoor cultivation, outdoor cultivation, etc.)
- Limits cross-licensing: Operators may hold one state license in up to two separate license categories. Prohibits medical marijuana licensees from also holding licenses to sell alcohol.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **AB 266 Medical Marijuana – what the bill does:**

- Grandfathers in vertically integrated businesses (i.e. businesses that operate and control their own cultivation, manufacturing, and dispensing operations) if a local ordinance allowed or required such a business model and it was enacted on or before July 1, 2015. Requires businesses to operate in compliance with local ordinances, and to have been engaged in all the specified activities on July 1, 2015.
- Requires establishment of uniform state minimum health and safety standards, testing standards, and security requirements at dispensaries and during transport of the product. Product testing is mandatory.
- Specifies a standard for certification of testing labs, and specified minimum testing requirements. Prohibits testing lab operators from being licensees in any other category, and from holding a financial or ownership interest in any other category of licensed business.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **AB 266 Medical Marijuana – what the bill does:**

- Labor Peace: Includes a labor peace agreement under which unions agree not to engage in strikes, work stoppages, etc. and employers agree to provide unions reasonable access to employees for the purpose of organizing them. Specifies that such an agreement does not mandate a particular method of election.

- Specifies that patients and primary caregivers are exempt from the state licensing requirement, and provides that their information is not to be disclosed and is confidential under the California Public Records Act.

- Phases out the existing model of marijuana cooperatives and collectives one year after DCA announces that state licensing has begun. Thereafter license will be required.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **AB 243 Medical Marijuana – what the bill does:**
- Places the Dept. of Food and Agriculture (DFA) in charge of State licensing and regulation of indoor and outdoor cultivation sites.
- Mandates the Dept. of Pesticide Regulation (DPR) to develop standards for pesticides in marijuana cultivation, and maximum tolerances for pesticides and other foreign object residue.
- Mandates the Dept. of Public Health to develop standards for production and labelling of all edible medical cannabis products.
- Assigns joint responsibility to DFA, Dept. of Fish and Wildlife, and the State Water Resources Control Board (SWRCB) to prevent illegal water diversion associated with marijuana cultivation from adversely affecting California fish population.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **AB 243 Medical Marijuana – what the bill does:**
  - Specifies that DPR, in consultation with SWRCB, is to develop regulations for application of pesticides in all cultivation.
  - Specifies various types of cultivation licenses.
  - Directs the multi-agency task force headed by the Dept. of Fish and Wildlife and the SWRCB to expand its existing enforcement efforts to a statewide level to reduce adverse impacts of marijuana cultivation, including environmental impacts such as illegal discharge into waterways and poisoning of marine life and habitats.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **SB 643 Medical Marijuana – what the bill does:**
  - Directs California Medical Board to prioritize investigation of excessive recommendations by physicians;
  - Imposes fines ($5000.00) vs. physicians for violating prohibition against having a financial interest in a marijuana business;
  - Recommendation for cannabis without a prior examination constitutes unprofessional conduct;
  - Imposes restrictions on advertising for physician recommendations;

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **SB 643 Medical Marijuana – what the bill does:**

- Places Dept. of Food and Agriculture in charge of cultivation regulations and licensing, and requires a track and trace program;
- Codifies dual licensing (state license and local license or permit), and itemizes disqualifying felonies for state licensure;
- Places DPR in charge of pesticide regulation; DPH in charge of production and labelling of edibles;
- Authorizes counties to tax – declaratory of existing law.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **SB 643: Disqualifying felony convictions for licensure**
  - These include felony narcotics convictions, violent felony convictions, serious felony convictions, and felony convictions involving fraud, deceit or embezzlement.
  - Applications cannot be denied if the denial is based solely on the applicant's conviction of a crime for which the applicant was subsequently granted a certificate of rehabilitation, or if the applicant's conviction was subsequently dismissed.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **Delivery of Medical Marijuana (AB 266)**
- "Delivery" means the commercial transfer of medical cannabis or medical cannabis products from a dispensary, up to an amount determined by the bureau to a primary caregiver or qualified patient as defined in Section 11362.7 of the Health & Safety Code, or a testing laboratory.
- "Delivery" also includes the use by a dispensary or any technology platform owned and controlled by the dispensary or independently licensed under this chapter that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer by a licensed dispensary of medical cannabis or medical cannabis products. (Business & Professions Code 19300.5(m))

Medical Marijuana Regulation and Safety Act

- **Delivery of Medical Marijuana (AB 266)**
- *"Deliveries" can only be made by a dispensary and in a city, county, or city and county that does not* ***explicitly prohibit*** *it by local ordinance*. Business & Professions Code 19340(a). See also Section 19340(b)(1).
- Therefore, if your city wishes to prohibit delivery of medical marijuana within your city, an ordinance must be adopted to <u>explicitly prohibit</u> deliveries.
- Timing: State licenses are expected to be issued starting January 1, 2018. A facility or entity that is operating in compliance with local zoning ordinances and other state and local requirements may continue its operations until its application for licensure is approved or denied effective January 1, 2018 (Business & Professions 19321(c)).
- Ordinance explicitly prohibiting deliveries should include (1) an amendment to the zoning code prohibiting "delivery" (as defined in AB 266) in any zoning district; or (2) an amendment to the Municipal Code relating to business operations prohibiting "delivery" of 'medical marijuana" and "medical cannabis products" (as defined in AB 266) as a business within the city.

Medical Marijuana Regulation and Safety Act

- **Cultivation (AB 243)**
  - AB 243 (Wood) prohibits cultivation of medical marijuana without first obtaining both a local license/permit/other entitlement for use and a state license. A person may not apply for a state license without first receiving a local license/permit/other entitlement for use.
  - A person may not submit an application for a state license if proposed cultivation will violate provisions of local ordinance or regulation or if medical marijuana is prohibited by city, county, or city and county either expressly or otherwise under principles of permissive zoning (Health & Safety 11372.777(b)).

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **Cultivation (AB 243)**
- **However**...If a city, county, or city and county does not have land use regulations or ordinances regulating or prohibiting the cultivation of marijuana, *either expressly or otherwise under the principles or permissive zoning*, or chooses not to administer a conditional permit program pursuant to this section, then commencing March 1, 2016, the state is the sole licensing authority for medical marijuana cultivation applicants (Health & Safety 11372.777(c)(4)). [March 1, 2016 deadline does not apply to cultivation for personal medical use within 100 square foot area/500 square foot area for primary care-taker].

- Under a "permissive" zoning code, "any use not enumerated in the code is presumptively prohibited." *City of Corona v. Naulis* (2008) 166 Cal.App.4th 418, 425 cited in *County of Sonoma v. Superior Court* (2010) 190 Cal.App.4th 1312, FN. 3

Medical Marijuana Regulation and Safety Act

- **Cultivation (AB 243) – Examples:**

- City #1: Municipal Code that expressly prohibits cultivation of marijuana: No need to take any action.

- City #2: Municipal Code that expressly regulates (requires a permit or license or other entitlement) the cultivation of medical marijuana: No need to take any action.

- City #3: Municipal Code that does not expressly prohibit or expressly regulate (requires a permit or license or other entitlement) to cultivate medical marijuana and is not a "permissive zoning" code. ***Need to take action (see next slide)***

- City #4: Municipal Code that is a "permissive zoning" code and does not enumerate cultivation of medical marijuana as a permitted or conditional use: ***Need to take action (see second slide following).***

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- **Cultivation - General Guidelines for Cities**
- Check and confirm that your city's zoning code is adopted and implemented under the principles of permissive zoning. If not, take action recommended for City #3.

- If confirmed that your city's zoning code is adopted and implemented under the principles of permissive zoning: Adopt a resolution that includes the following provisions:

  - (1) States that H & S 11362.777(b)(3) states that Department of Food and Agriculture may not issue a state license to cultivate medical marijuana within a city that prohibits cultivation under principles of permissive zoning;
  - (2) Re-affirms and confirms that the Zoning Code is adopted and operates under the principles of permissive zoning;
  - (3) States this means that cultivation of marijuana is not allowed within City #4 because it is not expressly permitted and,
  - (4) Therefore, the State is not allowed to issue a license for the cultivation of medical marijuana within City #4.

LEAGUE OF CALIFORNIA CITIES

Medical Marijuana Regulation and Safety Act

- Timeline for Implementation
  - None of the bills specify a timeline for implementation
  - This is partly due to various departments being at different stages in terms of their readiness
  - The rough timeline we have been given for state licensing to begin is January 2018
  - The more immediate timeline for locals to bear in mind is March 2016 regarding your cultivation ordinances

LEAGUE OF CALIFORNIA CITIES