



REVISED AGENDA

AGENDA

**RIO DELL CITY COUNCIL
SPECIAL MEETING - 6:30 P.M.
TUESDAY, MAY 24, 2016
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE**

***WELCOME . . .** By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.*

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. PLEDGE OF ALLEGIANCE**
- D. PUBLIC PRESENTATIONS**

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

E. CONSENT CALENDAR

- 1) 2016/0524.01 - Approve Employment Contract and Job Description for Wastewater Superintendent Trainee **(ACTION)**

F. SPECIAL MEETING MATTERS

- 1) 2016/0524.02 - Discussion on the Track and Trace Program and **Continued Public Hearing** on the Medical Cannabis Commercial Land Use Regulations, Section 17.30.195 of the Rio Dell Municipal Code (RDMC) **(DISCUSSION/POSSIBLE ACTION)**

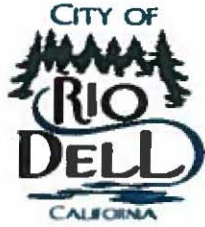
2) 2016/0524.03 - Presentation on Medical Cannabis Tax Measure for
November 2016 Ballot **(DISCUSSION/POSSIBLE ACTION)**

G. ADJOURNMENT



In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

*The next regular City Council meeting is scheduled for
Tuesday, June 7, 2016 at 6:30 p.m.*



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RIO DELL CITY COUNCIL
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*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*

May 24, 2016

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Employment Agreement with Cameron Yaple as Wastewater Superintendent Trainee

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to sign the attached agreement.

BACKGROUND AND DISCUSSION

The position of Wastewater Superintendent will be vacated on June 3, 2016. After having publicly posted for the job and reviewing submitted applications, the City Manager has opted to select current City Employee Cameron Yaple into a position known as the Wastewater Superintendent Trainee. This will allow Mr. Yaple to study for the required Grade III certification and effectively conduct day-to-day operations in Public Works. Public Works will utilize the services of the City of Fortuna for Water Board regulations compliance through a temporary contract for Grade III services. This relationship could take 1-2 years until Mr. Yaple achieves Grade III certification and is promoted into the full Wastewater Superintendent position.

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**CITY OF RIO DELL
WASTEWATER SUPERINTENDENT TRAINEE
CONTRACT AGREEMENT**

This employment agreement, is made and entered on or about this third (3rd) day of June, 2016 (the "Effective Date") by and between the **CITY OF RIO DELL**, a municipal corporation of the State of California, hereinafter referred as the "Employer" and **Cameron Yaple**, hereinafter referred to as "Employee", both of whom understand as follows:

WHEREAS, Employer desires to employ the services of said employee as **Wastewater Superintendent Trainee** of the City of Rio Dell; and

WHEREAS, it is the desire of the **EMPLOYER**, to provide certain benefits, establish certain conditions of employment, and set working conditions of said Employee; and

WHEREAS, Employee desires to accept employment as the Wastewater Superintendent Trainee of the said City;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1. DUTIES

Employer hereby agrees to employ **Cameron Yaple as Wastewater Superintendent Trainee** of said Employer to perform the functions and duties specified in the Ordinances of said City, pursuant to California Government Code section 36506, and to perform other legally permissible and proper duties and functions as the Certified Operator and/or City Manager shall from time to time assign.

As a trainee position, employee is additionally expected to obtain all required educational credits in order to qualify to test, test for, and obtain a Grade III Wastewater Operator certification under the requirements of the California State Water Resources Control Board and the Wastewater Operator Certification Program. It shall be the employee's sole responsibility to apply and complete all required paperwork to accomplish these goals. Employee shall perform any additional training as assigned by the City Manager in fields including but not limited to leadership, management, information technology and public relations.

SECTION 2. TERM

This Agreement shall remain in effect through June 30, 2017, or until Employee's term of employment is terminated as provided in this Section 2 and/or Section 3 of this agreement, or by the voluntary resignation of Employee. Employee understands he will provide Employer with thirty (30) days of notice prior to resignation. This Agreement may be superseded by subsequent written agreements made between Employee and Employer at mutually acceptable times throughout Employee's term of Employment.

- a. **Termination:** Employee's employment is, and at all times shall be considered, "at-will" and employee may be terminated from employment with or without cause at any time during the term of this agreement.
- b. **Severance Pay for Termination Without Cause:** In the case of termination without cause on or before June 30, 2017, the Wastewater Superintendent Trainee shall be entitled to receive severance in a lump sum consisting of all unused vacation and executive leave time and the equivalent of one (1) month's salary (collectively "Severance").
- c. **Severance Exception:** Should the wastewater Superintendent Trainee voluntarily leave employment with the Employer or be terminated for cause or as a result of a conviction or plea of no contest to a felony, no severance pay will be provided upon termination.
- d. In the event that EMPLOYER and EMPLOYEE find the employment relationship unsustainable within the first year of this contract, EMPLOYEE has the option to return to his previous position with the city in lieu of severance with all accrued leave and benefits as received previous to the appointment to position of Wastewater Superintendent Trainee.

SECTION 3. SUSPENSION OR REMOVAL, TERMINATION

The Employee may be suspended, removed, or dismissed from the service of the City of Rio Dell pursuant to Section 2 above or the provisions of City of Rio Dell code or ordinances.

SECTION 4. DISABILITY

If Employee is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incompetence, or health condition of the Employee or that of a qualifying family member, Employee shall be entitled to leave to the same extent of all other City employees in accord with the terms of and conditions of the City of Rio Dell Employee Handbook and applicable laws relating to disability and family medical leave..

SECTION 5. SALARY

Employer agrees to pay Employee for his services rendered at an annual salary of (\$46,384), divisible in twelve (12) equal monthly payments, beginning on the Effective Date of this agreement and payable in the same time and manner as all other City employees. If the Effective Date is a date other than the first of any calendar month, the first month's salary shall be prorated.

This salary is calculated as follows: 75% of the difference between the Employee's current hourly wage (\$17.47) and Step A of the Wastewater Superintendent Salary Schedule (\$23.92) calculated hourly.

If during the term of this agreement there is a change in compensation set by the City for the Wastewater Superintendent, the Wastewater Superintendent Trainee's salary shall be comparatively adjusted by the above formula to reflect any increase or decrease in that salary.

SECTION 6. PERFORMANCE EVALUATION

The City Manager shall review and evaluate the performance of the Employee not later than nine months following the Effective Date of this agreement. From time to time as may mutually be deemed appropriate, the City Manager and Employee shall define such goals and performance objectives in writing which are determined necessary for the proper operation of the Wastewater Treatment Plant and City. Such goals and performance objectives shall be considered as part of the annual performance review of Employee.

SECTION 7. HOURS OF WORK. It is recognized that Employee may be expected to work in excess of eighty (80) hours per pay period at the direction of the City Manager. Employee shall receive no overtime pay or compensatory time off and is deemed an overtime pay exempt, salaried employee of the City.

SECTION 8. OTHER EMPLOYERS OR OUTSIDE ACTIVITIES

Employee agrees to remain in the exclusive employ of Employer and not to become employed by any other employer in other employment until termination of the employment relationship. The term "other employment" shall not be construed to include occasional teaching, writing, consulting, or military reserve service performed on Employee's time off. Employee shall not spend more than four (4) hours per week in teaching, counseling, or other non-employer connected business without the prior written approval of the City Manager.

SECTION 9. AUTOMOBILE

Employee's duties require that she/he shall have the use at all times during his employment with Employer an automobile to perform Employer's business. Employee's use of his/her private vehicle for City business shall be reimbursed to Employee at the current standard mileage rate as published by the Internal Revenue Service. Subject to the provisions of the City's separate Travel and Reimbursement Resolution, Employee shall be responsible for paying for all gas, maintenance, and repair of said automobile. Employee shall be responsible for paying for all liability, property damage, and comprehensive insurance on said automobile. Failure to maintain a valid driver's license or failure to maintain insurable driving standard as defined by City's insurance coverage shall be cause for termination. Employee shall provide employer with a Department of Motor Vehicle H-6 report annually to verify minimum driving standards.

SECTION 10. VACATION, SICK LEAVE, HOLIDAYS, AND EXECUTIVE TIME

Employee will receive eighty (80) hours of executive leave each fiscal year. The taking of vacation and executive leave time shall be coordinated with and approved by the City Manager, who shall not unreasonably withhold his or her approval. Employee may be paid any unused portion of executive leave on the first pay period of December and/or the first pay period of June, each year during the term of this agreement.

In addition to executive time, Employee will accrue sick leave at 8.00 hours each calendar month, and vacation time as follows:

| <u>Years of Continuous Service</u> | <u>Hours per Year</u> |
|------------------------------------|-----------------------|
| One to three (1-3) | 80 hours |

| | |
|---------------------------|-----------|
| Four to ten (4-10) | 120 hours |
| Eleven to fifteen (11-15) | 160 hours |
| Sixteen to Twenty (16-20) | 200 hours |

Employee shall also be entitled to the same paid holidays as the Rio Dell Employees' Association.

SECTION 11. ACCRUED VACATION LEAVE

The amount of vacation time allowed to be accrued at the end of any pay period shall not exceed the annual amount of vacation time for the year of service up to a maximum of 120 hours. Upon reaching the applicable vacation accrual maximum, the Employee will not accumulate additional vacation time until such time that the Employee's accrued leave is below the applicable vacation accrual maximum.

SECTION 12. VACATION LEAVE BUYOUT

Employee shall be paid for all accrued vacation time above eighty (80) hours as of the pay period ending June 10, 2016 at the rate of pay in effect prior to the Effective Date of this Agreement.

SECTION 13. WORK RELATED EXPENSES REIMBURSEMENT

Employer agrees to reimburse the Employee such verifiable work related out-of-pocket expenses incurred by the Employee, and a \$500.00 annual clothing allowance reimbursable to the Employee for the purchase of work related clothing and protective gear upon presentation of applicable expense receipts and as may be approved by the Employer. Employer also agrees to pay Employee a monthly cell phone allowance to ensure Employee can be contacted at all times. Employee must maintain cell phone service. The City's cell phone policy established by separate Resolution of the City Council is applicable in all regards to Employee.

SECTION 14. MEDICAL AND DENTAL INSURANCE REIMBURSEMENT

Medical, Dental and Vision Insurance shall be provided for the Employee as the City provides for other management positions. The contribution amount by the City shall be 100% of the premium costs for these benefits for the Employee and 70% of the total premium costs for Employee's dependents, depending on their age and status as a student as provided in the plan document. Should the City choose alternative medical coverage during the effective period of this agreement, that alternative insurance shall be of equal or greater comprehensive coverage, than which is currently in place. Employee may elect to substitute compensation for health, dental, and vision insurance coverage. The level of compensation shall be \$125 per pay period for health, vision and dental coverage. Proof of health insurance must be provided to employer.

SECTION 15. DEFERRED COMPENSATION

The Employer does not yet participate in and is not a party to the Public Employees Retirement System of the State of California. The Employer participates in a deferred Compensation Plan. The Employer shall contribute and pay an amount equal to twelve percent (12%) of the Employee's salary to the Deferred Compensation Plan.

SECTION 16. LIFE INSURANCE

A TERM LIFE INSURANCE POLICY IN THE AMOUNT OF Fifty Thousand Dollars (\$50,000.00) shall be provided by the Employer for the Employee during the term of this agreement.

SECTION 17. AGREEMENT EFFECTIVE

This Employment Agreement shall become effective June 3, 2016 and shall remain in effect through June 30, 2017, subject to changes pursuant to amendments or adjustments made at mutually agreed upon times throughout Employee's term of employment with Employer.

SECTION 18. INDEMNIFICATION

Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or other legal action arising out of an alleged negligent act or omission occurring in the performance of Employee's duties as Wastewater Superintendent Trainee.

SECTION 19. BONDING

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance applicable to Employee's employment.

SECTION 20. DUES AND SUBSRIPTIONS

Employer agrees to budget and to pay for the professional dues and subscriptions of Employee necessary to support growth, advancement and active communication for the good of the City. Employee shall distribute to and share with the City Manager written material and information distributed by the said associations.

SECTION 21. LICENSING AND TRAINING

Employer agrees to budget and pay for the professional licensing and continued education of Employee for training as necessary and approved by the City Manager.

SECTION 22. TRAVEL EXPENSES

Employer hereby agrees to budget for and to pay the travel and subsistence expenses of Employee for official and professional travel of Employee while on City Business, provided that the City Manager has first approved and authorized said travel and training expenses.

SECTION 23. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

The City Manager may fix any such other terms and conditions of employment, not in conflict with City Ordinances, Rules or Policies, as he/she may determine from time to time, relating to the performance of Employee.

SECTION 24. NOTICES

Notices pursuant to this agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

EMPLOYER
Rio Dell City Hall
675 Wildwood Ave
Rio Dell, California 95562

EMPLOYEE
Rio Dell City Hall
675 Wildwood Ave
Rio Dell, California 95562

Alternatively, notices required pursuant to this agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written in the course of transmission in the United States Postal Service.

SECTION 27. GENERAL PROVISIONS

- A. The text herein shall constitute the agreement between parties.
- B. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee
- C. This agreement shall become effective commencing immediately, subject to Section 17 above.
- D. If any provision, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Rio Dell has caused this agreement to be signed and executed in its behalf by its City Manager, and the Employee has signed and executed this agreement, both in duplicate.

EMPLOYEE



Cameron Yaple, Wastewater Superintendent Date 5-20-16

EMPLOYER

Kyle Knopp City Manager Date


Approved as to form:


Russ Gans, City Attorney Date



For Meeting of: May 24, 2016

To: City Council

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager 

Date: May 19, 2016

Subject: Track and Trace - Medical Cannabis Commercial Land Use Regulations, Section 17.30.195 of the Rio Dell Municipal Code (RDMC)

Recommendation:

That the City Council:

1. Reopen the public hearing, receive staff's report regarding the State's Track and Trace Regulations; and
2. Receive public input and deliberate; and
3. Continue consideration of the Medical Cannabis Commercial Land Use Regulations to a Regular Meeting scheduled for June 7, 2016.

Background

This meeting is the fourth in a series of meetings regarding the discussion of the Medical Cannabis Regulation and Safety Act (MCRSA) and the proposed Medical Cannabis Land Use Ordinance (MCLUO).

At this meeting your Council is scheduled to discuss the State's Track and Trace Regulations and Local Tax Options. The City Manager will be presenting information regarding local tax options.

The State Department of Consumer Affairs and the Department of Food and Agriculture are charged with developing and implementing the Track and Trace Program. The purpose of the Track and Trace program is to track the movement of medical cannabis from cultivation to sale. Attachment 1 includes the MCRSA Track and Trace regulations.

The County has chose to implement a pilot Track and Trace program with SICPA. Founded in 1927 and headquartered in Lausanne, Switzerland, SICPA is a privately owned company providing secured identification, traceability and authentication solutions and services world-wide. SICPA provides track and trace services for cigarettes sold in the State of California.

Staff recently met with a SICPA representative to discuss their track and trace program and the pilot program in the County. Currently there are twelve (12) cultivators who have volunteered to participate in the pilot program. One of the reasons that SICPA is providing the pilot program to the County is in hopes to get the State contract.

Attachments

Attachment 1: MCRSA Track and Trace regulations



MMRSA Track and Trace Regulations
City of Rio Dell Commercial Medical Cannabis Land Use Ordinance



AB 243 - SEC. 6.

Section 11362.777 is added to the Health and Safety Code, to read:

Section 11362.777 Health and Safety Code

(2) The department shall establish a program for the identification of permitted medical marijuana plants at a cultivation site during the cultivation period. The unique identifier shall be attached at the base of each plant. **A unique identifier, such as, but not limited to, a zip tie, shall be issued for each medical marijuana plant.**

(A) Unique identifiers will only be issued to those persons appropriately licensed by this section.

(B) Information associated with the assigned unique identifier and licensee shall be included in the trace and track program specified in Section 19335 of the Business and Professions Code.

(C) The department may charge a fee to cover the reasonable costs of issuing the unique identifier and monitoring, tracking, and inspecting each medical marijuana plant.

(D) The department may promulgate regulations to implement this section.

(3) The department shall take adequate steps to establish protections against fraudulent unique identifiers and limit illegal diversion of unique identifiers to unlicensed persons.

(f) (1) A city, county, or city and county that issues or denies licenses to cultivate medical marijuana pursuant to this section shall notify the department in a manner prescribed by the secretary.

(2) Unique identifiers and associated identifying information administered by a city or county shall adhere to the requirements set by the department and be the equivalent to those administered by the department.

(g) This section does not apply to a qualified patient cultivating marijuana pursuant to Section 11362.5 if the area he or she uses to cultivate marijuana does not exceed 100 square feet and he or she cultivates marijuana for his or her personal medical use and does not sell, distribute, donate, or provide marijuana to any other person or entity. This section does not apply to a primary caregiver cultivating marijuana pursuant to Section 11362.5 if the area he or she uses to cultivate marijuana does not exceed 500 square feet and he or she cultivates marijuana exclusively for the personal medical use of no more than five specified qualified patients for whom he or she is the primary caregiver within the meaning of Section 11362.7 and does not

receive remuneration for these activities, except for compensation provided in full compliance with subdivision (c) of Section 11362.765. For purposes of this section, the area used to cultivate marijuana shall be measured by the aggregate area of vegetative growth of live marijuana plants on the premises. Exemption from the requirements of this section does not limit or prevent a city, county, or city and county from regulating or banning the cultivation, storage, manufacture, transport, provision, or other activity by the exempt person, or impair the enforcement of that regulation or ban.

SB 643 - SEC. 14.

Article 7.5 (commencing with Section 19335) is added to Chapter 3.5 of Division 8 of the Business and Professions Code, to read:

**Article 7.5. Unique Identifier and Track and Trace Program
19335.**

(a) The Department of Food and Agriculture, in consultation with the bureau, shall establish a track and trace program for reporting the movement of medical marijuana items throughout the distribution chain that utilizes a unique identifier pursuant to Section 11362.777 of the Health and Safety Code and secure packaging and is capable of providing information that captures, at a minimum, all of the following:

- (1) The licensee receiving the product.
- (2) The transaction date.
- (3) The cultivator from which the product originates, including the associated unique identifier, pursuant to Section 11362.777 of the Health and Safety Code.

(b) (1) The Department of Food and Agriculture shall create an electronic database containing the electronic shipping manifests which shall include, but not be limited to, the following information:

- (A) The quantity, or weight, and variety of products shipped.
- (B) The estimated times of departure and arrival.
- (C) The quantity, or weight, and variety of products received.
- (D) The actual time of departure and arrival.
- (E) A categorization of the product.

(F) The license number and the unique identifier pursuant to Section 11362.777 of the Health and Safety Code issued by the licensing authority for all licensees involved in the shipping process, including cultivators, transporters, distributors, and dispensaries.

(2) (A) The database shall be designed to flag irregularities for all licensing authorities in this chapter to investigate. All licensing authorities pursuant to this chapter may access the database and share information related to licensees under this chapter, including social security and individual taxpayer identifications notwithstanding Section 30.

(B) The Department of Food and Agriculture shall immediately inform the bureau upon the finding of an irregularity or suspicious finding related to a licensee, applicant, or commercial cannabis activity for investigatory purposes.

(3) Licensing authorities and state and local agencies may, at any time, inspect shipments and request documentation for current inventory.

(4) The bureau shall have 24-hour access to the electronic database administered by the Department of Food and Agriculture.

(5) The Department of Food and Agriculture shall be authorized to enter into memoranda of understandings with licensing authorities for data sharing purposes, as deemed necessary by the Department of Food and Agriculture.


(6) Information received and contained in records kept by the Department of Food and Agriculture or licensing authorities for the purposes of administering this section are confidential and shall not be disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), except as necessary for authorized employees of the State of California or any city, county, or city and county to perform official duties pursuant to this chapter or a local ordinance.

(7) Upon the request of a state or local law enforcement agency, licensing authorities shall allow access to or provide information contained within the database to assist law enforcement in their duties and responsibilities pursuant to this chapter.

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*



May 24, 2016

TO: Rio Dell City Council
FROM: Kyle Knopp, City Manager 
SUBJECT: Discussion and Possible Action Related to Presentation on Medical Cannabis Tax Measure for November 2016 Ballot

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive the presentation and provide direction to staff.

BACKGROUND AND DISCUSSION

In November of 1996 California voters passed Proposition 215 making it legal for individuals to cultivate and possess marijuana in the state for medical purposes only, specifically with a recommendation from a licensed physician. Criticism of Proposition 215 has been steadily growing over the last 20 years as the State failed to create a regulatory framework to address the complex issues surrounding marijuana, some of which include: environmental impacts, product safety, prescription abuse, local control, transportation and taxation.

In October of 2015, Governor Jerry Brown signed the "Medical Marijuana Safety and Regulation Act" (MMRSA) into law. The Act was composed of three bills, AB 266 (Bonta), SB643 (McGuire) and AB 243 (Wood) which began creation of a substantive regulatory framework for medical cannabis in California. Among the many clarifications contained within MMRSA, the law clearly reinforces the ability to tax medical cannabis on a local level.

Under the legacy of Proposition 215, Rio Dell currently derives no direct revenue from the cultivation, processing or sale of Marijuana, for medical purposes or otherwise. However, the City still bears much of the costs associated with the "below-board" segments of the industry, particularly in enforcement. As a result of the passage of MMRSA and the City Council's consideration of land use changes as proposed in the Commercial Medical Marijuana Land Use Ordinance (CMMLUO) an opportunity has arisen to address revenues from the cultivation, processing and sales of medical cannabis. This opportunity could present the City with major opportunities to tap a new revenue source from an "above-board" industry that would help strengthen local control and local finances.

The exact size and scope of this industry remains unclear. All revenue estimates at the State, County and City level remain based on a number of assumptions, and this will remain the case

for several years until actual implementation proceeds, and the new regulations and market have a chance to settle. That being said, initial conservative analyses have shown that medical cannabis revenues would likely be a substantial boost to the City's stagnant revenues, possibly into the seven figure range for Rio Dell alone.

Regionally, the three counties of Humboldt, Trinity and Mendocino are the largest producers of marijuana in California, yet account for only approximately 240,000 citizens in a state of over 39,000,000 citizens. The region stands a good chance to become an export region for consumers across the state including those in Los Angeles, San Francisco, San Diego and more. Further branding and appellation projects could help secure the regions prominence. Revenue opportunities exist in cultivation and in dispensaries for the City, but much more significant opportunities exist in processing and value-added manufacturing of regional medical cannabis. Rio Dell is strategically located to potentially take advantage of this new emerging above-board market and our status as a municipality provides a competitive edge for potential investors. Cannabis cultivated in the unincorporated areas of the County could be processed here in Rio Dell before moving on to dispensaries across California. The possibilities deserve and are now receiving consideration.

Staff will provide an overview of various taxation options for a medical cannabis ballot measure that would be presented to voters on the November 2016 general election. It should be made clear that this tax proposal would be paid by those involved in the industry, either as a cultivator, processor, tester, transporter, dispenser or consumer. No taxes would be levied upon the general citizenry of Rio Dell.

Staff will need direction from the Council and the public to begin moving forward with drafting a tax Ordinances and Resolutions which will need to be in place by July 5th of this year.

The presentation will cover many aspects and questions related to the proposed tax measure, including:

- Calendar to Get a Measure on the Ballot
- General Tax vs. Specific Tax?
- Current Statewide Legalization Initiatives
 - Extend the Tax to Include Legalized Cannabis?
- Tax and Fee's Imposed by the State
- Taxes Currently (or proposed to be) Imposed by Other Jurisdictions
- Tax Options Including:
 - Tax Rates by Square Foot?
 - Business Taxes on Gross Receipts?
 - Medical Marijuana Excise Tax?
 - Transactions and Use Tax?
- Points Where Taxes Would be Applied:
 - Cultivation?
 - Processing/Manufacturing?
 - Testing?

○ Dispensaries/Point of Sales?

- The Tie Between Revenue Collection and Track and Trace
- Review of Direction Needed from the Council to Proceed

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