



AGENDA
RIO DELL CITY COUNCIL
REGULAR MEETING - 6:30 P.M.
TUESDAY, JUNE 21, 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.*

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.

- A. CALL TO ORDER
- B. ROLL CALL
- C. PLEDGE OF ALLEGIANCE
- D. CEREMONIAL MATTERS
- I. 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.

- J. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Council embers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually in the next section, "SPECIAL CALL ITEMS".

- 1) 2016/0621.01 - Approve Minutes of the June 7, 2016 Regular Meeting
(ACTION) 1
- 2) 2016/0621.02 - Approve Minutes of the June 13, 2016 Special Meeting
(ACTION) 10
- 3) 2016/0621.03 - Approve Minutes of the June 14, 2016 Special Meeting
(ACTION) 19
- 4) 2016/0621.04 - Adopt Resolution No. 1300-2016 Approving Billable
Rates for Staff Time for FY 2016/2017 **(ACTION)** 28
- 5) 2016/0621.05 - Adopt Resolution No. 1288-2016 Approving the FY
2016/2017 Operating and Capital Budget **(ACTION)** 32
- 6) 2016/0621.06 - Approve and Authorize the Mayor to Sign Amendment
No. 2 to the Agreement with Humboldt Waste
Management Authority (HWMA) for the Provision of
Regulatory Compliance and Waste Reduction Services
(ACTION) 67

K. ITEMS REMOVED FROM THE CONSENT CALENDAR

L. SPECIAL PRESENTATIONS/STUDY SESSIONS

M. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

- 1) 2016/0621.07 - Approve Appointment of (1) Planning Commissioner
(1) Alternate Planning Commissioner **(ACTION)** 74

N. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

- 2) 2016/0621.08 - Continued Public Hearing on Dispensaries and Testing
Laboratories and Possible Adoption of Ordinance No.
342-2016 Establishing Medical Cannabis Commercial
Land Use Regulations, Section 17.30.195 of the Rio Dell
Municipal Code **(DISCUSSION/POSSIBLE ACTION)** 81

O. REPORTS/STAFF COMMUNICATIONS

P. COUNCIL REPORTS/COMMUNICATIONS

Q. ADJOURNMENT

*The next regular City Council meeting is scheduled for
Tuesday, July 5, 2016 at 6:30 p.m.*

**RIO DELL CITY COUNCIL
REGULAR MEETING
JUNE 7, 2016
MINUTES**

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Wilson.

ROLL CALL: Present: Mayor Wilson, Mayor Pro Tem Johnson, Councilmembers
Garnes, Marks and Thompson

Others Present: City Manager Knopp, Finance Director Woodcox, Community
Development Director Caldwell, Chief of Police Hill and City
Clerk Dunham

Absent: Water/Roadways Superintendent Jensen and Wastewater
Superintendent Chicora (excused)

PUBLIC PRESENTATIONS

Nick Angeloff reported on Chamber of Commerce business and said that Monica had resigned and the Chamber was now operating solely with volunteers noting that all correspondence with regard to the contract with the City should go through him.

He also reported on Little League activities and said the championship games were taking place at Rohner Park followed by the upcoming all-Star games.

CONSENT CALENDAR

Motion was made by Thompson/Johnson to approve the consent calendar including approval of minutes of the May 17, 2016 regular meeting; approval of minutes of the May 23, 2016 study session; approval of minutes of the May 24, 2016 special meeting; approval of letter of endorsement for appointment of Mayor Pro Tem Johnson as City Representative to Local Agency Formation Commission (LAFCo); and approval of annual garbage rate adjustment with Eel River Disposal and accepting it as an amendment to the Solid Waste and Recycling Franchise Agreement. Motion carried 5-0.

SPECIAL PRESENTATIONS/STUDY SESSIONS

Discussion on Medical Cannabis in General and Possible Local Tax Measure

City Manager Knopp said at the request of the Council, staff has invited some medical professionals to answer questions and discuss medical uses of cannabis.

He introduced Dr. Diane Dickenson and Dr. Kent Crowley and noted that Dr. Donald Baird was also invited to attend but was not present at this time.

JUNE 7, 2016 MINUTES
Page 2

He said as an option, the doctors could give their initial perspective on medical cannabis but the primary purpose for them to be present is to answer any questions the city council or public may have.

Dr. Dickenson began by introducing herself as a family practitioner from North Coast Medical based in Arcata and said when she first took over the practice from Dr. Ken Miller in 2008 she had no real knowledge of medical cannabis and became amazed at the results. She said her first patient was an 85 year old woman who eats three cannabis cookies each day to keep weight on.

She went on to talk about other patients with medical conditions and the benefits medical cannabis has had on them.

Mayor Wilson thanked her for coming and said it is an honor to have her present.

Mayor Pro Tem Johnson also thanked her and asked if she prescribes cannabis in one form or another regularly.

Dr. Dickenson said she doesn't recommend a particular delivery system as it depends on the patients need. She provided handouts titled *What Type of Cannabis Therapy is Best For You?* and *Cannabis Dosing Guide* both published by *Project CBD* and explained that cannabis remedies are available in various forms and can be utilized in different ways.

She explained that sublingual sprays and vape pens she recommends for patients that want something quick whereas tinctures and edibles have a longer effect which she recommends for patients who wake up at night with pain. She added that topicals and salves work on the nervous system and because they are applied externally they are not inebriating. She said vaporizing is a healthier alternative to smoking and is a quicker way of getting active ingredients into the patient.

Mayor Pro Tem Johnson questioned the span of illnesses that cannabis is diagnosed for.

Dr. Dickenson explained that she follows guidelines under the California Medical Association and requires medical records on each patient as she does not provide a diagnosis of their illness. She said what she does is assesses patients to see if they qualify for treatment and teaches them about the use of medical cannabis then determines what type of cannabis therapy is best for their particular condition.

She noted that approximately 70% of the treatment is related to pain but she also treats patients with Parkinson's disease, Alzheimer's, Colitis and Crohn's disease, as well as such things as depression, autism, seizure disorders, schizophrenia, neuropathic pain, cancer, asthma, or osteoarthritis.

She reported that around 1960, Dr. Raphael Mechoulam in Israel took on the mystery of medical cannabis research and by 1963 was able to isolate CBD's which is the cannabinoid that has a lot of therapeutic benefits and is actually psychoactive. She noted that people often hear that it is not psychoactive but it does help with PTSD, anxiety and depression; since it's not euphoric the patient does not get the high effect.

She said by 1964, Dr. Mechoulam was able to isolate THC; 24 years after that a team of five (5) other researchers found a cannabinoid receptor in a rat brain and then a human brain. She explained at this point in time there are two (2) main cannabinoid receptors; CB-1 and CB-2 and said the way biology works, a receptor would never be made in response to a plant so the only way to make a cannabinoid receptor is to make it similar to the way we make endorphins which are why when people take pain medicine it works. She said the issue is very complex which is why research continues today although a lot of doctors say there has not been enough research. She pointed out that there has been a good, well written, well published scientific study on this subject published every day for the past 20 years and not just in the United States but internationally.

Mayor Pro Tem Johnson asked Dr. Dickenson what the percentage is of the patients she treats, that are prescribed medicine without the psychoactive components of cannabis.

Dr. Dickenson stated that more than 50% of her patients avoid psychoactive components. She explained that isolated CBD's hasn't been available very long and that THC and CBD's work best together so she advises patients to use a combination to get maximum therapeutic benefit. She noted that some ratios are 18 to 1 so there is no psychoactive effect.

Mayor Pro Tem asked if the majority of the patients she treats have already tried conventional methods of treatment; the response was that many patients have tried lots and lots of treatment methods before turning to cannabis therapy.

Dr. Crowley then provided brief background about himself and said he graduated from UCSF, entered this field three (3) years ago and is a compound pharmacist owner. He said like Dr. Dickenson is a member of the Society of Cannabis Clinicians. He said prior to that he held a couple of patents in neuropathic pain.

He stated that he has done a tremendous amount of research both at California Ervine Children's Center and other well known hospitals and currently holds a pending patent on the Buccal delivery method.

He said he has seen patients with anything from Stage 4 cancer all the way down to pain patients that are tired of suffering from the side effects of opiates. He said he thought he was somewhat of an expert in dealing with pain management but pain has a very broad

picture and pain all have different receptors and respond to different things. He noted that cannabis is a profound adaptogenic herb that has significant clinical physiologic effects.

He said when he graduated from UCSF in 1983; he was told that a liver or pancreas could not regenerate which is incorrect. He said the brain can be rewired with intentional movement. Cannabis produced responsibly and delivered appropriately in a ratio from no THC to high THC needs to be available to the public. As a functional medicine expert, he and others need to have that in their toolbox to offer as another option to patients.

He noted that contrary to what some people believe, a person cannot overdose on cannabis as far as the actual cause of death. He said there are people that experience panic attacks after using cannabis and actually think they are going to die, if they get too much THC in their system.

He also noted a 30-100% reduction in the use of opiates when replaced with the appropriate dose of medical cannabis. He recited a case study involving a 78 year old patient that takes 1/8 of a Trokie a day and has complete pain relief for 24 hours.

He explained that *Trokie* is the Buccal absorption delivery method similar to sublingual's and is ingested as a pharmaceutical lozenge that allows for extremely quick delivery of medicinal cannabis that is consistent and controllable. He directed the Council and staff to his website at www.trokie.com for information, noting that he has treated over 3,000 patients using this delivery method.

He said what he feels the City Council should do is to sponsor, permit and support responsible businesses doing responsible production so that responsible medication can get placed in the hands of the right people that can take care of patients. He said unfortunately, there is a disconnect today between patients and physicians with regard to prescribed dosage of cannabis with regard to the THC-CBD ratio and that they can tell a patient that cannabis may help but they can't tell the patient the dosage, where to get it or how to monitor it. He said this is the system in California today which is crazy.

Mayor Pro Tem Johnson asked what cannabis can do to improve the quality of life for a stage 4 cancer patient.

Dr. Crowley explained they will be publishing data which they are currently trying to collect from their current patient base to identify certain therapeutic treatments for particular conditions. He noted there are 1,000 people in the United States that are doing things quietly and trying to take care of patients by staying out of the spotlight. He referred to a patient with adrenal cancer and with the use of fully decarboxylated THC along with some lifestyle changes and other things, in three (3) months was able to encapsulate the tumor so that it could be removed; today the patient is cancer free.

He noted that seed to sale tracking is important and the Council needs to realize most patients when they get to this point, can't afford this because the cost of these biologicals is outrageous. He said an acid form of THC which doesn't have any psychoactive effects could be used which is profound. He said it is vast what this adaptogenic herb can do.

He said the bottom line is that there needs to be a place to grow it, process it and provide it responsibly as it is vitally important in saving hundreds of lives.

He said in 24 countries outside the U.S. they have approved a product called Sativex with a 1-1 ratio of THC/CBD formulation which works for multiple sclerosis (MS) and cancer pain. He commented that the Federal Food & Drug Administration (FDA) has already approved another pharmaceutical for seizure disorders which has no proven medical value.

Mayor Wilson stated that the Council is not going to solve this tonight and is trying to gather information but the part that has become more critical for the City is how to determine where to allow the various activities and still be able to control those activities.

Councilmember Thompson said what the doctors said is fascinating unfortunately there have been tens of thousands of people who have died from marijuana related deaths and actually 47,000 people that would be alive today if not involved with marijuana. He said that percentage will continue to rise if no one deals with those that use it. He said the negative aspects of marijuana use outweigh the positive and that there are effective prescription drugs on the market today that control pain.

He commented on the breakdown of families and breakdown of kids in schools among those using marijuana. He said unless there is a way to control those that use it and get into a car and go out and kill others it should not become legal.

Dr. Crowley said if the Council supports the use of alcohol, they should do the same for medical cannabis.

Councilmember Thompson said to say that marijuana is no worse than alcohol is not good enough; it should be able to stand on its own.

Dr. Crowley responded that he felt Councilmember Thompson was miss-informed and that the media misrepresents a lot of the facts that a study may or may not be able to provide a conclusion on.

He explained that researchers in 1947 thought testosterone was the cause of prostate cancer in men but research actually shows that males 87 and up don't produce testosterone but mainly produce estrogen and estrogen without testosterone causes proliferation of poorly differentiating cells and increases the likelihood of prostate cancer.

He noted that the American Medical Association published a study that showed there was a 24.6% reduction in people overdosing on opiates of the 23 states that had legalized cannabis in some form or another.

He said he would implore the City Council to consider recognizing the revenue source as well as the medicinal benefit cannabis provides to patients.

Mayor Pro Tem Johnson asked what hospitals currently prescribe cannabis compounds.

Dr. Crowley noted that doctors recognize that it is illegal to prescribe in California however; the Director of Oncology at a privately owned hospital has engaged his company and *Trokie* in order to work with cancer patients to support whatever program the patient wants.

Mayor Wilson opened the public hearing and asked speakers to limit their comments to 3 minutes.

Dean Smither addressed the Council and said he was recently in Sacramento and read an article by Sue Taylor, a black grandmother leading the charge to bring marijuana to the elderly and said she is a 69 year old retired Catholic school principal leading this cause.

He said she personally uses marijuana orally and topically for pain relief and better sleep and feels she is the perfect candidate to approach seniors about marijuana since she obviously isn't the stereotypical marijuana user. He noted that she is one of two people certified through the State of California to educate senior living facility staff and caregivers about medical marijuana and its medical benefits.

He said when looking at a broader perspective, Rio Dell has a problem but it's called poverty. He said when people are not able to make a living they have no other choice but to get involved with the black market.

He said a question was asked by a citizen as to why Rio Dell is not doing the same as the City Fortuna did by banning medical marijuana. He pointed out that Fortuna collected \$1.1 million in sales tax revenue whereas Rio Dell only collected \$100,000 not to mention the Bed Tax which is null compared to Fortuna's.

Dean Smither added that this is a medication and people should be able to get it at a pharmacy like any other pharmaceutical without having to go over to the Industrial Park to get it.

Tom Bertain stated that he is opposed to the Medical Cannabis ordinance being considered and that the medical research on the healthy uses of cannabis is ongoing and incomplete. He said the positive impact to the City would be an increase in revenue

however; the negative impact would be that it will disturb the tranquility and alter the social and cultural heritage of the City. He said if recreational cannabis is approved, the Council needs to address the effect it will have on the city and its citizens.

He also read an excerpt from of an article in the newspaper related to couples who are planning a pregnancy and the negative effects of alcohol and marijuana and the importance for both partners to stop using alcohol or marijuana once they start to try to conceive.

Larry Arsenol said if the Council makes medical cannabis legal and allows businesses to open up in old rundown buildings it will cause negative results but if they make the business be more upscale that is the type of customers they will attract.

He said with regard to trimigrants, they could actually be a source of income for businesses in the City. He noted that as a substitute teacher, he had all kinds of work in the summer because teachers were away trimming.

Alice Millington said she is a member of the Rio Dell Planning Commission although she was not in present when the Commission approved the ordinance. She noted that she uses medical cannabis to avoid the harder addictive schedule 1 drugs and that she is fine to drive to Eureka or Arcata to get it but would much rather spend her money locally. She added that if the City of Fortuna bans it, good for Rio Dell, it needs a leg up.

She added that while not everyone likes the idea of cannabis, Rio Dell needs the economic stimulus that capitalizing on the heart of Humboldt can provide. She said most residents that work in the Fortuna or Eureka area rarely come into the Town Center which should be the hub of the business enterprise.

She said her dream is to see the hustle bustle of the town center where medical cannabis is part of competitive small businesses with all the benefits that go along with that similar to the wine country in Napa. She commented that the little coastal train here just might become the cannabis boost as it visits and showcases what entrepreneurs have been perfecting all these years.

Also, the elephant in the room might well be the shift that the town center and some of neighborhoods might bring to Rio Dell.

She questioned whether Rio Dell is even ready for success stating that there is a lot of work to do to make the City measure up to what the cannabis industry can bring.

Alice ended by stating that she has always heard that Rio Dell hasn't been great since the days of the old west so let's make Rio Dell great again.

Ruth Nally addressed the Council next and said she has lived in Rio Dell for 60 years and raised her 4 children here. She noted that she knows all of the council members except for Councilmember Garnes and that she is appalled by the Council's actions to even consider allowing medical marijuana to come into the City legally.

She commented that she probably is not going to be very professional about what she has to say because doesn't know how to do that; in fact will probably be more like Donald Trump by saying that she is sick and tired of all this crap that is going on and it's about time somebody stands up and acts like men and takes care of the situation.

She said that she has supported the City for 60 years and that her husband would turn over in his grave if he saw the crap that is going on in the City today.

She pointed to Mayor Pro Tem Johnson and asked him why he was even considering allowing marijuana to come into the City when it is illegal.

Mayor Pro Tem Johnson explained that the Senate and legislature passed a series of bills under the Medical Marijuana Regulations and Safety Act (MMRSA) and was signed by the Governor in October 2015 which allows for local control.

Ruth Nally said she doesn't care what the Governor signed; the question is what is morally right, what would God do and what is the City Council going to do about this mess. She then recited a verse in the Bible that said Jesus took the sin out of the swine and threw them over the edge which is what he did and every one of them died. She said that's what you do with sin and it's either right or it wrong.

She said the Council is dealing with a gray area regarding this issue and she is absolutely appalled to think they would even consider doing this. She added that she doesn't care what the Governor did, and questioned the Council's opinion on what is right or wrong and what they think God would tell them to do. She said she believes he would say to throw this bunch of crap they are considering out.

Mrs. Nally then asked the Council what they plan to do with this mess and how long they are going to sit there and listen to what they have listened to tonight.

Mayor Wilson stated that the Council will follow the process required by law.

Ruth commented that what God says about money is that you can't serve them both so if the Council thinks the City is going to get rich, it isn't going to happen because they are out of line and not the people God intended them to be. She added that the Council knows what is right and what is wrong and they had better decide what to do with that because they will all have to answer to their maker and the same for anyone in this room.

JUNE 7, 2016 MINUTES
Page 9

Mayor Wilson said that his intent is not to be rude but would have to ask that she sit down.

Mrs. Nally responded that she sat here and listened to everyone talk for a whole lot longer than 5 minutes and had no intention of sitting down.

At this point (7:40 p.m.), Mayor Wilson called for a brief recess.

Mrs. Nally stated that she would stand right where she is until the Council gets back.

The meeting reconvened at 7:46 p.m.

Motion was made by Johnson/Garnes to continue the meeting/public hearing to the June 21, 2016 regular meeting. Motion carried 5-0.

Frank Wilson, Mayor

Attest:

Karen Dunham, City Clerk

**RIO DELL CITY COUNCIL
SPECIAL MEETING
JUNE 13, 2016
MINUTES**

A Special meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Wilson.

ROLL CALL: Present: Mayor Wilson, Mayor Pro Tem Johnson, Councilmembers Garnes, Marks and Thompson

Others Present: City Manager Knopp, Finance Director Woodcox, Chief of Police Hill and City Clerk Dunham

Absent: Community Development Director Hill, Water/Roadways Superintendent Jensen and Wastewater Superintendent Yapple (excused)

PUBLIC PRESENTATIONS

Melissa Marks referred to an article in the June 2, 2016 issue of the *North Coast Journal* titled *Trimmigration Sting* and said Eureka Police Chief Andy Mills reported that the idea for the sting stemmed from data collected on homeless people who until recently were camping in the Palco Marsh. He said he was surprised to learn that a sizable percentage of those campers who came from out of the area were drawn to Humboldt County in search of trimming jobs as a result of the billion dollar “pot” industry.

She commented that she had questioned the Council on the potential negative impact to the City with regard to timmmers coming in from other areas should the Council approve the Medical Cannabis Land Use Ordinance and still had some conerns. She said at the June 7, 2016 City Council meeting there were two (2) medical professionals present that were pro-legalization of medical cannabis and said in all fairness she felt someone on the other side of the issue should be invited to attend. She commented that it didn’t seem fair to ask Chief Hill to respond but thought it would be a good idea to invite Chief Mills to attend a meeting.

City Manager Knopp asked for clarification that the invitation is to invite Chief Mills to discuss the proposed Cannabis Tax Measure scheduled for discussion at the June 14, 2016 special meeting.

Melissa Marks clarified that her intent was that he provide his overall opinion on cannabis related activities in general and potential negative impacts.

Councilmember Garnes pointed out that Dr. Baird as the County Public Health Officer was also invited to attend the meeting but didn’t show up and wanted to make it clear that the intention was not to only invite medical professionals who support medical cannabis.

Melissa Marks commented that she didn't mean to imply that the invitations were deliberate.

Councilmember Thompson stated that when he first made the request, he was simply interested in hearing the opinion from a medical professional and didn't intend it to end in a debate. He said he would have preferred Dr. Baird attend one of the meetings early on in the discussion.

Mayor Wilson suggested the matter be discussed later down on the agenda during discussion of the City Council meeting calendar. Council concurred.

Chief Hill asked for clarification that the request was that Eureka Police Chief Mills comment on the negative impacts to Rio Dell.

Melissa Marks stated that she was referring to negative impacts in general and referred once again to the article in the newspaper.

Mayor Wilson asked that copies of the article be provided to all councilmembers for discussion at the appropriate time during the meeting.

Nick Angeloff reported that the Chamber of Commerce is moving forward in a positive direction and should have some of their fiscal issues resolved with the help of a generous benefactor stepping up today to help the Chamber as well as the Eagle Prairie Arts District.

He also announced that he has been doing a lot of traveling to promote economic development and would have some exciting news to report very soon.

CONSENT CALENDAR

Motion was made by Thompson/Garnes to approve the consent calendar including authorizing the Mayor to sign a letter opposing SB 1069 related to second units and removal of local land use authority; authorizing the City Manager to sign an agreement with the City of Fortuna for Wastewater Compliance Services; and authorizing the City Manager to sign an agreement with Rick Chicora for Wastewater Contract Services. Motion carried 5-0.

SPECIAL MEETING MATTERS

Mayor Wilson moved Item 0613.05 up to this position on the agenda at the request of Chamber President Angeloff.

Review and Approval of Chamber of Commerce Signage on City Property

City Manager Knopp provided a brief staff report and said on April 7, 2015 the Council gave conceptual approval for the design of the Visitor Center signs. He said the signs are now complete and the matter is being returned to the Council for final approval on the placement of four (4) signs.

City Manager Knopp said the goal of the Chamber is not only to place signs within Rio Dell but to also add signage to the freeway and encourage motorists to come into the City and stop at the chamber and visitor center. He said before CalTrans will authorize freeway signage, it is his understanding that signage withing designated locations in the City need to be installed.

Staff presented pictures of potential alternative locations for placement of the four (4) signs with one (1) sign at the north entrance coming into the City; one (1) at the south entrance; one (1) near the corner of Davis St. and Wildwood Ave.; and one (1) on Davis St. near the tennis courts on school property.

City Manager Knopp referred to the first sign at the north entrance near the Rio Dell Welcome sign and said one of the concerns expressed was that the clutter of signs may not be desirable.

Councilmember Thompson commented that the intersection at the north entrance may be a bad location for a sign because several accidents have occurred there over the years. He noted the layout of the area is confusing enough for visitors coming into town and that the sign may be a distraction. He suggested as perhaps a better alternative to move the location of the sign a little further south.

Nick Angeloff suggested the alternative of placing the sign lower to the ground in front of the City Welcome sign unless the Council thinks it would look too cluttered.

Councilmember Garnes commented that she felt it would be too cluttered and suggested the location where the current visitor center sign is by the library. She said when the Council approved the signage she wasn't aware the signs would be that large.

Nick noted that the Chamber would be amenable to whatever the Council prefers and that the library site would be fine.

Councilmember Marks commented that the problem with that idea is that people still think the Chamber of Commerce and Visitor Center is still located in its former location with the library.

Nick commented that new signage may actually solve that problem with the arrow and mile marker on the sign however; in order to satisfy Cal-Trans requirements, there needs to be a sign located at both the north and south ends of the City.

City Manager approached the idea of perhaps typical municipal signs as opposed to the larger wooden signs.

Councilmember Garnes said she actually preferred the small municipal signs but felt the two (2) signs on Davis St. as proposed would be acceptable because there are not a lot of signs on Davis St.

Mayor Pro Tem Johnson asked how much money the Chamber has invested in the wooden sign thus far.

Nick estimated expenses at around \$200 plus an additional \$200 out his pocket personally (as a donation) for the posts and hardware to install the signs.

Mayor Pro Tem Johnson suggested the first sign be located on the westerly side of Wildwood Ave. by the Community Garden area and Baptist Church. He commented that he loves the signs and that they have really grown on him and feels they accurately represent Rio Dell.

City Manager Knopp reviewed the four (4) proposed sign locations.

Councilmember Garnes suggested that the sign at the south end of town be located at the opposite end of the median to balance it with the north entrance sign.

Discussion continued regarding the size of the sign posts.

Nick Angeloff commented that he had purchased 4 X 4's for the posts but Councilmember Thompson indicated that smaller posts might be more appropriate. Nick suggested steel posts as an alternative.

Consensus of the Council was to approve the placement of the four (4) signs as recommended with the suggested changes as noted.

City Manager Knopp stated that staff will initiate the installation of three (3) of the signs; the sign on school property would require permission from the school prior to installation.

Nick Angeloff thanked the Council and staff for their help and support for placement of the signs.

Consideration of Final Amendments to the FY 2016-2017 Operating and Capital Budget
Finance Director Woodcox provided a staff report and said this is the fourth discussion on the proposed budget. She said since the May 23, 2016 budget workshop, staff identified additional items for discussion and Council consideration.

She presented four (4) optional budget proposals for Council consideration and noted that staff is prepared to bring the final budget back for final approval on the June 21, 2016 consent calendar.

Budget A represented the budget as discussed at the budget workshop with changes that increased general fund subsidy to streets by \$42,000 and decreased Council Chamber equipment by \$5,000 for a total budgetary impact of (\$198,887).

Budget B included additional increase of general fund appropriations from \$3,290 to \$4,667 (\$1,377) for the Rio Dell Fire Department and Library water consumption for a total budgetary impact of (\$200,265).

Budget C included additional increase of general appropriations for the Fire Department and Library water consumption in addition to a traffic study for Highway 101 and Metropolitan for (\$13,750) for a total budgetary impact of (\$214,015).

Budget D included included all of the above as well as additional wastewater fund appropriations of (\$10,000) for wastewater contract services for a total budgetary impact of (\$224,015).

Councilmember Thompson commented that with regard to the Fire Department water bill, Fire Commissioner Jim Barsanti was in attendance at the council meeting when the budget item was discussed and it was his understanding that Councilmember Garnes was going to attend the Fire Department meeting and report back to the Council on their response to the City paying the base water charge and the Fire Department being responsible for any excess usage.

Councilmember Garnes stated that she did speak at the Fire Commissioner's meeting regarding the water bill and their position is that they would like to leave the agreement the way it is currently with the City paying the entire bill. The way they see it is that the City no longer pays for any of the cleaning and maintenance of the bathrooms yet having public restrooms is a benefit to the City. Also, they don't charge the City for emergency response, the fire assessment or use of their facilities.

Councilmember Thompson referred to the covenants of the Parks grant that funded the construction of the bathrooms and recalled that one of the conditions of receiving the funding from the City was that they accept responsibility for maintaining the bathrooms.

JUNE 13, 2016 MINUTES
Page 6

Mayor Wilson accepted the fact that having a community park with restrooms is a benefit to the community.

Mayor Pro Tem Johnson said he was prepared to accept the proposal under Budget B.

Councilmember Marks made the point that the Fire District is a public entity so Fireman's Park is a public park regardless. He said the tax payers pay to have the park and it has nothing to do with the City.

Mayor Wilson called for public comment on the proposed budgets.

Melissa Marks commented that the Fire Department has two (2) water meters and the estimated bill seems to be inflated since most of the water is not going through the sewer.

Finance Director Woodcox explained that there was an excessive amount of water used last year because of a water leak and the high usage for the month of August was attributed to Wildwood Days. She noted that the month with the leak was not included in the 21 unit average.

Staff further explained that the sewer charges are based on an average of the 3-month consumption for November through January which was 7 units; not 21 units.

Councilmember Garnes presented the idea of rather than purchasing two (2) new police vehicles to perhaps purchase one (1) new vehicle and one (1) electric bike to save money and energy and allow officers to interact more with the community. She commented that it seems excessive to have five (5) police vehicles for a population of 3,500 people. She said the Cities of San Luis Obispo and Arcata have electric bikes and thought it would be a good idea for Rio Dell.

Chief Hill said that he doesn't necessarily object to the idea but doesn't agree with the comment of a larger footprint because they would still have to use vehicles for ?

He said the department actually has a bike (not electric) and has used it but everything an officer does is in the police vehicle so an electric bike would not be practical. He also commented that his dad has an electric bike and he spends a lot of money on batteries.

He pointed out that he has no objection to an electric car and actually looked into the possibility a couple of years ago but they were not yet fleet ready so at that time, was not practical.

Consensus of the Council was 4-1 to not pursue the idea of an electric bike.

JUNE 13, 2016 MINUTES
Page 7

Motion was made by Johnson/Garnes to approve Budget Option D and direct staff to return to Council on June 21, 2016 with a resolution for for final adoption of the FY 2016-2017 Operating and Capital Budget. Motion carried 5-0.

Consideration of City Council Meeting Calendar through July 5, 2016

City Manager Knopp provided a staff report and said at the request of the Mayor, staff is bringing back for consideration the City Council meeting calendar through July 5, 2016.

He then reviewed the calendar as proposed and asked for Council input.

Mayor Wilson stated that he realized there are some upcoming deadlines on some of the pending agenda items but wants clarification on a number of things.

He questioned staff on the scheduled appointment of planning commissioner to fill the current vacancies.

City Clerk Dunham explained the deadline to apply for the vacancies was extended by two weeks to allow sufficient time to solicit for applicants and as such, the schedule for appointment was extended to the June 21, 2016 meeting.

Councilmember Thompson stated that he would not be available on June 28th for a potential meeting but would be available on June 29th.

City Manager Knopp explained that June 28th is merely a tentative date should additional discussion be necessary on the Cannabis Tax Measure but doesn't anticipate that happening. He commented that there needs to be a full council for the discussion on the Tax Measure and after the June 14th meeting, staff will need to have clear direction from the Council on how they wish to proceed.

Mayor Wilson expressed concern with moving meetings around to days other than Tuesdays due to transparency, as citizens generally know that the Council meetings are typically held on Tuesday.

City Manager Knopp said one way to alleviate that concern is to perhaps issue a press release with the calendar of meetings through July 5th which could include the dates of pending meetings with reference to the City website for updates.

Mayor Wilson asked for the help of Rio Dell Times to get information out to the public; Sharon Wolff commented that they always do.

Mayor Wilson said it is also good for staff to make sure there are always handouts on information so everyone is clear about what the Council is discussing.

JUNE 13, 2016 MINUTES
Page 8

He said he met with the City Manager, the Police Chief, and the City Clerk and talked about the City Council protocols and procedures and decided to have speaker cards for public comment at meetings to allow more orderly proceedings. He noted that speakers will be limited to 3 minutes each with a total of 30 minutes of public comment on any particular agenda item or non-agendized matters. He noted that there will also be a timer to record the time a person is speaking.

Staff indicated that the equipment was ordered and in route.

Mayor Pro Tem Johnson commented on the request by Melissa Marks to invite Chief Mills from Eureka come to a meeting and talk about negative impacts of cannabis and asked Chief Hill if he could comment on the impact of trimmers coming into the City.

Chief Hill said his opinion is that Humboldt County, Trinity County and Mendocino County all have a certain amount of trimmers coming through and with regard to Melissa mark's question as to whether current legislation will have a direct impact on the City with regard to trimmigrants he doesn't think it will have any effect on Rio Dell.

Councilmember Thompson commented that about two (2) months ago he talked with Brian Quinall from the Humboldt County Drug Task Force and thought at that time that he was going to be able to speak at a meeting however; at the last minute, it didn't work out. Coinincidentally, the next day the task force did a drug raid in Rio Dell. He said he feels that Chief Mills may have more information on regarding potential impacts that Chief Hill may have.

Mayor Wilson referred to the agenda for the June 21st meeting and suggested the Planning Commissioner appointments be moved to the first portion of the agenda. He noted that he would hope that the staff briefing on dispensaries will not be too lengthy but the discussion and possible adoption of the Medical Marijuana Land Use Ordinance could be quite lengthy. He said the Council will be trying to figure out land use issues related to medical cannabis and doesn't know how beneficial it would be to have Chief Mills present at this point in time.

Councilmember Marks commented that for the most part, the meetings have been attended by people on one side of the issue and wouldn't mind hearing from a professional with a different view point.

The consensus was to not approach Chief Mills to address the issue.

City Manager Knopp pointed out that councilmembers as well as any citizen is always free to invite anyone they would like to invite to the meetings and the Mayor has the discretion to allow extra speaking time if necessary.

JUNE 13, 2016 MINUTES
Page 9

Councilmember Thompson clarified that a councilmember can invite someone to speak provided there is a consensus of the entire council.

Motion was made by Johnson/Garnes to adjourn the meeting at 7:36 p.m. to the June 14, 2016 Special meeting at 6:30 p.m.

Frank Wilson, Mayor

Attest:

Karen Dunham, City Clerk

**RIO DELL CITY COUNCIL
SPECIAL MEETING
JUNE 14, 2016
MINUTES**

A Special meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Wilson.

ROLL CALL: Present: Mayor Wilson, Mayor Pro Tem Johnson, Councilmembers
Garnes, Marks and Thompson

Others Present: City Manager Knopp, Finance Director Woodcox, Chief of
Police Hill Community Development Director Caldwell, City
Attorney Gans and City Clerk Dunham

Absent: Water/Roadways Superintendent Jensen and Wastewater
Superintendent Yaple (excused)

PUBLIC PRESENTATIONS

Mayor Wilson asked that any member of the public wishing to address the Council on any matter not on the agenda or under specific agenda items to fill out a speaker card located on the table by the front door.

There were no members of the public wishing to address the Council at this time.

SPECIAL MEETING MATTERS

Introduction and First Reading (by title only) of Ordinance No. 346-2016, Local Cannabis Business Tax (CBT) Creating chapter 5.40 under Title 5 of the Rio Dell Municipal Code (RDMC)

City Manager Knopp provided a staff report and reviewed the materials provided in the Council packet as well as some additional handouts including:

- Impartial Analysis from the City Attorney of Vallejo as an example
- Vallejo Model in Practice
- Points of Taxation for Medical Cannabis (MMRSA)
- Draft Business Tax Ordinance Amended for Square Foot Charge for Cultivation

He said as a point of clarification, the proposed Cannabis Business Tax does not authorize cannabis related activities in the City. He said the Medical Cannabis Land Use Ordinance will be presented to the Council at their June 21, 2016 for consideration and possible adoption. Also, the tax measure would only apply if the ordinance is approved.

City Manager Knopp stated the goal is to get the required documents prepared and

approved no later than July 5, 2016 so they can be presented to the County Elections Department for approval by the County Board of Supervisors for placement of the tax measure on the November 8, 2016 ballot.

He stated that the Council received an overview on the array of options related to the taxation of Cannabis at their meeting of May 24, 2016. The City Attorney prepared the draft ordinance based on the City of Vallejo's Ordinance as a model since it seems to provide the greatest degree of flexibility and simplicity.

Staff stated for clarification that the business tax will only apply to those who are involved in the cultivation, processing and sale of medical cannabis and medical cannabis products; anyone not involved in the cannabis industry would not be subject to the tax.

City Manager Knopp stated that at the request of the Council, staff contacted the Rio Dell School Superintendent, Leslie Yale and invited her to attend the meeting and provide input if needed.

Also, there were a series of questions presented to the Council to consider during the last few meetings in which staff responded to in the written staff report to the Council.

Councilmember Thompson referred to the proposed tax of up to 10% and expressed concern about a shortage in staff and that there is a vast difference between Vallejo and Rio Dell. He said in the beginning the City will likely be spending a great deal of general fund money in staff time processing applications until such time the tax starts coming in. His fear was that it could create a deficit in the general fund and felt an initial tax of 15% would be more appropriate.

Community Development Director Caldwell clarified that applicants pay all actual costs including the regular burdened rate for staff time to process the application and Conditional Use Permit. He noted that currently there are four (4) solid applications for consideration which will not overwhelm current staff.

City Manager Knopp pointed out that the only tax collected in Vallejo was the tax on dispensaries; in this case there will be other potential sources of tax revenue.

Community Development Director Caldwell stated that staff anticipates complete applications because of the performance standards that will be established so the applicant will know what is expected.

Mayor Wilson asked what actual costs cover.

JUNE 14, 2016 MINUTES
Page 3

Staff responded actual costs would include the burdened rate for the Community Development Director as well as the Chief of Police or any other staff person who spends time processing the application.

Mayor Pro Tem Johnson stated that a 10% tax is very sound and that presented were a number of tax examples on dispensaries statewide and the majority represented gross receipts in an average range of \$300,000.

He noted that the City of Arcata's tax revenue was reported at \$1.6 million and they run the program with one staff person.

Councilmember Garnes also agreed with the 10% tax as proposed. She expressed concern that higher taxes would run potential businesses away.

Mayor Wilson and Councilmember Marks also agreed with the 10% tax as proposed.

City Attorney Gans stated for clarification that the Council is not adopting the language tonight, but giving staff direction as to how to revise and present the formal ordinance to the City Council for possible adoption as part of a resolution submitted to electorate for approval on the November ballot.

Discussion continued regarding some of the terms used in the draft ordinance such as "Director" as the person designated by the city manager to administer the tax rather than the finance director and whether the language should be more specific.

City Attorney Gans recommended a minor amendment to the language in the definitions to say "Director means the director of the finance department of the City, or if the director of the finance department is incapacitated or otherwise unavailable, other such as director designated by the city manager shall administer this chapter."

Council concurred with the recommended amendment.

Discussion continued regarding what constitutes gross receipts, tax revenue projections, and the collection and distribution of taxes.

City Attorney Gans explained the cannabis generator does not technically pay the tax; the consumer pays it and the cannabis generator is responsible to pass it on to the State.

Councilmember Thompson stated that he would like to see the tax projections in a spreadsheet to make it easier to understand. He said he was concerned that the numbers may be over-inflated and would like to see the facts in black and white.

Staff explained that sales tax is not a gross receipt but a liability and would not be subject to the City's business tax. What a consumer pays across the counter less sales tax will be the gross receipt amount the business tax is based on.

After further discussion, City Manager Knopp recommended staff do further analysis and keep anything in the ordinance required to be in the ordinance and delete anything optionally added by the City of Vallejo to make it clear and concise.

Discussion continued regarding accurate reporting and the City's right to audit.

City Manager Knopp said hopefully another tool the City will have to use to verify receipts is the track and trace program which would be verified by a third party.

City Attorney Gans commented that the finance director can also audit the California Sales Tax Return and would be an excellent source to verify total sales.

He also pointed out that there are pretty extensive laws on taxation and the City wants to make sure not to violate those laws.

Councilmember Garnes asked if taxes will be paid monthly or quarterly by the entity.

Community Development Director Caldwell explained the idea is to have the taxes due on a monthly basis so there are not large amounts of cash coming into the City on a quarterly basis.

Mayor Wilson expressed concern about large amounts of cash and asked for a projection on the amount tax that will be generated.

Community Development Director Caldwell said based on 100,000 sq. ft. of cultivation it could potentially generate \$1 million and 10% of that if spread out over 12 months, the tax would be \$8,000.

Discussion continued regarding possible security measures to consider whether it be scheduling times outside of normal business hours when taxes can be paid or hiring additional law enforcement.

Mayor Wilson stated before entertaining public comment that staff prepared speaker cards for the public to fill out in attempt to keep the public comment portion of the meetings orderly and at the same time allow the public to voice their opinions. He noted that the City Council relies on specific protocols to govern meetings as well as following Rosenberg's Rules of Order and if necessary Robert's Rules of Order.

He said the rules of order have a specific purpose for public meetings and that is to establish order, make sure the rules are clear, make sure the rules are friendly, and the one rule that stands out most is that the rules should enforce the will of the majority while protecting the rights of the minority.

He said it goes on to say that the ultimate purpose for rules of procedure is to encourage discussion and facilitate decision making by the body. He added that in a democracy the majority rules but the rules must enable a majority to express itself while permitting the minority to also express itself but not dominating while fully participating in the process.

Mayor Wilson said that is an important process in what we have in both the City and as a nation that distinguishes us from other nations. He said this is what we as a Council are going to try to do with an emotionally charged issue. He said the Council will strive hard to do that and hopes everyone will cooperate as well.

He opened the public hearing at 7:31 p.m. and once again asked speakers to limit their comments to 3 minutes and said staff will be timing each speaker. Total comments were limited to 30 minutes.

Larry Arsenol addressed the Council regarding the proposed business tax and noted that he has friends in Washington and processes are taxed at each level so in the end sometimes pay 65% in taxes. He said with this, the black market can sell cannabis much cheaper and cautioned the Council to not over tax the industry.

David Bridge pointed out that testing or analyzing is not included under 5.10 and said in addition how the businesses are managed is huge and the track and trace program plays a big part in that. He said there are 28.375 grams in an ounce of cannabis and most people sell an ounce as 28 grams. In this case, someone just lost .375 of a gram. He referred to a company called Alliance Financial Network as a potential source as the City's inventory tracking software provider and offered to provide staff with the contact information.

He cautioned the City against entering into any business arrangement with Bio-Track inferring that they seem to have a bad reputation.

He recommended the City consider beginning with a 5% business tax, graduated to 10% which will be much more attractive to potential businesses coming in.

Sue Strahan said in reference to the tax, questioned the population in Vallejo versus Rio Dell and the amount of revenue Rio Dell will generate.

She referred to the article she presented at a prior meeting regarding the problems the County was facing with regard to the overload of work staff was dealing with and asked if the \$8,000/month staff estimated is enough to cover costs in the City. She said citizens are

already paying high amounts for water and sewer and asked the Council to consider what this will do to our children and grandchildren.

April Hubner read a statement addressing her concerns regarding the Medical Cannabis Land Use Ordinance and pointed out that since the City has previously adopted a land use ordinance governing indoor and outdoor cultivation of medical marijuana for personal use she sees no reason to further invite the use and distribution of the “drug” in or around the community of Rio Dell for commercial means.

She talked about the inability of the law enforcement to enforce the guidelines related to indoor cultivation for medical marijuana as it currently stands and questioned how they intend to enforce its guidelines among large commercial cultivation and related businesses.

She presented several documents related to crime statistics related to the use and activity of cannabis throughout Humboldt County and said that this is not what Rio Dell needs to be inviting into this small town.

She provided some personal background information about herself and said she was raised in Rio Dell, is currently a 2-3 grade teacher at Eagle Prairie Elementary and before that the cheerleading coach. She pointed out that the school has no busing transportation for the 316 students of whom bike, walk or are driven to and from school. She said even through the school has “safe routes to school” paths; they by no means stretch to the designated area proposed for commercial cultivation. She expressed concern for the safety of Rio Dell’s children to and from school and related activities and said the idea of presenting a “drug” to them as a permissible activity to look upon and be around sickens her. She added that this is not the legacy she wants for Rio Dell’s youth let alone her own children and by placing the marijuana related activities across the river to the former Eel River Sawmills site is not placing it out of the way; its more like a stop on the way home from Fortuna High which is only 7 miles away.

She ended by saying that she tells her students all the time to “Just Say No” to drugs and asked if the Council can do the same. She urged them to stand up for those that have no voice and stand firm for the generation that so desperately needs strong leaders who are unwilling to bend under pressure and greed.

Melissa Marks stated her opposition to the proposed marijuana ordinance and with regard to taxation said she did not see where edibles and cultivation was addressed in the tax ordinance.

City Manager Knopp referred to the definition of “cannabis business” which includes all business activity, including, but not limited to planting, cultivation, harvesting, transporting, manufacturing, compounding, processing, preparing, storing, packaging,

wholesale, and/or retail sales of cannabis and any ancillary products in the city; of which shall be subject to the business tax.

James Bidwell addressed the Council next and said according to Sheriff Downey, as of February 23, 2017 the Sheriff's department will no longer be arresting people for

Mayor Wilson interrupted Mr. Bidwell and asked that he only address the tax issue; he had nothing to say about the tax and left the room.

There being no further public comment, the public hearing was closed at 7:49 p.m.

City Manager Knopp stated there is one proposed amendment that came to staff's attention after the packet was processed with regard to cultivation. He drew the Council's attention to the supplemental document submitted related to an amendment to the business tax ordinance to allow for a square foot charge for cultivation rather than on gross receipts.

He said he feels it would be much more beneficial to the City and that the County is also proposing a square footage tax. He noted the County is looking at an initial rate of \$1.00 or possibly \$2.00 a square foot.

He stated for clarification that the proposal is to only amend the tax method for cultivation. He said it would be simple to implement and assess a charge on the actual square footage of a greenhouse when the applicant applies for a business license. He noted it would also be a way to generate revenue on a short order basis.

Staff pointed out the proposed change would only require minor amendments regarding the amount of tax owed under Section 5.40.100 and 5.40.250 as highlighted in the draft amendment on pages 3 and 5. He said it will allow the City Council the discretion to establish the rate from \$1.00 to \$2.00 per square foot of greenhouse and create subset categories.

City Manager Knopp pointed out that even if cultivation is allowed under the most liberal terms, the magnitude is far less than the County's.

Community Development Director Caldwell commented that a square footage method will allow for more solid budget projections and if the market drives sales down, the City would still collect the same amount of tax.

City Manager Knopp pointed out that if the Council allows cultivation to occur; the City could potentially start generating revenue very soon after approval.

Mayor Wilson questioned whether there is a specific number established that determines the estimated amount of cannabis needed in California to satisfy medical needs.

Councilmember Thompson asked if cultivation activities are subject to a square footage tax if they will be exempt from a tax on gross sales.

Staff explained they would only be subject to the square foot tax; otherwise it would be double taxation.

City Attorney Gans suggested as a point of order that the public be allowed to comment on the proposed square foot tax.

Mayor Wilson then called for public comment on the proposed square foot tax.

Faith Hansen asked how the tax is computed on, as an example a 1,000 square foot greenhouse that is replanted multiple times in the same year.

City Manager Knopp explained it would be at the discretion of the City Council to determine whether it be taxed on a per-grow or per-year basis.

Mayor Wilson stated that the County is basing their tax on actual square footage of the grow site as an annual tax which seems very simplistic.

Sue Strahan asked if the tax only pertains to commercial grows.

Mayor Wilson said that it would be and the tax would not apply to personal medical 215 grows.

Melissa Marks questioned the possibility of double taxation and used the example of edibles being sold to a dispensary then resold to the consumer.

Rio Dell School Superintendent Leslie Yale expressed concern regarding grows in residential areas and said to consider allowing cultivation in agricultural zones is one thing but in residential zones is altogether different.

Mayor Wilson clarified that no cannabis related activities will be allowed within 1,000 feet of a school.

Community Development Director Caldwell cautioned that the discussion was migrating into land use issues and the discussion needs to stay focused on taxes.

David Bridge commented that medicine is not taxed and said there are two types of cultivation; nursery cultivation where baby plants are grown and mature cultivation stating that the Council may want to differentiate between the two.

He noted that he is not sure there are a lot of producers in the County so the City might be better off to structure the ordinance in a way so as not to rely to a small amount of producers.

Larry Arsenol referred to the Value Added Tax (VAT) which drives out business. He said if retail is done properly it will bring in people. He said the square footage tax is verifiable and that it would be easier for people to fudge on gross receipts.

The public comment period was then closed.

City Manager Knopp asked for clarification whether the Council is amenable to a square footage tax for cultivation.

Councilmember Thompson said he would like clarification on what exactly determines gross receipts but is okay with the proposed square footage tax on cultivation.

The consensus of the Council was that staff incorporates the proposed square footage tax for cultivation into the tax ordinance.

City Manager Knopp reviewed the meeting calendar and said in moving forward, staff will prepare the final draft of the tax ordinance for approval on July 5, 2016. He said there may be the need for another special meeting on June 20th or June 29th although at this point he doesn't see the need.

He also noted that on the June 21st agenda, staff will have the appointment of two (2) Planning Commissioners; the final budget on the consent calendar for approval; a brief presentation on dispensaries and the Medical Cannabis Land Use Ordinance in its entirety for possible adoption.

Mayor Wilson said he expects there will be a lot more people in attendance at the June 21st meeting and as such, will attempt to be more formal with regard to public presentations.

ADJOURNMENT

Motion was made by Johnson/Garnes to adjourn the meeting to the June 21, 2016 regular meeting at 8:20 p.m. Motion carried 5-0.

Frank Wilson, Mayor

Attest:

Karen Dunham, City Clerk

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: cm@riodellcity.com



**CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
June 21, 2016**

TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager *zk*

FROM: Brooke Woodcox, Finance Director *BW*

DATE: June 21, 2016

SUBJECT: Approve Resolution 1300-2016 Approving Billable Rates for Staff Time for Fiscal Year 2016-2017 and Rescind Resolution 1296-2016

RECOMMENDATION

Approve Resolution 1300-2016 Approving the Billable Rate for staff time for the fiscal year 2016-2017 and Rescind Resolution 1296-2016.

BACKGROUND AND DISCUSSION

From time to time the City is involved in various activities and projects that require cost recovery for staff time spent on behalf of a customer. In these circumstances the City prepares an invoice detailing all direct and indirect costs incurred by the City. Often times the primary charge is for staff time, which requires the City to develop a rate that includes the cost of the employee's salary, benefits, and overhead. This is the billable rate.

Billable rates for FY 2016/17 were adopted May 17th, 2016; however an additional staffing item has changed since that time. The position for a Wastewater Superintendent Trainee has been included in the FY 2016-17 Operating and Capital Budget and a billable rate needs to be assigned. In addition, the hourly rate for a Wastewater Superintendent needs to be changed from schedule E to A, which is the beginning wage rate for this position. The items are reflected in the following chart.

2016-2017
 Billable Burdened Rates
 Resolution No. 12XX-2016
 Adopted June 21, 2016

TITLE	HOURLY RATE	AVERAGE BENEFIT COST %	INDIRECT COST PER LABOR HOUR	HOURLY RATE CHARGE
City Clerk	28.18	38%	19.20	58.09
City Manager	54.51	38%	19.20	94.43
Community Development Director	39.31	38%	10.95	65.20
Finance Director	34.41	38%	10.95	58.43
Accountant I	22.42	38%	10.95	41.89
Senior Fiscal Assistant	16.86	38%	10.95	34.21
Fiscal Assistant II	19.33	38%	10.95	37.62
Chief of Police	40.57	38%	16.06	72.05
Police Sergeant	25.81	38%	16.06	51.68
Police Officer	20.11	38%	16.06	43.81
Police Officer	22.63	38%	16.06	47.29
Police Officer	21.97	38%	16.06	46.38
Wastewater Superintendent	23.91	38%	38.57	71.57
Wastewater Superintendent Trainee	22.30	38%	38.57	69.34
Water/Roads Superintendent	30.28	38%	38.57	80.36
Wastewater Treatment Operator I	16.85	38%	38.57	61.82
Utility Worker I	14.18	38%	38.57	58.14
Utility worker I	14.18	38%	38.57	58.14

A **billable rate** for each employee for the fiscal year of 2016-2017 has been developed and utilizes the following formula:

$$\text{Billable Rate} = \text{Hourly Rate} + (\text{Hourly Rate} \times \text{City's Average Benefit Cost \%}) + \text{Overhead}$$

The result of the formula is a billable rate that allows the City to recover all costs associated with staff time.

Hourly Rate = Depending on employee classification the **hourly rate** is set by various employee contract agreements and is based on classification and step.

$$\text{Benefit Cost \%} = \text{Total Benefits} \div (\text{Total Salary} + \text{Total Benefits})$$

$$\text{Overhead} = \text{Indirect Expenditures} \div \text{Total Department Labor hours}$$

ATTACHMENT

- Resolution 1300-2016 approving the billable rate for staff time for the fiscal year 2016-2017 and Rescind Resolution 1296-2016



**RESOLUTION NO. 1300-2016 CITY OF RIO DELL
 APPROVING THE BILLABLE RATES FOR STAFF TIME
 FOR FISCAL YEAR 2016-2017
 AND RESCINDING RESOLUTION 1296-2016**

WHEREAS, the California Constitution Article XI, 7 grants Cities the authority to enforce all local ordinances and regulations not in conflict with general laws; and

WHEREAS, the City has further authority to charge regulatory fees to cover the cost of regulatory programs, and user fees to limited to the cost of providing service, and

WHEREAS, the City from time to time must recover the cost of labor and operating expenses; and

NOW THEREFORE BE IT RESOLVED, that the City of Rio Dell City Council does hereby adopt the following billable rates for staff time to ensure cost recovery on various projects as follows:

2016-2017
 Billable Burdened Rates
 Resolution No. 12XX-2016
 Adopted June 21, 2016

TITLE	HOURLY RATE	AVERAGE BENEFIT COST %	INDIRECT COST PER LABOR HOUR	HOURLY RATE CHARGE
City Clerk	28.18	38%	19.20	58.09
City Manager	54.51	38%	19.20	94.43
Community Development Director	39.31	38%	10.95	65.20
Finance Director	34.41	38%	10.95	58.43
Accountant I	22.42	38%	10.95	41.89
Senior Fiscal Assistant	16.86	38%	10.95	34.21
Fiscal Assistant II	19.33	38%	10.95	37.62
Chief of Police	40.57	38%	16.06	72.05
Police Sergeant	25.81	38%	16.06	51.68
Police Officer	20.11	38%	16.06	43.81
Police Officer	22.63	38%	16.06	47.29
Police Officer	21.97	38%	16.06	46.38
Wastewater Superintendent	23.91	38%	38.57	71.57
Wastewater Superintendent Trainee	22.30	38%	38.57	69.34
Water/Roads Superintendent	30.28	38%	38.57	80.36
Wastewater Treatment Operator I	16.85	38%	38.57	61.82
Utility Worker I	14.18	38%	38.57	58.14
Utility worker I	14.18	38%	38.57	58.14

PASSED AND ADOPTED by the City of Rio Dell on this 21st day of June, 2016.

Ayes:
Noes:
Abstain:
Absent:

Frank Wilson, Mayor

ATTEST:

Karen Dunham, City Clerk

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: k



**CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
June 21, 2016**

TO: Mayor and Members of the City Council
THROUGH: Kyle Knopp, City Manager *3*
FROM: Brooke Woodcox, Finance Director *zw*
DATE: June 21, 2016
SUBJECT: Adoption of FY 2016/17 Proposed Operating and Capital Budget

RECOMMENDATION

1. Review the Staff report and attached information; and
2. Adopt Resolution 1288-2016 Operating and Capital Budget for fiscal year 2016/17

BACKGROUND AND DISCUSSION

At two regularly scheduled Council meetings (May 3rd and 17th) Council reviewed the 2016/17 proposed Operating and Capital Budget as presented by staff and held budgetary discussions. The budget was again presented and further discussed at a budget workshop on May 23, 2016. The budget was presented a fourth time on June 13, 2016 and discussion ensued regarding additional expenditures of \$25,128 that were approved to be included in the final budget.

BUDGETARY IMPACT

The 2016/17 Operating and Capital Budget for the City of Rio Dell shows estimated revenues of \$4,520,048, appropriations of \$4,744,062, and an appropriation to and from reserves in the amount of -\$224,015. A budget summary is shown on the following page.

SUMMARY BUDGET ANALYSIS BY FUND								
Fund	Fund Name	Est. Beg. Fund Balance 7/1/16	Est. Revenue	Transfers In	Transfers Out	Proposed Expenditures	Change in Fund Balance	Est. End. Fund Balance 6/30/17
ADM	Admin Fund	6,598	2,800	-	-	1,250	1,550	8,148
BUI	Building Fund	18,698	32,901	(5,869)	-	57,468	(18,698)	-
CDBG	CDBG Fund	-	-	-	-	-	-	-
CDBG	CDBG RRLF Fund	204,605	12,000	-	-	166,642	(154,642)	49,963
GF	General Fund	1,012,190	879,765	-	10,055	992,856	(123,146)	889,044
MZ	Measure Z	-	-	-	-	-	-	-
REC	Recycling Fund	12,455	5,000	-	-	5,000	-	12,455
RES	Parks Fund	12,111	-	-	-	-	-	12,111
RES	Realignment Grant Fund	14,115	5,500	-	-	10,000	(4,500)	9,615
RES	SLESF Fund	(15,028)	100,000	(4,186)	-	89,158	15,028	-
RES	Vehicle Abatement Fund	2,605	-	-	-	-	-	2,605
RES	Water - Prop 84 NCIWMP	-	591,794	-	-	591,794	-	-
RES	Water - USDA ECWAG	-	373,200	-	-	373,200	-	-
SEW	Sewer Assmt District Fund	4,416	32,000	-	-	32,000	-	4,416
SEW	Sewer Capital Fund	166,621	99,388	-	-	100,000	(612)	166,009
SEW	Sewer Debt Service Fund	402,934	310,000	-	-	310,000	-	402,934
SEW	Sewer Restricted Reserve	302,822	-	-	-	-	-	302,822
SEW	Sewer Operations Fund	319,676	785,432	-	-	738,701	46,731	366,407
SO	Solid Waste Fund	44,726	9,000	-	-	10,973	(1,973)	42,753
SP	Spay & Neuter Fund	2,868	-	-	-	2,868	(2,868)	-
ST	Gas Tax Fund (HUTA)	205,356	74,339	-	-	150,430	(76,091)	129,265
ST	TDA Fund	26,551	111,600	-	-	112,304	(704)	25,847
ST	RSTP Funds	-	22,000	-	-	22,000	-	-
WAT	Water Capital Fund	117,763	194,051	-	-	211,529	(17,479)	100,285
WAT	Water Metro Wells Fund	5,296	11,697	-	-	-	11,697	16,993
WAT	Water Dinsmore Zone	7,278	17,466	-	-	-	17,466	24,744
WAT	Water Restricted Reserve	136,000	-	-	-	-	-	136,000
WAT	Water Debt Service Fund	68,000	152,371	-	-	136,000	16,371	84,371
WAT	Water Operations Fund	80,000	697,745	-	-	629,890	67,855	147,855
TOTAL		3,158,656	4,520,048	(10,055)	10,055	4,744,062	(224,015)	2,934,641

ATTACHMENTS:

- Resolution 1288/2016 Adopting the Operating and Capital Budget
- Departmental allocations
- Departmental Budgets by Line Item
- Budget Summary by Department By Fund



**RESOLUTION NO. 1288-2016
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIO DELL
ADOPTING THE OPERATING & CAPITAL BUDGET
FOR THE FISCAL-YEAR 2016-2017**

WHEREAS, the City is required to adopt an annual operations budget pursuant to City of Rio Dell Resolution 966-2007; and

WHEREAS, the proposed budget for the Fiscal-year beginning July 1, 2016 and ending June 30, 2017, as presented by the Finance Department has been reviewed and revised by the City Manager, and the City Council; and

NOW THEREFORE BE IT RESOLVED, that the City of Rio Dell City Council does hereby adopt the City of Rio Dell 2016-2017 Operating & Capital Budget, including projected revenues totaling **\$4,520,048**, expenditures in the amount of **\$4,744,062**, and an appropriation to and from reserves in the amount of **-\$224,015** as shown on the following page:

2016/17 City of Rio Dell
Operating and Capital Budget

SUMMARY BUDGET ANALYSIS BY FUND								
Fund	Fund Name	Est. Beg. Fund Balance 7/1/16	Est. Revenue	Transfers In	Transfers Out	Proposed Expenditures	Change in Fund Balance	Est. End. Fund Balance 6/30/17
ADM	Admin Fund	6,598	2,800	-	-	1,250	1,550	8,148
BUI	Building Fund	18,698	32,901	(5,869)	-	57,468	(18,698)	-
CDBG	CDBG Fund	-	-	-	-	-	-	-
CDBG	CDBG RRLF Fund	204,605	12,000	-	-	166,642	(154,642)	49,963
GF	General Fund	1,012,190	879,765	-	10,055	992,856	(123,146)	889,044
MZ	Measure Z	-	-	-	-	-	-	-
REC	Recycling Fund	12,455	5,000	-	-	5,000	-	12,455
RES	Parks Fund	12,111	-	-	-	-	-	12,111
RES	Realignment Grant Fund	14,115	5,500	-	-	10,000	(4,500)	9,615
RES	SLESF Fund	(15,028)	100,000	(4,186)	-	89,158	15,028	-
RES	Vehicle Abatement Fund	2,605	-	-	-	-	-	2,605
RES	Water - Prop 84 NCIRWMP	-	591,794	-	-	591,794	-	-
RES	Water - USDA ECWAG	-	373,200	-	-	373,200	-	-
SEW	Sewer Assmt District Fund	4,416	32,000	-	-	32,000	-	4,416
SEW	Sewer Capital Fund	166,621	99,388	-	-	100,000	(612)	166,009
SEW	Sewer Debt Service Fund	402,934	310,000	-	-	310,000	-	402,934
SEW	Sewer Restricted Reserve	302,822	-	-	-	-	-	302,822
SEW	Sewer Operations Fund	319,676	785,432	-	-	738,701	46,731	366,407
SO	Solid Waste Fund	44,726	9,000	-	-	10,973	(1,973)	42,753
SP	Spay & Neuter Fund	2,868	-	-	-	2,868	(2,868)	-
ST	Gas Tax Fund (HUTA)	205,356	74,339	-	-	150,430	(76,091)	129,265
ST	TDA Fund	26,551	111,600	-	-	112,304	(704)	25,847
ST	RSTP Funds	-	22,000	-	-	22,000	-	-
WAT	Water Capital Fund	117,763	194,051	-	-	211,529	(17,479)	100,285
WAT	Water Metro Wells Fund	5,296	11,697	-	-	-	11,697	16,993
WAT	Water Dinsmore Zone	7,278	17,466	-	-	-	17,466	24,744
WAT	Water Restricted Reserve	136,000	-	-	-	-	-	136,000
WAT	Water Debt Service Fund	68,000	152,371	-	-	136,000	16,371	84,371
WAT	Water Operations Fund	80,000	697,745	-	-	629,890	67,855	147,855
	TOTAL	3,158,656	4,520,048	(10,055)	10,055	4,744,062	(224,015)	2,934,641

BE IT FURTHER RESOLVED, that the staffing is adopted and funded in the 2016-2017 Operations Budget as follows:

JOB TITLE	FULL TIME EMPLOYEES BY FISCAL YEAR				
	2012 2013	2013 2014	2014 2015	2015 2016	2016 2017
ACCOUNTANT I/II	1	1	--	1	1
ADMINISTRATIVE ASSISTANT	--	--	--	--	--
CHIEF OF POLICE	1	1	1	1	1
CITY CLERK	1	1	1	1	1
CITY MANAGER /PUBLIC WORKS DIRECTOR	1	1	1	1	1
COMMUNITY DEVELOPMENT DIRECTOR	1	1	0.8	0.8	0.8
FINANCE DIRECTOR	1	1	1	1	1
FISCAL ASSISTANT I/II	1	1	1	1	1
POLICE CORPORAL	--	--	--	--	--
POLICE OFFICER	3	3	3	3	3
POLICE RECORDS TECHNICIAN	--	--	--	--	--
POLICE SERGEANT	1	1	1	1	1
PUBLIC WORKS LEADMAN	--	--	--	--	--
PW ADMINISTRATIVE TECHNICIAN	--	--	--	--	--
SENIOR FISCAL ASSISTANT	1	1	1	1	1
UTILITY WORKER I/II	3	3	3	3	2
WATER/WASTEWATER PLANT OPERATOR	1	1	1	1	1
WASTEWATER SUPERINTENDENT TRAINEE	--	--	--	--	1
WASTEWATER SUPERINTENDENT	1	1	1	1	--
WATER & ROADWAYS SUPERINTENDENT	1	1	1	1	1
PUBLIC WORKS DIRECTOR	--	--	--	--	--
ALLOCATED POSITIONS	17.75	17.75	16.80	17.80	16.80

BE IT FURTHER RESOLVED, as follows:

Section 1.

It is the intention of the City Council in approving and adopting an annual budget to provide financial guidance for routine operations of City business and for the purpose of providing information to the general public.

Section 2.

The adopted annual City budget will be implemented and maintained in accordance with City Budget Policy as outlined in Resolution 966-2007.

Section 3.

Adoption of the annual budget does not expressly approve expenditures of funds in excess of purchasing authority as outlined by City Resolution, Ordinance, State, or Federal law.

Section 4.

Adoption of the 2016-2017 Budget shows a minimum fund balance below the City's fund balance policy of 15% in the Building Fund, TDA Fund, and Water Operations Fund.

Section 5.

Adoption of the 2016-2017 Operating and Capital Budget includes inter-fund transfers totaling \$10,055: The General Fund transfer of \$10,055 is made up of two amounts: 1) Building Fund \$5,869 and SLESF Fund \$4,186.

PASSED AND ADOPTED by the City of Rio Dell on this 21st day of June 2016, by the following roll call vote:

Ayes:
Noes:
Abstain:
Absent:

Frank Wilson, Mayor

ATTEST:

Karen Dunham, City Clerk

PROPOSED DEPARTMENTAL ALLOCATIONS
FY 2016-2017

CITY MANAGER DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	20%	59,126
Streets Funds	10%	29,563
Wastewater Fund	35%	103,470
Water Fund	35%	103,470
	<u>100%</u>	<u>295,629</u>

ALLOCATION BY POSITION	
City Manager	98%
City Clerk	60%

FINANCE DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	20%	74,087
Streets Funds	10%	37,044
Wastewater Fund	35%	129,653
Water Fund	35%	129,653
	<u>100%</u>	<u>370,437</u>

ALLOCATION BY POSITION	
Finance Director	100%
Accountant I	100%
Senior Fiscal Assistant	100%
Fiscal Clerk II	100%

SOLID WASTE DEPARTMENT BUDGET

ALLOCATION BY FUND		
Solid Waste Fund	<u>100%</u>	<u>10,973</u>

ALLOCATION BY POSITION	
City Manager	2%

PROPOSED DEPARTMENTAL ALLOCATIONS
FY 2016-2017

GENERAL GOVERNMENT DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	78%	23,547.18
CDBG	22%	6,641.51
	100%	30,189

ALLOCATION BY POSITION	
Community Development Director	30%

POLICE DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	86%	552,371
SLESF Fund	14%	89,158
Measure Z	0%	-
	100%	641,529

ALLOCATION BY POSITION	
Police Chief, Sergeant, and 3 Officers	100%

PLANNING DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	100%	67,811

ALLOCATION BY POSITION	
Community Development Director	40%
City Clerk	20%

BUILDING DEPARTMENT BUDGET

ALLOCATION BY DEPARTMENT		
General Fund	10%	5,869
Building Fund	90%	51,599
	100%	57,468

ALLOCATION BY POSITION	
Community Development Director	30%
City Clerk	20%

PROPOSED DEPARTMENTAL ALLOCATIONS
FY 2016-2017

CITY COUNCIL DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	44%	6,865
Streets Funds	7%	1,099
Wastewater Fund	25%	3,846
Water Fund	25%	3,846
	<u>100%</u>	<u>15,656</u>

STREETS DEPARTMENT BUDGET

ALLOCATION BY FUND		
Gas Tax (HUTA) Fund	38%	74,339
TDA Fund	39%	76,002
RSTP Fund	11%	22,000
		<u>172,341</u>
RESERVES (Gas Tax)	12%	24,788
	<u>100%</u>	<u>197,129</u>

ALLOCATION BY POSITION	
Water and Roads Superintendent	15%
Utility Worker I (2)	35%
Wastewater Operator I	20%

SEWER DEPARTMENT BUDGET

ALLOCATION BY FUND		
Sewer Fund	<u>100%</u>	<u>484,583</u>

ALLOCATION BY POSITION	
Wastewater Superintendent	100%
Water and Roads Superintendent	20%
Utility Worker I (2)	10%
Wastewater Operator I	50%

PROPOSED DEPARTMENTAL ALLOCATIONS
FY 2016-2017

WATER DEPARTMENT BUDGET

ALLOCATION BY FUND		
Water Fund	<u>100%</u>	<u>375,772</u>

ALLOCATION BY POSITION	
Water and Roads Superintendent	60%
Utility Worker I (2)	35%
Wastewater Operator I	20%

BUILDINGS AND GROUNDS DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	20%	9,797
Streets Funds	10%	4,899
Wastewater Fund	35%	17,145
Water Fund	<u>35%</u>	<u>17,145</u>
	100%	48,986

ALLOCATION BY POSITION	
Water and Roads Superintendent	5%
Utility Worker I (2)	20%
Wastewater Operator I	10%

ADMINISTRATION VEHICLE

ALLOCATION BY FUND		
Admin Fund	<u>100%</u>	<u>1,250</u>

2016-2017 CITY MANAGER

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	137,720	110,019	139,444	171,281	92,590	151,272	154,945	
5032 Retirement - City Manager	6,564	11,300	2,457	-	-	-		
5035 Benefit - ICMA City 457	11,611	3,517	16,331	22,891	12,357	17,430	17,311	
5040 Benefit - Health Insurance	15,760	14,077	15,433	34,427	13,557	21,641	14,679	
5042 Benefit - Life Insurance	304	324	320	371	154	304	303	
5044 Benefit - Dental/Vision Insur	2,426	2,507	1,753	2,417	1,418	3,214	1,949	
5045 Worker Compensation Insurance	2,920	2,002	2,094	1,732	1,555	1,598	2,026	
5050 FICA/MEDI	11,558	8,416	12,417	13,104	7,464	11,634	11,852	
5055 Unemployment Insurance	642	1,100	1,016	1,517	645	694	686	
5080 Hiring Costs	27,148	45,251	-	5,000	-	-		
5081 Compensated Absences Payable	6,333	-	(9,125)	-	-	-		
5101 Office Supplies	1,675	1,496	1,283	1,500	548	1,500	1,500	
5102 Operating Supplies	306	700	382	350	219	350	350	
5103 Postage	235	250	294	250	117	250	250	
5104 Printing - Forms	3,931	2,000	4,011	3,000	1,561	4,000	4,000	
5106 Promotional	-	51	85	-	-	-	-	
5112 Legal	5,849	20,000	6,271	15,000	4,960	15,000	15,000	
5115 Contract/Professional Services	17,827	61,420	4,804	29,240	639	23,000	33,300	
5121 Telephone - Pager	1,707	900	1,739	2,000	1,115	1,760	1,760	
5122 Training - Conference	1,501	4,500	1,686	2,000	585	3,000	3,000	
5123 Automobile - Transportation	2,169	6,000	4,645	4,200	3,155	4,200	4,645	
5125 Publications - Books	28	100	76	50	-	50	50	
5126 Dues & Memberships	236	2,500	622	1,100	1,075	1,100	1,100	
5128 Employee Relations	-	151	-	100	-	100	100	
5130 Rents - Leases	920	4,500	1,858	3,000	983	2,100	2,100	
5131 Records Maintenance	103	-	76	100	43	110	110	
5135 Maintenance - Repair	537	251	1,083	450	715	700	700	
5138 Office Equipment	783	251	419	500	-	500	3,500	
5139 Equipment	-	500	-	500	-	500	500	
5140 Bond Insurance	-	10	-	-	-	-	-	
5141 General Liability Insurance	1,812	4,167	8,054	4,312	5,264	8,538	8,538	
5143 Property Insurance	420	936	1,577	957	996	1,672	1,672	
5144 Emp Practice Liab Insurance	102	330	121	318	994	762	1,400	
5148 Office Equipment	-	201	-	-	-	-	-	
5150 Electricity	676	651	1,375	586	858	1,430	1,473	
5151 Natural Gas	59	300	111	63	54	137	141	
5152 Water	-	-	59	38	70	50	225	
5153 Sewer	-	-	99	73	40	100	103	
5160 Elections	-	-	1,003	-	-	-	-	
5161 Sales Tax Admin Fees	-	-	7,290	-	-	-	-	
5162 Medical	2	-	-	-	-	-	-	
5166 LAFCO Fees	1,245	-	1,429	-	1,695	1,500	1,500	

2016-2017 CITY MANAGER

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
5171 Computer Software	-	500	1	500	1	500	500	
5173 Computer Maintenance - Support	1,248	1,100	2,161	1,769	1,485	2,379	2,739	
5174 Web Design Services	24	500	521	30	47	300	400	
5215 Public Works - Small Tools	-	100	-	-	-	-	-	
5514 Engineering	272	-	-	1,000	885	1,000	1,000	
5520 Improvements	191	-	-	-	-	220	220	
6100 Fixed Asset - Computer Hardware	-	1,497	-	-	-	-	-	
TOTAL EXPENDITURES	266,844	314,375	235,275	325,726	157,844	284,595	295,629	

ALLOCATION BY FUND		
General Fund	20%	59,126
Streets Funds	10%	29,563
Wastewater Fund	35%	103,470
Water Fund	35%	103,470
	<u>100%</u>	<u>295,629</u>

ALLOCATION BY POSITION	
City Manager	98%
City Clerk	60%

2016-2017 FINANCE DEPARTMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	148,874	172,212	180,043	179,006	112,147	185,654	198,081	
5030 Overtime Salaries	1,015	2,000	5	-	132	-	-	
5035 Benefit - ICMA City 457	15,133	20,693	19,162	19,313	12,104	19,698	20,964	
5040 Benefit - Health Insurance	21,802	26,568	38,970	39,106	23,448	37,732	33,217	
5042 Benefit - Life Insurance	435	630	540	651	221	461	480	
5044 Benefit - Dental/Vision Insur	3,453	3,845	5,043	4,758	3,104	4,922	5,121	
5045 Worker Compensation Insurance	3,496	1,674	2,496	1,793	1,931	2,042	2,600	
5050 FICA	12,532	14,735	15,127	13,551	9,713	14,348	15,153	
5055 Unemployment Insurance	2,103	1,926	1,669	1,536	1,609	1,649	1,736	
5080 Hiring Costs	903	3,000	-	-	-	-	-	
5081 Compensated Absences Payable	1,648	-	3,254	-	-	-	-	
5101 Office Supplies	3,046	3,500	3,805	3,610	2,451	3,610	3,610	
5102 Operating Supplies	787	1,500	333	800	218	800	800	
5103 Postage	4,054	5,526	2,868	6,974	3,053	4,050	4,050	
5104 Printing - Forms	3,825	2,000	3,232	3,301	1,328	3,301	3,301	
5105 Advertising	2,937	-	-	-	-	-	-	
5106 Promotional	-	-	80	-	34	-	-	
5110 Accounting	36,970	36,790	34,936	28,800	20,937	30,000	26,500	
5112 Legal	252	1,000	784	400	-	400	400	
5115 Contract/Professional Services	833	500	-	400	24	750	750	
5116 Bank Fees	2,117	2,000	1,893	2,092	992	2,200	2,200	
5121 Telephone - Pager	1,330	1,530	1,614	2,238	1,114	2,200	2,200	
5122 Training - Conference	2,402	4,500	2,786	4,501	1,785	4,501	4,501	
5123 Automobile - Transportation	3,950	1,300	915	1,301	-	1,301	1,301	
5125 Publications - Books	34	200	48	94	-	94	94	
5126 Dues & Memberships	126	151	122	125	220	125	125	
5128 Employee Relations	-	100	-	-	-	-	-	
5130 Rents - Leases	2,549	3,000	1,740	3,101	922	2,500	2,500	
5131 Records Maintenance	630	-	659	525	475	600	1,000	
5135 Maintenance - Repair	1,395	1,800	1,088	1,951	899	1,951	1,951	
5138 Office Equipment	2,582	3,000	41	3,200	4,314	8,200	5,200	
5139 Equipment	-	100	-	-	-	-	-	
5141 General Liability Insurance	4,794	10,938	7,999	11,408	5,228	8,480	8,480	
5143 Property Insurance	1,112	2,460	1,566	2,531	989	1,660	1,660	
5144 Emp Practice Liab Insurance	270	907	120	841	987	756	1,600	
5150 Electricity	1,788	1,500	1,366	1,572	852	1,421	1,464	
5151 Natural Gas	155	151	110	170	54	137	141	
5152 Water	-	-	133	87	157	110	365	
5153 Sewer	-	-	223	165	91	216	222	
5162 Medical	100	-	-	-	-	-	-	
5163 Property Tax Admin Fees	2,777	3,000	2,744	3,000	1,305	3,000	3,000	
5171 Computer Software	68	500	1	170	76	200	200	

2016-2017 FINANCE DEPARTMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5172 Computer Training	75	3,000	-	-	-	-	-	
5173 Computer Maintenance - Support	14,998	8,999	14,497	15,023	7,959	14,500	15,220	
5174 Web Design Services	73	196	110	146	46	150	250	
5520 Improvements	505	-	-	-	-	-	-	
TOTAL EXPENDITURES	307,928	347,431	352,122	358,240	220,919	363,719	370,437	

ALLOCATION BY FUND		
General Fund	20%	74,087
Streets Funds	10%	37,044
Wastewater Fund	35%	129,653
Water Fund	35%	129,653
	100%	370,437

ALLOCATION BY POSITION	
Finance Director	100%
Accountant I	100%
Senior Fiscal Assistant	100%
Fiscal Clerk II	100%

2016-2017 SOLID WASTE	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	1,954	2,000	2,055	2,055	423	2,055	2,180	
5030 Overtime Salaries	125	-	-	-	-	-	-	
5032 Retirement - City Manager	198	-	-	-	-	-	-	
5035 Benefit - ICMA City 457	83	-	288	288	59	247	249	
5040 Benefit - Health Insurance	-	-	-	535	-	114	138	
5042 Benefit - Life Insurance	-	-	-	6	-	4	4	
5044 Benefit- Dental/Vision Ins	-	-	-	33	-	43	19	
5045 Workers Compensation Insurance	144	-	25	20	4	23	32	
5050 Fica	186	-	188	157	39	157	171	
5055 Unemployment Insurance	9	-	-	21	-	127	8	
5101 Office Supplies	14	200	18	17	7	17	17	
5102 Operating Supplies	572	1,000	9	50	6	50	50	
5103 Postage	13	500	34	-	-	23	23	
5104 Printing - Forms	14	200	55	-	4	-	-	
5105 Advertising	222	300	-	50	-	-	-	
5106 Promotional	-	250	2	-	-	-	-	
5112 Legal	746	-	1,763	-	972	-	-	
5115 Contract Professional Services	140	3,671	12,000	5,000	1	7,000	7,000	
5121 Telephone - Pager	29	-	6	-	4	-	8	
5122 Training - Conference	-	-	-	-	-	-	-	
5123 Automobile - Transportation	-	100	1	-	-	-	-	
5125 Publications - Books	2	-	1	-	-	-	-	
5126 Dues & Memberships	-	-	-	-	-	-	-	
5130 Rents & Leases	146	-	60	110	25	-	-	
5131 Records Maintenance	9	-	-	-	-	-	-	
5135 Maintenance - Repair	84	-	236	56	14	-	-	
5138 Office Equipment	1	-	-	-	-	-	-	
5141 General Liability Insurance	298	521	221	-	144	234	234	
5143 Property Insurance	69	117	43	-	27	46	46	
5144 Emp Practice Liab Insurance	17	41	3	-	27	21	55	
5150 Electricity	111	-	38	-	24	39	40	
5151 Electricity	10	150	3	-	1	4	4	
5154 Garbage	1,413	1,400	1,095	1,102	147	650	650	
5171 Computer Software	-	-	-	-	-	-	-	
5173 Computer Maintenance - Support	30	-	19	-	13	-	25	
5174 Web Design Services	4	50	3	-	1	-	20	
5520 Improvements	31	-	-	-	-	-	-	
TOTAL EXPENDITURES	6,674	10,500	18,166	9,500	1,942	10,854	10,973	

ALLOCATION BY FUND

2016-2017 SOLID WASTE

EXPENDITURES

	<u>6/30/14</u> Actual	<u>6/30/14</u> Budget	<u>6/30/15</u> Actual	<u>6/30/15</u> Budget	<u>2/24/16</u> Y-T-D Actual	<u>6/30/16</u> Budget	<u>//</u> Proposed	<u>//</u> Requests
Solid Waste Fund						<u>100%</u>	<u>10,973</u>	
ALLOCATION BY POSITION								
City Manager							2%	

2016-2017 ADMIN FUND (VEHICLE)	<u>6/30/14</u> Actual	<u>6/30/14</u> Budget	<u>6/30/15</u> Actual	<u>6/30/15</u> Budget	<u>2/24/16</u> Y-T-D Actual	<u>6/30/16</u> Budget	<u> / /</u> Proposed	<u> / /</u> Requests
EXPENDITURES								
5135 Maintenance - Repair	<u>37</u>	<u>-</u>	<u>125</u>	<u>-</u>	<u>16</u>	<u>500</u>	<u>500</u>	
5212 Gas & Oil	<u>259</u>	<u>5,000</u>	<u>374</u>	<u>-</u>	<u>236</u>	<u>700</u>	<u>500</u>	
5213 Vehicle Repair	<u>-</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>	
TOTAL EXPENDITURES	<u>296</u>	<u>5,000</u>	<u>565</u>	<u>-</u>	<u>252</u>	<u>1,200</u>	<u>1,250</u>	

ALLOCATION BY FUND		
Admin Fund	<u>100%</u>	<u>1,250</u>

2016-2017 GENERAL GOVERNMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	-	-	-	-	17,068	32,642	20,567	
5035 Benefit - ICMA City 457	-	-	-	-	2,132	3,737	2,355	
5040 Benefit - Health Insurance	-	-	-	-	1,189	1,876	975	
5042 Benefit - Life Insurance	-	-	10	-	64	144	86	
5045 Worker Compensation Insurance	-	-	-	-	714	359	272	
5050 FICA	-	-	-	-	1,578	2,516	1,573	
5055 Unemployment Insurance	-	-	-	-	174	217	130	
5101 Office Supplies	-	-	6	-	62	-	106	
5102 Special Department Supplies	-	-	-	-	52	-	89	
5103 Postage	-	-	-	-	-	-	-	
5104 Printing - Forms	-	-	-	-	23	-	39	
5115 Contract/Professional Services	-	-	-	-	6	-	10	
5121 Telephone - Pager	-	-	-	-	292	-	434	
5125 Publications - Books	-	-	6	-	-	-	-	
5130 Rents - Leases	-	-	-	-	120	-	205	
5135 Maintenance - Repair	-	-	-	-	125	-	200	
5138 Office Equipment	-	-	-	-	-	-	400	
5141 General Liability Insurance	-	-	-	-	1,244	-	1,600	
5143 Property Insurance	-	-	-	-	235	-	401	
5144 Emp Practice Liab Insurance	-	-	-	-	92	-	157	
5150 Electricity	-	-	-	-	203	-	347	
5151 Natural Gas	-	-	-	-	13	-	22	
5171 Computer Software	-	-	-	-	-	-	-	
5173 Computer Maintenance - Support	-	-	-	-	61	3,500	179	
5174 Web Design Services	-	-	-	-	11	-	40	
TOTAL EXPENDITURES	-	-	22	-	25,458	44,991	30,189	

ALLOCATION BY FUND		
General Fund	78%	23,547.18
CDBG	22%	6,641.51
	100%	30,189

ALLOCATION BY POSITION	
Community Development Director	30%

2016-2017 POLICE DEPARTMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	302,774	278,897	304,756	289,554	202,102	279,238	279,020	
5030 Overtime Salaries	11,087	8,000	11,196	8,112	13,599	22,541	20,391	
5035 Benefit - ICMA City 457	54,173	60,599	54,433	59,918	33,549	57,685	58,336	
5040 Benefit - Health Insurance	68,717	59,352	74,297	71,079	44,078	67,798	68,953	
5042 Benefit - Life Insurance	1,013	990	1,237	1,075	483	1,075	1,056	
5044 Benefit - Dental/Vision Insur	8,797	8,680	11,116	10,097	8,091	11,204	10,786	
5045 Worker Compensation Insurance	20,203	11,389	27,938	28,318	19,647	28,911	35,528	
5050 FICA	27,059	21,565	26,642	22,151	18,847	23,285	22,905	
5055 Unemployment Insurance	2,356	2,199	2,671	2,896	3,043	2,258	2,170	
5060 Clothing Allowance	3,759	3,751	3,553	3,742	2,438	3,750	3,750	
5080 Hiring Costs	566	3,000	-	750	2,950	2,000	3,000	
5101 Office Supplies	880	1,200	496	1,000	1,200	1,000	1,200	
5102 Operating Supplies	2,740	3,200	1,309	2,500	1,121	2,500	2,200	
5103 Postage	790	1,000	584	665	299	600	600	
5104 Printing - Forms	303	800	860	463	167	1,000	1,000	
5105 Advertising	40	50	-	50	386	50	300	
5106 Promotional	-	50	115	50	15	50	50	
5112 Legal	1,506	1,500	1,386	1,000	4,710	1,000	1,000	
5115 Contract/Professional Services	3,680	3,000	1,546	3,000	5,184	3,000	3,650	
5117 Animal Control	8,882	5,000	6,533	6,500	7,070	6,500	12,000	
5119 Safety Supplies & Equipment	-	-	1,266	1,239	272	1,239	1,239	
5121 Telephone - Pager	7,798	7,000	7,774	7,000	4,913	7,610	7,610	
5122 Training - Conference	(2,931)	2,000	1,184	-	3,644	4,400	4,400	
5123 Automobile - Transportation	193	1,000	749	500	416	500	500	
5125 Publications - Books	2,226	500	73	500	136	500	500	
5126 Dues & Memberships	1,638	2,000	1,659	1,800	390	1,800	1,800	
5128 Employee Relations	-	2,550	-	250	-	250	250	
5130 Rents - Leases	2,521	2,000	2,160	2,500	1,523	2,500	2,500	
5131 Records Maintenance	242	-	370	350	270	500	400	
5135 Maintenance - Repair	1,963	2,000	4,231	5,523	858	5,523	5,523	
5138 Office Equipment	28	2,200	2,575	2,100	142	2,100	4,200	
5139 Equipment	4,052	5,450	16,003	13,658	300	7,025	7,025	
5141 General Liability Insurance	6,009	13,543	12,137	14,301	7,932	12,865	12,865	
5143 Property Insurance	1,394	3,045	2,376	3,172	1,501	2,519	2,519	
5144 Employee Practice Liab Insurance	339	1,114	182	1,106	1,497	1,147	2,050	
5150 Electricity	2,482	-	2,317	2,000	1,439	2,412	2,484	
5151 Natural Gas	194	-	167	200	82	207	213	
5152 Water	-	-	226	147	267	180	545	
5153 Sewer	-	-	377	274	153	370	381	
5154 Garbage	166	-	-	200	-	-	-	
5162 Medical	1,425	6,000	3,096	3,000	2,224	3,000	3,200	
5171 Computer Software	378	1,500	389	500	2	500	500	

2016-2017 POLICE DEPARTMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
5173 Computer Maintenance - Support	5,069	3,200	7,411	7,950	4,091	6,500	7,580	
5174 Web Design Services	89	100	167	100	70	200	500	
5192 Code Enforcement	20	3,000	445	1,000	-	1,000	1,000	
5193 Nuisance Abatement-Vehicle	80	2,500	150	1,250	250	1,250	1,250	
5212 Gas & Oil	15,712	15,000	13,452	13,000	7,900	13,400	13,700	
5213 Vehicle Repair	3,443	4,000	9,189	2,500	2,528	4,000	4,000	
5215 Public Works - Small Tools	30	-	-	-	-	-	-	
5305 Booking Fees Due	(3,439)	1,500	-	-	-	-	-	
5308 Dispatch Service Due	18,504	18,503	18,504	18,500	16,600	24,900	24,900	
5520 Improvements	634	-	-	-	-	-	-	
6100 Fixed Asset - Computer Hardware	2,711	1,300	-	-	-	-	-	
TOTAL EXPENDITURES	592,295	575,227	639,297	617,540	428,379	623,842	641,529	

ALLOCATION BY FUND

General Fund	86%	552,371
SLESF Fund	14%	89,158
Measure Z	0%	-
	<u>100%</u>	<u>641,529</u>

ALLOCATION BY POSITION

Police Chief, Sergeant, and 3 Officers	100%
--	------

2016-2017 PLANNING

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	89,092	91,780	62,258	64,592	22,576	35,210	39,823	
5035 Benefit - ICMA City 457	11,088	12,919	7,527	7,751	2,724	4,023	4,547	
5040 Benefit - Health Insurance	8,754	7,649	11,094	14,482	3,837	6,312	3,773	
5042 Benefit - Life Insurance	333	297	299	266	70	139	154	
5044 Benefit - Dental/Vision Insur	406	379	540	935	235	325	325	
5045 Worker Compensation Insurance	2,078	1,670	1,889	1,890	743	380	527	
5050 FICA	7,740	7,021	5,405	4,941	1,980	2,715	3,046	
5055 Unemployment Insurance	543	918	447	646	263	239	260	
5101 Office Supplies	336	400	619	350	119	350	297	
5102 Operating Supplies	147	300	76	150	36	150	150	
5103 Postage	428	600	258	300	231	300	300	
5104 Printing - Forms	2,896	250	1,382	1,250	1,035	1,670	1,631	
5106 Promotional	-	-	27	-	7	-	-	
5112 Legal	363	3,000	418	1,000	-	1,000	1,000	
5115 Contract/Professional Services	52	1,000	-	300	4	300	300	
5121 Telephone - Pager	962	826	662	975	219	975	533	
5122 Training - Conference	851	1,500	60	750	-	750	750	
5123 Automobile - Transportation	606	1,750	9	1,250	-	1,250	1,250	
5125 Publications - Books	110	250	35	100	-	100	100	
5126 Dues & Memberships	178	300	228	350	85	350	350	
5128 Employee Relations	-	50	-	25	-	25	25	
5130 Rents - Leases	771	700	622	800	298	800	595	
5131 Records Maintenance	93	-	66	100	43	100	100	
5135 Maintenance - Repair	881	500	267	400	181	400	300	
5138 Office Equipment	7	100	-	500	-	500	1,400	
5141 General Liability Insurance	1,491	3,646	1,931	3,548	872	2,047	1,447	
5143 Property Insurance	346	820	378	787	165	401	251	
5144 Employee Practice Liab Insurance	84	289	29	261	209	183	348	
5150 Electricity	556	560	330	600	142	343	353	
5151 Natural Gas	48	90	27	100	9	33	34	
5152 Water	-	-	25	16	29	30	66	
5153 Sewer	-	-	41	30	17	50	52	
5164 Regulatory Fees	50	4,000	-	2,000	-	2,000	2,000	
5166 Regulatory Fees	-	1,700	-	1,700	-	-	-	
5171 Computer Software	474	900	-	200	-	200	200	
5173 Computer Maintenance - Support	762	250	955	875	601	1,050	1,125	
5174 Web Design Services	20	250	27	400	8	400	400	
5512 Planning	-	-	13	-	-	-	-	
5520 Improvements	157	-	-	-	-	-	-	
TOTAL EXPENDITURES	132,703	146,664	97,944	114,620	36,738	65,100	67,811	

2016-2017 PLANNING

EXPENDITURES

<u>6/30/14</u> Actual	<u>6/30/14</u> Budget	<u>6/30/15</u> Actual	<u>6/30/15</u> Budget	<u>2/24/16</u> Y-T-D Actual	<u>6/30/16</u> Budget	<u> / /</u> Proposed	<u> / /</u> Requests
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------------	--------------------------	---------------------------	---------------------------

ALLOCATION BY FUND		
General Fund	<u>100%</u>	<u>67,811</u>

ALLOCATION BY POSITION	
Community Development Director	40%
City Clerk	20%

2016-2017 BUILDING DEPARTMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	16,712	14,654	38,403	39,319	14,769	22,153	32,967	
5035 Benefit - ICMA City 457	1,929	3,664	4,556	4,718	1,748	2,528	3,762	
5040 Benefit - Health Insurance	6,402	4,399	9,729	11,201	3,265	5,591	3,448	
5042 Benefit - Life Insurance	48	45	169	150	41	82	125	
5044 Benefit - Dental/Vision Insur	406	379	540	728	235	325	325	
5045 Worker Compensation Insurance	474	267	970	928	413	237	436	
5050 FICA	1,292	1,121	3,229	3,008	1,258	1,708	2,522	
5055 Unemployment Insurance	109	147	273	393	177	152	217	
5101 Office Supplies	56	80	544	150	101	400	347	
5102 Operating Supplies	243	50	74	633	15	200	200	
5103 Postage	32	50	45	40	13	40	40	
5104 Printing - Forms	273	200	124	100	75	140	140	
5106 Promotional	-	-	26	-	-	-	-	
5112 Legal	1,363	1,000	37	700	-	500	500	
5115 Contract/Professional Services	24,139	24,000	5,703	5,000	452	2,000	2,000	
5121 Telephone - Pager	74	256	261	600	178	280	280	
5122 Training - Conference	1,708	-	2,990	3,000	296	3,000	3,000	
5123 Automobile - Transportation	810	-	1,223	1,000	31	1,000	1,000	
5125 Publications - Books	2	1,000	706	500	-	500	500	
5126 Dues & Memberships	525	500	283	250	-	250	250	
5128 Employee Relations	-	-	-	25	-	25	25	
5130 Rents - Leases	171	300	695	150	261	700	630	
5131 Records Maintenance	102	-	128	60	85	115	115	
5135 Maintenance - Repair	1,595	50	308	400	131	500	400	
5138 Office Equipment	1	-	-	500	-	500	1,200	
5141 General Liability Insurance	298	1,302	1,876	710	371	1,989	989	
5143 Property Insurance	69	293	367	-	70	389	239	
5144 Employee Practice Liab Insurance	17	124	28	-	168	178	285	
5150 Electricity	111	300	320	125	61	341	351	
5151 Natural Gas	10	50	26	50	4	25	26	
5152 Water	-	-	49	33	58	40	107	
5153 Sewer	-	-	82	61	33	80	82	
5164 Regulatory Fees	185	50	168	250	70	250	250	
5167 Seismic Fees	152	200	176	200	110	200	200	
5171 Computer Software	-	25	-	100	-	100	100	
5173 Computer Maintenance - Support	28	99	118	200	30	180	210	
5174 Web Design Services	4	-	26	200	3	200	200	
5215 Public Works - Small Tools	7	-	-	-	-	-	-	
5520 Improvements	31	-	-	-	-	-	-	
TOTAL EXPENDITURES	59,378	54,605	74,252	75,482	24,522	46,898	57,468	

2016-2017 BUILDING DEPARTMENT

	<u>6/30/14</u> Actual	<u>6/30/14</u> Budget	<u>6/30/15</u> Actual	<u>6/30/15</u> Budget	<u>2/24/16</u> Y-T-D Actual	<u>6/30/16</u> Budget	<u> / /</u> Proposed	<u> / /</u> Requests
ALLOCATION BY FUND								
General Fund						43%	24,567	
Building Fund						57%	32,901	
						<u>100%</u>	<u>57,468</u>	
ALLOCATION BY POSITION								
Community Development Director							30%	
City Clerk							20%	

2016-2017 CITY COUNCIL

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5101 Office Supplies	-	-	12	-	21	-	40	
5102 Operating Supplies	-	51	20	-	-	-	-	
5103 Postage	-	-	120	-	3	111	111	
5104 Printing - Forms	-	51	584	-	216	837	837	
5106 Promotional	4,128	5,000	119	850	844	1,050	1,050	
5112 Legal	-	1,000	1,769	502	1,827	502	502	
5115 Contract/Professional Services	788	7,059	-	-	-	-	-	
5122 Training - Conference	663	-	1,786	2,000	905	3,000	3,000	
5123 Automobile - Transportation	1,409	-	1,661	1,502	1,089	2,000	2,000	
5125 Publications-Books	-	-	98	-	-	-	-	
5126 Dues & Memberships	2,578	2,751	2,344	2,751	-	2,751	2,751	
5129 Meeting	-	2,100	-	-	-	-	-	
5135 Maintenance - Repair	947	-	-	502	-	-	-	
5138 Office Equipment	2,890	2,892	-	-	-	-	-	
5141 General Liability Insurance	-	1,302	-	710	-	-	-	
5143 Property Insurance	-	294	-	157	-	-	-	
5173 Computer Maintenance - Support	-	-	-	-	-	-	600	
5174 Web Design Services	-	-	60	-	-	98	98	
5450 Miscellaneous Expense	6,250	6,250	-	-	-	-	-	
5540 Mayor Woodall	-	251	-	-	-	-	-	
5541 Gordon Johnson	525	251	-	-	-	-	-	
5560 Council Member Marks	-	251	-	-	-	-	-	
5563 Council Member Thompson	-	1,096	-	-	-	-	-	
5564 Council Member Wilson	-	1,096	-	-	-	-	-	
5900 RFD and Library Water/Sewer	-	-	4,252	3,388	3,443	4,000	4,667	
TOTAL EXPENDITURES	20,178	31,695	12,825	12,362	8,348	14,349	15,656	

ALLOCATION BY FUND		
General Fund	44%	6,865
Streets Funds	7%	1,099
Wastewater Fund	25%	3,846
Water Fund	25%	3,846
	100%	15,656

2016-2017 STREETS

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	77,831	59,377	78,923	82,525	36,123	60,393	37,441	
5030 Overtime Salaries	494	900	722	3,004	671	3,126	2,078	
5035 Benefit - ICMA City 457	7,311	5,826	7,628	8,123	3,511	6,448	4,044	
5040 Benefit - Health Insurance	6,413	5,331	15,785	15,705	7,258	12,999	8,860	
5042 Benefit - Life Insurance	84	86	256	235	64	187	137	
5044 Benefit - Dental/Vision Insur	807	725	2,300	2,108	1,371	2,259	1,455	
5045 Worker Compensation Insurance	4,980	4,434	13,563	14,942	6,249	11,097	7,962	
5050 FICA	6,494	4,991	6,752	6,313	3,164	4,921	3,023	
5055 Unemployment Insurance	1,040	815	902	825	481	705	413	
5060 Clothing Allowance	207	235	549	825	292	685	428	
5080 Hiring Costs	-	55	-	-	-	-	-	
5101 Office Supplies	90	264	345	90	235	300	300	
5102 Operating Supplies	793	880	724	930	899	1,050	1,200	
5103 Postage	42	45	24	26	1	20	20	
5104 Printing - Forms	28	45	124	28	32	160	160	
5105 Advertising	138	45	-	188	35	-	188	
5106 Promotional	-	-	29	-	-	-	-	
5107 Memorial Park Expense	1,269	2,200	-	-	-	-	-	
5108 Streets	8,605	13,200	5,456	14,025	10,482	18,000	18,000	
5109 Chemicals	304	-	65	-	20	-	-	
5112 Legal	1,121	221	36	1,373	225	1,200	1,200	
5115 Contract/Professional Services	52,745	2,640	47,260	47,276	28,221	47,479	48,365	
5119 Safety Supplies & Equipment	135	2,200	59	173	245	175	805	
5121 Telephone - Pager	898	1,056	2,362	1,068	1,189	2,350	2,350	
5122 Training - Conference	-	1,320	196	-	85	250	250	
5123 Auto/Transportation - Public Works	111	88	15	151	2	150	150	
5125 Publications - Books	7	88	18	10	-	10	10	
5126 Dues & Memberships	113	176	58	155	49	100	100	
5127 License	8	-	-	10	-	10	10	
5128 Employee Relations	-	17	-	-	-	-	-	
5130 Rents - Leases	416	1,320	691	493	536	710	780	
5131 Records Maintenance	36	-	30	46	15	40	40	
5135 Maintenance - Repair	1,519	3,080	1,944	1,934	-	6,300	6,300	
5136 Parks Maintenance-Repair	-	2,200	10	-	-	-	-	
5138 Office Equipment - P.W.	28	88	336	39	24	130	130	
5139 Equipment	1,285	3,140	137	1,476	284	1,200	1,200	
5141 General Liability Insurance	870	2,000	3,034	2,347	1,983	3,255	3,255	
5143 Property Insurance	202	449	594	739	375	637	637	
5144 Employee Practice Liability Insurance	44	158	45	173	374	290	685	
5148 Office Equipment	24	-	-	33	-	-	-	
5150 Electricity	23,952	22,000	24,555	25,000	13,981	25,889	26,666	

2016-2017 STREETS

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5151 Natural Gas	32	440	42	38	20	122	126	
5152 Water	-	-	3,341	3,881	1,446	4,100	4,223	
5154 Garbage	47	53	-	64	17	-	-	
5162 Medical	25	133	66	30	29	30	30	
5164 Regulatory Fees	66	880	7	90	466	90	90	
5165 Property Tax Assessment	-	32	-	-	-	-	-	
5171 Computer Software	55	133	-	75	48	75	75	
5173 Computer Maintenance - Support	93	221	151	79	100	165	415	
5174 Web Design Services	13	9	42	18	18	40	75	
5175 Community Promotions	-	9	-	-	-	-	-	
5212 Gas & Oil	1,820	2,200	4,542	1,508	2,335	4,350	4,350	
5213 Vehicle Repair	1,410	1,760	1,211	1,861	1,670	1,800	1,800	
5215 Public Works - Small Tools	750	1,760	531	781	1,603	780	780	
5217 License	7	-	-	10	-	10	10	
5227 Public Works - Equip. Repair	683	880	715	718	1,403	700	1,510	
5229 Public Works - Equip. Rental	-	221	154	-	-	-	-	
5410 Interest Expense	-	-	-	-	-	-	-	
5450 Miscellaneous Expense	-	-	-	-	32	-	-	
5514 Engineering	1,154	30,800	3,411	23,000	945	5,004	5,004	
5520 Improvements	104	874	-	-	-	-	-	
TOTAL EXPENDITURES	206,703	182,100	229,740	264,541	128,608	229,791	197,129	

ALLOCATION BY FUND		
Gas Tax (HUTA) Fund	38%	74,339
TDA Fund	39%	76,002
RSTP Fund	11%	22,000
		172,341
RESERVES (Gas Tax)	12%	24,788
	100%	197,129

ALLOCATION BY POSITION	
Water and Roads Superintendent	15%
Utility Worker I (2)	35%
Wastewater Operator I	20%

2016-2017 SEWER	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	92,825	115,024	93,261	82,405	63,491	86,013	86,639	
5030 Overtime Salaries	2,103	3,675	2,729	1,099	1,514	1,443	2,086	
5035 Benefit - ICMA City 457	9,590	12,634	9,982	9,522	6,576	9,695	9,625	
5040 Benefit - Health Insurance	30,897	21,770	24,416	25,556	14,120	22,693	24,312	
5042 Benefit - Life Insurance	403	350	313	278	128	278	330	
5044 Benefit - Dental/Vision Insur	3,896	2,961	3,322	3,383	2,292	3,545	3,963	
5045 Worker Compensation Insurance	7,255	5,636	13,916	14,981	10,340	15,279	17,876	
5050 FICA	7,414	8,799	7,628	6,560	5,305	6,757	6,787	
5055 Unemployment Insurance	850	1,150	817	857	866	760	849	
5060 Clothing Allowance	1,170	956	647	770	669	730	930	
5081 Compensated Absences Payable	43	-	(1,937)	-	-	-	-	
5101 Office Supplies	696	800	736	500	467	500	500	
5102 Operating Supplies	2,409	1,750	2,549	2,000	1,590	2,000	2,000	
5103 Postage	3,130	100	2,548	1,700	1,685	2,400	2,400	
5104 Printing - Forms	504	200	584	125	103	465	465	
5105 Advertising	663	200	-	700	35	200	200	
5106 Promotional	-	-	91	-	9	-	-	
5107 Memorial Park Expense	-	-	(135)	-	-	-	-	
5108 Streets	4	1,170	24	1,000	-	1,000	1,000	
5109 Chemicals	30,504	22,719	23,769	29,000	13,428	30,000	30,000	
5112 Legal	2,495	500	1,348	500	-	500	500	
5115 Contract/Professional Services	2,983	10,000	3,360	5,000	6,664	2,000	13,500	
5119 Safety Supplies & Equipment	691	1,000	58	1,000	166	1,000	1,400	
5120 Cell Phones	4,152	4,500	1,577	3,500	1,224	-	-	
5121 Telephone - Pager	-	-	978	-	633	2,440	2,440	
5122 Training - Conference	90	1,350	1,639	1,350	45	1,350	1,350	
5123 Auto/Transportation - Public Works	582	250	1,090	500	-	500	500	
5125 Publications - Books	162	50	53	200	-	200	200	
5126 Dues & Memberships	965	800	301	1,000	279	1,000	1,000	
5127 License	207	-	710	100	-	260	1,000	
5128 Employee Relations	-	50	-	50	-	50	50	
5130 Rents - Leases	1,558	1,300	1,886	1,300	892	1,968	1,968	
5131 Records Maintenance	149	-	31	150	15	40	40	
5135 Maintenance - Repair	15,528	15,000	15,443	15,000	4,196	20,000	20,000	
5136 Parks Maintenance-Repair	-	-	(431)	-	-	-	-	
5138 Office Equipment - P.W.	1,355	1,200	564	1,200	598	800	800	
5139 Equipment	5,189	3,000	6,407	4,500	2,460	4,500	4,500	
5141 General Liability Insurance	3,945	8,167	8,827	9,389	5,768	9,329	9,329	
5143 Property Insurance	915	1,836	1,728	2,083	1,092	1,827	1,827	
5144 Employee Practice Liab Insurance	223	647	132	692	1,089	832	1,680	

2016-2017 SEWER

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5148 Office Equipment	114	-	-	-	-	-	-	
5150 Electricity	118,656	55,000	125,877	108,327	68,144	133,431	133,431	
5151 Natural Gas	19,918	7,500	17,078	20,000	11,244	22,566	23,243	
5152 Water	-	-	21,893	33,600	44,963	28,500	29,355	
5153 Sewer	-	-	169	-	-	50	-	
5154 Garbage	105	2,500	-	1,000	17	-	-	
5162 Medical	276	250	40	250	29	250	250	
5164 Regulatory Fees	12,004	12,000	7,863	15,000	7,773	15,000	15,000	
5165 Property Tax Assessment	-	35	6,115	-	2,242	-	2,242	
5171 Computer Software	266	1,000	99	500	2,027	500	500	
5173 Computer Maintenance - Support	869	50	740	500	386	920	1,290	
5174 Web Design Services	52	-	122	65	51	75	175	
5212 Gas & Oil	9,491	8,200	3,195	2,500	2,449	3,002	3,002	
5213 Vehicle Repair	2,700	3,000	2,117	3,000	2,125	2,500	2,500	
5215 Public Works - Small Tools	5,112	2,646	987	2,646	972	2,300	2,300	
5217 License	36	-	-	-	-	-	-	
5225 Public Works - Lab Testing	12,908	12,985	12,325	12,500	5,724	12,500	12,500	
5227 Public Works - Equip. Repair	2,747	2,750	6,976	2,750	3,934	2,750	2,750	
5229 Public Works - Equip. Rental	-	1,000	(23)	1,000	-	1,000	1,000	
5410 Interest Expense	-	-	-	-	-	-	-	
5430 Fines/Penalties	25	3,000	-	2,000	-	2,000	1,000	
5450 Miscellaneous Expense	-	-	-	-	32	-	-	
5514 Engineering	1,005	1,000	-	1,000	126	1,000	1,000	
5520 Improvements	416	1,000	-	1,000	-	1,000	1,000	
TOTAL EXPENDITURES	422,245	363,460	436,534	435,588	299,977	461,698	484,583	

ALLOCATION BY FUND

Sewer Fund	100%	484,583
------------	-------------	----------------

ALLOCATION BY POSITION

Wastewater Superintendent	100%
Water and Roads Superintendent	20%
Utility Worker I (2)	10%
Wastewater Operator I	50%

2016-2017 WATER

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	75,901	89,202	37,622	49,586	39,117	65,039	63,606	
5030 Overtime Salaries	2,879	2,850	2,853	1,612	1,425	3,368	3,530	
5035 Benefit - ICMA City 457	7,771	9,798	4,763	6,192	3,905	6,945	6,870	
5040 Benefit - Health Insurance	20,404	16,883	10,020	10,376	6,984	14,000	15,052	
5042 Benefit - Life Insurance	266	271	188	171	78	202	233	
5044 Benefit - Dental/Vision Insur	2,568	2,296	1,434	1,375	1,237	2,432	2,471	
5045 Worker Compensation Insurance	5,972	4,371	6,572	9,797	6,719	11,951	13,527	
5050 FICA	6,529	6,824	3,460	3,793	3,435	5,300	5,136	
5055 Unemployment Insurance	585	892	564	496	524	760	702	
5060 Clothing Allowance	894	741	690	461	463	550	728	
5080 Hiring Costs	-	190	-	-	-	-	-	
5081 Compensated Absences Payable	29	-	(1,672)	-	-	-	-	
5101 Office Supplies	388	500	793	-	706	300	300	
5102 Operating Supplies	3,450	1,500	1,069	4,000	1,575	4,000	9,000	
5103 Postage	1,801	500	2,827	1,800	1,245	1,800	1,800	
5104 Printing - Forms	469	500	2,687	200	241	3,600	3,600	
5105 Advertising	438	110	-	450	46	450	450	
5106 Promotional	-	-	78	-	-	-	-	
5107 Memorial Park Expense	-	-	(135)	-	-	-	-	
5108 Streets	1,189	1,200	1,539	1,300	-	2,000	2,000	
5109 Chemicals	11,488	25,000	15,116	23,000	14,254	23,000	23,000	
5112 Legal	3,730	4,000	12,689	20,000	6,483	10,000	10,000	
5115 Contract/Professional Services	-	8,000	10,433	65,000	409	40,000	40,000	
5119 Safety Supplies & Equipment	429	1,000	63	505	221	505	905	
5120 Cell Phones	3,144	2,600	831	3,184	619	-	-	
5121 Telephone - Pager	-	-	1,902	-	790	3,184	3,184	
5122 Training - Conference	125	2,000	1,664	2,000	-	2,000	2,000	
5123 Auto/Transportation - Public Works	352	250	862	250	-	250	250	
5125 Publications - Books	23	100	51	100	-	100	100	
5126 Dues & Memberships	467	1,800	856	1,800	853	1,800	1,800	
5127 License	205	-	700	-	220	350	350	
5128 Employee Relations	-	60	-	60	-	60	60	
5130 Rents - Leases	1,076	1,000	1,810	1,000	890	2,000	2,000	
5131 Records Maintenance	117	-	45	-	20	50	50	
5135 Maintenance - Repair	44,708	43,000	17,069	40,000	35,131	53,000	53,000	
5136 Parks Maintenance-Repair	-	-	(431)	-	-	-	-	
5138 Office Equipment - P.W.	273	1,200	1,775	1,500	606	1,500	1,500	
5139 Equipment	4,086	3,000	2,500	4,000	7,091	4,000	4,000	
5141 General Liability Insurance	3,211	6,334	8,606	7,642	5,624	9,112	9,112	
5143 Property Insurance	745	1,424	1,685	1,695	1,064	1,784	1,784	
5144 Employee Practice Liab Insurance	181	502	129	563	1,062	813	1,531	
5148 Office Equipment	75	-	-	-	-	-	-	

2016-2017 WATER

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5150 Electricity	23,446	60,000	19,733	54,000	11,720	20,147	20,751	
5151 Natural Gas	104	2,000	118	150	58	140	144	
5152 Water	-	-	277	-	83	380	391	
5153 Sewer	-	-	22,297	43,500	17,451	26,500	27,295	
5154 Garbage	69	100	-	100	22	100	100	
5162 Medical	235	400	82	300	38	300	300	
5164 Regulatory Fees	16,234	13,000	7,551	8,000	-	16,500	16,500	
5165 Property Tax Assessment	-	30	-	-	-	-	-	
5171 Computer Software	176	750	1	450	95	450	450	
5173 Computer Maintenance - Support	958	1,000	449	1,000	380	500	750	
5174 Web Design Services	42	20	119	55	50	80	180	
5175 Community Promotions	-	10	-	-	-	-	-	
5212 Gas & Oil	5,722	6,000	5,841	5,000	3,100	6,000	6,000	
5213 Vehicle Repair	2,337	5,500	1,694	2,200	2,226	2,200	2,200	
5215 Public Works - Small Tools	3,186	3,000	615	2,500	1,175	2,500	2,500	
5217 License	24	-	-	30	-	30	30	
5225 Public Works - Lab Testing	2,127	5,000	3,449	3,500	3,642	10,000	10,000	
5227 Public Works - Equip. Repair	2,750	2,500	727	2,800	632	2,800	2,800	
5229 Public Works - Equip. Rental	-	1,500	375	-	-	250	250	
5410 Interest Expense	-	-	-	-	-	-	-	
5430 Fines/Penalties	25	-	-	-	-	-	-	
5450 Miscellaneous Expense	-	-	-	-	43	-	-	
5514 Engineering	1,168	2,000	-	1,500	404	1,500	1,500	
5520 Improvements	339	1,000	-	-	-	-	-	
6000 Fixed Asset - Equipment	-	-	7,078	-	-	-	-	
TOTAL EXPENDITURES	264,910	343,708	224,113	388,993	184,156	366,582	375,772	

ALLOCATION BY FUND		
Water Fund	100%	375,772

ALLOCATION BY POSITION	
Water and Roads Superintendent	60%
Utility Worker I (2)	35%
Wastewater Operator I	20%

2016-2017 BUILDINGS & GROUNDS

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5000 Full Time Salaries	-	-	31,367	36,798	17,172	32,518	18,746	
5030 Overtime Salaries	-	-	502	1,612	137	1,683	1,040	
5035 Benefit - ICMA City 457	-	-	2,899	2,687	1,558	3,472	2,025	
5040 Benefit - Health Insurance	-	-	9,206	6,649	7,822	7,000	4,436	
5042 Benefit - Life Insurance	-	-	130	83	66	102	69	
5044 Benefit - Dental/Vision Insur	-	-	1,369	909	1,458	1,217	728	
5045 Worker Compensation Insurance	-	-	5,635	4,693	2,907	5,976	3,986	
5050 FICA	-	-	2,551	2,057	1,467	2,651	1,514	
5055 Unemployment Insurance	-	-	321	268	257	381	207	
5060 Clothing Allowance	-	-	90	286	79	336	214	
5101 Office Supplies	-	-	127	-	81	-	108	
5102 Operating Supplies	-	-	281	151	118	365	365	
5103 Postage	-	-	20	-	-	16	16	
5104 Printing - Forms	-	-	60	-	30	68	68	
5106 Promotional	-	-	21	-	-	32	32	
5107 Memorial Park Expense	-	-	503	1,300	-	1,101	1,101	
5109 Chemicals	-	-	175	-	16	-	-	
5112 Legal	-	-	29	-	-	-	-	
5115 Contract/Professional Services	-	-	-	-	7	-	-	
5119 Safety Supplies & Equipment	-	-	48	151	79	153	153	
5120 Cell Phones	-	-	889	-	248	1,100	1,100	
5121 Telephone - Pager	-	-	67	-	43	122	122	
5122 Training - Conference	-	-	5	-	-	-	-	
5123 Automobile - Transportation	-	-	12	-	-	-	-	
5125 Publications - Books	-	-	15	-	-	11	11	
5126 Dues & Memberships	-	-	4	-	-	6	6	
5130 Rents - Leases	-	-	386	-	214	423	423	
5131 Records Maintenance	-	-	4	-	-	6	6	
5135 Maintenance - Repair	-	-	2,366	-	476	1,557	1,557	
5136 Parks Maintenance - Repair	-	-	1,416	4,251	-	2,024	2,024	
5139 Equipment	-	-	250	800	-	799	799	
5141 General Liability Insurance	-	-	2,483	-	1,622	2,632	2,632	
5143 Property Insurance	-	-	486	-	307	514	514	
5144 Employee Practice Liability Insurance	-	-	37	-	306	234	455	
5150 Electricity	-	-	979	-	628	937	965	
5151 Natural Gas	-	-	34	-	17	42	43	
5152 Water	-	-	1,634	1,728	-	501	1,070	
5171 Computer Software	-	-	-	-	-	-	-	
5173 Computer Maintenance - Support	-	-	138	-	92	153	183	
5174 Web Design Services	-	-	34	-	14	21	295	
5212 Gas & Oil	-	-	468	1,500	10	500	500	
5215 Public Works - Small Tools	-	-	756	1,000	298	184	184	

2016-2017 BUILDINGS & GROUNDS

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	// Proposed	// Requests
EXPENDITURES								
5227 Public Works - Equip. Repair	-	-	552	851	258	799	799	
5229 Public Works - Equip. Rental	-	-	234	751	-	500	500	
TOTAL EXPENDITURES	-	-	68,583	68,525	37,787	70,136	48,996	

21,140

ALLOCATION BY FUND		
General Fund	20%	9,799
Streets Funds	10%	4,900
Wastewater Fund	35%	17,149
Water Fund	35%	17,149
	100%	48,996

ALLOCATION BY POSITION	
Water and Roads Superintendent	5%
Utility Worker I (2)	20%
Wastewater Operator I	10%

FY 2016-2017
PROPOSED CAPITAL PROJECTS



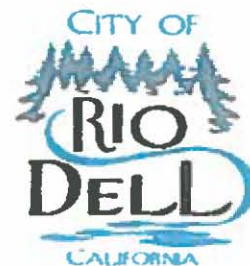
GENERAL FUND			DESCRIPTION
Parking Lot (Carry over 15/16)	6,132		Carried over from 2015/16 capital projects
Belleview/Ogle (carry-over 15/16)	45,000		Grant match for Belleview/Ogle street repairs
Police Vehicles	40,000		City's matching funds for 2 Police Vehicles (USDA)
Streets Subsidy	80,000		Subsidy for Streets Maint and Repairs (see list)
Traffic Control Study	13,750		Hwy. 101 and Metropolitan Avenue
Council Chambers	1,500		Floor electrical outlet
GEN FUND CAP PROJ	186,382		
WATER			
Wells project Prop 84 funding	591,794		Grant funding through PROP 84
Wells project USDA ECWAG	373,200		Grant funding through USDA ECWAG
Wells project City match	133,529		City match for the Metro. Well Project
Ditch Witch Vactor Trailer	15,000		1/3 cost each between Water/Sewer/Streets
Spot repairs	20,000		Set aside funds for top priority water system repairs
Filter Recoating (Contractor)	8,000		Recoating project
Old Ranch Road Repairs	35,000		Paid for out of Dinsmore Zone Revenues
WATER FUND CAP PROJ	1,176,523		
SEWER			
Inflow and Infiltration (carry over)	15,000		Carry over from 2015/16
Lift Station Pumps (2)	30,000		Pumps are nearing the end of their useful lives
Ditch Witch Vactor Trailer	15,000		1/3 cost each between Water/Sewer/Streets
Sewerline Repairs			
Dixie and Second Streets	20,000		Top priority sewer line maintenance
Dixie and Third Streets	20,000		Top priority sewer line maintenance
SEWER CAP PROJ	100,000		
STREETS			
Ditch Witch Vactor Trailer	15,000		1/3 cost each between Water/Sewer/Streets
STREETS CAPITAL PROJECTS	15,000		
CDBG FUND			
CDBG ADA Entrance/Bathrooms	160,000		CDBG program income upgrades
CDBG CAP PROJ	160,000		
PROPOSED CAPITAL PROJECTS FY 2016-2017		1,624,155	

FUND NAME	Est Beg Fund Balance	REVENUES		Adm Cc	Total Expendit	Transfers	RESERVES		Min 30% Reserve Balance
		Total Projected Revenue					Change in Reserve Balance	Est End Fund Balance	
ADM Admin Fund	6,598	2,800	1,	1,250			1,550	8,148	375
BUI Building Fund	18,698	32,901		57,468	(5,869)		(18,698)	-	17,240
CDBG CDBG Fund	-	-		-			-	-	-
CDBG CDBG RRLF Fund	204,605	12,000		166,642			(154,642)	49,963	-
GF General Fund	1,012,190	879,765		992,856	10,055		(123,146)	889,044	297,857
MZ Measure Z	-	-		-			-	-	-
REC Recycling Fund	12,455	5,000		5,000			-	12,455	-
RES Parks Fund	12,111	-		-			-	12,111	-
RES Realignment Grant Fund	14,115	5,500		10,000	-		(4,500)	9,615	-
RES SLESF Fund	(15,028)	100,000		89,158	(4,186)		15,028	-	-
RES Vehicle Abatement Fund	2,605	-		-			-	2,605	-
RES Water - Prop B4 NCIRWMP	-	591,794		591,794			-	-	-
RES Water - USDA ECWAG	-	373,200		373,200			-	-	-
SEW Sewer Assmt District Fund	4,416	32,000		32,000			-	4,416	-
SEW Sewer Capital Fund	166,621	99,388		100,000			(612)	166,009	30,000
SEW Sewer Debt Service Fund	402,934	310,000		310,000			-	402,934	93,000
SEW Sewer Restricted Reserve	302,822	-		-			-	302,822	-
SEW Sewer Operations Fund	319,676	785,432		738,701			46,731	366,407	221,610
SO Solid Waste Fund	44,726	9,000		10,973			(1,973)	42,753	-
SP Spay & Neuter Fund	2,868	-		2,868			(2,868)	-	-
ST Gas Tax Fund (HUTA)	205,356	74,339		150,430			(76,091)	129,265	45,129
ST TDA Fund	26,551	111,600		112,304			(704)	25,847	33,691
ST RSTP Funds	-	22,000		22,000			-	-	-
WAT Water Capital Fund	117,763	194,051		211,529			(17,479)	100,285	63,459
WAT Water Metro Wells Fund	5,296	11,697		-			11,697	16,993	-
WAT Water Dinsmore Zone	7,278	17,466		-			17,466	24,744	-
WAT Water Restricted Reserve	136,000	-		-			-	136,000	-
WAT Water Debt Service Fund	68,000	152,371		136,000			16,371	84,371	40,800
WAT Water Operations Fund	80,000	697,745		629,890			67,855	147,855	188,967
TOTAL FY 2016-2017	3,158,656	4,520,048	1,	4,744,062	-		(224,015)	2,934,641	1,032,128

L


FUND NAME	Est. Beg. Fund Balance	REVENUES		Adi Ct	Total Expendit.	Transfers	RESERVES		
		Total Projected Revenue					Change In Reserve Balance	Est. End. Fund Balance	Min.30% Reserve Balance
ADM Admin Fund	6,598	2,800	1	1,250			1,550	8,148	375
BUI Building Fund	18,698	32,901		57,468	(5,869)		(18,698)	-	17,240
CDBG CDBG Fund	-	-		-			-	-	-
CDBG CDBG RRLF Fund	204,605	12,000		166,642			(154,642)	49,963	-
GF General Fund	1,012,190	879,765		992,856	10,055		(123,146)	889,044	297,857
MZ Measure Z	-	-		-			-	-	-
REC Recycling Fund	12,455	5,000		5,000			-	12,455	-
RES Parks Fund	12,111	-		-			-	12,111	-
RES Realignment Grant Fund	14,115	5,500		10,000	-		(4,500)	9,615	-
RES SLESF Fund	(15,028)	100,000		89,158	(4,186)		15,028	-	-
RES Vehicle Abatement Fund	2,605	-		-			-	2,605	-
RES Water - Prop 84 NCIRWMP	-	591,794		591,794			-	-	-
RES Water - USDA ECWAG	-	373,200		373,200			-	-	-
SEW Sewer Assmt District Fund	4,416	32,000		32,000			-	4,416	-
SEW Sewer Capital Fund	166,621	99,388		100,000			(612)	166,009	30,000
SEW Sewer Debt Service Fund	402,934	310,000		310,000			-	402,934	93,000
SEW Sewer Restricted Reserve	302,822	-		-			-	302,822	-
SEW Sewer Operations Fund	319,676	785,432		738,701			46,731	366,407	221,610
SO Solid Waste Fund	44,726	9,000		10,973			(1,973)	42,753	-
SP Spay & Neuter Fund	2,868	-		2,868			(2,868)	-	-
ST Gas Tax Fund (HUTA)	205,356	74,339		150,430			(76,091)	129,265	45,129
ST TDA Fund	26,551	111,600		112,304			(704)	25,847	33,691
ST RSTP Funds	-	22,000		22,000			-	-	-
WAT Water Capital Fund	117,763	194,051		211,529			(17,479)	100,285	63,459
WAT Water Metro Wells Fund	5,296	11,697		-			11,697	16,993	-
WAT Water Dinsmore Zone	7,278	17,466		-			17,466	24,744	-
WAT Water Restricted Reserve	136,000	-		-			-	136,000	-
WAT Water Debt Service Fund	68,000	152,371		136,000			16,371	84,371	40,800
WAT Water Operations Fund	80,000	697,745		629,890			67,855	147,855	188,967
TOTAL FY 2016-2017	3,158,656	4,520,048	1	4,744,062	-	(224,015)	2,934,641	1,032,128	

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



June 21, 2016

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager 

SUBJECT: Approval of Amendment No. 2 to the Agreement with Humboldt Waste Management Authority (HWMA) for the Provision of Regulatory Compliance and Waste Reduction Services

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the Mayor to Sign.

BACKGROUND AND DISCUSSION

The City is required to perform certain planning, event and reporting requirements for State mandated recycling programs. Program requirements are strict and ever-changing. CalRecycle, the State agency in charge of enforcement has been more assertive in recent years, with annual site visits to be expected. In recent years the City has contracted with HWMA to perform these functions and alleviate the burden on staff.

In November of 2013, staff began discussions with the Executive Director of the HWMA to determine the feasibility of the Authority providing this service to the City. The City Council approved this agreement in concept on November 7, 2013 and a formal agreement was approved by the Council on February 4, 2014. The agreement was extended on June 2, 2015 through Amendment No. 1. This arrangement has operated satisfactorily and is believed to be a benefit to both organizations.

Amendment No. 2 continues the city's focus on K-12 educational outreach and no General Fund monies are used in the program.

///

**AMENDMENT No. 2
TO AGREEMENT BETWEEN THE CITY OF RIO DELL AND
THE HUMBOLDT WASTE MANAGEMENT AUTHORITY FOR THE
PROVISION OF COMPLIANCE AND WASTE REDUCTION SERVICES**

This is an Amendment to that certain Agreement by and between the Humboldt Waste Management Authority (AUTHORITY) and the City of Rio Dell (CITY) to provide California Integrated Waste Management Act (CIWMA) compliance related services dated March 7, 2014, and first amended July 1, 2015 (collectively referred to as the "Agreement"). This Amendment is effective July 1, 2016.

RECITALS

WHEREAS, the Agreement expires on June 30, 2016; and

WHEREAS, the parties desire to extend the Agreement for one fiscal year, with the AUTHORITY continuing to provide California Integrated Waste Management Act (CIWMA) compliance services for the CITY and to provide management and coordination of various waste reduction and used oil programs in the City of Rio Dell.

NOW THEREFORE, in consideration of the mutual covenants, conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. Services To Be Provided. Exhibit A of the Agreement is hereby replaced in its entirety with the Scope of Work, attached hereto as Exhibit "A-Amended July 1, 2016" and is incorporated into the terms of the Agreement.
2. Term of Agreement. Section 6 of the Agreement is amended to extend the termination date by one fiscal year, and the Agreement shall terminate on June 30, 2017.
3. Payment for Services for Fiscal Year 2016-2017. Section 2, *Payment for Services for Fiscal Year 2013-2014*, is replaced in its entirety by the following:

"Payment for Services for Fiscal Year 2016-2017. For services provided during fiscal year 2016-2017, the City shall pay AUTHORITY as compensation in full for those services described in Exhibit A-Amended, in an amount not exceed seven thousand dollars (\$7,000) to be derived from the CalRecycle City/County Payment Program Funds ("CCPP") and California Assembly Bill ("AB 939") pass through payments. The AUTHORITY will invoice the CITY on an annual basis, but no payment shall be required from the CITY until the CITY actually receives its CCPP and AB 939 pass through monies. Any additional charges will require an amendment to this Agreement."

4. Ratification of Agreement. The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent

with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

IN WITNESS WHEREOF, the parties have executed this Amendment effective on the date set forth above.

CITY OF RIO DELL

Date: _____

By _____
Frank Wilson, Mayor

**HUMBOLDT WASTE MANAGEMENT
AUTHORITY**

Date: _____

By _____
Sofia Pereira, Chair of the Board

ATTEST:

Date: _____

By _____
Jill Duffy, Clerk of the Board

Approved as to form:

Date: _____

Nancy Diamond, General Counsel, HWMA

EXHIBIT A – Amended July 1, 2016
SCOPE OF WORK

The AUTHORITY agrees to assist with administration of CITY waste reduction programs as follows:

A. City/County Payment Program Activities

The AUTHORITY agrees to oversee administration of the CITY's waste reduction program, including administration of CalRecycle's City/County Payment Program Funds (formerly administered by the Department of Conservation) allocated to the CITY.

The AUTHORITY will provide recycling and litter reduction activities, as approved by the CITY, and in compliance with the provisions of California Public Resources Code Section 14581. Eligible activities include, but are not necessarily limited to recycling assistance and supplies for large events including community festivals, classroom lessons focused on recycling, and public education promoting beverage container recycling including, but not limited to, cooperative regional outreach efforts among two or more local jurisdictions. Funds may not be used for activities unrelated to beverage container recycling or litter reduction.

CalRecycle annually prepares and distributes a funding request form to each CITY. The form specifies the amount of beverage container recycling and litter cleanup funds for which the CITY is eligible.

The AUTHORITY shall complete the payment program application to CalRecycle. The CITY, as the payment program funding recipient, will receive direct payment of the CITY'S City/County Payment Program Funds. The AUTHORITY will bill the CITY in accordance with the agreement.

The AUTHORITY shall only perform CCPP activities if the CITY is awarded funding for this period or it provides alternative and equal funding to the AUTHORITY.

B. AB939 Implementation and Compliance

The AUTHORITY agrees to provide California Integrated Waste Management Act (CIWMA) compliance services on behalf of the CITY, in conformity with the requirements of AB939, as codified in Public Resources Code Division 30 Integrated Waste Management Act and Title 14 California Code of Regulations, Division 7, Chapter 9, Section 18700 et.seq. The compliance services are comprised of the following activities:

1. Electronic Annual Reporting (EAR) to CalRecycle

The AUTHORITY shall prepare an annual report as required by PRC Section 41821, according to the procedures and requirements of Title 14, CCR, Sections 18794.0 through 18794.5. The report is due to CalRecycle by August 1 of each year and shall encompass the previous calendar year, January 1 to December 31, inclusive. The report shall summarize the CITY's annual disposal tonnage and progress in reducing solid waste as required by PRC Section 41780.

For purposes of completing the EAR, the AUTHORITY can request CITY solid waste and recycling data from the CITY'S hauler as necessary to meet EAR requirements. The AUTHORITY can also request data from the CITY regarding CITY staff waste diversion work completed as required by current bills such as AB341, AB1826 and any future waste diversion legislation that includes a section requiring its inclusion in the EAR.

The AUTHORITY shall submit the final report to CalRecycle on behalf of CITY by August 1 of each year or, in the case of postponement by CalRecycle, by the due date required by CalRecycle, and shall provide copy of same to CITY:

City Manager
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

2. Compliance and other Responsibilities

The AUTHORITY shall ensure that planning requirements implemented on behalf of CITY by activities described in this Scope of Work are consistent with PRC Sections 41780 through 41794.

The AUTHORITY shall, in a timely manner, respond to all requests for information from CalRecycle concerning the CITY's compliance with the Integrated Waste Management Act. The AUTHORITY's written responses regarding compliance shall be reviewed by CITY prior to forwarding to CalRecycle.

All compliance documents submitted to CITY shall be provided to:

City Manager
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

If CalRecycle issues any compliance order according to Title 14 CCR 18772, that arises due to activities performed by AUTHORITY under this Scope of Work, CITY may terminate this agreement, and the AUTHORITY shall, at the request of CITY, reimburse CITY in an amount sufficient to pay the cost of the program.

3. AB 939 Waste Reduction Activities

a. Public Outreach and Promotions

The AUTHORITY shall assist the CITY in providing coordinated and cooperative regional outreach and promotional activities including, but not limited to, new and ongoing State legislation and local waste reduction programs, including general public outreach about mandatory commercial recycling (AB 341) and the AUTHORITY's Countywide Program Fees. Working on behalf of the CITY, the AUTHORITY will work with the CITY'S hauler and or staff to collect data, within the boundaries of the franchise agreement, pertinent to these tasks.

b. Waste Reduction Activities

As requested, the AUTHORITY shall assist the CITY with collecting and analyzing recycling data so that the CITY may evaluate their existing diversion programs.

The AUTHORITY shall assist the CITY by hosting one electronic waste collection event in the city limits, in which residents and businesses can bring qualifying materials for collection.

The AUTHORITY shall consult with CITY staff as necessary to give updates about and complete the tasks outlined in this Scope of Work.

The CITY will receive quarterly AB 939 pass through payments from the AUTHORITY. The AUTHORITY will bill the CITY a portion of AB 939 pass through payments in accordance with the agreement.

The AUTHORITY representative for this Scope of Work is the HWMA Executive Director. The tasks may be delegated to other AUTHORITY staff by a Letter of Designation that can be attached to this Scope of Work.

**PROVISION OF COMPLIANCE AND WASTE REDUCTION SERVICES TO CITY OF
RIO DELL BUDGET FY 16/17**

Beverage Container Grant Activities:

K-12 Education	\$3,300.00
Complete and submit "DOC" grant application	\$100.00
Support large venue events with recycling assistance	\$200.00
Coordinate education contract	\$200.00
Recycling Supplies	\$700.00
Advertising	\$500.00
	\$5,000.00

AB 939 Activities:

Electronic Annual Report (EAR)

Gather solid waste data for EAR	\$150.00
Gather Division Data for EAR	\$150.00
Complete and submit EAR to Rio Dell and CalRecycle	\$1200.00
Final Report to Rio Dell	\$500.00
	\$2,000.00

**675 Wildwood Avenue
Rio Dell, CA 95562**



TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager

FROM: Karen Dunham, City Clerk

DATE: June 21, 2016

SUBJECT: Appointment to fill vacancies on the Rio Dell Planning Commission

RECOMMENDATION

Approve the appointment of one applicant to fill the vacant position on the Rio Dell Planning Commission for the remainder of the term ending December 31, 2018; and one (1) applicant to fill the Alternate Planning Commission position for the term ending December 31, 2018.

BUDGETARY IMPACT

None

BACKGROUND AND DISCUSSION

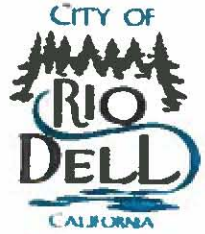
There are currently two (2) vacancies on the Rio Dell Planning Commission as the result of the resignation of Billy Joe Long and a vacancy for the newly established alternate position approved by the City Council on April 19, 2016. A Notice of Vacancy was posted on May 26, 2016 soliciting for persons interesting in serving on either of these positions with the last day for submittal of applications June 16, 2016.

Only two (2) applications were received for the vacant positions which were from Sandy Blakely and Alonzo Bradford. Providing the applicants are present at the meeting, the Council will have the opportunity to hear from the applicants and ask questions.

ATTACHMENT: (2) Applications for Commission Appointment



RECEIVED
5-19-16 Rd



**CITY OF RIO DELL
APPLICATION FOR
PLANNING COMMISSION APPOINTMENT**

Thank you for expressing your interest in serving the community as an appointed member of the Rio Dell Planning Commission. All applicants must permanently reside within the City of Rio Dell at the time of application. The appointed Planning Commissioner will be required to file a Fair Political Practices Commission (FPPC) Statement of Economic Interest Form 700 required by California Government Code §87200 et seq. and the City of Rio Dell Conflict of Interest Code.

This application is considered a public record pursuant to the California Public Records Act (Government Code §6520 et seq.) and may be made available to any member of the public upon request.

PERSONAL DATA:

Name: Sandy J Blakely

Address Where you Reside: 53 West Center Street # F Rio Dell, CA

Mailing Address (if different): _____

Home Phone: _____ Cell Phone: 707-951-0491

Email Address: blakelysj@hotmail.com

EDUCATIONAL DATA:

High School: FORTUNA UNION HIGH SCHOOL

College/University: College of the Siskiyous / CA STATE Apprenticeship Board

EMPLOYMENT DATA:

Current Employer/Occupation When Employed: Retired from PG&E

CITY OF RIO DELL

MAY 19 2016

RECEIVED

GENERAL INFORMATION:

Do you currently serve on a City Board or Commission? _____ Yes No

If yes, please list: _____

Please list any past or present community involvement: 3 years on the City

of Crescent City Planning Commission, Two

Del Norte County Grand Jurors (Pro-Tem & Foreperson)

Del Norte County Juvenile Justice and Delinquent Prevention
Commission

Please explain why you are interested in the appointment and what you, as a City Planning Commissioner, would offer to the Planning Commission and the community: I'm

retired and I enjoy giving back to the community
and serving.

Do you or any member of your immediate family residing in your household, hold a position (paid or unpaid) with any person or entity, or have a contract with or any obligation to any person or entity, that might appear to constitute a conflict of interest for a City Planning Commissioner? For purposes of this question, "entity" specifically includes, but is not limited to, the City of Rio Dell and any entity which receives funds from the City. _____ Yes No

If yes, please explain:

CERTIFICATE OF APPLICANT:

I certify that: 1) I permanently reside within the City limits of the City of Rio Dell; and 2) all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 05/18/2016 SIGNATURE: 

RETURN COMPLETED APPLICATION TO:

Karen Dunham, City Clerk
675 Wildwood Avenue
Rio Dell, CA 95562
Phone: 764-3532
admin1@riodellcity.com



**CITY OF RIO DELL
APPLICATION FOR
PLANNING COMMISSION APPOINTMENT**

Thank you for expressing your interest in serving the community as an appointed member of the Rio Dell Planning Commission. All applicants must permanently reside within the City of Rio Dell at the time of application. The appointed Planning Commissioner will be required to file a Fair Political Practices Commission (FPPC) Statement of Economic Interest Form 700 required by California Government Code §87200 et seq. and the City of Rio Dell Conflict of Interest Code.

This application is considered a public record pursuant to the California Public Records Act (Government Code §6520 et seq.) and may be made available to any member of the public upon request.

PERSONAL DATA:

Name: Alonzo Bradford

Address Where you Reside: 30 Monument rd apt 1, Rio Dell, Ca 95562

Mailing Address (if different): _____

Home Phone: _____ Cell Phone: 323-384-9977

Email Address: Urashama@gmail.com

EDUCATIONAL DATA:

High School: Los Angeles High School H.S. Diploma

College/University: American InterContinental University B.S. Information Technology

EMPLOYMENT DATA:

Current Employer/Occupation When Employed: Information Technology Consultant

GENERAL INFORMATION:

Do you currently serve on a City Board or Commission? _____ Yes No

If yes, please list: _____

Please list any past or present community involvement: _____ Current community involvement:

Advocation for a positive community inclusive Rio Dell.

Please explain why you are interested in the appointment and what you, as a City Planning Commissioner, would offer to the Planning Commission and the community: I am interest

in helping and being a part of the process for positive change.

Helping Re-establish a strong sense of community pride

and community involvement. I offer a wide range of experience

from a solid Information Technology background. As well,

a fresh new perspective on the city, Social media expert,

and youthful can-do attitude.

Do you or any member of your immediate family residing in your household, hold a position (paid or unpaid) with any person or entity, or have a contract with or any obligation to any person or entity, that might appear to constitute a conflict of interest for a City Planning Commissioner? For purposes of this question, "entity" specifically includes, but is not limited to, the City of Rio Dell and any entity which receives funds from the City. _____ Yes No

If yes, please explain:

CERTIFICATE OF APPLICANT:

I certify that: 1) I permanently reside within the City limits of the City of Rio Dell; and 2) all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 05/24/16

SIGNATURE: _____

alonzo bradford


RETURN COMPLETED APPLICATION TO:


Karen Dunham, City Clerk
675 Wildwood Avenue
Rio Dell, CA 95562
Phone: 764-3532
admin1@riodellcity.com



For Meeting of: June 21, 2016

To: City Council

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager 

Date: June 15, 2016

Subject: Discussion of Laboratories and Dispensaries Proposed Regulations; Summary and Possible Adoption of the 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 Planning Commission's recommendations for Cannabis Laboratories and Dispensaries Regulations; and
2. Receive public input and deliberate; and
3. Adopt Ordinance 342-2016 establishing the Medical Cannabis Commercial Land Use Regulations, Section 17.30.195 of the Rio Dell Municipal Code (RDMC); or
4. Continue consideration of the Medical Cannabis Commercial Land Use Regulations, Section 17.30.195 of the Rio Dell Municipal Code (RDMC) to a Regular Meeting scheduled for July 5, 2016.

Background

This meeting is the fifth in a series of meetings regarding the discussion of the Medical Cannabis Land Use Ordinance (MCLUO). At this meeting the Council is scheduled to discuss Testing Laboratories, Dispensaries provisions and an overview of the proposed Ordinance.

- “Testing”, Testing licensees shall have their facilities licensed according to the regulations set forth in Section 19341 et. seq. of the Business and Professions Code. A testing licensee shall not hold a license in another license and shall not own or have ownership interest in any other license type; and
- “Dispensary; General”, Type 10 dispensaries are facilities where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization by local ordinance, medical cannabis and medical cannabis products as part of a retail sale. Only one retail site is allowed and no other licenses are allowed under the Type 10 license; and
- “Dispensary; No More Than 3 Retail Sites”, A Type 10A dispensary licensee may apply for other licenses in an effort to be vertically integrated, which is required in some cities. And even though a dispensary may obtain a cultivator and/or manufacturing license, it must first transport all cannabis through a distributor and testing licensee before it re-enters the dispensary (if the grow is located in the same place) for sale.

Discussion – Testing Laboratories

The Planning Commission is recommending that testing laboratories be conditionally permitted in the Industrial Commercial (IC), Town Center (TC), Neighborhood Center (NC) and Community Commercial (CC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by Planning Commission and/or the City Council.

Testing laboratories and other related medical and dental facilities are currently principally permitted uses in the City’s commercial zoning districts, including Industrial Commercial (IC), Town Center (TC), Neighborhood Center (NC) and Community Commercial (CC) designation. The County does not distinguish labs that analyze cannabis as being any different from any other testing lab facility.

In addition to the State requirements found in Sections 1934 through 19345 of the Business and Professions Code, the Planning Commission is recommending that the following performance standards:

- The facility shall be alarmed with an audible interior and exterior alarm system, unless waived for extenuating circumstances by the City Manager or designee that is operated and monitored by a recognized security company, deemed acceptable by the City Manager or designee. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the medical marijuana facility's security company shall be provided to the city manager or designee.
- Entrance to the lab area and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
- Medical marijuana shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the California Building Code.
- All laboratory testing facilities shall comply with Sections 19341 through 19345 of the California Business and Professions Code.
- Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

Below is a copy of the State requirements regulating labs that analyze cannabis which are codified in Sections 19342 through 19345 of the Business and Professions Code:

19342. (a) For the purposes of testing medical cannabis or medical cannabis products, licensees shall use a licensed testing laboratory that has adopted a standard operating procedure using methods consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test medical cannabis and medical cannabis products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.

(b) An agent of a licensed testing laboratory shall obtain samples according to a statistically valid sampling method for each lot.

(c) A licensed testing laboratory shall analyze samples according to either of the following:

(1) The most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.

(2) Scientifically valid methodology that is demonstrably equal or superior to paragraph (1), in the opinion of the accrediting body.

(d) If a test result falls outside the specifications authorized by law or regulation, the licensed testing laboratory shall follow a standard operating procedure to confirm or refute the original result.

(e) A licensed testing laboratory ***shall destroy the remains of the sample of medical cannabis or medical cannabis product upon completion of the analysis*** (emphasis added).

19343. A licensed testing laboratory shall not handle, test, or analyze medical cannabis or medical cannabis products unless the licensed testing laboratory meets all of the following:

(a) Is registered by the State Department of Public Health.

(b) Is independent from all other persons and entities involved in the medical cannabis industry.

(c) Follows the methodologies, ranges, and parameters that are contained in the scope of the accreditation for testing medical cannabis or medical cannabis products. The testing lab shall also comply with any other requirements specified by the State Department of Public Health.

(d) Notifies the State Department of Public Health within one business day after the receipt of notice of any kind that its accreditation has been denied, suspended, or revoked.

(e) Has established standard operating procedures that provide for adequate chain of custody controls for samples transferred to the licensed testing laboratory for testing.

19344. (a) A licensed testing laboratory shall issue a certificate of analysis for each lot, with supporting data, to report both of the following:

(1) Whether the chemical profile of the lot conforms to the specifications of the lot for compounds, including, but not limited to, all of the following:

(A) Tetrahydrocannabinol (THC).

(B) Tetrahydrocannabinolic Acid (THCA).

(C) Cannabidiol (CBD).

(D) Cannabidiolic Acid (CBDA).

(E) The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.

(F) Cannabigerol (CBG).

(G) Cannabinol (CBN).

(H) Any other compounds required by the State Department of Public Health.

(2) That the presence of contaminants does not exceed the levels that are the lesser of either the most current version of the American Herbal Pharmacopoeia monograph or the State Department of Public Health. For purposes of this paragraph, contaminants includes, but is not limited to all of the following:

(A) Residual solvent or processing chemicals.

(B) Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.

(C) Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus* spp., *s.aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.

(D) Whether the batch is within specification for odor and appearance.

(b) Residual levels of *volatile organic compounds shall be below the lesser of either the specifications set by the United States Pharmacopeia (U.S.P. Chapter 467) or those set by the State Department of Public Health* (emphasis added).

19345. (a) Except as provided in this chapter, a licensed testing laboratory shall not acquire or receive medical cannabis or medical cannabis products except from a licensed facility in accordance with this chapter, and shall not distribute, sell, deliver, transfer, transport, or dispense medical cannabis or medical cannabis products, from which the medical cannabis or medical cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

(b) A licensed testing laboratory may receive and test samples of medical cannabis or medical cannabis products from a qualified patient or primary caregiver only if he or she presents his or her valid recommendation for cannabis for medical purposes from a physician. A licensed testing laboratory shall not certify samples from a qualified patient or caregiver for resale or transfer to another party or licensee. All tests performed by a licensed testing laboratory for a qualified patient or caregiver shall be recorded with the name of the qualified patient or caregiver and the amount of medical cannabis or medical cannabis product received.

(c) The State Department of Public Health shall develop procedures to ensure that testing of cannabis occurs prior to delivery to dispensaries or any other business, specify how often licensees shall test cannabis and that the cost of testing shall be borne by the licensed cultivators, and require destruction of harvested batches whose testing samples indicate noncompliance with health and safety standards promulgated by the State Department of Public Health, unless remedial measures can bring the cannabis into compliance with quality assurance standards as promulgated by the State Department of Public Health.

(d) The State Department of Public Health shall establish a licensing fee, and laboratories shall pay a fee to be licensed. Licensing fees shall not exceed the reasonable regulatory cost of the licensing activities.

Dispensaries

Issues:

- Should dispensaries be allowed in the City?
- Where should dispensaries be located?
- How many dispensaries should be allowed?
- Should deliveries be allowed?

Discussion

The Planning Commission is recommending that dispensaries be conditionally permitted in the Town Center (TC) designation subject to a Conditional Use Permit, State regulations, recommended performance standards and the conditions and limitations set forth in this Section and as deemed appropriate by Planning Commission and/or the City Council.

There was discussion by the Planning Commission to recommend to your Council that only one dispensary be allowed. However, based on a number of public comments supporting a free market approach, the Planning Commission chose not to recommend limiting the number of dispensaries.

Staff has added a provision to require that dispensaries be at least 1000 feet from any school.

In addition to the State requirements found in Sections 19342 through 19345 of the Business and Professions Code, the Planning Commission is recommending that the following dispensary performance standards:

Recommended Performance Standards

- The facility shall be alarmed with an audible interior and exterior alarm system, unless waived for

extenuating circumstances by the City Manager or designee that is operated and monitored by a recognized security company, deemed acceptable by the City Manager or designee. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the medical marijuana facility's security company shall be provided to the City Manager or designee.

- Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 240 concurrent hours of digitally recorded documentation in a format approved by the Planning Commission. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras shall include, but are not limited to, the public areas, processing areas, storage areas, employee areas, all doors and windows, and any other areas as determined to be necessary by the Planning Commission.
- Entrance to the any cannabis storage areas shall be locked at all times, and under the control of facility staff.
- Medical marijuana shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the Code.
- No dispensing location for the collective shall be open between the hours of 8:00 p.m. and 9:00 a.m. on any given day.
- Only qualified patients, as defined in Section 11362.7 of the Health and Safety Code are allowed in dispensaries.
- Medical marijuana may not be inhaled, smoked, eaten, ingested, vaped, or otherwise used or consumed at the premises and/or location.
- The sales of pipes, including water pipes and other paraphernalia are prohibited.
- All edible medical marijuana products sold within the City of Rio Dell shall be placed in opaque packaging, without photos or images of food on the label. Packaging that makes the edible product attractive to children or imitates candy is not allowed. Edible medical marijuana products shall not imitate commercially produced goods marketed to children. The edible product must be accompanied by a leaflet or insert that clearly states the source/provider of the food production in addition to all of the information required by Subsection 17.30.095(14)(i).
- A sign shall be posted in a conspicuous location inside the premises advising the following: "Both the sale of marijuana and the diversion of marijuana for nonmedical purposes are

violations of state law. The use of marijuana may impair a person's ability to operate a motor vehicle or heavy machinery. Loitering at the location of medical marijuana collective for an illegal purpose is prohibited by California Penal Code Section 647(h). This collective is registered in accordance with the laws of the State of California and the City of Rio Dell."

- **Dispensaries shall be located at least 1000 feet from any school.**

Recommended Packaging/Labeling Requirements

- In addition to the labeling requirements of Section 19347 of the Business and Professions Code, all medical marijuana shall be packaged in an opaque childproof container which shall be accompanied by a leaflet or insert that clearly states the following:
 - The complete legal name of the qualified patient who will be using the medical marijuana;
 - The name, address and on-site landline telephone number of the dispensary;
 - The amount of medical marijuana in the container;
 - The name of the attending physician recommending the use of medical marijuana for the qualified patient;
 - The date the medical marijuana was provided;
 - A list of the chemicals and or substances that were used during the processing of the medical marijuana;
 - All necessary health and safety warnings, including, but not limited to direction that the medical marijuana be stored in a clean and dry place and out of the reach of children; and
 - A statement that the City of Rio Dell neither warrants nor guarantees the quality or safety of the medical marijuana contained therein.

Below are the labeling requirements found in Section 19347 of the Business and Professions Code:

19347. (a) Prior to delivery or sale at a dispensary, medical cannabis products shall be labeled and in a tamper-evident package. Labels and packages of medical cannabis products shall meet the following requirements:

- (1) Medical cannabis packages and labels shall not be made to be attractive to children.

(2) All medical cannabis product labels shall include the following information, prominently displayed and in a clear and legible font.

(A) Manufacture date and source.

(B) The statement "SCHEDULE I CONTROLLED SUBSTANCE."

(C) The statement "KEEP OUT OF REACH OF CHILDREN AND ANIMALS" in bold print.

(D) The statement "FOR MEDICAL USE ONLY."

(E) The statement "THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS."

(F) The statement "THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."

(G) For packages containing only dried flower, the net weight of medical cannabis in the package.

(H) A warning if nuts or other known allergens are used.

(I) List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.

(J) Clear indication, in bold type, that the product contains medical cannabis.

(K) Identification of the source and date of cultivation and manufacture.

(L) Any other requirement set by the bureau.

(M) Information associated with the unique identifier issued by the Department of Food and Agriculture pursuant to Section 11362.777 of the Health and Safety Code.

(b) Only generic food names may be used to describe edible medical cannabis products.

State Dispensary Requirements

Dispensaries are regulated by the Department of Consumer Affairs. Section 19334(c) et. seq. of the Business and Professions contains the following required regulations associated with dispensaries:

(c) A licensed dispensary shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the dispensary. These security measures shall include, but not be limited to, all of the following:

(1) Preventing individuals from remaining on the premises of the dispensary if they are not engaging in activity expressly related to the operations of the dispensary.

(2) Establishing limited access areas accessible only to authorized dispensary personnel.

(3) Storing all finished medical cannabis and medical cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, samples, or immediate sale.

(d) A dispensary shall notify the licensing authority and the appropriate law enforcement authorities within 24 hours after discovering any of the following:

(1) Significant discrepancies identified during inventory. The level of significance shall be determined by the bureau.

(2) Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the dispensary.

(3) The loss or unauthorized alteration of records related to cannabis, registered qualifying patients, primary caregivers, or dispensary employees or agents.

(4) Any other breach of security.

Ordinance Summary

Cultivation

- Outdoor and Mixed-Light commercial cultivation of cannabis for medical use shall be conducted entirely within a fully enclosed, secure and lockable greenhouse and shall be conditionally permitted in the Rural (R) and Natural Resources (NR) designations, pursuant to the "Outdoor" and "Mixed-Light" parcel size and cultivation area provisions described in Table 8.1 and subject to the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- Indoor commercial cultivation of cannabis for medical use shall be conditionally permitted in the Industrial Commercial (IC), Rural (R) and Natural Resources (NR) designations pursuant to the "Indoor" parcel size and cultivation area provisions

described in Table 8.1 and subject to the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

Staff is aware that some Council members are considering limiting possible cultivation activities to the Eel River Sawmill annexation area north of the river. Staff does not support the concept in whole for the following reasons:

1. Its staff understanding that Mr. Cortazar the owner of the majority of the Dinsmore Plateau would like to have the ability to either lease five acre parcels for outdoor (greenhouse) cultivation or to conduct cultivation himself. The intent is to generate revenue to help fund the infrastructure necessary for his planned residential development; and

2. The former Eel River Sawmill site has a number of development constraints associated with it, including:

- New development (buildings) are capped at 10,000 square feet before a Traffic Impact Study (TIS) and possible improvements are required; and
- The site is within the 100 flood zone with depths varying from one (1) foot on the north end to close to seven (7) feet on the south end; and
- The site contains a “Brownfield”. The owner is required to submit Semiannual Groundwater Monitoring Reports to the Department of Toxic Substances Control (DTSC). Groundwater at the Site is sampled and analyzed for pentachlorophenol (PCP), tetrachlorophenols (TCP), and trichlorophenols (TRI-CL). According to the DTSC website, EnviroStor, a Report dated October 28, 2015 was submitted and approved. The Report indicates that PCP was detected in the groundwater samples collected on September 28, 2015 from MW-101, MW-102, and MW-105 at concentrations ranging from 2.9 µg/L to 11 µg/L. These concentrations show an increasing trend of PCP concentrations in the wells since September 26, 2014, when there were no detections of PCP in groundwater.

The next Semiannual Groundwater Monitoring Report was due to DTSC on April 30, 2016. Staff has contacted DTSC and requested a copy of the latest Report and a map delineating the extent of the contamination; and

- There is City water at the south end of the site and mains will need to be extended; and

- There is no wastewater service at the site. Any future development will likely be dependent upon either a traditional leachfield or a small scale packaged treatment plant and associated leachfield; and
- Cultivation would likely occur indoors due to the significant amount of paved areas or greenhouse/mixed-light cultivation would need to utilize containers or raised beds. Its staff's understanding that the industry prefers "sunshine" cannabis and not indoor artificial light cannabis.

3. Under the County's Cannabis Land Use Ordinance the parcels in the County between the Rio Vista parcels in the City and the Dinsmore Plateau and those County parcels southwest of the Dinsmore Plateau (Dinsmore Water Zone) are eligible to make application for cultivation based on the following table:

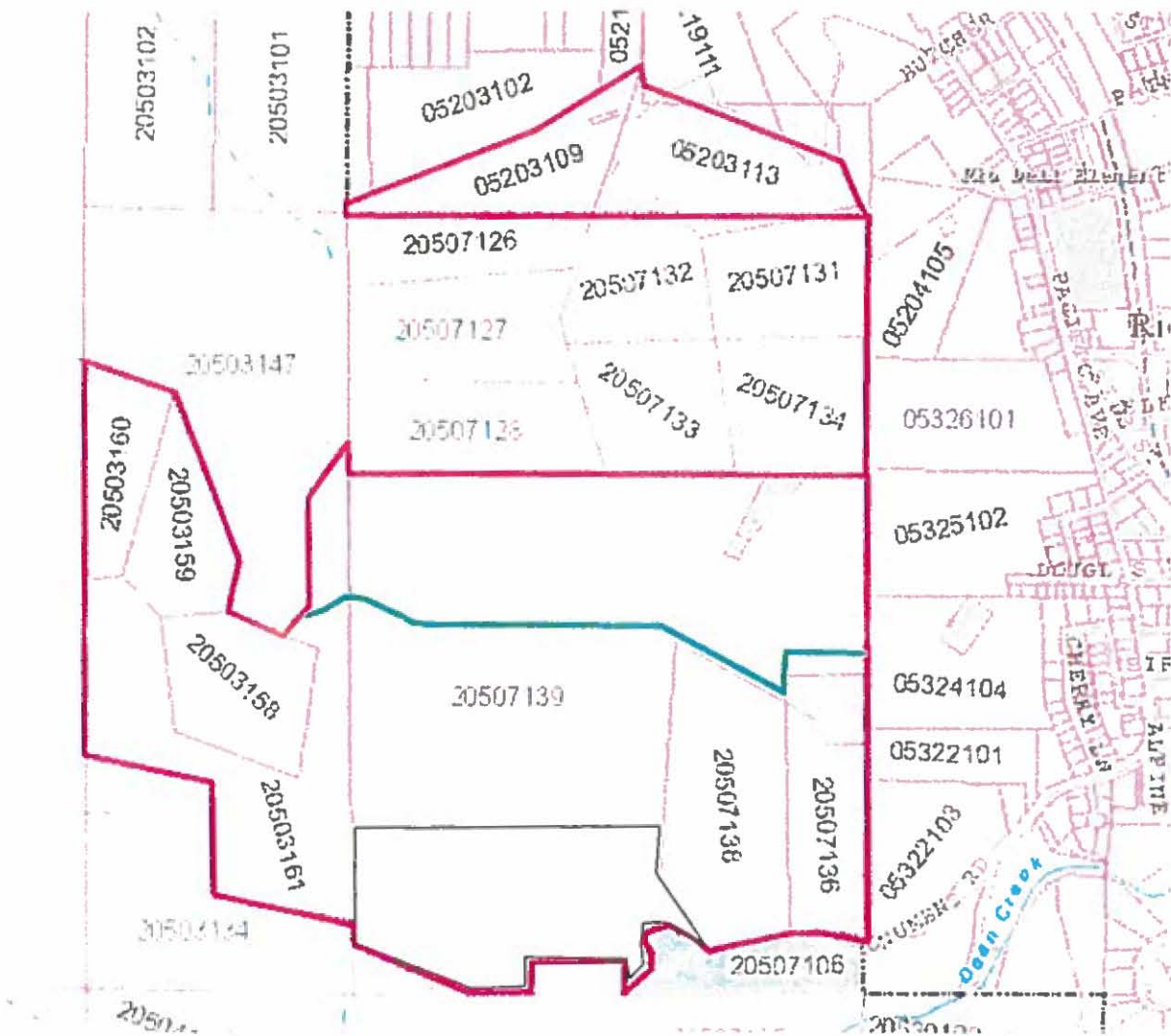
County's Table of Cultivation Permits and Limits

	Parcel Size	Permit	Size Limit
Outdoor	Existing Cultivation Activity on parcels five (5) acres or more.	Zoning Clearance Certificate	5,000 sq. ft.
		Special Permit	10,000 sq. ft.
		Conditional Use Permit	43,560 sq. ft.
	New Cultivation Activity on parcels between one (1) and five (5) acres.	Conditional Use Permit	5,000 sq. ft.
	New Cultivation Activity on parcels between five (5) and 320 acres or more.	Zoning Clearance Certificate	10,000 sq. ft.
Mixed-Light	Existing Cultivation Activity on AG parcels up to one (1) acre.	Conditional Use Permit	2,500 sq. ft.
	Existing Cultivation Activity on AG parcels over one (1) acre and U and RA parcels five (5) acres and above.	Zoning Clearance Certificate	5,000 sq. ft.
		Special Permit	10,000 sq. ft.
		Conditional Use Permit	22,000 sq. ft.
	New Cultivation Activity on parcels between one (1) and five (5) acres.	Conditional Use Permit	5,000 sq. ft.
New Cultivation Activity on parcels between five (5) and 320 acres or more.	Conditional Use Permit	10,000 sq. ft.	

Indoor	RA parcels five (5) acres or more or AG parcels within footprint of existing building.	Special Permit	5,000 sq. ft.
--------	--	----------------	---------------

Even if cultivation would be limited to the Sawmill Annexation area, cultivation could still be allowed on those parcels in the Rio Vista area not within the City limits and those parcels in the Dinsmore Water Zone.

Staff's Recommendation – Staff does support eliminating cultivation opportunities on the majority of those lands designated Rural (R) except those parcel that are outlined in red on the proceeding map. In addition, staff recommends restricting cultivation on APN 205-071-39 to that portion of the parcel north of Dinsmore Ranch Road (green line on the map). This area is about 35+/- acres. As an alternative, the Council may to restrict cultivation on APN 205-071-39 to southerly 30+/- acres (light green hatched area).



Another change staff recommends is to allow cultivation on APN's 205-071-36 and 38. These two parcels were rezoned from Rural (R) to Suburban Low (S) with a Planned Development Combining Zone. They are currently used for agricultural purposes and they do contain some prime ag soils.

Processing Facilities

- Processing Facilities accessory and appurtenant to on site cultivation for commercial cannabis for medical use shall be a conditionally permitted use in the Industrial Commercial (IC), Rural (R) and Natural Resources (NR) designations zoning districts, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.
- Stand alone, independent Processing Facilities for commercial cannabis for medical use shall be a conditionally permitted use in the Industrial Commercial (IC) designation zoning district, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

Extraction Facilities

- Extraction manufacturing of commercial cannabis concentrates for medical use shall be a conditionally permitted use in the Industrial Commercial (IC) designation, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

Commercial Kitchens

- Manufacturing of edibles (commercial kitchens) for medical use shall be a conditionally permitted use in the Industrial Commercial (IC), Town Center (TC), Neighborhood Center (NC) and Community Commercial (CC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

Distributions Facilities

- Wholesale Distribution Facilities for commercial cannabis for medical use shall be a conditionally permitted use in the Industrial Commercial (IC) designation, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

Nurseries

- Nurseries producing commercial cannabis nursery products for retail sale, bulk wholesale sale or to supply retail nursery outlets shall be a conditionally permitted use in the Industrial Commercial (IC), Rural (R) and Natural Resources (NR) designations, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

Laboratories

- Testing laboratories shall be conditionally permitted in the Industrial Commercial (IC), Town Center (TC), Neighborhood Center (NC) and Community Commercial (CC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

Dispensaries

- Dispensaries shall be conditionally permitted in the Town Center (TC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by the Planning Commission and/or the City Council.

Ordinance Amendments

The Council amended the recommended setback for cultivation activities from 600 feet to 1000 feet.

The Council has incorporated the States criminal background investigation requirements into the Ordinance, Section 17.30.195(9)(h).

Staff is recommending that Track and Trace requirements be incorporated into the Ordinance, Section 17.30.195(9)(j). They are below:

(j) Inventory Tracking System. All permittees shall purchase, implement and maintain updates to the inventory tracking software from the City's inventory tracking software system (ITSS) provider. A permittee must have at least one individual Owner or contractor who successfully completes all training necessary to properly use the ITSS as a System Administrator. The System Administrator may also designate specific inventory

tracking system user(s) that have successfully completed all ITSS training required to access the system under the direct control of the System Administrator. The System Administrator and any designated users shall participate in all ongoing and continuing training as required to stay current with the software.

(i) Inventory Tracking. Permittees shall, at all times, maintain current inventory information on the City's ITSS.

Staff has amended the Ordinance effective date should it be approved to read:

This ordinance becomes effective only if the proposed Tax Measure is approved by the electorate of the City of Rio Dell and certified by the Humboldt County Elections Department.

Recommendation

Adopt Ordinance 342-2016 as amended establishing the Medical Cannabis Commercial Land Use Regulations, Section 17.30.195 of the Rio Dell Municipal Code (RDMC).

Attachments

Attachment 1: Amended Ordinance No. 342-2016

ORDINANCE NO. 342-2016



An ordinance establishing Section 17.30.195 of Title 17 of the Rio Dell Municipal Code relating to the Commercial Cultivation, Processing, Manufacturing and Distribution of Cannabis for Medical Use.

The City Council of the City of Rio Dell ordains as follows:

WHEREAS, California Government Code Section 65850, et seq. authorizes counties and cities to regulate land use, including agriculture, and to adopt and amend zoning ordinances for such purposes, and sets forth procedures governing the adoption and amendment of such ordinances; and

WHEREAS, on October 9, 2015 Governor Brown approved a package of three bills enacted by the legislature on September 11, 2015, SB 643, AB 243, and AB 266, providing for comprehensive, concurrent regulation and licensing by state and local governments of medical cannabis as an agricultural product, including its cultivation, processing, testing, manufacture, distribution, transportation, dispensing, and delivery; and

WHEREAS, pursuant to Section 11362.777, subsection (c)(3), "A city, county, or city and county's locally issued conditional permit requirements must be at least as stringent as the Department of Food and Agriculture's state licensing requirements"; and

WHEREAS, the state statutes establishing a regulated, legitimate basis for commercial medical cannabis economic activities under the authorization of state law provide an opportunity to bring unregulated activities into compliance with existing law and ameliorate adverse environmental impacts, while bringing it out of the shadows of an underground, black-market economy into a legitimate agricultural and commercial contributor to the local and state economy; and

WHEREAS, the City of Rio Dell has previously adopted a land use ordinance governing indoor and outdoor cultivation of medical cannabis for personal use; and

WHEREAS, the Planning Commission held five public hearings on the proposed Ordinance governing the Commercial Cultivation, Processing, Testing, Manufacturing and Distribution of Cannabis for Medical Use to receive a reports on the draft ordinance, as well as evidence and public testimony; and

WHEREAS, the Planning Commission reviewed and considered the report, evidence, and other testimony presented to the Commission, and recommended revisions to the draft land use Ordinance Governing the Commercial Cultivation of Commercial Cultivation, Processing, Manufacturing and Distribution for Medical Use; and

WHEREAS the City has reviewed and processed the proposed amendment in conformance with Sections 65350 – 65362 of the California Government Code; and

WHEREAS the City has reviewed and processed the proposed amendment in conformance with Section 17.35.010 of the City of Rio Dell Municipal Code; and

WHEREAS the City finds that based on evidence on file and presented in the staff report that the proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected; and

WHEREAS the proposed amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA); and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rio Dell does hereby ordain as follows:

SECTION 1. Section 17.30.195 of Title 17 of the Rio Dell Municipal Code is hereby added as follows:

(1) Authority and Title

This Section shall be known as the Medical Cannabis Commercial Land Use Ordinance (“MMCLUO”), which provides for the regulation of Commercial Cultivation, Processing, Manufacturing and Distribution of cannabis for medical use, as defined in this Code, located within the City of Rio Dell

(2) Purpose and Intent

The purpose of this Section is to establish land use regulations concerning the commercial cultivation, processing, manufacturing and distribution of cannabis for medical use within the City of Rio Dell in order to limit and control such cultivation in coordination with the State of California in the implementation of the Medical Cannabis Regulation and Safety Act (MMRSA)(SB 643, AB 266, and AB 243 as adopted September 11, 2015, and approved by the Governor on October 9, 2015), so as to ensure the health and safety of employees, independent contractors, visitors to the area, neighboring property owners, and end users of medical cannabis; to protect the environment from harm to streams, fish, and wildlife; to

ensure the security of the medical cannabis; and to safeguard against the diversion of medical cannabis for non-medical purposes. It is intended to address the City of Rio Dell's prerogative to permit, and control commercial cultivation, processing, manufacturing and distribution of cannabis for medical cannabis as set forth in the MMRSA, including, but not limited to the provisions of Business and Professions Code Sections 19315, 19316, 19320, 19322, 19332, and 19360 and Health and Safety Code Section 11362.777, in conjunction with state licensing requirements, in order to protect the public health, safety, and welfare of the residents of the City of Rio Dell, and to reduce or eliminate any adverse environmental effects of existing commercial cannabis cultivation operations in the City of Rio Dell, and to prevent adverse environmental effects of any new commercial cannabis activities which may be permitted in the future in accordance with this Section and state law. This Section is not intended to supersede the provisions of Section 17.30.190 of the Rio Dell Municipal Code concerning cultivation of medical cannabis for personal use.

(3) Applicability and Interpretation

- (a) These regulations shall apply to the location and permitting of commercial cultivation, processing, manufacturing, and distribution of cannabis for medical use in zoning districts within which such use is authorized, as specified in this Section.
- (b) The commercial cultivation, processing, manufacturing, and distribution of cannabis for medical use within the jurisdiction of the City of Rio Dell shall be controlled by the provisions of this Section, regardless of whether those activities existed or occurred prior to the adoption of this Section.
- (c) Nothing in this Section is intended, nor shall it be construed, to exempt the commercial cultivation, processing, manufacturing, and distribution of cannabis for medical use, from compliance with all other applicable zoning, and land use regulations, as well as compliance with any applicable state laws.
- (d) Nothing in this Section is intended, nor shall it be construed, to exempt the commercial cultivation, processing, manufacturing, and distribution of cannabis for medical use, as defined herein, from any and all applicable local and state construction, electrical, plumbing, land use, water rights, waste water discharge, streambed alteration, or any other environmental, building or land use standards or permitting requirements.
- (e) Nothing in this Section is intended, nor shall it be construed, to preclude a landlord or property owner from limiting or prohibiting commercial cultivation, processing, manufacturing, or distribution of cannabis for medical use on private property.
- (f) The definitions in this Section are intended to apply solely to the regulations in this section.

(g) Notwithstanding the fact that Health and Safety Code Section 11362.777 declares that medical cannabis is an agricultural product for purposes of that Section and the MMRSA, Business and Professions Code Section 19300, et. seq., the commercial cultivation of cannabis for medical use is a highly regulated specialty crop and cultivation and processing of that specialty crop shall not be allowed as a principal permitted use unless a Conditional Use Permit is first obtained from the City of Rio Dell, and the person engaged in such activity has obtained all state licenses and permits which may be required by the applicable state licensing authorities whenever such licenses become available.

(4) Release of Liability and Hold Harmless

As a condition of approval for any Conditional Use Permit approved for the commercial cultivation, processing, manufacturing, testing, or distribution of cannabis for medical use, as defined herein, the owner or permittee shall indemnify and hold harmless the City of Rio Dell and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by affected property owners or other third parties due to the commercial cultivation, processing, manufacture, or distribution of cannabis for medical use and for any claims brought by any person for problems, injuries, damages, or liabilities of any kind that may arise out of the commercial cultivation, processing, manufacture, or distribution of cannabis for medical use.

(5) Penalties and Enforcement

All of the remedies provided for in this Section shall be cumulative and not exclusive of remedies available for violations under any other Section of the Rio Dell Municipal Code and the MMRSA.

Any violation of this Section, including, but not limited to failure to obtain and maintain in good standing the required Conditional Use Permit specified in this Section, shall be, and the same hereby is declared to be, a public nuisance and unlawful and shall be subject to injunction, abatement or any other administrative, civil, or criminal remedy available to the City under the applicable state and City laws, including those set forth in the Rio Dell Municipal Code.

(6) Definitions

“Area of Traditional Tribal Cultural Affiliation” means geographic areas of historic occupancy and traditional cultural use by local indigenous peoples (California Native American Tribes), as shown on the latest mapping prepared by the County of Humboldt Planning & Building Department, created from geographic information supplied by the Tribes of Humboldt County.

“Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, or any other strain or varietal of the genus *Cannabis* that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or

not, including the seeds thereof. "Cannabis" also means cannabis as defined by Section 11018 of the Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. For the purpose of this section, "cannabis" does not mean "industrial hemp" as defined by Section 81000 of the Food and Agriculture Code or Section 11018.5 of the Health and Safety Code.

"Commercial Cannabis Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis for medical use, including nurseries, that is intended to be transported, processed, manufactured, distributed, dispensed, delivered, or sold in accordance with the Medical Cannabis Regulation and Safety Act (MMRSA) for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

"Cultivation Area" the area encompassed by the perimeter surrounding the area within which cannabis plants are cultivated. Where plants are cultivated in separated pots, beds or plots, the cumulative total surface area of all such pots, beds or plots, and the surface area underneath the maximum anticipated extent of vegetative growth of cannabis plants to be grown in separate pots, beds or plots, used in combination for a single permitted cultivation operation.

"Cultivation site" means the location or a facility where medical cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, except where drying, curing, grading or trimming is otherwise prohibited.

"Dispensary" means a facility where medical cannabis, medical cannabis products, or devices (excluding pipes and water pipes) for the use of medical cannabis products are offered, either individually or in any combination, for retail sale.

"Distribution Facility" means the location or a facility where a person licensed with a Type 11 license pursuant to the MMRSA conducts the business of procuring medical cannabis from licensed cultivators or manufacturers for sale to licensed dispensaries, and the inspection, quality assurance, batch testing by a Type 8 licensee, storage, labeling, packaging and other processes prior to transport to licensed dispensaries.

"Indoor" means indoor cultivation using exclusively artificial lighting.

"Licensee" means a person issued a state license under the MMRSA to engage in commercial cannabis activity.

"Manufacturing Facility" means a process whereby the raw agricultural product is transformed into a concentrate, an edible product, or a topical product, and the production, preparation, propagation, or compounding of medical cannabis or medical cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

“Mixed-Light” means cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold as set forth in performance standards in Section 55.4.11 (t), et seq. of this ordinance, or as to be determined by the Department of Food and Agriculture, whichever is less.

“Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products for retail or wholesale sale, used specifically for the planting, propagation, and cultivation of medical cannabis.

“Outdoor” means outdoor cultivation using no artificial lighting.

“Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

“Premises” means a legal parcel compliant with the Subdivision Map Act, or a leasehold interest in agricultural land for agricultural purposes of outdoor or mixed-light cultivation or processing of medical cannabis, or space in an industrial or commercial building for purposes of indoor cultivation, processing, manufacture, or distribution of medical cannabis.

“Processing Facility” means the location or facility where medical cannabis is dried, cured, graded, trimmed, and/or packaged by or under the control of one or more licensed cultivators, at a location separate from the cultivation site where the medical cannabis is grown and harvested.

“State license,” means a state license issued pursuant to the MMRSA.

“Testing Laboratory” means a facility, entity, or site in the state that offers or performs tests of medical cannabis or medical cannabis products and that is both of the following:

- (1) Accredited by an accrediting body that is independent from all other persons involved in the medical cannabis industry on the state; and
- (2) Registered with the Department of Public Health.

“Tribal Cultural Resources” means sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe, including unique archaeological resources and historical resources as described under sections 21074, 21083.2(g), and 21084.1 of the Public Resources Code, respectively. Tribal Cultural Resource shall also include sites or resources identified by the tribe through an action of the Tribal Council or equivalent body.

(7) General Provisions

This section applies to all facilities and activities involved in the Commercial Cultivation, Processing, Manufacturing, Testing or Distribution of cannabis for medical use, as defined in this Section.

- (a) All commercial cultivation, processing, manufacturing, testing, or distribution of cannabis for medical use shall operate in compliance with this Section, as well as all applicable state and local laws and conditions as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (b) Outdoor and Mixed-Light commercial cultivation of cannabis for medical use shall be conducted entirely within a fully enclosed, secure and lockable greenhouse and shall be conditionally permitted in the Rural (R) and Natural Resources (NR) designations, pursuant to the "Outdoor" and "Mixed-Light" parcel size and cultivation area provisions described in Table 8.1 and subject to the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (c) Indoor commercial cultivation of cannabis for medical use shall be conditionally permitted in the Industrial Commercial (IC), Rural (R) and Natural Resources (NR) designations pursuant to the "Indoor" parcel size and cultivation area provisions described in Table 8.1 and subject to the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (d) Processing Facilities accessory and appurtenant to on site cultivation for commercial cannabis for medical use shall be a conditionally permitted use in the Industrial Commercial (IC), Rural (R) and Natural Resources (NR) designations zoning districts, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (e) Stand alone, independent Processing Facilities for commercial cannabis for medical use shall be a conditionally permitted use in the Industrial Commercial (IC) designation zoning district, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (f) Extraction manufacturing of commercial cannabis concentrates for medical use shall be a conditionally permitted use in the Industrial Commercial (IC) designation, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.

- (g) Manufacturing of edibles (commercial kitchens) for medical use shall be a conditionally permitted use in the Industrial Commercial (IC), Town Center (TC), Neighborhood Center (NC) and Community Commercial (CC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (h) Wholesale Distribution Facilities for commercial cannabis for medical use shall be a conditionally permitted use in the Industrial Commercial (IC) designation, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (i) Nurseries, as defined herein, producing commercial cannabis nursery products for retail sale, bulk wholesale sale or to supply retail nursery outlets shall be a conditionally permitted use in the Industrial Commercial (IC), Rural (R) and Natural Resources (NR) designations, subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (j) Testing laboratories as herein defined shall be conditionally permitted in the Industrial Commercial (IC), Town Center (TC), Neighborhood Center (NC) and Community Commercial (CC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (k) Dispensaries as herein defined shall be conditionally permitted in the Town Center (TC) designation subject to a Conditional Use Permit and the conditions and limitations set forth in this Section and as deemed appropriate by [the](#) Planning Commission and/or the City Council.
- (l) Other than as enumerated in this Section, the commercial cultivation, processing, manufacturing, testing or distribution of cannabis for medical use in any other zoning district in the City of Rio Dell is prohibited.
- (m) The fact that an applicant possesses other types of state or county or city permits, licenses or other entitlements does not exempt the applicant from the requirement of obtaining a Conditional Use Permit from the City of Rio Dell to engage in the commercial cultivation, processing, manufacturing, testing or distribution of cannabis for medical use within the jurisdiction of the City.
- (n) No more than four commercial cannabis activity permits of any type enumerated in Sections 17.30.195(8)(b) through 17.30.195(8)(g) of this ordinance may be issued to a single person, as defined herein. For purposes of this limitation, any natural person who owns or

controls any interest, directly or indirectly, in a firm, partnership, joint venture, association, cooperative, collective, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, shall be collectively considered a single person with those entities.

(8) Cultivation Locations, Parcel Sizes and Allowable Canopies

The location of commercial cultivation of cannabis for medical use within the City shall be determined by the zoning designation and the size of the parcel on which the activity is to be conducted in accordance with the following table:

**Table 8.1
Cultivation Locations, Parcel Sizes and Allowable Canopies**

**Outdoor (Greenhouse) & Mixed-Light Cultivation
Rural (R) and Natural Resources (NR) Designations**

State License Type	Parcel Size	Allowable Canopy
Type 1 & 1B, "Specialty Outdoor& Specialty Mixed Light"	< 1 acre	1,000 sq. ft.
	1-2.49 acres	2,000 sq. ft.
	2.5-4.99 acres	5,000 sq. ft.
Type 2 & 2B, "Small Outdoor& Small Mixed Light"	5.0- 19.99 acres	10,000 sq. ft.
Type 3 & 3B, "Outdoor& Mixed Light"	≥ 20 acres	22,000 sq. ft.

**Indoor Cultivation
Industrial Commercial (IC) Designations**

State License Type	Parcel Size	Allowable Canopy
Type 1A, "Specialty Indoor"	< 1 acre	5,000 sq. ft.
Type 2A, "Small Indoor"	1.0- 1.99 acres	10,000 sq. ft.
Type 3A, "Indoor"	≥ 2 acres	22,000 sq. ft.

**Indoor Cultivation
Rural (R) and Natural Resources (NR) Designations**

State License Type	Parcel Size	Allowable Canopy
Type 1A, "Specialty Indoor"	< 1 acre	1,000 sq. ft.
	1-1.99 acres	2,000 sq. ft.
	2.0-4.99 acres	5,000 sq. ft.
Type 2A, "Small Indoor"	5.0- 9.99 acres	10,000 sq. ft.
Type 3A, "Indoor"	≥ 10 acres	22,000 sq. ft.

Nurseries

Industrial Commercial (IC), Rural (R) and Natural Resources (NR) designations

State License Type	Parcel Size	Allowable Canopy
Type 4, "Nursery"	N/A	43,560 sq. ft. State Limit

- (a) Processing of cannabis that is cultivated pursuant to these regulations may occur at the cultivation site subject to the Processing Performance Standards and Employee Safety Practices enumerated in Section 17.30.195(10) thru 17.30.195(13) are met.
- (b) Multiple applicants may obtain a Conditional Use Permit for outdoor cultivation, mixed-light cultivation, or both, on one legal parcel so long as the cumulative cultivation area is within one contiguous cultivation footprint that does not exceed the total cultivation area size limits set forth in Table 8.1, Cultivation Locations, Parcel Sizes and Allowable Canopies.
- (c) A combination of cultivation types may be allowed in the same zone (e.g. outdoor and, mixed light cultivation, or indoor cultivation and processing) that are for a total area equal to or less than the cultivated area size limit for the size of the underlying parcel.

(9) Application Requirements for All MMCLUO Conditional Use Permits:

- (a) A completed standard application form for a Conditional Use Permit with the required deposit.
- (b) If the applicant is not the record title owner of parcel, written consent of the owner for the application with original signature and notary acknowledgement.
- (c) A **Site Plan** shall be submitted showing the entire parcel, including easements, streams and other surface water features, and the location and area for cultivation on the parcel with dimensions of the area for cultivation and setbacks from property lines. The site plan shall also include all areas of ground disturbance or surface water disturbance associated with cultivation activities, including: access roads, water diversions, culverts, ponds, dams, graded flats, and other related features. If the area for cultivation is within ¼ mile (1,320 ft.) of a school, the site plan shall include dimensions showing that the distance from the location of such features to the nearest point of the cultivation area is at least ~~600~~ **1000** feet.
- (d) A **Plan of Operations** shall be submitted that includes, describes and addresses the following:
 - (i) A complete project description including the proposed use(s), hours and days of

operation, number of employees, and the duration (temporary, seasonal or permanent) of the operation.

(ii) The number of daily and/or weekly incoming and outgoing deliveries

(iii) A Security Plan that addresses the cultivation, storage, processing, manufacturing and testing of any medical cannabis, including but not limited to video monitoring and commercial alarm systems.

(iv) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.

(v) A description of the storage or use of any solvents, fertilizers, pesticides, fungicides, rodenticide, or herbicides.

(vi) A description of any discharge or emissions the operation will generate.

(vii) A description of any noise level increase as a result of the operation.

(viii) A description of the operation's use of public facilities such as roads, water or sewer systems.

(ix) A description of any proposed water source, storage, conservation and use; drainage, runoff and erosion control; watershed and habitat protection.

(e) **Tribal Consultation:** For any ground disturbing activities, acknowledge that the City will consult with the local Wiyot Tribe, including their Tribal Historic Preservation Officer (THPO) or other tribal representatives, before the approval of any Conditional Use Permit. During this process, the tribe may request that operations associated with the Conditional Use Permit be designed to avoid, minimize or mitigate impacts to Tribal Cultural Resources, as defined herein. Examples include, but are not limited to: conducting a site visit with the THPO or their designee to the existing or proposed cultivation site, requiring that a professional cultural resources survey be performed, or requiring that a tribal cultural monitor be retained during project-related ground disturbance within areas of sensitivity or concern.

(f) **Community Relations:** Each medical cannabis facility shall provide the City Manager or designee with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom the City can provide notice if there are operating problems associated with the medical cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the medical cannabis facility. Each medical cannabis facility shall also provide the above

information to its business neighbors located within ~~100~~ 300 feet of the medical cannabis facility.

- (g) Consent to a to a minimum of at least one quarterly on-site compliance inspection, to be conducted by appropriate City officials during regular business hours (Monday – Friday, 9:00 am – 5:00 pm, excluding holidays). The applicant shall be required to pay the Inspection Fee in effect at that time.
- (h) Owner(s) or employee(s) who makes or will make operational or management decisions that directly impact the business shall consent to a background check pursuant to Section 19322(a)(1)(A) of the Business and Professions Code, including submitting to the Department of Justice fingerprint images and related information required by the Department of Justice for the purpose of obtaining information as to the existence and content of a record of State or Federal convictions and arrests, and information as to the existence and content of a record of State and Federal convictions and arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance, pending trial or appeal. The applicant shall be responsible for the costs associated with the required background check.

(i) No Owner or employee who makes or will make operational or management decisions that directly impact the business shall have been convicted of an offense, or is currently free on bail or on his or her own recognizance pending trial or appeal for an offense, that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, including but not be limited to, the following:

- (A) A felony conviction for the illegal possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance;
- (B) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
- (C) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.
- (D) A felony conviction involving fraud, deceit, or embezzlement.

~~(i)~~ (i) Compliance with the provisions of the Medical Cannabis Regulation and Safety Act.

(j) Inventory Tracking System. All permittees shall purchase, implement and maintain updates to the inventory tracking software from the City's inventory tracking software system (ITSS) provider. A permittee must have at least one individual Owner or contractor who successfully completes all training necessary to properly use the ITSS as a

System Administrator. The System Administrator may also designate specific inventory tracking system user(s) that have successfully completed all ITSS training required to access the system under the direct control of the System Administrator. The System Administrator and any designated users shall participate in all ongoing and continuing training as required to stay current with the software.

(i) Inventory Tracking. Permittees shall, at all times, maintain current inventory information on the City's ITSS.

(10) Performance Standards for all MMCLUO Cultivation Operations:

- (a) No surface water withdrawals shall be allowed as part of any cultivation operations.
- (b) No Timberland Conversion Permits or Exemptions as approved by the California Department of Forestry and Fire Protection (CAL-FIRE) shall be used to facilitate the cultivation of medical cannabis.
- (c) The area of cannabis cultivation shall be located as shown on the application site plan, set back at least 50 feet from any property line, and ~~600~~ **1000** feet from any School. Cannabis cultivation is declared to be development, subject to compliance with Section 17.30.110, Environmentally Sensitive Habitat Area's (ESHA's). For purposes of this section, where enhanced, reduced, or modified watercourse or wetland setbacks have been agreed to by the operator and the RWQCB under enrollment pursuant to NCRWQB Order No. 2015-0023 and/or preparation of a Water Resources Protection Plan, these may control and supersede any setback applied pursuant to Section 17.30.110.
- (d) Maintain enrollment in Tier 1, 2 or 3, certification with the North Coast Regional Water Quality Control Board Order No. 2015-0023, if applicable, or any substantially equivalent rule that may be subsequently adopted by the City of Rio Dell or other responsible agency.
- (e) For cultivation areas for which no enrollment pursuant to NCRWQB Order No. 2015-0023, is required by that Order, compliance with the standard conditions applicable to all Tier 1 dischargers.
- (f) The storage or use of any fertilizer, pesticide, fungicide, rodenticide, or herbicide shall be in compliance with the manufacture's recommendations and regulations administered by the State Department of Pesticide Regulation. Hazardous materials and wastes from agricultural businesses are regulated by the Humboldt County Environmental Health Division, which administers the Hazardous Materials program as one of the Certified Unified Program Agencies (CUPA). This includes the application, inspection, enforcement, and reporting under the program requirements and standards set by the California Environmental Protection Agency (CalEPA).

- (g) Trucked water shall not be allowed as the primary water source. Water is to be sourced locally (on-site), except for emergencies. For purposes of this provision, "emergency" is defined as: "a sudden, unexpected occurrence demanding immediate action."
- (h) Carbon filter fans or equivalent superior filters/scrubbers shall be required to minimize or eliminate odor discharges to neighboring properties from cultivation and processing facilities.
- (i) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
- (j) Those cultivators using artificial lighting for mixed-light cultivation shall shield greenhouses so that little to no light escapes. Light shall not escape at a level that is visible from neighboring properties between sunset and sunrise. Should the City receive complaints that the lighting is out of alignment or not complying with these standards, within ten (10) working days of receiving written notification that a complaint has been filed, the applicant shall submit written verification that the lights' shielding and alignment has been repaired, inspected and corrected as necessary.
- (k) Generators are only allowed as an emergency back-up power source. The noise produced by a generator used for cannabis cultivation shall not be audible from neighboring residences. The decibel level for generators at the property line shall be no more than 60 decibels.
- (l) Fuel shall be stored and handled in compliance with applicable state and local laws and regulations, and in such a way that no spillage occurs.
- (m) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

(11) Employee Performance Standards for Cultivation and Processing Activities:

- (a) Pursuant to the MMRSA, Health and Safety Code section 19322(a)(9), an applicant seeking a cultivation license shall "provide a statement declaring the applicant is an 'agricultural employer,' as defined in the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5 commencing with Section 1140) of Division 2 of the Labor Code), to the extent not prohibited by law."
- (b) Cultivators shall comply with all applicable federal, state, and local laws and regulations governing California Agricultural Employers, which may include: federal and state wage and hour laws, CAL/OSHA, OSHA and the California Agricultural Labor Relations Act.

- (c) Cultivators engaged in processing shall comply with the following Processing Practices:
- i. Processing operations must be maintained in a clean and sanitary condition including all work surfaces and equipment; and
 - ii. Processing operations must implement protocols which prevent processing contamination and mold and mildew growth on cannabis; and
 - iii. Employees handling cannabis in processing operations must have access to facemasks and gloves in good operable condition as applicable to their job function; and
 - iv. Employees must wash hands sufficiently when handling cannabis or use gloves.
- (d) All persons hiring employees to engage in commercial cannabis cultivation and processing shall comply with the following Employee Safety Practices:
- i. Cultivation operations and processing operations must implement safety protocols and provide all employees with adequate safety training relevant to their specific job functions, which may include:
 - Emergency action response planning as necessary; and
 - Employee accident reporting and investigation policies; and
 - Fire prevention;
 - Hazard communication policies, including maintenance of material safety data sheets (MSDS); and
 - Materials handling policies; and
 - Job hazard analyses; and
 - Personal protective equipment policies, including respiratory protection.
 - ii. Cultivation operations and processing operations must visibly post and maintain an emergency contact list which includes at a minimum:
 - Operation manager contacts; and
 - Emergency responder contacts; and

- Poison control contacts.
- iii. At all times, employees shall have access to safe drinking water and toilets and handwashing facilities that comply with applicable federal, state, and local laws and regulations. Plumbing facilities and water source must be capable of handling increased usage without adverse consequences to neighboring properties or the environment.
 - iv. On site-housing provided to employees shall comply with all applicable federal, state, and local laws and regulations.
- (e) All cultivators shall, at the time of the application for a cultivation permit, include a Processing Plan with all of the following:
- i. Summary of Processing Practices.
 - ii. Description of location where processing will occur.
 - iii. Estimated number of employees, if any.
 - iv. Summary of Employee Safety Practices.
 - v. Description of toilet and handwashing facilities.
 - vi. Description of plumbing and/or septic system and whether or not the system is capable of handling increased usage.
 - vii. Description of source of drinking water for employees.
 - viii. Description of increased road use resulting from processing and a plan to minimize that impact.
 - ix. Description of on-site housing, if any.

(12) Performance Standards for Manufacturing Activities:

- (a) Compliance with CAL/OSHA, OSHA regulations.
- (b) Compliance with State and local building regulations, including the California Building Code (CBC) and the California Fire Code (CFC).
- (c) A Security Plan that addresses how the following measures shall be implemented or complied with:

- (i) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 240 concurrent hours of digitally recorded documentation in a format approved by the Planning Commission. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras shall include, but are not limited to, the public areas, processing areas, storage areas, employee areas, all doors and windows, and any other areas as determined to be necessary by the Planning Commission.
 - (ii) The facility shall be alarmed with an audible interior and exterior alarm system, unless waived for extenuating circumstances by the Planning Commission that is operated and monitored by a recognized security company, deemed acceptable by the Planning Commission. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the medical cannabis facility's security company shall be provided to the City Manager or designee.
 - (iii) Entrance to the extraction areas and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
 - (iv) Medical cannabis shall be stored in buildings that are completely enclosed, and in a locked vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
 - (v) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the Code.
- (d) If using CO₂ in processing, a professional grade closed-loop CO₂ gas extraction system rated to a minimum of fifteen thousand (15,000) pounds per square (PSI) is required for every vessel in the system.
- (e) Extraction processes shall use a commercially manufactured professional grade closed-loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted sound engineering practices, such as (i) The American Society of Mechanical Engineers (ASME); (ii) American National Standards Institute (ANSI); (iii) Underwriters Laboratories (UL); or (iv) The American Society for Testing and Materials (ASTM).
- (f) Volatile extraction operations shall occur in a spark-proof, explosion-proof room equipped with evacuation fans and lower explosive limit (LEL) detectors.

- (g) Carbon filter fans or equivalent superior filters/scrubbers shall be required to minimize or eliminate odor discharges to neighboring properties.
- (h) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
- (i) Manufacturers of edibles shall comply with the regulations in the California Health and Safety Code, which includes the California Retail Food Code administered by the California Department of Health Services - Food and Drug Branch, California Department of Food and Agriculture and the County Department of Environmental Health.
- (j) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

(13) Performance Standards for Testing Laboratories

- (a) The facility shall be alarmed with an audible interior and exterior alarm system, unless waived for extenuating circumstances by the Planning Commission that is operated and monitored by a recognized security company, deemed acceptable by the Planning Commission. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the medical cannabis facility's security company shall be provided to the City Manager or designee.
- (b) Entrance to the lab area and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
- (c) Medical cannabis shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- (d) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the California Building Code.
- (e) All laboratory testing facilities shall comply with Sections 19341 through 19345 of the California Business and Professions Code.
- (f) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

(14) Performance Standards for Dispensaries

- (a) The facility shall be alarmed with an audible interior and exterior alarm system, unless waived for extenuating circumstances by the Planning Commission that is operated and monitored by a recognized security company, deemed acceptable by the Planning Commission. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the medical cannabis facility's security company shall be provided to the City Manager or designee.
- (b) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 240 concurrent hours of digitally recorded documentation in a format approved by the Planning Commission. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras shall include, but are not limited to, the public areas, processing areas, storage areas, employee areas, all doors and windows, and any other areas as determined to be necessary by the Planning Commission.
- (c) Entrance to the any cannabis storage areas shall be locked at all times, and under the control of facility staff.
- (d) Medical cannabis shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- (e) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the Code.
- (f) No dispensing location for the collective shall be open between the hours of 8:00 p.m. and 9:00 a.m. on any given day.
- (g) Only qualified patients, as defined in Section 11362.7 of the Health and Safety Code are allowed in dispensaries.
- (h) Medical cannabis may not be inhaled, smoked, eaten, ingested, vaped, or otherwise used or consumed at the premises and/or location.
- (i) The sales of pipes, including water pipes and other paraphernalia are prohibited.
- (j) In addition to the labeling requirements of Section 19347 of the Business and Professions Code, all medical cannabis shall be packaged in an opaque childproof container which shall be accompanied by a leaflet or insert that clearly states the following:

- (i) The complete legal name of the qualified patient who will be using the medical cannabis;
 - (ii) The name, address and on-site landline telephone number of the dispensary;
 - (iii) The amount of medical cannabis in the container;
 - (iv) The name of the attending physician recommending the use of medical cannabis for the qualified patient;
 - (v) The date the medical cannabis was provided;
 - (vi) A list of the chemicals and or substances that were used during the processing of the medical cannabis;
 - (vii) All necessary health and safety warnings, including, but not limited to direction that the medical cannabis be stored in a clean and dry place and out of the reach of children; and
 - (viii) A statement that the City of Rio Dell neither warrants nor guarantees the quality or safety of the medical cannabis contained therein.
- (k) All edible medical cannabis products sold within the City of Rio Dell shall be placed in opaque packaging, without photos or images of food on the label. Packaging that makes the edible product attractive to children or imitates candy is not allowed. Edible medical cannabis products shall not imitate commercially produced goods marketed to children. The edible product must be accompanied by a leaflet or insert that clearly states the source/provider of the food production in addition to all of the information required by Subsection 17.30.095(14)(i).
- (l) A sign shall be posted in a conspicuous location inside the premises advising the following: "Both the sale of cannabis and the diversion of cannabis for nonmedical purposes are violations of state law. The use of cannabis may impair a person's ability to operate a motor vehicle or heavy machinery. Loitering at the location of a medical cannabis collective for an illegal purpose is prohibited by California Penal Code Section 647(h). This collective is registered in accordance with the laws of the State of California and the City of Rio Dell."

(m) Dispensaries shall be located at least 1000 feet from any school.

(15) Term of Conditional Use Permit; Inspections.

- (a) Any Conditional Use Permit issued pursuant to this section shall expire after one (1) year after date of issuance, and on the anniversary date of such issuance each year thereafter,

unless the required compliance inspections have been conducted and the permitted site has been found to comply with all conditions of approval.

- (b) If the inspector or other City official determines that the site does not comply with the conditions of approval, the inspector shall serve the permit holder with a written statement identifying the items not in compliance, and the action that the permit holder may take to cure the non-compliance, or file an appeal within ten (10) days of the date that the written statement is delivered to the permit holder. Personal delivery or mailing the written statement to the mailing address listed on the application by regular mail, plus three (3) days after date of mailing, shall constitute delivery. The permit holder may request a reinspection to determine whether or not the permit holder has cured all issues of non-compliance. Failure to request reinspection or to cure any items of noncompliance shall terminate the Conditional Use Permit and License, immediately upon the expiration of any appeal period, or final determination of the appeal if an appeal has been timely filed.
- (c) The City shall notify any state license authority, as defined by the MMRSA, whenever the Conditional Use Permit and License has been revoked or terminated.

(16) Appeal of Annual Inspection Determination

Within ten (10) business days after delivery of the statement of non-compliance, the determination by the inspector that the site is or is not in compliance may be appealed by any interested party to the Planning Commission. The appeal shall be made, in writing, on a form provided by the City. The fee for filing the appeal is based on the adopted fee schedule in effect at the time of the appeal.

- (a) The appeal shall be heard by the Planning Commission within thirty (30) days following the filing of the appeal. The Planning Commission shall render a written ruling on the appeal within three (3) business days following the hearing.
- (b) The decision of the Planning Commission may be appealed to the City Council in accordance with Section 17.35.050 of the Rio Dell Municipal Code. If a timely appeal to the City Council is not filed, the ruling by the Planning Commission shall be final.

Section 2. Severability

If any provision of the ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

Section 3. Limitation of Actions

Any action to challenge the validity or legality of any provision of this ordinance on any grounds shall be brought by court action commenced within ninety (90) days of the date of adoption of this ordinance.

Section 4. Effective Date

This ordinance becomes effective only if the proposed Tax Measure is approved by the electorate of the City of Rio Dell and certified by the Humboldt County Elections Department.

I HEREBY CERTIFY that the forgoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Rio Dell on May 10, 2016 and furthermore the forgoing Ordinance was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the June 21, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Frank Wilson, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 342-2016 which was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the June 21, 2016.

Karen Dunham, City Clerk, City of Rio Dell