City of Woodland

Meeting Agenda

City Council

City Hall
300 First Street
Woodland, CA 95695

Tuesday, November 21, 2017 | 6:00 PM | Council Chambers

CITY COUNCIL
CLOSED SESSION

5:30 PM

A. CALL TO ORDER

B. CLOSED SESSION

B.1 CONFERENCE WITH LABOR NEGOTIATORS - Pursuant to Section 54957.6

Agency Designated Representatives: City Manager and Human Resources Manager
Employee Organization(s): Mid-Management Unit Employees

B.2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Pursuant to Section 54956.8

Properties: APN 042-580-015 and APN 027-852-007
Agency Negotiator: City Manager, Assistant City Manager, and City Attorney
Negotiating Parties: GST Capital Partners, LLC
Under Negotiations: Price and Terms of Payment

JOINT MEETING CITY COUNCIL/WOODLAND FINANCE AUTHORITY

November 21, 2017
6:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. COMMUNICATIONS-PUBLIC COMMENT

This is an opportunity for the public to speak to the Council on any item other than those listed for public hearing on this agenda. Speakers are requested to use the microphone in front of the Council and to begin by stating their name, whether they reside in Woodland and the name of the organization they represent if any. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak *and time available for the rest of the agenda. In the event comments are related to an item scheduled on the agenda, speakers may be required to wait to make their comments until that item is considered.*

E. COMMUNICATIONS-COUNCIL/STAFF STATEMENTS AND REQUESTS

This is an opportunity for the Council Members and Staff to make comments and announcements, to express concerns, or to request Council's consideration of any items a Council Member would like to have discussed at a future Council meeting.

1. Long Range Calendar

   Staff recommends that the City Council receive the Long Range Calendar for informational purposes only.

F. PRESENTATIONS

2. Small Business Saturday Proclamation

   Staff recommends that the City Council adopt a Proclamation declaring Saturday, November 25, 2017 as Small Business Saturday.

G. CONSENT CALENDAR

3. Appropriate Project Funding for Storm Repair Projects

   Staff recommends that the City Council adopt Resolution No. _____, 1) Authorizing the City Manager to create a new capital project, the Main Street Sanitary Sewer and Storm Repairs, CIP 17-23, appropriate $60,000 from Annual Sewer Repair and Replacement, CIP 08-21 to CIP 17-23, and appropriate $40,000 from Measure E to CIP 17-23; and 2) Authorizing the City Manager to create a new capital project, the East Main Pump Station (EMPS) Storm Main Repairs, CIP 17-24 and appropriate $50,000 from Measure E to CIP 17-24.

4. Police Department Quarterly Status Report for the Period of July 2017-September 2017

   Staff recommends that the City Council accept the Police Department Quarterly Status Report for July 2017 through September 2017.

5. Approve Contract Amendment with BSK Associates for 2018 Water Quality Testing Services

   Staff requests that the City Council adopt Resolution No. _____, authorizing the City Manager to execute Amendment #3 to the agreement with BSK Associates for the 2018 Water Quality Testing Services, for an additional amount of $108,327.

6. FY 2018 OTS STEP Grant Application

   Staff recommends that the City Council approve the appropriation of $75,000 received via the FY18 Office of Traffic Safety Selective Traffic Enforcement Program (STEP) grant award.

7. Final Acceptance and Notice of Completion for WPCF Clarfier Coating Project, CIP #17-20

   Staff recommends that the City Council adopt Resolution No. _____, accepting the WPCF Clarifier Coating Project, CIP #17-20, as completed and authorizing the City Clerk to file a Notice of Completion.

8. Revisions to the Engineering Assistant/Senior Engineering Assistant Job Description; Upgrade current vacant Engineering Technician III to an Engineering Assistant/Senior Engineering Assistant within Community Development

Department

Staff recommends that the City Council adopt the revisions to the Engineering Assistant/Senior Engineering Assistant job description and authorize an upgrade of the current vacant Engineering Technician III to an Engineering Assistant/Senior Engineering Assistant within Community Development Department.

9. License Agreement with BZ-Bee Pollination – Bee Storage Yards

Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to enter into a License Agreement with BZ-Bee Pollination, Inc. for Bee Storage Yards on portions of City owned property.

10. Support for Countywide Yolo Government Accountability and Transparency Program

Staff recommends that the City Council endorse LAFCO-initiated Government Accountability and Transparency Initiatives to include:
1) Adoption of Yolo Local Government Accountability and Transparency Program Statement
2) Request Yolo LAFCo to Conduct Municipal Service Reviews for Selected Types of Joint Powers Authorities/Agencies; and
3) Implement a Web Transparency Scorecard Process for Local Government Agencies.

H. PUBLIC HEARINGS

11. PUBLIC HEARING - Zoning Ordinance to Add Commercial Cannabis Uses

Staff recommends that the City Council:
1. Receive a Report concerning the proposed addition of Article 25-21.6 to the City of Woodland Zoning Code related to commercial cannabis zoning regulations; and
2. Conduct a public hearing; and
3. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations and Business and Professions Code Section 26055(h), as set forth in this Ordinance; and
4. Introduce and waive the first reading of an ordinance adding Article 25-21.6 to the Woodland Municipal Code; and
5. Schedule the second reading for adoption of Ordinance No. _____ for the December 5, 2017 City Council meeting.

I. REPORTS OF THE CITY MANAGER

12. Commercial Cannabis Business Regulatory Ordinance

Staff recommends that the City Council:
1. Receive a Report concerning the proposed addition of Chapter 13A to the City of Woodland Municipal Code related to commercial cannabis business permits and regulations; and

2. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061 (b) (3) of Title 14 of the California Code of Regulations as set forth in this Ordinance; and

3. Introduce and waive the first reading of an ordinance adding Chapter 13A to the Woodland Municipal Code; and

4. Schedule the second reading of adoption of Ordinance No. _____ for the December 5, 2017 City Council.

13. Review of Draft Commercial Cannabis Permit Fees

Staff recommends that the City Council review and provide feedback on draft Commercial Cannabis Permit Fees associated with implementation of the City's Commercial Cannabis Business Program.

14. Fiscal Year 2017/18 Quarterly Budget Update

Staff recommends that the City Council:
1) Receive an informational report representing the FY2017/18 First Quarter Budget Update, and
2) Receive a brief presentation on OpenGov; the City's newly implemented financial transparency tool.

J. ADJOURN

I declare under penalty of perjury that the foregoing Agenda for the Joint Regular City Council/Woodland Finance Authority Regular Meeting of the City of Woodland scheduled for November 21, 2017 was posted on November 17, 2017 in the outside display case at City Hall, 300 First Street, Woodland, CA, and was available to the public during normal business hours.

____

Ana B. Gonzalez, City Clerk

Upon request, agendas and documents in the agenda packet will be made available in appropriate alternative formats to persons with a disability, as required by law. Any such request must be made in writing to the Office of the City Clerk of the City of Woodland. Requests will be valid for the calendar year in which the request is received, and must be renewed prior to January 1st.
Persons needing disability-related modifications or accommodations in order to participate in public meetings, including persons requiring auxiliary aids or services, may request such modifications or accommodations by calling the Office of the City Clerk (530-661-5806) at least 48 hours prior to the meeting.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 1.
SUBJECT: Long Range Calendar

Recommendation for Action:
Staff recommends that the City Council receive the Long Range Calendar for informational purposes only.

Staff Contact:
Ana B Gonzalez, City Clerk, 530-661-5806, ana.gonzalez@cityofwoodland.org

Background:
This calendar is being provided for planning purposes only and is intended to keep the Council apprised of upcoming agenda items and better plan for upcoming Council items.

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Long Range Calendar	11/17/2017	Backup Material

UPDATED COUNCIL LONG RANGE CALENDAR

DECEMBER 5th — REGULAR MEETING

Minutes
City Council Meeting Minutes of Nov 7 and Nov 21, 2017

Presentation
County Fair Mall – Charette Final Report

Consent
Waste Management Annual Rate Adjustment
Spring Lake Maintenance CFD Annual Accountability Report
2nd Reading of Ordinance adding Article 25-21.6 to Code relate to Zoning of Commercial Cannabis
2nd Reading of Ordinance related to regulatory and permitting requiremnets for Comm Cannabis Businesses
PCP Lease Extension

Regular Calendar
Mayor/Mayor Pro Tem Rotation
Review Draft Affordable Housing Ordinance Amendments

DECEMBER 19th — REGULAR MEETING

Consent
2nd Reading of Affordable Housin Ordinance

Public Hearing
Interim Zoning Update
SLIF Fee /SL Specific Plan Update

Regular Calendar
Ag Mitigation Ordinance

FUTURE TOPICS / STUDY SESSIONS (TBD):

Board and Commission Appointment Process

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 2.
SUBJECT: Small Business Saturday Proclamation

Recommendation for Action:
Staff recommends that the City Council adopt a Proclamation declaring Saturday, November 25, 2017 as Small Business Saturday.

Staff Contact:
Wendy Ross, Economic Development Manager, (530) 661-5921, wendy.ross@cityofwoodland.org

Background:
The first Small Business Saturday took place on November 27, 2010. The initiative was created by American Express to encourage people across the country to support small, local business. It is estimated that small businesses account for nearly 70% of all jobs in the United States. While small businesses generate new jobs and employ more than half of the working class in the United States, they're also beneficial to the local community. Here are 10 ways that small businesses make a profound local impact:

1. Community Identity
2. Local Involvement
3. Community Health
4. Pedestrian and Environmental Attributes
5. Increasing the Tax Base
6. Local Jobs
7. Entrepreneurship
8. Innovation and Competition
9. Less Infrastructure and Low Maintenance
10. Diverse, Locally Made Products and Services

In 2011, the US Senate unanimously passed a resolution of support for Small Business Saturday. Since 2012, elected officials including mayors, governors, and President Obama have promoted and championed Small Business Saturday each year. In 2013, more than 1,450 neighborhood champions signed up to rally their communities pledging to support Small Business Saturday. Beginning in 2014, American Express began a campaign to promote Small Business Saturday by providing free personalized ads and marketing materials to assist businesses on the internet, encouraging local businesses to "take charge" of the day in their communities. An estimated $14.3 billion was spent at small independent businesses on Small Business Saturday, 2014. Last year, Small Business Saturday 2015 demonstrated shoppers tremendous support for local small business. An estimated 95 million people shopped in small businesses on this day.

This year Small Business Saturday falls on Saturday, November 26, 2016. Small businesses throughout the City of Woodland and specifically downtown will hang signs and banners promoting "shop local" and Small Business Saturday. "Shop Small" canvas bags are available at the Woodland Chamber of Commerce, various downtown shops and City Hall.

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Proclamation	11/17/2017	Backup Material

CITY OF WOODLAND
PROCLAMING SATURDAY, NOVEMBER 25, 2017
AS SMALL BUSINESS SATURDAY 2017

WHEREAS, the City of Woodland, California, celebrates our local small businesses and the contributions they make to our local economy and community; and

WHEREAS, small businesses employ over 48 percent of all businesses with employees in the United States; and

WHEREAS, 76 percent of all consumers plan to go to one or more small businesses as part of their holiday shopping; and

WHEREAS, on average, 33 percent of consumers' holiday shopping will be done at small, independently-owned retailers and restaurants; and

WHEREAS, 91 percent of all consumers believe that supporting small, independently-owned restaurants and bars is important; and

WHEREAS, 93 percent of consumers in the United States agree that it is important for people to support the small businesses that they value in their community; and

WHEREAS, the City of Woodland supports our local businesses that create jobs, boost our local economy and preserve our neighborhoods; and

WHEREAS, advocacy groups as well as public and private organizations across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Woodland does hereby proclaim November 25, 2017, as:

SMALL BUSINESS SATURDAY

And urge the residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday by shopping locally on this day and throughout the year.

DATED: November 21, 2017

____
Angel Barajas, Mayor

Enrique Fernandez, Mayor Pro Tem
Xochitl Rodriguez, Council Member
Tom Stallard, Council Member
Marlin "Skip" Davies, Council Member

TO:	THE HONORABLE MAYOR AND CITY COUNCIL
DATE:	November 21, 2017
ITEM #:	3.
SUBJECT:	Appropriate Project Funding for Storm Repair Projects

Recommendation for Action:

Staff recommends that the City Council adopt Resolution No. _____, 1) Authorizing the City Manager to create a new capital project, the Main Street Sanitary Sewer and Storm Repairs, CIP 17-23, appropriate $60,000 from Annual Sewer Repair and Replacement, CIP 08-21 to CIP 17-23, and appropriate $40,000 from Measure E to CIP 17-23; and 2) Authorizing the City Manager to create a new capital project, the East Main Pump Station (EMPS) Storm Main Repairs, CIP 17-24 and appropriate $50,000 from Measure E to CIP 17-24.

Staff Contact:

Tim Busch, Principal Utiliites Engineer, (530) 661-5963, tim.busch@cityofwoodland.org

Fiscal Impact:

The City has an ongoing program to televise (CCTV) and identify urgent repairs for storm drainage and sewer lines throughout the City. The approved storm drainage fees are not sufficient to cover the routine operations and maintenance program, therefore the general fund is used to supplement the in-house program. There is no capital funding identified for emergency storm drainage repairs, therefore Measure E funding is necessary to complete the urgent repairs.

The City has an ongoing program to repair and replace sewer collection lines throughout the City. The overall project budget for the Annual Sewer and Replacement Project, CIP 08-21 is $3,411,180 as identified in the FY 2017-18 budget, approved on June 20, 2017.

The EMPS Storm Main Repair Project, CIP 17-24 has an overall budget estimate of $550,000 including both design and construction costs. The appropriation of $50,000 is to complete design and bidding of the project. The remaining estimated $500,000 in funding needed for the construction of the repairs will be requested at project award and will be based on contractor bid prices. Staff are evaluating the funding approach for construction of the project that may include a combination of Measure E and the General Fund.

Background:

City staff is continually reviewing the status of the City's sanitary sewer and storm sewer collection system. Repair and replacement of these lines is based on information obtained from the Asset Management System and annual CCTV evaluation of sewer and storm collection lines. Projects are identified based on criticality and budget. Through this process, staff has identified that urgent repairs are necessary at various locations. Two pipeline failures were identified on East Main Street: a storm drain failure near Walmart and a sanitary sewer failure at Pioneer Street. Both failures are forming sinkholes affecting the pavement on Main Street. CIP 17-23 will address both pipeline failures.

The 54" diameter pipe at the EMPS has failing joints that were identified in a CCTV inspection. This pipe is approximately 15 feet deep and approximately 10 feet below groundwater level due to proximity to the storm drainage outfall channel. The joint failure below groundwater allows water and soil to flow into the pipe, destabilizing the surface above and eventually forming a sinkhole and leading to collapse of the pipe. A nearby 54" diameter storm pipe was recently excavated and replaced at the EMPS. This pipe had collapsed and formed a sinkhole due to failed joints. The

CIP 17-24 will address this issue.

Discussion:

The intent is to complete repairs at both locations in E. Main Street at Pioneer Street and at Walmart in early 2018.

The work at the EMPS 54” diameter storm drainage main would be designed in Fall 2017 and constructed in 2018. The intent is to conduct a cured-in-place lining (CIPP) project after first repairing the failed joints. Rehabilitating the pipe using CIPP is approximately half the cost of open excavation as this pipe is several feet below the ground water table and adjacent to the EMPS structure. A separate 54” diameter pipe recently failed at the joints and collapsed at the EMPS site, which required excavation and replacement. Completing the rehabilitation work as CIPP is a viable option while the pipe remains structurally intact.

Conclusion:

Staff recommends that the City Council adopt Resolution No. _____, 1) Authorizing the City Manager to create a new capital project, the Main Street Sanitary Sewer and Storm Repairs, CIP 17-23, appropriate $60,000 from Annual Sewer Repair and Replacement, CIP 08-21 to CIP 17-23, and appropriate $40,000 from Measure E to CIP 17-23; and 2) Authorizing the City Manager to create a new capital project, the East Main Pump Station (EMPS) Storm Main Repairs, CIP 17-24 and appropriate $50,000 from Measure E to CIP 17-24.

Prepared By: Tim Busch, Principal Utilites Engineer

Reviewed By: Brent Meyer, City Engineer

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
A Resolution	11/13/2017	Cover Memo

RESOLUTION NO. _______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROPRIATE PROJECT FUNDING FOR SEWER AND STORM REPAIR PROJECTS

WHEREAS, the City Council wishes to create a new capital project, the Main Street Sanitary Sewer and Storm Repairs, CIP 17-23; and

WHEREAS, the City Council wishes to create a new capital project, the East Main Pump Station (EMPS) Storm Main Repairs, CIP 17-24; and

WHEREAS, the City Council wishes to appropriate $60,000 from Annual Sewer Repair and Replacement, CIP 08-21 to Main Street Sanitary Sewer and Storm Repairs, CIP 17-23 for design and construction.

WHEREAS, the City Council wishes to appropriate $40,000 from Measure E, to Main Street Sanitary Sewer and Storm Repairs, CIP 17-23 for design and construction.

WHEREAS, the City Council wishes to appropriate $50,000 from Measure E, to East Main Pump Station (EMPS) Storm Main Repairs, CIP 17-24 for design.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND AS FOLLOWS:

Section 1. The City Council hereby creates a new project, Main Street Sanitary Sewer and Storm Repairs, CIP 17-23, appropriates $60,000 from Annual Sewer Repair and Replacement, CIP 08-21 to CIP 17-23, and appropriates $40,000 in funding from Measure E.

Section 2. The City Council hereby creates a new project, East Main Pump Station (EMPS) Storm Main Repairs, CIP 17-24 and appropriates $40,000 in funding from Measure E.

PASSED AND ADOPTED this ________ day of ___________ 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

TO:	THE HONORABLE MAYOR AND CITY COUNCIL
DATE:	November 21, 2017
ITEM #:	4.
SUBJECT:	Police Department Quarterly Status Report for the Period of July 2017- September 2017

Recommendation for Action:
Staff recommends that the City Council accept the Police Department Quarterly Status Report for July 2017 through September 2017.

Staff Contact:
Luis Soler, Chief of Police, (530) 661-7865,

Fiscal Impact:
Informational only.

Background:
The Police Department Quarterly Status Report includes a summary of all activity within the Department. In lieu of providing comprehensive monthly status reports to the City Council and department heads via e-mail communication, the City Council now receives status reports on a quarterly basis via agenda packet.

Conclusion:
Staff recommends that the City Council accept the Police Department Quarterly Status Report for July 2017 through September 2017.

Prepared By: Trista Kennedy, Administrative Secretary

Reviewed By: Derrek Kaff, Captain

Paul Navazio

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Police Department July-Sept 2017 Quarterly Report	11/6/2017	Backup Material

WOODLAND POLICE DEPARTMENT
QUARTERLY REPORT
July – September 2017

The Quarterly Status Report includes a wide variety of information in an effort to better inform the public and the City Council.

OFFICE OF THE CHIEF:

Personnel

July-September 2017	Budgeted	Filled
Sworn	64	64
Non-sworn (FTE)	15	15
Non-sworn (PT/Temp.)	6	4
TOTAL	**85**	**83**

PATROL BUREAU:

CRIME

Category	July	August	September	Calendar Year 2017 Reported to CA DOJ	Calendar Year 2017 Percent change
Homicide	0	0	0	1	-66.67%
Rape	0	5	3	17	70.00%
Robbery	0	3	2	25	-37.50%
Aggravated Assaults	15	7	13	101	-11.40%
Simple Assaults	37	45	41	389	.052%
Burglary	13	21	16	216	29.34%
Larceny/Thefts	141	129	96	992	28.66%
Auto Theft	15	14	24	163	-15.98%
Arson	3	0	0	22	46.67%
TOTAL	**224**	**224**	**195**	**1926**	

Reports

Online Reports/Coplogics	47	55	47	**149**
Mail-in Reports (MLRs)	132	116	81	**329**
Other case numbers issued	552	529	541	**1622**
TOTAL	**731**	**700**	**669**	**2100**

Response Times

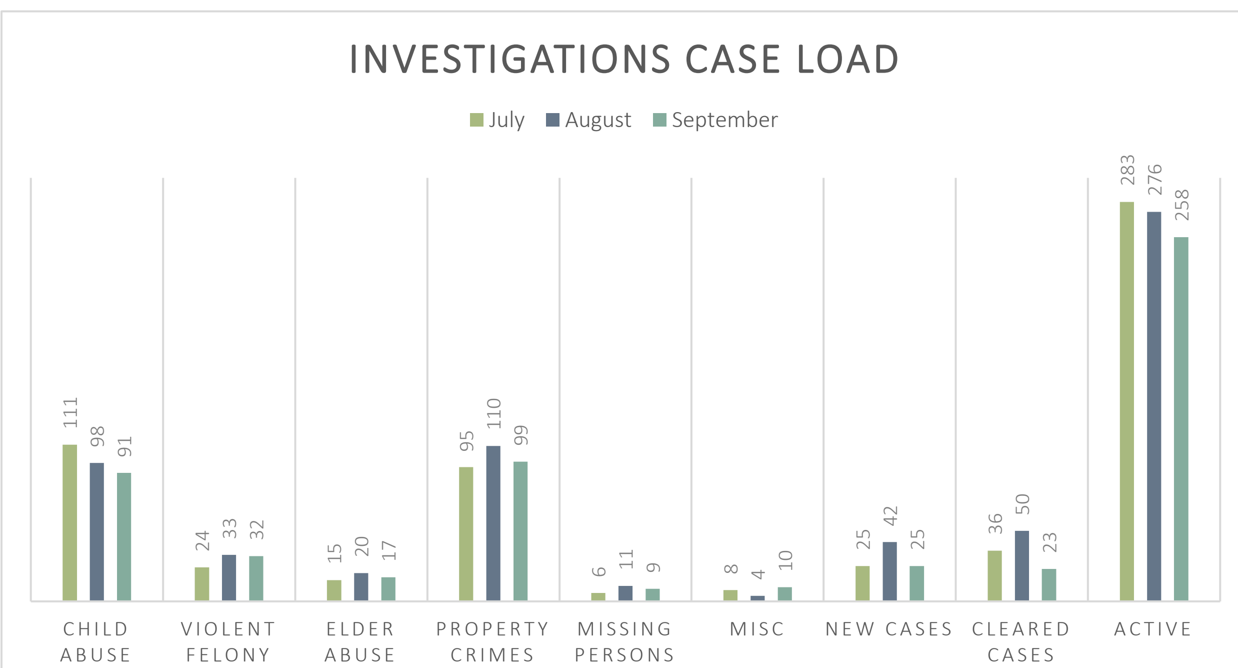
Priority 1	07:51	07:49	07:48
Priority 2	10:00	11:43	10:13
Priority 3	19:10	28:53	27:22

WOODLAND POLICE DEPARTMENT
QUARTERLY REPORT
July – September 2017

WORKLOAD

Calls for Service	July	August	September	TOTAL
Priority 1	148	119	101	**355**
Priority 2	2002	2119	1913	**6141**
Priority 3	112	87	125	**373**
All other calls for service	3518	3809	3472	**10093**
TOTAL	**5780**	**6134**	**5611**	**17525**

INVESTIGATIONS BUREAU:



Graffiti	28	11	14	**53**

290 Registrant Activity	**July**	**August**	**September**
Total registrants	**134**	**129**	**129**
Total transient registrants	12	12	9
290 PC violation warrants issued	1	1	1
Not in compliance with annual update	0	1	0

COMMUNITY RELATIONS BUREAU:

School Resource Officers (SRO):

The SROs had the following activity for the 3rd quarter of 2017:

During the month of July, the SRO's were primarily assigned to Patrol. SRO Flores SRO M. Gray, former SRO H. Gray and other officers participated in several days of the PAL Summer Program. The PAL Summer Program involved approximately twenty-five local juvenile students. Some of the PAL activities included; movie day, soccer, basketball, swimming and art class as well as a daily lunch. At the conclusion of the program, a ceremony was held and each student was given a certificate and treated to lunch. Chief Luis Soler, Captain Kaff, Lt. Delao, Lt. Parsons and other members of the Woodland Police Department, attended and participated in the ceremony and lunch.

Volunteers in Policing Program (ViPs):

The Department's ViP program added one new volunteer this past quarter. The ViPs and Chaplains have volunteered a total of 3120 hours thus far in 2017. The total hours for this quarter are:

ViP Hours	**July**	**August**	**September**	**Total**
Chaplains	8.5	42.5	19.5	**70.5**
Volunteers	505.63	339.77	238.8	**1084.2**

TO:	THE HONORABLE MAYOR AND CITY COUNCIL
DATE:	November 21, 2017
ITEM #:	5.
SUBJECT:	Approve Contract Amendment with BSK Associates for 2018 Water Quality Testing Services

Recommendation for Action:
Staff requests that the City Council adopt Resolution No. _____, authorizing the City Manager to execute Amendment #3 to the agreement with BSK Associates for the 2018 Water Quality Testing Services, for an additional amount of $108,327.

Staff Contact:
Tim Busch, Principal Utilities Civil Engineer, (530) 661-5963, tim.busch@cityofwoodland.org

Fiscal Impact:
The funding source for the annual water quality testing is the Water Enterprise Fund. The budget for this work is included under Operation and Maintenance Contract Services for the Water Distribution System.

There is no impact to the General Fund.

Background:
The City's water system utilizes primarily treated Sacramento River water from the Woodland-Davis Clean Water Agency (WDCWA) Regional Water Treatment Facility (RWTF) and is supplemented by several wells, including the three aquifer storage & recovery wells. The State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW) requires extensive water quality testing of the water system at each well (including inactive wells) and the WDCWA compliance points. This testing includes weekly, monthly, quarterly, and annual testing of numerous constituents.

In addition, the City's water system converted from utilizing groundwater exclusively as a source to using surface water last year. Whenever the drinking water source is changed, there is the potential for water quality concerns in the distribution system. In order to monitor water quality within the system and address impacts from conversion to surface water, the City has increased water quality testing at 10 locations throughout the City. The purpose of the testing is to document changes to water quality and maintain consistent water quality at each test location in the distribution system. The testing is performed weekly at each of the 10 locations.

In September 2013, staff released a request for proposal for Labs to perform water quality sampling and testing services for various wells and sample stations in the City as required for the State. Three labs responded and staff reviewed, scored and ranked the proposals received. The review team determined the top rated Lab was BSK. In the last few months, staff conducted regional market research and determined that BSK continues to provide the best value in water quality testing. The costs for the 2018 water quality tests are generally the same as 2017 costs.

BSK has collected samples and testing of water quality for the City of Woodland since 2005 and already has a strong presence within the city and area and is also utilized by WDCWA. Their knowledge and experience makes them a logical choice to provide lab services for required water quality monitoring. It is to the City's benefit for BSK to provide continued lab services for the city's water infrastructure.

Discussion:
Maintaining consistency in water quality testing is important for the first few years after conversion to surface water. The existing water distribution system can require over two years to adjust to a new water source with different water quality parameters. The start-up testing of the ASR wells also requires monitoring of water system quality at a higher level to ensure that any potential water quality issues are addressed prior to reaching the wells.

The City has an obligation to remain in compliance with all SWRCB DDW requirements for the water utility. Due to the recent staff departure and to minimize the potential for a gap in regulatory compliance, it is necessary to amend the contract with BSK because BSK understands the testing requirements specific to the City and can perform the work with reduced City oversight.

Conclusion:
Staff requests that the City Council adopt Resolution No. _____, authorizing the City Manager to execute Amendment #3 to the agreement with BSK Associates for the 2018 Water Quality Testing Services, for an additional amount of $108,327.

Prepared By: Tim Busch, Principal Utilities Civil Engineer

Reviewed By: Brent Meyer, City Engineer

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
A - Resolution	11/9/2017	Cover Memo
B - Copy of 2018 Sampling Request for Quote	11/16/2017	Backup Material

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING THE CONTRACT AMENDMENT WITH BSK ASSOCIATES FOR THE 2018 WATER QUALITY TESTING SERVICES

WHEREAS, retaining a water quality testing services laboratory is necessary for compliance with the State Water Resources Quality Control Board Division of Drinking Water regulations.

WHEREAS, BSK Associates was selected to provide water quality testing services to the City through a quality based selection process.

WHEREAS, the budget for funding the water quality testing services is included under Operation and Maintenance Contract Services budget for the Water Distribution System.

WHEREAS, the City Council wishes to approve the Contract Amendment #3 for the 2018 Water Quality Testing Services with BSK Associates for an amount up to $90,000; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND AS FOLLOWS:

Section 1. The City Council hereby approve the Contract Amendment #3 for the 2018 Water Quality Testing Services with BSK Associates for an amount up to $90,000.

PASSED AND ADOPTED this ________ day of ___________ 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

City of Woodland Water Quality Monitoring 2018

Frequency	Constituents	Sites	Sample Schedule	# of Sampling	Unit Cost	Total Cost	
Weekly	Bacteriological & Chlorine Residual	Distribution System - all SS 1-17	Mondays - except Holidays then Tuesday	884	$15	$13,260	
Weekly	Conversion	Distribution System SS (10)	Mondays - except Holidays then Tuesday	520	$140	$72,800	
Monthly	Bacteriological (Raw Water	Wells (6)	Mondays - except Holidays then Tuesday	312	$15	$4,680	
Quarterly	Nitrate	Wells (2) & SS (2)	Feb 13th, May 22nd, Jul 21st, Nov 20th	16	$12	$192	
Quarterly	TTHMs	Distribution System SS (8)	Feb 13th, May 22nd, Jul 21st, Nov 20th	32	$85	$2,720	
Quarterly	HAA5s	Distribution System SS (8)	Feb 13th, May 22nd, Jul 21st, Nov 20th	32	$120	$3,840	
2-Annual (2nd & 3rd Qtr)	SOC	Well 15S, 22G, 28	July 17th	6	$120	$720	Two prices on quote provided by BSK, used higher unit cost
Annual (3rd Qtr)	Title 22 - All	Wells (4)	July 17th	4	$1,530	$6,120	
Annual (3rd Qtr)	VOC	Well 15S, 22G, 28	July 17th	3	$85	$255	
Annual (3rd Qtr)	Perchlorate (ClO4)	All Wells (3)	July 17th	3	$50	$150	
Annual (TBD)	Lead (Pb)	Public Schools (15x5)	TBD	15	$26	$390	
Annual (3rd Qtr)	Copper (Cu) & Lead (Pb)	70 sample bottles for pick-up	July 17th	70	$26	$1,820	
Annual (3rd Qtr)	Nitrite, Nitrate+Nitrite	Wells (16)	July 17th	16	$0	$0	Included in Title 22
Annual (3rd Qtr)	Asbestos	All Wells (3)	July 17th	3	$130	$390	
Annual (3rd Qtr)	Radiological	All Wells (3)	July 17th	3	$330	$990	
Total				**1919**		**$108,327**	

Inorganics	Secondary	VOC	SOC	Radiological	Bacteriological	Conversion
Aluminum (Al)	Aluminum (Al)	Benzene	Alachlor	Uranium	E. Coli	Free Chlorine (field test)
Antimony (Sb)	Color	Carbon Tetrachloride	Atrazine	Gross Alpha	Total Coliform	Zinc Orthophosphate
Arsenic	Copper (Cu)	1,2-Dichlorobenzene	Bentazon	Radium -226		Color
Barium (Ba)	Foaming Agent (MBAS)	1,4-Dichlorobenzene	Benzo (a) pyrene	Radium -228		Iron (Fe)
Beryllium (Be)	Iron (Fe)	1,1-Dichloroethane	Carbofuran			Manganese (Mn)
Cadmium (Cd)	Manganese (Mn)	1,2-Dichloroethane	Chlordane			Turbidity
Cyanide (CN)	Methyl tert-butyl ether	1,1-Dichloroethylene	2,4-D			pH (field test)
Fluoride (F)	Odor	Cis-1,2-Dichloroethylene	Dalapon			Hardness (as CaCO3) - Calcium and Magnesium
Mercury (Hg)	Silver (Ag)	Trans-1,2-Dichloroethylene	1,2-Dibromo-3-chloropropane			Chromium (Total Cr)
Nickel (Ni)	Thiobencarb	Dichloromethane	Di(2-ethylhexl)adipate			Alkalinity (field test)
Selenium (Se)	Turbidity	1,2-Dichloropropane	Diethylhexylphthalate			
Thallium (Tl)	Zinc	1,3-Dichloropropene	Dinoseb			
Nitrate (NO3)	TDS	Ethylbenzene	Diquat			
Nitrite (NO2)	Specific Conductance	Monochlorobenzene	Endothall			
Total Nitrate/Nitrite (as N)	Chloride (Cl)	Styrene	Endrin			
Perchlorate	Sulfate (as SO4)	1,1,2,2-Tetrachloroethane	Ethylene Dibromide			
	Bicarbonate	Tetrachloroethylene	Glyphosate			
	Carbonate	Toluene	Heptachlor			
	Hydroxide Alkalinity	1,2,4-Trichlorobenzene	Heptachlor Epoxide			
	Calcium (Ca)	1,1,1-Trichloroethane	Hexachlorobenzene			
	Magnesium (Mg)	1,1,2-Trichloroethane	Hexachlorocyclopentadiene			
	Sodium (Na)	Trichloroethylene (TCE)	Lindane			
	pH	Trichlorofluoromethane	Methoxychlor			
	Hardness (as CaCO3)	Vinyl Chloride	Molinate			
		Xylenes (total)	Oxamyl			
		1,1,2-Trichloro-1,2,2-Trifluoroethar	Pentachlorophenol			
		Methyl-tertiary-butyl-ether	Picloram			
			Polychlorinated Biphenyls			
			Simazine			
			Thiobencarb			
			Toxaphene			
			2,3,7,8-TCDD			
			2,4,5-TP (Silvex)			

Title 22 - means all Inorganics, Secondary, VOC, and SOC should be tested
SS - Sample Stations
All Wells and Sample Stations are in Woodland, CA

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 6.
SUBJECT: FY 2018 OTS STEP Grant Application

Recommendation for Action:
Staff recommends that the City Council approve the appropriation of $75,000 received via the FY18 Office of Traffic Safety Selective Traffic Enforcement Program (STEP) grant award.

Staff Contact:
Luis Soler, Police Chief, (530) 661-7800, luis.soler@cityofwoodland.org

Fiscal Impact:
The OTS STEP grant will reimburse personnel costs associated with the identified traffic enforcement operations (total at $59,465), provide for the purchase of DUI checkpoint equipment and radars (total at $13,792), and provide for training (total at $1,743).

Background:
The goal of the Selective Traffic Enforcement Program through the California Office of Traffic Safety is to reduce the number of persons killed and injured in crashes involving alcohol and other primary collision factors. To attain this goal, "best practice" strategies will be conducted. The funded strategies may include: DUI checkpoints, DUI saturation patrols, warrant service operations, stakeout operations, a "HOT Sheet" program, educational presentations, and personnel training. The program may also concentrate on speed, distracted driving, seat belt enforcement, operations at intersections with disproportionate numbers of traffic crashes, and special enforcement operations encouraging bicycle safety. These strategies are designed to earn media attention thus enhancing the overall deterrent effect.

Discussion:
There continues to be a rise in traffic related issues, including serious moving violations, driving under the influence incidents, and bicycle/pedestrian accidents. The current budget does not provide sufficient funding for staffing and equipment needs related to these traffic related issues. This grant provides a 100% reimbursement on the costs associated with staffing and equipment and would provide the Police Department with funds to focus on operations specifically tailored to address serious moving violations, driving under the influence, and bicycle/pedestrian safety. This may include saturation patrols, personnel training, and traffic equipment such as radars and DUI checkpoint equipment. The granting agency (OTS) awarded the grant to the Woodland Police Department in October of 2017.

Conclusion:
Staff recommends that the City Council approve the appropriation of $75,000 received via the FY18 Office of Traffic Safety Selective Traffic Enforcement Program (STEP) grant award.

Prepared By: Lieutenant Heath Parsons,

Reviewed By: Chief Luis Soler

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Resolution-FY18 OTS STEP Grant	11/9/2017	Cover Memo

RESOLUTION NO. _______
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND AUTHORIZING ~~THE RELEASE OF FUNDS FROM THE FY17 OTS STEP GRANT AWARDED TO THE POLICE DEPARTMENT~~THE CITY MANAGER TO APPROPRIATE $75,000 TO THE FY18 WOODLAND POLICE DEPARTMENT BUDGET

WHEREAS, the 2017 Selective Traffic Enforcement Program (STEP) grant through the California Office of Traffic Safety is designed to advance traffic safety by addressing the full-time sworn officer needs of state, local, and tribal law enforcement agencies nationwide.; and

WHEREAS, the STEP grant will provide 100 percent reimbursement of the personnel and equipment costs for the grant period; and

WHEREAS, grantees must complete all programs, operations, and trainings over the grant period; and

WHEREAS, the General Fund is insufficient to fund the traffic safety needs of the Police Department; and

WHEREAS, the STEP grant is the best of explored options available to the City to begin restoring police response to traffic safety; and

WHEREAS, the City Council wishes to authorize the appropriation of funds for the duration of the grant through the adoption of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND:

SECTION 1. That the City Council hereby authorizes the City Manager to ~~release the~~appropriate $75,000 ~~funds~~ from STEP grant through OTS to the Police Department.

PASSED AND ADOPTED by the City Council this ____ day of _____, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST: **APPROVED AS TO FORM:**

Ana B. Gonzales, City Clerk

Kara K. Ueda, City Attorney

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 7.
SUBJECT: Final Acceptance and Notice of Completion for WPCF Clarfier Coating Project, CIP #17-20

Recommendation for Action:
Staff recommends that the City Council adopt Resolution No. _____, accepting the WPCF Clarifier Coating Project, CIP #17-20, as completed and authorizing the City Clerk to file a Notice of Completion.

Staff Contact:
Chris Fong, Senior Associate Civil Engineer, (530) 661-5972, Chris.Fong@cityofwoodland.org

Fiscal Impact:
The final construction cost for this project was $156,372.74. The total project budget as authorized by Resolution No. 6876 of the City Council was $270,000. The project came in under budget because certain bid items were not executed upon field determination of the metal surfaces after they were blasted (cleaned). Other items that make up the total project budget represented the amount allocated for construction contingency and construction management/inspection.

The project is fully funded out of the sewer enterprise fund, as part of the approved Capital Budget, and there is no fiscal impact to the City's General Fund.

Background:
The Water Pollution Control Facility (WPCF) has four (4) secondary clarifiers. Secondary clarifiers No. 1 and No. 2 were constructed in 1988 and are 95 feet in diameter. Secondary clarifiers No. 3 and No. 4 are 135 feet in diameter and were constructed in 1998 and 2006, respectively. City staff recoated clarifier No. 3 last year. The recoating effort took one and a half years using in house staff.

The City consulted in early 2017 with a coating specialty consultant, V&A, who performed visual and field testing of the existing condition of the steel and coating systems and secondary clarifier No. 1, 2, and 4. The City worked with V&A to put together the plans and specifications for the coatings project.

Discussion:
The City Council approved the project plans and specifications and authorized bid advertisement on April 19, 2017. The City advertised for bids on June 8, 2017. On July 18, 2017, the City Council awarded the construction project to Euro Style Management, Inc. (ESM). On July 28, 2017, the City executed a construction contract with ESM and provided them with a Notice to Proceed date of August 21, 2017. Construction is now complete and ready for acceptance.

The project cost breakdown is as follows:

Construction	$157,000.00
CM/Inspection	$40,000.00
Total Project Costs	$197,000.00
Total Project Budget	$270,000.00

Conclusion:
Staff recommends that the City Council adopt Resolution No. _____, accepting the WPCF Clarifier Coating Project, CIP #17-20, as completed and authorizing the City Clerk to file a Notice of Completion.

Prepared By: Chris Fong, Senior Associate Civil Engineer

Reviewed By: Brent Meyer, City Engineer

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
A - Resolution	11/13/2017	Resolution

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND TO ACCEPT AS COMPLETE AND AUTHORIZE THE CITY CLERK TO FILE A NOTICE OF COMPLETION FOR WPCF CLARIFIER COATING PROJECT (CIP #17-20)

WHEREAS, the City of Woodland funded the project in the amount of $270,000 allocated in the Capital Budget for the WPCF Clarifier Coating Project, CIP #17-20; and

WHEREAS, the City Council approved plans and specifications and authorize bid advertisement in April 19, 2017; and

WHEREAS, the City Council awarded the construction contract in the amount totaling $173,500 to Euro Style Management, Inc. on July 18, 2017; and

WHEREAS, the construction of the WPCF Clarifier Project began in August 2017 and was completed in October 2017.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND AS FOLLOWS:

Section 1. The City Council hereby accepts the WPCF Clarifier Project, CIP #17-20 as complete.

Section 2. The City Council hereby authorizes the City Clerk to file a Notice of Completion for the WPCF Clarifier Coating Project, CIP #17-20.

PASSED AND ADOPTED this ________ day of ___________ 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 8.
SUBJECT: Revisions to the Engineering Assistant/Senior Engineering Assistant Job Description; Upgrade current vacant Engineering Technician III to an Engineering Assistant/Senior Engineering Assistant within Community Development Department

Recommendation for Action:
Staff recommends that the City Council adopt the revisions to the Engineering Assistant/Senior Engineering Assistant job description and authorize an upgrade of the current vacant Engineering Technician III to an Engineering Assistant/Senior Engineering Assistant within Community Development Department.

Staff Contact:
Sheila McShane, Human Resources Manager, 530 661 5807, sheila.mcshane@cityofwoodland.org

Fiscal Impact:
The incremental cost of this position upgrade is approximately $7,000 per year and is proposed to be covered through a reduction in contract services within the existing authorized budget for Utility Engineering.

Report in Brief:
City Staff has evaluated the position of the vacant Engineering Technician III position. In consultation with the Department and the hiring manager, Staff determined the need for an Engineering/Senior Engineering Assistant would be a more appropriate job classification. The need to have a paraprofessional allocation is more appropriate, as the position will act in an autonomous fashion. This change would add one (1) Engineering Assistant/Senior Engineering Assistant and eliminate one (1) vacant Engineering Technician position.

Discussion:
City Staff interviewed Managers, and Line Staff regarding the actual task performed and the needs of the department. Staff identified the need for a paraprofessional that could work with little direction from their supervisor, be responsible for their work, and to perform highly responsible and difficult tasks within the engineering department. The revised Engineering Assistant/Senior Engineering Assistant job description more accurately reflects the actual work completed. Additionally, ADA Compliance language has been included.

The Engineering Assistant/Senior Engineering Assist is in the Woodland City Employee Association (WCEA) and they have approved the changes to the job description.

Conclusion:
Staff recommends that the City Council adopt the revisions to the Engineering Assistant/Senior Engineering Assistant job description and authorize an upgrade of the current vacant Engineering Technician III to an Engineering Assistant/Senior Engineering Assistant within Community Development Department.

Prepared By: Sheila McShane, Human Resources Manager

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Engineering Assistant/Senior Engineering Assistant Job Description	11/16/2017	Backup Material

ENGINEERING ASSISTANT / SENIOR ENGINEERING ASSISTANT

DEFINITION

Perform complex paraprofessional technical duties and support work involving current and planned development and public works projects and programs. Incumbents are responsible for the scope of work in their assigned area of discipline. Assignments include Capital Program Implementation, Construction Programs, Development Services, Traffic/Transportation Engineering or Utilities Infrastructure Engineering.

SUPERVISION RECEIVED AND EXERCISED

Engineering Assistant: This is the journey-level class in this paraprofessional engineering series. Positions at this level are distinguished from the Senior Engineering Assistant level by the performance of less than the full range of highly responsible duties and essential functions assigned within this series. Engineering Assistants may also supervise staff and assist in staff training. The Principal or Senior Civil Engineer typically provides supervision over the branch of assignment.

Senior Engineering Assistant: This is the advanced or senior-level class in this paraprofessional engineering series. It is distinguished from the Engineering Assistant level by the performance of the full range of duties and essential functions assigned within this series. The Senior Engineering Assistant is capable of working independently, under minimal instruction or assistance. Incumbents assigned to this class are expected to perform highly responsible and more demanding/difficult types of paraprofessional engineering support in the office and field. Senior Engineering Assistants may also supervise staff and assist in staff training. The Principal or Senior Civil Engineer typically provides general direction over the branch of assignment.

EXAMPLES OF DUTIES & ESSENTIAL JOB FUNCTIONS:

The following are typical illustrations of general duties encompassed within the job series regardless of branch assignment. This is not an all-inclusive or limiting list:

- Supervise, coordinate and/or perform paraprofessional engineering work appropriate to the branch of assignment.
- Conduct or assist in the preliminary study of engineering projects and prepare and/or support the preparation of plans for public streets, water, sewer and storm improvements and other public projects.
- Prepare preliminary drawings for public works projects, tabulate field data, evaluate and modify standard specifications.

- Prepare and process contract documents, payments, and other documents.
- Review plans, maps, specifications, cost estimates and other work to ensure compliance with laws, codes, standards and engineering practice.
- Confer with engineers, contractors and developers in relation to public works projects and subdivision plans and recommends changes or modifications as necessary.
- Prepare reports and applications for State and Federal funding. Administer funding programs and projects.
- Supervise, train, evaluate and coordinate the work of assigned subordinate staff.
- Attend public meetings to respond to public questions, concerns and complaints.
- Update various City maps through AutoCAD or GIS mapping.
- Maintain files and perform recordkeeping concerning parcel maps, private improvements and/or construction project records.
- Prepare written staff reports for departmental use and/or present them to the City Council and City Commissions.
- Provide technical information, assistance and support to personnel in other departments and to the public.
- Respond and work to resolve internal and external customer complaints, questions and concerns.
- Prepare and write specifications and technical reports.
- Evaluate technical engineering problems and make independent decisions and recommendations.
- Perform field inspections in area of assignment, which can include public infrastructure construction, Utility projects, traffic designs, and other Engineering projects as necessary to ensure the public works are in conformance with City policies and standards and City approved plans and specifications.
- Regular and consistent attendance.

The following are examples of additional responsibilities associated with specific areas of discipline assignments:

Capital Program Implementation:

- Serve as project manager for projects.
- Prepare preliminary studies, plans, specifications and estimates for capital project improvements.
- Ensure proper, timely inspection and reporting for assigned construction projects.
- Manage projects to verify contractor performance and to support contractor payment estimates, identify potential construction scheduling problems and enforce construction

safety procedures;

- Assist in preparation of long-range capital improvement programs and budgets.
- Complete calculations for design, surveying and other construction work.

Construction Programs:

- Perform field inspections of public infrastructure construction (grading, street improvements, water, sewer and storm drain) for private development and/or City projects to ensure the public works are in conformance with City policies and standards and City approved plans and specifications.
- Serve as construction manager for small projects.
- Perform or oversee materials testing, survey work and calculations.
- Perform proper, timely inspection and reporting for assigned construction projects.
- Inspect projects to verify contractor performance and to support contractor payment estimates, identify potential construction scheduling problems and enforce construction safety procedures;
- Complete calculations for surveying and other construction work.

Development Services:

- Supervise, coordinate and perform complex technical plan checks and reviews of City engineering plans, engineering reports, technical memoranda, subdivision plats, improvement drawings, assessment district plans, and maps, etc. to ensure accuracy and compliance with development conditions, municipal code provisions, City specifications, sound engineering practices and City and State policy, including parcel and subdivision criteria.
- Coordinate with other divisions and departments in the writing of conditions and agreements for land entitlements.
- Interpret and explain City policies and ordinances to the public relating to public works projects, including but not limited to roads, drainage, water, sanitary, parks, buildings and related projects.
- Prepare recommendations and Council agenda reports, resolutions and attachments, for abandonments of rights-of-way, easements, street name changes, Final map approvals, Improvement Acceptance, and release of agreements, and other items related to development engineering.
- Answer inquiries by providing information shown on maps and in-office files including researching for easements, right-of-way restrictions, and other restrictions on the use of property and parcels.
- Issue and prepare permits such as public encroachments, transportation, water hydrant and grading permits including proper accountability for fees collected,
- Conduct field inspections, as necessary, to verify plan coordination with existing

conditions and other requirements, including suggestions for correcting non-compliance.

- Validate engineering calculations and cost estimates.
- Represent the City with applicants and the Development community.
- Operate and modify the City's enterprise information system for various types of permits and fee collection, record management
- Check legal maps, parcel maps, tract maps, lot line adjustments, and easement deeds for accuracy, completion, and legal conformance.
- Determine and collect fees and bonds as required by conditions of approval;
- Prepare legal descriptions for public rights of way, easements, dedications, annexations and re-zonings.
- Prepare plans and legal descriptions for right-of-way acquisition.

Traffic/Transportation Engineering:

- Investigate concerns and complaints related to traffic safety and traffic engineering.
- Prepare preliminary studies, plans, specifications and estimates for transportation system improvements.
- Perform traffic studies and surveys, process and evaluate data and provide independent recommendations regarding results.
- Execute, maintain and update standards regarding neighborhood traffic calming.
- Investigate and provide independent recommendations for improvements to the transportation network.
- Review traffic operations and collisions and recommend corrective measures to improve traffic safety.

Utilities Infrastructure Engineering:

- Monitor the production and quality of the city's water supply.
- Plan, organize, coordinate activities within water and wastewater collections departments associated with permit and compliance requirements, special studies and reporting.
- Establish regulatory compliance and related programs and priorities, direct the review and analysis of new and changing regulations; interpret Federal and State regulations related to drinking water quality, wastewater collections; provide technical expertise to other environmental aspects of department operations to ensure compliance; assists to develop and update City ordinances.
- Coordinate department programs with regulatory agencies to comply with applicable

regulations; represent the City and works closely with regulatory agencies and public and private organizations to provide information and technical assistance to facilitate cooperative and timely resolution of issues and problems; represent the City in interactions with the public in regard to permitting and water quality issues concerning water, wastewater, and storm water.

- Understand basic chemistry as it relates to water and water quality.

QUALIFICATIONS

Engineering Assistant:

Knowledge: Federal, state, city and county laws, codes and ordinances relating to public works construction. Principles and practices, methods and materials of public works engineering, design, construction, inspection, operations and maintenance. Plan checking and review techniques. Engineering field and office procedures. Engineering mathematics, information technology, drawing, drafting, surveying, and uses of other instruments and tools of the profession.

Skill to: Understand, interpret, apply and comply with City Ordinances and Public Works and Community Development Department policies. Read and interpret plans and specifications and conduct inspections for various public works projects for determining compliance. Prepare and check engineering plans, studies and reports. Draft plans and specifications to go out to bid on public works projects. Perform a variety of paraprofessional mathematical design and engineering computations. Communicate effectively, both orally and in writing. Understand and follow oral and written directions. Establish and maintain effective work relationships.

Minimum Education and Experience:

Any combination of education and experience that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Education: High School Diploma supplemented with additional college level coursework in civil engineering, construction technology, land development, project management or a closely related field from an accredited college. Associate's Degree in a related field is highly desirable.

Experience: Four years of increasingly responsible experience in para-professional engineering. Related education beyond 2 years of full time college level work may be substituted on a year-for-year basis.

License or Certificate: Required upon hire, possession of a valid California Class C Driver's License.

Senior Engineering Assistant:

In addition to the above qualifications for Engineering Assistant:

Knowledge: As it pertains to the branch of assignment, advanced practices and procedures for checking, reviewing and preparing designs, plans, maps, specifications, estimates, reports and studies related to public works. Knowledge of State/Federal regulations as it applies to the assigned area of expertise. Practices and procedures for consultant or construction contract administration. Recent advancements, current literature, and sources of information regarding development, public works and/or civil engineering. Municipal operations as they relate to other City departments and divisions. Principles and practices of budgeting, supervision and training.

Skill to: Use a variety of engineering tools, equipment and information from data collection, materials testing or drafting. Communicate persuasively, clearly and concisely, both orally and in writing, publicly and individually. Supervise, train and evaluate assigned staff.

Experience: One year of increasingly responsible work experience comparable to an Engineering Assistant with the City of Woodland.

ADA COMPLIANCE

Physical Ability: Positions in this class typically require climbing, balancing, stooping, kneeling, crouching, reaching, standing, walking, pushing, climbing, pulling, lifting, fingering, grasping, talking, hearing, seeing, and repetitive motions.

Light Work: Exerting in excess of 25 pounds of force occasionally, and/or in excess of 50 pounds of force constantly to move objects.

Other Requirements:

Sensory Requirements: Requires the ability to recognize and identify similarities and differences between shade, degree or value of colors, shapes, sounds, forms, textures or physical appearance associated with objects and people.

Environmental Factors: May be subjected to moving mechanical parts, electrical currents, vibrations, fumes, odors, dusts, gases, poor ventilation, chemicals, oils, extreme temperatures, work space restrictions, intense noises, and environmental dangers.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 9.
SUBJECT: License Agreement with BZ-Bee Pollination – Bee Storage Yards

Recommendation for Action:
Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to enter into a License Agreement with BZ-Bee Pollination, Inc. for Bee Storage Yards on portions of City owned property.

Staff Contact:
Ken Hiatt, Assistant City Manager/Economic Development & Community Development Director, (530) 661-5930, ken.hiatt@ cityofwoodland.org

Fiscal Impact:
The fiscal impact to the city is general fund revenue of $5,000 for the initial term of the agreement. Should the licensee and the City desire to extend the term, additional rent will be negotiated.

Background:
Recently, BZ-Bee Pollination, Inc. approached the City about using a portion of several City owned parcels for the purpose of bee storage yards. Active bee boxes would be selectively placed in these storage yards away from active use areas and near open fields to support the pollination functions the bees provide. Bees are an essential element of the pollination process and used extensively in facilitating pollination of many agricultural crops and wildflowers throughout Yolo County. Portions of the following parcels would be used for the bee storage yards:

APN 027-852-005 – North of the Water Treatment Plant
APN 027-390-022 – Adjacent to the solar panels
APN 042-580-034 – North of County Road 25 south of the Waste Water Treatment ponds
APN 042-030-012 – Woodland Regional Park Site, East of CR 102
APN 027-360-010 – North of East Beamer Street, West of CR 102
APN 057-170-003 – The City Owned land in the Yolo Bypass

Discussion:
Staff and the business owner have negotiated terms for the License Agreement as summarized below.

Terms for License Agreement

Term:
1 year with 5, one-year extension options.

License Fee:
Licensee shall pay to City an annual fee of $5,000 for the initial term. Licensee and City shall meet and confer regarding the License Fee for any extended term no later than 30 days prior to the expiration of the initial term.

Maintenance
Licensee shall maintain and keep clean the License Areas.

Liability Insurance.
Licensee shall indemnify, defend and hold City harmless and maintain from the effective date of License Agreement, a minimum combined single limit and general aggregate limit of liability of at least $1million.

Conclusion:
Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to enter into a License Agreement with BZ-Bee Pollination, Inc. for Bee Storage Yards on portions of City owned property.

Prepared By: Lynn Johnson, Senior Management Analyst

Reviewed By: Ken Hiatt, Assistant City Manager/Economic Development & Community Development Director

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Resolution	11/17/2017	Resolution
License Agreement	11/17/2017	Agreement

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A LICENSE AGREEMENT WITH BZ-BEE POLLINATION, INC. TO USE PORTIONS OF SIX CITY OWNED PARCELS AS BEE STORAGE YARDS

WHEREAS, the City of Woodland is the owner of the following parcels: APN 027-852-005, APN 027-390-022, APN 042-580-034, APN 042-030-012, APN 027-360-010- and APN 057-170-003; and

WHEREAS, BZ-Bee Pollination, Inc. is interested in using a portion of the before mentioned parcels for the purposes of Bee Storage yards, as shown in the attached Exhibit A; and

WHEREAS, the parties desire to enter into an agreement whereby the property owner will lease a portion of the parcels from the City for $5,000 a year, for one year with the option of extending the term upon negotiation of additional rent; and

WHEREAS, allowing portions of City owned property to be used as Bee Storage yards provides no harm or burden for the City and does not conflict with any other property uses; and

WHEREAS, the License Areas will be returned back to the City upon termination of the license agreement in the same condition as when they were first leased**.**

NOW, THEREFORE, BE IT RESOLVED that: The City Council of the City of Woodland authorizes the City Manager to enter into and if necessary make minor modifications, after consultation with the City Attorney a License Agreement with BZ-Bee Pollination, Inc. for use of a portion of six City owned parcels pursuant to the terms set forth in the License Agreement.

PASSED AND ADOPTED by the City Council this 21st day of November, 2017, by the following vote:

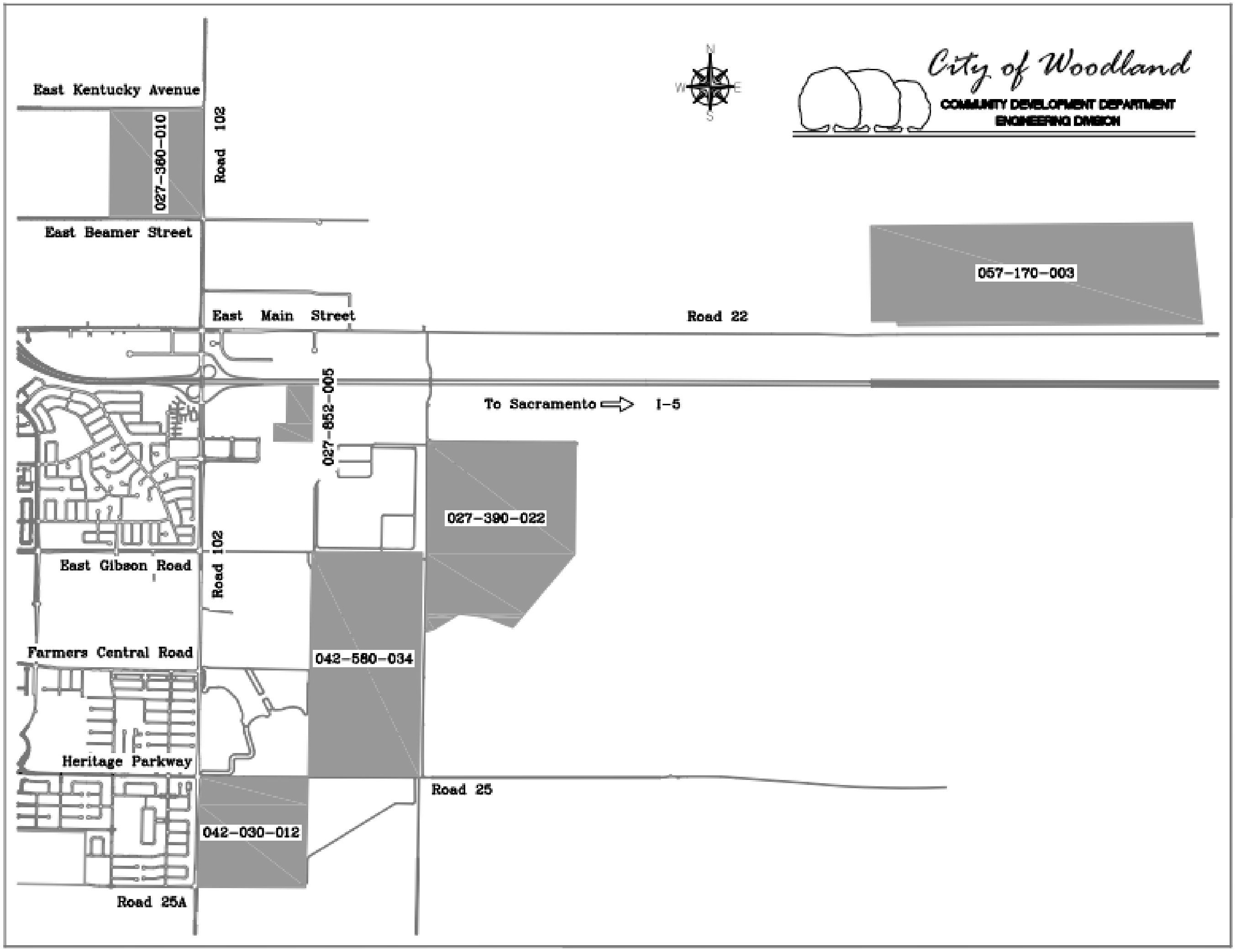
AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

Exhibit A



City of Woodland
COMMUNITY DEVELOPMENT DEPARTMENT
ENGINEERING DIVISION
N
W
E
S
East Kentucky Avenue
027-360-010
Road 102
East Beamer Street
057-170-003
East Main Street
Road 22
027-852-005
To Sacramento
I-5
027-390-022
East Gibson Road
Road 102
Farmers Central Road
042-580-034
Heritage Parkway
Road 25
042-030-012
Road 25A

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("Agreement") is made and entered into this _______ day of ______________, 2017, by and between THE CITY OF WOODLAND, ("City") and BZ-Bee Pollination, Inc. ("Licensee"), who agree as follows:

ARTICLE 1. BACKGROUND

1.01. The Bee Storage Yards. City owns or controls certain real property in the City of Woodland, Yolo County, commonly referred to as the following:

APN 027-852-005 – North Side of Water Treatment Plant
APN 027-390-022 – West side of solar panels, 1 mile East of CR 102
APN 042-580-034 – North of County Road 25, ½ mile east of CR 102
APN 042-030-012 – Previous Aero-modelers Site, East of CR 102
APN 027-360-010 – North of East Beamer Street, West of CR 102
APN 057-170-003 – Yolo Bypass, East and West Ends, North of CR 22

City desires to facilitate additional use of said properties to accommodate the Bee Storage yards.

1.02. Purpose. City desires to authorize the use of a portion of several City owned parcels for Bee Storage yards. Accordingly, City desires to grant Licensee a license to allow Licensee to use a portion of Properties for such purpose.

ARTICLE 2. GRANT OF LICENSE; TERM

2.01. Grant of License; Conditions.

A. Grant. City grants to Licensee on the terms and conditions set forth in this Agreement a license (the "Licensee") for use of portions of City owned property as defined above as Bee Storage yards outlined on Exhibit A (the "License Areas"). The License shall include access to the License Areas for Licensee's employees.

B. Restriction on Use of License Area. Licensee shall not use License Areas for any purpose other than the purposes described in Section 2.01.A without the express written consent of City.

C. Permits. Licensee, at Licensee's expense, shall obtain all necessary permits to operate within the License Areas.

D. Compliance with Law. Licensee shall conduct all activities in the License Areas in compliance with all laws.

2.02. Term.

A. Initial Term. Subject to the termination provisions in Article 5, the initial term of the License ("Initial Term") shall begin (the "**Commencement Date**") on ________________, and shall expire (the "**Expiration Date**") on the first anniversary of the Commencement Date.

B. Term. One year with an option to extend per Section 2.02.C. City retains the right to revoke License Agreement due to failure to perform under conditions of Agreement. City has unilateral right to also cancel or amend the Agreement upon 30-day notice if License Agreement conflicts with City's need to maintain or desire to make improvements or otherwise redevelop its properties.

C. Options to Extend. Provided that City and Licensee have agreed on the License Fee for any extended term as provided in Section 3.01.B, Licensee is given the option to extend the Initial Term on all of the provisions contained in this License Agreement, except for rent, for up to (5) one-year terms (the "Extended Terms") following expiration of the Initial Term, by giving notice of exercise of the option ("option notice") to City at least one month but not more than three months before the expiration of the Initial or any Extended Term. Provided that, if Licensee is in default on the date of giving the option notice, the option notice shall be totally ineffective, or if Licensee is in default on the date the Extended Term is to commence, the Extended Term shall not commence and the License shall expire at the end of the Initial Term.

ARTICLE 3. LICENSE FEE; OTHER COSTS, CONDITIONS AND OBLIGATIONS

3.01. License Fee.

A. License Fee. Licensee shall pay to City an annual fee of $5,000 for the Initial Term, payable upon execution of License Agreement. Licensee and City shall meet and confer regarding the License Fee for the extended term no later than 30 days prior to the expiration of the initial term.

B. Fee for Extended Terms. After Licensee gives City an option notice for an Extended Term, City and Licensee shall meet and confer regarding the License Fee to be paid by Licensee for the Extended Term. If the parties are unable to agree on the License Fee to be paid for the Extended Term, the License shall terminate at the end of the then-current Term.

3.02. Maintenance. Licensee shall maintain keep clean the License Areas for the duration of the Agreement. Licensee shall return the premises to the same condition as when areas were originally leased upon termination of Agreement.

3.03. Hazardous Materials. For purposes of this section, "Hazardous Materials" shall mean any substances or materials classified as hazardous materials, hazardous substances, hazardous waste or toxic waste under any federal, state or local statute, regulation or ordinance, including, but not limited to, any petroleum products and agricultural chemicals used as pesticides or herbicides. Licensee shall not, and shall not permit any third party to use any Hazardous Materials on the License Areas. Licensee, at Licensee's sole expense, shall conduct any and all investigation and remediation required to remove any Hazardous Materials released in violation of this section.

ARTICLE 4. INDEMNITY; INSURANCE

4.01. Indemnity. Licensee shall indemnify, defend and save City harmless from and against any and all claims, demands, actions, damages, liability and expenses (including reasonable attorneys' fees and costs of investigation with respect to any claim, demand or action) in connection with loss of life, personal injury and/or damage to property arising from or connected with the activities conducted by Licensee, its contractors, employees or agents on the Plaza pursuant to this Agreement, or from any breach or default on the part of Licensee in the performance of any covenant or agreement on the part of Licensee to be performed pursuant to this Agreement.

4.02. Liability Insurance. Licensee shall procure and maintain from the date Licensee begins using the License Areas and continuing during the term of this Agreement, at its sole cost and expense, a policy or policies of commercial general liability insurance relating to the activities to be conducted by Licensee pursuant to this Agreement. Such insurance shall include broad form contractual liability insurance coverage insuring all of Licensee's indemnity obligations under this Agreement. Such coverage shall have a minimum combined single limit of liability of at least $1 Million and a general aggregate limit of at least $1Million. All such policies shall be written to apply to all bodily injury, property damage, personal injury and other covered loss however occasioned occurring during the policy term and shall be endorsed to add City as additionally insured, to provide that such coverage shall be primary and that any insurance maintained by City shall be excess insurance only.

Licensee shall also maintain worker's compensation insurance in accordance with California law and employer's liability insurance with a limit of no less than $1 Million per employee and $1Million per occurrence.

4.03. Forms of Policies; Deductibles. All insurance policies required by this Article shall provide for severability of interests; shall provide that an act or omission of one of the named or additional insureds; and shall afford coverage for all claims based on acts, omissions, injury and damage, which claims occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. All insurance policies required to be carried under this Article shall be (a) written by companies rated A-7 or better in Best's Insurance Guide and authorized to do business in California, and (b) name City (and mortgagees and any other persons reasonably designated by City) as additional insureds. Any deductible amounts in excess of $1,000 under any insurance policies required to be carried by Licensee by this Article shall be subject to City's prior written approval. Licensee shall be responsible for any such deductible amount, so that so far as City is concerned, it will be as if the insurance had no deductible.

4.04. Insurance Certificates; Failure to Deliver. Licensee shall furnish City prior to the Commencement Date, and thereafter within 30 days prior to the expiration of each such policy, a certificate of insurance issued by the insurance carrier of each policy of insurance carried hereunder. The certificates shall expressly provide that the policies shall not be cancelable or subject to reduction of coverage or otherwise be subject to modification except after 30 days prior written notice to City. If

Licensee shall fail to procure such insurance or to deliver such certificates, City may, at its option, and in addition to City's other remedies in the event of a default of Licensee under this Agreement, procure the same for the account of Licensee, and the cost thereof shall be paid to City as additional License Fee.

ARTICLE 5. TERMINATION

5.01. Voluntary Termination by Licensee. Licensee may voluntarily terminate this Agreement by giving 30 days notice of such termination to City.

ARTICLE 6. MISCELLANEOUS

6.01. Assignment. Licensee may not assign Licensee's right under this Agreement.

6.02. Integration. This Agreement contains the entire agreement between the parties with respect to Licensee's rights on the Bee Storage yards. Should any provision be held unenforceable, the remainder of this Agreement shall be binding and enforceable.

6.03. Modification; Waiver. Changes or modifications to this Agreement may be made by mutual written agreement of the parties. No change or modification shall be effective unless in writing executed by the parties. No waiver shall be deemed given unless in writing, and one waiver shall not constitute a subsequent waiver.

6.04. Attorneys' Fees. In the event that any action or proceeding is brought to enforce any provision of this Agreement, the prevailing party in such action or proceeding shall be entitled to reasonable attorney's fees and reimbursement of all other costs and expenses.

6.05. Notices. All notices, requests, demands and other communications given or required to be given hereunder shall be in writing and personally delivered or sent by nationally recognized courier service such as Fed Ex or United States registered or certified mail with return receipt requested, duly addressed to the parties as follows:

CITY: City of Woodland
Attn: Ken Hiatt
Assistance City Manager/Economic & Community Development Director
300 First Street
Woodland, Ca 95695

LICENSEE: BZ-Bee Pollination, Inc.
P.O. Box 699
Esparto, CA 95627

Delivery of any notice or other communication hereunder shall be deemed made on the date personally delivered or the date indicated in the return receipt or courier's records as the date of the delivery or first attempted delivery to the address of the addressee set forth above. Any party may change its address for purposes of this section by giving notice to the other party as provided in this section.

6.06. Applicable Law. This Agreement shall be governed by the laws of the State of California.

CITY:

CITY OF WOODLAND

Date signed:________________ By ____

Paul Navazio

City Manager

APPROVED AS TO FORM:

____

City Attorney

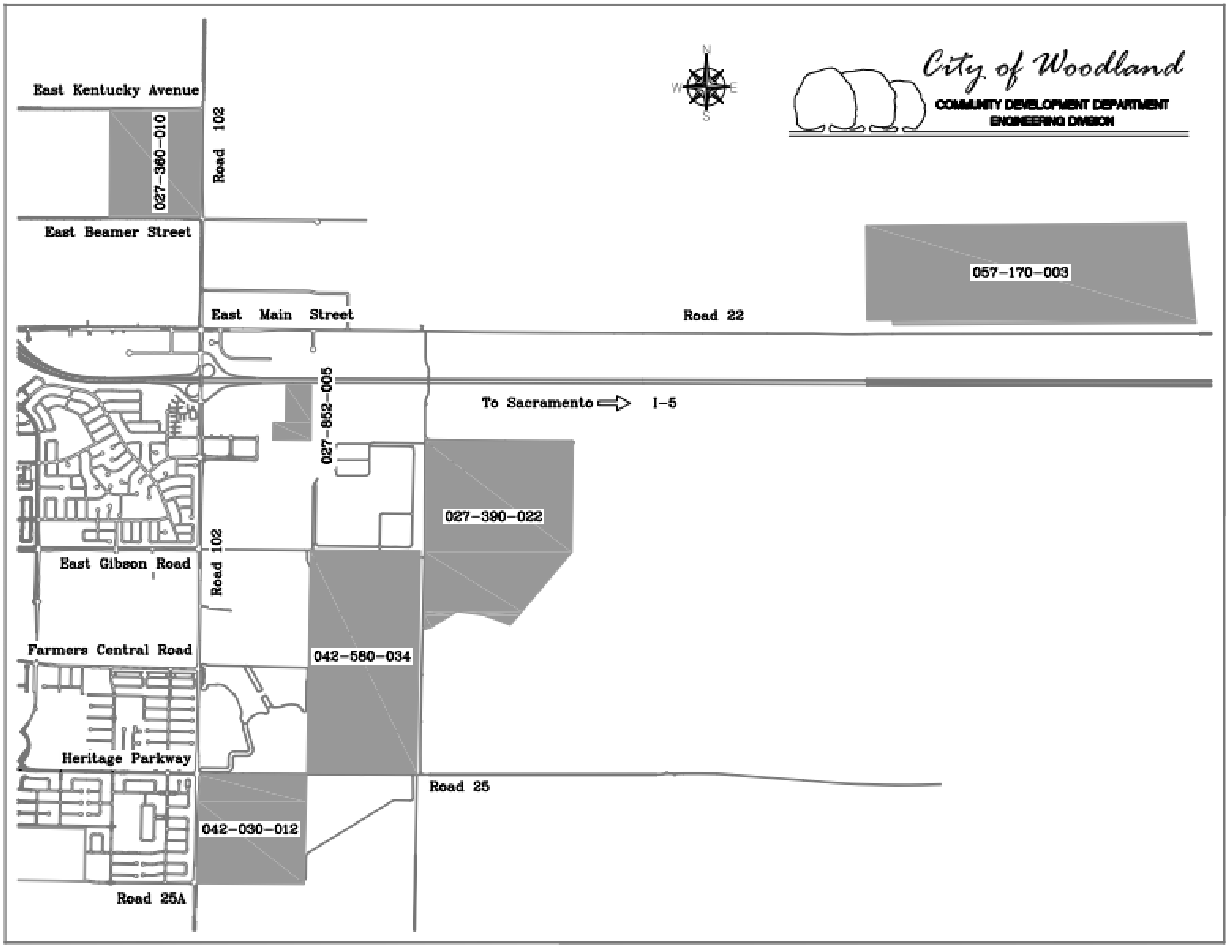
-AND-

LICENSEE:

Dated:______________________________ By:____

Name, Owner

EXHIBIT A
Location of Bee Storage Yards



TO:	THE HONORABLE MAYOR AND CITY COUNCIL
DATE:	November 21, 2017
ITEM #:	10.
SUBJECT:	Support for Countywide Yolo Government Accountability and Transparency Program

Recommendation for Action:
Staff recommends that the City Council endorse LAFCO-initiated Government Accountability and Transparency Initiatives to include:
1) Adoption of Yolo Local Government Accountability and Transparency Program Statement
2) Request Yolo LAFCo to Conduct Municipal Service Reviews for Selected Types of Joint Powers Authorities/Agencies; and
3) Implement a Web Transparency Scorecard Process for Local Government Agencies.

Staff Contact:
Paul Navazio, City Manager, (530) 661-5800, paul.navazio@cityofwoodland.org

Fiscal Impact:
None. Program next steps to be implemented by city/county managers, city/county website staff and LAFCo are anticipated to be handled with existing staff resources.

Background:
For several years, city and County leaders have explored consolidation of the numerous JPAs countywide under some "umbrella" oversight structure. This idea goes back to at least 1995, when city/county managers issued a white paper analyzing the benefits and costs of JPA consolidation. More recently, Yolo LAFCo was tasked with creating such a structure but efforts have resulted in limited success for various reasons. Therefore, at LAFCo's Shared Services Workshop on February 23, 2017, which included most of the city/county managers and at least one elected official from each city and Yolo County, the conversation shifted from consolidated governance to coordinated oversight.

In order to achieve the shared goals of oversight, accountability, transparency, and shared services, the outcomes of the Shared Services Workshop included two new special projects for LAFCo:

- Conducting Municipal Service Reviews (MSRs) of selected types of JPAs (which occur once every five years on a schedule adopted by the Commission); and
- Completing a Web Transparency Scorecard for the County, cities, JPAs and special districts (modeled after one completed by the Marin County Grand Jury in 2015/16).

Yolo County, as well of each of the cities within the County have been asked to adopt and support this LAFCO-led initiative. The City of Davis endorsed this program at its meeting of October 17th, the City of West Sacramento at their meeting of November 1st, and both the Yolo County Board of Supervisors and the City of Winters endorsed the program at their meetings of November 7th.

Discussion:
Yolo Accountability and Transparency Program
Attached is a vision, goals, and implementation approach that includes both the MSRs for Selected Types of JPAs and the Web Transparency Scorecard for agency endorsement and LAFCo implementation.

A JPA "best practices" framework is also included which lists criteria for creating any new JPAs, budget integration with funding agencies, and determining city/county manager liaison assignments to each JPA. It is recommended that each agency adopt this shared vision as a model for transparency and accountability in local governmental agencies.

MSRs of Selected Types of JPAs
Under the proposed action, LAFCo will apply the existing MSR framework already used for cities/special districts to selected types of JPAs. MSRs include standard determinations in seven areas: growth and population effects on agency services; services that could assist disadvantaged unincorporated communities; capacity and adequacy of services; financial ability to provide services; the status and opportunities for shared services; and agency accountability and structural/operational efficiencies.

The JPAs being considered are ones that either: (1) provide municipal services, (2) have their own staff, and/or (3) have JPA boards comprised of staff. These JPAs would be subject to a LAFCo MSR every five years. The JPAs that fall into these categories currently include:

1. Valley Clean Energy Alliance
2. West Sacramento Area Flood Control Agency
3. Woodland-Davis Clean Water Agency
4. Yolo County Public Agency Risk Management Insurance Authority
5. Yolo Emergency Communications Agency
6. Yolo Habitat Conservancy
7. Yolo Subbasin Groundwater Agency

However, because LAFCo does not have direct oversight responsibility over JPAs, it was suggested that the cities and County first endorse these initiatives to make it clear that LAFCo would undertake this effort at the "member" agencies' request. Each JPA was also provided an opportunity to provide input/comments. On May 22, 2017 LAFCo staff sent a letter to each of the seven JPA executive directors requesting feedback on the proposal that LAFCo begin conducting MSRs of his/her JPA. Feedback was provided to LAFCo staff either by conversation with the executive director, meeting with the board, or via letter.

Web Transparency Scorecard
Another tool to promote transparency and accountability is a web transparency scorecard, which would be modeled after one completed by the Marin County Grand Jury in 2015/16. The proposal is that this scorecard would review the websites of the County, cities, JPAs and special districts in the county using a pre-determined checklist of information. This scorecard could also provide quickly understandable information regarding the basic elements of good governance of an agency/organization.

It also should be noted that based on LAFCo staff's initial review of independent special district websites, 75% of them currently do not have websites. And many of the 24 JPAs also do not have a website or webpage on the member agency's site. Therefore, an initial hurdle of this process will be helping local agencies establish a website presence.

Conclusion:
Upon adoption and endorsement from each city council and Yolo County Board of Supervisors, LAFCo will incorporate these new reports into its annual work plan. The Program also suggests the city/county managers begin providing a budget preparation memo to the JPAs annually to improve budget integration with the City/County funding agencies.

Prepared By: Paul Navazio, City Manager

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Attachment 1 Yolo Local Government Accountability and Transparency Program	11/16/2017	Backup Material
Attachment 2 MSR Issue Summary	11/16/2017	Backup Material
Attachment 3 Types of JPAs Countywide	11/16/2017	Backup Material
Attachment 4 Marin Web Transparency Scorecard Excerpted	11/16/2017	Backup Material

Yolo Local Government

Transparency and Accountability Program

VISION

Our vision is to promote open government and transparency for government agencies countywide (cities, County, special districts, and joint powers authorities), thereby fostering public trust and accountability. We will achieve this by:

- Requesting that LAFCo add selected types of joint powers authorities/agencies to its municipal service review process already conducted with the cities and special districts.
- Supporting LAFCo to develop a scorecard measuring local agency website transparency, performed on a regular basis.
- Agreement to a common checklist of information used to measure the level of transparency in local agency websites.
- Ensuring that city/county websites are a model for other local government agencies to follow.
- Encouraging local special districts and JPAs to create a web presence if they do not already have one.

GOALS

The agencies seek to improve:

- Transparency and accountability.
- Oversight.
- Service delivery and efficiency.
- Coordination among agencies.
- Public understanding of local government.
- Good governance by creating a standard of basic elements for a well-run governmental organization (annual budget, CIP, audits, etc.).

VALUES

TRUST AND INTEGRITY which the agencies will demonstrate by following through on their commitments, duties, and responsibilities.

OPEN, HONEST, AND CLEAR COMMUNICATION within each organization, between agencies and with the public.

FISCAL ACCOUNTABILITY as demonstrated by making budgets, financial practices, compensation, and audits available to the public.

PROMOTING AWARENESS of local government by promoting a website presence that describes the agency's reason for existing, a description of services it provides, and the area it provides services to.

ENCOURAGING UNDERSTANDING of where tax dollars go and how to easily contact board members and agency management.

CIVIC RESPONSIBILITY through access to board meeting schedules, agendas and minutes so the public can more easily attend board meetings and become involved.

TRANSPARENCY to respond to the growing movement to make governmental information available and searchable online.

REPRESENTATION to inform the public regarding board members (names, contact information and terms of office) and their election/appointment process.

JPA/SHARED PROGRAMS FINANCIAL BEST PRACTICES

City/County managers will determine assignments to each JPA/Shared Programs for liaison/oversight purposes. Shared programs include programs that are funded via city/county cost sharing, e.g. Yolo County Animal Services, Office of Emergency Services, West Valley Fire Training Consortium, etc.

Budget integration between JPAs/Shared programs and "member" agencies that fund them will be improved by implementation of the following process performed annually:

- City/County managers will prepare a consolidated summary-level budget preparation memo for the JPAs and other shared programs that require city/County funding. The memo should convey the budget stance for the upcoming fiscal year, plus a longer range outlook. The intent is to create JPA alignment with the cities/County budget stance and mirror agency cycles of budget reductions or growth.
- City/County managers may schedule budget workshops with the JPAs and shared programs each year around the March timeframe or as appropriate.
- JPAs and other shared programs are requested to provide draft budgets for funding agencies' executive manager review by May and final adopted budgets no later than June 15th of each year for integration into each funding agency's budget.

Formation of any new JPAs or shared programs should only be considered when the following criteria are met.[1] The proposed JPA/shared program:

- Will demonstrate cost reduction.
- Is more efficient.
- Will reduce or eliminate overlapping services.
- Will result in the sharing of resources.

JPA agreements should include common policies supporting JPA funds to be held in the County Treasury (as appropriate), open government, and transparency.

[1] Governments Working Together, A Citizen's Guide to Joint Powers Agreements, California State Legislature, Senate Local Government Committee, August 2007

PROGRAM IMPLEMENTATION – MUNICIPAL SERVICE REVIEWS OF SELECTED TYPES OF JPAs

The Cities/County request that LAFCo conduct Municipal Service Reviews every five years of selected types of JPAs whose service area is mostly within the county and includes: (1) JPAs that provide municipal services; (2) JPAs that employ staff; and/or (3) JPAs with boards comprised of agency staff. New JPAs may be created in the future and added to this list, but currently those JPAs include:

1. Valley Clean Energy Alliance
2. West Sacramento Area Flood Control Agency
3. Woodland-Davis Clean Water Agency
4. Yolo County Public Agency Risk Management Insurance Authority
5. Yolo Emergency Communications Agency
6. Yolo Habitat Conservancy
7. Yolo Subbasin Groundwater Agency

LAFCo steps to complete Municipal Service Reviews on a five-year cycle of these JPAs include:

- Compiling publicly and readily available information.
- Requesting any additional information from the JPA, minimizing JPA staff time.
- Developing JPA recommendations regarding each of the seven standard MSR determinations.
- Completing an administrative draft report for preview by JPA management.
- Responding to any comments and preparing a draft report available for public review.
- Publishing a hearing notice for public review and comment of the draft MSR.
- Adopting the MSR at a public hearing, finalizing the report, and posting it online.
- Sharing MSR findings with city/county managers, including any cumulative recommendations on ways to streamline and improve efficiencies with the governance structures countywide.

PROGRAM IMPLEMENTATION - WEBSITE TRANSPARENCY SCORECARD

A website transparency scorecard will be prepared by LAFCo on a regular basis involving the following steps:

- Creating list of cities, County, JPAs and special districts
- Encouraging local JPAs and special districts to establish websites and assist them, if desired
- LAFCo conducts preliminary review of agency websites
- LAFCo shares preliminary results with each agency to provide an opportunity for improvement

- LAFCo conducts follow up review
- The agency scorecard is finalized, adopted by the LAFCo Commission, shared with local agencies, and posted online

AGENCY WEB TRANSPARENCY CHECKLIST[2]

The scorecard will be based on the following criteria:

1. Overview
    a. Mission Statement: What is the agency's reason for existing?
    b. Description of services/functions: What actions does the agency undertake and what services does the agency provide?
    c. Boundary of service area: What specific area does the agency serve?
2. Budget
    a. Budget for current fiscal year and three years prior to the current year.
    b. Financial reserves policy: What is the agency's policy for designated reserves and reserve funds? (The policy should be in the agency policy manual but also may be restated and found in the budget or audit reports).
3. Meetings
    a. Board meeting schedule: When and where specifically does the agency meet?
    b. Archive of Board meeting agendas & minutes for at least the last 6 months: Both approved minutes and past agendas
4. Elected & Appointed Officials
    a. Board members (names, contact info, terms of office, compensation, and biography): Who specifically represents the public on the Board? How can the public contact them? When were they elected (or appointed)? How much do they earn in this role (as required by Assembly Bill 2040 effective January 1, 2015)? What background about the members illustrates their expertise for serving on the Board?
    b. Election procedure and deadlines: If the public wishes to apply to be on the Board, how and when can they do so?
    c. Reimbursement and compensation policy: Which (if any) expenses incurred by the Board are reimbursed? Do the Board members receive compensation?

[2] 2015-16 Web Transparency Report Card, Marin County Civil Grand Jury, March 17, 2016

5. Administrative Officials
    a. General manager and key staff (names, contact info, compensation, and benefits): Who specifically runs the agency on a day-to-day basis? How can the public contact them? How much do they earn in this role (as required by Assembly Bill 2040 effective January 1, 2015)? What specific benefits are they eligible for (healthcare, retirement plan, educational benefits, etc.)?
6. Audits
    a. Current financial audit
    b. Financial audits for the three years prior to the current year
    c. Most recent annual financial report provided to the State Controller's Office, or a link to this information
    d. Most recent LAFCo Municipal Service Review, if applicable
7. Contracts
    a. Current request for proposal and bidding opportunities (over $25,000 in value)
    b. Instructions on how to submit a bid or proposal
    c. Approved in force vendor contracts (over $25,000 value)
8. Public Records
    a. Online/downloadable Public Records Act (or FOIA) request form: What is the best way for the public to request public records?
9. Revenue Sources
    a. Summary of fees received: fees for services, if any
    b. Summary of revenue sources: bonds, taxes, loans and/or grants
10. Agency Specific Criteria
    a. Municipalities: Total number of lobbyists employed and total spent on lobbying, downloadable permit applications, and zoning ordinances
    b. Special Districts: Authorizing statute/enabling act (Principal Act or Special Act), board member ethics training certificates, link to the LAFCo website and any state agency providing oversight
    c. Joint Powers Authorities: A copy of the joint powers agreement as filed and adopted (with any updates)

Yolo Local Agency Formation Commission: Municipal Service Review (MSR) Determinations and Issue Summary

The Yolo Local Agency Formation Commission (LAFCo) is mandated by California law in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) to conduct a Municipal Service Review for each of Yolo County's local municipalities, service areas, and special districts once every five years.

The purpose of a Municipal Services Review (MSR) is to provide a comprehensive inventory and analysis of the services provided by local agencies and their capacity/financial ability to continue doing so. An MSR evaluates the structure and operation of the local agencies and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update, if needed. The CKH Act mandates that each MSR make determinations on seven topics, as described below.

1. GROWTH AND POPULATION:

Growth and population projections for the affected area

a) Is the agency's territory or surrounding area expected to experience any significant population change or development growth over the next 5-10 years?

b) Will development have an impact on the subject agency's service needs and demands?

c) Will projected growth require a change in the agency's service boundary?

2. DISADVANTAGED UNINCORPORATED COMMUNTIIES:

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?

b) If yes, are there any "inhabited unincorporated communities" (per adopted Commission policy) within or adjacent to the subject agency's sphere of influence that are considered "disadvantaged" (80% or less of the statewide median household income) (if "no" to a), this question may be skipped)?

c) If "yes" to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if "no" to either a) or b), this question may be skipped)?

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES:

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory (also note number of staff and/or contracts that provide services)?

b) Are there any issues regarding the agency's capacity to meet the service demand of reasonably foreseeable future growth (i.e. is there a plan for additional staff or expertise if necessary)?

c) Are there any concerns regarding public services provided by the agency being considered adequate (i.e. verified complaints or data indicators)?

d) Are there any significant infrastructure needs or deficiencies to be addressed for which the agency has not yet appropriately planned (including deficiencies created by new state regulations)?

e) If the agency provides water, wastewater, flood protection or fire protection services, is the agency considering climate adaptation in its assessment of infrastructure/service needs?

f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's SOI?

4. FINANCIAL ABILITY:

Financial ability of agencies to provide services.

a) Does the organization engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, using up its fund balance or reserve over time, or adopting its budget late?

b) Is there an issue with the organization's revenue sources being reliable? For example, is a large percentage of revenue coming from grants or one-time/short-term sources?

c) Is the organization's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?

d) Is the organization in need of written financial policies that ensure its continued financial accountability and stability?

e) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?

f) Is the organization needing additional reserve to protect against unexpected events or upcoming significant costs?

g) Is the organization's debt at an unmanageable level?

h) Does the agency have pension and/or other post-employment benefit (OPEB) liability? If so, what is it the liability and are there any concerns that it is unmanageable?

5. SHARED SERVICES AND FACILITES:

Status of, and opportunities for, shared facilities.

a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.

b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?

c) Are there any recommendations to improve staffing efficiencies or other operational efficiencies?

6. ACCOUNTABIILTY, STRUCTURE, AND EFFICIENCIES:

Accountability for community service needs, including governmental structure and operational efficiencies.

a) Are there any issues with meetings being accessible and well-publicized? Any failures to comply with disclosure laws and the Brown Act?

b) Are there any issues with filling board vacancies and maintaining board members? Is there a lack of board member training regarding the organization's program requirements and financial management?

c) Are there any issues with staff turnover or operational efficiencies? Is there a lack of staff member training regarding the organization's program requirements and financial management?

d) Are there any issues with independent audits being performed on a regular schedule? Are completed audits being provided to the State Controller's Office and County Director of Financial Services within 12 months of the end of the fiscal year(s) under examination? Are there any corrective action plans to follow up on?

e) Does the organization need to improve its public transparency via a website? [A website should contain at a minimum the following information: organization mission/description/boundary, board members, staff, meeting schedule/agendas/minutes, budget, revenue sources including fees for services (if applicable), and audit reports.]

f) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?

g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?

7. OTHER ISSUES:

Any other matter related to effective or efficient service delivery, as required by commission policy.

a) Are there any other service delivery issues that can be resolved in this MSR/SOI process?

Types of JPAs Countywide

JPAs - Extend Beyond Yolo
- Area 4 on Aging
- Cooperative Ag Support Services Authority
- Regional Council of Rural Counties
- Schools Insurance Authority
- Napa-Solano-Yolo-Marin Public Health Labs
- Yolo-Solano AQMD
- SACOG

JPAs - Provide Municipal Services
- West Sac Area Flood Control Agency
- Woodland-Davis Clean Water Agency
- Yolo Emergency Communications Agency
- Yolo Habitat Conservancy
- Valley Clean Energy Alliance
- Groundwater Sustainability Agency

JPAs - W/ Own Staff (in Yolo)
- Woodland-Davis Clean Water Agency
- Yolo Emergency Comunications Agency
- Yolo Habitat Conservancy
- YC Public Agency Risk Management Insurance Authority
- Valley Clean Energy Alliance
- Groundwater Sustainability Agency

JPAs - As Finance Mechanism
- Davis Public Facilities Financing Authority
- Golden State Finance Authority
- River City Regional Stadium Financing Authority
- West Sacramento Financing Authority
- Winters Public Finance Authroity
- Woodland Finance Authority
- Yolo County Public Agencies Financing Authority
- Winters Branch Library Financing Authority

JPAs - Boards Comprised of Staff
- YC Public Agency Risk Management Insurance Authority
- Yolo Emergency Communications Agency
- Cooperative Ag Support Services Authority
- Napa-Solano-Yolo-Marin Public Heath Labs

JPAs - Other
- Yolo County Law Library
- Yolo In-Home Support Services Public Authority
- Conaway Ranch

2015-16 Web Transparency Report Card

Bringing Marin County's Local Governments to Light

SUMMARY

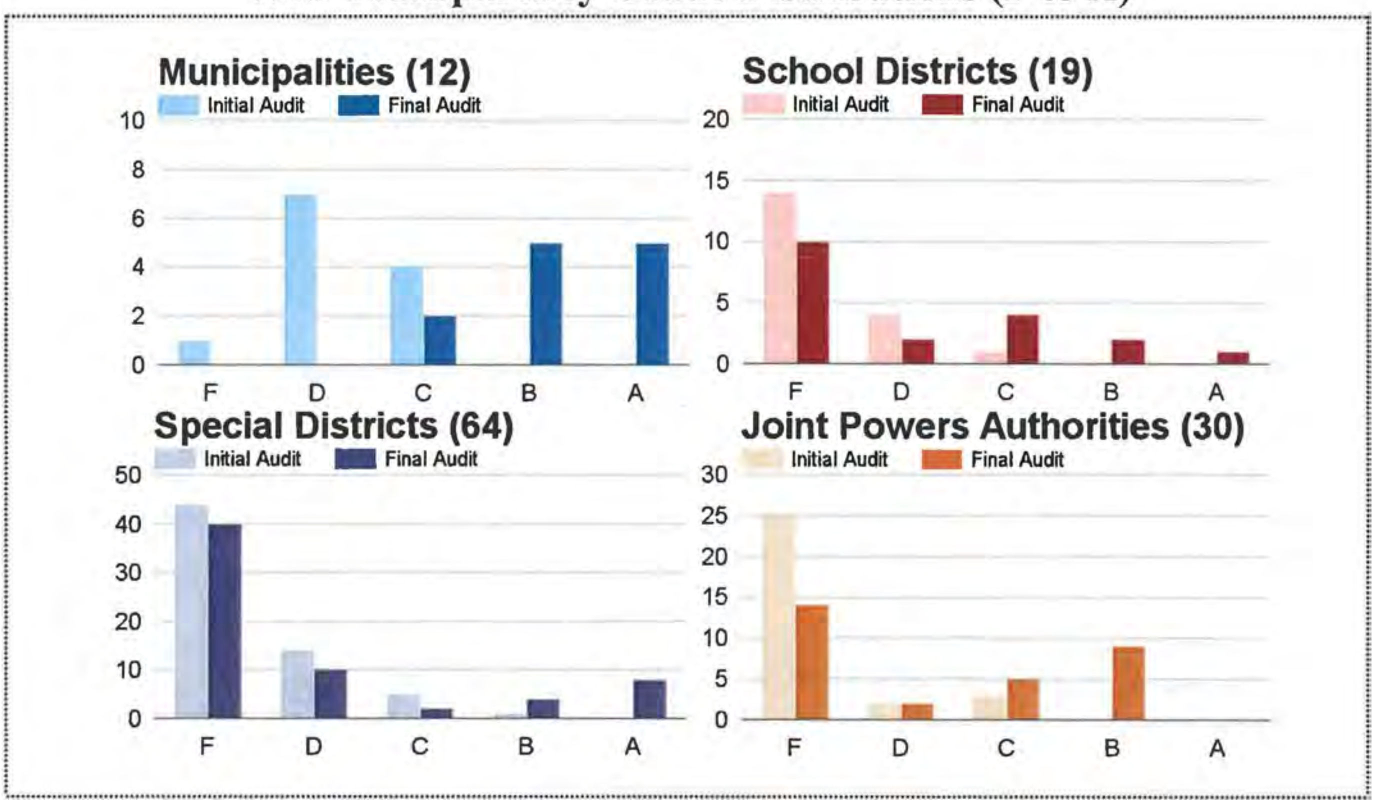
How important are government websites? In April 2015, the Pew Research Center reported[1] that "65% of Americans in the prior 12 months have used the internet to find data or information pertaining to government". Between October 2015 and January 2016, the Marin County Civil Grand Jury audited local government agencies' websites to evaluate the quality of online information such as budgets, audits and board member information. We found serious deficiencies. The Grand Jury provided each agency with our preliminary audits and described our approach. All agencies were offered the opportunity to improve their websites for a final audit. Many websites significantly improved, while others remained deficient. This audit report provides transparency improvement recommendations for Marin local agency websites.

126 local agencies were audited: 12 municipalities, 19 school districts, 64 special districts, 30 joint powers authorities (JPAs), and 1 rail district.

59 local agencies improved their websites, and 34 received a grade of B- or better.

27 local agencies have no website: 19 special districts and 8 joint powers authorities (JPAs).

Web Transparency Grade Distributions (F to A)



[1] http://pewinternet.org/files/2014/10/PI_OpenData_072815.pdf

BACKGROUND

"A lack of transparency results in distrust and a deep sense of insecurity."
— Dalai Lama

Marin residents are likely unaware of all the various agencies that serve them. Their property tax bills list[2] the charges assessed by these local agencies[3]: county, city, school, joint powers authorities, rail districts, special districts, and assessment districts. Appendix A illustrates a sample Marin property tax bill.

Increasing transparency for a local agency makes it easier to understand where tax dollars go. Residents should be able to easily find the description of services provided, the names and contact information of board members and management, the budget, agendas and minutes of meetings, and other information. Today, the most common source of information is the Internet. Compared with other information sources (i.e., phone calls or emails), online searching is often faster, more detailed, always accessible and anonymous.

An effective website presence can also benefit an agency. In the study, *Smarter eGovernment: The Economics of Online Services in Utah* (sponsored by the National Information Consortium[4]), the Center for Public Policy and Administration at the University of Utah found that Utah was able to save a total of $46 million in the period of 2007-2011 by making traditionally "offline" (in-office) services available online.

State law requires transparency: The Ralph M. Brown Act (public meetings), The California Public Records Act (record keeping), California Fair Political Practices Reporting Requirements (economic interests), and financial reporting. While there is currently no requirement for an agency to have a website, there has been a growing movement to make governmental information available online (the "Open Data" movement). In 2013, President Obama signed an executive order "...that made open and machine-readable data the new default for government information"[5], which launched Project Open Data. In 2014, Governor Brown signed Assembly Bill (AB) 2040[6] requiring all local agencies that maintain websites to conspicuously post the annual compensation of its elected officials, officers, and employees. And in 2015, Governor Brown signed Assembly Bill (AB) 169[7] and Senate Bill (SB) 272[8]

[2] The paper tax bill lists a *subset* of, while an online viewable bill on the County of Marin's Assessor's webpage (http://www.marincounty.org/depts/ar/divisions/assessor/search-assessor-records) details *all* the legal charges.
[3] See glossary for definitions of agency types.
[4] egov.com
[5] https://www.whitehouse.gov/open
[6] http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201320140AB2040
[7] https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB169
[8] http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160SB272

requiring all local agencies that maintain websites (except for school districts[9]) to make more of their information publicly available and searchable online.

Around the United States, several well-respected organizations have developed web transparency checklists for public agencies[10]. When the Grand Jury examined these checklists, we found items that either did not apply to California agencies or only applied to a specific type of agency. We decided to combine the best of each of these lists to create a single list of nine criteria that could apply to all Marin agencies, and added a tenth agency-specific criterion:

Web Transparency Checklist Criteria

1. **Overview**
   - Mission Statement: *What is the agency's reason for existing?*
   - Description of services/functions: *What actions does the agency undertake and what services does the agency provide?*
   - Boundary of service area: *What specific area does the agency serve?*
2. **Budget**
   - Budget for current fiscal year
   - Budget for the three years prior to the current year
   - Financial reserves policy: *What is the agency's policy for designated reserves and reserve funds? (The policy should be in the agency policy manual but also may be restated and found in the budget or audit reports)*
3. **Meetings**
   - Board meeting schedule: *When specifically does the agency meet?*
   - Archive of Board meeting agendas & minutes for at least the last 6 months: *Both approved minutes and past agendas*
4. **Elected & Appointed Officials**
   - Board members (names, contact info, terms of office, compensation, and biography): *Who specifically represents the public on the Board? How can the public contact them? When were they elected (or appointed)? How much do they earn in this role (as required by Assembly Bill 2040 – in effect since January 1, 2015)? What background about the members illustrates their expertise for serving on the Board?*
   - Election procedure and deadlines: *If the public wishes to apply to be on the Board, how and when can they do so?*
   - Reimbursement and compensation policy: *Which (if any) expenses incurred by the Board are reimbursed?*

[9] While these bills excluded school districts, the Grand Jury recognizes schools spend a large amount of tax dollars fulfilling their mission, and parents research their enrollment options using public information.

[10] Sunshine Review (now Ballotpedia) (http://ballotpedia.org/Transparency_checklist), Illinois Policy (https://www.illinoispolicy.org/10-point-transparency-checklist/), Institute for Local Government (http://www.ca-ilg.org/post/local-agency-website-transparency-opportunities), and the Special District Leadership Foundation (http://www.sdlf.org/#!transparency/cl0u)

5. **Administrative Officials**
   - General manager and key staff (names, contact info, compensation, and benefits): *Who specifically runs the agency on a day-to-day basis? How can the public contact them? How much do they earn in this role (as required by Assembly Bill 2040 in effect since January 1, 2015)? What specific benefits are they eligible for (healthcare, retirement plan, educational benefits, etc.)?*
6. **Audits**
   - Current financial audit
   - Financial audits for the three years prior to the current year
7. **Contracts**
   - Current requests for proposals and bidding opportunities (over $25,000 in value)
   - Instructions on how to submit a bid or proposal
   - Approved in force vendor contracts (over $25,000 in value)
8. **Public Records**
   - Online/downloadable Public Records Act (or FOIA) request form: *What is the best way for the public to request public records?*
9. **Revenue Sources**
   - Summary of fees received: *fees-for-services (if any)?*
   - Summary of revenue sources: *bonds, taxes, and/or grants?*
10. **Other (Agency Specific Criterion)**
    - **Municipalities**: Total number of lobbyists employed and total spent on lobbying, downloadable permit applications, and zoning ordinances
    - **School Districts**:
      i. **For K-12**: School Accountability Report Card (SARC), California Assessment of Student Performance and Progress (CAASPP), and the California Healthy Kids Survey (CHKS)
      ii. **For College**: California Community Colleges Student Success Scorecard
    - **Special Districts**: Authorizing statute/enabling act (Principal Act or Special Act) <u>and</u> board member ethics training certificates
    - **Rail Districts**: A copy of the Governing Documentation: *As enacted by Congress*
    - **JPAs**: A copy of the Joint Powers Agreement: *As filed and adopted*

METHODOLOGY

Each agency's website was visited and each checklist item was validated for ease of access.

However, the first problem the Grand Jury encountered was that there was no single comprehensive list of agencies in Marin County. The Grand Jury found the following lists:

- *Special Districts In Marin 2015* (Marin County Department of Finance)[11]
- *Index of Boards and Commissions* (Marin County Board of Supervisors)[12]
- Marin School District Websites (Marin County of Education)[13]
- *Directory of Local Marin County Governments* (Marin LAFCO)[14]
- *What Are Special Districts and Why Do They Matter?* (Marin County Civil Grand Jury)[15]
- *Roster of Public Agencies* (Marin County Clerk)[16]

These lists were inconsistent, incomplete and/or out-of-date. The Grand Jury worked with the Marin County Department of Finance to create an up-to-date comprehensive list of agencies[17] and their contact information (see Appendix B). Specifically not included in the list of Marin-based agencies are a number of *regional* agencies that are funded *in part* by Marin taxpayers, including:

- Association of Bay Area Governments
- Bay Area Air Quality Management District
- Golden Gate Bridge, Highway & Transportation District
- Local Agency Formation Commission
- Metropolitan Transportation Commission
- National Association of Counties
- North Bay Watershed Association
- North Coast Railroad Authority

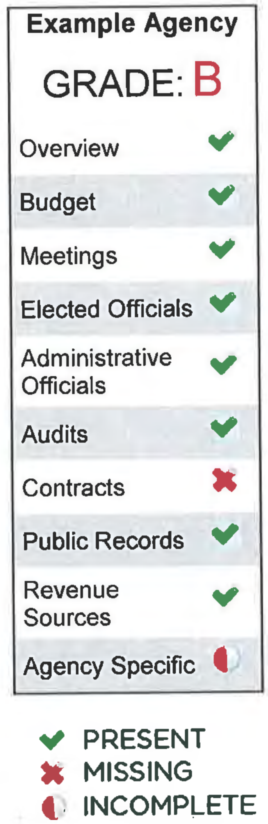
For transparency and ease of use, detailed information about each agency should be found with a few "clicks." Information that is buried in an agency's board minutes or on *other* websites not available in-a-click from the agency's website is not in the spirit of transparency. Long and complex PDF (Portable Document Format) documents, such as a budget or an audit report, must be text-searchable, and not simply a picture of a page of text, to easily find specific details.

[11] http:// marincounty.org/depts/df/special-districts
[12] http://apps.marincounty.org/bosboardsandcomm/default.aspx
[13] http:// marinschools.org/MCOE/District-Sites/Pages/default.aspx
[14] http://lafco.marin.org/index.php/directory-list
[15] http://.marincounty.org/~/media/files/departments/gj/reports-responses/2013/spd_master_list_report.pdf
[16] California Government Code §53051 requires public agencies to file a Statement of Facts within 70 days after the commencement of its legal existence. See Appendix C for the current State of California Statement of Facts.
[17] It is quite likely that our search for Marin public agencies will still not uncover all of the agencies, due to inconsistent self-reporting to the California State Controller.

Using the agency-specific checklist, the Grand Jury assigned a minimum of two auditors to independently review each website to ensure audit correctness:

- Appendix D: Web Transparency Checklist for Marin Cities, Towns, and County
- Appendix E: Web Transparency Checklist for Marin School Districts
- Appendix F: Web Transparency Checklist for Marin Special Districts
- Appendix G: Web Transparency Checklist for Rail Districts
- Appendix H: Web Transparency Checklist for Marin Joint Powers Authorities (JPAs)

After completing the preliminary audit, the Grand Jury then shared with each agency a description of the audit process and the agency's audit results. Agencies that chose to improve their website could complete an online self-audit form[18], which the Grand Jury utilized in our final follow-up audit. Based on these findings, we then assigned a grade to each agency according to the Sunshine Review's rubric[19] to produce a report card (see example at right).



The scoring rubric grade was determined based on the number of points on the checklist for which the criteria was completely met. If an agency partially met the criteria, no points were awarded (but partially meeting the checklist was denoted with an "incomplete"). A point scale determined the letter grade awarded:

Points	0-2	3	4	5	6	7	8	9	10
Grade	F	D-	D	C-	C	B-	B	A-	A+

In 2013, Sunshine Review[20] calculated average web transparency grades for California counties (B), California cities (B+) and California schools (B). The Grand Jury believes that Marin should be as good as the California averages, and therefore selected B- as the minimum acceptable web transparency grade.

The final scorecards[21] are listed in appendices:

- Appendix I: Marin Cities, Towns, and County Web Transparency Scorecards
- Appendix J: Marin School District Web Transparency Scorecards
- Appendix K: Marin Special District Web Transparency Scorecards
- Appendix L: Marin Rail District Web Transparency Scorecard
- Appendix M: Marin Joint Powers Authority Web Transparency Scorecards

[18] We provided a minimum of one month's time as well as technical support for the self-audit process.
[19] http://ballotpedia.org/Transparency_report_card_%282013%29
[20] Ibid.
[21] Scorecards were tabulated after the October 2015 - January 2016 audits were concluded.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 11.
SUBJECT: PUBLIC HEARING - Zoning Ordinance to Add Commercial Cannabis Uses

Recommendation for Action:
Staff recommends that the City Council:
1. Receive a Report concerning the proposed addition of Article 25-21.6 to the City of Woodland Zoning Code related to commercial cannabis zoning regulations; and
2. Conduct a public hearing; and
3. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations and Business and Professions Code Section 26055(h), as set forth in this Ordinance; and
4. Introduce and waive the first reading of an ordinance adding Article 25-21.6 to the Woodland Municipal Code; and
5. Schedule the second reading for adoption of Ordinance No. _____ for the December 5, 2017 City Council meeting.

Staff Contact:
Cindy A. Norris, Principal Planner, (530) 661-5911, cindy.norris@cityofwoodland.org

Fiscal Impact:
The cost of drafting this Ordinance have been absorbed by the existing General Fund budget. Staff anticipates significant costs, estimated at $300,000 - $600,000, to administer and enforce requirements of the program as proposed. While staff is still reviewing the estimated costs, staff is recommending that the City Council adopt a commercial cannabis permit fee schedule that will cover all costs related to administration and enforcement. In addition, depending on final implementation of a Cannabis Program by the City Council, there is potential for significant revenue through negotiated operating agreements with those applicants that receive Conditional Use Permits.

Report in Brief:
This report presents the proposed draft Zoning Ordinance to add Article 25-21.6 to the City of Woodland Municipal Code to provide regulations concerning commercial cannabis activities in the City of Woodland. The Municipal Code currently does not allow commercial cannabis uses or outdoor cannabis cultivation.

A proposed Zoning Ordinance has been prepared to allow, subject to the granting of a limited number of Conditional Use Permits, commercial cannabis manufacturing, distribution, and testing and research facilities. Additionally, indoor commercial cultivation and medicinal cannabis retailers (non-storefront, delivery-only services) may be permitted when collocated with other allowed commercial cannabis uses.

Only cannabis businesses authorized by the Zoning Ordinance would be allowed to locate in the City, and all other commercial cannabis businesses would be prohibited unless and until authorized by the City Council. The City may choose to amend the amount and type of conditionally permitted uses in the future depending on the extent of impacts and benefits that result from the initial commercial cannabis uses in the City.

Background:

Applicable Law
On June 27, 2017, the Governor signed SB 94, a budget trailer bill that became effective immediately, to consolidate state licensing of medicinal and recreational "adult-use" cannabis businesses into a single regulatory scheme, now titled the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA). The purpose of SB 94 was to, among other things, consolidate the state licensing scheme of commercial cannabis businesses set forth in Proposition 64, approved by the voters on November 8, 2016, with the legislation enacted by the State in 2015 regarding medical cannabis businesses. The distinction between medical and adult-use cannabis remains in the state law (designated by an "M" or an "A" prefix on the license type), but the overall licensing requirements and process is now consolidated to be the same for both medical and adult-use cannabis businesses.

Some jurisdictions in California are adopting zoning ordinances to allow commercial cannabis uses. MAUCRSA establishes up to 19 different categories of state licenses for commercial cannabis, including commercial cultivation, manufacturing, testing, distribution, and dispensary/retail sales. MAUCRSA also authorized the State of California to begin issuing commercial cannabis licenses to entities as of January 1, 2018 if the business activity is also permitted under applicable local (i.e. city) ordinance.

On September 16, 2017, the Governor signed AB 133 into law, which further amended State law regarding commercial cannabis businesses. Of particular significance, AB 133 amended the law to allow operators to conduct multiple and different types of commercial activities on the same physical premises.

Current City Regulations:
On May 1, 2012, the City Council adopted an ordinance that added Article 21.5 to Chapter 25 (Zoning) of the Municipal Code related to medical marijuana cultivation. On September 5, 2017, the City Council adopted amendments to Article 21.5 to:
(a) be consistent with Proposition 64 and provide that any person within the City of Woodland may cultivate cannabis inside of any residence or enclosed and secure secondary structure that meets certain requirements specified in the ordinance; and
(b) prohibit all outdoor cultivation of cannabis.

The Woodland Municipal Code does not currently address or permit commercial cannabis businesses.

Ad Hoc Subcommittees:
Both the Planning Commission and the City Council appointed ad hoc two-member subcommittees. Planning Commissioners Harris and Lizarraga have met with Mayor Angel Barajas and Councilmember Rodriguez several times, with the latest joint meeting occurring on October 5, 2017, and the City Council ad hoc subcommittee additionally meeting on November 9, 2017. The subcommittees concurred with taking a measured and phased approach to regulation of cannabis, seeking to maximize potential benefits to the City while allowing assessment and evaluation of impacts prior to moving forward on potential expanded uses.

Prior Planning Commission and City Council Discussion:
The Planning Commission discussed commercial cannabis at its August 3, 2017 meeting and provided feedback to staff regarding several questions. Responses were varied on each topic, with at least three members stating that they liked the incremental or step approach to allowing commercial cannabis uses.

Consideration for potential commercial cannabis uses were then brought to the City Council for further discussion at the Council's August 22, 2017 meeting. Based on input from both the Planning Commission and City Council and refinement from the Subcommittee, a discussion item went forward to the Council during its October 17, 2017 meeting regarding initial staff recommendations for proposed commercial cannabis uses. The Council generally concurred with the Subcommittee recommendations and provided further direction to staff to consider indoor cultivation on a limited basis, and to potentially allow limited medical cannabis deliveries. The City Council directed staff to prepare a final draft Zoning Ordinance for Planning Commission review and recommendation at its November 2, 2017 meeting.

Planning Commission Recommendation:
On November 2, 2017, at a publicly noticed meeting, the Planning Commission considered the draft Commercial Cannabis Zoning Ordinance prepared by staff. The Planning Commission engaged in thorough discussion of staff's recommendation and the direction of the ad-hoc subcommittees, including the limit on total allowable CUPs and the reasons for limiting retail sales to exclusively deliveries of only medical cannabis. The Planning Commission ultimately recommended on a 4-1-1 vote that Council adopt the Zoning Ordinance with amendments. (See Planning Commission Resolution No. PC 17-09 (Attachment 3). Specifically, the Planning Commission recommended allowing up to two (2) storefront retail dispensaries, thereby increasing the proposed number of allowed Conditional Use Permits to eight (8), rather than six (6), and removing the restriction that cannabis retailers be limited to performing sales exclusively by delivery. (Ayes: Wells, Holt, Lopez, Murphy; Noes: Harris; Absent: Lizarraga; and Abstain: Ortega-Lampkin). A redline version of the Zoning Ordinance, reflecting the ordinance amendments recommended by Planning Commission, is included as Attachment 4.

Vice Chairman Wells additionally expressed concern that a prohibition of retail sales and outdoor cultivation renders the City ineligible for certain State grant funding opportunities. While not a land use and zoning issue, this is briefly discussed under "Fees" below.

Discussion:
Staff, with feedback from the Ad Hoc Cannabis Subcommittees, input from Planning Commission and City Council, participation from interested parties, and based on regulatory review of other jurisdictions, recommends that Council adopt the proposed Commercial Cannabis Zoning Ordinance (Attachment 1) that was presented to the Planning Commission for recommendation (i.e., without Planning Commission's amendments). Staff is recommending that an incremental approach be utilized in order to allow the City to implement the first phase of zoning regulations for commercial cannabis businesses, assess what costs and impacts may result, and to provide the benefit of observing and evaluating effects of implementation of commercial cannabis in other jurisdictions over the next year. The City Council may thereafter amend or modify the zoning ordinance at any time to expand or contract allowed uses, including possible future consideration of storefront retail dispensaries and/or retail sales of adult-use (recreational) cannabis as recommended by Planning Commission. The second critical step in this process, considered as a separate ordinance (also on tonight's agenda), is to develop regulatory guidelines that address business operations and safety requirements for those cannabis businesses authorized by the proposed Commercial Cannabis Zoning Ordinance, including criteria and procedures to evaluate application proposals. The third step will be the determination of fees and permit costs in order to allow appropriate cost recovery. The final element is to set an annual review process for applications as well as a structure and process that will identify when the City will begin accepting applications for consideration and how they shall be evaluated.

Zoning
The following summarizes key provisions in the proposed ordinance:

- Subject to the granting of a CUP, the following commercial cannabis uses will be allowed:
    - Manufacturing;
    - Testing and research facilities;
    - Distribution facilities;
    - Retail deliveries (delivery retail sales to consumers, but no public storefront, and only in conjunction with other commercial cannabis uses); and
    - Indoor cultivation (but only in conjunction with other commercial cannabis uses, limited to 25,000 square feet of building floor area).

- City Council will serve as the final review authority for granting or denying the cannabis CUPs, with recommendation from the Planning Commission;

- Indoor cultivation, manufacturing, testing/research, and distribution uses will allow both medical (M) and adult use/recreation (A) licenses. Retailer delivery uses would be limited to only medical (M) licenses.
- All commercial cannabis businesses would be limited to the Industrial and Light Industrial zones.
- Within the Industrial and Light Industrial Zones, a 600-foot buffer from specified sensitive uses (schools, day care centers, youth centers, public parks), consistent with (but slightly expanded beyond) State Law, will apply to every cannabis use.
- No more than six (6) conditional use permits will be approved in total for all cannabis uses (but multiple cannabis uses may be located on one parcel or site within a single CUP).
- Additional findings and review criteria apply to the CUP approval process in order to allow the city the ability to assess impacts associated with facility size, mix of uses, concentration in an area, and impact on other businesses and surrounding properties.

The purpose of a zoning ordinance is to provide land use controls over certain cannabis uses consistent with State Law. Zoning generally regulates specified uses, where uses may be located, and sets the entitlement process to determine what regulatory body shall consider and approve those uses. All proposed or approved zoning regulations and cannabis uses may be later amended based on further Council direction. All regulatory controls aimed at non-zoning, operational concerns of the business are contained in the separate proposed commercial cannabis regulatory ordinance.

A 600-foot radius buffer from K-12 schools, day cares, and youth centers is provided for in State Law, but does not prohibit a local jurisdiction from adopting a different radius distance from these or other sensitive uses, including parks. In viewing the City's Cannabis Sensitivity Map, there are two areas in the Industrial District that may be impacted by the buffer due to adjacent sensitive uses (See Attachment 2). Staff recommends codifying buffer zones around sensitive areas consistent with State Law.

All commercial cannabis uses would be subject to applicable performance standards already in place in the City's Municipal Code and in the intended Interim Zoning Ordinance for manufacturing, research and development and testing, and distribution uses.

Individual CEQA analysis for commercial cannabis uses will be determined on an individual project basis pursuant to the standard planning review process applicable to conditional uses.

The proposed Ordinance includes the following definitions for types of cannabis uses:

- "*Cannabis Manufacturing*"
- "*Cannabis Laboratories and Research*"
- *"Cannabis Distribution Facility"*
- *"Cannabis Cultivation"*
- *"Cannabis Retailer"*

The definitions of each use are intentionally broad to encompass all potential variations of those types of uses. The restrictions on those uses (for example, limiting cultivation to indoors and subject to floor area restrictions) are contained in subsequent provisions of the Ordinance. This allows more flexibility to amend the restrictions at a future date, without amending the applicable definitions on types of allowed uses.

Use	District Allowed	Zoning Standards
Indoor Commercial Cultivation	Industrial (I) Industrial with Light Industrial Flex Overly (I/LIF)	· Limited, indoor commercial cultivation of cannabis if collocated with manufacturing, distribution or research/testing facilities up to a total cumulative area of 25,000 square feet of floor space on one premises located on same premises as manufacturing, distribution, or research/testing facility (no stand-alone cultivation facility permitted) · Retail (on-site) sales prohibited. · Performance Standards
Manufacturing · Non-Volatile · Volatile	Industrial (I) Industrial with Light Industrial Flex (I/LIF)	· Limited to manufacturing for wholesale distribution for resale; · Retail (on-site) sales prohibited · Performance Standards
Testing, Research and Development	Industrial (I) Industrial with Light Industrial Flex (I/LIF)	· Retail (on-site) sales prohibited · Performance Standards
Distribution	Industrial (I) Industrial with Light Industrial Flex (I/LIF)	· Retail (on-site) sales prohibited · Performance Standards
Retailers (Dispensaries)	Industrial (I) Industrial with Light Industrial Flex (I/LIF)	· Prohibited, except as a delivery-only business providing retail sales of exclusively medical cannabis (no public storefront)

Description of Uses:

Manufacturing

- Non-Volatile Manufacturing

  Includes manufacturing, assembly, blending, infusing, packaging or otherwise making or preparing a cannabis product from raw materials for wholesale distribution. Products are typically ready for use or consumption or may be semi-finished to become a further component for further assembling and packaging. Manufacturing may include distribution of wholesale products from the premises for the purpose of resale and not to consumers. Retail sales are prohibited.
- Volatile Manufacturing

  Includes extraction, refining, or other manufacturing from raw material using hazardous materials in liquid, solid or gas form. Products are typically ready for use or consumption or may be semi-finished to become a further component for further assembling and packaging. Manufacturing may include distribution of wholesale products from the premises for the purpose of resale and not to consumers. Retail sales are prohibited.

The City and State of California have moved forward to develop standards governing plant-based extraction using solvents. The regulations provide for a closed loop system with plan review and inspections to ensure safe operating practices. Staff's understanding is that most problems have occurred at small, unlicensed operations where improper safety measures were taken, resulting in explosions and fires.

The proposed ordinance permits both Volatile and Non-Volatile Manufacturing subject to a CUP.

Testing, Research and Development

The Testing, Research and Development use would include laboratories, testing, research, design, analysis, and/or development of a product. Retail sales are prohibited. State-licensed testing facilities may not be collocated with other commercial cannabis businesses, and are intended to be neutral facilities that test cannabis and cannabis products for quality control and assurance.

The proposed ordinance would permit both medical and adult/recreational use testing, research and development uses.

Distribution

This proposed use would include any facility engaged in the procurement, temporary storage, non-retail sales, and transport of cannabis products between State-licensed cannabis businesses, including warehouses and similar structures. Distribution facilities are a separate and distinct use from both retail uses and deliveries performed as part of a retail sale of cannabis to consumers.

The proposed ordinance would conditionally permit both medical and adult/recreational use distribution uses.

Indoor Cultivation

The state cultivator license types to be issued by the State include all of the following relating to indoor cultivation, which shall be limited to "indoor," meaning using exclusively artificial lighting. Commercial cultivation licenses vary depending on size of grow and the types of light that are used.

The proposed ordinance is drafted to also allow limited indoor commercial cultivation of cannabis if collocated with manufacturing, distribution or research/testing facilities up to a total cumulative area of 25,000 square feet of floor space on one premises. The intent would be for these to operate as collocated businesses, subject to compliance with State law and regulations.

Retailers

Retailers, commonly referred to as "dispensaries," conduct retail sales of medical and/or recreational cannabis and cannabis products to consumers. State law requires all retailers to operate from a physical premises, even if sales are performed exclusively through deliveries.

The draft ordinance would prohibit retailers in the City, with the exception of retailers that provide exclusively medical cannabis through delivery sales. This approach would allow for certain limited amounts of sales of medical cannabis to patients and caregivers, but open storefronts for sales of cannabis would still be prohibited. The proposed ordinance limits the number of delivery licenses to six. Adult-use recreational cannabis delivery sales would also be prohibited.

Required Permits and Licenses for Commercial Cannabis Businesses

Every applicant business interested in opening a commercial cannabis business in the City of Woodland will need to apply for the following:

- City of Woodland Conditional Use Permit (CUP) for the proposed location.

- City of Woodland Cannabis Business Permit (CBP – imposed as part of the regulatory ordinance requirements), which will provide the regulatory permit conditions for business operation, (non-zoning issues)

- City of Woodland Cannabis Business License (CBL), which would be required for all businesses in the City

- State of California Licenses – issuance begins no sooner than January 1, 2018.

Fees, Permits and Review Process
Two additional components for the cannabis review include developing an application review process and establishment of a fee program needed to cover costs of administering and enforcing the City's Commercial Cannabis Program. It is recommended that the City provide an application period in which proposals for Conditional Use Permits are accepted for review and consideration. Additional staffing will be needed to administer the proposed program, including public safety, code enforcement, administrative support and accounting/auditing functions. The City is also evaluating the revenue potential from commercial cannabis uses as well as the costs for administration and enforcement.

At the November 2, 2017 Planning Commission meeting, there were several questions about the State excise taxes on cannabis and the City of Woodland's eligibility to receive that State tax money. In short, the ways in which the State intends to spend the tax revenue generated by Statewide cannabis taxes, and the priority set forth for various allocations and disbursements, is detailed and complex (See Rev. & Tax Code § 34019). Last on the list of allocations is creation of a "State and Local Government Law Enforcement Account," but as currently drafted local governments that have banned cultivation, including outdoor personal cultivation, or retail sales of cannabis are ineligible for this grant funding. It is unknown what, if any, amount of money may be available under that fund, when it may become available, or how the State will operate and administer the program. Significantly, most local jurisdictions in California have prohibited outdoor cultivation, retail sales, or both, rendering most ineligible for this potential grant. Staff will continue to monitor developments in State law regarding available cannabis financing and funding.

ENVIRONMENTAL DETERMINATION
The proposed Zoning Ordinance imposes reasonable zoning regulation on commercial cannabis uses to ensure that such uses are conditionally permitted in existing and proposed future zones containing similar uses, subject to zoning standards and locational restrictions that minimize access by minors and provide performance evaluations. Accordingly, this Ordinance will not result in any significant change in the environment within the meaning of Section 15061(b)(3) of Title 14 of the California Code of Regulations. Additionally, commercial cannabis uses authorized by this Ordinance are subject to the granting of a conditional use permit, which requires independent discretionary review subject to the California Environmental Quality Act (CEQA). As such, the Ordinance is additionally exempt from CEQA review pursuant to Business and Professions Code Section 26055(h).

PUBLIC NOTICING
The Public Hearing Notice for the Planning Commission hearing was published in a one-eighth page notice in the Daily Democrat newspaper on November 11, 2017.

Timelines for Completion of Actions to Allow Commercial Cannabis Uses
- Nov 2 – Planning Commission Public Hearing on Zoning Ordinance for commercial cannabis uses
- Nov 21- City Council Public Hearing on Zoning Ordinance for Commercial Cannabis Uses
- Nov 21 – City Council First Reading of Cannabis Business Regulatory Ordinance and Discussion of Regulatory Fee Structure.
- Dec 5 – City Council 2nd Reading of Zoning Ordinance for Commercial Cannabis Uses
- Dec 5 – City Council 2nd Reading of Cannabis Business Regulatory Ordinance and Further Discussion or Adoption of Regulatory Fee Structure.
- December – January – Develop application and application review process
- **Jan 4 – Zoning ordinance in effect**

- **Jan 4 – Regulatory ordinance in effect**
- Jan/Feb – Application Period for Commercial Cannabis CUP proposals.
- Feb/Apr – Planning Commission and City Council public hearing(s) on CUP application proposals
- Mar/May – Period for approved applicants to complete necessary preparatory work, inspections, construction for opening and begin operations.

Conclusion:

Staff recommends that the City Council:

1. Receive a Report concerning the proposed addition of Article 25-21.6 to the City of Woodland Zoning Code related to commercial cannabis zoning regulations; and
2. Conduct a public hearing; and
3. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations and Business and Professions Code Section 26055(h), as set forth in this Ordinance; and
4. Introduce and waive the first reading of an ordinance adding Article 25-21.6 to the Woodland Municipal Code; and
5. Schedule the second reading for adoption of Ordinance No. _____ for the December 5, 2017 City Council meeting.

Prepared By: Ashley Ratliff, Deputy City Attorney and Cindy A. Norris, Principal Planner

Reviewed By: Ken Hiatt, Assistant City Manager, Economic and Community Development Director

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Ordinance Adding Article 25-21.6 to the Municipal Code	11/16/2017	Cover Memo
Cannabis Sensitivity Map	11/16/2017	Cover Memo
Planning Commission Resolution PC17-09 us	11/16/2017	Cover Memo
Ordinance with recommended Planning Commission modifications shown	11/16/2017	Cover Memo

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND ADDING ARTICLE 25-21.6 TO THE CITY OF WOODLAND MUNICIPAL CODE RELATED TO ZONING OF COMMERCIAL CANNABIS CULTIVATION, MANUFACTURING, TESTING, RESEARCH, DISTRIBUTION AND RETAIL BUSINESSES IN THE CITY OF WOODLAND

WHEREAS, the City of Woodland does not permit cannabis related businesses to open or operate within the City; and

WHEREAS¸ the voters of the State of California adopted Proposition 64, the Adult Use of Marijuana Act, on November 8, 2016, which authorized certain personal cultivation and use of cannabis; and

WHEREAS¸ on June 27, 2017, the Governor signed SB 94 into law, a budget trailer bill effective immediately, to consolidate state licensing of medicinal and recreational "adult-use" cannabis businesses into a single regulatory scheme, now titled the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA); and

WHEREAS, state law authorizes the City of Woodland to either prohibit or regulate commercial cannabis uses; and

WHEREAS¸ the City Council of the City of Woodland has determined that reasonable regulations regarding the establishment of commercial cannabis cultivation, manufacturing, testing, research, and distribution businesses in the City, as defined in this Ordinance and consistent with state law, will provide an appropriate balance between the City's interests in fostering certain commercial, agricultural, and research-related activities while also protecting the public health, safety, and welfare of Woodland residents; and

WHEREAS, the City of Woodland Planning Commission considered this Ordinance amending the Zoning Code regarding commercial cannabis uses during a duly noticed public hearing on November 2, 2017, and voted ________ to recommend that the City Council adopt this Ordinance and the proposed Zoning Code amendments; and

WHEREAS, the City Council finds, based on the Planning Commission's recommendation, that this Ordinance is in general conformance with the City's General Plan and that the public necessity, convenience, and general welfare require the adoption of this Ordinance to balance the City's interests in maintaining and developing certain commercial cannabis activities in the City while preserving the public health and safety of Woodland residents; and

WHEREAS¸ the City Council also finds that adoption of this Ordinance preserves and clarifies the City's intended Zoning regulations regarding cannabis uses and is intended to retain and maintain local land use authority over those uses in light of state law and state licensing of commercial cannabis uses; and

WHEREAS, the City Council finds that this Ordinance will not result in any significant changes to the character or use of properties in the City and is not a project with the potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and is categorically exempt from CEQA; and

NOW, THEREFORE, the City Council of the City of Woodland does hereby ordain as follows:

Section 1. Article 21.6 is hereby added to Chapter 25 of the Woodland Municipal Code to read as follows:

Article 21.6 – Commercial Cannabis Businesses

25-21.6-10 – Purpose.

The purpose of this Article is to impose zoning restrictions on commercial cannabis businesses in the City of Woodland as authorized and/or licensed by the State of California pursuant to state law. This Article is not intended to, and does not, give any person or entity independent legal authority to operate a cannabis business. Rather, it is intended to impose zoning restrictions regarding cannabis businesses that may operate in the City pursuant to this Code and state law. This Article is in addition to any other business license and regulatory requirements imposed on cannabis businesses by this Code or other applicable law.

25-21.6-20 – Applicability

No part of this Article shall be deemed to conflict with federal law, as contained in the Controlled Substances Act, nor to otherwise permit any activity that is prohibited under that Act or any other local, state, or federal law, statute, rule, or regulation. Nothing in this Article shall be construed to allow any conduct or activity relating to cultivation, distribution, dispensing, sale or consumption of cannabis that is otherwise illegal under local or state law. No provision of this Article shall be deemed a defense or immunity to any action brought against any person by the Yolo County District Attorney's office, the Attorney General of the State of California, or the United States of America.

25-21.6-30 – Definitions

The following words and phrases shall have the following meanings when used in this section:

"Cannabis" means all or any parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis, and cannabis as defined by section 11018 of the California Health and Safety Code, as it may be amended. For purposes of this Article, "cannabis" means and includes both cannabis for medical purposes and non-medical, "adult-use" purposes, unless otherwise specified, but does not include industrial hemp.

"Cannabis business" means a business activity including, but not limited to, planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, distributing, researching, testing, providing, or selling wholesale and/or retail sales of cannabis. A cannabis business includes any facility, building structure, or location, expressly including dispensaries and deliveries, and shall expressly include those commercial cannabis activities authorized and/or licensed by state law.

"Cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis licensed by the state and intended for commercial sale. For purposes of this Article, cannabis cultivation does not mean or include personal cultivation of cannabis regulated by Article 21.5 of the Zoning Code

"Cannabis distribution facility" means any facility engaged in the procurement, temporary storage, non-retail sales, and transport of cannabis or cannabis products between state-licensed cannabis business, including warehouses and similar structures.

"Cannabis laboratories and research" means a laboratory, facility, or entity that offers or performs tests or testing of cannabis or cannabis products, including accredited testing laboratories licensed by the state and involved in commercial cannabis activity in the state. Cannabis laboratories and research also includes start-up or incubator research activities, which typically include but are not limited to research, design, analysis, development, and/or testing of a cannabis product, and laboratories or facilities engaged in scientific research studies, investigation, testing, or experimentation, but not including cannabis manufacturing or sales of cannabis.

"Cannabis manufacturing" means the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product. For purposes of this Article, cannabis manufacturing expressly includes the production, preparation, propagation, processing, or compounding of cannabis or cannabis products directly or indirectly, including through extraction and/or chemical synthesis methods. Cannabis manufacturing may include distribution of wholesale products from the premises, but shall not include any retail sales of cannabis or cannabis products or other sales to consumers.

"Cannabis retailer" means a premises permanently located in the City licensed by the state of California pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California Business and Professions Code section 26000 et seq., as may be amended, where cannabis is provided for retail sale to consumers, including an establishment that delivers cannabis as part of a retail sale. Unless otherwise specified, "Cannabis retailer" means both a retailer selling medical cannabis and medical cannabis products to patients with valid physician's recommendations, and a retailer providing adult-use cannabis and cannabis products for adults 21 years of age and over, pursuant to state law.

25-21.6-40 – General Conditions

(a) No cannabis business may operate in any zoning district in the City of Woodland except as expressly permitted by and in conformance with the provisions of this Article. No cannabis business may engage in the retail sales of cannabis unless expressly permitted or conditionally permitted pursuant to this Article.

(b) Any cannabis business permitted by this Article must, prior to operating a cannabis business, obtain and maintain at all times a valid license issued by the State of California, as may be applicable, and any other local or regulatory licenses required by this Code. Any cannabis business operating without a valid license from the State of California shall cease operations until a valid state license is obtained, in addition to any other state and local requirements that may apply.

(c) Pursuant to California Business and Professions code section 26054(b), as may be amended, no cannabis business may be located within a 600 foot radius of a school providing K-12 instruction, a day care center or a youth center in existence at the time the license is issued. Additionally, no cannabis business may be located within a 600 foot radius of a public park.

25-21.6-50 – City Council Review

(a) The Planning Commission shall review all conditional use permit applications submitted pursuant to this Article and provide a recommendation regarding approval to City Council.

(b) The City Council shall serve as the final review authority for all conditional use permit applications submitted pursuant to this Article, and is authorized to approve or deny issuance of all cannabis conditional use permits.

(c) In evaluating whether to recommend approval or approve conditional use permit applications, the Planning Commission and City Council shall consider the following factors, in addition to all other requirements provided for in Article 27 of Chapter 25 of the Municipal Code:

(1) The type of proposed use by the applicant;

(2) Whether the proposed use will be detrimental to the health, safety and welfare of the community;

(3) Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties;

(4) Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts;

(5) The extent of support or opposition to the proposed use and location from members of the community;

(6) The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location;

(7) The extent to which the proposed use would cause a further overconcentration of that particular type of use in the area;

(8) The background and the history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past; and

(9) Whether there is a history of police or crime-related problems in the area of the proposed location which may be exacerbated by establishment of the proposed cannabis use.

(d) The City Council is authorized to approve up to a maximum of six (6) total conditional use permits for cannabis businesses pursuant to this Article.

25-21.6-60 – Cannabis Manufacturing

Cannabis manufacturing may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones.

25-21.6-70 – Cannabis Laboratories and Research

Cannabis laboratories and research facilities may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones. Cannabis laboratories and research facilities are prohibited from engaging in commercial cultivation, manufacturing, distribution and sales of cannabis.

25-21.6-80 – Cannabis Distribution Facilities

Cannabis distribution facilities may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones.

25-21.6-90 – Cannabis Cultivation

(a) Cannabis cultivation may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones.

(b) Cannabis cultivation permitted by this section must additionally comply with the following requirements:

(1) Cannabis cultivation shall be conducted wholly within a completely enclosed building.

(2) The cannabis cultivation area shall not exceed a cumulative 25,000 square feet of building floor space.

(3) Cannabis cultivation is prohibited as a stand-alone cannabis use. All cannabis cultivation shall be collocated with a cannabis business conditionally permitted pursuant to this Article that conducts at least one other type of commercial cannabis use, to the extent authorized by state law (i.e., cannabis manufacturing, cannabis distribution, and/or cannabis retailers).

25-21.6-100 – Cannabis Retailers

(a) Cannabis retailers may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones.

(b) Cannabis retailers permitted by this section must additionally comply with the following requirements:

(1) A cannabis retailer shall be licensed by the state to sell exclusively medicinal cannabis to medicinal cannabis patients and primary caregivers pursuant to the Compassionate Use Act of 1996 (Proposition 215). A cannabis retailer is prohibited from engaging in retail sales of adult-use cannabis intended for use by adults who are 21 years of age and older and who do not possess a valid physician's recommendation.

(2) Cannabis retailers permitted by this section shall perform retail sales exclusively by delivery, in accordance with all applicable state laws and regulations. Cannabis retailers shall not contain a storefront open and accessible to the general public.

(3) Cannabis retailers are prohibited as a stand-alone cannabis use. All cannabis retailers shall be collocated with a cannabis business conditionally permitted pursuant to this Article that conducts at least one other type of commercial cannabis use, to the extent authorized by state law (i.e., cannabis manufacturing, cannabis distribution, and/or cannabis cultivation).

25-21.6-110 – Additional Regulatory Requirements

In addition to complying with all applicable requirements in this Article and obtaining a state license for commercial cannabis activities, no commercial cannabis use may operate in the City without first obtaining a cannabis business permit.

Section 2. Section 25-18-10. - Table 3-Permitted Uses of the Woodland Municipal Code is hereby amended to add "Cannabis Uses" into Table 3, to be inserted after part G. Miscellaneous Uses, as follows:

H. CANNABIS USES	I	EOZ
1. Indoor Commercial Cultivation for Cannabis: Limited indoor commercial cultivation of cannabis if collocated with manufacturing, distribution or research/testing facilities up to a total cumulative area of 25,000 square feet of floor space on one premises (no stand-alone cultivation facility permitted); Retail (on-site) sales prohibited	i	
2. Manufacturing, both Volatile and Non-Volatile: Limited to manufacturing for wholesale distribution for resale; Retail (on-site) sales prohibited	i	
3. Testing, Research and Development: Retail (on-site) sales prohibited	i	
4. Distribution: Retail (on-site) sales prohibited	i	
5. Retailers (Dispensaries): Prohibited, except as a delivery-only business providing retail sales of exclusively medical cannabis (no public storefront permitted)	i	

Section 3. Section 25-18-20 of the Woodland Municipal Code is hereby amended to add letter "i." to the list of special conditions, to be inserted following letter "h.", as follows:

"i. Conditional Use Permit required, with final approval by the City Council, subject to article 25-21.6."

Section 4. Severability. If any provision, clause, sentence, or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 5. CEQA. The City Council hereby finds that the Zoning Code amendments in this Ordinance impose the same or more stringent zoning standards as existing zoning standards that apply to other similar commercial uses in the City. The City Council further finds that this Ordinance merely establishes reasonable zoning restrictions regarding certain commercial cannabis uses that may be conditionally permitted in existing zones with similar uses in the City, and does not independently authorize or approve the establishment of any particular cannabis business in the City. As such, the City Council finds that this Ordinance will not result in any significant changes to the character or use of properties in the City and is not a project with the potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and is categorically exempt from CEQA pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations and Business and Professions Code Section 26055(h).

Section 6. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Woodland on this _______ day of _____________, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Kara K. Ueda, City Attorney

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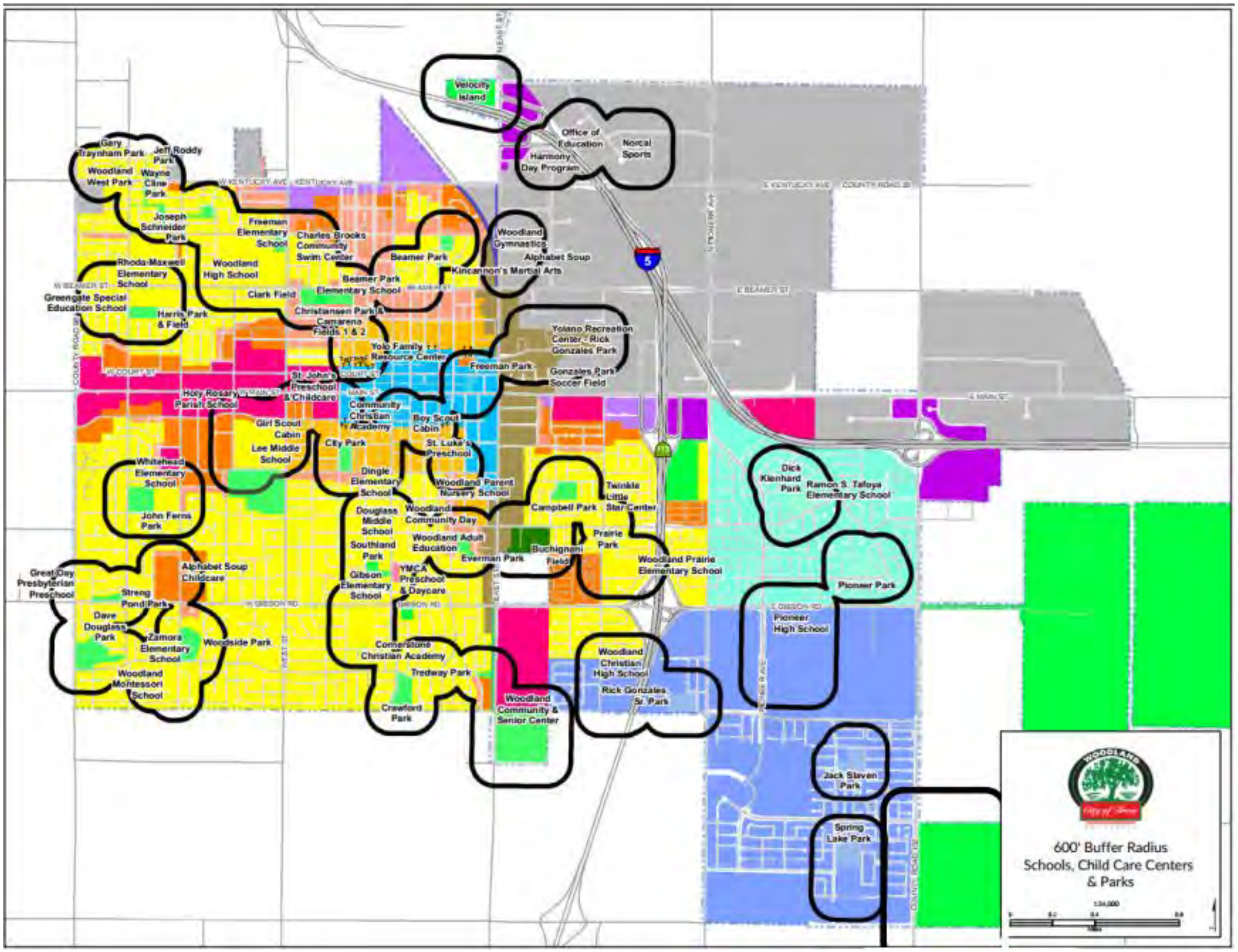
CANNABIS SENSITIVITY MAP



PLANNING COMMISSION
RESOLUTION NO. PC 17-09

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WOODLAND RECOMMENDING ADDING ARTICLE 25-21.6 TO THE CITY OF WOODLAND MUNICIPAL CODE RELATED TO ZONING OF COMMERCIAL CANNABIS CULTIVATION, MANUFACTURING, TESTING, RESEARCH, DISTRIBUTION AND RETAIL BUSINESSES IN THE CITY OF WOODLAND

WHEREAS, the City of Woodland does not permit cannabis related businesses to open or operate within the City; and

WHEREAS, the voters of the State of California adopted Proposition 64, the Adult Use of Marijuana Act, on November 8, 2016, which authorized certain personal cultivation and use of cannabis; and

WHEREAS, on June 27, 2017, the Governor signed SB 94 into law, a budget trailer bill effective immediately, to consolidate state licensing of medicinal and recreational "adult-use" cannabis businesses into a single regulatory scheme, now titled the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA); and

WHEREAS, state law authorizes the City of Woodland to either prohibit or regulate commercial cannabis uses; and

WHEREAS, the City Council of the City of Woodland has determined that reasonable regulations regarding the establishment of commercial cannabis cultivation, manufacturing, testing, research, distribution and retail businesses in the City, will provide an appropriate balance between the City's interests in fostering certain commercial, agricultural, and research-related activities while also protecting the public health, safety, and welfare of Woodland residents; and

WHEREAS, the City of Woodland Planning Commission considered the proposed Ordinance to amend the Zoning Code regarding commercial cannabis uses during a duly noticed public hearing on November 2, 2017, and voted to recommend that the City Council adopt this Ordinance and the proposed Zoning Code amendments, as revised; and

WHEREAS, the Planning Commission finds that this Ordinance is in general conformance with the City's General Plan and that the public necessity, convenience, and general welfare require the adoption of this Ordinance to balance the City's interests in maintaining and developing certain commercial cannabis activities in the City while preserving the public health and safety of Woodland residents; and

WHEREAS, the Planning Commission also finds that adoption of this Ordinance preserves and clarifies the City's intended Zoning regulations regarding cannabis uses and is intended to retain and maintain local land use authority over those uses in light of State law and State licensing of commercial cannabis uses; and

WHEREAS, the Planning Commission finds that this Ordinance merely establishes reasonable zoning restrictions regarding certain commercial cannabis uses that may be conditionally permitted in existing zones with similar uses in the City, and therefore this Ordinance will not result in any significant changes to the character or use of properties in the City and is not a project with the potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and is categorically exempt from CEQA pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations and Business and Professions Code Section 26055(h); and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Ordinance and recommends to City Council approval of the proposed Ordinance, as revised by the Planning Commission and attached hereto.

PASSED AND ADOPTED by the Planning Commission this 2nd day of November 2017, by the following vote:

AYES: Wells, Holt, Lopez, Murphy
NOES: Harris
ABSENT: Lizarraga
ABSTAIN: Ortega-Lampkin

Kirby Wells, Vice Chairman

ATTEST:

Stephen Coyle, Deputy Director Community Development

Attachment A: Ordinance of the City Council of the City of Woodland Adding Article 25-21.6 to the City of Woodland Municipal Code Related to Zoning of Commercial Cannabis

ORDINANCE NO. _____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND ADDING ARTICLE 25-21.6 TO THE CITY OF WOODLAND MUNICIPAL CODE RELATED TO ZONING OF COMMERCIAL CANNABIS CULTIVATION, MANUFACTURING, TESTING, RESEARCH, DISTRIBUTION AND RETAIL BUSINESSES IN THE CITY OF WOODLAND

WHEREAS, the City of Woodland does not permit cannabis related businesses to open or operate within the City; and

WHEREAS, the voters of the State of California adopted Proposition 64, the Adult Use of Marijuana Act, on November 8, 2016, which authorized certain personal cultivation and use of cannabis; and

WHEREAS, on June 27, 2017, the Governor signed SB 94 into law, a budget trailer bill effective immediately, to consolidate state licensing of medicinal and recreational "adult-use" cannabis businesses into a single regulatory scheme, now titled the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA); and

WHEREAS, state law authorizes the City of Woodland to either prohibit or regulate commercial cannabis uses; and

WHEREAS, the City Council of the City of Woodland has determined that reasonable regulations regarding the establishment of commercial cannabis cultivation, manufacturing, testing, research, and distribution businesses in the City, as defined in this Ordinance and consistent with state law, will provide an appropriate balance between the City's interests in fostering certain commercial, agricultural, and research-related activities while also protecting the public health, safety, and welfare of Woodland residents; and

WHEREAS, the City of Woodland Planning Commission considered this Ordinance amending the Zoning Code regarding commercial cannabis uses during a duly noticed public hearing on November 2, 2017, and voted _________ to recommend that the City Council adopt this Ordinance and the proposed Zoning Code amendments; and

WHEREAS, the City Council finds, based on the Planning Commission's recommendation, that this Ordinance is in general conformance with the City's General Plan and that the public necessity, convenience, and general welfare require the adoption of this Ordinance to balance the City's interests in maintaining and developing certain commercial cannabis activities in the City while preserving the public health and safety of Woodland residents; and

WHEREAS, the City Council also finds that adoption of this Ordinance preserves and clarifies the City's intended Zoning regulations regarding cannabis uses and is intended to retain and maintain local land use authority over those uses in light of state law and state licensing of commercial cannabis uses; and

WHEREAS, the City Council finds that this Ordinance will not result in any significant changes to the character or use of properties in the City and is not a project with the potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and is categorically exempt from CEQA; and

NOW, THEREFORE, the City Council of the City of Woodland does hereby ordain as follows:

Section 1. Article 21.6 is hereby added to Chapter 25 of the Woodland Municipal Code to read as follows:

Article 21.6 – Commercial Cannabis Businesses

25-21.6-10 – Purpose.

The purpose of this Article is to impose zoning restrictions on commercial cannabis businesses in the City of Woodland as authorized and/or licensed by the State of California pursuant to state law. This Article is not intended to, and does not, give any person or entity independent legal authority to operate a cannabis business. Rather, it is intended to impose zoning restrictions regarding cannabis businesses that may operate in the City pursuant to this Code and state law. This Article is in addition to any other business license and regulatory requirements imposed on cannabis businesses by this Code or other applicable law.

25-21.6-20 – Applicability

No part of this Article shall be deemed to conflict with federal law, as contained in the Controlled Substances Act, nor to otherwise permit any activity that is prohibited under that Act or any other local, state, or federal law, statute, rule, or regulation. Nothing in this Article shall be construed to allow any conduct or activity relating to cultivation, distribution, dispensing, sale or consumption of cannabis that is otherwise illegal under local or state law. No provision of this Article shall be deemed a defense or immunity to any action brought against any person by the

Yolo County District Attorney's office, the Attorney General of the State of California, or the United States of America.

25-21.6-30 – Definitions

The following words and phrases shall have the following meanings when used in this section:

"Cannabis" means all or any parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis, and cannabis as defined by section 11018 of the California Health and Safety Code, as it may be amended. For purposes of this Article, "cannabis" means and includes both cannabis for medical purposes and non-medical, "adult-use" purposes, unless otherwise specified, but does not include industrial hemp.

"Cannabis business" means a business activity including, but not limited to, planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, distributing, researching, testing, providing, or selling wholesale and/or retail sales of cannabis. A cannabis business includes any facility, building structure, or location, expressly including dispensaries and deliveries, and shall expressly include those commercial cannabis activities authorized and/or licensed by state law.

"Cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis licensed by the state and intended for commercial sale. For purposes of this Article, cannabis cultivation does not mean or include personal cultivation of cannabis regulated by Article 21.5 of the Zoning Code

"Cannabis distribution facility" means any facility engaged in the procurement, temporary storage, non-retail sales, and transport of cannabis or cannabis products between state-licensed cannabis business, including warehouses and similar structures.

"Cannabis laboratories and research" means a laboratory, facility, or entity that offers or performs tests or testing of cannabis or cannabis products, including accredited testing laboratories licensed by the state and involved in commercial cannabis activity in the state. Cannabis laboratories and research also includes start-up or incubator research activities, which typically include but are not limited to research, design, analysis, development, and/or testing of a cannabis product, and laboratories or facilities engaged in scientific research studies, investigation, testing, or experimentation, but not including cannabis manufacturing or sales of cannabis.

"Cannabis manufacturing" means the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product. For purposes of this Article, cannabis manufacturing expressly includes the production, preparation, propagation, processing, or compounding of cannabis or cannabis products directly or indirectly, including through extraction and/or chemical synthesis methods. Cannabis manufacturing may include distribution of wholesale products from the premises, but shall not include any retail sales of cannabis or cannabis products or other sales to consumers.

"Cannabis retailer" means a premises permanently located in the City licensed by the state of California pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California Business and Professions Code section 26000 et seq., as may be amended, where cannabis is provided for retail sale to consumers, including an establishment that delivers cannabis as part of a retail sale. Unless otherwise specified, "Cannabis retailer" means both a retailer selling medical cannabis and medical cannabis products to patients with valid physician's recommendations, and a retailer providing adult-use cannabis and cannabis products for adults 21 years of age and over, pursuant to state law.

25-21.6-40 – General Conditions

(a) No cannabis business may operate in any zoning district in the City of Woodland except as expressly permitted by and in conformance with the provisions of this Article. No cannabis business may engage in the retail sales of cannabis unless expressly permitted or conditionally permitted pursuant to this Article.

(b) Any cannabis business permitted by this Article must, prior to operating a cannabis business, obtain and maintain at all times a valid license issued by the State of California, as may be applicable, and any other local or regulatory licenses required by this Code. Any cannabis business operating without a valid license from the State of California shall cease operations until a valid state license is obtained, in addition to any other state and local requirements that may apply.

(c) Pursuant to California Business and Professions code section 26054(b), as may be amended, no cannabis business may be located within a 600 foot radius of a school providing K-12 instruction, a day care center or a youth center in existence at the time the license is issued. Additionally, no cannabis business may be located within a 600 foot radius of a public park.

25-21.6-50 – City Council Review

(a) The Planning Commission shall review all conditional use permit applications submitted pursuant to this Article and provide a recommendation regarding approval to City Council.

(b) The City Council shall serve as the final review authority for all conditional use permit applications submitted pursuant to this Article, and is authorized to approve or deny issuance of all cannabis conditional use permits.

(c) In evaluating whether to recommend approval or approve conditional use permit applications, the Planning Commission and City Council shall consider the following factors, in addition to all other requirements provided for in Article 27 of Chapter 25 of the Municipal Code:

(1) The type of proposed use by the applicant;

(2) Whether the proposed use will be detrimental to the health, safety and welfare of the community;

(3) Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties;

(4) Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts;

(5) The extent of support or opposition to the proposed use and location from members of the community;

(6) The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location;

(7) The extent to which the proposed use would cause a further overconcentration of that particular type of use in the area;

(8) The background and the history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past; and

(9) Whether there is a history of police or crime-related problems in the area of the proposed location which may be exacerbated by establishment of the proposed cannabis use.

(d) The City Council is authorized to approve up to a maximum of ~~six~~ eight (~~6~~8) total conditional use permits for cannabis businesses pursuant to this Article. Up to two (2) conditional use permits may include a cannabis retailer use.

25-21.6-60 – Cannabis Manufacturing

Cannabis manufacturing may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones.

25-21.6-70 – Cannabis Laboratories and Research

Cannabis laboratories and research facilities may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones. Cannabis laboratories and research facilities are prohibited from engaging in commercial cultivation, manufacturing, distribution and sales of cannabis.

25-21.6-80 – Cannabis Distribution Facilities

Cannabis distribution facilities may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones.

25-21.6-90 – Cannabis Cultivation

(a) Cannabis cultivation may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones.

(b) Cannabis cultivation permitted by this section must additionally comply with the following requirements:

(1) Cannabis cultivation shall be conducted wholly within a completely enclosed building.

(2) The cannabis cultivation area shall not exceed a cumulative 25,000 square feet of building floor space.

(3) Cannabis cultivation is prohibited as a stand-alone cannabis use. All cannabis cultivation shall be collocated with a cannabis business conditionally permitted pursuant to this Article that conducts at least one other type of commercial cannabis use, to the extent authorized by state law (i.e., cannabis manufacturing, cannabis distribution, and/or cannabis retailers).

25-21.6-100 – Cannabis Retailers

(a) Cannabis retailers may be permitted, subject to the requirements of the Municipal Code, including all applicable Performance Standards, and the granting of a conditional use permit as provided for in Article 27 of Chapter 25 of the Municipal Code, in the Industrial (I) and Industrial with Light Industrial Flex Overlay (I/LIF) zones.

(b) Cannabis retailers permitted by this section must additionally comply with the following requirements:

(1) A cannabis retailer shall be licensed by the state to sell exclusively medicinal cannabis to medicinal cannabis patients and primary caregivers pursuant to the Compassionate Use Act of 1996 (Proposition 215). A cannabis retailer is prohibited from engaging in retail sales of adult-use cannabis intended for use by adults who are 21 years of age and older and who do not possess a valid physician's recommendation.

~~(2) Cannabis retailers permitted by this section shall perform retail sales exclusively by delivery, in accordance with all applicable state laws and regulations. Cannabis retailers shall not contain a storefront open and accessible to the general public.~~

~~(3)~~(2) Cannabis retailers are prohibited as a stand-alone cannabis use. All cannabis retailers shall be collocated with a cannabis business conditionally permitted pursuant to this Article that conducts at least one other type of commercial cannabis use, to the extent authorized by state law (i.e., cannabis manufacturing, cannabis distribution, and/or cannabis cultivation).

25-21.6-110 – Additional Regulatory Requirements

In addition to complying with all applicable requirements in this Article and obtaining a state license for commercial cannabis activities, no commercial cannabis use may operate in the City without first obtaining a cannabis business permit.

Section 2. **[To be inserted]**

Cannabis Uses	I	EOZ
Indoor Commercial Cultivation for Cannabis: Limited indoor commercial cultivation of cannabis if collocated with manufacturing, distribution or research/testing facilities up to a total cumulative area of 25,000 square feet of floor space on one premises, located on same premises as manufacturing, distribution, or research/testing facility (no stand-alone cultivation facility permitted). ~~Retail (on-site) sales prohibited.~~	i	
Manufacturing, both Volatile and Non-Volatile: Limited to manufacturing for wholesale distribution for resale~~; Retail (on-site) sales prohibited~~	i	
Testing, Research and Development~~: Retail (on-site) sales prohibited~~	i	
Distribution: ~~Retail (on-site) sales prohibited~~	i	
Retailers (Dispensaries): Limited to sales of exclusively medicinal cannabis; must be collocated with manufacturing, distribution or research/testing facilities (no stand-alone retailer facility permitted). ~~Prohibited, except as a delivery-only business providing retail sales of exclusively medical cannabis (no public storefront)~~	i	

i. Conditional Use Permit, with final approval by the City Council subject to article 25-21.6.

Section ______ Severability. If any provision, clause, sentence, or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section ______. CEQA. The City Council hereby finds that the Zoning Code amendments in this Ordinance impose the same or more stringent zoning standards as existing zoning standards that apply to other similar commercial uses in the City. The City Council further finds that this Ordinance merely establishes reasonable zoning restrictions regarding certain commercial cannabis uses that may be conditionally permitted in existing zones with similar uses in the City, and does not independently authorize or approve the establishment of any particular cannabis business in the City. As such, the City Council finds that this Ordinance will not result in any significant changes to the character or use of properties in the City and is not a project with the potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and is categorically exempt from CEQA pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations and Business and Professions Code Section 26055(h).

Section ______. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Woodland on this _______ day of _______, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Kara K. Ueda, City Attorney

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 12.
SUBJECT: Commercial Cannabis Business Regulatory Ordinance

Recommendation for Action:
Staff recommends that the City Council:
1. Receive a Report concerning the proposed addition of Chapter 13A to the City of Woodland Municipal Code related to commercial cannabis business permits and regulations; and

2. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061 (b) (3) of Title 14 of the California Code of Regulations as set forth in this Ordinance; and

3. Introduce and waive the first reading of an ordinance adding Chapter 13A to the Woodland Municipal Code; and

4. Schedule the second reading of adoption of Ordinance No. _____ for the December 5, 2017 City Council.

Staff Contact:
Cindy, , (530) 661-5911, cindy.norris@cityofwoodland.org

Fiscal Impact:
The cost of drafting this Ordinance have been absorbed by the existing General Fund budget. Staff anticipates significant costs, estimated at $300,000 - $600,000, to administer and enforce requirements of the program as proposed. While staff is still reviewing the estimated costs, staff assumes is recommending that the City Council adopt a commercial cannabis permit fee schedule that will cover all related costs. In addition, depending on final implementation of a Cannabis Program by the City Council, there is potential for significant revenue through negotiated operating agreements with those applicants that receive Conditional Use Permits.

Report in Brief:
This report presents the proposed draft Commercial Cannabis Regulatory Ordinance to add new Chapter 13A to the City of Woodland Municipal Code to provide permitting requirements and impose regulations on commercial cannabis business operations in the City of Woodland. This Ordinance is intended to work in conjunction with the Commercial Cannabis Zoning Ordinance, by requiring that each cannabis business permitted by the Zoning Code obtain a Cannabis Business Permit, in addition to a City business license and applicable State license(s), prior to operating.

The proposed Ordinance contains four main parts:

Article I: Imposes general conditions and requirements applicable to every cannabis business, such as requiring valid State license(s), prohibiting transfer of permits, and granting the Police Chief authority to inspect the business;
Article II Establishes the notice and appeal process for denial, revocation, and suspension of a cannabis business permit;
Article III Establishes the application requirements and procedures for issuance of cannabis business permits; and
Article IV Imposes specific operating requirements on cannabis businesses, such as requirements for site security, restricted access, signage, and requirements for conducting cannabis deliveries in the City.

The City of Woodland does not currently allow or address commercial cannabis businesses.

The proposed Regulatory Ordinance assumes Council adopts the proposed Cannabis Zoning Ordinance to allow certain commercial cannabis businesses in the City. This Regulatory Ordinance is being brought forward for Council consideration at this time so that, if approved and introduced, it will take effect at the same time as the Zoning Ordinance. In the event of changes to the proposed Zoning Ordinance, staff may need to revise the proposed Regulatory Ordinance.

Background:

On June 27, 2017, the Governor signed SB 94, a budget trailer bill that became effective immediately, to consolidate state licensing of medicinal and recreational "adult-use" cannabis businesses into a single regulatory scheme, now titled the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA). The purpose of SB 94 was to, among other things, consolidate the state licensing scheme of commercial cannabis businesses set forth in Proposition 64, approved by the voters on November 8, 2016, with the legislation enacted by the State in 2015 regarding medical cannabis businesses. MAUCRSA specifically grants local authority to adopt and enforce local ordinances to regulate cannabis businesses, including, but not limited to, business license requirements, requirements related to reducing exposure to secondhand smoke, or to completely prohibit the operation of one or more types of businesses licensed by State law. (Bus. & Prof. Code § 26200.) Cities retain authority to enforce local licensing, permitting, or other authorization requirements for cannabis businesses operating in their jurisdiction.

Discussion:

The framework necessary to allow commercial cannabis uses involves multiple component parts to address 1) land use related zoning regulations; 2) impose business permit requirements and regulations; 3) establish fees for cost recovery; and 4) establish a workable review process.

The first critical piece of the framework involves adopting new zoning regulations to identify which commercial cannabis uses may be allowed, where they may be located, and the approval mechanism that is the subject of this report. This aspect of commercial cannabis regulation is addressed in the proposed Commercial Cannabis Zoning Ordinance, also brought forward for Council consideration on November 21, 2017.

The second critical step is to develop regulatory guidelines that address business operation and safety requirements and provide criteria to evaluate application proposals, including the review and assessment of operating agreements and requirements. The Ordinance merely establishes a permitting process and reasonable regulations on commercial cannabis businesses, to the extent such businesses are authorized to operate in the City pursuant to state and local law, and does not independently authorize any particular cannabis business or use to establish or operate in the City. This proposed Regulatory Ordinance has been prepared to address this second step in the process and includes the following key provisions and requirements:

- Adds new Chapter 13A to the Woodland Municipal Code to ensure all regulatory and permitting requirements for commercial cannabis businesses are self-contained within a single chapter of the Code
- Requires every cannabis business permitted by the Zoning Code to obtain and maintain valid State licenses, a City-issued business license, and a Cannabis Business Permit
- Requires that if multiple operators are contained within a single site, (per the CUP, each operator must obtain a separate permit to conduct the cannabis business
- Establishes a cannabis business permit program fee, with applicable fees to be set by resolution of City Council
- Permits are not transferable and have a term of 1-year
- Violations of the Cannabis Business Permit conditions, the applicable CUP, or State or local law constitute grounds for revocation or suspension of the Permit

- Any person who violates provisions of the Ordinance shall be subject to a fine of up to $1,000 per day.
- Applications require detailed information regarding the applicant and the business, including consent to fingerprinting and background investigation, site and floor plans for the business site, security plans, and descriptions of the business's proposed operations
- Requires both a Business Plan and a Community Relations Plan.
- Applicants are required to enter into an operating agreement with the City to ensure community benefits of the business adequately address potential adverse impacts on the community, and shall include an indemnification of the City
- Cannabis businesses shall be locked and secured at all times, with sensitive areas such as storage of cannabis and cannabis products accessible only by authorized managers and staff of the permittee
- Security surveillance cameras and an alarm system are required, subject to City-approval
- All persons under 18 years of age are prohibited from the cannabis business site
- Cannabis consumption and alcohol are prohibited on the cannabis business site

Retailers/Delivery Services:
Assuming that Council adopts the proposed Zoning Ordinance to allow retail delivery services in the City, the proposed Regulatory Ordinance additionally includes specific requirements for retailers and deliveries. Retailers, commonly referred to as "dispensaries," conduct retail sales of medical and/or recreational cannabis and cannabis products to consumers. <u>State law requires all retailers to operate from a physical premises</u>, even if sales are performed exclusively through deliveries. The proposed Zoning Ordinance allows retailers to physically locate in the City if collocated with another cannabis business use, but restricts sales to only <u>medical</u> cannabis performed exclusively through deliveries. Accordingly, the proposed Regulatory Ordinance imposes the following restrictions and requirements on those retailers:

- The maximum hours of operation shall be daily from 9 a.m. to 8 p.m., unless the more restrictive hours are imposed as a condition of the permit.
- The retail cannabis business shall prohibit loitering by persons outside the establishment, either on the premises or within fifty (50) feet of the premises.
- A retail cannabis business shall comply with all signage, packaging, labeling, and advertising requirements imposed by state law.
- The delivery services shall be conducted by employees of the retail cannabis business who are at least 21 years old. The retail cannabis business shall not use the services of an independent contractor or courier service to deliver cannabis for retail sale.
- Every employee of the retail cannabis business engaging in delivery services shall maintain on his or her person a physical copy of the following when conducting a delivery: valid retail cannabis business permit; valid driver's license; employer-provided badge containing the name and photo of the employee; and each customer's delivery request.
- Cannabis may only be delivered in-person to the customer that made the delivery request, and shall not be left unattended or delivered to any other person. The delivery-employee shall verify the customer's age, identity, delivery request, and valid physician's recommendation prior to completing the delivery.
- Cannabis may not be delivered to an address located on publicly-owned land or any address on land or in a building leased by a public agency.
- All deliveries shall be conducted in an enclosed motor vehicle or other acceptable delivery method in compliance with state law, operated by the delivery employee or another delivery employee of the retail cannabis business.
- Cannabis and cannabis products shall not be left unattended in a vehicle, except for brief periods as necessary to deliver cannabis to a customer. If cannabis and cannabis products are left unattended in a vehicle, the vehicle must remain locked and must be equipped with an active vehicle alarm system.

Additionally, staff recommends requiring a "cannabis delivery permit" for all cannabis delivery services operating from a physical location <u>outside of the City</u> (i.e., a retailer located in Davis or Sacramento that may deliver cannabis to a person in Woodland). Retail delivery services operating from a location physically outside of the City are not subject to the City's Zoning Code, and the same application criteria for a cannabis business permit are not necessarily applicable to businesses located elsewhere (e.g., site plans and business security requirements are not relevant if the business is not located in the City). Accordingly, the proposed Regulatory Ordinance requires that any cannabis business located outside of the City and performing retail delivery sales inside the City obtain a "cannabis delivery permit," and comply with all of the above delivery requirements. This will enable the City to impose a level of regulatory control over those businesses located elsewhere.

Fees:
The ordinance authorizes City Council to set fees by resolution applicable to each type of cannabis business, including renewal fees and the out-of-town cannabis delivery permit fee.

ENVIRONMENTAL DETERMINATION
The proposed Regulatory Ordinance merely establishes a permitting process and reasonable regulations on commercial cannabis businesses, to the extent such businesses are authorized to operate in the City pursuant to state and local law, and does not independently authorize any particular cannabis business or use to establish or operate in the City. Accordingly, it can be seen with certainty that there is no possibility this Ordinance will have a significant effect on the environment. This Ordinance is therefore not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations.

Timelines for Completion of Actions to Allow Commercial Cannabis Uses
- Nov 2 – Planning Commission Public Hearing on Zoning Ordinance for commercial cannabis uses
- Nov 21- City Council Public Hearing on Zoning Ordinance for Commercial Cannabis Uses
- Nov 21 – City Council First Reading of Cannabis Business Regulatory Ordinance and Regulatory Fee Structure.
- Dec 5 – City Council 2nd Reading of Zoning Ordinance for Commercial Cannabis Uses
- Dec 5 – City Council 2nd Reading of Cannabis Business Regulatory Ordinance and Regulatory Fee Structure.
- December – January – Develop application and application review process
- **Jan 4 – Zoning ordinance in effect**
- **Jan 4 – Regulatory ordinance in effect**
- Jan/Feb – Application Period for Commercial Cannabis **CUP proposals**.
- Feb/Apr – Planning Commission and City Council public hearing(s) on CUP application proposals
- Mar/May – Period for approved applicants to complete necessary preparatory work, inspections, construction for opening and begin operations.

Conclusion:
Staff recommends that the City Council:
1. Receive a Report concerning the proposed addition of Chapter 13A to the City of Woodland Municipal Code related to commercial cannabis business permits and regulations; and

2. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061 (b) (3) of Title 14 of the California Code of Regulations as set forth in this Ordinance; and

3. Introduce and waive the first reading of an ordinance adding Chapter 13A to the Woodland Municipal Code; and

4. Schedule the second reading of adoption of Ordinance No. _____ for the December 5, 2017 City Council.

Prepared By: Ashley Ratliff, Deputy City Attorney

Reviewed By: Ken Hiatt, Assistant City Manager, Economic and Community Development Director

Paul Navazio

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Regulatory Ordinance for Commercial Cannabis	11/16/2017	Cover Memo

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND ADDING CHAPTER 13A TO THE CITY OF WOODLAND MUNICIPAL CODE RELATED TO REGULATORY AND PERMITTING REQUIREMENTS FOR COMMERCIAL CANNABIS BUSINESSES LOCATED IN THE CITY OF WOODLAND

WHEREAS, on June 27, 2017, the Governor signed SB 94 into law, a budget trailer bill effective immediately, to consolidate state licensing of medicinal and recreational "adult-use" commercial cannabis businesses into a single regulatory scheme, now titled the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA); and

WHEREAS, state law authorizes the City of Woodland to either prohibit or regulate commercial cannabis uses; and

WHEREAS, the City Council of the City of Woodland has determined that reasonable regulations regarding the establishment of commercial cannabis cultivation, manufacturing, testing, research, distribution, and retail delivery businesses in the City, as conditionally permitted in the City's Zoning Code, will provide an appropriate balance between the City's interests in fostering certain commercial, agricultural, and research-related activities while also protecting the public health, safety, and welfare of Woodland residents; and

WHEREAS, the City Council finds that this Ordinance will not result in any significant changes to the character or use of properties in the City and is not a project with the potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and is categorically exempt from CEQA; and

NOW, THEREFORE, the City Council of the City of Woodland does hereby ordain as follows:

Section 1. Amendment. Chapter 13A is hereby added to the Woodland Municipal Code to read as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

Section 2. Severability. If any provision, clause, sentence, or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 3. CEQA. The City Council hereby finds that this Ordinance merely establishes a permitting process and reasonable regulations on commercial cannabis businesses, to the extent such businesses are authorized to operate in the City pursuant to state and local law, and does not independently authorize any particular cannabis business or use to establish or operate in the City. Accordingly, it can be seen with certainty that there is no possibility this Ordinance will have a significant effect on the environment. This Ordinance is therefore not a project subject to

California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations.

Section 4. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Woodland on this _______ day of _______, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Kara K. Ueda, City Attorney

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EXHIBIT A

CHAPTER 13A – COMMERCIAL CANNABIS BUSINESS PERMITS

Section 13A-4-11 Special requirements for retail cannabis businesses.
Section 13A-4-12 Cannabis delivery services originating outside of the city.

ARTICLE I GENERAL PROVISIONS

13A-1-01 Purpose and intent.

It is the purpose and intent of the city council to regulate cannabis businesses consistent with state law and to protect the health, safety, and welfare of the residents of the city. The regulations in this chapter do not interfere with a qualified patient's right to obtain and use cannabis as authorized under state law, nor do they criminalize the possession or cultivation of cannabis by certain individuals as authorized under state law. Cannabis businesses shall comply with all provisions of the Woodland Municipal Code, state law, and all other applicable local codes and regulations, including all applicable land use and zoning regulations imposed on cannabis businesses. It is neither the intent of this chapter to condone or legitimize the illegal use or consumption of cannabis under federal, state, or local law, nor to authorize the operation of a legal business in an illegal manner.

13A-1-02 Definitions.

As used in this chapter, the following words and phrases shall have the following meanings, unless otherwise specified:

"Cannabis" means all or any parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis, and cannabis as defined by section 11018 of the California Health and Safety Code, as it may be amended. For purposes of this Article, "cannabis" means and includes both cannabis for medical purposes and non-medical, "adult-use" purposes, unless otherwise specified, but does not include industrial hemp.

"Cannabis business" means a business activity including, but not limited to, planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, distributing, researching, testing, providing, or selling wholesale and/or retail sales of cannabis. A cannabis business includes any facility, building structure, or location, expressly including dispensaries and deliveries, and shall expressly include those commercial cannabis activities authorized and/or licensed by state law.

"Cannabis business permit" means any permit issued to a cannabis business pursuant to the provisions of this chapter.

"Cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis licensed by the state and permitted by Article 21.6 of the Zoning Code. For purposes of this chapter, cannabis cultivation does not mean or include personal cultivation of cannabis regulated by Article 21.5 of the Zoning Code.

"Cannabis distribution facility" means any facility engaged in the procurement, temporary storage, non-retail sales, and transport of cannabis or cannabis products between state-licensed cannabis businesses, including warehouses and similar structures, as permitted by Article 21.6 of the Zoning Code.

"Cannabis laboratories and research" means a laboratory, facility, or entity that offers or performs tests or testing of cannabis or cannabis products, as permitted by Article 21.6 of the Zoning Code, including accredited testing laboratories licensed by the state and involved in commercial cannabis activity in the state, and start-up or incubator research activities, which typically include but are not limited to research, design, analysis, development, and/or testing of a cannabis product, and laboratories or facilities engaged in scientific research studies, investigation, testing, or experimentation, but not including cannabis manufacturing or sales of cannabis.

"City Manager" means the City Manager and his or her designee.

"Cannabis manufacturing" means the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product, as permitted by Article 21.6 of the Zoning Code, expressly including the production, preparation, propagation, processing, or compounding of cannabis or cannabis products directly or indirectly, including through extraction and/or chemical synthesis methods.

"Cannabis retailer" means a premises permanently located in the City licensed by the state of California pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California Business and Professions Code section 26000 et seq., as may be amended, where cannabis is provided for retail sale to consumers, including an establishment that delivers cannabis as part of a retail sale, as permitted by Article 21.6 of the Zoning Code.

"Community Development Director" means the Community Development Director and his or her designee.

"Conditional use permit" means any conditional use permit issued by the city pursuant to the Zoning Code related to the operation of a commercial cannabis business.

"Interested parties" means any of the following:

(1) Any individual that has an aggregate ownership interest, other than a security interest, lien, or encumbrance, of twenty percent (20%) or more in the commercial cannabis business;

(2) Partners, officers, directors, and stockholders of every corporation, limited liability company, or general or limited partnership that owns at least twenty percent (20%) of the cannabis business or that is one of the partners in the cannabis business;

(3) The manager(s) of the cannabis business; and

(4) The staff of the cannabis business.

"Juvenile" means any natural person who is under the age of 18 years.

"Manager" means a person with responsibility for the establishment, registration, supervision, or oversight of the operation of a cannabis business, including but not limited to, a person who performs the functions of a board member, director, officer, owner, operating officer, or manager of the cannabis business.

"Medical cannabis" means cannabis used for medical purposes in accordance with the Compassionate Use Act (California Health and Safety Code section 11362.5 et seq.) and the Medical Cannabis Program Act (California Health and Safety Code sections 11362.7 et seq.), as they may be amended from time to time.

"Physician" means a licensed medical doctor as defined in California Business and Professions Code section 4039.

"Police Chief" shall mean the City of Woodland Chief of Police and his or her designee.

"Primary caregiver" shall have the same definition as set forth in California Health and Safety Code section 11362.7, as may be amended.

"Private medical records" means records related to the medical history of a qualified patient and includes the recommendation of a physician for the medical use of medical cannabis and the designation of a primary caregiver by a qualified patient.

"Qualified patient" shall have the same definition as set forth in California Health and Safety Code section 11362.7, as may be amended.

"Staff" means a person other than a manager who works or provides services on the site of a cannabis business, whether as an employee, contractor, or volunteer.

13A-1-03 All state and local licenses required.

(a) No cannabis business shall operate unless it is in possession of all applicable state and local licenses or permits.

(b) If any applicable state or local license or permit required for a cannabis business's operation is denied, suspended, modified, revoked, or expired, the cannabis business shall notify the Community Development Director in writing within 10 days.

13A-1-04 Payment of taxes.

In addition to any fees established and imposed pursuant to this chapter, all cannabis businesses are required to pay all applicable taxes, including any applicable business license tax imposed by the Woodland Municipal Code.

13A-1-05 Cannabis transfer between permitted businesses only.

A cannabis business shall not transfer cannabis or cannabis products to or from another cannabis business, unless both businesses are in possession of all required state and local licenses and permits.

13A-1-06 Permits not transferable.

Cannabis business permits issued pursuant to this chapter are not property and have no value. Cannabis business permits may not be transferred, sold, assigned or bequeathed expressly or by operation by law. Any attempt to directly or indirectly transfer a cannabis business permit shall be unlawful and void, and shall automatically revoke the permit.

13A-1-07 Service of notices.

All notices required by this chapter shall be deemed issued and served upon the date they are either deposited in the United States mail, postage pre-paid, addressed to the applicant or cannabis business at the mailing address identified in its application, the last updated address on file with the Community Development Director, or the mailing address on the appeal form; or the date upon which personal service of the notice is provided to the applicant or a manager identified on the application or appeal form.

13A-1-08 Inspection authority.

a) The Police Chief may enter and inspect the site of a cannabis business at any reasonable time to ensure compliance and enforcement of the provisions of this chapter.

b) No person shall refuse, impede, obstruct, or interfere with a lawful inspection performed pursuant to this chapter.

13A-1-09 Violations.

a) Any person who violates the provisions of this chapter shall be subject to a fine of up to $1,000 for each day the violation continues.

b) Violations of this chapter are hereby declared to be public nuisances. In addition to any other remedy allowed by law, any person who violates a provision of this chapter is subject to civil action and administrative penalties pursuant to Chapter 14A of this code.

c) All remedies prescribed under this chapter shall be cumulative and the election of one or more remedies shall not bar the city from the pursuit of any other available remedy for the purpose of enforcing the provisions hereof.

13A-1-10 Severability.

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this chapter is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, that decision shall not affect the validity or effectiveness of the remaining portions of this chapter. The city council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

ARTICLE II NOTICE AND APPEAL PROCESS FOR CANNABIS BUSINESS PERMITS

13A-2-01 Appeals.

a) Any applicant or permittee aggrieved by a decision of the Community Development Director in denying, suspending, modifying or revoking a permit, or imposing conditions on the issuance of a permit or permit renewal, may appeal the decision to the City Manager in accordance with the procedures set forth in this article.

b) Any applicant or permittee who desires to appeal a decision of the Community Development Director, may appeal the decision by submitting a written appeal to the City Manager within ten calendar days from the date of service of the notice of denial, suspension, modification, revocation, or conditioned approval or renewal. The written appeal shall contain:

    1) A brief statement in ordinary and concise language of the specific decision or condition protested, together with any material facts claimed to support the contentions of the appellant;

    2) A brief statement in ordinary and concise language of the relief sought, and the reasons why it is claimed the protested action should be reversed or otherwise set aside;

    3) The signatures of all parties named as appellants and their official mailing addresses; and

    4) The verification (by declaration under penalty of perjury) of at least one appellant as to the truth of the matters stated in the appeal.

c) Upon receipt of a timely filed appeal, the City Manager may hire or appoint a hearing officer or may serve as the hearing officer.

d) Upon receipt of any appeal filed pursuant to this section, the hearing officer shall calendar it for hearing within fifteen calendar days.

e) Written notice of the time and place of the hearing shall be given at least seven calendar days prior to the date of the hearing to each named appellant either by causing a copy of such notice to be delivered to the appellant personally or by mailing a copy thereof, postage prepaid, addressed to the appellant at the address(es) shown on the appeal.

f) Failure of any person to timely file an appeal in accordance with the provisions of this section shall constitute an irrevocable waiver of the right to an administrative hearing and a final adjudication of the notice and decision, or any portion thereof.

g) Only those matters or issues specifically raised by the appellant in the appeal notice shall be considered in the hearing of the appeal.

h) In the case of a suspension, modification, or revocation of a permit or permit renewal, the permittee may continue to conduct the cannabis business during the pendency of any appeal.

13A-2-02 Hearings - Generally.

a) At the time set for hearing, the hearing officer shall proceed to hear the testimony of the Community Development Director, the appellant, and other competent persons, including members of the public, respecting those matters or issues specifically raised by the appellant in the notice of appeal.

b) The proceedings at the hearing shall be electronically recorded. Either party may provide a certified shorthand reporter to maintain a record of the proceedings at the party's own expense.

c) The hearing officer may, upon request of the appellant or upon request of the city, grant continuances from time to time for good cause shown, or upon his or her own motion.

d) In any proceedings under this chapter, the hearing officer has the power to administer oaths and affirmations and to certify to official acts.

13A-2-03 Conduct of hearing.

a) Hearings need not be conducted according to the technical rules relating to evidence and witnesses.

b) Oral evidence shall be taken only upon oath or affirmation.

c) Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of the evidence over objection in civil actions.

d) The hearing officer has discretion to exclude evidence if its probative value is substantially outweighed by the probability that its admission will necessitate undue consumption of time.

e) Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but over timely objection shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. An objection is timely if made before submission of the case or on reconsideration.

f) Each party shall have these rights, among others:

1) To call and examine witnesses on any matter relevant to the issues of the hearing;

2) To introduce documentary and physical evidence;

3) To cross-examine opposing witnesses on any matter relevant to the issues of the hearing;

4) To impeach any witness regardless of which party first called the witness to testify;

5) To rebut the evidence presented against the party; and

6) To represent him, her, or itself or to be represented by anyone of his, her, or its choice who is lawfully permitted to do so.

g) In reaching a decision, official notice may be taken, either before or after submission of the case for decision, of any fact that may be judicially noticed by the courts of this state or that may appear in any of the official records of the city or any of its departments.

13A-2-04 Form, contents, finality of decision.

a) If it is shown, by a preponderance of the evidence, that one or more bases exist to deny, suspend, modify, or revoke the permit, the hearing officer shall affirm the Community Development Director's decision to deny, suspend, modify, revoke or condition the permit.

b) Following the hearing and after reviewing the testimony and evidence presented at the hearing, the City Manager shall issue a decision, or if the City Manager appointed a hearing officer, the hearing officer shall issue a recommendation to the City Manager, regarding the propriety of the Community Development Director's determination. The decision or recommendation shall be in writing and shall contain findings of fact and a determination of the issues presented. The City Manager shall accept, amend and accept, or reject a hearing officer's recommendation.

c) The City Manager's determination of the appeal shall be final.

d) The final decision shall inform the appellant that the decision is a final decision and that the time for judicial review is governed by California Code of Civil Procedure Section 1094.6. Copies of the decision shall be delivered to the appellant personally or sent by certified mail to the address shown on the appeal within ten business days following the conclusion of the hearing.

e) The decision shall be final when signed by the City Manager and served as provided in this section.

ARTICLE III ISSUANCE OF CANNABIS BUSINESS PERMITS

13A-3-01 Applicability and Scope.

This article applies to every cannabis business permitted by Article 21.6 of the Zoning Code.

13A-3-02 Cannabis business permit required.

No person shall operate a cannabis business without obtaining a valid cannabis business permit issued pursuant to this article.

13A-3-03 Cannabis business permit program fee.

The cannabis business permit program fee is hereby established and imposed. The city council shall establish by resolution the amount of the cannabis business permit program fee applicable to each respective cannabis business permitted by this chapter, and any related penalties.

13A-3-04 Applications for cannabis business permit.

(a) A person may apply for a cannabis business permit, or a permit renewal, by filing an application with the Community Development Director. The application shall be on a form approved by the Community Development Director and may require any information or documentation consistent with the provisions of this code and state law, including the following:

(1) Applicant.

(A) A description of the statutory entity or business form that will serve as the legal structure for the applicant and a copy of its formation and organizing documents, including, but not limited to, articles of incorporation, statement of information, articles of association, and fictitious business name statement.

(B) The phone number and address to which notice of action on the application and correspondence is to be mailed.

(2) Interested parties.

(A) The name, address, telephone number, title, and function of each of the interested parties in the cannabis business.

(B) For each of the interested parties identified pursuant to subsection (2)(A):

i. A legible copy of one valid government-issued form of photo identification, such as a state driver's license, a passport issued by the United States, or a permanent resident card.

ii. A list of his or her misdemeanor and felony convictions, if any. For each conviction, the list must set forth the date of arrest, the offense charged, the offense convicted, the jurisdiction of the court, and whether the conviction was by verdict, plea of guilty, or plea of nolo contendere.

iii. Consent to fingerprinting and a criminal background investigation.

(3) Cannabis business site.

(A) Description. A general description of the proposed cannabis business site, including the street address, parcel number, total square footage of the site, and the characteristics of the surrounding area.

(B) Floor plan. A scaled floor plan for each level of each building that makes up the business site, including the entrances, exits, walls, and cultivation, manufacturing, laboratory and research, distribution and retail storage areas, as applicable. The floor plan must be professionally prepared by a licensed civil engineer or architect.

(C) Site plan. A scaled site plan of the business site, including all buildings, structures, driveways, parking lots, landscape areas, and boundaries. The site plan must be professionally prepared by a licensed civil engineer or architect.

(D) Compliance with the Zoning Code. A copy of a valid conditional use permit approved by the city for the proposed location, as may be applicable.

(E) Statement of owner's consent. Written consent of the owner or landlord of the proposed site to operate a cannabis business, specifying the street address and parcel number.

(4) Security.

(A) Security plan. A detailed security plan outlining the measures that will be taken to ensure the safety of persons and property on the business site. The security plan must be prepared by a qualified professional.

(B) Lighting plan. A lighting plan showing existing and proposed exterior and interior lights that will provide adequate security lighting for the use.

(5) Odor control. A detailed ventilation plan describing the air treatment system, or other methods that will be implemented to prevent offensive odors generated from the manufacturing, testing and/or storage of cannabis from being detected outside the buildings on the site.

(6) Business operations.

(A) Business plan. A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The business plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable.

(B) Community relations plan. A plan describing who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted. The community relations plan must include a description of the community benefit the business will provide, or proposes to provide, to the surrounding community.

(C) State licenses. Copies of the applicant's state licenses relating to cannabis, as required by state law. If the applicant applies for a cannabis business permit prior to the state issuing the appropriate licenses, the applicant shall specify which state license(s) will be obtained once the state begins issuing licenses.

(D) Tax compliance. A current copy of the applicant's city business license tax certificate, state sales tax seller's permit, and the applicant's most recent year's financial statement and tax returns, as may be applicable.

(E) Insurance. The applicant's certificate of commercial general liability insurance and endorsements and certificates of all other insurance related to the operation of the cannabis manufacturing business.

(F) Budget. A copy of the applicant's most recent annual budget for operations.

(G) Price list. A list of the most recent prices for all products and services provided by the applicant, as may be applicable.

(7) City authorization. Authorization and consent for the Community Development Director to seek verification of the information contained within the application.

(8) Applicant's certification. A statement dated and signed by the applicant, under penalty of perjury, that the applicant has personal knowledge of the information contained in the application, that the information contained therein is true and correct, and that the application has been completed under the applicant's supervision.

(9) Operating Agreement and Indemnification. The city and applicant shall enter into an operating agreement, in a form approved by the city attorney, whereby the applicant:

(A) Releases the city, and its agents, officers, elected officials, and employees from any and all claims, injuries, damages, or liabilities of any kind arising from: (i) any repeal or amendment of this chapter or any provision of the Zoning Code relating to the cannabis business, and (ii) any arrest or prosecution of the applicant or its managers, employees, or members for violation of state or federal laws; and

(B) Defends, indemnifies, and holds harmless the city and its agents, officers, elected officials, and employees from and against any and all claims or actions: (i) brought by adjacent or nearby property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from operations at the manufacturing site, and (ii) brought by any party for any problems, injuries, damages, or other liabilities of any kind arising out of the distribution of cannabis or cannabis products at the business site.

(C) Agrees to abide by the requirements of this Code and any other operating terms and conditions as mutually agreed by the parties to ensure that the community benefits derived from the proposed cannabis business adequately address potential adverse impacts.

(b) Every application for a cannabis business permit shall be accompanied by a nonrefundable cannabis business permit program fee.

(c) No person shall knowingly make a false statement of fact or knowingly omit any information that is required in an application for a cannabis business permit.

13A-3-05 Application process.

The Community Development Director, in consultation with the City Manager and Police Chief, is authorized to establish procedures and guidelines to process cannabis business permit applications.

13A-3-06 Denial of a cannabis business permit.

(a) The Community Development Director may deny a cannabis business permit if he or she determines that one or more of the following circumstances exist:

(1) The application received is incomplete, filed late, or not responsive to the requirements of this article;

(2) The application contains a false or misleading statement or omission of a material fact;

(3) The operation of the business site described in the application fails to comply with any of the requirements in this code, state law, or any other regulation;

(4) The applicant or any of its managers has any unpaid and overdue administrative penalties imposed for violations of this chapter;

(5) Within 12 months of the date of application, either the applicant has had a state or local cannabis-related land use or business permit revoked; or any of its managers were associated with a cannabis business that had its cannabis-related permit(s) revoked; or

(6) Operation of the proposed cannabis business site, as represented in the application, is a threat to the public health, safety, or welfare.

(b) The denial of a cannabis business permit is subject to and shall comply with Article II of this chapter.

13A-3-07 Terms of cannabis business permit.

(a) A cannabis business permit issued pursuant to this article is valid for one year from the date that the permit is issued, unless suspended or revoked sooner.

(b) A cannabis business permit is only valid for the operator of the cannabis business(es) identified on the cannabis business permit for that particular cannabis business site. In the event of multiple operators located on a single cannabis business site, each operator shall obtain and maintain a separate cannabis business permit to operate the operator's cannabis business(es).

(c) A cannabis business permittee shall not allow cannabis or cannabis products on the business site to be visible from the public right of way, the unsecured areas surrounding the building(s) on the site, or the site's main entrance and lobby.

(d) The permittee shall notify the Community Development Director of any change in the information provided on the application to obtain the cannabis business permit within 30 days of the change.

(e) Conditions placed on the conditional use permit issued under the Zoning Code are also conditions of the cannabis business permit. Any violation of the conditions of the conditional use permit is grounds for suspending or revoking the cannabis business permit.

(f) The Community Development Director may impose additional conditions on the cannabis business permit, including the maximum amount of cannabis and cannabis products allowed on the site, number and types of equipment allowed, and security features.

13A-3-08 Renewal.

(a) A permittee may apply for a cannabis business permit renewal by submitting to the Community Development Director at least thirty calendar days before the expiration of the permit, a renewal application and a non-refundable renewal fee in an amount set by resolution of the city council. Failure to timely submit a renewal application prior to expiration of the permit shall result in permit expiration, and an application for a new permit shall be required pursuant to section 13A-3-04.

(b) If a timely and complete application for renewal is filed, the permit's expiration shall be stayed until a decision on the renewal application is issued.

(c) The Community Development Director shall either approve or deny the renewal of a permit within thirty calendar days of receipt of the complete application. The Community Development Director may extend the time for consideration of the application for up to an additional thirty calendar days upon written notice to the applicant. The failure of the Community Development Director to timely act shall constitute approval of the renewal of the permit.

(d) The Community Development Director shall approve the renewal of a permit if he or she finds that the circumstances existing during the term of the permit and during the review period of the application for renewal are consistent with all of the findings required for approval of a new permit specified in section 13A-3-04, and that no permittee or interested party of the cannabis business has committed, permitted, or failed to prevent violations of the municipal code, or any license or permit condition, during the preceding permit term.

(e) Notwithstanding an approval for a permit renewal, the Police Chief may add, delete or modify the permit conditions using the criteria set forth in section 13A-3-07.

(f) A permit renewed pursuant to this section may be extended for up to two additional years.

(g) The renewal application shall be on a form approved by the Community Development Director. The Community Development Director, in consultation with the City Manager and Police Chief, is authorized to establish procedures and guidelines to process cannabis business permit renewal applications.

13A-3-09 Suspending, modifying, or revoking a permit.

(a) The Community Development Director may suspend, modify, or revoke a cannabis business permit issued pursuant to the provisions of this article for any of the following reasons:

   (1) One or more of the circumstances upon which a cannabis business permit could be denied, as described in section 13A-3-06, exists or has occurred;

   (2) One or more conditions of the cannabis business permit has been violated; or

   (3) The permittee, its managers or interested parties have violated any provision of this chapter.

(b) The suspension, modification, or revocation of a cannabis business permit shall comply with Article II of this chapter.

13A-3-10 Emergency contact manager.

A cannabis business permittee shall provide the Community Development Director with the current name and primary and secondary telephone numbers of at least one 24-hour on-call manager to address and resolve complaints and to respond to emergency operating problems or concerns associated with the cannabis business.

ARTICLE IV OPERATING REQUIREMENTS

13A-4-01 Cannabis business site buildings.

A cannabis business site shall comply with the following requirements:

(a) Entrances. All entrances into the buildings on the business site shall be locked at all times with entry controlled by the cannabis business permittee's managers and staff.

(b) Main entrance and lobby. The business site shall have a building with a main entrance that is clearly visible from the public street or sidewalk. Inside of the main entrance, there shall be a lobby to receive persons into the site and to verify whether they are allowed in the cultivation, manufacturing, testing, distribution and/or retail storage areas.

(c) All cultivation, manufacturing, testing, distribution and/or retail storage areas in any building on the business site shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to managers and staff of the cannabis business permittee.

(d) Transport area. Each building shall have an area designed for the secure transfer of cannabis from a vehicle to the secured business area(s), as applicable.

(e) Storage area. Each building that will be used for storing cannabis or cannabis products shall have adequate storage space separated from the main entrance and lobby, and shall be secured by a lock accessible only to managers and staff of the cannabis manufacturing permittee.

13A-4-02 Cannabis business site security.

A cannabis business site shall comply with the following security requirements:

(a) A cannabis business permittee shall comply with the security plan that is approved by Community Development Director, which plan may include building specifications, lighting, alarms, and state-licensed security personnel.

(b) Each security plan approved by the Community Development Director must include the following:

(1) Security surveillance cameras. Security surveillance cameras and a video recording system must be installed to monitor all doors into the buildings on the manufacturing site, the parking lot, loading areas, and all exterior sides of the property adjacent to the public rights of way. The cameras and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the manufacturing site. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium, such as a DVD or USB drive.

(2) Security video recording and retention. Video from the security surveillance cameras must be recording at all times (24 hours a day, seven days a week) and the recording shall be maintained for at least 30 days. The video recordings shall be made available to the city upon request.

(3) Alarm system. Professionally and centrally-monitored fire, robbery, and burglar alarm systems must be installed and maintained in good working condition. The alarm system must include a private security company that is required to respond to every alarm.

(4) A permittee shall report to the city police department all criminal activity occurring on the business site.

13A-4-03 Display of cannabis business permit.

The cannabis business permittee shall display its current valid cannabis business permit issued in accordance with this article inside the lobby or waiting area of the main entrance to the business. The permit shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the business site.

13A-4-04 Signs.

(a) A cannabis business permittee shall post in the lobby of the business site signs that state the following:

(1) "This site is not open to the public."

(2) "Onsite retail sales of any goods and services is prohibited."

(3) "Juveniles are prohibited from entering this site."

(4) "Smoking, ingesting, or consuming cannabis on this site is prohibited."

(b) Each sign described in subsection (a) must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the business site.

13A-4-05 Site restricted.

(a) No cannabis business permittee shall open his or her cannabis business site to the general public.

(b) No cannabis business permittee shall allow anyone on the cannabis business site, except for managers, staff, and other persons with a bona fide business or regulatory purpose for being there, such as city officials, contractors, inspectors, and cannabis transporters.

(c) A manager must be on the cannabis business site at all times that any other person, except for security guards, is on the site.

(d) Any person other than managers or staff who are on the cannabis business site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times.

13A-4-06 Juveniles prohibited.

(a) No juvenile shall be on the cannabis business site or operate a cannabis business in any capacity, including, but not limited to, as a manager, staff, employee, contractor, or volunteer.

(b) No permittee shall allow any violation of subsection (a).

13A-4-07 Cannabis consumption prohibited.

No person, including managers, employees and visitors, shall smoke, ingest, or otherwise consume cannabis in any form on or within the cannabis business site.

13A-4-08 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the cannabis business site.

13A-4-09 Maintenance of records.

(a) A cannabis business shall maintain the following records in printed format for at least three years on the business site and shall produce them to the city within 24 hours after receipt of the city's request:

(1) The name, address, and telephone numbers of the owner and landlord of the property.

(2) The name, date of birth, address, and telephone number of each manager and staff of the cannabis business; the date each was hired; and the nature of each manager's and staff's participation in the cannabis business.

(3) A written accounting of all income and expenditures of the cannabis business, including, but not limited to, cash and in-kind transactions.

(4) A copy of the cannabis business's commercial general liability insurance policy and all other insurance policies related to the operation of the business.

(5) A copy of the cannabis business's most recent year's financial statement and tax return.

(6) An inventory record documenting the dates and amounts of cannabis and cannabis products received at the business site, the daily amounts of cannabis and cannabis products stored on the site, and the daily amounts of cannabis and cannabis products transported from the site.

(b) A cannabis business shall report any loss, damage, or destruction of these records to the City Manager within 24 hours of the loss, damage, or destruction.

13A-4-10 Site management.

(a) The cannabis business permittee shall prevent and eliminate conditions on the cannabis business site that constitute a nuisance.

(b) The permittee shall properly store and dispose of all waste generated on the cannabis business site, including chemical and organic waste, in accordance with all applicable laws and regulations.

13A-4-11 Special requirements for retail cannabis businesses.

In addition to all other requirements imposed by this chapter, retail cannabis businesses shall comply with the following operating requirements:

(a) The maximum hours of operation shall be daily from nine a.m. to eight p.m., unless the Community Development Director imposes more restrictive hours as a condition of the permit. A retail cannabis business conducting sales by deliveries shall not conduct any deliveries outside the applicable hours of operation of the business.

(b) The retail cannabis business shall prohibit loitering by persons outside the establishment, either on the premises or within fifty (50) feet of the premises.

(c) A retail cannabis business shall comply with all signage, packaging, labeling, and advertising requirements imposed by state law.

(d) Deliveries of cannabis and cannabis products within the city shall comply with the following requirements:

(1) The delivery services shall be conducted by employees of the retail cannabis business who are at least 21 years old. The retail cannabis business shall not use the services of an independent contractor or courier service to deliver cannabis for retail sale.

(2) Every employee of the retail cannabis business engaging in delivery services shall maintain on his or her person a physical copy of the following when conducting a delivery:

i. The business's current valid retail cannabis business permit;

ii. Valid driver's license;

iii. Employer-provided badge containing the name and photo of the employee; and

iv. Each customer's delivery request. The delivery request must identify the retail cannabis business, the customer's name and address, and the product(s) being delivered.

(3) Cannabis may only be delivered in-person to the customer that made the delivery request, and shall not be left unattended or delivered to any other person. The delivery-employee shall verify the customer's age, identity, delivery request, and, if applicable, valid physician's recommendation prior to completing the delivery.

(4) Cannabis may not be delivered to an address located on publicly-owned land or any address on land or in a building leased by a public agency.

(5) All deliveries shall be conducted in an enclosed motor vehicle or other acceptable delivery method in compliance with state law, operated by the delivery employee or another delivery employee of the retail cannabis business.

(6) Cannabis and cannabis products shall not be left unattended in a vehicle, except for brief periods as necessary to deliver cannabis to a customer. If cannabis and cannabis products are left unattended in a vehicle, the vehicle must remain locked and must be equipped with an active vehicle alarm system.

(7) For purposes of this section, a delivery begins when an employee leaves the retail cannabis business premises with cannabis intended for delivery, and ends when the delivery employee returns to the retail cannabis business premises. When conducting deliveries, the employee shall only travel from the business premises to a delivery address, from one delivery address to another delivery address, or from a delivery address back to the business premises.

(8) The Community Development Director is authorized to establish permitted and preferred delivery routes applicable to retail cannabis businesses.

(9) These regulations are intended to be the minimum requirements imposed by law, and shall not be construed to conflict with state law. Where State law provides more restrictive requirements for cannabis deliveries, State law controls.

13A-4-12 Cannabis delivery services originating outside of the city.

(a) For purposes of this section, "cannabis delivery service" means a cannabis business located outside of the city that delivers cannabis or cannabis products to a physical location in the city as part of a retail sale. This section does not apply to cannabis retailers physically located in the city.

(b) No person shall perform a cannabis delivery service in the city without first obtaining a valid business license issued by the city, and a cannabis delivery permit issued pursuant to this section. The city council shall establish by resolution the amount of the cannabis delivery permit fee.

(c) An application for a cannabis delivery permit shall be submitted to the Community Development Director, on a form approved by the Community Development Director. The application shall contain the following minimum information:

(1) A description of the statutory entity or business form that serves as the legal structure for the cannabis delivery service and a copy of its formation and organizing documents, including, but not limited to, articles of incorporation, statement of information, articles of association, and fictitious business name statement.

(2) The phone number and address to which notice of action on the application and correspondence is to be mailed.

(3) The name, address, telephone number, title, and function of each of the cannabis delivery service's owners and managers.

(4) The name, address, telephone number, and title of each of the employees that are authorized to perform deliveries from the cannabis business. For each employee authorized to perform deliveries, proof of valid driver's license and current employment by the business is required.

(5) A general description of the retail cannabis business site, including the street address, parcel number, and hours of operation, from which the cannabis delivery service operates. The business description should indicate whether the business intends to sell medical or adult-use cannabis.

(6) Copies of the applicant's state license(s) relating to cannabis, as required by state law. If the applicant applies for a cannabis delivery permit prior to the state issuing the appropriate licenses, the applicant shall specify which state license(s) will be obtained once the state begins issuing licenses.

(7) The cannabis business's certificate of commercial general liability insurance and endorsements and certificates of all other insurance related to the operation of the cannabis retail business and deliveries.

(8) Applicant's certification. A statement dated and signed by the applicant, under penalty of perjury, that the applicant has personal knowledge of the information contained in the application, that the information contained therein is true and correct, and that the application has been completed under the applicant's supervision

(9) Indemnification. An agreement, on a form approved by the city attorney, whereby the applicant:

i. Releases the city, and its agents, officers, elected officials, and employees from any and all claims, injuries, damages, or liabilities of any kind arising from: (i) any repeal or amendment of this chapter, and (ii) any arrest or prosecution of the applicant or its managers, employees, or members for violation of state or federal laws; and

ii. Defends, indemnifies, and holds harmless the city and its agents, officers, elected officials, and employees from and against any and all claims or actions: (i) brought by city property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from the business delivery operations, and (ii) brought by any party for any problems, injuries, damages, or other liabilities of any kind arising out of the distribution of cannabis or cannabis products from the business site in the city.

(10) Every application for a cannabis delivery permit shall be accompanied by a nonrefundable cannabis delivery permit fee.

(11) No person shall knowingly make a false statement of fact or knowingly omit any information that is required in an application for a cannabis delivery permit.

(d) A cannabis delivery permit shall be valid for a term of one year from the date that the permit is issued, unless suspended or revoked sooner. A permittee may apply for a cannabis delivery permit renewal at least thirty days before the expiration of the permit on a form approved by the Community Development Director.

(e) A cannabis delivery permit may be denied, revoked, or suspended if one or more of the following circumstances exist:

(1) The application received is incomplete or not responsive to the requirements of this section;

(2) The application contains a false or misleading statement or omission of a material fact;

(3) The operation of the delivery service described in the application fails to comply with any of the requirements in this code, state law, or any other regulation; or

(4) The applicant or any of its managers has any unpaid and overdue administrative penalties imposed for violations of this chapter.

(f) Denial, suspension, and revocation of a cannabis delivery permit is subject to the appeal procedures set forth in Article II of this chapter.

(g) The cannabis delivery service shall comply with all of the requirements for deliveries set forth in section 13A-4-11, subsection (d).

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: November 21, 2017

ITEM #: 13.

SUBJECT: Review of Draft Commercial Cannabis Permit Fees

Recommendation for Action:

Staff recommends that the City Council review and provide feedback on draft Commercial Cannabis Permit Fees associated with implementation of the City's Commercial Cannabis Business Program.

Staff Contact:

Paul Navazio, City Manager, (530) 661-5800, paul.navazio@cityofwoodland.org

Fiscal Impact:

Total proposed fees are intended to fully-recover staff costs associated with administering and enforcing the City's Commercial Cannabis Program. The total revenue anticipated to be generated by the proposed fees will depend entirely upon the number of Commercial Cannabis Business Permits issued by the City, limited by the caps imposed on the number of Conditional Use Permits established by the City Council.

Fee revenues are expected to be in the range of $300,000 - $600,000, depending on the number and types of permits issued by the City. These funds would be used entirely to offset costs associated with administering the commercial cannabis program, and include oversight, inspections, code enforcement, accounting and auditing. The City currently lacks the staff resources required to implement the proposed Commercial Cannabis Business Program, necessitating fees be established so as to provide funding for what staff believes to be an intensive monitoring and enforcing effort, again, depending on the number and types of licenses issued by the City.

Background:

The City is contemplating allowing limited commercial cannabis business operations, subject to the restrictions and requirements outlined in both the draft land use and regulatory ordinances under consideration by the City Council. Contemplated activities include a limited number of manufacturing, processing, distribution and lab/testing facilities, and may include limited commercial indoor cultivation and retail delivery services.

Ensuring compliance with the strict regulatory framework will require extensive staff time (and costs), beyond the capacity of existing staff resources. Administration and compliance efforts will affect several city departments, including:

- Community Development (Planning and Code Enforcement),
- Police and Fire (public safety, site security, fire safety, background checks, and decoy operations),
- Finance (accounting and reporting, cash handling, audit), as well as,
- Yet to be determined monitoring of product and inventory of licensed operators consistent with the requirements of the state-mandated "Track-and-Trace" program.

It is also assumed that staff time within the City Manager's Office and City Attorney will be required in evaluating the overall impacts of this new industry and the efficacy of the regulations and requirements being put into place. Staff anticipates providing regular City Council updates and potential recommendations for refinement (or expansion) of program elements within the first 12-18 months after implementation.

Discussion:

Staff has developed an initial framework for the establishment of specific fees across each of the business types under consideration. Some additional refinement will be needed prior to formal adoption by the City Council at its meeting of December 5, 2017, coinciding with second readings of the proposed Land Use and Regulatory Ordinances establishing the commercial cannabis program.

The following summarizes the proposed commercial cannabis permit fees:

PERMITS		ANNUAL FEE
Cultivation		$ 28,900
Manufacturing /Processing - Volatile		$ 40,040
Manufacturing /Processing - Non-Volatile		$ 39,440
Distribution		$ 39,440
Testing / Lab		$ 29,340
Retail Delivery		$ 27,740
Out-of-Town Delivery Permits		$ 13,760

The fees are proposed for a period of one year. Because the regulation of cannabis businesses is new to the City, and the industry has aspects that differentiate it from other businesses (primarily a cash-only business, unknown public safety impacts, specific state regulations, inconsistencies between state/local and federal laws, etc.).

Over the course of the first year of implementation, staff will review and evaluate the actual costs of administration, monitoring and enforcement, and anticipates returning to the City Council with recommendations to adjust future fees (upward or downward), as needed.

It is anticipated that certain initial costs associated with administration of cannabis regulation (staff training, for example) will decrease significantly in the second and subsequent years, but upfront costs are necessary to get a program up and running effectively.

The draft Commercial Cannabis Business Permit Fees would be in addition to any Permit Application fee and Conditional Use Permit application fee that would be charged, on a one-time non-refundable basis, to cover costs associated with processing applications from businesses applying for a City of Woodland Commercial Cannabis Permit, as well as the annual Business License Fee applicable to all currently permitted businesses.

Conclusion:
Staff recommends that the City Council review and provide feedback on draft Commercial Cannabis Permit Fees associated with implementation of the City's Commercial Cannabis Business Program.

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Cannabis Fee Program Elements	11/16/2017	Cover Memo
Draft Cannabis Permit Fees	11/16/2017	Cover Memo

CANNABIS PERMIT PROGRAM ELEMENTS

Training – New Commercial Cannabis Industry requires specialized training

- State Regulations
- Local Regulations
- Track-and-Trace Program
- Cash Handling / Accounting
- Safety / Security
- Site Inspections – Security / Safety / Code
- Manufacturing / Processing / Testing

Outreach – Business, Neighborhood and Community

- Respond to questions / concerns / complaints
- Public Info / Public Education

Program Oversight – Monitoring and Review of Cannabis Cultivation Program

- Monitor & Evaluate Efficacy of Program Regulations / Impacts
- Monitor & Evaluate Programs in neighboring jurisdictions
- Recommend Changes / Revisions to Program Requirements and Regulations

Public Safety – Efforts dedicated to ensure public safety and regulatory compliance of cannabis businesses operation in Woodland

- Police Inspections – Security, personnel, video surveillance; routine and unscheduled site visits
- Fire Inspections – Fire Safety, Fire Code
- Code Inspections – Building / site inspections, regulatory compliance
- Decoy Operations – associated with ANY retail operation; access of sales to minors

Track-and-Trace – ensure compliance with requirements for participation in County and/or State Track-and-Trace Programs

- Monitoring, reporting and audits of ALL inventory and product passing through permitted business.
- Online database AND Site Inspections

Finance – Two primary functions:

- Cash Handling, receipts and accounting/reporting – annual permits, processing fees, applicable business license and monthly deposits
- Coordination with City banking institution(s) related to special handling of cannabis-related cash receipts
- Audits of Cannabis Businesses accounting records

FEE CATEGORIES

Processing Fees - Permit Applications

- Application for Cannabis Permit $________
- Application for Conditional Use Permit $________

Cannabis Business Permit Fee Categories

- Commercial Cultivation (Indoor)
- Manufacturing / Processing – VOLATILE
- Manufacturing / Process – NON-VOLATILE
- Distribution
- Testing / Laboratory Facility
- Retail Delivery – Woodland-based
- Retail Delivery – Non-Woodland-based

SEE ATTACHED
FEE SCHEDULES

Background Checks

- Charged based on actual cost per business (based on number of employees)

Cultivation Permit	Hrs / FTE	Onetime	Annual	Semi-Annual	Qrly	Monthly	Total Hrs	PERMIT FEE
Admin. Oversight								
Training	100			8			16	1,600
Community Outreach	125					2	24	3,000
Program Oversight	175				8		32	5,600
							72	$ 10,200
Enforcement								
PD - Inspections	125					4	48	6,000
Code Inspections	100					2	24	2,400
Fire - Inspections	115				1		4	460
Track and Trace	100					4	48	4,800
Fin- Accounting	90					2	24	2,160
Fin - Audit	120		24				24	2,880
							172	$ 18,700
Sub-Total Cannabis Business Permit Fee							244	$ 28,900
PD - Background								

Manufacturing / Procesing Permit - VOLATILE	$ / Hr	Onetime	Annual	Semi-Annual	Qrly	Monthly	Total Hrs	PERMIT FEE
Admin. Oversight								
Training	100			8			16	1,600
Community Outreach	100					2	24	2,400
Program Oversight	200				8		32	6,400
							72	$ 10,400
Enforcement								
PD - Inspections	175					4	48	8,400
Code Inspections	125					2	24	3,000
Fire - Inspections	150				2		8	1,200
Track and Trace	125					8	96	12,000
Fin- Accounting	90					2	24	2,160
Fin - Audit	120		24				24	2,880
							224	$ 29,640
Sub-Total Cannabis Business Permit Fee							296	$ 40,040
PD - Background								

Manufacturing / Procesing Permit - NON-VOLATILE

	Hrs / FTE	Onetime	Annual	Semi-Annual	Qrly	Monthly	Total Hrs	PERMIT FEE
Admin. Oversight								
Training	100			8			16	1,600
Community Outreach	100					2	24	2,400
Program Oversight	200				8		32	6,400
							72	$ 10,400
Enforcement								
PD - Inspections	175					4	48	8,400
Code Inspections	125					2	24	3,000
Fire - Inspections	150				1		4	600
Track and Trace	125					8	96	12,000
Fin- Accounting	90					2	24	2,160
Fin - Audit	120		24				24	2,880
							220	$ 29,040
Sub-Total Cannabis Business Permit Fee							292	$ 39,440
PD - Background								

Distribution Permit

	Hrs / FTE	Onetime	Annual	Semi-Annual	Qrly	Monthly	Total Hrs	PERMIT FEE
Admin. Oversight								
Training	100			8			16	1,600
Community Outreach	100					2	24	2,400
Program Oversight	200				8		32	6,400
							72	$ 10,400
Enforcement								
PD - Inspections	175					4	48	8,400
Code Inspections	125					2	24	3,000
Fire - Inspections	150				1		4	600
Track and Trace	125					8	96	12,000
Fin- Accounting	90					2	24	2,160
Fin - Audit	120		24				24	2,880
							220	$ 29,040
Sub-Total Cannabis Business Permit Fee							292	$ 39,440
PD - Background								

Testing / Lab Permit	Hrs / FTE	Onetime	Annual	Semi-Annual	Qrly	Monthly	Total Hrs	PERMIT FEE
Admin. Oversight								
Training	100			8			16	1,600
Community Outreach	100					1	12	1,200
Program Oversight	200				4		16	3,200
							44	$ 6,000
Enforcement								
PD - Inspections	175					2	24	4,200
Code Inspections	125					1	12	1,500
Fire - Inspections	150				1		4	600
Track and Trace	125					8	96	12,000
Fin- Accounting	90					2	24	2,160
Fin - Audit	120		24				24	2,880
							184	$ 23,340
Sub-Total Cannabis Business Permit Fee							228	$ 29,340
PD - Background								

Retail Delivery Permit - Woodland	Hrs / FTE	Onetime	Annual	Semi-Annual	Qrly	Monthly	Total Hrs	PERMIT FEE
Admin. Oversight								
Training	100			8			16	1,600
Community Outreach	100					2	24	2,400
Program Oversight	200				8		32	6,400
							72	$ 10,400
Enforcement								
PD - Inspect / Decoy	175					2	24	4,200
Code Inspections	125					1	12	1,500
Fire - Inspections	150				1		4	600
Track and Trace	125					4	48	6,000
Fin- Accounting	90					2	24	2,160
Fin - Audit	120		24				24	2,880
							136	$ 17,340
Sub-Total Cannabis Business Permit Fee							208	$ 27,740
PD - Background								

Retail Delivery Permit - Out-of-Town	Hrs / FTE	Onetime	Annual	Semi-Annual	Qrly	Monthly	Total Hrs	PERMIT FEE
Admin. Oversight								
Training	100			1			2	200
Community Outreach	100				2		8	800
Program Oversight	200				2		8	1,600
							18	$ 2,600
Enforcement								
PD - Inspect / Decoy	175					2	24	4,200
Code Inspections	125					1	12	1,500
Fire - Inspections	150						0	-
Track and Trace	125					1	12	1,500
Fin- Accounting	90					1	12	1,080
Fin - Audit	120		24				24	2,880
							84	$ 11,160
Sub-Total Cannabis Business Permit Fee							102	$ 13,760
PD - Background								

TO: THE HONORABLE MAYOR AND CITY COUNCIL
DATE: November 21, 2017
ITEM #: 14.
SUBJECT: Fiscal Year 2017/18 Quarterly Budget Update

Recommendation for Action:
Staff recommends that the City Council:
1) Receive an informational report representing the FY2017/18 First Quarter Budget Update, and
2) Receive a brief presentation on OpenGov; the City's newly implemented financial transparency tool.

Staff Contact:
Evis Morales, Senior Management Analyst, (530) 661-5923, evis.morales@cityofwoodland.org

Fiscal Impact:
This informational item represents City-wide revenue and expenditure (1) unaudited results for all 12 periods of activity in fiscal year 2016/17 and (2) results through the first three periods of fiscal year 2017/18.

Discussion:
This report summarizes All Funds revenue and expenditure results through the fourth (4th) quarter of fiscal year 2016/17 and through first (1st) quarter of fiscal year 2017/18. In addition, the report highlights revenues and expenses in the General Fund through the fourth (4th) quarter in fiscal year 2016/17 and through the first quarter of fiscal year 2017/18.

Highlights of the fiscal year 2016/17 results (Attachment A) include the following:

- All Funds revenues through the fourth quarter of FY2016/17 were $165.0 million or 95% of the amended budget.

- General Fund revenues were $48.8 million or 5% more than the amended budget.

    - *Property tax revenues totaled $10.9 million or 4% over amended budget; the budget assumed a 3% increase in assessed value, but actual results were 4.9%.*
    - *Sales Tax payments for fiscal year 2016/17 resulted in $19.5 million or 1% over amended budget. Sales tax revenue received includes the City's 1% local share, Measure E, and Measure J. The positive variance occurred in the City's local share of sales tax, with moderate negative variance ($95k) in Measure E.*
    - *Other Taxes category totaled $2.0 million or 31% greater than the amended budget due to Transit Occupancy Tax collected coming in at 25% over revenue expectations and Document Transfer Tax coming at 54% over revenue expectations.*
    - *Licenses and Permits revenues exceeded budget by $1.17 million or 57% due to better than expected residential, commercial/industrial development, and business license activity throughout the fiscal year.*
    - *Service Charges resulted in $144,322 or 22% over amended budget due to increased revenue in recreation and police programs.*

    - *Miscellaneous revenues resulted in $465,106 or 10% over budget. Revenues that exceeded budget include $357,694 in Strike Team Operations reimbursements, $60,302 Fire Assessments (County properties outside of Woodland City limits that Fire services are provided for), and other miscellaneous payments that total the remainder.*

- Through the fourth quarter of fiscal year 2016/17, All Funds expenditures totaled $149.9 million, or 68% of the amended budget. General Fund expenditures totaled $47.9 million, or 98% of the amended budget.

- Departmental and category expenditures were within approved appropriations through the end of FY2016/17.

- The General Fund ended the year with a net increase in unreserved fund balance of $1,791,367. In preparation of the fiscal year 2016/17 budget, a net decrease of $988,000 was assumed. The originally budgeted net decrease in fund balance was attributed to one-time expenses to be paid for out of excess fund balance.

Highlights of the fiscal year 2017/18 first quarter results (Attachment B) include the following:

- All Funds revenues through the first quarter of 2017/18 are $30.1 million, or 20% of the amended budget.

- General Fund revenues are $4.4 million or 9% of the amended budget, with many of the City's major tax revenues yet to be collected during the current fiscal year.

    - *The City will not receive the first installment of property tax payments until January 2018. Information received from Yolo County indicates that the total assessed value increased by 6.39% from the prior year; the FY2017/18 budget assumed a 4% growth factor.*

    - *Sales Tax payments received through the month of September were slightly over $1.3 million, or 7% of amended budget.*

    - *Licenses and Permit revenue is trending higher than most categories due to housing and commercial development activity.*

    - *The Motor Vehicle In Lieu revenues are received in conjunction with the City's property tax revenues, which do not get distributed until January and May.*

    - *Lease and Interest Income revenue was at $363,293 or 318% of amended budget due to interest received on the City's investment portfolio. The interest is accumulated in this fund until fiscal year end and will be allocated across all funds based on respective cash balances at that time.*

- Through the first quarter of FY2017/18, All Funds expenditures (not including encumbrances) totaled $31.0 million, or 15% of the amended budget. General Fund expenditures totaled $10.9 million, or 22% of the amended budget.

- Operating expenditures appear to be tracking within budget for all categories.

Although fiscal year 2016/17 ended with positive results, the City's General Fund Five-Year forecast will continue to be a challenge as city staff is still projecting a growing structural deficit through FY2021/22 as depicted in Attachment C. The fund balance will be an important factor in assisting with development of balancing plans and targeted investment in high priority one-time funding needs.

OpenGov

During FY2016/17, Finance Department staff worked with a new software, OpenGov, to implement an online financial transparency tool. This software, which was available beginning in October, provides a portal that allows citizens to view financial reports and detailed information for all City activity.

Staff will provide a brief presentation of the portal following discussion of the budget update.

Conclusion:

Staff recommends that the City Council:

1) Receive an informational report representing the FY2017/18 First Quarter Budget Update, and
2) Receive a brief presentation on OpenGov; the City's newly implemented financial transparency tool.

Prepared By: Evis Morales, Senior Management Analyst

Reviewed By: Kimberly McKinney, Finance Officer

Paul Navazio, City Manager

ATTACHMENTS:

Description	Upload Date	Type
Quarterly Budget Update- FY17Q4 Attachment A	11/16/2017	Backup Material
Quarterly Budget Update - FY18Q1 Attachment B	11/16/2017	Backup Material
Quarterly Budget Update- Five Year Forecast Attachment C	11/16/2017	Backup Material

ATTACHMENT A

ALL FUNDS REVENUES AND EXPENDITURES

Table 1 – All Funds Revenues

FY2016/17 Revenues	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
General Fund	$ 46,361,160	$ 46,361,160	$ 48,837,503	$ 2,476,343	105%
Special Revenue	$ 18,104,224	$ 18,104,224	$ 11,414,117	$ (6,690,107)	63%
Debt Service	$ 2,599,265	$ 2,599,265	$ 2,597,831	$ (1,435)	100%
Development/Capital	$ 16,295,511	$ 16,295,511	$ 33,563,722	$ 17,268,211	206%
Enterprise Funds	$ 68,139,977	$ 68,139,977	$ 45,317,512	$ (22,822,465)	67%
Internal Service	$ 16,133,332	$ 16,133,332	$ 16,250,772	$ 117,440	101%
Successor Agency	$ 956,161	$ 956,161	$ 1,331,762	$ 375,601	139%
Agency	$ 5,520,680	$ 4,233,708	$ 5,689,059	$ 1,455,351	134%
Total All Funds	$ 174,110,310	$ 172,823,338	$ 165,002,279	$ (7,821,059)	95%

- All Funds revenues through the fourth quarter of FY2016/17 were $165.0 million or 95% of the amended budget.
- General Fund revenues were $48.8 million or 5% more than the amended budget. Table 4 depicts the differences between general fund revenue types in more detail.
- Development/Capital funds generated $33.5 million or 206% of amended budget for the following reasons:
    - The Spring Lake Capital fund includes $14.6 million in bond proceeds received from a refunding bond issued to generate funds to reimburse developers and construct capital projects.
    - Better than expected development led to citywide development impact fee and Spring Lake Infrastructure Fee (SLIF) revenues totaling $3.95 million more than budget.
    - Park Development fund revenues anticipated a $2 million contribution from Measure E to assist with payment of debt service for the Sports Park and Community Center; actual contribution was $633,603.
- Enterprise Funds revenues ended the year at $45.3 million or 67% of amended budget largely due to Surface Water Project/Aeration SRF budgeted loan reimbursements that are technically not considered revenues, per accounting rules. Additionally, $1.8 million in budgeted revenue was not realized due to water conservation throughout the city.
- Agency funds are primarily pass-through special assessment funds. The revenues in these funds totaled $5.6 million or 134% of the amended budget due to bond proceeds.

Table 2 – All Funds Expenditures by Fund

FY2016/17 Expenditures	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Internal Service	$17,104,654	$17,479,041	$16,006,739	$1,472,303	92%
General Fund	$47,349,160	$48,947,190	$47,959,857	$987,333	98%
Enterprise Funds	$50,088,558	$79,230,738	$51,957,348	$27,273,390	66%
Special Revenue	$19,510,433	$25,503,208	$10,431,072	$15,072,136	41%
Development/Capital	$8,525,765	$24,698,902	$8,950,600	$15,748,302	36%
Successor Agency	$1,002,279	$1,002,279	$589,161	$413,118	59%
Springlake	$4,118,786	$15,681,661	$5,926,033	$9,755,628	38%
Debt Service	$2,599,593	$2,599,593	$2,597,774	$1,819	100%
Agency	$5,535,323	$4,558,129	$5,514,629	($956,500)	121%
Total All Funds	$155,834,551	$219,700,741	$149,933,214	$69,767,528	68%

- Through the fourth quarter of fiscal year 2016/17, All Funds expenditures totaled $149.9 million, or 68% of the amended budget. General Fund expenditures totaled $47.9 million, or 98% of the amended budget.
- Operating expenditures stayed within amended budget for most categories.
- The General Fund resulted in $47.9 million or 98% of amended budget due to savings in Supplies & Services of $1.08 million, which includes $142,701 of unspent unallocated Measure J funds.
- Enterprise Funds resulted in $51.9 million or 66% of amended budget due to many capital projects that did not incur expenses to their estimated budget in FY17. Some of these projects included Water Systems Maintenance and Repair ($4.0 million), New ASR Well Construction ($3.4 million), Recycled Water Program ($2.6 million), Wastewater Asset Replacement ($2.4 million), Water Systems Repair and Replacement ($2.0 million), and West Street Water Main Upgrade ($1.9 million). All unspent budget will carry-forward to FY18 and be available for project expenses.
- Development/Capital funds resulted in $8.9 million or 36% of amended budget due to a few large projects slowly incurring expenses. These include Kentucky Avenue Widening ($1.7 million), North Gibson Detention Ponds ($1.3 million), New Traffic Signal – Freeway Drive and East Main ($450,000), and Future ASR Wells ($200,000). There is also $8.7 million in bond proceeds for infrastructure reimbursements to developers in Spring Lake that was not spent in FY17.
- The City's Spring Lake Fund ended the fiscal year with $5.9 million in expenses or 38% of budget due to a number of budgeted infrastructure projects that were not completed in FY17. Examples of projects include North Regional Pond and Pump Station ($7.9 million), North Gibson Ponds Detention ($2.7 million),Spring Lake Neighborhood Park N3 ($1.7 million).

- Agency Funds reflect expenditures of $5.5 million or 121% of amended budget. Variance is due to debt service payments on private placement bonds that were expected to have been refunded earlier in the fiscal year and were not planned in the budget.

Table 3 – All Funds Expenditures by Department

FY2016/17 Expenditures	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Administrative Services	$ 16,106,748	$ 16,465,000	$ 15,461,243	$ 1,003,757	94%
Community Development	$ 6,788,130	$ 7,427,561	$ 6,518,565	$ 908,996	88%
Community Services	$ 10,103,339	$ 10,791,389	$ 8,636,663	$ 2,154,726	80%
Police	$ 18,296,306	$ 18,657,796	$ 18,338,761	$ 319,035	98%
Fire	$ 10,120,996	$ 10,633,536	$ 10,433,744	$ 199,792	98%
Library	$ 1,862,032	$ 1,990,906	$ 1,938,516	$ 52,391	97%
Public Works	$ 26,491,883	$ 28,005,562	$ 26,920,864	$ 1,084,698	96%
Capital Improvements	$ 31,106,518	$ 83,004,965	$ 25,936,464	$ 57,068,501	31%
Non-Departmental	$ 34,958,599	$ 42,724,026	$ 35,748,395	$ 6,975,631	84%
Total All Departments	$ 155,834,551	$ 219,700,741	$ 149,933,214	$ 21,302,325	68%

- As of the end of the fourth quarter of fiscal year 2016/17, all department operating budgets were within the approved appropriations.
- Administrative Services ended with savings of $1.0 million across all funds due primarily to savings in internal service funds. Due to lower than expected medical premiums, the city's Benefit fund came in under budget by $411,113; Technology Services also underspent their budget by $369,073 related to equipment purchases and contracts.
- Community Development expenditures were under budget by 22% due to personnel savings of $463,622. Supplies and Services came in under budget largely attributed to: $275,869 Economic Development effort/Visitors Bureau Attraction effort savings, and $79,529 in contract services savings related to Successor Agency. The unexpended budget in Economic Development and Visitors Attraction efforts was rolled over to FY17/18.
- Community Services ended FY17 with $8.63 million in expenditures across all funds or 80% of amended budget. In the General Fund, approximately $100,000 in savings results from utility cost and $76,000 in savings is attributed Homeless Pilot project. CDBG projects and Supportive Housing projects underspent by $913,539 combined. Lighting and Landscape districts throughout the City also had a combined savings of $345,666.
- Police and Fire – Savings of $319,035 and $199,792, respectively, were mostly attributed to position vacancies throughout the year.
- Library ended FY17 with $1.9 million in expenditures across all funds or 97% of amended budget.

- Public Works ended FY17 with $26.9 million in expenditures across all funds or 96% of amended budget. There were large savings in the Vehicle Replacement fund ($365,808), Water Enterprise fund ($347,808) across all operational areas, Sewer Enterprise fund ($232,149) across all operational areas, and smaller savings across all other operational funds that contributed to year-end unexpended money.
- Capital Improvements budget was underspent by $57.0 million or 31% of budget of amended budget; however, this remaining balance in funds has been carried-over to the fiscal year 2017/18 budget.

GENERAL FUND REVENUES AND EXPENDITURES

Table 4 – General Fund Revenues

FY2016/17 General Fund Revenues

	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Property Tax	$ 10,602,494	$ 10,602,494	$ 10,984,547	$ 382,053	104%
Sales Tax	$ 19,315,368	$ 19,315,368	$ 19,580,841	$ 265,473	101%
Other Taxes	$ 1,521,903	$ 1,521,903	$ 2,000,716	$ 478,813	131%
Franchise Fees	$ 2,342,468	$ 2,342,468	$ 2,396,434	$ 53,966	102%
Licenses/Permits	$ 2,037,920	$ 2,037,920	$ 3,206,775	$ 1,168,855	157%
Fines/Forfeitures	$ 348,513	$ 348,513	$ 297,035	$ (51,478)	85%
Service Charges	$ 656,738	$ 656,738	$ 801,060	$ 144,322	122%
Motor Vehicle In Lieu	$ 4,560,602	$ 4,560,602	$ 4,627,445	$ 66,843	101%
Intergovernmental	$ 406,829	$ 406,829	$ 392,632	$ (14,197)	97%
Lease/Interest Income	$ 87,139	$ 87,139	$ 173,616	$ 86,477	199%
Miscellaneous	$ 4,481,186	$ 4,481,186	$ 4,946,292	$ 465,106	110%
Transfers	$ -	$ -	$ (569,890)	$ (569,890)	0%
Total General Fund	$ 46,361,160	$ 46,361,160	$ 48,837,503	$ 2,476,343	105%

- Property tax revenues totaled $10.9 million or 4% over amended budget; the budget assumed a 3% increase in assessed value, but actual results were 4.9%.
- Sales Tax payments for fiscal year 2016/17 resulted in $19.5 million or 1% over amended budget. Sales tax revenue received includes the City's 1% local share, Measure E, and Measure J. The positive variance occurred in the City's local share of sales tax, with moderate negative variance ($95k) in Measure E.
- Other Taxes category totaled $2.0 million or 31% greater than the amended budget due to Transit Occupancy Tax collected coming in at 25% over revenue expectations and Document Transfer Tax coming at 54% over revenue expectations.
- Licenses and Permits revenues exceeded budget by $1.17 million or 57% due to better than expected residential, commercial/industrial development, and business license activity throughout the fiscal year.

- Service Charges resulted in $144,322 or 22% over amended budget due to increased revenue in recreation and police programs.
- Miscellaneous revenues resulted in $465,106 or 10% over budget. Revenues that exceeded budget include $357,694 in Strike Team Operations reimbursements, $60,302 Fire Assessments (County properties outside of Woodland City limits that Fire services are provided for), and other miscellaneous payments that total the remainder.
- Transfers – included a negative revenue adjustment of $569,890 related to an annual adjustment for market value of the City's investments at fiscal year end. This adjustment is required for financial statement reporting purposes and is reflected in the General Fund, but it does not affect the overall fund balance of the General Fund available for operations.

Table 5 – General Fund Expenditures by Category

FY2016/17 General Fund Expenditures

	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Personnel	$ 26,756,023	$ 27,312,413	$ 27,572,119	$ (259,706)	101%
Supplies & Services	$ 7,359,994	$ 8,300,991	$ 7,212,114	$ 1,088,877	87%
Education & Training	$ 259,188	$ 278,116	$ 284,834	$ (6,718)	102%
Capital Expenditures	$ -	$ 30,944	$ 21,670	$ 9,274	70%
Non-Discretionary	$ 5,988,042	$ 6,015,756	$ 5,995,964	$ 19,792	100%
Operating Transfers	$ 6,985,913	$ 7,008,970	$ 6,873,155	$ 135,815	98%
Total All Categories	$ 47,349,160	$ 48,947,190	$ 47,959,857	$ 987,333	98%

- End-of-year FY2016/17 General Fund expenditures totaled $47.9 million or 98% of the amended budget.
- Personnel expenses resulted in 101% of the amended budget largely due to anticipated savings from vacancies factored into the budget that were not attained.
- Both Supplies & Services/ Education & Training categories resulted in combined savings of $1.08 million, including $142,701 in unspent, unallocated Measure J funds.
- Capital Expenditures were underspent by $9,274 or 70% of amended budget as a result of Fire related equipment expenditures.
- Operating Transfers ended at $6.8 million or 98% of amended budget largely due to less than expected Measure E revenues (tax revenues are received in the General Fund and then transferred to the Measure E fund for project expenditures).

Table 6 – General Fund Expenditures by Department

FY2016/17 General Fund Expenditures	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Administrative Services	$ 2,730,679	$ 2,920,414	$ 2,811,776	$ 108,638	96%
Community Development	$ 3,028,083	$ 3,449,403	$ 3,117,135	$ 332,268	90%
Community Services	$ 5,723,567	$ 5,824,128	$ 5,261,561	$ 562,567	90%
Police	$ 17,429,235	$ 17,691,955	$ 17,416,341	$ 275,615	98%
Fire	$ 9,894,220	$ 10,406,760	$ 10,272,486	$ 134,274	99%
Library	$ 1,754,863	$ 1,766,217	$ 1,753,227	$ 12,990	99%
Public Works	$ 725,169	$ 844,342	$ 719,122	$ 125,220	85%
Capital Improvements	$ 50,000	$ 53,392	$ 20,045	$ 33,348	38%
Non-Departmental	$ 6,013,344	$ 5,990,579	$ 6,588,163	$ (597,584)	110%
Total All Departments	$ 47,349,160	$ 48,947,190	$ 47,959,857	$ 987,333	98%

- At the end of FY2016/17, most departments were within budget.
- Non-Departmental costs reflect expenses 10% over amended budget. This is largely due to a vacancy savings that is budgeted (negative budget figure) as non-departmental but is a general fund citywide goal among all departments.

Table 7 – General Fund Forecast

General Fund	Mid-Year Projection FY2016/17	Unaudited Actuals FY2016/17	Difference	Adopted FY2017/18	Projected FY2017/18	Difference
Beginning Balances	$ 14,232,761	$ 14,232,761	$ -	$ 14,313,120	$ 16,024,128	$ 1,711,008
Revenues	$ 46,466,409	$ 49,382,049	$ 2,915,640	$ 47,605,024	$ 48,077,466	$ 472,442
		6.64%		*-3.60%*	*-2.64%*	
Expenditures (Includes Measure J)	$ 47,136,749	$ 47,168,021	$ 31,272	$ 47,583,030	$ 47,618,034	$ 35,004
		4.9%		2.71%		
Annual Surplus/Deficit	(670,340)	2,214,028	2,884,368	21,994	459,432	437,438
General Fund One-Time Expenses	(988,000)	(988,000)	0	(1,565,856)	(1,565,856)	0
Measure J Unspent Fund Balance		(88,000)				
General Fund Loan Repayments						
Unreserved Fund Balance	$ 12,574,421	$ 15,370,788	$ 2,796,368	$ 12,769,258	$ 14,917,704	$ 2,148,446
FY16 Encumbered/Uencumbered Carry-Over to FY17	653,340	$ 653,340	$ -			
Ending Unreserved Fund Balance	$ 13,227,761	$ 16,024,128	$ 2,796,368	$ 12,769,258	$ 14,917,704	$ 2,148,446
Percentage (E.U.F.B./Revenues)	31.7%	36.1%		29.9%	34.5%	
Reserve Policy $	$ 8,353,568	$ 8,872,400	$ 518,832	$ 8,543,374	$ 8,637,862	$ 94,488
Reserve Policy %	20.00%	20.00%		20.00%	20.00%	
"Excess" Fund Balance (over Reserve Target)	$ 4,874,193	$ 7,151,728	$ 2,277,536	$ 4,225,884	$ 6,279,842	$ 2,053,958

Fiscal Year 2016/17 Results:

The preliminary results for fiscal year 2016/17 show that the General Fund ended the year with a net increase in unreserved fund balance of $1,791,367. In preparation of the fiscal year 2016/17 budget, a net decrease of $988,000 was assumed. The originally budgeted net decrease in fund balance was attributed to one-time expenses to be paid for out of excess fund balance.

During the development of the FY 2017/18 adopted budget, projections were made for the ending of the fiscal year 2016/17 (Mid-year Estimates); revenues were assumed to be $46.4 million; actual results came in over that target by $2.9 million. This variance resulted from better than expected revenue from most categories including property taxes, sales tax and permit fee revenues. Most notable was permit fee revenue with $1.1 million over projected revenue.

Expenditures ended the year very slightly under the projected $47.1 million by $31,272.

Total ending fund balance in the General Fund was expected to be $13.2 million for the fiscal year 2016/17 or 31.7% of revenues at the mid-year update. Actual fund balance at the end of FY2016/17 is $16 million, an increase of $2.7 million.

The General Fund forecast, presented with the adoption of the FY2017/18 budget reflects projected operating deficits over the next five years. The current fund balance will be a key factor in assisting the City to balance budgets throughout the forecast period and maintain reserves at the policy target of 20%. The City Council will continue to receive updates on the status of the forecast and development of the FY2018/19 budget, including budget balancing measures and use of the current fund balance.

ATTACHMENT B

ALL FUNDS REVENUES AND EXPENDITURES

Table 1 – All Funds Revenues

FY2017/18 Revenues							
		Original Budget		Amended Budget		Year-to Date Actuals	%
General Fund	$	47,605,024	$	47,605,024	$	4,422,874	9%
Special Revenue	$	21,470,178	$	21,470,178	$	772,503	4%
Debt Service	$	1,855,105	$	1,855,105	$	-	0%
Development/Capital	$	16,266,225	$	16,226,225	$	2,406,552	15%
Enterprise Funds	$	46,120,913	$	46,120,913	$	21,123,435	46%
Internal Service	$	15,839,291	$	15,839,291	$	1,316,243	8%
Successor Agency	$	900,000	$	900,000	$	116,798	13%
Agency	$	4,394,950	$	4,394,950	$	3,647	0%
Total All Funds	$	154,451,686	$	154,411,686	$	30,162,052	20%

- All Funds revenues through the first quarter of fiscal year 2017/18 are $30.1 million, or 20% of the amended budget.
- General Fund revenues are $4.4 million or 9% of the amended budget, with many of the City's major tax revenues yet to be collected during the current fiscal year.
- Special Revenue is, for the most part, grant funds that are reimbursed to the City as projects make progress, or special assessments with revenues that are received with property tax installments in January and May.
- Revenues in Debt Service funds come from transfers from other funds, which are done periodically throughout the year.
- Development/Capital revenues are $2.4 million or 15% of amended budget through September 30, 2017. The Measure E fund is included in the Development/Capital Projects fund category, and sales tax revenues associated with Measure E have been partially received ($345,200 or 7% of amended budget); other revenues are dependent upon development activity.
- Agency funds are primarily pass-through special assessment funds. The revenues in these funds are received with the City's property tax distributions in January and May.

Table 2 – All Funds Expenditures by Fund

	FY2017/18 Expenditures			
	Original Budget	Amended Budget	Year-to Date Actuals	%
Internal Service	$16,662,099	$17,043,161	$3,752,462	22%
General Fund	$49,148,886	$49,440,318	$10,904,378	22%
Enterprise Funds	$56,877,132	$77,234,574	$8,170,021	11%
Special Revenue	$13,899,630	$27,665,113	$1,953,685	7%
Development/Capital	$11,007,914	$17,439,562	$996,030	6%
Successor Agency	$867,157	$867,157	$100,522	12%
Springlake	$3,519,336	$16,530,484	$850,457	5%
Debt Service	$1,855,079	$1,855,079	$1,078,645	58%
Agency	$4,407,300	$4,407,300	$3,244,320	74%
Total All Funds	$158,244,533	$212,482,749	$31,050,520	15%

- Through the first quarter of FY2017/18, All Funds expenditures (not including encumbrances) totaled $31.0 million, or 15% of the amended budget. General Fund expenditures totaled $10.9 million, or 22% of the amended budget.
- Operating expenditures appear to be tracking within budget for all categories.
- Internal Service funds reflect expenditures of $3.7 million, or 22% of amended budget due mostly to up-front payments made for insurance premiums out of the Self Insurance Fund.
- Enterprise funds expenditures are at $8.1 million or 11% of amended budget after three months of activity. This low percentage is due primarily to $33 million in capital project budgets that remain mostly unspent, and debt service payments budgeted at $12.9 million, with only $1.7 million paid through the first quarter.
- Special Revenue funds are at $1.9 million or 7% of amended budget mostly due to large capital projects such as Kentucky Avenue Widening/Reconstruction and West Main Street Bicycle-Pedestrian Mobility & Safety projects, which are grant funded and have large budgets that have not incurred many expenses through September 30, 2017.
- Development/Capital funds are at $996,030 or 6% of amended budget due to a many of the planned capital projects budgeted within these funds that are slow in incurring expenses in the first three months of activity this fiscal year.
- Spring Lake funds are at $850,457 or 12% of amended budget due to a many of the planned capital projects budgeted within these funds that are slow in incurring expenses in the first three months of activity this fiscal year.
- Debt Service fund expenditures are $1.0 million or 58% of amended budget due to payments for refunding of lease revenue bonds, with other payments due later in the year.
- Agency Funds reflect expenditures totaling $3.2 million or of 74% of amended budget due to debt service payments made on certain bonds during the first quarter.

Table 3 – All Funds Expenditures by Department

FY2017/18 Expenditures	Original Budget	Amended Budget	Year-to Date Actuals	%
Administrative Services	$ 16,382,589	$ 16,475,757	$ 4,107,142	25%
Community Development	$ 6,505,972	$ 6,693,616	$ 1,701,419	25%
Community Services	$ 9,866,203	$ 10,590,107	$ 2,293,078	22%
Police	$ 19,276,379	$ 19,316,833	$ 4,481,715	23%
Fire	$ 10,443,728	$ 10,482,772	$ 2,754,276	26%
Library	$ 1,958,178	$ 1,958,178	$ 465,491	24%
Public Works	$ 26,198,473	$ 26,634,737	$ 4,413,809	17%
Capital Improvements	$ 27,624,716	$ 80,342,454	$ 4,176,258	5%
Non-Departmental	$ 39,988,295	$ 39,988,295	$ 6,657,330	17%
Total All Departments	$ 158,244,533	$ 212,482,749	$ 31,050,520	15%

- As of the end of the first quarter of fiscal year 2017/18, all departments appear to be tracking closely to budget.
- Public Works is slightly lower than other departments in terms of percent (%) of budget. This is due to mostly to $4.9 million in depreciation that has been budgeted but will not be recorded until fiscal year end.
- Capital Improvements are dependent upon project activity, which has been fairly slow through the first quarter of FY2018/19.
- Non-Departmental budgets include debt service payments and interfund transfers. The debt service payments are due periodically throughout the year, and the transfers are generally recorded at fiscal year end, when operating results are known.

GENERAL FUND REVENUES AND EXPENDITURES

Table 4 – General Fund Revenues

FY2017/18 General Fund Revenues

	Original Budget	Amended Budget	Year-to Date Actuals	%
Property Tax	$ 11,196,328	$ 11,196,328	$ -	0%
Sales Tax	$ 19,428,157	$ 19,428,157	$ 1,372,000	7%
Other Taxes	$ 1,430,158	$ 1,430,158	$ 328,583	23%
Franchise Fees	$ 2,390,605	$ 2,390,605	$ 249,125	10%
Licenses/Permits	$ 2,469,408	$ 2,469,408	$ 796,028	32%
Fines/Forfeitures	$ 332,616	$ 332,616	$ 34,202	10%
Service Charges	$ 679,798	$ 679,798	$ 148,226	22%
Motor Vehicle In Lieu	$ 4,785,741	$ 4,785,741	$ -	0%
Intergovernmental	$ 280,279	$ 280,279	$ -	0%
Lease/Interest Income	$ 114,290	$ 114,290	$ 363,293	318%
Miscellaneous	$ 4,497,644	$ 4,497,644	$ 1,134,367	25%
Transfers	$ -	$ -	$ (2,950)	n/a
Total General Fund	$ 47,605,024	$ 47,605,024	$ 4,422,874	9%

- Through the end of the first quarter of FY2017/18, General Fund revenues are $4.4 million or 9% of amended budget.
- The City will not receive the first installment of property tax payments until January 2018. Information received from Yolo County indicates that the total assessed value increased by 6.39% from the prior year; the FY2017/18 budget assumed a 4% growth factor.
- Sales Tax payments received through the month of September were slightly over $1.3 million, or 7% of amended budget.
- Licenses and Permit revenue is trending higher than most categories due to housing and commercial development activity that is generally higher during the summer months.
- The Motor Vehicle In Lieu revenues are received in conjunction with the City's property tax revenues, which do not get distributed until January and May.
- Lease and Interest Income revenue was at $363,293 or 318% of amended budget due to interest received on the City's investment portfolio. The interest is accumulated in this fund until fiscal year end and will be allocated across all funds based on respective cash balances at that time.

Table 5 – General Fund Expenditures by Category

FY2017/18 General Fund Expenditures	Original Budget	Amended Budget	Year-to Date Actuals	%
Personnel	$ 28,213,618	$ 28,213,618	$ 7,379,511	26%
Supplies & Services	$ 7,219,165	$ 7,470,216	$ 1,331,248	18%
Education & Training	$ 275,758	$ 275,758	$ 74,260	27%
Non-Discretionary	$ 6,865,828	$ 6,870,030	$ 2,118,481	31%
Operating Transfers	$ 6,574,517	$ 6,610,696	$ 879	0.01%
Total All Categories	$ 49,148,886	$ 49,440,318	$ 10,904,378	22%

- Through the first quarter of FY2017/18, General Fund expenditures (not including encumbrances) total $10.9 million or 22% of the amended budget.
- Personnel costs are trending to be on target with budget, at 26% of amended budget through the first quarter.
- Other expenditure categories are trending close to budget expectations.
- Operating Transfers consist primarily of the transfer of Measure E sales tax received to the capital projects fund, as well as the subsidy for the Storm Drain and Cemetery operations. Fund transfers are typically recorded toward the end of the fiscal year, when more accurate information is available regarding required transfer amount.

Table 6 – General Fund Expenditures by Department

FY2017/18 General Fund Expenditures	Original Budget	Amended Budget	Year-to Date Actuals	%
Administrative Services	$ 2,804,927	$ 2,845,906	$ 697,301	25%
Community Development	$ 2,976,571	$ 3,061,564	$ 819,368	27%
Community Services	$ 5,988,155	$ 6,033,620	$ 1,331,200	22%
Police	$ 17,997,035	$ 18,037,489	$ 4,242,905	24%
Fire	$ 10,254,969	$ 10,294,013	$ 2,705,959	26%
Library	$ 1,834,948	$ 1,834,948	$ 439,744	24%
Public Works	$ 717,834	$ 722,834	$ 145,893	20%
Capital Improvements	$ -	$ 35,497	$ 197	1%
Non-Departmental	$ 6,574,447	$ 6,574,447	$ 521,811	8%
Total All Departments	$ 49,148,886	$ 49,440,318	$ 10,904,378	22%

- After the first quarter of FY2017/18, most departments appear to be tracking in line with the amended budget amounts.

- Capital Improvements consist of a fiscal year 2016/17 project carryover budget; the Fire Station Relocation Study that has incurred minimal expenses through three months of activity this fiscal year.
- Non-Departmental expenditures consist primarily of the transfer of Measure E sales tax received to the capital projects fund, as well as the subsidy for the Storm Drain and Cemetery operations. To date, the only expenditures are 1) the city's required contribution of $500,000 towards Community Choice Energy project and 2) $21,811 paid in credit card fees. Other fund transfers are typically recorded toward the end of the fiscal year, when more accurate information is available regarding the transfer actually required.

ATTACHMENT C

UPDATED FIVE-YEAR FORECAST

	Audited Actuals	Unaudited Actuals	Projected	Baseline	Forecast		
General Fund	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22
Beginning Balances	$ 13,107,362	$ 14,232,761	$ 16,024,128	$ 14,917,704	$ 13,599,964	$ 12,237,573	$ 10,009,736
Revenues	$ 48,051,472	$ 49,382,049	$ 48,077,466	$ 49,157,902	$ 50,255,412	$ 51,390,618	$ 52,566,029
		6.64%	*3.70%*	*2.25%*	*2.23%*	*2.26%*	*2.29%*
Expenditures (Includes Measure J)	$ 45,717,628	$ 47,168,021	$ 47,618,034	$ 50,238,100	$ 51,509,604	$ 53,510,255	$ 55,456,504
		4.9%	2.71%	5.50%	2.53%	3.88%	3.64%
Annual Surplus/Deficit	2,333,844	2,214,028	459,432	(1,080,198)	(1,254,191)	(2,119,637)	(2,890,475)
General Fund One-Time Expenses		(988,000)	(1,565,856)	(237,542)	(108,200)	(108,200)	(108,200)
Measure J Unspent Fund Balance	(555,105)	(88,000)					
General Fund Loan Repayments							
Unreserved Fund Balance	$ 14,886,101	$ 15,370,788	$ 14,917,704	$ 13,599,964	$ 12,237,573	$ 10,009,736	$ 7,011,061
FY16 Encumbered/Uencumbered Carry-Over to FY17	(653,340)	$ 653,340					
Ending Unreserved Fund Balance	$ 14,232,761	$ 16,024,128	$ 14,917,704	$ 13,599,964	$ 12,237,573	$ 10,009,736	$ 7,011,061
Percentage (E.U.F.B./Revenues)	33.1%	36.1%	34.5%	30.8%	27.1%	21.7%	14.9%
Reserve Policy $	$ 8,606,925	$ 8,872,400	$ 8,637,862	$ 8,831,813	$ 9,025,529	$ 9,224,724	$ 9,429,696
Reserve Policy %	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
"Excess" Fund Balance (over Reserve Target)	$ 5,625,835	$ 7,151,728	$ 6,279,842	$ 4,768,150	$ 3,212,043	$ 785,011	$ (2,418,635)

The General Fund five-year forecast presented to Council with the adoption of the FY17/18 budget has been updated to reflect the actual results from FY16/17 and other minor adjustments. As a reminder, the following assumptions are included for development of the forecast:

- Revenue projections for major types of revenues include the following:
  - Property taxes – 4% growth FY18/19, 3% thereafter
  - Sales taxes – based on consultant data, approximately 1%-1.6% growth
  - Permit fees – consistent with current level of residential development
  - 2% - 3% growth per year in most other revenue categories
- Personnel costs are calculated based upon provisions within recently negotiated bargaining unit agreements, such as cost of living increases and medical benefit rate caps.
  - Retirement rates for both Safety and Miscellaneous units per the most recent information received from CalPERS, which reflects the phasing in of the approved changes to the assumed investment return rate.
  - Current level of contributions toward prefunding the OPEB liability.
- Updated supplies and service cost estimated for FY19 with a projected 2% increase in future years.
- Water utility increases of 5.5% per the recent water rate study and 2% for all other utilities for future years.