

AGENDA
REGULAR MEETING OF THE
CITY OF KING CITY COUNCIL
AND
Sitting as SUCCESSOR AGENCY OF
THE RDA FOR THE CITY OF KING

TUESDAY JUNE 28, 2016
6:00 P.M.

CITY HALL
212 S. VANDERHURST AVENUE
KING CITY, CALIFORNIA 93930

**Spanish interpretation services will be available at meeting*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, Please contact the City Clerk's Office (831-386-5925) at least 48 hours prior to the Meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

** Please submit all correspondence for City Council PRIOR to the meeting with a copy to the City Clerk.*

1. **CALL TO ORDER**
2. **ROLL CALL:** Council Members Darlene Acosta, Belinda Hendrickson, Mike LeBarre, Mayor Pro Temp. Karen Jernigan, and Mayor Robert Cullen
3. **FLAG SALUTE**
4. **CLOSED SESSION ANNOUNCEMENTS**
5. **SPECIAL PRESENTATIONS**

None

6. **PUBLIC COMMENT**
Any member of the public may address the Council for a period not to exceed *three minutes* total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda. Comments should be directed to the Council as a whole and not to any individual Council Member. Slanderous, profane or personal remarks against any Council Member, staff member or member of the audience is not permitted.
7. **COUNCIL COMMUNICATIONS & COMMITTEE REPORTS**
Individual Council Members may comment on Council business, his or her Council activities, City operations, projects or other items of community interest. Council Members may also request staff to report back at a subsequent meeting on any matter or take action to direct staff to prepare a staff report for a future agenda.

8. STAFF COMMUNICATIONS

Comments presented by the City Manager, City Attorney or other staff on City business and/or announcements.

9. CONSENT AGENDA

The following items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Members of the audience may speak on any item(s) listed on the Consent Agenda. Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion. The Council may approve the remainder of the Consent Agenda on one motion. Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.

- A. Meeting Minutes of June 14, 2016 Council Meeting
Recommendation: approve and file.
- B. Consideration: City Check Register – Current
Recommendation: receive and file.
- C. Consideration: Public Financing Authority Check Register – Current
Recommendation: receive and file.
- D. City Monthly Treasurer's Report- May 2016
Recommendation: approve and file.
- E. Successor Agency Monthly Treasurer's Report- May 2016
Recommendation: approve and file.
- F. Public Financing Authority Monthly Treasurer's Report- May 2016
Recommendation: approve and file.
- G. Consideration: Resolution Reinstating City Council Stipends
Recommendation: adopt a Resolution reinstating Council stipends in an amount of \$350 per month for Council Members and \$450 per month for the Mayor to be effective on January 1, 2017.
- H. Consideration: Resolution for the 2016 General Municipal Election
Recommendation: adopt a Resolution ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election.
- I. Consideration: Resolution Regarding Local Matching Funds for United States Department of Agriculture Community Facilities Grant Application
Recommendation: adopt a Resolution committing to local matching funds for a United States Department of Agriculture (USDA) Community Facilities grant application for funding to create a citywide police safety surveillance camera system.

- J. Consideration: Approval of an Amendment to the BHCNT (Behavioral Health Crisis Negotiation Team) Interagency Agreement with the County of Monterey, Department of Health, Behavioral Health Bureau for the Addition of the Mobile Crisis Team Program ("MCT").

Recommendation: approve and authorize the City Manager to execute the amended interagency agreement with the Monterey County Behavioral Health Crisis Negotiation Team (BHCNT), the Monterey County Health Department and Peace Officers of participating cities.

- K. Consideration: The City of King FY 2016-17 Salary Classification Plan

Recommendation: Adopt the City of King Salary Classification Plan for FY 2016-17

10. PUBLIC HEARINGS

- A. Consideration: Ordinance to Rezone Broadway Property (1023 Broadway Street)

Recommendation: 1) Introduce and conduct the first reading, by title only, an Ordinance to rezone property along West Broadway Street from Planned Development ("PD") to Highway Service ("HS"); and 2) set the second hearing and adoption for the next regularly scheduled City Council meeting of July 12, 2016.

11. REGULAR BUSINESS

- A. Consideration: Draft Ballot Measure to Establish a Tax on Medical Marijuana Cultivation and Manufacturing

Recommendation: 1) review the draft ordinance; 2) provide direction on desired changes; and 3) direct staff to proceed to present the item for approval at the July 12, 2016 meeting.

- B. Consideration: Regulations and Enforcement Regarding Noise

Recommendation: 1) provide direction to staff on whether to research and present recommendations on changes to the City's noise regulations; and 2) where to place noise issues in the priority list for code enforcement activities.

12. CITY COUNCIL CLOSED SESSION

Announcement(s) of any reportable action(s) taken in Closed Session will be made in open session, and repeated at the beginning of the next Regular City Council meeting as this portion of the meeting is not recorded.

1. Liability Claim by Elvira Godinho,
Claims against City of King
Gov. Code Section: 54956.95
2. Review of draft Audit from State Auditor
Government Code Section 54956.75(a)
3. Conference with Real Property Negotiators
Properties: City owned property adjacent to APN 026-401-020
Agency Negotiators: Steven Adams
Negotiating Party: Bob Ahir

4. Worker's Compensation Claim by Jaime Andrade,
Claims against City of King
Gov. Code Section: 54956.95
5. Worker's Compensation Claim by Dominic Baldiviez,
Claims against City of King
Gov. Code Section: 54956.95

13. ADJOURNMENT

**Minutes
City Council Meeting
June 14, 2016**

9 (A)

1. CALL TO ORDER:

Meeting was called to order at 6:01 PM by Mayor Pro Tem Jernigan.

2. FLAG SALUTE:

The flag salute was led by Mayor Pro Tem Jernigan. She also asked for a moment of silence for the people in Orlando.

3. ROLL CALL:

City Manager Adams conducted roll call.

City Council: Council Members Acosta, LeBarre, Hendrickson, Mayor Pro Tem Jernigan, Mayor Cullen is absent giving prior notice.

City Staff: City Manager Steven Adams, Attorney Martin Koczanowicz

4. CLOSED SESSION ANNOUNCEMENTS:

No reportable actions taken at the May 25th meeting.

5. PRESENTATIONS:

None

6. PUBLIC COMMUNICATIONS:

Mike Sala speaking on a garbage problem on Mustang Ct. He is concerned about the garbage problem in King City and that the City may not be collecting the money they could as people are not using the services as they should. Waste Management wants to charge by tax role so all people pay.

7. COUNCIL COMMUNICATIONS:

Council Member Hendrickson commented and thanked the City Manager and staff for the cleanup of City Hall.

Council Member Acosta agreed with Council Member Hendrickson on the City Hall cleanup. At the 4 Cities for Peace meeting there was discussion of sponsoring a play day for the students who provide leadership and recognizing the students that do a good job instead of concentrating on just at risk students. She is excited about the grant that was awarded to Gonzales, Soledad, Greenfield and King City for the Police Departments. She is going to look for services for the latest family that has had a loss. She would like to be a part of the response team that is coming along. She is doing a presentation for the Domestic Violence to County Council on Wednesday June 22, 2016. She is going to speak on the lack of services in South County.

Council Member LeBarre stated he was very proud to be at the VFW memorial at the cemetery. He thanked all the Police and Fire for having a great group protecting our city. He volunteered at the Aids Life

Cycle. Recreation commission volunteers raised funds at the Life Cycle that are going towards Forden Park Playground. He is representing the City at the TAMC press conference for the transportation tax, which is important that creates a self-help district here which keeps the money local and the state cannot take it.

Mayor Pro Tem Jernigan she attended the night of the local stars at the King City High School. She attended AMBAG, they have moved their office to Ryan ranch. Tomorrow is the Beautification BBQ to kick off Beautification Week. The Queen Motel is coming down, a beautification effort. She spoke at the High School civics classes.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Adams spoke on staff cleaning up City Hall. He stated we hired our new Police Chief and the swearing in is on July 6th. The City is concentrating on the Budget so we can hit the ground running. Working on selling property. Working on 3 different grant types. Community Task Force he needs a recommendation from each of the council members for a person to be on the task force.

Chief Engles spoke to the homicide that occurred last week. He stated that Investigator Rowe is doing a great job investigating and the department is doing a great job and appreciates the City Councils support. Chief Engles spoke on the grant that was received which includes all four South County Cities of \$850,000 from the Board of State & Community Corrections. The four cities (Gonzales, Soledad, Greenfield, King City) will work jointly strengthening law enforcement and community relations through the implementation of five strategies associated with three of the six pillars. Efforts funded by this grant will support a regional approach in rural California that will mold a culture of trust and inclusion between law enforcement agents and community members, reduce crime, and increase law enforcements understanding of the cultural values of the communities they serve. The cities will achieve these goals through the implementation of the following five strategies: 1) development of citizen police academies in the region 2) development of public safety score cards 3) the implementation of a juvenile diversion program for youth who commit misdemeanor offenses 4) Training of enforcement officers in the area of mental health and 5) Implementation of cultural Competency training and Spanish language education for law enforcement. Council would like a copy of the grant to read.

9. CONSENT AGENDA

- A. Meeting Minutes of May 24, 2016 Council Meeting
- B. Consideration: City Check Register – Current
- C. Consideration: Successor Agency Check Register – Current
- D. Consideration: Public Financing Authority Check Register – Current
- E. Consideration: Full-Time Recreation Coordinator Position
- F. Consideration: Specific Plan Amendment, No. 3 for Arboleda Specific Plan
- G. Consideration: Purchase of New Telephone System
- H. Consideration: Purchase of Riding Lawn Mower
- I. Consideration: Agreement for City Engineering Services – Hanna & Brunnetti
- J. Consideration: Award Pocket Park Mural Project

Mayor Pro Tem Jernigan recused herself from item F due to a conflict of interest.

Action: Motion to approve consent agenda items by Acosta and seconded by LeBarre

AYES: Council Members: Mayor Pro Tem Jernigan, Acosta, LeBarre and Hendrickson

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members:

Council Member Le Barre commented on bringing Andrea Wasson up to a full-time Recreation Coordinator.

Council Member Acosta thanked the City Manager for brining on Full-time positions that are needed.

Mayor Pro Tem Jernigan feels that the mural for pocket park is a great start to beautification week.

10. PUBLIC HEARINGS:

10a. Consideration: Adjustments to Master Fee Schedule

City Manager Adams introduced this item to be continued to July 12, 2016 meeting.

Mayor Pro Tem Jernigan ask for a motion.

Action: Motion by Acosta to continue the Adjustments to Master Fee Schedule to July 12th meeting, seconded by Hendrickson

AYES: Council Members: Mayor Pro Tem Jernigan, Acosta, LeBarre, and Hendrickson

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members:

10b. Consideration: FY 2016-17 Annual Budget and Appropriations Limit

City Manager Adams introduced this item.

Mayor Pro Tem Jernigan opened the public hearing and seeing no one coming forward, closed the public hearing.

Council Member Acosta feels that Budget is really well done and easy to read.

Council Member Hendrickson feels that format is so much easier to understand.

Mayor Pro Tem Jernigan is happy with the changes in the Budget. She has a couple of suggestions; the sewer fund a separate account; chart of accounts be simplified; in favor of selling the annex; line items for 4 Cities for Peace and Pinnacles; Chamber of Commerce providing a quarterly report. Council Member Hendrickson would like to see what their budget is and a report once or twice a year. Council Member Acosta stated that the Chamber didn't seem opposed to showing there reports. Council Member LeBarre doesn't feel that a quarterly report is necessary for the Chamber of Commerce to get their money. City Manager Adams suggested twice a year report would be good.

Mayor Pro Tem Jernigan would like her Council Members to give some thought to how the money in their account is spent.

Mayor Pro Tem Jernigan ask for a motion.

Action: Motion by LeBarre to adopt a Resolution approving the FY 2016-17 Annual Budget; 2) adopt a Resolution approving the appropriation limit from tax proceeds for FY 2016-17., seconded by Acosta.

AYES: Council Members: Mayor Pro Tem Jernigan, Acosta, LeBarre, and Hendrickson

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members:

11. REGULAR BUSINESS:

11a. Consideration: Adopt an Ordinance Establishing a City Council District Electoral System and the City Council District Maps

City Manager Adams introduced the item.

Mayor Pro Tem called for a Motion.

Action: Motion by Hendrickson to adopt an Ordinance establishing a City Council district electoral system and the City Council district maps, seconded by Acosta

AYES: Council Members: Mayor Pro Tem Jernigan, Acosta, LeBarre, and Hendrickson

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members:

Council Member LeBarre thanked staff and fellow council members for doing a great job making the timeline.

Mayor Pro Tem Jernigan wanted to know process now. City Manager Adams stated that the City will send the ordinance and maps. The Consultant will be coordinating with the county also. Filing period begins July 18th and goes to August 12th. Mayor Pro Tem clarified which districts 3,4 and 5 and that candidates file with the Deputy City Clerk.

11b. Consideration: Broadway Street City Entrance Sign and Landscaping Plan

City Manager Adams introduced this item.

Mayor Pro Tem Jernigan ask for comments from the public.

Joanne Banuelos feels this sign will complement Lynn's Liquors landscape.

Mayor Pro Tem Jernigan is happy that a new sign is going in and that Cal Water was willing to the demonstration garden showing what will grow well in a drought. She is glad the landscaping is continued down in front of the cemetery. She is happy with the pinnacles design.

City Manager Adams clarified and recommended giving direction to proceed with the sign that everyone is unanimous on and allow the City Manager to do some creative thing to come up with some additional money and the architect do some value engineering not changing quality. If pretty close move forward.

Mayor Pro Tem Jernigan asked for a motion.

Action: Motion by LeBarre to approve the Broadway Street City entrance sign and landscaping plan recommended by the City Council Subcommittee; and 2) authorize staff to solicit bids for the project unless it needs to come back to council. seconded by Hendrickson

AYES: Council Members: Mayor Pro Tem Jernigan, Acosta, LeBarre, and Hendrickson

NOES: Council Members:

ABSENT: Council Members: Mayor Cullen

ABSTAIN: Council Members:

ADJOURNMENT:

There being no further business to come before the City Council, Mayor Cullen adjourned the meeting at 7:42 pm. to Closed Session.

Approved Signatures:

Mayor, Robert Cullen
City of King

City Clerk, Steven Adams
City of King



Item No **9 (B)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 28, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

RE: CITY CHECK REGISTER

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/CITY
CITY CHECK REGISTER
JUNE 28, 2016
PAGE 2 OF 2**

Exhibit(S)

1. Check Register Report

Submitted by: Patricia Grainger
Patricia Grainger, Accountant

Approved by: Steven Adams
Steven Adams, City Manager

Check Register Report

Date: 06/22/2016

Time: 8:02 am

Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
WELLS FARGO BANK Checks							
57762	06/17/2016	Printed		A T T	AT & T	City Hall Internet	145.00
57763	06/17/2016	Printed		ACEHIGH	ACE HIGH DESIGNS INC	Uniforms	482.22
57764	06/17/2016	Printed		ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	Monthly Support - Inv 35911	82.79
57765	06/17/2016	Printed		ANTHEM	ANTHEM BLUE CROSS	Retro Health Ins Premium	4,398.30
57766	06/17/2016	Printed		AT & T	AT & T	Monthly Access Charge -	342.50
57767	06/17/2016	Printed		AT&T - C	AT&T	KCPD - Phone Lines	139.28
57768	06/17/2016	Printed		CA POLICE	CALIFORNIA POLICE CHIEFS ASSOC	2016/2017 Annual CPCA	331.00
57769	06/17/2016	Printed		CAL WATER	CALIFORNIA WATER SERVICE CO.	City Water Service -	17,663.62
57770	06/17/2016	Printed		CASEY PRIN	CASEY PRINTING, INC.	Erica Business Cards	195.12
57771	06/17/2016	Printed		CBA LIGHTI	CBA LIGHTING & CONTROLS, INC.	WINDSOCK & LIGHTS	825.70
57772	06/17/2016	Printed		COASTL	COASTLINE MARKETING GROUP INC	Website Services	267.50
57773	06/17/2016	Printed		COMINFO	COUNTY OF MONTEREY	Network Access - April	30.75
57774	06/17/2016	Printed		DAVE'S REP	DAVE'S REPAIR SERVICE	Monthly Site Inspection	80.00
57775	06/17/2016	Printed		DEPT ACCNT	DEPARTMENT OF JUSTICE	Fingerprinting Staff	164.00
57776	06/17/2016	Printed		EARTH DESI	EARTH DESIGN, INC.	M Nino Specific Plan	20,353.40
57777	06/17/2016	Printed		GLANDON	GARY L. GLANDON	Landscape Development	1,917.05
57778	06/17/2016	Printed		GOGGLE	GOGGLES FOR GUPPIES, INC.	Swimsuits	40.00
57779	06/17/2016	Printed		GIS	GONZALES IRRIGATION SYSTEMS,	PVC FITTINGS	43.05
57780	06/17/2016	Printed		HALE	DAVID P HALE	General Plan Legal Service	6,688.00
57782	06/17/2016	Printed		HANNA	HANNA & BRUNETTI	Eng Service - Broadway St/	14,572.33
57783	06/17/2016	Printed		HOLIDAYE	HOLIDAY INN EXPRESS	Lodging - Training - Kenedy	3,069.00
57784	06/17/2016	Printed		J.PCOOKE	J.P. COOKE CO	Animal License/Rabies TAGS	66.25
57785	06/17/2016	Printed		KENEDY	RYAN KENEDY	Training Meals - R Kenedy	450.00
57786	06/17/2016	Printed		KC IND	KING CITY INDUSTRIAL SUPPLY	Repair on Dump Truck	467.78
57788	06/17/2016	Printed		KC TRUE	KING CITY TRUE VALUE	Pool	180.69
57789	06/17/2016	Printed		KING'S WEL	KING'S WELDING	REPAIR TRUCK	550.00
57790	06/17/2016	Printed		LIBERT	LIBERTY FLAGS INC.	Flags	450.00
57791	06/17/2016	Printed		LIBERTY	LIBERTY TAX SERVICE	Interpretation - City Council	390.00
57792	06/17/2016	Printed		LINCOLN	LINCOLN AQUATICS	BOOSTER PUMP	796.69
57793	06/17/2016	Printed		LCAH	LOS COCHES ANIMAL HOSPITAL	May Services - Acct 626	77.00
57794	06/17/2016	Printed		MALLORYCO	MALLORY SAFETY AND SUPPLY LLC	RUBBER GLOVES	797.10
57795	06/17/2016	Printed		MAYNARD	THE MAYNARD GROUP	Telephone Maint & Support.	458.29
57796	06/17/2016	Printed		M BASIA	MBASIA	Claim #MBA15-0120	8,892.11
57797	06/17/2016	Printed		NUNO	NUNO IRON & MFG., INC.	1ST SIGN	4,150.95
57798	06/17/2016	Printed		O'REILLY A	O'REILLY AUTOMOTIVE, INC.	FIBER GLASS & HARDNER	291.84
57799	06/17/2016	Printed		OFFICE DEP	OFFICE DEPOT	Office Supplies - #28516552	199.73
57800	06/17/2016	Printed		PURE WATER	PENINSULA PURE WATER INC.	City Hall Water	60.95
57801	06/17/2016	Printed		PETE'S AUT	PETE'S AUTOMOTIVE REPAIR	REPLACE FULE PUMP TRUCK 13	783.39
57802	06/17/2016	Printed		PETTY CASH	PETTY CASH-PATRICIA GRAINGER	Pool Set-up Cash	243.94
57803	06/17/2016	Printed		PAC	PG&E	City's Monthly Gas & Electric	42,503.98
57804	06/17/2016	Printed		POLYT	POLYTRON CORPORATION	Body Cams - Storage	12,212.26
57805	06/17/2016	Printed		QUILL CORP	QUILL CORPORATION	CC PROCLAMATION & SUPPLIES	1,550.84
57806	06/17/2016	Printed		RED SHIFT	RED SHIFT INTERNET SERVICES	City Hall Internet Service.	30.90
57807	06/17/2016	Printed		ROYAL B	ROYAL BANK AMERICA LEASING L.P	City's New Phone System.	1,070.31
57808	06/17/2016	Printed		S.B.R.P.S.	S.B.R.P.S.T.	Tuition - Defensive Tactics	482.00
57809	06/17/2016	Printed		SALINAS V	SALINAS VALLEY PRO SQUAD	Ballistic Vest - Robles, Perez	1,846.29
57810	06/17/2016	Printed		SO CO NEWS	SO CO NEWSPAPERS	Pub of Public Hearing -	368.00
57811	06/17/2016	Printed		SPEAK	SPEAKWRITE BILLING DEPT	May 2016 Services	65.88
57812	06/17/2016	Printed		SPECIALTY	SPECIALTY CONSTRUCTION INC.	Progress Pmt #7 -	296,926.76
57813	06/17/2016	Printed		TIRE KING	TIRE KING & AUTO EXPRESS	Monthly Car Washes	2,229.02
57814	06/17/2016	Printed		TORO	TORO PETROLEUM CORP.	MOTOR OIL	2,428.24

Check Register Report

Date: 06/22/2016

Time: 8:02 am

Page: 2

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
WELLS FARGO BANK Checks							
57815	06/17/2016	Printed		TRANSU	TRANSUNION RISK AND ALTERNATIV	May 2016 Services	25.00
57816	06/17/2016	Printed		U.S. BAN	U.S. BANK CORP PAYMENT SYSTEM	Various Charges -	2,592.55
57817	06/17/2016	Printed		UMPQUA	UMPQUA BANK	Retention Pmt - Sewer	145,235.75
57818	06/17/2016	Printed		UMSTEAD EL	UMSTEAD ELECTRIC	REPAIR LIGHTS LIBR	6,502.03
57819	06/17/2016	Printed		VI FAM MED	VALLEY INDUSTRIAL & FAMILY	Pre-Emp Physical	475.00
57820	06/17/2016	Printed		VALSA	VALLEY SAW AND GARDEN EQUIP.	Chain Saw -	343.69
57821	06/17/2016	Printed		VERIZON WI	VERIZON WIRELESS	Cell Phone Charges -	777.44

Total Checks: 58 **Checks Total (excluding void checks): 608,803.26**

Total Payments: 58 **Bank Total (excluding void checks): 608,803.26**

Total Payments: 58 **Grand Total (excluding void checks): 608,803.26**



Item No **9 (C)**

REPORT TO THE PUBLIC FINANCING AUTHORITY

DATE: JUNE 28, 2016

TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY

FROM: STEVEN ADAMS, SECRETARY

BY: PATRICIA GRAINGER, ACCOUNTANT

RE: PUBLIC FINANCING AUTHORITY CHECK REGISTER

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents for the Public Financing Authority are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ALTERNATIVES:

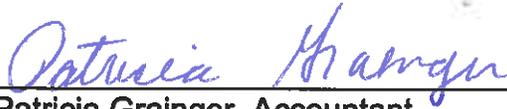
The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY
PUBLIC FINANCING AUTHORITY CHECK REGISTER
JUNE 28, 2016
PAGE 2 OF 2**

Exhibit (s)

1. Check Register Report

Submitted by: 
Patricia Grainger, Accountant

Approved by: 
Steven Adams, Secretary

Check Register Report

Date: 06/22/2016

Time: 8:30 am

Page: 1

KING CITY CITY HALL

BANK: KING CITY FINANCE AUTHORITY

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
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KING CITY FINANCE AUTHORITY Checks

304	06/17/2016	Printed		HANNA	HANNA & BRUNETTI	1ST SEWER LINE PROJECT	26,140.71
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Total Checks: 1	Checks Total (excluding void checks):	26,140.71
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Total Payments: 1	Bank Total (excluding void checks):	26,140.71
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Total Payments: 1	Grand Total (excluding void checks):	26,140.71
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Item No. **9 (D)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 28, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

RE: MONTHLY TREASURER'S REPORT – MAY 2016

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The City currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office. The City's housing rehab account is held at 1st Capital Bank, and the City's checking and payroll accounts, as well as developer deposits, are held at Well Fargo Bank, located at 506 Broadway, King City, CA 93930. A summary of investments and returns for the City is provided in the attached report.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

**CITY COUNCIL
MONTHLY TREASURER'S REPORT – MAY 2016
JUNE 28, 2016
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:



Patricia Grainger, Accountant

Approved by:



Steven Adams, City Manager

City of King
 Investment Report
 Schedule of Cash and Investments
 May 31, 2016

Investment Instrument		Yield	Amount	Maturity	Value
Invested by City Treasurer					
Institution	Investment Type				
State of California LAIF - City	Pooled	0.46%	3,848,812.48	On Demand	N/R
1st Capital Bank	Checking Acct Housing Rehab	-	91,920.07	On Demand	N/R
Wells Fargo Bank	General Checking	-	1,022,659.92	On Demand	N/R
Wells Fargo Bank	Payroll Checking Account	-	7,701.32	On Demand	N/R
Petty Cash-City Hall/Change Fund	Change Cash Drawer	-	500.00	On Demand	N/R
Invested by City Treasurer (Subtotal):			4,971,593.79		
Total Cash and Investments			4,971,593.79		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy, approved by the City Council on 06/28/2016. Cash flow liquidity is still limited.

SIGNED:  _____
 City Treasurer



Item No. **9 (E)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 28, 2016

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEVEN ADAMS, CITY MANAGER

BY: PATRICIA GRAINGER, ACCOUNTANT

**RE: SUCCESSOR AGENCY MONTHLY TREASURER'S REPORT –
MAY 2016**

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds, including successor agencies. The Successor Agency invests its bond proceeds in US Treasury obligations. All bond reserve funds are held by one bond trustee, U.S. Bank, and invested in accordance with the trustee agreement. The Successor Agency has three tax allocation bonds (TABs) issued. Yield, maturity and investment amount (proceeds) are itemized on the Successor Agency Schedule of Cash and Investments for the Agency.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

**CITY COUNCIL/SUCCESSOR AGENCY
SUCCESSOR AGENCY MONTHLY TREASURER'S REPORT – MAY 2016
JUNE 28, 2016
PAGE 2 OF 2**

ALTERNATIVES:

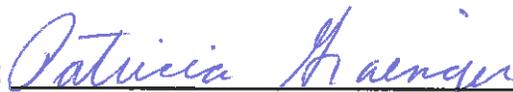
The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:



Patricia Grainger, Accountant

Approved by:



Steven Adams, City Manager

City of King
Investment Report
Schedule of Cash and Investments
May 31, 2016

Investment Instrument		Yield	Amount	Maturity	Value
Invested by City Treasurer					
Institution	Investment Type				
Wells Fargo Bank	SA Checking Account		1,937,681.74	On Demand	N/R
Invested by City Treasurer (Subtotal):			1,937,681.74		
Invested by Trustees (as of May 2016 Statements)					
Bond Reserves (1)					
<u>U.S. Bank - 2011 TARB</u>					
US Bank Money Market Ct	Reserve Account #8005	0.00%	481,062.50	8/1/2034	481,062.50
US Bank Money Market Ct	Special Fund #8000	0.10%	166.00	8/1/2016	166.00
US Bank Money Market Ct	Sinking Fund #8003	0.00%	0.20	8/1/2016	0.20
US Bank Money Market Ct	Special Fund #8001	0.00%	0.00	8/1/2016	0.00
US Bank Money Market Ct	Cost of Issu Fund#8009	0.00%	0.00		0.00
<u>U.S. Bank - 2016 TARB</u>					
US Bank Money Market Ct	Debt Service Fund #6000	0.10%	222.79	3/31/2025	222.79
US Bank Money Market Ct	Interest Account #6001	0.00%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Sinking Account #6003	0.00%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Reserve Account #6005	0.10%	319,534.92	3/31/2025	319,534.92
US Bank Money Market Ct	Cost of Issu Fund #6009	0.10%	12,676.93	9/30/2016	12,676.93
US Bank Money Market Ct	Escrow Fund #6050	0.39%	3,352,623.43	9/30/2016	3,352,623.43
Market Value Provided by U.S. Bank, Trustee					
Invested by Trustees (Subtotal):			4,166,286.77		
Total Cash and Investments			6,103,968.51		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy, approved by the City Council on 06/28/2016. Cash flow liquidity is still limited.

SIGNED:  _____
City Treasurer

Note:
(1) Bonds



Item No. **9 (F)**

REPORT TO THE PUBLIC FINANCING AUTHORITY

DATE: JUNE 28, 2016

TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY

FROM: STEVEN ADAMS, SECRETARY

BY: PATRICIA GRAINGER, ACCOUNTANT

RE: MONTHLY TREASURER'S REPORT – MAY 2016

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances." The Public Finance Authority was used for the issuance of the Sewer Enterprise Bonds.

DISCUSSION:

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The Authority currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office, as well as bank CD's and instruments issued by agencies of the United States Government. A summary of investments and returns for the Financing Authority is provided in the attached report.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY
MONTHLY TREASURER'S REPORT – MAY 2016
JUNE 28, 2016
PAGE 2 OF 2**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:


Patricia Grainger, Accountant

Approved by:


Steven Adams, Secretary

City of King
 Investment Report
 Schedule of Cash and Investments
 May 31, 2016

Investment Instrument	Yield	Amount	Maturity	Value
Invested by City Treasurer				
	Investment Type			
Wells Fargo Bank		9,685.97	On Demand	N/R
State of California LAIF- Financing Authority (1)	0.46%	5,014.44	On Demand	N/R
Invested by City Treasurer (Subtotal):		14,700.41		
Piper Investments	0.10%	160,307.59	Varies	
ProEquities Investments	0.00%	1,022,157.83		
Invested by City Treasurer (Subtotal):		1,182,465.42		
Total Cash and Investments		1,197,165.83		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy, approved by the City Council on 06/28/2016. Cash flow liquidity is still limited.

SIGNED:  _____
 Secretary

Note:
(1) Debt Service



Item No. **9 (G)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 14, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF RESOLUTION REINSTITUTING CITY COUNCIL STIPENDS

RECOMMENDATION:

It is recommended the City Council adopt a Resolution reinstating Council stipends in an amount of \$350 per month for Council Members and \$450 per month for the Mayor to be effective on January 1, 2017.

BACKGROUND:

At the Budget Workshop on May 16, 2016, the City Council directed staff to budget funds in FY 2016-17 to reinstitute Council stipends. Council stipends were originally established by Ordinance in 1987 and most recently increased by an Ordinance in 2001 to \$562 per month for the Mayor and \$375 per month for each Council Member. They were then suspended in 2009.

At the May 24, 2016 meeting, the Council directed staff to reinstitute the stipends in an amount of \$450 per month for the Mayor and \$350 per month for each Council Member. The City Council also directed the staff to make reinstatement of the stipends effective in January 2017 when the new City Council takes effect.

DISCUSSION:

Attached is a Resolution prepared by the City Attorney for City Council consideration that will reinstitute the stipends. Since the amount of the stipends are less than the amount authorized in the Municipal Code, they may be reinstated by Resolution rather than by Ordinance.

State law allows the City Council to increase stipends by 5% per year. Therefore, based on when they were established by Ordinance, the City Council could increase the stipends to a maximum amount of \$1,060 for the Mayor and

**CITY COUNCIL
CONSIDERATION OF RESOLUTION REINSTITUTING CITY COUNCIL
STIPENDS
JUNE 28, 2016
PAGE 2 OF 2**

\$707 for each Council Member. A recent survey completed by staff found that other cities in South Monterey County all pay stipends to their City Council in the following amounts:

Gonzales	Mayor - \$400 per month	Council Member - \$400 per month
Soledad	Mayor - \$612 per month	Council Member - \$512 per month
Greenfield	Mayor - \$481 per month	Council Member - \$361 per month

The objective of reinstating the stipends is to help ensure costs associated with serving in the position are not a disincentive for individuals to run for office.

COST ANALYSIS:

The total cost in FY 2016-17 of the proposed action is approximately \$11,000, which has been included in the Annual Budget.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

- 1) Approve staff's recommendation and adopt the Resolution;
- 2) Modify the amount and adopt the Resolution;
- 3) Increase the stipend amount above what is currently established in the Municipal Code, which would require staff to prepare an Ordinance;
- 4) Do not adopt the Resolution and allow stipends to remain suspended; or
- 5) Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. 16-_____

**A RESOLUTION OF THE CITY COUNCIL OF CITY OF KING
REINSTATING STIPENDS FOR MAYOR AND COUNCIL MEMBERS AND RESCINDING
RESOLUTION 09-4275**

WHEREAS, pursuant to California Government Code Section 36516, the City Council of City of King ("City Council") has the authority to establish the compensation of the City Council; and

WHEREAS, in November of 2001 City Council adopted Ordinance 628, lawfully setting the compensation for the Mayor at \$562 and for council members at \$375 per month; and

WHEREAS, in 2009 pursuant to Resolution No 09-4275, the City Council, temporarily suspended payment of Mayoral and City Council member compensation due to financial exigencies suffered by the City; and

WHEREAS, the City Council has the ability to reinstate the stipends at any amount equal to or lower than the amounts adopted by Ordinance 628; and

WHEREAS, the City Council has determined to reinstate the compensation for the Mayor and Council Members, effective January of 2017.

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

Section 1: The Mayor and City Council shall receive the following compensation effective January 1st, 2017:

Mayor: \$450 per month

Council Members: \$350 per month

Section 2: Resolution No. 09-4275 is hereby rescinded in its entirety.

PASSED AND ADOPTED this ____ day of June, 2016, by the following votes:

AYES, Council Members:

NAYS, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

APPROVED:

Robert Cullen, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Martin Koczanowicz, City Attorney



Item No. **9 (H)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 14, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF RESOLUTION FOR THE 2016 GENERAL MUNICIPAL ELECTION

RECOMMENDATION:

It recommended the City Council adopt a Resolution ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election.

BACKGROUND:

The City's charter sets forth that it will conduct elections based upon the State laws applied to general law cities. State law establishes the dates when general law cities conduct municipal elections for the purpose of electing members of the City Council. The California Elections Code establishes procedures and requirements for conducting a General Municipal Election. As the first step in the election process, a Resolution must be adopted by the City Council. Pursuant to Section 2.06.010 of the Municipal Code, the general municipal election shall be held on the same day as the statewide general election in each even-numbered year.

DISCUSSION:

Under the new district election system adopted by the City Council at the June 14, 2016 meeting, voters in District No. 3, District No. 4, and District No 5 will elect Councilmembers to represent their districts for a 4-year term in the election to be held on November 8, 2016. The request for consolidation of the election must be submitted to the County Board of Supervisors no later than August 12, 2016 (at least 88 days prior to the date of the election).

**CITY COUNCIL
CONSIDERATION OF RESOLUTION FOR THE 2016 GENERAL MUNICIPAL
ELECTION
JUNE 28, 2016
PAGE 2 OF 2**

By consolidating the election with other jurisdictions in the County, costs to the City to conduct the election are substantially reduced. The period for candidates running for a seat to file nomination papers is officially Monday, July 18, 2016 through Friday, August 12, 2016. However, if an incumbent does not file nomination papers and qualify by the close of the nomination period, the filing period extends (for non-incumbents only) for five days pursuant to State law. Since the City will have districts with no incumbent running, the filing period will be extended through Wednesday, August 17, 2016.

The request for the tax measure proposed to also be placed on the ballot can be combined in the Resolution calling for the election or approved by the City Council in a separate resolution. Since the City is contracting with a consultant to prepare the documentation for the tax measure, it is recommended they be adopted by separate resolutions.

COST ANALYSIS:

The estimated cost for the County Elections Office to conduct the election is \$15,000, which has been included in the FY 2016-17 Annual Budget that was approved by the City Council.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

- 1) Adopt the Resolution;
- 2) Delay adoption and combine approval with the commercial cannabis tax measure resolution;
- 3) Make text changes to the Resolution and adopt;
- 4) Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. 2016-_____

**RESOLUTION OF THE CITY OF KING CITY COUNCIL ORDERING AN ELECTION,
REQUESTING COUNTY ELECTIONS TO CONDUCT THE ELECTION AND REQUESTING
CONSOLIDATION OF THE ELECTION**

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city shall reimburse the county in full for the services performed upon presentation of a bill to the city; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on **November 8, 2016**; and

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDERED THAT THE City Council of the City of King hereby orders an election be called and consolidated with any and all elections also called to be held on **November 8, 2016** insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the City of King requests the Board of Supervisors of the County of Monterey to order such consolidation under Elections Code Section 10400 and 10403.

BE IT FURTHER RESOLVED AND ORDERED that pursuant to Elections Code Section 10002 said governing body hereby requests the Board of Supervisors to permit the Monterey County Elections Department to provide any and all services necessary for conducting an election and agrees to pay for said services in full, and

BE IT FURTHER RESOLVED AND ORDERED that the Monterey County Elections Department conduct the election for the following offices on the **November 8, 2016** ballot:

- District No. 3, one (1) Councilmember for a term of four years.
- District No. 4, one (1) Councilmember for a term of four years.
- District No. 5, one (1) Councilmember for a term of four years.

BE IT FURTHER RESOLVED AND ORDERED that pursuant to Election Code section 13307 the City of King has resolved that all costs of the Candidate's statement be paid by the candidate and that no candidate may submit a statement of over 200 words.

BE IT FURTHER RESOLVED AND ORDERED that in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the Monterey County Elections, the City Council, in accordance with Election Code Section 15651 (a), shall set a date and time and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

This resolution was passed and adopted this **14th** day of **June** by the following vote:

AYES, Council Members:

NAYS, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

APPROVED:

Robert Cullen, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Martin Koczanowicz, City Attorney



Item No. **9 (I)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 14, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF RESOLUTION REGARDING LOCAL
MATCHING FUNDS FOR UNITED STATES DEPARTMENT OF
AGRICULTURE COMMUNITY FACILITIES GRANT
APPLICATION**

RECOMMENDATION:

It is recommended the City Council adopt a Resolution committing to local matching funds for a United States Department of Agriculture (USDA) Community Facilities grant application for funding to create a citywide police safety surveillance camera system.

BACKGROUND:

The FY 2016-17 Annual Budget approved by the City Council includes a Capital Improvement Project, which consists of installation of a citywide police safety surveillance camera system. The total projected cost of the system is \$200,000. The FY 2016-17 Annual Budget includes an appropriation of \$75,000 from the General Fund. The remainder of the funding is proposed to come from other sources. Staff has prepared a USDA grant application for \$30,000 for funding towards the cost of the system.

DISCUSSION:

It is proposed to accomplish the project in multiple phases. The estimated cost of \$150,000 for the initial phase is identified in the USDA grant proposal. A combination of the General Fund monies and the USDA grant would come to \$105,000, leaving \$45,000 to be raised from other grants and/or community fundraising efforts. Staff is confident that this amount can be generated. However, in order to process the grant, the USDA requires that all matching funds be committed by the local jurisdiction.

**CITY COUNCIL
CONSIDERATION OF RESOLUTION REGARDING LOCAL MATCHING
FUNDS FOR UNITED STATES DEPARTMENT OF AGRICULTURE
COMMUNITY FACILITIES GRANT APPLICATION
JUNE 28, 2016
PAGE 2 OF 2**

Therefore, the Resolution attached for Council consideration will satisfy that requirement. It sets forth that the City will appropriate the remaining \$45,000 if it is not raised from other sources.

COST ANALYSIS:

The recommended action will commit the City to an additional cost of \$45,000 for the video camera surveillance system if the funds are not raised from other sources. If necessary, it is proposed that the funding would be derived by reducing the amount of payment to pay down the debt on the loan from the Sewer Fund.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

- 1) Approve staff's recommendation and adopt the Resolution;
- 2) Identify another funding source and adopt the Resolution;
- 3) Do not adopt the Resolution and forego submitting the grant application;
or
- 4) Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. 2016 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING COMMITTING LOCAL MATCHING FUNDS FOR UNITED STATES DEPARTMENT OF AGRICULTURAL COMMUNITY FACILITIES GRANT APPLICATION

WHEREAS, the City of King has experienced a significant violence problem, which negatively impacts the public safety and quality of life of its residents; and

WHEREAS, the City is taking proactive measures to address this problem and improve public safety; and

WHEREAS, the City Council has identified improvements to public safety as a top budget priority; and

WHEREAS, a proposal has been developed to construct a citywide Police Department public safety video surveillance camera system at a total cost of \$150,000; and

WHEREAS, the City has established a funding plan to acquire the system; and

WHEREAS, a key component of the funding plan is submittal of an application for a \$30,000 United States Department of Agriculture (USDA) Community Facilities grant; and

WHEREAS, the City has allocated \$75,000 from its General Fund in the approved FY 2016-17 Annual Budget for this project; and

WHEREAS, the City intends to generate the other \$45,000 from a variety of funding sources; and

WHEREAS, the USDA requires applications to have all supplemental funding sources committed at the time the application is submitted.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of King that:

1. The City of King shall commit an additional \$45,000, for a total of \$120,000, to the Police Department Citywide Security Surveillance Camera System project if funding is not committed from other sources.
2. The additional \$45,000 shall be appropriated from the \$1.5 million allocated in the FY 2016-17 Annual Budget for loan repayment from the General Fund to the Sewer Fund, which will reduce that payment to \$1,455,000.

PASSED AND ADOPTED by the City Council of the City of King at a regular meeting duly held on the 28TH day of June 2016, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Robert Cullen, Mayor

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Martin Koczanowicz, City Attorney



Item No. **9 (J)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 28, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

BY: INTERIM CHIEF OF POLICE, DARIUS ENGLER

RE: CONSIDERATION OF AN AMENDMENT TO THE BHCNT (Behavioral Health Crisis Negotiation Team) INTERAGENCY AGREEMENT WITH THE COUNTY OF MONTEREY, DEPARTMENT OF HEALTH, BEHAVIORAL HEALTH BUREAU FOR THE ADDITION OF THE MOBILE CRISIS TEAM PROGRAM ("MCT").

RECOMMENDATION:

It is recommended that the City Council approve and authorize the City Manager to execute the amended interagency agreement with the Monterey County Behavioral Health Crisis Negotiation Team (BHCNT), the Monterey County Health Department and Peace Officers of participating cities.

BACKGROUND:

On February 26th, 2013 the City of King City Council approved and authorized execution of an interagency agreement with the Monterey County Health Department, Behavioral Health Crisis Negotiation Team. The purpose of this agreement, which was reached with 13 other Monterey County law enforcement agencies, was to provide supportive services to peace officers when faced with a crisis situation involving individuals with mental illness beyond a police officer's skill set. These situations may include psychotic episodes, thoughts of suicide, or subjects who are unwilling to accept a police officer's basic intervention efforts.

Under the new Amendment to the Agreement, Monterey County Behavioral Health has added the Mobile Crisis Team (MCT), edited the Behavioral Health Crisis Negotiation Team (BHCNT) program section for aesthetics and consistency with the additional Mobile Crisis Team, added a "Confidentiality" paragraph to address any concerns regarding patient health information, and

incorporated the City of Gonzales Police Department as part of the "Peace Officers" of the full Agreement.

DISCUSSION:

Under the terms of the initial Agreement, the Monterey County Health Department agreed to make available a member of the *Behavioral Health Crisis Negotiations Team* (BHCNT) who could respond and provide supportive services in situations where a police officer was forced to deal with a person facing a serious crisis. When requested by a police officer, a licensed clinical team member would respond to a crisis negotiations situation to offer clinical insight on mental illness, supportive suggestions on intervening with the individual(s) experiencing the crisis, background information of individual(s) if pertinent to the situation, information on community resources/referrals, and collaboration to collect needed intelligence (i.e. family, medical, psychiatric information, and other relevant information).

The BHCNT was designed to provide supportive services from Natividad Medical Center in Salinas when requested. However, the objective of the new *Mobile Crisis Team* (MCT) is to provide increased availability of *Mobile Crisis Intervention Specialists* (MCIS) who are located in one of the three regions: the Monterey Peninsula, Salinas or South Monterey County. Currently, we have an MCIS working out of our office, who responds to calls for service involving the mentally ill in all areas of South Monterey County.

The MCT Program was also developed with the goal of avoiding involuntary psychiatric hospitalization, whenever appropriate, by providing alternative treatment resources such as consultation, crisis intervention, and referral to a treatment or voluntary psychiatric facility. Under the amended Agreement, the roles and responsibilities of each entity are specified.

Also, under the amended Agreement, All HEALTH staff is subject to all rules of confidentiality set forth in all applicable health privacy laws, which apply to the provision of mental health services by the BHCNT and MCT programs. The minimum amount necessary of confidential mental health information will be shared for the sole purpose of preventing or causing harm and/or injury to others or to themselves. For all other purposes, without express written permission of the individual, PEACE OFFICERS may not have access to any confidential mental health information as held by the BHCNT and MCT programs. Any confidential mental health information PEACE OFFICERS may receive by written and/or oral transmission may not be re-disclosed in any format at any time.

COST ANALYSIS:

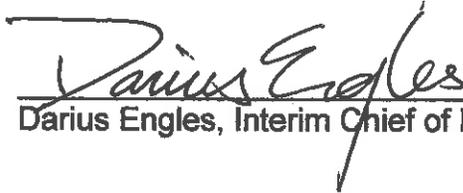
The amended interagency Agreement has no fiscal impact to the City. No fees or charges are associated with it. Monterey County will receive funding through the Mental Services Health Act (MHSA - Proposition 63).

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve staff's recommendations;
2. Provide staff other direction

Submitted by:



Darius Engles, Interim Chief of Police

Approved by:



Steven Adams, City Manager

**AMENDMENT NO. 1 TO AGREEMENT A-13043
BEHAVIORAL HEALTH CRISIS NEGOTIATION TEAM
INTER-AGENCY AGREEMENT**

Among the following agencies:

**MONTEREY COUNTY HEALTH DEPARTMENT
Behavioral Health Bureau
Acute & Legal Services**

And

**PEACE OFFICERS
listed as follows:**

**Monterey County Sheriff's Office
California State University Monterey Bay
City Carmel-by-the-Sea Police Department
City of Greenfield
City of King City Police Department
City of Marina Police Department
City of Monterey Police Department
City of Pacific Grove Police Department
City of Salinas Police Department
City of Sand City Police Department
City of Seaside Police Department
City of Soledad**

**AMENDMENT NO. 1 TO INTER-AGREEMENT A-13043
BETWEEN THE COUNTY OF MONTEREY
AND PEACE OFFICERS**

This **AMENDMENT NO. 1** is made to the INTER-AGENCY AGREEMENT A-13043(hereinafter the AGREEMENT) establishing the duties and responsibilities for the Behavioral Health Negotiation Crisis Team (hereinafter referred to as “BHCNT”), by and between the **Monterey County Department of Health, Behavioral Health Bureau**, (hereinafter referred to as “COUNTY”) and the following separate entities individually defined as Monterey County Sheriff’s Office, California State University Monterey Bay, City of Carmel-by-the-Sea Police Department, City of Gonzales Police Department, City of Greenfield Police Department, King City Police Department, City of Marina Police Department, City of Monterey Police Department, City of Pacific Grove Police Department, City of Salinas Police Department, Sand City Police Department, City of Seaside Police Department, and City of Soledad Police Department (hereinafter referred to as “PEACE OFFICERS”).

WHEREAS, the COUNTY and PEACE OFFICERS wish to amend the AGREEMENT to revise the EXHIBIT A – DUTIES AND RESPONSIBILITIES to add the Mobile Crisis Team Program, and to incorporate the City of Gonzales Police Department to be part of the AGREEMENT as one of the separate entities known as PEACE OFFICERS.

NOW THEREFORE, the COUNTY and PEACE OFFICERS hereby agree to amend the AGREEMENT as follows:

1. EXHIBIT A-1: DUTIES AND RESPONSIBILITIES replaces EXHIBIT A – DUTIES AND RESPONSIBILITIES. All references in the AGREEMENT to EXHIBIT A shall be construed to refer to EXHIBIT A-1.
2. This AMENDMENT NO. 1 shall be effective December 31, 2015 (“Effective Date”).
3. As of the effective date, the term PEACE OFFICERS, as used in this AGREEMENT, shall include the City of Gonzales Police Department, and all references in the Agreement to PEACE OFFICERS shall include the City of Gonzales Police Department.
4. Except as provided herein, all remaining terms, conditions and provisions of this AGREEMENT are unchanged and unaffected by this AMENDMENT NO. 1, and shall remain in full force and effect as set forth in the AGREEMENT.
5. A copy of this AMENDMENT NO. 1 shall be attached to the original AGREEMENT A-13043 executed by the COUNTY on May 14, 2013.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, COUNTY and PEACE OFFICERS have executed this AMENDMENT No. 1 to the AGREEMENT A-13043 as of the day and year written below.

COUNTY OF MONTEREY

By: _____ Date: _____
Ray Bullick, Director of Health
Department of Health

APPROVED AS TO LEGAL FORM: APPROVED AS TO RISK PROVISIONS:

By: _____ By: _____
Stacy Saetta, County Counsel Steven Mauk, Risk Management

Date: _____ Date: _____

APPROVED AS TO FISCAL PROVISIONS:

By: _____
Gary Giboney, Auditor-Controller

Date: _____

PEACE OFFICERS APPROVALS

By: _____ Date: _____
Stephen T. Bernal, Sheriff
Monterey County, Office of the Sheriff

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____
Earl Lawson, Police Chief
California State University Monterey Bay

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____
Michael Calhoun, Police Chief
City of Carmel-by-the-Sea Police Department

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____

Paul D. Miller, Police Chief
City of Gonzales Police Department

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____
Adele Frese, Police Chief
City of Greenfield Police Department

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____
Anthony Sollecito, Police Chief
King City Police Department

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____
Edmundo Rodriguez, Police Chief
City of Marina Police Department

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____
Dave Hober, Police Chief
City of Monterey Police Department

Date: _____

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____
Steve Belcher, Interim Police Chief
City of Pacific Grove Police Department

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____
Vicki L.H. Myers, Police Chief
City of Seaside Police Department

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____

Kelly McMillin, Police Chief
City of Salinas Police Department

Date: _____

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____

Brian Ferrante, Police Chief
Sand City Police Department

PEACE OFFICERS APPROVALS (CONTINUED)

By: _____ Date: _____

Eric C. Sills, Police Chief
City of Soledad Police Department

EXHIBIT A -1: DUTIES AND RESPONSIBILITIES

In accordance with the principles of this Inter-Agency Agreement, the duties and responsibilities of the parties are outlined as follows:

I. CRISIS NEGOTIATION TEAM (CNT) PROGRAM

The CNT program, as part of the BHCNT, will partner with and provide supportive services to the Hostage Negotiation Team (“hereinafter referred to as “HNT”) when faced with a crisis situation. When requested by the PEACE OFFICER(S), a licensed clinician will respond to a crisis negotiation situation to offer clinical insight, supportive suggestions, background information, information on community resources/referrals, and collaboration to collect needed intelligence for the individual(s) in crisis.

A. FOR THE PURPOSE OF THE CNT PROGRAM, HEALTH AGREES TO:

1. Assign at least one licensed (clinician) on-call BHCNT member, as recommended by BHCNT and accepted by the HNT entities that consist of the Monterey County Sheriff's Office, City of Salinas, and Monterey Peninsula, to assist the PEACE OFFICER(S) during crisis situations.
 - a. During daytime hours Monday through Friday from 0800-1700 hours, the BHCNT contact for a crisis situation will be the Crisis Team at Natividad Medical Center (831) 755-4111. The Crisis Team will contact the BHCNT Coordinator.
 - b. After hours, PEACE OFFICER(S) will contact the Crisis Team at Natividad Medical Center, who will then contact the BHCNT standby member.
 - c. The on-call BHCNT member will contact the BHCNT Coordinator to inform them of the crisis situation. At this time, the Coordinator can choose to assist the standby staff member during the crisis situation or designate another BHCNT member to respond. The standby BHCNT member will also keep the Coordinator apprised of developments during the crisis situation.
2. Conduct/participate in witness interviews for collateral information, using the clinicians' interviewing expertise, i.e. rapport-building, social history collection, and knowledge of domestic violence dynamics.
3. Assist PEACE OFFICERS in gathering collateral information during a crisis situation, i.e. contacting family members, gathering previous crisis contacts and previous assault and suicide history, obtaining medical and psychiatric treatment information, and other related information.
4. Provide supportive suggestions in intervening with the individual(s) in crisis, i.e. passing notes to the secondary on themes, “hooks,” bargaining tools, and other similar suggestions.
5. Provide clinical insight on anything pertaining to mental illness to include symptoms, diagnosis, medication side effects, triggers and dynamics.
6. Provide the PEACE OFFICERS with information on community resources/referrals regarding the individuals(s) in crisis, i.e. substance abuse, domestic

violence, suicide prevention/intervention, mental illness, school support, grief support, and other related resources.

7. Never assume the role of the primary or secondary negotiator(s).
8. Never enter the residence of a barricaded subject.
9. Perform duties as assigned by incident commander, i.e. act as a "Scribe/Boardman" if assigned, in order to monitor negotiations and maintain visual displays of all information relevant to negotiations including demands, time-line, gathering intelligence, and other similar duties as assigned.
10. Monitor dialogue between the person(s) in crisis and the primary negotiators, if assigned, and maintain log of events during the negotiation process. BHCNT member will help provide communication between negotiators (BHCNT & PEACE OFFICERS) and remainder of the police command structure, ensuring that the secondary is aware of the Incident Officer's strategy.
11. Remain in the command center during the negotiation, unless assisting the PEACE OFFICERS with data collection or collateral contacts out of the primary negotiation area.
12. Respond to a crisis situation (as requested by PEACE OFFICERS) via telephone within fifteen (15) minutes.
13. Respond to a call-out situation (as requested by PEACE OFFICERS) and arrive on scene within sixty (60) minutes. During travel time, the BHCNT member will be available by phone for consultation.
14. Collaborate with the different PEACE OFFICERS' entities by participating in trainings and meetings to ensure proper understanding of roles and responsibilities during crisis situations.
15. Document the PEACE OFFICERS' calls for assistance to ensure documentation as required by the Mental Health Services Act.

B. FOR THE PURPOSE OF THE CNT PROGRAM MONTEREY COUNTY PEACE OFFICERS' ENTITIES AGREE TO:

1. Assume primary responsibility for site control.
2. Assume primary responsibility for negotiations.
3. Determine whether phone consultation or on-site consultation is needed from the BHCNT member.
4. Coordinate training exercises with HEALTH to ensure proper collaboration when needed during a crisis situation.
5. Collaborate with the BHCNT on-call members by participating in trainings and meetings to ensure proper understanding of roles and responsibilities during crisis situations.

II. MOBILE CRISIS TEAM (MCT) PROGRAM

The MCT program, as part of the BHCNT program, will partner with the named police departments to provide services that will respond to 911 requests involving an individual experiencing a psychiatric or emotional crisis. The MCT program will operate with the goal of avoiding the use of involuntary psychiatric hospitalization, whenever appropriate, by providing alternative treatment resources, which may include consultation, crisis intervention, and referral to a brief treatment and/or diversion to other voluntary psychiatric

services available. A mental health professional will be assigned to a designated jurisdiction: Monterey Peninsula, Salinas or South Monterey County.

A. FOR THE PURPOSE OF THE MCT PROGRAM, HEALTH AGREES TO:

1. Assign a mental health licensed OR licensed eligible clinician known as Mobile Crisis Intervention Specialist (hereinafter referred to as "MCIS") to a designated PEACE OFFICER jurisdiction site.
 - a. The MCT program will generally operate from Wednesday through Saturday, during the hours of 1230 to 2200 hours in addition to alternating Tuesdays from 1330 to 2200 hours.
 - b. If a MCIS is not available for their shift due to illness or planned leave, the MCT for that particular jurisdiction will not be in service during that time period.
 - c. For any MCIS Staff assigned to a PEACE OFFICER site, the County will provide office furniture and supplies; IT equipment and IT support if necessary, in order to appropriately equip the MCIS with the appropriate furniture, supplies and equipment necessary to conduct County business. In the event of termination of services, the County will retrieve all County-owned equipment, furniture and supplies.
2. The MCIS will primarily respond to dispatched calls for service requested by PEACE OFFICERS. They may also respond to calls as requested by PEACE OFFICERS through direct contact or when contacted by PEACE OFFICERS by Monterey County phone, however, the MCIS will inform Dispatch of their service response before or while on scene.
3. The MCIS will travel and respond to calls using a designated HEALTH MCT Vehicle and conduct outreach work with known individuals who may be in need of crisis intervention and/or a referral to other community services.
4. If the MCIS determines the individual in crisis meets the California Welfare and Institutions Code Section 5150 for an involuntary psychiatric hold, the MCIS on duty will complete the 5150 documentation, as needed.
5. If there is a disagreement between the responding PEACE OFFICER and the MCIS regarding whether the individual meets criteria for an involuntary psychiatric hold, the MCT Supervisor or designee will be contacted for consultation. The MCT Supervisor or designee will be available by phone throughout the MCIS shift for consultation and support.
6. If an individual is placed on an involuntary psychiatric hold by either the MCIS or the responding PEACE OFFICER, the individual will be transported by PEACE OFFICER or by ambulance.
7. Individuals not meeting criteria for an involuntary psychiatric hold, and who have been evaluated by the MCIS may be transported in the MCT Vehicle to voluntary alternative locations if deemed appropriate based on MCIS' clinical judgment.
8. The MCIS and responding PEACE OFFICERS will report any issue of concern or complexity directly to their respective supervisors as needed. It is expected that the MCIS and responding PEACE OFFICERS will work collaboratively and generally work together to address day-to-day issues. The MCT Supervisor or designee will be available by phone throughout the MCT shift for consultation.
9. The MCIS will share with responding PEACE OFFICERS, where applicable,

protected health information on the individual being served by a crisis intervention service, consistent with all applicable health privacy laws.

10. The MCIS will enter each call for MCT service into HEALTH's Electronic Health Record System to track the number of calls and outcomes to quantify and measure program success.

B. FOR THE PURPOSE OF THE MCT PROGRAM, MONTEREY COUNTY PEACE OFFICERS' ENTITIES AGREE TO:

1. Assume primary responsibility for site control.
2. Determine whether phone consultation or on-site consultation is needed from the MCIS.
3. Coordinate training exercises with MCIS to ensure proper collaboration when needed during a crisis situation.
4. Collaborate with the MCIS on-call members by participating in trainings and meetings to ensure proper understanding of roles and responsibilities during crisis situations.
5. Provide office and/or meeting space and any equipment necessary (other than the equipment provided by County in Section 2. A(c) of this Exhibit) for the implementation of services provided by the MCIS. In the event of termination of services, the PEACE OFFICERS acknowledge the County will retrieve all County-owned equipment, furniture, and supplies.

CONFIDENTIALITY

All HEALTH staff is subject to all rules of confidentiality set forth in all applicable health privacy laws, which apply to the provision of mental health services by the BHCNT and MCT programs. The minimum amount necessary of confidential mental health information will be shared for the sole purpose of preventing or causing harm and/or injury to others or to themselves. For all other purposes, without express written permission of the individual, PEACE OFFICERS may not have access to any confidential mental health information as held by the BHCNT and MCT programs. Any confidential mental health information PEACE OFFICERS may receive by written and/or oral transmission may not be re-disclosed in any format at any time.

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: - Consent	AGENDA NO.:
SUBJECT: a. Approve and authorize the Director of Health or Assistant Director of Health to execute Amendment No. 1 to the Monterey County Behavioral Health Crisis Negotiation Team Inter-Agency Agreement with the Monterey County Sheriff's Office, California State University Monterey Bay, Cities of Carmel, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad, adding the Mobile Crisis Team program to the existing provision of mental health supportive services to Peace Officers when intervening with individuals during a crisis situation; and b. Approve and authorize the Director of Health or Assistant Director of Health and the Sheriff to execute up to three future amendments to this Agreement where the amendments do not significantly alter the scope of work.	
DEPARTMENT: Health – Behavioral Health Bureau	

RECOMMENDATION

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of Health or Assistant Director of Health to execute Amendment No. 1 to the Monterey County Behavioral Health Crisis Negotiation Team Inter-Agency Agreement with the Monterey County Sheriff's Office, California State University Monterey Bay, Cities of Carmel, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad, adding the Mobile Crisis Team program to the existing provision of mental health supportive services to Peace Officers when intervening with individuals during a crisis situation; and
- b. Approve and authorize the Director of Health or Assistant Director of Health and the Sheriff to execute up to three future amendments to this Agreement where the amendments do not significantly alter the scope of work.

SUMMARY/DISCUSSION

On May 14, 2013, the Monterey County Board of Supervisors approved the Monterey County Behavioral Health Crisis Negotiation Team (hereinafter referred to as "BHCNT") Inter-Agency Agreement between the Monterey County Health Department and the following agencies: the Monterey County Sheriff's Office; the Cities of Carmel, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, Soledad, and the California State University Monterey Bay, (hereinafter referred to as "Peace Officers"). The Agreement details the roles and responsibilities of BHCNT and Peace Officers when responding to crisis situations.

This Amendment No. 1 to the BHCNT Inter-Agency Agreement establishes the Mobile Crisis Team (hereinafter referred to as "MCT") program, defines the roles and responsibilities that govern the MCT program between BHCNT and Peace Officers,

incorporates the City of Gonzales Police Department to be part of the Agreement, and adds a confidentiality provision which applies to the provision of mental health services by the BHCNT and MCT programs.

In 2015, the BHCNT began the planning and implementation of the MCT program in partnership with Peace Officers. The MCT program, as part of the BHCNT program, partners with Peace Officers to provide services in response to 911 requests involving an individual experiencing a psychiatric or emotional crisis. The expansion of the MCT program reduces the amount of law enforcement and hospital response system resources required to effectively respond to mental health crisis situations in the field. Additionally, the MCT will operate with the goal of treating patients in the field by providing alternative treatment resources. Ultimately, the MCT program will reduce the volume of misclassified 5150 calls, which results in a plethora of unnecessary Emergency Response Service Systems, including BHCNT.

The effective date of this Amendment No. 1 is retroactive to December 31, 2015, due to lengthy negotiations and processing for all 14 Peace Officer jurisdictions.

The BHCNT Inter-Agency Agreement effective May 14, 2013 contains the County's standard thirty (30) day written notice termination provision (Section C. Term).

This work supports the Monterey County Health Department 2011-2015 strategic plan initiative: 1) Empower the community to improve health through programs, policies, and activities. It also supports two of the ten essential public health services, specifically: 3) Inform, educate, and empower people about health issues, and 4) Mobilize community partnerships and action to identify and solve health problems.

OTHER AGENCY INVOLVEMENT

County Counsel, Auditor-Controller, and Risk Management have reviewed and concur. This Amendment No. 1 is on file with Clerk of the Board.

FINANCING

There are no fiscal provisions included in this Agreement.

Prepared by: Sarah Trueblood, Management Analyst II, 8996

Approved by: Elsa Jimenez, Interim Director of Health, 4526

Attachments:

Amendment No.1 is on file with the Clerk of the Board.

The BHCNT Inter-Agency Agreement is on file with Clerk of the Board.



Item No. 9 (K)

REPORT TO THE CITY COUNCIL

DATE: JUNE 28, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: MIKE HOWARD, FINANCE DIRECTOR

RE: CONSIDERATION OF THE CITY OF KING SALARY CLASSIFICATION PLAN FY 2016-17

RECOMMENDATION:

It is recommended City Council adopt the City of King Classification Plan for FY 2016-17.

BACKGROUND:

It is a requirement of CalPERS that the City Council adopt on an annual basis the City's Salary Classification Plan.

DISCUSSION:

On an annual basis CalPERS requires that the City Council approve the salary classification plan. The majority of all salaries have already been approved with the adoption of the recent union negotiations. There are three exceptions. Fire volunteer pay is increased by \$2 per call and a 2.5% in stipends for officers. Secondly, a pay range is created for part-time front counter staff. Third, the range for the police Chief was revised to reflect the amount authorized during the recent recruitment.

This new format puts all salary positions in one document and includes positions not covered by MOU's and makes it easier for staff to quickly see compensation levels for all positions at one glance. It will also increase transparency.

COST ANALYSIS:

There is no financial impact by approving the City of King Classification Plan. All associated salary increases were built into the FY 2016-17 Budget, which was adopted at the June 14, 2016 City Council meeting.

CITY COUNCIL
CONSIDERATION OF THE CITY OF KING SALARY CLASSIFICATION PLAN
FY 2016-17
JUNE 28, 2016
PAGE 2 OF 2

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Adopt the City of King Classification Plan FY 2016-17, or
2. Provide other direction to staff.

Exhibits:

1. City of King Classification Plan FY 2016-17

Submitted by:

Outstanding For

Mike Howard

Mike Howard, Finance Director

Approved by:

SA

Steven Adams, City Manager

**CITY OF KING
CLASSIFICATION PLAN
FISCAL YEAR 2016-2017**

REVISED July 1, 2016

CLASSIFICATION	FIVE-PERCENT STEP ADVANCEMENT					
	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
EXECUTIVE MANAGEMENT STAFF						
CITY MANAGER	\$152,000.00 ANNUAL (SALARY INDEPENDENT OF STEP SCHEDULE)					
CHIEF OF POLICE	\$110,556.00	\$116,084.00	\$121,888.00	\$127,983.00	\$134,382.00	\$141,701.00
DIRECTOR OF FINANCE	\$90,175.00	\$94,685.00	\$99,419.00	\$104,390.00	\$109,612.00	\$115,092.00
MID-MANAGEMENT STAFF						
CITY CLERK	\$49,373.00	\$51,842.00	\$54,434.00	\$57,157.00	\$60,016.00	\$63,016.00
PUBLIC WORKS SUPERINTENDENT	\$52,807.36	\$55,447.94	\$58,221.13	\$61,132.24	\$64,189.75	\$67,400.04
RECREATION COORDINATOR	\$55,839.00	\$58,630.00	\$61,562.00	\$64,640.00	\$67,872.00	\$71,266.00
SUPERVISORY STAFF						
POLICE SERGEANT	\$73,179.00	\$76,838.00	\$80,680.00	\$84,713.00	\$88,950.00	\$93,397.00
POLICE CLERK SUPERVISOR	\$38,566.90	\$40,495.61	\$42,520.87	\$44,646.92	\$46,880.11	\$49,224.70
BUILDING/MAINTENANCE STAFF						
CHIEF BUILDING OFFICIAL	\$71,725.00	\$75,313.00	\$79,078.00	\$83,032.00	\$87,184.00	\$91,544.00
BUILDING INSPECTOR	\$56,102.51	\$58,908.59	\$61,854.71	\$64,948.30	\$68,195.71	\$71,606.51
ASSISTANT PLANNER	\$63,655.06	\$66,838.82	\$70,181.72	\$73,691.17	\$77,376.74	\$81,245.84
SENIOR MAINTENANCE WORKIER	\$40,528.50	\$42,555.88	\$44,684.05	\$46,918.30	\$49,265.01	\$51,728.42
MAINTENANCE WORKER I	\$30,252.62	\$31,765.47	\$33,354.70	\$35,022.43	\$36,773.98	\$38,613.58
MAINTENANCE WORKER II	\$35,030.92	\$36,782.46	\$38,622.06	\$40,553.96	\$42,582.40	\$44,711.63
STREET SWEEPER OPERATOR	\$35,030.92	\$36,782.46	\$38,622.06	\$40,553.96	\$42,582.40	\$44,711.63
PUBLIC SAFETY STAFF						
POLICE CAPTAIN	\$79,384.00	\$83,354.00	\$87,522.00	\$91,900.00	\$96,496.00	\$101,320.00
POLICE OFFICER	\$54,606.00	\$57,336.00	\$60,203.00	\$63,214.00	\$66,374.00	\$69,695.00
CODE ENFORCEMENT OFFICER	\$41,078.05	\$43,131.95	\$45,288.76	\$47,553.78	\$49,932.32	\$52,429.68
COMMUNITY SERVICES OFFICER	\$41,078.05	\$43,131.95	\$45,288.76	\$47,553.78	\$49,932.32	\$52,429.68
FIRE CHIEF	\$7,527.60					
FIRE CHIEF 1ST ASSISTANT	\$3,690.00					
FIRE CHIEF 2ND ASSISTANT	\$3,690.00					
FIRE CHIEF ENGINEER	\$3,690.00					
FIRE DEPARTMENT SECRETARY/TREASURER	\$2,583.00					
FIRE ENGINEER	\$2,755.20					
VOLUNTEER FIREFIGHTER	\$12.00					
SUPPPORT STAFF						
ACCOUNTANT	\$44,092.06	\$46,297.68	\$48,612.56	\$51,044.14	\$53,596.67	\$56,278.50
ACCOUNTING TECHNICIAN	\$38,744.27	\$38,581.75	\$40,511.53	\$42,537.85	\$44,664.95	\$46,899.21
ADMIN ASSISTANT TO POLICE CHIEF	\$37,074.00	\$38,928.00	\$40,875.00	\$42,919.00	\$45,065.00	\$47,318.00
ADMINISTRATIVE ASSISTANT	\$36,744.27	\$38,581.75	\$40,511.53	\$42,537.85	\$44,664.95	\$46,899.21
ADMINISTRATIVE SERVICE SUPERVISOR	\$50,402.30	\$52,923.00	\$55,569.94	\$58,348.44	\$61,265.91	\$64,329.79
COUNTER TECHNICIAN	\$36,744.27	\$38,581.75	\$40,511.53	\$42,537.85	\$44,664.95	\$46,899.21
POLICE CLERK I	\$29,720.05	\$31,206.37	\$32,766.96	\$34,406.05	\$36,126.83	\$37,933.54
TRANSIT OPERATOR	\$32,726.64	\$34,363.61	\$36,082.27	\$37,886.86	\$39,781.63	\$41,770.82
SEASONAL/PART-TIME (HOURLY RATE)						
POOL MANAGER	\$15.00	\$15.75	\$16.54	\$17.36	\$18.23	\$19.14
ASSISTANT POOL MANAGER	\$14.30	\$15.00	\$15.75	\$16.54	\$17.37	\$18.24
AQUATIC AIDE	\$10.00	\$10.50	\$11.03	\$11.58	\$12.16	\$12.76
POOL CASHIER	\$10.00	\$10.50	\$11.03	\$11.58	\$12.16	\$12.76
LIFE GUARD	\$12.00	\$12.60	\$13.23	\$13.89	\$14.59	\$15.32
RECREATION AIDE	\$10.30	\$10.50	\$11.03	\$11.58	\$12.16	\$12.76
SUMMER DAYCAMP COORDINATOR	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00
PART TIME FRONT COUNTER	\$11.00	\$11.55	\$12.13	\$12.73	\$13.37	\$14.04
MAINTENANCE AID	\$12.00					
CITY COUNCIL & MAYOR (Effective 1/1/17)						
MAYOR	\$4,800.00					
CITY COUNCIL	\$3,600.00					



Item No. 10 (A)

REPORT TO THE CITY COUNCIL

DATE: JUNE 28, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT DIRECTOR

RE: CONSIDERATION OF ORDINANCE TO REZONE BROADWAY PROPERTY (1023 BROADWAY STREET)

RECOMMENDATION:

It is recommended City Council: 1) Introduce and conduct the first reading, by title only, an Ordinance to rezone property along West Broadway Street from Planned Development ("PD") to Highway Service ("HS"); and 2) set the second hearing and adoption for the next regularly scheduled City Council meeting of July 12, 2016.

BACKGROUND:

During the General Plan update process, the land use designation was changed on the rear portion of 1023 Broadway Street and the adjoining property off of Franciscan Way from PD to HS. (*Reference Diagrams 1 and 2.*) The total area being proposed for change is about five (5) acres. On June 7, 2016, the Planning Commission recommended approval of the zoning so it is consistent with the new land use designation. The properties are separately owned by the Successor Agency and the Hearnese Family.

DISCUSSION:

Analysis

The approved updated General Plan Land Use Element included a modification of the General Plan Map land use designation on a small five (5) acre area located at 1023 Broadway Street (including a two (2) acre site on Franciscan Way south east of Broadway) from Planned Development ("*PD*") to Highway Service Commercial ("*HSC*"). This modification was made because the site is deemed to be too small to warrant the preparation of a Specific Plan and will result in the reduction of allowable uses at the site, eliminating industrial as a possible use. The Zoning District needs to be amended to reflect the new General Plan designation. Therefore, this proposal includes a Zoning District change from PD and Highway Service ("*HS*"). The changes eliminate the need for a Specific Plan preparation. Uses will generally require the approval of the

**CITY COUNCIL
INTRODUCTION AND FIRST READING OF ORDINANCE TO REZONE OF
BROADWAY PROPERTY (1023 BROADWAY STREET)
JUNE 21, 2016
PAGE 2 OF 4**

Planning Commission under a Conditional Use Permit and Architectural Review. The visual integrity of the site will be maintained. The change in designation will result in a slight net beneficial improvement in the environment by eliminating potential industrial uses at this location.

The General Plan land use change and Zoning District amendment were assessed in the Mitigated Negation Declaration ("**MND**") prepared on the General Plan amendments. The City Council adopted the MND on March 22, 2016. Staff recommends the City Council adopt the attached Resolution based on the following findings of fact:

Findings of Facts

1. The Zoning District amendment is consistent with the General Plan land use designation of Highway Service Commercial ("**HSC**").
2. The Zoning District amendment from PD to HS is compatible with adjacent zoning along West Broadway Street and uses in the neighborhood.
3. The zoning change amendment is appropriate due to the sizes, shapes and location of the properties which allows orderly development of commercial uses along West Broadway Street.

**Diagram 1
View of rear of property located at 1023 Broadway,
area proposed to change from PD to HS.**



**CITY COUNCIL
INTRODUCTION AND FIRST READING OF ORDINANCE TO REZONE OF
BROADWAY PROPERTY (1023 BROADWAY STREET)
JUNE 21, 2016
PAGE 4 OF 4**

Advantages

The zoning district will be consistent with the General Plan land use designation, which will allow commercial development on a large property.

Disadvantages

The PD Zoning District required a specific plan be processed. Specific plans allow greater flexibility in design and uses than a standard zoning district; however, it is costlier and take more time to process a specific plan.

Environmental Review

The General Plan land use change and Zoning District amendment were assessed in the Mitigated Negation Declaration ("**MND**") prepared on the General Plan amendments. The City Council adopted the MND on March 22, 2016.

Public Notification and Input

The public hearing notice was published in the Rustler on June 15, 2016

COST ANALYSIS:

The rezoning will allow the properties to be consistently zoned, which makes it easier to develop the project. Eliminating barriers help to reduce process time and cost.

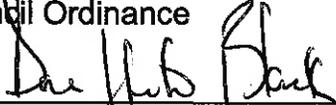
ALTERNATIVES:

The following alternatives are provided for Council consideration:

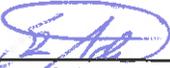
1. Conduct the first reading of the Ordinance, which rezones the properties from PD to HS;
2. Do not adopt the attached Ordinance and allow split zoning on the properties; or
3. Provide other direction to staff.

Exhibits:

1. Planning Commission Resolution
2. City Council Ordinance

Submitted by: 

Doreen Liberto-Blank, AICP, Department Director

Approved by: 

Steve Adams, City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KING, CALIFORNIA, AMENDING THE OFFICIAL ZONE MAP OF THE CITY OF KING HERETOFORE ADOPTED BY CHAPTER 17.06 DISTRICTS- ESTABLISHED, OF THE CITY OF KING MUNICIPAL CODE, BEING THE ZONING ORDINANCE OF THE CITY OF KING

WHEREAS, Rezone Application No. ZC2016-002 was filed by City of King, to approve a rezone from ("P-D") Planned Development zone district to ("HSC") Highway Service Commercial zone district for the 4.43 acres identified as Assessor Parcel Number 026-391-025 (1023 Broadway Street) and 2.31 acres identified as Assessor Parcel Number 026-391-024 (Hearne Property); as shown in Exhibit A, which is attached hereto and incorporated herein by this reference; and,

WHEREAS, the City of King ("City"), as the lead agency, prepared a mitigated negative declaration, (hereinafter "MND") which evaluated the environmental impacts associated with the proposed zone district amendment and found there were no significant environmental impacts associated with this zone amendment; and,

WHEREAS, on June 7, 2016, the Planning Commission held a public hearing on this proposed zone district amendment which included the MND; and,

WHEREAS, at the conclusion of the June 7, 2016 hearing, the Planning Commission passed a resolution, documented in Planning Commission Resolution No. 2016-153, recommending certification of the MND and approval of the rezone application no. ZC2016-002 to the Council of the City of King; and

WHEREAS, the Council of the City of King, on June 28, 2016, held a public hearing on the proposed zoning amendment, including rezone application no. ZC2016-002, and the MND, and received both oral and written evidence presented at the hearing on rezone application no. ZC2016-002, including the recommendation of the Planning Commission and City staff.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF KING DOES ORDAIN AS FOLLOWS:

SECTION 1. The Council hereby taken by an action on June 28, 2016 did review and based upon their own independent judgment, found there were no significant environmental impacts created by this zone district amendment and approves the MND of which the proposed rezone application no. ZC2016-002 is a part.

SECTION 2. The Council finds that the requested zone district amendments, as shown on Exhibit A, are consistent with the proposed land use designations of the 2023 King General Plan Update.

SECTION 3. The zone district amendment of the Subject Property shown in attached Exhibit A, located in the City of King and shown on the Official Zone Map of the City of King is reclassified as illustrated on **Exhibit A** from the "P-D" (Planned Development Zone District) zone district to "HSC" (Highway Service Commercial).

SECTION 4. This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty-first day after its passage.

Attachments:

Exhibit A – Rezone map

ATTEST:

Robert Cullen

Mayor

I, Steve Adams, City Manager and City Clerk of the City of King, certify that the foregoing ordinance was adopted by the Council of the City of King, at a regular meeting held on the 28th day of June, 2016.

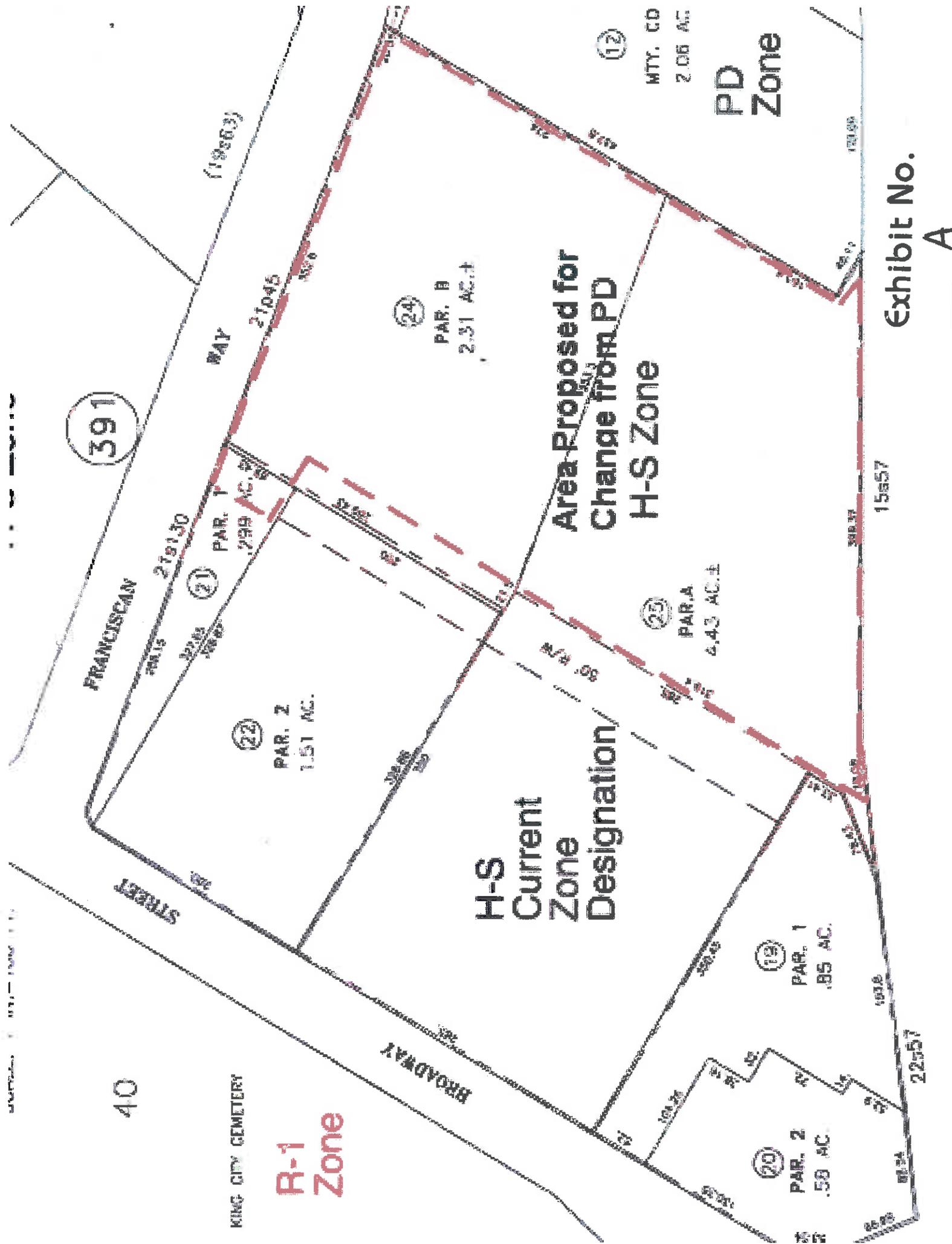
AYES :
NOES :
ABSENT :
ABSTAIN :

Steve Adams

City Manager/City Clerk

APPROVED AS TO FORM:

Martin Koczanowicz, City Attorney



40

KING CITY CEMETERY

R-1 Zone

391

FRANCISCAN WAY

STREET

BROADWAY

(19863)

WAY

PAR. 1
2.99 AC.±

22

PAR. 2
1.51 AC.

24

PAR. B
2.31 AC.±

H-S Current Zone Designation

Area Proposed for Change from PD to H-S Zone

H-S Zone

25

PAR. A
4.43 AC.±

12

MTY. CD
2.06 AC.

PD Zone

19

PAR. 1
.85 AC.

20

PAR. 2
.58 AC.

15557

Exhibit No.

A

22557



Item No. **11 (A)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 28, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF DRAFT BALLOT MEASURE TO ESTABLISH A TAX ON MEDICAL MARIJUANA CULTIVATION AND MANUFACTURING

RECOMMENDATION:

It is recommended the City Council: 1) review the draft ordinance; 2) provide direction on desired changes; and 3) direct staff to proceed to present the item for approval at the July 12, 2016 meeting.

BACKGROUND:

At the January 26, 2016 meeting, the City Council adopted an ordinance allowing cultivation of medical marijuana in the M-1 and M-2 zoning districts and the East Ranch Business Park Specific Plan area. Staff is currently working on amendments to allow manufacturing and processing, as well as to address other issues that have been identified.

When the Council approved the Ordinance allowing medical marijuana cultivation, it was the intent to establish a tax to generate revenue from the medical marijuana businesses. It is recommended the tax measure be placed on the November 8th ballot, which will require a majority vote. At the March 22, 2016 meeting, the City Council approved a consultant services agreement with HdL Companies and appropriated \$20,000 for them to assist the City in drafting the tax measure.

At the April 26, 2016 meeting, the City Council received a presentation on alternatives from the consultant and provided initial direction. The following items were determined:

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- The cultivation tax will be based on total square footage approved in the Conditional Use Permit.
- There will be no increase the first three years. After that, the City Council may increase the tax on an annual basis up to a maximum of CPI for the prior year.
- The first 5,000 square feet will be charged a higher tax rate. The tax rate per square foot thereafter would be a lower rate. The consultant will get an update on the rate being proposed by other cities and work with staff on developing a recommended rate.
- The tax proceeds will be charged on a quarterly basis.
- The tax on manufacturing will be charged on a lump sum annual basis per license. The consultant will work with staff on developing a recommended amount.

An initial draft was presented to the City Council at the May 24, 2016 meeting and comments were received. Changes have been incorporated and a final draft resolution and ordinance is presented for City Council consideration.

DISCUSSION:

At the May 24, 2016 meeting, staff also presented initial information regarding the status of tax measures proposed by other jurisdictions in the area. Staff's intent has been to develop recommendations that result in a tax level designed to maximize revenue, while also providing the City a competitive advantage in attracting businesses when compared with other jurisdictions.

Other South Monterey County jurisdictions considering tax measures include Gonzales, Salinas and the County of Monterey. At this time, staff has preliminary information regarding the direction of all three jurisdictions, but have recommended delaying action on the proposed tax measure until the July 12, 2016 meeting in order to have more definitive information before proceeding. It is staff's understanding that all three jurisdictions will likely be proposing a tax on cultivation in the range of \$15 per square foot up to a maximum of \$25 per square foot.

As a result, staff is recommending the City's tax on cultivation be set at an amount of \$25 per square foot for the first 5,000 square feet and \$10 per square foot for the remaining amount. For a maximum 22,000 square foot facility, this would equate to \$13.41 per square foot. Therefore, it would be lower than the other jurisdictions by a modest amount initially and by a more substantial amount if they further increase their rates.

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Nurseries were not addressed in the prior discussion, but are being included in the proposed regulatory ordinance. It is proposed to limit them to a maximum of 5,000 square feet per facility. The original intent was to treat them the same as cultivation in the tax measure. However, since they require a separate license, it would result in a tax of \$25 per square foot for the entire facility, which staff believes is too high. Therefore, in order to simplify the measure, it is recommended to charge the same rate for nurseries as manufacturing facilities, which is \$30,000.

A number of charts provided by the consultant are attached. The chart in Exhibit 3 demonstrates how much less in taxes a business will pay in King City versus the other jurisdictions based upon anticipated rates. Exhibit 4 is a cultivation tax chart, which provides data on revenue to the business projected from medical marijuana harvests in relation to the tax proceeds from both a gross receipts and per square foot tax. Exhibit 5 provides data on the marijuana market price.

COST ANALYSIS:

Projected revenue from the tax will depend on the tax rate and the number of businesses that are licensed. Given that State regulations are still under development, the number of future businesses is difficult to anticipate. Based on the recommendations, a maximize size cultivation facility would generate \$295,000 in annual revenue. If it was accompanied by a manufacturing facility and nursery, the revenue would be \$355,000. Therefore, six such facilities would be needed to reach the established target in the Long-Range Financial Plan to generate at least \$2 million annually.

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Direct staff to proceed to place the proposed tax measure on July 12, 2016 agenda for consideration;
2. Direct staff to make changes in the text and then proceed;
2. Direct staff to modify the tax amount and then proceed; or
4. Provide staff other direction.

Exhibits:

1. Draft Medical Marijuana Tax Measure Resolution
2. Draft Ordinance
3. Tax rate scenarios
4. Cultivation tax chart
5. Data on the marijuana market price.

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Prepared and Approved by:



Steven Adams, City Manager

KING CITY COUNCIL
RESOLUTION NO. _____

A ORDINANCE SUBMITTING ON THE COUNCIL'S OWN MOTION TO THE VOTERS AT THE NOVEMBER 8, 2016 STATEWIDE GENERAL ELECTION, NOT LESS THAN 88 DAYS AND NOT MORE THAN 119 DAYS FROM THE PASSAGE OF THIS ORDINANCE, A PROPOSED ORDINANCE MODIFYING THE BUSINESS LICENSE AND REGULATIONS, TITLE 5 OF THE KING CITY MUNICIPAL CODE TO CREATE CHAPTER 5.14 "COMMERCIAL CANNABIS TAX" TO IMPLEMENT AN ANNUAL TAX SET AT AN INITIAL RATE OF TWENTY-FIVE DOLLARS (\$25) PER SQUARE FOOT FOR THE FIRST 5,000 SQUARE FEET OF CANOPY SPACE AND THEN TEN DOLLARS (\$10) PER SQUARE FOOT FOR THE REMAINING CANOPY SPACE UTILIZED IN CONNECTION WITH THE CULTIVATION OF MARIJUANA FOR BOTH MEDICAL OR NON-MEDICAL USE WHERE PERMISSIBLE BY BOTH STATE AND LOCAL LAW FOR THE PURPOSE OF RAISING REVENUE TO FUND GENERAL MUNICIPAL SERVICES AND ANY CULTIVATION CONDUCTED ONLY AS A NURSEY (TYPE 4 PERMIT) SHALL BE ESTABLISHED AT A FLAT TAX RATE OF THIRTY THOUSAND DOLLARS (\$30,000) DOLLARS PER SQUARE FOOT OF CANOPY SPACE UTILIZED IN CONNECTION WITH THE CULTIVATION OF MARIJUANA FOR BOTH MEDICAL OR NON-MEDICAL USE WHERE PERMISSIBLE BY BOTH STATE AND LOCAL LAW FOR THE PURPOSE OF RAISING REVENUE TO FUND GENERAL MUNICIPAL SERVICES AND THE COMMERCIAL CANNABIS MANUFACTURING TAX IN CONNECTION WITH THE MANUFACTURING OF MARIJUANA FOR BOTH MEDICAL OR NON-MEDICAL USE WHERE PERMISSIBLE BY BOTH STATE AND LOCAL LAW FOR THE PURPOSE OF RAISING REVENUE TO FUND GENERAL MUNICIPAL SERVICES SHALL BE ESTABLISHED AT A FLAT TAX RATE OF THIRTY THOUSAND DOLLARS (\$30,000) AND A CONSUMER PRICE INDEX INCREASE MAY BE IMPOSED ANNUALLY ON ALL CULTIVATION SQUARE FOOTAGE TAX AND THE MANUFACTURING TAX IMPOSED UPON CANNABIS BUSINESSES IN THE CITY AFTER THREE YEARS.

DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS AND PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE WITH THE NOVEMBER 8, 2016 STATWIDE GENERAL ELECTION.

WHEREAS, through the passage of Proposition 215, the voters of California authorized the use of cannabis for medical purpose in 1996; and

WHEREAS, a majority of the voters where in favor of the proposition, the voters of King City approved Proposition 215; and

WHEREAS, the City Council of the City of King has adopted medical cannabis permitting

regulations to prevent nuisance, provide for effective controls, enable medical cannabis patients to obtain cannabis from safe sources, and wish to provide appropriate licensing and revenue for the City in a manner consistent with state law; and

WHEREAS, every person engaged in business activity in the City of King is required to obtain a business tax certificate and to pay the City's business tax; and

WHEREAS, pursuant to Chapter 5.12 of the King City Municipal Code, Section 5.12 cannabis businesses are not currently taxed in a classification category; and

WHEREAS, accordingly, the City Council of the City of King desires to create Chapter 5.14 to create new rates for Cannabis businesses as follow a) Medical Cannabis Cultivation b) Cultivation Nurseries c) Medical Cannabis Manufacturing, and d) "Non-Medical" cannabis businesses (whether cultivating or manufacturing other than medical cannabis) where permissible by state and local law; and

WHEREAS, the City of King seeks to appropriately regulate cannabis facilities and seeks adequate funding to provide essential public services all revenues received from the tax will be deposited in the general fund of the City to be expended for general purposes; now, therefore, be it

RESOLVED: That the City Council of the City of King does hereby submit to the voters at the statewide general election, not less than 88 days and not more than 119 days from the date of passage of this ordinance, the text of the proposed ordinance, which shall read as follows;

Section 1. The Municipal Code is hereby amended to add the "Commercial Cannabis Tax" section as set forth below (section numbers and titles).

Section 2. **Code Amendments.** That the Title 5 "Business License and Regulations" of the King City Municipal Code is hereby amended to create Chapter 5.14 to establish new tax rates for cannabis businesses.

Section 3. **Severability Amendments.** Should any of the provisions of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

Section 4. **California Environmental Quality Act Requirements.** This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code Section 21000et seq., including without limitations. Public Resources Code Section 21605, CEQA Guidelines 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the activity authorized herein

may have a significant effect on the environment.

Section 5. **Majority Approval; Effective Date.** This Ordinance shall be effective only if approved by a majority of the voters voting thereon and after the vote is declared by the City Council. The effective date of this Ordinance shall be January 1, 2017.

Section 6. **Council Amendments.** The City Council of the City of King is hereby authorized to amend Section 5.14 of the King City Municipal Code as adopted by this Ordinance in any manner that does not increase the tax rate, above the maximum rate specified for each category of business or otherwise constitutes a tax increase for which voter approval is required by Article XIII C of the California Constitution, and be it

FURTHER RESOLVED: That each ballot used at said municipal election shall have printed therein, in addition to any other matter required by law the following:

ORDINANCE AMENDING THE KING CITY MUNICIPAL CODE TO MODIFY THE BUSINESS LICENSE AND REGULATIONS FOR COMMERCIAL CANNABIS BUSINESSES

Measure (Fill in the blank). Shall the King City Municipal Code be amended to add a "Commercial Cannabis Tax" on cultivation, nurseries and manufacturing of medical and non-medical marijuana where permissible by state and local law not exceed (\$25) per square foot for the first \$5,000 square feet and then (\$10) per square foot for the remaining space and nurseries will be taxed at (\$6) per square foot and manufacturing will be tax at \$30,000 annually.	Yes
	No

; and be it

FURTHER RESOLVED: That in accordance with the Elections Code and Chapter 2 of the King City Municipal Code, the City Clerk shall fix and determine a date for the submission of arguments for or against said proposed ordinance, and said date shall be posted in the Office of the City Clerk; and be it

FURTHERER RESOLVED: That in accordance with the Elections Code and Chapter 2 of the King City Municipal Code, the City Clerk shall provide for

notice and publication as to said proposed ordinance in the manner provided for by law; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Registrar of Voters of the County of Monterey perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to obtain printing; supplies and services as required; and be it

FURTHER RESOLVED: That the City Clerk is hereby authorized to provide such other services and supplies in connection with said election as maybe required by the Statutes of the State of California and the Charter of the City of King; and be it

FURTHER RESOLVED: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the General Election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the General Election in a manner consistent with state and local laws.

IN COUNCIL, KING, CALIFORNIA, _____, 2016

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTENTION:

Robert Cullen, Mayor

Attest:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Martin Koczanowicz, City Attorney

Chapter 5.14

Commercial Cannabis Tax

- 5.14.010 Purpose of chapter.
- 5.14.020 Tax imposed.
- 5.14.030 Definitions.
- 5.14.040 Other licenses, permits, taxes, fees or charges.
- 5.14.050 Payment of tax does not authorize unlawful business.
- 5.14.060 Payment - Location.
- 5.14.070 Amount of cannabis tax owed.
- 5.14.080 Payment - Time limits.
- 5.14.090 Payments and communications made by mail - Proof of timely submittal.
- 5.14.100 Payment- When taxes deemed delinquent.
- 5.14.110 Notice not required by city.
- 5.14.120 Payment- Penalty for delinquency.
- 5.14.130 Waiver of penalties.
- 5.14.140 Refunds- Credits.
- 5.14.150 Refunds and procedures.
- 5.14.160 Exemptions -Application - Issuance conditions.
- 5.14.170 Exemptions - General.
- 5.14.180 Exemptions - Occasional transactions.
- 5.14.190 Enforcement - Duties of tax administrator and Police Department.
- 5.14.200 Rules and regulations.
- 5.14.210 Apportionment.
- 5.14.220 Audit and examination of records and equipment.
- 5.14.230 Tax deemed debt to city.
- 5.14.240 Deficiency determinations.
- 5.14.250 Tax assessment - Authorized when - Nonpayment - Fraud.
- 5.14.260 Tax assessment - Notice requirements.
- 5.14.270 Tax assessment - Hearing -Application and determination.
- 5.14.280 Conviction for chapter violation - Taxes not waived.
- 5.14.290 Violation deemed misdemeanor - Penalty.
- 5.14.300 Severability.
- 5.14.310 Effect of state and federal reference/authorization.
- 5.14.320 Remedies cumulative.
- 5.14.330 Amendment or repeal.

5.14.010 Purpose of chapter.

This chapter shall be entitled the "Commercial Cannabis Tax" and is enacted solely to raise revenue for the general governmental purposes for the City and not for purposes of regulation or of raising revenues for regulatory purposes. All of the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and used for the purposes consistent with the general fund expenditures of the City.

5.14.020 Tax imposed.

There is established and imposed, a commercial cannabis tax at the rate set forth in this chapter.

5.14.030 Definitions

The definitions set forth in this part shall govern the application and interpretation of this chapter.

(A) "Business" shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

(B) "Cannabis" means all 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.

(C) "Cannabis business" or "medical marijuana business" or "non-medical marijuana business" means any commercial business activity not limited to, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, wholesale, and/or retail sales of Cannabis and any ancillary products in the city, whether or not carried on for gain or profit which is permitted by both State and local law.

(D) "Commercial Cannabis tax", "Business tax" or "Cannabis tax" means the tax due for engaging in Commercial Cannabis business in the city.

(E) "Canopy" shall mean the diameter of a plant, a straight line passing through the center of the cannabis plant in its mature state. All plants will be measured or presumed to be in their full growth state regardless if they are "clones", infants in the vegetative cycle, or full mature plants in the flowering stage of their life cycle. The plant canopy does not need to be continuous on any premise in determining the total square footage which will be subject to tax.

(F) "Cultivation Facility" or "Grow Site" shall mean the square footage of any place or location where cannabis or any of its derivatives is cultivated, grown, harvested, packaged processed or stored.

(G) "Distributor" or "Distribution" or "Distribution Facility" shall mean a person or facility licensed by the State to engage in the business of purchasing medical cannabis from a licensed cultivator, or medical cannabis products from a licensed manufacturer, for sale to a licensed dispensary.

(H) "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

(I) "Engaged in business" means the commencing, conducting, operating, managing or carrying on of a Cannabis business and the exercise of corporate or franchise powers, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

(1) Such person or person's employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;

(2) Such person or person's employee owns or leases real property within the City for business purposes;

(3) Such person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;

(4) Such person or person's employee regularly conducts solicitation of business within the City;

(5) Such person or person's employee performs work or renders services in the City on a regular and continuous basis involving more than five working days per year;

(6) Such person or person's employee utilizes the streets within the City in connection with the operation of motor vehicles for business purposes. The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

(J) "Evidence of doing business" means whenever any person shall, by use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or represents to a government agency or to the public that such person is engaged in a Cannabis business in the City, then these facts may be used as evidence that such person is engaged in business in the City.

(K) "Gross Receipts" except as otherwise specifically provided, means the total amount actually received or receivable from all sales; the total amount or compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction there from on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded there from:

- (1) Cash discounts allowed and taken on sales;
- (2) Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts;
- (3) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- (4) Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
- (5) Receipts from investments where the holder of the investment receives only interest and/or dividends, royalties, annuities and gains from the sale or exchange of stock or securities solely for a person's own account, not derived in the ordinary course of a business; Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

(6) Cash value of sales, trades or transactions between departments or units of the same business;

(7) Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;

(8) Transactions between a partnership and its partners;

(a) Receipts from services or sales in transactions between affiliated corporations. An affiliated corporation is a corporation:

(b) The voting and non-voting stock of which is owned at least eighty percent by such other corporation with which such transaction is had; or;

(c) Which owns at least eighty percent of the voting and non-voting stock of such other corporation; or

(d) At least eighty percent of the voting and non-voting stock of which is owned by a common parent corporation which also has such ownership of the corporation with which such transaction is had;

(9) Transactions between a limited liability company and its member(s), provided the limited liability company has elected to file as a Subchapter K entity under the Internal Revenue Code and that such transaction(s) shall be treated the same as between a partnership and its partner(s) as specified in Subsection (9) above;

(10) Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar;

(11) Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the Finance Department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

(L) "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, or medical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container, that holds a valid state license and that holds a valid local license or permit.

(M) "Person" means, without limitation, any natural individual, organization, firm, trust, common law trust, estate, partnership of

any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and nonprofit), cooperative, receiver, trustee, guardian, or other representative appointed by order of any court.

- (N) "Sale" means and includes any sale, exchange, or barter.
- (O) "Square Foot" or "Square Footage" shall mean the canopy space allowed under permit classification by the local agency and/or the State and shall be the basis for the tax base for cultivation.
- (P) "Tax Administrator" or "administrator" means the Finance Director or such other designated by the City Manager to administer this chapter.
- (Q) "Transporter" means a person issued a state license and local license to transport medical or non-medical cannabis or medical non-medical cannabis products where permitted by both State and local law in an amount above the threshold determined by the state permitting agency between facilities that have been issued a state license.
- (R) "Transport" means the transfer of medical cannabis or medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purpose of conducting commercial cannabis activity authorized by the state.

5.14.040 Other licenses, permits, taxes, fees or charges.

Nothing contained in this Chapter 5.14 shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any license, land use entitlement or permit required by, under or by virtue of any provision of any other title or chapter of this code or any other ordinance or resolution of the city, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required by, under or by virtue of any other title or chapter of this code or any other ordinance or resolution of the city. Any references made or contained in any other title or chapter of this code to any licenses, license taxes, fees or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other titles or chapters of this code.

5.14.050 Payment of tax does not authorize unlawful business.

(A) The payment of a cannabis tax required by this chapter, and its acceptance by the city, shall not entitle any person to carry on any Cannabis business unless the person has complied with all of the requirements of this code and all other applicable laws, nor to carry on

any Cannabis business in any building or on any premises in the event that such building or premises are situated in a zone or locality in which the conduct of such Cannabis business is in violation of any law.

(B) No tax paid under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any ordinance of the city.

5.14.060 Payment - Location.

The tax imposed under this chapter shall be paid to the administrator in the King City Finance Department on or before the prescribed date during regular city business hours.

5.14.070 Amount of cannabis tax owed.

(A) Every person whether it is a "not for profit", "a nonprofit" or a Non-Profit Organization" as defined in this Section, or a for-profit entity who is engaged in a Commercial Cannabis Cultivation business in the city shall pay an annual cannabis tax on medical marijuana and non-medical marijuana where it is permissible by both state and local law. The initial tax shall be set at a rate of twenty-five dollars (\$25) per Square Foot of canopy space for the first 5,000 square feet and then ten dollars (\$10) per square foot of canopy space for the remaining space licensed by the City for cultivation of marijuana. Beginning on January 1, 2020 and on January 1, of each succeeding year thereafter, the amount of tax imposed by this Section may be adjusted up to the equivalent to the most recent change in the annual average of the Consumer Price Index ("CPI") for all urban consumers in the San Francisco-Oakland-San Jose areas as published by the United States Government Bureau of Labor Statistics; if the City Council by ordinance increases any such tax however related to the "CPI", no adjustment shall decrease any tax imposed by this Section. The taxable square footage shall be equal to the maximum square footage allowed by permit type issued by the City and/or State. In no case shall the canopy square footage not utilized for the permit type be deducted for the purpose of determining the tax.

(B) Every person whether it is a "not for profit", "a nonprofit" or a Non-Profit Organization" as defined in this Section, or a for-profit entity who is engaged in the Manufacturing of Commercial Cannabis business in the city shall pay an annual cannabis tax on medical marijuana and non-medical marijuana where permissible by both state and local law. The initial tax shall be set at a flat rate of thirty thousand (\$30,000) dollars for the first three (3) years. Beginning on January 1,

2020 and on January 1, of each succeeding year thereafter, the amount of each tax imposed by this Section may be adjusted up to the equivalent to the most recent change in the annual average of the Consumer Price Index ("CPI") for all urban consumers in the San Francisco-Oakland-San Jose areas as published by the United States Government Bureau of Labor Statistics; if the City Council by ordinance increases any such tax however related to the "CPI", no adjustment shall decrease any tax imposed by this Section.

- (C) Any cultivation conducted as a nursery (Type 4 permit) the initial tax shall be set at a flat rate of thirty thousand (\$30,000) dollars for the first three (3) years. Beginning on January 1, 2020 and on January 1, of each succeeding year thereafter, the amount of each tax imposed by this Section may be adjusted up to the equivalent to the most recent change in the annual average of the Consumer Price Index ("CPI") for all urban consumers in the San Francisco-Oakland-San Jose areas as published by the United States Government Bureau of Labor Statistics; if the City Council by ordinance increases any such tax however related to the "CPI", no adjustment shall decrease any tax imposed by this Section.

5.14.080 Payment-Time limits.

The cannabis tax imposed by this chapter shall be due and payable as follows:

(A) Each person owing a Commercial Cannabis Cultivation Tax under this chapter shall, on or before the last day of the month following the close of each calendar quarter, prepare a tax statement and remit to the administrator the tax due on the total square footage of canopy space subject to the tax. The square footage tax due shall be paid based on the type of cultivation permit issued by the state and/or the City. The tax will not be prorated or adjusted for reduction in the square footage utilized by the business. Each business shall pay on or before the last day of the month following the close of each calendar quarter in four equal installments of the annual tax due. The City may at its discretion determine other methodologies in determining the payment of such tax in order to promulgate collection of said tax in order to reduce the burden of collection which may also include the form of payment in which the city may except for such tax.

(B) Each person owing a Commercial Manufacturing Cannabis Tax under this chapter shall prepare and submit a tax statement to the administrator with the amount of tax owed as determined by this Chapter or as adopted by ordinance by the City

Council. Payment for such tax shall be made on or before January 1, of each year or it will be determined to be delinquent.

(C) All tax statements shall be completed on forms authorized by the administrator.

(D) Tax statements and payments for all outstanding taxes owed the city are immediately due to the administrator upon cessation of business for any reason.

5.14.090 Payments and communications made by mail - Proof of timely submittal.

Whenever any payment, statement, report, request or other communication received by the administrator is received after the time prescribed by this chapter for the receipt thereof, but there is an envelope bearing a postmark showing that it was mailed on or prior to the date prescribed in this chapter for the receipt thereof, or whenever the administrator is furnished substantial proof that the payment, statement, report, request or other communication was in fact deposited in the United States mail on or prior to the date prescribed for receipt thereof, the administrator may regard such payment, statement, report, request or other communication as having been timely received. If the due day falls on Saturday, Sunday or a holiday, the due day shall be the next regular business day on which the city is open to the public.

5.14.100 Payment- When taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not paid on or before the due date specified in Section 5.14.080.

5.14.110 Notice not required by city.

The administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter and failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter.

5.14.120 Payment-Penalty for delinquency.

(A) Any person who fails or refuses to pay any cannabis tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

(1) A penalty equal to twenty-five percent of the amount of the tax in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at a rate established by

resolution of the City Council; and

(2) An additional penalty equal to twenty-five percent of the amount of the tax if the tax remains unpaid for a period exceeding one calendar month beyond the due date, plus interest on the unpaid tax and on the unpaid penalties, calculated at the rate established by resolution of the City Council.

(3) Interest shall be applied at the monthly rate on the first day the first day of the month for the full month, and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

(B) Whenever a check is submitted in payment of a cannabis tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the taxpayer will be liable for the tax amount due plus the return check fee; penalties and interest as provided for in this section; and any amount allowed under state law.

(C) The cannabis tax due shall be that amount due and payable from the first date on which the person was engaged in Cannabis business in the city, together with applicable penalties and interest calculated in accordance with Subsection(A) above.

5.14.130 Waiver of penalties.

The administrator may waive the first and second penalties of twenty-five percent each imposed upon any person if:

(A) The person provides evidence satisfactory to the administrator that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent cannabis tax and accrued interest owed the city prior to applying to the administrator for a waiver.

(B) The waiver provisions specified in this subsection shall not apply to interest accrued on the delinquent tax and a waiver shall be granted only once during any twenty-four-month period.

5.14.140 Refunds-Credits.

(A) No refund shall be made of any tax collected pursuant to this chapter, except as provided in Section 5.14.150.

(B) No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution or other

termination of a business.

(C) Any person entitled to a refund of taxes paid pursuant to this chapter may elect in writing to have such refund applied as a credit against such person's cannabis taxes for the next calendar quarter.

5.14.150 Refunds and procedures.

(A) Whenever the amount of any cannabis tax, penalty or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the city under this chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the administrator within one year of the date the tax was originally due and payable, and the provisions of Chapter 2.50 are satisfied.

(B) The administrator or the administrator's authorized agent shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the administrator to do so. In the event that the cannabis tax was erroneously paid and the error is attributable to the city, the city shall refund the amount of tax erroneously paid up to one year from when the error was identified.

5.14.160 Exemptions - Application - Issuance conditions.

Any person desiring to claim exemption from the payment of the tax set forth in this chapter shall make application upon forms prescribed by the administrator and shall furnish such information and make such affidavits as may be required by the administrator.

5.14.170 Exemptions - General.

Except as may be otherwise specifically provided in this chapter, the terms hereof shall not be deemed or construed to apply to any person when imposition of the tax upon that person would violate the Constitution of the United States or that of the State of California or preemptive federal or state law.

5.14.180 Exemptions - Occasional transactions.

(A) The provisions of this chapter shall not apply to persons having no fixed place of business within the city who come into the city for the purpose of transacting a specific item of business at the request of a specific patient, client or customer, provided that such person does not come into the City for the purpose of transacting business on more

than five days during any calendar year.

(B) For any person not having a fixed place of business within the city who comes into the city for the purpose of transacting business and who is not exempt as provided in Subsection (A) of this section, the cannabis tax payable by such person may be apportioned by the administrator in accordance with Section 5.14.210.

5.14.190 Enforcement- Duties of tax administrator and police department.

It shall be the duty of the administrator or his/her designee to enforce each and all of the provisions of this chapter, and the police department shall render such assistance in the enforcement of this chapter as may from time to time be required by the administrator.

5.14.200 Rules and regulations.

For purposes of apportionment as may be required by law and for purposes of administration and enforcement of this chapter generally, the administrator, with the concurrence of the city attorney, may from time to time promulgate administrative rules and regulations.

5.14.210 Apportionment.

(A) None of the tax provided for by this chapter shall be applied so as to occasion an undue burden upon interstate commerce or be in violation of the equal protection and due process clauses of the Constitutions of the United States or the State of California.

(B) If any case where a cannabis tax is believed by a taxpayer to place an undue burden upon interstate commerce or be in violation of such constitutional clauses, the taxpayer may apply to the administrator for an adjustment of the tax. It shall be the taxpayer's obligation to request in writing for an adjustment within one year after the date of payment of the tax. If the taxpayer does not request in writing within one year from the date of payment, then taxpayer shall be conclusively deemed to have waived any adjustment for that year and all prior years.

(C) The taxpayer shall, by sworn statement and supporting testimony, show the method of business and the gross volume of business and such other information as the administrator may deem necessary in order to determine the extent, if any, of such undue burden or violation. The administrator shall then conduct an investigation, and shall fix as the tax for the taxpayer an amount that is reasonable and nondiscriminatory, or if the tax has already been paid, shall order a

refund of the amount over and above the tax so fixed. In fixing the tax to be charged, the administrator shall have the power to base the tax upon a percentage of gross receipts or any other measure which will assure that the tax assessed shall be uniform with that assessed on businesses of like nature, so long as the amount assessed does not exceed the tax as prescribed by this chapter.

(D) Should the administrator determine that the gross receipt measure of tax to be the proper basis, the administrator may require the taxpayer to submit a sworn statement of the gross receipts and pay the amount of tax as determined by the administrator.

5.14.220 Audit and examination of records and equipment.

(A) The administrator, or its designee, shall have the power to audit and examine all books and records of persons engaged in Cannabis business including both state and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of persons engaged in Cannabis business, and, where necessary, all equipment, of any person engaged in Cannabis business in the city, for the purpose of ascertaining the amount of cannabis tax, if any, required to be paid by the provisions hereof, and for the purpose of verifying any statements or any item thereof when filed by any person pursuant 5.14.250 through 5.14.270 of any taxes estimated to be due.

(B) It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this chapter to keep and preserve, for a period of at least three years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the administrator shall have the right to inspect at all reasonable times.

5.14.230 Tax deemed debt to city.

The amount of any tax, penalties and interest imposed by the provisions of this chapter shall be deemed a debt to the city and any person carrying on any Cannabis business without first having paid such tax shall be liable in an action in the name of the city in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such business.

5.14.240 Deficiency determinations.

If the administrator is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three years of the date the tax was originally due

and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a business, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Sections 5.14.250 through 5.14.270.

5.14.250 Tax assessment - Authorized when - Nonpayment - Fraud.

(A) Under any of the following circumstances, the administrator may make and give notice of an assessment of the amount of tax owed by a person under this chapter at any time:

(1) If the person has not filed any statement required under the provisions of this chapter;

(2) If the person has not paid any tax due under the provisions of this chapter;

(3) If the person has not, after demand by the administrator, filed a corrected statement, or furnished to the administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this chapter;

(4) If the administrator determines that the nonpayment of any business tax due under this chapter is due to fraud, a penalty of twenty-five percent of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this chapter.

(B) The notice of assessment shall separately set forth the amount of any tax known by the administrator to be due or estimated by the administrator, after consideration of all information within the administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

5.14.260 Tax assessment - Notice requirements.

The notice of assessment shall be served upon the person either by handing it to him or her personally, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed

to the person at the address of the location of the business or to such other address as he or she shall register with the administrator for the purpose of receiving notices provided under this chapter; or, should the person have no address registered with the administrator for such purpose, then to such person's last known address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

5.14.270 Tax assessment - Hearing - Application and determination.

Within ten days after the date of service the person may apply in writing to the administrator for a hearing on the assessment. If application for a hearing before the city is not made within the time herein prescribed, the tax assessed by the administrator shall become final and conclusive. Within thirty days of the receipt of any such application for hearing, the administrator shall cause the matter to be set for hearing before him or her not later than thirty-five days after the receipt of the application, unless a later date is agreed to by the administrator and the person requesting the hearing. Notice of such hearing shall be given by the administrator to the person requesting such hearing not later than five days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the administrator should not be confirmed and fixed as the tax due. After such hearing the administrator shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 5.14.260 for giving notice of assessment.

5.14.280 Conviction for chapter violation -Taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.

5.14.290 Violation deemed misdemeanor - Penalty.

Any person violating any of the provisions of this chapter or any regulation or rule passed in accordance herewith, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than five hundred (\$500) dollars or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

5.14.300 Severability.

Should any provision of this chapter, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

5.14.310 Effect of state and federal reference/ authorization.

(A) Unless specifically provided otherwise, any reference to a state or federal statute in this chapter shall mean such statute as it may be amended from time to time, provided that such reference to a statute herein shall not include any amendment thereto, or to any change of interpretation thereto by a state or federal agency or court of law with the duty to interpret such law, to the extent that such amendment or change of interpretation would, under California law, require voter approval of such amendment or interpretation, or to the extent that such change would result in a tax decrease. To the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable; for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent.

(B) To the extent that the city's authorization to collect or impose any tax imposed under this chapter is expanded as a result of changes in state or federal law, no amendment or modification of this chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this chapter.

5.14.320 Remedies cumulative.

All remedies and penalties prescribed by this chapter or which are available under any other provision of law or equity, including but not limited to the California False Claims Act (Government Code Section 12650 et seq.) and the California Unfair Practices Act (Business and Professions Code Section 17070 et seq.), are cumulative. The use of one or more remedies by the city shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

5.14.330 Amendment or repeal.

Chapter 5.14 of the King City Code may be repealed or amended by the City Council without a vote of the people. However, as required by Chapter XIII C of the California Constitution, voter approval is required for any amendment provision that would increase the rate of any tax levied pursuant to this chapter. The people of the City of King affirm that the following actions shall not constitute an increase of the rate of a tax:

(A) The restoration of the rate of the tax to a rate that is no higher than that set by this chapter, if the City Council has acted to reduce the rate of the tax;

(B) An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this chapter;

(C) The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this chapter); or

(D) The collection of the tax imposed by this chapter, even if the city had, for some period of time, failed to collect the tax.

**King City
Cannabis Business Tax Scenarios**

Cultivation: Type 3a permit (22,000 sq ft)

	<u>\$25 per sq ft</u>		<u>\$15 per sq ft</u>	
Scenario 1: Flat rate per sq ft	22,000		22,000	
	<u>\$25</u>		<u>\$15</u>	
		<u>\$550,000</u>		<u>\$330,000</u>
Scenario 2: Tiered rate per sq ft	5,000		5,000	
	<u>\$25</u>	\$125,000	<u>\$15</u>	\$75,000
	17,000		17,000	
	<u>\$10</u>	\$170,000	<u>\$5</u>	\$85,000
		<u>\$295,000</u>		<u>\$160,000</u>

Nursery: Type 4 permit

Scenario 1: Flat rate per sq ft	5,000		
Other Agencies	<u>\$6</u>		
		<u>\$30,000</u>	King City

Manufacturer: Type 6 (non-solvent)

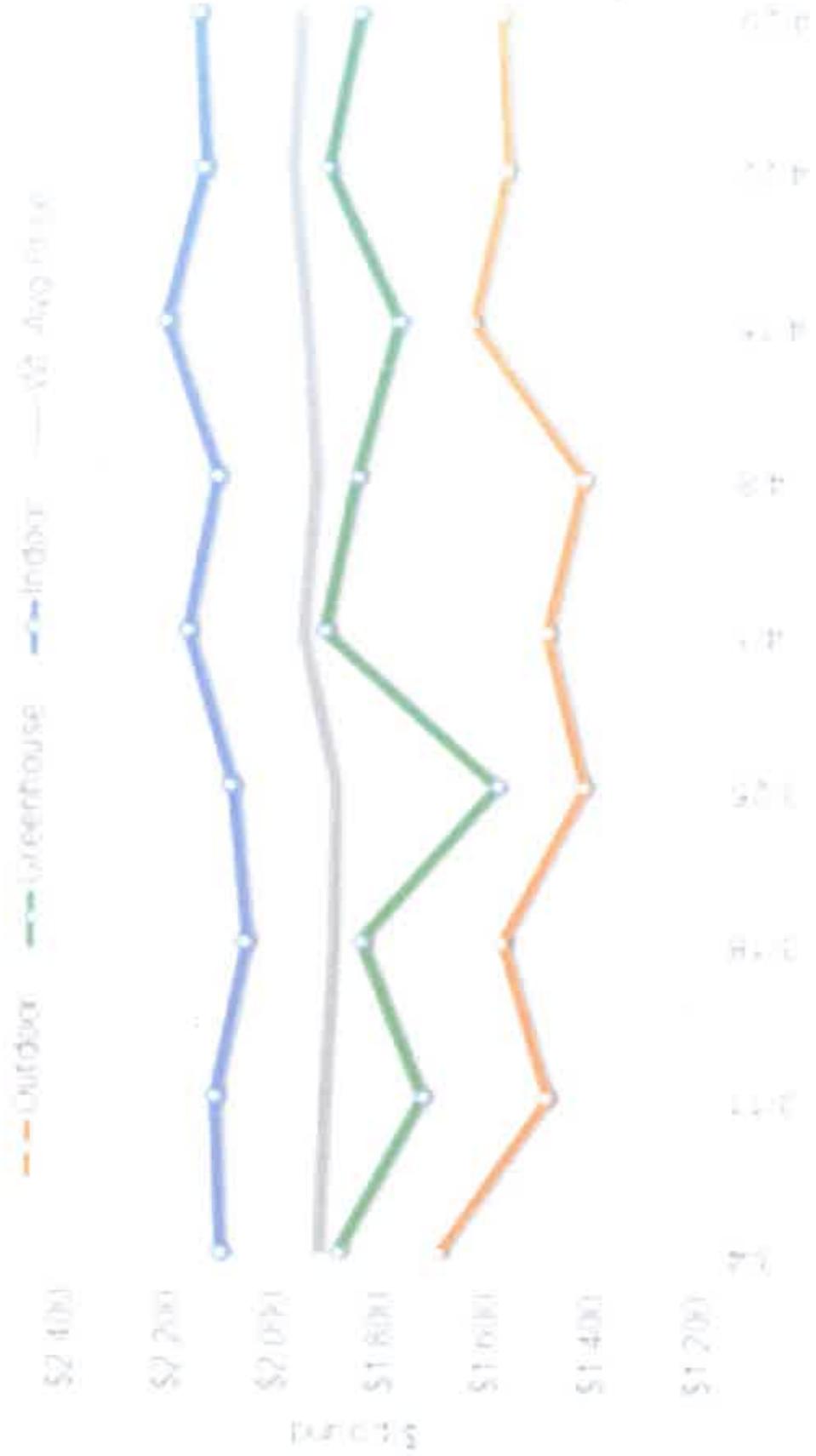
Scenario 1: Flat fee		<u>\$30,000</u>	King City
Scenario 2: 10% Gross Receipts	\$2,500,000		
Other Agencies	<u>10%</u>		
		<u>\$250,000</u>	
Scenario 2: 5% Gross Receipts	\$2,500,000		
	<u>5%</u>		
		<u>\$125,000</u>	

Cultivation Tax Chart

Price per pound	Gross Receipts Tax		Per Sq Ft Tax	
	\$2,000	\$1,800	\$1,500	\$1,000
Square feet	22,000	22,000	22,000	22,000
Lights (1 per 16 SF)	1,375	1,375	1,375	1,375
Pounds per harvest (2 per light)	2,750	2,750	2,750	2,750
Revenue per harvest	\$5,500,000	\$4,950,000	\$4,125,000	\$2,750,000
Annual Revenue (4 harvests/year)	\$22,000,000	\$19,800,000	\$16,500,000	\$11,000,000
			Annual \$22,000,000	\$16,500,000
			10%	\$1,650,000
			6%	\$990,000
			5%	\$825,000
			2.50%	\$412,500
Per Sq Ft Tax	\$30	\$30	\$30	\$30
	\$20	\$20	\$20	\$20
	\$15	\$15	\$15	\$15
	\$10	\$10	\$10	\$10
	\$220,000	\$220,000	\$220,000	\$220,000
Square feet	20,000	20,000	20,000	20,000
Lights (1 per 16 SF)	1,250	1,250	1,250	1,250
Pounds per harvest (2 per light)	2,500	2,500	2,500	2,500
Revenue per harvest	\$5,000,000	\$4,500,000	\$3,750,000	\$2,500,000
Annual Revenue (4 harvests/year)	\$20,000,000	\$18,000,000	\$15,000,000	\$10,000,000
			Annual \$20,000,000	\$15,000,000
			10%	\$1,500,000
			6%	\$900,000
			5%	\$750,000
			2.50%	\$375,000
Per Sq Ft Tax	\$30	\$30	\$30	\$30
	\$20	\$20	\$20	\$20
	\$15	\$15	\$15	\$15
	\$10	\$10	\$10	\$10
	\$200,000	\$200,000	\$200,000	\$200,000
Square feet	15,000	15,000	15,000	15,000
Lights (1 per 16 SF)	938	938	938	938
Pounds per harvest (2 per light)	1,875	1,875	1,875	1,875
Revenue per harvest	\$3,750,000	\$3,375,000	\$2,812,500	\$1,875,000
Annual Revenue (4 harvests/year)	\$15,000,000	\$13,500,000	\$11,250,000	\$7,500,000
			Annual \$15,000,000	\$11,250,000
			10%	\$1,125,000
			6%	\$675,000
			5%	\$562,500
			2.50%	\$281,250
Per Sq Ft Tax	\$30	\$30	\$30	\$30
	\$20	\$20	\$20	\$20
	\$15	\$15	\$15	\$15
	\$10	\$10	\$10	\$10
	\$150,000	\$150,000	\$150,000	\$150,000
Square feet	10,000	10,000	10,000	10,000
Lights (1 per 16 SF)	625	625	625	625
Pounds per harvest (2 per light)	1,250	1,250	1,250	1,250
Revenue per harvest	\$2,500,000	\$2,250,000	\$1,875,000	\$1,250,000
Annual Revenue (4 harvests/year)	\$10,000,000	\$9,000,000	\$7,500,000	\$5,000,000
			Annual \$10,000,000	\$7,500,000
			10%	\$750,000
			6%	\$450,000
			5%	\$375,000
			2.50%	\$187,500
Per Sq Ft Tax	\$30	\$30	\$30	\$30
	\$20	\$20	\$20	\$20
	\$15	\$15	\$15	\$15
	\$10	\$10	\$10	\$10
	\$100,000	\$100,000	\$100,000	\$100,000
Square feet	5,000	5,000	5,000	5,000
Lights (1 per 16 SF)	313	313	313	313
Pounds per harvest (2 per light)	625	625	625	625
Revenue per harvest	\$1,250,000	\$1,125,000	\$937,500	\$625,000
Annual Revenue (4 harvests/year)	\$5,000,000	\$4,500,000	\$3,750,000	\$2,500,000
			Annual \$5,000,000	\$3,750,000
			10%	\$375,000
			6%	\$225,000
			5%	\$187,500
			2.50%	\$93,750
Per Sq Ft Tax	\$30	\$30	\$30	\$30
	\$20	\$20	\$20	\$20
	\$15	\$15	\$15	\$15
	\$10	\$10	\$10	\$10
	\$50,000	\$50,000	\$50,000	\$50,000

Cannabis Benchmarks® US Spot - Spot Price by Grow Type

Week Ending Apr 29, 2016



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Item No. **11 (B)**

REPORT TO THE CITY COUNCIL

DATE: JUNE 14, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF REGULATIONS AND ENFORCEMENT REGARDING NOISE

RECOMMENDATION:

It is recommended the City Council: 1) provide direction to staff whether to research and present recommendations on changes to the City's noise regulations; and 2) where to place noise issues in the priority list for code enforcement activities.

BACKGROUND:

At the March 22, 2016 meeting the City Council approved the following priority list for code enforcement activities:

Category	Priority
Temporary Outdoor Structures (canopies/tarps)	1
Downtown Buildings Appearance	2
Signs	3
Vehicle Abatement	4
Businesses Operating w/o Business Licenses	5
Indoor Furniture Stored/Used Outdoors	6
Outdoor/Sidewalk Sales	7
Garage Sales	8

The purpose of the list was to make better progress on code enforcement issues by establishing an agreed upon work plan. This will enable staff to develop a comprehensive approach to address each issue in a systematic manner rather than piecemeal enforcement that has not been effective.

**CITY COUNCIL
CONSIDERATION OF REGULATION AND ENFORCEMENT REGARDING
NOISE
JUNE 28, 2016
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The City's current noise regulations prohibit amplified noise after 10:00 p.m. Prior to that time, it is allowed at reasonable volumes under restrictions set forth in the Municipal Code. The City recently received a citizen request to amend the regulations to prohibit all amplified noise. The City Council requested staff to follow-up on the request.

As a result, staff approached the Code Enforcement Advisory Committee to request a recommendation on where in the priority list to include work on noise issues. Unfortunately, there was limited attendance at the last meeting held on June 14th. After a significant amount of discussion on the issue, it was agreed to forward the issue to City Council for direction.

DISCUSSION:

If directed, staff can prepare research on alternative modifications to the noise ordinance available for Council consideration. In follow-up to the recent approval of the ordinance restricting temporary outdoor structures, staff's current priority is to develop a public education effort on that item.

According to the Police Department, other than complaints from the citizen that brought forward the request to modify the Ordinance, the City has not received many complaints regarding noise issues. In addition, the Police Department is reviewing ways in which they can more effectively utilize the provisions of the existing regulations to respond to complaints involving amplified noise prior to 10:00 p.m. Therefore, Council may want to provide an opportunity to assess the results of that effort prior to considering additional changes.

Staff is concerned that an outright ban on amplified noise would be difficult to enforce and would result in a significant impact on family celebrations. Therefore, it is recommended that any effort be directed at finding ways to better address incidents that are ongoing problems, while not impacting those that have occasional celebrations or those that do not significantly impact the neighborhood.

COST ANALYSIS:

Any modifications to the Municipal Code will require some costs for work performed by the City Attorney's Office. As long as the priority list is used to establish the schedule for addressing the item, the intent will be for general research to be prepared by in-house staff at no additional direct cost to the City.

**CITY COUNCIL
CONSIDERATION OF REGULATION AND ENFORCEMENT REGARDING
NOISE**

JUNE 28, 2016

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ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

- 1) Direct staff to prepare an amendment to the Municipal Code to prohibit all amplified noise;
- 2) Direct staff to research and present to the Council for consideration alternatives to amend the noise ordinance to help address concerns that have been identified and delay other code enforcement activities that are planned;
- 3) Direct staff to enhance enforcement of existing regulations regarding amplified noise prior to 10:00 p.m. and wait to review results prior to consideration of any potential changes;
- 4) Provide direction to staff to research alternatives in the future and where in the priority list the Council would like to place this item;
- 5) Do not make any changes; or
- 6) Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager