



CITY OF MENDOTA

"Cantaloupe Center Of The World"

ROBERT SILVA
Mayor
SERGIO VALDEZ
Mayor Pro Tempore
JOSEPH AMADOR
ROLANDO CASTRO
JOSEPH RIOFRIO

AGENDA
MENDOTA CITY COUNCIL
Regular City Council Meeting
CITY COUNCIL CHAMBERS
643 QUINCE STREET
May 24, 2016
6:00 PM

VINCE DiMAGGIO
City Manager
JOHN KINSEY
City Attorney

The Mendota City Council welcomes you to its meetings, which are scheduled for the 2nd and 4th Tuesday of every month. Your interest and participation are encouraged and appreciated. Notice is hereby given that Council may discuss and/or take action on any or all of the items listed on this agenda. **Please turn your cell phones on vibrate/off while in the council chambers.**

Any public writings distributed by the City of Mendota to at least a majority of the City Council regarding any item on this regular meeting agenda will be made available at the front counter at City Hall located at 643 Quince Street Mendota, CA 93640, during normal business hours, 8 AM - 5 PM.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

INVOCATION

FINALIZE THE AGENDA

1. Adjustments to Agenda.
2. Adoption of final Agenda

PRESENTATION

1. Conlin Reis from the Westside Mosquito Abatement District to present information about the Zika virus.

CITIZENS ORAL AND WRITTEN PRESENTATIONS

At this time members of the public may address the City Council on any matter not listed on the agenda involving matters within the jurisdiction of the City Council. Please complete a "request to speak" form and limit your comments to THREE (3) MINUTES. Please give the completed form to City Clerk prior to the start of the meeting. All speakers shall observe proper decorum. The Mendota Municipal Code prohibits the use of boisterous, slanderous, or profane language. All speakers must step to the podium, state their names and addresses for the record. Please watch the time.

APPROVAL OF MINUTES AND NOTICE OF WAIVING OF READING

1. Minutes of the regular City Council meeting of May 10, 2016.
2. Notice of waiving of the reading of all resolutions and/or ordinances introduced and/or adopted under this agenda.

CONSENT CALENDAR

Matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Calendar and will be considered separately.

1. MAY 05, 2016 THROUGH MAY 19, 2016
WARRANT LIST CHECKS NO. 040948 THRU 041011
TOTAL FOR COUNCIL APPROVAL = \$304,797.24
2. Proposed adoption of **Resolution No. 16-38**, approving the City's participation in the HERO program and authorizing membership of the City in the Western Riverside Council of Governments JPA.

BUSINESS

1. Council discussion on the reorganization of the City Council.
 - a. *Receive report from Council Member Castro*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide direction to staff as appropriate*
2. Introduction of **Ordinance No. 16-06**: An Ordinance Authorizing a Contract between the City Council of the City of Mendota and the Board of Administration of the California Public Employees' Retirement System, and Give First Reading, by Title only, with Second Reading waived.
 - a. *Receive report from Administrative Services Director Johnson*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide any input and motion to waive the first reading of Ordinance No. 16-06*

3. Proposed adoption of **Resolution No. 16- 36**, approving a contract between the Board of Administration of the California Public Employees' Retirement System and the City of Mendota.
 - a. *Receive report from Administrative Services Director Johnson*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide any input and adopt Resolution No. 16-36*

4. Council discussion and consideration of proposed **Resolution No. 16-33**, modifying the Mendota Emergency Stabilization Agreement and setting required conditions upon ability to use the fund.
 - a. *Receive report from City Manager DiMaggio*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide any input and adopt Resolution No. 16-33*

5. Council discussion and consideration to adopt **Resolution No. 16-34**, deferring previously-adopted future water rate increases by one-year, and **Resolution No. 16-35**, loaning funds in the amount of \$88,000 from the Mendota Emergency Fund.
 - a. *Receive report from City Manager DiMaggio*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide any input and adopt Resolution No. 16-34*
 - e. *Council provide any input and adopt Resolution No. 16-35*

PUBLIC HEARING

1. Introduction of **Ordinance No. 16-05**: An Ordinance Amending Chapter 8.36 of the Mendota Municipal Code Relating to the Establishment and Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Delivery of Medical Marijuana, and Give First Reading, by Title only, with Second Reading waived.
 - a. *Receive report from City Attorney Kinsey*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens the public hearing, accepting comments from the public*
 - d. *Mayor closes the public hearing*
 - e. *Council provide any input and motion to waive the first reading of Ordinance No. 16-05.*

DEPARTMENT REPORTS AND INFORMATIONAL ITEMS

1. Public Works
a) Monthly Report
2. City Attorney
a) Update
3. City Manager


MAYOR AND COUNCIL REPORTS AND INFORMATIONAL ITEMS

1. Council Member(s)
2. Mayor

ADJOURNMENT

CERTIFICATION OF POSTING

I, Celeste Cabrera, Deputy City Clerk of the City of Mendota, do hereby declare that the foregoing agenda for the Mendota City Council Regular Meeting of May 24, 2016, was posted on the outside bulletin board located at City Hall, 643 Quince Street Friday, May 20, 2016 at 3:00 p.m.



Celeste Cabrera, Deputy City Clerk



MINUTES OF MENDOTA REGULAR CITY COUNCIL MEETING

Regular Meeting

May 10, 2016

Meeting called to order by Mayor Silva at 6:00 p.m.

Roll Call

Council Members Present: Mayor Robert Silva, Mayor Pro Tem Sergio Valdez, Councilors Joseph Amador and Rolando Castro.

Council Members Absent: Councilor Joseph Riofrio.

Flag salute and moment of silence led by Mayor Pro Tem Valdez in honor of 5 of his partners in the Department of Correction who had passed away.

Invocation led by Raymond Aquino.

A moment of silence was held in honor of Rowena Applewhite, Betty Jennings, and Richard Muñoz who had recently passed away.

FINALIZE THE AGENDA

1. Adjustments to Agenda.
2. Adoption of final Agenda.

City Manager DiMaggio requested to add a department report to the agenda.

A motion was made by Councilor Amador to adopt the agenda as requested by staff, seconded by Councilor Castro; unanimously approved (4 ayes, absent: Riofrio).

SWEARING IN

1. Deputy City Clerk Cabrera to swear in Sergeant Jose Arciga.

Police Chief Andreotti shared Sergeant Jose Arciga's background and experience in law

enforcement.

Deputy City Clerk Cabrera swore in Sergeant Arciga.

Sergeant Arciga thanked Council for allowing him the opportunity to serve as Police Sergeant for the City.

Council congratulated Sergeant Arciga.

At 6:12 p.m. Mayor Silva announced there would be a recess.

At 6:14 p.m. the Council reconvened in open session.

CITIZENS ORAL AND WRITTEN PRESENTATIONS

Craig Schmidt (Gill Ranch Storage) – explained that Gill Ranch Storage is a natural gas storage facility; emphasized the importance of gas pipeline safety such as calling 811 to identify pipeline locations in an area that is scheduled to be excavated; reported on an event that Gill Ranch Storage held in October 2015 to receive input from the public in regards to the informational brochures; and reported that Gill Ranch Storage was interested in hosting an event in the City in the summer.

Discussion was held on placing information regarding Gill Ranch Storage and pipeline safety on the City's monthly newsletter; gas pipelines that exist near the City; and Gill Ranch Storage having an informational booth at the 21st Annual Driver Awareness Event.

APPROVAL OF MINUTES AND NOTICE OF WAIVING OF READING

1. Minutes of the regular City Council meeting of April 26, 2016.
2. Notice of waiving of the reading of all resolutions and/or ordinances introduced and/or adopted under this agenda.

A motion was made by Mayor Pro Tem Valdez to approve items 1 and 2, seconded by Councilor Amador; unanimously approved (4 ayes, absent: Riofrio).

CONSENT CALENDAR

1. APRIL 21, 2016 THROUGH MAY 04, 2016
WARRANT LIST CHECKS NO. 040892 THRU 040947
TOTAL FOR COUNCIL APPROVAL = \$260,982.76
2. Proposed adoption of **Resolution No. 16-31**, establishing the fee for the Permit to Exceed Noise Levels (Noise Permit).

3. Proposed adoption of **Resolution No. 16-32**, requesting that the Fresno County Clerk provide election services.

Discussion was held on the purpose of Resolution No. 16-32.

A request to pull item 2 for discussion was made.

A motion was made to approve items 1 and 3 of the Consent Calendar by Councilor Castro, seconded by Mayor Pro Tem Valdez; unanimously approved (4 ayes, absent: Riofrio).

2. Proposed adoption of **Resolution No. 16-31**, establishing the fee for the Permit to Exceed Noise Levels (Noise Permit).

Economic Development Manager Flood summarized the report including the background of modifying the noise ordinance; the purpose of the Permit to Exceed Noise Levels (Noise Permit); the new noise ordinance making noise provisions clear for residents; when residents need to obtain a Noise Permit; and the fee that staff recommends council establish for the permit.

Discussion was held on whether staff has purchased the decibel level meters; the costs associated with purchasing the equipment; the penalties for violating the noise ordinance; ensuring that Code Enforcement Officers have varying work schedules; the purpose of the noise permit; the importance of enforcing the noise ordinance; and Gonzalez Dance Hall playing loud music.

A motion was made to approve item 2 of the Consent Calendar by Councilor Amador, seconded by Mayor Pro Tem Valdez; unanimously approved (4 ayes; absent: Riofrio).

BUSINESS

1. Council discussion and consideration of proposed Resolution No. 16-33 Modifying the Mendota Emergency Stabilization Agreement and Setting Required Conditions Upon Ability to Use the Fund.

Mayor Silva introduced the item and City Manager DiMaggio summarized the report including the purpose of proposed Resolution No. 16-33; the amount of reserve funds that are currently available; Council's decision at a previous meeting to defer the water rate increase that is scheduled for July 2016; the need to replace the \$88,000 that the City would have received if the water rate increase for July was not deferred; Council's desire for the Reserve Fund to loan the Enterprise Fund \$88,000; the need to modify the Emergency Fund Policy criteria in order for the Council to use the funds for that purpose; and the proposed resolution allowing the council to use Emergency Reserve Funds for non-emergency items as long as the Emergency Fund remains above \$600,000.

Discussion was held on the purpose of the City's Emergency Reserve Fund; the importance of having funds available in the Emergency Reserve Fund should an emergency exist; potential uses of the funds coming to the Council on a case-by-case basis; should Council decides to use the funds for a non-emergency then a funding source needs to be identified in order to pay back the funds; whether the current status of the water fund constitutes as an emergency; and directing staff to create a resolution that broadens the definition of what constitutes as an emergency.

A motion was made to continue the item to the May 24th City Council meeting by Mayor Pro Tem Valdez, seconded by Councilor Amador; unanimously approved (4 ayes, absent: Riofrio).

2. Council discussion and consideration to adopt **Resolution No. 16-34** deferring previously-adopted future water rate increases by one-year; and **Resolution No. 16-35** loaning funds in the amount of \$88,000 from the Mendota Emergency Fund.

A motion was made to continue the item to the May 24th City Council meeting by Mayor Pro Tem Valdez, seconded by Councilor Amador; unanimously approved (4 ayes, absent: Riofrio).

PUBLIC HEARING

1. Introduction of **Ordinance No. 16-05**: An Ordinance Amending Chapter 8.36 of the Mendota Municipal Code Relating to the Establishment and Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Delivery of Medical Marijuana, and Give First Reading, by Title only, with Second Reading waived.

Mayor Silva introduced the item and City Attorney Kinsey summarized the report including the purpose of the ordinance is to provide a comprehension update to the MMC regarding Medical Marijuana; the City still maintaining authority regarding local land use; the process amending the code regarding Medical Marijuana; and the position that other Cities are taking towards Medical Marijuana.

Discussion was held on continuing the item to the May 24th City Council meeting.

A motion was made to continue the item to the May 24th City Council meeting by Councilor Amador, seconded by Councilor Castro; unanimously approved (4 ayes, absent: Riofrio).

DEPARTMENT REPORTS AND INFORMATIONAL ITEMS

1. City Engineer
 - a) Update

Assistant City Engineer Osborn reported on the issues related to Quince Street including that the reconstruction of Quince Street was completed in November 2015; uplifting and cracking that has been occurring on Quince Street between 9th and 10th Streets; various individuals who have visited the site in an attempt to determine the cause of the uplifting and cracking; possible causes for the uplifting and cracking; and the ongoing investigation to determine the exact cause.

Discussion was held on possible causes for the uplifting and cracking; whether the contractor that reconstructed the portion of Quince Street has committed to share the costs of the investigation ; the road reconstruction process; ensuring that staff meets with the City Attorney in regards to the issue; and the importance of determining the cause of the uplifting and cracking.

2. Code Enforcement
 - a) Monthly Report

Economic Development Manager Flood summarized the report including that the Code Enforcement Department has been focusing on substandard housing and public nuisances due to the influx as a result of the upcoming work season; responding to complaints in a timely manner; collaborating with the Building Department to ensure that individuals have the appropriate permits; attempting to limit the amount of signs that stores place on their windows (7:27 p.m. Mayor Pro Tem Valdez left the Council Chambers); and the benefits of have stores reduce the amount of signs on their windows.

Discussion was held on the amount of store window space that needs to remain free of signs (7:28 p.m. Mayor Pro Tem Valdez returned to the Council Chambers); contacting Alcoholic Beverage Control in regards to store window signs; properties that have an excessive amount of weeds; individuals inhabiting trailers; and a red zone near Rojas-Pierce Park that reduces the amount of parking available to the public.

3. Police Department
 - a) Monthly Report

Chief of Police Andreotti summarized the report including various pursuits that officers were involved in; issues with homeless individuals inhabiting properties; an increase in assaults; and a decrease in auto thefts.

Discussion was held on the good work that the officers do.

4. City Attorney

a) Update

City Attorney Kinsey reported on an upcoming meeting with the Mendota Designated Local Authority regarding the City's collecting bond funds; Governor Brown extending the order for water use reductions; various options that are available in regards to the City providing translation services during City Council meetings; and the benefits of providing translation services to the public.

Discussion was held on whether Council Member should speak to members of the public in Spanish during City Council meetings.

5. City Manager

City Manager DiMaggio reported that he attended a meeting with the Executive Director of the Council of Governments and the Regional Director of Caltrans regarding the proposed roundabout; resolutions that the City has received from the Fresno County Board of Supervisors and the Mendota Unified School District that are in favor of a traffic signal at the intersection of Derrick and Oller Avenues; Regional Surface Transportation Projects that were selected for funding; the 7th and Derrick Avenue project not being selected; ongoing negotiations with the Firebaugh Police Department regarding dispatch services; and the proposed costs for dispatch services.

MAYOR AND COUNCIL REPORTS AND INFORMATIONAL ITEMS

1. Council Member(s)
Council reports

Councilor Castro reported on ensuring that Public Works employees have complete uniforms.

Mayor Pro Tem Valdez reported on the status of the Benny Mares Sr. Baseball Field; the Cinco de Mayo event that Mendota Youth Recreation recently held; and street lights that are not working properly.

Councilor Amador reported on requesting that Caltrans representatives attend the Public Safety Sub-Committee meetings and letters that will be sent to various agencies and organizations regarding the 21st Annual Driver Awareness Event.

2. Mayor

Mayor Silva reported on individuals riding all-terrain vehicles within the City; a meeting he attended with Assemblyman Joaquin Arambula (8:17 p.m. Councilor Castro left the Council Chambers and returned at 8:18 p.m.); various cities combining their efforts to acquire funding for their police departments; an event that he will be attending in which Fresno State President Joseph Castro will be receiving an award on behalf of the

Consulate of Mexico; and the Mendota Learn4Life Charter School looking for a place to rent in order to better serve students.

Councilor Amador requested that City crews clean debris along 7th street.

Discussion was held on the good job that the Adult Offenders Worker Program individuals do.

ADJOURNMENT

With no more business to be brought before the Council, a motion for adjournment was made at 8:21 p.m. by Mayor Pro Tem Valdez, seconded by Councilor Amador; unanimously approved (4 ayes, absent: Riofrio).

Robert Silva, Mayor

ATTEST:

Matt Flood, City Clerk

**CITY OF MENDOTA
CASH DISBURSEMENTS
5/5/2016-5/19/2016
Check #040948-041011**

Date	Check #	Amount	Vendor	Department	Description
May 5, 2016	40948	\$50.00	FRESNO COUNTY CLERK	GENERAL	NOTICE OF INTENT - WARKENTINE REZONE (CEQA)
May 6, 2016	40949	\$855.00	RON GARCIA TOWIING	WATER-SERVICES	2007 CHEVROLET LIC. 1089996 IMPOUND FEES
May 11, 2016	40950	\$67,747.50	BB LIMITED	WATER	LEASE PAYMENT SECOND INSTALLMENT FY 2015/2016
May 13, 2016	40951	\$4,070.00	ADMINISTRATIVE SOLUTIONS INC.	GENERAL	MEDICAL CHECK RUN 5/12/2016, MONTHLY MEDICAL ADMINISTRATION FEES-MAY 2016
May 13, 2016	40952	\$491.98	ALEX DIAGNOSTICS & SMOG	STREETS	ENGINE OIL, OIL FILTER,BRAKE PADS, DISK BRAKE ROTER-2008 FORD PICKUP
May 13, 2016	40953	\$412.90	AT&T MOBILITY	GENERAL	AIRCARDS FOR 03/20/2016-04/19/2016 (PD)
May 13, 2016	40954	\$182.00	BSK ASSOCIATES	WATER-SEWER	WASTE WATER WEEKLY ANALYSES 4/28/2016, WEEKLY TREATMENT & DISTRIBUTION 4/29/2016,
May 13, 2016	40955	\$56.43	CELESTE CABRERA	GENERAL-WATER	MILEAGE REIMBURSEMENT TWO TRIPS TO COUNTY CLERKS OFFICE
May 13, 2016	40956	\$175.00	CORELOGIC INFORMATION SOLUTIONS INC.	GENERAL-WATER-SEWER	REALQUEST MONTHLY PROGRAM - APRIL 2016
May 13, 2016	40957	\$625.52	CORBIN WILLITS SY'S INC.	GENERAL-WATER-SEWER	ENHANCEMENT SERVICES FOR MOMS SOFTWARE-JUNE 2016
May 13, 2016	40958	\$593.13	COSTCO	GENERAL-WATER-SEWER	PEDIGREE #55 (2) DOGPOUND, SAMSUNG TV, DVD PLAYER-TRAININGS FOR WATER DEPT. COFFEE,CREAMER,BOWLS,PLATES,FORKS,SPOONS
May 13, 2016	40959	\$209.00	DEPT. OF JUSTICE	GENERAL	(6) FINGERPRINT APPS, (1) FINGER PRINT APP FBI (PD)
May 13, 2016	40960	\$8,750.00	FIREBAUGH POLICE	GENERAL	DISPATCH SERVICES FOR 04/01/2016-04/30/2016 (PD)
May 13, 2016	40961	\$130.80	FRESNO COUNTY SHERIFFS DEPARTMENT	GENERAL	RMS JMS ACCESS FEE FOR APRIL 2016 (PD)
May 13, 2016	40962	\$434.00	FRESNO MOBILE RADIO INC.	GENERAL	(31) POLICE DEPARTMENT RADIOS FOR APRIL 2016 (PD)
May 13, 2016	40963	\$25.22	ID CARDS INC.	GENERAL	(2) ID CARDS/SMITH & ARCIGA (PD)
May 13, 2016	40964	\$2,499.45	SIMPLOT COMPANY	WATER-SEWER-STREETS	GOAL TENDER 16 GALLONS,ROUND UP POWER MAX.
May 13, 2016	40965	\$100.00	JUDICIAL DATA SYSTEMS	GENERAL	PARKING ACTIVITY FOR FEBRUARY 2016 (PD)
May 13, 2016	40966	\$1,738.20	LAW & ASSOCIATES	GENERAL	ADMINISTRATIVE INVESTIGATION (CONFIDENTIAL) (PD)
May 13, 2016	40967	\$21.59	METRO UNIFORM	GENERAL	SABRE CROSSFIRE MK-4 3OZ. B.HOGAN (PD)
May 13, 2016	40968	\$2,732.50	MID VALLEY DISPOSAL INC.	REFUSE-STREETS	(1) 40 YARD ROLL OFF EXCHANGE (2) 30 YARD ROLLOFF EXCHANGE (4) 10 YARD ROLLOFF EXCHANGE
May 13, 2016	40969	\$6,000.00	MOUNTAIN VALLEY ENVIRONMENTAL SERVICES	WATER-SEWER	JUNE 2016 CITY WATER TREATMENT & DISTRIBUTION
May 13, 2016	40970	\$1,879.87	MUNICIPAL CODE CORPORATION	GENERAL-WATER-SEWER	SUPPLEMENT PAGES,BLANK SUPPLEMENT PAGES,IMAGES, GRAPHS,TABULAR MATTER,UPDATING ELECTRONIC DATABASE
May 13, 2016	40971	\$1,334.41	NORTHSTAR CHEMICAL	WATER	SODIUM BISULFITE - 25% MEETS NSF/ANSI

**CITY OF MENDOTA
CASH DISBURSEMENTS
5/5/2016-5/19/2016
Check #040948-041011**

May 13, 2016	40972	\$53.00	CONCENTRA MEDICAL CENTERS	WATER-SEWER	DRUG TEST CONFIDENTAL EMPLOYEE
May 13, 2016	40973	\$302.63	OFFICE DEPOT	WATER-SEWER	(3) HAMMERMILL WHITE COPY PAPER LETTER SIZE, TONER HP CE505A, PAPER, AIR DUSTER (CITY HALL)
May 13, 2016	40974	\$192.28	AT&T	WATER-SEWER	MONTHLY SERVICE FOR 559-266-6456 APRIL 26-MAY 25, 2016
May 13, 2016	40975	\$23.51	MARIA PEREZ	GENERAL	REIMBURSEMENT-USB USED TO TRANSFER VIDEO FOR CHP CASE(PD)
May 13, 2016	40976	\$28,772.58	PROVOST & PRITCHARD	GENERAL	PASS-THRU 2013 APPLICATION PROCESSING,REVIEW LANDSCAPE-AUTOZONE,PASS-THRU LAS PALMAS,PASS-THRU MCDONALDS
May 13, 2016	40977	\$490.31	TCM INVESTMENTS	GENERAL-WATER-SEWER	LEASE PAYMENT FOR COPY MACHINE MPC5501 FOR MAY 2016(CITY HALL) LEASE PAYMENT FOR COPY MACHINE MPC3503- MAY 2016(PD)
May 13, 2016	40978	\$745.00	TNU INC.	WATER	HYDRANT METER REIMBURSEMENT TNU INC.
May 13, 2016	40979	\$190.00	VERIZON WIRELESS	GENERAL-WATER-SEWER	MONTHLY SERVICE GPS FLEET VEHICLES FOR FEBRUARY 2016
May 13, 2016	40980	\$54.00	WECO	GENERAL-WATER-SEWER	(2)ACETYLENE RENTALS #4 (4) OXYGEN RENTALS D&K RENTALS
May 17, 2016	40981	\$94,578.00	WEST AMERICA BANK	GENERAL	CITY OF MENDOTA PAYROLL-5/2/2016 THRU 5/15/2016
May 19, 2016	40982	\$26.55	AIRGAS USA INC.	WATER	CYL- CARBON DIOXIDE 20 LB ALUM RENTAL
May 19, 2016	40983	\$472.54	ALERT-O-LITE	STREETS	K-RAIL WATER FILLED 42"X6" RENTAL,COLOR TERI RAGS,PADDLE STOPS,EPOXY SINGLE TUBE,STIHL TRIMMER RIGHT-A-WAY EQUIPMENT
May 19, 2016	40984	\$79.75	ALL-PHASE MEDALLION SUPPLY	STREETS	LIGHT POLE WIRE FOR STREET LIGHT
May 19, 2016	40985	\$248.38	ALLIED ELECTRIC	WATER	COIL 480V SIZE 2509(2)-WA DEPT
May 19, 2016	40986	\$687.60	AMERITAS GROUP	GENERAL	VISION INSURANCE FOR JUNE 2016
May 19, 2016	40987	\$288.56	AMERIPRIDE	WATER-SEWER	UNIFORMS PUBLIC WORKS/PUBLIC UTILITIES- APRIL 2016
May 19, 2016	40988	\$2,064.56	AT&T	GENERAL-WATER-SEWER	POLICE DEPARTMENT DISPATCH PHONE, CITY WIDE TELEPHONE SERVICES MARCH 24-APRIL 24 2016
May 19, 2016	40989	\$125.00	CALIFORNIA POLICE CHIEFS ASSOCIATION	GENERAL	ASSOCIATE MEMBERSHIP FEES FOR LT. SMITH (PD)
May 19, 2016	40990	\$827.06	COOKS COMMUNICATIONS CORP.	GENERAL	INSTALLATION/WEAPONS RACK,LOCK, LABTOP,PUSH BUMPER (PD)
May 19, 2016	40991	\$219.13	EINERSON'S PREPRESS	GENERAL-WATER-SEWER	1000 SHEETS FULL COLOR LETTERHEAD, 250 MATTE BUSINESS CARDS-ARCIGA, SMITH (PD)
May 19, 2016	40992	\$40.00	EMPLOYEE RELATIONS	GENERAL	PROFESSIONAL CHECK REFERENCE (MARIA ALVAREZ)
May 19, 2016	40993	\$288.77	EQUIPCO RENTALS	WATER	DIAGNOSTIC-TESTING OF CIRCUIT,CALIBRATION,REPLACEMENT OF BATTERIES.
May 19, 2016	40994	\$87.50	FRESNO COUNTY AUDITOR'S OFFICE	GENERAL	PARKING CITATIONS- JANUARY & FEBRUARY 2016 (PD)
May 19, 2016	40995	\$420.00	GONZALEZ TRANSPORT INC.	STREETS	FREIGHT CHARGE/FROM FRESNO TO J STREET IN MENDOTA
May 19, 2016	40996	\$48.20	GRAINGER INC.	GENERAL	PLUG-IN CF NON DIMMABLE 6500K 65W LIGHT BULBS FOR PD BUILDING

**CITY OF MENDOTA
CASH DISBURSEMENTS
5/5/2016-5/19/2016
Check #040948-041011**

May 19, 2016	40997	\$48.60	GUTHRIE PETROLEUM INC.	GENERAL	CARDLOCK CHARGES FUEL PURCHASE 4/30/2016 (PD)
May 19, 2016	40998	\$52,575.08	MID VALLEY DISPOSAL INC.	REFUSE	SANITATION CONTRACT SERVICES FOR APRIL 2016
May 19, 2016	40999	\$649.15	MUNICIPAL MAINTENANCE EQUIPMENT	SEWER	BOLT,CHAIN, ROLLER,CHAIN PARTS FOR VACTOR TRUCK
May 19, 2016	41000	\$4,294.42	PREMIER ACCESS INSURANCE CO.	GENERAL	DENTAL INSURANCE FOR JUNE 2016
May 19, 2016	41001	\$1,814.80	RENEW AUTO BODY & REPAIR	GENERAL	2016 FORD EXPLORER BODY & PAINT ON ALL DOORS AND ROOF AREA-REIMBURSABLE (PD)
May 19, 2016	41002	\$1,991.14	ERNEST PACKING SOLUTIONS	GENERAL-WATER-SEWER	CAN LINER (30 GALLON) CAN LINER (60 GALLON),CLOROX WIPES, PINESOL, PAPER TOWELS, TOILET LINERS
May 19, 2016	41003	\$1,040.15	SL&DM WATER AUTHORITY	WATER	PROFESSIONAL SERVICES-BASIN BOUNDARY 3/1-31/2016
May 19, 2016	41004	\$309.52	UNION PACIFIC RAILROAD COMPANY	STREETS	PUBLIC ROADWAY ENCROACHMENT PERMIT 6/1/2016-6/30/2016
May 19, 2016	41005	\$191.87	THOMAS TRACTOR COMPANY	STREETS	PARTS FOR TRACTOR TO MAINTAIN RIGHT-A-WAY
May 19, 2016	41006	\$72.18	UNIFIRST CORPORATION	GENERAL-WATER-SEWER	MONTHLY WET/DRY TOWELS,MOPS RUGS-MAY 2016
May 19, 2016	41007	\$243.80	USA BLUEBOOK	WATER	CHLORINE REAGENT SET (WATER CHEMICALS)
May 19, 2016	41008	\$2,775.00	U.S. BANK	SEWER	MENDOTA JOINT POWERS REVENUE BONDS 1989A
May 19, 2016	41009	\$1,079.12	VERIZON WIRELESS	GENERAL-WATER-SEWER	CITY & PD CELL PHONES FOR APRIL 7 THRU MAY 6, 2016
May 19, 2016	41010	\$188.00	VETERINARY MEDICAL CENTER	GENERAL	(9) EUTHANASIA (2) MEDICAL WASTE FEE
May 19, 2016	41011	\$5,085.00	VULCAN MATERIALS COMPANY	STREETS	ASPHALT HMA TYPE AND ENVIRONMENTAL FEE-STREET REPAIR MATERIAL
	TOTAL	\$304,797.24			

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: MATT FLOOD, ECONOMIC DEVELOPMENT MANAGER
VIA: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: REQUEST TO ALLOW RENOVATE AMERICA, INC. TO HAVE THEIR HERO BUSINESS IN MENDOTA
DATE: MAY 24, 2016

ISSUE

Shall the City Council allow Renovate America, Inc. to conduct their HERO business in the community?

BACKGROUND

Staff received a request from Renovate America, Inc. to adopt a resolution in order for them to offer their HERO Program (Home Energy Renovation Opportunity) to members of the community.

As Council will recall, the PACE program from the California Municipal Finance Authority was recently adopted by resolution. Representatives of Renovate America, Inc. claim that that program is predominantly focused on commercial renovation. HERO is a financing program to make energy efficient upgrades to residences, and is also funded via the PACE method, which allows the property owner to pay for these improvements through their annual property tax bill.

The great majority of California jurisdictions (including at least 13 of 15 in Fresno County) have already passed a resolution allowing HERO in their community.

ANALYSIS

SB 811 was signed into law in 2008 by Governor Schwarzenegger that allows companies to offer programs such as this one to California residents. Part of that law requires a local jurisdiction to pass a resolution in order for them to be able to offer their services within a certain part of the community.

There is no cost to the City for this program and it only benefits the community by providing more options for residents that are considering doing such upgrades to their properties.

Attached is an informational sheet courtesy of Renovate America, Inc. providing more detail on the program.

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends adopting Resolution No. 16-38.

HERO PROGRAM INFORMATION SHEET

Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) and authorizes a legislative body to designate an area within which authorized public officials and free and willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, and/or water conservation improvements that are permanently fixed to real property, as specified. The financing for these improvements has come to be known as PACE, which stands for Property Assessed Clean Energy.

The HERO Program (for PACE financing) has been very successful in Western Riverside County, since its launch in late 2011; the Program has approved over \$1.4 billion in applications and has funded over \$312 million in projects. . Because of its success, the California HERO Program is now being offered to provide additional California cities and counties with a turnkey program that saves significant time, cost and local resources that would otherwise be needed to develop a new local program. Jurisdictions only need to adopt the form of resolution accompanying this staff report and approve an amendment to the joint exercise of powers agreement, related to the California HERO Program, and provided as an attachment to the resolution.

The California HERO Program is being offered to allow property owners in participating cities and counties to finance renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their property. If a property owner chooses to participate, the installed improvements will be financed by the issuance of bonds by a joint powers authority, Western Riverside Council of Governments (“WRCOG”). The bonds are secured by a voluntary contractual assessment levied on such owner’s property, with no recourse to the local government or other participating jurisdictions. Participation in the program is 100% voluntary. Property owners who wish to participate in the program agree to repay the amount borrowed through the voluntary contractual assessment collected together with their property taxes. This financing is available for eligible improvements on both residential and non-residential properties.

The benefits to the property owner include:

- Eligibility: In today’s economic environment, alternatives for property owners to finance renewable energy/energy efficiency/water efficiency improvements or electric vehicle charging infrastructure may not be available. As such many property owners do not have financing options available that would provide funding for improvements that lower their utility bills.
- Savings: Energy prices continue to rise and selecting in energy efficient, water efficient and renewable energy improvements reduces utility bills.
- 100% voluntary. Property owners can choose to participate in the program at their discretion. Improvements and properties must meet eligibility criteria in order to qualify for financing.
- Payment obligation stays with the property. Under Chapter 29, a voluntary contractual assessment stays with the property upon transfer of ownership. Certain residential conforming mortgage providers will, however, require the assessment be paid off at the time the property is refinanced or sold.
- Prepayment option. The property owner can choose to pay off the assessments at any time, subject to applicable prepayment penalties.
- Customer oriented program. Part of the success of the program is the prompt customer service. Committed funding partners provide funding promptly upon project completion resulting in both property owner and contactor satisfaction.

The benefits to the City include:

- Increase local jobs.
- An increase in property values (energy efficient homes and buildings are worth more money).
- An increase in sales, payroll and property tax revenue
- As in conventional assessment financing, the City is not obligated to repay the bonds or to pay any delinquent assessments levied on the participating properties.
- All California HERO Program and assessment administration, bond issuance and bond administration functions are handled by California HERO. Little, if any, City staff time is needed to participate in the California HERO Program.
- By leveraging the already successful HERO Program, the City can offer financing to property owners more quickly, easily and much less inexpensively than establishment of a new local Program.

The proposed resolution enables the California HERO Program to be available to owners of property within our City to finance renewable energy, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure. The resolution approves an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member in order to enable the California HERO Program to be offered to the owners of property located within the City who wish to participate in the California HERO Program

Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac

PACE enabling legislation was adopted by the State of California to encourage the adoption of energy efficiency, renewable energy and water efficiency measures on homes and businesses. When the legislation was enacted, many people believed PACE was an attractive financing option due to its ability to automatically transfer payments to a new owner if the property sold.

In response to a directive issued by the FHFA on July 6, 2010 (the “FHFA Directive”) and implemented, in part, by Fannie Mae and Freddie Mac (each, a Government Sponsored Entity, GSEs) on August 31, 2010, mortgage originators were informed that the GSEs would not be purchasing any mortgages with first priority PACE liens.

In the FHFA Directive, FHFA expressed its support for PACE programs whose assessments are junior/subordinate to Fannie/Freddie’s mortgage interests. The statement also directed that Fannie/Freddie should undertake actions that protect their safe and sound operations including:

- Adjusting loan-to-value ratios to reflect the maximum permissible PACE loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance.

FHFA stated that “Nothing in this Statement affects the normal underwriting programs of the regulated entities or their dealings with PACE programs that do not have a senior lien priority.” To date neither Fannie nor Freddie have taken action to implement any of the additional actions contained in the Directive.

Since the issuance of the FHFA Directive in 2010, FHFA has not directed Fannie Mae or Freddie Mac to implement any of the above actions or any other action other than to prohibit such GSEs from purchasing mortgages with first priority PACE liens.

The PACE enabling legislation in California provides that PACE assessments, like traditional assessments levied by public agencies in California, are equal in priority as general property taxes and as such are senior to private debt on the property and thus have first liens/senior liens priority. However under federal law, the Ninth Circuit Court of Appeal, which includes California, in *Rust v. Johnson* (9th Circuit (1979) 597 F.2d 174) ruled that local government cannot collect payment of assessments if they impair loans insured or owned by Freddie/Fannie (“Conforming Loans”). The court ruled that if a federal government entity has a mortgage interest on a parcel subject to assessments or special taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to preserve the federal government mortgage interest. Thus under federal law as set forth in the opinion under *Rust v. Johnson*, assessments, including PACE assessments, placed on the property are not “first liens” or “senior liens” with respect to Conforming Loans. Disclosure of *Rust v. Johnson* has been provided for in Official Statements of Municipal Bond issuances for traditional assessment district and community facilities district bond issues since 1979, in a form similar to the following:

Portions of the property within the Assessment District may now or in the future secure loans. Any such loan is subordinate to the lien of the Assessments. However, (a) in the event that any of the financial institutions making the loan that is secured by real property within the Assessment District is taken by the Federal Deposit Insurance Corporation (“FDIC”), (B) the FDIC or another federal entity acquires a parcel subject to the Assessment lien, (C) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or similar federal agency or instrumentality has a mortgage interest in a loan on property subject to the Assessment lien, and, prior thereto or thereafter, the loan or loans go into default, the ability of the City to collect the interest and penalties specified by state law and to foreclose the lien of a delinquent unpaid assessment may be limited.

Additionally, under federal law, subordinate liens to mortgages are permitted and cannot be blocked (See U.S. Code Title 12 Banks and Banking, Section 1701j-3). Thus, the impact of a PACE assessment being subordinate in effect to the interests of Fannie/Freddie by virtue of the ruling in *Rust v. Johnson* and the inability to prevent a person from putting a subordinate lien on their property may make it difficult for FHFA/Fannie/Freddie to impose additional Directives adversely affecting the property owner’s mortgage.

The State of California has created a PACE Loss Reserve Program. The PACE Loss Reserve Program, authorized by Senate Bill 96 (2013), is designed to address FHFA’s financial concerns by making first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE loan. If a mortgage lender forecloses on a home that has a PACE lien, the reserve can be used to cover PACE payments during the foreclosure period. Alternatively, if a local government sells a home for unpaid taxes and the sale price falls short of the outstanding tax and first mortgage amounts, the reserve can be used to cover the shortfall (up to the amount of outstanding PACE payments). By covering these types of losses, the Program puts the first mortgage lender in the same position it would be in without a PACE lien.

The \$10 million Loss Reserve will be available for all PACE loans issued by enrolled PACE programs and reported to CAEATFA for the length of their terms. PACE programs will report to CAEATFA semi-annually and pay a small administrative fee based on the principal amount of new loans they issue. The California HERO Program is enrolled in the CAETFA Loss Reserve program.

Most recently the Federal Housing Authority (FHA) announced its intention to issue new guidelines for an initiative that will support borrowers seeking to make energy efficient improvements to their homes, including guidance that will allow borrowers to use FHA financing for properties with

existing PACE loans that meet certain criteria. Since 1934 FHA has sets standard for construction and underwriting and insured loans made by banks and other private lenders for home building. FHA indicated that such new guidance may permit FHA loans on homes subject to a first priority PACE lien that preserves the payment priority for such FHA mortgages. This guidance, if adopted, would mirror the current requirement for PACE programs in California under Rust v. Johnson.

There is no negative fiscal impact to the City's general fund will be incurred by consenting to the inclusion of properties within the City limits in the California HERO Program. All California HERO Program administrative costs are covered through an initial administrative fee included in the property owner's voluntary contractual assessment and an annual administrative fee which is also collected on the property owner's tax bill.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA APPROVING
THE CITY'S PARTICIPATION IN THE
HERO PROGRAM AND AUTHORIZING
MEMBERSHIP OF THE CITY IN THE
WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS JPA.**

RESOLUTION NO. 16-38

WHEREAS, the Western Riverside Council of Governments ("Authority") is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the "Act") and the Joint Power Agreement entered into on April 1, 1991, as amended from time to time (the "Authority JPA"); and

WHEREAS, Authority has established the California HERO Program to provide for the financing of renewable energy distributed generation sources, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Improvements") pursuant to Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29") within counties and cities throughout the State of California that elect to participate in such program; and

WHEREAS, City of Mendota (the "City") is committed to development of renewable energy sources and energy efficiency improvements, reduction of greenhouse gases, protection of our environment, and reversal of climate change; and

WHEREAS, in Chapter 29, the Legislature has authorized cities and counties to assist property owners in financing the cost of installing Improvements through a voluntary contractual assessment program; and

WHEREAS, installation of such Improvements by property owners within the jurisdictional boundaries of the counties and cities that are participating in the California HERO Program would promote the purposes cited above; and

WHEREAS, the City wishes to provide innovative solutions to its property owners to achieve energy and water efficiency and independence, and in doing so cooperate with Authority in order to efficiently and economically assist property owners the City in financing such Improvements; and

WHEREAS, Authority has established the California HERO Program, which is such a voluntary contractual assessment program, as permitted by the Act, the Authority JPA, originally made and entered into April 1, 1991, as amended to date, and the Amendment to Joint Powers Agreement Adding the City of Mendota as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City (the "JPA Amendment"), by and between Authority and the City, a copy of which is attached as Exhibit "A" hereto, to assist property owners within the jurisdiction of the City in financing the cost of installing Improvements; and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy and collection of assessments or any required remedial action in the case of delinquencies in the payment of any assessments or the issuance, sale or administration of any bonds issued in connection with the California HERO Program.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Council finds and declares that properties in the City's incorporated area will be benefited by the availability of the California HERO Program to finance the installation of the Improvements.

2. This City Council consents to inclusion in the California HERO Program of all of the properties in the jurisdictional boundaries of the City and to the Improvements, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction thereover by Authority for the purposes thereof.

3. The consent of this City Council constitutes assent to the assumption of jurisdiction by Authority for all purposes of the California HERO Program and authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements, including the levying, collecting and enforcement of the contractual assessments to finance the Improvements and the issuance and enforcement of bonds to represent such contractual assessments.

4. This City Council hereby approves the JPA Amendment and authorizes the execution thereof by appropriate City officials.

5. City staff is authorized and directed to coordinate with Authority staff to facilitate operation of the California HERO Program within the City, and report back periodically to this City Council on the success of such program.

6. This Resolution shall take effect immediately upon its adoption. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the Authority Executive Committee.

7. The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does

not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Robert Silva, Mayor

ATTEST:

I, Matt Flood, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 24th day of May, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Matt Flood, City Clerk

EXHIBIT A

AMENDMENT TO THE JOINT POWERS AGREEMENT ADDING THE CITY OF MENDOTA AS AS AN ASSOCIATE MEMBER OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS TO PERMIT THE PROVISION OF PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM SERVICES WITHIN SUCH CITY

This Amendment to the Joint Powers Agreement (“JPA Amendment”) is made and entered into on the ___day of _____, 2015, by the City of Mendota (“City”) and the Western Riverside Council of Governments (“Authority”) (collectively the “Parties”).

RECITALS

WHEREAS, Authority is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the “Joint Exercise of Powers Act”) and the Joint Power Agreement entered into on April 1, 1991, as amended from time to time (the “Authority JPA”); and

WHEREAS, as of October 1, 2012, Authority had 18 member entities (the “Regular Members”).

WHEREAS, Chapter 29 of the Improvement Act of 1911, being Division 7 of the California Streets and Highways Code (“Chapter 29”) authorizes cities, counties, and cities and counties to establish voluntary contractual assessment programs, commonly referred to as a Property Assessed Clean Energy (“PACE”) program, to fund certain renewable energy sources, energy and water efficiency improvements, and electric vehicle charging infrastructure (the “Improvements”) that are permanently fixed to residential, commercial, industrial, agricultural or other real property; and

WHEREAS, Authority has established a PACE program designated as the “California HERO Program” pursuant to Chapter 29 which authorizes the implementation of such PACE financing program for cities and counties throughout the state; and

WHEREAS, City desires to allow owners of property within its jurisdiction to participate in the California HERO Program and to allow Authority under Chapter 29, as it is now enacted or may be amended hereafter, to finance Improvements to be installed on such properties; and

WHEREAS, this JPA Amendment will permit City to become an Associate Member of Authority and to participate in California HERO Program for the purpose of facilitating the implementation of such program within the jurisdiction of City; and

WHEREAS, pursuant to the Joint Exercise of Powers Act, the Parties are approving this JPA Agreement to allow for the provision of PACE services through the California HERO Program, including the operation of such PACE financing program, within the incorporated territory of City; and

WHEREAS, the JPA Amendment sets forth the rights, obligations and duties of City and Authority with respect to the implementation of the California HERO Program within the incorporated territory of City.

MUTUAL UNDERSTANDINGS

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter stated, the Parties hereto agree as follows:

A. JPA Amendment.

1. The Authority JPA. City agrees to the terms and conditions of the Authority JPA, attached.

2. Associate Membership. By adoption of this JPA Amendment, City shall become an Associate Member of Authority on the terms and conditions set forth herein and the Authority JPA and consistent with the requirements of the Joint Exercise of Powers Act. The rights and obligations of City as an Associate Member are limited solely to those terms and conditions expressly set forth in this JPA Amendment for the purposes of implementing the California HERO Program within the incorporated territory of City. Except as expressly provided for by the this JPA Amendment, City shall not have any rights otherwise granted to Authority's Regular Members by the Authority JPA, including but not limited to the right to vote on matters before the Executive Committee or the General Assembly, the right to amend or vote on amendments to the Authority JPA, and the right to sit on committees or boards established under the Authority JPA or by action of the Executive Committee or the General Assembly, including, without limitation, the General Assembly and the Executive Committee. City shall not be considered a member for purposes of Section 9.1 of the Authority JPA.

3. Rights of Authority. This JPA Amendment shall not be interpreted as limiting or restricting the rights of Authority under the Authority JPA. Nothing in this JPA Amendment is intended to alter or modify Authority Transportation Uniform Mitigation Fee (TUMF) Program, the PACE Program administered by Authority within the jurisdictions of its Regular Members, or any other programs administered now or in the future by Authority, all as currently structured or subsequently amended.

B. Implementation of California HERO Program within City Jurisdiction.

1. Boundaries of the California HERO Program within City Jurisdiction. The boundaries within which contractual assessments may be entered into under the California HERO Program (the "Program Boundaries") shall include the entire incorporated territory of City.

2. Determination of Eligible Improvements. Authority shall determine the types of distributed generation renewable energy sources, energy efficiency or water conservation improvements, electric vehicle charging infrastructure or such other improvements as may be authorized pursuant to Chapter 29 (the "Eligible Improvements") that will be eligible to be financed under the California HERO Program.

3. Implementation of California HERO Program Within the Program Boundaries. Authority will undertake such proceedings pursuant to Chapter 29 as shall be legally necessary to enable Authority to make contractual financing of Eligible Improvements available to eligible property owners within the Program Boundaries.

4. Financing the Installation of Eligible Improvements. Authority shall implement its plan for the financing of the purchase and installation of the Eligible Improvements under the California HERO Program within the Program Boundaries.

5. Ongoing Administration. Authority shall be responsible for the ongoing administration of the California HERO Program, including but not limited to producing education plans to raise public awareness of the California HERO Program, soliciting, reviewing and approving applications from residential and commercial property owners participating in the California HERO Program, establishing contracts for residential, commercial and other property owners participating in such program, levying and collecting assessments due under the California HERO Program, taking any required remedial action in the case of delinquencies in such assessment payments, adopting and implementing any rules or regulations for the California HERO Program, and providing reports as required by Chapter 29.

City will not be responsible for the conduct of any proceedings required to be taken under Chapter 29; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the California HERO Program.

6. Phased Implementation. The Parties recognize and agree that implementation of the California HERO Program as a whole can and may be phased as additional other cities and counties execute similar agreements. City entering into this JPA Amendment will obtain the benefits of and incur the obligations imposed by this JPA Amendment in its jurisdictional area, irrespective of whether cities or counties enter into similar agreements.

C. Miscellaneous Provisions.

1. Withdrawal. Authority may withdraw from this JPA Amendment upon six (6) months written notice to the other party; provided, however, there is no outstanding indebtedness of Authority within City. The provisions of Section 6.2 of the Authority JPA shall not apply to City under this JPA Amendment. Notwithstanding the foregoing, City may withdraw, either temporarily or permanently, from its participation in the California HERO Program or either the residential or commercial component of the California HERO Program upon thirty (30) written notice to WRCOG without liability to the Authority or any affiliated entity. City withdrawal from such participation shall not affect the validity of any voluntary assessment contracts (a) entered prior to the date of such withdrawal or (b) entered into after the date of such withdrawal so long as the applications for such voluntary assessment contracts were submitted to and approved by WRCOG prior to the date of City's notice of withdrawal.

2. Mutual Indemnification and Liability. Authority and City shall mutually defend, indemnify and hold the other party and its directors, officials, officers, employees and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of the willful misconduct or negligent acts, errors or omissions of the indemnifying party or its directors, officials, officers, employees and agents in connection with the California HERO Program administered under this JPA Amendment, including without limitation the payment of expert witness fees and attorneys fees and other related costs and expenses, but excluding payment of consequential damages. Without limiting the foregoing, Section 5.2 of the Authority JPA shall not apply to this JPA Amendment. In no event shall any of Authority's Regular Members or their officials, officers or employees be held directly liable for any damages or liability resulting out of this JPA Amendment.

3. Environmental Review. Authority shall be the lead agency under the California Environmental Quality Act for any environmental review that may be required in implementing or administering the California HERO Program under this JPA Amendment.

4. Cooperative Effort. City shall cooperate with Authority by providing information and other assistance in order for Authority to meet its obligations hereunder. City recognizes that one of its responsibilities related to the California HERO Program will include any permitting or inspection requirements as established by City.

5. Notice. Any and all communications and/or notices in connection with this JPA Amendment shall be either hand-delivered or sent by United States first class mail, postage prepaid, and addressed as follows:

Authority:

Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor. MS1032
Riverside, CA 92501-3609
Att: Executive Director

City:

City Manager
City of Mendota
643 Quince Street
Mendota, CA 93640

6. Entire Agreement. This JPA Amendment, together with the Authority JPA, constitutes the entire agreement among the Parties pertaining to the subject matter

hereof. This JPA Amendment supersedes any and all other agreements, either oral or in writing, among the Parties with respect to the subject matter hereof and contains all of the covenants and agreements among them with respect to said matters, and each Party acknowledges that no representation, inducement, promise of agreement, oral or otherwise, has been made by the other Party or anyone acting on behalf of the other Party that is not embodied herein.

7. Successors and Assigns. This JPA Amendment and each of its covenants and conditions shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns. A Party may only assign or transfer its rights and obligations under this JPA Amendment with prior written approval of the other Party, which approval shall not be unreasonably withheld.

8. Attorney's Fees. If any action at law or equity, including any action for declaratory relief is brought to enforce or interpret the provisions of this Agreement, each Party to the litigation shall bear its own attorney's fees and costs.

9. Governing Law. This JPA Amendment shall be governed by and construed in accordance with the laws of the State of California, as applicable.

10. No Third Party Beneficiaries. This JPA Amendment shall not create any right or interest in the public, or any member thereof, as a third party beneficiary hereof, nor shall it authorize anyone not a Party to this JPA Amendment to maintain a suit for personal injuries or property damages under the provisions of this JPA Amendment. The duties, obligations, and responsibilities of the Parties to this JPA Amendment with respect to third party beneficiaries shall remain as imposed under existing state and federal law.

11. Severability. In the event one or more of the provisions contained in this JPA Amendment is held invalid, illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed severed from this JPA Amendment and the remaining parts of this JPA Amendment shall remain in full force and effect as though such invalid, illegal, or unenforceable portion had never been a part of this JPA Amendment.

12. Headings. The paragraph headings used in this JPA Amendment are for the convenience of the Parties and are not intended to be used as an aid to interpretation.

13. Amendment. This JPA Amendment may be modified or amended by the Parties at any time. Such modifications or amendments must be mutually agreed upon and executed in writing by both Parties. Verbal modifications or amendments to this JPA Amendment shall be of no effect.

14. Effective Date. This JPA Amendment shall become effective upon the execution thereof by the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this JPA Amendment to be executed and attested by their officers thereunto duly authorized as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Date: _____

Name: _____

Title: _____

CITY OF MENDOTA

By: _____

Date: _____

Name: _____

Title: _____

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: CHARLES W. JOHNSON, DIRECTOR OF ADMINISTRATIVE SERVICES
VIA: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: CONSIDER THE ADOPTION OF A RESOLUTION TO APPROVE THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA EMPLOYEES' RETIREMENT SYSTEM (CALPERS) AND THE CITY OF MENDOTA, AND INTRODUCE AND WAVIE THE FIRST READING, BY SUBSTITUTION OF TITLE ONLY, AN ORDINANCE OF THE CITY COUNCIL OF MENDOTA TO APPROVE THE CONTRACT
DATE: MAY 24, 2016

ISSUE

Should the City Council adopt and approve the Resolution of Intention to approve a contract between the California Public Employees Retirement System (CalPERS) and the City of Mendota and introduce the first reading of ordinance by title only?

BACKGROUND

CalPERS is the State-wide Public Employees' Retirement System, which provides retirement benefits for all State employees as well as local government agencies that choose to join. CalPERS is the largest of a number of pension and benefit funds in the United States. As of June 30, 2015, a total of sixty-six percent of public agencies in California are members of CalPERS. Each agency chooses benefit formulas from a list of those offered by CalPERS. However, for employees hired after January 1, 2013, they would be covered under the Public Employees' Pension Reform Act of 2013 (PEPRA), which will be discussed in more detail later in the report. Implementation of Public Employee Pension Reform Act (PEPRA) established an entirely new objective for retirement pensions for municipal agencies.

CalPERS provides set monthly benefits that are guaranteed for the life of the retiree, which is also known as a defined benefit program. This lifetime benefit differs greatly compared to the City's defined contribution program, which is our 401(K) Plan and will be also examined in more detail.

CalPERS categorized employees into one of three categories: Police Safety, Fire Safety (non applicable) or Miscellaneous. All non-sworn police are grouped into the miscellaneous category, regardless of whether they are represented by a police bargaining union.

CalPERS is funded by two contributions, an employee share and an employer share. Both are typically expressed as a percentage of the employee's earnings. The employee share is set by the legislature and varies depending on the benefit formula. The employer share is calculated annually by CalPERS actuaries and is the difference between the amounts that must be contributed in order to pay benefits less the employee share. The employer must pay the required contribution and the contribution amount can potentially change from year to year, depending upon a number of factors. For the City's employees, this 2% at age 57 Supplemental formula for public safety employees and 2% at age 62 Supplemental for miscellaneous employees.

ANALYSIS

As discussed during the Goal Setting Session for FY 14/15 City Council established a priority goal for staff to analyze the fiscal impact for city employees to join CalPERS to provide an equitable retirement pension for city employees.

During the analysis staff researched the various steps needed to contract with CalPERS and evaluate the actuarial valuation to determine the contributions necessary should the City elect to participate in CalPERS and adopt the attached plan for employees. The proposed plan for miscellaneous members consisted of 2% at age 62 Supplemental formula with 3-year final average compensation for employees. The estimated employer contribution rate for FY 16/17 is 6.55%, which the employee contribution rate is 6.25%. The Police Safety plan consisted of 2% at age 57 Supplemental formula with 3-year final average compensation. The estimated employer contribution for FY16/17 is 9.4%, which the employee contribution is 9.5%. Both proposed plans are based on a retirement benefit formula. This formula is calculated by using years of service credit, age at retirement, and final compensation. Final compensation is the highest average full-time monthly pay rate for a 3-year period, per contract. The illustration below outlines how to determine retirement benefits for employees:

$$\begin{aligned} & \text{Service Credit (years) x} \\ & \text{Benefit Factor (percent per year) x} \\ & \text{Final Compensation (monthly, dollars) =} \\ & \text{Unmodified Allowance (pension)} \end{aligned}$$

By law, before the City can adopt the proposed contract the City must negotiate with members of American Federation of State, County and Municipal Employees (AFSCME) and the Mendota Police Officer's Association (MPOA) the changes which will impact each employee organization. The City conducted multiple workshops and meeting with all union employees and non-union members of the City to educate them on CalPERS benefits and employee/employer contribution. After all employees were educated on the benefits and rates CalPERS requires for Police Safety and Miscellaneous employees to conduct an election by ballot for their approval or disapproval of the retirement proposal.

During the meeting with Police Safety employees union members expressed tremendous concern regarding employee contributions and its respective benefit factor of 9.5% at 2% of age 57. Due to the high employee contribution rate as established by CalPERS the City presented the union members with two additional options to help make the rate equitable for miscellaneous employees and minimize the full financial impact. The City proposed for members to consider a phased contribution approach by starting with 9.5% employee contribution for the first year (FY 16/17) and each subsequent year for a period of four year to decrease the employee contribution rate to reach 6.25% within its final year. The last option was to automatically start all members with a 6.25% employee contribution rate comparable to miscellaneous employees. After all police union members casted their ballots for each of the proposal mentioned previously, they reported a unanimous vote to decline all proposals presented by the City and CalPERS proposed plan.

Members of AFSCME were presented with their proposed plan and employee benefit formula of 2% at age 62 Supplemental, and members were very enthusiastic to hear that the City was considering membership into CalPERS. During the meeting members inquired a number of questions about member participation and member contribution. Due to members of AFSCME and all other non-safety employees being classified into the same proposed contract, all remaining employees (management, AFSCME, and part-time) casted a election to participate into CalPERS, which was subsequently approved based on a majority of its employees willingness to participate.

FISCAL IMPACT

The estimated impact to provide a lifetime annuity for miscellaneous employees for FY 16-17 is approximately \$87,418 (General Fund, Water, Sewer, Gas Tax, LTF, Measure C, and Airport). The City's budget allocation for 401(K) contributions was estimated at approximately \$57,890 for FY 15/16. If the City were to approve the proposed contract for miscellaneous members only (due to public safety disapproval of plan) the fiscal impact for FY 16/17 would be a total of \$87,418, which is a \$29,528 increase compared to the previous year. The City will stop its 5% contribution for miscellaneous employees 401(K) Plan and transfer this contribution to the employer contribution to offset the cost. All other non-CalPERS participates will continue to receive their 5% contribution from the City (per MOU), and miscellaneous employees can elect to contribute to their 401(K) Plan on their own discretion.

RECOMMENDATION

Staff recommends the following:

1. Adopt the Resolution of Intention approving the contract between the City and the Board of Administration of the California Public Employees' Retirement System (CalPERS); and

2. Introduce the first reading of the Ordinance, by title only, authorizing the contact between the City Council of the City of Mendota and CalPERS and authorizing the City Manager to execute the contract.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MENDOTA AUTHORIZING
A CONTRACT BETWEEN THE CITY COUNCIL
OF THE CITY OF MENDOTA AND THE BOARD
OF ADMINISTRATION OF THE CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

ORDINANCE NO. 16-06

The City Council of the City of Mendota does ordain as follows:

SECTION 1. That the Contract Between the Board of Administration, California Public Employees' Retirement System and the City Council, City of Mendota, is hereby authorized and approved, a copy of said contract being attached hereto and marked as Exhibit "A," and such reference made a part hereof as though herein set out in full.

SECTION 2. The City Manager of the City of Mendota is hereby authorized, empowered, and directed to execute said contract for and on behalf of the City of Mendota.

SECTION 3. If any section, subsection, sentence, clause, phrase, or word of this ordinance is for any reason held to be unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Mendota City Council hereby declares that it would have passed and adopted this ordinance and each and all provisions thereof irrespective of the fact that any one or more of said provisions be declared unconstitutional.

SECTION 4. Within fifteen (15) days of the adoption of this Ordinance, a summary thereof, including the names of the City Council Members voting for and against it, shall be prepared by the City Attorney for publication in the *Firebaugh-Mendota Journal*, and a certified copy of the Ordinance shall be posted in the office of the City Clerk.

SECTION 5. This ordinance shall become effective and in full force at 12:00 midnight on the 31st day following its adoption.

* * * * *

The foregoing ordinance was introduced on the 24th day of May, 2016 and duly passed and adopted by the City Council of the City of Mendota at a regular meeting thereof held on the 14th day of June, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Robert Silva, Mayor

ATTEST:

Matt Flood, City Clerk

APPROVED AS TO FORM:

John Kinsey, City Attorney

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA APPROVING
A CONTRACT BETWEEN THE BOARD OF
ADMINISTRATION CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM AND
THE CITY OF MENDOTA**

RESOLUTION NO. 16-36

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies in the Public Employees' Retirement System, making their employees members of said System, and sets forth the procedure by which participation may be accomplished; and

WHEREAS, one of the steps required in the procedure is the adoption by the governing body of the public agency of a resolution giving notice of intention to approve a contract for such participation of said agency in the Public Employees' Retirement System, which resolution shall contain a summary of the major provisions of the proposed retirement plan; and

WHEREAS, attached is a summary of the major provisions of the proposed plan; and

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency gives, and it does hereby give notice of intention to approve a contract between said governing body and the Board of Administration of the Public Employees' Retirement System, providing for participation of said agency in said retirement system, a copy of said contract and a copy of the summary of the major provisions of the proposed plan being attached hereto as Exhibit "A," and by this reference made a part hereof.

Robert Silva, Mayor

ATTEST:

I, Matt Flood, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 24th day of May, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Matt Flood, City Clerk



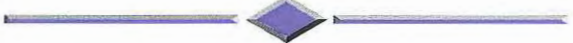
EXHIBIT

California
Public Employees' Retirement System



CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Mendota



In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, the governing body of above public agency, hereafter referred to as "Public Agency", and the Board of Administration, Public Employees' Retirement System, hereafter referred to as "Board", hereby agree as follows:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 62 for local miscellaneous members and age 57 for local safety members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after _____ making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Police Officers (herein referred to as local safety members);
 - b. Employees other than local safety members (herein referred to as local miscellaneous members).
5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

a. FIRE EMPLOYEES AND

b. MEMBERS OF THE GOVERNING BODY.

6. The percentage of final compensation to be provided for new local miscellaneous members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Supplemental to Federal Social Security).
7. The percentage of final compensation to be provided for new local safety members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.25(b) of said Retirement Law (2% at age 57 Supplemental to Federal Social Security).
8. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and safety members of said Retirement System.
9. Public Agency shall also contribute to said Retirement System as follows:
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
10. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

11. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF MENDOTA

BY _____
RENEE OSTRANDER CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: CONSIDERATION OF A RESOLUTION CHANGING HOW THE RESERVE FUND OF THE CITY MAY BE USED.
DATE: MAY 24, 2016

ISSUE

Should the City Council adopt a resolution changing how the reserve funds of the City can be used?

BACKGROUND

At the City Council meeting on May 10, Council considered a proposed amendment to the administrative memorandum governing how the City's emergence reserve funds may be used. The details of the reasons for the issue being brought forward are discussed in the staff report for the May 10 meeting (included). Among the issues discussed by Council on May 10, were broadening the definition of what constitutes an "emergency," adding the ability for Council to access the reserve funds for certain non-emergency situations, the fund balance for discretionary spending for non-emergency situations, and whether a "super-majority" (4/5 vote) should be required for use of the funds.

Staff suggested that Council continue the item in order to give staff the opportunity to incorporate the Council's comments.

ANALYSIS

The amendments to the administrative memorandum governing the use of the City's reserve funds incorporate all of the comments made by Councilmembers during the May 10, hearing on the issue.

First, staff has broadened the definition of "emergency" to include any occurrence or situation where the Council makes a formal finding that an emergency exists. Once Council declares an emergency exists, the reserve funds may be used, without regard to the balance in the fund, in order to abate the emergency situation. This would require a "super-majority" vote of the Council, or 4/5 vote. This also requires the Council to identify a method of recharging the reserve fund.

Secondly, the staff included another provision whereby the Council may use the funds for any non-emergency situation, so long as, 1) the fund balance is above \$600,000; and 2) there is an identifiable method for repayment of the funds being used. It is suggested that this too, require a 4/5 vote.

With these safeguards in place, staff feels that Council has both the freedom to invest in certain non-emergency situations it may deem appropriate, while at the same time, retaining at least \$600,000 in the fund for bona fide emergency circumstances.

FISCAL IMPACT

There will be no direct fiscal impact to the City's General Fund by approving these changes. In the event the City Council chooses to use the funds for either emergency or non-emergency uses, it will limit the amount of money readily available for other possible emergency situations or non-emergency investments the Council wishes to make. Even though staff is recommending that in both instances, a method for repayment of the funds is identified, the repayment may occur over time, limiting the actual funds available for future uses.

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution approving amendments to the administrative memorandum governing the use of the City's emergency funds.

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: CONSIDERATION OF A RESOLUTION AMENDING THE EMERGENCY FUND POLICY
DATE: MAY 10, 2016

ISSUE

Should the City Council adopt a resolution changing how the City’s emergency reserve funds may be used?

BACKGROUND

Presently, the City maintains an emergency reserve fund of approximately \$950,000 for the express purpose of dealing with unanticipated emergency funding situations. Recently, the Council has expressed interest in “loosening” the conditions under which these funds may be used.

At the Council meeting on April 26, 2016, the Council indicated a desire to use the reserve funds in order to loan the Enterprise Fund monies necessary to ensure that revenues projected for the water fund would, in fact, be met in the event the Council decided to defer the scheduled water rate increase for one year. While not an emergency situation, per se, the decision to use emergency fund reserves to ensure water fund revenues are met is a responsible policy decision of the Council.

Other discussions have occurred where Councilmembers have indicated an interest in using reserve funds as a means of “investing” in new initiatives around the City – such as new and/or expanded parks, for example. Again, these would not qualify as emergency items, but rather represent the policy direction of the Council in terms of pursuing investment in new initiatives.

ANALYSIS

The desire of the Council, in its policy making capacity, to use said reserve funds for issues such as water rate increase deferral or other non-emergency situations should be appropriately balanced with the need to hold funds in reserve for true emergency situations. It is the opinion of staff that the City needs to maintain a certain amount of money held in reserve and strictly for emergency situations.

In order to accomplish the Council's desire for greater flexibility in the use of the emergency reserve funds, the staff is proposing the following safeguard:

Use of the emergency funds for non-emergency items is permissible so long as the emergency fund balance remains above \$600,000 (or an average of two months of operating expenses, whichever is higher).

For example, at present there is approximately \$950,000 in the City's reserve funds. Under the proposed safeguard, the Council can expend up to \$350,000 for items the Council deems are an appropriate non-emergency use of the funds. Any expenditure that would cause the fund balance to fall below \$600,000 would require the Council to make a finding, via resolution, that an emergency situation exists.

FISCAL IMPACT

The principle purpose of establishing and maintaining a reserve fund is to deal with unanticipated and unexpected financial expenditures. This could include supplementing the City's budget, addressing emergency situations such as critical utility failures, or paying out legal judgments – to name only a few.

Over the years, Mendota has taken great responsibility in establishing such a healthy financial reserve – which, until very recently, was \$1.3 million. It is thus only natural that the Council would want to consider non-emergency related investments of these funds. Generally speaking, staff supports the Council's position in this regard. However, there must be the proverbial "line in the sand" where the Council ceases non-emergency expenditures from this fund, in order to hold back funds for true emergency purposes. In this respect, staff suggests the Council maintain at least \$600,000 as an emergency reserve and that such funds may only be spent once the Council declares by resolution that an emergency situation exists. To the extent the reserve fund balance exceeds this amount, spending from the fund can be entirely discretionary.

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution amending the Emergency Fund Administrative Policy to allow the City Council to use the emergency reserve funds for non-emergency related expenses, so long as the fund balance remains in excess of \$600,000.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA MODIFYING
THE MENDOTA EMERGENCY FUND
STABILIZATION AGREEMENT AND
SETTING REQUIRED CONDITIONS UPON
ABILITY TO USE THE FUND**

RESOLUTION NO. 16-33

WHEREAS, in 2010, the Mendota City Council enacted Resolution No. 10-25, setting aside \$1.3 million as a restricted cash asset to cover unfunded liabilities, including emergency expenditures due to unforeseen events and conditions; and

WHEREAS, in 2012, the Mendota City Council enacted Resolution No. 12-10, which rescinded Resolution No. 10-25, and established an Emergency Fund Stabilization Fund Agreement and Emergency Fund Policy governing the use of the \$1.3 million fund; and

WHEREAS, the Mendota City Council has determined that additional flexibility is needed to meet the needs of the City and its residents.

NOW, THEREFORE, THE CITY COUNCIL DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Emergency Fund Policy is hereby modified with the revisions specified in Exhibit "A," which shall be implemented immediately, and which shall dictate the conditions to use said fund.

SECTION 2. The Emergency Fund Stabilization Agreement is hereby modified consistent with the terms of Exhibit "A."

Robert Silva, Mayor

ATTEST:

I, Matt Flood, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of May, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Matt Flood, City Clerk

EXHIBIT A

City of Mendota



Administrative Policy

Emergency Fund Policy

INTRODUCTION:

Emergency funds, also known as stabilization agreements, are implemented to utilize former surplus revenues in later years to cover unanticipated, emergency situations, including emergency revenue shortfalls, emergency purchases, and to cover the costs in addressing emergency situations that impact the health and safety of residents that may present themselves over the life of a government organization. In this case, the City of Mendota has established such an emergency fund through the adoption of Resolution No. 12-10, as modified by Resolution No. 16-33. Said fund is compliant with the Governmental Accounting Standards Board Statement 54(GASB 54).

PURPOSE:

The purpose of this Administrative Policy is intended to clarify the nature and operability of the Emergency Fund, and to set certain limitations on its use, pursuant to GASB 54.

POLICY:

The City of Mendota's Emergency Fund shall remain protected from general use as a funding source.

Qualifying Conditions

The Emergency Fund may only be utilized if one of the following conditions is present:

1. The fund balance maintained by the City of Mendota meets or falls below a 110% amount of unpaid obligations remaining within the

- same fund, in an individual fiscal year.
2. The Emergency Operations Center is activated at Level 2 or higher.
 3. Upon a finding by the City Council that emergency conditions exist necessitating the use of said emergency funds.
 4. So long as the fund balance is over (i) \$600,000 or (ii) an amount equal to two months of the City's average monthly operating expenses over the past five years, whichever is greater, a non-emergency need requiring the use of said funds, determined by the City Council.

Procedural Requirements

Use of the funds are made at the discretion of the City Manager, in keeping with the following requirements.

The conditions for granting access to the emergency fund stabilization agreement are automatic triggers. When these conditions are met, the City Manager is vested with the authority to make necessary purchases in keeping with the stated aims of the condition.

- For Qualifying Condition 1, funds are to be used only in meeting committed obligations already budgeted for, or contractually obligated.
- For Qualifying Condition 2, the funds may be used for emergency operations in protecting the health and safety of the public.
- For Qualifying Condition 3, (i) the City Council [**optional language: on a 4/5 vote**] finds that emergency conditions exist necessitating the use of emergency funds, and (ii) the City Council identifies and allocates a funding source to reconstitute the emergency fund, as specified below, with interest.
- For Qualifying Condition 4, (i) the City Council [**optional language: on a 4/5 vote**] must authorize the use of the funds for a non-emergency need, and (ii) the City Council identifies and allocates a funding source to reconstitute the Emergency fund, as specified below, with interest.
- The City Manager, when expending resources from the Emergency Fund in keeping with these two conditions, shall provide an accounting within 10 business days to the City Council, including justification for the use of emergency funds. Prior approval of the expenditures are waived for the use of the emergency fund in keeping with the urgent procurement and distribution needs that may present themselves in these two situations.

Maintenance of the Emergency Fund

The Emergency Fund is to remain healthy, with ample funding to address monetary needs during emergency situations and fund balance shortfalls, ensuring the sustainability of the City. As such, the following requirements are in place to ensure that the Emergency Fund remain in a healthy fiscal state.

1. The Emergency Fund shall have a minimum maintenance level. Said level of funds shall be determined to be the greater of:
 - a. 50% of the average of the last three years' General Fund expenditures; or
 - b. The highest fund balance attained in the Emergency Fund to

date.

2. The total use of funds from the Emergency Fund in a fiscal year shall be reconstituted within 5 years from the last emergency funds used for a particular incident.
3. Reconstitution shall be on a pro rata share from the department budgets that utilized emergency funds. These shall be handled as a line item in each fiscal year budget, and may be amortized, at a minimum, over the 5 year restitution period. Such "payments" shall be transfers initiated immediately upon the adoption of the annual budget.

Enacted on: 3/27/2012 (as modified 5/24/2016)

Enacted by: The Mendota City Council
(Resolution No. 12-10, modified by Resolution
No. 16-33)

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: DEFERRAL OF THE JULY 1, 2016 WATER RATE INCREASE FOR ONE YEAR AND LOANING THE ENTERPRISE FUND \$88,000 FROM THE CITY'S RESERVE FUND
DATE: MAY 24, 2016

ISSUES

- 1) Should the City Council adopt a resolution deferring the water rate increase scheduled for July 1, 2016 for a period of one year; and
- 2) Should the City Council loan the Enterprise Fund \$88,000 from the City's reserve funds to cover lost revenue from said rate increase deferral?

BACKGROUND

At the Council meeting on April 26, the Council directed staff to prepare the enabling legislative documents that would delay the water rate increase scheduled to take effect on July 1, 2016 to July 1, 2017. The result of this deferral of the rate increase would add one year to the schedule of increases from 2021 to 2022.

Staff stressed the importance of ensuring that, in spite of the deferred rate increase, provisions had to be made to account for the planned revenue into the water fund. This was necessary in order to fund critical infrastructural improvements and maintenance to the system on an annual basis. The solution proposed and accepted by a majority of the Council was that the City's reserve fund would loan the Enterprise Fund \$88,000 – the amount of revenue projected to be generated by the July 1, 2016 water rate increase of \$4.00/month. The loan would be paid back to the reserve fund at the conclusion of the scheduled rate increases in 2022.

ANALYSIS

The Council's unanimous decision to adopt a comprehensive schedule of water and sewer rate increases in November 2015 was critically important to ensuring the on-going solvency, maintenance, and operation of the water and sewer utilities in the City. Rejecting or canceling any of the rate increases previously adopted leaves the utilities at critical risk for both insolvency and an inability to finance operations or capital expenditures.

It is understandable that Council would not want the public to experience two water rate increases within the span of six months. For that reason, the Council directed staff to defer the planned \$4.00/month increase scheduled to take effect on July 1, 2016 for a period of one year, which effectively extends the total number of increases out for an additional year, from 2021 to 2022.

The revenues expected from just the \$4.00/month increase that was to take effect in July amount to \$88,000. In order to preserve this revenue stream and ensure continued recovery of the water fund, the City's reserve fund will loan the water fund \$88,000. This loan will be repaid (with interest) at the conclusion of the rate increases in 2022.

By using this approach, the Council strikes the appropriate and responsible balance: provide some relief to the public and avoid two rate increases within the span of six months, while also ensuring that expected revenues into the water fund are provided by a loan from the city's reserve fund.

FISCAL IMPACT

The loan to the Enterprise Fund will (temporarily) decrease the fund balance of the City's reserve funds by \$88,000 to approximately \$862,000. The loan is scheduled to be paid back to the City's reserve fund in 2022, when all scheduled rate increases have taken effect.

By making provisions by the way of a loan, to ensure that the planned revenue is actually received by the water fund, the balance of the water fund will be as originally projected when Council approved the rate increases.

RECOMMENDATION

Staff recommends that the City Council approve Resolution 16-34, deferring the July 1, 2016, water rate increase to July 1, 2017, and approve Resolution 16-35, making a loan of \$88,000 from the City's reserve fund to the Enterprise Fund.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA DEFERRING
FUTURE WATER RATE INCREASES BY
ONE-YEAR**

RESOLUTION NO. 16-34

WHEREAS, on November 10, 2015, the City Council adopted Resolution No. 15-83, which approved and instated new water and sewer rates, effective January 1, 2016; and

WHEREAS, the new water and sewer rate structure contemplates annual increases in water rates each year, with the next increase scheduled for July 1, 2016 (the 2016/17 water rate); and

WHEREAS, on April 26, 2016, the City Council heard testimony from the public concerning the new water and sewer rates, who expressed concern regarding the rate in which the new water and sewer rates increases; and

WHEREAS, the rate increases adopted in Resolution No. 15-83 continue to be necessary to cover the costs of providing utility services to the City's residents; and

WHEREAS, following the receipt of input from the public, the City Council directed staff to defer the water rate increases adopted in Resolution No. 15-83 by one-year.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Mendota does hereby defer each of the future water rate increases adopted in Resolution No. 15-83 by one-year, as follows:

Table 1: Water Rates

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Residential								
5/8 & 3/4	\$32.40	\$45.40	\$45.40	\$49.40	\$52.09	\$52.09	\$57.55	\$58.16
1"	\$34.45	\$48.27	\$48.27	\$52.53	\$55.39	\$55.39	\$61.42	\$61.84
1-1/2"	\$62.64	\$87.77	\$87.77	\$95.51	\$100.72	\$100.72	\$111.68	\$112.45
Commercial								
5/8 & 3/4	\$32.40	\$45.40	\$45.40	\$49.40	\$52.09	\$52.09	\$57.77	\$58.16
1-1/2"	\$62.64	\$87.77	\$87.77	\$95.51	\$100.72	\$100.72	\$111.68	\$112.45
2"	\$84.96	\$119.05	\$119.05	\$129.54	\$136.60	\$136.60	\$151.48	\$152.52
Larger	\$140.22	\$196.48	\$196.48	\$213.79	\$225.45	\$225.45	\$250.01	\$251.72
Flow Charge	\$0.14	\$0.18	\$0.18	\$0.18	\$0.18	\$0.20	\$0.20	\$0.20
(per 100 gal over 12,000 gallons)								

BE IT FURTHER RESOLVED that the sewer rates adopted in Resolution No. 15-83 (Table 2: Sewer Rates) remain unchanged. Turn-off fee and private fire connection fees are also unchanged.

BE IT FURTHER RESOLVED that in the event this resolution is determined to be invalid, or adjudicated void for any reason, the water rates established in No. 15-83 will remain in effect.

Robert Silva, Mayor

ATTEST:

I, Matt Flood, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of May, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Matt Flood, City Clerk

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA LOANING
FUNDS IN THE AMOUNT OF \$88,000 FROM
MENDOTA EMERGENCY FUND**

RESOLUTION NO. 16-35

WHEREAS, on November 10, 2015, the City Council adopted Resolution No. 15-83, which approved and instated new water and sewer rates, effective January 1, 2016; and

WHEREAS, the new water and sewer rate structure contemplates annual increases in water rates each year, with the next increase scheduled for July 1, 2016 (the 2016/17 water rate); and

WHEREAS, on April 26, 2016, the City Council heard testimony from the public concerning the new water and sewer rates, who expressed concern regarding the rate in which the new water and sewer rates increases; and

WHEREAS, the City, in Resolution No. 16-34 deferred future water rate increases by one-year to provide economic relief to the City's ratepayers; and

WHEREAS, the rate increases adopted in Resolution No. 15-83 continue to be necessary to cover the costs of providing utility services to the City's residents; and

WHEREAS, the City's Emergency Fund Stabilization Fund Agreement and Emergency Fund Policy govern the City's use of said funds; and

WHEREAS, under the Emergency Fund Policy, a "qualifying event" must exist for the use of said funds; and

WHEREAS, the deferred implementation of the planned water rate increases specified in Resolution No. 15-83 will result in a shortfall of \$88,000 that would otherwise be available for use to provide utility services to the City's customers; and

WHEREAS, the City Council finds that emergency conditions exist necessitating the use of the \$88,000 of the City's emergency funds; and

WHEREAS, the City Council also finds that the need for such relief constitutes an unanticipated event justifying the use of \$88,000 of the City's emergency funds; and

WHEREAS, the City Council finds that the use of such funds will not cause the Emergency Fund balance to decrease below \$600,000; and

WHEREAS, as a condition of the use of emergency funds for utility services by the City's Water Enterprise Fund, the City's Water Enterprise Fund must reconstitute the Emergency Fund in monthly payments consistent with the amortization schedule attached hereto as Exhibit "A."

NOW, THEREFORE, BE IT RESOLVED that the City Council for the City of Mendota hereby approves the transfer and loan of \$88,000 from the Emergency Fund to the Water Enterprise Fund.

BE IT FURTHER RESOLVED that the Water Enterprise Fund shall repay and reconstitute the Emergency Fund using the proceeds from future rate increases as specified in Resolutions Nos. 15-83 and 16-34, in monthly payments consistent with the amortization schedule attached hereto as Exhibit "A."

Robert Silva, Mayor

ATTEST:

I, Matt Flood, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of May, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Matt Flood, City Clerk

Exhibit “A”
(Amortization Schedule)

Due Date	Interest	Principal	Total Payment	Balance
7/1/2017	\$366.67	\$1,659.91	\$2,026.58	\$86,340.09
8/1/2017	\$359.75	\$1,666.83	\$2,026.58	\$84,673.26
9/1/2017	\$352.81	\$1,673.77	\$2,026.58	\$82,999.48
10/1/2017	\$345.83	\$1,680.75	\$2,026.58	\$81,318.73
11/1/2017	\$338.83	\$1,687.75	\$2,026.58	\$79,630.98
12/1/2017	\$331.80	\$1,694.78	\$2,026.58	\$77,936.20
1/1/2018	\$324.73	\$1,701.85	\$2,026.58	\$76,234.35
2/1/2018	\$317.64	\$1,708.94	\$2,026.58	\$74,525.41
3/1/2018	\$310.52	\$1,716.06	\$2,026.58	\$72,809.36
4/1/2018	\$303.37	\$1,723.21	\$2,026.58	\$71,086.15
5/1/2018	\$296.19	\$1,730.39	\$2,026.58	\$69,355.76
6/1/2018	\$288.98	\$1,737.60	\$2,026.58	\$67,618.16
7/1/2018	\$281.74	\$1,744.84	\$2,026.58	\$65,873.33
8/1/2018	\$274.47	\$1,752.11	\$2,026.58	\$64,121.22
9/1/2018	\$267.17	\$1,759.41	\$2,026.58	\$62,361.81
10/1/2018	\$259.84	\$1,766.74	\$2,026.58	\$60,595.07
11/1/2018	\$252.48	\$1,774.10	\$2,026.58	\$58,820.97
12/1/2018	\$245.09	\$1,781.49	\$2,026.58	\$57,039.48
1/1/2019	\$237.66	\$1,788.92	\$2,026.58	\$55,250.56
2/1/2019	\$230.21	\$1,796.37	\$2,026.58	\$53,454.19
3/1/2019	\$222.73	\$1,803.85	\$2,026.58	\$51,650.34
4/1/2019	\$215.21	\$1,811.37	\$2,026.58	\$49,838.97
5/1/2019	\$207.66	\$1,818.92	\$2,026.58	\$48,020.05
6/1/2019	\$200.08	\$1,826.50	\$2,026.58	\$46,193.55
7/1/2019	\$192.47	\$1,834.11	\$2,026.58	\$44,359.45
8/1/2019	\$184.83	\$1,841.75	\$2,026.58	\$42,517.70
9/1/2019	\$177.16	\$1,849.42	\$2,026.58	\$40,668.28
10/1/2019	\$169.45	\$1,857.13	\$2,026.58	\$38,811.15
11/1/2019	\$161.71	\$1,864.87	\$2,026.58	\$36,946.28
12/1/2019	\$153.94	\$1,872.64	\$2,026.58	\$35,073.64

1/1/2020	\$146.14	\$1,880.44	\$2,026.58	\$33,193.20
2/1/2020	\$138.31	\$1,888.27	\$2,026.58	\$31,304.93
3/1/2020	\$130.44	\$1,896.14	\$2,026.58	\$29,408.79
4/1/2020	\$122.54	\$1,904.04	\$2,026.58	\$27,504.74
5/1/2020	\$114.60	\$1,911.98	\$2,026.58	\$25,592.77
6/1/2020	\$106.64	\$1,919.94	\$2,026.58	\$23,672.82
7/1/2020	\$98.64	\$1,927.94	\$2,026.58	\$21,744.88
8/1/2020	\$90.60	\$1,935.98	\$2,026.58	\$19,808.90
9/1/2020	\$82.54	\$1,944.04	\$2,026.58	\$17,864.86
10/1/2020	\$74.44	\$1,952.14	\$2,026.58	\$15,912.72
11/1/2020	\$66.30	\$1,960.28	\$2,026.58	\$13,952.44
12/1/2020	\$58.14	\$1,968.44	\$2,026.58	\$11,983.99
1/1/2021	\$49.93	\$1,976.65	\$2,026.58	\$10,007.35
2/1/2021	\$41.70	\$1,984.88	\$2,026.58	\$8,022.46
3/1/2021	\$33.43	\$1,993.15	\$2,026.58	\$6,029.31
4/1/2021	\$25.12	\$2,001.46	\$2,026.58	\$4,027.85
5/1/2021	\$16.78	\$2,009.80	\$2,026.58	\$2,018.06
6/1/2021	\$8.30	\$2,018.17	\$2,026.47	\$0.00

A G E N D A I T E M - S T A F F R E P O R T

DATE: May 20, 2016

TO: Honorable Mayor and City Council Members

FROM: Vince DiMaggio, City Manager
John P. Kinsey, City Attorney

SUBJECT: Introduction of Ordinance No. 16-05: An Ordinance Amending Chapter 8.36 of the Mendota Municipal Code Relating to the Establishment and Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Delivery of Medical Marijuana, and Give First Reading, By Title Only, With Second Reading Waived

ISSUE:

Consideration of an ordinance that would provide a comprehensive update to Chapter 8.36 of the Mendota Municipal Code, including provisions (i) prohibiting the cultivation or medical marijuana; (ii) prohibiting the location of medical marijuana dispensaries within the City; (iii) prohibiting the delivery of medical marijuana; (iv) clarifying the City's enforcement of any violations of Chapter 8.36; and (v) providing further amendments needed to clarify the regulation of medical marijuana within the City.

BACKGROUND:

In 1996, California voters approved Proposition 215, the Compassionate Use Act, which exempted qualified patients and their primary caregivers from criminal liability for the possession and cultivation of marijuana for medical purposes. In 2003, the California Legislature enacted additional regulations through the passage of Senate Bill 420, the Medical Marijuana Program Act, to establish and implement a program for voluntary registration of qualified patients and their primary caregivers through a statewide identification card.

In late 2015, the Legislature passed, and the Governor signed, three pieces of legislation, AB 266, AB 243 and SB 643, collectively called the Medical Marijuana Regulation and Safety Act (the "Act"). The Act is effective as of January 1, 2016. The Act provides a statewide program for the licensing and regulation of commercial cannabis activity, specifically, the operation of medical marijuana dispensaries and the delivery and cultivation of marijuana. The Act provides that, in accordance with the California Constitution and as expressly held by the California Supreme Court, local authority remains intact, and the City may adopt

ordinances to either regulate medical marijuana businesses or to prohibit such operations and related activities altogether.

Previously, the Act contained provisions suggest that, if a city did not have a zoning ordinance expressly addressing cultivation, the State would become the sole licensing and regulatory authority for that activity effective March 1, 2016. That deadline, however, has now been removed by recent legislation signed by the Governor on February 2, 2016.

The Act also provides that if a city does not have an ordinance in effect that expressly bans medical marijuana delivery in conjunction with a dispensary before the State begins issuing licenses, the State will be the sole regulatory body and delivery will be allowed with just a State dispensary license. It is not immediately clear when the State will be ready to issue licenses.

As a result of the foregoing, City Staff has been exploring potential amendments to the City of Mendota Municipal Code concerning the cultivation and delivery of medical marijuana, and the location of medical marijuana dispensaries in the City.

On February 9, 2016, the City Council voted to adopt a Resolution of Intention to initiate amendments to Chapter 8.36 of the Mendota Municipal Code that would (i) prohibit the establishment and/or operation of medical marijuana dispensaries, including mobile dispensaries; (ii) prohibit the indoor or outdoor cultivation of marijuana; (iii) prohibit the delivery of marijuana anywhere within the City's boundaries; and (iv) make certain other clarifying changes to the existing text of Chapter 8.36.

City Staff prepared a proposed Ordinance Amending Chapter 8.36 of the Mendota Municipal Code Relating to the Establishment and Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Delivery of Medical Marijuana (the "Proposed Ordinance").

On March 2, 2016, the City published notice in the Firebaugh Mendota Journal advising that the Planning Commission would conduct a public hearing on the Proposed Ordinance at its March 15, 2016, regular meeting. At the March 15, 2016, meeting, the Planning Commission conducted a public hearing, and recommended that the City Council approve the Proposed Ordinance.

The City Council subsequently continued its public hearing on the Proposed Ordinance to May 10, 2016.

On April 27, 2016, the City published notice in the Firebaugh Mendota Journal advising that the City Council would conduct a public hearing on the Proposed Ordinance at its May 10, 2016, regular meeting.

DISCUSSION:

Staff is recommending that the City Council conduct a first reading of the Proposed Ordinance amending Chapter 8.36 of the Mendota Municipal Code which, if enacted, would (i) prohibit the establishment and/or operation of medical marijuana dispensaries, including mobile dispensaries; (ii) prohibit the indoor or outdoor cultivation of marijuana; (iii) prohibit the

delivery of marijuana anywhere within the City's boundaries; and (iv) make certain other clarifying changes to the existing text of Chapter 8.36. City Staff also recommended that the City Council enact the Proposed Ordinance at the next available meeting.

Staff also recommends that the City Council find the Proposed Ordinance is not subject to environmental review under the California Environmental Quality Act.

Purpose and Intent of the Medical Marijuana Urgency Ordinance

In recommending the prohibition of marijuana dispensaries, and the delivery and cultivation of marijuana, as well as related activities, staff is making no judgment on whether individuals obtain some medical benefit from marijuana. The sole purpose of the Ordinance would be to protect the City's residents, business owners, and visitors from the detrimental secondary effects that such activities can create. The adoption of this Ordinance would allow the City to retain local control over the regulation of commercial medical marijuana activities. Adoption of a prohibition now will afford the City the opportunity to see how the State's regulatory structure develops and what unintended consequences, if any, may arise from implementation of the state program.

Secondary Effects of Medical Marijuana Activities

Much of the criminal activity associated with marijuana dispensary operations is due to the fact that federal law still classifies marijuana as a Schedule I drug, considered one of the most dangerous controlled substances along with heroin, LSD, Ecstasy and others. As long as it remains so classified, banks face severe monetary penalties or even closure, and individual bankers can be criminally prosecuted and banned from the industry, if they assist dispensary owners with opening and maintaining bank accounts. As a result, dispensaries must generally operate as a cash-only business. The Los Angeles Times recently reported that the "\$700-million-a-year cannabis industry run[s] almost entirely on cash." (See Exhibit "B.") With so much cash moving around, it is perhaps no surprise that dispensaries and related marijuana activities are a magnet for crime. In addition to robberies at dispensaries, grow houses have been broken into, and the Times reported that gangs in Denver have targeted couriers moving dispensary cash around the city.

Even a very cursory web search confirms that dispensaries are particularly vulnerable to criminal activity: in 2015 alone, at least three Los Angeles dispensaries were robbed; security guards at two of them were injured and an employee was injured at the third. A security guard was shot and killed at a San Bernardino dispensary in February. And an armed robbery of a dispensary in Upland in January 2015 led to a stand-off with the SWAT team at a nearby apartment building.

The City of Mendota Police Department, the County of Fresno, and the Fresno County Sheriff, have each determined that medical marijuana cultivation poses a threat to the public peace, health and safety. Many medical marijuana grows have recently emerged in Fresno County, which are visible to the public, including children and youths. Some of these grows contain booby-trap devices that threaten severe bodily harm or death to those who attempt to access

them. There is also a threat of violent crime due to the size, location, and monetary value of these mature medical marijuana grows.

Proposed Features of the Potential Ordinance

Staff's proposed amendments to Chapter 8.36 of the Mendota Municipal Code would prohibit the establishment and operation of a medical marijuana dispensary anywhere within the City's boundaries, regardless of the zone, adopted specific plan, overlay zone or any other development or use classification of the property. The Amendments would also prohibit the indoor and outdoor cultivation of marijuana, and the delivery of marijuana from a fixed or mobile dispensary to another person within the City. The Amendments would also make certain changes to clarify Chapter 8.36 and its implementation.

CEQA. Staff has found that the approval of this ordinance is not subject to the California Environmental Quality Act, Public Resources Code, § 21000, *et seq.* ("CEQA"), pursuant to Section 15060(c)(2) of the CEQA Guidelines, on the grounds that the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and Section 15060(c)(3) of the CEQA Guidelines, on the grounds that the activity is not a project as defined in Section 15378 of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly. In addition, and in the alternative, the approval of this ordinance is not a project under Section 15061(b)(3) of the CEQA Guidelines because it has no potential for causing a significant effect on the environment.

RECOMMENDATION

Motion to introduce the enclosed ordinance and give first reading, by title only, with second reading waived.

Attachments

Ex. "A": [Proposed] Ordinance Amending Chapter 8.36 of the Mendota Municipal Code Relating to the Establishment and Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Delivery of Medical Marijuana

Ex. "B": *Limited by U.S. banking rules, pot businesses rely on bags of cash and armed guards,* Los Angeles Times, December 19, 2015.

Ex. "C": City Council, City of Mendota, Resolution No. 16-08, Resolution of Intention to Initiate an Amendment to Chapter 8.36 of the Mendota Municipal Code Relating to the Establishment and Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Delivery of Medical Marijuana

Ex. "D": Planning Commission, City of Mendota, Resolution No. 16-02

Nation

Limited by U.S. banking rules, pot businesses rely on bags of cash and armed guards



Kristi Kelly owns Good Meds, a medical marijuana company. Banks face prosecution for working with marijuana dispensaries, forcing businesses like Kelly's to operate almost entirely on cash. (David Kelly / For The Times)

By **David Kelly**

DECEMBER 19, 2015, 3:00 AM | REPORTING FROM DENVER

The Fourth Corner Credit Union occupies a prime spot in downtown Denver, not far from the state Capitol. It has a big safe, four teller windows, drive-up service and a banner out front that says, "The Fourth Corner Credit Union Coming Soon."

But there's a problem.

The Federal Reserve Bank of Kansas City, which oversees Denver, has refused Fourth Corner's request for a "master account," essentially a bank account allowing it to do business.

"You can't have a bank chartered by the state of Colorado and then nullified by the federal government," said Mark Mason, an attorney for the credit union.

Unless the Fed simply doesn't like the customers.

And in this case, the customers work in the cannabis trade. Fourth Corner hopes to be the first financial institution in the nation catering exclusively to the marijuana business.

But although pot is legal here, it remains a Schedule 1 controlled substance along with LSD and heroin in the eyes of the federal government. That means any bank working with the weed business faces prosecution.

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"Banks face a number of risks if they choose to serve the industry, up to and including closure of their institutions," said Amanda Averch, director of communications for the Colorado Bankers Assn.

"Regulators can impose civil money penalties, cease-and-desist orders, fines and can ban bankers from their careers for life."

Political remedies are being considered but major roadblocks remain, leaving the \$700-million-a-year cannabis industry running almost entirely on cash. Bags of it are taken to grocery stores to buy money orders to pay staff. Houses are rented and filled with safes full of cash. Phony bank accounts are created and then shut down when the money arrives reeking of pot.

Nearly everyone in the marijuana business has had bank accounts closed.

"So far we have lost 25 bank accounts," said Kristi Kelly, owner of the Good Meds medical marijuana dispensaries near Denver. "Our biggest area of exposure is what we do with our cash. Then how do we pay our bills? We are not talking about \$20 but five- and six-figure bills."

Those who can have hired armed private security to guard the product and ferry cash around Colorado in armored vans.

The guards are often former military personnel with combat experience in Iraq and Afghanistan.

On a recent morning, Tom Morton, a towering former Marine, cruised through a warren of faceless warehouses in North Denver before pulling into a side alley, walking up a few steps and ringing a bell.

The doors opened, revealing a bright, cavernous room with dozens of workers busily tending marijuana plants as tall as summer corn. An alcove flickered with 48 cameras trained on every employee.

Morton, 27, is a supervisor with the security company Helix TCS, checking on Travis Dombrowski, 26, a

guard who carries a semiautomatic pistol on his hip.

"I feel comfortable that I can defend the people here from any threat that comes through that door," Dombrowski said.

Morton nodded.

"Travis and I served together in Afghanistan. I know I can trust him with my life," he said. "I know in a gunfight he won't back down."

The day before, Morton was driving \$20,000 in cash and 50 pounds of pot around Denver in a van, a guard toting an AR-15 assault rifle perched in the back.

"It's totally legal," he said. "But it feels sketchy."

Criminals have targeted dozens of pot businesses. Earlier this year, shots were fired during two robberies. In another incident, a man crashed a pick-up through a grow house and chopped down \$15,000 worth of plants. And then there was a gang preying on couriers moving cash around the city.

No one has been killed, but many believe it's just a matter of time. And that's what got 26-year-old Alex Mason thinking.

He had a lot of friends in the marijuana industry and was appalled at the obstacles they faced conducting a legitimate business. So he and his father, Mark Mason, came up with the idea of a credit union servicing the cannabis business. They assembled a staff, a chief executive and a board of directors, and last year they received a state charter.

"Forget whether you are for or against cannabis, there is no rational argument to keep it an all-cash economy," said credit union Executive Vice President Mark Goldfogel. "There is no scenario where black marketing cash from a legal business is sustainable."

According to Mark Mason, the situation pushes the cannabis industry to the margins of legality.

"Most have figured out a workaround to get money to the state and others through friends or under management companies," he said. "But it all comes very close to the textbook definition of money laundering."

Mason has filed suit against the Federal Reserve for denying the credit union a master account and a hearing is set for Dec. 28 in federal court here.

A Fed spokesman declined comment.

Last year, the Obama administration issued new guidelines for banks wishing to do business with marijuana dealers that lessened the threat of prosecution but didn't offer immunity from it.

According to the Colorado Bankers Assn., 12 small banks are now working with the cannabis industry on a limited basis, but they have been warned by federal regulators not to expand those accounts, which are being closely monitored.

Blue Line Protection Group, a security firm, is doing compliance checks for such banks to ensure their cannabis clients are obeying the law.

"We know the dispensary owners, what questions to ask and how much cash and product they produce," said Blue Line Vice President Michael Jerome. "We do on-site compliance for the banks and they provide accounts for the businesses."

Blue Line is also opening a 12,000-square foot fortified "vaulting and cash processing facility" to safeguard their clients' money.

Kelly, the dispensary owner, recently opened an account with a bank that asked not to be identified. She knows it could be shut at any time.

"When my first account was closed I felt indignant," she said, "like I was being discriminated against."

It reminded Kelly of her grandmother, who had moved from China to Washington and stuffed her mattress with money because no one would give her a bank account.

"So these Chinese immigrants got together and opened their own credit union," she said. "I think there are some interesting parallels here. History has shown we can get through this, that we can remedy historical inequities."

The best solution may be an act of Congress.

Lawmakers including Colorado Sens. Michael Bennet, a Democrat, and Cory Gardner, a Republican, have introduced legislation giving marijuana businesses access to banking while barring regulators from punishing banks who legally work with them.

It's supported by the Colorado banking industry and Gov. [John Hickenlooper](#), a Democrat who opposed marijuana legalization.

But until something changes, dispensary owners and growers will continue to play hide-and-seek with criminals and rely on outfits such as Helix to protect their crops and cash.

In Greenwood Village, just south of Denver, Zachary Venegas monitored the movement of his security guards across the region from his office. If one of their unmarked vans carrying cash or marijuana veers off course, he's instantly alerted.

Venegas is a West Point graduate and former infantry officer who has owned security businesses in Africa and the Middle East before becoming chief executive of Helix. Nearly all his employees are former members of the military.

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"We are all comfortable in a mission-oriented culture," he said.

Still, he believes it's just a matter of time before a major crime targeting the cannabis industry results in significant casualties.

"A lot of people are saying, 'Well, let's just see how it goes,' as if there's not an actual threat," he said. "But I think the illegal side is out there just watching and waiting to strike."

Kelly is a special correspondent.

ALSO

[Tesla Motors receives \\$39 million in sales tax incentives from state](#)

[Northern California woman found dead at home was possibly killed by her 2 dogs](#)

[San Bernardino shooter's friend Enrique Marquez accused of fraud in \\$200-per-month marriage](#)

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A version of this article appeared in print on December 19, 2015, in the News section of the Los Angeles Times with the headline "Legal pot shops are a high-risk business to banks" — [Today's paper](#) | [Subscribe](#)

This article is related to: [John Hickenlooper](#)

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**RESOLUTION OF INTENTION TO INITIATE
AN AMENDMENT TO CHAPTER 8.36 OF THE
MENDOTA MUNICIPAL CODE RELATING
TO THE ESTABLISHMENT AND OPERATION
OF MEDICAL MARIJUANA DISPENSARIES,
THE INDOOR AND OUTDOOR CULTIVATION
OF MEDICAL MARIJUANA, AND THE DELIVERY
OF MEDICAL MARIJUANA**

RESOLUTION NO. 16-08

WHEREAS, in 1996, the People of the State of California approved Proposition 215, the Compassionate Use Act, which exempted qualified patients and their primary caregivers from criminal liability for the possession and cultivation of marijuana for medical purposes; and

WHEREAS, in 2003, the California Legislature enacted additional regulations through the passage of Senate Bill 420, the Medical Marijuana Program Act, to establish and implement a program for voluntary registration of qualified patients and their primary caregivers through a statewide identification card; and

WHEREAS, in late 2015, the Legislature passed, and the Governor signed, three pieces of legislation, AB 266, AB 243 and SB 643, collectively called the Medical Marijuana Regulation and Safety Act (the "Act"), which provides a statewide program for the licensing and regulation of commercial medical cannabis activity, specifically, the operation of medical marijuana dispensaries and the delivery and cultivation of medical marijuana; and

WHEREAS, the Act provides that, in accordance with the California Constitution and as expressly held by the California Supreme Court, local authority remains intact, and therefore the City may adopt ordinances to either regulate medical marijuana businesses or to prohibit such operations and related activities altogether; and

WHEREAS, the City Council takes legislative notice that the use, possession, cultivation, distribution and sale of marijuana remain illegal under the Controlled Substances Act ("CSA," 21 U.S.C. Section 841), and that federal courts have recognized that despite California laws, marijuana is deemed to have no accepted medical use and the federal government may properly enforce the CSA in California; and

WHEREAS, in light of the continuing conflict between state and federal law, the City must resolve for itself whether, as a land use matter, cultivation of medical marijuana, delivery of medical marijuana, medical marijuana dispensaries, and related activities should be permitted, regulated or prohibited; and

WHEREAS, the City Council concurs with the City of Mendota Police Department, the County of Fresno, and the Fresno County Sheriff, who have determined that medical marijuana cultivation poses a threat to the public peace, health and safety. Many medical marijuana grows have recently emerged in Fresno County, which are visible to the public, including children and youths. Some of these grows contain booby-trap devices that threaten severe bodily harm or death to those who attempt to access them. There is also a threat of violent crime due to the size, location, and monetary value of these mature medical marijuana grows; and

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors; and

WHEREAS, in the case of multiple qualified patients who are in control of the same legal parcel, or parcels, of property, or in the case of collective or cooperative cultivation, or in the case of a caregiver growing for numerous patients, a very large number of plants could be cultivated on the same legal parcel, or parcels, within the City; and

WHEREAS, the strong smell of marijuana creates an attractive nuisance, alerting persons to the location of the valuable plants, and creating a risk of burglary, robbery or armed robbery; and

WHEREAS, the indoor cultivation of marijuana has potential adverse effects to the structural integrity of the building, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire which presents a clear and present danger to the building and its occupants; and

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognizes that the cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering or crime; and

WHEREAS, based on the experiences of other cities, these negative effects on the public health, safety, and welfare are likely to occur, and continue to occur, in the City due to the establishment and operation of marijuana cultivation, processing and distribution activities; and

WHEREAS, based on the foregoing and other evidence, medical marijuana grows can create a nuisance that threatens the safety and property of nearby landowners and their families; and

WHEREAS, based on the foregoing concerns, following the passage of the Act, City Staff commenced a review of its existing ordinances relating to medical marijuana, which are located at Chapter 8.36 of the of the Mendota Municipal Code; and

WHEREAS, following its review of Chapter 8.36, the City has determined that it is in the City's best interest to consider the potential prohibition of (i) the cultivation of medical marijuana, (ii) the delivery of medical marijuana; and (ii) medical marijuana dispensaries within the City; and

WHEREAS, Section 17.08.040 of the Mendota Municipal Code provides the procedure for the enactment of amendments to the City's Zoning Code, which is located at Title 17 of the Mendota Municipal Code; and

WHEREAS, although the Chapter 8.36 is not located in Title 17, the regulation of certain aspects of medical marijuana, including cultivation and dispensaries, imposes potential regulations on land use, and therefore the City in an abundance of caution is employing the procedures set forth in Section 17.08.040 to consider an amendment to Chapter 8.36 of the Mendota Municipal Code; and

WHEREAS, Section 17.08.040(B) of the Mendota Municipal Code provides that "Amendments to this title may be initiated in the following manner . . . The council may propose an amendment by a resolution of intention"; and

WHEREAS, Section 17.08.040(B) of the Mendota Municipal Code provides that the secretary shall set a public hearing on any proposed amendments by the Planning Commission "no less than ten (10) days nor more than forty (40) days . . . after the adoption of a resolution of intention by the commission or the council."

NOW, THEREFORE, BE IT RESOLVED that the City Council for the City of Mendota hereby authorizes Staff to proceed with the preparation of a comprehensive update to Chapter 8.36 of the Mendota Municipal Code to (i) prohibit the cultivation or medical marijuana; (ii) prohibit the location of medical marijuana dispensaries within the City; (iii) prohibit the delivery of medical marijuana; (iv) clarify the City's enforcement of any violations of Chapter 8.36; and (v) provide any further amendments needed to clarify the regulation of medical marijuana within the City.

BE IT FURTHER RESOLVED that the Secretary shall schedule a public hearing before the Planning Commission on the proposed amendments to Chapter 8.36 of the Mendota Municipal Code no less than ten (10) days nor more than forty (40) days after the adoption of this resolution.

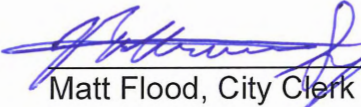



Robert Silva, Mayor

ATTEST:

I, Matt Flood, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 9th day of February, 2016, by the following vote:

AYES: 4 – Mayor Silva, Mayor Pro Tem Valdez, Councilors Amador and Castro.
NOES: 0
ABSENT: 1 – Councilor Riofrio.
ABSTAIN: 0


Matt Flood, City Clerk



**PLANNING COMMISSION
OF THE CITY OF MENDOTA
FRESNO COUNTY, CALIFORNIA**

RESOLUTION NO. PC 16-02

**A RESOLUTION OF THE CITY OF MENDOTA PLANNING COMMISSION
RECOMMENDING THAT THE CITY COUNCIL OF THE CITY OF MENDOTA ADOPT
AN ORDINANCE AMENDING CHAPTER 8.36 OF THE MENDOTA MUNICIPAL
CODE RELATING TO THE ESTABLISHMENT AND OPERATION OF MEDICAL
MARIJUANA DISPENSARIES, THE INDOOR AND OUTDOOR CULTIVATION OF
MEDICAL MARIJUANA, AND THE DELIVERY OF MEDICAL MARIJUANA.**

WHEREAS, on February 9, 2016, the City Council voted to adopt a Resolution of Intention to Initiate an Amendment to Chapter 8.36 of the Mendota Municipal Code Relating to the Establishment and Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Delivery of Medical Marijuana (the "Resolution of Intention"); and

WHEREAS, although the Chapter 8.36 is not located in Title 17, the regulation of certain aspects of medical marijuana, including cultivation and dispensaries, imposes potential regulations on land use, and therefore the City in an abundance of caution is employing the procedures set forth in Section 17.08.040 to consider an amendment to Chapter 8.36 of the Mendota Municipal Code; and

WHEREAS, Section 17.08.040(B) of the Mendota Municipal Code provides that "Amendments to this title may be initiated in the following manner . . . The council may propose an amendment by a resolution of intention"; and

WHEREAS, Section 17.08.040(B) of the Mendota Municipal Code provides that the secretary shall set a public hearing on any proposed amendments by the Planning Commission "no less than ten (10) days nor more than forty (40) days . . . after the adoption of a resolution of intention by the commission or the council"; and

WHEREAS, City Staff has prepared a proposed Ordinance Amending Chapter 8.36 of the Mendota Municipal Code Relating to the Establishment and Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Delivery of Medical Marijuana, a copy of which is attached hereto as Exhibit "A" (the "Proposed Ordinance"); and

WHEREAS, on March 2, 2016, the City published notice in the Firebaugh Mendota Journal advising that the Planning Commission would conduct a public hearing on the Proposed Ordinance at its March 15, 2016, regular meeting; and

WHEREAS, on March 15, 2016, the Planning Commission conducted a duly-noticed public hearing on the Proposed Ordinance; and

WHEREAS, Staff has reviewed the Proposed Ordinance, and has determined that the approval of the Proposed Ordinance is not subject to the California Environmental Quality Act, Public Resources Code, § 21000, *et seq.* ("CEQA"), pursuant to Section 15060(c)(2) of the CEQA Guidelines, on the grounds that the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and Section 15060(c)(3) of the CEQA Guidelines, on the grounds that the activity is not a project as defined in Section 15378 of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly. Staff has also determined that, alternatively, the Proposed Ordinance is not a project under Section 15061(b)(3) of the CEQA Guidelines because it has no potential for causing a significant effect on the environment.

WHEREAS, Section 17.08.040(H) of the Mendota Municipal Code provides that the City Council shall hold a public hearing on the proposed amendments "not less than ten days nor more than forty (40) days after the filing of the commission's resolution by the council," and that notice of said council hearing "shall be given as provided in Section 17.08.040(F)."

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission for the City of Mendota hereby recommends to the City Council approval of the Proposed Ordinance, attached hereto and made a part of this resolution as Exhibit "A."

BE IT FURTHER RESOLVED that the Planning Commission finds the approval of this ordinance is not subject to CEQA, pursuant to Section 15060(c)(2) of the CEQA Guidelines, on the grounds that the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and Section 15060(c)(3) of the CEQA Guidelines, on the grounds that the activity is not a project as defined in Section 15378 of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly. Alternatively, the Planning Commission finds the approval of this ordinance is not a project under Section 15061(b)(3) of the CEQA Guidelines because it has no potential for causing a significant effect on the environment.

BE IT FURTHER RESOLVED that the Secretary shall file this Resolution No. PC 16-02 with the City Council, and shall schedule a public hearing before the City Council on the Proposed Ordinance no less than ten (10) days nor more than forty (40) days after the adoption of this resolution. The Secretary shall also provide notice of the City Council hearing as provided under Section 17.08.040 of the Mendota Municipal Code no later than 10 days before the hearing.

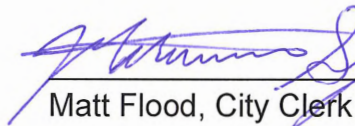
PASSED AND ADOPTED by the Planning Commission of the City of Mendota at a regular meeting held on the 15th of March, 2016, upon a motion by Commissioner Escobedo, a second by Vice-Chairperson Quintanar, and by the following vote:

AYES: 5 – Chairperson Luna, Vice-Chairperson Quintanar, Commissioners Escobedo, Espinoza, and Gamez.
NOES: 0
ABSTAIN: 0
ABSENT: 1 – Commissioner Garcia.

ATTEST:



Juan Luna, Chair



Matt Flood, City Clerk



**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MENDOTA, CALIFORNIA,
AMENDING CHAPTER 8.36 OF THE MENDOTA
MUNICIPAL CODE RELATING TO THE
ESTABLISHMENT AND OPERATION OF
MEDICAL MARIJUANA DISPENSARIES,
THE INDOOR AND OUTDOOR CULTIVATION
OF MEDICAL MARIJUANA, AND THE
DELIVERY OF MEDICAL MARIJUANA**

ORDINANCE NO. 16-05

WHEREAS, in 1996, the People of the State of California approved Proposition 215, the Compassionate Use Act, which exempted qualified patients and their primary caregivers from criminal liability for the possession and cultivation of marijuana for medical purposes; and

WHEREAS, in 2003, the California Legislature enacted additional regulations through the passage of Senate Bill 420, the Medical Marijuana Program Act, to establish and implement a program for voluntary registration of qualified patients and their primary caregivers through a statewide identification card; and

WHEREAS, in late 2015, the Legislature passed, and the Governor signed, three pieces of legislation, AB 266, AB 243 and SB 643, collectively called the Medical Marijuana Regulation and Safety Act (the "Act"), which provides a statewide program for the licensing and regulation of commercial medical cannabis activity, specifically, the operation of medical marijuana dispensaries and the delivery and cultivation of medical marijuana; and

WHEREAS, the Act provides that, in accordance with the California Constitution and as expressly held by the California Supreme Court, local authority remains intact, and therefore the City may adopt ordinances to either regulate medical marijuana businesses or to prohibit such operations and related activities altogether; and

WHEREAS, the Act further provides that if a city does not have an ordinance in effect that expressly prohibits the delivery of medical marijuana in conjunction with a dispensary before the State begins issuing licenses, the State will be the sole regulatory body for that activity and delivery will be permissible with just a State license; and

WHEREAS, the City Council takes legislative notice that the use, possession, cultivation, distribution and sale of marijuana remain illegal under the Controlled Substances Act ("CSA," 21 U.S.C. Section 841), and that federal courts have recognized that despite California laws, marijuana is deemed to have no accepted

medical use and the federal government may properly enforce the CSA in California; and

WHEREAS, in light of the continuing conflict between state and federal law, the City must resolve for itself whether, as a land use matter, cultivation of medical marijuana, delivery of medical marijuana, medical marijuana dispensaries, and related activities should be permitted, regulated or prohibited; and

WHEREAS, the City Council concurs with the City of Mendota Police Department, the County of Fresno, and the Fresno County Sheriff, who have determined that medical marijuana cultivation poses a threat to the public peace, health and safety. Many medical marijuana grows have recently emerged in Fresno County, which are visible to the public, including children and youths. Some of these grows contain booby-trap devices that threaten severe bodily harm or death to those who attempt to access them. There is also a threat of violent crime due to the size, location, and monetary value of these mature medical marijuana grows.

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors;

WHEREAS, in the case of multiple qualified patients who are in control of the same legal parcel, or parcels, of property, or in the case of collective or cooperative cultivation, or in the case of a caregiver growing for numerous patients, a very large number of plants could be cultivated on the same legal parcel, or parcels, within the City;

WHEREAS, the strong smell of marijuana creates an attractive nuisance, alerting persons to the location of the valuable plants, and creating a risk of burglary, robbery or armed robbery;

WHEREAS, the indoor cultivation of marijuana has potential adverse effects to the structural integrity of the building, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire which presents a clear and present danger to the building and its occupants;

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognizes that the cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering or crime;

WHEREAS, based on the experiences of other cities, these negative effects on the public health, safety, and welfare are likely to occur, and continue to occur, in the City due to the establishment and operation of marijuana cultivation, processing and distribution activities;

WHEREAS, based on the foregoing and other evidence, medical marijuana

grows can create a nuisance that threatens the safety and property of nearby landowners and their families.

WHEREAS, nothing in Chapter 8.36 of the Mendota Municipal Code shall be deemed to conflict with federal law, as contained in the Controlled Substances Act, 21 U.S.C. § 841, or to license any activity that is prohibited under the act except as mandated by state law.

WHEREAS, nothing in Chapter 8.36 of the Mendota Municipal Code shall be construed to (i) allow persons to engage in conduct that endangers others or causes a public nuisance; (ii) allow the use of marijuana for non-medical purposes; or (iii) allow any activity relating to the cultivation, distribution, or consumption of marijuana that is illegal under state or federal law.

WHEREAS, the City Council finds and declares that it is necessary to retain local control over the regulation of medical marijuana activities in order to protect public health, safety and welfare.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MENDOTA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: Chapter 8.36 of the Mendota Municipal Code is amended in its entirety to read as follows:

8.36.010 – Purpose & intent.

It is the purpose and intent of this Chapter 8.36, pursuant to Section 25123(d) of the Government Code to immediately prohibit the cultivation and delivery of medical marijuana to preserve the public peace, health, safety and general welfare of the citizens of the City of Mendota. It is also the purpose and intent of this Chapter 8.36 to continue in effect the City of Mendota’s prohibition of medical dispensaries and limitations on the places where medical marijuana may be consumed.

8.36.020 – Relationship with other laws.

This chapter is not intended to, nor shall it be construed or given effect in a manner that causes it to apply to, any activity that is regulated by federal or state law to the extent that application of this chapter would conflict with such law or would unduly interfere with the achievement of federal or state regulatory purposes. It is the intention of the City Council that this chapter shall be interpreted to be compatible and consistent with federal and state enactments and in furtherance of the purposes which those enactments express. It is the intention that the provisions of this chapter will supersede any other provisions of this Mendota Municipal Code found to be in conflict.

8.36.030 – Definitions.

Notwithstanding any other provision in the Mendota Municipal Code, for purposes of this Chapter 8.36, the following terms shall have the following meanings:

“Collective or cooperative cultivation” means the association within California of qualified patients, persons with valid identification cards, and the designated primary caregivers of patients and persons with identification cards to cultivate medical marijuana.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, storing or trimming of medical marijuana.

“Delivery” means the commercial transfer of medical marijuana from a dispensary to a qualified patient, primary caregiver or person with an identification card, as defined in Section 11362.7 of the California Health & Safety Code, through any means of transport or delivery service. “Delivery” also includes the use by a medical marijuana dispensary, as defined herein, of any technology platform that enables qualified patients or primary caregivers to arrange for or facilitate the transfer of medical marijuana by a dispensary.

“Medical marijuana” or “medical cannabis” means “medical cannabis” as defined in Section 19300.5, subdivision (ag) of the California Business & Professions Code.

“Medical marijuana dispensary” means any facility or location, whether fixed or mobile, where medical marijuana is offered, provided, sold, made available or otherwise distributed to a qualified patient, primary caregiver, or person with an identification card, as defined in Section 11362.7 of the California Health & Safety Code. For purposes of this section, the following do not constitute a “medical marijuana dispensary” so long as they comply with this section, the Mendota Municipal Code and all other applicable laws, and hold a current and valid state license duly issued in accordance with the applicable California law:

- a. A clinic, as defined in Section 1200 of the Health & Safety Code;
- b. A health care facility, as defined in Section 1250 of the Health & Safety Code;
- c. A residential care facility for persons with chronic life-threatening illness, as defined in Section 1568.01 of the Health & Safety Code;
- d. A residential care facility for the elderly, as defined in Section 1569.2 of the Health & Safety Code;
- e. A home health agency, as defined in Section 1727 of the Health & Safety Code, or a hospice that operates in accordance with Section 1726 of the Health & Safety Code; and
- f. A pharmacy, as defined in Section 4037 of the Business and Professions Code.

“Person” means any individual, partnership of any kind, corporation, limited liability company, association, joint venture, or other organization or entity, however formed.

8.36.040 – Regulations applicable to the consumption of medical marijuana.

No person shall smoke, ingest, or otherwise consume medical marijuana in the city of Mendota unless such person is a qualified patient or person with an identification card, and such smoking, ingesting or consumption occurs entirely within that person's principal place of residence or on the premises of that person's principal place of residence but out of public view. "Out of public view" shall mean out of view from public rights-of-way where members of the public are lawfully entitled to be. The phrase "inside a private residence" shall mean inside habitable areas and shall include garages, whether attached or detached, and other accessory buildings.

8.36.050 – Medical Marijuana Dispensaries, Cultivation and Delivery.

The following prohibitions apply to all property within the City's boundaries, regardless of the zone, adopted specific plan, overlay zone or any other development or use classification or other designation of the property:

1. It is unlawful for any person, to establish or operate, or to allow, cause, create, suffer or permit the establishment or operation of a medical marijuana dispensary.
2. It is unlawful for any person to engage in the indoor or outdoor cultivation of medical marijuana, or to allow, cause, create, suffer or permit the indoor or outdoor cultivation of medical marijuana.
3. It is unlawful for any person to deliver medical marijuana to another person, or to allow, cause, create, suffer or permit the delivery of medical marijuana to another person.

8.36.060 – Violation and enforcement

Each and every violation of this chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by Title 1, Chapter 1.20 of this code. Additionally, as a nuisance *per se*, any violation of this chapter shall be subject to injunctive relief, payment to the city of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, civil penalties as set by the city council by resolution and any other relief or remedy available at law or equity. The city may also pursue any and all remedies and actions available and applicable under local and state laws for any violations of this chapter.

The Mendota Police Department, with administrative assistance from the city manager's office, shall have primary responsibility for enforcement of the provisions of this chapter; however, nothing herein shall limit the ability of the City's designated code enforcement officer to enforce the provisions of this chapter as may be necessary from time-to-time.

Nothing in this chapter shall be construed as imposing on the enforcing officer or the city of Mendota any duty to issue any notice to abate, nor to abate, nor to take any other action with regard to any violation of this chapter, and neither the enforcing officer nor

the city of Mendota shall be held liable for failure to issue an order to abate, nor for failure to abate, nor for failure to take any other action with regard to any violation of this chapter.

8.36.070 – Severability

If any part of this chapter is for any reason held to be invalid, unlawful, or unconstitutional, such invalidity, unlawfulness or unconstitutionality shall not affect the validity, lawfulness, or constitutionality of any other part of this chapter.

SECTION 2. The City Council finds the approval of this ordinance is not subject to the California Environmental Quality Act, Public Resources Code, § 21000, *et seq.* ("CEQA"), pursuant to Section 15060(c)(2) of the CEQA Guidelines, on the grounds that the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and Section 15060(c)(3) of the CEQA Guidelines, on the grounds that the activity is not a project as defined in Section 15378 of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly. Alternatively, the City Council finds the approval of this ordinance is not a project under Section 15061(b)(3) of the CEQA Guidelines because it has no potential for causing a significant effect on the environment.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council of the City of Mendota hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION 4. The adoption of any provision of this Ordinance does not affect any prosecution, civil action or administrative proceeding for any ordinance violation committed prior to the effective date of this ordinance; does not waive any fee, penalty, license or permit requirement due or in effect on the date this ordinance is adopted; and does not affect the validity of any bond or cash deposit posted, filed or paid pursuant to the requirements of any Ordinance.

SECTION 5. Within fifteen (15) days of the adoption of this Ordinance, a summary thereof, including the names of the City Council Members voting for and against it, shall be prepared by the City Attorney for publication in the *Firebaugh-Mendota Journal*, and a certified copy of the Ordinance shall be posted in the office of the City Clerk.

SECTION 6. This ordinance shall become effective and in full force at 12:00 midnight on the 31st day following its adoption.

* * * * *

The foregoing ordinance was introduced on the 10th day of May, 2016 and duly passed and adopted by the City Council of the City of Mendota at a regular meeting thereof held on the 24th day of May, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Robert Silva, Mayor

ATTEST:

Matt Flood, City Clerk

APPROVED AS TO FORM:

John Kinsey, City Attorney

AGENDA ITEM - STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: GREGG L. ANDREOTTI, CHIEF OF POLICE
VIA: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: ANTI-MARIJUANA POSITION BY THE CHIEF OF POLICE
DATE: MAY 16, 2016

ISSUE:

Should the City adopt an ordinance prohibiting the Cultivation, Distribution and sale of Medical Marijuana and related business within the City of Mendota?

BACKGROUND:

On October 9, 2015, the Governor signed the Medical Marijuana Regulation and Safety Act (Act), a comprehensive set of rules regulating medical marijuana business, both dispensaries and cultivation, subject to local control. The Act, created by three separate bills (AB 266, AB 243, and AB 643), creates a comprehensive state licensing system for the commercial cultivation, manufacture, retail sale, transport, distribution, delivery, and testing of medical cannabis. All licenses must also be approved by local governments. The Act is designed, in part, to ensure uniformity among jurisdictions that wished to allow medical marijuana dispensaries and cultivation.

The Act provides that local jurisdictions may adopt or amend their own land use regulations of ordinances regulating or prohibiting the cultivation, transport, sale, and dispensing of marijuana for medical purposes.

The Act allows the City to permit or deny commercial cultivation and dispensaries, subject to any licensing requirements established by the City. The City will be responsible for enforcement of any requirements/regulations.

Commercial cultivation, transportation, and commercial dispensaries related to medical marijuana raise a number of health, safety, and welfare concerns. There are many documented problems throughout Fresno County and the region. Some of the documented problems with cultivation include offensive odors, trespassing, theft, and violent encounters between growers and persons attempting to steal plants. For indoor grows, there have been problems with fire hazards, mold, fungus, odors, and pests. For distribution, there are documented problems with medical marijuana dispensaries such as increased crime in and about the dispensary, robberies of customers, negative impact on nearby business, nuisance problems, and increased DUI's.

More so the community at large would be impacted by not having strict or complete ban of growing marijuana. Those concerns involve but are not limited to;

- Proliferation of grow houses in residential areas, possibly next to schools;
- Life safety hazards created by grow houses;
- Increased organized gang activity;
- Exposure of minors to marijuana
- Impaired public health and
- Decreased quality of life/property value in deteriorating neighborhoods

In 1996, with the adoption of Proposition 215, California voters approved the Compassionate Use Act (Health and Safety Code 11362.5) to ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes where that medical use is deemed appropriate and has been recommended by a physician, without fear of criminal prosecution under limited, specific circumstances.

Subsequent State legislation sought to clarify the scope of the Compassionate Use Act and provide additional statutory guidance regarding medical marijuana use. These statutes are codified at Health and Safety Code 11362.7 et seq. and allow cities and counties to adopt supplemental rules and regulations.

The recently signed Medical Marijuana Regulations and Safety Act allows local jurisdictions to enact their own regulations or the State will become the sole licensing authority. What this means is that if the City of Mendota, or any municipal city, does not regulate Medical Marijuana the City may be subject to the State having sole regulation authority.

Some jurisdictions have selected to enact laws allowing Medical Marijuana commercial cultivation, processing/extraction plants and dispensaries even though Federal Controlled Substances Act, 21 United States Code Section 801 et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use under federal law for any person to cultivate, manufacture, distribute or dispense or possess with intent to manufacture, distribute or dispense, marijuana.

18 United States Code Section 371 - Conspiracy to commit offense or to defraud United States reads; If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title or imprisoned not more than five years, or both. If, however, the offense, the commission of which is the object of the conspiracy, is a misdemeanor only, the punishment for such conspiracy shall not exceed the maximum punishment provided for such misdemeanor.

Two or more persons engaged in businesses in violation of Federal Controlled Substances Act, 21 U.S.C. Section 801 et seq. are subject to a federal conspiracy law violation.

Financial institutions are either federally regulated or audited by the Federal Deposit Insurance Corporation (FDIC). In 2014 the U.S. Department of the Treasury and other federal regulators issued guidelines that outlined how banks can legally provide accounts to marijuana business. Please see attached Department of the Treasury Financial Crimes Enforcement Network; FIN-2014-G00, issued February 14, 2014.

The California Police Chief's Association publically opposes the legalization of marijuana and regularly speaks in oppositions at pro-marijuana events. Fresno County Sheriff Margaret Mims also opposes the legalization of marijuana and successfully led the effort that resulted in the Fresno County Board of Supervisors establishing strict marijuana regulations within Fresno County. Please see attached letter from Sheriff Mims' in support of strict marijuana regulations in the City of Mendota.

As the City of Mendota Chief of Police I personally oppose any Medical Marijuana related business or public consumption within the City.

RECOMMENDATION:

Adopt Ordinance No. 16-05 which will prevent the establishing of marijuana related businesses within the City of Mendota; Operation of Medical Marijuana Dispensaries, the Indoor and Outdoor Cultivation of Medical Marijuana, and the Sale and Delivery of Medical Marijuana.



Margaret Mims
Sheriff-Coroner
Fresno County Sheriff's Office

May 16, 2016

Gregg Andreotti
Chief of Police
Mendota Police Department
1000 Airport Blvd. Suite A
Mendota, CA 93640

Dear Chief Andreotti:

I am writing this letter in support of your stance which parallels Fresno County's "Zero Tolerance" policy regarding the cultivation of marijuana and opposing the opening of Marijuana Dispensaries within the City of Mendota.

Even with the knowledge that such dispensaries are a violation of Federal Law, some cities in Fresno County, have focused on the revenue generating potential of such ventures and have turned a blind eye to the disruptive, violence prone, and criminal sides of such enterprises.

I applaud your efforts for not giving up on the fight against drugs and doing the right thing, in the face of today's political realities. I believe your stance which parallels Fresno County's "Zero Tolerance" policy regarding the cultivation of marijuana and opposing the opening of Marijuana Dispensaries within the City of Mendota is in the best interest for the safety and wellbeing of the citizens of Mendota.

Sincerely,

Margaret Mims, Sheriff-Coroner

Dedicated to Protect & Serve

PUBLIC WORKS REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: CRISTIAN GONZALEZ, PUBLIC WORKS DIRECTOR
VIA: VINCE DIMAGGIO, CITY MANAGER
SUBJECT: PUBLIC WORKS MONTHLY REPORT
DATE: MAY 24, 2016

STREETS AND ROADS

- The City's street sweeper continues to operate on its normal schedule, Mondays, Wednesdays and Fridays. When significant rain prohibits street sweeping activities on sweeping days, the street sweeper will sweep the skipped route the following day, assuming the weather allows.
- The LED street and park light retrofit will be complete by the end of May. The contractor will focus on troubleshooting a few of the non operational lights before the notice of completion is processed.
- City crews continue to address potholes and street patching.

PARKS AND PUBLIC BUILDINGS

- Public Works continues to maintain parks and the baseball diamond.

DRINKING WATER

- Meter reads are being performed.
- Water leaks were repaired at K street.
- Exchange well #5 was repaired by Madera Pump. The pump was seized with debris. This well is used to pump water into the slough as part of our drinking water exchange agreement.

WASTER WATER

- Public Works continues to perform sewer line maintenance with the City's vacuum truck and by using special chemicals that break down solids that stick to the sewer line pipe walls.

ANIMAL CONTROL

- Animals impounded: 35
- Animals euthanized: 29
- Animals redeemed by owner: 6
- Graffiti abated: 5
- Citations issued: 6

ADULT OFFENDER WORK PROGRAM

- AOWP working on public right of way and alley weed abatement including all tree-wells and City owned lots.
- The program also assists with maintenance of the Pool Park.

BUILDING PERMITS ISSUED

- A list of new permits is attached to the report.

PLANNING

- No major projects.

STAFFING FOR PUBLIC WORKS

- 13 full time employees
- 5 part time employees
- 1 full time/part time (Proteus)

FUEL STOCK

- Unleaded: 5,311 gallons
- Diesel: 4,037 gallons

Permits Issued

Report Date Range : 04/21/2016 to 05/22/2016

Permit #	Type of Permit	Date Issued	Job Address
20160109	434(a) ADDING 3 1/8 SQFT 2 BEDROOMS/ 1 BATH 348 SQFT	4/25/2016	310 Gomez St
20160110	434(a) WORK WITHOUT PERMIT: REROOF: TEAR-OFF; COMP/ OWENS CORNING COOL ROOF (800 SQFT)	4/22/2016	842 Pucheu St
20160111	434(a) WORK WITHOUT PERMIT: SHEET ROCK- DRYWALL/ 3 ELECTRICAL	4/22/2016	885 Rio Frio St
20160112	329(b) SOLAR: PV SOLAR INSTALL 12 MODS; 3.06 KW 211 SQ FT	4/22/2016	555 Bou Cir
20160113	329(b) SOLAR: PV PANELS INSTALL 5.61 KW 22 MODS 387 SQFT	4/22/2016	586 I St
20160114	437(b) INSTALL HOT WATER HEATER- APT 9B	4/25/2016	647 Perez St
20160115	434(a) FRONT WALL REPAIR- MATERIAL STUCCO	4/25/2016	202 Gregg Ct S
20160116	434(a) PORCH 352 SQFT	4/29/2016	260 Santa Cruz St
20160117	329(b) SOLAR PV PANEL UPGRADE TO 125A & 4.25 KW DC ROOF MOUNT	4/29/2016	623 De La Cruz St
20160118	101 New Construction- Single Family 1715 SQFT; GARAGE 400 SQFT LOT# 194	5/4/2016	422 Silva Street
20160119	101 NEW CONSTRUCTION- SINGLE FAMILY HOME PLAN 1715 LAS PALMAS (1715 sqft) GARAGE 400 SQFT LOT# 195	5/4/2016	430 Silva Street
20160120	101 New Construction- Single Family Home 1435 SQFT; GARAGE 400 SQFT LOT# 193	5/4/2016	414 Silva Street
20160121	101 New Construction- Single Family 1435 SQFT; GARAGE 400 SQFT LOT# 192	5/4/2016	400 Silva Street
20160122	101 New Construction- Single Family 1435 SQFT; GARAGE 400 SQFT LOT # 191	5/4/2016	348 Silva Street
20160123	101 New Construction- Single Family 1435 SQFT; GARAGE 400 SQFT LOT# 185	5/4/2016	401 Silva street
20160124	101 New Construction- Single Family 1435 SQFT; GARAGE 400 SQFT LOT# 181	5/4/2016	439 Silva Street
20160125	434(a) Replacing tub/ shower enclosure with tile; tile only with pan. 84 SQFT	5/6/2016	615 N Juanita St

Permits Issued

Report Date Range : 04/21/2016 to 05/22/2016

Permit #	Type of Permit	Date Issued	Job Address
20160126	437(a) Relocate Electrical Boxes	5/6/2016	1441 7th St
20160127	329(b) Solar: 5.8 Kw Solar System 26 modules; 26 micro inverters	5/9/2016	842 Pucheu St
20160128	329(b) SOLAR: PV SOLAR INSTALL16 PANELS: ROOFMOUNT	5/9/2016	635 I St
20160129	329(b) SOLAR: PV SOLAR INSTALL19 PANELS: ROOFMOUNT	5/9/2016	691 Peach Ave
20160130	329(b) SOLAR: PV SOLAR INSTALL 16 PANELS: ROOFMOUNT WITH EXISTING	5/9/2016	190 Sorensen Ave
20160131	329(b) SOLAR: PV SOLAR INSTALL; MAIN PANEL UPGRADE	5/9/2016	261 Espinoza St
20160132	329(b) SOLAR: PV SOLAR INSTALL; MAIN PANEL UPGRADE	5/9/2016	421 Oxnard St
20160133	329(b) SOLAR: PV SOLAR INSTALL 22 PANELS; ROOFMOUNT	5/9/2016	555 S Kate St
20160134	329(b) SOLAR: PV SOLAR INSTALL 16 PANELS; ROOFMOUNT	5/9/2016	890 Quince St
20160135	329(b) SOLAR: PV SOLAR INSTALL PANELS	5/9/2016	305 J St
20160136	329(b) SOLAR: PV SOLAR INSTALL 16 ROOFMOUNT PANELS	5/9/2016	260 Holmes Ave
20160137	329(b) SOLAR: PV SOLAR INSTALL PANELS	5/9/2016	251 Holmes Ave
20160138	329(b) SOLAR: PV SOLAR INSTALL PANELS	5/9/2016	262 J St
20160139	329(b) SOLAR: PV SOLAR INSTALL PANELS	5/9/2016	541 Oxnard St
20160140	329(b) SOLAR: PV SOLAR INSTALL PANELS	5/9/2016	287 Maldonado St
20160141	329(b) SOLAR: PV SOLAR INSTALL PANELS	5/9/2016	585 J St
20160142	329(b) SOLAR: PV SOLAR INSTALL 17 PANELS; ROOFMOUNT	5/9/2016	230 L St
20160143	329(b) SOLAR: PV SOLAR INSTALL 16 PANELS; ROOFMOUNT	5/9/2016	285 Espinoza St
20160144	329(b) SOLAR: PV PANELS INSTALL 16 PANELS; ROOFMOUNT	5/9/2016	619 Garcia St
20160145	329(b) SOLAR: PV SOLAR INSTALL 17 PANELS; ROOFMOUNT	5/9/2016	250 Valenzuela St

Permits Issued

Report Date Range : 04/21/2016 to 05/22/2016

Permit #	Type of Permit	Date Issued	Job Address
20160146	329(b) SOLAR: PV SOLAR INSTALL; NEW MAIN PANEL UPGRADE	5/9/2016	503 I St
20160147	329(b) SOLAR: INSTALL 23 PV PANELS; ROOF MOUNT: COMP; 5.98KW	5/10/2016	241 Mccabe Ave
20160148	434(a) PATIO 192 SQFT	5/10/2016	217 Espinoza St
20160149	329(b) SOLAR: ROOFMOUNT PV SOLAR PANEL UPGRADE 200 AMPS 355 SQFT	5/10/2016	367 Divisadero St
20160150	329(b) ROOFTOP P.V INSTALLATION	5/11/2016	201 San Pedro St
20160151	329(b) SOLAR; ROOFTOP: P.V INSTALLATION	5/11/2016	379 J St
20160152	329(b) SOLAR: ROOFMOUNT INSTALL (3Kw)	5/11/2016	1909 Jenning St
20160153	329(b) SOLAR: ROOFMOUNT INSTALL (5Kw)	5/11/2016	636 Gaxiola St
20160154	329(b) SOLAR: ROOFMOUNT INSTALL (5Kw)	5/11/2016	618 Garcia St
20160155	329(b) SOLAR PV PANELS INSTALL	5/12/2016	651 De La Cruz St
20160156	329(b) SOLAR PV PANELS INSTALL	5/12/2016	1841 9th St

Total Number of Permits List	48
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