



Agenda Report

File #: 20-0585

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 07/01/2020

TO: Honorable Mayor and City Council Members

FROM: Community Development Department, Police Department, and Administrative Services Department

SUBJECT:

City Council consideration of actions to authorize three (3) full-time positions and approve appropriations from the General Fund for the Cannabis Program.

RECOMMENDED ACTION:

That the City Council:

- a. Authorize one full-time Associate Planner (Community Development Department), salary range 457-497 (\$5,884-\$7,183 per month).
- b. Authorize one full-time Administrative Assistant (Police Department), salary range 352-392 (\$3,485-\$4,255 per month).
- c. Authorize one full-time Police Detective (Police Department), salary range 488-538 (\$6,868-\$8,813 per month).
- d. Approve appropriations totaling \$363,531 from the General Fund (\$100,830 for the Community Development Department and \$262,701 for the Police Department), for staffing, equipment, and training for the Cannabis Program.

ANALYSIS:

The Cannabis Ad Hoc Committee has been meeting since July 2019 to develop the regulations, policies, and standards for the Cannabis Program. The Committee's progress has been presented and discussed at multiple public study sessions, most recently on June 24, 2020. Based on the June 2020 study session direction to move forward with the development of the program, additional staffing is needed to establish the application process, review submittals, conduct applicant background investigations, and other program functions.

The Associate Planner in the Community Development Department will oversee the cannabis permit

process allowed by the city's proposed commercial cannabis ordinance. Although the number of permits to be issued for cannabis retail storefronts are capped in the proposed ordinance, the ordinance does not limit the number of applications from being submitted to the city for a commercial cannabis business. Additionally, the proposed ordinance does not limit the number of non-storefront cannabis businesses that are associated with manufacturing, research and testing. Therefore, the Community Development Department needs additional staffing because it anticipates a high volume of applications being submitted once the ordinance is adopted. Additionally, staff is required to respond to all cannabis applications within the specified timeframe being established in the proposed ordinance which places a further demand on city resources.

The Corona Police Department will place a Detective on the Riverside County Cannabis Regulation Task Force (CRTF). This task force is a multijurisdictional team consisting of sworn and non-sworn personnel from several law enforcement agencies in Riverside County. Under the immediate supervision of the Riverside County District Attorney's Office, the CRTF will identify, investigate, apprehend, and prosecute (civilly and/or criminally), those persons and illicit businesses committing consumer, environmental, regulatory, and criminal offenses related to fraudulent and unfair business practices. These business practices threaten public safety and undermine legitimate state and local cannabis businesses.

The Detective assigned to the CRTF will also be able to provide field assistance for background investigations into cannabis business applicants. Lastly, the CRTF detective would be responsible for the investigation and prosecution of any illicit cannabis operations prior to legal businesses opening and will continue to monitor for illicit business activity, allowing the legal industry to flourish.

The Administrative Assistant will be assigned to the Police Department and work under the direction of the Vice Narcotics Gangs and Intelligence Unit supervisor. This position will be directly responsible for handling all cannabis-related applications and work with outside resources to review the applicant's criminal history to ensure minimum eligibility requirements are met, in addition to processing identification cards for all cannabis business owners and employees. The Administrative Assistant would also be responsible for keeping detailed logs/records of complaints related to any cannabis businesses who operate within the city and reporting such findings to the Detective assigned to CRTF for enforcement consideration. When not directly involved in cannabis related duties, the position will be tasked to track other suspected narcotics complaints within the city and maintain and track all asset forfeiture/equitable sharing cases.

COMMITTEE ACTION:

The recommended actions are a result of discussions with the Cannabis Ad Hoc Committee and the full City Council at the June 24, 2020 study session.

STRATEGIC PLAN:

This Council Action supports the City's Strategic Plan Goal #6 to improve communication with our community. The Cannabis Program discussions have taken place at three public study sessions, held on June 26, 2019, February 19, 2020, and June 24, 2020.

FISCAL IMPACT:

Approval of the recommended actions will result in the authorization of three (3) new full-time

positions for the Cannabis Program and the associated budgetary appropriations from the General Fund. A fee study will be conducted to determine the application and processing fees for the Cannabis Program which will help to offset the costs of the new positions, equipment, and training. The estimated revenue from those fees has not yet been determined. The fee structure will be part of the final approval process of the Cannabis Program Ordinance and associated policies.

Cannabis Program Costs	FY 2021	Recurring
Associate Planner (FY 2021 pro-rated 10 months)	\$ 100,830	\$ 120,996
Administrative Assistant (FY 2021 pro-rated 10 months)	66,167	79,400
Police Detective (FY 2021 pro-rated 10 months)	162,022	194,426
Vehicle Annual Motor Pool and Training Costs	7,678	7,678
Vehicle	16,381	-
Radio, Computer, and One-Time Training	10,453	-
Totals	\$ 363,531	\$ 402,500

GENERAL FUND	
Adopted Budget - FY 2021 Estimated Revenue Over Expenditures	\$ (9,795,360)
Use of Pension Obligation Reserve	2,530,492
Current Estimated Revenue Over Expenditures	(7,264,868)
Cannabis Program - Police Department Costs	(262,701)
Cannabis Program - Community Development Costs	(100,830)
Revised Estimated Revenue Over Expenditures	\$ (7,628,399)
Budget Balancing Measures Reserve - Estimated 06/30/20	31,788,549
Estimated FY 2021 Change in Budget Balancing Measures Reserve	(7,628,399)
Estimated Budget Balancing Measures Reserve - 06/30/21	\$ 24,160,150

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the action is not subject to CEQA.

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REVIEWED BY: GEORGE JOHNSTONE, CHIEF OF POLICE

SUBMITTED BY: JACOB ELLIS, CITY MANAGER