

MINUTES
REGULAR MEETING OF THE CITY COUNCIL AND
JOINT MEETING OF THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY BOARD OF DIRECTORS

TUESDAY, JULY 26, 2016

CLOSED SESSION 5:30 p.m.

CLOSED SESSION LOCATION: CITY HALL CONFERENCE ROOM, 124 N. CLOVERDALE BLVD. CLOVERDALE, CA 95425

PUBLIC BUSINESS SESSION: 6:30 p.m.

**PUBLIC BUSINESS SESSION LOCATION: CLOVERDALE PERFORMING ARTS CENTER, 209 N. CLOVERDALE BLVD.,
CLOVERDALE, CA 95425**

CLOSED SESSION

CLOSED SESSION: 5:30 pm

OPENING:

- Call to Order: Mayor Brigham called the meeting to order at 5:30 p.m.
- Roll Call: Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham
- Agenda Review - Closed Session (Changes and/or Deletions): None

PUBLIC COMMENTS ON CLOSED SESSION AGENDA: None

RECESS TO CLOSED SESSION:

CONFERENCE WITH LABOR NEGOTIATOR

(Government Code Section 54957.6)

Labor Negotiators: City Manager, Assistant City Manager, and, City Attorney

Employee Organization: Cloverdale Police Officers' Association

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Government Code section 54956.8)

Property: Thyme Square Property, Assessor's Parcel Number: 001-440-049

Agency negotiators: City Manager, Assistant City Manager, and City Attorney

Negotiating parties: City, Alexander Valley Healthcare

Under negotiation: Sale of property

CONVENE PUBLIC BUSINESS SESSION – 6:30 p.m.

OPENING:

- Call to Order: Mayor Brigham called the meeting to order at 6:35 p.m.
- Pledge of Allegiance
- Roll Call: Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham
- Report out of Closed Session –Actions Taken: No reportable action was taken

- Conflict of Interest Declaration: Councilmember Russell reported that she may have a possible conflict of interest on Item 11 due to the location of her home.
- Agenda Review – Regular Session (Changes and/or Deletions): None

PUBLIC COMMENTS:

Earl Ambersini, General Contractor for the Renner project, addressed the Council voicing his frustration with the delay in obtaining a permit for sewer and water lines for the project. He stated that they have been waiting two years for the permit and the project has been stopped for 52 two days. City Manager Cayler responded that the permitting authority is the County not the City. He stated that the City received the plans on June 10, 2016, and provided comments back to the Renner engineer. He further stated that the City is attempting to proceed with the requested annexation but has not received necessary paperwork for the annexation. Discussion ensued regarding the City’s and County’s responsibilities with the Council agreeing that the City has fulfilled its responsibility in the project but recommended City Staff reach out to Mr. Renner again to communicate what documents are necessary for the annexation and express the City’s willingness to meet and work through any existing issues.

PROCLAMATIONS / PRESENTATIONS:

1. Proclamation for Cindy Wilson for her dedicated service to the library system

Mayor Brigham presented the proclamation to Cindy Wilson acknowledging her years of service and many contributions to the community of Cloverdale.

CONSENT CALENDAR:

2. Minutes of Previous Meeting: May 17, 2016
3. Minutes of Previous Meeting: May 24, 2016
4. Minutes of Previous Meeting: May 26, 2016
5. Minutes of Previous Meeting: June 14, 2016
6. Motion Order to Approve the Mayor’s Appointment of Lou Enge and Roy Domke, Jr. as Regular Members of the City of Cloverdale’s Planning Commission

Action: Motion was made by Vice Mayor Wolter to approve the consent calendar; seconded by Councilmember Russell. The motion passed by roll call vote (5-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham; 0-noes).

COMMUNICATIONS: None

PUBLIC HEARINGS: None

NEW BUSINESS:

7. Discussion Regarding Ballot Measure Options for Possible Commercial Cannabis Business Tax

City Attorney Sanchez discussed the proposed draft resolution and ordinance, explaining the specifics of the ordinance proposed to go forward for vote on the November ballot. He discussed general taxes versus special taxes, recommending a general tax with no sunset be considered. He also discussed proposed ballot language, stating that he, as the City Attorney would present an unbiased analysis. He recommended Council discuss the draft ballot measure related to a cannabis business tax and give direction to staff.

PUBLIC COMMENTS:

Larry Lossing, Cherry Creek Rd., outside the City limits, expressed concerns regarding the accuracy of the estimated tax revenues expected to be received from the tax measure. He also commented that businesses may choose to set up their business outside the City limits to avoid the tax and suggested a County-wide tax, which would distribute revenue back to municipalities. Mr. Lossing recommended delaying putting this on the ballot. Vice Mayor Wolter responded that the County is also in the process of developing a tax; therefore, businesses will not be able to operate outside the City limits and avoid taxation.

Jason Turner, Cloverdale, commented that this tax measure is a responsible way to generate revenue for the City.

Steve Nurse, Cloverdale, stated that he welcomes this type of tax but he believes legalizing the availability of marijuana in this region is an academic exercise and doubts that the current market will spend 10% more for their product just because it is legal. He urged City Council to keep their eye on the real prize, which is the economic development and tourism.

Paula Wrenn, Cloverdale, expressed concern that bank accounts are not allowed for marijuana businesses and expressed the need for legislation to correct this problem, create better tax control, and a safer environment for the businesses. She also discussed the need for the jobs this industry could bring to the community.

Susan Nurse, Cloverdale, commented that she appreciates the City Council's proactive approach to seek voter approval for this business tax. However, she requested Council take a cautious stance on future permitting and initially consider issuing only one permit for a single business to be located away from the downtown area and monitor this business for a year prior to issuing more permits. Ms. Nurse provided a written statement to the Deputy City Clerk, which is attached to these minutes.

Mark Thayer, Cloverdale, questioned how this resolution compares or coincided with other cities' and County efforts and inquired about the possibility of a uniform ordinance for consistency. City Attorney Sanchez responded that the proposed ordinance has some flexibility written in to allow for modification at a later date, noting that due to timeline restrictions, the Council directed Staff to draft an ordinance rather than wait for other cities and the County.

Oliver Schraner, Cloverdale, commented that he is in favor of this tax. He stated that a webpage is being developed that should address many of the questions that arose during this meeting.

The Council discussed the proposed resolution and ordinance, directing Staff to proceed with steps to put a tax measure on the ballot for November.

8. Discussion and Possible Action on Fiscal Year 2016-2017 CalPERS Unfunded Annual Liability Payment (UAL)

City Manager, Paul Cayler and Fiscal Manager, Joanne Cavallari, explained the CalPERS Unfunded Liability and recommended that the City prepay the UAL to take advantage of the savings opportunity, which would save the City approximately \$16,751 annually.

Action: Motion was made by Councilmember Palla to prepay the UAL; seconded by Councilmember Cox. The motion passed by voice vote (5-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, and Mayor Brigham; 0-noes).

9. Consideration of Resolution 058-2016, initiating a General Plan Amendment (GPA) for properties within the Nu Forest annexation area

Assistant City Manager/Community Development Director, David Kelley presented this item, recommending adoption of Resolution 058-2016, initiating a General Plan Amendment for specific properties located west of the Nu Forest property, east of Asti Road, north of the City Corporation yard and south of the existing City limit line.

Jerry Haag, past interim Community Development Director, came to the podium to discuss the history of the project and urged the Council to adopt the Resolution initiating the General Plan Amendment.

PUBLIC COMMENTS:

Shamaine Ege, representative from Nu Forest addressed the Council offering praise to Paul Cayler and David Kelley for their responsiveness. She also thanked Jerry Haag for his diplomacy during the annexation process. She expressed her appreciation to City Staff for the friendly, receptive service provided to Nu Forest.

Action: Motion was made by Councilmember Cox to adopt Resolution No. 058-2016, initiating a General Plan Amendment for specific properties located west of the Nu Forest property, east of Asti Road, north of the City Corporation yard and south of the existing City limit line; seconded by Councilmember Palla. The motion passed by roll call vote: (5-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, Mayor Brigham; 0-noes).

10. Discussion and Possible Action to Appoint City of Cloverdale’s Voting Delegate and Alternate Voting Delegate at League of California Cities 2016 Annual Business Meeting (General Assembly)

City Manager Cayler presented this item, recommending Council appoint the Voting Member for the 2016 League of California Cities Annual Business Meeting, and up to two members delegated as Alternate Delegates, and by motion and minute order authorize the completion of the 2016 Voting Delegate/Alternate Form according to Council direction and submit said form. The Council discussed the League of California Cities 2016 Annual Business Meeting to be held in Long Beach. Councilmember Palla was the only member who could commit to attend this year’s meeting.

Action: Motion was made by Councilmember Cox to appoint Councilmember Palla as the City of Cloverdale’s Voting Delegate at the League of Californian Cities 2016 Annual Business Meeting; Vice Mayor Wolter seconded. The motion order passed by voice vote: (5-ayes – Councilmember Palla, Vice Mayor Wolter, Councilmember Cox, Councilmember Russell, Mayor Brigham; 0-noes).

11. Discussion and Possible Action on Request by Rick and Deborah Wilson to Remove Redwood Trees in Lighting and Landscape District Zone No. Three (The Cottages) On Foothill Blvd near Laurel Court

Due to her residence being located within 500 feet of the trees, Councilmember Russell recused herself and left the dais. Other Councilmembers also live in The Cottages but did not recuse themselves. Since City staff would be removing the trees, there would be very little fiscal impact or reason to warrant their recusal.

City Manager Cayler presented this item, noting that the Wilsons were not present at the meeting. He discussed the trees requested to be removed by the Wilsons. Mr. Cayler recommended that the redwood trees within nine feet of the fence line be removed and the redwood trees greater than nine feet from the fence be retained; thus, four of the six trees in the area would be removed. He commented that no replacement tree will be installed and all future redwood tree removal in The Cottages Lighting and Landscape District will continue to be addressed on a “case-by-case” manner as set forth in the master plan. Discussion ensued about the tree removal and possible expenses.

PUBLIC COMMENTS:

Melanie Bagby, Cloverdale, commented that City Manager Cayler put forth a very reasonable proposal. She stated that the trees deemed to be invasive are preexisting and she does not believe the homeowner should be held responsible for the cost of removal.

Action: Motion was made by Councilmember Palla to follow City Manager Cayler’s recommendation for the tree removal as delineated in the staff report; Councilmember Cox seconded. The motion order passed by voice vote: (4-ayes – Councilmember Palla, Councilmember Cox, Councilmember Russell, Mayor Brigham; 1 noes- Vice Mayor Wolter).

Councilmember Russell returned to the dais.

SUBCOMMITTEE ITEMS: None

SUBCOMMITTEE REPORTS:

- Airport (Chair, Councilmember Cox and Vice Mayor Wolter) Councilmember Cox and City Manager Cayler reported the subcommittee met and reviewed the airport financial data for the past five years. They also discussed the airport lease agreements and Nor Cal Skydiving ADA compliance- Next Meeting: October 4, 2016, 9:00 a.m.
- Finance, Administration & Police (Chair, Mayor Brigham and Vice Mayor Wolter) - Next Meeting: August 25, 2016, 2:00 p.m.
- Planning & Community Development (Chair, Vice Mayor Wolter and Mayor Brigham) Councilmember Next Meeting: August 24, 2016, 4:00 p.m.
- Public Works (Chair, Councilmember Russell and Councilmember Cox) Councilmember Russell reported the subcommittee met and discussed tree removal surrounding PG&E lines. She shared information on the Community Pipeline Safety Initiative, complimenting PG&E on their preparedness and efforts meeting with property owners. The committee also discussed the ADA Parking Project. She thanked City Staff for the three ADA parking spaces in Cloverdale. An update was also provided on the Open Space District. - Next Meeting: September 27, 2016, 10:30 a.m.
- Joint City/Fire District (Chair, Councilmember Palla and Mayor Brigham) - Next Meeting: August 22, 2016, 5:00 p.m. Vice Mayor Wolter expressed concerns about the location of the fire shut off valves at the new Dollar General Store and requested this be discussed at the next committee meeting.
- Joint City/School District (Chair, Councilmember Palla and Councilmember Cox) – Next Meeting: September 19, 2016, 5:00 p.m.

COUNCIL REPORTS (INCLUDING STUDENT LIAISON):

Councilmember Russell discussed SMART. She expressed disappointment that MTC staff recommended Cloverdale and Healdsburg not be included in the transportation project. Councilmember Russell shared the Sonoma-Marin Area Rail Transit District General Manager's Report. She also provided the Smart Train Fare Fact Sheet and information on Increased Tax Free Benefits (attached). Councilmember Russell also provided an update on Climate Action 2020 and the Sonoma County Transit Authority.

Councilmember Cox reported that he attended a meeting with the California Public Utilities Committee where emergency communication shortfalls were discussed. He stated that a strong message was sent to the Utilities Commission to correct the unacceptable emergency communications.

Councilmember Palla thanked the City Manager and City Staff for the new pedestrian crosswalk warning system on Treadway Dr. and Cloverdale Blvd. He asked if staff could provide an update at the next meeting on the Cloverdale Blvd and School St. crossing. Councilmember Palla commented that he serves on the Board of Directors for the League of California Cities under the Mayor and Councilmembers, adding that his term expires this year; therefore, he has submitted his application for the League of California Cities Redwood Empire Division Director position and requested the Council's support.

Mayor Brigham reported that she has been receiving questions regarding how to apply for residency in the new affordable housing and suggested that application contact information be put in the Reveille Newspaper. Councilmember Cox commented that a representative from the housing development would be present at a booth during the Bi-National Health Fair to share information regarding the housing.

LEGISLATIVE REPORT: None

CITY MANAGER/CITY ATTORNEY REPORT: City Attorney Sanchez announced that he would be absent for the August 9th City Council meeting and that his associate, Catherine Cook, will be attending in his place.

COUNCIL DIRECTION ON FUTURE AGENDA ITEMS:

Minute Order supporting Councilmember Palla for the League of California Cities Redwood Empire Division Director position.

Discussion regarding a policy setting forth the process to respond to wrongful accusation.

ADJOURNMENT: Mayor Brigham adjourned the meeting at 9:37 p.m. to a regular meeting of the City Council and Cloverdale Community Development Successor Agency, Tuesday, August 9, 2016, for Closed Session at 5:30 p.m. (at the City Hall Conference Room 124 N. Cloverdale Blvd., Cloverdale, CA 95425) and Public Business Session at 6:30 p.m. (at the Cloverdale Performing Arts Center 209 N. Cloverdale Blvd., Cloverdale, CA 95425).

These minutes were approved at the August 9, 2016, City Council meeting by the following voice vote (Ayes-5; Noes-0).

Ayes: Councilmember Palla, Vice Mayor Wolter, Councilmember Russell, Councilmember Cox, and Mayor Brigham

Noes: 0

Absent: 0

Recuse: 0

Approved:


Mary Ann Brigham, Mayor

Attested:


Linda Moore, Deputy City Clerk

31400 Pine Mountain Road, Cloverdale

While I appreciate the city council's proactive initiative to seek voter approval for an up-to 10% business tax on future possible marijuana businesses within the city, I ask that you take a cautious stance on the future permitting of such businesses. I know you are not here tonight to consider steps beyond setting up the potential tax, but it is not too soon to begin to gather ideas around the reality of the next step: permitting of such businesses within the city.

We hear that each permitted business will bring an estimated \$150,000 into our general funds, and that there are various types of businesses associated with the marijuana trade. I would ask you to begin thinking ahead now as to how you will establish permitting and prove out the estimated revenues before committing to multiple permits.

I suggest considering an initial single permitted location away from our downtown area. This location could accommodate just a retail or medical dispensary, or include other aspects of the business such as testing, manufacturing, etc – dependent on availability of suitable space and willingness of applicants to take a larger or smaller location. I suggest you hold to this one, single, permitted location for at least 1 year, while you monitor the revenues from the business tax levied. After a year, you can measure the revenues:

- Do they meet expectations?
- What are the upsides and downsides to this business?
- Are we ready to open up more permits?

I believe with this new industry there may be unrealistic assumptions of both upside and down-sides, and that a slow start with just one permitted location will allow us a managed entry into what could easily and quickly become a major, dominating factor in our town. Let's make the reality of future marijuana business in Cloverdale a decision based on facts gathered from our own experience in our own town.

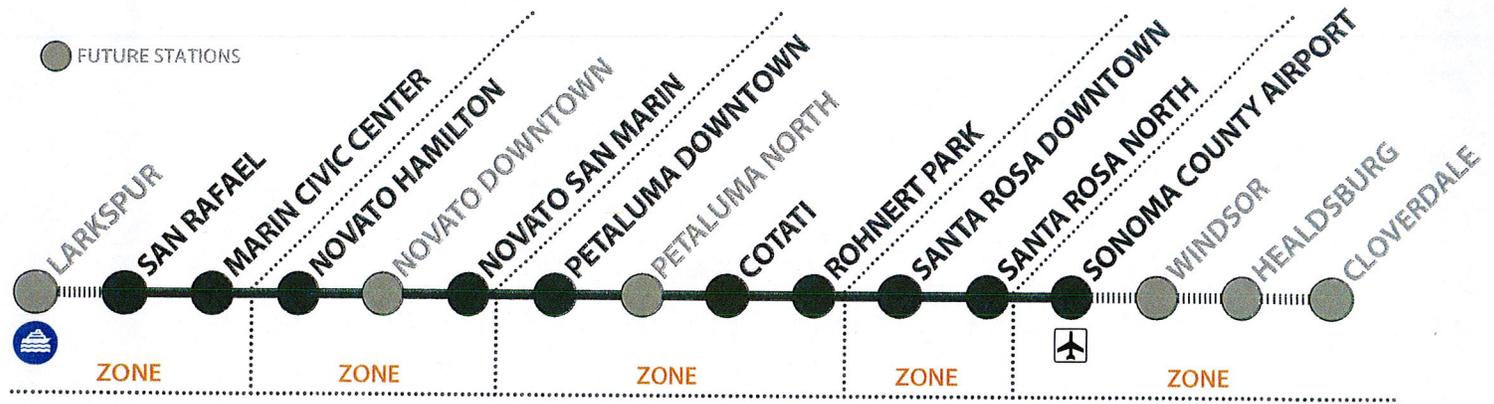


SMART TRAIN FARE FACT SHEET

SMART FARE POLICY

ONE-WAY FARES WILL BE

	1 Zone	2 Zones	3 Zones	4 Zones	5 Zones	Daily maximum for all trips on SMART
Adult Fare	\$3.50	\$5.50	\$7.50	\$9.50	\$11.50	\$23.00
Seniors, youth, and passengers with disabilities (50%)	\$1.75	\$2.75	\$3.75	\$4.75	\$5.75	\$11.50



SMART ECO-PASS

Employers, colleges, veterans' groups, and other institutions can purchase annual Eco-Passes for their employees, students, and members to receive fare discounts of up to 50%, based on the number of passes purchased.

DISCOUNTS FOR ANNUAL ECO-PASSES

Number of Passes Purchased	Discounted Cost	Discount Percentage
BUSINESSES & ORGANIZATIONS		
Up to 50	(\$10.01 per day, unlimited use, free weekends) \$2,553.00 per year	23%
51-250	(\$9.10 per day, unlimited use, free weekends) \$2,321.00 per year	30%
251-500	(\$8.19 per day, unlimited use, free weekends) \$2,088.00 per year	37%
Over 500	(\$7.28 per day, unlimited use, free weekends) \$1,856.00 per year	44%
COLLEGE STUDENTS & VETERANS DISCOUNTS		
	(\$6.50 per day, unlimited use, free weekends) \$1,658.00 per year	50%



INCREASED TAX-FREE BENEFITS

SMART Eco-Pass commuters can save even more with increased tax benefits for public transportation. The Federal tax code allows the use of tax-free dollars to pay for transit commuting and parking costs through employer-sponsored programs. Commuter tax benefits are regulated by the Internal Revenue Code, Section 132(f)—Qualified Transportation Fringe.

For the 2016 taxable year, the tax code allows tax-free transportation fringe benefits of up to \$255 per month per employee for transit expenses and up to \$255 per month for qualified parking. Qualified parking is defined as parking at or near an employer's worksite, or at a facility from which employee commutes via transit, vanpool or carpool. Commuters can receive both the transit *and* parking benefits.

Companies can offer:

- A tax-free employer-paid subsidy
- A pre-tax employee-paid payroll deduction
- A combination of both of the above.

Note: Bay Area employers with 50 or more employees are now required to register and offer commuter benefits to their employees to comply with the Bay Area Commuter Benefits Program.

EMPLOYEE SAVINGS

Employees who set aside income on a pre-tax basis for a qualified transportation fringe benefit do not pay federal income or payroll taxes on the income set aside. For example, if you have a combined (local, state, federal) tax rate of 40% and spend \$130 per month on SMART fares, you will save more than \$600 per year. Qualified parking adds even more savings.

If an employer chooses instead to subsidize the benefit it is actually more valuable than an equivalent raise because of the tax advantages (for example, if a subsidy of \$190 is offered, this equals roughly \$317 in taxable income).

EMPLOYER SAVINGS

Providing employees with pre-tax commuter tax benefits can save payroll taxes for employers. The value of the benefit paid to employees is considered a tax-free transportation fringe benefit and not wage or salary compensation, therefore, payroll taxes do not apply. Employers can save roughly 7.5% in payroll taxes (including FICA, SUI, SDI and city taxes) on the amount employees set aside.

If the employer chooses to offer the benefit in addition to the employee's monthly salary, giving an employee \$255 in transit benefits is less expensive for an employer than increasing the employee's salary by \$255.