



MINUTES - FINAL

FINANCE, ADMINISTRATION AND POLICE SUBCOMMITTEE

Monday, February 7, 2022

Subcommittee Members and City Staff:

Councilmember Gus Wolter, Chair
Mayor Todd Lands, Vice Chair

City Manager David Kelley
Police Chief Jason Ferguson
Finance Director Susie Holmes

1. **Call to Order:** The meeting was called to order at 1:30p.m. All of the members of the subcommittee were present except Police Chief Ferguson. Lieutenant Parker attended the meeting in the absence of Chief Ferguson.
2. **Communications:** None.
3. **Public Comment:** None
4. **Approval of Minutes:** Since there are some new members on the subcommittee, City Manager Kelley brought the subcommittee up to date actions and discussions from the prior meetings. After the update, the minutes of December 6, 2021, meeting was approved on a motion from Chair Wolter and a second by Vice Chair Lands.
5. **Current Items for Discussion:**
 - a) Receive Presentation and Consider Cannabis Industry Request to Review Cloverdale Excise Tax Rate.

City Manager Kelley presented this item to the subcommittee providing them with pertinent background information. Assistant City Manager Thompson introduced Erin Gore with the Garden Society who will be making a presentation. After the presentation, there was discussion among the subcommittee members regarding the excise tax and if the council decides to adjust the tax, the voters would need to approve the change. There was discussion regarding late fees and whether or not they could be waived. There was discussion regarding the benefits of lowering the tax. After discussion City Manager Kelley agreed to bring this item to the full council at the March 9, 2022, meeting. Based on the direction that the City Council gives the item could be brought back to the March 23, 2022, meeting for a vote. Upon call for public comment, no one from the public spoke.

- b) Review Draft Proposed Updates and Comments on Code Enforcement Ordinance Modifying Municipal Code Chapters 1.10 through 1.15.

Assistant City Manager Thompson presented the update to the subcommittee members stating that the proposed changes to the Municipal Code is being reviewed by Myers Nave. They will bring the recommended changes to the subcommittee and then to the City Council. Upon call for public comment, no one from the public spoke.

c) Update on California Water Arrearages Payment Program.

City Manager Kelley and Director Holmes presented this item to the subcommittee. This is an update to the water arrearages payment program that was established through the State Water Board. Our finance team put together an application that addresses or responds to late payments that occurred during COVID. There is a very specific timeframe that was required in the application to address unpaid water or utility bills. Director Holmes provided the subcommittee with more details. Upon call for public comment, no one from the public spoke.

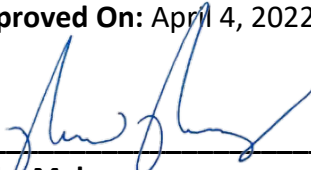
6. Standing Items / Items Continued:

- a. Update on Measure P and Cannabis Permits and Funding Allocations. City Manager Kelley gave an update on this item stating that there is a report that our finance director prepared that includes information on the excise tax for cannabis.
- b. Update on Water Rate Revenue for FY2021-22. City Manager Kelley gave an update to the subcommittee stating this may also be brought forward to the City Council, in looking at the waterway revenue for this current fiscal year, we've seen a pretty significant decline with the exception of the billing for January. We attribute the decline to the requested water conservation and the reduction in use by our customers directly correlate to a reduction in water rate revenue. To offset that we will be looking for grant funds. If awarded that will help address some of the capital costs of our CIP projects in the water enterprise.
- c. Update on Development of Cooling/Warming Center Policy. City Manager Kelley provided an update to the subcommittee letting them know the steps that are being taken to secure and sustain a building to be used for a cooling and warming center.
- d. Update on Sonoma County Homeless Emergency Response. City Manager Kelley reported that this is an ongoing activity generally reported on through the community advisory group that will have a meeting tomorrow led by the Mayor and Councilmember Palla. We are at a stage now where we need to finalize the draft strategic plan and bring it forward to council.
- e. Update on Pension Obligation Bonds for CalPERS Pension Unfunded Actuarial Liability (UAL) debt. City Manager Kelley reported that there have been multiple presentations to this subcommittee about pension obligation bonds to pay for our unfunded actuarial liability or UAL debt. We just executed that and our Finance Director did a lot of work on it. We're making progress on that audit report. Once we have that audit done, we will review the audit in the subcommittee and then take it to council at that point.
- f. Update on Ordinance amending the Cloverdale Municipal Code to address requirements of SB1383 Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reductions. City Manager Kelley pointed the subcommittee members to an item in the agenda packet that is an update from the consultant they are working with. They are helping to draft updates to our municipal code to ensure that we are compliant. He talked about compost and in order to comply with the State's requirements. We would like to bring the ordinance that is being drafted for introduction to the subcommittee for review.
- g. Update on review of request from Recology for Extraordinary Rate Increase due to SB1383. City Manager Kelley had an update on this item stating he received an email on Friday from Recology, they are a municipal solid waste provider, they will be burdened by the requirements of SB1383 and incur additional costs. What they would like to do is pass on those costs which is permitted through the franchise agreement to their customers. That will require council approval to do what is called an extraordinary rate increase. We will be bringing forward a scope of work to do a review at their request. It is like a performance audit to assess how well they are providing their services to the community. He will be bringing the results of that audit to the City Council.

Upon call for public comment, no one from the public spoke on the above items.

7. **Future Agenda Items (subject to change):** Chair Wolter stated that it has been a while since we have gotten a report from our City Attorney on pending cases and status. It could be a confidential memo to the City Council or a closed session item.
8. **Good of the Order:** None
9. **Adjournment:** The meeting adjourned at 2:53 p.m. Adjourned to the next meeting on Monday, March 7, 2022, at 1:30 pm. or alternate date/time as requested at the Cloverdale Library, 401 N. Cloverdale Blvd., Cloverdale CA.

Approved On: April 4, 2022



Mike Maloney
City Clerk