



MINUTES
CITY COUNCIL REGULAR MEETING
CITY OF CERES, CALIFORNIA
City Council Chambers, 2701 Fourth Street

Monday, April 9, 2018 – 6:00 p.m.

Mailing Address: Ceres City Hall, 2720 Second Street, Ceres, CA 95307-3292
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Members of the public are advised that all cellular telephones and any other communication devices are to be turned off upon entering the City Council Chambers.

CALL TO ORDER

Vice Mayor Kline called the April 9, 2018 regular City Council meeting to order.

ROLL CALL – Present:

Vice Mayor: Kline
Council Members: Durossette, Ryno

Absent: Council Member Lane and Mayor Vierra

INVOCATION

Invocation was given by Chris Grigson, Valley Christian Center.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Mayor Vierra.

PRESENTATIONS

A. Proclamation declaring April 8-14, 2018, as National Dispatchers Week in Ceres.

Vice Mayor Kline read the proclamation into the record and presented it to Mark Anderson, Dispatch Supervisor.

B. Proclamation declaring April 8-14, 2018, as Stanislaus County Library Week in Ceres.

Vice Mayor Kline read the proclamation into the record and presented it to Anne-Marie Montgomery, Supervising Librarian for Stanislaus County.

CITIZEN COMMUNICATIONS to the Council on matters not included on the agenda (five minutes).

Dave Pratt spoke regarding road work and rocks on Roeding Road.

Don Donaldson displayed a sign he recently posted at his home.

Sheila Brandt spoke about the Ceres Street Faire Parade and invited everyone to attend. The parade will be held on Saturday, May 5th.

APPOINTMENTS TO BOARDS/COMMISSIONS

None.

CONFLICT OF INTEREST DECLARATION

No Council conflicts.

CONSENT CALENDAR

All matters listed on the consent calendar are considered routine in nature and will be enacted by a single motion unless otherwise requested by an individual Council Member or public for special consideration. Otherwise the recommendation of staff will be accepted and acted upon by roll call vote.

1. Clerks Report of Posting. The agenda of the regular April 9, 2018, City Council meeting was posted on April 3, 2018. (Nayares-Perez)
2. Waive Readings. All Readings of Ordinances and resolutions are waived. (Nayares-Perez)
3. Approval of Minutes (Nayares-Perez)
 - a. Minutes of the March 26, 2018 Regular City Council meeting.
4. Register of Audited Demands for Period covering March 22, 2018 through March 30, 2018. (Dean)
5. General Correspondence – **Information Only**
 - a. February 2018 Construction Activity and Revenue Generation Report. (Westbrook)
 - b. Redevelopment & Economic Development Department Monthly Report – March (Hallam)
6. **Resolution No. 2018-031**, accepting the Railroad Avenue Storm Drain Project as Complete, Approve the Balancing Contract Change Order, Authorizing the Filing of the Notice of Completion and Retention Release to the Contractor. (Jordan)

Vice Mayor Kline asked if any Council Member or citizen would like an item pulled from the Consent Calendar and be heard under separate motion. No items were removed from Consent.

Vice Mayor Kline asked, if anyone from the Public had any comments. There being no comments Vice Mayor Kline brought the item back to Council for direction.

MOTION: Motion by **Council Member Ryno**, seconded by **Council Member Durossette**, approving Consent items 1-6. **3/0/2 Motion passes see below** by the following roll call vote:

AYES:	3	Council Members:	Durossette, Kline, Ryno,
NOES:	0	Council Members:	None
ABSENT:	2	Council Members:	Lane, Mayor Vierra

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

No items were removed from Consent.

UNFINISHED BUSINESS

None.

PUBLIC HEARING

None.

NEW BUSINESS

None.

DISCUSSION ITEMS

7. Office of City Treasurer Election Discussion. (Wells)

City Manager Wells gave the report. He provided the background of the position of the Treasurer and how a number of incorporated cities around the state have opted to appoint Treasurers and eliminate the elected office. The cities that eliminated the elected Treasurers have had those duties assumed by the Finance Director. Mr. Wells detailed two potential options:

1. Place an item on the November 2018 ballot to change the position of City Treasurer from elected to appointed at the end of the term of the current incumbent in 2019.
2. Extend the term of the existing City Treasurer from November 2019 to November 2020 and continue with an elected City Treasurer.

Vice Mayor Kline inquired if historically there have been multiple people run for City Treasurer? City Manager Wells stated that he does not believe there has been more than one person, but will look into it.

ACTION: Council collectively agreed on having the position of Treasurer revised from elected to appointed. Staff will return with an Ordinance placing the Treasurer question to the voters on the ballot for the November 6, 2018 General Election. *(Council Member Lane and Mayor Vierra absent).*

8. Cannabis Business Tax Measure Discussion. (Wells)

City Manager Wells gave the report. He provided a background of the Development Agreement process for the marijuana facilities in Ceres. Although the Development Agreements do pass the rule of law, and the City is very comfortable with the Development Agreement process, as they look to the future it hasn't really been tested in the courts. The courts often have different opinions, and staff is uncomfortable without having a safety net. He would like the City to be prepared should judges in the future rule against the Developer Agreements that were approved last year. Staff recommended moving forward with a local Cannabis Sales Tax Measure that would be utilized only in the event that the Development Agreements are found to be invalid. It also gives the Council some flexibility in the future, if there were other business opportunities that may be more fitting of a sales tax versus development agreement. He reviewed Cannabis Tax Measures from other jurisdictions and the ranges. He further commented that a sales tax can only happen during a General Election.

Vice Mayor Kline asked when the tax is in place, what happens to the two retail outlets? How does the tax affect Kase Manufacturing and their Development Agreement? City Manager Wells stated that currently all these facilities are exempt from the sales tax.

Vice Mayor Kline further asked, if the tax is in place and they are forced to do it, how does it affect Kase Manufacturing? City Manager Wells stated that the Development Agreement exempts all their operations from collection of sales tax. However, if for some reason they are legally challenged and lost, and the Development Agreements are no longer enforced, all three facilities would be subject to the tax. Kase Manufacturing has a component that includes manufacturing and distribution; they would be taxed at the regulatory structure, just like they are already taxed at the State level. This would only occur if for some reason there is a change in Council direction or the Development Agreement was found to be invalid. Vice Mayor Kline asked about the tax range. City Manager Wells stated that he would look to Council for direction on the maximum tax range. Most cities are using anywhere from 2 to 10% and some going somewhere between 4 and 6%. Modesto went with 10% and Dixon 15%. Staff is comfortable with a 10%.

Council Member Durossette asked if a 10% tax range would put them where they are at now. City Manager Wells responded that they are currently a little lower than that.

Vice Mayor Kline asked, if anyone from the Public had any comments. There being no comments Vice Mayor Kline brought the item back to Council for direction.

Council Member Durossette stated that the City should use the tax as a backstop and having a plan b is very important. The revenue they are collecting from the Development Agreements is very important to the community and the general fund. He would be supportive of the tax.

Council Member Ryno commented that she agrees that they should have the tax as a backstop, even though she does not support a dispensary, she still thinks they should have it as a backstop.

Vice Mayor Kline agreed with both Council Members Durossette and Ryno.

ACTION: Council collectively agreed with having a Marijuana Sales Tax in place. Staff will return with an Ordinance placing the Sales Tax question to the voters on the ballot for the November 6, 2018 General Election. (*Council Member Lane and Mayor Vierra absent*).

COUNCILMEMBER REFERRALS

Any Council Members that would like to have an agenda item placed on a future agenda shall make a request under this section of the agenda.

No Council referrals.

REPORTS

At this time, any Council Members or City Staff will make an announcement, or report briefly on his or her activities.

- Mayor Vierra absent.
- City Council nothing to report.
- City Manager
City Manager Wells reported that the 2+2+2 meeting will be held at the Ceres Unified School District tomorrow at 8 a.m. The Centennial Committee will meet on April 17 at 5:00 p.m., and the TOT Committee will also meet on April 17 at 5:00 p.m. He also announced the Groundwater Sustainability Plan Kickoff Community Workshop will be held on April 18, 6:00 p.m. at the Ceres Community Center. City Manager Wells responded to Mr. Pratt's comment about Roeding Road. He explained the cape seal overlay process for roads and described how it is a two-step process. The overlay of the road has not been completed yet, as the second step is still needed and will be done when weather permits.
- City Attorney nothing to report.
- Departments nothing to report.
- County Supervisor not in attendance.

There being no further business, Vice Mayor Kline adjourned the Regular City Council meeting at 6:33 p.m. and convened in a Closed Session meeting with the below listed items being discussed.

CLOSED SESSION

1. **CONFERENCE WITH LABOR NEGOTIATOR**
(Pursuant to Section 54957.6 of the Government Code)
City Negotiator: Liebert, Cassidy, Whitmore
Employee Organization: **Miscellaneous Bargaining Unit**

Employee Organization: **First Line Supervisors/Confidential Bargaining Group**
Employee Organization: **Mid-Management Employees**
Employee Organization: **Public Safety Mid-Managers**
Employee Organization: **Ceres Professional Firefighters Association**
Employee Organization: **Ceres Police Officers Association**

REPORT FROM CLOSED SESSION

7: 33 p.m. Reconvened to Open Session.

ACTION: No reportable action

ADJOURNMENT

The next regularly scheduled City Council Meeting is scheduled to be held on Monday, April 23, 2018 at 6:00 p.m. in the City Council Chambers located in the Community Center at 2701 Fourth Street, Ceres, CA

There being no further business, Vice Mayor Kline adjourned the meeting at 7:33 p.m.

Vice Mayor Kline

ATTEST:

Diane Nayares-Perez
City Clerk