

**Minutes  
AMENDED  
CITY COUNCIL/SUCCESSOR  
AGENCY/PUBLIC FINANCE AUTHORITY  
MEETING AGENDA  
September 21, 2017**

**1. CALL TO ORDER**

Council Members Present: Vosburg, Raine, Ramsey, Lander, Stolz

Others Present: City Manager Marissa Trejo, City Attorney Mario Zamora, Community Development Director Sean Brewer, Assistant to the City Manager Shannon Jensen, Senior Administrative Analyst Mercedes Garcia, Finance Services Director Jasmine Baines, Public Works and Utilities Director Pete Paciado, Police Chief Michael Salvador, Fire Chief Dwayne Gabriel, Economic Development Coordinator Edith Sanchez, City Treasurer James Vosburg, City Clerk Wanda Earls

**2. AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS**

1. Presentation of PG&E's LED On-Bill Financing Program, Paul Bravo, Energy Solution Consultant, Green Energy Innovations

Mr. Paul Bravo made a PowerPoint presentation regarding the On-Bill Financing for Energy Efficiency Upgrades.

This program helps eligible customers pay for energy efficiency retrofit projects with zero interest, zero penalty loans. The program works in conjunction with PG&E's energy efficiency rebate and incentive programs by eliminating up-front costs. After project completion, PG&E will lend the money for the retrofit, and the customer will pay the loan-interest free-through a line-item on their monthly utility bill.

Government agencies may qualify for loans between \$5K and \$250K per project with loan period of up to 120 months.

Aggravate costs including City Hall, P/D, Water/Public Works, A/P, F/D is \$211,450 or savings per month of \$2,038. There are no out-of-pocket costs and installation and disposal of old fixtures is included.

Comments and/or questions:

Mayor Vosburg asked about CSL vs. LED – what is next in technology and how long before a new change?

Mr. Bravo doesn't know answer to that. There are no rumblings of what the future brings. Mayor Vosburg asked why PG&E would do this.

Mr. Bravo said in the long-run to save on energy.

Mayor Vosburg asked about any health concerns; headaches, migraines, etc.

Mr. Bravo said there has been a little research on this.

Mayor Vosburg asked about buy-out vs. finance.

Mr. Bravo replied that zero% loans can be paid anytime.

## 2. Presentation of the Fiscal Year 2014-2015 Audited Financial Statements by the Auditor

The Auditor presented the Audited Financial Statements for Fiscal Year 2014-15 to include the following:

- Independent Auditor's Report
  - Management's Responsibility for the Financial Statements
  - Auditor's Responsibility
  - Opinions
- Finding:
  - Material misstatements in the City's General Ledger account balances which necessitated the proposal of numerous audit adjustments. The City identified an excessive amount of misstatements to the General Ledger account balances subsequent to providing us with a final trial balance.
- Recommendations:
  - Create a closing checklist to assist with the preparation of audit schedules that are complete, accurate and reconciled to the City's General Ledger account balances. Ensure that a system is in place to allow the City to perform this in a timely manner.
  - Provide additional assistance to the Finance Department through the hiring of additional competent personnel. A person to relieve Finance Director of many of the duties she is performing which should be delegated.
  - Provide additional training in accounting specific to government entities to Finance Department staff in order to ensure that they are current with all financial accounting and send reporting requirements as directed by the Governmental Account Standards Board.
- Finding:
  - During the review of the City's General Ledger, we noted that an excessive amount of journals entries were recorded in the accounting system. Additionally, we noted that journal entries were being posted to the accounting system prior to being adequately reviewed.
- Recommendation:
  - Adhere to the current internal control policies and ensure all transactions and journal entries are reviewed and approved by appropriate personnel prior to being posted to the City's accounting system;
  - Provide additional assistance to the Finance Department through the hiring of additional competent personnel.

- Provide training to all department heads responsible for authorizing disbursements on methods to accurately classify all disbursements to the appropriate budget line items.

There have been staffing difficulties during the 2015 fiscal year. They began their audit six months ago with cooperation of finance director and staff.

A current audit plan is being arranged with Jasmin. Next will be the field work with F/S 2016 by November 2017. The audit for 2017 should be completed by March 31, 2018.

Mayor Vosburg asked if we are on the path to success.

Auditor indicated that Jasmin is fully capable.

Ms. Terri Yanez asked about the cost to the City.

Auditor replied about \$41K. Turnover and no controls have been issue. Need good control environment with training and proper staffing.

Mr. Ted Miller from Caruthers said materials are in review. There are sizeable revenues to be gained. Proper controls will be designed. It is all great!

### **3. CITIZEN COMMENTS**

Mr. Ted Miller, from Caruthers said the rest of Fresno County is watching us for success over the next year. Fear is unknown.

To Mrs. Trejo he would like to explore Cannabis revenue with you. He can do it formally but would rather do it informally. He can do reports. There are some people in California resistant and some outside Central Valley. Maybe monthly stats could be placed on Website. He will be in touch.

Ms. Sara Prewitt asked about the Food Truck Invasion. There was nothing but shave ice and a clothing boutique. You are having difficulty getting people to come because of your regulations in place.

Ms. Terri Yanez said that Mr. Miller is just a good guy.

Mr. Chris Macaluso said it was a 5-2 vote (cannot understand rest of sentence). He needs to file under the CPRA.

Mr. Ted Miller said his interest is to approve Cannabis and retail in County and City. There was one victory today. No legal recreational cannabis leaning toward medical. He is concerned about the financial impact on City. He has a Website; Fresno Cannabis Website. Seventeen percent in favor for County. He is a retired engineer. Great things for Coalinga.

### **4. PUBLIC HEARINGS (NONE)**

### **5. CONSENT CALENDAR**

Council Member Stolz pulled Item 1.

Mayor Vosburg pulled Items 2 and 4.

Ms. Terri Yanez pulled item 11.

## 1. Information on Commercial Cannabis Licensing

Police Chief Michael Salvador made a PowerPoint presentation on the Commercial Cannabis Licensing:

- Outline of the Industry to Date
- Problems that have come up
- Fiscal Impact
- History
- Prop 218

### State of the Current Cannabis Industry

- Number of Licenses Issued: 2
- Number of Approval Letters: 26
- Number of Employee Permit Approvals: 100
- Number of Calls for Service to the PD: 0
- Coalinga PD Marijuana – Types of Permit Flow Chart
- Commercial Cultivation
  - Slow to get moving
  - Power is the Issue
  - Number Approved Groves: 11
- Manufacturing
  - How many? 1 open
  - 7 approval letters completed
  - Less power issues
  - Fastest to open
- Industry Issues
  - Power
  - Development time
  - California Regulations
  - 18 to 24 month process
- Fiscal Impact
  - Licensing revenue
  - Tax revenue from voter approved at 10%
  - Added public safety expenses
- Financial Benefits of Cannabis Licensing
  - Licensing \$1,150,359
  - Taxes \$2,142,777
- Benefits of Cannabis Licensing
  - Company names were listed on chart showing their financial benefit

Mayor Vosburg said extra slide needs to be changed. Flow Chart has 2 errors; plus nursery application.

Mayor Vosburg asked for consensus of Council in reference to outdoor cultivation in order to obtain Grant. There was no roll-call on consensus but shaking of heads.



Police Chief Salvador said we are covered in compliance. Power with PG&E is issue. There is a distribution change. There were new rules and regulations for AB 133 on 09-16-17.

He attended Bureau of Cannabis Control on Regulations.

- Co-mingled but separate Micro-business
- (Winery Model)

He spent one-half hour with Laura Ajaz. In February 2016, Governor Brown appointed Chief Ajax as the first Chief of the newly formed Bureau of Medical Cannabis Regulation.

The City spent \$360K last year in expenses in reference to Cannabis.

- Next Steps:
  - Watch Legislation
  - Modify Ordinance
  - Urge Caution
  - Solidify location of retail dispensary

Many cities are inquiring about the industry and sharing information, Central Valley not among them.

Mr. Ted Miller said Colorado received \$500M in tax revenue in 42 months. Compared to California it should be \$3.5B in 42 months.

PG&E is a worry for Coalinga. Outdoor Cultivation - stakeholders want to have a model and to deal with security.

Police Chief said he spends \$50K per year for permit model and everything necessary.

Comments:

- State Reg's are subject to change.
- PD struggle with Bureau of Cannabis Control – steps on toes and rewritten rules
- Problems with other Counties

Council Member Lander said location of dispensary is vital.

- If not in compliance, how can we do it?
- PD has local control
- Local controls are in place

Mayor Vosburg said Coalinga is leading the way. We were right. Change Ordinance to business friendly with local control.

Great job Chief, staff and Sean Brewer.

Mr. Chris Macaluso said all products in place and all sales at retail.

Mr. Ted Miller said need one location for both recreational and medicinal. Need to be business friendly. Take baby steps.

## 2. Information on City of Coalinga IT Infrastructure

Police Chief Salvador gave a PowerPoint presentation on the IT Master Plan:

- Infrastructure
- Software
- It Master Plan
  - Equipment at Public Works \$15,000
  - Equipment at Fire Department \$15,000
  - Equipment at City Hall \$85,000
  - Equipment at Police Department \$20K
  - Council Chambers \$28,000 based on 190 active users and new server. To move email to the cloud using Office 365 exchange – Recurring Costs up to \$45,000 per year.
- Master Plan (Software) Total Cost to move Microsoft Office 365 - \$28,000. One time Purchase of license agreement with upgrade rights - \$317 per machine.
- Master Plan (Software) Adobe Acrobat – Total costs to move to Adobe Acrobat Pro DC (Cloud Based) \$35,000 based on 190 Active users (\$15 per user per month) One time purchase of license agreement with upgrade rights \$499 per machine.
- IT Master Plan (Software) Anti-virus – estimate \$1200.
- IT Master Plan (Software) Web presence – consolidation and integration – Ecommerce - Estimated Cost \$20,000 - \$40,000

Next Steps: Establish priority list \* Budget priority list into manageable pieces\* work with Code 3 to establish consistent City image.

Mayor Vosburg said he does not agree – outsource it. Adobe – no way \$35K. Security not needed - \$40K net for security.

Police Chief Salvador said it is an infrastructure upgrade.

Mayor Vosburg said AT&T can loop all and feed back to here. Domain – get rid of controller. We can do this for 1/4 of expense. ACP's not required.

Police Chief Salvador said need clear power to PD and offsite backup. Remember the 1983 earthquake.

Mayor Vosburg said quote from AT&T covered complete City. We need infrastructure at Water Plant.

Chief Salvador said he is on high side. He can back under this quote.

Council Member Lander asked that you put together three different scenario options and bring back before the Council. Council members appeared in agreement with this suggestion.

Council Member Ramsey said we have no money and now is not the time.

Mayor Vosburg said we want to save as many dollars as we can. He would like to meet with Code 3.

Ms. Terri Yanez asked what Code 3 is.

It is the contracted computer technical service. They are here on Tuesdays.

3. Adoption of Resolution No. 3785 Regarding Certifications and Claims for Collection of Measure “C” Funds for Fiscal Year 2017-18 and Authorization for the Financial Services Director to Sign the Local Transportation Pass Through Revenue Certifications and Claim Forms
4. Adopt Resolution No. 3786 Approving the Contract with Tyler Technologies-Incode Division for Financial Software and Services and Appropriation of the Funding Needed

Financial Services Director Jasmin Bains summarized the staff report to include the following:

The City Manager and Financial Services Director recommend the approval of Resolution No 3786 approving the contract with Tyler Technologies-Incode Division for Financial Software and services and appropriation of the funds needed.

- Recommendation
- Background
- Discussion
- Fiscal Impact

Staff requests the City Council to appropriate the funds needed to upgrade the finance software. The total project cost for the finance system is proposed to be one-time fees in the amount of \$97,010 and annual recurring fees in the amount of \$34,942. The total costs don't include travel expenses for onsite visits; they will be billed separately from the cost of implementation and conversion.

Comments:

Kip is available to answer any questions.

- Critical for department
- Residents to get upgrade
  - All on line – residents can make payments on line
  - Pay with Credit Cards
- FSD Bains has worked with software
- \$97,010 Cost Allocation Plan
  - 75% - 80% to three Enterprise Funds – 20% to General Fund
- How long on this version?
- Not certain, maybe 10 years to next version – technology so good today

Council Member Lander said good job Ms. Bains. He supports you fully.

Finance Services Director Bains said there is a long-range plan to assist the City with building permits.

5. Waive the Second Reading and Adopt Ordinance No. 806 to allow for Minor Adjustments to the City's Development Standards.
6. Authorization for City Manager to Sign and Submit Local Transportation Development Funds for Fiscal Year 2016-2017
7. Authorization for City Manager to Sign and Submit Local Transportation Development Funds for Fiscal Year 2017-18
8. Council Consideration and Approval for a Beer and Wine Off-Sale Business License, through the Department of Alcoholic Beverage Control (ABC) within Census Tract 80 in the City of Coalinga for the State Foods Supermarket located at 203 W. Polk Street
9. Declare Concrete Patio Table and Benches as Surplus and Authorize Sale with Proceeds to Benefit the Coalinga Police Explorers
10. Declare Surplus Property at City Hall and Donate to, Coalinga Community Foundation, Coalinga Neighborhood Resource Center or other local nonprofit agency
11. Fire Department Report – August

Fire Chief Dwayne Gabriel presented the August Fire Department Report:

Fires	Total 9
Structure 1	
Vehicle 1	
Vegetation 5	
Rubbish 2	
Other 0	
Emergency Medical Service	Total 166
EMS Incidents 164	
Medical Assist 1	
Standby 1	
Hazardous Condition	Total 3
Service Calls	Total 6
Good Intent	Total 10
Cancelled Calls 8	
Controlled Burning 0	



Wrong Location/No Emergency 1  
Steam or dust mistaken for smoke 1  
HazMat Release Investigation w/ no Haz Mat 0

False Alarms Total 4

Total Responses 197

#### STAFFING

We had one resignation. Paramedic Jeremy Blackshere took a position as Fire Engineer with the City of Patterson. This drops one shift below minimum staffing of 6 per shift.

#### EVENT PARTICIPATION

Engine and Ambulance participated in National Night Out on August 1st.

#### AUTOMATIC AID

We provided Fresno County Fire Protection District and CALFIRE Automatic aid on three vegetation fires.

#### COMMITTED STANDBY

No committed standbys. Ambulance did one non-committed standby for a High School Football game.

#### PREVENTION

Conducted one tent inspection for Walter Brothers Circus which ran August 17<sup>th</sup> thru August 21<sup>st</sup> at Fifth and Elm.

#### INSURANCE SERVICES OFFICE

We have been working with the Insurance Services Office (ISO) in completing the grading of the City for their organization. We completed this process towards the end of August, and are awaiting the results.

*Motion by Raine Second by Stolz to Approve Consent Calendar Items 3, 5, 6, 7, 8, 9, and 10. Motion **Approved** by a Roll-call 5/0 Majority Vote.*

*Motion by Lander, Second by Raine to Approve Consent Calendar Items 1, 2, 4, and 11. Motion **Approved** by a Roll-call 5/0 Majority Vote.*

## **6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS**

1. Introduce and Waive the First Reading of Ordinance No. 807 Setting Procedures for Expediting Permitting Processing for Electric Vehicle Charging Systems  
**Sean Brewer, Community Development Director**

Community Development Director Sean Brewer presented the staff report to include the following:

- Background
- Discussion

Staff recommends that the City Council introduce and waive the first reading of Ordinance No. 807 given Government Code Section 65850.7's requirement that local agencies adopt such an ordinance to create an expedited streamlined permitting process for electric vehicle charging stations on or before September 30, 2017. Most of the procedures, such as electronic submittal of plans are currently in place and comply with the requirements of the Assembly Bill and staff is assuring that successful implementation of an expedited, streamline process will be available to permit applicants by September 30, 2017.

*Motion by Ramsey, Second by Lander to Approve First Reading of Ordinance No. 807 Setting Procedures for Expediting Permitting Processing for Electric Vehicle Charging Systems. Motion **Approved** by a Roll-call 5/0 Majority Vote.*

2. Discussion of Future Business in Coalinga  
**Marissa Trejo, City Manager**

City Manager Trejo referred to Mayor Pro-tem Raine as this is his FAI.

Mayor Pro-tem Raine indicated that Coalinga once had a strong business industry offering many jobs. He is hoping that the new Cannabis Industry will bring more business and jobs to Coalinga.

He is sorry that Katie is leaving the Chamber of Commerce.

He suggests some of the following as potential businesses for Coalinga:

- Museum – need full input from Curator. The Gene Autry Museum changes their topics every quarter.
  - Add high school and college students as volunteers or board members
  - Add major oil section for stages of oil production
- Disney-like ride depicting what it was like to be in the earthquake
- Drycleaners – none in town
- Special park for kids
- Ice skating and ice hockey arena
- Ice cream maker – flavor might be Earthquake, etc.
- Indoor Rock Climbing Site
- Boys' and Girls' Club
- Finish the Sports Complex and host tournaments for travel teams
- Alley cottages to be built on properties for singles and couples
- Dude Ranch
- Bluegrass Festival
- Grey Callison – outdoor concert sites
- Start-up business with three individuals – team effort
- REI co-op

- Like at Folsom – match financial backers
- Hot Air Balloon – materials and fuel – aerospace
- Reach out of County for County-City non-incorporated area businesses
- Restaurant businesses like barbeque or New York hot dogs

We need people to submit ideas and we need to encourage people to invite businesses into our City. Many people can come up with new ideas.

City Manager Trejo said anyone interested in starting a business or has ideas about a new business may contact our Economic Development Coordinator Edith Sanchez at 559 935 1533, Ext. 114.

Ms. Mary Jones said she gave up her business at a loss of \$10K. She had 1,000 students. There is neither location nor place for her to set up her business. She is paying \$400 in storage fees. She is frustrated because she gave all she had and she is still looking for a new place but nothing is open.

3. Council Direction Regarding Authorization for Councilmember Stolz to Attend the State of Cannabis Conference in Long Beach on September 28th and 29th, 2017  
**Marissa Trejo, City Manager**

City Manager Trejo introduced the topic of Council Member Stolz attending the State of Cannabis Conference in Long Beach on September 28 the 29.

There was discussion about the cost to attend; \$550 or \$299.99 or \$149.50 plus 9.92 fee.

Mayor Vosburg said he is driving down and back the same day. Council Member Stolz said she will be responsible for herself.

*Motion to Approve Council Member Stolz to attend the State of California Cannabis Conference in Long Beach on September 28 and 29 and for City to be responsible for only the cost to attend the conference. Motion **Approved** by a Roll-call 5/0 Majority Vote.*

## 7. CITIZEN COMMENTS (NONE)

## 8. ANNOUNCEMENTS

Council Member Lander said since the Mayor will not be here, he will be attending the COG meeting on the 28<sup>th</sup>.

Mayor Vosburg said he and Council Member Stolz attended the League of California Cities meeting and it was amazing. Some of the sessions were:

- CPRA (California Public Records Act and Social Media involvement.
- Cannabis licensing and taxes
- 180 changes for stake holders. Stake holders were invited.
- Many vendors were there with information on streetlights, solar information and available grants
- Electric vehicles
- San Joaquin Air Quality Control Board grants
- Had conversations with Cannabis folks
- It is all about networking

- He will get information to staff
- AB109 regarding law enforcement
- Prop 47 regarding local medical response

## 9. FUTURE AGENDA ITEMS

Council Member Ramsey wants to invite the Cemetery District back for an updated status.

Mayor Vosburg wants City staff and PD to bring emergency items for IT. Wants a local emergency item list and to bring back before the Council.

In accordance with Ms. Jones comments, the downtown rental pricing is too high. He would like a statement from the owner of those buildings.

Council Member Lander said he does property management and he has one vacancy for \$750 per month.

Mayor Vosburg wants to open discussion on the Food Truck requirements as they appear to be out of line since we are not attracting the food trucks to our community.

He wants consideration of waiving business licenses for arts/crafts for Coalingafest. Venders are unhappy.

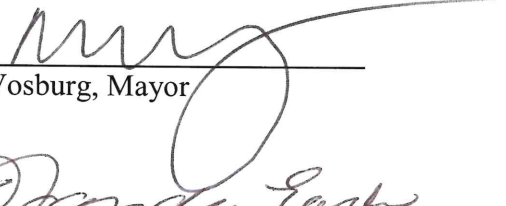
Council Member Stolz said the arts and crafts venders are concerned about turning over their business information to the City

Mayor Vosburg said Shift Se3tor wants City people at their event. We need to create a policy in reference to Form 802 and ticket policy. We need attendance at more events.

Nothing would be reported on our Form 700.

## 10. CLOSED SESSION (NONE)

## 11. ADJOURNMENT (9:14PM)

  
Nathan Vosburg, Mayor

  
City Clerk/Deputy Clerk

10-19-17  
Date