

DRAFT MINUTES
SALINAS CITY COUNCIL FINANCE COMMITTEE
Monday, June 5, 2017
3:00 P.M.

COMMITTEE MEMBERS PRESENT: Mayor Joe Gunter, Councilmember Tony Barrera, and Councilmember Scott Davis.

STAFF PRESENT: City Manager Ray Corpuz Jr., Economic Development Manager Andy Myrick, City Attorney Chris Callihan, Finance Director Matt Pressey, and Senior Accountant Abe Pedroza.

Mayor Gunter called the meeting to order at 3:00 p.m.

1. PUBLIC COMMENT

A member of the public, Al Espindola, inquired about the extent to which local preference played in issuing cannabis permits, as well as if an adequate disposal process was in place.

2. MINUTES

The minutes of the May 15, 2017 meeting were unanimously approved by motion of Committee Member Davis, second by Committee Member Barrera.

3. DISCUSSION ITEMS

A. Cannabis Permitting Update

Economic Development Manager Andy Myrick delivered an update on the commercial cannabis process taking place within City limits. Over the past year, the selection committee has reviewed 24 applications, scoring the candidates based on a variety of factors. Ultimately, the City issued eight permits, three each in the categories of manufacturing and dispensary, and two in cultivation. The third potential permittee in cultivation will have to appeal to the Planning Commission as their location is less than 1,000 feet from an alcohol related business, violating city ordinance. Mayor Joe Gunter and Councilmember Scott Davis asked how local preference factored into the process as well as City concerns for the business' sustainability. City Attorney Chris Callihan explained the scoring for local preference in relation to the other factors while also mentioning that the nature of the business warranted the City's interest in sustainability. Mayor Gunter proposed that the ordinance, in a timely manner, be revised to allow for more permits to be issued in order to generate revenue that could partially offset the structural deficit of the City's General Fund. Mr. Callihan indicated that through the vetting process, the selection committee had already identified five potential candidates in each category, which was then further reduced to three. Therefore, given the other two applicants meet the required qualifications, the City could quickly issue the additional permits in each category. Councilmember Barrera mentioned that the process should remain equitable, and pass through the various subcommittees prior to being presented to City Council. By motion of Councilmember Scott Davis, second by Mayor Joe Gunter, the committee unanimously voted to expand the ordinance to allow for five permits to be issued in each of the cultivation, manufacturing, and dispensary categories, with delivery to remain at three, and labs to be exempt. The ordinance will be brought to Council on July 11, 2017.

B. Committee Member Reports

Mayor Joe Gunter asked that the committee discuss the status of the early CalPers payment, hiring freezes, and voluntary separations at a future meeting.

4. NEXT MEETING

Next meeting is scheduled for Monday June 19, 2017.

5. ADJOURNMENT

The meeting adjourned at 3:26 p.m.

SUBMITTED BY:

Handwritten signature of Abe Pedroza in cursive script.

Abe Pedroza, Senior Accountant