



DATE: November 13, 2018

CATEGORY: Consent

DEPT.: Finance and Administrative Services
Department, Community
Development Department, and City
Attorney's Office

TITLE: **Appropriation of Funds for Staff
Resources – Cannabis Business
Regulations**

RECOMMENDATION

Increase budgeted revenues and appropriate \$343,900 in the Police Department General Operating Fund, for the cost of 1.0 FTE Police Officer position and 0.50 FTE Community Services Officer required to enforce cannabis business regulations. (Five votes required)

BACKGROUND

On October 2, 2018, the City Council introduced ordinances establishing cannabis business regulations which will permit up to four cannabis businesses in the City. On October 23, 2018, Council adopted the ordinances. The regulations require all permitting, administration, and enforcement processes related to cannabis businesses to be cost-recovered. In addition to existing staff involved in the process, one new full-time Police Officer and one new half-time Community Services Officer were authorized to administer and enforce the regulations for the four cannabis businesses which will be allowed to operate in the City.

Additionally, on October 2, 2018, Council adopted a resolution amending the Master Fee Schedule to approve fees to recover the estimated cost of resources needed to provide the services outlined by the ordinances. These fees include the costs of existing staff, plus 1.0 FTE Police Officer position and 0.50 FTE Community Services Officer. This item is to increase the budget for the revenue projected to be generated from the fees and appropriate the funds for the new positions.

ANALYSIS

Adoption of the cannabis business regulations creates the need for additional Police Department staffing of 1.0 FTE Police Officer position and 0.50 FTE Community Services Officer. Although the regulatory program is cost recovery-based, and the expense of the new position will be covered by fees imposed on cannabis businesses

eventually permitted in the City, an initial appropriation of funds is required. City Charter Section 1105 authorizes appropriations for these purposes upon approval by five affirmative votes of the Council.

FISCAL IMPACT

The fees paid by the businesses are set to recover the cost of existing staff involved in the process and 1.0 FTE Police Officer position and 0.50 FTE Community Services Officer, the additional resources anticipated to be needed for the regulation of cannabis businesses.

ALTERNATIVES

1. Do not appropriate the funds which would not provide the dedicated resources needed to regulate the program as adopted by the City Council.
2. Appropriate a different amount, providing less or more dedicated resources.

PUBLIC NOTICING – Agenda posting.

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