

BUDGET AND FINANCE COMMITTEE REPORT relative to establishing cannabis business fees and interim position authority to implement cannabis regulations within the City.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. CONCUR with the recommendations of the Rules, Elections, and Intergovernmental Relations Committee (at its meeting of September 25, 2017).
2. STRIKE the resolution authority request for four Tax Auditor II positions in the Office of Finance (Finance).

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no anticipated General Fund impact. Adoption of the fees included in its report will support the recommended positions and the Department of Cannabis Regulation (DCR) on an on-going basis. The CAO anticipates that the timing of fee collection will coincide with resource deployment. If necessary, gap funding will be addressed in the Mid-Year Financial Status Report. The recommendations included in its report are consistent with the City's Financial Policies as on-going expenditures will be fully supported by on-going revenues.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on October 2, 2017, the Budget and Finance Committee considered a report from the CAO dated September 25, 2017 relative to cannabis business fees and interim position authority to implement cannabis regulations within the City.

The Executive Director of the DCR and a representative of the CAO briefed the Committee on the matter and responded to related questions. After lengthy discussion and consideration of this matter, the Committee recommended to strike a request for resolution authority for four Tax Auditor II positions in Finance from the recommendations in the CAO report. The need for those positions was addressed in a separate action by the Rules, Elections, and Intergovernmental Relations Committee, with the concurrence of the Budget and Finance Committee, under Council file Nos. 16-0600-170, 17-0600-S31, and 17-0768 regarding resources necessary Finance's secure cash acceptance operations.

After providing an opportunity for public comment, the Budget and Finance Committee concurred with the action of the Rules, Elections, and Intergovernmental Relations Committee at its meeting of September 25, 2017 to approve the CAO report as amended. Budget and Finance Committee further amended the recommendations as indicated above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	YES

REW 10/2317 FILE NO. 14-0366-S14

-NOT OFFICIAL UNTIL COUNCIL ACTS-