



# CITY OF CANYON LAKE

## City Hall

31516 Railroad Canyon Road  
Canyon Lake, CA 92587

[www.canyonlakeca.gov](http://www.canyonlakeca.gov)

Mayor Dale Welty  
Mayor Pro Tem Mark Terry  
Council Member Kasey Castillo  
Council Member Jennifer Dain  
Council Member Jeremy Smith

## AGENDA

Regular Meeting of the Canyon Lake City Council  
Wednesday, May 8, 2024

Closed Session 5:00 P.M. – City Hall Administration Office – 31526 Railroad Canyon Road, Suite 5  
Open Session 6:30 P.M. – City Hall Council Chamber – 31516 Railroad Canyon Road

### CLOSED SESSION

#### CLOSED SESSION CALLED TO ORDER

#### ROLL CALL

Castillo, Dain, Smith, Terry, Welty

#### PUBLIC COMMENT

#### LIMIT 3 MINUTES

*Any person wishing to address the City Council on any matter within the jurisdiction of the City, whether or not it appears on this agenda, is asked to complete a "Speaker Request Form" available on the back counter. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council. The City Council has adopted a time limitation of three (3) minutes per person. If you are commenting on the agenda item, your comments will be heard at the time that particular item is scheduled on the agenda. Please note that if you are addressing the City Council on items NOT on the agenda, the Brown Act does not allow discussion of such items. Therefore, the City Council may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response.*

*Members of the public may submit comments electronically by sending an email to [cityclerk@canyonlakeca.gov](mailto:cityclerk@canyonlakeca.gov). Comments submitted electronically will be provided to the City Council and included in the official record but will not be read aloud during the meeting.*

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Section 54957  
Title: Interim City Manager
2. CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6  
Agency Designated Representatives: Michael Valentich; Interim City Manager  
Employee Organization: Canyon Lake Firefighters Association
3. CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6  
Agency Designated Representative: Interim City Manager  
Employee Organization: Unrepresented Employees
4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Pursuant to Government Code Section 54956.9(d)(2)  
Significant Exposure to Litigation, Two Cases

## OPEN SESSION

### OPEN SESSION CALLED TO ORDER

### INVOCATION

### FLAG SALUTE

### ROLL CALL

Castillo, Dain, Smith, Terry, Welty

### CLOSED SESSION REPORT

### CEREMONIAL MATTERS *Presentations, Awards, Proclamations*

Recognition – Kelly Lopez, Citizen of the Month

Recognition – Alex Kivrizis and Summer Scott, Students of the Year

Recognition – McKenzie Cassara, 2024 Essay Scholarship Winner

Recognition – Pat Kembal and Jesse Beecher, 2024 SCGA Team Play Champions

### COMMUNITY REPORTS

**LIMIT 3 MINUTES**

Elsinore Valley Municipal Water District

Canyon Lake Property Owners Association

Canyon Lake Chamber of Commerce

Lake Elsinore Unified School District

### PUBLIC SAFETY UPDATES

City of Canyon Lake Code Enforcement

Riverside County Sheriff's Department

City of Canyon Lake Fire Department

### PUBLIC COMMENT

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## **COMMITTEE AND COUNCIL REPORTS/COMMENTS**

### **CONSENT CALENDAR**

*All items listed on the Consent Calendar are considered to be routine matters, status reports or documents covering previous City Council action. The items listed on the Consent Calendar may be enacted in one motion. With the concurrence of the City Council, a Council Member may request that an item be removed for further discussion. Staff recommends approval of all items.*

(1) **Waive Full Reading, Read all Ordinances by Title Only**

(2) **Approve Claims and Demands of the City**

Recommendation: Adopt Resolution No. 2024-15 Approving Claims and Demands of the City.

(3) **Approval of City Council Minutes**

Recommendation: Approve the Minutes of the City Council Meeting of April 10, 2024.

(4) **Second Reading and Adoption of Ordinance No. 246 - An Ordinance of the City Council of the City of Canyon Lake, California, Amending Various Sections of Chapter 4.20 of the Canyon Lake Municipal Code Regarding Commercial Cannabis Businesses**

Recommendation: Conduct second reading and adopt Ordinance No. 246 - An Ordinance of the City Council of the City of Canyon Lake, California, Amending Various Sections of Chapter 4.20 of the Canyon Lake Municipal Code Regarding Commercial Cannabis Businesses.

(5) **Second Reading and Adoption of Ordinance No. 247 - An Ordinance of the City Council of the City of Canyon Lake, California, to Repeal and Replace Title 3 (Revenue and Finance), Chapter 3.08 (Purchases) of the Canyon Lake Municipal Code**

Recommendation: Conduct second reading and adopt Ordinance No. 247 - An Ordinance of the City Council of the City of Canyon Lake, California, to Repeal and Replace Title 3 (Revenue and Finance), Chapter 3.08 (Purchases) of the Canyon Lake Municipal Code.

### **PULLED CONSENT CALENDAR ITEMS**

#### **PUBLIC HEARINGS**

None.

#### **BUSINESS ITEMS**

None.

#### **CITY MANAGER COMMENTS**

#### **ANNOUNCEMENTS**

The next regular City Council meeting will be held on June 12, 2024.

#### **ADJOURNMENT**

## VISION STATEMENT

*The vision of the City of Canyon Lake is to be a City that provides a quality of life that makes Canyon Lake the premier place to live in Southern California.*

### **ATTENTION RESIDENTS:**

Unless stated otherwise on the agenda, every item on the agenda is exempt from CEQA Guidelines Sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resource Code Section 21065. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at [www.canyonlakeca.gov](http://www.canyonlakeca.gov) once the agenda has been publicly posted. Any written material relating to an item on this agenda submitted to the City Council after distribution of the agenda packet will be available for public inspection in the City Clerk's Office during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting. It is the intention of the City of Canyon Lake to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or participant at this meeting, you will need special assistance beyond what is normally provided, the City of Canyon Lake will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's office at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

**AFFIDAVIT OF POSTING: I, Sheryl L. Garcia, City Clerk of the City of Canyon Lake, California, do hereby declare that the foregoing agenda was posted on May 2, 2024, at least seventy-two (72) hours prior to the meeting per Government Code 54954.2, and as required by Resolution 2019-42 of the Canyon Lake City Council.**

**Sheryl L. Garcia, MMC, CPM  
City Clerk**



# **STAFF REPORT**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Arron Brown, Interim City Manager

**BY:** Elizabeth Luna, Executive Assistant and Accounting Technician I

**DATE:** May 8, 2024

**SUBJECT:** Approve Claims and Demands of the City

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## **Recommendation**

Adopt Resolution No. 2024-15 Approving Claims and Demands of the City.

## **Background**

All claims and demands are reported and summarized for review and approval by the City Council on a routine basis at each City Council meeting. The attached claims represent the paid claims and demands since the City Council meeting of April 10, 2024.

## **Fiscal Impact**

All claims and demands are paid from appropriated funds or authorized resources of the City and have been recorded in accordance with the City's policies.

## **Attachments**

1. Resolution No. 2024-15

# **ATTACHMENT 1**

**RESOLUTION NO. 2024-15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AS SET FORTH IN EXHIBIT A**

**WHEREAS**, the Finance & Planning Committee of the City of Canyon Lake reviewed Exhibit A at their regularly scheduled meeting on May 8, 2024; and

**WHEREAS**, Exhibit A was presented at the regular meeting of the City Council on May 8, 2024, at which all present, were given an opportunity to comment.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:**

Demands are approved as shown on the Demand\Warrant Register of May 8th, in the amount of \$590,901.15 as follows:

Payroll Earnings (Gross)	\$ 153,715.56	(For Month of April)
Payroll Processing Fees	\$ 427.77	(For Month of April)
Payroll Taxes - Employer	3,424.86	(For Month of April)
On-line Retirement	17,990.06	(For Month of April)
On-line Health	34,993.13	(For Month of April)
Principal	431.35	(For Month of April)
Aflac	794.44	(For Month of March)
Nationwide Deferred Comp.	7,109.26	(For Month of April)
Citizens Business Bank Interest	1,949.05	(For the Month of March)
General	\$ 370,065.67	
TOTAL	<u>\$ 590,901.15</u>	

**PASSED, APPROVED AND ADOPTED** this 8th day of May, 2024.

\_\_\_\_\_  
Dale Welty, Mayor

ATTEST:

\_\_\_\_\_  
Sheryl L. Garcia, MMC, CPM  
City Clerk

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
AB Fence	Repaired Damaged Wrought Iron Fence on RRCR at Country Club	4,300.00
ABILA	Accounting Software 5/1/24-5/31/24	205.69
All State Propane	Propane for Fire Station, 3/25/24	225.96
Allstar Fire	Fire Station Fire Shelter	549.74
Amazon	Fire Station Gym Equipment	181.94
	Fire Staton Apparatus Supplies	60.28
	Fire Station Office Supplies	41.35
	Fire Station Investigation Equipment	21.44
ANIMAL FRIENDS	Animal Control Services Month of March 2024	3,500.00
Boatright	Reserve Stipend for March 2024	100.00
CL PEST	Quarterly Pest Control for Storage Units	95.00
CL PROPERTY OWNERS	Firehouse Note Payment 3	9,359.56
Cole Huber	Attorney Services/City v. Pacific Coast Builders January 24	2,028.00
	Attorney Services/General January 2024	8,510.00
CPS	HR Consulting Services 11/26/23-2/24/24	500.00
CTAI	Upgrade Landscape Lighting on RRCR Center Medium Planters	17,146.00
	Landscape for Fire Station March 2024	250.00
	Installed Drip Irrigation on RRCR Center Medium Planters	10,959.00
	Landscape Maintenance Fee for Medians & Parkways March 2024	4,775.00
Dain	Auto Allowance April 2024-Dain	100.00
Delgado	Janitorial Services March 2024	1,180.50
	Janitorial Services March 2024	59.00
Gordon	Reserve Stipend for March 2024	100.00
Holt Architecture	City Hall and Council Chambers Renovation Project	9,554.50
iWorQ	iWorQ Systems Internet Software Mgmt & Support 4/2024-8/2024	10,645.84
Jake Stouffer	Reserve Stipend for March 2024	100.00
Jeremy Smith	Auto Allowance April 2024-Smith	100.00
John Hancock	EE & ER Contributions for Bi-Weekly Check Date 3/29/24	4,279.49
	EE & ER Contributions for Semi-Monthly Check Date 3/29/24	1,394.11
Johnson Controls	Replaced Battery on Alarm System at City Hall	69.98
Kasey Castillo	Auto Allowance April 2024-Castillo	100.00
Kings III of America, LLC	Elevator Phone 4/1/24-6/30/24	195.00
Lexipol	Fire Station Grant Services for SAFER 3/5/24-3/4/25	5,400.00
Liebert Cassidy Whitmore	General Professional Services through February 29, 2024	4,674.00

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City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
Life-Assist	Fire Station Medical Supplies	751.28
Longobardo	Reserve Stipend for March 2024	100.00
Luksch	Reserve Stipend for March 2024	100.00
Mark Terry	Auto Allowance April 2024-Terry	100.00
Michel	Reserve Stipend for March 2024	100.00
Mijares	Reserve Stipend for March 2024	100.00
PORAC RMT	PORAC Contributions for March 2024	775.00
Round Up	City Vehicle Fuel (10/1/23-12/31/23)	997.54
SanchezJ	Reserve Stipend for March 2024	100.00
SCE	Electricity for Rental Bldg 31520 RRCR STE B 2/20/24-3/19/24	30.74
	Electricity for Rental Bldg 31520 RRCR Ste A 2/20/24-3/19/24	16.71
Stoddart	Reserve Stipend for March 2024	100.00
Time Warner	Internet for Fire Station 3/10/24-4/9/24	312.71
	Digital Converter for City Hall 3/22/24-4/21/24	5.35
Toshiba Business Solutions, USA	Admin B/W & Color Copies 2/26/24-3/25/24	256.95
	Fire Station B/W & Color Copies 2/25/24-3/24/24	107.51
Welty	Auto Allowance April 2024-Welty	100.00
Willdan	Water Quality Services thru 2/23/24	2,622.75
Report Total		107,437.92

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

<u>Vendor ID</u>	<u>Invoice Description</u>	<u>Cash Required</u>
Riv Co Treasurer	FY 23-24 Property Taxes for 31542 RRCR 1st Installment	756.83
	FY 23-24 Property Taxes for 31542 RRCR 2nd Installment	688.04
Report Total		<u>1,444.87</u>

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
Bankcard	See Credit Card Review 3437	1,981.92
	See Credit Card Review 2637	2,365.08
	See Credit Card Review 0066	1,652.66
	See Credit Card Review 0776	8.35
	See Credit Card Review 7227	80.95
SDRMA	Dental and Vision Insurance May 2024	2,250.06
The Gas Co	Gas Charges for 31520 Railroad Cyn Rd 2/28/24-3/28/24	14.86
	Gas Charges for City Hall 2/28/24-3/28/24	134.68
Report Total		8,488.56

City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
AMP	Rent for May 2024-31526 Railroad Canyon Rd., Suite 5	2,919.00
	Rent for May 2024-31526 Railroad Canyon Rd., Suite 4	443.00
CBSC	Permit Valuation January through March 2024	194.40
CL PEST	Monthly Rodent for Fire Station March 2024	85.00
	Quarterly Pest Control for City Hall	105.00
	Bi-Monthly Pest Control for Administration Offices	60.00
Colantuono, Highsmith & Whatley	Attorney Services for adv. Richard Beck thru March 31, 2024	1,496.50
Cole Huber	Attorney Services/City v. Pacific Coast Builders February 24	182.00
	Attorney Services/General February 2024	8,510.00
Control Pump	Landscape Booster Station Monitor Report for March 2024	401.25
Corelogic	Database for Code Enforcement March 2024	167.13
CR&R	Trash Services for Rental Bldg. April 2024	201.12
DEPT OF CONSER	Strong Motion Instrumentation and Seismic Hazard Jan-Mar 24	508.00
DSA	Disability and Education Fee Quarter Ending 03/31/2024	193.60
Fire Smart	Fire Station Open House Supplies: Fire Helmets	746.71
FRIDAY FLYER	Ordinance No. 246-Commercial Cannabis Businesses	46.25
	Ordinance No. 245-Planning & Zoning, Dwelling Units	43.05
	Ordinance No: 243-Senate Bill 329	45.15
	Public Hearing-Single Family Rental Property Registration	51.45
	Ordinance 241-New Addresses & Change of Addresses	37.80
	Ordinance 236-Business Licenses	45.15
	Ordinance No. 245-Planning & Zoning Dwelling Units	40.95
	Ordinance 242-Regulation of Docks	37.80
	Notice of Public Hearing, Planning & Zoning, Accessory Dwel	57.75
	Ordinance No: 244-Single Family Rental Property	51.45
	Ordinance NO: 243-Senate Bill 329	45.15
	1/2 Page Vertical - Volunteer Flag Placement Ad	301.00
	1/2 Page Vertical-Volunteer Flag Placement Ad	301.00
	1/2 Page Vertical-Volunteer Flag Placement Ad	301.00
	1/2 Page Vertical-Volunteer Flag Placement Ad	301.00
GREENHALGH	Retiree Health Insurance May 2024	184.72
hipprint	Fire Station Reserve and Fire Safety Flyers	868.47
ICG	CL-003 Railroad Canyon Road HSIP Project 2/1/24-2/29/24	6,417.50

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City of Canyon Lake  
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
	CL-001 General Engineering Services 2/1/24-2/29/24	2,238.75
John Hancock	EE & ER Contributions for Semi-Monthly Check Date 4/15/24	1,394.11
	EE & ER Contributions for Bi-Weekly Check Date 4/12/24	4,279.49
Lawrence	Fire Station Apparatus Door and Gate Maintenance	1,036.00
Life-Assist	Fire Station Medical Supplies	180.44
	Fire Station Medical Supplies	58.84
Nate Volk	Video Broadcast Meeting, April 10, 2024	350.00
Nunez	Live Scan and License Renewal	312.00
O'Marra	Instacart Membership Reimbursement	99.00
PARS	Monthly Administrative Fees Ending February 2024	400.00
PZL, Inc.	Planning Services for March 2024	3,840.00
RAMS	Accounting Services for February 2024	4,340.00
riv Co Exec	Sheltering Costs 4th Quarter April -June 2024	21,971.00
Riv Co Fire	Dispatch Services FY 23/24 Qtr 2	31,741.56
Riv Co Sheriff Dept Lake Elsinore	Sheriff's Contract Law 12/14/23-1/10/24	142,130.89
	Sheriff's Extra Duty July 4th 2023 Weekend	7,012.01
STAPLES	Office Supplies for Admin & City Hall	238.96
Teleflex	Fire Station Medical Supplies	809.85
Toshiba	Monthly Copier Lease for Fire Station May 2024	120.83
	Monthly Copier Lease for Admin & City Hall May 2024	799.32
Report Total		248,742.40

City of Canyon Lake  
 Check/Voucher Register - Checks Prior Month  
 From 4/1/2024 Through 4/30/2024

Check Number	Vendor Name	Effective Date	Check Amount
EFT 918	SOUTHERN CALIFORNIA EDISON	4/3/2024	892.85
EFT 919	SOUTHERN CALIFORNIA EDISON	4/3/2024	291.74
EFT 920	SOUTHERN CALIFORNIA EDISON	4/3/2024	13.29
EFT 921	SOUTHERN CALIFORNIA EDISON	4/3/2024	525.75
EFT 922	SOUTHERN CALIFORNIA EDISON	4/3/2024	663.44
EFT 923	SOUTHERN CALIFORNIA EDISON	4/3/2024	60.56
EFT 924	SOUTHERN CALIFORNIA EDISON	4/3/2024	128.37
EFT 925	SOUTHERN CALIFORNIA EDISON	4/3/2024	29.85
EFT 926	SOUTHERN CALIFORNIA EDISON	4/3/2024	246.37
EFT 927	SOUTHERN CALIFORNIA EDISON	4/3/2024	19.84
EFT 928	Sparkletts	4/3/2024	194.35
EFT 929	SOUTHERN CALIFORNIA EDISON	4/17/2024	5.03
EFT 930	ELSINORE VALLEY MUNI WATER DIS	4/17/2024	112.00
EFT 931	ELSINORE VALLEY MUNI WATER DIS	4/17/2024	68.90
EFT 932	ELSINORE VALLEY MUNI WATER DIS	4/17/2024	160.77
EFT 933	ELSINORE VALLEY MUNI WATER DIS	4/17/2024	177.37
EFT 934	ELSINORE VALLEY MUNI WATER DIS	4/17/2024	<u>361.44</u>
Report Total			<u>3,951.92</u>

## Credit Card Review

**California Bank & Trust Statement dated 3/28/24**

<u>ITEM #</u>	<u>CREDITOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>ACCOUNT</u>
1	Staples	Office Supplies	\$ 685.39	10-310-6210
2	Amazon	Office Supplies	\$ 177.79	10-310-6210
3	Amazon	Office Supplies	\$ 40.92	10-310-6210
4	Amazon Prime	Prime Membership Fee	\$ 16.15	10-310-6210
5	Lowe's	Office Supplies	\$ 228.31	10-310-6210
6	Stater Brothers	Volunteer Snacks	\$ 60.62	10-310-6210
7	Dominos	Checkpoint Pizza	\$ 193.49	10-410-6620
8	Verizon Wireless	Ipads & Sim Card Devices	\$ 212.80	A
9	Verizon Wireless	Cell Phones (City Hall & Fire Station)	\$ 366.45	A
			<b>\$ 1,981.92</b>	

  

\$23.23	10-360-6310	\$ 110.26	10-421-6310	\$ 46.46	10-520-6310	\$32.85	10-550-6320
\$51.51	10-360-6310	\$ 160.41	10-421-6310	\$154.53	10-520-6310		

**Account Breakdown**

City Manager Office Expense	10-310-6210	\$1,209.18
Building Dept Communications	10-360-6310	\$74.74
Law Enforcement Specialized Services	10-410-6620	\$ 193.49
Fire Department Communications	10-421-6310	\$270.67
Code Enforcement Communications	10-520-6310	\$ 200.99
Building & Facilities Utilities	10-550-6320	\$32.85
Building & Facilities Professional/Specialized Ser	10-550-6610	
		<b>\$ 1,981.92</b>

Check Figure \$ -

*Copies for City Council  
as directed by  
the Finance Committee*

**California Bank & Trust Statement dated 3/28/24**

<u>ITEM #</u>	<u>CREDITOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>ACCOUNT</u>
1	Drive Hospitality Los Angeles	Parking for Riverside Chief's Meeting	\$ 30.00	10-421-6440
2	Ace Uniforms of San Diego	Double charged -Uniform Boots	\$ 170.08	10-421-6231
3	Ace Uniforms of San Diego	Fire Station Uniform Boots	\$ 179.78	10-421-6231
4	In Hit Print	Earthquake Handouts	\$ 437.43	10-421-6220
5	Apple.com	Monthly iCloud Storage	\$ 0.99	10-421-6310
6	Autozone	Light Bulbs for Fuel Truck	\$ 15.20	10-421-6410
7	Costco	Fire Station Supplies	\$ 178.17	10-421-6220
8	The Home Depot	Fire Station Blue DEF and Equipment	\$ 187.77	A
9	SP Forensics Source	Fire Station Investigation Supplies	\$ 762.37	10-421-8017
10	Lake CDJR Lake Elsinore	B-1 Vehicle Service	\$ 228.03	10-421-6410
11	VIPs Café Restaurant	Networking Lunch-Murrieta Fire Chief	\$ 40.09	10-421-6220
12	Canva	Open House: Postcards/Flyers	\$ 70.50	10-100-6831
13	Dunkin	Fire Officers Meeting	\$ 64.67	10-421-6220
			<b>\$ 2,365.08</b>	

\$110.22 10-421-6425 \$ 77.55 10-421-8017

**Account Breakdown**

City Council Events	10-100-6831	\$ 70.50
Fire Department Fleet & Equipment Maintenance	10-421-6410	\$ 243.23
Fire Department Expense	10-421-6220	\$ 720.36
Fire Department Communications	10-421-6310	\$ 0.99
Fire Department Emergency Response Equip	10-421-6231	\$ 349.86
Fire Department Fuel & Lubricants	10-421-6425	\$110.22
Fire Department Mileage Reimbursement	10-421-6440	\$ 30.00
Fire Department Fire & Life Saving Equipment	10-421-8017	\$ 839.92
		<b>\$ 2,365.08</b>

Check Figure \$ -

*Copies for City Council  
as directed by  
the Finance Committee*

**California Bank & Trust Statement dated 3/28/24**

<u>ITEM #</u>	<u>CREDITOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>ACCOUNT</u>
1	Tommy's Express	Car Wash - March 2024	\$ 10.00	10-310-6415
2	Maverick Multimedia LLC	Canyon Lake Seal Asset Tags	\$ 379.16	10-310-6210
3	Facebook	Volunteer Ad	\$ 14.00	10-100-6830
4	In Right of Way Inc	DUI Checkpoint Equipment, 3/22/24	\$ 751.54	10-410-6610
5	Tommy's Express	Car Wash - March 2024	\$ 87.96	A
6	Temecula.org	Temecula State of the City Registration-Smith	\$ 80.00	10-100-6510
7	Perris Valley Chamber	Perris State of the City Registration-Welty, Smith, Sanchez	\$ 150.00	A
8	Murrieta Chamber	Murrieta State of the City Registration-Welty, Smith, Terry	\$ 180.00	10-100-6510
			<u>\$ 1,652.66</u>	

**Account Breakdown**

Council Meeting/Travel Expense	10-100-6510	\$ 360.00
Council Promotion and Advertising	10-100-6830	\$ 14.00
City Manager Office Expense	10-310-6210	\$ 379.16
City Manager Vehicle Maintenance	10-310-6415	\$ 31.99
City Manager Conferene/meeting/Travel Exp	10-310-6510	\$ 50.00
Building & Safety Vehicle Maintenance	10-360-6415	\$ 21.99
Police Professional/Specialized Services	10-410-6610	\$ 751.54
Vehicle Maintenance	10-520-6415	\$ 43.98
		<u>\$ 1,652.66</u>

Check Figure \$ -

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as directed by  
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**California Bank & Trust Statement dated 3/28/24**

<u>ITEM #</u>	<u>CREDITOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>ACCOUNT</u>
1	Lowes	Training Supplies	\$ 8.35	10-421-6710
			<u>\$ 8.35</u>	

Account Breakdown

Fire Station Training & Education	10-421-6710	\$ 8.35
		<u>\$ 8.35</u>
		\$ -

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as directed by  
the Finance Committee*

**California Bank & Trust Statement dated 3/28/24**

<u>ITEM #</u>	<u>CREDITOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>ACCOUNT</u>
1	Canyon Lake Country Club Restaurant	February Round Table Meeting	\$ 80.95	10-310-6510
			<u>\$ 80.95</u>	

Account Breakdown

Conference/Meeting/Travel Expense	10-310-6510	\$ 80.95
		<u>\$ 80.95</u>

Check Figure \$ -

*Copies for City Council  
as directed by  
the Finance Committee*

**MINUTES  
REGULAR MEETING OF THE  
CANYON LAKE CITY COUNCIL  
Wednesday, April 10, 2024**

**Closed Session – 4:00 p.m.  
City Hall Administration Building  
31526 Railroad Canyon Road, Suite 5  
Canyon Lake, CA 92587**

**CALL TO ORDER**

Mayor Welty called the meeting to order at 4:01 p.m.

**ROLL CALL**

Present: Council Member Castillo, Council Member Dain, Council Member Smith,  
Mayor Pro Tem Terry and Mayor Welty.

Absent: None.

**PUBLIC COMMENTS**

There were no public comments.

**CLOSED SESSION**

1. CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Government Code Section 54957.6  
Agency Designated Representative: City Attorney  
Unrepresented Employee: Interim City Manager
2. PUBLIC EMPLOYMENT - Appointment Pursuant to Section 54957: Title: Interim City Manager
3. CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6  
Agency Designated Representative: Interim City Manager  
Canyon Lake Firefighters Association
4. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION - Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: Two Cases

The City Council entered Closed Session at 4:01 p.m.

**Open Session – 6:30 p.m.  
City Hall Council Chamber  
31516 Railroad Canyon Road  
Canyon Lake, CA 92587**

**CALL OPEN SESSION TO ORDER**

Mayor Welty called the meeting to order at 6:30 p.m.

**INVOCATION**

Council Member Smith called for a moment of silence in honor of the men and women who gave the ultimate sacrifice.

The Invocation was led by Council Member Smith.

**FLAG SALUTE**

The Flag Salute was led by Mayor Pro Tem Terry.

**ROLL CALL**

Present: Council Member Castillo, Council Member Dain, Council Member Smith, Mayor Pro Tem Terry and Mayor Welty.

Absent: None.

**CLOSED SESSION REPORT**

City Attorney Graham reported that the City Council voted 5-0 to appoint Arron Brown as Interim City Manager of Canyon Lake effective April 11, 2024.

**CEREMONIAL MATTERS**

Mayor Welty recognized Leslie Vecchione as Citizen of the Month.

Council Member Dain recognized Sawyer Lanouette as Student of the Month.

Mayor Welty presented a Certificate of Recognition to JDI Dance Company.

Mayor Welty presented a Certificate of Recognition to Pat Kemball.

## **COMMUNITY REPORTS**

General Manager Greg Thomas provided an update on behalf of the Elsinore Valley Municipal Water District.

Treasurer Alex Cook provided an update on behalf of the Canyon Lake Private Owner's Association.

President John Grande provided an update on behalf of the Chamber of Commerce.

## **PUBLIC SAFETY UPDATE**

Code Enforcement Supervisor Manzano provided an update on code enforcement statistics.

Sheriff's Department Lieutenant Edwards provided an update on public safety statistics.

Fire Chief LaTendresse provided an update on fire statistics.

## **PUBLIC COMMENT**

Gale Bielland invited the City Council to attend the Crystal Apple Awards on April 21, 2024.

## **COMMITTEE AND COUNCIL REPORTS/COMMENTS**

Council Member Castillo spoke about the junior lifeguard camp program and that the Clear Foundation would be offering scholarships.

Council Member Dain stated that she attended the Riverside County Higher Education Coalition and noted the Coalition is moving forward with growing higher education opportunities in the community. She encouraged people to participate in the Coalition and raise money for additional opportunities to serve the community.

Council Member Smith provided a real estate update. He noted that he attended the recent RCTC meeting and presented a proclamation to outgoing Executive Director Anne Mayer for her 17 years of service. He further stated that RCTC voted on Measure A funding and discussed how to take it up on the ballot.

Mayor Pro Tem Terry attended the WRCOG meeting which included a presentation from the Regional Food Rescue Program aiming to reduce food waste and food insecurity. He congratulated the Canyon Lake Junior Women's Club on their golf tournament.

Mayor Welty noted that summer programs are a great opportunity for children to get involved, that MSJC's summer catalog is available, and he encouraged the community to vote in the POA election. Mayor Welty mentioned mosquito season here and to get rid of standing water. He further spoke about the upcoming Lake Elsinore Watershed Authority Water Summit on April 30, 2024, and the City's Community Clean-Up event on April 27, 2024.

## **CONSENT CALENDAR**

Motion and second by Council Member Smith/Mayor Pro Tem Terry to approve Consent Calendar Items 1-6.

Motion carried 5-0, with Council Member Castillo, Council Member Dain, Council Member Smith, Mayor Pro Tem Terry, and Mayor Welty voting aye.

(1) Waive Full Reading, Read all Ordinances by Title Only

(2) Approve Claims and Demands of the City

Action Taken: The City Council adopted Resolution No. 2024-09 Approving Claims and Demands of the City.

(3) Approval of City Council Minutes

Action Taken: The City Council approved the minutes of the City Council meetings of March 13, 2024, and April 1, 2024.

(4) Adopt a Resolution Amending Section 10, Pay Periods, of the City's Employee Handbook and Personnel Policy Manual

Action Taken: The City Council adopted Resolution No. 2024-10 amending Section 10, Pay Periods, of the City's Employee Handbook and Personnel Policy Manual to transition from a semi-monthly pay schedule to a biweekly pay schedule.

(5) Second Reading and Adoption of Ordinance No. 245 – An Ordinance of the City Council of the City of Canyon Lake, California, Amending Title 9 (Planning And Zoning), Chapter 9.32 Accessory Dwelling Units and Junior Accessory Dwelling Units, to Ensure Consistency with State Regulations; and Finding the Action to be Exempt From CEQA

Action Taken: The City Council conducted a second reading and adopted Ordinance No. 245 - An Ordinance of the City Council of the City of Canyon Lake, California, Amending Title 9 (Planning and Zoning), Chapter 9.32 Accessory Dwelling Units and Junior Accessory Dwelling Units, to Ensure Consistency with State Regulations; and Finding the Action to be Exempt From CEQA.

(6) Adopt a Resolution Adopting a Framework for Employer-Employee Relations

Action Taken: The City Council adopted Resolution No. 2024-11 adopting a framework for Employer-Employee Relations.

**PULLED CONSENT CALENDAR ITEMS**

None.

**PUBLIC HEARINGS**

None.

**BUSINESS ITEMS**

(7) Oral Report of a Summary of Compensation and Approval of Employment Agreement for Interim City Manager Setting Compensation and Other Terms of Employment

City Attorney Graham provided a summary of the employment agreement terms and compensation.

Motion and second by Council Member Smith/Mayor Pro Tem Terry to approve an Interim City Manager Employment Agreement with Arron Brown.

Motion carried 5-0, with Council Member Castillo, Council Member Dain, Council Member Smith, Mayor Pro Tem Terry, and Mayor Welty voting aye.

(8) Adopt a Resolution Opposing Initiative 21-0042A1 – the Taxpayer Protection and Government Accountability Act and Joining the “Stop the Taxpayer Deception Act” Coalition

City Attorney Graham provided a presentation.

Motion and second by Council Member Smith/Council Member Dain to adopt Resolution No. 2024-12 opposing Initiative 21-0042A1 - The Taxpayer Protection and Government Accountability Act and Joining the “Stop the Taxpayer Deception Act” Coalition.

Motion carried 5-0, with Council Member Castillo, Council Member Dain, Council Member Smith, Mayor Pro Tem Terry, and Mayor Welty voting aye.

(9) Introduction and First Reading of Ordinance No. 246 - An Ordinance of the City Council of the City of Canyon Lake, California, Amending Various Sections of Chapter 4.20 of the Canyon Lake Municipal Code Regarding Commercial Cannabis Businesses; and Adopt a Resolution Amending the Number of Cannabis Retailers in the City

City Attorney Graham provided a presentation.

Motion and second by Council Member Castillo/Mayor Pro Tem Terry to introduce by title only Ordinance No. 246 - An Ordinance of the City Council of the City of Canyon Lake, California, Amending Various Sections of Chapter 4.20 of the Canyon Lake Municipal Code Regarding Commercial Cannabis Businesses; and adopt Resolution No. 2024-13 amending the number of cannabis retailers that may operate in the City.

Motion carried by 5-0, with Council Member Castillo, Council Member Dain, Council Member Smith, Mayor Pro Tem Terry, and Mayor Welty voting aye.

(10) Introduction and First Reading of Ordinance No. 247 - An Ordinance of the City Council of the City of Canyon Lake, California, to Repeal and Replace Title 3 (Revenue and Finance), Chapter 3.08 (Purchases) of the Canyon Lake Municipal Code; and Adopt a Resolution Electing to Become Subject to the Uniform Public Construction Cost Accounting Act (Public Contract Code Section 22000 et seq.)

City Attorney Graham provided a presentation.

Motion and second by Council Member Smith/Council Member Castillo to introduce by title only Ordinance No. 247 - An Ordinance of the City Council of the City of Canyon Lake, California, to Repeal and Replace Title 3 (Revenue and Finance), Chapter 3.08 (Purchases) of the Canyon Lake Municipal Code; and adopt Resolution No. 2024-14 electing to become subject to the Uniform Public Construction Cost Accounting Act (Public Contract Code Section 22000 et seq.).

Motion carried by 5-0, with Council Member Castillo, Council Member Dain, Council Member Smith, Mayor Pro Tem Terry, and Mayor Welty voting aye.

### **CITY MANAGER COMMENTS**

Mayor Welty thanked Administrative Services Director Borja for taking on the role of Acting City Manager.

## **ANNOUNCEMENTS**

Mayor Welty announced that the next regular City Council meeting would be held on Wednesday, May 8, 2024.

Council Member Smith announced that National Day of Prayer would be held at the Lodge on May 3, 2024.

## **ADJOURNMENT**

At 8:26 p.m., Mayor Welty adjourned the meeting.

Respectfully submitted,

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Sheryl L. Garcia, MMC, CPM  
City Clerk





# **STAFF REPORT**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Arron Brown, Interim City Manager

**BY:** Steven Graham, City Attorney

**DATE:** May 8, 2024

**SUBJECT:** Second Reading and Adoption of Ordinance No. 246 - An Ordinance of the City Council of the City of Canyon Lake, California, Amending Various Sections of Chapter 4.20 of the Canyon Lake Municipal Code Regarding Commercial Cannabis Businesses

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## **Recommendation**

Conduct second reading and adopt Ordinance No. 246 - An Ordinance of the City Council of the City of Canyon Lake, California, Amending Various Sections of Chapter 4.20 of the Canyon Lake Municipal Code Regarding Commercial Cannabis Businesses.

## **Background/Discussion**

At the April 10, 2024, City Council meeting, the City Council approved the first reading of Ordinance No. 246 authorizing minor amendments to the City's commercial cannabis business regulations ordinance and adopted Resolution No. 2024-13 authorizing the award of a second cannabis retailer permit in the City.

The proposed ordinance amendments followed the City's annual evaluation of Culture Cannabis's operations, as outlined below.

### **Summary of Proposed Regulatory Changes:**

- 1) Clarification that the restrictions on signage apply only within the corporate boundaries of the City of Canyon Lake. Provisions of the City's ordinance could be read to regulate signage outside the City's boundaries. Ultimately, it is up to other local jurisdictions to enact regulations concerning signage in their jurisdiction and applying the City of Canyon Lake's regulations to business activities in other jurisdictions is inconsistent with the purposes of the ordinance, which is to prevent the creation of a public nuisance in the City of Canyon Lake.
- 2) Amending the hours of operation to authorize business from 7 a.m. to 10 p.m.

- 3) Amending the security requirements to an armed security guard on duty while the business is open to the public.

### **Fiscal Impact**

The changes in the regulatory ordinance should have a positive impact on the businesses regulated but no impact on City finances.

The addition of a second permit, approved by Resolution No. 2024-13 on April 10, 2024, modified the community benefit obligations of Culture Cannabis and added community benefit obligations for the second permit-holder (presumed to be the Syndicate). This should result in a net increase in taxes and other revenue to the City of Canyon Lake, although the full amount of such change is speculative at this time.

### **Attachments**

1. Ordinance No. 246

# **ATTACHMENT 1**

**ORDINANCE NO. 246**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AMENDING VARIOUS SECTIONS OF CHAPTER 4.20 OF THE CANYON LAKE MUNICIPAL CODE REGARDING COMMERCIAL CANNABIS BUSINESSES**

**THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1. Municipal Code Amendment.** Section 4.20.280 of the Canyon Lake Municipal Code is hereby amended to read as follows:

**“4.20.280 Security measures.**

(a) A permitted commercial cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business. Except as may otherwise be determined by the City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

- (1) Alarm system (perimeter, fire, and panic buttons).
- (2) Remote monitoring of alarm systems by licensed security professionals.
- (3) Perimeter lighting systems (including motion sensors) for after-hours security.
- (4) Perimeter security and lighting as approved by the Chief of Police and/or Planning Director or his/her designees.
- (5) Preventing individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business.
- (6) Establishing limited access areas accessible only to authorized commercial cannabis business personnel.
- (7) Except for live growing plants which are being cultivated or sold at a commercial cannabis business where applicable, all cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live plants that are being cultivated or sold, shall be kept in a manner as to prevent diversion, theft, and loss.
- (8) Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or

currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The commercial cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or his/her designee(s), and that it is compatible with the City 's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Chief of Police or his/her designee(s). Video recordings shall be maintained for a minimum of 90 days and shall be made available to the Chief of Police or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial cannabis business and shall be capable of enlargement via projection or other means. Internet protocol address information shall be provided to the Chief of Police or his/her designee(s) by the commercial cannabis business, to facilitate remote monitoring of security cameras by the Department or its designee.

(9) Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

(10) Panic buttons shall be installed in all commercial cannabis businesses with direct notification to the Canyon Lake Police Department dispatch and shall be configured to immediately alert dispatch for the Canyon Lake Police Department.

(11) Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

(12) Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.

(13) Armed and licensed security personnel shall be on-site whenever the business is open to the public. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld.

(14) Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

(15) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either;

- (A) An employee of the commercial cannabis business; or
- (B) A licensed security professional.

(16) Each commercial cannabis business shall have an accounting software system in place to provide point of sale data as well as audit trails for both product and cash, where applicable.

(17) Each commercial cannabis business shall demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products, as soon as it is operational.

(18) Each commercial cannabis business shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories.

(19) Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

(20) Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

(b) Each commercial cannabis business shall identify a designated security representative/liaison to the City of Canyon Lake, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security related measures or operational issues. The designated security representative/liaison shall, on behalf of the commercial cannabis business, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager or his/her designee upon request that meets the following requirements:

(1) Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.

(2) Identifies all managers of the commercial cannabis business and their contact phone numbers.

(3) Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager's office.

(4) Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.

(5) Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the commercial cannabis business, the parking lot, and any adjacent property under the business' control.

(6) Confirm that the licensed security personnel shall continuously monitor the parking lot and any adjacent property to ensure that these areas are:

- (A) Free of individuals loitering or causing a disturbance; and
- (B) Are cleared of employees and their vehicles one-half hour after closing.

(c) As part of the application and permitting process each commercial cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.

(d) The commercial cannabis business shall cooperate with the City whenever the City Manager or his/her designee(s) makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.

(e) A commercial cannabis business shall notify the City Manager or his/her designee(s) within 24 hours after discovering any of the following:

(1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee(s).

(2) Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.

(3) The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the commercial cannabis business.

(4) Any other breach of security.

(f) Compliance with the foregoing requirements shall be verified by the City Manager or his/her designee prior to commencing business operations. The City Manager or his/her designee may supplement these security requirements once operations begin, subject to review by the City Manager or his/her designee if requested by the business owner.”

**Section 2. Municipal Code Amendment.** Section 4.20.310 of the Canyon Lake Municipal Code is hereby amended to read as follows:

**“4.20.310 General operating requirements.**

(a) Commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the City. No person under the age of 21 shall operate, or be issued a permit for, a commercial cannabis business of any kind.

(b) Restriction on consumption. Cannabis and cannabis products shall not be consumed by any person on the premises of any commercial cannabis business.

(c) No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit, or on any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

(d) Reporting and tracking of product and of gross sales. Each commercial cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the City. The commercial cannabis business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager or his/her designee(s) prior to being used by the permittee.

(e) All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

(f) Emergency contact. Each commercial cannabis business shall provide the City Manager or his/her designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

(g) Signage and notices.

(1) In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to the requirements of the City of Canyon Lake ordinance, including, but not limited to, seeking the issuance of a City sign permit.

(2) No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.

(3) Each entrance to a commercial cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

(4) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.

(5) Signage shall not depict any image of cannabis or cannabis products. All temporary signs must comply with the City's sign code.

(6) In accordance with state law and regulations or as stipulated in the City of Canyon Lake regulatory permit, holders of a commercial cannabis business permit shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the holder of the permit shall be prohibited from advertising any commercial cannabis business located in the City of Canyon Lake utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising within the City of Canyon Lake. This Subsection is not intended to place limitations on the ability of a commercial cannabis business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways. This Subsection is not intended to place limitations on forms of advertising engaged in by the holder of a commercial cannabis business permit outside the corporate boundaries of the City of Canyon Lake.

(h) Minors.

(1) Persons under the age of 21 years shall not be allowed on the premises of a commercial cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a commercial cannabis business who is not at least 21 years of age.

(2) Notwithstanding any provision of this Chapter to the contrary, persons aged 18 to 20 years shall be allowed on the premises of a commercial cannabis business if they can produce a physician's recommendation. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the physician's recommendation.

(3) The entrance to the commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of 21 years of age is permitted to enter upon the premises of the commercial cannabis business.

(i) Odor control. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other

unit located inside the same building as the commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment, or any other equipment which the Planning Director or his/her designee(s) determine is a more effective method or technology:

(1) An exhaust air filtration system with odor control that prevents internal odors from being emitted externally.

(2) An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

(j) Display of permit and City business license. The original copy of the commercial cannabis business permit issued by the City pursuant to this Chapter and the City issued business license shall be posted inside the commercial cannabis business in a location readily visible to the public.

(k) Background check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes City authorities to access state and local summary criminal history information for cannabis employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, contract employee or who otherwise works in a commercial cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police or his/her designee(s) for a background check by the City of Canyon Lake Police Department. No person shall be issued a permit to operate a commercial cannabis business or be authorized to work in a cannabis business unless they have first cleared the background check, as determined by the Chief of Police or his/her designee(s), as required by this Section. A fee for the cost of the background investigation, which shall be the actual cost to the City of Canyon Lake to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted. Evidence of a conviction of any of the offenses enumerated in Business and Professions Code Section 26057(b)(4), absent a Certificate of Rehabilitation, shall be grounds for immediate disqualification of the applicant.

(l) Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within 50 feet of the premises. The cannabis business shall notify the Police Chief or his/her designee(s) if anyone continues to loiter around the building or premises after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.

(m) Permits and other approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

(n) Each commercial cannabis operator shall establish minimum training standards for all employees. The City Manager or his/her designee shall have the discretion to require other training for the business operations should the City identify deficiencies or non-compliance issues with City or state requirements.”

**Section 3.** **Municipal Code Amendment.** Section 4.20.330 of the Canyon Lake Municipal Code is hereby amended to read as follows:

**“4.20.330 Operating requirements for retail facilities.**

(a) No more than the number of cannabis retailers adopted by resolution may operate within the City of Canyon Lake at any one time and shall be issued a permit by the City of Canyon Lake.

(b) Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of 18 years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and/or Health and Safety Code Section 11362.71 identification card (Medical Marijuana Card). For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

(c) Individuals must show their government-issued identification, and, in the case of medical cannabis facilities, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point of sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

(d) Armed and uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities.

(e) Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

(f) All restroom facilities shall remain locked and under the control of management.

(g) Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this Section.

(1) The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.

(2) Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.

(3) No cannabis goods shall be sold and/or delivered by any means or method to any person within a motor vehicle.

(4) All cannabis goods sold by a retail business shall be contained in child-resistant packaging.

(5) Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

(6) A retail licensee who is engaged in retail sale shall hire or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

(h) Authorized sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation.

(i) Limited access areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the licensee/permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager, Chief of Police or their designees upon request.

(j) Operating hours of the store front retailer license shall be limited to the hours of 7:00 a.m. through 10:00 p.m., seven days a week.

(k) Store front/retail security requirements. All provisions incorporated within this Chapter related to security measures, are directly applicable to and binding on all commercial cannabis businesses, including all store front/retail businesses.”

**Section 4.** Clerical Errors. The City Council directs the City Clerk to correct any clerical errors found in this Ordinance including, but not limited to, typographical errors, irregular numbering and incorrect section references.

**Section 5.** Severability. Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

**Section 6.** Effective Date. In accordance with California Government Code section 36937, this Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

**Section 7.** Publication. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause the ordinance or a summary thereof to be published in accordance with state law.

**Section 8.** CEQA. This proposed ordinance does not constitute a CEQA project because it does not have the potential for causing a significant effect on the environment, as explained at State CEQA Guideline 15061(b)(3).

**PASSED APPROVED AND ADOPTED** this 8<sup>th</sup> day of May, 2024.

\_\_\_\_\_  
Dale Welty, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sheryl L. Garcia, MMC, CPM  
City Clerk

\_\_\_\_\_  
Steven Graham, City Attorney





## ITEM NO. 5

# STAFF REPORT

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Arron Brown, Interim City Manager

**BY:** Steven Graham, City Attorney

**DATE:** May 8, 2024

**SUBJECT:** Second Reading and Adoption of Ordinance No. 247 - An Ordinance of the City Council of the City of Canyon Lake, California, to Repeal and Replace Title 3 (Revenue and Finance), Chapter 3.08 (Purchases) of the Canyon Lake Municipal Code

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### **Recommendation**

Conduct second reading and adopt Ordinance No. 247 - An Ordinance of the City Council of the City of Canyon Lake, California, to Repeal and Replace Title 3 (Revenue and Finance), Chapter 3.08 (Purchases) of the Canyon Lake Municipal Code.

### **Background/Discussion**

At the April 10, 2024, City Council meeting, the City Council approved the first reading of Ordinance No. 247 rescinding the City's existing purchasing procedures and adopting new procedures exemplifying industry best practices and providing efficient procedures for the purchase of goods and services. The City Council also adopted Resolution No. 2024-14 electing to become subject to the Uniform Public Construction Cost Accounting Act (UPCCAA) (Public Contract Code Section 22000 et seq.).

Ordinance No. 247 includes the following major changes to the City's procurement procedures:

- Sets forth specific procedures for purchases \$50,000.01 and up.
- Adds procedures for the procurement of unique commodities or services that can be obtained from only one vendor or one distributor (sole source), services rendered through other government agencies, professional services, goods or services that can be obtained through a cooperative competitive bidding procedure or a "piggyback" contract prepared by and processed through another local, state, or federal governmental agency and emergency purchases involving public health, safety and welfare.

- Authorizes department heads to make purchases or enter into contracts up to a limit of \$5,000. This is common industry best practice and allows department heads to make small-scale purchases for such things as office supplies, minor service contracts and equipment that help streamline departmental operations.
- Adds a new section allowing for the utilization of an electronic bidding system that complies with the Public Contract Code and allows greater modernization and flexibility in the City's purchasing process.
- Provides a streamlined process for bid protests.
- Establishes procedures for disposing of surplus City property, including vehicles.

With the adoption of Resolution 2024-14 on April 10, 2024, the City elected to implement the UPCCAA. Benefits include:

- Increased force account limit for public agencies;
- Simplified bidding for projects that are \$200,000 or less;
- Reduced number of formal bids based on project size; and
- Expedited contracting for projects under \$200,000.

### **Fiscal Impact**

While there is no anticipated fiscal impact by adopting the ordinance, City Staff anticipate there will be potential cost savings by streamlining purchasing procedures and the reduction of performing formal bidding procedures on public projects.

### **Attachments**

1. Ordinance No. 247

# **ATTACHMENT 1**

**ORDINANCE NO. 247**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, TO REPEAL AND REPLACE TITLE 3 (REVENUE AND FINANCE), CHAPTER 3.08 (PURCHASES) OF THE CANYON LAKE MUNICIPAL CODE**

**WHEREAS**, Chapter XI, Section 7, of the California Constitution authorizes the City to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

**WHEREAS**, establishing local policies and procedures governing purchase (or lease) of services, supplies, material and equipment for municipal purposes, and that do not conflict with applicable state or federal laws is within the police power of the City; and

**WHEREAS**, in 1990, the City Council adopted Ordinance No. 3 which added Title 3, Chapter 3.08, to the Canyon Lake Municipal Code establishing policies and procedures governing the purchase of supplies, equipment and professional services used for municipal purposes; and

**WHEREAS**, revisions are necessary to the Purchasing ordinance to incorporate best practices, and to provide for efficiency, consistency, accountability and responsibility in the purchase of goods, services and equipment at the lowest feasible cost; and

**WHEREAS**, the Uniform Public Construction Cost Accounting Act (Public Contract Code section 22000 et seq.) (the “Act”), provides for the development of cost accounting standards and an alternative method for the bidding of public works projects; and

**WHEREAS**, in accordance with Section 22030 of the Act, any city that wishes to avail itself of the alternative procedures for bidding and contracting for public projects must elect, by resolution, to become subject to the uniform construction cost accounting procedures set forth in the Public Contract Code and must notify the State Controller of its election; and

**WHEREAS**, on April 10, 2024, the City adopted Resolution No. 2024-14, electing to become subject to the Act; and

**WHEREAS**, Section 22034 of the Act requires each public agency that elects to become subject to the uniform construction cost accounting procedures to enact an informal bidding ordinance that complies with the requirements set forth in Section 22034; and

**WHEREAS**, the City Council determined that electing to be subject to the Act provides efficiencies for the City's procurement processes, thereby benefiting the taxpayers, residents and businesses of the City.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1.**     **Recitals.** The above recitals are all true and correct and are incorporated herein by this reference.

**Section 2.**     **CEQA Exemption.** The City Council finds the adoption of this Ordinance is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment), 15060(c)(3) (the activity is not a project as defined in Section 15378 because the activity relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment under Section 15378(b)(5)), and 15061(b)(3) (the activity will not have an effect on the environment) of the CEQA Guidelines, California Code of Regulations, title 14, Article 3, because this ordinance has no potential for resulting in physical change to the environment, directly or indirectly.

**Section 3.**     **Municipal Code Amendment.** Title 3, Chapter 3.08, Purchases, of the City of Canyon Lake Municipal Code is hereby repealed and replaced as provided in Exhibit “A”, attached hereto and incorporated herein by reference.

**Section 4.**     **Clerical Errors.** The City Council directs the City Clerk to correct any clerical errors found in this Ordinance including, but not limited to, typographical errors, irregular numbering and incorrect section references.

**Section 5.**     **Severability.** Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

**Section 6.**     **Effective Date.** In accordance with California Government Code section 36937, this Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

**Section 7.**     **Publication.** The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause the ordinance or a summary thereof to be published in accordance with state law.

**Section 8.** The City Manager, or their designee, is directed to submit a copy of this ordinance to the Department of Housing and Community Development upon adoption.

**PASSED APPROVED AND ADOPTED** this 8<sup>th</sup> day of May, 2024.

\_\_\_\_\_  
Dale Welty, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sheryl L. Garcia, MMC, CPM  
City Clerk

\_\_\_\_\_  
Steven Graham, City Attorney

## EXHIBIT “A”

### **Chapter 3.08 Purchases**

#### Section

- 3.08.010 Purpose and Intent.
- 3.08.020 Definitions.
- 3.08.030 Procurement procedures (Goods and Services)
- 3.08.040 Informal procurement (Goods and Services)
- 3.08.050 Formal procurement (Goods and Services)
- 3.08.060 Exceptions to competitive procurement (Goods and Services)
- 3.08.070 Local preference.
- 3.08.080 Public projects.
- 3.08.090 Change orders – All procurement.
- 3.08.100 Designation of surplus personal property.
- 3.08.110 Disposition method.
- 3.08.120 Other methods of disposal.
- 3.08.130 Unclaimed property.

#### **3.08.010 Purpose and Intent**

(a) *Purpose and intent.* This Chapter is adopted pursuant to Government Code § 54201 et seq. with respect to goods and services, and pursuant to Public Contract Code § 20160 et seq. with respect to public projects, to provide guidance and direction regarding procurement to ensure that the City and its departments will receive high quality products and services at minimum cost to the taxpayer. The policies and procedures contained in this Chapter are not intended to conflict with the Public Contracts Code or any other applicable law governing the solicitation of bids and award of contracts for public projects.

(b) *Procurement ethics.* All City officers and employees directly or indirectly involved in procurement shall adhere to the following ethical standards:

(1) City officers and employees shall strive to maximize the value of every expenditure of public funds.

(2) City funds and resources shall be used with care and guided by prudent judgment and good business practices.

(3) Public funds shall be spent solely for the benefit of the public and in a manner that is consistent with all applicable federal, state, and local laws, regulations, policies, and procedures.

(4) City officers and employees shall ensure that all procurements are conducted with integrity under the principles of open and fair competition.

(5) All procurements shall be conducted with professional courtesy, impartiality, and objectivity in order to foster respect and public trust.

(6) City officers and employees shall not interfere with the carrying out of the duties and responsibilities of other City officers and employees under this Chapter.

(7) All actual or potential conflicts of interest related to the procurement process shall be reported immediately to the City Manager. Actual and perceived conflicts of interest shall be avoided throughout the entire procurement process.

(8) Positive business relationships shall be fostered and maintained through professional, fair, and equal treatment of all vendors and contractors.

(9) The City Manager shall be able to utilize organizations designed to assist governmental agencies in the procurement process such as Sourcewell, or other reputable organizations.

(10) Pursuant to Public Contract Code Section 1600 and 1601, the City is authorized to utilize electronic means in the procurement and administration of contracts, in accordance with all applicable laws, rules and regulations. Without limiting the nature of the foregoing, the City may utilize online bidding and selling methods, electronic signature in accordance with applicable state, local and federal law, and electronic mail for delivery of notices when "mailed" notice is required herein. Whenever "sealed" bids or proposals are called for, any electronic means may be used so long as such electronic means provide for the secured submission of the required data. Whenever bids are required to be "opened", such bids shall be deemed "opened" if and when they are made available to both the City and the public simultaneously, in a public setting, including, without limitation, by way of making such bids available in an electronic format that is readable by the public.

### **3.08.020 Definitions.**

The following words, terms, and phrases, when used in this Chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Best value* shall mean the expected outcome of a solicitation that in the City's estimation will provide the greatest overall benefit to the City, including price, quality, durability, servicing, delivery time, vendor reputation, standardization, and/or other factors that, in the purchasing officer's judgment, demonstrate overall benefit to the City.

*Bid* shall mean an offer or proposal submitted by a bidder setting forth the price for the goods, services, or public project to be provided.

*Bidder* shall mean any individual, firm, entity, partnership, or corporation or combination hereof, submitting a bid.

*Change order* shall mean a City-issued document used to modify a purchase order to add, delete, or revise the quantity, price or scope of goods, services, or public project being provided.

*Competitive procurement* shall mean a process involving the solicitation of goods, services, or public projects, under the authority and supervision of the purchasing officer, by formal procurement or informal procurement pursuant to procedures and circumstances intended to foster effective, broad-based competition within the private sector to provide goods, services, or public projects to the City.

*Contract* shall mean any type of legally recognized agreement to provide goods, services, or a public project, no matter what it may be titled or how described, including executed purchase orders, but does not include any agreement for collective bargaining, utility extensions, subdivision improvements or any agreements whereby an owner of real property or his or her authorized representative agrees to construct improvements of a public nature on property to be dedicated to the City.

*Contractor* shall mean any party who bids on or enters into a contract with the City for a public project.

*Cooperative purchasing* shall mean a purchasing method whereby the procurement requirements of two or more governmental entities are combined in order to obtain the benefit of volume procurement or reduction in administrative expenses and may include other agencies who conduct volume procurements on behalf of government agencies.

*Department head* shall mean the director of a department of the City or that department head's designee.

*Electronic bidding system* shall mean the electronic program used by the City for bidding that provides a secured platform for the solicitation and submission of bids in compliance with bidding policies and procedures.

*Emergency* shall mean either:

(1) Regarding public projects, as defined in this Chapter, the meaning provided in Public Contract Code § 1102; or

(2) Regarding all procurement unrelated to public projects, a safety condition or situation which makes bidding procedures, either formal or informal, impractical or not in the City's best interests.

*Force account* shall mean work performed on public projects using internal City resources, including, but not limited to, labor, equipment, materials, supplies and subcontracts of the City.

*Formal bid* shall mean a bid submitted in response to a formal procurement.

*Formal procurement* shall mean competitive procurement by written notice inviting bids, requests for proposals, or request for qualifications.

*Goods* shall mean supplies, materials, equipment, and other things included within the definition of "goods" in Uniform Commercial Code § 2015. Goods, referred to as Supplies, means office supplies, janitorial supplies, materials, tools, or other commodities used in the general conduct of the City's business, excepting supplies or materials for a public work which is regulated under the California Public Contract Code Sections 20160, et seq.

*Informal bid* shall mean a bid submitted in response to informal procurement.

*Informal procurement* shall mean competitive procurement by bid, price quotation, or proposal for any procurement that is conveyed by mail, fax, email or other electronic means, or other written manner that does not require a sealed bid or proposal, public opening, or other formalities.

*Lowest responsive bidder* means the bidder for goods or services who submits the lowest priced responsive bid in response to the City's invitation or request therefor, after adjustments for qualified local vendors.

*Lowest responsible bidder* shall mean the bidder for a public project who fully complies with all bid requirements and whose past performance, reputation, and financial capability is deemed acceptable, and who has offered the most advantageous pricing or cost benefit, based on the criteria stipulated in the bid documents.

*Negotiated contract* shall mean the procurement of goods, services, and public projects through a negotiation procedure instead of competitive procurement.

*Nonprofessional services* shall mean services that are a non-professional character of any type, description or variety such as: tree trimming services, janitorial services, appliance repair, pest control, window washing, canvas awning repairs, street/parking lot sweepers, pressure washing, carpet cleaning, repair services for office machines and equipment or automotive vehicles, landscape maintenance services, and work performed by a licensed contractor that does not constitute a "public project" such as sidewalk maintenance and repair.

*Personal property* shall include money, goods, chattels, negotiable instruments, written evidence of rights in legal actions, evidences of debts, and other items of intrinsic value which are not considered by law to be real property, but shall exclude animals.

*Procure or procurement* shall mean buying, purchasing, renting, leasing or otherwise acquiring or obtaining goods, services, or public projects, and all functions and procedures related thereto, including through use of electronic bidding system.

*Professional services* shall mean all services that are not affiliated with a public project performed by persons or firms in a professional occupation, including, but not limited to, consulting and performance services for accounting, financial, economic, auditing, redevelopment, computer hardware and software support, engineering, architectural, landscape architectural, planning, environmental, land surveying, construction project management, personnel, social services, animal control, lobbying, grant-writing, legal, management, communication and other similar professional functions.

*Public project* shall have the meaning set forth in Public Contract Code § 22002(c), and for purposes of this Chapter, shall include maintenance work as defined in subsection (d) thereto, as allowed by Public Contract Code § 22003.

*Qualifying local vendor* shall mean a vendor of goods and nonprofessional services that:

- (1) Has fixed facilities with employees and a business street address (post office box or residential address shall not suffice to establish a local presence unless the address is registered as a home business) located within the City limits;
- (2) Has a City business license; and
- (3) If related to a procurement of goods, all sales tax returns for the goods purchased are reported to the state through a business within the geographic boundaries of the City.

*Responsible bidder* shall mean a bidder for goods or services who is determined by the City Manager, purchasing officer, or department head, as may be applicable, to be responsible based on the following criteria:

- (1) Bidder's ability, capacity, and skill;
- (2) Bidder's facilities and resources;
- (3) Bidder's character and reputation;
- (4) Bidder's record of performance with the City; and
- (5) Bidder's compliance with laws, regulations, guidelines, and orders governing prior contracts performed by the bidder.

*Services* shall mean nonprofessional services and professional services.

*Surplus personal property* shall mean inventory of personal property not needed by the City at the present time or in the foreseeable future, such as obsolete supplies, equipment, and scrap materials that have little or no useful life, not including real property.

*Unclaimed property* shall mean personal property of others taken into the possession of the police department, code enforcement, or left in its possession or turned over to it by a person who found or saved such property, but does not include:

- (1) Property subject to confiscation under the laws of the state or of the United States;
- (2) Vehicles, the storage, sale, or other disposition of which is governed by the provisions of the Vehicle Code; and
- (3) Property held as evidence, dangerous or deadly weapons, narcotics or dangerous drugs, explosives or property of any kind whatsoever, which is prohibited, restricted or outlawed by state or federal statutes, or which has been intentionally abandoned by its owner, based on an objectively reasonable belief supported by facts or evidence that the property has been intentionally abandoned or relinquished.

*Vendor* shall mean any party who bids on or enters into a contract with the City for goods or services.

**3.08.030 Procurement procedures (Goods and Services)**

(a) *Method of procurement.* Procurement shall not be knowingly staged or separated into smaller units or segments solely for the purpose of evading the requirements of this Chapter. The procedure to be followed in awarding contracts for goods and services is determined initially by the estimated cost to the City for the goods and/or services, as follows:

Dollar amount (not to exceed per project amount)	Procurement method
Up to \$ 5,000.00	No competitive procurement
\$5,000.01 to \$ 50,000.00	See informal procurement (sec. 3.08.040)
\$50,000.01 and up	See formal procurement (sec. 3.08.050)

(b) *Scoring methodology and selection.* The City Manager, or their designee, shall coordinate with City staff to determine the methodology that will be used to score and/or select bid(s) and shall ensure that informal procurement and formal procurement is used appropriately in accordance with the terms and conditions of this Chapter, including section 3.080.040 (informal procurement) and section 3.08.050 (formal procurement).

(c) *Form of contract.* Procurement valued under \$25,000.00 may be memorialized by purchase order with standard terms and conditions previously approved by the City Attorney. Procurement valued at more than \$25,000.00 shall require a written agreement for goods or services and shall be reviewed and approved as to form by the City Attorney, and such agreement shall be in addition to and not in lieu of a purchase order. Notwithstanding the foregoing, the City Attorney may authorize the use of a purchase order (with no additional written agreement) for procurement of goods or services over \$25,000.00 if use of a purchase order would sufficiently protect the City's interest. Blanket purchase orders may be used but shall still comply with the requirements of subsection (d). Procurement valued at \$1,000.00 or less may be made with petty cash without a purchase order as long as the receipt is provided to the City Manager.

(d) *Contract authority.*

(1) After a bidder is selected, no services shall be commenced and no goods shall be delivered until a fully-executed contract is obtained in accordance with the following signature requirements:

Dollar amount (not to exceed annual amount)	Approval authority
Up to \$ 5,000.00	Department Head
\$5,000.01 to \$ 50,000.00	City Manager
\$50,000.01 and up	City Council

(2) Notwithstanding any other language in this Code to the contrary, the City Manager shall have the contract approval authority to purchase motor vehicles in an amount not to exceed \$75,000.00 per vehicle, using the most efficient procurement procedure available under this Chapter.

(e) *Contract administration.* Department heads shall supervise the inspection of goods purchased to ensure that the items conform to the quality expectations of the City. It shall be the responsibility of department heads to monitor adherence to the terms and conditions of contracts for services and to provide coded and approved invoices to the finance department for payment in a timely fashion.

(f) *Payment.* The City Manager, or their designee, shall be responsible for issuing payments to vendors after receiving properly coded and approved invoices. The City Manager, or their designee, has a duty to withhold payments to vendors if any of the following are true:

- (1) The term of the contract has expired;
- (2) The not-to-exceed amount specified by contract has been exceeded; or
- (3) The services performed or goods received are outside the scope of the contract.

(g) *Written records.* Written records for procurement shall be maintained in accordance with the City's retention schedule and shall be made available to the public for inspection. Such records shall include any and all bids and supporting materials, and the business name, address, representative, and telephone number of the vendor, as well as a description of the bid items, including unit quantities where applicable, unit prices or lump sum amount quoted by the vendor, and the date the bid was received.

### **3.08.040 Informal procurement (Goods and Services)**

Procurement of goods, professional services, and nonprofessional services of an estimated value of \$ 50,000.00 or less, on a per project basis, may be made pursuant to the procedures in this section.

(a) *Less than \$5,000.00.* Informal quotes may be obtained from vendors but are not required.

(b) *Between \$5,000.01 - \$50,000.00.* At least three informal quotes shall be solicited by means of a written or verbal request. Responses to the City's request shall be in writing.

(c) *Award.* For procurement of goods, the contract shall be awarded to the lowest responsive bidder. For procurement of professional services or nonprofessional services, the contract shall be awarded to the responsible bidder that provides the best value to the City or the lowest responsive bidder, as deemed appropriate by the purchasing officer.

(d) *Other requirements not specified.* Unless otherwise stated herein in this section 3.080.040, subsections (c)—(e) in section 3.08.050 shall apply to informal procurement.

### **3.08.050 Formal procurement (Goods and Services)**

Procurement for goods, nonprofessional services, and professional services of an estimated value greater than \$ 50,000.00, on a per project basis, shall be made pursuant to the procedure prescribed in this section.

(a) *Goods and nonprofessional services.* Goods and nonprofessional services shall be procured in accordance with the following:

(1) *Bid notice.* Notices inviting bids shall include a general description of the goods to be purchased or the nonprofessional services to be performed and shall state where and when bid packages may be secured and the time and place of the bid opening. If bidder's security is required, as set forth in subsection d. below, notices shall state this fact and the type and amount of the security required. If the purchasing officer requires a performance or payment bond, as set forth in subsection f. below, notices shall state the form and amount of the bonds required.

(2) *Bidders' list.* The purchasing officer may establish and maintain a list of prospective bidders. It shall not be the responsibility of the purchasing officer to ensure that the list contains current information with respect to the address, service, or product of the prospective bidder. The purchasing officer is authorized to mail or otherwise distribute written invitations for bids directly to the appropriate prospective bidders appearing on the list and to other prospective bidders.

(3) *Bidder's security.* The purchasing officer may require each bid to be accompanied by a bidder's bond, certified or cashier's check, or cash, in an amount not more than ten percent of the total bid. When bid security is required, bidders shall be entitled to return of bid security; however, if a successful bidder refused to or failed to execute the contract within 10 business days after the notice of award has been mailed or otherwise delivered in a written format, unless, and to the extent the City is not responsible for the delay, its bid security shall be deemed forfeited.

(4) *Bid opening procedures.* Formal bids submitted in paper format shall be submitted to the purchasing officer in accordance with the notice inviting bids and shall be identified as a bid on the envelope. Notwithstanding the foregoing, a bidder who submits its formal bid through the electronic bidding system, pursuant to subsection (8), shall not be required to also submit the formal bid in paper format. Bids shall be opened in public at the time and place stated in the public notice. A record of the bids received shall be available for public inspection after the bids have been opened, indicating the amount bid by the various bidders and the basis for awarding the contract if other than the lowest responsive bidder is awarded the contract. Such list shall be available for at least 30 days after the award has been made.

(5) *Performance and payment bonds.* The purchasing officer may require performance and payment bonds before a contract is awarded for goods or nonprofessional services in such amounts as the purchasing officer shall find reasonably necessary to protect the best interest of the City and to comply with law.

(b) *Professional services.* Professional services shall be procured in accordance with the following:

(1) *Bid notice.* Notices inviting bids shall include a general description of the professional services to be procured and the time and place for the submission of bids.

(2) *Publication.* Notices inviting bids shall be published on the City's website and/or on the City's electronic bidding system.

(3) *Bid opening procedures.* Formal bids submitted in paper format shall be submitted to the purchasing officer in accordance with the notice inviting bids and shall be identified as a bid on the envelope. Notwithstanding the foregoing, a bidder who submits its formal bid through the electronic bidding system, pursuant to subsection (7), shall not be required to also submit the formal bid in paper format.

(c) *Award of contracts.* Except as otherwise provided herein, contracts shall be awarded based on the methodology the notice inviting bids stated would be used for evaluation of the bids. Contracts for goods shall be awarded to the lowest responsive bidder. Contracts for professional services and nonprofessional services shall be awarded to the responsible bidder that provides the best value to the City or the lowest responsive bidder, as deemed appropriate by the purchasing officer.

(d) *Rejection of bids/cancellation of solicitation.* Any and all bids submitted pursuant to this section may be rejected by the City. The City may also cancel any open solicitation of bids when it is in the City's best interest to do so.

(e) *Tie bids.* If two or more bids received rank equally under the methodology being used, and if the public interest will not permit the delay or re-advertising for bids, the City may award the bid to either bidder.

(f) *Failure to contract.* If a successful bidder refuses or fails to execute a contract within 10 business days of award, the City may choose not to award the contract and either reject all bids or award the contract to the second-place bidder.

(g) *Use of electronic means.* Consistent with the stated policy of promoting efficient public contract law, consistent with the best of modern practice and research, the City shall be authorized to use an electronic bidding system, so long as the purpose and intent of applicable state law, this Chapter, and any supplemental rules or regulations are met. In using an electronic bidding system, the City shall provide bidders with an electronic receipt showing the date and time the submitted bid was received.

(h) *Protest procedures.* Any actual or prospective bidder, proposer, or contractor (collectively "bidder") who believes that they have been aggrieved in connection with the solicitation or award of a contract pursuant to this chapter may protest, in writing, to the City Manager, within three business days after posting of the award recommendation at the location where the bids or proposals are submitted. The protest shall be deemed filed only when it is actually received by the City Manager.

(1) The bidding documents shall include a statement referencing this section as the requirement for filing a protest.

(2) In the event a timely protest is filed as provided in this section, the City Manager may, but is not required to, suspend the award of the contract until the protest is resolved.

(3) The protest shall be writing and shall contain the following information:

- a. The name, address and telephone number of the protestor;
- b. A specific identification of the statutory or regulatory provision(s) that the action complained of is alleged to have violated;
- c. A specific description of each act allege to have violated the statutory or regulatory provision(s) identified in this section.
- d. A precise statement of the relevant facts;
- e. An identification of the issue or issues to be resolved;
- f. Argument and authorities in support of the protest; and
- g. A statement that copies of the protest have been mailed or delivered to the City Manager.

(4) If applicable, the City Manager shall meet and confer with the protestor in an effort to resolve the issues described in the protest.

(5) The City Manager shall have authority to settle and resolve a protest. The City Manager may, but is not required to, solicit written responses to the protest from other interested parties. The City Manager may establish additional procedures for the resolution of a protest and may refer the matter to a hearing officer. The City Manager's decision shall be final and conclusive and shall not be subject to appeal to the City Council.

### **3.08.060 Exceptions to competitive procurement (Goods and Services)**

For procurement of goods, professional services, and nonprofessional services, the following situations are not subject to the competitive procurement requirements in sections 3.080.040 and 3.080.050:

(a) *Emergencies.* Upon determining that an emergency exists, City Manager may dispense with otherwise applicable competitive procurement procedures and signature authority requirements to authorize a procurement necessary to address, avoid, or ameliorate the circumstances creating the emergency or the resulting damage or potential damage, up to an amount not to exceed \$250,000.00. An emergency procurement will be limited in scope and duration to the extent necessary to satisfy the emergency need. The City Manager must report to the City Council any emergency purchase made and the basis therefore at the next City Council meeting following the emergency procurement.

(b) *Small value procurement.* Competitive procurement shall not be required when the value of the goods, professional services, or nonprofessional services is equal to or less than \$5,000.00.

- (c) *Sole source.* Procurement may be made or contract awarded by the City Council without a competitive procurement process when there is only one reasonable and practicable source for the required goods or services because of the unique quality of the goods or services; availability; compatibility with existing City programs, equipment or systems; or fitness for a particular use.
- (d) *Piggyback.* Procurement may be made or contract awarded without a competitive procurement process by the City Council when competitive procurement has been conducted by another public agency and the price to the City is equal or better than the price to that public agency.
- (e) *Cooperative purchasing.* Procurement may be made or contract awarded without a competitive procurement process by the City Council when goods or services may be obtained through cooperative purchasing.
- (f) *Interagency.* Formal and/or informal bidding is not required when the contract and/or purchase is able to be performed by another governmental agency.
- (g) *Used, leasing or renting equipment.* Formal and/or informal bidding is not required when the contract and/or purchase is for used, leased or renting equipment.
- (h) The procurement of services from the following specified professional classifications, without regard to the dollar amount of the contract, is exempt from the competitive process, but shall be selected based on qualifications: financial services, actuaries, psychologists, medical doctors, entertainers and performers, claims consultants, insurance brokers, attorneys-at-law and consultants and experts used during the ongoing course of litigation in which the City, or any boards, commissions, officers or employees are involved.
- (i) *Purchases not supported by competitive bidding process.* Except where otherwise required by law or by applicable funding conditions, goods and services may be procured without a competitive procurement process by the City Council for procurements which are not readily adaptable to the open market and bidding processes. Such procurements include but are not limited to:
- (1) Utility services (telephone, gas, water, sewer and electricity) provided to City buildings and facilities;
  - (2) Franchises awarded by the City Council;
  - (3) Insurance or bond premiums;
  - (4) Subscriptions, memberships, software licenses, and advertisements; and
  - (5) Law enforcement services.
- (j) *No bids received.* Procurement may be made or contract awarded without a competitive procurement process when no bids are received.
- (k) *City Council waiver.* Notwithstanding any provisions of this Chapter, the City Council may waive procurement requirements for goods and services by a four-fifths vote upon making written findings that it is in the City's best interest to do so.

(l) *Exemption from competitive procurement.* Agreements for professional services may be executed without observing the bidding procedures provided if the City Council or City Manager determines that an informal or formal competitive process is unnecessary because a professional services provider is the best provider for a particular agreement based on some or all of these factors: demonstrated competence; qualifications for the types of services to be performed; experience; knowledge of the City due to a long-standing relationship; reasonableness of cost to perform work; or other similar relevant criteria.

(m) *City Council-Approved On-Call Panels for Professional and General Services.* The City Manager, or their designee, may maintain a City Council-approved on-call panel of pre-approved firms qualified to perform the type of professional or general services required. When such an on-call panel is maintained, the competitive selection procedures are waived. Award of tasks under on-call contracts shall be rotated among the pre-approved firms with no single firm receiving a substantial majority of similar work during the fiscal year. Recognizing that certain firms on an on-call panel may have particular expertise for certain types of projects, the rotation of firms may be limited in these cases based on the professional judgment of City staff. Each on-call firm, unless otherwise stated at the time of contract award by the City Council, shall be eligible to receive work in an amount up to \$50,000.00 per fiscal year without the need for additional City Council approval. Whenever the work awarded to a single on call panel firm exceeds \$50,000.00 in a fiscal year, City Council approval of the additional work is required.

### **3.08.070 Local preference.**

The City may establish a local vendor preference program to be applied in the procurement of goods and nonprofessional services. The adjustment to a formal bid or informal bid provided by a qualifying local vendor shall be implemented according to the following:

(a) *Preference.* Preference shall be given to vendors that submit a written statement in their bid requesting to be considered a qualifying local vendor and certifying that they meet the criteria in the definition of qualifying local vendor set forth in section 3.08.020.

(b) *False certifications.* False certifications shall be immediate grounds for rejection of any bid or if the contract is awarded, grounds for voiding the bid, terminating any agreement, and seeking damages thereto. Failure to certify the above information shall result in the bid being considered by the City without any adjustment for the vendor as described in subsection (c) below.

(c) *Application of local vendor preference.*

(1) If the award criteria is lowest responsive bidder, a qualified local vendor shall be given a five percent reduction in price for evaluation purposes.

(2) If the award criteria is best value to the City, the City shall include criteria that gives qualifying local vendors preference in the evaluation process. The equivalent of a five percent preference will be added to the final evaluated score of each qualifying local vendor. If the five percent preference causes a qualifying local vendor to have the best overall score, the qualifying

local vendor may be deemed the vendor that provides the best value to the City, provided, said qualifying local vendor must elect to reduce the price portion of its submission to match the price portion of the lowest bid.

### **3.08.080 Public projects.**

The City Council elects to have the City subject to the Uniform Public Construction Cost Accounting Act (Public Contract Code §§ 22000—22045) (the "Act"). As such, the City is subject to the procedures set forth in article 2 (commencing with section 22010) of the Act, may utilize the bidding procedures set forth in article 3 (commencing with section 22030) of the Act when contracting for all public projects, including maintenance. The purpose of this Chapter is to supplement the Act. Nothing in this Chapter shall be construed in a manner that conflicts with the Act. Procurement for public projects shall be made pursuant to the procedure prescribed in this section and in accordance with the Public Contract Code.

(a) *No competitive procurement.* Public projects of at or under the limit established by Public Contract code Section 22032(a), as that section may be amended from time to time, may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.

(b) *Informal procurement.* Public projects which are at or under the limit established in Public Contract Code § 22032(b), as that section may be amended from time to time, may be procured by informal procedures as set forth in Public Contract Code Section 22034, as that section may be amended from time to time.

(c) *Formal procurement.* Unless otherwise provided by the Public Contract Code, the following procedures shall apply to procurement for public projects:

(1) *Bid notice.* Notices inviting bids shall include a distinct description of the public project to be performed and shall state where and when bid packages may be secured and the time and place of the bid opening.

(2) *Publication and mailing.* Notice inviting bids shall be published at least 14 calendar days before the opening of bids in a newspaper of general circulation in the City or as otherwise permitted by law through the City's electronic bidding system, pursuant to Public Contract Code § 22037. Notices may also be sent electronically, if available, by either facsimile or electronic mail, and mailed to all construction trade journals specified in the Public Contract Code § 22036, at least 15 calendar days before bid opening.

(3) *Bidder's security.* The notice inviting bids shall state that a payment and performance bond are required from the successful bidder in an amount not less than 100 percent of the total amount payable pursuant to the public project contract. The payment and performance bond shall be in the form of a bond and not a deposit or other security in lieu of a bond.

(4) *Bid opening procedures.* Formal bids shall be submitted to the City Manager, or their designee, in accordance with the notice inviting bids and shall be identified as a bid on the envelope when submitted in paper format. Bids shall be opened in public at the time and place

stated in the public notice. A record of the bids received shall be available for public inspection after the bids have been opened, indicating the amount bid by the various bidders and the basis for awarding the contract if other than the lowest responsive bidder is awarded the contract. Such list shall be available for at least 30 days after the award has been made.

(d) *Award of contracts.* The City Council, or City Manager, as may be applicable, shall award a contract for a public project to the lowest responsible bidder.

(e) *Rejection of bids/cancellation of solicitation.* Any and all bids submitted pursuant to this section may be rejected by the City. The City may also cancel any open solicitation of bids when it is in the City's best interest to do so.

(f) *Tie bids.* If two or more bids received rank equally under the methodology being used, and if the public interest will not permit the delay or re-advertising for bids, the City may award the bid to either bidder.

(g) *Failure to contract.* If a successful bidder refuses or fails to execute a contract within 10 business days of award, the City may choose not to award the contract and either reject all bids or award the contract to the second-place bidder.

(h) *Use of electronic means.* Consistent with the stated policy of promoting efficient public contract law, consistent with the best of modern practice and research, and pursuant to the authority granted by Public Contract Code §§ 1600 and 1601, the City shall be authorized to use an electronic bidding system, so long as the purpose and intent of applicable state law, this Chapter, and any supplemental rules or regulations are met. In using an electronic bidding system, the City shall provide bidders with an electronic receipt showing the date and time the submitted bid was received.

(i) *Emergencies.* Pursuant to Public Contract Code § 22050, upon determining that an emergency exists, City Manager may dispense with otherwise applicable competitive procurement procedures and signature authority requirements to authorize a procurement necessary to address, avoid, or ameliorate the circumstances creating the emergency or the resulting damage or potential damage, up to an amount not to exceed \$250,000.00. An emergency procurement will be limited in scope and duration to the extent necessary to satisfy the emergency need. The City Manager must report to the City Council any emergency purchase made and the basis therefor at the next City Council meeting following the emergency procurement.

(j) *No competitive advantage.* The City Council may dispense with otherwise applicable competitive procurement procedures if the advertisement for bids would be undesirable, impractical, or impossible, and if competitive procurement would not result in any advantage to the City in efforts to contract for the greatest public benefit. In such instances, the City Council may procure public projects through negotiated contract, cooperative purchasing, or by piggybacking off a competitive procurement that has been conducted by another public agency when the price to the City is equal to or better than the price to the public agency.

(k) *Procurement and signature authority.* Notwithstanding the provisions of section 3.080.030, or any other provision of this Code, the City Manager shall have approval and contract authority for all public projects authorized under subsection (1) above.

### **3.08.090 Change orders – All procurement.**

The City Manager may approve a change order of up to ten percent of any original contract approved by the City Council for goods, services, or public projects, not to exceed \$25,000.00, provided that adequate budget is available.

### **3.08.100 Designation of surplus personal property.**

The City Manager may declare any personal property held by the City as surplus. The City Manager, or their designee, shall maintain a written inventory of surplus property. If any department head has a use for such personal property, he or she may request the surplus property from the City Manager, or their designee, who shall have the authority to assign the personal property to any department.

### **3.08.110 Disposition method**

(a) City officials, officers and employees shall not claim ownership of, give away, recover, or salvage any materials abandoned, disposed of or stored upon City premises. City Officials, officers and employees shall not obtain property or the proceeds from the disposal of property designated for disposal as trash, scrap, or as recyclables. This prohibition includes giving any such property or proceeds to any person or party other than for the duly authorized benefit and interest of the City, or authorizing any other person or party to accept, receive or take any such surplus property to benefit their own interest, except as provided herein.

(b) The City Manager, or their designee, shall have the authority to dispose of any surplus real property, including vehicles and boats, which has an estimated market value of less than \$2,500.00, as determined by the City Manager or their designee.

(c) If the surplus real property, including vehicles and boats has an estimated market value of \$2500.01 or more, the City Manager, or their designee, is hereby authorized to dispose of such goods by any of the following procedures:

- (1) Exchanged or traded in on new goods;
- (2) Sold utilizing competitive procedures similar to those prescribed herein for open market procurement;
- (3) Sold at public auction conducted by a professional auctioneer;
- (4) Sold utilizing a negotiation process when the City Manager, or their designee, deems that such process is in the best interests of the City;
- (5) Disposed of as scrap material or destroyed if no resale value exists; or
- (6) Donated to a non-profit organization or other public entity following a City Council determination that such donation serves a public purpose.

### **3.08.120 Other methods of disposal.**

(a) Abandoned vehicles on public or private property shall be disposed of as provided in this code or in the Vehicle Code of the State of California.

(b) Surplus of fire equipment with a value of less than \$10,000.00, shall be disposed of in accordance with this section.

### **3.08.130 Unclaimed property.**

(a) *Generally.* Pursuant to Civil Code § 2080.6, the City has elected to adopt and follow reasonable regulations, in lieu of the default provisions in the Civil Code, for the care, restitution, sale, or destruction of unclaimed property in its possession. Unclaimed property found, recovered, or held by the City shall be disposed of in the following manner:

(1) All property which is subject to the provisions of the Penal Code and regulated thereby shall be handled in accordance with such provisions, notwithstanding any other provisions of this Chapter.

(2) If the owner of property appears and claims it within four months, the City shall release such property to the owner.

(3) If the property is not claimed in accordance with subsection (2) above, such property shall be transferred to the custody of the City Manager, or their designee, to be disposed of as follows:

a. Any such property may be determined by resolution of the City Council to be needed for City use and shall thereby be converted for such use.

b. Property not otherwise needed for City use may be disposed of pursuant to section 3.08.110 and section 3.08.120.

(b) *Money.* Notwithstanding subsection (a) above, pursuant to Government Code §§ 50050 and 50051, the following process shall apply to unclaimed property that is money (excluding restitution to victims):

(1) *Three-year period to claim.* Money that remains unclaimed for a period of more than three years becomes the property of the City not less than 45 days nor more than 60 days after an initial public notice is published, as set forth in subsection (2) below.

(2) *Initial public notice.* At any time after the expiration of the three-year period, the City Manager, or their designee, shall cause a notice to be published once a week for two consecutive weeks in a newspaper of general circulation. The notice shall include the following information:

- a. The individual or business name as shown on the issued check;
- b. The check date, number, and the amount of money on the issued check; and
- c. A statement announcing that the money shall become the property of the City on the date that is not less than 45 days after the first publication of the notice.

(3) *Proof of publication.* A proof of publication from the newspaper is to be retained in accordance with the City's records retention policy as proof that the City published the required notice for two consecutive weeks.

(4) *Claim.* Before the date the unclaimed money becomes the property of the City, a party of interest may file a claim which must include the following information:

- a. The claimant's name, address, and telephone number;
- b. Social security number or federal employer identification number;
- c. Proof of identity such as a copy of a driver's license, social security card, or birth certificate;
- d. The amount of the claim; and
- e. The grounds for which the claim is found.

(5) *Review.* The City Manager, or their designee, shall accept or reject that claim. If rejected, the party who submitted the claim may file a verified complaint seeking to recover all, or a designated part, of the money in a court of competent jurisdiction within the county and serve a copy of the complaint and the summons upon the City Clerk. The copy of the complaint and summons shall be served within 30 days of receiving notice that the claim was rejected. The City Manager, or their designee, shall withhold the release of the portion of unclaimed money for which a court action has been filed as provided in the section until a decision is rendered by the court.