A regular meeting of the Cypress City Council was called to order at 5:01 p.m. by Mayor Morales in the Executive Board Room, 5275 Orange Avenue, Cypress, California.

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor Paulo Morales
Mayor Pro Tem Jon Peat
Council Member Stacy Berry
Council Member Rob Johnson
Council Member Mariellen Yarc

STAFF PRESENT

City Manager Peter Grant
City Attorney Anthony Taylor
Attorney Chris Neumeyer
Director of Finance and Administrative Services Matt Burton
Chief of Police Rodney Cox
Director of Community Development Doug Dancs
City Clerk Denise Basham

ORAL COMMUNICATIONS (Limited to 30 minutes – three minutes per speaker, unless extended by the City Council)

None.

WORKSHOP SESSION

The City Attorney stated that the City Council would be presented with a workshop on Proposition 64, the regulation of marijuana. He introduced Chris Neumeyer, Aleshire & Wynder, who would lead the workshop.

Mr. Neumeyer spoke of his marijuana law expertise, Proposition 64, and the California Medical Marijuana Regulation and Safety Act. He stated that cities need to be proactive on whether or not they want to ban or regulate its use. He provided a brief history of marijuana laws and stated that in 2018 medical marijuana businesses would be allowed to obtain State licenses. He commented that in the 2016 Gallop Poll shows that 60 percent of Americans support legalization of marijuana. He stated that in 2016 the California Adult Use of Marijuana Action (Proposition 64) was passed which allowed possession of one ounce of marijuana that could be transported, used, and up to six plants grown at a person’s private property.

Mr. Neumeyer stated that in January 2018 California would begin issuing state licenses for medical marijuana and recreational commercial for-profit businesses. He indicated that Proposition 215 allows recreational commercial businesses, and the California Medical Marijuana Regulation and Safety Act of 2015 allows medical dispensaries to be for-profit. He stated that when the State issues local control, cities can ban all of the businesses.

Mr. Neumeyer stated that personal marijuana cultivation allows California residents to cultivate up to six living marijuana plants within a single private residence, indoor or outdoor. He stated that cities may completely ban outdoor growing and regulate indoor growing, and that Proposition 64 allows for reasonable regulations. He spoke of cities that have been sued, and indicated that Cypress currently bans marijuana cultivation in all zones and allows up to six indoor plants without regulation. He stated that Cypress'
options may include to continue the ban on outdoor cultivation, to allow outdoor growing, establish regulations such as landlord consent, or restrict the number of plants.

Council Member Berry commented that the City cannot alter the State allowance for residential cultivation up to six living marijuana plants within a single private residence.

Mr. Neumeyer responded in the affirmative, and clarified that State law preempts local control over growing marijuana plants indoors.

Council Member Berry commented that the plant size could vary.

Mr. Neumeyer responded in the affirmative, and commented that plant size could vary substantially.

Mayor Pro Tem Peat asked if the personal cultivation would be for personal consumption only and not for sale.

Mr. Neumeyer responded in the affirmative, and clarified that the marijuana could be given away without compensation. He stated that a State license would be needed if it was to be sold.

Council Member Johnson asked if the marijuana could be bartered.

Mr. Neumeyer responded that bartering would be considered compensation.

Mr. Neumeyer stated that beginning in 2018, State commercial marijuana licenses would be issued for retail sales, dispensaries, cultivation, manufacturing, and distribution. He indicated that there would be 19 license types for recreational marijuana operations and 17 license types for medical marijuana. He stated that the operations would be illegal without a State license.

Mr. Neumeyer spoke regarding local control and stated that recreational marijuana commercial operations could be banned and controlled by cities as long as the city code expressly bans them. He stated that the State license is not effective if a City does not allow medical marijuana. He suggested that all license types be addressed in the city code.

Mr. Neumeyer spoke regarding the current city code and that it should be updated to address Proposition 64. He stated that marijuana cultivation, dispensaries, and processing is prohibited in all zones. He stated that the city code does not ban each license type and that code revisions are recommended for manufacturing, deliveries, testing, regulation of personal indoor cultivation, and specific State license types for recreational and medical commercial marijuana operations.

Council Member Yarc asked about medical marijuana deliveries.

Mr. Neumeyer stated that marijuana could be delivered if it is not banned and in 2018, deliveries would be done through a licensed dispensary.

Council Member Yarc asked for further clarification.

Mr. Neumeyer responded that current deliveries into the City are not clearly banned by the city code.

The City Attorney asked about the distinction between medical marijuana deliveries and recreational marijuana deliveries.

Mr. Neumeyer stated that cities could allow only medical, only recreational, or both or neither.

Mayor Pro Tem Peat asked if the City banned all types of deliveries, a medical marijuana patient would have to physically pick-up the marijuana.
Mr. Neumeyer responded in the affirmative.

Mr. Neumeyer stated that city code amendments to consider should include indoor personal marijuana cultivation, deliveries, testing, manufacturing, expressly addressing the difference license types, and an amendment to expressly address Proposition 64 concerns. He stated that currently all medical marijuana uses are in the zoning code and suggested that it be addressed.

The City Attorney discussed the next steps in the process and indicated that the revised ordinance would require two readings.

Council Member Yarc asked about tax benefits.

Mr. Neumeyer responded that there would be a 15 percent excise tax on all marijuana sales and that a small amount would come back to cities that do not ban marijuana cultivation and retail sales. He spoke regarding some cities that have passed local marijuana gross receipts taxes and that a sales percentage could be imposed, as well as a tax on cultivation of approximately $15 to $25 per square foot.

Council Member Yarc asked if the State would get any of that tax.

Mr. Neumeyer responded no, and clarified that it would be subject to Proposition 218 requirements and go to local voters specific to special and general tax.

Council Member Johnson asked if the ordinance would be done by a vote of the residents.

Mr. Neumeyer responded that the ordinance would be done by City Council action.

The City Attorney stated that the safest legal course of action would be to not charge any of the indoor inspection fees.

Council Member Johnson asked if a study has been done to determine costs to cities.

Mr. Neumeyer indicated that the private consulting firm of HDL has done work with cities.

Mayor Pro Tem Peat asked if regulations would assist the Police Department.

The Chief of Police stated that regulations would provide enforcement and that he would provide a list of suggested regulations to the City Council.

Mayor Morales asked if suggested verbiage for the ordinance has been determined.

The City Attorney responded in the affirmative.

Mayor Morales spoke regarding possible future ordinance amendments and asked about enforcement.

Mr. Neumeyer commented that the City would likely pursue enforcement, as the District Attorney’s Office provides only minimal assistance with city enforcement. He stated that under new laws, cities could petition the State to obtain some of the State enforcement powers including the ability to recoup fees and penalties.

Council Member Yarc spoke in opposition of indoor dispensaries and selling, and asked about the benefit of changing the indoor cultivation allowance.

Mayor Pro Tem Peat asked if there would be ordinance regulations that would assist the Police Department with enforcement.

The City Attorney suggested that the ordinance include reasonable code enforcement for odor control. He stated that specific license types be addressed in order to be consistent with the current ban.
Mayor Morales asked about the ordinance timeline and the next course of action.

The City Manager stated that the City Attorney is working with the Police Department and Code Enforcement, and that the first reading of the proposed ordinance would be brought to the City Council in August or September.

Council Member Yarc asked if there are alternate marijuana industry revenues for the City.

The City Manager spoke regarding controlled marijuana industry licenses and stated that each could be reviewed for the City Council. He commented that the marijuana law is evolving and in an unsettled state.

Mayor Morales spoke regarding the ordinance review process.

Council Member Berry commented that each type of license needs to be addressed in the ordinance.

Council Member Johnson spoke in opposition of allowances.

Council Member Yarc asked about Police Department enforcement restrictions.

The City Attorney stated that police situations vary and that they would only have authorization to take action on what the court allows or circumstances to search.

Council Member Yarc asked about medical marijuana identification cards.

Mr. Neumeyer responded that State law requires counties to issue medical marijuana cards.

CLOSED SESSION

The City Attorney reported that the City Council would be meeting in Closed Session regarding Conference with Real Property Negotiators, pursuant to Government Code Section 54956.8, Real Property Identified by APN Numbers 241-091-22 through 26, Inclusive, 13.329 Acres Located at the Northwest Corner of Katella Avenue and Winners Circle, Parties Negotiating With: Shea Properties, Negotiating Party: City Manager, Under Negotiation: Price and Terms of Payment.

The City Attorney reported that the City Council would be meeting in Closed Session regarding Conference with Labor Negotiator, pursuant to Government Code Section 54957.6, Agency Negotiators: Peter Grant and Matt Burton, Employee Groups:

- Executive Management
- Mid-Management
- Confidential
- Cypress Employees' Association
- Cypress Maintenance Employees' Association
- Cypress Police Management
- Cypress Police Officers' Association

At 5:53 p.m., the Mayor recessed the meeting.

RECONVENE

The 7:00 p.m. session of the City Council meeting was called to order at 7:08 p.m. by Mayor Morales.

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District
CITY COUNCIL MINUTES

JUNE 26, 2017

Mayor Paulo Morales
Mayor Pro Tem Jon Peat
Council Member Stacy Berry
Council Member Rob Johnson
Council Member Mariellen Yarc

STAFF PRESENT

City Manager Peter Grant
City Attorney Anthony Taylor
Director of Finance and Administrative Services Matt Burton
Chief of Police Rodney Cox
Director of Community Development Doug Dancs
Director of Recreation and Community Services June Liu
City Engineer Kamran Dadbeh
City Planner Doug Hawkins
Associate Planner Kori Sanders
Public Works Superintendent Kirk Streets
Recreation Supervisor Jeff Draper
Recreation Supervisor Shelly Myers
Recreation Supervisor Jenni Worsham
Recreation Coordinator Shayna Gutierrez
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

PLEDGE OF ALLEGIANCE  The Pledge of Allegiance was led by Council Member Yarc.

INVOCATION  The invocation was given by Pastor Ron Jackson, Cypress Church.

REPORT OF WORKSHOP AGENDA/CLOSED SESSION

The Mayor asked for the report of the Workshop Session Agenda items discussed earlier in the evening.

The City Attorney reported that the City Council met in a Workshop Session regarding discussion and direction concerning ordinances for the regulation of marijuana. He stated that this item was discussed and no final action was taken by the City Council, and that the action would be brought back to the City Council for ordinance revisions in August.

The Mayor asked for the report of the Closed Session Agenda items discussed earlier in the evening.

The City Attorney reported that the City Council met in Closed Session regarding Conference with Real Property Negotiators, pursuant to Government Code Section 54956.8, Real Property Identified by APN Numbers 241-091-22 through 26, Inclusive, 13.329 Acres Located at the Northwest Corner of Katella Avenue and Winners Circle, Parties Negotiating With: Shea Properties, Negotiating Party: City Manager, Under Negotiation: Price and Terms of Payment. He stated that the matter was discussed, direction received, and there is no final action taken at this time.

The City Attorney reported that the City Council met in Closed Session regarding Conference with Labor Negotiator, pursuant to Government Code Section 54957.6, Agency Negotiators: Peter Grant and Matt Burton, Employee Groups:

- Executive Management
- Mid-Management
- Confidential
- Cypress Employees' Association
- Cypress Maintenance Employees' Association
- Cypress Police Management
- Cypress Police Officers' Association
He stated that no reportable action was taken.

No other action was taken in Closed Session, nor was any solicited.

PRESENTATIONS

Mayor Morales and Chief Cox recognized Father Patrick Moses for his contributions to the community.

Mayor Morales presented a "Park and Recreation Month" and "Parks Make Life Better Month" Proclamation to the Director of Recreation and Community Services and staff.

David McDonald, Cypress Police Foundation, presented a donation of police trading cards and patrol rifle lights.

The Director of Recreation and Community Services spoke regarding the Friends of Cypress Cultural Arts (FOCCA) donation of a kinetic sculpture entitled "Ombre" for placement in Mackay Park and introduced FOCCA members Ethel Bowman and Betty Koester.

ORAL COMMUNICATIONS (Limited to 30 minutes – three minutes per speaker, unless extended by the City Council)

Mayor Morales asked anyone who wished to speak on any topic not included on the meeting Agenda to come forward.

Scott Griffiths, Great Scott Tree Services, spoke regarding Agenda Item No. 10.

PUBLIC HEARINGS

Public comments – five minutes per speaker, unless extended by the City Council.

Council Members should disclose communications with anyone relevant to a Public Hearing

Item No. 1: Approve Expended Loading Hours at 6550 Katella Avenue and 11130 Holder Street – Amendment to Conditional Use Permit No. 81-4

The Associate Planner provided background information on this item.

Council Member Johnson asked if the residential noise concerns were with regard to before, after, or during normal business hours.

The Associate Planner responded that noise concerns were with regard to late night or early morning delivery activities that were generated by the former Holder Street tenant, and the commenting residents indicated that the noise has stopped since the departure of that tenant.

The applicant, Sam Chanin, stated that he agreed with the conditions of approval.

Drew Stepanek, representing the business owner, stated that he had an opportunity to meet with the townhome association and residents, and there has been an open line of communication between the residents and the applicant and concerns were addressed.

Council Member Yarc asked if contact information has been made available to residents who may have complaints.

Mr. Chanin responded that the townhome association manager would handle complaints and that he would be available as well.

The public hearing was opened.

The public hearing was closed.
It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to approve Amendment to Conditional Use Permit (CUP) No. 81-4, subject to the revised conditions of approval.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None

Resolution No. 6629
A Resolution of the City Council of the City of Cypress Approving Amendment to Conditional Use Permit No. 81-4 - With Conditions

Item No. 2: Approve Amendment to Conditional Use Permit No. 88-8 – Expansion of the Outdoor Dining Area for McDonald's Restaurant at 10115 Valley View Street

The Associate Planner provided background information on this item.

The applicant, Sam Wilkerson, stated that he agreed with the conditions of approval.

The public hearing was opened.

The public hearing was closed.

It was moved by Mayor Pro Tem Peat and seconded by Council Member Johnson, to approve Amendment to Conditional Use Permit No. 88-8, subject to the existing conditions of approval.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None

Resolution No. 6630
A Resolution of the City Council of the City of Cypress Approving Amendment to Conditional Use Permit No. 88-8 - With Conditions

CONSENT CALENDAR

All matters listed on the Consent Calendar are to be approved with one motion unless a Council Member requests separate action on a specific item.

The City Manager stated Agenda Item No. 17 is being continued to the next regular City Council meeting.

Council Member Berry requested Agenda Item No. 14 be pulled from the Consent Calendar.

It was moved by Council Member Johnson and seconded by Council Member Yarc, to approve Consent Calendar Items No. 3 through 13, 15, 16, and 18 through 20.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None
Item No. 3: Approve Minutes – Meeting of June 12, 2017  
Recommendation: Approve as submitted.

Item No. 4: Introduce and/or Adopt All Ordinances and Resolutions Presented for Consideration by Title Only and to Waive Further Reading

Item No. 5: Proclaim the Month of July 2017 as "Park and Recreation Month" and "Parks Make Life Better Month"  
Recommendation: Proclaim the month of July 2017 as "Park and Recreation Month" and "Parks Make Life Better Month."

Item No. 6: Confirm Appointment of City Commissioners  
Recommendation: Confirm the appointment of six City commissioners effective July 1, 2017.

Item No. 7: Adopt Resolution Authorizing the Submittal of an Application to the Orange County Transportation Authority for the Environmental Cleanup, Tier 1 Grant Program  
Recommendation: Adopt a Resolution authorizing the submittal of an application to the Orange County Transportation Authority (OCTA) for the Environmental Cleanup, Tier 1 Grant Program (ECP) for Catch Basin Modifications, Project 195.

Resolution No. 6631  
A Resolution of the City Council of the City of Cypress  
Authorizing an Application for Funds for the Environmental Cleanup, Tier 1 Grant Program Under Orange County Local Transportation Ordinance No. 3 for Catch Basin Modifications, Project 195

Item No. 8: Accept Tree Planting Program, Project 192  
Recommendation: Accept the Tree Planting Program, Project 192 in the final amount of $91,310, and approve the final retention payment of $9,131 to Master Landscape & Maintenance, Inc.

Item No. 9: Award Contracts for Sewer Relining, Project 182  
Recommendation:  
1. Approve Plans and Specifications for Sewer Relining, Project 182; and  
2. Award a contract to Insituform Technologies, LLC, Chesterfield, MO, for $191,707, and authorize a contingency of $28,750; and  

Item No. 10: Award Contract for Tree Maintenance Services  
Recommendation: Approve a three-year contract for Tree Maintenance Services to Great Scott Tree Services, Inc. for $243,500 annually with an option for up to three, one-year extensions, and authorize the City Manager to execute the contract.

Item No. 11: Adopt Resolution Confirming Compliance with the Countywide Measure M2 Program  
Recommendation: Adopt a Resolution certifying compliance with the countywide Measure M2 Program.
Resolution No. 6632

A Resolution of the City Council of the City of Cypress Concerning the Status of the Circulation Element, Local Signal Synchronization Plan, Mitigation Fee Program, and Pavement Management Plan for the Measure M (M2) Program

Item No. 12: Approve Community Development Block Grant (CDBG) Contract for Fiscal Year 2017-18

Recommendation: Adopt the Resolution accepting the award of CDBG funds for Fiscal Year 2017-18 and authorizing the City Manager to execute the agreement and necessary documents.

Resolution No. 6633

A Resolution of the City Council of the City of Cypress Authorizing the Execution of an Agreement With the County of Orange to Accept an Award of Community Development Block Grant Funds for the Program Year Spanning July 1, 2017 through June 30, 2018

Item No. 13: Approve Senior Center Nutrition Program Agreement

Recommendation: Approve a five-year agreement with Community SeniorServ, Inc. for the Senior Nutrition Program.

Item No. 15: Approve Agreement for Donation of a Sculpture for Placement in Mackay Park

Recommendation: Approve an agreement with the Friends of Cypress Cultural Arts for the donation of a sculpture to be placed in Mackay Park and authorize the City Manager to sign.

Item No. 16: Approve Cypress Police Foundation Donation

Recommendation: Accept the donation of police trading cards and rifle mounted lights from the Cypress Police Foundation with a total value of $7,700.

Item No. 18: Receive and File Updated FY 2017-18 Pay Schedules for the Cypress Employees’ Association and the Cypress Maintenance Employees’ Association

Recommendation: Receive and file updated Pay Schedules for the Cypress Employees’ Association (CEA) and the Cypress Maintenance Employees’ Association (CMEA) effective July 14, 2017.

Item No. 19: Receive and File the Investment Report for the Month Ended May 31, 2017

Recommendation: Receive and file the attached investment report.

Item No. 20: Approve Register of Warrants, Electronic Funds Transfers and Wires Issued for the Period of May 29, 2017 through June 12, 2017

Recommendation: Approve the attached payment register summarized below for the period of May 29, 2017 through June 12, 2017:

- Warrants 42780 through 42896
- Electronic Funds Transfers 2874 through 3025
- Payroll Wire W1336
Regarding Item No. 14: Overview of Memorandum of Agreement (MOA) for 4th of July Fireworks Celebration, Council Member Berry asked about MOA revisions.

The Director of Recreation and Community Services stated that recent event updates include the ability to have the event hosted at the Joint Forces Training Base, including all of the parking and seating, however charging for parking would not be allowed. She stated that there would not be children's rides and/or a children’s fun zone area due to military restrictions, and that there would not be commercial or church sponsor booths that have produced revenues in the past to assist with direct funding costs. She indicated that Cypress has been required to provide additional amenities such as traffic/pedestrian control, payment for onsite medical services, and the purchase of special liability insurance coverage. She stated that event expenditures are expected to increase approximately $20,000, and that the event is expected to be successful.

Council Member Berry spoke regarding the event survey that reflected low Cypress resident attendance, and suggested that future alternative events be considered.

It was moved by Council Member Berry and seconded by Council Member Johnson, to receive and file the Memorandum of Agreement for the 4th of July Fireworks Celebration to be held at the Joint Forces Training Base.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None

Regarding Item No. 17: Accept a Department of Alcohol Beverage Control Education and Enforcement Grant, this item was continued to the next regular City Council meeting of July 10, 2017.

NEW BUSINESS

Item No. 21: Adopt the 2017-18 State and Federal Legislative Platform

The Senior Management Analyst provided background information on this item.

Council Member Yarc asked how a bill not included on the platform would be handled.

The Senior Management Analyst stated that the purpose of the platform is to identify key legislative topics, and that a bill that would preempt local control would not be in the best interest of Cypress and its residents and staff would use the platform as guidelines. She stated that if the bill was more complex, it would be brought to the City Council for consideration and further direction.

It was moved by Mayor Pro Tem Peat and seconded by Council Member Johnson, to adopt the 2017-18 State and Federal Legislative Platform.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None

Item No. 22: Receive and File the Strategic Plan Six-Month Objectives Update

The City Manager provided background information on this item.

Council Member Johnson asked if there are projects that would affect the fee study delay.

The City Manager stated that he does not anticipate major projects that would affect it.
It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to receive and file the strategic plan six-month objectives update.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None

ORAL COMMUNICATIONS (Five minutes per speaker, unless extended by the City Council)

None.

COUNCIL MEMBER REPORTS AND REMARKS

Mayor Morales requested reports from the Council Members on their respective committee assignments.

Council Member Johnson:

Attended the Concert-on-the-Green. Attended the ribbon cutting for Oxford Row. Attended a town hall breakfast meeting with Assemblywoman Sharon Quirk-Silva.

Council Member Yarc:

Attended the Concert-on-the-Green. Attended a planning meeting for the Woman’s Conference. Attended the Cypress Chamber of Commerce Business Awards and Installation dinner. Attended a Cypress College Americana Awards meeting.

Council Member Berry:


Mayor Pro Tem Peat:


Mayor Morales:

Attended the ribbon cutting for Oxford Row. Attended the Cypress Chamber of Commerce Business Awards and Installation dinner. Attended a town hall breakfast meeting with Assemblywoman Sharon Quirk-Silva. Attended the Court of Honor for Troop 670 for four Eagle Scouts.

CITY MANAGER REMARKS

None.
ADJOURNMENT

Mayor Pro Tem Peat adjourned the meeting in memory of Mei Yen Yu at 8:07 p.m. to an adjourned Regular Meeting, to be held on Monday, July 10, 2017, beginning at 5:30 p.m. in the Executive Board Room.

[Signature]
MAYOR OF THE CITY OF CYPRESS

ATTEST:

[Signature]
CITY CLERK OF THE CITY OF CYPRESS