



***We are a welcoming, active and business-friendly rural
foothill community built on California's rich gold rush history***

City Manager's Report

May 27, 2025, City Council Meeting

Prepared by: Denis Nishihara, Director of Community Services

Item #: 12.1

Subject: Consider approving a project list recommended by the Cannabis Community Benefits Committee and directing staff to include the said project list in the proposed 2025/2026 Fiscal Year Budget.

Recommendation: Adopt a resolution:

1. Approving a project list for the Cannabis Community Benefit Program in the amount of \$82,640 for Fiscal Year 2025/2026; and
2. Direct staff to include the said project list in the proposed Fiscal Year 2025/2026 Budget.

Purpose: To receive recommendations from the Cannabis Community Benefit Committee for a project list for Fiscal Year 2025/2026.

Strategic Plan Strategy: Maintain/Improve Quality of Life: 8) Strategy – Develop and Expand Programs and Projects to Beautify the City.

Background: In 2018, the City Council adopted an ordinance to allow retail cannabis businesses in the City. Part of the application process included a section requiring a community benefits component. In December of 2020, the Council adopted the Community Benefit Program including designated representatives for the Program Committee. The original program designated three Cannabis Business Representatives and one Public Member. At the time, it was anticipated that we would have three Cannabis Businesses. Since that time, only two Cannabis Businesses were approved. At its Meeting held on October 11, 2022, the City Council directed staff to amend the program to include two Cannabis Business Representatives and two Public Members. On October 25, 2022, staff returned with an amended resolution to establish two Public Members to the committee and two Cannabis Business Representatives in addition to the other designated members. On November 9, 2022, Staff returned to the Council with a request to appoint two members to the Committee. At that time, the Council directed staff to advertise the Committee openings and to schedule an agenda item to appoint two Councilmembers to serve on an Ad-hoc Selection Committee.

On January 24, 2023, the Council appointed two Public Members to the Committee to fully seat the committee.

Discussion: The general provisions of the Cannabis Community Benefit Program are:

1. Licensees will donate 1% of gross revenues toward the program.
2. A seven member committee consisting of the following will recommend projects/programs to be funded. The committee membership shall be as follows:

- a. Chief of Police (or designee)
 - b. City Manager (or designee)
 - c. Director of Community Services
 - d. Public Member (two - selected by the City Council)
 - e. Cannabis Business Representative (two – One from each business)
3. Funding for the first year of the program will be as follows:
- a. First Quarter .25%
 - b. Second Quarter .5%
 - c. Third Quarter .75%
 - d. Fourth Quarter 1%

Eligible Projects/Programs:

Projects or programs eligible for funding shall be as follows:

- a. Public Safety Equipment
- b. City Youth Assistance Fund Program
- c. Placerville Police Department Cadet Program
- d. Community Clean-Up Costs
- e. Student Scholarships
- f. Drug Outreach Education Materials and Program
- g. Habitat for Humanity Senior Assistance Program
- h. Youth Programs (ie. Boys and Girls Club)
- i. Other

The Committee began meeting in January 2025 to review potential projects and programs that could benefit the City for Fiscal Year 2025/2026. Those members who participated in the meeting were as follows:

- City Manager, Cleve Morris
- Chief of Police, Joe Wren
- Director of Community Services, Denis Nishihara
- Business Owner, Annie Aubrey
- Business Owner, Kelly Chiusano
- Public Member, Benjamin Hawthorne
- Public Member, Catherine Silvester

Available funding for the 2025-2026 Fiscal Year is \$82,640.

Following are the Projects/Programs recommended by the committee for funding:

• Placerville Fire Safe Council Grant:	\$ 5,000
• Adopt a Trail Program Trailer and Equipment:	25,600
• Disc Golf Course Improvements:	12,000
• Meridian Barricades:	<u>40,040</u>
Total	<u>\$82,640</u>

The Committee and staff feel strongly about providing better security around our Downtown events by investing in the Meridian Barricades. The total amount of projects is \$82,640. The total cost for the Meridian Barricades is \$142,002. At the time, the Committee only considered purchasing 7 Barricades. This left the funding short by \$63,942. The Committee made a recommendation to request that the City fund the remaining portion at this time as a loan to the fund, with payments being made over the next 3 years from the Cannabis Community Benefit Fund. Staff reviewed the proposal and identified another funding source. The City has a flexible spending account through PARSAC, the City's former Insurance JPA. These funds are available to use for anything safety related. The City has approximately \$163,122 available in that fund. Staff recommends that we fund \$40,040 from the Cannabis Community Benefit Fund with the remaining amount to come from the PARSAC Flexible Spending Account. Due to the safety issue for events and the time spent using the barricades from Folsom, staff recommends purchasing 14 barricades using this funding. If approved these costs will be included in the proposed Budget for Fiscal Year 2025/2026.

Options:

1. Approve the Committee Recommendations as outlined.
2. Approve the Committee Recommendations with changes.
3. Provide direction to the Committee to consider other projects/programs.
4. Provide other direction to staff if necessary.

Environmental: This program does not qualify as a project under the California Environmental Quality Act (CEQA) and therefore no Environmental Statement is necessary.

Cost: There is no cost associated with tonight's action.

Budget Impact: Staff anticipates that by July 31, 2025, the Cannabis Community Benefit Fund will have approximately \$82,640 in Fiscal Year 2024/2025 net revenues to cover the cost of the proposed project list totaling \$82,640, and staff requests authorization to include the proposed project list, which totals \$82,640, in the proposed Fiscal Year 2025/2026 Budget.



M. Cleve Morris, City Manager

Attachments:

Att A: 2026 Projects

Att B: Resolution