

**CITY OF SOUTH GATE  
SPECIAL CITY COUNCIL MEETING  
MINUTES  
TUESDAY, JULY 18, 2017**

**CALL TO ORDER** Vice Mayor Maria Belen Bernal called a Regular City Council meeting to order at 5:17 p.m.

**ROLL CALL** Carmen Avalos, City Clerk

**PRESENT:** Vice Mayor Maria Belen Bernal, Council Member Denise Diaz, Council Member Jorge Morales and Council Member Al Rios; City Treasurer Greg Martinez; City Manager Michael Flad

**ABSENT:** Mayor Maria Davila

**LATE:** City Attorney Raul Salinas arrived at 5:25

**1  
ADULT USE OF  
MARIJUANA ACT**

The City Council received and filed an educational presentation regarding the Adult Use of Marijuana Act.

City Manager Flad provided an introduction of the presentation and the information regarding the adult use of marijuana.

Joe Perez, Director of Community Development provided an overview of the need to better understand the act and how the city can begin to address the issue inflicting our local municipalities.

Mr. David McPherson, HdL Companies presented the Cannabis Educational Workshop. The purpose is to provide a historical perspective and provide an opportunity to have a better handle on what can and can't be done.

Mr. McPherson provided federal guidance known as Cole Memo (2013). Laws that get identified in term of minimum standards of what will not be permitted.

The current issue is not new to societal of shirting in cultural changes and paradigm shifts. MCRSA- Medical Cannabis regulation and safety act as one for the guiding act to understanding the enforcement and dual licensing.

AB 266 and SB 94 allow the delivery of medical cannabis and non-retail license for no walk-in traffic.

The standard in term of age is 21 years with an ID required and only 1 once or 6 plants.

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### 1 ADULT USE OF MARIJUANA ACT CONTINUED

Commercial Businesses Licensed Permitted by the state. There are 20 types of permits allowed by the state and they keep growing by 2023.

SB 94 just became part of law and there must be an established local contact or City Clerk. Local ordinance and regulations on cannabis use to the state MUST be sent.

We can learn from mistake and issues that arose in Colorado as result of rushing with 180 day implementation.

In terms of local jurisdictions the control of time, place, and manner are regulatory development when considering ordinance.

Regulatory Ordinance should include hours of operation location, and other notable business use.

There are several categories of uses.

1. Cultivation
2. Manufacturing
3. Testing Quality Control
4. Dispensary/Retailer
5. Distribution
6. Transporting - Microbusiness

Presenter provided revenue and use of cannabis in other uses versus direct distribution and use as organic product. Many uses include edible and use on skin products and products of use for many consumer needs.

Items for policy makers to consider include the application process, tax and fees, as well as tax and fee strategies to provide revenue for a municipality.

It is recommended that there be a strategic plan in place for the implementation of such a business.

Council Member Morales inquired about where the city is regards to cannabis Adult Use of Marijuana Act.

Complete prohibition on distribution, cultivation, and growing.

Virginia Johnson was concerned if the city does not allow it, that it may cause loss of money for grant money for public safety.

McPherson, responded indicating that city's adopt some form of legislative guidelines to minimize any negative impacts.



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**ADULT USE OF**  
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**CONTINUED**

Marco a resident commented on decrease in crime as a result of less aggravation than intoxication under alcohol.

Ms. Marcia Cox is not in support of the Adult Use of Marijuana in the city or its regulation and acceptance of it.

Participant in the audience was inquiring if the city is considering it and would like to know when the council will be making a decision.

City Manager Flad indicated that the City of South Gate has a ban that is currently in place and the council will be one of many steps before any form of adoption is considered.

Suggestion is to place the current status and regulation of ban as well as tonight's PPT.

Council Member Diaz inquired about what our surrounding cities are doing. Lynwood, Maywood, Huntington Park, is approved thus far locally. Asked where the Police Department stands on the matter.

Chief Davis responded that he will always stand on the side of the law. His concern is about increase of drug use and the possible unintended consequences.

Council Member Morales inquired if there was regulation in terms of the square miles per communities or testing for impairment.

Mr. McPherson noted the many areas for CHP to do studies for behavior and social issues. No testing equipment yet but it is being worked on.

Council Member Morales inquired about outdoor prohibition. He would like to see an overview by the city to better understand where we are as there are many moving parts to this.

Ms. Marcia Cox inquired as to how the public was informed about these meetings.

Council Member Rios asked what we have learned from the states and other municipalities that have allowed the Adult Use of Marijuana Act.

Mr. McPherson responded that there are often combinations of mix that are not solely the use of marijuana.

Vice Mayor Bernal inquired about the banking issue and how that becomes a problem.

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**CONTINUED**

Mr. McPherson referenced that if more than 10% is cash business they are more likely to get audited and hence it creates banking issue both for banks and businesses.

City Treasurer Martinez brought up an issue of robbery to the dispensaries and no guns and how that will take place.

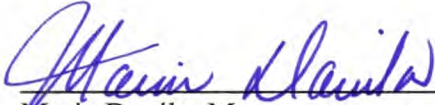
Mr. McPherson addressed the matter by providing examples of current state laws that allow armed guards and the property permitting by state.

Vice Mayor Bernal mentioned that our current ordinance is a complete ban. The ban includes any form of cultivation or growing.

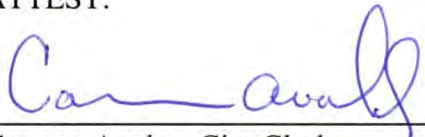
**ADJOURNMENT**

Vice Mayor Bernal adjourned the meeting at 6:50 p.m. and seconded by Council Member Rios.

**PASSED** and **APPROVED** this 12<sup>th</sup> day of September, 2017.

  
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Maria Davila, Mayor

ATTEST:

  
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Carmen Avalos, City Clerk