

# **DRAFT** Minutes of the Special Closed Session and Regular Meeting of the City Council City of Santa Ana, California



September 20, 2022

## **SPECIAL CLOSED SESSION MEETING – 4:00 P.M. REGULAR OPEN MEETING – 5:45 P.M.**

*(Immediately following the Closed Session  
Meeting)*

### **CITY COUNCIL CHAMBER**

22 Civic Center Plaza Santa Ana, CA 92701

## **SPECIAL CLOSED SESSION**

### **CALL TO ORDER**

#### **ATTENDANCE**

#### **Council Members**

**Johnathan Ryan Hernandez**

**Jessie Lopez**

**Nelida Mendoza**

**David Penaloza**

**Thai Viet Phan**

**Mayor Pro Tem**

**Phil Bacerra**

**Mayor**

**Vicente Sarmiento**

**City Manager**

**Kristine Ridge**

**City Attorney**

**Sonia R.Carvalho**

**Acting Clerk of the**

**Norma Orozco**

**Council**

***MINUTES:*** Mayor Sarmiento called the Special Closed Session meeting to order at 4:08 P.M.

## **ROLL CALL**

**MINUTES:** Acting Clerk of the Council Norma Orozco conducted roll Call. Councilmember Hernandez joined the meeting at 4:15 P.M. and Councilmember Penaloza joined the meeting at 4:17 P.M. Councilmembers Hernandez, Lopez, Phan, Mayor Pro Tem Bacerra, and Mayor Sarmiento were present in person. Councilmember Mendoza and Councilmember Penaloza attended via teleconference.

**CLOSED SESSION ITEMS** – The Brown Act permits legislative bodies to discuss certain matters without members of the public present. The City Council finds, based on advice from the City Attorney, that discussion in open session of the following matters will prejudice the position of the City in existing and anticipated litigation:

1. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION  
pursuant to Paragraph (4) of subdivision (d) of Section 54956.9 of the Government Code:  
  
A. Robert Anthony Sanchez v. City of Santa Ana, Zachary Jezulin, et al., Orange County Superior Court Case No. 30-2020-01159214-CU-PA-NJC
2. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6(a):  
  
Agency Negotiators: Human Resources Executive Director, Jason Motsick  
Employee Organizations:
  - Santa Ana Police Officers Association (POA)
  - Santa Ana Police Management Association (PMA)
  - Service Employees' International Union (SEIU) Full-Time
  - Employees' Service Employees' International Union (SEIU) Part-Time Non-Civil Service Employees
  - Confidential Association of Santa Ana
  - (CASA) Santa Ana Management Association (SAMA)
3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Government Code Section 54957  
  
Title: City Attorney and City Manager
4. PUBLIC EMPLOYEE EMPLOYMENT/APPOINTMENT pursuant to Government Code 54957  
  
Title: Clerk of the Council, Acting Clerk of the Council, or Interim Clerk of the Council

**CLOSED SESSION REPORT** – The City Attorney will report on any action(s) to be taken at the Regular Open Session which will begin immediately following the Closed Session.

**RECESS** – City Council will recess to Closed Session for the purpose of conducting regular City business.

***MINUTES:*** Mayor Sarmiento recessed to consider item(s) on the Special Closed Session Agenda at 4:10 P.M.

**RECONVENE** – City Council will reconvene to continue regular City business.

## **CITY COUNCIL REGULAR OPEN SESSION**

### **CALL TO ORDER**

***MINUTES:*** Mayor Sarmiento called the Regular Open Session to order at 6:00 P.M.

### **ROLL CALL**

***MINUTES:*** Acting Clerk of the Council Norma Orozco conducted roll call, all members were present. Councilmember Hernandez, Councilmember Lopez, Councilmember Phan, Mayor Pro Tem Bacerra, and Mayor Sarmiento were present in person. Councilmember Mendoza and Councilmember Penaloza attended via teleconference.

### **PLEDGE OF ALLEGIANCE**      Mayor Sarmiento

***MINUTES:*** Mayor Pro Tem Bacerra led the Pledge of Allegiance.

### **WORDS OF INSPIRATION**      Miguel Hernandez

### **CEREMONIAL PRESENTATIONS**

1. Certificates of Recognition presented by Mayor Sarmiento to the Santa Ana Unified School District Speech and Debate Team for Exemplary Academic Achievements.
2. Proclamation presented by Councilmember Hernandez declaring September 28, 2022 as a Day to Remember Victims of Police Violence.
3. Certificate of Recognition presented by Councilmember Lopez to the Bicycle Tree for Outstanding Contributions to the Community.
4. Certificates of Recognition presented by Councilmember Mendoza to Denise Naranjo and Manny Ruelas for Outstanding Contributions to the Community.

## **STAFF PRESENTATIONS**

### 5. Homelessness Update

**MINUTES:** Assistant City Manager Steven Mendoza provided a brief presentation of the following;

- Quality of Life Team
- Homeless Navigation Center update
- Transitioning from homeless to housed in Santa Ana

**CLOSED SESSION REPORT** – The City Attorney will report on any action(s) from Closed Session.

**MINUTES:** City Attorney Sonia Carvalho stated there was no reportable action. Additionally, the Public Employee Evaluation for the City Manager and City Attorney was postponed, pending City Manager Kristine Ridge's return.

**PUBLIC COMMENT** – Public comments will be held during the beginning of the meeting for ALL comments on agenda and non-agenda items, except for public hearings. Comments for public hearings will take place after the hearing is opened.

**MINUTES:** Fernando Delgado spoke in opposition to Item 21 and provided various other comments.

Hector Bustos spoke in opposition to Item 21.

Jackie Barnett spoke in opposition to Item 21 and Lexipol's policies.

Victor Mendez spoke regarding police violence and accountability for all Santa Ana employees.

Deanna Sullivan spoke in opposition to Item 21 and provided comments regarding her personal experience with police policy.

Sam Sullivan spoke in opposition to Item 21 and police accountability.

The following speakers addressed Council via teleconference:

Jennifer Rojas, policy advocate and organizer with the American Civil Liberties Union Southern California, spoke in opposition to Item 21.

Benjamin Vasquez spoke regarding police accountability and in opposition to Item 21.

<b><u>CONSENT CALENDAR</u></b>
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**RECOMMENDED ACTION:** Approve staff recommendations on the following Consent Calendar Items: 6 through 24.

**MINUTES:** Item 12 was pulled by Mayor Pro Tem Bacerra and Item 21 was pulled by Councilmember Hernandez for separate discussion and consideration.

**Consent Calendar Moved by Councilmember Hernandez, seconded by Councilmember Lopez to approve Consent Calendar Items 6 through 24 with the exception of Items 12 and 21.**

**YES:** 6 – Councilmember Hernandez, – Councilmember Lopez, – Councilmember Mendoza, – Councilmember Phan, – Mayor Pro Tem Bacerra, – Mayor Sarmiento

**NO:** 0

**ABSTAIN:** 0

**ABSENT:** 1 – Councilmember Penaloza

**Status:** 6 – 0 – 0 – 1 – **Pass**

*At 10:49 P.M. Councilmember Penaloza requested to reconsider the Consent Calendar.*

**Moved by Mayor Pro Tem Bacerra, seconded by Councilmember Phan to reconsider Consent Calendar Items 6 through 24 with the exception of Items 12 and 21.**

**YES:** 4 – Councilmember Lopez, – Councilmember Mendoza, – Councilmember Phan, – Mayor Pro Tem Bacerra, – Sarmiento, Mayor

**NO:** 0

**ABSTAIN:** 1 – Penaloza, Councilmember

**ABSENT:** 1 – Hernandez, Councilmember

**Status:** 4 – 0 – 1 – 1 – **Pass**

**Moved by Mayor Pro Tem Bacerra, seconded by Councilmember Phan to approve Consent Calendar Items 6 through 24 with the exception of Items 12 and 21.**

**YES:** 7 – Councilmember Hernandez, – Councilmember Lopez, – Councilmember Mendoza, – Councilmember Penaloza, – Councilmember Phan, – Mayor Pro Tem Bacerra, – Mayor Sarmiento

**NO:** 0

**ABSTAIN:** 0

**ABSENT:** 0

**Status:** 7 – 0 – 0 – 0 – **Pass**

6. Excused Absences

**Department(s):** Clerk of the Council Office

**Recommended Action:** Excuse the absent members.

7. Orange County Grand Jury's Investigative Report, Findings, and Recommendations regarding Lack of California Redemption Value (CRV) Centers

**Department(s):** Public Works Agency

**Recommended Action:** Receive and file the Orange County Grand Jury's investigative report, findings, and recommendations regarding Orange County CRV Centers and authorize the City Manager to deliver the City's response to the findings and recommendations to the Presiding Judge of the Superior Court.

8. Orange County Grand Jury's Investigative Report, Findings and Recommendations Regarding "Water in Orange County Needs One Voice"

**Department(s):** Public Works Agency

**Recommended Action:** Receive and file the Orange County Grand Jury's report, findings and recommendations regarding wholesale water policy and operations in Orange County needing "One Voice" and authorize the City Manager to deliver the City's response to the findings and recommendations to the Presiding Judge of the Superior Court.

9. Approve Appropriation Adjustment to Carryover Unspent Amounts From Fiscal Year 2021-22 to Fiscal Year 2022-23

**Department(s):** Finance and Management Services

**Recommended Action:** 1. Approve an Appropriation Adjustment to reduce the FY 2021-22 budget for unspent amounts to be carried over to FY 2022-23.

*(Requires five affirmative votes)*

2. Approve an Appropriation Adjustment to increase the FY 2022-23 budget for amounts carried forward from FY 2021-22. *(Requires five affirmative votes)*

10. Approve Additional Contingency Funds in the Amount of \$5,000,000 for an Existing Construction Contract with Byrom-Davey Inc. for the Santa Anita Park Improvements including New Synthetic Soccer Field and Community Center Renovations with an Estimated Project Delivery Cost of \$14,513,011.30 (Project No. 19-7527) (Non- General Fund) **(Revive Santa Ana Program)**

**Department(s):** Public Works Agency

**Recommended Action:** 1. Approve an amendment to the Project Cost Analysis in the amount of \$5,000,000 in additional contingency funds for a total estimated construction delivery cost of \$14,513,011.30, which includes \$7,317,701.00 for the construction contract; \$731,770.10 for contract administration, inspection and testing; and a \$6,463,540.20 project contingency for unanticipated or unforeseen work, subject to non-substantive changes approved by the City Manager and City Attorney.

2. Approve an amendment to the Fiscal Year 2022-23 Capital Improvement Program to include \$5,000,000 in construction funds for Santa Anita Park Improvements and New Synthetic Soccer Field (Project No. 19-7527).

11. Approve an Appropriation Adjustment, Approve an Amendment to the FY 2022-23 Capital Improvement Program, and Award a Construction Contract to EBS General Engineering, Inc. in the Amount of \$1,066,714.35 for the Flower Street Bike Trail Renovation from Crossover (South of Dyer) to Warner Avenue Project, with an Estimated Project Delivery Cost of \$1,386,728.65 (Project No. 21-2740) (Non- General Fund)

**Department(s):** Public Works Agency

**Recommended Action:** 1. Approve an appropriation adjustment to recognize \$497,925.15 of prior year fund balance in the Park Acquisition and Development (District 3), Prior Year Carryforward revenue account and appropriate the same amount to the Park Acquisition and Development (District 3), Improvements Other Than Building expenditure account. *(Requires five affirmative votes)*

2. Approve an amendment to the FY 2022-23 Capital Improvement Program to include \$497,925.15 in construction funds for the Flower Street Bike Trail Renovation from Crossover (South of Dyer) to Warner Avenue Project (Project No. 21-2740).

3. Award a construction contract to EBS General Engineering, Inc., the lowest responsible bidder, in accordance with the base bid in the amount of \$1,066,714.35, for construction of the Flower Street Bike Trail Renovation from Crossover (South of Dyer) to Warner Avenue Project, for the term beginning September 20, 2022, and ending upon project completion; and authorize the City Manager to execute the contract subject to non-substantive changes approved by the City Manager and the City Attorney.

4. Approve the Project Cost Analysis for a total estimated construction delivery cost of \$1,386,728.65, which includes \$1,066,714.35 for the construction contract, \$160,007.15 for contract administration, inspection and testing, and a \$160,007.15 project contingency for unanticipated or unforeseen work.

12. Approve an Appropriation Adjustment and Award a Construction Contract to Environmental Construction, Inc. for the Well No. 29 Improvements Project in the Amount of \$6,765,290, with an Estimated Project Delivery Cost of \$8,456,612 (Project No. 18-6491) (Non-General Fund)

**Department(s):** Public Works Agency

**Recommended Action:** 1. Approve an appropriation adjustment to recognize \$2,502,612 of prior-year fund balance in the Water Fund, Public Works Water Revenue, Prior Year Carryforward revenue account and appropriate the same amount to the Acquisition & Construction, Water Utility Capital Projects, Water Capital Project expenditure account. *(Requires five affirmative votes)*

2. Award a construction contract to Environmental Construction Inc., the lowest responsible bidder, in accordance with the base bid in the amount of \$6,765,290, for construction of the Well No. 29 Improvements Project, for the term beginning September 20, 2022, and ending upon project completion, and authorize the City Manager to execute the contract subject to non-substantive changes approved by the City Manager and the City Attorney.

3. Approve the Project Cost Analysis for a total estimated construction delivery cost of \$8,456,612, which includes \$6,765,290 for the construction contract, \$676,529 for contract administration, inspection and testing, and a \$1,014,793 project contingency for unanticipated or unforeseen work.

4. Approve an amendment to the FY 2022-23 Capital Improvement Program to include \$2,502,612 in construction funds for the Well No. 29 Improvement Project (Project No. 18-6491).

**Moved by Mayor Pro Tem Bacerra, seconded by Councilmember Hernandez to approve recommended action.**

**YES:** 6 – Councilmember Hernandez, – Councilmember Lopez, – Councilmember Mendoza, – Councilmember Phan, – Mayor Pro Tem Bacerra, – Mayor Sarmiento

**NO:** 0

**ABSTAIN:** 0

**ABSENT:** 1 – Councilmember Penaloza

**Status:** 6 – 0 – 0 – 1 – **Pass**

13. Approve an Appropriation Adjustment and Agreement for the Sale of Land from the City, Generating \$250,000 in Revenue for Bristol Street Corridor Improvement Project (Non-General Fund)

**Department(s):** Public Works Agency



**Recommended Action:** 1. Approve an appropriation adjustment recognizing revenue in the amount of \$250,000 in the Select Street Construction Fund, Sale of Land revenue account for Fiscal Year 2022-23 and appropriating the same to the OCTA Bristol Street Corridor Improvements, Improvements Other Than Building expenditure account. *(Requires five affirmative votes)*

2. Authorize the City Manager to execute a purchase and sale agreement with Charles H. Mahn Family Trust for the sale of City-owned property located at 515 and 517 N Bristol Street (APNs 008-081-26 and 008-081-28) in the amount of \$250,000, subject to non-substantive changes approved by the City Manager and the City Attorney (**Agreement No. 2022-179**).

14. Award a Construction Contract to Meyers Construction Co. in the amount of \$1,930,000 for the Santa Ana City Hall Second, Fifth, and Eighth Floor Tenant Improvement FY 2021-22 Project with an Estimated Project Delivery Cost of \$2,512,500 (Project No. 22-1201, 21-2750 & 22-0501) (General and Non-General Fund)

**Department(s):** Public Works Agency

**Recommended Action:** 1. Award a construction contract to Meyers Construction Co., the lowest responsible bidder, in accordance with the base bid in the amount of \$1,930,000 for construction of the Santa Ana City Hall Second, Fifth, and Eighth Floor Tenant Improvement FY 2021-22, for the term beginning September 20, 2022 and ending upon project completion, and authorize the City Manager to execute the contract subject to non-substantive changes approved by the City Manager and the City Attorney.

2. Approve the Project Cost Analysis for a total estimated construction delivery cost of \$2,512,500, which includes \$1,930,000 for the construction contract, \$193,000 for contract administration, inspection and testing, and a \$389,500 project contingency for unanticipated or unforeseen work.

3. Approve an amendment to the Fiscal Year 2021-22 Capital Improvement Program to include \$2,512,500 in construction funds for Santa Ana City Hall Second and Fifth Floor Tenant Improvement Project (No. 22-1201, 21-2750 & 22-0501).

15. Amend Agreement with Valley Maintenance Corporation for Custodial Services of City Park Restrooms and Park Buildings, Increasing the Annual amount by \$200,000, Not to Exceed \$694,095 for Four Years, and Total Agreement Amount of \$1,976,380 (General Fund)

**Department(s):** Public Works Agency

**Recommended Action:** Authorize the City Manager to execute an amendment to the agreement with Valley Maintenance Corporation to increase custodial services of City Park Restrooms, and Park Buildings for an annual amount not to exceed \$694,095, for the remaining term from September 20, 2022 through May 3, 2026, and a total agreement amount of \$1,976,380, subject to non-substantive changes approved by the City Manager and the City Attorney (**Agreement No. 2022-180**).

16. Amend Agreement with Landscape West Management Services Inc. to Increase the Annual Contract amount by \$215,000 for Enhanced Landscape Maintenance Services for the Remaining Term of the Agreement (General Fund)

**Department(s):** Public Works Agency

**Recommended Action:** Authorize the City Manager to execute an amendment to the agreement with Landscape West Management Services Inc. for increased landscape maintenance services, increasing the compensation amount annually by \$215,000, for an annual amount not to exceed \$895,819.00 for the remaining term from September 20, 2022 through January 31, 2024, and not to exceed the total agreement amount of \$2,866,605.60, subject to non-substantive changes approved by the City Manager and the City Attorney (**Agreement No. 2022-181**)

17. Approve an Agreement with PlaceWorks, Inc. for Design Services for a New Outdoor Library at Jerome Park in an Amount Not to Exceed \$309,150 for a Three-Year Term (Project No. 22-1381) (Non-General Fund) (**Revive Santa Ana Program**)

**Department(s):** Public Works Agency, Library

**Recommended Action:** Authorize the City Manager to execute an agreement with PlaceWorks, Inc. for full Design Services for Santa Ana's New Outdoor Library at Jerome Park in the amount of \$281,046 with a contingency of \$28,104 for a total amount not-to-exceed \$309,150. The agreement is for a three-year term beginning September 20, 2022 and expiring September 19, 2025, with an option for two, one- year extensions, subject to non-substantive changes approved by the City Manager and the City Attorney (**Agreement No. 2022-182**).

18. Authorize an Offer and Agreement to Purchase in the Amount of \$255,000 for Bridge and Roadway Easement for Fairview Bridge Replacement and Street Improvements (Property Owner: Orange County Flood Control District) (Project No. 15-6827) (Non- General Fund)

**Department(s):** Public Works Agency

**Recommended Action:** Authorize the City Manager to execute a purchase agreement with property owner of Orange County Flood Control District (OCFCD) for the easement purchase located at Fairview Street Bridge over Santa Ana River in the amount of \$255,000, subject to non-substantive changes approved by the City Manager and the City Attorney (**Agreement No. 2022-183**).

19. Approve a License Agreement with the County of Orange for use of Ross Street Right-of Way for Building Overhangs

**Department(s):** Public Works Agency

**Recommended Action:** Authorize the City Manager to execute a license agreement with the County of Orange, a political subdivision of the State of California, for use of public right-of-way to accommodate overhangs for two County buildings within Ross Street between Santa Ana Boulevard and Civic Center Drive, subject to non-substantive changes approved by the City Manager and the City Attorney (**Agreement No. 2022-184**).

20. Approve Agreements with Townsend Public Affairs, Inc., Engineering Solutions Services, Inc., and MNS Engineers, Inc. for On-Call Grant Writing Services for a Total Amount Not to Exceed \$2,375,000 for up to a Five-Year Term (General and Non-General Fund)

**Department(s):** Public Works Agency

**Recommended Action:** Authorize the City Manager to execute agreements with Townsend Public Affairs, Inc., Engineering Solutions Services, Inc., and MNS Engineers, Inc. to provide on-call grant writing and grant management services, for a three-year period beginning September 20, 2022 and expiring September 19, 2025, with provisions for one, two-year renewal period exercisable by the City Manager and City Attorney, with a shared aggregate amount not to exceed of \$2,375,000 subject to non-substantive changes approved by the City Manager and the City Attorney (**Core Agreement No. 2022-185**).

21. Approve Agreement with Lexipol, LLC to Provide Policy Manual Maintenance and Support (General and Non-General Fund)

**Department(s):** Police Department

**Recommended Action:** Authorize the City Manager to execute an agreement with Lexipol, LLC to provide policy manual maintenance, support and training services to the Police Department for a three-year period, from July 1, 2022 through September 30, 2025 in an amount not to exceed \$169,502, subject to non-substantive changes approved by the City Manager and City Attorney (Agreement No. 2022-XXX).

**Moved by Councilmember Hernandez, seconded by Mayor Sarmiento to Continue the Item for 30 days to include alternatives and community input.**

**YES:** 7 – Councilmember Hernandez, – Councilmember Lopez, – Councilmember Mendoza, – Councilmember Penaloza, – Councilmember Phan, – Mayor Pro Tem Bacerra, – Mayor Sarmiento

**NO:** 0

**ABSTAIN:** 0

**ABSENT:** 0

**Status:** 7 – 0 – 0 – 0 – **Pass**

**MINUTES:** Councilmember Hernandez spoke in opposition to the Item and moved to have the item considered by the Police Oversight Commission. Motion died for lack of a second.

City Attorney Sonia Carvalho stated that if her office is tasked to review a policy, the policy would be shared with the Council and public and posted on the City's website.

Mayor Pro Tem Bacerra moved to approve the item, with the contingency that the agreement only be extended for a year. Motion died for lack of a second.

Councilmember Hernandez moved to revisit the Item within 30 days to include alternatives and community input, seconded by Mayor Sarmiento.

22. Approve Agreement with Smart Communications Holdings, Inc. to Provide Inmate Communication and Digital Services (Non-General Fund)

**Department(s):** Police Department

**Recommended Action:** Authorize the City Manager to execute an agreement with Smart Communications Holdings, Inc. to provide inmate communication and digital services to the Santa Ana Jail for a five-year period, from November 1, 2022 through October 31, 2027, with an option for two, one-year extensions, in the amount of \$650,000, subject to non-substantive changes approved by the City Manager and City Attorney (**Agreement No. 2022-186**).

23. Approve Agreement with California Forensic Medical Group, Inc. and Wellpath to Provide Inmate Medical Services for the Santa Ana Jail (General Fund)

**Department(s):** Police Department

**Recommended Action:** Authorize the City Manager to execute an agreement with California Forensic Medical Group, Inc. and Wellpath to provide basic and emergency inmate health care services for the Santa Ana Jail in an amount not to exceed

\$10,070,246 including a \$200,000 contingency, for a three-year period beginning October 1, 2022 through September 30, 2025, with an option for two, one-year extensions, subject to non-substantive changes approved by the City Manager and City Attorney (Agreement No. 2022-187).

24. Biennial Review Conflict of Interest Code Policy, List of Designated Classifications Required to Annual Disclosure Form (Statement of Economic Interests Form)

**Department(s):** Clerk of the Council Office

**Recommended Action:** Resolution No. 2022-075 – Adopt a resolution amending the City of Santa Ana Conflict of Interest Code Policy

**\*\*END OF CONSENT CALENDAR\*\***

**PUBLIC HEARINGS**

**PUBLIC COMMENTS** – Members of the public may address the City Council on each of the Public Hearing items.

25. Public Hearing - Ordinance Amendment No. 2022-01 to Update Chapters 18, 21, and 40 of the Santa Ana Municipal Code Addressing Medicinal Cannabis Retail, Consumption Lounges and Temporary Events, Measure BB Waitlist Termination, Retail Facility Relocation, Commercial Cannabis Eligible Areas, Commercial Cannabis Tax Rate Reductions for Commercial Cannabis Cultivation, Distribution, and Manufacturing, and Adopt Language Addressing Proposed Tax Treatment of Microbusinesses and Shared Manufacturing, and Make Other Administrative Amendments of a Complimentary Nature

Public notice published in the Orange County Reporter on September 9, 2022.

**Department(s):** Planning and Building Agency

**Recommended Action:** 1. Approve first reading of an ordinance amending Chapters 18, 21, and 40 of the Santa Ana Municipal Code addressing medicinal cannabis retail, consumption lounges and temporary events, Measure BB Waitlist termination, retail facility relocation, commercial cannabis eligible areas, commercial cannabis tax rate reductions for commercial cannabis cultivation, distribution, and manufacturing, and adopt language addressing proposed tax treatment of microbusinesses and shared manufacturing, and make other administrative amendments of a complimentary nature.

2. Resolution No. 2022-XXX – Adopt a resolution modifying various non-retail commercial cannabis tax rates.

3. Resolution No. 2022-XXX – Adopt a resolution establishing a map of commercial cannabis eligible areas in the City.

**Moved by Mayor Sarmiento, seconded by Councilmember Lopez to approve staff's recommendations and include the following amendments: no additional licenses shall be granted and an additional 2 percent (2%) tax reduction opt-in program for businesses that comply with the community standards set forth by United Food and Commercial Workers.**

**YES:** 7 – Councilmember Hernandez, – Councilmember Lopez, – Councilmember Mendoza, – Councilmember Penaloza, – Councilmember Phan, – Mayor Pro Tem Bacerra, – Mayor Sarmiento

**NO:** 0

**ABSTAIN:** 0

**ABSENT:** 0

**Status:** 7 – 0 – 0 – 0 – **Pass**

**MINUTES:** *Mayor Sarmiento opened the Public Hearing at 8:14 P.M.*

*Director of the Planning and Building Agency, Mihn Thai, provided a brief presentation.*

*Avery Wilson spoke on Item 25 and the benefits of medicinal cannabis.*

*Ray Iskander spoke in support of Item 25 and stated that his company has already seen positive improvements with the ordinance amendments.*

*Jonathan Garcia spoke on Item 25 and the need for more permit availability for consumption lounges.*

*Francisco Zavala spoke in support of Item 25 and the retail cannabis tax rate decrease.*

*Laura Muller spoke on Item 25 and requested Council decrease the retail cannabis tax rate.*

*Sabrina Eilert spoke regarding Item 25 and in support of a lower retail cannabis tax rate.*

*Hairo Cortes spoke on Item 25 and in support of the United Food and*

*Commercial Workers' proposal to decrease the cannabis retail tax.*

*Maria Morales spoke regarding Item 25; in support of a lower retail tax, benefits for cannabis retail employees, and her own positive experiences with cannabis.*

*Alexis Medina spoke regarding Item 25 and in support of a lower cannabis retail tax.*

*Anthony Medina spoke regarding Item 25 and the health benefits he has experienced using from cannabis use.*

*Sandra Medina spoke regarding Item 25 and the effect high sales tax rates can affect the cost of living.*

*Shelly McKay spoke regarding Item 25 and provided comments regarding Senate Bill 34.*

*Jonathan Edwards spoke regarding Item 25 and requested Council keep the health of the cannabis industry, its workers, and customers when regulation changes are considered.*

*Elliot Lewis spoke regarding Item 25 and the disparity between legal and illegal cannabis revenue.*

*Danielle spoke regarding Item 25 and the ambassador program her employer Catalyst, manages.*

*Derek Smith spoke regarding Item 25 and the United Food and Commercial Workers' proposal for cannabis workers.*

*Bailey Jones spoke regarding Item 25 and the ambassador program her employer, Catalyst, manages.*

*Luis Aleman spoke regarding Item 25 and requested the Council adopt the Item and include the United Food and Commercial Workers' proposal.*

*Joshua Scheurer spoke regarding Item 25 and asked the Council to only decrease the retail cannabis tax rate benefits that are provided for cannabis workers.*

*Acting Clerk of the Council Norma Orozco reported the summary of the email comments received; Five (5) emails from Santa Ana businesses in support of lowering the retail cannabis tax rate and one (1) email from a Santa Ana organization providing various comments regarding Item 25.*

*The following speakers addressed Council via teleconference:*

*Candice Hause spoke regarding Item 25 and her opposition to the staff's recommendation to accept five (5) new licenses.*

*Brandon Cisco spoke regarding Item 25 and the disparity between the medical use and retail waitlists.*

*Benjamin Vasquez spoke regarding Item 25 and in support of festivals and onsite consumption lounges.*

*Speaker spoke on adult use licenses and medical waitlist applicants.*

*Mayor Sarmiento closed the public hearing at 10:40 P.M.*

**MINUTES:** *Councilmember Lopez requested amendments to section 40.9.2 to include full-time hours, reimbursement for delivery drivers, increased wages, and a social equity plan.*

*Councilmember Hernandez requested an amendment to decrease the retail tax rate to 6 percent (6%) and requested that the 420 Cannabis Festival be organized by the City of Santa Ana in conjunction with city businesses.*

*Mayor Pro Tem Bacerra requested amendments to the following sections:*  
*Section 39.2 – addition of the following language "maximum 48 hours" to maintain consistency with section 40-8.11(H).*

*40-1.C.2 – Include language pertaining to the quantity of full-time employees and quantity of employees, not including supervisors whose wages exceed 155 percent (155%) of the California minimum wage at the time of hire.*

*40-5 – Include text that defines where allowable areas are located, instead of referring to the map.*

*40-6 – Keep subsection (A) 1-3*

*40-8.10(B&C) – Include the word "licensed"*

*Mayor Sarmiento spoke in support of reducing the non-retail tax rate from 6 percent (6%) to 1 percent (1%) and including an opt-in to reward and incentivize a 2 percent (2%) tax decrease in the retail tax rate for businesses that comply with the community standards set forth by United Food and Commercial Workers.*

*Councilmember Phan made inquiries regarding the enforcement of odor control and air purification for outside smoking lounges and spoke in favor of the two percent tax (2%) rebate, minus administrative costs.*



***MOTION:*** Approve staff's recommendations and include the following amendments: no additional licenses shall be granted, and an additional 2 percent (2%) tax reduction opt-in program for businesses that comply with the community standards set forth by United Food and Commercial Workers.

### **COUNCILMEMBER REQUESTED ITEMS**

26. Discuss and Consider Directing the City Manager to Direct Staff to Draft a Revision of SAMC Section 2-153 To Clarify the Format of Community Meetings for Development Projects Required by the Sunshine Ordinance, Items to Provide to the City After a Community Meeting, and Timing of Providing Items to the City After a Community Meeting – Mayor Pro Tem Bacerra

***MINUTES:*** Mayor Pro Tem Bacerra provided the following recommendations: Community meetings should be conducted with a single presentation, to ensure all participants receive the same information; Require a recording of the presentation, which can then be uploaded to the city's website; and penalize any applicants who fail to provide any of the listed information in section 2-15(h) of the Municipal Code.

### **CITY MANAGER COMMENTS**

***MINUTES:*** Assistant City Manager Steven Mendoza announced that the California Department of Housing and Community Development has certified the Santa Ana Housing Element.

### **COUNCIL COMMENTS**

AB1234 DISCLOSURE – If the City paid for travel or other expenses this is the time for members of the Council to provide a brief oral report on attendance of any regional board or commission meeting or any conference, meeting or event attended.

***MINUTES:*** Councilmember Hernandez thanked the public for taking the time to participate and the staff for all their hard work. He also announced community events including Fiestas Patrias, Autumn Festival, and Indigenous Peoples Day.

AB1234 – Councilmember Lopez disclosed that the city funded her attendance at the California Cities Conference in Long Beach.

Councilmember Mendoza announced that she represented the city at the Orange County Water District Summit in the City of Anaheim.

AB1234 – Councilmember Penaloza disclosed that the city paid for his registration to attend the California Cities Conference in Long Beach.

*AB1234 – Councilmember Phan disclosed that the city funded her attendance at the California Cities Conference in Long Beach. She also thanked everyone who applied for the state water inspection tour and reminded the public that the Mid Autumn Festival will be on October 1, 2023 at Rosita Park.*

*Mayor Sarmiento provided comments regarding Fiestas Patrias, and announced that the Orange County Transportation Agency approved approximately \$700,000 to reimburse the city for parking in the downtown area.*

**ADJOURNMENT** – Adjourn the City Council meeting.

***MINUTES:*** Mayor Sarmiento adjourned the meeting in honor of his uncle, Miguel Jose Gonzalez, at 10:51 P.M.

Respectfully Submitted,

Jennifer L. Hall, CMC  
City Clerk