

# *Cannabis Regulatory Commission*

Regular Meeting

Thursday, April 21, 2016, 6:30 p.m.

## **AGENDA**

Council Chambers, City Hall, One Frank H. Ogawa Plaza

### **Members:**

Dale Gieringer	District 1	Jacob Sassaman	District 7
Sean Donahoe	District 2	A. Kathryn Parker	At Large
Sierra Martinez	District 3	Vacant	Mayor
Vacant	District 4	Amanda Reiman	City Auditor
Matt Hummel	District 5	Joe DeVries	City Administrator
Vacant	District 6		

Available on-line at: <http://www.oaklandnet.com/measurez>

### **MEETING AGENDA**

- A. Roll Call and Determination of Quorum
- B. Open Forum / Public Comment
- C. Review of the Pending List and Additions to Next Month's Agenda
- D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of 3-17-16
- E. Reports for Discussion and Possible Action
  - 1. A presentation by the Public Ethics Commission on the Government Ethics Act
  - 2. Annual Officer Elections
  - 3. A discussion of concerns around the use and proper disposal of butane in manufacturing cannabis products.
- F. Announcements
  - 1. Presentation of amended ordinances 5.80 and 5.81 to the City Council Public Safety Committee on April 26<sup>th</sup> at 6pm at City Hall, all are encouraged to attend.
- G. Adjournment

Persons may speak on any item appearing on the agenda; however a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

This meeting is wheelchair accessible. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the Cannabis Regulatory Commission, please contact the Office of the City Clerk (510) 238-3612. Notification two full business days prior to meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility. In compliance with Oakland's policy for people with chemical sensitivities, please refrain from wearing strongly scented products to events.

Questions or concerns regarding this agenda, or to review any agenda-related materials, please contact the Cannabis Regulatory Commission (510) 238-3301.

Thursday, March 17, 2016, 6:30 p.m.

## Meeting Minutes

Council Chambers, City Hall, One Frank H. Ogawa Plaza

### **Members:**

Dale Gieringer	District 1	Jacob Sassaman	District 7
Sean Donahoe	District 2	A. Kathryn Parker	At Large
Sierra Martinez	District 3	Vacant	Mayor
James Anthony	District 4	Amanda Reiman	City Auditor
Matt Hummel	District 5	Joe DeVries	City Administrator
Vacant	District 6		

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### MEETING MINUTES

#### A. Roll Call and Determination of Quorum

*Members Present: Gieringer, Donahoe, Martinez, Anthony, Hummel, Sassaman, Parker, Reiman, DeVries*

#### B. Open Forum / Public Comment

*Michael Allaire spoke about AB 2516 which is a bill to modify portions of MMRSA; specifically section 1C will allow a license type for cottage industry businesses and will open up the conversation to allow licensing for home-based cultivation. He believes home-based cultivators provide the vast majority of the cannabis currently sold at dispensaries and need a form of licensing for the industry to continue effectively.*

#### C. Review of the Pending List and Additions to Next Month's Agenda

- 1. Vice Chair Parker noted that elections of Officers are to take place annually at the April Meeting.*
- 2. Member Sassaman asked that an item be added to April to discuss the concerns around the use and proper disposal of butane in manufacturing cannabis products.*
- 3. Joe DeVries added a presentation by the Public Ethics Commission on the Government Ethics Act to the April agenda.*

#### D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of 2-18-16

*It was noted that there were two abstentions on Item E1, motion 6 in February. The minutes were approved unanimously with that change.*

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E. Reports for Discussion and Possible Action

1. Update on the development of the City's Draft Modified Dispensary Ordinance and Cultivation/Manufacturing Ordinance. (5.80 and 5.81)

*Greg Minor updated the Commission on key revisions to the draft ordinances that staff was contemplating.*

- A. *Inclusion of a 50% local-hire requirement and a further requirement that 25% of employees are from census tracts with high unemployment rates. Also, the City is considering incentivizing the hiring of ex-offenders who were formally incarcerated for cannabis offenses and in creating a jobs pipeline between the service providers that work with these individuals and the newly permitted businesses.*

*Member Reiman asked if the City could create a loan program to assist Oaklanders with the capital needed to start a cannabis business. Member Gieringer noted that no public dollars could likely go to such a program as long as cannabis is still banned federally.*

*Member Sassaman applauded the effort to help formerly incarcerated individuals but was concerned they would not be able to participate if their parole or probation officers were not supportive.*

*Member Gieringer noted that MMRSA has a provision stating the state "Can" use felony convictions to deny permits and suggested the city could lobby against such a restriction.*

- B. *Creation of a separate On-site Consumption Permit that dispensaries could apply for at a minimal additional cost (as opposed to just allowing consumption at all dispensaries). This allows the City to evaluate the appropriateness of on-site consumption at each site individually and doesn't burden non-participating dispensaries with the additional costs or regulations.*

*Questions arose about how the city defines consumption, which includes all forms-edibles, smoking, vaporizing. It was noted that smoking would still be prohibited indoors as that violates the City's broader smoking ordinance but the door is left open for outdoor patios where smoking may be allowed. The question also was raised as to whether one could obtain a consumption permit without being a dispensary and at this point they cannot. Specifically the proposal to staff was made that for special events a consumption permit could be issued to a venue other than a dispensary. Staff will consider this in the future but not part of this draft.*

- C. *Incorporating a "track and trace" provision that will require permit holders to track all of the product in their custody and make those records available to the City upon request to aid in the prevention of diversion. This would also be a precursor to establishing a banking system for the industry in the future. Tracking the product accurately, and the money associated with it are fundamental needs for banking agencies.*
- D. *Greg noted that staff is not recommending any changes to the buffers originally proposed but is offering a definition of "Youth Center" in 5.80 and removing reference to youth centers from 5.81 completely. He also clarified that Oakland will allow multiple uses at one site as long as the operator obtains a permit for each use.*

*Joanne O'Donnell, a public speaker, noted that banks have ongoing reporting requirements and if Oakland is conducting a form of ongoing compliance verification through a track and trace system, it would cause banks to be more open to working with the industry.*

*Amber Center, a public speaker, suggested that use of tinctures and topical should be allowed without a consumption permit, drawing a distinction between topical applications and vaporization, smoking, and edibles.*

*Michael Mann, a public speaker, suggested the City should not develop regulations around parolees and probationers and simply allow those arrangements to be between the individual and their parole officer to maintain their privacy.*

*Member Gieringer made a motion to support the City's efforts to incentivize the employment of Oaklanders with past convictions and targeted census tracts with high unemployment rates. The motion passed unanimously.*

2. Discussion of efforts to create an Oakland based job training and placement program for the cannabis industry.

*Greg Minor and Joe DeVries discussed the City's meeting with several cannabis businesses and the obstacles those businesses face in securing local employees with the right training to be successful in the industry. It was suggested that a job board (online) be created that prospective employees and employers could use to get connected. Resumes could be posted as well as upcoming openings. Commission members asked if the City could facilitate such a website and if a link to it could be placed on the Commission's website. Staff will be researching these possibilities.*

*Cyrus Walker, a public speaker asked if the Labor unions (and Central Labor Council) could post job openings and guide people to these opportunities.*

3. Discussion of developing a letter from the City of Oakland to potential landlords, as part of the licensing process, to encourage the leasing of space to cannabis businesses.

*Member Sassaman introduced this concern about new businesses being unable to obtain a location due to landlord fear of the industry and potential ramifications. It was suggested that the City could develop a letter, place it on the website, and allow it to be downloaded for businesses to share with landlords. Member Anthony suggested the Mayor could pen a letter similar to the letter Mayor Jerry Brown once wrote promoting Broadway Auto Row.*

*Vice Chair Parker made a motion to ask staff to discuss creating an Informational Memorandum and accompanying material to be added to the City's website with the City Administrator and City Attorney. The motion passed with one abstention.*

- F. Announcements
- G. Adjournment



## Oakland Public Ethics Commission



### Government Ethics for Public Servants

Public Servants are entrusted by the public to use City time, property and resources efficiently and in a legal and ethically responsible manner. While Public Servants are encouraged to practice the highest integrity in their service to the City, the Oakland Government Ethics Act (GEA) provides a minimum standard for government ethics, and below is a summary of some of the provisions of GEA to help you comply with the law and avoid administrative fines or criminal penalties.

- 1. Gift Restriction.** You cannot accept any gift that could reasonably influence you in the performance of your official duties. You also cannot accept gifts of more than \$50 cumulatively per year from a person doing business with your department or a person who attempted to influence you in any legislative or administrative action in the preceding 12 months. O.M.C. 2.25.060(C)(3).
- 2. Form 700.** If you are required to file a Form 700 according to the City's Conflict of Interest Code (O.M.C. 3.16), you must submit the Form 700 by the April 1 each year. You must report all gifts and other income as required by the Form 700, and you cannot accept gifts of more than \$250 cumulatively in a calendar year from a single source, unless the gift is exempt from reporting or falls within an exception under the California Political Reform Act. O.M.C. 2.25.060(C).
- 3. Conflict of Interests.** You cannot make, participate in making, or seek to influence a decision of the City on a matter in which you have a financial interest as defined by the California Political Reform Act. O.M.C. 2.25.040(C).
- 4. Use of City Position and Resources.** You cannot use your City position to induce or coerce any person to provide private advantage or benefit to you or anyone else. You cannot use or permit others to use public resources for a campaign activity or for personal or non-City purposes. O.M.C. 2.25.060(A).
- 5. Confidential Information.** You cannot disclose to any other person confidential information acquired in the course of your official duties. O.M.C. 2.25.040(D).
- 6. Revolving Door Restriction: Permanent Post-Service Restriction.** Upon departure from the City, you cannot represent any person or entity other than yourself or the City before any court, or before any state, federal, or local agency in connection with a particular matter in which the following exist:
  - (a) The City is a party or has a direct and substantial interest; and
  - (b) You participated personally and substantially in the matter as a City public servant. O.M.C. 2.25.050(A).
- 7. Revolving Door Restriction: One-Year Ban on Representing Other Persons before Former Department.** For one year after leaving your City position, you cannot lobby on behalf of any other person with any officer or employee of the department, board, commission, or other unit of government, for which you served. (The word "department" includes the City of Oakland for a public servant who is an outgoing Mayor, Councilmember, or their senior staff.) O.M.C. 2.25.050(C).
- 8. Prohibition on Nepotism.** You cannot make, participate in making, or seek to influence any decision of the City regarding an employment or contract action involving a relative. O.M.C. 2.25.070(D).

The restrictions listed above are just a few of the provisions found in the Oakland Government Ethics Act. To learn more about the GEA, view a summary and text of the law and watch a ten-minute **Government Ethics Act Video** available at [www.oaklandnet.com/pec](http://www.oaklandnet.com/pec).

If you have questions about a government ethics law, and before you take action that could be in violation of the law, you can contact the **Public Ethics Commission** for advice by phone at (510) 238-3593, in person (City Hall, Room 104), or by email ([ethicscommission@oaklandnet.com](mailto:ethicscommission@oaklandnet.com)). We are here to help you!