



REPORT TO CITY COUNCIL

Approved by:



Dino Lawson, Chief of Police



Arnoldo Rodriguez, City Manager

Council Meeting of: March 17, 2021

Agenda Number: B-7

SUBJECT:

Grant from the California Department of Justice authorized under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 in the amount of \$286,314

RECOMMENDATION:

Adopt Resolutions:

1. Authorizing the City Manager to execute the Memorandum of Understanding with the Department of Justice and related documents accepting grant award in the amount of \$286,314
2. Amending the City's 2020/21 Budget to reflect revenues and expenditures related to the grant

SUMMARY:

On December 31, 2020, the City of Madera (City) received notification from the California Department of Justice (CDOJ) it was a recipient of the California Healthcare, Research and Prevention Tobacco Tax Act grant program in the amount of \$286,314.

DISCUSSION:

Approved by California voters in 2016, Proposition 56 increased taxes on cigarettes and other tobacco products by \$2.00 beginning in April 2017. The initiative allocates a portion of annual revenue to the CDOJ. For Fiscal Year 2020/2021, \$28.5 million was made available statewide to support local enforcement efforts to reduce the illegal sale of tobacco products to minors.

Grantees may use grant funds to enforce a local ordinance or state law related to the illegal sale and marketing of tobacco products, including e-cigarettes, to minors and youth including, but not limited to:

- Retailer compliance checks
- Retailer training programs
- Public education outreach
- Parent engagement and education
- Tobacco retail license inspections
- Preventing and deterring use of tobacco products on school premises

The City was awarded a total of \$286,314. The funds are distributed over four fiscal years as follows:

Table 1: Award Amount for 4 years in the amount of \$286,314				
<i>Category of Expenditure</i>	<i>Fiscal Budget Year</i>			
	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023/24</i>
Personal Services	\$23,172	\$90,169	\$90,169	\$66,995
Operating Expenses and Equipment	\$200	\$725	\$725	\$525
Administrative Costs (Not to Exceed 5%)	\$1,168	\$4,545	\$4,545	\$3,376
Total per fiscal year	\$24,540	\$95,439	\$95,439	\$70,896

The requested action by Council is to authorize the City Manager to accept the grant funds and amend the adopted City budget to account for the new revenues and associated expenditures.

If accepted, these funds will be used for the following:

1. *Fiscal Year 2020/21*: One Neighborhood Preservation Specialist
2. *Fiscal Year 2021/22*: One Neighborhood Preservation Specialist
3. *Fiscal Year 2022/23*: One Neighborhood Preservation Specialist
4. *Fiscal Year 2023/24*: Three-quarters of the Neighborhood Preservation Specialist’s compensation will be covered and the City will be responsible for the remaining quarter and future fiscal years.

Grant funds will also cover overtime costs for Police Department personnel to conduct Tobacco related enforcement, purchase of educational materials and cover the administrative expenses to service the grant. This expenditure plan is consistent with the grant application as submitted.

FINANCIAL IMPACT:

Acceptance of the grant award will provide \$286,314 in funding over the next four years for education and enforcement of local ordinance or state law related to the illegal sale and marketing of tobacco products, including e-cigarettes, to minors. After the grant period, the City will be responsible for the total compensation of the Neighborhood Preservation Specialist.

The second resolution contemplated with this report contains the requested budget adjustments and provides the breakdown of proposed expenditures.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The acceptance of the grant funds supports the Vision Madera 2025 Plan as follows:

- Strategy 115
 - Economic resources provision: ensure sufficient economic resources to provide adequate City services and prepare for future growth.
- Strategy 115.3
 - Seek and retain grants.

ALTERNATIVES:

Council may decline the grant funds or may request additional information.

ATTACHMENTS:

1. Resolution authorizing the City Manager to accept the grant on behalf of the City of Madera
2. Resolution amending the City of Madera FY 2020/21 Budget
 - a. Line item budget amendments to the Police Department Budget
3. Memorandum of Understanding

RESOLUTION NO. 21-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,
CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE
MEMORANDUM OF UNDERSTANDING ACCEPTING THE GRANT AWARD
FROM THE CALIFORNIA DEPARTMENT OF JUSTICE UNDER THE
CALIFORNIA HEALTHCARE, RESEARCH AND PREVENTION TOBACCO TAX
ACT IN THE AMOUNT OF \$286,314**

WHEREAS, the City of Madera Police Department is responsible for the safety of the citizens of the community; and

WHEREAS, the Madera Police Department has a desire to prevent illegal sale and marketing of tobacco products, including e-cigarettes, to minors; and

WHEREAS, the City Council of the City of Madera supports the efforts of the Madera Police Department to secure resources by the most efficient means possible; and

WHEREAS, the California Department of Justice authorized under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 has allocated \$286,314 for the City of Madera Police Department to hire one additional Neighborhood Preservation Specialist, cover police personnel overtime costs for special enforcement, cover administrative costs to service the grant and purchase educational materials.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MADERA hereby resolves, finds, and orders as follows:

1. The foregoing recitals are true and correct.
2. The City Manager is authorized to execute the Memorandum of Understanding (MOU) accepting the grant on the City's behalf and execute all required documents necessary for application approval and receipt of funding. A copy of the MOU is attached and incorporated by reference.
3. This resolution is effective immediately upon adoption.

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RESOLUTION NO. 21-_____

**CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MADERA, CALIFORNIA, AUTHORIZING AND APPROVING AMENDMENTS
TO THE CITY OF MADERA FISCAL YEAR 2020/2021 BUDGET**

WHEREAS, the City Council has authorized the City Manager to accept a grant award in the amount of \$286,314 from the California Department of Justice authorized under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016; and

WHEREAS, said grant funds are to be used to pay the salary and benefits for one additional Neighborhood Preservation Specialist, cover police personnel overtime costs for special enforcement, cover administrative costs to service the grant and purchase educational materials; and

WHEREAS, the amendments to the City of Madera Fiscal Year 2020/2021 Budget, listed in Exhibit A, attached hereto, are necessary to account for receipt of the grant funds and related expenditures.

NOW THEREFORE, THE COUNCIL OF THE CITY OF MADERA hereby resolves, finds and order as follows:

1. The above recitals are true and correct.
2. The appropriations for the items listed in Exhibit A, attached hereto, are approved.
3. The City Clerk is authorized and directed to forward a copy of the resolution to the Director of Financial Services, who is authorized to take such action as necessary to implement the terms of this resolution
4. The resolution is effective immediately upon adoption.

EXHIBIT A

CITY OF MADERA

Budget Appropriation : Res.#21-xx; 03/17/21

2020-2021 Budget Adjustment

FUND	ORG CODE	OBJECT CODE	DESCRIPTION	(+)	(-)
Coronavirus Emergency Supplemental Funding					
4791	47910000	4434	Tobacco Grant		24,540.00
4791	47910000	5000	Salaries/Fulltime	24,340.00	
4791	47910000	6518	Other Supplies	200.00	
				24,540.00	24,540.00

MEMORANDUM OF UNDERSTANDING

PURPOSE

This Memorandum of Understanding (“MOU”) is entered into by the Department of Justice (“DOJ”) and the City of Madera (hereinafter, “Grantee”), to provide grant funds to Grantee for expenditure in compliance with the Grantee Handbook. The Grantee will expend funds for the purposes identified in the approved Grant Application submitted by Grantee in response to the DOJ’s Request for Proposal for activities of Local Government Agencies to be funded under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (the “Act”), approved by the voters as Proposition 56.

The Request for Proposals, Grantee Handbook (dated February 2021), and Grant Application are hereby incorporated by reference into this MOU.

COST REIMBURSEMENT

DOJ agrees to reimburse Grantee in arrears, for Grantee’s actual expenditures in performing the Scope of Work included in the approved Grant Application, upon receipt of invoices from Grantee and approval of the invoices by DOJ, in accordance with the reimbursement procedures set forth in the Grantee Handbook.

BUDGET CONTINGENCY CLAUSE

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under the agreement does not appropriate sufficient funds for this MOU, this MOU shall be of no further force and effect. In this event, the DOJ shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this MOU and Grantee shall not be obligated to continue performing any provisions of this agreement for which it would have been reimbursed.

If funding for any fiscal year is reduced or deleted in the Budget Act for purposes of this MOU, the DOJ shall have the option to either cancel this MOU with no liability occurring to the DOJ, or offer an addendum to the Grantee to reflect the reduced amount.

ADMINISTRATION

Should Grantee fail to comply with this MOU, including any expenditures for purposes not permitted under the MOU, DOJ may take one or more of the actions described under Remedies for Noncompliance in the Grantee Handbook.

MISCELLANEOUS PROVISIONS

Addendum – No addendum or variation of the terms of this MOU is valid unless made in writing, and signed by the duly authorized representatives of the parties.

Assignment – This MOU is not assignable by Grantee in whole or in part.

Indemnification – Grantee agrees to indemnify and hold harmless the DOJ, its officers, agents and employees from all claims, liabilities, or losses in connection with the performance of this MOU.

Termination – The DOJ may terminate this MOU and be relieved of any obligation to provide grant funds to Grantee should Grantee fail to perform the Scope of Work at the time and in the manner provided in this MOU.

TERMS

Grant Duration: 1/1/2021 – 6/30/2024

Award Amount				
Category of Expenditure	Budget FY 2020-2021	Budget FY 2021-2022	Budget FY 2022-2023	Budget FY 2023-2024
Personal Services	\$23,172	\$90,169	\$90,169	\$66,995
Operating Expenses and Equipment	\$200	\$725	\$725	\$525
Administrative Costs (Not to Exceed 5%)	\$1,168	\$4,545	\$4,545	\$3,376
TOTAL AWARD AMOUNT	\$286,314			

The time limit for reimbursements against this award ends 6/30/2024. Requests received after 7/15/2024 cannot be reimbursed by the DOJ.

GRANTEE CONTACT INFORMATION

Tom Burns, Police Sergeant
Madera Police Department
330 S. C Street Madera, CA 93638
Phone Number
(559)675-4256

AUTHORIZATION

The DOJ and Grantee, by their duly authorized officials, have executed this MOU on the respective dates indicated below. This MOU and any future addendums shall be mailed to the Division of Operations, Local Assistance Unit, Tobacco Grant Program, and will become fully executed upon completion of signatures from all parties.

Arnoldo Rodriguez, City Manager
City of Madera

Date

Dino Lawson, Chief of Police
Madera Police Department

Date

STACY HEINSEN, GRANT MGR.
Division of Operations
California Department of Justice

Date

CHRIS RYAN, CHIEF
Division of Operations
California Department of Justice

Date