

AGENDA ITEM SUMMARY

June 1, 2021

City Council

STAFF

Jerry Schiager, Lieutenant
Adam Stephens, Legal

SUBJECT

First Reading of Ordinance No. 074, 2021, Authorizing the City Manager to Accept a Grant Award and Comply with the Terms of the Grant and Appropriating Unanticipated Black and Grey Market Marijuana Enforcement Program Grant Revenue in the General Fund for Police Services.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate unanticipated grant revenue in the amount of \$41,564 from the Colorado Department of Local Affairs in the General Fund to support investigation and prosecution of black-market marijuana activity.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Police Services applied for and received grant funding from the Colorado Department of Local Affairs ("DOLA") to support the investigation and prosecution of black market or illegal marijuana cultivation and distribution in our city. While many types of cultivation and distribution have become legal through voter action, there remains a sizeable amount of illegal activity. Marijuana grown and distributed under the protection of the medical marijuana amendment is often diverted into the black market and potentially transported out of state. In addition, cultivation of marijuana in residential neighborhoods continues to be a quality of life issue for our residents. This grant funding provides equipment and personnel overtime compensation to conduct investigations into issues like neighborhood marijuana grows and illegal distribution.

Last year, Police Services received this grant and used the funds to conduct investigations that not only addressed criminal activity but also improved neighborhood livability. Police Services will continue to impact illegal marijuana activity with the use of this funding over the 12-month grant period.

CITY FINANCIAL IMPACTS

The City has received a grant award in the amount of \$41,564 from the Colorado Department of Local Affairs to impact black market marijuana activity. There is no funding match required by the City and no negative impact on the City budget.

ORDINANCE NO. 074, 2021
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE CITY MANAGER TO ACCEPT A GRANT AWARD AND
COMPLY WITH THE TERMS OF THE GRANT AND APPROPRIATING
UNANTICIPATED BLACK AND GREY MARKET MARIJUANA ENFORCEMENT
PROGRAM GRANT REVENUE IN THE GENERAL FUND FOR POLICE SERVICES

WHEREAS, on September 15, 2020, City Council passed Resolution 2020-085 supporting a grant application by Fort Collins Police Services (“FCPS”) for the Gray and Black Market Marijuana Enforcement Grant Program (the "Program"), which provides financial assistance to local law enforcement agencies and district attorneys through local governments; and

WHEREAS, on December 22, 2020, the City of Fort Collins was awarded a grant through the Program from the Department of Local Affairs (“DOLA”) in the amount of \$41,564 to be used through June 30, 2022, to fund investigation and prosecution of unlicensed marijuana cultivation and distribution operations, said grant award attached as Exhibit “A”; and

WHEREAS, the grant award will allow Fort Collins Police Services (FCPS) to continue to improve neighborhood livability and provide insight into the extent of the problem associated with unlicensed, illegal marijuana activity in the City; and

WHEREAS, the grant award does not require execution of a post-award agreement or funding match and City staff recommends that the City Council authorize the City Manager or their designee to accept the grant and comply with the terms of the grant application and award; and

WHEREAS, the City will return any unspent funds of this grant award at the end of the grant cycle, after June 30, 2022; and

WHEREAS, this appropriation benefits the public health, safety and welfare of the citizens of Fort Collins and serves a public purpose by allowing FCPS to continue to improve neighborhood livability and provide insight into the extent of the problem associated with unlicensed, illegal marijuana activity in the City; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues and all other funds to be received during the fiscal year; and

WHEREAS, the City Manager has recommended the appropriation described herein and determined that this appropriation is available and previously unappropriated from the General Fund and will not cause the total amount appropriated in the General Fund to exceed the current estimate of actual and anticipated revenues and all other funds to be received in that fund during any fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council authorizes the City Manager or their designee to accept the grant award and comply with its requirements as set forth in the grant application and award.

Section 3. That there is hereby appropriated from unanticipated grant revenue in the General Fund the sum of FORTY-ONE THOUSAND FIVE HUNDRED SIXTY-FOUR DOLLARS (\$41,564) for expenditure in the General Fund for the Fort Collins Police Services Black/Grey Market Marijuana enforcement.

Introduced, considered favorably on first reading, and ordered published this 1st day of June, A.D. 2021, and to be presented for final passage on the 15th day of June, A.D. 2021.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 15th day of June, A.D. 2021.

Mayor

ATTEST:

City Clerk



COLORADO
Department of Local Affairs
 Division of Local Government

GBMJ
GAX

December 22, 2020

The Honorable Wade Troxel, Mayor
 City of Fort Collins
 P O Box 580
 Fort Collins, CO 80522

**RE: GBMJ 21011 - City of Fort Collins Law Enforcement
 Gray and Black Marijuana Enforcement Grant Program Award and Next Steps**

Dear Mayor Troxel:

The Colorado Department of Local Affairs has reviewed your application for the Gray and Black Market Marijuana Enforcement Grant Program. As DOLA's Executive Director, I am pleased to inform you that I have approved this recommendation for funding. Your application and DOLA's award letter serves as your contract with the State. Grantees of these funds do not require any additional contracts. By opting in to this grant program, you are eligible to receive an award in the amount of **\$41,564.00** for expenses related to investigations and prosecutions of unlicensed marijuana cultivation and/or distribution operations. This grant will close on **June 30, 2022**.

By submitting your application you have agreed to the following:

- Grant funds will only be spent on costs associated with the investigation and prosecution (including large-scale operations, organized crime, and operations that divert marijuana outside of Colorado) of unlicensed marijuana cultivation or distribution operations conducted in violation of state law. Recipient counties and municipalities who spend any grant funds outside of this statutory intent understand that any such funds must be returned to the Department of Local Affairs and agree to do so within 30 days of identification of improper fund use.
- Recipient counties and municipalities must provide DOLA with quarterly itemized reports on how grant funds were spent in that quarter.
- Recipient counties and municipalities will be randomly selected for detailed monitoring of grant fund expenditures. Supporting documentation for grant fund expenditures must be provided promptly to DOLA, if requested, to conduct necessary monitoring. DOLA or the State reserves the right to initiate detailed monitoring or auditing of any recipient county or municipality at its sole discretion.
- Recipient counties agree to cooperate with and make grant funds available to District Attorneys for costs associated with prosecution of unlicensed marijuana cultivation or distribution operations conducted in violation of state law.
- Program Staff will annually conduct monitoring of a random selection of approximately 30% of all participating grantees. Monitoring may be onsite or by desk review and will include verification of quarterly reports using receipts and other financial documentation as provided by the grantee. The review shall provide assurance that the information self-reported by eligible entities is accurate and complete, and identify unallowable or questionable expenditures for

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follow-up. When concerns are noted during the review process, documentation to verify the eligible entities' expenditures or accounting practices shall be provided to DOLA. Funds spent outside of the statutory intent must be returned to DOLA within 30 days of identification of improper use.

- Recipient counties and municipalities acknowledge that, if NO grant funds are spent in any given state fiscal year, they may not receive grant funds in the following year. Due to appropriation limitations in statute, ANY grant funds not spent by the specific spend-by date(s) above must be returned to the Department of Local Affairs.

Next Steps:

- You will make a single request for your full award amount.
- Payment requests will be made using DOLA's online portal system with the attached "Advance Payment Request" form, and must be submitted within 90 days after the performance start date of this signed grant award letter.

These grant funds will come from state marijuana tax proceeds that may cause you to go to an election to receive and spend these funds. Please confer with your appropriate staff to determine if such an election is necessary.

Thank you for your interest in the Gray and Black Market Marijuana Enforcement Grant Program. Please contact Ella Bowman at (720) 682-0270 if you have any questions.

Sincerely,

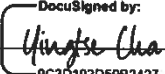


Rick M. Garcia
Executive Director

cc: James Lenderts, Officer
Ella Bowman, DOLA Grants Manager
Chis LaMay, DOLA Regional Manager

In accordance with §24-30-202 C.R.S., this Grant is not valid until signed and dated below by the State Controller or an authorized delegate.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

DocuSigned by:

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By: Yingtse Cha, Controller Delegate
Department of Local Affairs
Effective Date 1/29/2021 | 1:26 PM MST

CMS#: 167138

VCUST#: 14149

ADDR: CN001 WARR

DLG#: F21GBMJ21011