

DATE SUBMITTED 3/29/2018  
 SUBMITTED BY City Manager's Office  
 DATE ACTION REQUIRED 4/4/2018

COUNCIL ACTION 10  
 PUBLIC HEARING REQUIRED   
 RESOLUTION   
 ORDINANCE 1<sup>ST</sup> READING   
 ORDINANCE 2<sup>ND</sup> READING   
 CITY CLERK'S INITIALS 48

**IMPERIAL CITY COUNCIL  
 AGENDA ITEM**

|  |                                   |
|--|-----------------------------------|
| SUBJECT: <b>DISCUSSION/ACTION: AGREEMENT FOR SERVICES BETWEEN THE CITY OF IMPERIAL AND HDL COMPANIES</b>   |                                   |
| <ol style="list-style-type: none"> <li>1. APPROVAL OF AGREEMENT FOR SALES AND USE TAX SERVICES BETWEEN HDL COMPANIES AND THE CITY OF IMPERIAL;</li> <li>2. APPROVAL OF ADDENDUM TO THE AGREEMENT BETWEEN HDL COMPANIES AND THE CITY OF IMPERIAL FOR CANNABIS MANAGEMENT SERVICES;</li> </ol>   |                                   |
| DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE   |                                   |
| BACKGROUND/SUMMARY:<br>HdL is a consortium of three companies established to maximize local government revenues by providing audit, compliance, economic development, consulting services and software products. Its audit and consulting services include sales, use and transaction taxes, property taxes, and transient occupancy taxes. The City of Imperial has partnered with HdL Companies for over ten (10) years for services regarding sales and use tax. Over the last ten years, the City's economic base and sales tax revenue has grown over 48%.<br>Additionally, the City of Imperial would like to contract with HdL for their Cannabis Management Services. Their team of professionals have direct knowledge and experience in in the establishment and implementation of Cannabis Regulatory Programs including establishing land-use regulations, registration processes, application reviews, operation regulations for cannabis facilities, staffing plans, cost recovery, structuring cannabis business taxes and conducting compliance and financial audits. It is the City's intent to utilize HdL as the third party review during our cannabis application/selection process. Also, to establish a cannabis sales tax measure on the November 2018 ballot. |                                   |
| FISCAL IMPACT:<br>Annual Contract : \$4200<br>Cannabis Addendum: (not to exceed) \$16,000<br>*Please note, the \$16K is a direct pass through cost to cannabis applicants.<br>Total Cost: \$20,200   | FINANCE INITIALS _____            |
| STAFF RECOMMENDATION:  | DEPT. INITIALS _____              |
| MANAGER'S RECOMMENDATION: It is my recommendation to approve the contract with HdL Companies for their continued sales and use tax services. As well as approve the addendum for Cannabis Management Services.   | CITY MANAGER'S INITIALS <u>ad</u> |
| MOTION:  |                                   |

**CITY OF IMPERIAL  
FIRST AMENDMENT TO  
AGREEMENT FOR SALES, USE AND TRANSACTIONS TAX SERVICES**

**1. PARTIES AND DATE.**

This First Amendment to the Agreement for Sales, Use and Transactions Tax Services ("First Amendment") is entered into on the \_\_\_\_ day of \_\_\_\_\_, 2018, by and between the CITY of IMPERIAL organized under the laws of the State of California, with its principal place of business at 420 South Imperial Avenue, Imperial CA 92251 ("CITY") and HINDERLITER de LLAMAS AND ASSOCIATES, a California corporation, with its principal place of business at 1340 Valley Vista Drive, Suite 200, Diamond Bar, CA 91765 ("Consultant"). CITY and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

**2. RECITALS.**

2.1 Agreement. The Parties entered into that certain Agreement for Sales, Use and Transaction Tax Services dated April 19, 2006 ("Agreement").

2.2 First Amendment. The Parties now desire to amend the Agreement for ongoing consultation for Sales, Use and Transactions Tax Audit Services and Cannabis Services.

Adding the Cannabis Management Program – See Exhibit A for Scope of Services.  
Increasing compensation for Sales, Use and Transactions Tax Audit and Information Services.

2.3 Compensation. Section V Consideration of the Agreement is hereby amended as follows:

A. CONTRACTOR shall provide the sales tax and economic analysis Services described in Section II-A for a fee of **\$350** per month, commencing with the month of the Effective Date (hereafter referred to as "monthly fee"). The monthly fee shall be invoiced quarterly in arrears, and shall be paid by CITY no later than 30 days after the invoice date. The monthly fee shall increase annually following the month of the Effective Date by the percentage increase in the "CPI" for the preceding twelve month period. In no event shall the monthly fee be reduced by this calculation. For purposes of this Agreement, the "CPI" shall mean the Consumer Price Index - All Urban Consumers for the surrounding statistical metropolitan area nearest CITY, All Items (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or, if such index should cease to be published, any reasonably comparable index selected by CONTRACTOR.

B. 1. CONTRACTOR shall be further paid 15% of all new and recovered sales, use and transactions tax revenue received by the CITY as a result, in whole or in part, of the allocation audit and recovery services described in Section II-B above (hereafter referred to as "audit fee"), including without limitation, any reimbursement or other payment from any state fund and any point of sale

misallocations.

2. The audit fee shall be paid even if CITY assists, works in parallel with, and/or incurs attorneys' fees or other costs or expenses in connection with any of the relevant Services. Among other things, the audit fee applies to state fund transfers received for back quarter reallocations and monies received in the first eight consecutive reporting quarters following completion of the allocation audit by CONTRACTOR and confirmation of corrections by the State Board of Equalization. CITY shall pay audit fees upon CONTRACTOR'S submittal of evidence of CONTRACTOR'S work in support of recovery of subject revenue, including, without limitation, copies of BOE 549-S petition forms of any other correspondence between CONTRACTOR and the Board of Equalization or the taxpayer.
3. For any increase in the tax reported by businesses already properly making tax payments to CITY, it shall be CONTRACTOR's responsibility to support in its invoices the audit fee attributable, in whole or in part, to CONTRACTOR's Services.

**For Cannabis Services:** HdL's fee is based on time, materials and travel expenses associated with the execution of the services. It is based on the current scope of services as outlined in Objectives 1 through 3 for a fee not to exceed \$16,000. This fee is based on the current requirements presented to HdL by City staff to meet these requirements and the following assumptions:

| <b>Scope of Service Objectives</b>   | <b>Estimated Hours of Labor/Budget</b> |
|--|--|
| <b>Objective 1 – Application Review and Ranking Up to Eight Applicants</b>     | <b>48 Hours/\$12,000*</b>              |
| <b>Objective 2 – Develop Tax Ordinance, Ballot Measure and Fiscal Analysis</b> | <b>10 Hours/\$3,000</b>                |
| <b>Objective 3 – Travel Cost to Attend One Council Meeting</b>                 | <b>Flat Rate \$1,000</b>               |
| <b>Total</b>   | <b>58 Hours/\$16,000</b>               |

**\*Objective 1: Cost Assumptions – Application Review and Ranking**

- The cost associated with this objective is based on the assumption that the City will receive at least eight (8) applications. Should the City receive a lesser number they shall only be charged \$1,500 per application reviewed by the Consultant. Furthermore, should the City receive more than eight applications they will be charged an additional \$1,500 for each additional application in which the Consultant is requested to review and rank.

**Objective 2: Cost Assumptions- Develop Tax Ordinance, Ballot Initiative and Fiscal Analysis**

- The Consultant will develop a tax ordinance and tax resolution which will be approved by the City Council and the voters.

- HdL will not incur any cost associated with the City filing the ballot initiative with the County Registrar or marketing to promote the ballot initiative.
- Prepare a fiscal revenue analysis identifying tax options for the various types of cannabis businesses which will be operating in the City to develop a tax strategy which maximizes the economic benefit for the City.

**Objective 3: Cost Assumptions- Travel Cost**

- Travel cost shall be billed at \$1,000 per day to attend on-site meetings, workshops and City Council meetings. It is anticipated that the Consultant will be required to attend one (1) meeting. Should the City request additional meeting it will be billed at the travel cost rate. Once on site the City will be billed at the hourly rate of the Consultant staff requested for the duration of time they are on-site.

2.4 Remaining Provisions of Agreement. Except as otherwise specifically set forth in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

**CITY OF IMPERIAL**

**HINDERLITER DE LLAMAS & ASSOC.**

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
Andrew Nickerson, President

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
City Clerk

## **EXHIBIT A – SCOPE OF SERVICES**

The regulation, compliance and taxation of cannabis is complex and filled with challenging issues. Therefore, the objectives presented in this proposal are based on HdL's experience and the expectations and desired outcomes of the City. However, due to the ongoing evolution of the state's Medical Cannabis Regulation and Safety Act (MCRSA), Proposition 64, Adult Use Marijuana Act (AUMA), and SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), HdL is agreeable to modifications to this scope of services as deemed necessary by both HdL and City staff. Amendments to this Scope of Services shall be made in writing and shall not constitute additional hours of work without proper compensation unless otherwise approved by the City and HdL.

The Scope of Services to be provided by HdL shall include:

- Kick off conference call with City Staff, or City Sub Committees;
- Conduct cannabis application reviews which will be scored in compliance with the application procedures and regulatory ordinance in the City of Imperial;
- Identify issues which City staff needs to mitigate related to the application process and
- procedures prior to issuing regulatory permits to the cannabis businesses;
- Provide City staff with technical and policy expertise related to the operations and understanding of the Cannabis Industry to ensure compliance with the Medical Cannabis and Safety Act (MCRSA), Adult Use Marijuana Act (AUMA), SB 94, the Medicinal Adult- Use Cannabis Regulation and Safety Act ("MAUCRSA"), and all applicable local ordinances;
- Develop a tax measure and ordinance which will provide the City maximum economic
- benefits but at the same time ensure long term stability for the cannabis business operators.

### **Objective 1: Application Review and Ranking**

#### **Objective 1.1 Application Review and Initial Ranking**

HdL will review all applications to identify incomplete submissions for immediate disqualification, omissions of live scan submissions and background checks of all business partners, and applications which do not conform to zoning requirements for their perspective permit specifically authorized by the RFP. The best submissions will be forward thinking and deploy solutions that identify the best "green" practices, while employing "sustainable" energy and waste solutions, and implement the "best practices" available in the cannabis industry. Consideration will be given to applications designed to reduce and address actual or potential concerns the City may have regarding nuisance behavior, environmental issues, or product safety.

The specific criteria which will be used in evaluating and rating the applications shall include the following:

- Overall quality of the proposal including responsiveness and conformance to the RFP requirements for content and format;
- Quality and appropriateness of proposed applicant team, professional experience and background of primary applicants and key sub leases;

- Key personnel, project location, and other management staff with required experience and skills relevant to this project;
- Primary applicants experience and ability to manage operations of proposed facility, scheduling of work, cost estimating and budget management;
- Primary makeup of applicant's corporate board, and prior experience working with local government agencies;
- Patient tracking, product inventory management and recordkeeping;
- Quality and appropriateness of proposed site, business model, organization, and knowledge and experience working with specific legal codes and regulations;
- Transportation plan describing the procedures for safely and securely transporting cannabis products and currency;
- Applicants use, and implementation of solutions designed to reduce or address any actual or potential concerns of the City and its residents; and
- Any other additional information which the City would like to incorporate into the selection process which they deemed necessary.

**Objective 1.2 Scoring Results and Recommendations:**

All applications will be scored by HdL staff and maintained on a spreadsheet. The scoring spreadsheet will be provided to the City, along with HdL's recommendations. Those applicants which have passed Phase II in accordance with the City requirements as determined by the application guideline for each permitted category, will move on to Phase III.

Each of the applicants from each category will be reviewed and rated based on fourteen (14) categories established by the City. An applicant's score for points will be based on their ability to meet or exceed minimum requirements in the fourteen (14) categories. Applicants must provide information on how they plan to meet these point categories. Such action will become a mandatory condition of their permit. Failure to meet or comply with these requirements will subject the applicants to penalties and/or revocation proceedings. The fourteen (14) categories are as follows:

1. Qualifications of Principals
2. Business Plan
3. Community Benefits
4. Site and Floor Plan
5. Security Plan
6. Proof of Living Wage
7. Employee Handbook
8. Standard Operating Procedures
9. Disposal Procedures
10. Inventory Control
11. Odor Management Plan
12. Signage Plan
13. Preference in Clinic or Academic Research
14. Cash Management

## **Objective 2: Develop Tax Ordinance, Ballot Measure and Fiscal Analysis**

### **Objective 2.1 Create and Design Ballot Measure**

- Design in the ordinance an administrative procedure policy related to delinquencies, payment process, appeals, exemptions and other administrative requirements which will be utilized by the city for the implementation and collection of the tax upon adoption;
- Establish language in the ballot measure which will capture the taxation of cannabis to provide the city flexibility to adapt to various economic conditions in the cannabis industry; and
- Create and design a ballot measure to tax the various cannabis licensed activities which are permitted in the city.
- Prepare a fiscal revenue analysis identifying tax options for the various types of cannabis businesses which will be operating in the City to develop a tax strategy which maximizes the economic benefit for the City.

# City of Imperial

# Cannabis Management Program

HdL Companies  
1340 Valley Vista Dr., Suite 200  
Diamond Bar, CA 91765  
[www.hdlcompanies.com](http://www.hdlcompanies.com)

Contact:  
David McPherson  
909.861.4335  
[dmcpherson@hdlcompanies.com](mailto:dmcpherson@hdlcompanies.com)





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## I. LETTER OF TRANSMITTAL

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March 24, 2018

Stefan Chatwick  
City Manager  
City of Imperial  
420 S. Imperial Avenue  
Imperial, CA 92251

**Re: Proposal – Conduct Application Review and Create a Cannabis Tax Measure for the City of Imperial**

Dear Mr. Chatwick,

Thank you for the opportunity to present this proposal to conduct cannabis application reviews and to develop a tax measure for the City of Imperial. HdL was incorporated in 1983 and has over 30 years of experience providing revenue enhancement and consulting services to local governments in California. HdL is a consortium of three companies established to maximize local government revenues by providing audit, compliance, economic development, consulting services and software products. Its audit and consulting services include sales, use and transaction taxes, property taxes, transient occupancy taxes, and a Cannabis Management Program. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 400 agencies in six states. The firm currently serves 44 counties, 299 cities and 79 transactions tax districts in California.

Of interest to you and your team is our knowledgeable team of professionals who have direct experience in the establishment and implementation of Cannabis Regulatory Programs including establishing land-use regulations, registration processes, application reviews, operation regulations for cannabis facilities, staffing plans, cost recovery, structuring cannabis business taxes and conducting compliance and financial audits.

Enclosed please find our detailed scope of services for HdL's Cannabis Management Program. We agree to adhere to the deliverable requirements for a total cost not to exceed \$16,000. However, this will be subject to an agreed upon project schedule between Imperial and HdL.

We look forward to the opportunity to partner with the City of Imperial in developing a strategy which meets your program needs. If you have any questions or require additional information, please feel free to contact Andy Nickerson at 909.861.4335 or by email at [anickerson@hdlcompanies.com](mailto:anickerson@hdlcompanies.com) or David McPherson at 909.861.4335 or by email at [dmcpherson@hdlcompanies.com](mailto:dmcpherson@hdlcompanies.com).

Sincerely,



Andy Nickerson  
President, HdL Companies

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## II. PROPOSED SCOPE OF SERVICES

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The regulation, compliance and taxation of cannabis is complex and filled with challenging issues. Therefore, the objectives presented in this proposal are based on HdL's experience and the expectations and desired outcomes of the City. However, due to the ongoing evolution of the state's Medical Cannabis Regulation and Safety Act (MCRSA), Proposition 64, Adult Use Marijuana Act (AUMA), and SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), HdL is agreeable to modifications to this scope of services as deemed necessary by both HdL and City staff. Amendments to this Scope of Services shall be made in writing and shall not constitute additional hours of work without proper compensation unless otherwise approved by the City and HdL.

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### III. COST

HdL's fee proposal is based on time, materials and travel expenses associated with the execution of the services. It is based on the current scope of services as outlined in Objectives 1 through 3 for a fee not to exceed \$16,000. This fee is based on the current requirements presented to HdL by City staff to meet these requirements and the following assumptions:

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- Travel cost shall be billed at \$1,000 per day to attend on-site meetings, workshops and City Council meetings. It is anticipated that the Consultant will be required to attend one (1) meeting. Should the City request additional meeting it will be billed at the travel cost rate. Once on site the City will be billed at the hourly rate of the Consultant staff requested for the duration of time they are on-site.

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## V. EXPERIENCE AND RESOURCES

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### **Company Profile**

Founded in 1983, HdL is a consortium of three companies established to maximize local government revenues by providing audit, compliance, economic development, consulting services and software products. Its audit and consulting services include sales, use and transaction taxes, property taxes, transient occupancy taxes, and a Medical Cannabis Management Program. The firm also provides a variety of enterprise software processing tools for business licensing, code enforcement, animal control, building permits and tracking/billing of false alarms. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 400 agencies in six states. The firm currently serves 44 counties, 299 cities and 79 transactions tax districts in California.

HdL's key staff has extensive experience serving local government and many have previously held positions in city management, finance, planning, economic development or revenue collection. HdL is a Corporate Partner of the League of California Cities and California State Association of Counties, and works extensively with the County Auditor's Association of California, California Society of Municipal Finance Officers (CSMFO) and California Municipal Revenue and Tax Association (CMRTA) on anticipation and planning of programs to strengthen local government revenues.

This close understanding of local government needs coupled with extensive databases and advance methodology provides for the most relevant, productive and responsive, revenue recovery, forecasting and economic services available.

Our team of professionals has over 20 years of direct experience with establishing and implementing medical and retail cannabis regulatory and taxation programs which include establishing land-use regulations, permit processes, staffing plans, cost recovery fees, structuring cannabis business tax fees, regulatory compliance, financial audits and law enforcement training. Our team has conducted over 11,000 cannabis compliance inspections and investigations in Colorado, California and Nevada.

### **Key Personnel**

#### **David McPherson, Cannabis Compliance Director**

David McPherson works with local agencies to prepare them to mitigate regulatory issues surrounding Proposition 64 and SB 94. Prior to joining the firm, David served 28 years in local government for the County of Orange and the cities of Newport Beach, San Jose and Oakland. David's experience as a law enforcement officer, compliance auditor, and tax

administrator has provided him a wealth of experience that makes him uniquely qualified to manage HdL's Cannabis Management Program. While working for the City of Oakland, he became the first Tax Administrator in the Country to successfully tax, regulate and audit medical marijuana businesses. David has over 7 years of experience working with Cannabis regulatory programs.

David is one of the state's most recognized experts in cannabis regulatory policies, compliance implementation and tax policies. His unique knowledge in horticulture, processing and dispensary operations while working for the City of Oakland has made him one of the pioneers in creating a Cannabis Management Program. He uses his experience to assist local and state agencies in developing cannabis policies for regulation, compliance, auditing and economic development. He worked closely with the League of Cities and lobbyists on the development of the Medical Cannabis Regulation and Safety Act (MCRSA) and helped shape SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

David provides technical support on cannabis-related matters to the League of Cities, the Police Chief's Association, Rural County Representatives of California and the California State Association of Counties. In addition, David is working collaboratively with the Department of Consumers Affairs, Department of Food & Agriculture, Department of Health Services and the State Board of Equalization on the implementation of best practices for regulating the Cannabis Industry for local agencies.

David received his Bachelor's Degree in History from California State University, Fullerton and his Master's Degree in Public Administration from California State University, Long Beach. While at Long Beach, he was named "Future Urban Administrator of the Year".

### **Tim Cromartie, Senior Cannabis Advisor**

Tim Cromartie, is the Senior Cannabis Advisor at HdL, in which his primary role is providing policy expertise related to cannabis regulatory and tax policies at the state and local level. Prior to joining the HdL team Tim served as the legislative representative covering public safety issues for the League of California Cities since 2013, with a heavy emphasis on shaping legislation governing state and local regulation of marijuana. He has been actively involved in educating cities on changes in the law resulting from the Medical Cannabis Regulation and Safety Act, as well as Proposition 64, the Adult Use of Marijuana Act. When these two Acts were merged into a single regulatory structure in 2017, Tim successfully advocated for clarification of local government's regulatory and enforcement authority in the cannabis context, and for related environmental safeguards in cultivation operations, protections against over-concentration of businesses, regulation of testing labs, and the inclusion of fire safety standards and a definition of volatile solvents in state law governing cannabis manufacturing operations. Since then he has been engaged in educating local governments on the more recent Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), as well as advocating for a reduction in the

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cumulative state tax rate for cannabis, improvements in the state's track-and-trace program, and the restoration of a statewide cultivation cap.

Prior to the League, he held a variety of positions in the Legislature and state government, including legislative representative for CalPERS Governmental Affairs, legislative director and public safety consultant to former state Senator Gloria Romero, and field representative for Congresswoman Barbara Lee during her term in the state Senate. Mr. Cromartie holds degrees from the University of California at Berkeley (B.A. Political Science) and UC Hastings College of the Law. Tim is an ardent aviation buff and a member of the California Aerospace Museum at the site of the former McClellan Air Force Base in Sacramento.

### **Matt Eaton, Cannabis Compliance Manager**

Matt Eaton is the Cannabis Compliance Manager at HdL and plays a critical role in implementing the Cannabis Compliance Program for local agencies. Prior to joining the firm, he was a progressive law enforcement professional with 29 years' experience conducting criminal/regulatory investigations, and corporate/individual background investigations.

While working as a Supervisory Investigator at the Colorado Department of Revenue in the Marijuana Enforcement Division (MED) Matt managed Criminal Investigators and civilian staff in the Denver Metro and Longmont Field Offices. During his six-year tenure at the MED, he conducted approximately 10,000 criminal investigations and compliance reviews which included regulatory and financial investigations. In addition, he is a subject matter expert on track and trace systems. He understands the complexity of reviewing data to ensure businesses are in compliance with state and local regulations. Matt was also responsible for planning, developing and implementing report and field inspection protocols for the agency. He also played an instrumental role in recommending changes to current regulations and identifying essential language for new legislation in the State of Colorado. Matt is well known for his ability to maintain working relationships with Cannabis Industry leaders and external stakeholders in resolving issues.

Matt received his Bachelors of Science Degree from Biola University and currently maintains a Colorado Post Certificate. He has also served as an Adjunct Instructor teaching law enforcement principle related to criminology, correctional processes, procedural law, interviews, interrogations and criminal evidence at AIMS Community College In Greeley, Colorado.

### **Mark Lovelace, Cannabis Policy Advisor**

Mark Lovelace has 16 years of broad experience in public policy, community engagement and advocacy and is recognized as a leader in advancing the statewide discussion of medical and recreational cannabis as a policy issue in California.

Mark served on the Humboldt County Board of Supervisors from 2009 through 2016 where he was instrumental in developing a comprehensive approach to regulating cannabis,

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including a voter-approved tax on commercial cultivation and an innovative track and trace pilot program. Mark established and co-chaired the Medical Marijuana Working Group for the California State Association of Counties (CSAC) and helped draft CSAC's legislative platform for cannabis issues. Mark pioneered the first-ever six-county regional summit on cannabis issues in 2015 which resulted in the North Coast Counties Marijuana Policy Statement. His work and input were pivotal in guiding the development of SB 643 and AB 243, two components of the Medical Cannabis Regulation and Safety Act (MCRSA).

Mark has worked extensively with public agencies and statewide associations on cannabis issues, including CSAC, Rural County Representatives of California, the Association of California Water Agencies, the North Coast Resource Partnership, California Department of Fish and Wildlife, the State Water Board, the North Coast Regional Water Board, the Bureau of Medical Cannabis Regulation, state legislators, the Department of Justice, members of Congress and others. He has led numerous presentations, workshops and panel discussions on cannabis issues and has been a sought-after speaker on the topic for government agencies, community organizations and cannabis industry groups.

Mark received his Bachelor of Science Degree in Industrial and Product Design from California State University, San Jose. Prior to his time on the Board, he worked for many years as a respected advocate on land use, planning, development and environmental issues.

### **Kami Miller, Cannabis Senior Auditor**

Kami Miller is the Cannabis Senior Auditor at HdL who's primary role is to ensure cannabis compliance and identify the risk assessment in the supply chain process of each permitted business. Prior to joining the firm, she served three years as a Marijuana Compliance Manager for the Department of Public Behavior and Health (DPBH) for the State of Nevada. During this time Kami played a key role in Nevada's implementation of its Medical Marijuana Program in which she was responsible for statewide monitoring of medical marijuana facilities that included cultivation, production, testing labs and retail stores.

While working as a Marijuana Compliance Manager for the DPBH for the State of Nevada Kami Managed Compliance Auditors and support staff in the Las Vegas Office. During her three-year tenure at the DPBH, she conducted approximately 1,000 compliance and financial inspections in which she developed the documentation for the inspection protocols in order to establish comprehensive reports. In addition, her experience in Nevada provided her the opportunity to learn the various track and trace systems that allowed her to develop industry supply chain practices for the Department of Taxation.

Kami received her Bachelors of Business Administration in E-Commerce and Supply Chain Management from Tennessee State University.

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### **Stephanie Martin, Cannabis Outreach Coordinator**

With over 28 years of diversified law enforcement experience, Stephanie has used her training and expertise to develop community-based partnerships, create and implement outreach programs and apply her communication skills for media relations. Stephanie's public service career included working as a Police Officer, Program Manager, and Community Affairs Officer for the Manhattan Beach Police Department. In these roles, Stephanie had supervisory responsibilities, managed budgets, performed training and interviewed/selected applicants. Stephanie also served as a DARE program coordinator for the City of Redondo Beach. Stephanie earned her Bachelor of Science degree from Chapman University in Orange California.

### **Elizabeth Eumurian, Cannabis Senior Analyst**

Elizabeth Eumurian is a Senior Analyst in HdL's Audit Department. Elizabeth previously worked for a large financial institution analyzing data for reporting anomalies and performing financial audits. She has also worked as a senior auditor in the entertainment industry. In this role, Elizabeth executed testing procedures for targeted audit programs, analyzed findings and prepared audit and compliance reports. Elizabeth earned her Bachelor of Arts degree in History from California State University, Fullerton.

### **Adam Crabtree, CEO of Nationwide Compliance Specialists (HdL Strategic Partner)**

Adam Crabtree is the Founder and CEO of Nationwide Compliance Specialists, Inc. (NCS), headquartered in Denver, Colorado. After graduation, Adam began his career in banking, managing sales, operations and compliance for a Tier 1 bank. It was there that he recognized the inherent flaws and systemic disconnect between banks, state government, and the Cannabis Industry. Relying on his background in banking, his education, and his analytical acumen, he began to dig into the pain points that are at the center of these issues. It was at this point that the core of the NCS platform, the patent-pending predictive analytical algorithm, was born. The algorithm was written to gather numerous, seemingly unrelated, data points and analyze the interplay between them. After a successful testing period, NCS transformed the algorithm into a high-powered, near-real time, analytics engine capable of aggregating and analyzing tens of millions of data points that are then transformed into clear, concise, detailed reports. These reports are used to assist in decision-making and resource allocation in the financial, regulatory and governmental sectors. The NCS partnership with HdL has established a "one of a kind" financial auditing program which will help ensure that cannabis businesses are properly reporting taxes, fees and other data required by state and local agencies.

Adam's expertise with identifying and recognizing financial banking issues has given him the opportunity to work collaboratively with state and local officials as well as financial institutions in Colorado and California. He is often requested to conduct presentations about the current challenges for the Cannabis Industry and how the use of advanced analytics can help

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government overcome them. In addition, he has conducted presentations to the California State Assembly, Alaska Bar Association, State Board of Equalization, Native Nation, and numerous elected officials spanning from Hawaii to Massachusetts. Adam is a proud three-time graduate of the University of Colorado (BA, MBA, MSF).

## VI. REFERENCES

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