

**LAPEER CITY COMMISSION
MINUTES OF A WORKSHOP MEETING
March 27, 2017**

A workshop meeting of the Lapeer City Commission was held March 27, 2017 at Lapeer County EMS Building, 3565 W. Genesee Street, Lapeer, Michigan. The meeting was called to order at 5:30 p.m.

ROLL CALL

Present: Mayor Sprague.
Commissioners Atwood, Bennett, Bostick-Tullius, Gates, Marquardt.
Absent: None.

City Manager: Dale Kerbyson, present.

Mayor Sprague led the Pledge of Allegiance.

Medical Marihuana Facilities Licensing Act: Presentation.

City Manager Dale Kerbyson introduced Mayor Sprague, presenters Doug Piggott, Justin Dunaskiss, Jim Smiertka and City Police Chief Todd Alexander. Mayor Sprague explained the process of the workshop meeting and asked everyone to please shut off their cell phones.

Justin Dunaskiss with Dunaskiss Consulting & Development and Doug Piggott with Rowe Professional Services Company provided an overview of the Michigan Medical Marihuana Act of 2008, Medical Marihuana Facilities Licensing Act, Marihuana Tracking Act and Marihuana Infused Products Act.

Lapeer City Police Chief Todd Alexander provided an overview with public health and safety issues.

Jim Smiertka, City of Lansing Attorney, provided an overview of the City of Lansing's experiences with ordinance and policy issues.

Mayor Sprague asked the Commission for any questions.

Commissioner Bostick-Tullius questioned space and regulations for locations; Mr. Dunaskiss indicated that the Department of Licensing and Regulatory Affairs will be working on this.

Commissioner Gates questioned caregivers unable to be a processor or provisioner; Mr. Dunaskiss commented that a caregiver could not be licensed as a grower/processor/provisioning center, but could be an employee.

City Manager Dale Kerbyson questioned revenue, will it be guaranteed, how distributed up to legislature to control; Mr. Dunaskiss indicated that statute dictates distribution of taxes and fees by department of treasury. Mr. Kerbyson questioned inspections, will be allowed to charge a fee for individual inspections; Mr. Dunaskiss indicated that is addressed in statute, authorized to charge \$5,000 application fee to cover expenses, no more than that. Mr. Kerbyson questioned initial fee for license, as business goes down the road and additional follow up inspections, ability to charge; Mr. Smiertka commented on Bolt case, can only charge a fee otherwise it is a tax, Lansing has about \$5,000 in fees/inspections per year. Mr. Kerbyson asked on study regarding property values going up and can he get a copy; Mr. Dunaskiss indicated yes and will provide a copy.

Commissioner Atwood questioned why are these considered a cash base, issues with banks not wanting to get involved, possibility of money laundering; Mr. Dunaskiss commented on legislation, how financial institutions are dealing with this. Mr. Atwood asked about how they will keep track of the cash; Mr. Dunaskiss indicated that the state will require tracking components through state-wide tracking center.

Commissioner Bostick-Tullius questioned the dangers of BHO hazards/incidents and trash; Chief Alexander indicated that the presentation was given to him by previous speaker who could not be attendance and did not know the answer. Ms. Bostick-Tullius questioned smells/odor from operations and does not provisional centers only sell

product; Chief Alexander indicated that was his understanding; Mr. Smiertka indicated that grow operations in neighborhoods will have disposal regulations; Mr. Dunaskiss indicated that state will set up regulations for disposal by operations.

City Manager Dale Kerbyson asked about impact or additional study/analysis on adolescents and increase of exposure; Mr. Dunaskiss indicated that a study was completed by Washington which saw no increase in usage by students, taboo concept if not taboo than it was no big deal.

Commissioner Marquardt questioned transporter, how and where is the money going, did not understand this part; Mr. Dunaskiss indicated that a transporter goes between businesses, transporting product/cash. Ms. Marquardt commented on safety of transporters; Mr. Dunaskiss indicated that it would be transported in similar use as bank trucks are used.

Commissioner Bostick-Tullius asked for a copy of Lansing's ordinance; Mr. Smiertka indicated yes, it is public information but know that their ordinance will change, can develop conditions of performance standards, as part of application process Lansing asks for business/marketing plan, can make performance standards before LARA regulates, once LARA regulates ordinance will have to be changed. Ms. Bostick-Tullius asked if Mr. Smiertka has seen legal action against Lansing for over regulating; Mr. Smiertka indicated not from that perspective, would be more for arbitrariness, lack of due process, defining.

Commissioner Atwood questioned if medical marihuana is covered by medical insurance; Mr. Dunaskiss indicated that no, not aware of this. Several people from the crowd said that it was covered by insurance.

Mayor Sprague asked for a ball park figure on legal fees creating ordinances and changes; Mr. Smiertka indicated that it is completed in house with current staff, have not done a cost/accumulated total, this has been going on since 2012, would estimate 40 hours per month of attorney time. Mr. Sprague commented that the City would make sure that it keeps focus on this topic; Mr. Smiertka indicated that in adoption of ordinance they went through it line by line, debate on each line, and meetings are publicized.

There being no further comment from the Commission, Mayor Sprague opened it to the floor, asked if there were any other public officials that would like to make a comment first. Ian Kempf, County Commissioner asked clarification on ordinances if a local ordinance is in place and LARA places a regulation that it would nullify any ordinance; Mr. Smiertka indicated that standards in local ordinances would be affected by regulations/promulgations by LARA and its board, however board appointments by LARA has not been completed yet and local ordinances can set up mechanisms to deal with this and will have to be modified after LARA sets its regulations.

Jaime Fricke, N. Main Street, pointed out previous State Representative Kevin Daley, should thank him as he worked on the marihuana bill, asked Commission to form a committee to deal with issues and would be willing to serve on the committee, answer Commissioner Bostick-Tullius question about statistics with BHO incidents that there are zero (0) incidents in Lapeer, oils used to treat cancer and only 10% of plant weight and use and will be regulated in new bill, Chief Alexander's information was before the new law went into effect.

Rick Taube, Skelton Road, Columbiaville, commented on legislation, reaction to come up with regulations, Michigan response compared to other states, reaction because of who is in office in Lansing; Mr. Dunaskiss indicated that they are working with legislature and will be pulling info from other states.

Andy Shango, S. Main Street, asked how 3% tax will be figured and divided, is it based on poundage; Mr. Dunaskiss indicated that the 3% excess tax is on all sale proceeds by statute, Mr. Piggott stated that the excess tax is in addition to other regulated fees and is per facility; Mr. Smiertka indicated that the tax imposed of 3% was on gross retail of receipts and then divided out as regulated by the state.

Sandra McCormick, Michigan Cannabis Development Association, commented on economic impact study, Webberville ordinance and use as a framework, willing to help and be supportive.

Chris Aiello, Warren attorney, spoke on Warren application, fee, inspection process, stimulus to economy, urge to do ordinance.

Kareyna Miller, Otter Lake, deals with accounting end, file insurance info, legalizing and coverage issues; Mr. Dunaskiss commented on coverages, carrying of state license, Mr. Piggott commented on hearing a lot on legalizing dispensaries/growth etc., the law does not legalize marihuana but protects facilities from prosecution, Mr. Smiertka commented on caregivers still allowed to operate, Attorney General office Cole memorandum in providing guidance on marijuana enforcement however this could change by the AG office.

Matt Dillon, Peters Road, Columbiaville, asked about allowance of outdoor growth in agricultural areas; Mr. Dunaskiss indicated yes could cultivate outside; Mr. Smiertka stated that some restrictions would apply along with other legislation such as the Farm Act and fencing requirements, but would be permitted.

Brian Page, Burton, asked about growing own or through caregiver; Mr. Dunaskiss indicated patients can grow own or give to caregiver; Mr. Smiertka indicated Michigan Marihuana Law has section that gives protection to caregivers and protects from local areas to adopt policy/ordinance to not allow.

Robert VanDenBerg, Fay Road, Imlay City, Goodland Township Planning Board, commented on agricultural industry, hope city looks at carefully and cautiously, review of stipulations on setback requirements.

Starla Hovey, Nightingale, commented on the business opportunities focus, works in family services, questioned what will be done about levels of THC, will they be lowered and regulations for doctors to give out cards carelessly without knowing the person/patient or their needs; Mr. Piggott indicated that communities cannot regulate concentration; Mr. Dunaskiss indicated that the state and advisory boards will regulate, it will not be done locally.

Brooke Johnson, Village West Drive, voiced concerns about butane; Mr. Dunaskiss indicated that the state will regulate, butane is no longer to be used for a home setting; Mr. Smiertka indicated that those questions and answers should be directed to LARA, they have a place on their website and welcome comments/concerns.

Matt Dillon, Peters Road Columbiaville, commented that he has been to local township offices, have between now and December to apply, township says will not pass an ordinance and will not allow, questioned what recourse does he have if township does not allow; Mr. Smiertka indicated that city/townships/villages will have the authority to allow facilities, law states that they are allowed to say no, nothing in the law that states they have to allow; Mr. Dunaskiss commented that they are elected members of you, continue to speak with board.

Cheri Soulliere, Lippincott, commented that her heart goes out to what has been said, daughter has spinal injury, given narcotics and could not function, received medical marihuana and is doing great, moving here and asked how is she going to get a doctor here, what about pain pills and their effects that medical marihuana does not have.

Shauna Bradshaw, Lou Alice Drive, commented on medical issues with ovarian cancer, received medical card and it greatly helps, it is in your hands and that people need this.

Bernard Jocuns, Lapeer, understands Chief Alexanders concerns, his presentation has nothing to do with MMFLA, if person gets a card and follows the law they are covered, where does that person go to get their medicine.

Matthew Abel, E. Harbortown Drive, Detroit, commented he is a lawyer in Detroit, statistically more marihuana places have shown a more healthy community, opiate use goes down, economic effects, to look at this with an open mind, allow downtown within vacant store fronts, responsible safety compliant facilities.

Jamie Fricke, N Main Street, commented would like to question Sheriff McKenna that if regulations at state level and regulations at local level are followed and everything is done properly, will it be respected by the Sheriff's department? Sheriff McKenna indicated that there were a lot of if's here, present tonight to educate himself on the law and regulations. Ms. Fricke commented she didn't see what was so hard, it's a yes or no answer.

Shauna Bradshaw, Lou Alice Drive, voiced concerns on physicians, encourage physicians to go this route and specialize in this and those that would not play by rules and risk prosecution; Mr. Dunaskiss commented on appropriations at legislature, studies and policies, medical field regulations; Mr. Piggott indicated the medical field is self-regulated in these specialized areas, medical associations and within bounds of law; Mr. Smiertka indicated that things are in a state of flux right now, legal ethics role and Ohio ruling; Bernard Jocuns, Lapeer, commented on Ohio State Supreme Court amended ruling, ethics rule opinion is before Michigan State Supreme Court

Wes Wickham, Clark Road, commented on his health, on Vicodin, scared of addiction and what it will do to him, medical marihuana may help him, please listen to concerns, scared as to what pills are doing that doctors are prescribing.

There being no further comments, Mayor Sprague thanked everyone for coming out tonight, starting point and gathering of information meeting, take information and citizen comments to heart in consideration to move forward, felt meeting went very well.

ADJOURNMENT

By general consensus, the workshop meeting adjourned at 7:38 p.m.

William J. Sprague, Mayor

Donna L. Cronce, MMC, City Clerk

Tracey S. Russell, Deputy City Clerk