

**CITY COUNCIL MINUTES
SPECIAL MEETING
MAY 28, 2019**

The Winnemucca City Council met in regular session on Tuesday May 28, 2019 at 2:00 p.m. in the City Hall meeting room. Present: Mayor Richard Stone; Council members Mike Owens, Theresa Mavity, Vince Mendiola, Jim Billingsley and Paige Brooks; and, City Manager/Engineer Alicia Heiser, City Attorney Kent Maher and City Clerk Lorrie Haaglund.

CALL TO ORDER:

Mayor Stone called the meeting to order at 2:00 p.m.

PUBLIC COMMENT-PERSONAL COMMUNICATION-CORRESPONDENCE:

There was no public comment, personal communication or correspondence.

BUSINESS ITEMS:

BUSINESS IMPACT DETERMINATION

After review and consideration of the effect each item could potentially have on a “business,” as the term is defined by statute, the Council agreed and Council member Owens moved to make a finding that no item on the agenda appears to impose a direct and significant economic burden on a business or appears to directly restrict the formation, operation or expansion of a business. Motion carried unanimously.

MARIJUANA ESTABLISHMENTS PROHIBITION - ALLOWANCE

Mayor Stone explained there were three advisory committee meetings to consider questions regarding marijuana establishments which came up during prior Council meetings. The goal of the meeting today is not to pass any ordinances but to decide whether to prohibit or allow marijuana establishments in the City. The committee members included Mayor Stone, Council member Mavity, Council member Billingsley, Planning Technician Lawrence, City Manager Heiser and Police Chief Dalley. Nicole Bengochea, the Humboldt County School District Board of Trustees appointee, was unable to attend the meetings due to a conflict with the times the meetings were held. Council member Billingsley said the goal of the committee wasn't to come back with a recommendation for or against, but to provide background information, examples of ordinances from other cities, and other pertinent material. City Manager Heiser compiled an overview of the information provided to the committee. Planning Technician Lawrence provided maps and zoning information. Mayor Stone reviewed some of the pros which include revenue, regulation of home growing, permitting, testing and mandatory labeling requirements and the cons which include the drug being illegal as a Schedule 1 controlled substance under federal law, moral objections, adolescent use risks and the potential backlash from the County.

Zoning – the City has the authority to implement zoning ordinances to regulate whether marijuana establishments are allowed or prohibited in certain zones. If marijuana facilities are allowed, the current zoning ordinances will need to be revised to provide zones for cultivation, production, and/or retail establishments. The committee discussed two potential options for zoning: 1) marijuana establishments (cultivation, production, and retail) being allowed only in industrial zones; and, 2) cultivation and production being allowed only in industrial zones, and retail being allowed in industrial and/or general commercial zones.

Potential Revenue – cultivation facilities pay 15% on the fair market value (FMV) at wholesale price. The State collects a 10% excise tax on marijuana sales which is paid by the dispensaries. Local governments have the option to add on a 1% to 3% excise tax that is collected locally.

Licensing Revenue – the State issues licenses for marijuana establishments in each county. Local jurisdictions can impose licensing fees for marijuana establishments in their jurisdiction.

Sample Ordinances – the marijuana ordinances for Fernley and Sparks are very similar. The City could use those ordinances as a template.

Money Handling – fees and taxes paid directly to the City from a marijuana establishment are paid in cash and reportedly can be deposited into a City bank account because there is supposedly no distinction between marijuana and non-marijuana fees. Security improvements and policies for handling the cash revenue will need to be established.

Federal Funding Implications – Armstrong Consultants, the City airport advisors (who are based in Colorado where marijuana is legal), reported that they have not heard of the FAA denying funding to any entity because of marijuana establishments. The USDA Rural Development said that there likely would not be issues if the City is not actively in the business of production or distribution and is just receiving tax revenue.

Federal Action on Tribal Lands – the Deputy Chief of the US Attorney's Office said their responsibility is to enforce federal law based on enforcement priorities, and marijuana establishments on tribal lands are currently not a priority.

Possible uses for Revenue Generated from Marijuana Establishments – marijuana revenue could be used to set up a local version of the Millennium Scholarship for Lowry graduates, support local education or support local recreation.

Council member Mendiola stated his belief the drug is present and the City needs to answer how to handle its cultivation, dispensing and distribution. Brad Borowski, D3 Church pastor, commented that the legislation seems young at this point and it may be prudent to wait before acting. Council member Billingsley asked Chief Dalley if he felt that a marijuana dispensary would have a big impact on the police department. Dalley replied no. Council member Mavity commented that the issue for her is how to best care for the people of the community. Her belief is that marijuana is here and the better view is to have input on its use. Mayor Stone read a letter submitted by Joyce and Torrey Sheen voicing their opposition to the cultivation and sale of marijuana. Stone said currently there is a request to allow cultivation and dispensary facilities thus it is important the City decides what to allow or not allow. Billingsley said the City has an obligation to hear plans and make an educated decision on how to proceed, which is why the City established the committee to report back to the Council with findings.

Council member Owens moved to not approve any kind of dispensary or cultivation of marijuana inside the City limits and to amend City zoning ordinances to prohibit recreational marijuana facilities. Council member Owens voted aye. Council members Mavity, Mendiola and Billingsley voted nay. Council member Brooks did not vote. Motion did not carry.

Council member Billingsley moved to approve marijuana cultivation and dispensary inside the City limits and to amend the City zoning ordinances to allow both medical and recreational marijuana facilities. Council members Mavity, Mendiola and Billingsley voted aye. Council members Owens and Brooks voted nay. Motion carried.

PUBLIC COMMENT:

There was no public comment.

The meeting was adjourned at 3:05 p.m.

Respectfully submitted,

Lorrie Haaglund
City Clerk

PASSED AND ADOPTED: June 18, 2019

VOTE OF COUNCIL:

AYES: Owens, Mavity, Mendiola, Billingsley

NAYS: _____

ABSTAIN: _____

ABSENT: Brooks

APPROVED:

ATTEST:

Richard Stone
Mayor

Lorrie Haaglund
City Clerk