

**LAPEER CITY COMMISSION
MINUTES OF A REGULAR MEETING
JUNE 1, 2020**

A regular meeting of the Lapeer City Commission was held June 1, 2020 electronically via GoToMeeting and at Lapeer City Hall, 576 Liberty Park, Lapeer, Michigan. The meeting was called to order at 6:30 p.m.

ROLL CALL

Present: Mayor Marquardt.

Commissioners: Atwood, Cattane, Osentoski, Pattison, Stroh.

Absent: None.

City Manager: Dale Kerbyson, present.

City Attorney: Michael Nolan, present.

Mayor Marquardt led the Pledge of Allegiance.

95 2020 06-01 AGENDA APPROVAL

Moved by Atwood. Seconded by Osentoski.

Approve the Agenda for June 1, 2020 as with the removal of item G-4.

ON A ROLL CALL VOTE:

Ayes: Atwood, Osentoski.

Nays: Cattane, Pattison, Stroh.

Absent: None.

MOTION FAILED 2-3.

96 2020 06-01 AGENDA APPROVAL

Moved by Cattane. Seconded by Pattison.

Approve the Agenda for June 1, 2020 as presented.

Commissioner Atwood asked for clarification as to why Item G-4 is on the agenda.

Mayor Marquardt stated that the Commission requested City Attorney Nolan to draft an ordinance to have a co-location for recreational marihuana.

ON A ROLL CALL VOTE:

Ayes: Cattane, Pattison, Stroh.

Nays: Atwood, Osentoski.

Absent: None.

MOTION CARRIED.

97 2020 06-01 MINUTES

Moved by Stroh. Seconded by Cattane.

Approve the minutes of the Regular Meeting held May 18, 2020.

ON A ROLL CALL VOTE:

Ayes: Atwood, Cattane, Osentoski, Pattison, Stroh.

Nays: None.

Absent: None.

MOTION CARRIED.

PUBLIC COMMENTS

City Clerk Romona Sanchez received an email from Mr. Sam E. Williams, Lapeer, requested his email be read into the record; *"I can't believe the Lapeer City Commission is planning on having hearings regarding the sale of Recreational Marijuana at this time, with everything else that is going on with the Covid-19 Coronavirus. I think they would have a full plate without adding this issue to the menu. What's in it for the City of Lapeer? Why do we want to be known as the "Pot Capital" of Lapeer County, when to my knowledge no other city, village or township within Lapeer County opted for the sale of Medical Marijuana??? We already have approval for six (6) Medical Marijuana establishments with four (4) currently open for business. I would hope all of the various law enforcement officials within Lapeer County would speak out against it. Rest assured I am, and will be doing so!"* Sam E. Williams – Lapeer.

Jeanette Osentoski, resident and business owner, about recreational marihuana being on the agenda and no concern for the struggling DDA businesses; no comments regarding the Governor's announcement; encourages the Mayor and Commissioners to step up and help out the businesses in the downtown area.

Aaron Geyer commented on the draft recreational marijuana ordinance; noted a couple errors in the document. There are two D-2, also and more to the point, 69-04 A(1), referees to a MRTMA license already being issued, needs to be rephrased. One cannot have a pre-requisite for an application that includes licensing by the State, because one cannot get a license from the State without having a license from the City first. Next, Mr. Nolan's idea was to grant some mechanism that allows the six (6) medical licensees to have some kind of co-location/vertical integration, which would allow his client to participate. COVID-19 has delayed their process; if ordinance is passed now, his client would not be able to get the recreational license.

Mike Bahoura, owner of Pure Lapeer, 1330 Imlay City Road, commented on recreational marijuana ordinance. To answer the question, how does this help Lapeer; he ran the numbers \$50,000-\$55,000 per licensed retail facility would be received by cities that have opted into recreational. This ordinance does not add more physical sites, allows the six (6) medical locations another avenue to work within the State requirements. Respects differing opinions, consider the options and don't lose the control by letting it go to a ballot initiative.

CONSENT AGENDA

98 2020 06-01 CONSENT AGENDA

Moved by Cattane. Seconded by Pattison.

Approve the Consent Agenda for June 1, 2020 resulting in the following:

1. Special Event Request from Lapeer Community Schools to hold a "Graduating Seniors Vehicle Cruise" on Thursday, June 4, 2020 at 7:45 pm beginning at the high school and proceeding the route as noted in the Special Event Application.

ON A ROLL CALL VOTE:

Ayes: Atwood, Cattane, Osentoski, Pattison, Stroh.

Nays: None.

Absent: None.

MOTION CARRIED.

99 2020 05-04 BILL LISTING FOR JUNE 1, 2020

Moved by Pattison. Seconded by Stroh.

Approve the Bill Listing for June 1, 2020 in the amount of \$804,714.82.

ON A ROLL CALL VOTE:

Ayes: Atwood, Cattane, Osentoski, Pattison, Stroh.

Nays: None.

Absent: None.

MOTION CARRIED.

PROCLAMATIONS, RECOGNITIONS AND RESOLUTIONS

None.

ADMINISTRATIVE REPORTS

100 2020 06-01 BUDGET AMENDMENTS FY 2019-2020

Moved by Osentoski. Seconded by Cattane.

Approve the budget adjustments for the FY 2019/2020.

Commissioner Cattane asked about the closed fund. Finance Director Hanna explained that it is money remaining in a fund after the debt has been paid and finalized and there is no reason for the fund to remain open, it is good practice to close it.

Commissioner Atwood commented that account number for the City Attorney fee has an increase of \$26,700 for additional fees related to marijuana which is related to the court case we are involved in. This increases the total attorney fees to approximately \$160,000 for the year.

ON ROLL CALL VOTE:

Ayes: Atwood, Cattane, Osentoski, Pattison, Stroh.

Nays: None.

Absent: None.

MOTION CARRIED.

101 2020 06-01 DELINQUENT SPECIAL ASSESSMENT

Moved by Pattison. Seconded by Stroh.

Approve adding the Special Assessment District Delinquent Installments as of May 1, 2020 to the 2020 Summer Tax Roll as authorized by City Charter.

Commissioner Cattane asked what the assessments included. Finance Director Hanna indicated that the Special Assessments billing is sent out in October of each year, and if the bill is not paid in full, the amount is then added to the tax bill as is the City's procedure.

ON A ROLL CALL VOTE:

Ayes: Atwood, Cattane, Osentoski, Pattison, Stroh.

Nays: None.

Absent: None.

MOTION CARRIED.

102 2020 06-01 ORDINANCE AMENDMENT: CHAPTER 19

Moved by Cattane. Seconded by Pattison.

Adopt the Amendments to Chapter 19, Offenses Against Public Peace, Safety and Morals Ordinance, of the General Ordinance of the City of Lapeer.

ON A ROLL CALL VOTE:

Ayes: Atwood, Cattane, Osentoski, Pattison, Stroh.

Nays: None.

Absent: None.

MOTION CARRIED.

103 2020 06-01 ORDINANCE AMENDMENT: CHAPTER 69

Commissioner Pattison introduced an Amendment to Chapter 69, Adult Use Marihuana Businesses and Facilities, of the General Ordinance of the City of Lapeer.

104 2020 06-01 INITIATION OF TEXT AMENDMENT

Moved by Pattison. Seconded by Stroh.

Approve initiation of Text Amendments to amend the Zoning Ordinance to allow Recreational Marihuana Facilities based on the same regulations as Medical Marihuana Facilities and to be consistent with the drafted Ordinance Chapter 69 as discussed.

Commissioner Osentoski asked for an explanation of the text amendment.

City Manager Kerbyson stated that the current ordinance only discusses medical marihuana; in order to move forward we need to add recreational to the ordinance.

Commissioner Atwood indicated that we are putting the cart before the horse as the City Commission has not made a motion to opt into MRTMA and yet we are working on amendments to Chapter 69 to allow recreational businesses. During public comments, Mr. Bahoura indicated that he had been working with the City for approximately 5 months, not sure who it is or who they have been working with. It appears there is a consultant that is steering the City outside of City Hall and something does not appear to be right with this. Has spoken up against this topic, however, he cannot let the City be used for what comes down to money.

Mayor Marquardt stated this is the first step, and this will go to the Planning Commission for a public hearing, then the ordinance amendment will be brought back to this Commission for a vote.

City Manager Kerbyson stated the Commission could wait until they approved opting in to recreational marihuana, however, that would take another two months for the Planning Commission to act, which would drag out the process. At which time we would have an ordinance in place, without guidance on how the facilities need to be operated. The City has requested this be on the agenda so that we can regulate the facilities like we regulate the medical marihuana facilities and treat them the same.

Caitlyn Habben stated that the technical differences are when there is an amendment to Chapter 69 that is a separate police power; as opposed to the request for the initiation that is with the Zoning Ordinance, Chapter 7. That comes from a different act which states every Text Amendment must go to the Planning Commission and must have a

Public Hearing, then it can go to the legislative body for approval. With medical marihuana we tried to do these in tandem as well, primarily because we don't want to have a licensing procedure that we stumble upon because it's not actually in the Zoning Ordinance where the Planning Department can do their portion which is getting them through the permitting process.

City Manager Kerbyson also stated that Commissioner Atwood was correct in stating that the Planning Commission worked for more than a year to get the details on how we wanted the facilities constructed and maintained.

ON A ROLL CALL VOTE:

Ayes: Cattane, Pattison, Stroh.

Nays: Atwood, Osentoski.

Absent: None.

MOTION CARRIED 3-2.

105 2020 06-01 REVIEW OF THE CITY COMMISSION RULES AND PROCUDURES

Moved by Pattison. Seconded by Osentoski.

Approve the Amendment to the City of Lapeer Rules and Procedures of the City Commission as presented.

Commissioner Stroh asked for clarification of the process. Finance Director Hanna, answered that the bill listing will still be sent to the Commission, however, we will no longer hold checks after they are processed. This will increase efficiency in the Finance Department. City Manager Kerbyson stated this would not change the transparency of the Commission at all.

ON A ROLL CALL VOTE:

Ayes: Atwood, Cattane, Osentoski, Pattison, Stroh.

Nays: None.

Absent: None.

MOTION CARRIED.

CITY MANAGER'S REPORT

City Manager Kerbyson stated the Lapeer High School parade will be Thursday, June 4, 2020, it should be a very nice event; Friday June 5 at the Library there is a planned, peaceful protest for racial and social indignities. In relation to marihuana revenue for the City, it appears that we will receive very little if any from the State of Michigan for the foreseeable future.

CITY ATTORNEY'S REPORT

City Attorney Nolan stated that he attended a *Zoom* hearing this morning and made a motion to dismiss the case with FB Lapeer. The increase in fees to the City Attorney has been the litigation. He will also follow up with Mr. Geyer relating to the public comment so that we have the best possible ordinance for the City.

UNFINISHED BUSINESS

106 2020 06-01 APPOINTMENT – DOWNTOWN DEVELOPMENT AUTHORITY

Appointment by Mayor Marquadt. Moved by Osentoski. Seconded by Atwood.

Appoint Jeff Hogan to the Downtown Development Authority for a term to expire 01-01-2021.

ON A ROLL CALL VOTE:

Ayes: Atwood, Cattane, Osentoski, Pattison, Stroh.

Nays: None.

Absent: None.

MOTION CARRIED.

PUBLIC COMMENTS

Glenn Alverson commented on recreational marihuana. The business side was presented tonight; need to look at the human factor. He would also ask that the Mayor and Commissioner take a look at the pros and cons so they can make a decision that will benefit the community.

Jeanette Osentoski, stated she implores the Commission to help out the DDA, this City as a whole is going to need help; dereliction of the duties of the Mayor's office; it would have been better to hear from the Mayor on how to help businesses during COVID-19 not draft a recreational marijuana ordinance; will inform the public letting them know what the Mayor has been doing for the last three months.

Mayor Marquardt replied to Ms. Osentoski, the downtown as well as the City is a very high concern of hers. She is not one to sit back and do nothing and has been very active within the DDA; being at all meetings including virtual ones with Jim Alt and all promotion and committees, planted flowers recently to make the downtown more beautiful and you are more than welcome to speak to anyone you want to.

Mike Bahoura commented that nothing nefarious has been going on; is working to improve his business. Is willing to send his figures to City that he has been working with relating to the State Excise Tax; businesses are going to be struggling and he is providing jobs to approximately 15 people and plans to stay in the City.

Gabe Parton Lee, general counsel of Northwest Confectioners, a medical marijuana processor seeking to operate in Lapeer stated they have all their permits in and will be renovating an unused building; employing 25 people with benefits. Thanked the Commission for consideration to amendment of Chapter 69. Is looking forward to being a good partner to the community; recognizes the opposition and will work to prove their worth.

DEPARTMENTAL COMMUNICATIONS

Monthly Departmental Reports received into the record as presented.

MAYOR/COMMISSIONER COMMENTS

Commissioner Atwood: Apologized to Mr. Nolan, didn't mean anything negative in his comments; does not feel the City is in collusion with anyone. He is trying to stay calm and cool and understand this process.

Commissioner Cattane: Touched by the actions of the Sheriff of Genesee County over the weekend; his ability to calm the anger; multiple cities had fire and looting; Flint had nothing. COVID-19 is not gone, it can come back. Wife works in the industry; he will be wearing a mask when we meet again in person.

Commissioner Stroh: Arts are continuing to struggle; good news today from Governor; art is the least expensive thing we can do when we need something uplifting. Gallery 194 will be doing a virtual artist every month; holding a summer show; audiences will be difficult to find anytime soon as they are not able to assemble. Thanked Mr. Nolan as we plow through these uncharted waters.

Commissioner Osentoski: Asked to close Nepessing a few times a week to allow the restaurants more seating; he is not against marijuana; wants to know how recreational is going to benefit the City of Lapeer.

Commissioner Pattison: We keep hearing comments about medical and recreational marijuana yet, we are limited on discussing marijuana because of the Open Meetings Act. Congratulations to the Classes of 2020; the parks are looking great.

City Manager Kerbyson: Mr. Bahoura made his point earlier; State of Michigan retains first \$20 million before anything is distributed; street closure in the DDA may have an issue with liquor, however, we working to get past that. We will continue to do virtual meetings until the Commission votes to remove virtual meetings; wear face masks if meeting is in the building; great fly over this weekend with a group of WWII planes.

Mayor Marquardt: Remind people that the reason the recreational marijuana was requested has to do with safety and voters passed this; additionally if there was ballot initiative passed, City would lose the opportunity to regulate those businesses; performed a marriage ceremony last week which was very exciting.

107 2020 06-01 ADJOURNMENT

Moved by Cattane.

Adjourn the regular meeting at 7:52 p.m.

Ayes: Atwood, Stroh, Cattane, Osentoski, Pattison.

Nays: None.

Absent: None.

MOTION CARRIED.

The regular meeting adjourned at 7:52 p.m.

Debbie Marquardt, Mayor

Romona Sanchez, City Clerk

Tracey S. Russell, Deputy City Clerk