

**PORTOLA CITY COUNCIL
MEETING MINUTES
February 10th, 2016
6:00 p.m.**

1. CALL TO ORDER

Mayor Pro Tem Larrieu called the meeting to order at 6:00 pm.

2. PLEDGE OF ALLEGIANCE

Mayor Pro Tem Larrieu led the Council in a moment of silence and the reciting of the pledge of allegiance.

3. ROLL CALL

Councilmembers Gault, Oels, VanDahlen and Mayor Pro Tem Larrieu were present. Mayor Powers was absent. City Manager Robert Meacher, Finance Officer Susan Scarlett, City Attorney Steve Gross and City Clerk Melissa Klundby were also in attendance.

4. PUBLIC COMMENT

Terry Woods made comment regarding a dog leash law in the City of Portola. City Manager Robert Meacher invited Ms. Woods to visit City Hall during regular business hours to get further information.

Larry Douglas read the Council a statement regarding economic development and promoted introducing Northern Pike and or other alien species back into Lake Davis as an alternative fishery, Mr. Douglas also commented on the lack of a public comment section at the February 9th Special City Council meeting and promoted disincorporation of the City of Portola due to the failure of its leadership.

5. CITY COMMUNICATIONS

A. City Council/Committee Reports

Mayor Pro Tem Larrieu reported that Mayor Powers will be attending the meeting late due to another meeting conflict. He further reported that he had attended the Plumas LAFCo meeting.

Councilmember Oels reported on his attendance at the Feather River Management meeting and that a grant for Turner Springs was in the final rounds of review with DWR.

Councilmember VanDahlen reported that the Emergency Services Policy Committee had met and were beginning revisions to the Fire Department policies and procedures.

B. Staff Communications

Robert Meacher reported the following items:

- Ponderosa Bowl fire debris cleanup is moving along, weather dependant.
- The Woodstove Changeout program is still being worked on by Air Quality with an anticipated rollout March / April
- Work is still being done on Golden Springs.

- Efforts are being renewed in regard to the arsenic wellhead, turner springs, and the CDBG sewer grant.
- Chuck Brashear, the CSO, is working on Muni Code violations and blight.
- Improvements are continuing to be made at West End Park.

Mayor Powers arrived at 6:10 pm and reported that he had just left a school Board meeting where they went over the first reading of the new student mental health policy which will be voted on next month.

6. CONSENT CALENDAR

- A. **Minutes** - Adopt the minutes of the City Council regular meeting held on January 13th, 2016.
- B. **Claims** - Adopt Resolution No. 2271 authorizing payment of claims for the period of January 10th, 2016, through February 5th, 2016.
- C. **Proclamation of Local Emergency Due to Drought Conditions in Portola, California** – Review Proclamation. Discussion and possible action.

Finding no Council or public comment, Mayor Pro Tem Larrieu made a motion to adopt the minutes City Council special meeting held on January 13th, 2016, adopt Resolution No. 2271 authorizing payment of claims for the period of January 10th, 2016, through February 5th, 2016; and to ratify the Proclamation of Local Emergency Due to Drought Conditions in Portola, California. Councilmember Gault seconded the motion and it was unanimously approved.

7. ORDER OF BUSINESS

- A. **Medical Marijuana Regulation** - Consider providing direction to staff regarding the preparation of an ordinance/program or a ban regulating medical marijuana cultivation, manufacturing, delivery, and dispensing in the City of Portola Jurisdictional Boundaries. Discussion and possible action.

City Manager Robert Meacher reported that the Special Meeting of February 9th was well attended and that the Council appreciated all of the public comment. Mr. Meacher reported that this issue is very complex and the Council should take its time reviewing this issue. City Attorney Steve Gross then gave an overview of the types of litigation that can occur from policies made regarding regulating medical marijuana manufacturing, delivery, and dispensing and reviewed the numerous areas that the Council can choose to regulate and control this industry. Mr. Gross also went over the types of impacts the Council should consider when creating policy regarding this issue. Mr. Gross concluded by saying that the new laws make it clear that the City has the ability to impose fees and taxes in relationship to commercial medical marijuana and noted that staff is looking for Council direction to determine if the Council would like staff to: a) spend time drafting appropriate ordinances regulating commercial medical marijuana in the city limits b) spend time drafting ordinance banning commercial medical marijuana in the city limits; or c) spend time further researching this issue for continued discussion.

Councilmember VanDahlen asked for comment from Sheriff Hagwood in regard to the impacts of a commercial cultivation of medical marijuana on the Sheriff Department staff. Sheriff Hagwood reported that if the City had strictly regulated commercial cultivation he does not foresee it impacting the Sheriff Department staff at all. Sheriff Hagwood reported that the majority of issues revolving around medical marijuana are from unsecured backyard grows. City Manager Robert Meacher noted that after November the City would need to begin looking at regulating personal medical marijuana grows.

Mayor Powers then asked for Public comment. Christi Goodman, resident and business owner at Lake Davis, commented that she would like to see the Council adopt regulations regarding commercial medical marijuana cultivation.

Larry Douglas, resident, commented that he is concerned with water usage and pesticides and would rather see the City have a medical marijuana dispensary. Larry noted that he does see a place in the County for commercial cultivation, but that the City is not an appropriate place for an agriculture business. Mr. Douglas also reported that he has a brother who lives in Pueblo Colorado, the location of a GroGeo cultivation site and that his brother reported there are numerous issues and problems associated with marijuana cultivation.

Mike Matus requested that the Council clarify whether 3 minutes or 5 minutes are allowed for public comment under the municipal code.

Jean Dansby, Real Estate agent for GroGeo, a commercial medical marijuana cultivation company, noted that she would like the City Council to make a bold move and allow commercial medical marijuana cultivation in the City limits.

Jason (last name unknown) reported he would like to see a medical marijuana dispensary in the City of Portola City limits.

Anthony Mollins, founder and owner of GroGeo, gave the Council a presentation on the type of facility he would like to build in the City limits. Anthony reported he anticipates hiring 20 local employees and installing a state of the art FDA inspected building.

Bruce Drager, associate of GroGeo from Colorado, reminded the Council that even if the state approved recreational marijuana, the City could still ban it within the City limits.

Terri Woods, resident and business owner, reported she is in support of commercial cultivation but recommended taking baby steps.

Zach Garrison, representative for GroGeo, showed the Council a short video on the Pueblo Colorado GroGeo facility and reported that he is working with Jean Dansby and Chris David to find a piece of property in the City limits for a potential commercial medical marijuana facility. Zach reported that GroGeo is state of the art, very professional business, and would love to assist the City in any way possible with the drafting of regulatory ordinances in regard to commercial medical marijuana cultivation. Zach also requested that the City issue a temporary use permit for a commercial medical marijuana cultivation facility while it drafted and reviewed a regulatory program.

Bob Morton, area resident, requested that the Council talk to the residents of the community and noted that he has overwhelmingly heard that the residents do not want commercial medical marijuana cultivation in the City limits. Bob noted that listening to the sales pitch of GroGeo was nice, but requested that the Council remember it is the residents of the City of Portola who have to live with this decision.

Mic Housel, area resident, reported that he is on the fence on this issue because he does not see anywhere within the City limits where a commercial medical marijuana manufacturing facility could be reasonable located. Mic reported that the County is a better fit and that the Council should take its time making this decision.

Mayor Powers closed public comment and asked for Council discussion. Councilmember Gault made a motion to allow Commercial Medical Marijuana Cultivation and Delivery in the City limits. There was no second and the motion died.

Councilmember Oels reported that he had asked over a 150 residents if they wanted commercial medical marijuana cultivation and delivery in the City limits and that every resident he asked responded that no, they did not want commercial medical marijuana cultivation, delivery or a dispensary in the City limits.

Councilmember VanDahlen reported that she is not 100% against commercial medical marijuana cultivation and delivery in the City limits, but that she would like further time and information.

Councilmember Larrieu noted he is not inclined to make any decisions on this issue until after the November general state elections.

Mayor Powers and Councilmember Gault were in agreement that they would like to begin crafting regulations.

Councilmember Gault made a motion to direct staff to review and draft sample regulations that could be incorporated into ordinances for commercial cultivation and delivery of medical marijuana in the City of Portola and to bring sample regulatory information back to the Council for further review. Councilmember Larrieu seconded the motion.

Mayor Powers asked for additional public comment.

Zach Garrison, representative for GroGeo, stated he would make himself available to assist the staff.

Ron Jacobson, teacher and resident of Portola, requested that the Council please look at this as a big picture issue and noted that the use of marijuana has gone up by 14% percent in states neighboring those that allow medical and recreational marijuana cultivation. Ron also noted that many neighboring states are suing the state of Colorado over its marijuana regulations. Ron reported he is speaking for the youth of the area and encouraged that Council to ban commercial medical marijuana cultivation.

Finding no further comment Mayor Powers asked for a vote on the motion and requested that staff bring the information back in approximately eight weeks. The motion was approved 4 to 1, with Councilmember Oels voting no; directing staff to review and draft sample regulations that could be incorporated into ordinances for commercial cultivation and delivery of medical marijuana in the City of Portola and to bring sample regulatory information back to the Council for further review.

B. **Finance Review** –Receive a finance review through January 31st, 2016. Review a tentative schedule for the upcoming budget process for 2016-2017Discussion, possible action.

Susan Scarlett, City Finance Officer, reported that a review of the cash balances in all funds had been completed. Susan reported that the Solid Waste fund currently owes 785,265 back to the General Fund for landfill closure and other expenditures, but that there is a revenue stream in the Solid Waste fund to pay this back. Susan also reported that CDBG money is currently being used on many ADA projects and that the Joy Way Vault project is currently on hold. Councilmember Gault questioned the order of funds expended and Susan reported that she would work with Public Works director Todd Roberts to gather more information and present a more detailed report of the funds currently being expended.

Susan also reported that Plumas County paid back the \$165,000 loan to the Water fund and that operating cash in the Water fund is in the black for the first time in several years. She then reported that property tax revenues continue to show a small decline and two sources of one time funds were discussed and will be reviewed again during the budget process. Susan presented a budget schedule for the Council to review and March 16th at 3:00 p.m. was set as Council/Staff goal setting meeting for the 2016-2017 budget process.

- C. **Surplus Property** – Resolution No. 2272, A Resolution of the City Council of the City of Portola Finding that Certain Property Owned by the City are Surplus to the City’s Needs and Directing that the Property be Sold. Discussion, possible action.

City Manager Robert Meacher reported that Public Works Director Todd Roberts has identified several pieces of equipment that the City no longer needs and requests that the Council declare them surplus so that they can be sold through a sealed bid process. Finding no Council of public comment Councilmember Larrieu made a motion to adopt Resolution No. 2272, A Resolution of the City Council of the City of Portola Finding that Certain Property Owned by the City are Surplus to the City’s Needs and Directing that the Property be Sold, through a sealed bid process with a minimum required bid as determined by staff. Councilmember Gault seconded the motion and it was unanimously approved.

8. CLOSED SESSION

- A. **Existing Litigation** - Pursuant to Government Code Section 54956.9(d)(1), City of Portola vs. State of California Department of Fish & Game, Case No. CV09-00065.

The Council took a five minute recess and reconvened in closed session. There was no reportable action from the closed session.

9. ADJOURNMENT

Mayor Pro Tem Larrieu made a motion to adjourn the meeting at 8:25 p.m. Councilmember Oels seconded the motion and it was unanimously approved.

Respectfully Submitted,

Melissa Klundby, City Clerk