

Board of Commissioners Meeting  
July 15, 2015

Present: Commissioner Steve McClure  
Commissioner Mark D. Davidson  
Commissioner Jack Howard

Chairman Davidson opened the meeting at 9:00 a.m. with all three Commissioners present.

Public Comments

Summer Activities Funding Request

Frank Thomas, Community Connections Public Transit Coordinator, came to the Commissioners with a Fair and Summer Activity funding proposal for 2015. He explained that this year's activities would be the Union County Fair, East – West Shrine Support, Highland Games and Cycle Oregon 2015. He is requesting \$4,387 in funding to provide transportation for these activities.

Commissioner Howard asked if he is working with the Chamber on any other routes for cycle Oregon. Frank explained that they go through downtown in order to hit the Chamber members.

**Commissioner McClure moved approval of funding project in the amount of \$4,387 as requested. Commissioner Howard seconded. Motion carried unanimously.**

Drought Declaration

Resolution 2015-13, In the Matter of a Resolution Declaring a Local State of Emergency within Union County Due to Drought Conditions and Requesting the State of Oregon Declare a Disaster and State of Emergency in Union County, was presented for consideration. J.B. Brock, Emergency Manager, explained that the primary factor causing the drought is significantly below average snowfall. He explained that the approval of this Resolution will request a State declaration and will request that all state and federal drought programs be made available to Union County citizens. He stated that the County has received a federal secretarial drought declaration which is automatic when certain statistical thresholds are reached. This Resolution is a local declaration requesting a state declaration.

Commissioner Howard asked if he is looking at climate change. J.B. explained that it is federally required to include climate change in the emergency plan. He stated that with the climate change there is an increase of events.

**Commissioner McClure moved approval of Resolution 2015-13 as presented. Commissioner Howard seconded. Motion carried unanimously.**

Surplus Vehicles

Doug Wright, Public Works Director, brought a request to surplus used equipment and vehicles to the Commissioners for consideration. He explained that the means of surplus

will be a public auction. All of the surplus equipment will be advertised in the local newspaper. The interested bidders will be required to deliver a sealed bid to the Union County Public Works Department by the closing date. There have been minimum bids established for each surplus item based on blue book value.

Commissioner Davidson asked what the process is for transferring to another local agency. Shelley Burgess, Administrative Officer, explained that under the Union County Purchasing Policies and Procedures under ORS 279 surplus property is identified and disposal methods are also identified. There are a number of opportunities for the County to dispose of the surplus property. Without competition that property can be transferred or sold to another County, Department or public agency. If there is an interested agency that agency can notify the County of their interest.

**Commissioner McClure moved approval to surplus County property as presented. Commissioner Howard seconded. Motion carried unanimously.**

#### Consent Agenda

**The June 4, 25 and July 2 claims journals for fiscal year 2014-15; and the July 2 claims journals for fiscal year 2015-16; and the June 3 and 24 Public Works claims journals for fiscal year 2014-15 were approved as presented on the consent agenda.**

#### Oregon Department of Transportation 5310 Grant

Shelley Burgess, Administrative Officer, brought the Oregon Department of Transportation Agreement # 30786 for the 5310 program to the Commissioners for consideration. She explained that these services are provided by Community Connections. This grant is for Union, Baker and Wallowa counties in the total amount of \$489,456 for the biennium. **Commissioner McClure moved approval of grant agreement #39786 as presented. Commissioner Howard seconded. Motion carried unanimously.**

#### Oregon Department of Transportation Drive Less Connect Grant

Shelley Burgess brought the Oregon Department of Transportation Agreement #30842 for the Drive Less Connect program to the commissioners for consideration. She explained that this grant was previously going directly to Community Connections. This grant now has to pass through a government agency. This is for a program that is provided by Community Connections and is for Union, Baker and Wallowa counties. **Commissioner McClure moved approval of grant agreement #30842 as presented. Commissioner Howard seconded. Motion carried unanimously.**

#### Unanticipated Funds Court Order

Court Order 2015-23, In the Matter of Appropriating Unanticipated Funds, was presented for consideration. Shelley Burgess explained that this Court Order would appropriate the unanticipated funds received from the Oregon Department of Transportation. The revenues and expenditures are equal because these funds are pass-through funds. This would appropriate \$150,000 towards the Section 5310 Funds and \$38,000 towards the Drive Less Connect Funds. **Commissioner McClure moved approval of Court Order**

**2015-23 as presented. Commissioner Davidson seconded. Motion carried unanimously.**

Local 701 Union Contract

Ashley Wilhelm, Senior Department Specialist II, brought an Agreement between Union County Public Works Department and IUOE Local 701 to the Commissioners for consideration. She explained that the agreement before the Commissioners has come after three days of negotiations. The Agreement is for a three year term. The first year of the Agreement there will be a 2% Cost of Living Allowance (COLA). The second year the COLA will have a floor of 0% and a ceiling of 3.5%. The third year COLA has a floor of 1% and a ceiling of 3.5%. The insurance costs will increase by \$75 each year within this Agreement. The vacation carry-over will increase to 30 days which is consistent with the other two labor union agreements. Ashley explained that these are all of the monetary changes that have been negotiated. This Agreement will go before the Union members for ratification this evening.

**Commissioner McClure moved approval of the Agreement as presented. Commissioner Howard seconded. Motion Carried unanimously.**

Review of 2015 Marijuana Legislation

Shelley Burgess presented the Commissioners with a summary of the 2015 Oregon Marijuana Legislation. She explained that this summary was prepared by Rob Bovet who is the legal counsel of the Association of Oregon Counties. She reviewed the summary with the Commissioners (summary attached to these minutes). Scott Hartell, Planning Director, explained that he is having a Planning Directors meeting on Friday with Rob Bovet from AOC. Commissioner McClure asked if the cities have to have the vote above 55% to have the option to opt out or is the countywide vote the number that is followed for the opt out option. Shelley explained that she is not sure but can get clarification. Commissioner Davidson stated that the retail taxation is the only taxation he is aware of that the State has allowed. He stated that he still has a lot of questions. On the tax 10% of the revenue goes to the cities and 10% to the counties but it doesn't say what it is based on. He wonders if it is per capita or sales statewide or within each county. He would like to have more information so it can be quantified before a decision to opt out or not is made. He explained that the local options only restrict the certain activities in the Bill within the County if the opt out is chosen.

Commissioner Howard stated that the restrictions that are put on Marijuana are serious. He feels the discussion should be had realizing that marijuana is still a controlled substance. Commissioner McClure stated that he feels it is a national issue. What concerns him is if a new administration comes in and decides they want to enforce the federal classification on marijuana it can cause a lot of problems for funding and in other issues as well.

Commissioner Davidson asked Scott Hartell, Planning Director, to discuss how the legalization of marijuana will affect the land use program. He stated that the county planning directors are having a meeting with Rob Bovet. He has written down the concerns

the Commissioners have to ask him during that meeting. He explained that there is not a significant impact in regards to land use within the County. Marijuana is a high value crop and will not be allowed to be counted in a high value farm income test to allow a dwelling. It cannot be used as a commercial activity in conjunction with farm uses. There will be a land use compatibility statement from OLCC that will be required to come through the Planning Department for any potential sites. There are some questions from the planning directors on locations for the activity to be used and if they can be done in conjunction with home occupations. Commissioner Davidson asked if there are any zones in unincorporated Union County that this type of activity will be suitable for. Scott stated that it can be used in the light and heavy industrial zones. Scott stated that there are no properties zoned that way within the County. Commissioner Davidson asked if there is any property in unincorporated Union County that a retail dispensary could be located. Scott stated that there is not. Scott explained that there are unincorporated rural community areas where there is more opportunity for retail to be done in those areas but the way the rules are written there is not a direct retail category permitted out right or conditionally.

Commissioner Davidson asked for any comments from the public about the issue.

Richard Kenton, 69465 Lance Lane, Cove, explained that he owns The Plant Works LLC. He stated that he grows native plants and is the largest employer in the Cove area. He pays people \$15 an hour or more for their labor. He is not a marijuana user except for recent medical reasons. He is interested in growing retail marijuana or leasing to someone who is interested in growing it. If the Commissioners opt out it leaves him with one less option for his business. It leaves the residents in Union County that use marijuana having to go somewhere else to get the marijuana. They will still use it. He understands the concerns on the federal level. Commissioner Howard asked how many employees Richard has now. He stated that he has eight employees. Commissioner Howard asked if he knew what kind of increase in employees he would have if he started growing marijuana. Richard stated he believes he would have about 30 employees because it is a highly intensive crop. Commissioner Davidson asked if Richard is within the Cove city limits. Richard stated that he is not within the city limits of Cove. He would be affected by the County's decision to opt out.

Brock Eckstein, City of Elgin, stated that the City of Elgin passed an Ordinance to opt out. He asked the County where that leaves the City if the County does not opt out. Commissioner Davidson stated that it is his understanding that the County's actions only effect the areas outside the incorporated cities. Commissioner Howard stated another concern is a patchwork of enforcement and non-enforcement in terms of law enforcement. He would like the County to coordinate with the mayors to see that there is a consistent policy throughout the County. Brock explained that he is concerned because the City of Elgin contracts for law enforcement through the County how the enforcement issues will be handled. Commissioner Davidson stated that this Bill is on the siting of commercial enterprises. It does not change the legality of possession or growing for own use or ability to use marijuana legally. He doesn't share Commissioner Howard's view of the mosaic being a problem. He feels that each community needs to make their own decision and he doesn't feel that it is a problem if they don't all make the same decision.

Sandy Roth, 69465 Lance Lane, Cove, stated that marijuana is being used heavily in the community. People are growing their own plants. If it is prohibited it will go back to the black market. There will be no tax receipts and no money to the County. She would like the community to talk to kids about the use of marijuana. The more that things are kept in the dark and illegal the more it gets used and then abused. She believes that as a business person she should have the option to use her business for this purpose. She asked the Commissioners to respect the will of the voters. Commissioner Howard asked if it is true that the marijuana crops in Oregon are cheaper than Washington. She is not sure of the cost of marijuana. If it is grown locally the users will know that it is safe.

Stacy Shown, 1503 Y Avenue, La Grande, explained that she is a volunteer with a faith-based organization. She works with families and addiction. They are working hard within the community to work on development and healthy parenting. When group homes came into the County that system was unregulated. There was an overstress to an already overstressed system in terms of social services system. She has concerns about the stress on the system from the marijuana legalization as well. She understands the economic revenue desire. From her experience working with Healthy Families program the money coming to the County is not going to meet the needs within the community. There are families that cannot get into drug counseling and no place for halfway houses for people who get addicted and want to quit to go. There are no resources here to provide those services. If this community endorses this more troubles will come into the community with no way to deal with them. She understands personal choice but she feels that the Commissioners need to look at the cost both socially and financially. Commissioner Howard asked if she has looked at the CATO Institute's study on Colorado marijuana legalization. Stacy stated that she has not. Commissioner McClure asked what the CATO Institute say on the social effects of legalization. Commissioner Howard explained that they say that there is exaggerated claims on proponents and opponents and the truth is somewhere in the middle. The impact of marijuana legalization has been pretty narrow and limited in its impact in Colorado. Stacy stated that it is not a long term study because it has not be legal for long enough to see how this plays out over a period of years.

Randy Lindsley, 703 South 12<sup>th</sup> Street, La Grande, stated that the CATO Institute is not a compelling study because marijuana was still under the control substance act. He would like the Commissioners to opt in to allow marijuana grows. There should be 30-50 individuals working per greenhouse depending on the size. The medical growers have a viable market within their own communities. He explained the testing that takes place on marijuana for mold and pesticides. The taxes are at 17% and 3% that municipalities can add for a total of 20%. The tax is collected into a pool and distributed based on per capita. Where would he put the importance of revenue production from the State on the sales on recreational marijuana. Randy stated that the revenue of taxes is crucial. He stated that the dispensary does a lot for the community as far as support and participation.

Robin Wortman, Union County Safe Community Coalition Coordinator, stated that one of the substances that the Coalition is concerned about for the youth is marijuana use. One of the things that they are told in their prevention training is that increase in access and

availability does increase youth use. The more that is available in an area the more youth will be using marijuana. The Coalition is concerned about that.

Rona Lindsley, 703 South 12<sup>th</sup> Street, La Grande, stated that it is a viable economic tool. The studies in Colorado have shown that DUI arrests and teen drug use numbers have fallen. She believes that the dispensary is providing a service to the community. She thinks that the County should move forward and see what kind of revenues they can receive from the tax.

Sherlyn Roberts, 909 Penn Avenue, La Grande, stated that she is a Coalition member and works in social services and she has a few anecdotal stories. She appreciates that Sandy talked to her kids about marijuana use but many parents are not proactive with that. She explained that over the last year she has worked with 45 families with children in the public school system. In a few of her cases the parents are not able to take care of their own children due to marijuana use so the older children were summonsed home to watch the younger siblings. Those children have drugs in their home and it is a way of life for them. She also has a student that was referred to her due to hygiene issues. The bathroom in the home was a growing room and unavailable to the children in the home. There are problems locally around the issue of marijuana. Her fear is that the more that is brought into the community the more access there is to the youth. She stated that it is important that there be services for them to have access to resources if they are addicted to the substances. She explained that 46% of the families she sees have admitted to her to heavily using marijuana.

The Commissioners will continue the discussion with an Ordinance at a later commission meeting.

Adjournment

The meeting was adjourned at 11:23 a.m.

Respectfully Submitted,



Ashley Wilhelm  
Sr. Dept. Specialist II

**Brief Summary of 2015 Oregon Marijuana Legislation***As of July 7, 2015***1. House Bill 3400 (Omnibus Bill)****A. Local Option (Sections 133 to 136)**

- Provides two paths for local opt out of any one or more category of marijuana businesses. There are four retail categories (producer, processor, wholesaler, retailer) and two medical categories (processor and dispensary):
  - 1. Opt out by action of the county or city governing body for counties, and cities in counties, that voted against Measure 91 by at least 55 percent (Baker, Crook, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wheeler).
    - Opt out must be done within 180 days of the effective date of HB 3400A.
    - Grandfathering for existing medical processors and dispensaries that have successfully completed the local land use process.
    - If a county or city opts out of any category, local option tax (*see* below) is prohibited, as well as disqualification for shared state tax revenue (*see* below).
  - 2. Opt out by local vote referred by any county or city governing body.
    - Temporary moratorium until election.
    - Election must be held at the next general election (November of even-numbered year).
    - Grandfathering for existing medical processors and dispensaries that have successfully completed the local land use process.
    - If a county or city opts out of any category, local option tax (*see* below) is prohibited, as well as disqualification for shared state tax revenue (*see* below).

**B. Local Time, Place and Manner Regulations (Sections 33 and 89)**

- Clarifies reasonable time, place and manner regulatory authority over marijuana businesses.

**C. Land Use (Section 34)**

- Marijuana given status as a farm crop.
- In EFU zones, prohibits farm stands, farm commercial activities, and new farm dwellings based on marijuana crops.
- Allows counties to permit marijuana crops in farm and forest zones, similar to EFU.
- Requires a completed Land Use Compatibility Statement (LUCS) from local government prior to issuance of marijuana business license by OLCC.

**D. Local Option Tax (Section 34a)**

- Allows local tax on sale of retail marijuana items, if approved by local voters at a general election, not to exceed 3 percent.
- Prohibits local option tax if city or county prohibits any category of marijuana business.

**E. OLCC**

- Expands powers and duties relating to regulation, investigation, and enforcement with regard to OLCC licensed marijuana businesses.
- Requires handler permit for employees of retail marijuana businesses that handle marijuana.
- Requires a seed-to-sale tracking system.
- Allows OLCC to require age verification scanners for licensed retail stores.
- Provides for state licensed testing laboratories to test all retail marijuana products.
- Provides for packaging, labeling, and dosage standards.
- Provides for state certified public and private research facilities.
- Allows medical marijuana growers to opt-in to the retail marijuana supply chain to sell excess medical marijuana, subject to licensing and regulation by OLCC.

**F. OMMA***Tracking*

- Requires registration and tracking of all grow sites, processing sites, and dispensaries in an OHA database.
- Requires designated growers, processors, and dispensaries to submit monthly information to the database regarding amounts possessed and transferred.
- Permits law enforcement, and city and county regulatory agencies, to access database, except for transaction information, which requires a subpoena.

*Growers and Processors*

- Requires registration of designated grow sites and processing sites.
- Prohibits persons convicted of certain drug crimes from being the designated person responsible for a site.

- Authorizes OHA to inspect sites, and records related to those sites.
- Authorizes OHA to revoke the registration of a site for violation of the OMMA, or local time, place, and manner ordinances.
- Limits the number of plants that may be grown at a single address:
  - 12 mature plants in residential zone in city, with up to 24 for grandfathered sites.
  - 48 mature plants in all other zones, with up to 96 for grandfathered sites.
- Allows designated grower to possess usable marijuana at the rate of 12 pounds per mature outdoor plant, and 6 pounds per mature indoor plant.
- Allows cardholder to assign a portion of the cardholder's possession rights to their designated grower.
- Prohibits marijuana extract processing sites in residential zones.

#### *Dispensaries*

- Authorizes OHA to revoke the registration of a dispensary for violation of the OMMA, or local time, place, and manner ordinances.
- Prohibits dispensaries in residential zones.
- Allows dispensary to remain registered if a school opens within 1,000 feet of the dispensary after the dispensary is already operating.

#### *Products and Testing*

- Provides for testing of all marijuana items, and requires testing laboratories to be licensed by OHA.
- Provides OHA with regulatory authority over testing, and the production of edibles, extracts, concentrates, and other products.
- Imposes requirements for labeling and packaging.

### **G. Further Reduction in Marijuana Offense Levels (*see* separate pamphlet)**

#### **2. Senate Bill 460A ("Early Start")**

- Allows medical marijuana dispensaries to sell limited marijuana retail products, beginning October 1, 2015
  - Seeds.
  - Dried leaves and flowers.
  - Plants that are not flowering.
- Limits amount that can be sold to each customer.
- Allows cities and counties to prohibit these retail sales by ordinance.

#### **3. House Bill 2041 (Retail Taxation)**

- State tax on sale of retail products, in lieu of Measure 91 tax on grower products:
  - 17% tax rate (but see "Early Start" special rate below).
- Retains net distribution formula from Measure 91
  - 40% to the Common School Fund.
  - 25% to substance abuse treatment and prevention.
  - 15% to the Oregon State Police.
  - 10% to cities, and 10% to counties, to assist with enforcing Measure 91.
- Disqualifies a city or county from receiving any distribution if the city or county prohibits any one or more of the six categories of marijuana business licenses.
- "Early Start" special tax rate:
  - 25% tax rate, beginning January 4, 2016.

#### **4. Senate Bill 844 (Miscellaneous)**

- Research task force
- Reduces expunction waiting period from three years to one year for person adjudicated or convicted of marijuana offenses when they were under 21.
- Changes OMMA "agitation incident to Alzheimer's disease" qualifying condition to "a degenerative or pervasive neurological condition."
- Allows certain medical organizations to be a designated OMMA caregiver.
- Prohibits transplant hospitals from discriminating against OMMA cardholders.

#### **5. Senate Joint Memorial 12 (Urging Congress to Declassify Marijuana)**

- Urges Congress to declassify marijuana, so issues relating to research and banking can effectively be addressed.