MINUTES
Committee of the Whole
Monday, June 12, 2017
City Council Chambers

CALL TO ORDER
Council President Spitzley called the meeting to order at 5:30 p.m.

PRESENT
Councilmember Brown Clarke
Councilmember Kathie Dunbar-arrived at 5:33 p.m.
Councilmember Tina Houghton
Councilmember Adam Hussain
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood
Councilmember Jessica Yorko- arrived at 5:38 p.m.

OTHERS PRESENT
Sherrie Boak, Council Staff
Eric Brewer, Council Internal Auditor
Jim Smiertka, City Attorney
Brandon Waddell, Assistant City Attorney
Heather Sumner, Assistant City Attorney
Randy Hannan, Mayors Executive Assistant- arrived at 6:17p.m.
Angela Bennett, Finance Director – arrived at 6:12 p.m.,
Deb Parrish
Elaine Womboldt
Nancy Mahlow
Scott Duimstra, CADL Executive Director
Michele Brussow, CADL Librarian
Melissa Cole, CADL Librarian
Jean Bolley, CADL Librarian
Thomas Lavene
Tim Damon, Lansing Area Chamber of Commerce
Steve Japinga, Lansing Area Chamber of Commerce
Jack Davis
Ray Taggerson
Stan Shuck

Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM MAY 15, 2017 AS PRESENTED. MOTION CARRIED 6-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM MAY 22, 2017 AS PRESENTED. MOTION CARRIED 6-0.

Public Comment

Ms. Parish spoke in support of what the CADL offers, and then asked Council to perform a deep search into the vacancy report.

Ms. Mahlow acknowledged Council for the recent attendance at a benefit for her family.

Ms. Womboldt spoke the agenda item for the medical marihuana ordinance amendments and supported the work the Committee on Public Safety had done. Ms. Womboldt then asked the Committee to not even consider the notes from the D & P draft and only hold the discussion on the draft 6d from Public Safety.

Mr. Schuck spoke in opposition to the progress on the moratorium and home occupation registration.

Presentations

CADL Annual Report Presentation

Mr. Duimstra provided introductions and went through the CADL annual report with the Committee. Ms. Brussow provided an overview of the recent renovations at the downtown location, which came in under budget she noted. Ms. Cole, as the South Lansing Director, spoke to the Committee about the patron computer usage, which is 65% of the total computer usage in the system. She noted a new service in 2016 where residents can print from anywhere, and send to the library. Lastly, Ms. Bolley highlighted all the services and programs for the children, and addressed summer programs that run through August 19th. Further information can be found on www.cadl.org. Mr. Duimstra concluded the presentation by highlight their upcoming campaign, “Take Us with You”, and the digital key overdrive and digital card programs.

{CLOSED SESSION}

MOTION BY COUNCIL MEMBER WOOD TO GO INTO CLOSED SESSION AT 6:05 P.M. ROLL CALL VOTE 8-0.

Ratification of Wage Reopener Agreement in the CCLP Non-Supervisory Unit 2015 – 2019 Collective Bargaining Agreement

{RECONVENE}

Meeting reconvened at 6:11 p.m.

Discussion/Action:

RESOLUTION - Ratification of Wage Reopener Agreements in the CCLP Non-Supervisory Unit 2015 – 2019 Collective Bargaining Agreement

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLTUION FOR RATIFICATION OF WAGE REOPENER AGREEMENT IN THE CCLP NON-SUPERVIOSRY UNIT 2015-2019 COLLECTIVE BARGAINING AGREEMENT. MOTION CARRIED 8-0.

DISCUSSION - FY2017 3rd Quarter General Fund Status Report and Vacancy Report

Ms. Bennett distributed the vacancy report, and then referenced the 3rd quarter report, which ended in March, 2017. The report does a comparison of the previous 3 years, and a collection pattern. The 3rd quarter is up from expectations, most notably in the property tax, and the income tax continue to be strong and exceed expectations. As for the revenue sharing there are higher amounts from the State for certain programs.

Council Member Hussain stepped away from the meeting at 6:15 p.m.

Ms. Bennett continued stating that the revenue side is strong and in line with projections on the budget side. She added that on the expenditure side, most items are on target however one item in the Clerk's office is changed for the timing of an election. This will be seen in the Council meeting during their referrals where there is a budget amendment being referred.

Council Member Hussain returned to the meeting at 6:17 p.m.

Council Member Wood asked about the return on equity, and if they have looked into quarterly payments. Ms. Bennett stated there are 2 payments, and she will have a discussion on the suggested quarterly payments. Council Member Wood then asked about a projection on the revenue sharing, which Ms. Bennett stated that in the report it is not revenue sharing but "bad driver fees" were more than projected.

Mr. Brewer had no comments.

Ms. Bennett then moved the discussion to the recently distributed vacancy factor report, with a projection of $634,000. Council Member Wood asked if this exceeds the vacancy factor, and Ms. Bennett acknowledged they look at meeting in terms of allocating, but at this time she was not able to provide, but will look into it. Council Member Wood reiterated earlier meetings questions on the amount and number of staff offset by contract. Ms. Bennett stated that the positions projected are attributed to the vacancy factor, and those positions that are filled by contract. Council Member Wood asked for a dollar amount on the savings if the position is being filled by contract. Ms. Bennett stated that would call for a more in depth analysis, and they determined that if they are on track, they consider those off-set. Council Member Wood asked Ms. Bennett to meet with and work with Mr. Brewer for the additional information. Council President Spitzley also recapped an earlier question on the positions that state "on hold" and asked for the report to reflect the time line it was on hold, and the status of filling it.

DISCUSSION – Ordinance Amendments; Chapter 1300 Regulation and Licensing of Medical Marihuana Establishments

Council President Spitzley recapped that at the last regular Council meeting Council Member Hussain provided a complete dissertation on how the Committee on Public Safety got to the version #6D. Council Member Hussain acknowledged all Councilmembers who served on that Committee, then stated his understanding of this meeting to look at the version marked D & P, and discussion why items were included and why items were taken out. Council Member Brown Clarke noted that the D & P version was #6D with some items taken out, but the version reflected a "strike-out" version, which she had reconciled with Law. She then referred to a memo she distributed earlier that highlighted the 6 items (attached). All other items in the D & P version were done for clarity. Council Member Wood asked if the D & P version had been approved by the D & P Committee, and which Council Member Brown Clarke noted it was not formally agreed upon, but they talked collectively, and from that discussion, comments sent to her, a review of items with the City Clerk and the City Attorney office created the D & P version. Council Member Washington stated her opinion that the D & P versions are just notes because it was not vetted by the Committee, and now it should be gone through by the Committee of the Whole and sent back to Public Safety to consider those. Council President Spitzley reminded the Committee that any Council Member can bring forth suggested changes and amendments, and at this point it does not matter whose those are in D & P version. Council Member Houghton admitted that the D & P version was not vetted at Committee however she did send comments to Council Member Brown Clarke to incorporate. Council Member Yorko also noted that in that Committee the Committee did go through the ordinance in a lengthy process. Council Member Hussain pointed out that during that process it was no discussed but highlighted for zoning items.

Council President Spitzley asked Council Member Brown Clarke, as D & P Chairperson to go through the D & P version. Council Member Brown Clarke first noted that 6D and the highlighted items in 6D were incorporated in D & P version, and she did not remove anything but showed the recommended "strike-out" and in red recommendations. She continued that these were done in discussions with the City Attorney who has attended week long workshops on the topic. It was also stated that the recommendations were based on best practices across the nation. Council Member Brown Clarke then referred everyone to the first item on her memo, which addressed the creation of the Commission, on page 8.

The Committee discussed earlier recommendations at the Committee on Public Safety by Law where they had originally proposed a Commission, then told the Committee they recommended it be removed because the State also had one, so it was duplication and the City might not even need it. It was also stated that Law at those meetings suggested the City would have a hard time finding people to sit on the Commission.

Mr. Smiertka admitted that there has been a fluent process, and the failure at the State level at one time or another to appoint a Licensing Board, required him to request a 60 day pause period. Over the last 7 months he stated he has attended LARA conventions and listened discussions on considerations on making this consistent with the new Facilities Licensing Act. He also wanted it known that no one should confuse the referenced Draft 7 from his office with an outside organization version titled Draft 7. Back on the topic of the Commission, Mr. Smiertka noted that LARA informed everyone that they would probably not have rules for their Licensing Board until 2018, so his office went with the City Clerk approach and reserved Section 1300.3 for a future Commission. Mr. Smiertka concluded to the Committee that a Commission is the political decision, and how that commission gets established is also something they decide. The argument in favor of a Commission is a built on due process to protect the Clerk. If there is a Commission, they will institute the Clerk to set up their process.

Council Member Brown Clarke stated that during the public discussions at Public Safety the topic of the Commission was discussed, and the topic of the City Clerk in that role was also discussed. Her opinion was to put back in the Commission as the best practice, and she also noted that the State model has an external process, so her amendments were just taking a page out of the State to be in alignment. Council Member Washington admitted she did not have an issue with a Commission, but more of an issue with who is on the Commission. Her opinion was also that Law should have informed Public Safety of the changes and she was fine with Council Member Brown Clarke bringing forward now.

Council Member Dunbar stepped away from the meeting at 6:53 p.m.

Mr. Smiertka acknowledged communications he had with the Committee on Public Safety on what he was finding at the LARA conferences. He reminded the Committee again that it is a policy issue they need to decide on, and going back to no Commission but the City Clerk is legal also.

Council President Spitzley called for a motion to incorporated 1300.6 from D & P version into Draft 6D.

Council Member Washington again confirmed she was okay with a Commission, but wanted further discussion on the membership. She spoke in opposition to all of them being appointed by the Mayor, and preferred 4 neighborhood members to be referred by the Ward Councilmembers to the Mayor. She also noted that she was not in favor of the proposed two members from the tri-county area, as noted on page 8 in the D & P version. Council Member Hussain suggested one from each Ward. Council Member Wood noted that in Public Safety there was a discussion of a member with business experience. She then encouraged the Committee to look at the version that went before the Committee on Public Safety that had the Commission in it. Council Staff provided the Committee with page 8-9 of Draft 6a dated 2/13/2107 which included City Attorney February 2017 changes.

Council Member Dunbar returned to the meeting at 6:54 p.m.

Council Member Brown Clarke explained that the "tri-county" was listed that way because sometimes they don't live in the City and she wanted to make sure the advocate represented the tri-county area, noting that there are not a lot of people who have that expertise. Council Member Washington said she would support that if they cannot find one in the City of Lansing. Council Member Houghton supported the Tri-County because parts of the City are in Eaton County.

Council Member Dunbar referenced the City Clerk memo (attached) and asked if the expert issues be done administratively as opposed to a citizen, and with an advocate from the City, does the Council want to see preferential treatment.

Council President Spitzley spoke in support of appointments with the Administration and consent of Council, and encouraged that to minimize a conflict of interest; there should be two members that are patient advocates. Council Member Washington supported the concern on a possibility of preferential treatment if involved, but was still opposed to all appointments by the Mayor, addition she had no issue with the specialist and the advocates recommended by the Mayor, but the neighborhood representatives should be recommended by a Council person.

Council Member Yorko was not in full support of a Commission, referencing other licensing entities such as the Health Department for food, where things are all handled administratively.

Council Member Brown Clarke supported her recommendation for a physician for the health perspective.

Council Member Hussain, in support of the City Clerk in that role, noted to the Committee that the process includes a review of the application by Fire, Police, Planning, and other City vetting. He then read from 6a, Section 1300.3 lines 30-36.

Council Member Yorko stepped away from the meeting at 7:21 p.m.

The Committee reviewed the versions that spoke to the duties of the Commission in 6a and the role of the physician, and the impact.

Council Member Washington stepped away from the meeting at 7:24 p.m.

Council Member Houghton supported the Commission from Draft 6a, but on line 40 of that version adds in "at large".

Council Member Wood requested the physician be a non-voting member.

Council Member Washington returned to the meeting at 7:26 p.m.

Council Member Dunbar referred the Committee to the recent memo from the Clerk's office. (attached).

Council President Spitzley paused the discussion and invited the representatives from the Lansing Chamber of Commerce to the front for a presentation that was intended to occur at the Council meeting, which was delayed due to this meeting.

City Council 2016 Community Service Pioneer Award – Blue Ribbon Committee to Keep General Motors in partnership with the Lansing Regional Chamber of Commerce

Mr. Damon introduced Mr. Tagerson and Mr. Davis who collectively presented the award to Council President Spitzley recognizing the City Council for their efforts to retaining General Motors in the City, and also recognized the community partners. Council President Spitzley accepted the award and spoke briefly on the accomplishments and progress of GM and the City.

Council Member Yorko returned to the meeting at 7:32 p.m.

Mr. Hannan acknowledged everyone in building on the success.

Council Members acknowledged the Chamber, GM workers, and spoke briefly on the documentary movie and book about the site called "Second Shift".

DISCUSSION – Ordinance Amendments; Chapter 1300 Regulation and Licensing of Medical Marihuana Establishments- CONTINUED

Council President Spitzley moved the discussion back to the topic of a City Medical Marihuana Commission. This involved the consideration of Version 6a in Public Safety with 8 members, one from each Ward and one recommended from each At-Large Council Member. Council Member Houghton suggested that Council recommend 8 members, each Council Member making a recommendation, and the sitting Mayor would choose 4. Council Member Hussain suggested 7 members, with a physician as an ex-officio member. Council Member Washington suggested no recommendations from the At-Large members, but one represented from each Ward. Council Member Dunbar recommended an uneven numbered Commission, such as 7 or 9 members, and that she agreed with Council Member Washington on 4 from the Wards, since the At-Large Members live in those Wards. Council Member Brown Clarke acknowledged her understanding of their request of no At-Large; however this could open it up to more than one from one Ward.

Council President Spitzley suggested a special Committee of the Whole Meeting be scheduled to have further discussion on the complete ordinance. Council Member Wood asked Law to look at the physician's liability before the next meeting.

Mr. Smiertka explained to the Committee and public that the Council serves as the legislative bureau, and any Council Member or group can draft an ordinance with their suggestions, and Law will help them draft that. In the end, it is Council that makes the policy decisions.

Council Member Brown Clarke spoke in support of the physician because they are the ones giving the medical marihuana card, and she saw no conflict. Council Member Wood disagreed with her, stating that the physician only recommends, and can't prescribe so there could be a benefit.

Council President Spitzley reiterated Mr. Smiertka statement that the City does have the responsibility to the public, and any Council Member can bring forward changes or recommendations. All members may not agree, which they have the right as a Council M, but their job is to vet those changes, vote on it and move on.

The special meeting date and time will be agreed upon at a later time.

Adjourn

Adjourned at 7:46 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by Committee on June 26, 2017

Every city that addresses the medical marihuana industry needs to respect the vote that made this market possible. We are no different and need to stress our desire to create a safe and fair process. This requires due diligence, strategic planning and thinking, and transparency. Lansing's patients deserve access to quality businesses and safe products.

Merit-based systems, primarily associated with medical programs, have proven successful in Washington, California, Colorado, Oregon, New York, Minnesota, Nevada, Illinois, Hawaii, Maryland, and Connecticut. They encourage quality-driven applications, and reward those with business expertise and strategy resulting in:

- High-end and sophisticated operations as a whole
- A competitive processes: External review of applications, scoring methodology, and rubric required
- Tested and branded product lines ensuring patient safety

This strategy ensures less litigation between applicants and the city, increases community benefits, and provides a greater opportunity for economic development. Lansing, under a merit system, has the opportunity to make a positive economic impact with state-specific stipulations that reward applicants with business strategies aligned with Michigan Laws.

For your convenience, I have cross-walked the key difference between the two Medical Marihuana Ordinance Drafts.

D& P Draft #1	**Draft 6D**
Establishment of Medical Marihuana Commission – Page 8	***City Clerk Issues Licenses***
Pro: Lansing's Medical Marihuana Commission reflects a *best-practice* model of the above-stated eleven states, not including the our own State of Michigan model where Governor Snyder implemented with his independent Medical Marihuana Licensing Board, housed within the Department of Licensing and Regulatory Affairs (LARA), which will be the State' medical marihuana oversight agent and housed here in Lansing. The one-, two- and three year appointments to Lansing Commission reflect the state's Licensing Board Key example: **The Maryland Medical Cannabis Commission** (MMCC) develops policies, procedures, and regulations to implement programs that ensure medical cannabis is available to qualifying patients in a safe and effective manner. The MMCC oversees all licensing, registration, inspection, and testing measures pertaining to Maryland's medical cannabis program and provides relevant program information to patients, physicians, growers, dispensers, processors, testing laboratories and caregivers.	The city clerk issue a license for a medical marihuana establishment only after the city clerk determines that the application and proposed facility are in compliance with the terms, conditions, and provisions of this chapter. Con: This task is beyond the scope of the City Clerks Office responsibilities and expertise, and therefore creates a undue burden on that office.
Established Licenses Capped at 25 – Page 19	***Limited by Zoning***
The maximum number of licenses issued for medical marihuana provisions centers shall be capped at twenty-five (25), and implemented in a two-phase process in order to balance serving patients' needs and spreading economic development. (1) Phase one: at the conclusion of a sixty (60) day enrollment period set by the city clerk, the city will issue 20 licenses to allow for an efficient and manageable administrative review. (2) Phase two: at the conclusion of a second thirty (30) day enrollment period, set by the clerk, which is open to new applicants	Licenses are limited by approved zoning. Based on current zoning map, the number of provisioning center would exceed 25.

and amended applicants, the commission may issue up to five (5) additional licenses. During the two-phase process, an application submitted during phase one and approved by the clerk, but not selected for approval during phase one may be considered for approval during phase two. The commission will initiate phase two within one year of the start of phase one.	
Established Financial Viability – Page 16	***Unspecified Financial Viability***
• Must show minimum net worth of $100,000 • Must show proof od either a surety bond n the amount of $50,000; **<u>or</u>**, the creation of an escrow account in the amount of $20,000 approved by the City Attorney's Office	• Provided an overview of financial viability, but no specific dollar amounts
Buffering, dispersion, and zoning requirements – Page	
For the purpose of calculating the buffering and dispersion requirements, this language reflects the same calculation/formula for distance as the Department of Licensing and Regulatory Affair uses for retail alcohol establishments.	Not consistent with state practices
Appeals Process – Page 37	***Refers to an appeals process***
Established a detailed appeals process	References an appeals process, no details

RECEIVED
JUN 12 2017
LANSING CITY COUNCIL

Chris Swope
Lansing City Clerk

MEMORANDUM

TO: City Council President Spitzley and Council Members

FROM: Chris Swope, City Clerk

SUBJECT: Concerns with Medical Marihuana Ordinance Draft No. 6D

DATE: 6/12/2017

After reviewing Draft Ordinance No. 6D, I wanted to share my concerns with the current draft of the Ordinance since my office has been designated to oversee the licensing process. I certainly appreciate the diligent work done over the years to serve the diverse needs within our City.

Below is a list of concerns with regards to the evaluation and application process.

- **Return of the Commission to make a determination**

  I believe that the approval process would less likely be subjected to a lawsuit with a diverse commission to further document the due process. My office would certainly be able to staff such a commission and oversee the application process due to the additional staffing provided.

- **Subjective Evaluation Criteria- Section 1300.6 –Section 2B and Section 3**

  Evaluation criteria include text such as "negatively impact the character and aesthetics;" "positive community outreach;" and "significant improvements" (2B) and "good character, honesty, and integrity" (3). These may be considered as subjective rather than objective.

  If more objective criteria are used, it could reduce claims of "bias" in future lawsuits. Also, I believe the criteria should be similar to other business licenses and state law.

- **Local License will be granted upon approval of State license**

In order to better coordinate with the state license process, I recommend that the Ordinance be revised to provide that a license is only given upon the applicant receiving a license from the State of Michigan. As already stated in the Ordinance draft, an applicant would receive a "Certificate of Approval" which they could provide as proof to the State agency that they have received local approval.

- **Multiple Experts will be required to review Application at a Cost to the City**

Within the Ordinance, there are sections of the application that would require a hired expert to review them to determine the level of quality. The cost of an expert would be incurred by the City which might outweigh the benefit. In addition, these documents are not requested for any other type of business license which could be grounds for a lawsuit

Section 1300.5 - Section 11 – Business Plan
Section 1300.5 - Section 13 – Security Plan
Section 1300.5 - Section 17 – Sanitation Plan
Section 1300.5 - Section 19 – Contaminant Testing Procedures
Section 1300.5 - Section 21 – Business Plan Funding
Section 1300.5 - Section 23 – Cultivation Plan

If these sections are included in the final version, I will request an additional budget item in order to pay for the experts' time to review the application

Again, I want to thank the Council members for their efforts to engage with all stakeholders during this process. I am open to speak with any of you regarding these concerns as the legislative process continues.