



NORTH BONNEVILLE CITY COUNCIL

Mayor Brian Sabo
Councilmember Terry Norris
Councilmember John Acton

Councilmember Travis Randall
Councilmember Judie Whitcomb
Councilmember Margie Lee

North Bonneville Workshop Agenda March 13th, 2018 6:00 p.m.

Council Workshop

Workshop Meeting Call to Order

Roll Call – Present: Mayor Sabo, Councilmembers Acton, Randall, Norris, Whitcomb. Late: M. Lee

Unfinished Business

New Business –

- PDA Board budget and plan discussion

Present: Board members Mike Baker, Dan Smith, and Adam Schaeffer, along with Robyn Legun and Atty. Tunis Wyers.

Council asked for PDA board to present numbers and ideas for future planning and transparency with the council. B. Sabo – Got a call from a negotiator- told her we were going to try to work things out on our own without mediation. M. Baker- mediator would be helpful, no cost to anybody. B. Sabo – I think we just need to work out a business plan. T. Randall – for the future, there are other offices along evergreen for other, more inexpensive options. M. Baker – I don't see anywhere in the ordinance/charter that says the council supervises our business plan. We have a 30 page business plan John Spencer created. I don't think we should have city council engaging in the details of how we run our business. T. Norris – partially true, but the charter/state says we are to oversee the business runnings, not micromanage. We are to make sure the pda is running well. Tunis W. - Addressing the history in the last year. Key player was John Spencer, did business plan, travelled to CO to see other cannabis runnings. He projected gross revenue in 2015 of a little above 2 million dollars. 2016 and 2017 projected over 4 mil. Actual numbers were 2015 were 1.2 mil, and 2016 was 1.5 mil, 2017 was 1.4 mil. With those projections it seemed more doable. In 2017 start- owed 288k. 203 was at 15%, 35k at 12.5%, 50k at 10%. All with balloon pmts. by July 2019. Now total debt is 204k- reduction of 84k. 140k with Fern at 10%.. 900/mo., Paying toward principal on that loan. Rest is to Sally Spencer- 2k per month to address principal- 80k by Dec 2019. Current obligations to our lenders. 2017 brought obstacles- fire, other new shops, storms, etc. Reasons, not excuses for business being down. Robyn is well versed in retail sales. We are all very invested in the success of the board. Appreciate our conversations and hoping we can work together to make this succeed. If city decides the problem is that they just don't want a pot shop, I guess just cut us off right now. T. Norris – We've heard all that, not here to chop heads. Here to discuss a business plan, deadline, improving business, etc. The buffer rule can be passed to increase your options for moving after the lease. We want to help, just don't want the negative direction. M. Baker – We've been doing marketing - t-shirts, promotional items, changed inventory methods. Trying to adjust to market and get consistent profit. We chose to pay loans. Robyn L – very serious about looking to move. Location makes a difference. High rent/location = bad numbers. To Terry – reducing the buffer zone is something we will likely need. We are exploring options and open to suggestions. Market is down in general, but we are keeping a good market share despite current challenges.

D. Smith – PDA Board gave Robyn a mandate to pay debts first- this is why PnL look bad for now. Robyn L. – 288k so far spent on loans. B. Sabo – why was PDA created in the first place? M. Baker – Saw mj becoming legal and thought, “how can we control this”. Formed PDA to gain control on licensing, protecting the city from federal backlash, make sure of good safeguards. Sessions now says they don’t have the resources now to go after states for mj shops- more for cartels and such. They can’t get to city council.

Tunis W. – We’ve been trying to dialogue w/Sessions- he had said that statistics show WA having bad times with mj. AG and Governor say he’s wrong, overinflated, and outdated. Still trying for dialogue.

M. Baker – we welcome your suggestions. B. Sabo – We just want to know it’s worth it, not trying to run business. The point in the first place was bringing in money. Things are backwards- do we keep going or shut down. It’s a headache- 3 years has shown nothing good. If not making more \$ by the end of the least, I say shut down. D. Smith – you can’t expect to see that within a 5 year plan. Robyn L. – We made huge strides on loan pmts last year, in the beginning we weren’t. City was promised a ton of stuff- but the charter did not say a lot of money was going to the city. The charter only says funds would be used to finance law enforcement and how we get the money to the city. The expectation was different than what is in writing. The PDA had set up unrealistic expectations. D. Smith – We are staying in the black, employing people, paying off loans, meeting mandates, how is that going backwards? When the loans are paid, the city will get more money. What do you expect before 5 years. M. Baker – would love a 5 person board, but hard to find people. We would love more ideas, see you at our meetings, talk some more. J. Acton – Sales are backwards, #'s don’t show positive direction, but when we struggle, we cut overhead. Do you consign your glass? Robyn L. – Consign is illegal, we buy cash. We are heavily looking at all aspects to cut costs at every opportunity. Compared Carson & highest traffic store, Main St. In January, Main St. made about \$8 per resident, Carson made \$14 per resident, we made \$45 per resident. We are a strong retailer, but always studying, revising budget, paying loans, etc. There will always be flux. Tunis W. – what is the feeling from council about having the store at all? What’s been heard is that the council is just plain against having a pot store here. B. Sabo – Problem is that the business is not doing well. 5 year plan is good, but not without advancement - but if things keep going backwards, it’s not a good outlook for you. Just show that you have a plan that will work. You added debt to pay debt? Tunis W. – Yes, but the net was better. Redistributed for lower interest, and amortized loans. Maybe Fern would rent you a building right here in town. D. Smith – In a position to offer you a place right now. Robyn L. – Pd 288K on loans so far, but bad deals- just paying interests until the board shifts to make headway. T. Randall – concerned about dismantling pot shop, you’ve done a good job on stings regarding sales to minors. I see the end game of profit for the city. Great idea to begin with, but just hasn’t happened as promised. M. Baker – the whole point was to give to the city. B. Sabo – it is important to know/tell us/show us something. D. Smith – We will want to reduce the buffer with lease purchase agreement and try to own- not until lease is over. Robyn L. – we’re in this together, we want to see progress and we appreciate your support. T. Norris – What have you done to cutback? Adam Schaeffer - An aggressive debt strategy restructure employee benefits, made deals to lower rest, budget revisions, etc. T. Norris – you should come once/mo to council and update us. The new admin is taking this seriously. We are charged to oversee for your profitability, not ours. Had no idea how involved the PDA actually was. Robyn L. – once a month sounds fine. We have adjusted almost every budget line to make cuts. B. Sabo – do you see a good year coming? Tunis W. – working on an LLC to enable marketing capabilities. You want Robyn and a board member at the meetings? T. Norris – yes. T. Randall – Maybe a guest presentation, showing PnL’s. M. Baker- payroll company dropped us b/c of marijuana, looking for another good deal on payroll. B. Sabo – Can you pay Spencer 80k this year? Robyn L – Maybe half? B. Sabo – is this a problem loan? Robyn L – Accelerating that loan, paying double so reduced quickly. Tunis W. – Must be paid by end of 2019. D. Smith – We got an amortized loan to pay off other balloon loan. Haven’t had access to conventional lending. Tunis – If we are not certain, we don’t

want to promise. T. Randall – We want a plan, real #'s, honesty, and updates. J. Whitcomb – Question posed to her – Why is your office established separately from the CC? Robyn L. – Keeps the PDA biz separate from CC bldg. SAO needs records stored in separate places. 484 LLC and Bonneville events. Can't sell marketing products at the store, needed space for board meetings/file storage. Entirely different staff. B. Sabo – Just want you to know we don't have daggers out, regardless of the hearsay. D. Smith – We are delighted to be involved in the council, we were formerly told we weren't welcome. Robyn L. – If you want to help, stop negative talk about the shop and PDA, it hurts our business, we have competition. We have great product, prices, and staff. We would appreciate no negativity. B. Sabo – we appreciate you coming.

Adjournment - 7pm



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City Council Meeting Agenda March 13th, 2018 7:00 p.m.

Meeting Call to Order – 7:10pm

Roll Call – Present: Mayor Sabo, Councilmembers Acton, Randall, Norris, Lee, Whitcomb

Pledge of Allegiance

Agenda Changes & Additions

Public Hearings

Consent Agenda

- Approval of February 27th, 2018 meeting minutes

Motion to approve minutes by T. Randall, second by T. Norris Passed 5-0

Guest Presentations –

Don Stevens of NB – Workshop correction – Council talking about more hands-on oversight with the PDA. Ordinance that created PDA, 1028 Section 23 states-...”council has no right power or duties to supervise- can audit, modify bylaws, replace board members...” Charter, article 6 section 6.1 “...mayor or councilmember will act as non-voting ex officio of the board...” I applied to be on the board and was never even informed that I was denied. I find nowhere that says no vote is ok. In the absence of anything written- the way council has always approved is that the board suggests members to the council and the council votes. I wasn’t even on the agenda initially, next meeting was on the agenda and the mayor just decided to dismiss it.

Public Comments –

Councilmember Comments –

J. Acton – no comment. T. Randall – no comment. T. Norris – Glad for the open discussion with the board. Quoted right, Don- we’re not to interfere, just give direction. The PDA is govt run- established through city council. Just talking about it is a big deal. WE are all encompassed, and auditing. Hoping to keep talks going. I was glad to hear the board was actively involved with helping Robyn. M. Lee – no comment. J. Whitcomb – no comment.

Mayor’s Comments –

To Don – I notified the PDA that you were not approved. The attorney read the language that I had the right to not give to council for the vote, and I chose to take it, I just didn’t feel it was the right thing. Don – Can you tell me why? B. Sabo – not right now, but later if you like.

City Clerk Report – See attachment

City Attorney’s Report –

I concur with Don. The bylaws are vague with how appointments are made. Council may want to look at this. Tom look at cole- very old. Just for best practices, it would behoove you to have a better spelled out process – especially for PDA. We don’t have a lot of experience with this. PDA is a function of the council, you can change the procedures. This would be a revision of the bylaws. Appointment of committees should be there too. Nothing is permanent. Council can always change things to ways that suit you.

T. Randall – leave it to the mayor to put forth? M. Lee – discuss at next meeting. Ken W. – preliminary

vote – tell us to change the bylaws. T. Randall – how do we do that? Discussion? Ken W. – Talk at the next meeting, add to the agenda, vote at the meeting following discussion.

Unfinished Business –

- Vote on Approval of Resolution 508 Declaring Special Market Conditions

Motion to approve by T. Randall, second by T. Norris

J. Whitcomb – clarification? T. Randall – it's because we bought the truck in a hurry. Tom Jermann – basically it is an after the fact resolution because the market condition would have changed by the time we made a vote. M. Lee – why does it not reflect the \$10,000 in the resolution? It only reflects the \$8500. Ken W. suggests amending to add language of “plus tax and licensing of up to \$1500”

Motion to approve as amended by T. Randall, second by T. Norris Passed 5-0

New Business –

- Discussion and possible action on Ordinance 1093 Wheeled All-Terrain Vehicles

Motion by T. Randall, second by J. Acton

T. Randall – nothing the law can do now. If passed, will require proper licensing. Around here, 4 wheelers help with yard cleanup, plowing. Clark County, Carson, Stevenson, and many other Washington areas are passing this. It is beneficial where we are to be able to legally and safely ride, but would be able to be enforceable by police at that point. M. Lee – I see 8 year olds ripping around on the street all the time. We need someone to be able to write the tickets. T. Randall – but it would be a ticketable offense if we pass this. J. Acton – seen people speeding through and there isn't a sheriff presence. M. Lee – they won't respond unless someone commits murder. T. Randall – They don't come now because there are no laws with it. This would enable them to enforce. B. Sabo – talked to the sheriff and they said “put a law in place and we'll enforce it”. There's a lot of folks that would benefit. People are always going to break the rules, but this would allow enforcement. Lets do this legally as you would a motorcycle. I fear more for the kids lives. M. Lee – kids are riding on the trails late at night even with the no motorized vehicles signs. B. Sabo – just don't see why we have to be any different, Washington is on board with this. T. Randall – a few ruin for everyone. I stop and talk to people who whip through. This would be enforceable. B. Sabo – same issue with the golf carts, but it never ended up a danger. I believe it will curb the problem. Can enforce reckless driving, no helmet, non-license, etc. J. Whitcomb – can't we just issue tickets? Send one kid home with a ticket, and see what happens. T. Randall – this is what makes it enforceable. They have to follow traffic laws. B. Sabo – lets hear from the public. Cheryl Jermann – I'm not against it, but I've called the police, and they don't come. People even come from out of town and unload trailers full of ATV's. If we don't have a police department, nobody will enforce it anyway. John Mogley – I am for it. I plow around my neighborhood. In RCW 46.09.457 states in hours of darkness you have to use turn signals, hand signals okay during the day. Seatbelts/rollbars don't need helmets. That is not mentioned in the ordinance and maybe should be. Russ Bretner – just moved here. Fair to say that almost all Washington towns and cities have passed similar ordinances for a max 35mph, some of these are places also with no city patrol. Seems there is a lack of county officiating laws which apply locally. Common sense says we can use them appropriately. Should tell the county to use the money we already pay them for enforcement. Greg Johnson – Side by sides are no different than a golf cart. Should be licensed on road with rules in place. Oregon has a safety program that we should look at in regards to this. No rules in place equals no control. Licensing fees could equal funds for city. Also, the FD may need to be able to use them on the trails, depending on the area. Need to take a look at that. Chris Allinger – I have a plow, I don't want a ding, I would rather be licensed. Cheryl Jermann – is the city going to take on signage for ATV's? Tom Jermann – They have to follow already posted signs. T. Randall – golf carts cross 14. Tom J – not supposed to, must stay on paths. Cheryl J – they don't say ATV's. T. Randall – they would have to follow the posted laws for regular motor vehicles. Stevenson allows ATV's to cross. Tom J – because the speed limit is under 35.

Our laws say you cannot cross 14. We have the underpass. T. Randall – You can cross, but you can't ride along the highway. Tom J. – this is our own code, not the county. Ken W. – You can cross if municipality says yes – cross only, not ride on highway. Regarding the helmets – all ATV w/no cage, you must wear a helmet. The equipment must comply with RCW 46.09 We are incorporating those rules.

Passed 5-0

- Discussion and possible action on Ordinance 1094 Amending Chapter 8.20 Nuisances

Tom Jermann – this came up due to a dog noise complaint. The question was on how long/what times can my dog bark without being fined? We found our ordinance to be too vague to enforce. Ken. W – We needed to specify duration. D. Adams – as it was, anyone can say something is bothering them at any time of day and it could be considered a nuisance. T. Jermann – we don't have livestock, including that language would allow for it if there are those changes in the future. Ken. W – under ADA, a potbelly pig can be considered a service animal. D. Adams – this adds specific language so that we can issue letters and are able to enforce under specifics as well as the citizen understanding exactly what the limit is. M. Lee – noise ordinance is 10pm, even on weekends. D. Adams – the nuisance ordinance is regardless of time of day. T. Jermann – we don't have to renew permits if they are a nuisance. We also changed the fee from \$750 to \$500.

Motion by T. Randall, second by J. Whitcomb Passed 5-0

Closing Public Comments –

Cheryl Jermann – not against the ATV's, but if we have problems, can we re-address this? B. Sabo – whether we passed this or not, the problem would still be there. Cheryl – well can I call the police every time they come out? B. Sabo – yes Cheryl – do they charge every time? D. Adams – no, it's a flat fee Eric Kackley – would like to bring up the playground more often before it's forgotten about. I'm ready to match local businesses. Tom J – FRN gave us 25,000 – to the foundation, but only to be used for the playground. Just hasn't been presented to the council yet. Eric – maybe it's time to be presented and talked about. Can we see where we're at? Maybe the thermometer poster to encourage donations. Cheryl Jermann – Jake Meyers is working on it. J. Whitcomb – what about flyers posted? D. Adams – have you thought about posting to NB news and notables? Eric – FB not my strong suit, but if we could spread the word and get the wheel turning. It would be cool to have adult sized stuff, too. T. Norris – is there an amount you're thinking? Eric - \$100,000 sounds good. Justin from BRG could do a work party. Ken W – Section 31.75.720? City can use volunteer labor and without using public bidding, you can reimburse a local volunteer organization up to \$25,000 as long as you get back 3 times that value. It covers costs and some labor costs up to \$25k with our population. M. Lee – do we have any np's who would give donations? Tom J. – Trails network. I will have Jake make a presentation soon. M. Lee- I'm a non-profit with a 501C3. It would be helpful because people would be able to write it off if they also had a 501C3. B. Sabo – PDA donated \$3,000 that was allocated to the wrong fund, but Deanna is working on changing that. I think we have \$6,000 in the fund, not counting the FRN money. T. Jermann – Jake is working on leveraging more money. B. Sabo – there are talks with Burlington Northern, they may make a donation.

Closing Council Comments –

J. Whitcomb – no comment, M. Lee – no comment, T. Randall – no comment, T. Norris – thank Deanna. I know the Mayor and Deanna are working hard to fix mistakes left by previous administration. Thank you for working on bringing back the trust, J. Acton- came thinking that I would vote against ATV ordinance, thank you all for increasing my understanding and changing my mind. Grateful PDA came, not sure on the truthfulness about debt still. Still don't see city needing a place in private business. They didn't really give us a plan, just "it will be better".

Motion to adjourn

Motion by T. Randall, second by J. Whitcomb