



## **NORTH BONNEVILLE CITY COUNCIL**

Mayor Brian Sabo  
Councilmember Terry Norris  
Councilmember Margie Lee

Councilmember Travis Randall  
Councilmember Judie Whitcomb  
Councilmember John Acton

### **North Bonneville Workshop Minutes**

**August 13, 2019**

**6:30 p.m.**

**\*Refer to recording for full details\***

#### **Council Workshop**

#### **Workshop Meeting Call to Order**

**Roll Call:** Present; Mayor B. Sabo, Councilmembers J. Acton, T. Randall, T. Norris, M. Lee, J. Whitcomb

#### **Unfinished Business:**

- **2020 Budget Discussion:** Mentions of tennis court resurfacing, business signage space for rent, smooth the approaches to the bridge, square off corner by Chevron for stop control and crosswalk, Columbia street sign replacement/other signage replacement, IT/equipment replacement, snowplows, repaving paths, Pioneer St. redo chip seal job.

**New Business:** N/A

**Adjournment:** 6:51PM



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### City Council Meeting Minutes

August 13, 2019

7:00 p.m.

**Meeting Call to Order:** 7:00PM

**Roll Call:** Present; Mayor B. Sabo, Councilmembers J. Acton, T. Randall, T. Norris, M. Lee, J. Whitcomb

**Pledge of Allegiance**

**Agenda Changes & Additions:** N/A

#### **PUBLIC HEARING:**

- **NBPDA Dissolution**

**John Spencer, Ex City Admin for NB, Washougal resident** – Speaking for Sally Spencer, the one remaining lender for the PDA/CC. I think shutting down shop is a good idea, just asking you to do it orderly. A couple ideas would be to disband the board and put in a new one, sell at a time to get the best price and pay the debts owed. The purpose of this “experiment” was to control the substance and to give back to the city. The laws create plenty of control over the substance, what is left is to benefit the city. Do this orderly and ensure all loose ends are handled.

**Julie Sabo, North Bonneville resident** – Been a resident for 25 years and coming to council meetings for 7 of those. I was here when the proposal was made and for most of the hearings and discussions on the PDA. It is ethically and morally wrong for the government to sell drugs. It’s up to this council to vote the PDA in or out. Several issues throughout; lack of financial benefit to city, their commitment to the city pretty much ended when they moved to Stevenson. This was created to eventually sell and go private. Their financial reporting has been historically sketchy. It was impossible to meet reporting deadlines, so timeframes were changed. Council has asked multiple times for clear reporting and has not been delivered. There is an ever-changing PDA board which usually consists of family members of the investors. A current council member helped set up shop. Admin knew the risks, investors knew the risks, it’s all in the minutes from the beginning. 5 years later, they are still not meeting expectations and it’s time to end it.

**Don Stevens, Ex-Mayor of North Bonneville, North Bonneville resident** – This is a steady source of revenue that doesn’t cost the city a penny. You moved them to Stevenson, they did not do that alone. You need to quit micromanaging them. If you leave it alone, you will either never make a cent or you will keep making money. Via con dios.

**Shelli Acton, North Bonneville resident** – I’m a 3-year resident and have been to most meetings since early 2018. I agree with Julie Sabo. Council has bent over backwards for the PDA and they don’t produce reports as they have been asked several times.

**Joan Joyce, Stevenson resident** – I’m a regular customer of CC. Looking at the website, they expect 1.2 million in sales this year and paid 200k in wages, this does not sound like a failing business. 24% of Stevenson are senior citizens like me and more in NB. We rely on products sold at the CC without having to travel far. These products are not available at the pharmacy or grocery stores. People find CBD very helpful and I’m asking to not close the CC.

**Josh Good, North Bonneville resident** – I’ve been to all meetings since becoming a resident of NB. I’ve

witnessed the back and forth and understand the council's frustration. In looking at the PDA site, if the city were to sell the license now, it would be undervalued. The P&L posted for the last several months are showing in a positive direction. This could be solved with some management and operations changes. If given some time for a little change, this could be salvageable. I would highly recommend replacing your PDA board members.

**Robyn Legun, Executive Director for PDA/CC, North Bonneville resident** – I agree with Josh. I was humbled by this course of action and have made several positive changes within the last few months. There is a benefit to the city with a reduction of staffing, etc. I have seen the lack of transparency and have personally retreated from attending these meetings because of being yelled at. Maybe we could come up with a better way to communicate. Meet monthly with the Mayor and a councilmember, discuss plans and budgeting, keep things moving while this is going through the process. There has been a strong negative narrative regarding the PDA/CC and some untruths being spread about loans and structure, etc. Ken brought up that we hire an MJ lawyer/broker, but this costs 500-700 per hour. I had hoped that the PDA would ultimately own several stores, give back to the city, provide jobs, etc... Let's keep the dialogue going. We need to make this decision for everyone involved. Some employees have pensions coming to vesting point in March and this rash decision would not benefit anyone. I think it's best for the city to remain with us until there's better value. If you end this now, there will be no benefit to the city.

**Jim Bratrud, North Bonneville resident** – I've lived here and visited here forever. This is a great place to live. My son and I revamped the totem pole prior to him passing from cancer. Before he passed, he frequently shopped the CC for CBD topical salve for his severe arthritis which was the only thing that helped. I'm not a financial advisor, but keep in mind the health benefits many are getting by utilizing CBD purchased at the CC.

**Paul Henry, North Bonneville resident** – I was a CPA for some MJ businesses previously. I'm not making a plea based on morality, rather on financially. The trend shows reduced sales the past previous months versus the last two years. The biggest issues are the disconnect between the PDA board and Council and the CC, the lack of accountability from management regarding the performance of the company. Establish accountability within a short timeframe.

**Lisa Cooper, North Bonneville resident** – In just listening tonight, it's clear that there has been some mismanagement and miscommunications. There needs to be a clear strategy and goals set. There could be a benefit to the city, but obvious need for some changes.

**Mike Baker, former PDA board member, North Bonneville resident (read by City Clerk)** – I feel it would be a mistake to dissolve the PDA at this time. For years the store was struggling with high rent and high interest loans and the council, reluctantly at times, stood by the PDA. Now with the rent issue behind them and down to one high-interest loan with a light at the end of the tunnel, this has questionable timing. As far as I know, they haven't missed the tax equalization payments, employees have helped at Gorge Days. I don't want to suspect anyone of anything but do want to remind that while a private citizen can make grandiose promises, only the PDA is mandated in writing to return funds to help the city and surrounding area. I would recommend giving them at least one-year reprieve without the oppressive rent to see what they can do. These are good people trying to do good things.

**Emily Joyce, Stevenson resident** – I take CBD for anxiety and have been able to significantly reduce the amount of prescription meds taken since starting it. This shop helps people with many issues. My concern is that if you dissolve the PDA, who could buy it? Will there be the same knowledgeable staff? What about their pensions, govt. benefits? I've heard there's a lot of miscommunication and there's management issues, even heard this from some staff members. I have two PT jobs and know that if the management is that bad, people won't work there. You should definitely try to remedy the miscommunication and wait to sell when there's more equity.

**Adam Schaffer, PDA board member, North Bonneville resident** – I was here for the original debate



about creating the PDA. I was on the fence and thought the projections were pie in the sky. I saw the PDA get off the ground and watched the constant turnover of the board members. I've been on the board for three years and have seen some stability and some hostility. Our meetings have been posted yet are almost always vacant. I have only seen/spoken to council a few times. The turnover and infrequent meetings caused the postings to be less timely. You have received significant money from the PDA since starting, such as money for the playground, donations, sales tax, etc. I regularly look at the balance sheets, P&L statements, etc. The P&L's show that sales have been up every month from March through June this year. We should be in the black as soon as possible, but cannabis loans have higher interest rates. The sooner the loans are paid off, the sooner everyone profits. The board has been aggressive and has cut costs. Now is not a good time to sell.

**Judy Whitcomb, North Bonneville City Council Member, North Bonneville resident** – The City Council of North Bonneville is acting beyond its scope of authority by adopting a policy which violates a statute or constitutional provisions within the PDA by not reviewing all financial reports up to and incurring the current finances of the PDA. In reviewing current financials, it's obvious that the PDA is making strides in its' finances and have acted in good faith since relocating the store to Stevenson. The store's earnings last month are in stark contrast to this resolution. Have paid \$772,000 in rent over 4 ½ years. \$421,000 in loans are included in this figure and the loan balances are now approximately \$250k. January to May of 2019, the salaries have totaled \$90,851 with \$15,738 in benefits. Products totaling \$233,955 have come in the last 5 months. Around \$500/month is coming to the city from WA state taxes. The director of the store has cut payroll by half over the last two months. All employees are vested in PERS by March of next year and will lose their pensions if the PDA is dissolved. The store has been in business not quite 5 years and is starting to see an increase in business. With the previous store rent, huge loan fees on interest only payments in 5 years, the glut in crop, and another store in the area, they are working in good faith to keep the business growing.

**Mayor calls for 5-minute recess, to resume at 8PM.**

**Mayor calls meeting back to order at 8PM.**

**Consent Agenda:**

- **Approval of July 23, 2019 meeting minutes. Approval August First half Vouchers for \$30,040.72.** Motion by M. Lee, second by T. Randall. Passed 5-0

**Guest Presentations: N/A**

**Public Comments:**

Lonnie Gates of NB mentions need for day use only and no camping signage at Strawberry Island trailhead.

Tiffany Jordan of NB is concerned about people with scanners posting personal information about emergencies on the neighborhood FB page. As an advocate of the FD, this could create an uproar as well as HIPPA violations. It's not okay to mention names regarding personal crisis/emergencies.

Greg Johnson, Assistant Fire Chief of NB states that our firefighters are aware that they cannot disclose personal information regarding incidents. When our alarm goes off, the community wants to know what's going on and we want to inform them. It is a thin line between informing and divulging personal information, which is not allowed.

**Councilmember Comments:**

J. Acton – regarding the public hearing and comments tonight; When the PDA started, they said the loans would be paid off by 2019. They were then pushed to 2022, then 2029. They are talking of new loans just to stay afloat. There has been constant mismanagement and excuses. The market trend is down by 17% average in Skamania County. We've been told there's a glut of product because of the amount of grows, but that fact should actually drive costs down. I'm personally done giving them time.

T. Randall – thank you for coming. I don't like that the loans have pushed out at all, but there really are no repercussions to the city because of it. We get taxes, they provide jobs. We're making less than what

originally was promised, but it's something. Absolutely believe that private sector would be better. If it runs to the ground, it's on them. Definitely could be managed better.

T. Norris – Councilor Acton is spot on. The mayor must deal with them daily. We're not micromanaging, just asking over and over for reports that aren't produced. I'm not excited about keeping this going.

M. Lee – We get our agreed upon 1.5% of sales monthly. If we shut down the PDA, we don't even get that anymore. I disagree that government should be dealing in a federally illegal substance. Changes and accountability need to happen quickly, maybe give another 90 to 180 days? They're on notice, they're aware of what's probably coming. This dissolving doesn't need to happen immediately or with no leeway.

J. Whitcomb – The PDA offered Sally Spencer some money, but she refused it.... **CONTINUE OFF TAPE**

**Mayor's Comments:** The SAO reports that the PDA's creating entity is NOT allowed to just let it fail.

Laws say we are REQUIRED to ensure they don't fail. I want to focus on the city and am tired of dealing with the PDA. It's time to decide. We've been lenient in working with them, we let them leave because they thought it would be better, even though they were created here and they're not doing any better there.

**City Clerk Report: N/A**

**City Attorney's Report: N/A**

**Unfinished Business:**

- **NBPDA:**

J. Acton moves to dissolve the PDA, second by T. Norris. B. Sabo agrees that we shouldn't jump into the decision. We do need to know it's worth and would like to put together a committee to audit and prove it. T. Norris agrees. J. Acton agrees that we should audit then sell and knows there are people interested in buying. Atty. Ken Woodrich mentions that the terminology is a little confusing. Dissolving the PDA should be the last step. You need to decide if you should develop or market the business, liquidate, preserve or maximize. They should get a new bookkeeper and change some operations. You don't have enough info to know if now the right time is. You should not dissolve the PDA until it is done with business and would then dissolve with an ordinance as the final act. T. Randall says that we've been on this subject regularly for two years. It's sad that it must come to this for them to proceed with our recommendations. We could possibly see money in the long-term once the loans are paid. We need to revamp, have a SMART plan, then privatize. I would like to see it stay open but am not happy for the delay in action. Am impressed with finally seeing some changes but not impressed with how long it took. M. Lee agrees that there needs to be an audit to see what improvements can take place. The board went from 5 members to 3 because there was no interest. J. Whitcomb mentions hearing of two people currently interested. B. Sabo – our goal needs to be to sell at a profitable amount in order to pay off loans and get the best bang for the buck. Absolutely needs an audit. We will take a little time for that with the intent to sell. T. Randall says it's too little, too late. J. Acton withdrew the motion to dissolve the PDA and T. Norris withdrew the second, pending audit and further discussion.

- **Boundary Review Board Metropolitan Park District:**

B. Sabo – There is going to be a public hearing regarding the boundary of the proposed Metro Park District. This council has already voted down being included in the district due to them not agreeing to add the wording that there may not be any levy increases without a vote of the people. Ken W. advises attendance at the hearing. J. Acton – the people also spoke against this, not just council. Phillip Watness of the Skamania Pioneer mentions that they are holding the hearing because of the NB vote to opt out as a formality, but it would be wise to attend.

**New Business:**

- **Washington State LCB License Renewal:**

Motion by T. Randall, second by T. Norris. Failed 3-2. For: T. Randall, J. Whitcomb. Against: J. Acton, T. Norris, M. Lee. B. Sabo will write up the objection.

- **Ordinance 1113 Amending Title 20:**

Motion by J. Acton, second by T. Randall. Tom Jermann says that there was no language in the zoning codes defining "overnight lodging". It has been written in that "lodging" refers to stays of 30 nights or less, utilizing language from Stevenson. This ensures that lodging tax is collected accurately. Passed 5-0

- **Approval of GovPayNet contract:**

Motion by T. Randall, second by T. Norris. Deanna Adams explains GovPayNet's services include options for online payments for fee by consumer. Currently, the City pays for merchant services fees ranging from \$300- \$600 per month. This service is no cost to the city and passes the fees to the citizens as most online pay portals do. This also eases reporting for administration and reconciliation as well. Passed 5-0

- **Resolution No. 533 Reaffirming Special Market Conditions:**

Motion by T. Randall, second by J. Acton. B. Sabo mentions that this is only setting the actual price for the auction purchase of the 2005 Chevy at \$7821.05. Passed 5-0

- **Atty. Ken Woodrich insight:**

Curious about the decision to deny the LCB license renewal. There wasn't much discussion and am surprised about the vote. You have a relationship with the Port, and this is their tenant. Your Planning Commission already voted yes to their renting of the space for that purpose. Denial of a license is a big deal as is the procedure to object. I think it was voted down due to personal reasons rather than reasons for the benefit of the city. There is still time to reconsider at this meeting. J. Acton states that there was already a grow operation there that was shut down and is sticking with a no vote. T. Norris makes a motion to reconsider, second by M. Lee. Passed 3-2 For: T. Randall, T. Norris, J. Whitcomb.

Against: J. Acton, M. Lee.

**Closing Public Comment:**

Brooke Lyddon of North Bonneville – I work for and grew up at the pool. They are asking for 19 cents on the \$1000 towards the community pool and it would have been only 10 cents on the \$1000 with NB's participation. This is good therapy for people who cannot do conventional exercise, good for kids who live surrounded by water bodies, etc. We've reached out to the forest service and are checking on grants to keep it running but would encourage everyone to go to the public hearing on the park district to support the pool and gain more understanding.

Josh Good of North Bonneville - I commend the decision to audit the PDA before dissolving. You have a fiduciary responsibility to make as much as possible from the sale. Would like to see more collaboration with the PDA and do not believe you have been micromanaging PDA. You've actually given a long leash. They need this audit.

Shelli Acton of North Bonneville – Too much time spent here, and they don't belong in government anyway.

Josh Good of North Bonneville – Get every cent possible out of it to satisfy the employees, investors, etc... Leave the moral objections out of it.

**Closing Council Comments:**

T. Randall – thank you for coming. Wanted to mention the 19 cents on the \$1000 for the Park District – they can up that amount without a vote of the people and wouldn't include the language to make that not so.

J. Acton – that amount won't even cover the yearly cost of maintenance for the pool.

**Adjournment:** 9:18PM