

**CITY OF YUMA
CITY COUNCIL MINUTES**

**HYBRID REGULAR MEETING
TUESDAY, JULY 20, 2021**

CALL TO ORDER – 6:36 P.M.

MEETING CALLED TO ORDER BY MAYOR SWEHLA AND THE PLEDGE OF ALLEGIANCE WAS RECITED.

MEMBERS PRESENT: Baucke, Ebersole, Hoch, McClung, Shay, Smith-Dischner, Swehla.

STAFF PRESENT: Scott Moore, Jerry Thompson, Candy Gilliland, Karma Wells, Kathryn Sellars.

CORRECTIONS OR ADDITIONS TO THE AGENDA

There were no corrections or additions to the agenda.

APPROVAL OF AGENDA

Shay moved to approve the July 20, 2021, Agenda as presented. Second by Baucke. Question. 7 ayes. Motion carried.

Hoch moved to approve the July 20, 2021, Agenda as presented. Second by Smith-Dischner. Question. 7 ayes. Motion carried.

APPROVAL OF MINUTES

Ebersole moved to approve the July 6, 2021, Minutes as presented. Second by Shay. Question. 7 ayes. Motion carried.

PRESENTATION BY KIND ROOTS – ROSS KING AND JOHN BOWMAN

Mr. Ross King and Mr. John Bowman gave a presentation to City Council and community members regarding their manufacturing plant that they would like to relocate from Wray, to a facility in the Industrial Park in Yuma. Their presentation showed their current facilities and the process that is gone through to extract the oil from the hemp biomass. The change with the manufacturing in Yuma would be that they would be extracting cannabis oil from cannabis biomass. There would be no retail sales in the city or county of Yuma. All products would be shipped to Denver. They explained that the benefits to the city would be revenue from an excise tax on the oil and also the creation of 23 new jobs, which would pay between \$17 to \$20 per hour and offer health benefits. The presentation was opened up for questions.

Ms. Terri Frame stated she would like more information on the excise tax that would be collected. Mr. King explained that it would be a special 5% excise tax and would have to be voted on by citizens in the November election. There is the possibility that it could be voted down.

Ms. Lola Mathias inquired about what type of products will be produced with the oil once it leaves Yuma. She has concerns about vape pens and stated she is against trying to rush this through and changing the ordinance.

Ms. Abby Rahm inquired about what type of precautions will be taken if something goes wrong at the facility, such as it getting broken into, or an explosion. She stated she lives very close to the area where the facility would be, so

she has many concerns about that. Mr. King explained that the labs are explosion proof. There are 8' fences surrounding the facility and it requires electronic keys to access.

Mr. David Blach asked for more explanation on the excise tax. Mr. Ross explained that a special excise tax on the oil would be created outside of the current excise tax on the cultivated product.

Ms. Andrea Anzlovar asked whether or not an existing building would be utilized and would improvements be made on it. Mr. King explained that they did many improvements to their current facility and would do the same here to keep the property looking nice.

Ms. Kathy Glanz asked why there is such a rush to move to Yuma when they already have a state-of-the-art facility in Wray that they could just expand? Mr. King explained that they need to be in production before the October harvest and in Wray it would have to go on the ballot, but not until November.

CITIZENS RECOGNITION AND INTRODUCTION/PUBLIC COMMENT

Ms. Abby Rahm thanked Council for hosting the Town Hall meeting and encouraged that there be more of them so that the citizens of Yuma may be heard.

Mr. Kevin Mathias thanked Council for their service. He asked if Council has the authority to change an ordinance.

Ms. Marlene Miller, on behalf of Area Agency on Aging, expressed her thanks to all that has been done during and after the pandemic to help the elder population in our community. She thanked the city and Community & Enrichment Center Director Lonnie Metzler for making it possible for the "Meet and Eat" program to resume again and stated that they are serving meals 5 days a week now, rather than the prior 3 days a week. Ms. Miller also stated she appreciates all the work that has been completed by Community & Enrichment Center Director Metzler.

Mr. J.J. Unger expressed concerns regarding the property that the city purchased a couple years ago. He asked why a local broker is not being utilized rather than a broker from Denver to list the property now. He believes we need to keep things local.

Ms. Bernice Pagel, from Hoch Real Estate, stated that the sale of the property will open up opportunities for local real estate agents to be able to sell the lots on the property.

Mr. Dave Hoch stated that his family has been in Yuma for 4 generations. He wouldn't want to live anywhere else. Back in the 1990's when the hog facilities wanted to come into Yuma County, it was met with a lot of backlash, but it ended up being a great thing for the community. He thanked Council for all their hard work.

ACTION ITEMS

- A. PUBLIC HEARING ON SECOND READING ORDINANCE #2, SERIES OF 2021 (AMENDING THE YUMA MUNICIPAL CODE TO ALLOW FOR MARIJUANA PRODUCTS MANUFACTURING IN THE CITY) – SCOTT MOORE.** Manager Moore introduced the second reading of Ordinance #2 of 2021.

Public Hearing was opened.

Mr. Trent Bushner stated that he is not a resident of the city, but is here to represent the Yuma County Commissioner's office. He is concerned about the spillage that could take place if this is

allowed to occur. He is worried about what it would mean for law enforcement. He believes it should go to a vote of the people.

Ms. Kerri Horton says she fully supports bringing new business into the community. The revenue from this could reduce the 2% sales tax increase that is being discussed and also help fund law enforcement to help take care of bigger issues in the community.

Mr. Kevin Mathias stated he is concerned that money is being put first over human lives. He believes this is a next step for what will come after, such as dispensaries. He also asked how Council is able to change the ordinance without a vote of the people.

Ms. Terri Frame asked for clarification on the term marijuana establishments. Her concern is that establishments is a broad term and could be used for more than just a manufacturing facility. She also believes that the vote should be done for the excise tax before committing to the facility because it could get voted down.

Mr. Dave Hoch understands that the excise tax may not pass the first time, but believes that there are other benefits of having the facility located in Yuma. It would add 23 new jobs for the community; the renovated facility would bring more property tax to Yuma; the utilities used in the facility would bring more revenue to the city. He is in support of the facility coming to Yuma.

Mr. David Blach stated that this is an agricultural community and we won't be able to depend on agriculture forever. He believes this is a good opportunity to get something going in the community. He wishes that the community would be involved in all regular meetings and not just the ones where something like this is at stake.

Mr. Scott Weaver is a Yuma County Commissioner and believes that the decision should not be made by 7 people; it should be made by the majority of this town. Council represents the community and the decision should be made based on what the citizens want. He also believes this will open the door to all kinds of things and he isn't sure that Yuma County is ready for that.

Mr. George Seward has been involved in development around Yuma for 35 years. There is always controversy involved, but we need to think about the opportunities that economic development creates for the community. We have to think further than 6 months out, we need to think about the future and 10 years from now.

Ms. Lola Mathias stated she does think about the future. The future is our children. We want to raise them in a moral, honest community; not one making money off of drugs. She has researched the oil and there are negative products that come from it.

Ms. Barbie Corey asked why a special election can't be held in August to see if the people want this. She also asked why we are limiting it to one. Why isn't it being opened up to other businesses.

Ms. Kindi Kirchenschlager stated that she can see both sides because her husband had cancer and his doctor prescribed the use of the oils in his treatment. However, she is concerned about what

this could lead to in the future as far as growing and retail sales of marijuana. She believes that the wording should be very clear that those things will not be allowed.

Mr. Matt Yost spoke about what the revenue generated could do to help keep law enforcement in the community. Without revenue, the police force can be cut which leads to longer response times.

Mr. David Blach pointed out that the community has received grants from DOLA and BEST. Revenue from marijuana funds 15% of those grants.

Ms. Cindy Mulder stated that she is opposed to this. She knows it is a good revenue source, but she believes the verbiage of the ordinance is too loose. She believes it leaves the door open for retail sales of marijuana and marijuana products. She stated that then leads to drug addiction and homelessness issues.

Mr. Joel DePue stated he understands the potential for income. He is concerned what other things this can lead to. He also stated that comparisons keep being made about when the hog farms were brought to town, but the hog farms did not come with marijuana. He believes that this should go to the ballot, or at least a poll to see what the people want.

Public hearing was closed.

Discussion was held by Council.

Council Member Baucke stated that this is not a retail issue. He said that Council is doing their due diligence to keep retail marijuana out of Yuma.

Council Member Smith-Dischner stated that Council had conversations with Attorney Sellars regarding the use of the word retail. It was explained that you have to define if it is medicinal or not. If it is not medicinal, it is called retail.

Council Member Shay stated that this is about voting on the ordinance now. It is the first step in the process. Permits have not been applied for yet. He reiterated that this is not retail.

Council Member Ebersole stated that he would love to put this on the ballot, but due to the time constraints, we will miss out on this opportunity if we wait until November. This is a great opportunity for tax revenue and jobs.

Council Member McClung stated that the opportunity is to locate the facility here. If the tax passes, that will be a bonus. It will bring industry to our community. Council Member McClung stated it is almost hypocritical that the public is willing to use the tax dollars that come from marijuana to fix our streets and build schools, but yet some of the public won't support this type of a facility.

Council Member Hoch stated that if we don't do it, somebody is going to do it. We may as well reap the benefits here.

Mayor Swehla reiterated once more that this is not retail. The reason they limited it to one facility is that they don't want it to get out of hand.

Shay moved to approve on second reading Ordinance #2, Series of 2021. Second by McClung. Question. 7 ayes. Motion carried.

- B. AMENDMENT OF STREET CLOSURE FOR COMMUNITY FOR UNITY/COMMUNITY BLESSINGS FOR HOPE – SCOTT MOORE.** Ms. Kindi Kirchenschlager provided more details on the event to take place on August 6, 2021. They are trying to get children and families to come out to the event. She would like to see the street closed all day (7:00 a.m. to midnight) on August 6, to keep children and families safe during the event. They want to utilize the 100 block through the 300 block of south Main Street. Discussion was held about how those times might be adjusted to not keep all 3 blocks closed until midnight. Smith-Dischner moved to amend the street closure times to 7:00 a.m. to midnight for the 100 block; 7:00 a.m. to 7:00 p.m. for the 200 block and 7:00 a.m. to 7:00 p.m. for the 300 block of south Main Street. Second by Ebersole. Question. 7 ayes. Motion carried.
- C. RESOLUTION #21, SERIES OF 2021 (APPROVING THE CARD PROCESSING AGREEMENT WITH EPIC CARD SERVICES LLC) – SCOTT MOORE.** Manager Moore stated that this resolution has to do with the airport fuel farm. It is an agreement with Epic Fuels to process the credit card payments for fuel purchases at the airport. Baucke moved to approve Resolution #21, Series of 2021. Second by Hoch. Question. 7 ayes. Motion carried.
- D. APPROVAL OF STATE LIBRARY GRANT – SCOTT MOORE.** Manager Moore stated that there is a state library grant that historically each year gives \$5,000 to be used for educational purposes as well as books. This would be a 2022 budget item. We need to apply for the grant and need Council's approval to submit the grant. Shay moved to approve the State Library Grant application submission. Second by Smith-Dischner. Question. 7 ayes. Motion carried.
- E. APPROVAL OF AMERICAN RESCUE PLAN ACT GRANT FUNDS FOR THE LIBRARY – SCOTT MOORE.** Manager Moore stated that this is also a library grant in the amount of \$5,000. This money would be used to purchase computers for the library. The due date is August 2. It is also a 2022 budget item. Ebersole moved to approve the American Rescue Plan Act Grant application submission. Second by Shay. Question. 7 ayes. Motion carried.
- F. COUNCIL DIRECTION ON ANNEXATION OF CITY PROPERTY – SCOTT MOORE.** Manager Moore stated that Council's approval is needed to start the annexation process of the Pletcher property. Discussion was held. Shay moved to give approval to Manager Moore to start the annexation process. Second by Baucke. Question. 7 ayes. Motion carried.
- G. APPROVAL OF BILLS – KARMA WELLS.** Clerk/Treasurer Wells provided Council with an additional list of bills. Hoch moved to approve the bills. Second by Ebersole. Question. 7 ayes. Motion carried.
- H. PURCHASES OVER \$5,000 – SCOTT MOORE.** Manager Moore requested approval to A-1 Chipseal, for the chipseal project, which had been approved at a prior meeting in the amount of \$329,602.08. Some changes have occurred in the project which created an overage of \$5,351.15. Manager Moore asked for approval of that amount to cover the overage from the change order. Shay moved to approve the change order in the amount of \$5,351.15. Second by Smith-Dischner. Question. 7 ayes. Motion carried.

Manager Moore requested approval of the purchase of radios for the Fire Department. This is a budgeted item and 2 quotes were received. The lowest quote came from Radio Resource in the amount of \$16,127.00 for the purchase of 10 radios, plus accessory items. Ebersole moved to approve the purchase of

10 radios from Radio Resource in the amount of \$16,127.00. Second by Baucke. Question. 7 ayes. Motion carried.

Manager Moore requested approval to complete the purchase of the fuel tanks for the fuel farm at the airport to American Environmental in the amount of \$241,972.00. Shay moved to approve the payment to American Environmental for the fuel tanks in the amount of \$241,972.00. Second by McClung. Question. 7 ayes. Motion carried.

Manager Moore requested approval for the purchase of new emergency response buttons at City Hall, as well as the Community Center, Library and Police Department. We had the buttons at our old location. When we moved into our current building, we were under the impression that the system that the Bank of Colorado had would work similarly, but it doesn't. We would like a system that provides a better level of protection for employees. Chief Thompson got a quote from Wave System, for an amount not to exceed \$23,150.00, as all of the quoted equipment may not be needed. Discussion was held. Smith-Dischner moved to table the request for funds for new emergency response buttons. Second by McClung. Question. 4 ayes (Baucke, Ebersole, McClung, Smith-Dischner). 3 nays (Hoch, Shay, Swehla). Motion carried.

ADDITIONAL BUSINESS

None.

REPORTS

CITY MANAGER, SCOTT MOORE

Manager Moore stated that the chipseal project went smoothly. There were issues with some potholes not being filled prior to the slurry seal, that was due to a miscommunication with A-One Chipseal and city staff. City staff will go back and fill in those potholes. Next week the final sweep will be done.

They have started to place the sod at the Lake Yuma project. The current irrigation system will irrigate some of the sod, but not all of it. We are reaching out to some local irrigation businesses to see what it would take to extend the current system.

CITY CLERK/TREASURER, KARMA WELLS

Clerk/Treasurer Wells provided Council with the sales tax report.

CHIEF OF POLICE, JERRY THOMPSON

Chief Thompson stated that Mr. Trevor Neb has been hired as the new Code Officer. He will be in training for a couple of weeks.

CITY COUNCIL REPORTS

Hoch

- Council Member Hoch stated it is nice to see all the people at the meeting, Council Member Hoch encouraged people to keep coming out.

Ebersole

- Council Member Ebersole stated that he was glad to have a good turnout for this meeting.

Smith-Dischner

- Council Member Smith-Dischner stated that she will have committee meetings at the beginning of August.

Swehla

- Mayor Swehla stated that he is also glad to see the turnout tonight.
- Mayor Swehla encouraged Council to schedule a ride-a-long with the Police Department.

ADJOURNMENT

Shay moved to adjourn. Second by Ebersole. Question. 7 ayes. Motion carried.

Ron Swehla
Mayor

Karma Wells, CMC
City Clerk/Treasurer