

MINUTES  
TOWN OF HUDSON TOWN COUNCIL  
REGULAR MEETING  
May 16, 2018 - 6:00 P.M.

PLEDGE OF ALLEGIANCE

CALL TO ORDER AND ROLL CALL

Mayor Haynes called the meeting to order at 6:02 p.m.

ROLL CALL

Mayor, Dwayne Haynes – Present  
Mayor Pro-Tem, Laura Hargis – Present  
Councilmember, Matt Cole – Present  
Councilmember, Christine Hamilton – Absent  
Councilmember, Joe Hammock – Present  
Councilmember, Maria Chavez – Present  
Councilmember, Sarah Stadler – Present

Town Clerk, Rebecca Utecht took roll call and (6) Councilmembers were present.

Town Staff Present:

Town Manager – Guy Patterson  
Town Attorney – Corey Hoffmann  
Town Clerk – Rebecca Utecht  
Town Marshal – Brent Flot  
Public Works & Utilities Director – Hunter Fobare

ADDITIONS TO AGENDA

Mayor Haynes asked Council to allow Mr. Ken Bollers to speak regarding the cemetery prior to the consent agenda.

CITIZEN'S COMMENTS

Sheila Humphrey, 546 Ash Street, reported that last Wednesday there was an incident that happened in her backyard. She said her neighbor's dog bit a 12-year-old girl. She reported that the dog stuck its head through her fence to bite the girl. She said that too many people got involved. She said she believes that the dog lives at the Mayor's stepdaughter's home. The girl had nine puncture wounds in her hand. She said that Lochbuie police were the first to respond before the Hudson police or the fire department. She said the Town Clerk Rebecca Utecht showed up and was rude to her grandchildren. She said that everyone handled this situation very wrong and the child should have been the first concern. She said no one checked on the child. Mayor Haynes reported that he did go check on the child to make sure she was ok. Sheila said that was nice but he should not have had to.

Chris Dillon reported that he owns a towing company and does work for the Lochbuie/Keenesburg police department and would like the opportunity to contract with the Town of Hudson. He said he has been in business for about three years. Mayor Haynes reported that he should speak to the Town Manager and Town Attorney regarding this.

Ken Bollers, 3017 CR 47, Hudson, CO reported that he tries to help the town maintain the cemetery. One of the town's early citizens, Roy Howard, started the cemetery. The town went back through the records to see who had claims to the cemetery. Those that had claims were contacted and identified as having a right for a burial at the cemetery. Many years back there was a group of citizens that started a cemetery committee but then decided to give the cemetery back to the town. No one has really managed it for 15 years. The cost to manage and care for it is minimal. The original plan was to make this a prairie cemetery. Since Hudson has taken the cemetery over there have been ten burials and five cremations. There is no guarantee though that anyone has a burial site there. This cannot continue as it is. Leonard Roskop, 30935 CR 8, Keenesburg, CO reported that he also helps Ken with the cemetery and many burials are moving and caskets are sinking. He reported that snakes and rabbits are also a problem.

Mayor Haynes asked Mr. Bollers to set up a time to meet with Town Manager, Guy Patterson, to discuss this further.

**1) CONSENT AGENDA**

(Consent Agenda Items are considered routine and will be enacted by one motion and vote. There will be no separate discussion of Consent Agenda Items unless a Councilmember or Citizen so requests, in which case the items may be removed from the Consent Agenda and considered at the end of the Regular Agenda.)

- a. Town Council Meeting Minutes, May 2, 2018
- b. Payment of Bills

Councilmember Chavez made a motion, seconded by Councilmember Hammock to approve the Consent Agenda.

The vote was as follows:

Aye: Councilmembers Chavez, Hargis, Hammock, Cole, Stadler and Mayor Haynes.

Nay - None

Mayor Haynes declared the motion carried.

**2) GENERAL BUSINESS**

a. Recreational Marijuana Discussion

Guy Patterson reported that he compiled a panel of speakers to provide information and answer questions on the subject of recreational marijuana. The panel consisted of Keith Kuretich, an investigator for the State Marijuana Enforcement Division and the former Chief of Police for the City of Fort Morgan and Patrick Woltemath the former mayor of Sedgwick, Colorado.

Keith Kuretich reported that he retired from the City of Fort Morgan about five years ago and while he was in law enforcement, he saw a different side of the marijuana industry. Currently he does criminal and regulatory investigations for the enforcement division. He reported that for marijuana businesses to be operational they are required to have two licenses, a local license and a State license. There are many guidelines and regulations that they have to follow. He said he is not here to advocate for marijuana but he would be glad to answer any questions.

Guy Patterson reported that an additional panel member arrived. She is Wendy Koch who is the former mayor and current councilmember for the Town of Empire, Colorado.

Wendy Koch reported that she has fifteen years of experience dealing with the marijuana industry. The Town of Empire initially allowed medical marijuana sales and when Amendment 64 passed they allowed for recreational marijuana. The Town has a population of 300 and they have two licensed stores. She said the Town has been fortunate and has not seen or heard of any problems related to marijuana sales in her town.

Patrick Woltemath reported that he is the former mayor of Sedgwick. He served for one term as mayor and was a councilmember for two terms. During his time on the town council, he helped write four ordinances, two for medical marijuana and two for recreational marijuana. He reported that one of the biggest benefits of this industry is the revenue.

Councilmember Stadler asked the panel what the pitfalls were regarding this.

Patrick Woltemath reported that there could be discrepancies with revenue reporting if you authorize limiting the number of licenses. He said there is too much transparency involving the taxes that the town generates with only one licensed facility. Taxes and records can only be released to the town clerk, mayor, and accountant or to the Council in an executive session only. He said he would also recommend allowing for more than one store for basis of sales or you are creating a monopoly. He said as a full disclosure that he himself uses marijuana for medical reasons.

Wendy Koch reported that she never encountered any major pitfalls but she recommended that Council consider zoning related to this. There can be problems because of limiting how far businesses have to be apart.

Keith Kuretich reported that cities could limit what type of facilities they want to allow. He said that marijuana facilities that cook, use explosive materials and have the potential risk of fires are highly regulated. He reported that industrial hygienists and firefighters inspect these types of facilities. He said

location is also key. The Town of Empire has a good location right off Interstate 70 and it is on the way to Winter Park, Sedgwick is one of the closest locations for the northeast corner of the State and gets the majority of its customers from Nebraska. The east side of I-25 is sparse. Garden City and Log Lane Village are the closest dispensaries to the Hudson area.

Corey Hoffmann reported that if Council chooses to put this on the ballot they can choose what types of licensing are allowed.

Councilmember Hargis asked the panel if their council voted to allow marijuana or if they put it on the ballot for the citizens to vote on.

Patrick Woltemath said that Sedgwick did not put the issue on the ballot but the council decided to move forward with it. He said they started with medical marijuana only. Wendy Koch reported that Empire did put it on the ballot. Patrick Woltemath said many of the residents did not want marijuana in town but his theory was that it is already here so we may as well regulate it and make money off it.

Guy Patterson asked the panel if they earmarked the revenue.

Mr. Woltemath reported that the revenue goes into the town's general fund. He reported that the town also imposes a \$5.00 transaction fee. He said that 98% of their revenue comes from Nebraska. When the revenue is allocated to the general fund you are able to use the money how you need. Ms. Koch said their revenue is also distributed to the general fund.

Corey Hoffmann reported that the town could decide how to earmark the revenue.

Leonard Roskop reported that he is involved with the community and he farms industrial hemp. He thinks that medical marijuana is a good alternative to standard medical treatment for Veterans. He thinks that bringing marijuana to Hudson would be a good asset to the typical medical environment. He stated that he thinks it is a win-win situation.

Guy Patterson asked the panel what the initial increase in sales tax was.

Ms. Koch reported that initially it was 20-25% and now it is about 5-10%. Mr. Woltemath reported that he recommends passing the tax as a percentage tax. The excise tax goes directly to the town. Corey Hoffmann reported that the State does not collect the marijuana sales tax; it goes directly to the town.

Tami Botelho, 442 Birch Street, asked if the Town would be allowing manufacturing to help with the tax base. Corey Hoffmann reported that manufacturing facilities do not generate sales tax. He reported that the town could identify the amount of revenue a business generates but cannot pinpoint the business the revenue is coming from. Ms. Botelho asked if the determined amount would be all that would be allowed. Mr. Hoffmann reported that he thinks there is some confusion with the difference of CBD, THC, Hemp, and medical and recreational marijuana. Mr. Kuretich reported that cannabis is a Schedule 1 drug. The marijuana enforcement division does not regulate hemp. Hemp regulations are administered by the Department of Agriculture. Hemp contains .3% or less THC. Mr. Kuretich reported that the Town of Julesburg had marijuana on their ballot and it failed but they still have a CBD store. If something only contains CBD, it is legal.

Guy Patterson asked what the States perspective is versus the Federal's. Mr. Kuretich reported that recently President Trump issued a memo telling the Attorney General's Office to back off the nine states that legalized marijuana. The Federal government gave specific guidelines to Colorado in 2013 when Amendment 64 passed. Colorado follows these established guidelines, such as preventing minors from using marijuana and controlling diversion. Several months ago, there were concerns about the Federal government's stance on marijuana but those concerns have since gone away. Corey Hoffmann reported that the States have rights separate from the Federal government. Recently there was a Supreme Court ruling on sports books. The Supreme Court ruled in favor of allowing States to allow authorized sports books, which seems to be a pre-cursor to giving States more of their own rights.

Guy Patterson asked that panel what they have seen or heard about the black market.

Mr. Woltemath reported that the only issue with this that he has seen is a municipality only having one store. He said this creates inflated prices. He said you have to get more business to have better pricing. Ms. Koch reported that she not experienced any black market issues. Mr. Kuretich reported that the licensed businesses have to follow strict regulations that prevent black market incidents. The State's required background check, criminal history check and financial review are very intense. The State prevents anyone with drug felonies in the past ten years and felonies at all in the past five years from owning a store. Local officers do frequent inspections and the store has to have 24/7 security surveillance in place. Mr. Kuretich said the black market is more common on the cultivation side of the industry. There are cartels that illegally grow in their homes and on their properties. Corey Hoffmann reported that one of the original fears were that licensed businesses would have illegal sales occurring in their parking lots. This has not since been an issue. Mr. Kuretich reported that outside of a licensed premise people are held accountable from any illegal activity.

Councilmember Stadler asked the elected officials on the panel if their towns have 24-hour law enforcement.

Ms. Koch and Mr. Woltemath reported that yes both of their towns have this. Mr. Kuretich reported that there are laws regarding how law enforcement interacts with this industry. He said that recently a new law was passed that requires cultivation facilities to have 24/7 real-time monitoring. The law also requires them to report any crimes or attempted crimes at their facility.

Guy Patterson asked the elected officials why Hudson should not do this.

Ms. Koch and Mr. Woltemath both reported that there is no reason why the Town should not do this. They both agreed that the revenue source outweighs any problems associated with it and it is worth it.

Councilmember Chavez asked if the municipalities had any issues starting up.

Ms. Koch reported that she was admittedly terrified in the beginning but none of her fears ever materialized. Mr. Woltemath reported that there were citizens who made physical threats toward him but nothing happened.

James Hamm, 509 Cherry Street, Hudson, CO, reported that he is a disabled Veteran and he uses medical marijuana for treatment. His concern with bringing this to Hudson is the outside traffic and possible crime related issues. Mr. Woltemath reported that Sedgwick has not experienced any crime due to marijuana. Ms. Koch reported that Empire is located in Clear Creek, which has a population of about of about 9,000 people. The Town of Empire has two full-time police officers and two part-time officers and are also supported by the Clear Creek County Sheriff's Office. She said they have had no crime issues related to marijuana. She said the Town of Empire is only about 300 people so when people come to Empire that are not from there they know who they are and they get in and out and do not commit any type of crimes.

James Hamm also said his other concern was how far to establishments have to be distanced apart. Corey Hoffmann reported that towns get to decide the distance except for the Federal law that says that they have to be a minimum of 500' from any schools.

Keith Kuretich reported that when the City of Longmont decided to allow recreational marijuana they limited the total number of licenses to four and changed the zoning to allow the businesses in specific areas only.

Councilmember Chavez asked if these types of businesses had any programming for kids, such as the DARE program. Corey Hoffmann reported that many businesses would like to have or sponsor awareness programs for kids but the communities do not allow it because they see it as a form of advertising for the business. Wendy Koch reported that the marijuana businesses want to be an asset to the town they are in.

Ken Beauregard, 301 Birch Street, reported that he is a former San Diego Detective and he is a certified drug recognition expert. He stated that all he would like from Council was to allow the citizens to vote on this issue.

Corey Hoffmann reported that if Council wants to put this on the ballot the County will need to be notified. There is about a month to get this done. He asked Council if they want to put the question on the ballot or do nothing. Guy Patterson said that Council could have a work session to talk more about this. The consensus of Council was for Corey to draft a resolution for ballot language on recreational marijuana and lodging tax.

- b. "Communication by the Town Clerk of Submittal of the pioneer Annexation pursuant to C.R.S. § 31-12-107(1)(f)"

Corey Hoffmann, Town Attorney, reported the statute requires the above language to be submitted. He reported that Pioneer has submitted a petition to annex into the Town of Hudson. Staff will be meeting internally next week to discuss this.

- c. Reschedule First Council Meeting in July

Guy Patterson reported that the currently the first Council meeting in July is scheduled for July 4<sup>th</sup>. He asked Council if they would like to reschedule or cancel this meeting. The consensus of Council was to cancel the meeting and reschedule if needed.

Councilmember Hammock made a motion, seconded by Councilmember Stadler to approve the cancellation of the July 4, 2018 regularly scheduled Town Council meeting.

The vote was as follows:

Aye: Councilmembers Chavez, Hargis, Hamilton, Cole, Stadler and Mayor Haynes.

Nay - None

Mayor Haynes declared the motion carried.

Councilmember Hammock asked Council if they could decide what they are doing with recreational marijuana. Mayor Haynes said he would like to continue with the discussion and the decision should not be up to the Council but rather to the citizens.

Councilmember Hammock made a motion, seconded by Councilmember Stadler to stop the discussion of recreational marijuana and to keep the current prohibitions in place.

The vote was as follows:

Aye: Councilmembers Hammock and Stadler.

Nay - Councilmembers Chavez, Hargis, Cole and Mayor Haynes

Mayor Haynes declared the motion failed.

### **3) STAFF REPORTS**

Guy Patterson reported that he had a good introductory meeting with Weld County Commissioner Barbara Kirkmeyer. On Monday, Weld County approved the sliver's to annex on CR 49. This should be coming to staff by the end of the week. Guy and Hunter Fobare, Public Works and Utilities Director met with the asbestos mitigation company to discuss getting the Town Hall asbestos removal done. They were informed that this project would probably need to wait until fall because currently most asbestos companies are working on schools while they are closed. CDOT is fixing the Beech Street/Hwy 52 crosswalk. RYA (Rebels Youth Athletics) will be using the town's baseball field for T-Ball practices on Monday's and Wednesday's for the month of June.

Corey Hoffmann reported that he is working on a nationwide RFQ to get class-action attorney's to make a pitch about opioid litigation. Currently the City of Aurora, City and County of Denver, several other counties and Hudson have interest in being involved in this. There is no cost to the town. The town can decide if they would like to participate in this litigation or not.

Hunter Fobare, Public Works and Utilities Director, reported that spring clean-up days are this weekend. They have acquired a separate roll off for just scrap metal to save staff time in loading and hauling this to a scrap yard. He has been working on the booster pump project but there was a problem with the system design and they are working on correcting that. He is still looking for a new public works employee. His staff will be cutting the sod back and laying bases at the baseball field before T-Ball practices start.

Councilmember Cole asked Hunter what the status is on the park at 4<sup>th</sup> Avenue and Cedar Street. Hunter Fobare said the plan is to have it done by fall.

Marshal Flot reported that the new police vehicles have been ordered and should be in by September. Deputy Zimmerli is still in phase one of training and he is doing well. He said there are no major crimes to advise Council of at this time. There have been several traffic issues lately on I-76, including accidents and DUI's. He is working on getting the crime stats on the website. The Marshal's Office had popsicles with kids at the Hudson Academy of Arts and Science on Tuesday. He reported that the reason the Marshals were not the first on scene at the dog bite incident because they were all outside of Town doing training. They did show up on scene, just not first.

Councilmember Stadler said that her neighbors on Cherry Street have been complaining about speeding. Marshal Flot reported that they would keep an eye on that.

Councilmember Cole reported that he and Councilmember Hargis met with CDOT and that they seemed to really listen and like some of their ideas. The reason the frontage road may be project may be postponed is due to money issues. CDOT is also looking into the idea of a second entrance. Chief Ken Gabrielson with the Hudson Fire Protection District was also present at the meeting.

Councilmember Chavez presented Council with a painting that the Open Gym kids made thanking the town for having open gym for them.

Mayor Haynes said that the fishing derby was a success and he thanked Judy McGill for doing a good job with that.

#### CITIZEN'S COMMENTS

Kevin Russell, 11270 WCR 49, Hudson, CO, stated that he lives in the middle of the proposed Pioneer annexation and would like more information on this. He said this has been discussed for many years. Guy Patterson said staff would give him all of the information that is legally available. Corey Hoffmann reported that Pioneer is seeking to annex the same land as they previously planned on annexing.



**ADJOURNMENT**

The meeting adjourned at approximately 7:39 pm.

TOWN OF HUDSON, COLORADO

  
\_\_\_\_\_  
Mayor

ATTEST

  
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Town Clerk

