



CURRY COUNTY BOARD OF COMMISSIONERS

MINUTES – WORKSHOP

Wednesday, March 09, 2016 –10:00 A.M.

Commissioners' Hearing Room, Courthouse Annex
94235 Moore St., Gold Beach, Oregon 97444

Commissioners Present: Chair Thomas Huxley, Vice-Chair Susan Brown

Commissioners Absent: David Brock Smith

Support Staff Present: County Counsel, John Huttli; Administrative Assistant, Shelia Megson

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Commissioner Huxley called the meeting to order at 10:00 a.m. The Pledge was recited by all.

Commissioner Huxley made note that the video equipment was not functioning properly and therefore staff will only be able to record audio.

TOPIC: Marijuana Sales Tax

Commissioner Brown said the purpose of the workshop is to discuss the possible three percent tax on marijuana that would need to be put on the ballot in November. She believes the ability to put the topic on the ballot would be limited to general elections held every four years. If the County does not put it on the coming ballot then it would have to wait until 2020.

County Counsel Huttli explained that there had been a joint workshop with the Board and the Planning Commission. Their recommendation that will be coming to the Board during the next general meeting was that the County take no action now to add any additional regulations beyond what will be imposed by the State on the marijuana industry. A requirement set by the State for renewing licenses in this industry is that they receive a Land Use Conformity Statement (LUCS) from the County. Since that joint workshop, The State decided that the annual LUCS would not be required from already existing medicinal only license holders. He believed the change is minimal and would not be a significant factor for the Board but wanted to make sure they were informed.

Director of Administration and Economic Development Schmelzer said that this new industry would potentially increase the economic development opportunity as well as revenue. The local Green Life shop produced over \$3000 in tax revenue to the State in only three weeks of business. The State reports that retailers are expected to double this year. Their predictions are that there will be \$9 million currently, \$19 million in 2018, and \$21 million in 2019 showing the expected increase. Tourism research shows a use of 439,000 ounces in Oregon per year.

Schmelzer said she wanted to encourage the Board to move forward with placing the tax on the ballot. The State is going to place a sales tax of 17% and the County can add another 3% maximum. She told the Board how the State has said that the 17% will be portioned out. The County can decide to have the additional 3% be placed into discretionary spending but she suggested it be earmarked for law enforcement and staff directly dealing with the issue. The State will collect and disperse the added County tax if enacted. Huxley asked for the expected revenue dollars from the State tax sharing and Schmelzer informed him that it is unknown and can only go off the predictions they are offering.

Commissioner Brown asked how the distribution would be in comparison to the lottery. Schmelzer said that during the first year the tax sharing will be distributed amongst the areas that have not banned retail sales and based on population. In the future it will be based on the number of retailers and include edibles so it would be not beneficial to place additional restrictions. Brown guessed that the income would be similar to the alcohol tax that brings in roughly \$100 thousand annually statewide.

County Counsel Huttl and Schmelzer shared with Brown the ballot language, and economic statement, and an ordinance would be done together and could be brought to the Board as early as wanted. The deadline for submitting it to the Clerk for the ballot would be on August 12, 2016.

Resident Jan Barbas said that his preference would to have the tax go into the general fund and not earmarked. He suggested that earmarking was one of the reasons that the recently proposed Transient Lodging Tax (TLT) had failed.

Resident David Barnes said that he was new to the area but appreciated that the State is not allowing intrastate activity on this matter. It allows smaller business owners to compete and keeps out larger established companies. He had attending budget meetings and agrees that this is a needed source of additional income.

The Board reached Consensus to bring the proposal before the Board at a general meeting and directed Huttl and Schmelzer to prepare the needed material.

Resident Earl Crumrine said that he is a local retailer and he is not against the tax. He knows other shop owners and some feel that they pay enough tax already. He said the average number of customers per day can range from 30 to 40 and approximately generate \$4000 per month in tax revenue. He also said that due to banking regulations, most businesses in the industry have a hard time keeping a bank account and have to deal with cash only when paying taxes. He said that the income should be earmarked so that the public would be aware where the money was being spent. Brown suggested that he come to the budget hearings and learn where all the funds are used.

Commissioner Huxley began to close the meeting but Commissioner Brown said that she would like to address a couple more topics. She said that Monday March 14, 2016 at 6:00 p.m. the City of Brookings is requesting to do a joint workshop with them at the City Hall. Among the topics to be addressed will be the Crescent City terminal project and infrastructure progress reports about the Brookings airport. There was consensus to agree to the meeting and instructed staff to publish a notice. Brown said she would work with Director of Administration and Economic Development Schmelzer to get a summary of the airport for the meeting.

Commissioner Brown said that a candidate for County Accountant had applied and is available for an interview via telephone or Skype. Huxley said that they had done other interviews and didn't feel that any of them fit. He instructed Personnel Coordinator Swift to send "no thank you" letters to the applicants. Brown asked if they were considering the new applicant and Huxley replied that they would not.

Commissioner Huxley said that Curry Community Health (CCH) is working with a company to find candidates for their accounting position. He would like to work with CCH or that company to help find candidates for the position at the County. County Counsel Huttl said that he talked to the company and they would not require a fee unless one of their candidates was hired. Huxley said that Moss Adams wanted to present a report to the Board concerning the completed year-end audit. Brown suggested that it be done at a workshop. Huxley will work with them to set a time. Huttl reminded them of the Board Special Meeting scheduled for later that day.

ADJOURN

Commissioner Huxley adjourned the meeting at 10:45 a.m.

Respectfully Submitted,
Shelía M. Megson

These minutes from Wednesday, March 09, 2016 Board of Commissioners' Workshop approved this 1 day of June, 2016.

CURRY COUNTY BOARD OF COMMISSIONERS

Thomas Huxley, Chair

Susan Brown, Vice Chair

David Brock Smith, Commissioner