

Stoneham Finance & Advisory Board Meeting
Wednesday, October 5, 2022 - 7:00 pm
Town Hall Hearing Room

Attendees:

Tim Waitkevitch, Chair
Cory Mashburn, Vice Chair
Andrew Harmon, Secretary

Julieanna Bovat	Youlia Bowerman
Ed Hurley	Sachin Joshi
Mike Memmolo	Wendy Smith

Absent: Jen Gray, Dave Tamaro

Guests:

George Seibold - Citizen Petitioner
Jill Osborn - Medicinal Marijuana Advocate

Agenda:

1. October Town Meeting Warrant Review
 - a. Article 17 w/ citizen petitioner George Seibold
2. Other Business - Non Deliberative
3. Adjournment - Vote Required

Minutes:

The Finance & Advisory Board Chair called the meeting to order at 7:00pm.

Board Chair began the meeting with Agenda Item #1. Mr. Waitkevitch introduced George Seibold to provide an explanation of Article 17 (Repeal of the Prohibition on Marijuana Sales). He explained that he felt the time was right to reintroduce this debate (the prohibition was enacted in 2017). And further explained that he felt the 3% tax on sales would be beneficial to the Town. Mr. Hurley asked whether this was specifically aimed at recreational marijuana sales and Mr. Seibold responded that it was.

Mr. Waitkevitch asked about the intent of the Article. He asked what Mr. Seibold predicted would be the next step if this Article passed. Mr. Seibold suggested that the next step would be potential zoning changes at future Town Meetings, if the Town so desired to continue with the process. Mr. Mashburn then asked what need(s) Mr. Seibold would like to see the additional 3% tax revenue address. He did not name specific needs, but emphasized the idea that this would

be additional revenue for the Town to spend on whatever it deemed necessary. Ms. Bovat asked whether there were any estimates on how much revenue Stoneham might expect if it did allow sales. Mr. Seibold stated that Watertown was generating between \$400K and \$500K in revenue. He then invited Ms. Osborn to speak. She stated that generally dispensaries are generating between \$5M and \$11M in revenue. At 3%, this would mean an estimate of \$150K to \$330K in revenue per dispensary. She also noted that sample host agreements cap the number of dispensaries at 20% of establishments that can sell alcohol to be consumed onsite. Last, she mentioned that many host agreements have provisions that allow for community impact fees.

Ms. Smith noted that revenue in other cities and towns have ranged from \$5M a year to \$3K a year. She explained that host agreements are enforced by the Town itself and that could expose the Town to increased legal fees. Mr. Seibold acknowledged the possibility that a future recreational marijuana sales establishment could be difficult to deal with, but compared that to any other business in Town that opted not to pay its rightfully assessed taxes. He also compared recreational marijuana to alcohol, which he explained is sold in several liquor stores. And emphasized that marijuana is arguably a safer alternative.

Mr. Mashburn commented that decisions on what businesses to bring into Town should not be solely made on revenue impact. He acknowledged Mr. Seibold's commentary about alcohol sales, but said that the question before the Board was about marijuana.

Mr. Memmolo added to that thought to note that what is before the Board is solely an Article meant to repeal a bylaw passed in 2017 prohibiting recreational marijuana sales. He explained that anything beyond that involves a lot of subsequent regulation and discussion.

Mr. Joshi then asked Mr. Seibold whether there is a specific project that is motivating this citizen petition. Mr. Seibold responded that he was not aware of a project in development.

Mr. Waitkevitch then attempted to distill the issue of disallowing marijuana on values-based grounds. He stated that other towns allow recreational sales, so as a practical matter, the existing prohibition is not preventing residents from using marijuana. He went on to note that there would be some, as yet unknown, revenue impact to the Town in the form of taxes, etc. He also noted that there would be some expense, but emphasized that his view is that costs would not be that extensive.

He then reminded the Board that it is not obligated to make a recommendation on this Article. Mr. Memmolo replied by asking, whether or not the Board makes a recommendation, that the Board (in its advisory role) should be explaining the Article at Town Meeting. Mr. Waitkevitch and Mr. Mashburn agreed. Mr. Mashburn then suggested a criteria for judging matters before the Board more broadly.

1. How much revenue will the proposal generate?
2. How will that revenue be spent?

3. How will the proposal affect the Town?

He then addressed the third criterion by suggesting allowing recreational sales could normalize the activity. Mr. Hurley then opined that he thought the revenue impact was not likely to be significant. Mr. Harmon then added that, while the revenue impact is unknown, a rejection of this Article does have a known financial impact. Recreational sales would generate \$0 a year because it would still be a prohibited activity. He urged the Board to keep its interpretation of the Article more narrow and opine on the financial impact.

Ms. Smith agreed with Mr. Waitkevitch's suggestion that the Board not make a recommendation but describe the nature of the Article. She said that the lack of known financial impact meant that this would fit into the Board's recent tradition of not making recommendations where there is no definitive impact. Ms. Bovat agreed.

Mr. Harmon disagreed. He felt that the Article does represent a financial impact. He again emphasized that defeat of this Article ensures revenue for recreational sales is \$0. Repeal of the prohibition would mean the revenue impact has the potential to be more than \$0. Mr. Hurley felt it was most appropriate that the Board not make a recommendation on this Article.

Mr. Memmolo introduced a motion for favorable action on the Article. Mr. Harmon seconded. 6 in favor:

- Joshi
- Memmolo
- Bovat
- Harmon
- Bowerman
- Waitkevitch

3 opposed:

- Mashburn
- Hurley
- Smith

Motion passed. The Board then collaborated on a write-up to present at Town Meeting.

The Board Chair then directed the Board to begin voting on the remainder of the Warrant Articles. Mr. Harmon introduced a motion for favorable action on Article 2. Mr. Waitkevitch seconded; all in favor. Mr. Memmolo introduced a motion for favorable action on Article 3. Mr. Joshi seconded; all in favor. Mr. Memmolo also introduced a motion for favorable action on Article 6. Mr. Hurley seconded; all in favor. Mr. Harmon introduced a motion for favorable action on Article 8. Ms. Smith seconded; all in favor. Mr. Memmolo introduced a motion for favorable

action on Article 9. Mr. Harmon seconded; all in favor. Mr. Harmon introduced a motion for favorable action on Article 10. Mr. Memmolo seconded; all in favor. Mr. Harmon introduced a motion for favorable action on Article 11. Mr. Joshi seconded; all in favor. Mr. Harmon introduced a motion for favorable action on Article 12. Ms. Smith seconded; all in favor. Mr. Memmolo introduced a motion for favorable action on Article 13. Mr. Harmon seconded; all in favor. Mr. Harmon introduced a motion for favorable action on Article 14. Mr. Joshi seconded; all in favor. Ms. Smith introduced a motion for favorable action on Article 15. Mr. Harmon seconded; all in favor. Mr. Harmon introduced a motion for favorable action on Article 16. Ms. Bovat seconded; all in favor.

Mr. Harmon then introduced a motion to accept all of the proposed write-ups for each Article. Mr. Memmolo seconded; all in favor. Mr. Mashburn then introduced a motion to adjourn. Mr. Harmon seconded; all in favor.