



City Missed Opportunity to Establish Tax on Marijuana

The City of Vernonia missed an opportunity in the November 2016 election to institute a three percent tax on locally sold, legal recreational marijuana and will now, most likely, have to wait until November 2018 before they can do so.

The Vernonia City Council learned of this missed opportunity at their December 5, 2016 City Council meeting when City Administrator Josette Mitchell presented a memorandum from City Attorney Ruben Cleveland.

In his memo, Cleveland explained that when Oregon voters passed Measure 91 in the 2014 general election, and legalized the sale of recreational marijuana, Measure 91 established a regulatory framework for the sale and taxation of products. A key provision in the bill did not allow local jurisdictions to impose their own taxes on marijuana products.

Based on a recommendation from the Oregon League of Cities, many cities, including Vernonia with Ordinance 896, enacted marijuana taxes prior to Measure 91 taking effect, with the hopes that those taxes would be

“grandfathered” in and be enforceable.

According to Cleveland’s memo, the state legislature has rewritten the original provisions since voters approved Measure 91, changing the regulations dramatically. Part of those changes included ORS 475B.345 which now allows cities to tax marijuana sales, although there is some ambiguity, as the ORS also states that the state Legislative Assembly is the only authority that can impose a tax.

ORS 475B.345 allows cities or counties to adopt an ordinance that imposes a tax or fee of up to three percent on marijuana items sold in their jurisdiction. That tax must be approved by local voters in a statewide general election, which only take place every two years.

Cleveland also states in his memo that cities like Vernonia that passed taxes prior to Measure 91 are unsure of their status. “Even though

continued on page 16

Council Considers Public Works Recommendations

Council agrees to annually evaluate, and adjust if needed, water and sewer rates.

At their December 5, 2016 meeting the Vernonia City Council took action on several recommendations from the Public Works Committee.

Council rejected a recommendation from their citizen committee concerning what to do with excess funds collected over the past two years from ratepayers as part of the water loan on the City utility bill, but did agree with the Committee’s recommendation on two other issues: to begin purchasing radio read water meters in the future, and to set a date of the first week of March to annually review water and sewer rates.

Council discussed the Public Works Committee recommendation concerning the overpayment from the water loan. For the past two years the City has been aware they were collecting excess funds for the water loan payment because the rate was initially calculated using a lower number of water customers when the City did a rate study. There have been numerous new customers added to the system since then, increasing the overall amount collected each year towards the annual debt payment. The City has been waiting to adjust the rate at one time after they collected all the information they needed, including the final cost of the Wastewater Treatment Upgrade project, which was just determined last month.

The water loan payment began showing up as a separate \$11.50 item on City utility bills beginning in April of 2014 as part of an overall restructuring by the City of their utility rates and the

installation of a new billing system.

Over the course of the two years, the City collected approximately \$22,000 in excess fees, or about \$24 per customer.

The Public Works Committee officially recommended that the City return the funds to rate payers in a lump sum payment and that the loan repayment fee needs to be recalculated.

In her written Agenda Item Summary, City Administrator Josette Mitchell told the Council that city staff did not support the Public Works Committee recommendation, citing many logistical issues in trying to return revenues to rate payers, including trying to locate customers who may no longer be city residents.

Mitchell said it was staff’s recommendation to use the excess money as a starting balance in next year’s budget in the water loan repayment line item, thereby lessening the amount needed to be collected from rate payers going forward, and legitimately using the revenue towards paying the debt it was collected for.

Council agreed with staff’s recommendation and voted to hold the funds and add them to next year’s budget. “I think it’s more fiscally responsible to do it that way,” said Councilor Bruce McNair, who has been a strong proponent of tightly managing the utility rates with a goal of saving rate payers as much money as possible.

The City, in attempting to be transparent, admits they made a mistake in waiting this long to adjust the rate and thereby collecting the excess funds. “Mistakes were made and we’re going to rectify it, but we’re going to do it in a manner that is fiscally responsible,” said Councilor McNair.

continued on page 6

Waste Management to Make Garbage Day More Convenient

Waste Management is moving forward with a plan to provide all residential customers in Vernonia with roll cart garbage cans to replace customer’s own 32 gallon garbage cans.

Greg Johnson, Senior Route Manager for Waste Management in Columbia County and Washington County, presented the Vernonia City Council with Waste Management’s proposal at the Council’s December 5, 2016 meeting and asked for the Council’s support.

The plan calls for all residential customers to receive 35 gallon roll carts free of charge. Johnson told the Council the plan would affect approximately 300 customers in Vernonia. He said there were already about 300 customers in Vernonia already using Waste Management provided roll carts for their garbage.

Johnson said the plan would

be “revenue neutral” for Waste Management, meaning customers switching to the roll carts would see an \$0.84 increase monthly, while customers who already have the roll carts would receive an \$0.83 decrease.

City Administrator Josette Mitchell told Council that the City would need to hold a rate hearing before the program can be implemented.

Johnson told the Council that Waste Management began a similar program last April in Scappoose and that the “transition was smooth with overwhelmingly positive customer feedback and virtually no complaints on using our carts.”

Johnson says the roll carts have attached lids and sturdy wheels and are more convenient for their customers. In addition the carts provide safer working conditions for their employees who can use an automated arm on the collection

trucks to lift and empty the carts.

Council gave their consent to move forward with the plan. Johnson said Waste Management plans to begin the program on April 1, 2017.



inside

9 new e-waste recycling business

16 vhs winter sports report

17 columbia county pcc winter update

22 spirit of christmas contest winners

