MAY 12, 2021 | 7:30 P.M.

[THIS MEETING WAS HELD VIRTUALLY FOR ALL PARTIES]

MAYOR'S OPENING STATEMENT: Mayor Keith S. Balla called the meeting to order at 7:30 PM and provided the following statement. This meeting will be held virtually for all parties. Public Comments will be accepted through zoom or by email to the Borough Clerk, instructions were posted with this agenda and are posted on the website. I'd like to welcome everyone this evening to our special meeting. In order to comply with all NJ Executive Orders and to protect members of the public this meeting will be held virtually for all parties. For those joining through Zoom, please note that upon arrival you are automatically muted. If you wish to speak during public portion, you will need to click on the "raise your hand" feature. For those joining us through the conference call line, you will need to press *6 to unmute yourself. Under the provisions of N.J.S.A.10:4-6 et seq., notice of the time and place of this meeting was given by way of a Special Meeting Notice to the Courier News, Echoes Sentinel, the Star Ledger, posted at Borough Hall and on the Borough's website.

SALUTE TO THE FLAG and a MOMENT OF SILENCE FOR OUR SERVICE MEN AND WOMEN, SERVING HOME AND ABROAD.

ROLL CALL:

Robinson [P] Goodloe [A] Eisenberg Knegten [P] Jubin [P] Martino [P] Hayeck [Absent]

Mayor Balla stated that the purpose of tonight's meeting is to provide facts and information to the Governing Body, to our residents, to businesses in Watchung regarding the recently enacted law legalizing and regulating cannabis use or possession for adults 20 years and older in the State of NJ. There are four types of cannabis activities: cultivators, manufacturers, wholesalers, and retailers. The Borough has until August 21st, 2021 to either opt in to allow various cannabis activities and any one of the activities and where those activities would be operated in the Borough of Watchung or opt out will restrict cannabis activities in Watchung. If no action is taken withing the 180 days ending on August 21, 2021 any cannabis operations will be permitted. The Governing Body has solicited feedback from the Watchung Board of Health, the Planning Board, the Board of Education and organizations and businesses within Watchung to provide input and comments.

DISCUSSION

Community Impact on the Legalization of Cannabis

Mayor Balla called upon Denis Murphy, Borough Attorney of Weiner Law Group, LLC

Mr. Murphy gave a background of the cannabis legislation and how it came about and proceed to explain the options provide to municipalities. Attorney Murphy explained the legal routes available and detailed the six licenses created under the State's legislation for cultivators, manufacturers, wholesalers, distributors, retailers and delivery licenses. He also provided an overview of the Cannabis Regulatory Commission and its jurisdiction. Mr. Murphy reviewed the legal options available to the Governing Body and what they could or could not regulate if they chose to allow cannabis. He reviewed the number of things the Governing Body could regulate without the input of the Cannabis Regulatory Commission, including provide for local tax.

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Attorney Murphy explained that while there were several things the Governing Body could choose or not choose to allow, it could not however ban the delivery of cannabis to Watchung. However, the Governing Body decides to proceed, said actions have to be done via an ordinance that must be sent to the Planning Board for their input.

Jacqueline Ferraro, co-founder of the Cannabis Advisory Group, a non-profit working on obtaining their 501 c3 status and part of a group of policy leaders. They are available to answer questions on economics, economic development, job growth, etc. and to provide general insight onto the retail of the operation.

Sam Redlich, Esq. represents groups that are seeking licenses in NJ and a local resident who is a Farmer, which brings considerations of equity into play. The current law is written in a way that if nothing is done, the cultivation would happen in an industrial zone, it does not consider that we are dealing with a plant. Mr. Redlich gave an overview of the revenue benefits of allowing certain cannabis activities. He explained that in Bayonne the application and use fees are about \$10,000; a dispensary has a potential to bring in about \$400,000 a year if it is well positioned and explained the difference between micro-license and regular licenses.

Mayor Balla opened the floor to questions and comments of Council.

President Robinson asked that someone speak on the number of jobs created from the possible cannabis operations. Ms. Ferraro mentioned that a retail location could create anywhere from 20-40 employees, a cultivating facility could be up to 60 employees and proceeded to speak on the operations and regulations of opening up these kinds of facilities in Watchung.

Council Member Martino inquired on the frequency of growing this outdoors given the different temperatures in the state. How would that work with outside farmers? Mr. Redlich explained that a farm facility could be converted to allow growing cannabis. A barn could be converted and used as a shell and build modular units, they would alter their facilities to allow for this. Other methods would be via greenhouses the same way other items could be grown; the state's home rule allows the municipalities to have control of this aspect through zoning regulations.

Council Member Eisenberg Knegten inquired on the discretion available to municipalities in terms of controlling the specific locations where certain business operations could be held. Attorney Murphy explained that the Governing Body has the ultimate determination of locations it would allow, which could be enforced through zoning powers. Mr. Redlich explained that other municipalities have create what's called an overlay district(s).

Council Member Martino noted that Watchung also has 3 zoning districts and other locations should be considered other than those on Route 22, but Attorney Murphy reminded all that tonight's session was merely informational and to hear from the public and no decisions were being made tonight. CM Martino proceeded to explain that there were several questions he had and would want to hear from the Police Department, the Board of Health, and other financial questions. Ms. Ferraro offered that while federal legalities were pending, there is a Safe Banking Act that lobbyists are pushing through.

Councilman Martino inquired on the crime history of cannabis places since they would mostly be cash, but Police Chief Hart noted that it would be difficult to say as most businesses in the area accept card transactions. Ms. Ferraro noted that card transactions are also a possibility in the cannabis industry. These places

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all have security personnel in the front door and the Commission (state) ensures that cameras are operational at all times.

Council Member Jubin spoke on the informational data that was generated by the Board of Health on this topic, which should be posted on the borough website. Bruce Ruck, President of the Board of Health commented on the lack of proper research on the health effects of cannabis and proceeded to speak further on the research that is known. Mr. Ruck emphasized on the safe storage of cannabis because the number of children that are getting into homemade brownies or gummies is overwhelming. He mentioned that another issue that is consistently brough up is the contaminants in cannabis products and whether there is lead, mercury, pesticides or other drugs in them. But he noted that these concerns would come up in Watchung whether it chose to opt in or out of cannabis activity. Ms. Ferraro mentioned that the State currently has only one lab that all other 12 locations use for testing and Council Member Jubin pointed out that education is of the utmost importance.

PUBLIC PORTION

1) Bruce Ruck, Lakeview Avenue, had two questions. If Watchung decided to opt out now and in two years decides to opt in, does that mean Watchung is guaranteed a spot to opt in for licenses or would that depend on licenses available? If the town enacts a 1,000 ft rule from a school, does this mean that a resident would not be able to consume or smoke in their private property if they are within the 1000 ft of a school?

Attorney Murphy explained that the number of licenses would be determined by the Cannabis Commission, but that would not determine if a municipality could still opt in or out down the road. The 1,000 ft question could not be answered now as it all depends on what the Cannabis Commission releases as regulations.

- 2) Christine Ead, Washington Drive, spoke on medical marijuana and the exposure to the youth by making marijuana easily available at local dispensaries. She urged the Governing Body to slow down the process before implementing anything as more information on legal and health matters become available.
- 3) Charlie Neiss, Dogwood Lane, explained that it is irrelevant to discuss the sale or use of marijuana as it is now legal in this state. The question is whether these businesses will be licensed in Watchung. He believes it is irresponsible on the towns part to say go take your business elsewhere when the majority of voters voted in favor. However, there are legitimate points and can understand not making a decision until the state regulations are in. Mr. Neiss mentioned that he is opposed to having growing operations in Watchung as that is not something to have in a residential area. He has driven by Colorado with the windows closed and the smell of those farms is very potent and is unavoidable.
- 4) Jeffrey King, Elizabeth Parkway, Eatontown, thanked the Borough for having an open discussion on this topic and is interested in hearing more as this subject is being taught in colleges as part of Master programs. Looking at all angles is crucial; he also spoke on the greater impact and effects that alcohol has and how that has more deadly consequences.
- 5) Tracee Schaefer, Mountain Boulevard, spoke as Chair of Watchung Planning Board and mentioned that the Governing Body had a lot of unanswered questions. Council does not yet know where these

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locations would operate, if it will establish drug-free school zones, there is simply not enough time for an August decision. Council needs to be prudent as they know that the ordinances they move will need to go to planning, and then to the Governing Body. Rather than push forward, the borough needs to be prudent about it to avoid mistakes. She is interested to know what is Police's take on elevation and crime on Route 22.

- 6) Martin Carroll, Valley Road, commented that Route 22 is an obvious place to allow this kind of business in Watchung and that our future generations would wonder what in the world was the deal with not allowing these businesses in the area.
- 7) Marina Redmond, Borough Square in Harland, spoke on the benefits of medical marijuana and the impact it has had on her life as a result of birth defects and cancer diagnosis.
- 8) Jaime Van Sciver, Greenwich Avenue, Paulsboro, with Sativa Cross a non-profit organization advocating for patients' rights and accessible for disabled individuals. She provided comments advocating for medical marijuana.
- 9) Maria Dahl, Johnston Drive, thanked everyone for their presentations and supported Council Member Martino's comments. She added that if this subject is being claimed as "being great" then why is it that surrounding towns are opting out. The main priority should be children, and implored the Mayor and Council to take their time in making a decision.
- 10) Hugh Giordano, Argyle Ave, Blackwood, spoke as Representative of the United Food and Commercial Workers Union, he stated the UFCW is a national union and they are the official labor union of cannabis workers represented from seed to sale. Mr. Giordano offered a tour of one of the original dispensary facilities in New Jersey. He also offered that the City of Bayonne has done a great job with their ordinance. They have looked at environmental standards, community standards, labor law standards, etc. Any municipality that is interested should want to have an employer that has collective bargaining agreements in another state. Mr. Giordano suggested to Councilman Martino that he take advantage of the tours available as that would help answer a lot of his questions on the financials of this kind of business.
- 11) John Mazzuca, Kristy Lane, mentioned that he heard a lot of support on this matter but that it was mainly of members not from the Watchung community. He inquired on when would the Council vote on this matter?
 - Mayor Balla clarified that the purpose of this meeting was to get opinions of the general public so that a decision could be made before the August 21st deadline. Attorney Murphy explained the steps that would be taken once a decision was made to move forward, whether to participate or opt-out of this matter.
- 12) Rachel Funcheon, Cedar Road, reiterated that the residents of Watchung have already spoken on this matter and that approximately 70% of voters were in favor of this.
- 13) Carol Droege, Valley Road, appreciates the efforts that the town has made on having this discussion, she stated that she is originally from Holland and has family in Massachusetts and has family members who use marijuana both recreationally and medically. She states that in Massachusetts it has

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worked to have this recreationally available, from seed to sail, and to not offer it to the majority that have voted for it, just doesn't seem right. We already have vice-based businesses here in town that are regulated and this would be no different.

- 14) Denise Soppas, Dogwood Lane, stated that the borough should consider a medical dispensary first and inquired if the borough had given any thought to what the revenues would be used for.
- 15) Charlie Neiss, Dogwood Lane, suggested that each license type/class would require a different location and that those kinds of things needed to be taken into consideration.
- 16) Steve (comment submitted via chat feature) Hello and thank you for entertaining this with the public. Question: similar to gasoline pricing, how might it be best to make sure that Watchung prices their cannabis appropriately, so that patrons don't bypass Watchung in favor of purchasing where it might be known less expensive but of the same quality? More simply: can and should Watchung regulate the cost of cannabis with respect to other local markets? Perhaps best addressed to the gentleman from CA?
- 17) Pamela Lewis. Johnston Drive, offered that it would be great to take advantage of the tours being offered and thanked everyone, even those out of town for expressing their views.

ADJOURNMENT

Upon no further business, the Mayor ended the meeting to the Call of the Chair at 9:50 P.M. The next meeting of the Mayor and Council is a regular meeting scheduled to be held on May 20, 2021 at 7:30 P.M.

Respectfully submitted,

Edith G. Gil Borough Clerk