



ADAMS COUNTY

COLORADO
BOARD OF COUNTY COMMISSIONERS

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**STUDY SESSION AGENDA
TUESDAY
November 2, 2021**

**ADAMS COUNTY GOVERNMENT CENTER
CONFERENCE CENTER, ROOM BRANTNER GULCH B**

ALL TIMES LISTED ON THIS AGENDA ARE SUBJECT TO CHANGE

- | | | |
|-------------------|---------------------|---|
| 11:00 A.M. | ATTENDEE(S): | Jenni Grafton / Ryan Nalty / Andrea Berg / Brandon Slattery / Joaquin Flores / Jen Rutter / Jonathon Lubrano |
| | ITEM: | Marijuana Delivery |
| 11:30 A.M. | ATTENDEE(S): | Cindy Bero / Terri Lutt |
| | ITEM: | Retiree Benefit Discussion |
| | ATTENDEE(S): | Michael Kohn / Michael Drumright / Jason Gallegos |
| | ITEM: | FOP Retirement Healthcare Benefits Proposal |
| 12:30 P.M. | ATTENDEE(S): | Raymond Gonzales |
| | ITEM: | Administrative Item Review / Commissioners Communication |
| 1:30 P.M. | ITEM: | BOCC Jail Tour |

(AND SUCH OTHER MATTERS OF PUBLIC BUSINESS WHICH MAY ARISE)

AGENDA IS SUBJECT TO CHANGE



STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: November 2, 2021
SUBJECT: Regulated Marijuana Delivery
OFFICE/DEPARTMENT: Community & Economic Development Department
CONTACT: Andrea Berg, Customer & Process Development Manager
FINACIAL IMPACT: NA
SUPPORT/RESOURCES REQUEST: NA
DIRECTION NEEDED: Move forward with Licensing Regulations for Regulated Marijuana Delivery?
RECOMMENDED ACTION: Allow Adams County Retail Marijuana Store Licensees to add a Regulated Marijuana Delivery Permit and allow for delivery into and out of Adams County's jurisdiction.

DISCUSSION POINTS:

- On May 29, 2019 HB19-1234 Regulated Marijuana Delivery was signed into law.
- Created Regulated Marijuana Delivery permits for licensed Retail Marijuana Stores.
- Staff will present information from the Rulemaking completed by the Marijuana Enforcement Division.
- Discuss allowing Regulated Marijuana Delivery permits for Adams County Marijuana Retail Store Licensees.
- Provide information from jurisdictions who have implemented Regulated Marijuana Delivery.
- Provide input from Adams County licensed Marijuana Retail Stores.

Regulated Marijuana Delivery

Community and Economic Development Department

November 2, 2021



Regulated Marijuana Delivery

- HB19-1234 Regulated Marijuana Delivery signed into law on May 29, 2019
- The law creates marijuana delivery permits for *licensed* Retail Marijuana Stores and Medical Marijuana Centers.
- Medical Delivery Effective January 2, 2020
- Retail Delivery Effective January 2, 2021

Regulated Marijuana Delivery

- A delivery can only be made within jurisdictions that allow delivery
 - Can be done by vote or by decision of the Board of County Commissioners
 - A local government may prohibit delivery of marijuana products from a business outside its boundaries by ordinance
 - The act provides for a one-dollar surcharge on each delivery. The surcharge is remitted to the County on a monthly basis to pay for local law enforcement costs related to marijuana enforcement

Rulemaking

- Training requirements prior to first delivery
 - Responsible Vendor Certification
 - Delivery Curriculum
- Delivery vehicle requirements
 - Owned/Leased by Retail Marijuana Store or Owner
 - Security/Video Surveillance
 - GPS Tracking
 - Secure Storage of Product
- Limited amount of product can be carried in a vehicle (maximum \$10,000 in retail value)
- Permitted hours of delivery

Rulemaking

- Delivery Limitations
 - 1 delivery per residence/person/day
 - No deliveries to college campuses
 - Product must be weighed/packaged/prepared/labeled prior to leaving the Retail Store
 - Product cannot be put in delivery vehicle until an order is placed
- Daily Delivery Limits (individually or any combination)
 - 1 ounce Retail Marijuana
 - 8 grams Retail Marijuana Concentrate
 - Retail Marijuana Products containing more than 10 servings of 80 mg of THC

Rulemaking

- Proof of Consumer Identification
 - Verification of age, minimum 21
 - Person accepting delivery is the same as person who placed the order
 - Delivery must be refused if person accepting delivery does not meet requirements above
- Inventory Tracking Manifest

Manifest Information		
Name	Consumer Identification #	Time of Delivery
Address of Private Residence	Acknowledgement of Receipt	If delivery could not be completed, reason why

Regulated Marijuana Delivery Surcharge

- A \$1 surcharge is assessed on each delivery.
- Remitted to the County on a monthly basis to pay for local law enforcement costs related to marijuana enforcement.

Taxation

- Retail sales are sourced to the location where the purchaser takes possession of the purchased property.
- In Colorado, there is an exemption for small retailers whose sales fall below certain thresholds.

Taxation

- General Sourcing Rules

1. If the purchaser takes possession of the purchased property at the seller's business location, the sale is sourced to that business location. (**Buying in store**)
2. If the property is delivered to the purchaser at a location other than the seller's business location, the sale is sourced to the location the purchaser receives the purchased property. (**Point of Delivery**)
3. If retail sales of a business are less than \$100,000 for the previous year, the sale is sourced at the place of business. (**Place of Business, if under \$100,000 Revenue**)

Other Jurisdictions

- Marijuana Enforcement Division
 - 11 Medical Delivery Permits
 - 21 Retail Delivery Permits
- Delivery allowed into and out of the jurisdiction
- Responsibility of the Licensee to track the location of all deliveries to ensure sales tax and \$1 surcharge are remitted to the applicable jurisdiction

Other Jurisdictions

	Delivery Permits	
Jurisdiction	Retail	Medical
Aurora	11	
City of Boulder		7
Castle Rock	1	1
Denver	8	2
Golden	1	
Longmont		1
Louisville	Allowed, no permits issued	
Northglenn		
Superior		

Adams County Retail Stores

- For
 - Delivery may help smaller stores stay competitive with larger stores
 - Aid customers who can't get to the store
- Against
 - Cost may not be worth the rate of return
 - Security and staff liability
 - Customers prefer to browse products
- Overall, 3-4 would consider it to see how it goes.

Delivery Permit Fees

- Marijuana Enforcement Division
 - Initial Permit – expire in less than 6mo \$2,000
 - Initial Permit – expires in 6mo or more \$4,000
 - Renewal \$2,000

- Adams County
 - Initial Permit – expire in less than 6mo \$2,000
 - Initial Permit – expire in 6mo or more \$4,000
 - Renewal \$4,000

Options

- Allow for Regulated Marijuana Delivery into and out of Adams County and permit our Retail Stores
- Allow for Regulated Marijuana Delivery into and out of Adams County, no permits for our Retail Stores
- Prohibit Regulated Marijuana Delivery

Recommendation

- Allow our Marijuana Retail Store Licensees to add a Regulated Marijuana Delivery permit
- Allow for delivery into and out of Adams County jurisdiction

Next Steps:

- Draft Licensing Regulations to allow for a Regulated Marijuana Delivery Permit
- PLN case to adopt new regulations

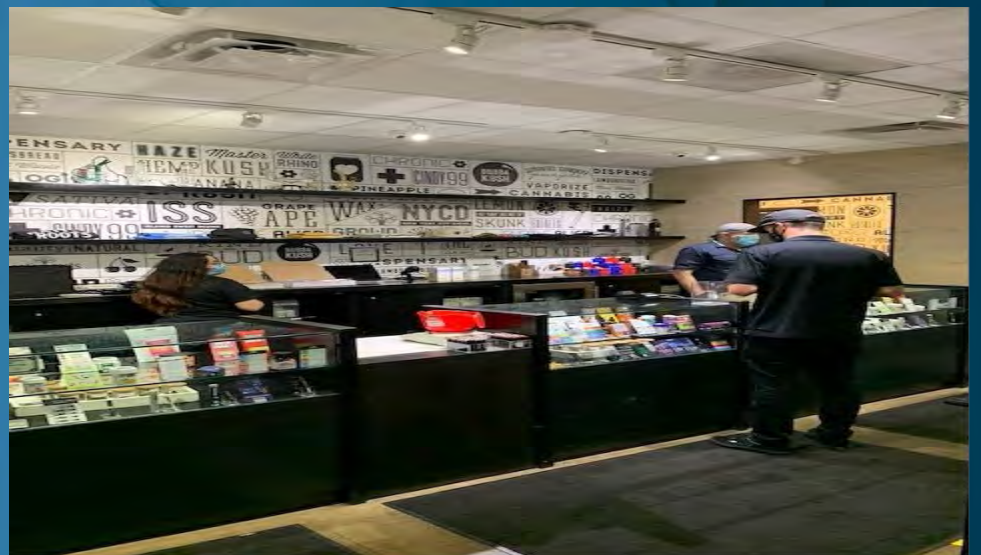
Questions?



Marijuana Licensing Inspection Update

- Inspection Program
 - Established and successful
 - Created close relationships with Marijuana Licensees
 - Allows for close monitoring and regulation
- Statistics of inspections
 - All cultivation, manufacturing and retail dispensaries have been inspected
 - All have passed our inspection process successfully
 - No violations have been issued at this time

Inspection photos





STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: November 2, 2021
SUBJECT: Pre65 Retiree Medical Plan Subsidy (county contribution)
OFFICE/DEPARTMENT: Fraternal Order of Police and People & Culture
CONTACT: Cindy Bero
FINACIAL IMPACT: Estimated \$456,000 up to \$1,956,000 (for the County Manager recommendation).
SUPPORT/RESOURCES REQUEST: Funds to pay for county contribution/subsidy increase.
DIRECTION NEEDED: Decide on if the amount of the county contribution/subsidy toward the pre65 retiree medical plans.
RECOMMENDED ACTION: The County Manager is recommending to increase this amount from \$50/month to \$500/month. The Fraternal Order of Police are presenting their own requests.

DISCUSSION POINTS:

- People and Culture will present costs for the County Manager recommendation of increasing the county contribution to the pre65 medical plan from \$50/month to \$500/month.
- The Fraternal Order of Police (representatives from Adams County Sheriff's Office) will present their requests.

COUNTY CONTRIBUTIONS for PRE65 RETIREE MEDICAL

Study Session

Board of County Commissioners

November 2, 2021



PURPOSE OF MEETING

To decide what the County contribution should be for the pre65 retiree medical plans.

The current County contribution is \$50 per month.

County Manager Recommendation: Increase contribution to \$500 per month.



COUNTY CONTRIBUTION OPTIONS

Option #1

- Increase contribution to \$500/month immediately for both UHC and Kaiser enrollees.
- Reasons for option #1
 - Easier to communicate to retirees and easier for retirees to understand.
 - Provides consistency with all medical plans.



COUNTY CONTRIBUTION OPTIONS

Option #2

- Increase contribution to \$500/month immediately for the UHC enrollees and incrementally over five years for Kaiser enrollees.
- Reason for option #2
 - The UHC plan is already un-blended and has higher premiums.
 - The County contribution will increase as the Kaiser premiums increase due to un-blending.



ESTIMATED COSTS

ESTIMATED COSTS FOR CURRENT ENROLLMENT (84):

- Kaiser – 65
- UnitedHealthcare - 19

YEAR	OPTION #1	OPTION #2	DIFFERENCE
2022	\$456,000	\$201,120	\$254,880
2023	\$456,000	\$264,840	\$191,160
2024	\$456,000	\$328,560	\$127,440
2025	\$456,000	\$392,280	\$63,720
2026	\$456,000	\$456,000	\$0



ESTIMATED COSTS

ESTIMATED COSTS AT MAXIMUM ENROLLMENT (326):

- Kaiser – 251
- UnitedHealthcare - 75

YEAR	OPTION #1	OPTION #2	DIFFERENCE
2022	\$1,956,000	\$871,594	\$1,084,406
2023	\$1,956,000	\$1,142,695	\$813,305
2024	\$1,956,000	\$1,413,797	\$542,203
2025	\$1,956,000	\$1,684,898	\$271,102
2026	\$1,956,000	\$1,956,000	\$0



SUMMARY

Decisions on the Pre65 Medical Contributions:

- Would you like to adopt the County Manager recommendation to increase the monthly contribution to \$500?
- If yes, which option should be implemented:
 - Option #1 – Increase both plans to \$500 immediately.
 - Option #2 – UHC plans increase to \$500 immediately and Kaiser plan incrementally increases to \$500 over five years.



Retirement Healthcare Benefits
for
Adams County Employees

THE PROBLEM

- ◆ Employees can reach the early retirement age but can't afford to retire because Medicare benefits are not available until they turn 65 years old.
- ◆ Some County employees serve in positions which are dangerous or involve strenuous activity better suited for younger staff members who are in better physical condition. These older staff members are at a higher risk for injury and cause the workman's compensation and disability insurance claims to increase.
 - ◆ In 2020 Workman's Compensation claims for staff members over 55 years old totaled over 1.1 million dollars and are generally more expensive because they typically take longer to heal.

ADAMS COUNTY EARLY RETIREMENT QUALIFICATIONS

- ◆ Employees hired before January 1, 2005:
 - ◆ Age 65, or
 - ◆ Age plus years of service equals 70 or more, or
 - ◆ Anytime after reaching age 55 and at least five years of service.

- ◆ Employees hired on or after January 1, 2005 but before January 1, 2010:
 - ◆ Age 65, or
 - ◆ Age plus years of service equals 70 or more and your age is at least 50 at the time your employment ends, or
 - ◆ Anytime after reaching age 55 and at least ten years of service.

- ◆ Employees hired on or after January 1, 2010:
 - ◆ Age 65, or
 - ◆ Age plus years of service equals 80 or more and your age is at least 55, or
 - ◆ Age 55 if you have at least 10 years of credited service.

CURRENT RETIREMENT HEALTHCARE BENEFIT

- ◆ Retirees must pay 100% of the retiree healthcare premium or Medicare Advantage coverage minus \$50 monthly contribution from the County.
- ◆ Regular full-time employees who retire from the County can continue on the County's health, dental, vision, DispatchHealth and Telemedicine until reaching age 65 or becoming Medicare eligible, which ever occurs first.
- ◆ After age 65 retirees may choose from three Medicare Supplemental Plan options through UHC and Kaiser.
- ◆ Retirees can only participate in a Health Savings Account (HSA) if they enroll in the UHC Choice Plus High Deductible Health Plan (HDHP). The County does not contribute to the HSA.
- ◆ Accrued sick leave is paid out at half of its value, directly to the retiree.

PROPOSED RETIREE HEALTHCARE BENEFIT

- ◆ Modify the current retiree healthcare benefit and Medicare Advantage coverage benefit so the County pays the equivalent employer portion of the medical, dental and vision premiums and the retiree pays the employee portion of the premiums.
- ◆ Continue allowing the retirees to access DispatchHealth and Telemedicine, and add the employee health clinic as part of the benefit.
- ◆ Employees who accrue more than 720 hrs of sick leave will transfer the value of the additional sick leave into an investment vehicle instead of losing it.

Projections of County Portion and Employee Portion of Single Coverage

UHC Choice EPO - Retiree					
Year	Monthly	Current Premium		Monthly Shared Premium	
		ER	EE	ER 86.9%	EE
2021	\$ 1,305.00	\$ 50.00	\$ 1,255.00	\$ 1,134.00	\$ 171.00
2022	\$ 1,436.00	\$ 50.00	\$ 1,386.00	\$ 1,248.00	\$ 188.00
2023	\$ 1,580.00	\$ 50.00	\$ 1,530.00	\$ 1,373.00	\$ 207.00
2024	\$ 1,738.00	\$ 50.00	\$ 1,688.00	\$ 1,510.00	\$ 228.00
2025	\$ 1,912.00	\$ 50.00	\$ 1,862.00	\$ 1,662.00	\$ 250.00
2026	\$ 2,103.00	\$ 50.00	\$ 2,053.00	\$ 1,828.00	\$ 275.00
2027	\$ 2,313.00	\$ 50.00	\$ 2,263.00	\$ 2,010.00	\$ 303.00
2028	\$ 2,544.00	\$ 50.00	\$ 2,494.00	\$ 2,211.00	\$ 333.00
2029	\$ 2,798.00	\$ 50.00	\$ 2,748.00	\$ 2,431.00	\$ 367.00
2030	\$ 3,078.00	\$ 50.00	\$ 3,028.00	\$ 2,675.00	\$ 403.00

KP HMO - Retiree					
Year	Monthly	Current Premium		Monthly Shared Premium	
		ER	EE	ER 86.7%	EE
2021	\$ 735.00	\$ 50.00	\$ 685.00	\$ 637.00	\$ 98.00
2022	\$ 809.00	\$ 50.00	\$ 759.00	\$ 701.00	\$ 108.00
2023	\$ 890.00	\$ 50.00	\$ 840.00	\$ 772.00	\$ 118.00
2024	\$ 979.00	\$ 50.00	\$ 929.00	\$ 849.00	\$ 130.00
2025	\$ 1,077.00	\$ 50.00	\$ 1,027.00	\$ 934.00	\$ 143.00
2026	\$ 1,185.00	\$ 50.00	\$ 1,135.00	\$ 1,027.00	\$ 158.00
2027	\$ 1,304.00	\$ 50.00	\$ 1,254.00	\$ 1,131.00	\$ 173.00
2028	\$ 1,434.00	\$ 50.00	\$ 1,384.00	\$ 1,243.00	\$ 191.00
2029	\$ 1,577.00	\$ 50.00	\$ 1,527.00	\$ 1,367.00	\$ 210.00
2030	\$ 1,735.00	\$ 50.00	\$ 1,685.00	\$ 1,504.00	\$ 231.00

Estimated annual 10% premium increase provided by County Finance staff

Assumptions

- ◆ Benefit projections are based on cost of the two most popular single coverage medical plans offered to County retirees.
- ◆ In 2021 the County pays 86.9% of the active employee's premium on the UHC Choice EPO and 86.7% of the active employee's premium on the Kaiser Permanente HMO.
- ◆ New retiree must have been enrolled in a County medical plan prior to retirement. The retiree can have family coverage if they had family coverage prior to retirement.
- ◆ Retirees waiving medical coverage at the time of retirement will lose all coverage and may not enroll at any future date.
- ◆ Anyone hired after they turn 48 years old would only be eligible for Medicare supplement because they will turn 65 when they reach the rule of 80.

Neighboring Communities

- ◆ Thornton pays employer portion of the healthcare benefit when police or fire retiree's age and years of service equal 80.
- ◆ Commerce City provides police officers with the lowest single premium or one-half lowest single plus dependent if employee plus spouse. All other retirees receive \$410/month if hired prior to July 1, 2006.
- ◆ Lakewood provides a benefit to all eligible retirees of \$32.50 for each year of service up to \$650/month.
- ◆ Brighton pays \$500 per month towards a health premium for anyone hired before January 1, 2008 with twenty years of service and mandates an individual HSA account with a .5% unmatched employee contribution.

Recommendations for the BOCC

- ◆ Report on cost and use of this benefit be provided to BOCC each year as part of budget deliberations.
- ◆ The County will pay the employer portion of the monthly retiree premium at a percentage equal to the active employee coverage. Retirees will continue to pay the employee portion.
- ◆ Retirees under 65 may utilize the employee health clinic.
- ◆ Employees can contribute sick leave into an investment savings vehicle when capped at 720 hrs and upon retirement.