



CITY OF GROSSE POINTE WOODS
20025 Mack Plaza Drive
Grosse Pointe Woods, Michigan 48236-2397

(313) 343-2440
Fax (313) 343-2785

**NOTICE OF MEETING
AND
AGENDA**

COMMITTEE-OF-THE-WHOLE

Mayor Robert E. Novitke has called a meeting of the City Council, meeting as a Committee-of-the-Whole, for **Monday, February 13, 2012, at 7:30 p.m.** The meeting will be held in the Conference Room of the Municipal Building, 20025 Mack Plaza, 20025 Mack, Grosse Pointe Woods, MI 48236 and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Headlee
 - A. Verbal Report – Plante Moran
 - B. Michigan Municipal League’s Headlee Roll Back and Headlee Override One Pager Plus
5. Road Construction
 - A. Schedule of Debt Service Requirements \$10M
 1. 10 years
 2. 15 years
 - B. Schedule of Debt Service Requirements \$15M
 1. 10 years
 2. 15 years
6. Medical Marijuana
 - A. Letter 02/10/12 – City Attorney 2/attachment
 - B. Proposed ordinance
 - C. Letter 12/27/10 – City Attorney, w/attachments
7. NLC Service Line Warranty Program
 - A. Letter 02/10/12 – City Attorney
 - B. Committee-of-the-Whole Excerpt 12/12/11
 - C. Memo 10/31/11 – Executive Assistant
 - D. NLC Service Line Warranty Program Overview
 - E. Letter 10/26/11 – Utility Service Partners, Inc.
 - F. Marketing Agreement with utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America (SLWA)
 - G. Sample letter to Residents
8. New Business
9. Adjournment

Alfred Fincham
City Administrator

IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)
POSTED AND COPIES GIVEN TO NEWSPAPERS

The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired, or audio tapes of printed materials being considered at the meeting to individuals with disabilities. All such requests must be made at least five days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the City Clerk's office, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 (313) 343-2440, Telecommunications Device for the Deaf (TDD) 313 343-9249, or e-mail the City Clerk at cityclk@gpwmi.us.

cc:

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Introduction

The term "Headlee roll back" became part of municipal finance lexicon in 1978 with the passage of the Headlee Amendment to the Constitution of the State of Michigan of 1963. In a nutshell, Headlee requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation. As a consequence, the local unit's millage rate is "rolled back" so that the resulting growth in property tax revenue, community-wide, is no more than the rate of inflation. A "Headlee override" is a vote by the electors to return the millage to the amount originally authorized via charter, state statute or a vote of the people and is necessary to counteract the effects of the "Headlee Rollback."

Impact of Headlee Amendment

Since the passage of the Headlee Amendment, units of government are required to annually calculate a Headlee roll back factor. The annual factor is then added to Headlee roll back factors determined in prior years resulting in a cumulative Headlee roll back factor sometimes referred to as the "millage reduction fraction." This *total* "millage reduction fraction" is then applied to the millage originally authorized by charter, state statute or a vote of the people. In summary, the actual mills available to be levied by a unit of local government is the product of the authorized millage rate times the total millage reduction fraction. This is known as the "Headlee maximum allowable millage."

Impact of Proposal A

Prior to Proposal A legislation passed in 1994, local governments were allowed to "roll up" their millage rates when growth on existing property was *less* than inflation. "Roll ups" were a self-correcting mechanism that allowed local governments to naturally recapture taxing authority lost due to Headlee roll backs in prior years. A local government could only "roll up" its millage rate to the amount originally authorized by charter, state statute or a vote of the people.

Additions to taxable value (such as newly constructed property) are typically excluded (or exempt) from the Headlee roll back calculation. The 1994 General Property Tax Act changes did not specifically define "uncapped values" (increases resulting primarily from property transfers) as exempt.

Result

Although it might appear that a community with an annual increase in uncapped property values would benefit monetarily, uncapped values are treated as growth on existing property and trigger Headlee roll backs. For local governments levying at their Headlee maximum authorized millage, rolling back the maximum authorized millage rate reduces the revenue that would have been generated from these increased property values. The increase in the taxable value of property not transferred is capped at the lesser of inflation or 5 percent. Even though the taxable value of a particular piece of property increases at the rate of inflation, the millage rate for the entire community is "rolled back" as a result of the increase in the total taxable value of the community. The net result – a less than inflationary increase in the actual dollars received from property taxes. Consequently, the 1994 change to the General Property Tax Act has prevented local governments from being able to share the benefits of any substantial market growth in existing property values.

Based on *System Failure: Michigan's Broken Municipal Finance Model*. Prepared for the Michigan Municipal League by Frank W. Audia, Partner and Denise A. Buckley, Associate, Plante and Moran, PLLC, March, 2004



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Release Date: October 13, 2003

Bulletin 11 - Inflation Rate Multiplier Used in the 2004 Capped Value Formula

DATE: October 16, 2003
TO: Assessors, Equalization Directors
FROM: State Tax Commission

SUBJECT: INFLATION RATE MULTIPLIER FOR USE IN THE 2004 CAPPED VALUE FORMULA AND THE 2004 "HEADLEE" MILLAGE REDUCTION FRACTION (MRF) FORMULA

A. Inflation Rate Multiplier Used in the 2004 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2004 Capped Value Formula is 1.023. (The inflation rate multiplier for 2003 calculations was 1.015.)

The 2004 Capped Value Formula is as follows:

$$2004 \text{ CAPPED VALUE} = (2003 \text{ Taxable Value} - \text{LOSSES}) \times 1.023 + \text{ADDITIONS}$$

The formula above does not include 1.05 because the inflation rate multiplier of 1.023 is lower than 1.05.

B. Inflation Rate Multiplier Used in 2004 "Headlee" Calculations

The inflation rate multiplier of 1.023 shall ALSO be used in the calculation of the 2004 "Headlee" Millage Reduction Fraction required by Michigan Compiled Law (MCL) 211.34d.

The formula for calculating the 2004 "Headlee" Millage Reduction Fraction (MRF) is as follows:

$$2004 \text{ MRF} = \frac{(2003 \text{ Taxable Value} - \text{LOSSES}) \times 1.023}{2004 \text{ Taxable Value} - \text{ADDITIONS}}$$

C. The following is a listing of the inflation rate multipliers used in the Capped Value and "Headlee" calculations since the start of Proposal A:

1995	1.026
1996	1.026
1997	1.028
1998	1.027
1999	1.016
2000	1.019
2001	1.032
2002	1.032
2003	1.015
2004	1.023

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Sample Headlee Override Ballot Language
The City of Olivet Additional Operating Millage

Millage Proposal

Shall the City of Olivet, for the purpose of general operations, levy up to 1.1218 mills (\$1.1218 per thousand dollars of taxable value on all real and personal property) for a period of five (5) years, 2001-2005, inclusive? The intent of this request is to restore the total City operating Millage at maximum allocated rate of 15 mills authorized by the Charter of the City of Olivet.

The 15 mills has been reduced by required Millage rollbacks in recent years to 13.8782 mills. If approved and levied in its entirety, this additional Millage would raise an estimated \$13,608 for the City of Olivet.

City of Dearborn Heights

Headlee Override Millage Proposal

Shall a "Headlee Override" be adopted so that the current limitation on the amount of City taxes that may be levied against all taxable property in the City of Dearborn Heights, Wayne County, Michigan be increased

- Up to 8.5 mills from approximately 6.798 mills (\$8.50 from approximately \$6.798 per \$1,000 of taxable value) for general operating expenses,
- Up to 3 mills from approximately 2.3991 mills (\$3.00 from approximately \$2.3991 per \$1,000 of taxable value) for sanitation/rubbish, and
- Up to 2 mills from approximately 1.5993 mills (\$2.00 from approximately \$1.5993 per \$1,000 of taxable value) for police and fire protection?

If approved and levied in its entirety, this millage would raise an estimated maximum amount of \$3.57 million for the City in 2002 by allowing the City to levy the maximum mills previously approved by the voters and authorized by the City Charter and State law which have been reduced as required by the Michigan Constitution of 1963.

Huntington Woods

Millage Increase Proposition

Shall the City of Huntington Woods, Oakland County, Michigan, be authorized to levy, in 2004 and thereafter, an additional 6.1829 mills on each dollar (\$6.1829 per \$1,000) of the taxable value of all property in the city, thereby allowing the levy of Charter-authorized millage for general purposes in excess of the limit to which it was reduced by Section 31 of Article IX of the State Constitution of 1963, all of which tax revenues will be disbursed to the City of Huntington Woods; provided, that the City shall not be authorized to increase the levy of the City's Charter-authorized millage by more than one-half (0.50) mill in 2004, or by more than an additional one-half mill each year.



\$10,000,000
 CITY OF GROSSE POINTE WOODS
 COUNTY OF WAYNE, STATE OF MICHIGAN
 2014 ROAD IMPROVEMENT BONDS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
10 YEARS

Year	Principal Due October 1	Interest Rate	Interest Due April 1	Interest Due October 1	Total Principal & Interest Requirements
2013	\$0	4.000%	\$0	\$200,000 *	\$200,000
2014	\$500,000	4.000%	\$200,000	200,000	900,000
2015	500,000	4.000%	190,000	190,000	880,000
2016	500,000	4.000%	180,000	180,000	860,000
2017	750,000	4.000%	170,000	170,000	1,090,000
2018	750,000	4.000%	155,000	155,000	1,060,000
2019	1,000,000	4.000%	140,000	140,000	1,280,000
2020	1,000,000	4.000%	120,000	120,000	1,240,000
2021	1,500,000	4.000%	100,000	100,000	1,700,000
2022	1,500,000	4.000%	70,000	70,000	1,640,000
2023	2,000,000	4.000%	40,000	40,000	2,080,000
	<u>\$10,000,000</u>		<u>\$1,365,000</u>	<u>\$1,565,000</u>	<u>\$12,930,000</u>

Assumptions:

Bonds Dated: 04/01/2013
 First Interest Payment: 10/01/2013
 Number of Days: 180 *
 Subsequent Interest Payment: 04/01/2014
 Number of Days: 180
 First Principal Payment: 10/01/2014
 Projected Interest Rate: 4.00%

615 Griswold Street, Suite 1225, Detroit, Michigan 48226-3997

PHONE: (313) 961-8222 FAX: (313) 961-8220

The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

\$10,000,000
 CITY OF GROSSE POINTE WOODS
 COUNTY OF WAYNE, STATE OF MICHIGAN
 2014 ROAD IMPROVEMENT BONDS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
15 YEARS

Year	Principal Due October 1	Interest Rate	Interest Due April 1	Interest Due October 1	Total Principal & Interest Requirements
2013	\$0	4.500%	\$0	\$225,000 *	\$225,000
2014	\$350,000	4.500%	\$225,000	225,000	800,000
2015	350,000	4.500%	217,125	217,125	784,250
2016	400,000	4.500%	209,250	209,250	818,500
2017	500,000	4.500%	200,250	200,250	900,500
2018	500,000	4.500%	189,000	189,000	878,000
2019	500,000	4.500%	177,750	177,750	855,500
2020	600,000	4.500%	166,500	166,500	933,000
2021	700,000	4.500%	153,000	153,000	1,006,000
2022	700,000	4.500%	137,250	137,250	974,500
2023	700,000	4.500%	121,500	121,500	943,000
2024	800,000	4.500%	105,750	105,750	1,011,500
2025	900,000	4.500%	87,750	87,750	1,075,500
2026	1,000,000	4.500%	67,500	67,500	1,135,000
2027	1,000,000	4.500%	45,000	45,000	1,090,000
2028	1,000,000	4.500%	22,500	22,500	1,045,000
	<u>\$10,000,000</u>		<u>\$2,125,125</u>	<u>\$2,350,125</u>	<u>\$14,475,250</u>

Assumptions:

Bonds Dated: 04/01/2013
 First Interest Payment: 10/01/2013
 Number of Days: 180 *
 Subsequent Interest Payment: 04/01/2014
 Number of Days: 180
 First Principal Payment: 10/01/2014
 Projected Interest Rate: 4.50%

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\$15,000,000
 CITY OF GROSSE POINTE WOODS
 COUNTY OF WAYNE, STATE OF MICHIGAN
 2014 ROAD IMPROVEMENT BONDS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
10 YEARS

Year	Principal Due October 1	Interest Rate	Interest Due April 1	Interest Due October 1	Total Principal & Interest Requirements
2013	\$0	4.000%	\$0	\$300,000 *	\$300,000
2014	\$1,200,000	4.000%	\$300,000	300,000	1,800,000
2015	1,200,000	4.000%	276,000	276,000	1,752,000
2016	1,300,000	4.000%	252,000	252,000	1,804,000
2017	1,400,000	4.000%	226,000	226,000	1,852,000
2018	1,400,000	4.000%	198,000	198,000	1,796,000
2019	1,500,000	4.000%	170,000	170,000	1,840,000
2020	1,600,000	4.000%	140,000	140,000	1,880,000
2021	1,700,000	4.000%	108,000	108,000	1,916,000
2022	1,800,000	4.000%	74,000	74,000	1,948,000
2023	1,900,000	4.000%	38,000	38,000	1,976,000
	<u>\$15,000,000</u>		<u>\$1,782,000</u>	<u>\$2,082,000</u>	<u>\$18,864,000</u>

Assumptions:

Bonds Dated:	04/01/2013
First Interest Payment:	10/01/2013
Number of Days:	180 *
Subsequent Interest Payment:	04/01/2014
Number of Days:	180
First Principal Payment:	10/01/2014
Projected Interest Rate	4.00%

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\$15,000,000
 CITY OF GROSSE POINTE WOODS
 COUNTY OF WAYNE, STATE OF MICHIGAN
 2014 ROAD IMPROVEMENT BONDS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
15 YEARS

Year	Principal Due October 1	Interest Rate	Interest Due April 1	Interest Due October 1	Total Principal & Interest Requirements
2013	\$0	4.250%	\$0	\$318,750 *	\$318,750
2014	500,000	4.250%	318,750	318,750	1,137,500
2015	500,000	4.250%	308,125	308,125	1,116,250
2016	600,000	4.250%	297,500	297,500	1,195,000
2017	700,000	4.250%	284,750	284,750	1,269,500
2018	700,000	4.250%	269,875	269,875	1,239,750
2019	800,000	4.250%	255,000	255,000	1,310,000
2020	1,000,000	4.250%	238,000	238,000	1,476,000
2021	1,000,000	4.250%	216,750	216,750	1,433,500
2022	1,100,000	4.250%	195,500	195,500	1,491,000
2023	1,100,000	4.250%	172,125	172,125	1,444,250
2024	1,200,000	4.250%	148,750	148,750	1,497,500
2025	1,300,000	4.250%	123,250	123,250	1,546,500
2026	1,400,000	4.250%	95,625	95,625	1,591,250
2027	1,500,000	4.250%	65,875	65,875	1,631,750
2028	1,600,000	4.250%	34,000	34,000	1,668,000
	<u>\$15,000,000</u>		<u>\$3,023,875</u>	<u>\$3,342,625</u>	<u>\$21,366,500</u>

Assumptions:

Bonds Dated: 04/01/2013
 First Interest Payment: 10/01/2013
 Number of Days: 180 *
 Subsequent Interest Payment: 04/01/2014
 Number of Days: 180
 First Principal Payment: 04/01/2014
 Projected Interest Rate: 4.25%

615 Griswold Street, Suite 1225, Detroit, Michigan 48226-3997
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\$18,000,000
 CITY OF GROSSE POINTE WOODS
 COUNTY OF WAYNE, STATE OF MICHIGAN
 2014 ROAD IMPROVEMENT BONDS

**SCHEDULE OF DEBT SERVICE REQUIREMENTS
 10 YEARS**

Year	Principal Due October 1	Interest Rate	Interest Due April 1	Interest Due October 1	Total Principal & Interest Requirements
2013	\$0	4.000%	\$0	\$360,000 *	\$360,000
2014	1,400,000	4.000%	360,000	360,000	2,120,000
2015	1,500,000	4.000%	332,000	332,000	2,164,000
2016	1,600,000	4.000%	302,000	302,000	2,204,000
2017	1,700,000	4.000%	270,000	270,000	2,240,000
2018	1,800,000	4.000%	236,000	236,000	2,272,000
2019	1,900,000	4.000%	200,000	200,000	2,300,000
2020	2,000,000	4.000%	162,000	162,000	2,324,000
2021	2,000,000	4.000%	122,000	122,000	2,244,000
2022	2,000,000	4.000%	82,000	82,000	2,164,000
2023	2,100,000	4.000%	42,000	42,000	2,184,000
	<u>\$18,000,000</u>		<u>\$2,108,000</u>	<u>\$2,468,000</u>	<u>\$22,576,000</u>

Assumptions:

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 Number of Days: 180
 First Principal Payment: 10/01/2014
 Projected Interest Rate: 4.00%

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\$18,000,000
 COITY OF GROSSE POINTE WOODS
 COUNTY OF WAYNE, STATE OF MICHIGAN
 2014 ROAD IMPROVEMENT BONDS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
15 YEARS

Year	Principal Due October 1	Interest Rate	Interest Due April 1	Interest Due October 1	Total Principal & Interest Requirements
2013	\$0	4.250%	\$0	\$382,500 *	\$382,500
2014	500,000	4.250%	382,500	382,500	1,265,000
2015	600,000	4.250%	371,875	371,875	1,343,750
2016	700,000	4.250%	359,125	359,125	1,418,250
2017	800,000	4.250%	344,250	344,250	1,488,500
2018	1,000,000	4.250%	327,250	327,250	1,654,500
2019	1,000,000	4.250%	306,000	306,000	1,612,000
2020	1,100,000	4.250%	284,750	284,750	1,669,500
2021	1,200,000	4.250%	261,375	261,375	1,722,750
2022	1,300,000	4.250%	235,875	235,875	1,771,750
2023	1,400,000	4.250%	208,250	208,250	1,816,500
2024	1,500,000	4.250%	178,500	178,500	1,857,000
2025	1,600,000	4.250%	146,625	146,625	1,893,250
2026	1,700,000	4.250%	112,625	112,625	1,925,250
2027	1,800,000	4.250%	76,500	76,500	1,953,000
2028	1,800,000	4.250%	38,250	38,250	1,876,500
	<u>\$18,000,000</u>		<u>\$3,633,750</u>	<u>\$4,016,250</u>	<u>\$25,650,000</u>

Assumptions:

Bonds Dated: 04/01/2013
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 Number of Days: 180 *
 Subsequent Interest Payment: 04/01/2014
 Number of Days: 180
 First Principal Payment: 10/01/2014
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DON R. BERSCHBACK
OF COUNSEL

February 10, 2012

Honorable Mayor and Council
City of Grosse Pointe Woods
20025 Mack Plaza
Grosse Pointe Woods, MI 48236

PERSONAL & COFIDENTIAL
FOIA EXEMPT "FRANK CONVERSATIONS"

RE. Medical Marijuana Ordinance - COW Agenda 2-13-12

Dear Mayor and Council:

Council recently extended a moratorium regarding land use and medical marijuana through August 16, 2012. As I mentioned previously, I am recommending a zoning ordinance which would prohibit uses "contrary to federal, state, or local law ordinances".

For the benefit of the new Council members, I have attached to this letter my original analysis and documentation from December 27, 2010.

Exhibits 1 and 2 of the 12-27-10 letter are proposed ordinances which would in effect allow certain types of "facilities" to obtain licenses from a City to distribute marijuana. Exhibit 3 is a portion of the Gerald Fisher "White Paper" which makes clear that the Medical Marijuana Act does not make any provisions for dispensaries or marijuana stores.

The ordinance I propose is consistent with ordinances adopted by other cities and would prohibit any type of facility or distribution point, because marijuana use and distribution is prohibited by Federal law.

I stress that the law is in a state of flux and this proposed ordinance may be subject to amendments in the future depending on how this issue develops in the State Legislature, various Michigan State Courts and Federal Courts. Judges and experts have harshly criticized portions of the Act as currently written. The moratorium has been in place for long enough and the City should take some type of regulatory action now, as discussed in the recent article from Michigan Planning & Zoning News, October 2011.

Very truly yours,

Chip Berschback

CHIP BERSCHBACK

CTB:nmg
Enclosures

SO WHAT SHOULD YOUR COMMUNITY DO RIGHT NOW ABOUT REGULATING MEDICAL MARIHUANA FACILITIES?

By Mark A. Wyckoff, FAICP, Editor

1. Keep up-to-date. Continue to stay abreast of court cases and pending legislation regarding medical marihuana.

2. Do not continue moratoria for more than a year. Except in narrow extenuating circumstances (which are unlikely to apply in very many municipalities), do not continue moratoria for more than one year (in total). Cooley Law Professor (and former municipal attorney for many years) Gerald Fisher was asked about this at his MMMA update at the Michigan Association of Planning Annual Conference on October 21st. Fisher noted; there is no statutory authority for a moratorium. He reviewed the old case law in Michigan allowing a moratorium for only a limited period of time, and for a specific purpose. None of those old cases have permitted moratoria for longer than a year. Plus the US Supreme Court in *Tahoe-Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency*, 535 U.S. 302 (2002) examined a land use moratoria that had been in place for two years and eight months while a master plan was prepared. Professor Fisher noted that the Court in *Tahoe* distinguished two types of "taking" cases: those involving a claim that the mere enactment of the moratorium in the particular case results in a taking (which was the claim in the *Tahoe* case), and those in which it is claimed that there is a taking based on the *application* of the moratorium to the particular claimant (this latter claim was not applicable in the Supreme Court's *Tahoe* decision). Considering the effort by the federal government, two states, and several local governments to save Lake Tahoe, it was clear that the moratorium involved the protection of a very unique resource. Thus, the Court rejected the claim that the mere enactment and continuation of a moratorium that remained effective for such a long time caused a taking. However, the Court made it clear it's decision was not a blanket authorization to adopt any moratorium for that long, indicating that a moratorium that lasts for more than one year should be viewed with special skepticism. Finally, the Professor cautioned that the ruling in the *Tahoe* case does not provide protection against a lengthy moratorium when a property

owner makes the claim that, *as applied* to him or her, the moratorium results in a taking. Normally, moratoria are not defensible for more than 3-6 months in the face of a legitimate public health or safety threat. After that, citizens may have a right to sue municipalities to protect their rights. Please consult your municipal attorney for more advice.

3. Take some regulatory action soon. If your community has any significant population and/or is located with good transportation access and has not yet adopted any approach to regulating medical marihuana and does not wish to permit medical marihuana dispensaries, then for the time being, consider adopting the simple approach used in Livonia. This approach has been used in many jurisdictions. It makes dispensaries and cooperatives illegal based on the argument the MMMA is superceded by federal law. This approach has been upheld by several circuit courts and is on appeal to higher courts. This will buy some time as the community waits for the current cases (like *Lott v Livonia*) to play their way out (appeals will probably take another 12-24 months). While this time elapses, consider if you want to use a different approach. Read Gerald Fisher's white paper on the topic prepared for the MTA and MML and available to download at [http://www.michigantownships.org/downloads/final white paper 8510.pdf](http://www.michigantownships.org/downloads/final%20white%20paper%208510.pdf). It provides guidance on a variety of approaches and on many legal issues.

4. Do not do nothing. That will put your community on the defensive and leave it completely unprepared in the event of a lawsuit, or clarifying court opinion or new legislation which may require quick action. By getting well-informed, you will be best prepared to act quickly. Because it held that a patient may not sell marihuana to another patient, the Court of Appeals decision in *People v McQueen* places a significant hurdle in the way for medical marihuana dispensaries (pending the outcome of an appeal to the Michigan Supreme Court). The more recent decision of the Court of Appeals in *People v Byisma* also places significant limitations on the amount of marihuana a caregiver may "possess." So following the Livonia reg-

ulatory approach (see point #3 above) should keep the wolves at bay until the situation is clearer. Besides, the feds are starting to crack down on dispensaries in California, where medical marihuana has been legal for 15 years (see Associated Press report by Don Thompson at <http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2011/10/06/national/a132031D55.DTL&ao=all>). The State Attorney General has also made it clear he does not want dispensaries established in Michigan and will likely keep the legal heat on stateside.

5. Contact your Congressman about legislative action.

- If you support federal declassification of marihuana as a Schedule 1 drug and subsequent regulation by the State, then contact your Congressmen about supporting the Frank/Paul bill entitled "Ending Federal marihuana Prohibition Act of 2011."
- If you support medical marihuana as a prescription drug (which requires its removal as a Schedule 1 drug and makes it subject to the Federal Drug Administration) where it could be prescribed by doctors and sold by pharmacists, then contact your Congressmen to support this approach.
- If you want the feds to enforce existing federal law and close down dispensaries, but want to permit home grown marihuana plants per the MMMA, then ask your Congressmen to support new federal law to allow this to happen.
- In any event, the most important legislation as relates to the big picture on this topic must come at the federal level.

6. Contact your state legislators. If there is a state legislative approach already proposed, or new legislation introduced after this issue of *PZN* is distributed, then do not sit on the sidelines, let your legislators know what you support and why you think that approach is best for your community.

7. Stay up-to-date. Continue to stay abreast of court cases and pending legislation regarding medical marihuana. *PZN* will provide periodic updates. □



ORDINANCE # _____

**AN ORDINANCE AMENDING CHAPTER 50 ZONING,
ARTICLE III DISTRICT REGULATIONS,
BY ADDING SECTION 50-185 PROHIBITED USES,
TO PROVIDE THAT ANY USE CONTRARY TO
STATE, FEDERAL OR LOCAL LAWS IS PROHIBITED**

THE CITY OF GROSSE POINTE WOODS ORDAINS:

Sec. 50-185 Prohibited Uses.

Each District, as created in this Article, shall be subject to the regulations contained in this Ordinance and Chapter 50 Zoning. Uses not expressly permitted are prohibited. Uses in each of the enumerated districts that are contrary to federal, state or local laws or ordinances are prohibited.

6C

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DON R. BERSCHBACK
OF COUNSEL

December 27, 2010

Honorable Mayor and Council
City of Grosse Pointe Woods
20025 Mack Plaza
Grosse Pointe Woods, MI 48236

PERSONAL/CONFIDENTIAL
FOIA EXEMPT "FRANK CONVERSATIONS"

RE. Medical Marijuana Ordinance/Future COW Agenda

Dear Mayor and Council:

Introduction:

On August 16, 2010 this Council adopted a resolution for a moratorium on this issue. The six month moratorium expires February 16, 2011. For the reasons stated in this letter, I am requesting additional discussion and direction from the Council prior to presenting a proposed ordinance for your review. I am recommending extending the moratorium for an additional year for the reasons detailed below.

General Comments:

From a municipal law standpoint, more has been written on this topic than any other in recent memory. I have attached to this letter a short bibliography of just some of my sources, in case you wish to go into greater detail on the topic. My general thoughts are as follows:

1. Regardless of what direction the Council takes and how I draft the ordinance, the ordinance will be subject to legal challenges based on the way the statute has been written and the various articles regarding the problems with the statute.
2. No matter how this ordinance is drafted, there is a very good chance that amendments to any ordinance will be necessary, since it is likely that the statute will be amended either by the legislature or by case law.
3. Each of the ordinances I have reviewed have pros and cons as it relates to this Council's decision as to what is in the best interests of the City of Grosse Pointe Woods.

General Background Facts to Date:

1. I believe the best summary of the issue to date is found in the 63 page "White Paper" authored by Gerald Fisher who acted as a paid consultant for the Michigan Municipal League. Mr. Fisher attaches a lengthy proposed ordinance to his paper as "Appendix 1". See Exhibit 1 of this letter.

2. Another excellent summary of the problems with the new statute is found in a recent concurring opinion in the Michigan Court of Appeals case entitled *People v. Redden*. This is referenced in the White Paper as the "Redden concurrence". It basically provides the State legislature with a road map for amending the statute if they so choose.
3. One option that has been adopted by a few cities is to enact an ordinance which simply makes it "unlawful for any person or business to engage in any activity, conduct, use or venture in the city that is contrary to federal, state or local laws." Since marijuana use is still prohibited by federal law, the ordinance effectively precludes all medical marijuana use. Three cities that have adopted such an ordinance (Birmingham, Bloomfield Hills and Livonia) have recently been sued by the ACLU in Wayne County Circuit Court in a case filed on December 1, 2010 assigned to Judge Wendy Baxter. *Linda Lott and Robert Lott v. City of Livonia, et al.* Linda Lott is 61 years old, lives in Birmingham, has had multiple sclerosis for 28 years, is confined to a wheelchair, and is legally blind.
4. Many ordinances, such as the City of Roseville ordinance (Ex. 2) allow "medical marijuana dispensaries" pursuant to a use permit and general conditions such as; (1) dispensaries shall not be allowed as a home occupation, (2) dispensaries are not allowed within 1,000 feet of any other dispensary, church, school, or residentially zoned district, etc. I favor that part of the White Paper's proposed ordinance that talks in terms of "cultivation of marihuana and caregiver services under the act", while at the same time not technically allowing dispensaries.
5. However, the general import of the "White Paper" argues that dispensaries are not expressly authorized by the new state law since the relationship between patient and caregiver is intended to be a one on one relationship. In the end, the White Paper concludes that issues such as how many caregivers should be allowed to occupy a specific premises are proper subject for communities to address by ordinance. (White Paper pp 8, 15-16 Ex. 3.)
6. On the other hand, a decision out of Isabella County Circuit Court concludes that certain transfers are within the Acts permitted activities. (Ex. 4)

Questions to Discuss:

1. Does the Council wish to extend the moratorium for either an additional six or 12 months to allow the legislature and courts to address these issues further?
2. Does the Council wish to impose a blanket ban on uses prohibited by federal law similar to the Livonia ordinance model, or perhaps have me monitor the ACLU lawsuit to determine whether this is a future option?
3. Does the Council wish to ban distribution as a home occupation?
4. Would the Council consider some type of local land regulation similar to the Roseville ordinance which would perhaps allow some type of allowable use (probably some type of dispensary) in the high intensity Commercial-2 District subject to various restrictions and setbacks?

Extending the Moratorium:

Generally moratoriums are intended to be short lived based on the circumstances. However, I cannot think of a better case to support extension of the moratorium given the wealth of uncertainty on this topic. This would continue to prohibit any possible use of commercial or residential land and if someone did challenge our moratorium, I assume a Circuit Court Judge would be fairly sympathetic to the City's situation and allow us some time to formulate some type of regulations.

Very truly yours,


CHIP BERSCHBACK

CTB:gmr

Enclosures

cc: Don R. Berschback
Skip Fincham
Gene Tutag
Lisa K. Hathaway

BIBLIOGRAPHY FOR MEDICAL MARIJUANA ORDINANCE LETTER

White Paper by Gerald A. Fisher for the MML, found at;

Michigan Medical Marihuana Act, power point presentation by Asst. Attorney General David E. Tanay dated 2/01/09

Michigan Supreme Court 2010 Judicial Conference "Medical Marijuana Law Update" presented by Ken Stecker, Prosecuting Attorneys Association of Michigan.

People v. Redden, "Redden Concurrence", 30 page concurrence by Judge Peter O'Connell, published September 14, 2010. This can be found at the Michigan Court of Appeals website, part of www.mich.gov.

APPENDIX 1

SAMPLE CONCEPT OF LICENSING AND REGULATION ORDINANCE FOR CONSIDERATION

STATE OF MICHIGAN

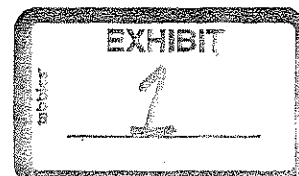
CITY / VILLAGE / TOWNSHIP OF _____

ORDINANCE TO REGULATE AND LICENSE CERTAIN ASPECTS OF MEDICAL MARIHUANA CULTIVATION, USE AND DISTRIBUTION

1. Intent

It is the intent of this ordinance to give effect to the intent of Initiated Act 1 of 2008, MCL 333.26421, *et seq.* (the Act) as approved by the electors, and not to determine and establish an altered policy with regard to marihuana. The act authorizes a narrow exception to the general rule and state policy that the cultivation, distribution, and use of marihuana amount to criminal acts. It is the further intent of this ordinance to protect the public health, safety, and general welfare of persons and property, and to license certain locations as specified below. It is the further intent of this ordinance to comply with the Act while concurrently attempting to protect the health, safety, and welfare of law enforcement officers and other persons in the community, and also to address and minimize reasonably anticipated secondary effects upon children, other members of the public, and upon significant areas of the community, that would be reasonably expected to occur in the absence of the provisions of this ordinance. This ordinance is designed to recognize the fundamental intent of the Act to allow the creation and maintenance of a private and confidential patient-caregiver relationship to facilitate the statutory authorization for the limited cultivation, distribution, and use of marihuana for medical purposes; and to regulate around this fundamental intent in a manner that does not conflict with the Act so as to address issues that would otherwise expose the community and its residents to significant adverse conditions, including the following: adverse and long-term influence on children; substantial serious criminal activity; danger to law enforcement and other members of the public; discouragement and impairment of effective law enforcement with regard to unlawful activity involving the cultivation, distribution, and use of marihuana; the creation of a purportedly lawful commercial enterprise involving the cultivation, distribution, and use of marihuana that is not reasonably susceptible of being distinguished from serious criminal enterprise; and, the uninspected installation of unlawful plumbing and electrical facilities that create dangerous health, safety, and fire conditions.

This ordinance permits authorizations for activity based on the Act. Nothing in this ordinance shall be construed as allowing persons to engage in conduct that endangers others or causes a public nuisance, or to allow use, cultivation, growth, possession or control of marihuana not in strict accordance with the express



authorizations of the Act and this ordinance; and, nothing in this ordinance shall be construed to undermine or provide immunity from federal law as it may be enforced by the federal or state government relative to the cultivation, distribution, or use of marihuana. Thus, the authorization of activity, and the approval of a license under this ordinance shall not have the effect of superseding or nullifying federal law applicable to the cultivation, use, and possession of marihuana, and all applicants and grantees of licenses are on notice that they may be subject to prosecution and civil penalty, including forfeiture of property.

2. Definitions

- ♦ *Act* means Initiated Law of 2008, MCL 333.26421, *et seq.*, and Michigan Administrative Rules, R 333.101, *et seq.*
- ♦ *Department* means the State of Michigan Department of Community Health
- ♦ *Qualifying patient* or *patient* means a person as defined under MCL 333.26423(h) of the Act.
- ♦ *Primary caregiver* or *caregiver* means a person as defined under MCL 333.26423(g) of the Act, and who has been issued and possesses a Registry Identification Card under the Act.
- ♦ *Registry Identification Card* means the document defined under MCL 333.26423(i) of the Act.
- ♦ *Distribution* means the physical transfer of any amount of marihuana in any form by one person to any other person or persons, whether or not any consideration is paid or received.
- ♦ *Distributor* means any person, including but not limited to a caregiver, patient or any other person, who engages in any one or more acts of Distribution.
- ♦ *Facility* or *Premises* means one commercial business premises having a separate or independent postal address, one private office premises having a separate or independent postal address, one single family residence having a separate or independent postal address, one apartment unit having a separate or independent postal address, one condominium unit having a separate or independent postal address, or one free-standing industrial building having a separate or independent postal address.
- ♦ *Marihuana* means the substance or material defined in section 7106 of the public health code, 1976 PA 368, MCL 333.7106.
- ♦ *Principal residence* means the place where a person resides more than half of the calendar year.

3. Requirement for license

c. The restrictions in this section are based on the following findings:

- 1) Law enforcement officers are required to investigate and pursue prosecution with regard to the *unlawful* cultivation, distribution or consumption of marihuana. Yet, the Act concurrently authorizes as lawful undertakings the same actions by those who meet the terms of the Act. Although this places a burden on law enforcement to make a distinction relating to very similar conduct, the Act expressly denies law enforcement officials advanced

access to the identity and location of those authorized to lawfully engage in the cultivation, distribution or consumption of marihuana – critical information needed to distinguish unlawful undertakings from lawful ones, particularly at critical investigatory stages. The experience of law enforcement dictates that the presence of significant quantities of unlawful controlled substances are often accompanied by large quantities of cash, and by weapons used to protect the controlled substances and cash. Thus, confrontations between law enforcement and persons engaged in unlawful drug enterprises can be extremely dangerous, and there is a need to use the element of surprise in order to protect the lives of officers and members of the public. Under the Act, before the occurrence of a direct confrontation between law enforcement and persons engaged in cultivation and distribution of marihuana, law enforcement officers are prevented from securing the information necessary to determine whether such activities are being conducted by persons authorized under the Act or by persons engaged in criminal enterprise. This in turn leads to the condition that, if there is a suspicion that an unlawful enterprise is being perpetrated, officers may need to seek a voluntary entry into premises, and may be met by a weapons-based confrontation without being permitted to utilize the element of surprise. Moreover, if an unlawful enterprise is not involved, substantial resources can easily be expended by law enforcement on a baseless investigation. Accordingly, the licensure of a particular Facility as the site of cultivation and distribution, which need not undermine the privacy and confidentiality of the patient-caregiver relationship, could be critical to law enforcement in order to identify and distinguish sites of lawful activity from sites of unlawful activity.

- 2) The experience in the State of California, a state that approved the medical use of marihuana more than a decade ago, is that concentrations of marihuana distribution activity lead to the following significant and serious secondary effects:
 - i. California law enforcement reported in 2009 (White Paper),⁹⁵ that nonresidents in pursuit of marihuana, and out of area criminals in search of prey, are commonly encountered just outside marihuana dispensaries, as well as drug-related offenses in the vicinity—like resales of products just obtained inside—since these marihuana centers regularly attract marihuana growers, drug users, and drug traffickers. Sharing just purchased marihuana outside dispensaries also regularly takes place. There

⁹⁵ See:

http://www.californiapolicechiefs.org/nav_files/marijuana_files/files/MarijuanaDispensariesWhitePaper_042209.pdf

have been increased incidents of crime including murder and armed robbery.

- ii. In a 2009 California law enforcement presentation (Power Point),⁹⁶ referring again to the existence of a concentration of distribution activities, the Los Angeles Police Department reported:
 - (1) 200% increase in robberies,
 - (6) 52.2% increase in burglaries,
 - (7) 57.1% rise in aggravated assaults,
 - (8) 130.8% rise in burglaries from autos near cannabis clubs in Los Angeles.
 - (9) Use of armed gang members as armed "security guards"
 - iii. California law enforcement reported in 2009 (White Paper) that the dispensaries or "pot clubs" are often used as a front by organized crime gangs to traffic in drugs and launder money.
 - iv. California law enforcement reported in 2009 (White Paper) that besides fueling marihuana dispensaries, some monetary proceeds from the sale of harvested marihuana derived from plants grown inside houses are being used by organized crime syndicates to fund other legitimate businesses for profit and the laundering of money, and to conduct illegal business operations like prostitution, extortion, and drug trafficking.
 - v. California law enforcement reported in 2009 (White Paper) that other adverse secondary impacts from the operation of marihuana dispensaries include street dealers lurking about dispensaries to offer a lower price for marihuana to arriving patrons; marihuana smoking in public and in front of children in the vicinity of dispensaries; loitering and nuisances; acquiring marihuana and/or money by means of robbery of patrons going to or leaving dispensaries; an increase in burglaries at or near dispensaries; a loss of trade for other commercial businesses located near dispensaries.
- 3) Secondary effects with regard to children: Presumably it is agreed that children should not be encouraged by example to undertake uses and activities which are unlawful. However, considering that marihuana possession and use is a generally prohibited criminal activity, but the Act authorizes an undisclosed group of individuals to possess and use marihuana, and because children are not

⁹⁶ See:

http://www.californiapolicechiefs.org/nav_files/marijuana_files/files/DispensarySummitPresentation.ppt

capable of making distinctions between lawful and unlawful use and possession by individuals based upon the intricacies of the Act, there is a need to insulate children from the narrowly permitted use and possession activity permitted under the Act. California law enforcement reported in 2009 (White Paper) that minors exposed to marihuana at dispensaries or residences where marihuana plants are grown may be subtly influenced to regard it as a generally legal drug, and inclined to sample it.

- 4) The Act requires that information concerning identity and location of caregivers is to be confidential, and that caregivers authorized under the Act are not to be punished. However, the Act does not expressly or implicitly specify an intent to pre-empt all local enforcement efforts. Analogously, persons performing in adult entertainment have been held to be engaged in activity involving free expression, protected under the First Amendment, and thus direct local regulation that restricts such activity has been deemed to be prohibited content restriction of free speech. Nonetheless, where it can be shown that there are adverse secondary effects that result from the concentration of adult entertainment establishments (and other related adult uses), including criminal activity closely associated with that reported above in connection with concentrations of medical marihuana Distribution, reasonable regulation, and requirements for the disbursement of locations of adult entertainment uses have been permitted under the First Amendment, and have been authorized in order to mitigate against the secondary effects.
- 5) Considering the reports from California, and based upon the limited experience already reported in Michigan, it is found that there is a rational basis for concern that a concentration of Distribution activities, conduct that would be criminal outside the narrow exception provided in the Act, will have adverse secondary effects, particularly where law enforcement personnel have no information-base to distinguish lawful from unlawful activities at the scene of such activities. Therefore, it is the intent of this ordinance to regulate and disburse Distribution activities in order to mitigate the reasonably anticipated adverse secondary effects.
- 6) Local regulation of Distribution activities is implicitly contemplated under the Act in view of the glaring gaps opened by the terms of the Act which would, absent local regulation, render it impossible for law enforcement to investigate and pursue criminal activity not protected by the Act. By way of example:
 - i. While the Act limits a caregiver from distributing marihuana to more than five patients, because the Act withholds direct advanced information that would allow a connection to be made by law enforcement between a caregiver and particular patients (without regard to specific name and address), especially if caregivers operate in the same

facility or in close proximity, the five-patient limit upon a person acting as a caregiver would be practically impossible to investigate or enforce.

- ii. While the Act limits the number of plants a caregiver may cultivate on behalf of patients, because the Act withholds direct advanced information that would allow a connection to be made by law enforcement between a caregiver and particular grow locations, the limitation on the number of plants cultivated at multiple sites would be practically impossible to investigate and enforce.
- 7) The inability of law enforcement officials to access relevant and often critical information concerning those cultivating, distributing and consuming marihuana amounts to a material barrier to the effective investigation/enforcement model. Without critical information to distinguish those operating under the Act from those engaged in illegal trafficking, law enforcement is impeded in the effort of undertaking adequate operational planning, and this, in turn, exposes law enforcement, and innocent third parties, to substantial and unnecessary risks.
 - 8) Absent the requirement for an application and inspection of a premises at which substantial facilities have been installed to facilitate the cultivation of marihuana plants, including plumbing and electrical inspections, there have been reports that unauthorized installations relating to the cultivation of marihuana plants have been made, including unauthorized power lines that by-pass meters. These installations create a threat to public safety, and result in a fire risk.
 - 9) The fundamental intent of the Act is the creation of a *private and confidential patient-caregiver relationship to facilitate the lawful cultivation, distribution, and use of marihuana strictly for medical purposes.*
 - 10) It is the intent of this ordinance that the requirements for licensure shall be administered by law enforcement, and that the information acquired by law enforcement shall be deemed *per se* confidential, and not subject to public disclosure by law enforcement, by FOIA or otherwise.
 - (11) The requirement to identify sites at which marihuana is cultivated for and distributed to others, while not requiring identification of names and addresses of caregivers, is not in conflict with the terms of the act, and is deemed to be the minimum requirement necessary in order to protect the public and permit safe and effective enforcement of the act and the general laws relating to marihuana. To the extent that such identification impacts upon confidentiality, such confidentiality must be strictly construed as an exception to the general criminality of marihuana cultivation,

distribution, and use, and must be weighed in relation to impacts upon the health, safety, and welfare of the general public at large and the feasibility of enforcing applicable law in the absence of site identification. It is found that the adverse effects of identifying and disclosing such sites to law enforcement officials is minimal in relation to the severe and certain adverse effects upon a significantly greater number of people and the rule of law if such site identification and disclosure to law enforcement were not required.

b. Licensure requirements:

1) The cultivation of marihuana by a caregiver or any other person permitted under the Act, and the provision of caregiver services relating to medical marihuana use, shall be permitted in accordance with the Act. No cultivation, distribution, and other assistance to patients shall be lawful in this community at a location unless and until such location for such cultivation, distribution, and assistance shall have been licensed under this ordinance. Licensure shall be subject to and in accordance with the following:

- a) The location of a Facility used for the cultivation of marihuana by caregivers or by other persons permitted under the Act;
- b) The location of a Facility used for distribution;
- c) The location of a Facility used to provide any other assistance to patients by caregivers or any other person permitted under the Act relating to medical marihuana;
- d) By way of exception, it is not the intent of this ordinance to require a license for the principal residence of a patient where marihuana is cultivated or used exclusively for such patient's personal consumption, however, a location other than a patient's principal residence where a patient cultivates or uses marihuana shall be subject to the licensure requirements of this ordinance.

2) Application for license

- a) The requirement of this ordinance is to license a location, and not to license persons. A confidential application for a license under this section shall be submitted to the person designated as the medical marihuana officer of the city/village/township/county police department, and shall conform to the following specifications. An application shall:

- i. Not require the name, home address, or date of birth of a patient or caregiver.
 - ii. Include the address and legal description of the precise premises, other than a patient's principal residence, at which there shall be possession, cultivation, distribution or other assistance in the use of marihuana. The fact that a caregiver or other person providing assistance to patients also has an ID Card as a patient shall not relieve the obligation to provide this information.
 - iii. Specify the name and address of the place where all unused portions of marihuana plants cultivated in connection with the use of marihuana or caregiver activity at the premises shall be disposed.
 - iv. Describe the enclosed, locked facility in which any and all cultivation of marihuana is proposed to occur, or where marihuana is stored, with such description including: location in building; precise measurements in feet, of the floor dimensions and height; the security device for the facility.
 - v. Describe all locations in the premises where a caregiver or other person authorized under the Act shall render assistance to a qualifying patient.
 - vi. Specify the number of patients to be assisted, including the number of patients for whom marihuana is proposed to be cultivated, and the number of patients to be otherwise assisted on the premises, and the maximum number of plants to be grown or cultivated at any one time. If the location at which patients will be assisted is different from the licensed premises, the application shall provide the address of all such other locations (other than the address of a patient being assisted).
 - vii. For safety and other code inspection purposes, it shall describe and provide detailed specifications of all lights, equipment, and all other electrical, plumbing, and other means proposed to be used to facilitate the cultivation of marihuana plants as such specifications relate to the need for the installation of facilities.
- b) Requirements and standards for approval of licensure and for the activity permitted

- i. Locations used for the cultivation of marihuana by caregivers and any other person permitted under the Act, and the location used for the provision of assistance to patients by caregivers or any other person authorized under the Act relating to medical marihuana use, including distribution or other assistance, but in all events not including a patient's principal residence which is not used to cultivate marihuana or assist in the use of medical marihuana for persons other than the patient at such residence, shall be prohibited:
 - o Within 1,000 feet from sites where children are regularly present, and specifically: a daycare facility, a church, synagogue, mosque, or other religious temple, and from a recreational park and a public community center, a public or private pre-school, elementary school, middle school, high school, community college, and all other schools that have different name references but serve students of the same age.⁹⁷
 - o Within 1,000 feet of an adult use, as defined in this [or the zoning] ordinance [*if applicable*]. (*attach appendix if not stated or incorporated*).
 - o Within 1,000 feet from the site at which any other caregiver or any other person cultivates marihuana, or assists in the use of marihuana, not including a patient's principal residence which is not used to cultivate marihuana or assist in the use of medical marihuana for persons other than the patient at such residence.

Measurements for purposes of this sub-section shall be made from property boundary to property boundary.

- ii. The location of the Facility at which a caregiver or any other person permitted under the Act cultivates marihuana, or assists a patient in the use of

⁹⁷ Compare., MCL 333.7410(2), which provides: (2) An individual 18 years of age or over who violates section 7401(2)(a)(iv) by delivering a controlled substance described in schedule 1 or 2 that is either a narcotic drug or described in section 7214(a)(iv) to another person on or within 1,000 feet of school property or a library shall be punished, subject to subsection (5), by a term of imprisonment of not less than 2 years or more than 3 times that authorized by section 7401(2)(a)(iv) and, in addition, may be punished by a fine of not more than 3 times that authorized by section 7401(2)(a)(iv).

marihuana shall not be the same Facility at which any other caregiver or person cultivates marihuana, or assists a patient in the use of marihuana.⁹⁸

Accordingly, at a patient's principal residence used by such patient to cultivate marihuana for his or her personal use as permitted under the Act, there shall be not more than twelve marihuana plants being cultivated at any one time; only at a licensed Facility may there be more than twelve marihuana plants being cultivated at any one time; and, at a Facility at which a caregiver or any other person permitted under the Act cultivates marihuana for use by patients, there shall not be more than twelve marihuana plants being cultivated at any one time per patient, and in no event more than sixty marihuana plants being cultivated at any one time (which assumes cultivation for five patients, plus an additional twelve plants if the caregiver is also a patient that has not designated a caregiver to assist in providing medical marihuana).

- iii. In order to insulate children and other vulnerable individuals from such actions, all medical marihuana cultivation, and all assistance of a patient in the use of medical marihuana by a caregiver, shall occur within the confines of a building licensed under this section, and such activities shall occur only in locations not visible to the public and adjoining uses, provided, this subsection shall not prohibit a caregiver from assisting a patient at the patient's principal residence or at a hospital.
- iv. The electrical and plumbing inspectors (and other inspector(s) within whose expertise an inspection is needed) must, after inspection, provide a report confirming that all lights, plumbing, equipment, and all other means proposed to be used to facilitate the growth or cultivation of marihuana plants is in accordance with applicable code.
- v. Considering that the distribution of marihuana is generally unlawful, and that the Act authorizes "caregivers," and does not authorize any activity such as a "dispensary" (authorized by statutes in

⁹⁸ Although expressly authorized in certain other states that permit medical marihuana use, the Act does not expressly define or authorize "marihuana stores," "dispensaries," "compassion centers," or "medical marihuana business." While some may argue that the absence of authorization does not, as a matter of law, mean that the use may not be permitted, this sample ordinance is intended to fill any ambiguity in the Act by clarifying that such activity is not permitted.

other states), and reading the Act as a whole, the activities of caregivers are interpreted as being limited to private and confidential endeavors. Moreover, the location and identity of a caregiver is known to patients. Accordingly:

- There shall be no signage identifying a caregiver use or a place at which medical marihuana is distributed.⁹⁹
 - Unless conducted as part of a related licensed professional medical or pharmaceutical practice, caregiver activity shall not be advertised as a "clinic," "hospital," "dispensary," or other name customary ascribed to a multi-patient professional practice.¹⁰⁰
- 3) An approval of licensure may include reasonable conditions requested in writing by the applicant during the application and review process.
- 4) Use of land in accordance with approved application
- If approved, all use of property shall be in accordance with an approved application, including all information and specifications submitted by the applicant in reliance on which the application shall be deemed to have been approved.
- 5) A Facility that exists on the effective date of this ordinance must make application for and receive approval to continue to operate; provided, an application shall be filed within fifteen days following the effective date of this ordinance. If an application for licensure under this ordinance is denied due to the minimum distance requirement standards, and a timely application has been filed seeking licensure under this ordinance, such Facility shall have sixty days from the date of application denial to cease operating at the denied site.

4. Restriction on Distribution

- a. The restrictions in this section are based on the following findings:
- 1) The Act was passed by the initiative process. The ballot containing the proposal did not include, and as a practical matter could not have included, the full statute. Thus, electors approved the initiative proposal based upon a reading of a mere summary of

⁹⁹ This provision is offered with the caution that it may be confronted by a First Amendment challenge.

¹⁰⁰ This provision is also offered with the caution that it may be confronted by a First Amendment challenge.

the Act. Both the summary and the Act as a whole reflect the intent to a *private and confidential patient-caregiver relationship to facilitate the lawful cultivation, distribution, and use of marihuana strictly for medical purposes, that is*, an authorization for confidential and private use of marihuana by patients, and for confidential and private assistance in such use by caregivers with whom individual patients are connected through the Department's registration process. That is, the Act does not authorize the broad legalization of the cultivation, distribution, or use of marihuana, and a reading that permits such broad legalization is inconsistent with the fundamental intent of the Act read as a whole in context with generally applicable Michigan law. Thus, it would be reasonable to expect and require that all undertakings of caregivers and other persons in assisting a patient are intended to occur on a confidential and private one-to-one basis.

- 2) The Act does not reflect the intent for distributions of marihuana by more than one caregiver or other person to one patient, or by one or more caregivers or other persons to more than one patient at any given time and place.
- 3) The confidentiality provisions of the Act reflect the intent for all caregivers and patients to remain anonymous in terms of their name and address, thus further reflecting the private and confidential nature of the activities contemplated between a caregiver and the patient he or she is assisting.
- 4) In view of the fact that the Act effectively requires law enforcement officers to seek to prevent unlawful cultivation, distribution or consumption of marihuana, while concurrently permitting substantially the same actions by those who meet the terms of the Act, and considering that law enforcement officials are prohibited from having access to important information that could be used to distinguish unlawful and lawful actors, it is deemed necessary by the legislative body of the community to maintain by licensure and restriction an environment that seeks to promote the protection, efficiency, and effectiveness of law enforcement officers and their work performed in connection with the cultivation, distribution or consumption of marihuana.
- 5) All of the findings stated in subsection 3.a, above, in support of the requirement for licensure are incorporated by reference to this subsection of the ordinance.

b. Restrictions:

- 1) A caregiver and any other person authorized under the Act to assist patients, if any, shall distribute medical marihuana only on a confidential, one-to-one, basis with no other caregiver being present at the same Facility at the same time, and no other patient or other person being present at the same Facility at the same

time, provided, that a patient's immediate family members or guardian may be present within the patient's private residence, and one family member or guardian may be present in any Facility other than the patient's private residence. For purposes of this subsection, the phrase "same time" shall mean and include concurrently as well as within a time interval of one hour.

- 2) Considering the health issues presented, no food shall be sold from the facility used for the distribution of medical marihuana.

5. Inspection of Patient Cultivation

Upon the request of a patient who is cultivating medical marihuana, the medical marihuana officer of the community shall confidentially coordinate electrical and plumbing inspectors (and other inspector(s) within whose expertise an inspection is needed) with regard to site of such cultivation for the purpose of determining whether all lights, plumbing, equipment, and all other means used to facilitate the cultivation of marihuana plants is in accordance with applicable code. In carrying out the provisions of this subsection, community officials shall not require the name and address of the patient. Rather, the intent of this subsection is to focus on the premises, and to insure fire, electrical, plumbing, and other safety for the benefit of the resident of the premises and others who may be affected by one or more code violations.

6. Penalty for Violation

Civil Infraction, with penalty of \$1,000 (or the maximum permitted by law if less than \$1,000) for each violation

In the event of two or more violations, increased civil penalty (if permitted by law), and grounds for revocation, following hearing.

7. No Vested Rights

A property owner shall not have vested rights or nonconforming use rights that would serve as a basis for failing to comply with this ordinance or any amendment of this ordinance.

8. Severance Clause

TO ADOPT AN ORDINANCE OF THE CITY OF ROSEVILLE AMENDING THE CITY OF ROSEVILLE ZONING CODE BY ADDING SECTION 1909 BY PROVIDING FOR MEDICAL MARIHUANA DISPENSARIES, THEIR LOCATION, DEFINITIONS, CONDITIONS AND STANDARDS, AND CIVIL FORFEITURE, TO PROVIDE FOR REPEALER, SEVERABILITY, AND EFFECTIVE DATE.

CITY OF ROSEVILLE
MACOMB COUNTY, MICHIGAN
ORDINANCE NO. 1229

THE CITY OF ROSEVILLE ORDAINS:

TO ADOPT AN ORDINANCE OF THE CITY OF ROSEVILLE AMENDING THE CITY OF ROSEVILLE ZONING CODE BY ADDING SECTION 1909 BY PROVIDING FOR MEDICAL MARIHUANA DISPENSARIES, THEIR LOCATION, DEFINITIONS, CONDITIONS AND STANDARDS, AND CIVIL FORFEITURE, TO PROVIDE FOR REPEALER, SEVERABILITY, AND EFFECTIVE DATE.

Section 1. The City of Roseville Zoning Ordinance is hereby amended to add Section 1909 as follows:

Medical Marihuana Dispensaries shall be permitted in OS, B-1, B-2, B-3, I-1, and I-2 districts subject to review and approval by the Planning Commission, provided that they meet the conditions set forth in this section.

1. Definitions

(a) "Debilitating medical condition" means one or more of the following:

- (1) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral sclerosis, Crohn's disease, agitation of Alzheimer's disease, nail-patella syndrome (NPS), or the treatment of these conditions.
- (2) A chronic or debilitating disease or medical conditioner its treatment that produces one or more of the following: cachexia or wasting syndrome; severe and chronic pain; severe nausea; seizures, including but not limited to those characteristic of epilepsy; or severe and persistent muscle spasm, including but not limited to those characteristic of multiple sclerosis.
- (3) Any other medical condition or its treatment approved by the department, as provided for in MCL333.26425.

- (b) "Department" means the state department of community health.
- (c) "Drug paraphernalia" means all equipment, products and materials of any kind, which is used, intended for use, or designed for use. In planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance as defined in Section 7104 of the Michigan Public Health Code (Act No. 368 of the MI Public Acts of 1978, as Amended), in violation of the laws of the State of Michigan.
- (d) "Enclosed, locked facility" means a closet, room, or other enclosed area equipped with locks or other security devices that permit access only by a registered primary caregiver or registered qualifying patient.
- (e) "Marihuana" means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.
- (f) "Medical marihuana dispensary" means any retail store, store front, office building, or other structure or any type of mobile unit or entity that dispenses, facilitates, sells, or provides, in any manner, marihuana or cannabis or any product containing marihuana or cannabis.
- (g) "Medical use" means the acquisition, possession, cultivation, manufacture, use, internal possession, delivery, transfer, or transportation of marihuana or paraphernalia relating to the administration of marihuana to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the debilitating medical condition.
- (h) "Physician" means an individual licensed as a physician under Part 170 of the public health code, 1978 PA 368, MCL 333.17001 to 333.17084, or an osteopathic physician under Part 175 of the public health code, 1978 PA 368, MCL 333.17501 to 333.17556.
- (i) "Primary caregiver" means a person who is at least 21 years old and who has agreed to assist with a patient's medical use of marihuana and who has never been convicted of a felony involving illegal drugs.
- (j) "Qualifying patient" means a person who has been diagnosed by a physician as having a debilitating medical condition.

- (k) "Registry identification card" means a document issued by the department that identifies a person as a registered qualifying patient or registered primary caregiver.
- (l) "Usable marihuana" means the dried leaves and flowers of the marihuana plant, and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant.
- (m) "Visiting qualifying patient" means a patient who is not a resident of this state or who has been a resident of this state for less than 30 days.
- (n) "Written certification" means a document signed by a physician, stating the patient's debilitating medical condition and stating that, in the physician's professional opinion, the patient is likely to receive therapeutic or palliative benefit from the medical use of marihuana to treat or alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition.

2. Conditions and Standards

- (a) No use, which purports to have distributed marihuana prior to the enactment of this Section, shall be deemed to have been a legally established use under the provisions of the Zoning Ordinance and such use shall not be entitled to claim legal nonconforming status.
- (b) Medical Marihuana Dispensaries shall not be allowed as home occupations.
- (c) Cultivation of medical marihuana in a Medical Marihuana Dispensary is only allowed if specifically authorized by a Use Permit. A Use Permit is a request to allow a use which is permitted by the Zoning Ordinance provided that the use will not cause an adverse impact on adjacent property or properties in the area.
- (d) No Medical Marihuana Dispensary shall be located within 1,000 feet of any other Medical Marihuana Dispensary nor within 1,000 feet of any of the following uses:
 - (1) Any Church.
 - (2) Any School, public or private, having a curriculum including kindergarten or any one or more of the grades one through twelve.
 - (3) Any residential zoned district or any residential use.

- (e) All activity related to a Medical Marihuana Dispensary including but not limited to growing and dispensing shall be done indoors.
- (f) The site shall abut a major thoroughfare right-of-way and all ingress and egress to and from the site shall be via that major thoroughfare.
- (g) Medical Marihuana Dispensaries shall be operated in compliance with the provisions of the Department of Community Health.
- (h) Smoking or consumption of medical marihuana shall not be allowed on the site of the Dispensary.
- (i) No patients under the age of 18 (eighteen) shall be permitted in the Dispensary at any time except in the presence of qualifying patient or their primary caregiver.
- (j) No retail sales of drug paraphernalia as defined in this ordinance are permitted at the Dispensary, except to patients or their designees.
- (k) The Dispensary shall be operated in compliance with regulations the City may issue regarding security measures, record keeping, proper identification for patients, delivery of medical marihuana by employees of the Medical Marihuana Dispensary to patients who would otherwise not be able to obtain it from a dispensary by reason of physical or mental disability, storage of marihuana on the site, on-site cultivation and the maximum amount that may be dispensed in any single transaction. Such regulations may be modified from time to time as the City deems appropriate.
- (l) Each Dispensary shall display in a manner legible and visible to its clientele:
 - (1) Notice that Patients under the age of 18 (eighteen) are not allowed in the Dispensary except in the presence of his/her parent or guardian;
 - (2) No consumption of medical marijuana shall occur within the vicinity of the Dispensary.
- (m) Only operators and their employees, patients, parents or guardians of patients under 18 years of age, and their primary caregiver may be permitted to enter a Medical Marihuana Dispensary for the purpose of obtaining medical marihuana or other goods or products associated with its use.
- (n) Medical marihuana dispensaries can grow up to sixty (60) plants.

3. Civil Forfeiture

Any drug paraphernalia used, sold, possessed with intent to use or sell, or manufactured with intent to sell in violation of this Ordinance shall be seized and forfeited to the City of Roseville, Michigan.

Any marihuana aka marijuana sold or possessed with intent to sell in violation of this Ordinance shall be seized and forfeited to the City of Roseville Michigan.

Section 2. Repealer. Any section herein that is in conflict is hereby repealed.

Section 3. Severability. If any word, clause, sentence, paragraph or provision of this ordinance is deemed to be invalid by a court of competent jurisdiction, such word, clause, sentence, paragraph or provision so designated shall be deemed severable and the remaining provisions of the ordinance shall be deemed fully enforceable.

Section 4. Effective Date. The terms and provisions of this ordinance are deemed to be an emergency ordinance which shall become effective upon publication and adoption.

JOHN CHIRKUN, Mayor

Attested:

RICHARD STEENLAND, City Clerk

I, Richard Steenland, City Clerk of the City of Roseville, Macomb County, Michigan, do hereby certify that Ordinance No. 1229 was adopted by the City Council of Roseville, assembled in regular session on October 13, 2009. Said Ordinance was posted in the following places:

Roseville Police Station, 29753 Gratiot Avenue
Roseville Public Library, 29777 Gratiot Avenue
Roseville Civic Center, 29777 Gratiot Avenue

Notice of said posting was published in *The Eastsider* on October 21, 2009.

RICHARD STEENLAND, City Clerk

Theoretically, a caregiver may cultivate for, and distribute/sell marihuana to not more than five patients (i.e., not more than 60 plants). Absent local regulation on this subject, the five-patient/60 plant limitation is not subject to effective verification and enforcement. The gap in regulation under the Act arises out of the withholding from law enforcement of the names and addresses of both patients and caregivers, information expressly prohibited from Department disclosure. Officers may only secure a verification of the validity of the ID Card.

The Act does not expressly make provision for a use or operation that some have referred to as a "dispensary" or "marihuana store." The absence of such reference in the Act has led to controversies. This subject will be addressed further in part III of this report, below.

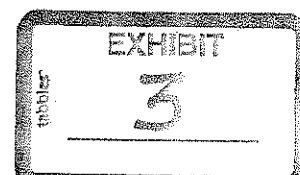
Nor does the Act make any provision with respect to the manner in which a patient or caregiver may lawfully acquire marihuana plants or seeds. However, once acquired, plants must be kept in an "enclosed, locked facility," which means "a closet, room, or other enclosed area equipped with locks or other security devices that permit access only by" a registered caregiver or registered patient. This definition has ambiguities which, if not legislatively clarified, may require judicial interpretation, including: the meaning of "security device;" and whether access is limited only to the caregiver cultivating it, and limited only to the patient for whom it is being grown.¹²

The fundamental thrust of the Act is to create a right on the part of registered patients to use medical marihuana for help with a debilitating condition or its symptoms, and the right on the part of registered caregivers to cultivate and distribute medical marihuana to patients for their use. This two-party relationship is a constant throughout the Act, with one exception. One provision of the Act, subsection (i) of section 4,¹³ contains a provision that would appear to be disconnected from all of the concise terms establishing the exclusive relationship between patients and caregivers. This subsection ignores the reference to caregiver, and declares that "a person" shall not be subject to arrest or other penalty *for assisting a patient with using or administering marihuana*. The intent of this subsection is quite unclear. The work of a caregiver is to "assist patients," including the cultivation and distribution of medical marihuana. Subsection (i) allows "a person" to assist patients. A fair reading of the Act as a whole would suggest that this "person" must be a caregiver. Yet, there is little question that a non-caregiver "person" being prosecuted will offer this provision in his or her defense. Was this subsection (i) intentionally inserted to expand the authorization of the Act?¹⁴ Without suggesting that a court would do so, concern has been expressed by some that this provision, along with other ambiguities in the Act, could be read to broaden the authorization of the Act in a manner that approaches the legalization of marihuana

¹² Also see footnote 9, above.

¹³ MCL 333.26424

¹⁴ Perhaps this subsection (i) was included in the Act to cover a particular circumstance that was foreseeable by the drafters. If this was the case, it would have been beneficial to spell out the particular circumstance.



- 6) The Act leaves a substantial gap in terms of preventing dangerous plumbing and electrical installations which are unlawful under applicable construction codes. No provision is made for inspection of a premises at which substantial facilities are installed to facilitate the cultivation of marihuana plants, including plumbing and electrical facilities, and there have been reports of such violations as unauthorized power lines that by-pass meters. These installations represent unlawful activity and create a threat to public safety, and result in a fire risk. Reports from California are similar, and also note that other unintended circumstances have resulted from the employment of facilitating installations, such as the creation of mold.
- 7) Although expressly authorized in certain other states that permit medical marihuana use,²¹ the Act does not expressly define or authorize "marihuana stores," "dispensaries," "compassion centers," or "medical marihuana business." It has been reported to the author by several sources²² that there have been requests to establish this type of use or operation in Michigan communities. Given the absence of definition or express authorization in the Act, such communities have struggled with these requests. The *Redden* concurrence comments that, "[m]any Michiganders are faced with the often unwelcome intrusion of medical marijuana (sic) dispensaries in their communities, and local governments are faced with the difficult task of determining whether they are obliged to allow such dispensaries to operate in their communities."²³ To some degree, the controversy is definitional in nature. On the one hand, an operation in which marihuana is being dispensed with no regard for caregiver relationships with particular patients would undoubtedly fall outside the intent of the Act. Likewise, a reading of the Act as a whole would suggest that a violation issue arises when a patient dispenses medical marihuana to another patient. On the other hand, a location at which one or more caregivers *each* acts to dispense medical marihuana to not more than five patients who have formally designated that person as their "primary

²¹ Under its statutes, Title 21, §21-28.6-3(2), Rhode Island, permits the following: "Compassion center" means a not-for-profit entity registered under § 21-28.6-12 that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies or dispenses marijuana, or related supplies and educational materials, to registered qualifying patients and their registered primary caregivers who have designated it as one of their primary caregivers. Also see footnote 76, setting out a Boulder, Colorado provision defining "medical marijuana business." "Dispensaries" are referenced prominently in the White Paper of the California Police Chiefs, reference above.

²² Sources include municipal attorneys, community planners, and building officials. This subject may also be found in local newspaper stories that report on medical marihuana activities.

²³ Slip Opinion, p 12, fn 15; the *Redden* concurrence continued in the same line to express that, under a reading of the Act, "the dispensary would have to be operated entirely by one individual, and could have, at most, five customers." Also see footnote 11, above.

caregiver" would not appear to be in contravention of the Act. In terms of bricks and mortar, caregivers may raise an issue with regard to the permissible size of a building and the number of caregivers who may occupy that building. Issues such as these should be subject to regulation within local government's customary scope of zoning and other regulatory authority. Indeed, it is suggested that many issues that arise under the Act, including whether more than one caregiver should as a matter of local policy be permitted to occupy a specified premises, are proper subjects for communities to address by ordinance. There is an important role for local regulation to play in bringing stability and providing clarity with regard to several areas in which the Act contains provisions and omissions that promise to create unnecessary controversy.

In summary, provisions and omissions of the Act open the door to:

- ♦ Potential serious adverse influence of children;
- ♦ Substantial increases in criminal activity;
- ♦ Danger to law enforcement and other members of the public;
- ♦ Discouragement and impairment of effective law enforcement with regard to unlawful activity involving the cultivation, distribution, and use of marihuana;
- ♦ The creation of a lawful commercial enterprise involving the cultivation, distribution, and use of marihuana that is not reasonably susceptible of being distinguished from serious criminal enterprise;
- ♦ Uninspected installations of plumbing and electrical facilities that may create dangerous health, safety, and fire conditions;
- ♦ Downgrading of areas in which concentrations of marihuana distribution exist.
- ♦ Regulatory gray areas that signal the need for local regulation to establish clarity and stability.

These shortcomings are in addition to two other considerations: (1) the legal uncertainty that exists with regard to whether state and local governments, and their officials, are susceptible to federal prosecution or other penalty under federal law for affirmatively authorizing the cultivation, distribution, and use of marihuana permitted under the Act; and (2) the potential for private rights to be created and vested as a result

Suit filed over medical pot laws

Attorneys say it's virtually impossible to use in Bloomfield Township, but officials deny that

By **BILL LAITNER**
FREE PRESS STAFF WRITER

Two Oakland County lawyers sued Bloomfield Township this week to overturn ordinances that they said make it virtually impossible to use medical marijuana in the township.

But the township supervisor said the ordinances do not conflict with state drug laws.

The lawsuit, filed Tuesday, does not seek money or attorney fees. It was filed on behalf of two anonymous township residents "who don't even

know each other" but fear their own police, said attorney Neil Rockind, who filed the suit with attorney Thomas Loeb.

The township ordinances require state-approved patients to register with police, prohibit growing marijuana, and make violations punishable by up to 93 days in jail and \$500 fines. Requiring patients to register with the police "has a chilling effect" on their right to use the drug, Loeb said Wednesday.

"There's nothing to prevent some state or county drug task

force coming into the township" and demanding patients' names for legal action, he said.

Michigan Department of Community Health officials have said the state's Medical Marijuana Act promises confidentiality to approved patients and caregivers, who provide the drug to patients.

Bloomfield Township Police Capt. Steve Cook said Wednesday that no patients have registered since the ordinances went into effect Oct. 31. Township Supervisor David Payne defended the ordinances, saying: "We actually allow (medical marijuana), unlike those other places that the ACLU sued," referring to Bir-

mingham, Bloomfield Hills and Livonia.

The Michigan chapter of the American Civil Liberties Union sued the three cities Nov. 30, saying their ordinances amounted to bans on medical marijuana. The suit was filed on behalf of a married couple — Linda Lott, 61, who has multiple sclerosis, and her husband, Robert Lott, who has glaucoma. The two are state-approved patients who want to use the drug at their Birmingham home and at a private club in Bloomfield Hills, and want to grow marijuana at their warehouse in Livonia, they said.

CONTACT BILL LAITNER: 586-826-7264 OR
BLAITNER@FREEPRESS.COM

Man suing over pot to get ACLU representation

The American Civil Liberties Union of Michigan said Thursday that it would represent John Ter Beek, a state-approved medical-marijuana user who sued the town of Wyoming in November, saying he feared being arrested under an ordinance if he grows or uses medical marijuana.

The ACLU filed another lawsuit last week on behalf of a Birmingham couple who seek to overturn similar ordinances in Livonia, Birmingham and Bloomfield Hills.

In a related case, Isabella County Chief Circuit Judge Paul Chamberlain issued an opinion Thursday that "patient-to-patient transfers and deliveries of marijuana between registered qualifying patients falls soundly within" the Michigan Medical Marijuana Act. Such transfers were the basis of charges filed by Oakland County authorities in September against operators of medical-marijuana establishments.



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CHARLES T. BERSCHBACK

DON R. BERSCHBACK
OF COUNSEL

February 10, 2012

Honorable Mayor and Council
City of Grosse Pointe Woods
20025 Mack Plaza
Grosse Pointe Woods, MI 48236

RE. Service Line Warranties of America

Dear Mayor and Council:

My notes from the last COW meeting indicated the consensus was to go forward but to waive the 10% fee and somehow pass that on to the residents as a savings. The question still remains regarding whether the City logo will be contained on the letter and/or whether the letter will be put on City stationery. Mr. Fincham and I have both spoken with the SLWA representative and will provide you with an update at the meeting. In any event, I would, if Council directs, include disclaimer language in the letter indicating although the City is "introducing this program" but that SLWA is a separate entity, City staff is not involved, and the City is not a party to any agreement between SLWA and the resident.

Very truly yours,

Chip Berschback

CHIP BERSCHBACK

CTB:gmr

cc: Al Fincham
Lisa Hathaway



COMMITTEE-OF-THE-WHOLE
CLIPPING
12-12-11

The next item discussed was regarding the **NLC Service Line Warranty Program**. The Mayor provided an overview. The program provides water and sewer line insurance for lines running from the homeowners line to the City line, and allocates 10% back to the City. The Chair asked the Committee to consider dedicating that 10% back to some fund, suggesting the storm water fund or something similar. This is a one year contract and automatically renewable unless it states otherwise. The City Attorney suggested including an option to terminate within 60-90 days into the contract. The Mayor suggested publication of a public relations piece. The City Administrator stated that it is permissible for the City to waive the 10% and pass the savings onto the customer. Other municipalities that have implemented this program include Saline and Huntington Woods, and Royal Oak will join in January.

A disclaimer was discussed. The City Attorney was directed to provide a draft letter including a disclaimer.

The City Administrator and City Attorney were directed to determine whether the contract could include a provision that would pass the City's entitlement of 10% savings onto the customer and waive the City's 10%, and that the City Administrator follow-up on the services provided to Saline and Huntington Woods. This item is to remain on the Committee-of-the-Whole and return on January 30.




CITY OF GROSSE POINTE WOODS MEMORANDUM



DATE: October 31, 2011

TO: Al Fincham, City Administrator

FROM: Susan Como, Executive Assistant 

SUBJECT: NLC Service Line Warranty Program

I have obtained information about the *National League of Cities (NLC) Service Line Warranty Program* being offered to the residents of member communities. The NLC has partnered with *Utility Service Partners, Inc. (USP)* to offer residents the opportunity to participate in a warranty program that provides an affordable home protection solution to assist them with managing the high costs associated with repairs to their external sewer lines and/or external water lines. There is not a cost to the City to participate in the program. In fact, USP annually returns 10% of the total revenue collected back to the participating community.

A complete overview of the program is outlined in the attached documents, they are as follows:

- Letter from NLC Executive Director, Donald J. Borut;
- *NLC Service Line Warranty Program Overview* (4 pages);
- Letter from USC Regional Account Manager, Mike Chambers;
- Sample Marketing Agreement;
- Sample letter sent to residents.

Attachments

NLC SERVICE LINE WARRANTY PROGRAM

Overview

7D
NATIONAL
LEAGUE
of CITIES



Building Peace of Mind, One Community at a Time

NATIONAL
LEAGUE
of CITIES



NLC SERVICE LINE WARRANTY PROGRAM

Building Peace of Mind, One Community at a Time

EXPENSIVE LINE FAILURES SOLUTION

The NLC Service Line Warranty Program, administered by Utility Service Partners, helps city residents save thousands of dollars on the high cost of repairing broken or leaking water or sewer lines. This program is offered at *no cost* to the city.

REPAIR SAVINGS

Residents who have not set aside money to pay for an unexpected, expensive utility line repair, now have an opportunity to obtain a low cost warranty that will provide repairs for a low monthly fee, with no deductibles or service fees. The work is performed by licensed, *local* plumbers who will call the customer within one hour of filing a claim. The repair is performed professionally and quickly, typically within 24 hours. USP provides a personally staffed 24/7 repair hotline for residents, 365 days a year.

IMPLEMENTATION

Once your city has approved participation in the program, start up is simple. The program is designed for a quick launch, taking up little of your city employees' valuable time:

1. Execute the simple, one page contract provided by USP.
2. Approve the recommended Press Release (this is designed as a general notice to reduce resident confusion and calls to the city with questions).
3. Approve the Campaign Letter provided by the USP Marketing team.
4. Access monthly reports via the web.

BENEFITS

- NO COST for the city to participate
- Generates revenue for your city
- Affordable rates for residents
- 24/7 Customer Service
- Service from trusted, local contractors
- Peace of mind for your residents
- Reduces local officials' frustration
- Easy implementation
- Fewer citizen complaints
- All repairs performed to *local* code

MORE INFORMATION

To learn more about this program, visit NLC's website at www.nlc.org/enterpriseprograms or contact Denise Belser, Program Director, at belser@nlc.org or (202) 626-3028.

Building Peace of Mind, One Community at a Time.

This program is administered by Utility Service Partners (USP). USP is solely responsible for the implementation and operation of the program.



NLC SERVICE LINE WARRANTY PROGRAM

Participating is Easy...

Implementation Process



1. Upon approval from city council (if applicable), execute one-page contract provided by USP (upon contract execution, USP will immediately begin to recruit and screen local contractors)



2. Approve Press Release provided by USP (general notice to eliminate resident confusion/city calls) and if desired, distribute to local media and/or post to the city website



3. Send the following to USP for the creation of the citizen solicitation letter:

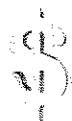
- City Seal artwork, if available
- Name/Title of designated signor plus signature
- City Address for outer envelope
- Zip+4 list of city territory



4. Approve Solicitation Letter provided by USP



5. Access Monthly Reporting via the web



6. Receive Annual Payment

A PARTNERSHIP WITH BECKLEY, WEST VIRGINIA

Beckley is a city with a population of 20,000 residents located in southern West Virginia and is the central hub of Raleigh County. Like many cities in the country, Beckley is looking to create an environmentally conscious community while, at the same time, dealing with important budget issues.

In June 2009, Beckley hosted a workshop, sponsored by Utility Service Partners, Inc., discussing "Bottom Line Green." 'Green' has become a new buzzword today, and everyone is making a claim that their program or product is good for the environment. But can a utility line warranty program contribute to a cleaner planet?

Well, the answer is Yes.

Leaking water pipes waste millions of gallons of treated water each year. Wasted drinking water has to be recaptured and retreated by the local municipal water system. Leaking sewer lines pollute ground water and acres of land. The re-treating of water can waste energy and resources, contributing to increased carbon emissions and lost revenue for the city. And citizens become frustrated when they learn that they are responsible for repairing — and paying for — broken or leaking pipes.

USP's program offers cities a solution that ensures timely repairs to broken homeowner water and sewer lines, thereby conserving water resources and minimizing waste water pollution. For a small monthly fee paid by the homeowner, USP offers around the clock repair service, with access to a live representative and prompt service performed by local, certified technicians. A cleaner planet, a happier citizen.

Beckley Mayor Emmett Pugh was intrigued. "The mayor approached us right after the session and asked for more information. He wanted to know more about how this kind of a program could benefit the city," said Brad Carmichael, Vice President, Business Development.

Were there strings attached? How much would it cost the city to implement? Would the city have to find the manpower to help get the program off of the ground?

The answer is No.

No strings attached. No cost to the city to implement. USP covers all of the costs to promote the utility line warranty program to the local citizens. In terms of city involvement, USP simply needs a few pieces of information, including the city seal, return address and the official's signature for the communication. It's that simple. USP's solution is designed for fast turnaround with little impact to city government.

Mayor Pugh was pleased with the company's approach. "Working with USP is really easy. They take care of everything — marketing, billing, and customer service. All we had to do was review and approve the letter to customers."

By October 2009, Beckley had contracted with USP to offer the utility line warranty programs to its citizens, and the first marketing campaign, a sewer line warranty offer, was mailed to Beckley households the following spring.

The program was a tremendous success. "We were delighted with the response from our citizens," Mayor Pugh commented on the results of the first campaign. "Providing a service to our residents which helps them avoid costly repairs, that's something they really appreciate."

The NLC Service Line Warranty program is a timely solution for cities like Beckley, West Virginia, and many others across the United States. By sharing in a portion of the revenues collected from this program, cities can relieve some of the strain caused by shrinking revenues and increasing costs. The program also offers cities the opportunity to enhance their image by providing an additional service that benefits their residents.



2010 Officers

Executive Director
Donald J. Borut

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NLC Service Line Warranty Program
Saline, MI

FACT SHEET

SERVICE LINE WARRANTY PROGRAM – endorsed by the City of Saline and administered by Utility Service Partners, Inc. (USP) DBA Service Line Warranties of America (SLWA).

USP is an NLC 'Enterprise Programs' Partner

SUMMARY OF PROGRAM:

- Product: Outside Water Line Coverage
- Campaign Price: \$4.75/month, or \$50.00 annually
- Coverage: Covers the cost of repairs needed to your outside water line resulting from normal wear and tear. This is the single lateral water line running from the utility's main connection to the home (the portion of the line for which the consumer is responsible).
- Coverage Cap (\$): Repair costs are covered up to \$4,000 per incident, plus an additional \$4,000 allowance for public street cutting.

EASY TO ENROLL:

- Customer has several enrollment options
 - By calling **1-855-270-1194**
 - Returning the bottom portion of the letter to SLWA in the envelope provided to them
 - Visiting www.utilitylineprotection.com

PAYMENT OPTIONS:

- Several payment options available:
 - Invoice
 - Credit card (One-time or Recurring)
 - Direct debit from checking account (One-time or Recurring)

CUSTOMER SERVICE AVAILABILITY:

- 24/7 Customer Service hotline available at **866-922-9006**
- Only local, certified plumbers will be performing repairs



City of Saline

Michigan

[Customer Name]
[Customer Address]
[Customer City, State, Zip Code]

[Date]

Contact ID: [Contact ID]

Re: Coverage for Residents

Dear [Customer Name],

Last spring I sent you a letter announcing a Water Line Warranty program offered by Service Line Warranties of America (SLWA). Given the positive response, I am very pleased to tell you about a new program brought to us through a partnership with the National League of Cities (NLC) and Service Line Warranties of America. This program is one that could potentially save you a lot of money in these difficult economic times. As you may know, as a homeowner in the City of Saline, you are responsible for the maintenance and repair of your buried, outside sewer service line that runs from your home to the utility connection.

SLWA offers a Sewer Line Warranty which will protect you from any repairs needed on your outside, buried sewer line for a small monthly fee. If you should need a repair, they have a 24-hour hotline and will dispatch a local plumber within 24 hours to perform the repair. There are no service fees or deductibles. Repair costs are covered up to \$4,000 per incident, plus an additional \$4,000 allowance for public street cutting, if needed.

SLWA is proud to have been selected by the NLC as an Enterprise Programs Partner. After a decade in business, SLWA has an A+ rating with the Better Business Bureau. The National League of Cities, representing over 218 million Americans, is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance.

An unexpected and costly outside sewer line repair can devastate a family's budget and if you have not already set aside money for these types of expenses, I would encourage you to protect yourself today by enrolling in the outside sewer line warranty. Payment options include invoice, credit card or direct debit from your checking account.

If you enroll by October 21, SLWA will offer a discounted price of \$4.95 per month which represents a savings of over 9% on their standard monthly price. If you elect to pay annually, they will discount the cost further to \$54.00 which is over a 17% savings.

To enroll, or to learn more about this program, please call 1-800-000-0000, Monday through Friday 9:00 am to 5:00 pm, to speak with SLWA directly. Or if you prefer, you may return the bottom portion of this letter to SLWA in the enclosed, self-addressed, postage-paid envelope or visit www.utilitylineprotection.com.

Sincerely,

Todd J. Campbell
City Manager

Complete warranty terms and conditions will be provided following enrollment or you can view them online at www.utilitylineprotection.com. You may terminate your participation in a warranty program at any time. You have 30 days from the date you enroll to receive a full refund. After 30 days, you will be reimbursed the pro rata share of any amount you paid for any portion of the warranty period subject to cancellation. **If you are a member of a condominium or similar type of homeowner association, you should check with your association to see if the association is responsible for these types of repairs. If your association is responsible for these types of repairs, you may not need this optional warranty coverage.**



City of Huntington Woods

Michigan

[Customer Name]
[Customer Address]
[Customer City, State, Zip Code]

[Date]

Contact ID: [Contact ID]

Re: Coverage for Residents

Dear [Customer Name],

We are very pleased to tell you about a new program available to our residents, brought to us through a partnership with the National League of Cities (NLC) and Service Line Warranties of America (SLWA). This program is one that could potentially save you a lot of money in these difficult economic times. As you may know, as a homeowner in the City of Huntington Woods, you are responsible for the maintenance and repair of your buried, outside sewer service line that runs from your home to the utility connection.

SLWA offers a Sewer Line Warranty which will protect you from any repairs needed on your outside, buried sewer line for a small monthly fee. If you should need a repair, they have a 24-hour hotline and will dispatch a local plumber within 24 hours to perform the repair. There are no service fees or deductibles. Repair costs are covered up to \$4,000 per incident, plus an additional \$4,000 allowance for public street cutting, if needed.

SLWA is proud to have been selected by the NLC as an Enterprise Programs Partner. After a decade in business, SLWA has an A+ rating with the Better Business Bureau. The National League of Cities, representing over 218 million Americans, is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance.

An unexpected and costly outside sewer line repair can devastate a family's budget and if you have not already set aside money for these types of expenses, we would encourage you to protect yourself today by enrolling in the outside sewer line warranty. Payment options include invoice, credit card or direct debit from your checking account.

If you enroll by October 21, SLWA will offer a discounted price of \$5.50 per month which represents a savings of over 7% on their standard monthly price. If you elect to pay annually, they will discount the cost further to \$59.00 which is over a 17% savings.

To enroll, or to learn more about this program, please call 1-855-999-8798, Monday through Friday 9:00 am to 5:00 pm, to speak with SLWA directly. Or if you prefer, you may return the bottom portion of this letter to SLWA in the enclosed, self-addressed, postage-paid envelope or visit www.utilitylineprotection.com.

Respectfully,

City of Huntington Woods

Complete warranty terms and conditions will be provided following enrollment or you can view them online at www.utilitylineprotection.com. You may terminate your participation in a warranty program at any time. You have 30 days from the date you enroll to receive a full refund. After 30 days, you will be reimbursed the pro rata share of any amount you paid for any portion of the warranty period subject to cancellation.

Cut here

[LETTERCD0811-T&C CODE]



[Customer Name]
[Customer Address]
[Customer City, State, Zip Code]
Contact ID: [Contact ID]

To enroll or to view the terms and conditions
please visit www.utilitylineprotection.com.

Please mark your selection:

☐ Yes! Please enroll me in the outside sewer
line warranty for just \$5.50 per month

☐ I want to save even more! I will pay just
\$59.00 per year for the sewer line warranty

Signature: _____

Date: _____



October 26, 2011

Susan Como
City of Grosse Pointe Woods
20025 Mack Plaza
Grosse Pointe Woods, MI 48234
RE: NLC Service Line Warranty Program

Dear Ms. Como,

The NLC Service Line Warranty Program administered by Utility Service Partners (USP) is an affordable home protection solution for your residents. It helps city residents save thousands of dollars on the high cost associated with the repair of broken or leaking water or sewer lines. Often times when problems do arise, homeowners will expect the city to pay for the repairs. This program can help eliminate frustrations between the homeowner and the city by providing the residents with options. The program is offered to the city on a full turn-key basis as we handle all of the marketing, billing, customer service, and claims management. There is no cost for the city to participate and USP will provide the city with ten percent of the total revenue generated from program for the city's participation. Below are some key points and highlights of the program:

- All of the marketing of the program is done through direct mail and at no cost to the city. We never engage in any telemarketing or door to door sales. Twice per year, in the spring and in the fall, USP will create a letter to offer the program to your residents. We try to keep the letter as simple as possible and for that reason we only market one product at a time. For example we will usually offer the sewer line warranty in the fall mail campaign and the water line warranty in the spring mail campaign. However both products are available for the residents when they go on-line or call in. The program is completely optional for the residents. When the city participates in the program they are just making the warranty products available for the residents. The city logo is used at the top of the letter. This helps to lend credibility to the program. Before anything is mailed the city has the opportunity to review the letter. No mailing will take place without the city's approval.
- Currently we are seeing around a ten percent response from the first mail campaign in our partner cities. After 2-3 years we usually see our penetration reach between 30-35 percent of the market.
- USP will provide the city with 10 percent of all of the revenue collected from the program. At the end of the year, USP will produce a report that shows every resident that is enrolled in the program and every dollar that was collected. This will be sent to the city along with a check for 10 percent of the collected revenue before January 31st.



- USP will only use local contractors from your city to complete the repairs. This is extremely important because it helps to keep the dollars in the local community, plus the local contractors know the local codes and how the repairs need to be completed in your city. If the city has a preferred list of contractors, we will use that to begin our search. Our contractor management team will interview the contractors and make sure that they have all of the proper licenses and insurance.
- There are close to 100 cities participating in the NLC Service Line Warranty Program including Saline, Michigan and Huntington Woods, Michigan.
- Products:
 - The **external sewer line warranty** covers the underground service line from the utility's main sewer line to the internal point of entry to the home. If any part of the line is broken and leaking, USP will repair or replace the line in order to restore the service. This product is typically offered to the consumer at \$5.95 per month. This price will be discounted to \$5.50 per month when customers sign up during the mail campaign.
 - The **external water line warranty** covers the underground service line from the internal point of entry of the home to the utility connection. If any part of the line is broken and leaking, USP will repair or replace the line in order to restore the service. This product is typically offered to the consumer at \$4.75 per month. During the mail campaign the price will be discounted to \$4.25 per month.
- The residents will receive immediate coverage when they sign up for the program during the mail campaign. If they hear about the program through word of mouth and sign up outside of the campaign there will be a thirty day wait on the coverage.
- At USP we provide our customers with a 24 hour 7 day a week claim center. When the customer has a break, whether it is day or night they can call us and talk to a live person. When they file a claim USP will immediately dispatch the job to a local contractor who has one hour to contact the customer to schedule a time at the customers convenience to begin the repairs. We find that most repairs are completed within 24 hours. After every claim the customer is mailed a customer satisfaction survey. To date we have a 97% customer satisfaction rating.

USP is leading the way in developing programs to partner with cities and municipalities to provide value added warranty programs to city residents. Our program is endorsed and branded by the National League of Cities. USP would be happy to meet with you to further discuss our qualifications. We look forward to hearing from you regarding your decision.

Best Regards,

Mike Chambers
Regional Account Manager



October 26, 2011

Susan Como

City of Grosse Pointe Woods
20025 Mack Plaza
Grosse Pointe Woods, MI 48234

**RE: Marketing Agreement with Utility Service Partners Private Label, Inc. d/b/a
Service Line Warranties of America ("SLWA")**

Dear Mayor Sample:

We have discussed entering into a marketing agreement between the City of Grosse Pointe Woods (the "City") and SLWA.

SLWA provides affordable utility service line warranties to consumers. It is SLWA's understanding that, in consideration of the License Fee (as defined below) to be paid by SLWA to City, City has agreed to cooperate with SLWA in marketing SLWA's services to City's residents and homeowners (the "Residents") as described below:

1. City hereby grants to SLWA a non-exclusive license to use City's name and logos on letterhead and marketing materials to be sent to the Residents from time to time, and to be used in advertising, all at SLWA's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld.
2. As consideration for such license, SLWA will be liable to pay to City, within 30 days of the end of the final calendar quarter, 10% of the revenue from USP warranty subscriptions collected from the Residents during such calendar year (the "License Fee"), together with a statement certifying collections of such USP revenue, so long as this marketing agreement remains in effect. City will have the right, at its expense, to conduct an annual audit, upon reasonable notice and during normal business hours, of SLWA's books and records pertaining to sales and rentals to the Residents while this marketing agreement is in effect and for one year after any termination of this marketing agreement.
3. The term of this marketing agreement will be for one year from the date of the execution of the acknowledgement below and this agreement will then renew on an annual basis unless one of the parties gives the other advance written notice of at least 90 days that it does not intend to renew this marketing agreement. City may terminate this marketing agreement 30 days after giving notice to SLWA that SLWA is in material breach of this agreement if such breach is not cured during such 30-day period. SLWA will be permitted to complete any marketing initiative initiated or planned prior to the effective date of any termination of this marketing agreement and shall pay the License Fee to the City for the calendar year in which this marketing agreement is terminated after which time, except for SLWA's obligation to permit City to conduct an audit as described above, neither party will have any further obligations to the other and the license described in this letter will terminate.

4. SLWA shall indemnify, hold harmless, and defend City, its elected officials, appointed officials, and employees from and against any loss, claim, liability, damage, or expense that any of them may suffer, sustain or become subject to in connection with any third party claim (each a "Claim") resulting from the negligence or willfulness of SLWA in connection with, arising out of or by reason of this marketing agreement, provided that the applicable indemnitee notifies SLWA of any such Claim within a time that does not prejudice the ability of SLWA to defend against such Claim. Any indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

If City agrees that the foregoing fully and accurately describes the agreement between City and SLWA, please arrange to have a duly authorized representative of City execute and date the acknowledgement below in each of the duplicate original versions of this letter and return one to me in the enclosed self-addressed stamped envelope.

If you have any questions or wish to further discuss this marketing agreement, please do not hesitate to contact Mike Chambers via email at mchambers@utilitysp.net or by phone at 724-678-6075

Very truly yours,

Utility Service Partners Private Label, Inc.

By: _____

Print Name: Philip E. Riley, Jr.

Title: President & CEO

By: _____

Print Name: Brad H. Carmichael

Title: Vice President

Acknowledged and Agreed:

City hereby acknowledges and agrees that the foregoing letter fairly and accurately describes the agreement between City and SLWA as of the date of this acknowledgement.

City of Grosse Pointe Woods:

By: _____ Date: _____

Print Name: _____

Title: _____



City of Anywhere

State



[Customer Name]
[Customer Address]
[Customer City, State, Zip Code]

[Date]

Contact ID: [Contact ID]

Re: Coverage for Residents

Dear [Customer Name],

I am very pleased to tell you about a new program available to our residents, brought to us through a partnership with the National League of Cities (NLC) and Service Line Warranties of America (SLWA). This program is one that could potentially save you a lot of money in these difficult economic times. As you may know, as a homeowner in the City of _____, you are responsible for the maintenance and repair of your buried, outside sewer service line that runs from your home to the utility connection.

SLWA offers a Sewer Line Warranty which will protect you from any repairs needed on your outside, buried sewer line for a small monthly fee. If you should need a repair, they have a 24-hour hotline and will dispatch a local plumber within 24 hours to perform the repair. There are no service fees or deductibles. Repair costs are covered up to \$4,000 per incident, plus an additional \$4,000 allowance for public street cutting, if needed.

SLWA is proud to have been selected by the NLC as an Enterprise Programs Partner. After a decade in business, SLWA has an A+ rating with the Better Business Bureau. The National League of Cities, representing over 218 million Americans, is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance.

An unexpected and costly outside sewer line repair can devastate a family's budget and if you have not already set aside money for these types of expenses, I would encourage you to protect yourself today by enrolling in the outside sewer line warranty. Payment options include invoice, credit card or direct debit from your checking account.

If you enroll by [date], SLWA will offer a discounted price of \$_____ per month which represents a savings of over _____% on their standard monthly price. If you elect to pay annually, they will discount the cost further to \$_____ which is over a _____% savings.

To enroll, or to learn more about this program, please call 1-800-000-0000, Monday through Friday 9:00 am to 5:00 pm, to speak with SLWA directly. Or if you prefer, you may return the bottom portion of this letter to SLWA in the enclosed, self-addressed, postage-paid envelope or visit www.utilitylineprotection.com.

Sincerely,

Mayor Name
Mayor

Complete warranty terms and conditions will be provided following enrollment or you can view them online at www.utilitylineprotection.com. You may terminate your participation in a warranty program at any time. You have 30 days from the date you enroll to receive a full refund. After 30 days, you will be reimbursed the pro rata share of any amount you paid for any portion of the warranty period subject to cancellation.



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CTYCD0411



[Customer Name]
[Customer Address]
[Customer City, State, Zip Code]
Contact ID: [Contact ID]

To enroll or to view the terms and conditions
please visit www.utilitylineprotection.com.

Please mark your selection:

☐ Yes! Please enroll me in the outside sewer
line warranty for just \$_____ per month

☐ I want to save even more! I will pay just
\$_____ per year for the sewer line warranty

Signature: _____

Date: _____