

CITY OF HAVERHILL

MASSACHUSETTS

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September 10, 2021

Delivered in Hand

Caroline Pineau, President

Haverhill Stem, LLC

C/O Attorney Thomas K. MacMillan

145 South Main Street

Haverhill, MA 01835

RE: LME Related Cost Documentation

Dear Licensee:

Enclosed please find a copy of the City of Haverhill's Community Impact Fee Cost Analysis which was conducted by MGT Consulting Group. The Analysis identifies and documents the community impacts and reasonably related costs associated with the LMEs located within the city limits. These costs include the costs of all activities involved in the establishment of the LMEs as well as anticipated annual costs.

We are aware that you have requested this documentation so that you may fulfill the requirements for your license. This Analysis may be offered to the Commission as the City's response to your request from the Host Community. We also remain available for an annual review should you wish to do so. Thank you.

Sincerely,

William D. Cox, Jr.

William D. Cox, Jr., Esq.

City Solicitor

cc: James J. Fiorentini, Mayor

SEPTEMBER 10, 2021



Community Impact Fee Cost Analysis

CITY OF HAVERHILL, MASSACHUSETTS

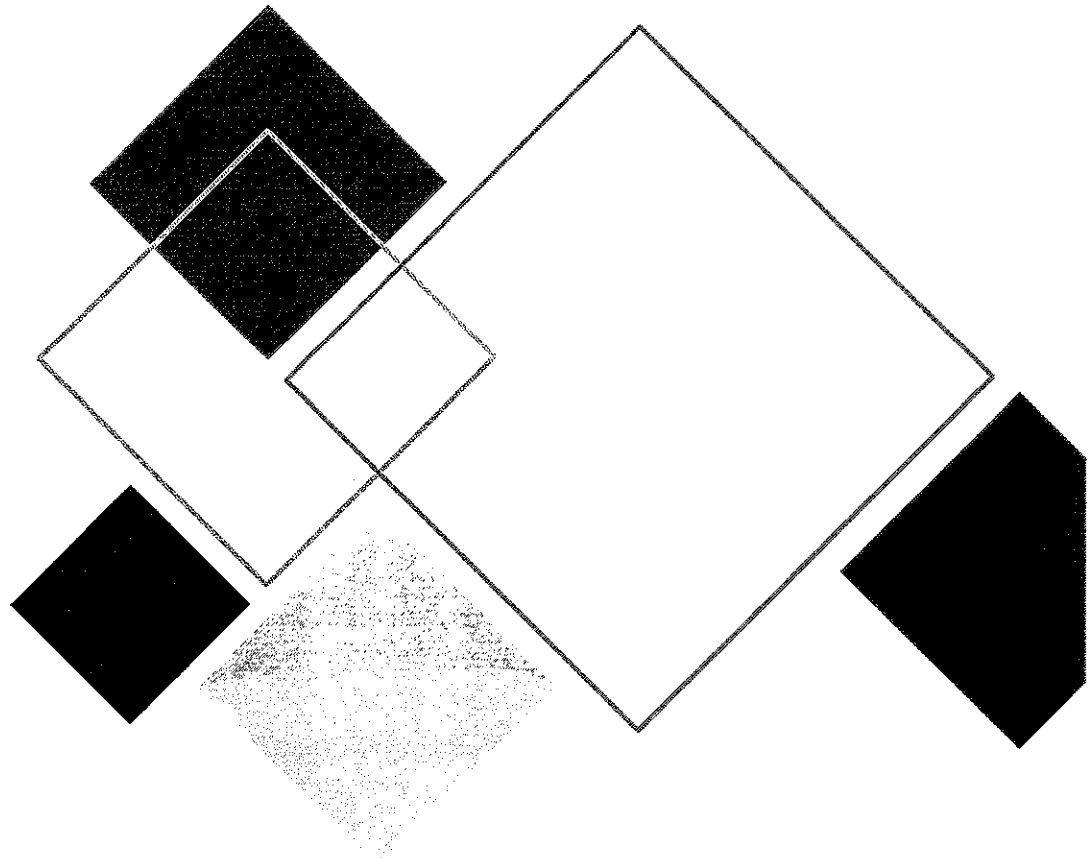


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SECTION 1: BACKGROUND

INTRODUCTION

Massachusetts General Laws, Part I, Title XV, Chapter 94G – Regulation of the Use and Distribution of Marijuana Not Medically Prescribed, Section 3 – Local Control, requires a Host Community Agreement (HCA) between a marijuana establishment (LME) and the host community.¹ The HCA may also include a community impact fee that is reasonably related to the costs imposed upon the municipality by the operation of the LME. The fee should be no more than three (3) percent of the gross sales of those establishments.

The City of Haverhill contracted with MGT Consulting Group to identify and document the community impacts and reasonably related costs associated with the LMEs located within the city limits. These costs include the costs of all activities involved in the establishment of the LMEs as well as anticipated annual costs.

MGT previously prepared the City's indirect cost allocation plan which was focused on identifying and distributing the cost of administrative and shared services throughout the organization. The indirect cost allocation plan's primary use is to identify the amount of reimbursement the utility funds should provide to the general fund to pay for the cost of administrative services provided by the general fund departments. Through this engagement, MGT personnel provide objective and independent cost accounting expertise with insight into City departments, reports, and operations. This expertise and familiarity with the City, combined with a consistent methodology applied to every department throughout the City, will provide City personnel and officials a complete and comprehensive analysis of the incurred, anticipated and reasonably foreseeable costs associated with the community impacts of the LMEs. It must be noted that this analysis may evolve in future years, as community impacts resulting from continued LME operations become more defined.

The Cannabis Control Commission (CCC) for the Commonwealth of Massachusetts issued guidance on Host Community Agreements (HCA). The City of Haverhill executed HCAs with the LMEs² and continues to operate under those agreements in accordance with Massachusetts General Laws. Included in those guidelines is a non-exclusive listing of types of "reasonably related" costs associated with the community impacts of LMEs locating within a municipality. Further, as noted in the CCC's November 2019, "Special Report: Evaluating the Impact of Cannabis Legalization in Massachusetts: State of the Data," data measuring certain community impacts may not be readily available. It would be expected that such data would become available over time, as such impacts are more fully realized.

Some potential uses of the community impact fees have been previously articulated by the City. In a letter dated March 18, 2019, to Mayor Fiorentini with a subject line of "Accounting of Revenue Funds received from Licensed Marijuana Establishments", Haverhill City Councillor Colin LePage suggested nine potential uses for the community impact fees.

¹ The law also covers medical marijuana treatment centers (MTC), but there are no such facilities located in Haverhill at present.

² Presently consisting of the following establishments and their periods of operation to date:

- Stem – operating since May 2020.
- CAN Stores – operating since November 2020.
- Full Harvest Moonz – operating since February 2021.

SECTION 1: BACKGROUND

Additionally, at the Haverhill City Council meeting on June 15, 2021, the school physician, Dr. John Maddox, presented the findings of the recent Attitudes and Behavior Study Survey conducted of students at the Haverhill Public Schools. Dr. Maddox's presentation identified many issues and challenges facing the schools and their students, including challenges related to marijuana usage.

Both Mr. LePage's letter and Dr. Maddox's presentation to the City Council helped to provide context to MGT's understanding of the actions the City has undertaken, and the related plans for future measures related to the impact of marijuana legalization, availability, and use.

This report describes the study methodology and process. It also provides narrative and details cost calculations of specific activities and related costs that have occurred and/or are expected to occur because of existing and proposed LMEs located within the City of Haverhill. Note that in future years, additional community impacts (and reasonably related costs) may be identified, or, conversely, costs may be reduced if measures taken effectively address some or all of the community impacts.

SECTION 2: METHODOLOGY AND PROCESS

MGT completed the following major tasks to identify, calculate and document the costs of City activities associated with these business establishments

- ♦ Task 1: Project Overview and Kick-off Meeting with Appropriate City Staff
- ♦ Task 2: Standard Communication from MGT to City Departments
- ♦ Task 3: Interviews with City Department Personnel
- ♦ Task 4: Cost Analysis and Calculations
- ♦ Task 5: Final Report Including Summary and Detail Schedules

Project Overview and Kick-off Discussions

Project team members from MGT and the City developed a project overview summary for personnel from City departments. This overview of the project included primary objectives, timeline, interview format, data request, expectations from department personnel and project deliverables.

Standard Communication from MGT

Project team members from MGT prepared and distributed a project fact sheet to personnel in City departments which provided background information on the nature of the study. This fact sheet reinforced information provided in the original discussions as well as reinforced expectations for pending interviews and data requests.

Interviews with Department Personnel

Consultants from MGT interviewed personnel from City departments. These interviews identified and documented costs reasonably related to LME operations throughout the City. The activities identified and documented through these interviews became the basis for calculating applicable costs of City activities related to LME operations, including associated community impacts.

Interview questions were purposefully designed with redundancy to ensure City personnel considered all aspects of activities performed. Some activities performed by City personnel are clearly due to LMEs locating within the city of Haverhill. These activities were relatively easy to identify and therefore relatively easy to calculate the full costs.

However, some activities performed by City personnel relate to LME operations but are not exclusively due to LMEs operations. Therefore, some interview questions were deliberately framed to identify these less obvious activities related to LMEs. These interview questions, asked in several different ways, were framed through the broad concept of what programs, initiatives, and activities would be eliminated if LMEs were not operating. This series of questions identified, and documented activities related to LMEs that would have otherwise been missed.

SECTION 2: METHODOLOGY AND PROCESS

The following departments were interviewed over an eight-week timeframe during the summer of 2021.

- Mayor
- Fire
- Police
- DPW
- Inspectional Services
- City Clerk
- Economic Development & Planning
- Finance Dept
- Human Services
- Community Development
- Haverhill Schools
- City Council
- Law
- Public Health

The Community Impact Fee Data Collection Tool descriptive document is found in Appendix 1 of this report.

While the goal of this analysis is to be as inclusive as possible, it is possible that additional activities and costs may have been incurred or will be necessary in the future, which were not initially reported as part of the information gathering process. It should be noted that there are some inspection related activities that have been performed which are subject to a separate fee, and therefore, those costs are not included here.

Calculation of Costs Reasonably Related to Community Impacts of LME Operations

Consultants from MGT used Excel-based workbooks to calculate the cost of activities related to LME operations within the City based on actual and current budgeted fiscal year costs, projected future costs, the most recent city-wide cost allocation plan, and statistical and operational data provided by City personnel.

The costs reasonably related to the community impacts of LME operations include both direct and indirect costs. Direct costs are those costs that are attributable or assigned to a specific objective or activity. Examples of direct costs related to regulated LMEs include, but are not limited to, salaries, benefits and certain service and supply costs.

Indirect costs in this calculation are limited to the proportional costs associated with time off with pay. Costs associated with time off with pay are accounted for through an adjustment from the rate of pay (Salary divided by 2080 hours) to the rate of cost (Salary divided by 1752 hours). This adjustment ensures that a portion of all time off with pay costs are proportionally applied to activities that are related to the LMEs. The derivation of the 1752 hours is shown in the table that follows.

SECTION 2: METHODOLOGY AND PROCESS

Available Hours Calculation

Description	Days	Hours
Total Hours Paid		2080
Less Time Off With Pay		
Paid Holidays	11	88
Vacation Days	15	120
Sick Leave	15	120
Net Available Time		1752

Statistical and operational data could include, but is not limited to, time tracking, usage and activity statistics, workload analysis and time estimates. Each department was unique in what type of statistical and operational data was provided and how that data was converted into the calculation of the costs of City activities related to LMEs located within the City of Haverhill.

Final Report Including Summary and Detail Schedules

Consultants from MGT compiled all relevant data and calculations into a final report. This report documents the City's LME-related costs by department across the City. The report also includes an overview of the project objective, methodology and noteworthy findings as well as comprehensive summary and detail schedules.

SECTION 3: COST CALCULATIONS

MGT understands one of the key objectives of this cost analysis/review is to ensure the methodology used by the City of Haverhill to calculate specific LME-related City departmental costs are valid and defensible. The following narratives and tables describe departmental incurred and projected costs associated with the establishment of LMEs in Haverhill.

Costs are identified by activity and segregated between costs that are anticipated to be annual costs versus one-time costs.

The tables presenting the information by department begin on the following page:

SECTION 3: COST CALCULATIONS

Mayor

The Mayor's Office includes four staff members. James J. Fiorentini has been the elected Mayor of Haverhill since January 2004. Three other positions are budgeted in the Mayor's Office -- a Chief of Staff, an Executive Assistant, and a Press Contact/Communications Officer. The Mayor is tasked by state statute with the negotiation of the Host Community Agreements (HCA). Also, the Mayor is responsible for initiating all appropriations and for the administration of the City government.

The following table summarizes the activities and costs, as identified by the Chief of Staff, associated with Mayor's Office activities related to LMEs locating in the City of Haverhill.

Department		Mayor's Office		41.12%					
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Mayor	\$ 62.21	1	\$ 62.21	\$ 25.58		\$ 87.80	
2	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Chief of Staff	\$ 48.58	1	\$ 48.58	\$ 19.97		\$ 68.55	
3	HCA drafting and negotiations for STEM	Mayor	\$ 62.21	60	\$ 3,732.88	\$ 1,534.96			\$ 5,267.84
4	HCA drafting and negotiations for Harvest Moonz	Mayor	\$ 62.21	4	\$ 248.86	\$ 102.33			\$ 351.19
5	HCA drafting and negotiations for CNA	Mayor	\$ 62.21	4	\$ 248.86	\$ 102.33			\$ 351.19
6	Chief of Staff assistance to Mayor for development of HCA agreements	Chief of Staff	\$ 48.58	80	\$ 3,886.03	\$ 1,597.93			\$ 5,483.96
7	Marijuana Advisory Committee Meetings	Mayor	\$ 62.21	5.5	\$ 342.18	\$ 140.70			\$ 482.88
8	Marijuana Advisory Committee Meetings	Chief of Staff	\$ 48.58	5.5	\$ 267.16	\$ 109.86			\$ 377.02
9	Participation in Community Outreach Meetings for LMEs	Chief of Staff	\$ 48.58	3	\$ 145.73	\$ 59.92			\$ 205.65
10	Federal Drug Free Community Grant match dollars. 50% related to impact of marijuana legalization, availability and use.				\$ -	\$ -	\$125,000.00	\$ 62,500.00	
Grand Total		Mayor's Office						\$ 62,656.35	\$ 12,519.73

SECTION 3: COST CALCULATIONS

City Council

The City Council is the elected legislative body that is responsible for the enactment of zoning regulations and serving as the special permit granting authority for all LME establishments. In addition, the Council reviews and approves all appropriations. No costs associated with the Council activities related to the establishment, permitting and oversight of LME activities have been included, although such costs can be calculated and documented.

Fire

The Fire Department includes a total of 99 staff including the Fire Chief, five Deputy Chiefs, six Captains, 21 Lieutenants, 62 Privates, a Master Mechanic, a Mechanic, a Head Administrative Clerk, and a Clerk.

The following table summarizes the activities and costs associated with Fire Department activities related to LMEs locating in the City of Haverhill.

Department		Fire		41.12%					
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Chief	\$ 79.91	0.25	\$ 19.98	\$ 8.21		\$ 28.19	
2	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Deputy Chief	\$ 47.08	0.25	\$ 11.77	\$ 4.84		\$ 16.61	
3	Time associated with developing the LME Establishment Zones (where facilities could be located)	Chief	\$ 79.91	40	\$ 3,196.35	\$ 1,314.34			\$ 4,510.68
Grand Total		Fire						\$ 44.80	\$ 4,510.68

SECTION 3: COST CALCULATIONS

Police

The Police Chief is the Executive Head of the Department and is responsible for the management, planning, direction, and control of the Department. In addition to the Police Chief, the Haverhill Police Department has a Deputy Chief who is responsible for the direct oversight over the three Division Commanders, each of whom have direct command over the organizational components of Patrol Operations, Criminal Investigations and Administrative Operations. The Chief's office is also staffed by an Administrative Assistant who provides for the efficient operation of the office, whose duties include reporting, budgeting, maintaining personnel files and payroll. All internal affairs investigations are overseen by the Office of the Chief as well.

The following table summarizes the activities and costs associated with Police Department activities related to LMEs locating in the City of Haverhill.

Department		Police		41.12%					
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	6 Additional officers for day shift and early night coverage to cover the LMEs and additional instances of driving while impaired due to marijuana use. 50% related to impact of marijuana legalization, availability and use.	6 Patrol Officers			\$ 333,783.11	\$ 137,251.61		\$ 235,517.36	
1a	2 additional police cruisers for the additional officers identified in item #1. 50% related to impact of marijuana legalization, availability and use.	Annual Depreciation (5-years)					\$ 16,800.00	\$ 8,400.00	
1b	Personal gear for the 6 officers identified in item #1. 50% related to impact of marijuana legalization, availability and use.	Uniform, weapon, holster, etc.					\$ 34,800.00		\$ 17,400.00
2	Creation of Behavioral Response Unit - pairs clinician with officers to better deal with situations where drug impairment may be an issue. 3 officers, 3 clinicians - 33% related to impact of marijuana legalization, availability and use.	3 Patrol Officers, 3 Clinicians			\$ 286,483.55	\$ 117,802.04		\$ 133,414.24	
3	Social Worker that assists with the Behavioral Response Unit - 33% related to impact of marijuana legalization, availability and use.	Social Worker			\$ 39,864.00	\$ 16,392.08		\$ 18,564.51	
4	Training of 6 officers to be able to recognize marijuana impairment (56 hours for each officer).	6 Patrol Officers	\$ 31.75	336	\$ 333,783.11	\$ 137,251.61		\$ 471,034.72	
Grand Total		Police						\$ 866,930.83	\$ 17,400.00

SECTION 3: COST CALCULATIONS

Public Works

The Department of Public Works contains four primary organizational units. These are: Engineering, Highway, Water, and Wastewater.

The following table summarizes the activities and costs associated with Public Works Department activities related to LMEs locating in the City of Haverhill.

Department		Department of Public Works				41.12%			
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	Participation in study to identify HCA related costs, procurement of vendor.	PW Director	\$ 81.32	15	\$ 1,219.85	\$ 501.60			\$ 1,721.45
2	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	PW Director	\$ 81.32	3	\$ 243.97	\$ 100.32		\$ 344.29	
3	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Water/Sewer Director	\$ 48.87	2	\$ 97.74	\$ 40.19		\$ 137.93	
4	Annual time for future operational issues regarding impacts of LMEs on the department's activities.	PW Director	\$ 81.32	8	\$ 650.58	\$ 267.52		\$ 918.10	
5	Annual time for future operational issues regarding impacts of LMEs on the department's activities.	Water/Sewer Director	\$ 48.87	8	\$ 390.96	\$ 160.76		\$ 551.73	
6	Peer review by Parking Consultant of STEM's traffic and mitigation plan.						\$4,000.00		\$ 4,000.00
Grand Total		Department of Public Works						\$ 1,952.05	\$ 5,721.45

SECTION 3: COST CALCULATIONS

Inspectional Services

The City of Haverhill Inspectional Services Department is responsible for the enforcement of all federal, state, and local laws and regulations pertaining to building, wiring, plumbing, gas, health, and environmental issues. The department's ultimate responsibility is to protect the public health and assure that we live in a safe and environmentally sound community.

The following table summarizes the activities and costs associated with Inspectional Services activities related to LMEs locating in the City of Haverhill.

Department		Inspectional Services					41.12%		
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	
1	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Director	\$ 48.80	0.25	\$ 12.20	\$ 5.02		\$ 17.22	
Grand Total		Inspectional Services						\$ 17.22	

City Clerk

The City Clerk is the head of the City's Department of Records and keeper of the City archives, keeper of vital statistics, and the custodian of the City seal and all public records belonging to the City. In addition, the City Clerk is the administrator of the oath of office to all City Officers and performs all duties concerning the conduct of elections and other such matters provided by general laws.

The following table summarizes the activities and costs associated with City Clerk activities related to LMEs locating in the City of Haverhill.

Department		City Clerk					41.12%		
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	City Clerk	\$ 47.16	1	\$ 47.16	\$ 19.39		\$ 66.56	
2	Creation of packets for City Council related to LMEs and participation in the Council meetings related to LMEs.	City Clerk	\$ 47.16	6	\$ 282.98	\$ 116.36			\$ 399.34
3	Advertisements for Special Permit Hearing (\$58 each).	City Clerk	\$ 47.16	0.25	\$ 11.79	\$ 4.85	174		\$ 178.85
4	Annual time spent processing LME applications.	City Clerk	\$ 47.16	4	\$ 188.65	\$ 77.57		\$ 266.22	
Grand Total		City Clerk						\$ 332.78	\$ 578.18

SECTION 3: COST CALCULATIONS

Economic Development and Planning

The Economic Development and Planning department is responsible for coordinating the planning and zoning of the growth and redevelopment of the City of Haverhill.

The following table summarizes the reported activities and costs associated with Economic Development and Planning activities related to LMEs locating in the City of Haverhill.

Department		Economic Development		41.12%					
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Economic Development & Planning Director	\$ 64.12	0.25	\$ 16.03	\$ 6.59		\$ 22.62	
2	Marijuana special permit review and recommendations: attend presentations by applicants, review proposals, review traffic study recommendations, prepare and file recommendations with City Council relative to special permit applications.	Economic Development & Planning Director	\$ 64.12	8	\$ 512.99	\$ 210.94		\$ 723.93	
3	Marijuana zoning ordinance establishment: review zoning for planning board, review zoning amendment for City Council, prepare recommendation to City Council for zoning amendment, attend City Council meetings on zoning ordinance prep and adoption.	Economic Development & Planning Director	\$ 64.12	18	\$ 1,154.23	\$ 474.62			\$ 1,628.85
Grand Total		Economic Development						\$ 746.56	\$ 1,628.85

SECTION 3: COST CALCULATIONS

Finance

The Finance Department includes several key operational areas including the Assessor's Office, the Auditor's Office, the Purchasing Office, and the Treasurer/Collector's Office.

The following table summarizes the activities and costs associated with Finance activities related to LMEs locating in the City of Haverhill.

Department		Finance				41.12%			
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	
1	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	City Auditor	\$ 79.91	0.25	\$ 19.98	\$ 8.21		\$ 28.19	
2	Annual time developing revenue projections and budgets associated with payments from LMEs.	City Auditor	\$ 79.91	0.17	\$ 13.32	\$ 5.48		\$ 18.79	
3	Annual time processing and monitoring payments made to City from LME's	Treasurer / Collector	\$ 62.57	0.67	\$ 41.71	\$ 17.15		\$ 58.87	
Grand Total		Finance						\$ 105.85	

Human Services

Human Services operates a variety of programs ranging from the Council on Aging to a Citizen's Center (Senior Center during the day and rented out to citizen groups in the evenings), Day Care Services, Recreation Programs, City Parks, and a Skating Rink.

The following table summarizes the activities and costs associated with Human Services activities related to LMEs locating in the City of Haverhill.

Department		Human Services				41.12%			
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	
1	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Director	\$ 33.82	0.25	\$ 8.46	\$ 3.48		\$ 11.93	
Grand Total		Human Services						\$ 11.93	

SECTION 3: COST CALCULATIONS

Community Development

The Community Development Department administers federal, state, and private grants on behalf of the City of Haverhill, for the good of all residents, particularly those of low to moderate incomes. The most significant responsibility for the Community Development Department is the administration of the Community Development Block Grant (CDBG).

The primary objective of the CDBG program is the development or re-development of viable urban communities by providing decent housing, creating suitable living environments, and expanding economic opportunities. The goals and funding are principally to benefit low-moderate income persons and neighborhoods. Entitlement funds are provided on an annual basis to the City by the United States Department of Housing and Urban Development (HUD).

The following table summarizes the activities and costs associated with Community Development activities related to LMEs locating in the City of Haverhill.

Department		Community Development				41.12%			
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	
1	Annual time responding to requests for information regarding impacts of LMEs on the department's activities.	Director	\$ 48.87	0.25	\$ 12.22	\$ 5.02		\$ 17.24	
Grand Total		Community Development						\$ 17.24	

SECTION 3: COST CALCULATIONS

Haverhill Public Schools

In partnership with the community the Haverhill Public Schools is committed to excellence in education and will meet and exceed the academic and developmental goals of success for all students. The Haverhill Public School system is dedicated to ensuring each learner meets or exceeds rigorous academic standards to become a citizen with integrity, skills, and the resources to succeed in the global community.

The following table summarizes the activities and costs associated with Public Schools activities directly related to LMEs locating in the City of Haverhill.

Department		Schools		41.12%					
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	Add Health teacher in each of 6 elementary schools. 33% related to impact of marijuana legalization, availability and use.	6 Health Teachers			\$ 351,732.00	\$ 144,632.20		\$ 163,800.19	
2	Add 1 Substance Abuse Counselor in high school and 1 in middle schools. 33% related to impact of marijuana legalization, availability and use.	2 Substance Abuse Counselors			\$ 140,140.00	\$ 57,625.57		\$ 65,262.64	
3	Time spent dealing with LME billboard near school bus stop issue.	Assistant Superintendent	\$ 91.32	6	\$ 547.95	\$ 225.32			\$ 225.32
4	Staff time to plan and administer an annual survey of high school students to explore risky behaviors. 33% related to impact of marijuana legalization, availability and use.	Staff planning time and half survey cost (CDC pays every other year)	\$ 41.25	600	\$ 24,748.29	\$ 10,176.50	\$7,500.00	\$ 14,000.18	
5	Expand annual survey to include middle schools. 33% related to impact of marijuana legalization, availability and use.	Teacher time and survey cost (CDC does not cover middle school costs)	\$ 41.25	200	\$ 8,249.43	\$ 3,392.17	\$15,000.00	\$ 8,791.73	
6	Purchase D.A.R.E curriculum. 33% related to impact of marijuana legalization, availability and use.				\$ -	\$ -	\$10,000.00	\$ 3,300.00	
7	Added 1 School Resource Officer in middle school. 33% related to impact of marijuana legalization, availability and use.	School Resource Officer			\$ 71,000.00	\$ 29,195.20		\$ 33,064.42	
Grand Total		Schools						\$ 288,219.14	\$ 225.32

SECTION 3: COST CALCULATIONS

Legal

The Legal Department serves as primary legal counsel to the City Council, Mayor and City of Haverhill.

The following table summarizes the activities and costs associated with Legal Department activities related to LMEs locating in the City of Haverhill.

Department		Legal		41.12%					
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	Drafting zoning regulations. Council meetings, sub committee meetings - 3 hrs per week. Overall support (5.1.18 - 5.31.19 time period)	City Solicitor	\$ 54.49	156	\$ 8,500.93	\$ 3,495.58			\$ 11,996.51
2a	4 hours per week dealing with Stem related litigation, other related legal activities - (6.1.19 - 6.30.19)	City Solicitor	\$ 54.49	16	\$ 871.89	\$ 358.52			\$ 1,230.41
2b	4 hours per week dealing with Stem litigation, other related legal activities - (7.1.19 - 12.31.19)	City Solicitor	\$ 56.92	96	\$ 5,463.85	\$ 2,246.73			\$ 7,710.58
3a	1.5 hours per week dealing with ongoing litigation, other related issues and new facilities (1.1.20 - 6.30.20 period)	City Solicitor	\$ 56.92	39	\$ 2,219.69	\$ 912.74		\$ 3,132.42	
3b	1.5 hours per week dealing with ongoing litigation, other related issues and new facilities (7.1.20 - 12.31.20 period)	City Solicitor	\$ 58.90	39	\$ 2,297.01	\$ 944.53		\$ 3,241.54	
3c	1.5 hours per week dealing with ongoing litigation, other related issues and new facilities (1.1.21 - 3.31.21 period)	City Solicitor	\$ 63.65	18	\$ 1,145.64	\$ 471.09		\$ 1,616.72	
4	4 hours per week dealing with litigation, new facilities, other related legal activities (4.1.21 - Present time period)	City Solicitor	\$ 63.65	88	\$ 5,600.90	\$ 2,303.09			\$ 7,903.99
5	Blatman, Bobrowski & Haverly, LLC - thru 7.31.21 - \$35,316.18. Of this amount \$32,403.68 is directly related to Stem (litigation related) and the balance others. Difference is litigation with a party that was denied a special permit.						\$ 32,403.68		\$ 32,403.68
							\$ 2,912.50		\$ 2,912.50
6	KP LAW, PC - thru 8.27.21 - \$24,774.13. Of this amount \$18,733.80 is directly related to Stem (litigation related) and the balance between Stem and others.						\$ 18,733.80		\$ 18,733.80
							\$ 6,040.33		\$ 6,040.33
7	Outside contract cost to prepare initial LME cost study.						\$ 25,000.00		\$ 25,000.00
8	Outside contract cost to update LME cost study annually.						\$ 15,000.00	\$ 15,000.00	
9	Outside contract cost to respond to document requests, advise/defend on other legal actions related to LMEs, and to advise other departments on various questions related to LMEs.						\$ 40,000.00	\$ 40,000.00	
Grand Total		Legal						\$ 62,990.69	\$ 113,931.80

The legal fees reflected in the table above may encompass fees for which an LME may have a contractual obligation to indemnify the City under the terms of their HCA.

SECTION 3: COST CALCULATIONS

Public Health

The Public Health Department administers and coordinates all matters relating to the public health of all citizens and property located within the City of Haverhill.

The mission of the department is to promote and protect the public health, including the physical, mental, emotional, and social wellness of all citizens, by addressing public health threats in the community and promoting good health practices among its citizens. To accomplish this the department designs programs and implements policies to meet the health needs of the community. The Director shall oversee and supervise various staff members, which may include nurses, social workers, and other staff. In addition, the Director shall work with the Board of Health to assist the Board in the exercise of their general powers and duties.

The following table summarizes the activities and costs of Public Health Department related to LMEs locating in the City of Haverhill.

Department		Public Health		41.12%					
#	Activity Description	Position Title / Description	Hourly Rate	Hours of Activity	Annual Wage Cost	Fringe Benefits	Other Departmental Costs	Total Annual Cost	Total One Time Cost
1	Quarterly Health Fair. Planning and participation time. \$2,000 in expenses plus a \$1,000 fee for a motivational / keynote speaker for each quarter. 33% related to impact of marijuana legalization, availability and use.	Director of Public Health	\$ 46.75	32	\$ 1,495.89	\$ 615.11	\$ 12,000.00	\$ 4,656.63	
2	Quarterly Health Fair. Planning and participation time. 33% related to impact of marijuana legalization, availability and use.	Admin Assistant	\$ 25.97	32	\$ 831.05	\$ 341.73		\$ 387.02	
3	Quarterly Health Fair. Planning and participation time. 33% related to impact of marijuana legalization, availability and use.	Social Worker	\$ 29.68	32	\$ 949.77	\$ 390.55		\$ 442.30	
4	Quarterly Health Fair. Planning and participation time. 33% related to impact of marijuana legalization, availability and use.	Public Health Nurse	\$ 36.36	32	\$ 1,163.47	\$ 478.42		\$ 541.82	
5	Participation in City's marijuana advisory committee.	Director of Public Health	\$ 36.36	5.5	\$ 199.97	\$ 82.23			\$ 282.20
6	Portion of annual hours (40%) spent doing drug and alcohol addiction outreach and interactions. 33% related to impact of marijuana legalization, availability and use.	Social Worker	\$ 29.68	701	\$ 20,805.94	\$ 8,555.40		\$ 9,689.24	
7	Portion of annual hours (20%) spent doing drug and alcohol addiction outreach and interactions. 33% related to impact of marijuana legalization, availability and use.	Public Health Nurse	\$ 36.36	350	\$ 12,725.46	\$ 5,232.71		\$ 5,926.19	
8	Funds to subsidize or fund treatment and/or transportation for individuals seeking addiction treatment - 33% related to impact of marijuana legalization, availability and use.				\$ -	\$ -	\$ 20,000.00	\$ 6,600.00	
Grand Total		Public Health						\$ 28,243.21	\$ 282.20

SECTION 4: FINDINGS SUMMARY

The following tables present a summary of findings associated with the detailed cost analysis. Note that in future years, additional community impacts (and reasonably related costs) may be identified, or, conversely, costs may be reduced if measures taken effectively address some or all of the community impacts.

This summary table identifies the total costs identified by this analysis associated with the impact of LMEs in the City of Haverhill. Costs are identified by department of origin, and whether they are one time or annual costs.

#	Department	Total Annual Cost	Total One Time Cost
1	Mayor	\$62,656.35	\$12,519.73
2	City Council		
3	Fire	\$44.80	\$4,510.68
4	Police	\$866,930.83	\$17,400.00
5	Public Works	\$1,952.05	\$5,721.45
6	Inspectional Services	\$17.22	
7	City Clerk	\$332.78	\$578.18
8	Economic Development & Planning	\$746.56	\$1,628.85
9	Finance	\$105.85	
10	Human Services	\$11.93	
11	Community Development	\$17.24	
12	Haverhill Public Schools	\$288,219.14	\$225.32
13	Legal	\$62,990.69	\$113,931.80
14	Public Health	\$28,243.21	\$282.20
	Grand Total	\$1,312,268.65	\$156,798.22

SECTION 4: FINDINGS SUMMARY

The table below identifies the allocation of the total identified costs, by category, among the LMEs that are operating within the City of Haverhill. Costs associated with all LMEs have been allocated based on the number of months of operation to date. Costs associated with specific LMEs have been assigned directly to that LME. In future years, when more information about the specific community impacts from each LME are known, it may be more appropriate to allocate costs using a different methodology than has been employed in this initial calculation.

		Months of Operation --> 16 7 10			16 7 10		
		Assignment/Allocation of Annual Costs			Assignment/Allocation of One Time Costs		
#	Department	Stem	Full Harvest Moonz	CNA Stores	Stem	Full Harvest Moonz	CNA Stores
1	Mayor	\$30,378.83	\$13,290.74	\$18,986.77	\$8,443.36	\$1,740.48	\$2,335.89
2	City Council						
3	Fire	\$21.72	\$9.50	\$13.58	\$2,187.00	\$956.81	\$1,366.87
4	Police	\$420,330.10	\$183,894.42	\$262,706.31	\$8,436.36	\$3,690.91	\$5,272.73
5	Public Works	\$946.45	\$414.07	\$591.53	\$4,834.64	\$365.16	\$521.65
6	Inspectional Services	\$8.35	\$3.65	\$5.22			
7	City Clerk	\$161.35	\$70.59	\$100.84	\$280.33	\$122.65	\$175.21
8	Economic Development & Planning	\$361.97	\$158.36	\$226.23	\$789.74	\$345.51	\$493.59
9	Finance	\$51.32	\$22.45	\$32.08			
10	Human Services	\$5.79	\$2.53	\$3.62			
11	Community Development	\$8.36	\$3.66	\$5.22			
12	Haverhill Public Schools	\$139,742.62	\$61,137.39	\$87,339.13	\$109.24	\$47.79	\$68.28
13	Legal	\$30,540.94	\$13,361.66	\$19,088.09	\$86,189.17	\$11,423.43	\$16,319.19
14	Public Health	\$13,693.68	\$5,990.98	\$8,558.55	\$136.82	\$59.86	\$85.52
	Grand Total	\$636,251.47	\$278,360.02	\$397,657.17	\$111,406.68	\$18,752.60	\$26,638.92

The final summary table below identifies the total costs associated with LMEs to each operating entity.

		Total Cost Summary				
#	Department	Total Annual Cost	Total One Time Cost	Stem	Full Harvest Moonz	CNA
1	Mayor	\$62,656.35	\$12,519.73	\$38,822.20	\$15,031.22	\$21,322.66
2	City Council			\$0.00	\$0.00	\$0.00
3	Fire	\$44.80	\$4,510.68	\$2,208.72	\$966.32	\$1,380.45
4	Police	\$866,930.83	\$17,400.00	\$428,766.46	\$187,585.33	\$267,979.04
5	Public Works	\$1,952.05	\$5,721.45	\$5,781.09	\$779.23	\$1,113.18
6	Inspectional Services	\$17.22		\$8.35	\$3.65	\$5.22
7	City Clerk	\$332.78	\$578.18	\$441.68	\$193.23	\$276.05
8	Economic Development & Planning	\$746.56	\$1,628.85	\$1,151.71	\$503.87	\$719.82
9	Finance	\$105.85		\$51.32	\$22.45	\$32.08
10	Human Services	\$11.93		\$5.79	\$2.53	\$3.62
11	Community Development	\$17.24		\$8.36	\$3.66	\$5.22
12	Haverhill Public Schools	\$288,219.14	\$225.32	\$139,851.86	\$61,185.19	\$87,407.41
13	Legal	\$62,990.69	\$113,931.80	\$116,730.12	\$24,785.09	\$35,407.28
14	Public Health	\$28,243.21	\$282.20	\$13,830.50	\$6,050.84	\$8,644.06
	Grand Total	\$1,312,268.65	\$156,798.22	\$747,658.15	\$297,112.62	\$424,296.09

Appendix I – Community Impact Fee Data Collection Tool

City of Haverhill, MA Community Impact Fee Data Collection Tool

ABOUT

The City has entered into a Host Community Agreement (HCA) with **Marijuana Establishments (ME) and/or Medical Marijuana Treatment Centers (MTC)** located in the City. The City is analyzing the activities and costs associated with the ME and/or MTC operations, including associated community impacts.

This form is designed to provide for **initial data capture of costs, time estimates, and narrative descriptions of activities** related to any Marijuana Establishment (ME) or Medical Marijuana Treatment Center (MTC) located within the City of Haverhill. Activities can include, but are not limited to the list shown below. This list shows common time/cost/impact items that could be related to ME/MTC entities and operations, but we encourage you to share examples of time spent, costs expended, or other community impacts that are not otherwise itemized.

Please note that 'staff time' is meant to be inclusive of all executive, administrative, public safety, legal and other employee who spends time on any of the included activities/issues.

- 1 Municipal inspection costs associated with ME/MTC entities and operations.
- 2 Executive, planning, legal, and inspection staff time spent involving comprehensive business plan review, community outreach and other assistance.
- 3 Executive and administrative time associated with Host Community Agreement negotiation.
- 4 Planning staff time to facilitate permitting; other staff time related to public hearings/meetings on permits/licenses and/or ME/MTC operations.
- 5 Traffic studies and/or mitigation review and implementation, including the implantation of new traffic signs and signals.
- 6 Increased law enforcement services and public safety personnel, including overtime costs where higher congestion or crowds are anticipated and/or where criminal activity has been reported.
- 7 Legal fees and costs associated with drafting, negotiating, and/or reviewing Host Community Agreements, operational plans, and local permitting applications; legal fees and costs associated with public hearings/meetings on permits/license for ME/MTC licensing, including costs of publishing public hearing notices.

- 8 Executive/administrative/staff time assisting the ME or MTC implement its community impact/engagement plan, including facility costs if community engagement meeting(s) are held on municipal property.
- 9 Executive/administrative/staff time spent on developing re-opening rules during the COVID-19 pandemic, and addressing MT/MTC operations during the pandemic.
- 10 Time spent reviewing and responding to federal subpoenas related to marijuana establishment licensing, permitting or operations.
- 11 Increased impact on municipal utilities (water/sewer) from ME/MTC operations.
- 12 Time spent developing community awareness of responsible approaches to cannabis use and avoidance of substance abuse.
- 13 Costs associated with the increase in substance abuse, including but not limited to such items as increased demand on local health care clinics and facilities; need for increased counseling and/or intervention programs.
- 14 Costs related to increased fire protection services.
- 15 Costs related to road and other infrastructure systems.
- 16 Costs associated with record keeping, including but not limited to documentation of costs reasonably related to community impacts.
- 17 Potential public use and underage user enforcement costs.
- 18 Costs to address potential public health consequences of marijuana usage.
- 19 Educational programming cost such as public health classes and DARE resource costs.
- 20 Infrastructure studies which identify the impact of the ME/MTC entities.
- 21 Municipal review of future operational issues.
- 22 Costs of drug recognition expert and advanced roadside impairment driving enforcement training programs for local police officers.
- 23 Specialized training for local law enforcement officers.
- 24 Executive/administrative/staff time spent responding to complaints or inquiries about ME/MTC entities or operations.
- 25 Any other City costs incurred in relation to ME/MTC entities or their operations.
- 26 Police/Fire and other staff time associated with security plan reviews for ME/MTC entities.
- 27 Executive/administrative/staff time associated with budget development to address community impacts.

- 28 Staff time spend responding to public records requests related to ME/MTC entities or operations.
- 29 School specific programming and services related to ME/MTC impacts.
- 30 Increases in spending for the provision of additional public health services related to ME/MTC operations or community impacts.
Increases in spending for the provision of additional staff utilized by law enforcement operations related to the impacts of ME/MTC operations.
- 31 Costs or staff time expended due to other activities or impacts on businesses in the vicinity of ME/MTC operations such as parking issues.
- 32 Legal fees associated with agreements with the ME/MTC entities other than HCAs, such as parking licenses; leases or sale of City property, etc.

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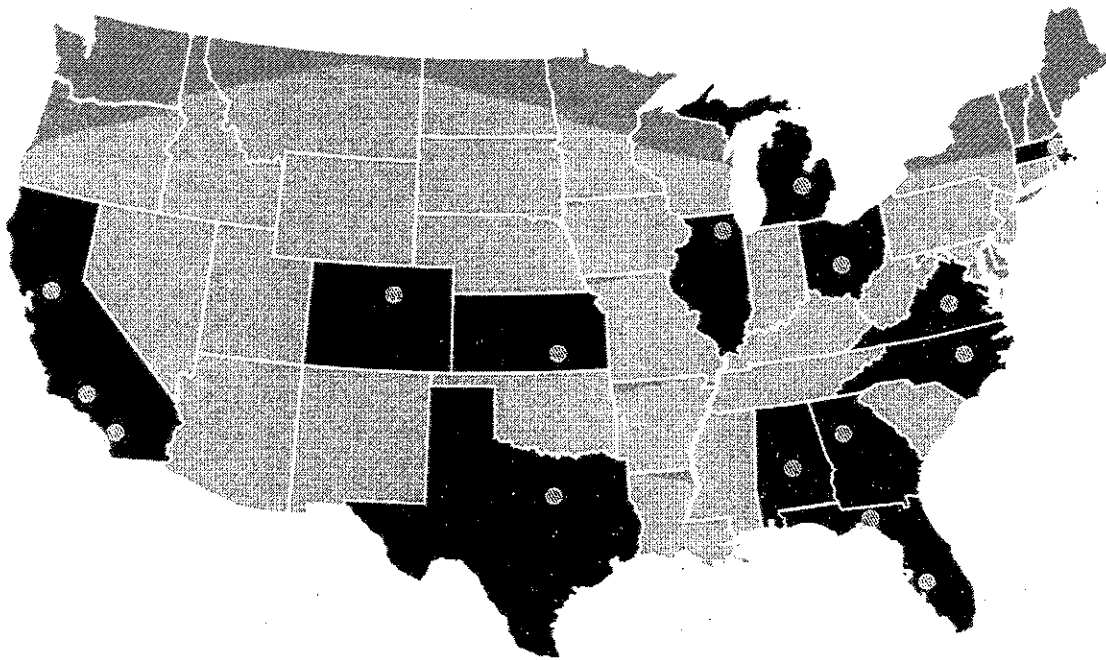
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