

**CITY COUNCIL
WORK SESSION/SPECIAL MEETING
TUESDAY, JULY 15, 2025**

1. The Work session was called to order at 6:30 p.m., in the City Council Chambers. The following Councilmembers were present: Mayor Pro-tem Dennis Spruell, Bill Lewis, April Randle, and Robert Dobry. Councilmembers absent were Mayor Rachel Medina, Lydia DeHaven and Matt Keefauver. Staff present included: Interim Chief of Police Andy Brock, Paralegal I Lydia Regalado, City Attorney Patrick Coleman, Deputy City Clerk Linda Smith, and City Manager Drew Sanders. There were five members of the public present in the audience.
2. Discussion was held on Natural Medicine with two speakers: Dr. Jennifer Gero, M.D. and Interim Chief of Police Andy Brock. Mayor Pro-tem Spruell stated that this is the second Council work session held to discuss possible regulations on natural medicine which may include time, place and manner for the City of Cortez.
 - a. Dr. Jennifer Gero, M.D., Chief Medical Officer at Southwest Memorial Hospital, offered to present information to Council to support informed decision making on natural medicine guidelines. She consulted with Megan Allyn, MA, LCPC, a licensed psilocybin therapy facilitator, and provided an overview of psilocybin—a naturally occurring compound in certain mushrooms that affects serotonin receptors and may cause hallucinations, relaxation, nausea, and other effects. It has low-addiction risk and minimal side effects but remains a schedule I drug under federal law. Dr. Gero reviewed dosing levels and explained that Proposition 122, passed in 2022, allows adults 21+ to possess, consume, share, or grow psilocybin mushrooms, though retail sales are prohibited. Licensed Healing Centers may offer supervised therapeutic use, must be at least 1,000 feet from schools, and cannot be blocked by local governments. These centers must follow strict training and security rules. Facilitators guide patients through sessions designed to promote emotional openness and healing, with therapy costs starting around \$3,000. Patients are limited to three sessions per year, each lasting up to six hours, and must be transported to and from the facility. Home visits require two facilitators and video recording for safety. Councilmember Randle inquired whether a center could host multiple therapists; Dr. Gero was unsure and noted that her information came from Ms. Allyn and other available sources. She is not aware of any centers currently operating.
 - b. Interim Chief of Police Andy Brock spoke about law enforcement of natural medicine. It is legal for individual persons to possess and use psilocybin, but they may not be in public or operating a vehicle. Currently the state does not know what division psilocybin will be regulated under. It is expected to be similar to marijuana where it evolves over time. Law enforcement is not currently trained to know what the indicators of psilocybin use are. There is a wide range of effects on patients including sleeping, hallucinations, and violence. Individuals may share natural medicine but cannot sell it. There is no personal possession limit of medicinal mushrooms. Advertising cannot appeal to someone under 21 years old. Over all, law enforcement is confused on what or how they can enforce the rules or who to go to with questions on concerns. Natural medicine offenses are considered petty offenses with penalties limited to a max of \$100 fine and four hours of counseling. Councilmember Lewis is concerned that the three-session limit will lead to the public doing as much as they want at home and then going into the public. There is no current framework on how this will affect juveniles either through child endangerment concerns or penalty concerns. Council cannot prevent natural medicine from being allowed. It can only set limits on the time, place, and manner of the use of the substance in the City.
 - c. City Manager Drew Sanders presented the format sheet reviewed at the last meeting. Not everything on the worksheet was rediscussed or presented. The key discussion points were as follows:
 - I. Time Regulations:
 1. The suggested times that Natural Medicine Healing Centers may operate are between the hours of

8:00 a.m. to 11:00 p.m., Monday through Sunday. Healing Centers may not administer Natural Medicine later than four hours prior to the closing of a Healing Center.

- a. Cultivators, Manufacturers and Testers may operate between the hours of 8:00 a.m. to 8:00 p.m., Monday through Sunday. Time limits in the commercial zoning districts should be the limits of the manufacturing, processing, testing aspects of Natural Medicine. The hours of operation for these activities may be stated as a combined regulation or individually for each activity. State law does not limit hours of operation for natural medicine businesses.

II. Place Regulations:

1. A building where a Natural Medicine Business is located may not be within One Thousand Five Hundred (1,500) feet of a child care center, school, or church.
 - a. Council is not seeing a need for there to be distance regulations from one facility to another facility. The four-hour use rule will help regulate the business from a recreation stand point. Natural Medicine business can be any combinations of manufacturer, cultivation or healing center. The distancing rules mostly keep it away from children and public spaces and remain in a therapeutic area.
2. A building where a Natural Medicine Business is located may not be within Five Hundred (500) feet of a public park. Definition of a park is publicly owned land used for active or passive recreational purposes.
 - a. Council proposed zoning areas where Natural Medicine would be allowed are the Hospital PUD, Industrial and Commercial. The Hospital District would need to decide to allow a natural medicine business. The Hospital District would need an exception to allow a natural medicine business within the 500 feet of public park rule. Discussion about adding the Commercial Business District (CBD) to the allowed zoning focused on downtown business and not wanting natural medicine to affect the overall culture of our community or become a tourist attraction. One thought was if it is a doctor's office, especially with the limits to signage related to Natural Medicine, the City should consider allowing these facilities in the CBD zone.

III. Manner Restrictions:

1. All doorways, windows and other openings of a Natural Medicine Business shall be located, covered, or screened in such a manner to prevent a view into the interior from any exterior public or semi-public area.
2. Council discussed that therapy may occur outdoors if the area is completely screened by an opaque privacy fence sufficient to prevent persons on the outside from seeing through the fence. This applies to healing centers more than cultivation, testing, or manufacturing sites. These fences need to comply with the Land use Code. For example, the fence would still need to be on the side or back of the property.
3. Primary entrances, parking lots and exterior walkways of a Natural Medicine Business shall be clearly illuminated with downward facing security lights to provide after-dark visibility for employees and customers of Natural Medicine Business.
 - a. Council discussed keeping the language that the state uses.
4. Surveillance system that provides coverage for security and public safety reasons.
5. Council noted the purpose of this rule is to prevent theft and promote public safety. Video quality needs to be sufficient that persons can be identified. Cameras need to be able to operate 24/7. Motion detection and motion lights can be utilized so 24-hour recording is not required. Videos need to be

kept for 30 days. These rules are enforced by the State, but City police can site them into Municipal Court.

6. All Natural Medicine Businesses shall have a security alarm system that provides coverage of all facility entrances and exits, rooms and exterior windows, rooms with interior walls or walls shared with other building tenants, roof hatches, skylights, and storage rooms containing safes or vaults.
7. Council discussed requiring healing centers to report all product losses to City police, in addition to notifying the State. Theft would presumably trigger an alarm.
8. All storage of natural medicine shall be located within a permanent building on a foundation, and not a trailer, tent, or motor vehicle.
9. Attorney Coleman commented and Council agreed that it needs to be a reasonably secure permanent building attached to a permanent foundation.
10. Natural Medicine Businesses shall use an air filtration and ventilation system designed to ensure that the odors from natural medicine, natural medicine products, natural medicine healing, and natural medicine healing products are confined to the premises and are not detectable beyond the property boundaries on which the business is located. This regulates an air filtration system which controls odor. 1 CCR 213-1 Rule 6015(A)(1) states that filters for air conditions, ventilation, and air filtration systems should be cleaned and replaced regularly.
11. This language is approved by Council. Adding more to the rule would add lots of work to our building department team.
12. Natural Medicine Businesses shall provide secure disposal of natural medicine and natural medicine product remnants or by products.
 - a. Council approved use of the state rule language.
13. Non-hazardous materials used to process natural medicine shall be stored in a manner so as to mitigate and ensure odors are not detectable beyond the property boundaries on which the processing facility is located, or the exterior walls of the processing facility associated with the processing of natural medicine or natural medicine healing products.
14. Council revisited the potential consolidation of Regulations 7 and 10. While the previous meeting emphasized separating processing and healing centers, this session reflected consensus that co-location within the same building is acceptable. Council also noted that State regulations prohibit healing center owners from owning testing or manufacturing facilities.
15. The processing of natural medicine shall meet the requirements of the adopted Cortez Land Use Code, the City building codes and other applicable regulations, ordinances and laws.
 - a. There are no existing State regulations regarding signage, so the City may consider implementing additional rules. It was suggested that signage should include the names of facilitators operating within the facility. Any use other than a natural medicine center may require a conditional use permit through Planning and Zoning. City Attorney Coleman advised against restricting the content of signage, except to prohibit advertising directed at children. The term “healing center” was considered ambiguous, and it was proposed that signage specify “Psilocybin Natural Healing Center,” potentially with a “21+” designation. As the treatment is unlikely to be a walk-in service, signage would serve identification purposes rather than advertising. Attorney Coleman will conduct further research on permissible signage restrictions under First Amendment protections.
16. Manufacturers of Natural Medicine products shall not produce edible products in a gummy form or other confectionary, candy, or chocolate form that would be attractive to children.

- a. Council would like rules to be added to clarify that psilocybin cannot be produced, manufactured, or administered to anyone in a candy or confection form since these forms may be enticing to children.
- 17. All clients receiving Natural Medicine from a Natural Medicine Healing Center shall not operate a motor vehicle for four hours after Natural Medicine is administered and must arrange a driver to transport them if they depart the healing center prior to the expiration of four hours.
- a. Attorney Coleman noted that State law already covers laws in regard to impaired driving and it is felt there would be no way to enforce the four-hour time limit. It was suggested that an adult be available to drive someone after a treatment. A natural medicine center is regulated and is required to not let people drive or leave while still under the influence of psilocybin. Similar to liquor stores which are not allowed to sell alcohol to someone who is intoxicated. The City can put time, place, and manner rules on the establishment, not on the user. Natural Medicine Administers are trained, so this is unlikely to be a problem. A responsible person needs to pick them up, in order to look out for public safety. More discussion will be held on this requirement.
- 18. Land Use Code addresses marijuana, so the question is whether the City wants to address Natural Medicine in the City Code and the Land Use Code.
- a. It was noted that the City has much more latitude to regulate marijuana than it does natural medicine. Attorney Coleman recommends natural medicine to be added to the land use code, including the zone districts permitted or conditional. City wants to address in land use code and city code
- b. State has rules for licensing, we don't need to go into that in our code. State license is required before being able to apply for a local license.

Public Discussion and Questions:

- i. A resident from the community spoke about mental health issues noting she is a member of several non-profit groups that share information on mental health with others. She spoke about her personal and family experiences with psilocybin and stated that each person is different and reacts differently to the experience. She stated that she does not feel that psilocybin is dangerous and that she feels there should be a safe place with people to help you through the process of therapy.
- ii. A member of the public asked about HIPPA protection for the clients. Dr. Gero stated that the program follows regulations set by the Department of Regulatory Agency (DORA) and notes taken during the sessions are shared only with the patients. Councilmember Randle stated that the Department of Revenue will license and regulate the facilities and Department of Regulatory Agency will license the professionals.
- iii. Benjamin Rubin, a representative of the *Cortez Journal*, inquired about the anticipated end date of the moratorium enacted in February. City Manager Drew Sanders responded that the purpose of the current workshop is to develop regulatory guidelines for applications and other components related to this emerging area, which will inform decisions regarding the moratorium's conclusion. Currently, the moratorium expires on August 25, 2025.
- iv. A public comment was made regarding if psilocybin could be used for treatment of addiction. The City's responsibility is setting guidelines on places where therapy can occur, when it can be administered and the safety and security protocols that must be implemented. The purpose and scope of the therapy is left for the state and other organizations to determine.

Council asked Interim Chief of Police Andy Brock if he had any concerns or opinions about what Council discussed this meeting. He saw no problem in allowing Healing Centers in the Central Business District. Additionally, he would like more training information on indicators of natural medicine use for his staff. He thinks home grows are the worry, not the healing centers.

The Council thanked Dr. Gero for her informative presentation.

The meeting was adjourned at 8:45 p.m.

Dennis Spruell, Mayor Pro-tem

ATTEST:

Linda L. Smith, Deputy City Clerk