

Recommendation	Priority	Time Frame	Responsible Party/Parties	Benefit	HCD/Program Stance/Input *(Proposed Enhancements numbers if applicable)
<b>Responding Organizationally</b>					
<p><b><u>Recommendation #1:</u></b> Reorganize the cannabis permitting function in response to the discrete roles of the cannabis permit applicant, creating a Cannabis Program Office in the County Administrator’s Office and a Cannabis Permit Division in the Housing and Community Development Department.</p>	A	<p>Before July 2022</p> <p><b>Staff proposes to reevaluate when the industry is fully permitted and licensed.</b></p>	<p>County Administrator, Housing and Community Development Director, and Cannabis Program staff</p>	<p>Aligns the Cannabis Program to correspond with the discrete roles of the cannabis industry and the cannabis permit applicant, and to centralize responsibilities, increase accountability, reduce duplication, and smooth communications</p>	<p><b>DISAGREE *(1,3,5)</b> Retain CNB oversight in the Program and continue the strong collaborative work relationship developed to date. Continue to work together and with the Cannabis Management Team to assist the industry to process permits timely.</p>
<p><b><u>Recommendation #2:</u></b> Reclassify the incumbent Program Manager II to Cannabis Program Manager and set the salary commensurate with comparable classifications.</p>	A	<p>Before July 2022</p>	<p>County Administrator and Human Resources Director</p>	<p>Aligns Cannabis Program and Cannabis Permitting staff with current responsibilities and recommended organizational structure</p>	<p><b>AGREE</b> Classification Study Request should be addressed as submitted in September 2020. The Human Resources Department will conduct a base wage study in accordance with the County Compensation Philosophy and make a salary recommendation.</p>

**PRIORITY LEGEND**

A Recommendation mandatory or critical

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<p><b><u>Recommendation #3:</u></b> Reclassify the incumbent Management Analyst III to Cannabis Permit Manager and set the salary commensurate with comparable positions.</p>	A	Before July 2022	County Administrator and Human Resources Director	Aligns Cannabis Program and Cannabis Permitting staff with current responsibilities and recommended organizational structure	<p><b>DISAGREE</b> Retain Management Analyst III position in the Program. No change to job classification. The Human Resources Department does not <b>agree or disagree</b> and believes that further analysis is required to determine the appropriate classification for this position. The Human Resources Department will conduct a classification study and a base wage study if applicable.</p>

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<b>Responding Procedurally</b>					
<p><b><u>Recommendation #4:</u></b> Continue implementing recommendations in the RMA Report to improve general conditions in land use entitlement and building permit processes.</p>	A	<p>Continue as recommended in RMA Report</p> <p><b>Recommendations 69 and 70 of the RMA report match recommendations 15 and 16 of the Cannabis Program report. Staff will synergize outputs associated with these recommendations</b></p>	Housing and Community Development Management	Improves permitting experience for all customers	<p><b>AGREE</b> Continue implementation and report periodically to the Board on status.</p>

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<p><b>Recommendation #5:</b> Enter agreements with provisional operators in Good Standing to contractually obligate them to complete required site improvements, mitigations, and conditions. Issue cannabis business permits to each provisional operator upon completion of the cannabis business permits applications and execution of the agreement.</p>	A	Immediately upon acceptance of Final Report	County Administrator, County Counsel, Cannabis Program Manager, and Housing and Community Development Director	Provides the opportunity to improve backlog conditions in the near term	<p><b>AGREE WITH REVISION</b></p> <p>*(1)</p> <p>Staff has conferred with County Counsel and determined that a Provisional Cannabis Business Permit (PCBP) could be established through a standalone ordinance. The PCBP would replace the existing stipulated agreement approach to address this recommendation.</p>
<p><b>Recommendation #6:</b> Over the longer term, conduct inspections of cannabis permittees every other month, focusing on program compliance and revenue validation efforts.</p>	C	As circumstances dictate	Cannabis Program and Community Development Department	Improves ability to capture revenue on short-term crops	<p><b>DISAGREE</b></p> <p>Retain Pilot Study concept as re-evaluate in one year.</p>

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<p><b>Recommendation #7:</b> Create a cannabis permit dashboard report that illustrates the moment-in-time status and aging of an active cannabis business permit in process linked to the active precursor steps to obtaining that specific cannabis business permit, such as planning, building, and code enforcement permits and activity.</p>	A	Immediately upon acceptance of Final Report	Community Development Department	Improves information capture relative to cannabis permit application activity and all precursor permitting activity enabling staff to focus actions on applications most needing staff intervention to stay on schedule	AGREE

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<p><b>Recommendation #8:</b> Periodic regular meetings between all applicable staff representing the various departments involved in the Cannabis Program should be reinstated. Management should provide direction to applicable staff that attendance and participation is important to ensure appropriate and necessary information is discussed and disseminated to applicable personnel. These meetings will help improve the efficiency and effectiveness of the program, including consistent communication of program issues and the development of comprehensive action plans to address those issues.</p>	A	Immediately upon acceptance of Final Report	Cannabis Program Office and all departments with cannabis responsibilities	Improves consistency of Cannabis Program operations	<p><b>AGREE</b>  Restarted meetings on March 14, 2022, and will create a recurring meeting schedule. Will meet with all departments to gain their input on meeting structure and agenda topics.</p>

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<p><b>Recommendation #9:</b> Training sessions should be conducted periodically and whenever there are major changes in the Cannabis Program fiscal operations to include all applicable department personnel to help develop a consistent understanding of the Cannabis Program among the applicable departments. This training will help ensure applicable departments are consistently following cannabis requirements and have a basic understanding of the Cannabis Program and their respective roles. This training should be organized and conducted by the Program Manager.</p>	A	Ongoing	Cannabis Program Office	Improves consistency of Cannabis Program operations	<p><b>AGREE</b></p> <p>Training sessions will be scheduled and coordinated as needed.</p>

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<p><b><u>Recommendation #10:</u></b> Re-emphasize and/or re-train departments regarding the use of the “Cannabis” report code to ensure it is used consistently for not only applicable expenditures but also applicable revenues to accurately report Cannabis Program activity.</p>	A	Immediately upon acceptance of Final Report	Cannabis Program Office and all departments and employees with permitting responsibilities	Improves consistency of Cannabis Program operations	<p><b>AGREE</b></p> <p>Recurring meetings will be scheduled. Cannabis Department Finance Managers met on February 25, 2022, to review cannabis cost tracking. Similar meetings will be developed and include other related fiscal topics.</p>

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<p><b>Recommendation #11:</b> An internal audit plan should be developed relating to the Cannabis Program funds to help minimize potential operational issues. The plan should identify high-risk areas, develop auditing procedures to help minimize associated risks, and provide regular monitoring and reporting related to the Cannabis Program. Additionally, the County should consider expanding the internal audit function to provide enhanced County-wide internal audits to identify and address potential fiscal and operational issues.</p>	B	Before July 2023	Cannabis Program Office and Auditor Controller	Improves accountability of Cannabis Program revenues and expenditures	<p><b>AGREE</b></p> <p>Program will coordinate with the Auditor-Controller Analyst assigned to cannabis.</p>

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<p><b>Recommendation #12:</b> A time study like what was conducted in the County Administrator’s Office related to the Cannabis Program should be completed to provide better identification of appropriate staff costs that should be charged to the program. The results of this review should be used as a baseline and reviewed annually during the budget process to ensure accurate cannabis tax program allocation.</p>	B	Before July 2023	All departments and employees with permitting responsibilities	Improves accountability of Cannabis Program budgets and expenditures and potentially increases the amount of cannabis tax revenue available for discretionary projects	<p><b>AGREE</b> Program will lead effort with department managers to implement a time study project for all employees with permitting responsibilities and report outcomes to the Cannabis Committee and Board of Supervisors.</p>
<p><b>Recommendation #13:</b> The current process of determining the net amount of cannabis tax revenue reflected in the cannabis tax assignment account should be revised to deduct applicable cannabis-related direct revenues from the cost of the Cannabis Program, thereby allowing more of the cannabis tax revenue to be reflected in the cannabis tax assignment account.</p>	A	Before July 2022	All departments and employees with fee-based responsibilities for cannabis operators that receive cannabis tax funding	Improves accounting of fee- based direct revenues, improves accountability of Cannabis Program budgets and expenditures, and potentially increases the amount of cannabis tax revenue available for discretionary projects	<p><b>AGREE</b> Program will coordinate a meeting with Departments Finance Managers and Budget Office on how to review current processes and establish a project guideline.</p>

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<p><b>Recommendation #14:</b> Modify reporting to the Administration and Board to provide a complete narrative on budget, revenue, and expenses; cannabis permit information; cannabis market information; and the enforcement of illicit grows.</p>	A	Immediately upon acceptance of Final Report	Cannabis Program Office and all departments with permitting responsibilities	Improves the information upon which the Administration and the Board base their policies, priorities, and strategies	<p><b>AGREE</b> * (4) The Program has modified the monthly Cannabis Memo presented to the Cannabis Committee. The Committee provided input in January 2022.</p>
<p><b>Recommendation #15:</b> Establish and publish service-level commitments for cannabis permit and related precursor requirements and permits, such as building permits, environmental health permits, and land use permits.</p>	B	<p>By July 2023</p> <p><b>Staff believes this milestone can be achieved sooner than this with the implementation of SMART goals and improvements to existing webpage.</b></p>	Cannabis Program Office and all departments with permitting responsibilities	Sets performance expectations among staff and stakeholders	<p><b>AGREE *(4)</b> The Program will coordinate meeting(s) to identify and set performance expectations and present for approval to the Cannabis Committee and Board of Supervisors. The service level measures will be added to the Cannabis Program webpage.</p>

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<p><b><u>Recommendation #16:</u></b> Develop and report on performance measures for cannabis permit and related precursor requirements and permits, such as building permits, environmental health permits, and land use permits.</p>	B	<p>By July 2023</p> <p><b>Staff believes this milestone can be achieved sooner than this with the implementation of SMART goals and improvements to existing webpage.</b></p>	Cannabis Program Office and all departments with permitting responsibilities	Sets performance expectations among staff and stakeholders	<p><b>AGREE *(4)</b> The Program will coordinate meeting(s) to identify and set performance measures and present for approval to the Cannabis Committee and Board of Supervisors. The performance measurement outcomes will be added to the monthly Cannabis Memo and reported to the Cannabis Committee and Board of Supervisors.</p>

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