

# **County of Monterey**

168 W. Alisal St., 2nd Floor  
Monterey Room  
Salinas, CA 93901  
831.755.5115



## **Meeting Minutes - Final**

**Wednesday, March 29, 2023**

**1:30 PM**

**Budget Committee**

**Attendees:** Supervisor Chris Lopez, Chair; Supervisor Glenn Church, Vice-Chair; Sonia M. De La Rosa, County Administrative Officer; Dewayne Woods, Assistant County Administrative Officer; Ezequiel Vega, County Budget Director; Leslie J. Girard, County Counsel; Rocio Quezada, Committee Secretary; and  
**Elected Officials:** Rupa Shah, Auditor-Controller; Mary Zeeb, Treasurer-Tax Collector; and Marina Camacho, Assessor-Clerk-Recorder. A complete list of attendees is on file with the Committee Secretary.

### Call to Order

The meeting was called to order at 1:30 p.m.

### Additions and Corrections

There were no additions or corrections to the agenda.

### Public Comment Period

There was no public comment received.

### Approval of Action Minutes

1. Approve the Budget Committee Action Minutes of March 3, 2023.

**The Budget Committee Action Minutes of March 3, 2023 were approved by consensus.**

### Consent Agenda

#### **Consent Items Nos. 2 through 7**

**ACTION: Consent Items Nos. 2 through 7 were approved by consensus.**

2. Receive the List of Standing and Follow-up Reports due to the Budget Committee.
3. Receive the California Department of Finance Bulletin for March 2023.
4. It is recommended that the Budget Committee:  
Support approval of a resolution authorizing and directing the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget, Social Services - Community Program Budget Unit, Fund 001, Appropriations Unit SOC004, increasing appropriations and revenues by \$6,286,892 to provide funding to various programs.
5. Support that the Monterey County Water Resources Agency (MCWRA) Board of Supervisors approve and authorize the Auditor-Controller to, to pay for emergency protective measure projects mitigating damage to MCWRA's facilities caused by the 2022/2023 winter storm events:
  - a. Increase Fiscal Year (FY) 2022-23 appropriations and revenues in the MCWRA Budget Fund 111, Appropriation WRA001, Unit 8267 by \$2,500,000, financed by a Monterey County General Fund operating transfer; and
  - b. Increase FY 2022-23 appropriations and revenues in the MCWRA Budget Fund 116, Appropriation WRA006, Unit 8485 by \$2,500,000, financed by a Monterey County General Fund operating transfer; and

- c. Increase FY 2022-23 appropriations and revenues in the MCWRA Budget Fund 112, Appropriation WRA002, Unit 8484 by \$900,000 financed by a Monterey County General Fund operating transfer.
6. Consider supporting that the Monterey County Water Resources Agency (MCWRA) Board of Supervisors approve and authorize the Auditor-Controller to:
  - a. Increase Fiscal Year (FY) 2022-23 appropriations in the MCWRA Budget Fund 122, Appropriation WRA012, Unit 8487 by \$350,000 to pay increased expenses of Reclamation Ditch (Zone 9) and to be financed by Fund 122 Fund Balance; and
  - b. Increase FY 2022-23 appropriations in the MCWRA Budget Fund 131, Appropriation WRA020, Unit 8491 by \$600,000 to pay for expenses of Industrial Wastewater Pond 3 Projects and be financed by Fund 131 Fund Balance.
7. Receive and accept the semi-annual report of expenditures and caseload data for the Department of Social Services for the period of July through December 2022.

### **Regular Agenda**

8. Receive a status update on the Draft County of Monterey Capital Improvement Program Five-Year Plan (CIP) for Fiscal Years (FYs) 2023/24 through 2027/28.

**ACTION: The Committee received an update on the Draft Capital Improvement Program 5-year Plan for Fiscal Years 2023/24 through 2027/28.**

9. a. Receive a report on proposed new customer service rates for the Pajaro County Sanitation District wastewater collection system; and  
b. Support the proposed new customer service rates.

**ACTION: The Committee received a report on the proposed new customer service rates for the Pajaro County Sanitation District wastewater collection system. This item will go to the full Board for consideration.**

10. a. Receive an update on the implementation of the cannabis business tax payment plan agreements;  
b. Receive an update on commercial cannabis business cultivation delinquent taxes for businesses that were operational and closed operations between Fiscal Years 16-17 through 21-22;  
c. Consider an imposition that the commercial cannabis business tax imposed on cultivation activities be suspended for Fiscal Years 22-23 and 23-24 while reviewing the financial impacts to the respective Fiscal Year budgets;  
d. Consider the financial consequences of suspended or reduced commercial cannabis business tax imposed on cultivation activities, including funding of the County of Monterey Cannabis Program for Fiscal Years 22-23 and 22-24; and  
e. Receive a legal review of Measure Y outlining concerns related to suspension or reduction of the commercial cannabis cultivation business tax to zero;  
f. Support a recommendation that the Board of Supervisors adopt a resolution to authorize the Treasurer-Tax Collector to extend the previously authorized conditional waiver of penalties and interest on unpaid installments of the annual commercial cannabis business tax imposed on cultivation activities for Fiscal Year 22-23, so long as the full amount due is received by the

Treasurer-Tax Collector on or before January 31, 2024;

- g. Provide further direction as appropriate.

**ACTION: The Committee received an update on the implementation of the cannabis business tax payment plan agreements. The Committee provided the following recommendations:**

- 1. Suspend the collection of the cannabis commercial cultivation business tax payment plans for FY 21-22, Quarters 2-4.**
  - 2. Suspend the collection of the commercial cultivation business tax for FY 22-23, Quarters 1 and 2 only.**
    - a. Resume collection of FY 22-23 Quarters 3 and 4.**
  - 3. Consider the following for FY 23-24.**
    - a. Resume quarterly commercial cannabis cultivation tax installment beginning July 1, 2023; or**
    - b. Suspend collection of commercial cannabis cultivation taxes and evaluate prior to FY 24-25.**
  - 4. Explore a broader range of flexibility of payment plans such as extending the time to pay determined by the full Board.**
  - 5. Identify a path to bring back any operator who has closed their business since FY 19-20.**
    - a. Allow them to suspend their tax delinquency and reinstate the Cannabis Business Permit, if expired.**
    - b. For those that did not hold a Cannabis Business Permit, the business owner would need to meet the local requirements before restarting their business operation and possess active Department of Cannabis Control (DCC) licenses.**
- This item will go to the full Board for consideration.**  
**Public comment provided by: Michelle House, Robert Roach, Michelle Hackett, Sheriff Tina M. Nieto, Bruce Suckow, and Josh Bowling.**

#### Quarterly Reports

- 11. Receive a status report on the Laguna Seca Start-Finish Bridge and Track Overlay, Project 8498.**

**ACTION: The Committee received a status report on the Laguna Seca Start-Finish Bridge and Track Overlay Project.**

#### Semi-Annual Reports

- 12. a. Receive a Status Report on the 2016 Soberanes Fire and 2017 Winter Storm Repair Projects;**
  - b. Receive a Status Report on the 2019 Winter Storms Repair Projects;**
  - c. Receive a Status Report on the 2020 Fire Damage Repair Projects;**
  - d. Receive a Status Report on the 2021 Winter Storms Repair Projects;**
  - e. Receive a Status Report on the 2022/2023 Winter Storms Repair Projects; and**
  - f. Consider retroactively adding the 2022/2023 Winter Storm Repair Projects to the FY 2022-23 Annual Work Program for Road Fund.**

**ACTION: The Committee received a status report on the repairs resulting from the 2017 through 2023 winter storms and fire damage projects. The Committee supported retroactively adding the 2022/2023 Winter Storm Repair Projects to the FY 2022-23 Annual Work Program for the Road Fund.**

**Adjournment**

**The meeting adjourned at 3:30 p.m.**

**The next meeting is scheduled on Thursday, April 20, 2023 at 10:00 a.m.**