

Period of July – September 2022

Recommendation	Priority	Time Frame	Responsible Party/Parties	Benefit	Quarterly Updates
<p><u>Recommendation #2:</u> Reclassify the incumbent Program Manager II to Cannabis Program Manager and set the salary commensurate with comparable classifications.</p>	A	Before July 2022.	County Administrator and Human Resources Director (HRD).	Aligns Cannabis Program and Cannabis Permitting staff with current responsibilities and recommended organizational structure.	Completed.
<p><u>Recommendation #4:</u> Continue implementing recommendations in the RMA Report to improve general conditions in land use entitlement and building permit processes.</p>	A	Continue as recommended in RMA Report.	Housing and Community Development Management.	Improves permitting experience for all customers.	The implementation of the Citygate recommendations within HCD has had a positive effect on cannabis permitting. Last fiscal year (FY21-22), 22 planning applications were approved, which is a 175% increase over the prior year. The change is due to the improved service to all planning stakeholders through the building of a culture that emphasizes procedural and substantive due process for the planning practices, development of performance standards, and adherence to project commitments, deadlines, milestones, and status. HCD reports out annually in November, and they are hopeful that 2022 will be

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					their last reporting year, pending Board approval.
Recommendation #5: 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.	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.	Provisional Cannabis Business Permits were not issued due to Board reviewing requirements related to the payment of FY 21-22 commercial cannabis business taxes some of which are considered delinquent.

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Recommendation #7: 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.	A	Immediately upon acceptance of Final Report.	Housing & Community Development Department, Cannabis Program.	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.	Staff has completed Power BI training and is in the process of building a performance indicator platform for the Cannabis Program webpage.

Period of July – September 2022

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<p><u>Recommendation #8:</u> 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>	<p align="center">A</p>	<p>Immediately upon acceptance of Final Report.</p>	<p>Cannabis Program Office and all departments with cannabis responsibilities.</p>	<p>Improves consistency of Cannabis Program operations.</p>	<p>No meetings conducted during this time period. Meetings with specific departments have occurred for specific topics such as: Cannabis Program allocations, staff utilizations and land use.</p>

Period of July – September 2022

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<p><u>Recommendation #9:</u> 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.	No meetings conducted during this time period.
<p><u>Recommendation #10:</u> 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.	No meetings conducted during this time period.

Period of July – September 2022

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<p>Recommendation #11: 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	The Auditor-Controller’s Office has met with individual departments, the Program Office and the CAO’s Budget Division to review fiscal/accounting practices, the use of the “cannabis” reporting code, and ensure proper and consistent tracking of cannabis related revenues and expenditures. Findings and recommendations will be presented to the full board in late 2022.

Period of July – September 2022

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<p>Recommendation #12: 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.	The Program will begin discussions in November with HCD and EHB compliance staff.
<p>Recommendation #13: 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.	The Auditor-Controller will report initial findings to the full Board in late 2022 or early 2023.

Period of July – September 2022

Recommendation	Priority	Time Frame	Responsible Party/Parties	Benefit	Quarterly Updates
Recommendation #14: 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.	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.	Monthly reports to the full Board began in September 2022 to report monthly performance indicators.
Recommendation #15: 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.	B	By July 2023.	Cannabis Program Office and all departments with permitting responsibilities.	Sets performance expectations among staff and stakeholders.	Completed.
Recommendation #16: 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.	B	By July 2023.	Cannabis Program Office and all departments with permitting responsibilities.	Sets performance expectations among staff and stakeholders.	Completed. Monthly performance indicators are presented to the Cannabis Committee and full Board.

Period of July – September 2022

Alternative Enhancements	Priority	Time Frame	Responsible Party/Parties	Benefit	Quarterly Updates
<u>Provisional Cannabis Business Permit (PCBP)</u>	A	Issue on or before August 1, 2022 with an evaluation to renew.	Cannabis Program and related County Departments including Fire Agencies who approve workflow.	Places a specific timeframe to complete all requirements for local compliance.	PCBP issuance was delayed based on the Board’s direction regarding tax delinquency and Program costs.
<u>FY 22-23 allocation for outside consultant permit processing.</u>	A	FY 22-23	Cannabis Program to monitor contingency amount of \$265,000.	Assists Housing and Community Development Department with workload.	See Attachment B.
<u>Performance Indicators related to land use permits, related state licenses and compliance inspections.</u>	A	FY 22-23 and on-going	Cannabis Program and related County Departments including Fire Agencies who approve workflow.	Through performance indicators provides transparency to outcomes of related goals.	See Attachment B.
<u>SMART Goals and Service Levels</u>	A	FY 22-23 and on-going	Cannabis Program will develop and analyze outcomes for SMART Goals. Housing and Community Development will develop and analyze outcomes for SMART Goals and Service Levels.	Provides transparency to specific workload activities and outcomes.	See Attachment B.

Period of July – September 2022

<u>Land Use Permit and Cannabis Business Permit Application Meetings</u>	A	FY 22-23	Cannabis Program, County Departments and Fire Agencies who have workflow approving responsibilities.	Provides additional resources and support to the cannabis industry by reviewing unmet requirements or permit status.	See Attachment B.
Deferred Recommendations	Priority	Time Frame	Responsible Party/Parties	Benefit	
<u>Recommendation #1:</u> 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.	A	Before July 2022	County Administrator, Housing and Community Development Director, and Cannabis Program staff	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.	
<u>Recommendation #3:</u> Reclassify the incumbent Management Analyst III to Cannabis Permit Manager and set the salary commensurate with comparable positions.	A	Before July 2022	County Administrator and Human Resources Director	Aligns Cannabis Program and Cannabis Permitting staff with current responsibilities and recommended organizational structure	

Period of July – September 2022

<p>Recommendation #6: Over the longer term, conduct inspections of cannabis permittees every other month, focusing on program compliance and revenue validation efforts.</p>	<p>C</p>	<p>As circumstances dictate</p>	<p>Cannabis Program and Community Development Department</p>	<p>Improves ability to capture revenue on short-term crops</p>	
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