



Monterey County

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Board Report

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It is recommended that the Board of Supervisors:

- a) Accept report to Board of Supervisor regarding implementation of referral #2017.22 regarding "a process for community engagement and input on recommendations for uses of future incremental cannabis tax revenue".
- b) Provide direction to staff.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a) Accept report to Board of Supervisor regarding implementation of referral #2017.22 regarding "a process for community engagement and input on recommendations for uses of future incremental cannabis tax revenue".
- b) Provide direction to staff.

SUMMARY:

The Board referral requests staff to frame a community engagement process for use of any "incremental cannabis tax revenues in exceedance of program costs that can be used for community benefits and reinvestment, including but not limited to, prevention and intervention services, economic development, libraries and non-profit agencies."

The referral further states that "recommendations for use of the tax revenues should account for costs associated with cannabis program implementation and operations, the need for public safety, for proper enforcement and adequate county staffing to meet industry demands, as well as funding core county services ensure continued levels of service to the community concurrent with successful implementation and oversight of the County's cannabis tax ordinance."

DISCUSSION:

The commercial cannabis business tax was approved in November 2016 by the voters of Monterey County as a general tax measure (Measure Y). As a general tax, the tax is expended at the discretion of the Board of Supervisors on any programs or services for general governmental purposes. The Board of Supervisors can determine allocation of the funds through the County's budget process leading to adoption of the County budget in June of each year.

It should be noted that the cost to operate the cannabis program is not yet finalized. Initial departmental resource requests to operate the cannabis total approximately \$10m per year. The

Board of Supervisors Cannabis Committee and the CAO are in the process of reviewing and vetting these various departmental resource requests. Staff expects that process to be completed in February/March 2018. The Board and the public should be aware that the cannabis program may require a significant commitment of resources in order to operate effectively in a manner that addresses enforcement, permitting/licensing, public health and administration.

Community Engagement Strategies:

Staff recommends a three faceted approach regarding community engagement on the issue of use of cannabis tax revenue as follows:

1. Use Impact Monterey County data as “baseline” information about community priorities.
2. Hire a public opinion survey firm to conduct a random telephone survey of registered voters.
3. Hold a community meeting in each supervisorial district, hosted by the district supervisor.

Impact Monterey County of Monterey

Relatively recent and extensive data on community priorities is available through Impact Monterey County Network, which oversaw an extensive 2015 survey and analysis of community opinion data facilitated and coordinated by United Way. As described on its website from the survey implementation phase the Network was “a collaborative effort of non profits, businesses, public agencies and the community working together to identify the aspirations of Monterey County residents related to education; economic self sufficiency and health. The benefit to our community will be the alignment of stakeholders toward common goals and measurements that improve conditions for all.” Staff has had several discussions with representatives of the Health Department, CAO-Community Engagement, Building Healthy Communities, First 5 and MILPA. These representatives are very familiar with the Impact Monterey County data and believe that it would provide a useful set of recent baseline data on overall community priorities.

Staff proposes to use Impact Monterey County data in part to help frame the discussion about potential uses of cannabis tax revenue for use in a random telephone survey and at public meetings.

Random Telephone Survey

Staff recommends hiring a professional opinion survey firm to conduct a random telephone survey of registered voters in Monterey County. The telephone survey will provide accurate, up to the minute information about voter priorities for use of cannabis revenue. This work can be completed in February 2018. The firm which staff recommends is Gene Bregman and Associates. This firm recently conducted a random telephone survey for the County of Monterey and City of Salinas regarding the Monterey Bay Community Power project.

Public Meetings

Staff proposes to hold one public meeting in each supervisorial district, hosted and coordinated with the district supervisor’s office, to allow the public to express its opinion and priorities regarding use of cannabis tax revenue. It is anticipated that these meetings would be held in the February/March timeframe and would include staff from CAO-IGLA, CAO-Community Engagement and the Health Department.

OTHER AGENCY INVOLVEMENT:

In the development of this report, staff has had discussions with staff of County Counsel, the Health Department, Building Healthy Communities, First 5, MILPA and the CAO Office of Community Engagement.

Staff envisions continuing to work with these entities during the community engagement process.

FINANCING:

The cost of random telephone survey varies from \$20,000 (500 interviews @ 10 minutes per interview) to \$30,000 (625 interviews @ 15 minutes per interview). There is sufficient funding in the cannabis tax revenue account to fund this work.

In addition, staff time costs are estimated to vary between \$5,000 to \$15,000. Staff costs are already included within each department's operating budget. In order to accommodate the time frame within this report, some re-prioritization of arrangements may be required.

X Economic Development
X Administration
X Health and Human Services
X Infrastructure
X Public Safety

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Date