

MONTEREY COUNTY



COUNTY ADMINISTRATIVE OFFICE

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TO: Board of Supervisors Cannabis Standing Committee

FROM: Nick Chiulos, ACAO, IGLA Staff

DATE: March 20, 2018

SUBJECT: Receive Staff recommendations regarding:

- a. Allocation of commercial cannabis general tax revenue to fund program operation in FY 2018 - 19;
- b. Consider recommendation to Board of Supervisors

Background

In 2017, CAO-IGLA staff requested that each of the 10 departments involved in the County's cannabis program submit a proposal to our office regarding the level of cannabis program tax revenue which they felt was needed to fulfill their respective department's role in the program. The requested amounts are summarized in attachment "A" and total approximately \$10.2 M. CAO-IGLA recognizes that each department did their best to estimate what they thought would be needed in terms of staffing and other costs. This process is complicated by several factors:

1. For most of the departments, involvement in cannabis permitting and regulation is a new endeavor. Most departments have had very little or no experience with the cannabis industry as a permitted, regulated activity.
2. The commercial cannabis general tax approved by the voters currently generates approximately \$7M per year, obviously less than the total projected cost to administer the program based upon departmental requests.
3. The County is in the early stages of administering the commercial cannabis program. The State regulatory framework continues to be a "work in progress". Staff estimates that it may take the next 2 to 3 years to get a clear picture of the number and magnitude of permitted commercial cannabis operators within the County unincorporated area. It is possible that revenue from commercial cannabis general tax may fluctuate over the next several years.

Staff Recommendation

For the reasons listed above, staff recommends a cautious approach to the commitment of commercial cannabis general tax revenue to fund permanent departmental enhancements. Staff has attempted to balance the various requests of the departments against the factors listed above. We recognize that it is important for the local, legal cannabis industry to be successful. To some extent, the success of the industry requires that the departments involved in the cannabis program have at enough resources to serve and/or regulate the industry. Staff conversely did not want to recommend an over commitment of resources at this early stage.

As shown on attachment “B” CAO-IGLA staff recommends that a total of \$3.54M in cannabis general tax revenue be allocated across the 10 departments directly involved in administering the County’s cannabis program.

**Requested FY 18 - 19 Cannabis Program
Resources Allocations by Department**

	FY 18-19
Auditor Controller - Analyst I	\$ 128,945.00
Auditor Controller - Internal Auditor III	\$ 116,024.00
Auditor Controller - Internal Auditor Analyst I	\$ 128,945.00
Auditor Controller - Internal Auditor II	\$ 95,468.00
Assessors Clerk Recorder - Appraiser II	\$ 112,007.00
Agricultural Commissioner - Ag. Inspector/Biologist .25 FTE FY18-19	\$ 141,517.00
Agricultural Commissioner - Weights & Measures Inspector .5 FTE FY18-19	\$ 70,759.00
County Administrative Officer - Program Manager II	\$ 162,091.00
County Administrative Officer - Admin. Sec. Confidential	\$ 105,000.00
County Counsel - Dep. County Counsel IV	\$ 223,553.00
County Counsel - Senior Legal Secretary	\$ 96,106.00
District Attorney - DA Investigator III (Civil unit)	\$ 245,150.00
District Attorney - DA Investigator III (Criminal Unit)	\$ 245,150.00
District Attorney - Dep. DA Attorney IV (Civil unit)	\$ 261,740.00
District Attorney - Dep. DA Attorney IV (Criminal Unit)	\$ 261,740.00
District Attorney - Legal Secretary	\$ 87,035.00
District Attorney - Vehicle and Equipment for DA Investigator III (Civil unit)	\$ 5,000.00
District Attorney - Vehicle and Equipment for DA Investigator III (Criminal Unit)	\$ 5,000.00
Environmental Health Bureau - Environ. Hlth. Specialist III	\$ 138,310.87
Environmental Health Bureau - Environ. Hlth. Specialist III	\$ 138,310.87
Environmental Health Bureau - Environ. Hlth. Specialist IV	\$ 155,617.04
Environmental Health Bureau - Environ. Hlth. Specialist IV	\$ 155,617.04
Environmental Health Bureau - Lab Analysis	\$ 100,000.00
Environmental Health Bureau - Office Assistant II	\$ 75,741.77
Health Services	
Health Services - Public Awareness/Community Based	\$ 635,114.00
Health Services - Substance Abuse Treatment/Adults	\$ 438,820.00
Health Services - Substance Abuse Treatment/Youth	\$ 1,188,510.00
Health Services - Surveillance/Community Design	\$ 333,929.00
Health Services - Youth Based Prevention/Early Intervention	\$ 1,408,608.00

Sheriff		
Sherrif - 6 Patrol Dep. Sheriffs	\$	1,733,624.00
Sherrif - Records Specialist II	\$	114,092.00
Sherrif - Sergeant Supervisor	\$	249,901.00
Sherrif - 5 Vehicle Equipment Sets	\$	-
Sherrif - 5 Patrol Vehicles	\$	-
Sherrif - Maintenance for 5 Patrol Vehicles	\$	105,000.00
Sherrif - New Positions Costs for 8 Staff	\$	-
Sherrif - Overtime Costs for Cannabis Enforcement	\$	200,040.00
Sherrif- Cannabis Enforcement Property Disposal	\$	35,000.00
Resource Management Agency - Building Inspector II (.2 FTE)	\$	2,309.84
Resource Management Agency - Code Compliance Inspector II	\$	126,093.50
Resource Management Agency - Senior Code Compliance Inspector (.2 FTE)	\$	2,757.72
Resource Management Agency - Permit Technician II (.25 FTE)	\$	28,081.06
Resource Management Agency - Office Assistant II (.25 FTE)	\$	16,115.16
Resource Management Agency - Principal Office Assistant (.1 FTE)	\$	8,481.41
Resource Management Agency - Management Analyst III (.1 FTE)	\$	13,305.59
Resource Management Agency - RMA Services Manager (.2 FTE)	\$	33,508.49
Resource Management Agency - Chief of Building Services (.15 FTE)	\$	31,038.57
Resource Management Agency - Associate Planner (.1 FTE)	\$	13,806.74

Resource Management Agency - Senior Planner (.85 FTE)	\$	119,330.51
Resource Management Agency - RMA Services Manager (.15 FTE)	\$	25,131.36
Resource Management Agency - Deputy Director of Land Use and Community Development (.05 FTE)	\$	12,667.40
Resource Management Agency - Chief of Surveys (.05 FTE)	\$	8,774.78
Resource Management Agency - Engineering Technician (.25 FTE)	\$	27,703.14
Resource Management Agency - Civil Engineer (.20 FTE)	\$	33,181.94
Resource Management Agency - Engineering Aide III (.02 FTE)	\$	1,968.60
Resource Management Agency - Senior Account Clerk (.01 FTE)	\$	822.82
Resource Management Agency - Finance Manager I (.01 FTE)	\$	1,561.93
Resource Management Agency - Resource Management Agency Director (.05 FTE)	\$	13,842.63
Resource Management Agency - Water Resources Technician (.10 FTE)	\$	9,482.67
Resource Management Agency - Civil Engineer (.01 FTE)	\$	1,659.10
Resource Management Agency- Senior Water Resources Hydrologist (.02 FTE)	\$	3,505.16
Resource Management Agency - General Office Expenses, Equipment, Vehicle and Service Costs	\$	67,333.00
Resource Management Agency - Permit Revenues	\$	(454,333.00)
Treasurer Tax Collector - Management Analyst III (.66 FTE)	\$	99,164.00
Treasurer Tax Collector - Accountant III	\$	92,804.00
Treasurer Tax Collector - Accounting Technician	\$	61,741.00
Treasurer Tax Collector - IT, clerical, and executive oversight	\$	61,577.00
Treasurer Tax Collector - Services and Supplies	\$	57,066.00
Treasurer Tax Collector - Revenue from Cannabis Business Licenses	\$	(3,390.00)
Total Departmental Requests	\$	10,214,557.71

Recommended FY 18-19 Cannabis Program Resource Allocations

3-20-18

<u>Department</u>	<u>Position</u>	<u>Cost</u>
CAO	Program Mgr II	\$162,085
Auditor/Controller	Analyst I (Gen'l Accounting)	\$128,945
Assessor	Appraiser II	\$128,945
Ag Commissioner	Inspector/Biologist	\$141,517
County Counsel	Deputy County Counsel IV	\$223,553
District Attorney	DA Investigator III (civil)	\$245,150
Env Health	Env Health Specialist IV	\$155,614
	Lab Analysis	\$100,000
Public Health	Public Awareness/Comm Based(2FTE)	\$423,409
	Surveillance/community design(2FTE)	\$333,929
	Youth Prevention/Intervention(2 FTE)	\$352,152
Sheriff	Deputy Sheriff (2FTE)	\$433,406
	2 vehicles	\$62,836
	Overtime for enforcement	\$100,000
RMA	Code Compliance Insp II	\$148,124
Treasurer/Tax Collector	MA III (0.66 FTE)	\$102,483
	Accountant III (0.66 FTE)	\$95,852
	Accounting Technician (0.66 FTE)	\$63,586
	IT, clerical exec oversight ,overhead	\$65,619
	Services and supplies	\$57,066
California Cannabis JPA	Membership fee estimate	\$50,000
<u>TOTAL</u>		<u>\$3,539,203</u>