



MCCIA

Monterey County Cannabis Industry Association

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Executive Director

Date: May 17, 2022

To: Monterey County Civil Grand Jury

CC: Monterey County Board of Supervisors

From: Monterey County Cannabis Industry Association

Re: "Monterey County's Cannabis Industry Up in Smoke"

Submitted by Email

We appreciate the ability to participate in the preparation of this report and would like to comment on its recommendations. I would first to clarify that the California Cannabis Authority (CCA) is a joint powers authority and participation is voluntary. The cost is much more than \$50,000 per year. As your report notes, detailed financial information can be hard to find. In May of 2021 the Board of Supervisors considered a cannabis fee report that indicated the budgeted cost was \$280,000 per year. I believe that subsequently an additional allocation was needed. Santa Barbara County recently joined the CCA and publicly disclosed a cost of \$500,000 per year. For next fiscal year I believe neither the County nor the CCA has publicly disclosed the cost.

Responses to Recommendations:

R1 Require the Monterey County Cannabis Program to provide a comprehensive annual report detailing all CTF revenues, allocations, and reserves. This report should include detailed information including budget and distributions to community service agencies. The Cannabis Program must publish its annual report on their website. Implementation by December 31, 2022.

We support this recommendation. However, implementation should be delayed because all efforts of staff need to be focused on the completion of local compliance and permitting before state provisional licenses expire at the end of 2023. Cannabis program staff are working on the implementation of

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recommendations from the Citigate report on the reorganization of the Cannabis Program, which are also intended to result in more transparency and fiscal accountability.

R2 *Revise Monterey County Cannabis Program webpage to include easy-to-follow directions for accessing revenues and expenditures. Implementation by December 31, 2022.*

We support this recommendation if found feasible. Again, assigning additional tasks to Cannabis Program staff at this time must be done cautiously because they already have many critical tasks that need to be completed.

R3 *Monterey County to monitor and report on improved property value and tax re-assessment due to Cannabis Compliance Regulations. Implementation by December 31, 2022.*

We support this recommendation.

R4 *Direct the Economic Development Manager to complete a study on new jobs created by the cannabis industry and its impact on the local economy. Implementation by June 30, 2023.*

We support this recommendation. The Economic Development Manager has reached out to our organization and offered support. We support an economic impact study such as has been twice published by the Agricultural Commissioner. Those were prepared by Ag Impact Associates, a local business that I can highly recommend.

R5 *Include in the Cannabis Program annual report, an accounting of all FTEs funded by the CTF. Implementation by December 31, 2022.*

We support this recommendation.

R6 *Cannabis Program adopt a consistent process for inspection and check list. Implementation by December 31, 2022.*

We support this recommendation.

Lastly, if this report is deficient in any aspect, it is that it could have included more recognition of the tireless efforts of the Cannabis Program Manager and Staff to right the ship. We will continue to support them in that important work, which is to build an enduring cannabis industry in Monterey County well positioned for future growth, and to provide an important source of discretionary revenue for the County.

Sincerely,



Robert Roach
Executive Director