



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

CI

For the meeting of: August 21, 2018

Date: August 7, 2018
To: Board of Supervisors
From: Jeff M. Dolf, Agricultural Commissioner/Sealer of Weights & Measures
Subject: **FY 2017-18 SUPPLEMENTAL BUDGET REQUEST FOR BUDGET UNIT 1100261
(4/5 vote required)**

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve FY 2017-18 supplemental budget request for the Agricultural Commissioner's Office for fees collected for participation in the county track and trace program.

Revenue:	1100261-608421	\$105,000
Expenditure:	1100261-2118	\$105,000

SOURCE OF FUNDING:

Fees related to required participation in the county's track and trace program.

Prepared by

Jeff M. Dolf

CAO Approval

Jeff M. Dolf

REVIEW:

Auditor

CD

County Counsel

Human Resources

Other

TYPE OF ITEM:

☒ Consent
☐ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Bass* Seconded by Supervisor *Wilson*

Ayes *Bass, Fennell, Sundberg, Bohn, Wilson*
Nays
Abstain
Absent

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: *8/21/18*

By: _____

Kathy Hayes, Clerk of the Board

DISCUSSION:

At your July 25, 2017 meeting, your Board directed the Agricultural Commissioner's Office to implement a local track and trace program for county cannabis program permittees. On September 5, 2017 your Board approved a contract with SICPA Product Security, LLC (SICPA) to provide a track and trace program to Humboldt County. Fees associated with participation in the program were approved by your Board at its October 3, 2017 meeting. Participants in the track and trace program are charged \$400 for training, a \$90/month account fee and \$.07 per unique identifier stamp. Fees are deposited in revenue account 1100261-608421 and per the agreement with SICPA, fees specific to training, account fees and \$.02/per stamp are paid to SICPA (expenditure account 1100261-2118) based on monthly invoices submitted to the Agricultural Commissioner's Office. There are currently 599 sites registered in the county track and trace program (a site can constitute multiple permits on a single or multiple contiguous parcels).

The Agricultural Commissioner's Office is requesting approval of a supplemental budget to adjust FY 2017-18 accounts to reflect fees collected from cannabis permit holders required to participate in the county's track and trace program. At the time the FY 2017-18 budget was prepared (March 2017) the future of the county's track and trace program and associated fees to be collected were unknown. On June 19, 2018 your Board approved an initial supplemental budget in the amount of \$150,000 to cover expenses related to operation of the county's track and trace program. However the earlier supplemental budget underestimated the total amount necessary to cover expenses in FY 2017-18 so approval of this additional supplemental budget is requested.

The cannabis track and trace program is consistent with your Board's Strategic Priority Framework's core roles of encouraging local enterprise, and the creation of private sector jobs and opportunities.

FINANCIAL IMPACT:

There is no impact to the General Fund associated with approval of this supplemental budget. Revenue (1100261-608421) and expenditure (1100261-2118) accounts for FY 2017-18 are requested to be adjusted by \$105,000 to account for revenue collected from fees associated with required participation in the county's track and trace program. Humboldt County retains \$.05 for every stamp sold to participants in the program. The county's per stamp charges are intended to assist the Agricultural Commissioner's Office with covering costs associated with implementation and oversight of the track and trace program or for conducting cultivation site inspections. Any funds unspent by the Agricultural Commissioner's Office and derived from the unique identifier stamps will be transferred to county economic development for promotion of the cannabis industry.

OTHER AGENCY INVOLVEMENT:

Economic Development

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose to deny the supplemental budget request, however this is not recommended as approval of the request is necessary to enable the Agricultural Commissioner's Office to pay outstanding invoices for track and trace services provided in FY 2017-18.

ATTACHMENTS:

None