



# **CITY OF MERCED**

## **CANNABIS REGULATORY FEES**

DECEMBER 2017

PREPARED BY:



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## CITY OF MERCED

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### **CITY COUNCIL**

Mike Murphy, Mayor

Kevin Blake, Mayor Pro Tempore

Michael Belluomini, Council Member

Anthony Levy Martinez (District 1), Council Member

Jill McLeod (District 3), Council Member

Josh Pedrozo, Council Member

Matthew Serratto (District 5), Council Member

### **CITY MANAGER**

Steve S. Carrigan

### **DEVELOPMENT SERVICES DIRECTOR**

Scott McBride

### **PLANNING DEPARTMENT**

Kim Espinosa, Planning Manager

Michael Hren, Principal Planner

### **CITY ATTORNEY**

Kim Flores

### **POLICE DEPARTMENT**

Chief Norman Andrade (Retired)

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## EXECUTIVE SUMMARY

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### INTRODUCTION

The Medical Cannabis Regulation and Safety Act ("MCRSA") was signed into law in October 2015. MCRSA was composed of three bills: AB 266 which established a dual-licensing structure requiring a state license and a local license or permit, AB 243 which established a regulatory and licensing structure for cultivation sites under the Department of Food and Agriculture, and SB 643 which established criteria for licensing of medical cannabis businesses, regulated physicians, and recognized local authority to levy taxes and fees.

On November 8, 2016, the voters of the State of California approved Proposition 64, the "Control, Regulate and Tax Adult Use of Marijuana Act," which decriminalized the adult use of cannabis for non-medical purposes and established a regulatory scheme at the state level.

On June 27, 2017, Senate Bill 94, the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" ("MAUCRSA") repealed and replaced MCRSA. MAUCRSA consolidates the medical MCRSA and non-medical (Proposition 64) cannabis statutes.

On November 20, 2017, the City Council of the City of Merced ("Council") adopted a new regulatory ordinance ("Ordinance") to replace the "Medical Marijuana and Cultivation" ordinance, amend the "Commercial Zoning Districts" and "Industrial Zoning Districts" of the Merced Municipal Code and adds a land use table to regulate all commercial cannabis activities and cultivation for personal use in the City of Merced.

The fees will be used to reimburse the City departments for reasonable direct and indirect labor, contracted services, supplies and other incidental costs attributable to reviewing and acting upon the applications, and verifying and enforcing compliance with the Ordinance.

### METHODOLOGY AND APPROACH

To determine the City's cannabis regulatory fees consistent with these substantive requirements, the cost of permitting and regulating cannabis operations by various City Departments is determined. These costs are then allocated to the payor in a way that demonstrates that the costs bear a fair or reasonable relationship to the payor's burden on or benefits from the program.

For each of the regulatory fees established, the City evaluated the Ordinance and identified specific City tasks and activities associated with permitting and enforcement of the regulations. The estimated labor hours for each activity were then multiplied by the fully

burdened hourly labor rate for each position completing the task. The type of costs included in the fees include direct labor and indirect labor costs, contracted services, supplies, and other incidental costs. These time estimates and level of effort were reviewed and evaluated by other City staff and SCI for their reasonableness.

## APPLICATION FEES

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The following fees will be collected at different stages of the application process:

- Phase 1 Application Fee
- Phase 2 Application Fee
- Permit Appeal Fee
- Permit Renewal Fee
- Permit Appeal of Renewal Fee

The application fee for Phase 1 is \$964 upon submittal of the initial application. The application fee recovers the cost to review and process the application.

**FIGURE 1 – APPLICATION FEE PHASE 1**

Position	Rate	Hours	Costs
Director of Development Services	\$155.70	1.17	\$182
Planning Manager	\$131.62	0.17	\$22
Principal Planner	\$103.94	0.5	\$52
Associate Planner	\$98.94	0.17	\$16
Planner	\$78.13	0.25	\$20
Planning Technician II	\$75.49	0.75	\$57
Secretary III	\$71.13	2	\$142
Secretary I	\$60.87	0.75	\$46
Police Department	\$180.73	1	\$181
<b>Total Labor Costs</b>			<b>\$717</b>
<b>Total Direct Costs</b>			<b>\$247</b>
<b>Total Costs</b>			<b>\$964</b>



The Phase 2 selection phase of the application process for limited number of licenses includes selection of the most qualified applicants. The fee for the competitive selection process is \$8,577.

**FIGURE 2 – APPLICATION FEE PHASE 2 (LIMITED NUMBER OF LICENSES)**

Position	Rate	Hours	Costs
City Manager	\$217.98	9	\$1,962
Director of Development Services	\$155.70	12	\$1,868
Planning Manager	\$131.62	6.5	\$856
Principal Planner	\$103.94	5	\$520
Associate Planner	\$98.94	1.5	\$148
Planner	\$78.13	0	\$0
Planning Technician II	\$75.49	0.5	\$38
Secretary III	\$71.13	2	\$142
Secretary I	\$60.87	1	\$61
Police Department	\$180.73	16.5	\$2,982
Total Labor Costs			\$8,577
Total Direct Costs			\$0
Total Costs			\$8,577

The Phase 2 selection phase of the application process is for all other types of licenses. The application fee is \$6,250.

**FIGURE 3 – APPLICATION FEE PHASE 2 (ALL OTHER LICENSES)**

Position	Rate	Hours	Costs
City Manager	\$217.98	5	\$1,090
Director of Development Services	\$155.70	8	\$1,246
Planning Manager	\$131.62	4.5	\$592
Principal Planner	\$103.94	3	\$312
Associate Planner	\$98.94	1.5	\$148
Planner	\$78.13	0	\$0
Planning Technician II	\$75.49	0.5	\$38
Secretary III	\$71.13	2	\$142
Secretary I	\$60.87	1	\$61
Police Department	\$180.73	14.5	\$2,621
Total Labor Costs			\$6,249
Total Direct Costs			\$0
Total Costs			\$6,250

**PERMIT APPEALS FEE**

An applicant aggrieved during the application and/or final approval process may have their application reconsidered. The appeals fee includes the cost to reconsider the application and process the appeal for Council consideration. The fee for the appeal process is \$374.

**FIGURE 4 – APPEALS FEE**

Position	Rate	Hours	Costs
Planning Manager	\$131.62	0.87	\$115
Principal Planner	\$103.94	0.00	\$0
Associate Planner	\$98.94	0	\$0
Planner	\$78.13	0.00	\$0
Planning Technician II	\$75.49	0	\$0
Secretary III	\$71.13	0.5	\$36
Secretary I	\$60.87	0.75	\$46
	\$0.00	0	\$0
	\$0.00	0	\$0
Total Labor Costs			\$196
Total Direct Costs			\$178
Total Costs			\$374

**PERMIT RENEWAL FEE**

All permits are required to be reviewed and renewed every year. The proposed fee is \$2,232 per permit.

**FIGURE 5 – RENEWAL FEE**

Position	Rate	Hours	Costs
Director of Development Services	\$155.70	1.5	\$234
Planning Manager	\$131.62	1	\$132
Principal Planner	\$103.94	0	\$0
Associate Planner	\$98.94	8.5	\$841
Planner	\$78.13	4.25	\$332
Planning Technician II	\$75.49	0.5	\$38
Secretary III	\$71.13	0	\$0
Secretary I	\$60.87	8	\$487
Police Department	\$180.73	0.5	\$90
Total Labor Costs			\$2,153
Total Direct Costs			\$78
Total Costs			\$2,232

**PERMIT APPEALS OF RENEWAL FEE**

An applicant aggrieved during the application renewal process may have their application reconsidered. The appeals fee includes the cost to reconsider the application and process the appeal for Planning Commission and City Council consideration. The fee for the appeal process is \$473.

**FIGURE 6 – APPEAL OF RENEWAL FEE**

Position	Rate	Hours	Costs
Planning Manager	\$131.62	1.62	\$213
Principal Planner	\$103.94	0.00	\$0
Associate Planner	\$98.94	0	\$0
Planner	\$78.13	0.00	\$0
Planning Technician II	\$75.49	0	\$0
Secretary III	\$71.13	0.5	\$36
Secretary I	\$60.87	0.75	\$46
	\$0.00	0	\$0
	\$0.00	0	\$0
Total Labor Costs			\$294
Total Direct Costs			\$178
Total Costs			\$473

## REGULATORY PROGRAM FEES

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The City has adopted regulations that permit and regulate all commercial cannabis sites in the City of Merced. The hours for each activity were determined by City staff by diagramming the tasks involved with the activity and the estimated level of effort. These time estimates and level of effort were then reviewed and evaluated by City staff and SCI for their reasonableness.

**NURSERY CULTIVATION REGULATORY PROGRAM FEE**

Figure 7 shows the determination of the fee for full cost recovery for the annual monitoring and compliance of a nursery cultivation operation, as described in the Ordinance and State Regulations. Inspections will be performed quarterly at the amount shown below. The proposed fee is \$15,275 annually per permit.

**FIGURE 7 – CULTIVATION - NURSERY ONLY**

Annual Cannabis Monitoring and Compliance Services										
Classification:	Consultant Manager	Consultant Admin	Consultant Technician 1	Consultant Technician 2	Director of Development Services	Planning Technician II	Fire Dept (Fire Inspector I)	Police Department		
Fully Loaded Hourly Cost:	\$142.56	\$62.37	\$80.19	\$49.90	\$155.70	\$75.49	\$70.10	\$180.73		
TASK HOURS ASSIGNED TO STAFF: 0.05										
TASKS									Prime Consultant Total Hours	Total Task Costs
<b>RECORD KEEPING and ADMINISTRATIVE</b>										
Business Owner Requirements	0	0	0.5	0	0	0	0	0	0.5	\$40
Registration Information and Background	0	0	0.5	0	0	0	0	0	0.5	\$40
Accounting and Accounting Inspections	0	0	0.5	0	0	0	0	0	0.5	\$40
Record Keeping	0	0	0.5	0	0	0	0	0	0.5	\$40
Inspection, Indemnification, Insurance, Violations	0	0	0.5	0	0	0	0	0	0.5	\$40
TOTAL DIRECT HOURS	0	0	2.5	0	0	0	0	0	3	\$200
<b>PRODUCT TRACKING</b>										
Track and Trace System	0	0	4	0	0	0	0	0	4	\$321
Accounting Software	0	0	0.5	0	0	0	0	0	0.5	\$40
Labelling, Dosages, Testing Handling and Protocol	0	0	0	0	0	0	0	0	0	\$0
TOTAL DIRECT HOURS	0	0	4.5	0	0	0	0	0	4.5	\$361
<b>EMPLOYEE HUMAN RESOURCES</b>										
Register of Employees	0	0	1	0	0	0	0	0	1	\$80
Employee Permits	0	0	1	0	0	0	0	0	1	\$80
Training Process	0	0	1	0	0	0	0	0	1	\$80
Employee Record Verification	0	0	1	0	0	0	0	0	1	\$80
Compliance with State and Local Criteria	0	0	0	0	0	0	0	0	0	\$0
TOTAL DIRECT HOURS	0	0	4	0	0	0	0	0	4	\$321
<b>COMMUNITY SUPPORT</b>										
Community Complaints	0	0	0	0	0	0	0	1	1	\$181
Customer Complaints	0	0	0	0	0	0	0	0	0	\$0
Vendor Complaints	0	0	0	0	0	0	0	0	0	\$0
City/State Contact Information	0	0	0	0	0	0	0	1	1	\$181
Informational/Medical Questions	0	0	0	0	0	0	0	2	2	\$361
TOTAL DIRECT HOURS	0	0	0	0	0	0	0	4	4	\$723
<b>OPERATIONAL REQUIREMENTS OF FACILITY</b>										
Signage, Hours, etc.	0	0	0.25	0	0	0	0	0	0.25	\$20
Prohibited Activities - Consumption, Trans, Delivery, etc.	0	0	0.25	0	0	0	0	0	0.25	\$20
Prohibited Activities - Minors	0	0	0.25	0	0	0	0	0	0.25	\$20
Chemical Storage	0	0	0.25	0	0	0	0	0	0.25	\$20
Odor Control	0	0	0.25	0	0	0	0	0	0.25	\$20
Pesticide, fertilizer, water compliance	0	0	1	0	0	0	0	0	1	\$80
Security, Alarm, Cameras, Video Recordings	0	0	0.5	0	0	0	0	0	0.5	\$40
Deliveries and Transportation	0	0	0.25	0	0	0	0	0	0.25	\$20
Premises Maintenance	0	0	0.25	0	0	0	0	0	0.25	\$20
Video Monitoring of Facility	0	0	0	6	0	0	0	0	6	\$299
Fire Code Inspection	0	0	0	0	0	0	3	0	3	\$210
TOTAL DIRECT HOURS	0	0	3.25	6	0	0	3	0	12.25	\$770
<b>PROJECT MANAGEMENT</b>										
Overall Management	10.125	0	0	0	0	0	0	0	10.125	\$1,443
TOTAL DIRECT HOURS	10.125	0	0	0	0	0	0	0	10.125	\$1,443
<b>TOTAL OF TOTAL DIRECT HOURS</b>	<b>10.125</b>	<b>0</b>	<b>14.25</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>37.375</b>	<b>\$3,819</b>

**CULTIVATION UP TO 10,000 SF REGULATORY PROGRAM FEE**

Figure 8 shows the determination of the fee for full cost recovery for the annual monitoring and compliance of a cultivation operation up to 10,000 sf, as described in the Ordinance and State Regulations. Inspections will be performed quarterly at the amount shown below. The proposed fee is \$18,193 annually per permit.

**FIGURE 8 – CULTIVATION UP TO 10,000 SF**

Annual Cannabis Monitoring and Compliance Services										
Classification:	Consultant Manager	Consultant Admin	Consultant Technician 1	Consultant Technician 2	Director of Development Services	Planning Technician II	Fire Dept (Fire Inspector I)	Police Department		
Fully Loaded Hourly Cost:	\$142.56	\$62.37	\$80.19	\$49.90	\$155.70	\$75.49	\$70.10	\$180.73		
TASK HOURS ASSIGNED TO STAFF: 0.05										
TASKS									Prime Consultant Total Hours	Total Task Costs
<b>RECORD KEEPING and ADMINISTRATIVE</b>										
Business Owner Requirements	0	0	0.5	0	0	0	0	0	0.5	\$40
Registration Information and Background	0	0	0.5	0	0	0	0	0	0.5	\$40
Accounting and Accounting Inspections	0	0	0.5	0	0	0	0	0	0.5	\$40
Record Keeping	0	0	0.5	0	0	0	0	0	0.5	\$40
Inspection, Indemnification, Insurance, Violations	0	0	0.5	0	0	0	0	0	0.5	\$40
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>2.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>\$200</b>
<b>PRODUCT TRACKING</b>										
Track and Trace System	0	0	4	0	0	0	0	0	4	\$321
Accounting Software	0	0	0.5	0	0	0	0	0	0.5	\$40
Labelling, Dosages, Testing Handling and Protocol	0	0	4	0	0	0	0	0	4	\$321
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>8.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8.5</b>	<b>\$682</b>
<b>EMPLOYEE HUMAN RESOURCES</b>										
Register of Employees	0	0	1	0	0	0	0	0	1	\$80
Employee Permits	0	0	1	0	0	0	0	0	1	\$80
Training Process	0	0	1	0	0	0	0	0	1	\$80
Employee Record Verification	0	0	1	0	0	0	0	0	1	\$80
Compliance with State and Local Criteria	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>\$321</b>
<b>COMMUNITY SUPPORT</b>										
Community Complaints	0	0	0	0	0	0	0	1	1	\$181
Customer Complaints	0	0	0	0	0	0	0	1	1	\$181
Vendor Complaints	0	0	0	0	0	0	0	0	0	\$0
City/State Contact Information	0	0	0	0	0	0	0	0	0	\$0
Informational/Medical Questions	0	0	0	0	0	0	0	2	2	\$361
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>\$723</b>
<b>OPERATIONAL REQUIREMENTS OF FACILITY</b>										
Signage, Hours, etc.	0	0	0.25	0	0	0	0	0	0.25	\$20
Prohibited Activities - Consumption, Trans, Delivery, etc.	0	0	0.25	0	0	0	0	0	0.25	\$20
Prohibited Activities - Minors	0	0	0.25	0	0	0	0	0	0.25	\$20
Chemical Storage	0	0	0.25	0	0	0	0	0	0.25	\$20
Odor Control	0	0	0.25	0	0	0	0	0	0.25	\$20
Pesticide, fertilizer, water compliance	0	0	1	0	0	0	0	0	1	\$80
Security, Alarm, Cameras, Video Recordings	0	0	1	0	0	0	0	0	1	\$80
Deliveries and Transportation	0	0	0.25	0	0	0	0	0	0.25	\$20
Premises Maintenance	0	0	0.25	0	0	0	0	0	0.25	\$20
	0	0	0	0	0	0	0	0	0	\$0
Video Monitoring of Facility	0	0	0	12	0	0	0	0	12	\$599
<b>Fire Code Inspection</b>	0	0	0	0	0	0	3	0	3	\$210
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>3.75</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>18.75</b>	<b>\$1,110</b>
<b>PROJECT MANAGEMENT</b>										
Overall Management	6.15	0	0	0	0	0	0	0	6.15	\$877
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>6.15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.15</b>	<b>\$877</b>
<b>TOTAL OF TOTAL DIRECT HOURS</b>	<b>6.15</b>	<b>0</b>	<b>18.75</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>43.9</b>	<b>\$3,912</b>

**DISTRIBUTION REGULATORY PROGRAM FEE**

Figure 9 shows the determination of the fee for full cost recovery for the annual monitoring and compliance of a distribution operation, as described in the Ordinance and State Regulations. Inspections will be performed quarterly at the amount shown below. The proposed fee is \$12,556 annually per permit.

**FIGURE 9 – DISTRIBUTION**

Annual Cannabis Monitoring and Compliance Services										
Classification:	Consultant Manager	Consultant Admin	Consultant Technician 1	Consultant Technician 2	Director of Development Services	Planning Technician II	Fire Dept (Fire Inspector I)	Police Department		
Fully Loaded Hourly Cost:	\$142.56	\$62.37	\$80.19	\$49.90	\$155.70	\$75.49	\$70.10	\$180.73		
TASK HOURS ASSIGNED TO STAFF:										
TASKS									Prime Consultant Total Hours	Total Task Costs
<b>RECORD KEEPING and ADMINISTRATIVE</b>										
Business Owner Requirements	0	0	0.25	0	0	0	0	0	0.25	\$20
Registration Information and Background	0	0	0.25	0	0	0	0	0	0.25	\$20
Accounting and Accounting Inspections	0	0	0	0	0	0	0	0	0	\$0
Record Keeping - Manifests and Route Verification	0	0	0.5	0	0	0	0	0	0.5	\$40
Inspection, Indemnification, Insurance, Violations	0	0	0.25	0	0	0	0	0	0.25	\$20
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>1.25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>\$100</b>
<b>PRODUCT TRACKING</b>										
Track and Trace System	0	0	2	0	0	0	0	0	2	\$160
Accounting Software	0	0	1	0	0	0	0	0	1	\$80
Labelling, Dosages, Testing Handling and Protocol	0	0	5	0	0	0	0	0	5	\$401
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>\$642</b>
<b>EMPLOYEE HUMAN RESOURCES</b>										
Register of Employees	0	0	0.5	0	0	0	0	0	0.5	\$40
Employee Permits	0	0	0.5	0	0	0	0	0	0.5	\$40
Training Process	0	0	0	0	0	0	0	0	0	\$0
Employee Record Verification	0	0	0	0	0	0	0	0	0	\$0
Compliance with State and Local Criteria	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>\$80</b>
<b>COMMUNITY SUPPORT</b>										
Community Complaints	0	0	0	0	0	0	0	0	0	\$0
Customer Complaints	0	0	0	0	0	0	0	0	0	\$0
Vendor Complaints	0	0	0	0	0	0	0	0	0	\$0
City/State Contact Information	0	0	0	0	0	0	0	0.5	0.5	\$90
Informational/Medical Questions	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.5</b>	<b>0.5</b>	<b>\$90</b>
<b>OPERATIONAL REQUIREMENTS OF FACILITY</b>										
Signage, Hours, etc.	0	0	0	0	0	0	0	0	0	\$0
Prohibited Activities - Consumption, Trans, Delivery, etc.	0	0	0	0	0	0	0	0	0	\$0
Prohibited Activities - Minors	0	0	0	0	0	0	0	0	0	\$0
Building Codes: Elec., Butane, Kitchen, Pesticides	0	0	0	0	0	0	0	0	0	\$0
Odor Control	0	0	0	0	0	0	0	0	0	\$0
Dept of Public Health Food Reqs.	0	0	0	0	0	0	0	0	0	\$0
Security, Alarm, Cameras, Video Recordings	0	0	0.5	0	0	0	0	0	0.5	\$40
Deliveries and Transportation	0	0	0.5	0	0	0	0	0	0.5	\$40
Premises Maintenance	0	0	1	0	0	0	0	0	1	80
Video Monitoring of Facility	0	0	0	12	0	0	0	0	12	599
Fire Code Inspection	0	0	0	0	0	0	2	0	2	140
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>16</b>	<b>899</b>
<b>PROJECT MANAGEMENT</b>										
Overall Management	4.85	0	0	0	0	0	0	0	4.85	691
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>4.85</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.85</b>	<b>691</b>
<b>TOTAL OF TOTAL DIRECT HOURS</b>	<b>4.85</b>	<b>0</b>	<b>12.25</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0.5</b>	<b>31.6</b>	<b>2,503</b>

**MANUFACTURING REGULATORY PROGRAM FEE**

Figure 10 shows the determination of the fee for full cost recovery for the annual monitoring and compliance of a manufacturing operation, as described in the Ordinance and State Regulations. Inspections will be performed quarterly at the amount shown below. The proposed fee is \$32,595 annually per permit.

**FIGURE 10 – MANUFACTURING**

Annual Cannabis Monitoring and Compliance Services										
Classification:	Consultant Manager	Consultant Admin	Consultant Technician 1	Consultant Technician 2	Director of Development Services	Planning Technician II	Fire Dept (Fire Inspector I)	Police Department		
Fully Loaded Hourly Cost:	\$142.56	\$62.37	\$80.19	\$49.90	\$155.70	\$75.49	\$70.10	\$180.73		
TASK HOURS ASSIGNED TO STAFF:										
TASKS									Prime Consultant Total Hours	Total Task Costs
<b>RECORD KEEPING and ADMINISTRATIVE</b>										
Business Owner Requirements	0	0	0.5	0	0	0	0	0	0.5	40
Registration Information and Background	0	0	0.5	0	0	0	0	0	0.5	40
Accounting and Accounting Inspections	0	0	0.5	0	0	0	0	0	0.5	40
Record Keeping	0	0	0.5	0	0	0	0	0	0.5	40
Inspection, Indemnification, Insurance, Violations	0	0	0.5	0	0	0	0	0	0.5	40
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>2.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>200</b>
<b>PRODUCT TRACKING</b>										
Track and Trace System	0	0	2	0	0	0	0	0	2	160
Accounting Software	0	0	1	0	0	0	0	0	1	80
Labelling, Dosages, Testing Handling and Protocol	0	0	8	0	0	0	0	0	8	642
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>882</b>
<b>EMPLOYEE HUMAN RESOURCES</b>										
Register of Employees	0	0	2	0	0	0	0	0	2	160
Employee Permits	0	0	1	0	0	0	0	0	1	80
Training Process	0	0	2	0	0	0	0	0	2	160
Employee Record Verification	0	0	2	0	0	0	0	0	2	160
Compliance with State and Local Criteria	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>561</b>
<b>COMMUNITY SUPPORT</b>										
Community Complaints	0	0	0	0	0	0	0	2	2	361
Customer Complaints	0	0	0	0	0	0	0	1	1	181
Vendor Complaints	0	0	0	0	0	0	0	1	1	181
City/State Contact Information	0	0	0	0	0	0	0	1	1	181
Informational/Medical Questions	0	0	0	0	0	0	0	2	2	361
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>1,265</b>
<b>OPERATIONAL REQUIREMENTS OF FACILITY</b>										
Signage, Hours, etc.	0	0	0.5	0	0	0	0	0	0.5	40
Prohibited Activities - Consumption, Trans, Delivery, etc.	0	0	2	0	0	0	0	0	2	160
Prohibited Activities - Minors	0	0	1	0	0	0	0	0	1	80
Building Codes: Elec., Butane, Kitchen, Pesticides	0	0	4	0	0	0	0	0	4	321
Odor Control	0	0	2	0	0	0	0	0	2	160
Dept of Public Health Food Reqs.	0	0	2	0	0	0	0	0	2	160
Security, Alarm, Cameras, Video Recordings	0	0	2	0	0	0	0	0	2	160
Deliveries and Transportation	0	0	2	0	0	0	0	0	2	160
Premises Maintenance	0	0	6	0	0	0	0	0	6	481
Proper Safeguards for Manufacturing Type 2 Licensee	0	0	2	0	0	0	0	0	2	160
Video Monitoring of Facility	0	0	0	16	0	0	0	0	16	798
<b>Fire Code Inspection</b>	0	0	0	0	0	0	3	0	3	210
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>23.5</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>42.5</b>	<b>2,893</b>
<b>PROJECT MANAGEMENT</b>										
Overall Management	12	0	0	0	0	0	0	0	12	1,711
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>1,711</b>
<b>TOTAL OF TOTAL DIRECT HOURS</b>	<b>12</b>	<b>0</b>	<b>44</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>7</b>	<b>82</b>	<b>7,513</b>



### RETAIL REGULATORY PROGRAM FEE

Figure 11 shows the determination of the fee for full cost recovery for the annual monitoring and compliance of a retail operation, as described in the Ordinance and State Regulations. Inspections will be performed six times a year at the amount shown below. The proposed fee is \$20,920 annually per permit.

FIGURE 11 – RETAIL

Annual Cannabis Monitoring and Compliance Services										
Classification:	Consultant Manager	Consultant Admin	Consultant Technician 1	Consultant Technician 2	Director of Development Services	Planning Technician II	Fire Dept (Fire Inspector I)	Police Department		
Fully Loaded Hourly Cost:	\$142.56	\$62.37	\$80.19	\$49.90	\$155.70	\$75.49	\$70.10	\$180.73		
TASK HOURS ASSIGNED TO STAFF:										
TASKS									Prime Consultant Total Hours	Total Task Costs
<b>RECORD KEEPING and ADMINISTRATIVE</b>										
Business Owner Requirements	0	0	0.5	0	0	0	0	0	0.5	40
Registration Information and Background	0	0	0	0	0	0	0	0	0	0
Accounting and Accounting Inspections	0	0	0	0	0	0	0	0	0	0
Record Keeping - Manifests and Route Verification	0	0	0.5	0	0	0	0	0	0.5	40
Inspection, Indemnification, Insurance, Violations	0	0	0.5	0	0	0	0	0	0.5	40
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>1.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>120</b>
<b>PRODUCT TRACKING</b>										
Track and Trace System	0	0	1	0	0	0	0	0	1	80
Accounting Software	0	0	1	0	0	0	0	0	1	80
Labelling, Dosages, Testing Handling and Protocol	0	0	1	0	0	0	0	0	1	80
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>241</b>
<b>EMPLOYEE HUMAN RESOURCES</b>										
Register of Employees	0	0	0.5	0	0	0	0	0	0.5	40
Employee Permits	0	0	0.5	0	0	0	0	0	0.5	40
Training Process	0	0	0.5	0	0	0	0	0	0.5	40
Employee Record Verification	0	0	0	0	0	0	0	0	0	0
Compliance with State and Local Criteria	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>1.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.5</b>	<b>120</b>
<b>COMMUNITY SUPPORT</b>										
Community Complaints	0	0	0	0	0	0	0	1	1	181
Customer Complaints	0	0	0	0	0	0	0	1	1	181
Vendor Complaints	0	0	0	0	0	0	0	0.5	0.5	90
City/State Contact Information	0	0	0	0	0	0	0	0.5	0.5	90
Informational/Medical Questions	0	0	0	0	0	0	0	0.5	0.5	90
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3.5</b>	<b>3.5</b>	<b>633</b>
<b>OPERATIONAL REQUIREMENTS OF FACILITY</b>										
Signage, Hours, etc.	0	0	0.125	0	0	0	0	0	0.125	10
Prohibited Activities - Consumption, Trans, Delivery, etc.	0	0	0.1	0	0	0	0	0	0.1	8
Prohibited Activities - Minors	0	0	0.1	0	0	0	0	0	0.1	8
Building Codes: Elec., Butane, Kitchen, Pesticides	0	0	0	0	0	0	0	0	0	0
Odor Control	0	0	0	0	0	0	0	0	0	0
Dept of Public Health Food Reqs.	0	0	0	0	0	0	0	0	0	0
Security, Alarm, Cameras, Video Recordings	0	0	0.5	0	0	0	0	0	0.5	40
Deliveries and Transportation	0	0	0.25	0	0	0	0	0	0.25	20
Premises Maintenance	0	0	0.5	0	0	0	0	0	0.5	40
Video Monitoring of Facility	0	0	0	16	0	0	0	0	16	798
Fire Code Inspection	0	0	0	0	0	0	2	0	2	140
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>1.575</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>19.575</b>	<b>1,065</b>
<b>PROJECT MANAGEMENT</b>										
Overall Management	4.715	0	0	0	0	0	0	0	4.715	672
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DIRECT HOURS</b>	<b>4.715</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.715</b>	<b>672</b>
<b>TOTAL OF TOTAL DIRECT HOURS</b>	<b>4.715</b>	<b>0</b>	<b>7.575</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3.5</b>	<b>33.79</b>	<b>2,851</b>

### TESTING REGULATORY PROGRAM FEE

Figure 12 shows the determination of the fee for full cost recovery for the annual monitoring and compliance of a testing operation, as described in the Ordinance and State Regulations. Inspections will be performed twice a year at the amount shown below. The proposed fee is \$6,259 annually per permit.

FIGURE 12 – TESTING

Annual Cannabis Monitoring and Compliance Services										
Classification:	Consultant Manager	Consultant Admin	Consultant Technician 1	Consultant Technician 2	Director of Development Services	Planning Technician II	Fire Dept (Fire Inspector I)	Police Department		
Fully Loaded Hourly Cost:	\$142.56	\$62.37	\$80.19	\$49.90	\$155.70	\$75.49	\$70.10	\$180.73		
TASK HOURS ASSIGNED TO STAFF:										
TASKS									Prime Consultant Total Hours	Total Task Costs
<b>RECORD KEEPING and ADMINISTRATIVE</b>										
Business Owner Requirements	0	0	0.5	0	0	0	0	0	0.5	\$40
Registration Information and Background	0	0	0.5	0	0	0	0	0	0.5	\$40
Accounting and Accounting Inspections	0	0	0.5	0	0	0	0	0	0.5	\$40
Record Keeping	0	0	0.5	0	0	0	0	0	0.5	\$40
Inspection, Indemnification, Insurance, Violations	0	0	0.5	0	0	0	0	0	0.5	\$40
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>2.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>\$200</b>
<b>PRODUCT TRACKING</b>										
Track and Trace System/Chain of Custody	0	0	2	0	0	0	0	0	2	\$160
Accounting Software	0	0	0.125	0	0	0	0	0	0.125	\$10
Labelling, Dosages, Testing Handling and Protocol	0	0	4	0	0	0	0	0	4	\$321
	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>6.125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.125</b>	<b>\$491</b>
<b>EMPLOYEE HUMAN RESOURCES</b>										
Register of Employees	0	0	0.25	0	0	0	0	0	0.25	\$20
Employee Permits	0	0	0.125	0	0	0	0	0	0.125	\$10
Training Process	0	0	0	0	0	0	0	0	0	\$0
Employee Record Verification	0	0	0	0	0	0	0	0	0	\$0
Compliance with State and Local Criteria	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>0.375</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.375</b>	<b>\$30</b>
<b>COMMUNITY SUPPORT</b>										
Community Complaints	0	0	0	0	0	0	0	0.5	0.5	\$90
Customer Complaints	0	0	0	0	0	0	0	0.5	0.5	\$90
Vendor Complaints	0	0	0	0	0	0	0	0	0	\$0
City/State Contact Information	0	0	0	0	0	0	0	0.5	0.5	\$90
Informational/Medical Questions	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.5</b>	<b>1.5</b>	<b>\$271</b>
<b>OPERATIONAL REQUIREMENTS OF FACILITY</b>										
Signage, Hours, etc.	0	0	0	0	0	0	0	0	0	\$0
Prohibited Activities - Consumption, Trans, Delivery, etc.	0	0	0	0	0	0	0	0	0	\$0
Prohibited Activities - Minors	0	0	0	0	0	0	0	0	0	\$0
Building Codes: Elec, Butane, Kitchen, Pesticides	0	0	0	0	0	0	0	0	0	\$0
Odor Control	0	0	0	0	0	0	0	0	0	\$0
Dept of Public Health Food Regs.	0	0	0	0	0	0	0	0	0	\$0
Security, Alarm, Cameras, Video Recordings	0	0	0.5	0	0	0	0	0	0.5	\$40
Deliveries and Transportation	0	0	0.5	0	0	0	0	0	0.5	\$40
Premises Maintenance	0	0	0.5	0	0	0	0	0	0.5	\$40
Proper Safeguards for Manufacturing Type 2 Licensee	0	0	0	0	0	0	0	0	0	\$0
Video Monitoring of Facility	0	0	0	12	0	0	0	0	12	\$599
<b>Fire Code Inspection</b>	0	0	0	0	0	0	2	0	2	\$140
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>0</b>	<b>0</b>	<b>1.5</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>15.5</b>	<b>\$859</b>
<b>PROJECT MANAGEMENT</b>										
Overall Management	4.5	0	0	0	0	0	0	0	4.5	\$642
Travel Time	0	0	0	0	0	0	0	0	0	\$0
	0	0	0	0	0	0	0	0	0	\$0
<b>TOTAL DIRECT HOURS</b>	<b>4.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.5</b>	<b>\$642</b>
<b>TOTAL OF TOTAL DIRECT HOURS</b>	<b>4.5</b>	<b>0</b>	<b>10.5</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1.5</b>	<b>30.5</b>	<b>\$2,494</b>

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