



Mendocino County Board of Supervisors
501 Low Gap Road
Ukiah, CA 95482

August 6, 2019

Re: Agenda Item 5e, Report on CCA

Honorable Supervisors and Staff:

Thank you for taking the time to hear this matter.

While MCA appreciates the CEO's update on the CCA, we have concerns and would ask that the County continue to take a "wait and see" approach. MCA believes that any commitment of resources, financial or workload, for the County and for the individual cannabis businesses, at this juncture, would not be wise. While MCA can appreciate the need for helpful data upon which policy decisions can be based, we are concerned that the CCA vendor system which is still in development would not immediately provide the benefits that would outweigh the costs.

Our concerns center around the following:

1. Will it require 3rd Party Software or extra input time for permit/license holders?

It appears from the Memo that the system would require licensees to "either connect to METRIC through their 3rd Party System provider or do direct input/upload". The fact that the County MUST notify permit holders and then CCA will "work with permit holders to connect through their 3rd Party Software Provider or through manual submission process", strongly indicates that permit/license holders will have to either pay for expensive 3rd Party software OR manually input more data and that their substantial efforts spent on inputting data into the State required METRIC system would not be enough.

2. The alleged benefit to license holders to be able to open up banking options is only a true benefit if there are guarantees that banks that have access to the system will provide a substantially reduced fee structure to the licensees they offer bank accounts to.

Currently only financial institutions that follow incredibly detailed reporting requirements may service cannabis clients. As a result, the cost of those accounts are very expensive. If any banks are being offered the chance to use this program to automatically provide the data needed to provide those reports under the banking guidelines, then they should be required to provide a substantial guaranteed discount to those license holders that are using them. Essentially, this program would save the bank from having to collect and input the data

themselves to meet banking regulations. The cost savings must be guaranteed to the customer (licensee) in order for it to be worth it.

3. The County already has software modules that it has paid for and does not utilize.

Supervisor Williams has previously inquired and then discovered that our County had purchased software modules that had never been implemented or utilized. Those programs were intended to help the County obtain data that it otherwise would not be able to accumulate. It seems that before the County commits scarce resources (financial and workforce) in another new system, the County should evaluate whether it has the capacity to fully enjoy the supposed benefits of what this vendor for CCA is offering.

As with all cumbersome new software programs, there will be bumps and errors that will require time to fix. Our County, and especially the Cannabis Permitting Program, can ill afford further glitches and expenses. While it may be tempting to “buy-in” while the cost is cheaper, it would be unfortunate for the County to sign up for this program prematurely without knowing all of the true costs and benefits.

We appreciate the opportunity to comment on this important issue for small cultivators.

Respectfully,

Mendocino Cannabis Alliance