

2024700000—Agricultural Commissioner

Environmental Protection

Tim Pelican, Agricultural Commissioner/Sealer

General Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
Expenditures					
Salaries & Benefits	\$5,130,567	\$5,274,301	\$5,708,739	\$5,708,739	\$434,438
Services & Supplies	820,413	1,046,516	1,137,020	1,137,020	90,504
Centrally-Budgeted Expenses	149,888	250,687	979,868	979,868	729,181
Other Charges & Uses	2,500	7,500	5,000	5,000	(2,500)
Fixed Assets	105,397	91,246	591,000	591,000	499,754
Operating Transfers Out	752	0	0	0	0
Total Expenditures	\$6,209,517	\$6,670,250	\$8,421,627	\$8,421,627	\$1,751,377
Expenditure Reimbursements	(39,550)	(41,300)	(41,300)	(41,300)	0
Total Appropriations	\$6,169,967	\$6,628,950	\$8,380,327	\$8,380,327	\$1,751,377
Earned Revenues By Source					
Licenses/Permits/Franchises	\$21,636	\$20,110	\$20,110	\$20,110	\$0
Aid From Other Governments	3,258,774	2,967,497	3,601,091	3,601,091	633,594
Charges For Services	607,841	668,500	648,500	648,500	(20,000)
Miscellaneous Revenues	68,897	35,300	50,450	50,450	15,150
Operating Transfers In	326,030	1,006,544	1,323,961	1,323,961	317,417
Total Revenues	\$4,283,178	\$4,697,951	\$5,644,112	\$5,644,112	\$946,161
Net County Cost	\$1,886,789	\$1,930,999	\$2,736,215	\$2,736,215	\$805,216
Staffing					
Allocated Positions	40.0	41.0	41.0	41.0	0.0
Temporary (Full-Time Equivalent)	14.9	13.1	12.4	12.4	(0.7)
Total Staffing	54.9	54.1	53.4	53.4	(0.7)

Purpose

The Agricultural Commissioner enforces the provisions of the California Food and Agricultural Code for the protection of public health, safety, and welfare, and to promote and protect the agricultural industry.

The Agricultural Commissioner is also the Sealer of Weights and Measures, responsible for testing and certifying all commercial weighing and measuring devices in the County; inspecting prepackaged items to assure content; testing and inspecting petroleum products for quality and label truth; and regulating procedures used by weighmasters to issue certificates for the sale of bulk products.

Board Strategic Priorities 2019-2020 through 2021-2022

The 2019-2020 recommended budget for the Agricultural Commissioner focuses on the implementation of the Board Strategic Priorities as adopted by the Board on April 9, 2019. The Board Strategic Priorities for fiscal years 2019-2020 through 2021-2022 are a continuation of the Board's original five key priorities established in 2015. The Board has updated and augmented the goals associated with these strategic priorities to reflect the Board's direction related to water issues, health, collaboration, and homelessness.

Ensure Fiscal Responsibility

The 2019-2020 Agricultural Commissioner's budget is a structurally-balanced budget. Accounting software implemented in 2017 is being used to track the budget

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throughout the year. This program has replaced several spreadsheets to track revenues and expenses, reducing the number of hours spent by staff to produce annual financial reports required by the State. The Office also worked with the Information Systems Division and Graviton Consulting Inc., to develop and implement a link between the Oracle Payroll System and the Project Costing application to assist with the reporting of daily activities required by State and Federal contracts. These activity reports are being used to prepare contract invoices and financial statements and track daily activities.

Promote Good Governance and Increase Organizational Capabilities

The Agricultural Commissioner's Office currently has 24 Agricultural Biologist/Standards Inspector III positions. In order to better utilize the Office's management team, a new classification study is being performed to add two new Agricultural Biologist/Standards Inspector IV positions. If approved, these new positions will be responsible for day-to-day supervision of field staff in the satellite offices, which is currently a responsibility of the Deputy positions. These lead positions will also be working in the field to cover workload as needed. This will allow the Agricultural Commissioner to utilize Deputy Agricultural Commissioners to manage their respective programs by spending more time in the centralized location. In addition, it offers the opportunity for departmental succession planning and internal growth. The current structure does not offer a clear supervisory career path for Agricultural Biologist/Standards Inspector III to become Deputy Agricultural Commissioners. Additionally, the Office continues to improve its Pesticide Use Enforcement program by enhancing the permitting and inspection process for the agricultural industry.

In December 2017, the Office started taking credit card payments on-line as well as the front counters utilizing the County's contract with Lexis Nexus. The on-line payment option is an added convenience for the customers to make payments without having to drive to the physical location of the Office and also helped customers to avoid any late payment penalties. The option of credit card payments has saved time and costs of generating late payment billings and has increased overall accounting staff efficiency. During 2018-2019, the Office collected \$21,477 through March 31, 2019.

Promote Economic Development

The Agricultural Commissioner's Office will continue to improve its effectiveness in the detection of pests, diseases, and other threats to agriculture, including responding to, and mitigating their presence within the County. The Office has reorganized the district boundaries within the County to provide better services to the agricultural industry. Staff will

continue to support new and existing businesses by assuring equity in the market place through the weights and measures inspection programs.

Stay Informed and Proactive in Dealing with Water Issues

The Agricultural Commissioner will continue to collaborate with growers, agricultural industries, the Resource Conservation District, the San Joaquin County Farm Bureau Federation, and the County Water Coalition to manage the use and handling of pesticides in order to minimize the accidental introduction of pesticides into local waterways.

Major Budget Changes

Salaries & Employee Benefits

- \$176,658 Salary and benefits adjustments.
- \$220,000 Funding for partial-year cost of two proposed new positions.
- \$55,439 Increase in overtime costs for Pest Exclusion work.
- (\$17,659) Decrease in extra-help.

Services & Supplies

- \$26,246 Increase in fleet services costs.
- \$15,400 Increase in rodent bait costs.
- \$15,000 Increase in cellular phone costs.
- \$9,000 Increase in various pesticide safety equipment and security cameras.
- \$5,380 Increase in janitorial costs for Agricultural Center room rental.

Centrally-Budgeted Expenses

- \$156,063 Increase in data processing charges.
- (\$28,390) Decrease in Workers' Compensation and Casualty insurance costs.
- \$598,235 Addition of Countywide Cost Allocation Plan charges.

Revenues

- \$351,941 Increase in State unclaimed gas tax funds.

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- \$304,037 Increase in funding from the Agricultural Inspection Trust Fund.
- \$152,200 Increase in State funding for Pest Exclusion.
- \$75,949 Increase in Specialty Crop Block Grant funds.
- \$74,000 New Bee Safe State Contract revenue.
- \$15,400 Increase in rodent bait sales revenues.
- \$5,380 Increase in funding from the Agricultural Facilities Trust Fund.
- (\$21,440) Decrease in weights and measures testing revenue.
- (\$15,833) Decrease in State Fruit and Vegetable and Seed Nursery funding.

Fixed Assets/Capital Improvement

- \$200,000 Weight truck.
- \$150,000 Weight truck crane.
- \$150,000 Parking area fence extension.
- \$56,000 Vehicles (2).
- \$35,000 Electric vehicle charging station-test standard.

Program Discussion

The 2019-2020 recommended Agricultural Commissioner budget totals \$8,421,627, which is an increase of \$1,751,377 from the 2018-2019 adjusted budget. The increase primarily reflects salary and benefits adjustments, funding for the addition of two proposed Agricultural Biologist/Standards Inspector IV positions, overtime, fleet services costs, data processing charges, new equipment being purchased, and the addition of Countywide Cost Allocation Plan charges.

The recommended budget includes the replacement of a 30-year old weight truck and crane used for testing large capacity scales. Repair and maintenance of the existing equipment is not viable due to age and limited availability of specialty parts. Other fixed assets and capital improvement costs include the extension of the parking area fence, vehicle purchases, and the purchase of an electric vehicle testing standard to test and certify electric vehicle charging stations.

The Agricultural Commissioner plans to continue developing a mobile application to track daily activities and enhance billing capabilities. The mobile application will also assist staff in meeting State and Federal contract requirements reported on a monthly basis. The activity reports will be used to prepare invoices for State contracts and will aid in compilation of the annual financial statement.

Unclaimed Gas Tax (UGT) Revenue

State law provides that refunds of fuel taxes may be requested for off-highway usage, such as for agricultural purposes; however, not all allowable refunds are requested. These unclaimed monies are deposited into a special fund administered by the California Department of Food and Agriculture (CDFA), with a portion distributed annually to county Agricultural Commissioners. The amount received by each county is based on the relative amount of General Fund support received in comparison to other counties and overall costs of agricultural programs. For the past few years, the County's annual share of gas tax revenues has generally ranged between \$700,000-\$1,000,000, and is budgeted at \$1,231,941 for 2019-2020.

The UGT revenue for 2019-2020 is projected to increase by \$351,941 due to the passage of Senate Bill 1 (2017). The Office is planning to utilize increased revenue for the two new Agricultural Biologist/Standards Inspector IV positions to meet anticipated workload. These positions will be utilized to cover day-to-day supervision activities at the satellite offices and seasonal increased workload for phytosanitary and exclusion programs. The increased UGT led to enhancement of the existing Pest Exclusion contract by \$152,200. The Office also received a new contract for apiary protection for \$74,000 and hired an Agricultural Biologist/Standards Inspector I in February 2019 to cover the beehive inspections required under this contract.

Pest Detection Programs

In recent years, the County experienced a number of new invasive plant pest infestations that resulted in quarantines and required significant resources to eradicate. State contracts typically provide funding for seasonal staff, vehicle expenses, and other supplies to deal with quarantine and eradication efforts.

- **Asian Citrus Psyllid (ACP)** - In 2016-2017, the discovery of ACP in nearly all incorporated cities within the County boundaries led to widespread delimitation efforts. In 2018, there were no new finds of ACP in the County resulting in the decrease of traps and the State contract by \$191,383, which will be reflected in the recommended budget later this year due to the timing of the Federal budget.

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- **European Grape Vine Moth (EGVM)** - The contract status for the EGVM program is uncertain due to Statewide eradication in 2016. In 2018-2019, a contract was received to continue survey work throughout the County to ensure the eradication of the EGVM is maintained. If a new State contract is received, the Office will present the item to the Board of Supervisors for consideration during 2019-2020 and any necessary budget adjustments.

In the long-term view, if State quarantine and pest detection projects scale down significantly, there will be an impact to the Agricultural Commissioner’s budget. Aside from direct reductions in seasonal staff and other program expenditures, there will also be an impact to departmental overhead charges. Typically, State contracts allow a 25% overhead charge on part-time seasonal labor costs to help cover indirect administrative and support expenses. If contract revenue is eliminated, the ability to spread indirect costs to these programs is also eliminated, leaving overhead costs to be absorbed by remaining programs or the General Fund. Staff will continue to monitor the situation and reduce or adjust overhead costs as appropriate.

AgVenture Program

In 2018, a Specialty Crop Block Grant (SCBG) was awarded by CDFG to cover approximately 65% of the costs for the AgVenture Program from 2018-2021. The recommended budget includes a total of \$123,000 in salary and supply costs for the program. The Office is planning to transfer any costs not reimbursed by the SCBG funding from the AgVenture Trust Fund to cover transportation and a portion of the AgVenture Program Coordinator’s salary.

Pesticide Enforcement Revenues

A State mill fee is assessed on pesticides sold in California with monies collected to pay for State Department of Pesticide Regulation programs and to help counties offset the cost of its Pesticide Use Enforcement program. Revenue is projected to remain steady at approximately \$1.2 million in 2019-2020.

State Fair Display

The State Fair (Fair) is an important venue to promote and highlight the County’s agriculture and its tourism opportunities through producing a display. Many counties in the State have participated in the Fair through visitor bureaus and Chambers of Commerce. In 2019, the Office will collaborate with Visit Stockton and the Stockton Convention and Visitors Bureau to enhance the Fair display. The Commissioner’s budget includes \$5,000 in funding to cover the costs of the County’s display. It is anticipated this will be

completed and available to be viewed by the public attending the Fair.

Crop Report

Section 2272 of the California Food and Agriculture Code mandates the Agricultural Commissioner of each county to compile an annual crop report in accordance with the methods outlined by the National Agricultural Statistics Services. The Annual Crop Report helps in providing agriculture production data to private lending institutions, tax assessor, Federal, State, and local governmental agencies.

<u>Calendar Year</u>	<u>Gross Ag Value</u>
2018	<i>Data Not Available</i>
2017	\$2,527,989,000
2016	\$2,337,922,000
2015	\$2,732,917,000
2014	\$3,234,705,000
2013	\$2,976,997,000
2012	\$2,869,472,000

Weights and Measures

The Weights and Measures 2019-2020 Annual Device Registration Fees decreased slightly, but it is expected to increase as the economic development of the Port of Stockton continues to grow. The Division has seen an increase in large capacity devices being tested as existing businesses diversify by manufacturing and selling diverse products that require additional weighing and measuring equipment to be tested and certified. The Division purchased new test weights to increase testing capabilities to better serve rail clients and improve user safety at the Port of Stockton. The recommended budget adds a new weight truck and crane to replace a 30-year-old vehicle. There is a decrease in the revenues for Weights and Measures due to penalties that are no longer being applied.

Emerging Issues

Cannabis

The Agricultural Commissioner has been working closely with CDFG, and consulting with other county Commissioners to determine the impacts in the coming months as local ordinances are developed for the production, sale, and testing of commercial cannabis. The City of Stockton is currently in the process of permitting production facilities, which will directly impact departmental operations due to State-mandated requirements to oversee Pesticide Use Enforcement, Nursery, and Weights and Measures programs. The costs of this program will be partially covered by Pesticide Mill fees and device registration fees already being received by the Office. There is currently a Memorandum of

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Understanding being developed with Cal Cannabis and the California Agricultural Commissioners and Sealers Association (CACASA) that will cover some costs of the required inspections.

Hemp

A moratorium is currently in effect in San Joaquin County for the cultivation of hemp by research institutes. The Office been working with CACASA and its hemp-working group and is participating in hemp legislation development at the State level. In addition, staff has been attending Hemp Advisory Board meetings and conference calls with hemp regulators from throughout the United States. CDFA is currently developing regulations for hemp registrations, which will help with recovery of costs for commercial cultivation registrations. Any other oversight activities by staff will be covered by fees similar to those already in place for the issuance of export certifications and contracts with CDFA.

Trust Funds

Four special trust funds established by the Board of Supervisors to carry out different programs are maintained by this Office.

Agricultural Facilities Trust Fund

The Agricultural Facilities Trust Fund (#12005), established in 2010 (B-10-432), receives all fees collected for use of the County Agricultural Center. Funds are used for replacement of furnishings, window coverings, flooring and equipment, special maintenance needs, and incidental supplies for the public use areas. As of March 31, 2019, the fund balance totaled \$222,585. After the revision of facility use fees in October 2015, the fund has seen yearly increases in revenue.

<u>Fiscal Year</u>	<u>Trust Revenues</u>
2015-2016	\$37,105
2016-2017	\$66,448
2017-2018	\$78,400
2018-2019	\$80,549

AgVenture Trust Fund

As of March 31, 2019, the AgVenture Trust Fund (#12006) balance totaled \$218,449. Continuation of the program will be dependent on grant funding, private donations, and County funding.

Glassy-Winged Sharp Shooter (GWSS) Prevention Trust Fund

On January 5, 2000, the San Joaquin County GWSS task force was organized to address the threats of the GWSS in the County. Subsequently, the Board established the Trust Fund (#12002) to fund the program in the absence of local, State, or Federal funding availability. The original source of funding came through donations from the local agriculture industry. The GWSS program continues to be active, but is now funded with Federal monies through a State contract with the County. As of March 31, 2019, the fund balance totaled \$54,281.

Special Agriculture Inspection Trust Fund

The Special Agriculture Inspection Trust Fund (#12004) captures revenues from inspection and certification services. Average annual revenue is approximately \$635,000. As of March 31, 2019, the fund balance totaled \$2,148,765, and does not include revenue that would have been received from spring 2019 activities, including cherry inspections. The 2019-2020 recommended budget includes a transfer of \$1.2 million to support the Commissioner's operations.

Weights and Measures Trust Fund

The Weights and Measures Trust Fund (#12007) was established to transmit the administrative fee portion of device registration fees collected by the Agricultural Commissioner to the State Department of Measurement Standards. As of March 31, 2019, the fund balance totaled \$36 and the Office is proposing to eliminate this fund in 2019-2020 due to the creation of a separate line item in their budget for transparency purposes.

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Workload Data

<i>Action</i>	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
<i>Complaint Investigations</i>	32	40	35	35	35
<i>Insect Traps Monitored</i>	13,361	13,286	13,300	13,300	10,528
<i>Investigations</i>	102	95	110	110	115
<i>Pesticide Permits/I.D.#s Issued</i>	2,117	1,668	1,846	1,846	2,000
Issuance					
<i>Export Certificates Issued</i>	12,941	16,158	16,250	16,700	16,700
Inspections					
<i>Civil Penalty Actions</i>	6	9	5	6	15
<i>Establishments Inspected</i>	2,835	2,899	2,750	2,750	2,750
<i>Fruit and Vegetable Inspections</i>	1,641	1,486	1,616	1,616	1,300
<i>Measuring Devices Inspected</i>	7,997	8,312	7,500	7,500	8,250
<i>Nursery Inspections</i>	84	85	85	85	53
<i>Package Inspections</i>	133	1,114	500	500	250
<i>Pesticide Inspections</i>	922	771	650	650	850
<i>Petroleum Inspections</i>	260	285	250	250	250
<i>Seed Inspections</i>	110	120	120	120	117
<i>Weighing Devices Inspected</i>	4,186	3,210	3,000	3,000	3,500
<i>Weighmaster Inspections</i>	40	31	25	25	20
Shipments					
<i>Incoming Plant Shipments</i>	1,864	6,231	4,887	4,922	8,500
AgVenture					
<i>Program Student Participants</i>	9,980	9,985	9,584	9,850	10,000
<i>Program Volunteers</i>	1,218	1,183	1,176	1,192	1,192