DATE: February 13, 2020
TO: Alameda County Source Reduction and Recycling Board
FROM: Meri Soll, Senior Program Manager
SUBJECT: Accumulated Measure D Fund Balance Exceeding Policy Threshold – Approval of City of Dublin and City of Pleasanton Expenditure Plans

SUMMARY

The Recycling Board has adopted rules regarding municipal eligibility to receive further disbursements of per capita Measure D revenues once a specified unspent fund balance threshold is exceeded. The municipality must submit, and the Recycling Board must approve, an expenditure plan explaining how the accumulated funds will be spent down below the threshold, before the municipality will be eligible to receive further Measure D per capita monies. The Cities of Dublin and Pleasanton both reported unspent fund balances at the end of FY 18-19 that exceed the current policy threshold, and have submitted Expenditure Plans for FY 19-20 and FY 20-21 for Board consideration.

DISCUSSION

The County Charter (Measure D) directs that 50% of Recycling Fund revenues (from the $8.23 per ton landfill surcharge) “…shall be disbursed on a per capita basis to municipalities for the continuation and expansion of municipal recycling programs.” (Subsection 64.060(B)(1)).

In 2006 the Recycling Board adopted Resolution #RB 2006-12 establishing rules regarding municipal accounting of Measure D revenues and expenditures, and eligibility to receive further disbursements when a specified unspent fund balance threshold is exceeded. In November 2014, the Recycling Board adopted Resolution #RB 2014-2 (Attachment A) revising the threshold for unspent fund balances. The purpose of this policy is to encourage the use of Measure D funds to help achieve countywide waste reduction goals, and to discourage the stockpiling of funds with no clear plan for their future application. Specifically, the policy states:

Any municipality receiving per capita disbursements of Recycling Fund monies under the Alameda County Waste Reduction and Recycling Act, Section 64.060, shall present to the Board for its approval a written expenditure plan if, at the end of any fiscal year, that municipality has an
unspent balance of such monies that exceeds the amount of $8.00 (eight dollars) multiplied by the population basis used for the first quarterly disbursement of that fiscal year.

If the municipality fails to provide that written plan or the Board does not approve that plan, the municipality shall be ineligible to receive further disbursements per Section 64.060. The municipality shall not be eligible for further disbursements until the required plan is submitted and approved by the Board, all such forfeited monies shall be disbursed to the remaining eligible municipalities on per capita basis.

The Recycling Board has dealt with other instances where municipalities exceeded their Measure D thresholds. The Cities of Hayward and Livermore followed their plans and reduced their fund balances below the policy threshold within two fiscal years. The City of Newark is in the process of spending down their excessive fund balance per the two year expenditure plan submitted to and approved by the Recycling Board in January, 2019.

Reports from municipalities accounting for Measure D revenues and expenditures for FY 18-19 were due to StopWaste on October 25, 2019. The Cities of Dublin and Pleasanton both reported unspent fund balances as of June 30, 2019, which exceeded the allowable threshold amount per Resolution RB 2014-2. The chart below provides a breakdown of both entities’ current fund balance and allowable thresholds.

<table>
<thead>
<tr>
<th>City</th>
<th>Ending Fund Balance FY 18-19</th>
<th>Allowable Fund Balance</th>
<th>Exceeds Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dublin</td>
<td>$506,843</td>
<td>$505,928</td>
<td>$915</td>
</tr>
<tr>
<td>Pleasanton</td>
<td>$656,414</td>
<td>$633,607</td>
<td>$22,807</td>
</tr>
</tbody>
</table>

Per resolution requirements, both cities have submitted expenditure plans showing how they intend to spend down their Measure D fund balance below their threshold by June 30, 2021, the end FY 20-21. See Attachment B for City of Dublin’s expenditure plan and Attachment C for the City of Pleasanton’s plan. Both plans include proposed activities and expenditures to spend down their fund balance to below the indicated threshold by the end of FY 20-21.

The Board policy on accumulated fund balances ensures that Recycling Fund monies are used consistently to continue and expand municipal waste reduction programs. The Board policy states:

In evaluating a municipality’s proposed expenditure plan, the Board shall consider the following:
- The proposed specific use(s) of the remaining balance and future disbursements.
- The proposed length of time, or schedule over which disbursed funds or fund balances would be used.
- The scope or amount of funds proposed to be expended over the term of the plan.
- The extent to which the plan is designed to meet or promote the provisions, goals or policies of the Act including but not limited to timely expenditure of the funds “for the continuation and expansion of municipal recycling programs.”
- Any other objective and reasonable factors that may be presented by the municipality to support its contention that its proposed plan meets or promotes the provisions, goals or policies of the Act.
RECOMMENDATION

Approve the Expenditure Plans submitted by the City of Dublin and City of Pleasanton, and find both cities eligible to continue receiving their quarterly per-capita disbursements from the Recycling Fund through June 30, 2021.

Attachments:

Attachment A – RB Resolution #2014-2
Attachment B – City of Dublin FY 2019-20 – 2020-21 Measure D Expenditure Plan
Attachment C – City of Pleasanton Plan FY 2019-20 – 2020-21 Measure D Expenditure Plan
RESOLUTION #RB 2014-2
MOVED: Wozniak
SECONDED: Sherman

AT THE MEETING HELD NOVEMBER 13, 2014

REVISION OF RECYCLING BOARD RESOLUTION #RB 2006-12 REGARDING FUND BALANCES OF RECYCLING FUND PER CAPITA ALLOCATIONS

WHEREAS, the Alameda County Charter Section 64 (the Alameda County Waste Reduction and Recycling Act of 1990, hereinafter the “Act”) states that “The Recycling Board shall formulate rules for its own procedures and other rules as necessary to facilitate the implementation of the provisions of this Act,” (Subsection 64.130(J)); and

WHEREAS, the Act states that fifty percent of the monies from the Recycling Fund shall be disbursed on a per capita basis to municipalities for the continuation and expansion of municipal recycling programs (Subsection 64.060 (B)(1)); and

WHEREAS, on November 9, 2006 the Recycling Board adopted Resolution #RB 2006-12, including the following:

Rule 2: Any municipality receiving per capita disbursements of Recycling Fund monies under the Alameda County Waste Reduction and Recycling Act, Section 64.060, shall present to the Board for its approval a written expenditure plan if, at the end of any fiscal year, that municipality has an unspent balance of such monies that exceeds the sum of the municipality’s last eight quarterly Recycling Fund per capita disbursements.

If the municipality fails to provide that written plan or the Board does not approve that plan, the municipality shall be ineligible to receive further disbursements per Section 64.060. The municipality shall not be eligible for further disbursements until the required plan is submitted and approved by the Board and all such forfeited monies shall be disbursed to the remaining eligible municipalities on a per capita basis.

In evaluating a municipality’s proposed expenditure plan, the Board shall consider the following:

• The proposed specific use(s) of the remaining balance and future disbursements.
• The proposed length of time, or schedule over which disbursed funds or fund balances would be used.
• The scope or amount of funds proposed to be expended over the term of the plan.
• The extent to which the plan is designed to meet or promote the provisions, goals or policies of the Act including but not limited to timely expenditure of the funds “for the continuation and expansion of municipal recycling programs.”
• Any other objective and reasonable factors that may be presented by the municipality to support its contention that its proposed plan meets or promotes the provisions, goals or policies of the Act.

These proposed rules shall take effect July 1, 2007. Rule 2 will be applied to the Measure D Annual Reports submitted after the end of FY 07/08 and each year thereafter.
And **WHEREAS**, the absolute dollar amount and the per capita amount of Recycling Fund municipal allocations have declined significantly since 2006, resulting in a declining threshold represented by the sum of the last eight quarterly Recycling Fund per capita disbursements, and

**WHEREAS**, municipalities have requested that the Recycling Board revise the “Rule 2” policy to increase the threshold of unspent per capita allocations that triggers the requirement for an approved Expenditure Plan or ineligibility to receive further disbursements,

**NOW THEREFORE, BE IT RESOLVED,** that the Alameda County Source Reduction and Recycling Board hereby revises and replaces “Rule 2” from Resolution #RB 2006-12 with the following:

**Rule 2:** Any municipality receiving per capita disbursements of Recycling Fund monies under the Alameda County Waste Reduction and Recycling Act, Section 64.060, shall present to the Board for its approval a written expenditure plan if, at the end of any fiscal year, that municipality has an unspent balance of such monies that exceeds the amount of $8.00 (eight dollars) multiplied by the population basis used for the first quarterly disbursement of that fiscal year.

If the municipality fails to provide that written plan or the Board does not approve that plan, the municipality shall be ineligible to receive further disbursements per Section 64.060. The municipality shall not be eligible for further disbursements until the required plan is submitted and approved by the Board and all such forfeited monies shall be disbursed to the remaining eligible municipalities on a per capita basis.

In evaluating a municipality’s proposed expenditure plan, the Board shall consider the following:

- The proposed specific use(s) of the remaining balance and future disbursements.
- The proposed length of time, or schedule over which disbursed funds or fund balances would be used.
- The scope or amount of funds proposed to be expended over the term of the plan.
- The extent to which the plan is designed to meet or promote the provisions, goals or policies of the Act including but not limited to timely expenditure of the funds “for the continuation and expansion of municipal recycling programs.”
- Any other objective and reasonable factors that may be presented by the municipality to support its contention that its proposed plan meets or promotes the provisions, goals or policies of the Act.

**Rule 2** will be applied to the Measure D Annual Reports submitted after the end of FY 13/14 and each year thereafter.

**Passed and adopted this 13th day of November, 2014 by the following vote:**

**AYES:** Jones, Natarajan, O’Donnell, Peltz, Pentin, Sherman, Tao, Wozniak

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Ellis, Kirschenheuter, Stein

___________________________
Gary Wolff, Executive Director
February 2, 2020

Ms. Wendy Sommer
Executive Director
StopWaste
1537 Webster Street
Oakland, CA 94612

Re: City of Dublin Measure D Expenditure Plan for Fiscal Year 2019-20

Dear Ms. Sommer:

The City of Dublin’s Measure D fund balance has exceeded the allowable balance by $915.04 as established by Rule 2 of the Alameda County Source Reduction and Recycling Board (Board) Resolution #2014-2. As a result, the City of Dublin is submitting this Measure D Expenditure Plan for Fiscal Year 2019-20 for the Board’s consideration.

Rule 2 established the formula for calculating the Measure D threshold for unspent funds ($8 x population = threshold). Inserting Dublin’s population, as shown in the StopWaste quarterly disbursement payment, into this formula ($8 x 63,241) establishes a maximum balance of $505,928 for the City of Dublin Measure D fund. The annual Measure D spending report submitted for Fiscal Year 2018-19 reported a fund balance of $506,843.04 which equates to an exceedance of $915.04.

Dublin City Council adopted Resolution No. 50-19 on May 21, 2019 adopting a budget for the City of Dublin for Fiscal Year 2019-20 which approved a Measure D budget of $252,050. Spending of the approved budget will return the City of Dublin’s Measure D fund balance below the allowable balance as established by Rule 2 of the Board Resolution #2014-2. To ensure that the City continues to responsibly expend Measure D funds, staff has identified additional expenditures totaling $105,950 for Fiscal Year 2019-20. A summary of the City’s Measure D Fund account is shown in Table 1 below and Fiscal Year 2019-20 planned spending is shown in Table 2.

<table>
<thead>
<tr>
<th>City of Dublin Measure D Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year 2018-19 Carryover</td>
</tr>
<tr>
<td>Fiscal Year 2019-20 Estimated Quarterly Disbursements</td>
</tr>
<tr>
<td>Fiscal Year 2019-20 Estimated Interest</td>
</tr>
<tr>
<td>Estimated Total Fiscal Year 2019-20 Funds</td>
</tr>
<tr>
<td>Budgeted Fiscal Year 2019-20 Spending</td>
</tr>
<tr>
<td>Additional Proposed Fiscal Year 2019-20 Spending</td>
</tr>
<tr>
<td>Estimated Fiscal Year 2019-20 Carryover</td>
</tr>
<tr>
<td>Allowable Carryover</td>
</tr>
</tbody>
</table>
Table 2: Fiscal Year 2019-20 Planned Measure D Spending

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools for business and multifamily compliance with the Alameda County Waste Management Authority’s Mandatory Recycling Ordinance which the City of Dublin opted into effective January 1, 2020. Tools include internal collection containers, decals, signage, technical assistance, and new MFD brochure development and printing.</td>
<td>$40,000</td>
</tr>
<tr>
<td>Waste diversion tools and 4Rs assemblies for Dublin schools.</td>
<td>$10,000</td>
</tr>
<tr>
<td>* Bay Friendly Certified Landscape design and installation at Don Biddle Park. ($100,000 total)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Waste diversion support at large events.</td>
<td>$10,000</td>
</tr>
<tr>
<td>Climate Action Planning and implementation in the areas of waste diversion and carbon sequestration.</td>
<td>$10,000</td>
</tr>
<tr>
<td>Zero waste workshops as part of Dublin Pride Week including sheet mulching, fix-it clinic, zero waste cooking, and a loose your lawn party. Food and zero waste giveaways for large volunteer day with projects that include two large scale sheet-mulching efforts along City path and bioretention areas.</td>
<td>$20,000</td>
</tr>
<tr>
<td>Memberships, conferences, travel, mileage</td>
<td>$8,000</td>
</tr>
<tr>
<td>Reusable Produce Bags for Farmers’ Market</td>
<td>$20,000</td>
</tr>
<tr>
<td>* Debris Management Plan ($75,000 total)</td>
<td>$25,000</td>
</tr>
<tr>
<td>Three stream sorting containers for City facilities, parks, and public litter containers. Additional public organics and recycle containers to pair with trash only locations.</td>
<td>$20,000</td>
</tr>
<tr>
<td>Staffing for Measure D related work including waste hauling franchise agreement negotiations.</td>
<td>$30,000</td>
</tr>
<tr>
<td>Fifty percent or more post-consumer recycled content building material for the Public Safety Complex.</td>
<td>$50,000</td>
</tr>
<tr>
<td>Fifty percent or more post-consumer recycled content building material for the Imagine Playground.</td>
<td>$100,000</td>
</tr>
<tr>
<td>Total FY 2019-20</td>
<td>$358,000</td>
</tr>
</tbody>
</table>

*Anticipate initiating, but not completing the project in fiscal year 2019-2020.

The City of Dublin anticipates additional spending in Fiscal Years 2020-21 and 2021-22 as part of implementation of SB 1383. Since CalRecycle has not yet released the final rulemaking for SB 1383, staff does not have specific items or budget proposed for SB 1383 implementation. Staff anticipates using Measure D funds for consultant support for the following SB 1383 implementation activities: 1) possible franchise agreement updates to align with SB 1383 requirements; 2) the development of a food waste recovery plan; and 3) public outreach support and education tool development. The City also intends to work with Rethink Disposables or a similar organization to promote the use of reusables. As noted in Table 2, spending is also planned to complete the Debris Management Plan and installation of a certified Bay Friendly Landscape at Don Biddle Park. The City of Dublin’s Measure D Fund balance is projected to be under the maximum threshold by the end of Fiscal Year 2019-20 and remain under the threshold in future budget cycles due planned projects and the new implementation requirements of SB 1383.
Thank you for your consideration of the City of Dublin’s Expenditure Plan for Fiscal Year 2019-20. If you have any questions regarding this Expenditure Plan, please contact Environmental Technician Rebecca Parnes at rebecca.parnes@dublin.ca.gov or 925-452-2150.

Sincerely,

[Signature]

Linda Smith,
City Manager
January 27, 2020

StopWaste
Wendy Sommer, Executive Director
1537 Webster Street
Oakland, CA 94612

RE: City of Pleasanton FY 2020-2021 and FY 2021-2022 Measure D Expenditure Plan

Dear Ms. Sommer:

This letter serves as the City of Pleasanton’s Measure D Expenditure Plan for the two year period beginning July 1, 2020 through June 30, 2022 and is submitted in accordance with Rule 2 of the Alameda County Source Reduction and Recycling Board Resolution #RB 2014-2. Rule 2 limits any agency’s Measure D fund balance not to exceed the amount of $8.00 multiplied by the population basis used for the first quarterly disbursement of that fiscal year. If this amount is exceeded, the agency must submit an Expenditure Plan and their Measure D funds are temporarily suspended until the Expenditure Plan is approved. At this point, the City of Pleasanton’s Measure D fund balance has grown to exceed the allowable balance by $22,807.00.

In the coming fiscal year, the City will be adding a new Management Analyst position and 50% of the position’s time will be focused on sustainability efforts allowable by Measure D. The portion of expense to be charged to Measure D will be $73,100 annually.

In addition, over the next two years, the City will begin work on developing an implementation plan for SB 1383. The City has retained HF&H Consultants, LLC to provide assistance in preparing the plan and conducting implementation efforts. To date, $50,000 dollars annually from Measure D has been budgeted for this task. Once the implementation plan is completed, the City anticipates additional funds will be allocated for enforcement and community education and outreach efforts.

With these two new expenses totaling $123,100.00 in addition to our currently budgeted annual Measure D expenditures of $336,000 this will bring the City back into compliance with #RB 2014-2, Rule 2.

Thank you for your consideration of Pleasanton’s Expenditure Plan. If you have any questions regarding the Expenditure Plan, please contact Assistant to the City Manager, Becky Hopkins at bhopkins@cityofpleasantonca.gov or at 925-931-5009.

Sincerely,

Nelson Fialho
City Manager
Measure D Expenditure Plan
Fiscal Years 2019-20 through 2021-22

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Expenses</th>
<th>Measure D Revenue</th>
<th>Fund Balance Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-20</td>
<td>$336,000</td>
<td>$268,000</td>
<td>$68,000</td>
</tr>
<tr>
<td>2020-21</td>
<td>$409,100</td>
<td>$268,000</td>
<td>$141,100</td>
</tr>
<tr>
<td>2021-22</td>
<td>$409,100</td>
<td>$268,000</td>
<td>$141,100</td>
</tr>
</tbody>
</table>

Fiscal Year 2019-20
Total Budgeted: $336,000
Actual expended as of 1/31/20: $86,821.68
Estimated Measure D Revenues: $268,000

The anticipated Measure D revenue for this fiscal year is $268,000 and expenses are at 32% of the anticipated revenue. There is $249,178.32 remaining to be spend this fiscal year and with the remaining projects planned for the next five months we believe the funds will be expended.

<table>
<thead>
<tr>
<th>Description</th>
<th>Budgeted</th>
<th>Expended as of 1/31/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract with HF&amp;H – Organics Disposal contract procurement, SB 1383 Implementation Project, as needed technical assistance</td>
<td>$200,000</td>
<td>$6,007.70</td>
</tr>
</tbody>
</table>

Organics Disposal contract - The procurement process for the Organics Disposal contract has come to a pause due to the sale of the company we were negotiating with; thus expenses have not been accrued for this project as anticipated. We plan to engage new owners late the winter to begin the process again.

SB 1383 Implementation Project – This project is in the beginning stages. We are planning to do a Waste Characterization Study and HF&H are waiting for clarification from CalRecycle regarding the methodology for the study. We anticipate the study will be completed early spring.

Technical assistance as need: HF&H provides assistance for managing our franchise agreement.

<table>
<thead>
<tr>
<th>Description</th>
<th>Budgeted</th>
<th>Expended as of 1/31/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract with Go Green Initiative</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

Local Leaders of the 21st Century Program – offered at both high schools in Pleasanton, the students learn about 4 key systems: energy, water, waste, and food. Students learn where our resources come from and where they go, infrastructure: current and future needs, and how public policy affects our resources.

MRO Implementation efforts – students from the Local Leaders and the Summer Intern program along with Go Green staff are assisting the City in implementation efforts for the MRO at city facilities and in the community. They are assisting with outreach and education through providing training, presentations and tabling at events.
For fiscal year, 2020-21 and 2021-22 the City will be allocating 50% of a full time Management Analyst to Measure D. In addition, the City is working with consultant HF&H on an SB 1383 implementation plan and anticipate that some additional staffing may be hired and portions of their salary, as appropriate, may be charged to Measure D.

As demonstrated in the tables above, if the estimated Measure D Revenue for each year is about $286,000, the City is planning to spend $409,100, which will reduce the fund balance by $246,200 over the two-year period.

### Fiscal Year 2020-21 and Fiscal Year 2021-22

Total Budgeted: $409,100 each year

<table>
<thead>
<tr>
<th>Description</th>
<th>Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% of a Management Analyst Position</td>
<td>$73,100</td>
</tr>
<tr>
<td>Contract with HF&amp;H – SB 1383 Implementation Project, as needed technical assistance</td>
<td>$200,000</td>
</tr>
<tr>
<td>Contract with Go Green Initiative</td>
<td>$50,000</td>
</tr>
<tr>
<td>Misc. Supplies and Equipment</td>
<td>$50,000</td>
</tr>
<tr>
<td>Advertising and Printing</td>
<td>$36,000</td>
</tr>
</tbody>
</table>