

**ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD**

**RESOLUTION #RB 2021-02**

**MOVED: Zermeño**

**SECONDED: Cox**

**AT THE MEETING HELD JUNE 10, 2021**

**RECYCLING BOARD RESOLUTION 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**, the Recycling Board has concluded “Phase One” of the current 5-Year Financial and Compliance Audit for the period FY 2016/17 through FY 2018/19; and

**WHEREAS**, the Recycling Board has reviewed audit recommendations to consider further revising Resolution 2014-2, the policy addressing accumulated Measure D fund balances held by the municipalities; and

**WHEREAS**, the Recycling Board discussed the issues and concerns with the current policy at the February 11, 2021 meeting and based on that discussion requested a revised policy for final consideration and adoption; and

**WHEREAS**, the Recycling Board hereby finds that this policy of rules and procedures regarding the accumulation of unspent fund balances, plans for the use of such accumulated funds, and eligibility to receive further per capita disbursements will facilitate implementation of the Act; and

**WHEREAS**, this policy supersedes Resolution 2014-2 and any other policy or practice addressing this issue.

**NOW THEREFORE, BE IT RESOLVED**, that the Alameda County Source Reduction and Recycling Board hereby adopts the policy which revises and replaces “Rule 2” from Resolution #RB 2014-2 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. (Utilizing same threshold formula identified in Resolution 2014-2).

Municipality must submit, for the approval of the Recycling Board, the plan for municipality to continue to receive future quarterly disbursements. A municipality's proposed expenditure plan must include the following:

- The scope of work and amount of funds proposed for expenditure to reduce the municipality's Measure D fund balance to 25% below the allowable threshold of \$8.00 (eight dollars) multiplied by the population basis formula.
- An expenditure plan and scope of work allocated by fiscal year and designed to expend the required amount within two (2) fiscal years from submittal date of the expenditure plan
- Member agency's manager (City Manager, General Manager, or equivalent) signature

The municipality is required to provide updates on plan implementation and progress relating to expenditures to reduce fund balance in the following manner:

- Conduct quarterly check in meetings with assigned Recycling Board staff.
- Provide yearly updates to the Recycling Board that include expenditure plan compliance, expenditures and progress of expenditure plan deliverables.

After two (2) years from submittal of approved expenditure plan, if the municipality's yearly Measure D report identifies that the municipality's end of fiscal year fund balance has not been reduced to 25% below the allowable threshold, the following will occur:

- Municipality will no longer be eligible for quarterly Measure D disbursements for an entire fiscal year, using the start date of Q1 of the fiscal year in which the municipal Measure D report was submitted.
- Quarterly disbursements will be retained by Recycling Board in a dedicated Measure D fund liability account; interest earned on liability account will be retained by Recycling Board.
- Quarterly check in with Recycling Board staff and yearly updates to Recycling Board will continue.
- The municipality's Measure D annual report will be reviewed to assess if municipality has successfully reduced fund balance to 25% below allowable threshold.
- When municipality has reduced fund balance as required, it will be eligible to receive future quarterly disbursements, effective Q1 of the fiscal year the municipal Measure D report was submitted.
- When municipality has reduced fund balance as required, municipality will also be eligible to receive funds held in the dedicated liability account. Funds will be released to municipality in alignment with the quarterly disbursement schedule. Withheld funds will be disbursed in amounts equivalent to the normal quarterly disbursement amounts, until the account balance has been reduced to \$0.
- If municipality has not adequately reduced the fund balance per policy, funds will continue to be withheld for an entire fiscal year until it can demonstrate reduction in fund balance to 25% below allowable threshold.

A municipality may request approval from the Recycling Board to access its Measure D funds held in the dedicated liability account if it can demonstrate the need for funds to pay for a pending expenditure that is an approved Measure D expense.

Rule 2 will be applied to the municipality's end of fiscal year fund balance utilizing the Measure D Annual Report submitted for FY 2020/21 and each year thereafter.

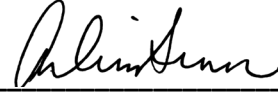
**Passed and adopted this June 10, 2021 by the following vote:**

**AYES:** Carling, Cox, Hoover, Kalb, Lee, McKaughan, Sadoff, Zermeño

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Havel, Nourot, Vacant: Recycling Materials Processing Industry



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**Arliss Dunn, Clerk of the Board**