

ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD

RESOLUTION #RB 2003-11

**MOVED: PIANIN
SECONDED: OTT**

AT THE MEETING HELD JULY 10, 2003

**ADOPTION OF POLICIES, RULES AND PROCEDURES BASED ON THE "5 YEAR
AUDIT" RELATING TO RECYCLING FUND EXPENDITURES, MONITORING AND
REPORTING BY MUNICIPALITIES**

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, Subsection 64.040 (C) of the Act requires the Recycling Board to conduct an independent audit every five years of recycling programs within the County including, but not limited to, an accounting of the monies spent from the Recycling Fund, and to develop recommendations based on the audit findings; and

WHEREAS, the Recycling Board has concluded the 5 Year Audit for the period FY 1996/97 through FY 2000/01 and has considered and discussed the recommendations relating to the use, accounting and reporting of Recycling Fund monies by the municipalities; and

WHEREAS, the Recycling Board has distributed copies of the "5 Year Audit" Financial Review and Evaluation by Brown, Vence & Associates to both financial and recycling staff of the municipalities and has consulted extensively with municipal staff throughout the County over the past year on these issues and has invited stakeholders to provide input; and

WHEREAS, the Recycling Board itself has discussed these issues over the course of the past year at Board and Committee meetings, and has conducted a public hearing on the proposed rules at the meeting held July 10, 2003; and

WHEREAS, the Recycling Board hereby finds that the adoption of rules, policies and procedures clearly defining municipal responsibilities to handle, expend, monitor and report on Recycling Fund disbursements will facilitate implementation of the Act;

NOW, THEREFORE, BE IT RESOLVED, that the Alameda County Source Reduction and Recycling Board approves and adopts the following policies, procedures and rules:

- The member agency "Measure D" Annual Report shall be restructured to include beginning fund balance, receipts, expenditures and ending fund balance per the Audit recommendations. Municipal ability to comply with this reporting requirement shall be in place no later than July 1, 2004 for FY 2004/2005.
- Require documentation in the Annual Report of any allocation methodology used by a member agency for "Measure D" expenditures. Municipalities will be required to document prospectively the allocations and allocation methodology used for staff positions, equipment, supplies, services or anything else funded with Recycling Fund monies (i.e. when a percentage of a given expense is funded with Recycling Fund monies).
- If, at the start of any fiscal year, the beginning Measure D fund balance for any given municipality is greater than \$300,000 or that municipality's total population-based disbursements in the prior fiscal year, whichever is greater, then that municipality must, for that year, allocate and report on the interest earned on its Measure D funds in that year, and leave that interest in the Measure D account, subject to the same expenditure restrictions as the Measure D funds disbursed by the Recycling Board. This policy will take effect July 1, 2004 for FY 2004/2005.
- The Recycling Board will release a Request for Proposals (RFP) for services to conduct financial audits of the municipalities and the Recycling Board itself in stages of 3 yrs./2 yrs. + final report (as opposed to going back five years per audit). The audits will include some compliance verification as well, such as for the use of Recycling Funds for contracts longer than 5 years. The costs indicated in the RFP responses will then be compared to the costs of proposals received in the last Request for Proposals for the full 5 years all at once, and a decision made about how to proceed based on costs and other factors such as timeliness for the municipalities, likelihood of firm stability over a five year period, ability to detect problems earlier, etc.


ADOPTED BY THE FOLLOWING VOTE:

**AYES: IRIZARRY, LOCKHART, OTT, PIANIN, SLY, THOMSEN, WAESPI, WAN,
WOLFF, YOUNG**

NOES: NONE

ABSENT: BLOOM

ABSTAINED: NONE



Karen Smith, Executive Director