

TO: BOARD OF SUPERVISORS

FROM: FINANCE COMMITTEE,  
Supervisor John Gioia, Chair  
Supervisor Mary N. Piepho



Contra  
Costa  
County

C.104

DATE: April 19, 2005

SUBJECT: POLICY RELATED TO PRACTICE OF ALLOCATING GENERAL FUND  
REVENUE TO SPECIFIC COMMUNITIES OR PROGRAMS

SPECIFIC REQUEST(S) OR RECOMMENDATION(S) & BACKGROUND AND JUSTIFICATION

**RECOMMENDATION:**

ADOPT the following policy: It is the Board of Supervisors' intention to discourage the practice of establishing new programs or mechanisms to allocate revenue sources to specific communities or programs when the revenue would otherwise accrue to the County General Fund. The policy would not apply to mitigation revenue that is derived from a project and intended to offset the project's environmental or other impacts on the "host" community or communities.

**FISCAL IMPACT:** The policy is intended to preserve General Fund revenue for the purpose of funding the programs and projects in the County's adopted budget.

**BACKGROUND:**

At the March 7, 2005 meeting of the Finance Committee, the committee reviewed the history of "return to source" revenue from the Crockett Cogeneration plant and the Unocal "Reformulated Gasoline Project." The committee also reviewed the list of local revenue sources that are allocated on a discretionary basis by the Board of Supervisors. The committee subsequently considered adoption of a policy to discourage additional programs or mechanisms to allocate local revenue sources to specific communities or programs, except when the revenues are to be used to mitigate environmental or other impacts of a project.

CONTINUED ON ATTACHMENT: YES

SIGNATURE: *Larry DeLaney*

RECOMMENDATION OF COUNTY ADMINISTRATOR \_\_\_\_\_ RECOMMENDATION OF BOARD COMMITTEE \_\_\_\_\_  
APPROVE \_\_\_\_\_ OTHER \_\_\_\_\_

SIGNATURE(S):

*John Gioia*  
JOHN GIOIA, Chair

*Mary N. Piepho*  
MARY N. PIEPHO

ACTION OF BOARD ON *April 19 2005* APPROVE AS RECOMMENDED  OTHER \_\_\_\_\_

VOTE OF SUPERVISORS

UNANIMOUS (ABSENT *none*)

AYES: \_\_\_\_\_ NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF AN ACTION TAKEN AND ENTERED ON THE MINUTES OF THE BOARD OF SUPERVISORS ON THE DATE SHOWN.

ATTESTED: APRIL 19, 2005

JOHN SWEETEN, CLERK OF THE BOARD OF SUPERVISORS AND COUNTY ADMINISTRATOR

CC: FINANCE COMMITTEE STAFF  
BOARD OF SUPERVISORS  
COUNTY ADMINISTRATOR'S OFFICE

BY *James Miller* DEPUTY

## **Summary of Local Revenues Allocated on a Discretionary Basis**

The following is summary information about the various revenue sources that are allocated on a discretionary basis by the Board of Supervisors.

### **1. Crockett/Rodeo "Return-to-Source"**

Source of funds: Property Tax based on assessed value of projects

Funding Cycle: Annual property tax assessments on the Crockett-Cogeneration Plant and Rodeo Unocal's "Reformulated Gasoline Project"

Purpose of funds: To fund community-based programs and police services

Restrictions for funding: The Board has discretion over the use of these funds. There is a contract, however, with respect to the Cogeneration Plant. Though the contract stipulates flat contributions, Board subsequently acted to dedicate all property tax from the plant to the community, providing 43% for community-based projects and 57% for enhanced police services.

Advisory/Approval Body: Crockett Community Foundation (for Cogeneration Funds), Tosco Return-to-Source Steering Committee (for Reformulated Gasoline Project Funds)/ Board of Supervisors for approval

FY03/04 Actual Revenue: \$528,700 (Does not include prior year fund balance of \$529,573)

FY03/04 Actual Expenditures: \$1,121,273 - Balance paid out of prior year fund balance

Fund Balance: \$0

FY04/05 Budgeted Amount: \$543,486

#### **Description and Amounts of Programs Currently Funded:**

*Crockett Co-Gen:*   \$207,518   43% to the Crockett Community Foundation for community projects  
                          \$275,082   57% to the Sheriff – P1 District

*Unocal "RGP":*   \$ 60,866   Not yet allocated. However, there is an agreement to allocate it to the communities of Crockett (45%), Rodeo (40%), and Tormey (15%). Supervisor Uilkema has proposed using a portion of the funding for a Resident Deputy.

### **2. County Regional Enhancement Contribution**

Source of funds: Gale I Project Development Agreement with Shapell. This is a one-time revenue source with no additional revenue projected, aside from the property taxes derived from the project, from which the County General Fund receives its share.

Funding Cycle: \$1,000 per residential unit developed in Gale I, Dougherty Valley. This is a source of revenue considered a "contribution" in the conditions of approval for the project.

Purpose of funds: For one or any number of the following purposes and in those locations determined by the Board: transit improvements, other transportation improvements, assistance with the provision of affordable housing, and economic development activities.

Restrictions for funding: None other than the stated purposes.

Advisory/Approval Body: Board of Supervisors

FY03/04 Actual Revenue: \$18,251

FY03/04 Actual Expenditures: \$51,292

Fund Balance: \$404,679

FY04/05 Budgeted Amount: \$253,000 (gross expenditures)

Description and Amounts of Programs Previously Funded:

1. Open Space Measure \$450,000 (FY 02-03)
2. Shaping Our Future \$91,014 (FY 01-02)
3. Kensington Residential Overlay \$15,000 (FY 03-04)
4. Tri-Valley Business Council \$25,000 (FY 03-04)
5. Buchanan Airport RFP \$50,000 (FY 03-04) *to be reimbursed*
6. School Resource Officer (FY 04-05), \$130k for 3 years
7. Mandatory Subscription Enforcement (FY 03-04), \$100k
8. Street Smarts Contribution \$5,000 (FY 04-05)

**3. Keller Canyon Landfill and Contra Costa Transfer Station Surcharge**

Source of funds: 25% Surcharge on the Contra Costa Transfer Station Proprietary Rate; 25% Surcharge on base gate rate for Keller Canyon Landfill (Of the 25% Surcharge for Keller Canyon Landfill, \$1.75 is for the Landfill Mitigation Fund and \$1.25 is for City of Pittsburg Mitigation fund.)

Funding Cycle: Monthly revenue received and allocated on a fiscal year basis

Purpose of funds: County General Fund support for department operations

Restrictions for funding: None

Advisory/Approval Body: County Administrator's Office for approval by the Board of Supervisors

FY03/04 Actual Revenue:

Keller Canyon Surcharge	\$2,013,195
Transfer Station Surcharge	\$1,037,823

FY03/04 Actual Expenditures: *same as revenues*

Fund Balance: \$0

FY04/05 Budgeted Amount:

Keller Canyon Surcharge	\$1,888,014
Transfer Station Surcharge	\$1,022,546

Description and Amounts of Programs Currently Funded:

**Keller Canyon Surcharge**

General Purpose Revenues	\$775,000
Board of Supervisors	\$ 164,000
Building Inspection	\$ 75,000
Clerk of the Board	\$ 58,000
Social Services	\$ 159,000
Risk Management	\$ 468,000
Human Resources	\$ 174,014
County Administrator	\$ 15,000

**Transfer Station Surcharge**

Building Inspection (D 1-4)	\$ 50,000
General Services	\$ 292,546
Health Services	\$ 70,000
District 2	\$ 5,000
General Purpose Revenues	\$ 605,000

**4. Keller Canyon Landfill Mitigation**

Source of funds: Keller Canyon Landfill Mitigation Trust Fund. (This is a portion of the 25% Surcharge on Keller Canyon Landfill, described above. In addition, the County General Fund receives its share of the property taxes generated from the project.)

Funding Cycle: Monthly revenue received from \$1.75/ton at Keller Landfill site. Allocated annually for projects in East County.

Purpose of funds: To mitigate effects of landfill site by funding community-based organizations for programs in the following areas:

- a. Youth Services
- b. Code Enforcement
- c. Community Beautification
- d. Public Safety
- e. Community Services

Restrictions for funding: The Board has discretion over the use of these funds.

Advisory/Approval Body: Recommendations from District 5 must be approved by the Board of Supervisors.

FY03/04 Actual Revenue: \$1,381,463 (Does not include prior year fund balance of \$1,051,804)

FY03/04 Actual Expenditures: \$1,508,267

Fund Balance: \$ 925,000 (one-time only)

FY04/05 Budgeted Amount: \$2,325,000

Description and Amounts of Programs Currently Funded:

\$847,900	Variety of CBO's providing services
145,000	GSD – Beautification efforts in Pittsburg
137,680	Sheriff – 1 School Resource Officer in Bay Point
275,360	Sheriff – 2 Resident Deputies in Bay Point
28,000	Sheriff – portion of school resource officer in Oakley
20,000	Probation – East County Drug Court
30,000	EHS – Bay Point Works – 2 projects
84,000	Health Services – 6 different projects
3,540	Library – Pittsburg & Bay Point
84,482	County Counsel – Code Enforcement Attorney
200,000	Building Inspection – Code Enforcement Program
278,520	Not Yet Identified – Misc. Community Projects
190,518	Reserve
\$2,325,000	TOTAL

Funds have already been allocated for this year with the exception of \$278,520 of funding for Miscellaneous Community Projects and \$190,518 of Reserves. The Board may authorize an allocation from Miscellaneous Community Projects to an additional program. Traditionally, District V makes recommendations to the Board for this funding and sets up agreements with the communities.

**5. West Contra Costa Sanitary Landfill/Processing Facility (Transfer Station) Host Community Mitigation Fee**

Source of funds: Joint imposition of mitigation fee by City of Richmond and Contra Costa County to be paid by permittee on all solid waste and processible materials received at the facility. The amount of the mitigation fee shall be the same as the Solid Waste Mitigation Fee currently collected at the Central IRRF (Integrated Resource Recovery Facility) of \$2.76/ton, adjusted annually for CPI. The amount of the mitigation fee for all other materials processed at the Bulk Materials Processing Center shall be \$0.75/ton, adjusted annually for CPI.

Funding Cycle: Two year expenditure plan.

Purpose of funds: For the benefit of the host community as described in the Draft EIR, to defray annual costs associated with collection and disposal of illegally dumped waste and associated impacts in North Richmond and associated areas.

Restrictions for funding: "Shall be spent to mitigate the impacts of the Project on the host community" for the benefit of the incorporated and unincorporated North Richmond area.

Advisory/Approval Body: Recommendations for expenditures of the mitigation fee shall be made by a committee composed of three members of the Richmond City Council, one member of the Board of Supervisors, and two members of the North Richmond Municipal Advisory Council appointed by the

Board of Supervisors. Final approval of a two-year expenditure plan shall be made by the Richmond City Council and the County Board of Supervisors.

#### **6. Host Mitigation for the IRRF**

The West Contra Costa Integrated Waste Management Authority and Contra Costa County executed an agreement on May 25, 1993 specifying that mitigation fees are to be collected in the IRRF rates and all amounts collected are to be placed in trust for exclusive use in the area impacted by the existence and operation of the IRRF.

The mitigation fees are limited to the reasonable costs for mitigation of the impacts reasonably related to the existence and operation of the IRRF in addition to other mitigation as required as part of the conditions of approval of the facility.

The mitigation fee is currently \$2.76/ton, adjusted annually for CPI. Proposals for the use of the mitigation money are provided to the WCCIWMA.

#### **7. Child Care Affordability Fund**

The Board of Supervisors established the Child Care Affordability Fund on April 9, 1991, to be funded by 50% of Transient Occupancy Tax (TOT) revenues from the Embassy Suites Hotel not to exceed \$250,000 annually. The purpose of the fund was to assist low-income parents with child care affordability needs throughout Contra Costa County. The other 50% of the TOT goes to the County General Fund.

In 1996, responsibility for recommending annual financial plans to the Board of Supervisors was transferred to the Family and Human Services Committee. In 1997, the Board approved a recommendation that the Family and Children's Trust Committee be responsible for establishing annual priorities for use of the Fund, develop a competitive bid process based on those priorities, and recommend agencies and funding amounts to Family and Human Services.

Current allocations are recommended by the Family and Children's Trust Committee to the Family and Human Services Committee based on establishment of yearly priorities, release of an RFQ to solicit proposals from qualified agencies, and conduct of a formal review process. The period of funding is one year with the option for a one year renewal pending program evaluation and availability of funds. Funds are used for programs throughout Contra Costa County.

#### **8. CCFuture Fund**

The Board of Supervisors created the CCFuture Fund in February 4, 2003, to be funded through the Transient Occupancy Tax from the Renaissance Club Sport Hotel, and earmarked the Fund for early intervention and prevention programs serving children and families throughout Contra Costa County. The mission of the CCFuture Fund is:

*"... invest in programs and services that are result-based, family oriented, collaborative and available at critical points in the lives of children and families, thereby improving family functioning and reducing the high cost of dependency."*

On August 10, 2004, the Board of Supervisors approved, for the next two years, allocation of CCFuture Funds to children and families programs that meet the CCFuture Fund criteria and are being eliminated or substantially reduced through budget cuts. The programs approved for allocation include \$675,000 per year to Children's Mental Health and \$225,000 per year to Zero Tolerance for Domestic Violence initiative.

Future allocations will be made by the existing CDBG staff under a separate cycle, with the first competitive grant awards in January 2006, providing for program funding effective July 2006.