



Contra
Costa
County

To: Finance Committee
From: Monica Nino, County Administrator
Date: May 16, 2023

Subject: CONSIDER Creating an Oversight Body for Measure X

RECOMMENDATION(S):

CONSIDER creating a fiscal oversight body for Measure X sales tax as recommended by the Finance Committee, DISCUSS the role of the Measure X Community Advisory Board (MXCAB), and PROVIDE DIRECTION on the proposed oversight body and revisions to the MXCAB Bylaws.

FISCAL IMPACT:

There are no immediate fiscal impacts associated with considering the creation of an oversight body for Measure X, or changes to the Measure X Community Advisory Board bylaws. If a new oversight body is approved, the County Administrator's Office recommends allocating approximately \$25k from ongoing Measure X funds for contracted auditing services.

BACKGROUND:

On November 3, 2020, voters in Contra Costa County approved Measure X, a Countywide, 20-year, half-cent sales tax. The ballot measure's stated intent for Measure X was "to keep Contra Costa's regional hospital open and staffed; fund community health centers; provide timely fire

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **05/16/2023** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

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: May 16, 2023

Contact: Adam Nguyen,
(925) 655-2048

Monica Nino, County Administrator and Clerk of the Board of
Supervisors

By: , Deputy

cc:

and emergency response; support crucial safety-net services; invest in early childhood services; protect vulnerable populations; and for other essential county services.” Collection of the tax began on April 1, 2021. \$217.6M in actual revenue has been collected through March 31, 2023, and \$347.4M has been allocated through FY23-24, encompassing 34 projects and funding areas.

On February 2, 2021, the Board of Supervisors approved the creation of a 17-member (+10 alternates) Measure X Community Advisory Board (MXCAB), with bylaws modeled after the County’s Community Corrections Partnership and Juvenile Justice Coordinating Council. The Board adopted revisions to the Measure X Community Advisory Board Bylaws currently in effect on April 27, 2021, which provided more detail regarding the process for subsequent appointments. Per the bylaws, the main responsibilities of the MXCAB include conducting an annual needs assessment to identify service gaps, creating priority lists of the top service gaps, using the needs assessment to make general funding recommendations to the Board of Supervisors, and providing an annual report on the outcomes and impacts of Measure X allocated funds.

BACKGROUND: (CONTD)

On November 8, 2022, during a discussion item providing updates on Measure X, the Board requested that staff return with recommendations for the creation of an oversight body. In response, the County Administrator's Office conducted a review of oversight structures for county sales tax measures, including the counties of Alameda, Marin, San Mateo, Santa Clara, Sonoma, Los Angeles, and the San Francisco Bay Restoration Authority [See Attachment A].

The review found that San Mateo's Measure K most closely resembles Contra Costa's Measure X, and all but Santa Clara have an oversight committee. Across the counties reviewed, common responsibilities for their sales tax oversight bodies include annual audits, performance measurement, and annual reports. Most of the oversight committees meet two or four times annually. San Mateo and Los Angeles counties also have informative websites providing news highlights, reports, and updates on related activities.

Based on the findings from the comparative analysis, the County Administrator's Office identified the key considerations and questions listed below for discussion about Measure X oversight to potentially improve transparency, mitigate concerns about potential conflicts of interest and incompatible activities, and strengthen accountability and public information.

1. Role and responsibilities – What does oversight entail?
 1. Annual financial audit
 2. Performance measurement and program evaluation
 3. Annual report
2. Membership – Who should provide oversight?
 1. How many seats, and for what term?
 2. Who represents (e.g. experts such as Auditor-Controller, Public Works Capital Projects Manager, County Administrator's Office, business and financial representatives from public)?
 3. How are members selected (e.g. application, appointed, by role)?
 4. Avoid conflicts of interest and incompatible activities (e.g. making funding recommendations and then applying for those funds)
3. Deliverables: Year-end report and public discussion
4. How often should they meet?
 1. Quarterly at launch
 2. Semi-annual afterwards
5. What resources are needed?
 1. Contracted services for an external auditor
 2. Staffing to support reporting, public information, website development, program evaluation, and Measure X-related meetings
6. How does the Measure X Community Advisory Board and its bylaws align with the new oversight body?

At its respective meetings over the past several months, the Finance Committee and Measure X Community Advisory Body (MXCAB) have iteratively discussed Measure X oversight and proposed bylaws revisions, and collectively proposed the following for consideration by the Board of Supervisors:

1. Create a Measure X fiscal oversight body responsible for reviewing and confirming Measure X revenues and expenditures
 1. Oversee financial audits conducted by an external auditor
 2. Verify conformance with the Measure's language and intent and with the Board's direction for specific allocations
 3. Produce an associated annual report
 4. Would not do performance measurement or program evaluation; role is solely financial accountability
2. Membership
 1. Two seats for each county supervisor's district (10 total), with recommendations by each district supervisor and appointment by the Board of Supervisors
 2. Serving three-year terms, up to two terms (six years) total
3. Meeting frequency: Quarterly to start, semi-annually afterwards

For the Measure X Community Advisory Body bylaws revisions, the Finance Committee recommends the following changes, summarized below. Specific, proposed language changes are provided in the redlined version of the Bylaws, attached.

1. Role
 1. Shifts annual needs assessments to every three years, or as needed
 2. Specifies that the MXCAB makes funding recommendations on any net revenues available for allocation (after cost-of-living adjustments are made for existing allocations)
 3. Creates a joint session between the Board of Supervisors and MXCAB to receive an annual report from county staff on implementation, milestones, impact, and outcomes of Measure X
2. Membership
 1. Prioritizes MXCAB eligibility based on lived experience of the harms caused by racial and economic inequities
 2. Allows public officials (with membership on other County bodies) to serve on the MXCAB, and clarifies restrictions apply to elected officials and County department heads
3. Meetings and Administration
 1. Enables a majority of the members to call for a special meeting
 2. Clarifies definitions for quorum and voting
 3. Reiterates rules about participation, requiring members to recuse themselves from discussing or voting if doing so would

- ~· constitute a conflict of interest
- 4. Authorizes the MXCAB to create subcommittees, with assigned alternate members having voting rights
- 5. Enumerates specific responsibilities to County staff to support MXCAB meetings and administration, including simultaneous interpretation at a minimum for American Sign Language and Spanish, maintaining member rosters and attendance records, and responding to the MXCAB Chair's questions and requests between meetings

The County Administrator's Office seeks direction from the Board of Supervisors on the creation of a Measure X oversight body, proposed revisions to the Measure X Community Advisory Board's bylaws, which in final form would ideally distinguish and align the respective roles of each body, and next steps for staff.

CLERK'S ADDENDUM

Speakers: Roxanne Carrillo-Garza, MXCAB; John Dante; Diana Honig, MXCAB; Caller 6770; Rachel Rosekind, MXCAB. RECEIVED the report; ESTABLISHED the Measure X Community Fiscal Oversight Committee:

1. **Responsible for reviewing and confirming Measure X revenues and expenditures, including overseeing annual financial audits conducted by an external auditor, verifying conformance with the Measure's language and intent and with the Board's direction for specific allocations, and producing an associated annual report. Would not do performance measurement or program evaluation; role is solely financial accountability**
2. **Shall be composed of five seats, one from each district; the appointment will run in alignment with the term of office from their appointing district (4 year term), and staffed by the County Administrator's Office**
3. **No appointee may be a current member of the Measure X Community Advisory Board (MXCAB), a county employee, related to or associated with a grantee, or an elected official**
4. **County Administrator's Office will provide staff services to support reporting, public information, website development, and meetings**
5. **The Committee will not make any funding recommendations**
6. **The Committee will meet quarterly to start, transitioning to semi-annual**
7. **Bylaws will be developed and submitted to the Board of Supervisors.**

ADOPTED the proposed modifications to the MXCAB bylaws: 1. To shift annual needs assessment to every 3 years or as needed, as determined by the Board of Supervisors 2. Specify that the MXCAB makes general funding recommendations to the Board, with no specific dollar amounts, prior to budget adoption, on any net revenues available for allocation (after cost-of-living adjustments are made for existing allocations) 3. Create a joint session between the Board of Supervisors and MXCAB to receive an annual report from county staff on implementation, milestones, impact, and outcomes of Measure X 4. Prioritize MXCAB eligibility based on lived experience of the harms caused by racial and economic inequities 5. Allows public officials (with membership on other county bodies) to serve on the MXCAB, and clarifies restrictions apply to elected officials and county department heads

ATTACHMENTS

Presentation on Measure X oversight options

Attachment A - Measure X Oversight County Comparison

MXCAB Bylaws - Current

MXCAB Bylaws - Redlined revisions

MXCAB Bylaws - Revisions without markup