

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

RESOLUTION ADDING AND ENACTING) Resolution No. 2021-187
B-14 MEASURE K TRANSACTIONS)
AND USE TAX EXPENDITURE POLICY TO THE)
YUBA COUNTY ADMINSTRATIVE POLICY AND)
PROCEDURES MANUAL)

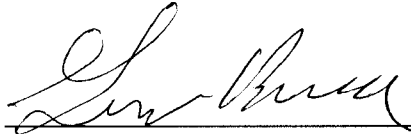
WHEREAS, the purpose of an administrative manual is to provide guidelines for County staff and leadership in procedural matters affecting all County departments; and


WHEREAS, the current administrative policy and procedures manual should be updated periodically to reflect changes in Board policy and current administrative practice; and


NOW THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Yuba hereby adopts the following new section of the Yuba County Administrative Policy and Procedures Manual as set forth in Exhibit A.

PASSED AND ADOPTED this 14 day of December, 2021, by the Board of Supervisors of the County of Yuba, by the following votes:

- AYES: Supervisors Vasquez, Blaser, Fuhrer, Bradford, Fletcher
- NOES: None
- ABSENT: None

By: 
Gary Bradford, Chairman


ATTEST Rachel Ferris
Clerk of the Board of Supervisors
Mary Pasillas, Board Clerk


Approved As To Form:
Michael Ciccozzi, County Counsel

Subject: MEASURE K TRANSACTIONS AND USE TAX EXPENDITURE POLICY	Policy Number: B-14	Page Number: Page 1 of 3
	Date Approved: 12/14/21	Revised Date: 00/00/00

BACKGROUND:

Measure K is a one-cent transactions and use tax applied to sales transactions in the unincorporated portions of Yuba County. The measure was approved by voters in November 2018 and as confirmed by the Third District Court of Appeals in July 2021 Measure K is a general tax. Measure K established Chapter 5.60 of the Yuba County Ordinance Code that outlines the establishment of the general tax, its purpose and use. Measure K sunsets in November 2028.

PURPOSE:

The purpose of this policy is to provide written guidelines on Measure K Transactions and Use Tax expenditures. This policy applies to County officers and employees and will guide the County's evaluation of the use of Measure K funds by the fire protection and special districts ("District") who benefit from Measure K revenue. This policy is a general expression of the intent of the current Board of Supervisors. However, the exact allocation percentages of Measure K revenues are subject to the Board of Supervisors, legislative budgetary authority for any given fiscal year. Nothing in this policy can bind the legislative budgetary authority of the Board of Supervisors in the future.

ALLOCATION/DISTRIBUTION OF FUNDS:

The Board of Supervisors approved a proposed allocation methodology of Measure K revenue on October 12, 2021. The allocation methodology includes provisions for one-time and ongoing revenue.

1. One-Time Revenue is revenue identified as revenue that was earned in the sales tax period prior to June 30, 2021 (prior to the decision rendered by the Third District Court of Appeals that Measure K is a general tax) and any unspent ongoing funds at the end of each fiscal year. One-time revenue can only be used for one-time expenses (i.e. capital projects, fixed assets, limited term or extra help positions).
2. Ongoing Revenue is revenue that is earned in the sales tax period after July 1, 2021.
3. Board of Supervisors approved distribution percentages for one-time and ongoing revenue includes the following:
 - A. 20% to be divided by nine (9) Districts that are within the unincorporated areas of Yuba County.
 - a. Districts must provide the County Auditor-Controller with an inter-district distribution methodology agreed upon and signed by all nine Districts prior to revenue disbursement by July 1st of each fiscal year. If the distribution methodology is not received by July 1st, the Auditor-Controller will distribute funds based on the prior fiscal year's distribution methodology.

- b. Agreements between the County and each District must be approved prior to revenue disbursement.
 - c. If changes in Districts occur in the future (i.e. consolidation, new district) revisions to the allocation methodology and/or new agreements will need to be completed.
 - d. Once inter-district distribution methodology and agreements are in place, each District will receive a disbursement of available one-time funds as well as a monthly disbursement of ongoing Measure K revenue.
 - e. Each District must provide the Board of Supervisors an annual report identifying by category and amount how the District spent its Measure K funds to enhance fire services by August 15th of each fiscal year. The report will provide backup documentation satisfactory to the County to support each category and amount of spending of the funds including contracts, invoices, bills, purchase orders, agenda items, or other writings supporting such expenditures. Failure to provide the annual report by the prescribed deadline will suspend disbursements to that District until the report and supporting documentation is provided to the County.
- B. 80% to be distributed for Specific Essential Services and General Essential Services annually as identified in the Final Budget.
- a. Specific Essential Services include Sheriff, District Attorney, and Probation.
 - b. General Essential Services include all other County departments besides those listed in Specific Essential Services.
 - c. Measure K appropriations will be prepared as part of the annual County budget.
 - d. Each County department that has an approved Measure K expense in their annual budget must code each expense with the Measure K program code provided by the Auditor-Controller (MK). Departments must submit a journal request to transfer Measure K revenue to their budget on a monthly basis after the expenditure has been made to the County Administrator's Office. Each journal request must include backup documentation (copy of invoice or backup of salaries and benefits for staff identified for that period).
 - e. County Administrator or their designee will review the journal request for accuracy, ensure there are Measure K funds available, sign journal request, retain a copy, and forward original journal request to the Auditor-Controller.
 - f. Auditor-Controller will process the journal request and retain a copy for the Measure K file.

REPORTING:

1. The Auditor-Controller or their designee is responsible for tracking Measure K revenue and expenditure transactions and will serve as the central repository for all Measure K revenue and expenditure documentation.
 - A. The Auditor-Controller will provide monthly reports to the County Administrative Officer or designee, which consist of revenue and expenditures. The report will display the total amount received and the amounts distributed based on the approved distribution methodology for that fiscal year.
 - a. The approved percentages for all nine (9) Districts will displayed on the report and the designated share for the Districts will be distributed based on those percentages.

- b. The report will display fiscal year budgeted allocations for the Specific Essential Services and General Essential Services departments.
 - c. The report will display ongoing and one-time allocations for each group.
 - d. Any unspent ongoing allocations at the end of each fiscal year will be moved to the one-time expense categories.
 - B. The Auditor-Controller will retain copies of all revenue receipts and expenditures and provide an annual summary of revenue and expenditures and any requested backup documentation to the Measure K Citizens' Oversight Committee for review.
2. The Measure K Citizens' Oversight Committee will review revenues received by the County from the transactions and use taxes imposed and to ensure that tax revenues are used by the County and Districts in a manner consistent with the voter approved measure.
- A. The Measure K Citizens' Oversight Committee will review the annual summary of revenue and expenditures provided by the Auditor-Controller and provide an annual audit report on the use of that revenue to the Board of Supervisors no later than ninety (90) days following the conclusion of each fiscal year. The Committee shall confine its oversight specifically to Measure K revenues.
 - B. The County Administrative Officer or their designee shall provide any reasonable administrative or technical assistance required by the Committee to fulfill its responsibilities or publicize its findings.