

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of April 22, 2025

RESOLUTION NO. \_\_\_\_

**RESOLUTION ESTABLISHING A MEASURE O SPENDING PLAN FOR FISCAL YEARS 2025-26 THROUGH FY 2029-30 AND CITIZENS' OVERSIGHT COMMITTEE**

WHEREAS, on November 6, 2024, the voters of Humboldt County adopted a county-wide local transactions and use tax ("sales tax") through an affirmative vote on a local measure known as Measure O; and

WHEREAS, the citizens of Humboldt County have a strong interest in transparency and accountability for expenditure of funds derived from this countywide local sales tax; and

WHEREAS, the Board of Supervisors desires to ensure the will of the voters is served by this sales tax and roads and transit services are funded accordingly; and

WHEREAS, the Board of Supervisors believes that the Humboldt County Department of Public Works ("Public Works") is the appropriate agency to expend Measure O funding related to roads projects, and the Humboldt Transit Authority ("HTA") is the appropriate agency to expend Measure O funding related to transit; and

WHEREAS, the Board of Supervisors may appoint commissions or committees of citizens to study problems of general or special interest to the board and to make reports and recommendations to the Board pursuant to Government Code §31000.1; and

WHEREAS, the Board of Supervisors desires to utilize its appointed Audit Committee to serve as the Citizens' Oversight Committee required per the sales tax (Ordinance 2751) approved by voters (Humboldt County Code 7110-17); and

WHEREAS, the Board of Supervisors desires to contract with the Humboldt County Association of Governments ("HCAOG") to use existing committees with knowledge of road and transit projects to help in the planning processes for the expenditure of Measure O funds;

NOW, THEREFORE, the Board of Supervisors of the County of Humboldt resolves as follows:

**1. Measure O allocations and reimbursement**

- a. Measure O funding shall be allocated following recommendations from the Funding Ad Hoc established by the Board of Supervisors on February 11, 2025.
- b. The following shall apply for the period Fiscal Year (FY) 2025-26 through FY 2029-30:
  - i. The Baseline Revenue Projection for this time period is \$24 million per year.

- ii. 86% of Baseline Revenue Projections shall go to Roads and 14% to Transit.
- iii. Public Works will be allocated \$20,640,000 per year to fund County road projects and services.
- iv. HTA will be allocated \$3,360,000 per year, less county indirect costs related to Measure O transit activities, to fund transit projects and services.
- v. \$3 million will be allocated to Measure O contingencies to be used for Roads in times when revenues do not meet projections. The County will target maintaining an amount equivalent to 16% of annual baseline revenue projections in contingencies, and will prioritize funding the contingencies budget in the event it is utilized. If needed, contributions to contingencies will be taken from the overall revenue available and Roads and Transit funding will be reduced proportionally.
- vi. Additional Available Funding: Any actual revenue received above projections, or any amount not considered Carry Forward Funding or an Unspent Funding Request, is considered Additional Available Funding and will be provided to Public Works the first full fiscal year after that revenue is received and/or accounted for. For example, if FY 2025-26 actual revenues are above projections, the excess revenue will be available in FY 2027-28.
  - 1. The priority use is to apply this funding to any negative fund balance that exists in the Roads Fund.
- vii. Any audit costs will be paid by Measure O.
- c. Funding will be provided on a reimbursement basis, except as provided otherwise in this resolution.
  - i. Requests for reimbursement must be submitted to the CAO's Office no later than 30 days after the end of each quarter (October 31, January 31, April 30, July 31).
  - ii. Carry Forward Funding: Funding must be obligated by April 1 each fiscal year in order for it to be carried forward into the next fiscal year. Public Works and HTA must notify the CAO by April 1 each fiscal year of any obligations it wishes to carry forward into the next fiscal year. The CAO may develop a carry forward policy, to be approved by the Board of Supervisors, to detail this process. Obligations pursuant to this section may not include staff costs.
  - iii. The CAO has discretion on whether to operate Public Works funding on a reimbursement basis in whole or in part.

## **2. Roads Funding and Work Plan**

- a. Each year, Public Works will create a Work Plan for the use of Measure O funds. The Work Plan should describe funding priorities, identify specific projects when possible, and contain as much budgetary detail as possible.
- b. Prior to Public Works submitting its annual budget to the Board of Supervisors regarding the use of Measure O funds, Public Works will present its plan to the

HCOAG Technical Advisory Committee (“TAC”) for review and comment. The TAC will consider the plan in a public meeting and make recommendations for any desired changes. Whether or not Public Works incorporates the TAC’s recommendations, it will address the recommendations in its budget request to the Board of Supervisors, explaining why any recommendation was accepted or rejected.

- c. Beginning in fiscal year 2025-2026, Public Works will include in its presentation to the TAC information concerning the current status of projects and expenditures which had been previously presented to the TAC in the year prior.
- d. Beginning in fiscal year 2025-2026, the presentation of the plan to the TAC should occur a sufficient time prior to the approval of the County recommended budget to allow the TAC’s recommendations to be addressed in Public Works’ budget submission.
- e. Public Works will provide information and records requested by the Audit Committee in time for its annual meeting regarding examination of Measure O expenditures. Public Works will attend the Audit Committee’s annual meeting to discuss Measure O expenditures with the Audit Committee.
- f. By December 31 each year, Public Works will provide to the Board of Supervisors during a public meeting:
  - i. Roads Funding and Transit Funding reports provided to the TAC, SSTAC and Audit Committee, and
  - ii. Recommendations from those committees and responses to such recommendations, and
  - iii. A narrative on Roads Funding projects conducted over the prior year and a narrative provided by HTA on Transit Funding projects conducted over the prior year.
  - iv. Any other reports requested by the Board of Supervisors.

### **3. Transit Funding and Work Plan**

- a. HTA will be transferred 25% of its allocation provided in Section 1(b)(iv) above as soon as possible after the approval of the County’s recommended budget, then will operate on a reimbursement basis thereafter.
  - i. Unspent Funding Requests: In addition to Carry Forward Funding, HTA may request up to \$1 million of HTA’s allocation that was not spent during the year, to be applied the first full year after that funding is accounted for. Any remaining amount will be considered Additional Funding Available subject to Section 1(b)(vi). For example, if HTA spends and obligates a total of \$2 million in FY 2025-26, it would leave \$1.36 million of its allocation. Of that amount, HTA could request up to \$1 million to be allocated in FY 2027-28, with the remaining amount provided to Public Works in FY 2027-28.
  - ii. Any funding that is not spent as of June 30, 2030 will return to the county for Board consideration.

- b. Each year, HTA will create a Work Plan for the use Measure O funds. The plan should describe funding priorities, identify specific projects when possible, and contain as much budgetary detail as possible.
  - i. HTA expenditures related to the Work Plan are restricted to supporting operational and capital expenses that directly enhance and maintain transit service. This excludes large infrastructure projects like building construction that does not directly contribute to service expansion.
- c. Prior to HTA adopting its annual budget, HTA will present its Work Plan to the HCOAG SSTAC for review and comment. The SSTAC will consider the Work Plan in a public meeting and make recommendations for any desired changes. Whether or not HTA incorporates the SSTAC's recommendations, it will address the recommendations when adopting its annual budget, explaining why any recommendation was accepted or rejected.
- d. Beginning in fiscal year 2025-2026, HTA will include in its presentation to the SSTAC information concerning the current status of projects and expenditures which had been previously presented to the SSTAC in the year prior. HTA will also provide this information to Public Works to be included in its report to the Board of Supervisors pursuant to 2(f)(iii) above.
- e. HTA will provide information and records requested by the Audit Committee in time for its annual meeting regarding examination of Measure O expenditures. HTA will attend the Audit Committee's annual meeting to discuss Measure O expenditures with the Audit Committee.

#### **4. Citizens Oversight Committee**

- a. The County Audit Committee will serve as the Citizens Oversight Committee described in Ordinance 2751.
- b. The Audit Committee will receive a report after the close of each fiscal year from Public Works and HCAOG on Measure O expenditures and examine those expenditures in a public meeting.
- c. The Audit Committee will assess the actual Measure O revenues and expenditures against Public Works' and HTA's approved Work Plans, including criteria contained in this resolution.
- d. The Audit Committee will work with county staff and may provide recommendations to recipients of Measure O funding to address potential concerns related to its assessment in 4(c).

#### **5. Memorandum of Understanding (MOU) with HCAOG**

- a. The County Administrative Officer is authorized and directed to execute an MOU with HCAOG for inclusion of Measure O into the TAC and SSTAC annual processes.
- b. The MOU will be for the duration of Measure O.
- c. The contract may require indemnification, insurance and any other contract provisions deemed necessary by County Risk Management and County Counsel.

**6. Contract with HTA**

- a. The County Administrative Officer is authorized and directed to execute a contract with HTA for the provision of the above services.
- b. The contract will be for five years ending on June 30, 2030.
- c. The contract will provide for an annual payment of the Transit allocation to HTA for the provision of transit services and related projects and allow for an appropriate indirect administrative cost rate.
- d. The contract will require indemnification, insurance and any other contract provisions deemed necessary by County Risk Management and County Counsel.

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

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Dated: \_\_\_\_\_

\_\_\_\_\_  
Supervisor Rex Bohn, Chair  
Humboldt County Board of Supervisors

Adopted on motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and the following vote:

AYES: Supervisors --  
NAYS: Supervisors --  
ABSENT: Supervisors --  
ABSTAIN: Supervisors --

STATE OF CALIFORNIA    )  
County of Humboldt        )

I, Tracy Damico, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my Office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.

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By NIKKI TURNER  
Deputy Clerk of the Board of Supervisors of the  
County of Humboldt, State of California