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Board Report

AGENDA DATE: June 24, 2025

TO: Del Norte County Board of Supervisors

**FROM: Neal Lopez, County Administrative Officer
Clinton Schaad, County Auditor-Controller**

**SUBJECT: Consideration and Approval of the 2025/2026 Fiscal Year
Recommended Budget and other actions as requested**

RECOMMENDATION FOR BOARD ACTION:

- 1) Discuss and take action as necessary to approve the 2025/2026 Fiscal Year Recommended Budget as presented by the CAO and Auditor-Controller's Office;
- 2) Approve attached position list for establishing, eliminating and reclassifying positions and authorize Human Resources to revise the County staffing chart, salary schedules and classification descriptions where applicable and complete other administrative tasks as necessary as requested by CAO, Auditor-Controller and Human Resources Director (Attachment A);
- 3) Approve the use of County General Funds for the operational budget of the local Fish and Game Commission as requested by the Auditor-Controller and the County Administrative Officer;
- 4) Approve the use of County General Funds for the annual cost of operations at the Pacific Shores Watch Station as previously recommended by the Natural Resources and Environmental Coordination Technical Advisory Committee and as requested by the Auditor-Controller and the County Administrative Officer;
- 5) Direct the Budget Team to continue to review and analyze each departmental budget to identify all available expenditure saving options and to realize all revenue available;
- 6) Direct departments that no fixed asset purchases other than those approved with the Recommended Budget shall be allowed prior to the Adopted Budget without Board of Supervisor approval;
- 7) Direct departments that no FY 2024/2025 budget transfers will be allowed transferring funds from Salaries and Benefits to any other category unless

- determined to be an expenditure necessary for operations by the CAO and Auditor-Controller; and
- 8) Accept the Recommended Children's Budget as presented (Attachment B).

SUMMARY:

As required by Government Code §29009, before you today is a balanced 2025/2026 Fiscal Year Recommended Budget using anticipated year end adjusting entries and projected fund balances. The total 2025/2026 FY Recommended Budget is \$219,367,963 with a General Fund budget of \$45,296,571. The Recommended Budget represents temporary spending authority based on the most accurate information available as submitted by Department Heads and fiscal staff and as reviewed by the County Administrative Officer, the Auditor-Controller and the Assistant County Administrative Officer (the County Budget Team). The County Budget Team begins each budget year with a goal of submitting a balanced budget to the Board of Supervisors as required by California Government Code §29000-29093, commonly known as the County Budget Act. The initial step in that process is the consideration and approval of the Recommended Budget pursuant to Government Code §29060-29065. Attached to this report are four column summary spreadsheets with the columns from left to right showing Actual revenue and expenditures for FY 2022/2023, Actual revenue and expenditures for FY 2023/2024, the Revised Budget for FY 2024/2025 and the Recommended Budget for FY 2025/2026. Included with the summary spreadsheets provided are the line-item detailed budgets for each budget unit in a seven column format reading from left to right which includes the FY 2022/2023 Actual, FY 2023/2024 Actual, FY 2024/2025 Adopted, FY 2024/2025 Revised Budget, FY 2024/2025 Actual YTD, FY 2025/2026 Department Requested Budget and FY 2025/2026 Recommended Budget. Also, before you today and included as part of the budget package are the recommended staffing changes reflected in Attachment A with job descriptions where applicable and the Children's Budget presented in Attachment B of this report.

Recommended Budget Process

On March 26, 2025, the County formally began the FY 25/26 budget process with a joint memo sent to Department Heads and fiscal staff from the CAO and the Auditor-Controller. This memo is the official request providing direction to each department for submitting their FY 25/26 Department Requested Budgets and any department requested staffing changes for the upcoming fiscal year, which is the first step in the County budget process. Each fiscal year, the General Fund Budget is balanced by a number of available resources that make up the year end fund balance. Those typically consist of salary savings due to positions that are budgeted for, but are vacant at times throughout the fiscal year as well as one time revenue sources or revenue received in excess of the budget and expenditures other than salary and benefits that came in under budget. Because Del Norte County's General Fund has limited fund specific reserves and the year end fund balance is unknown at this step in the process, the Department Requested Budgets show a fairly significant deficit on an annual basis.

The first step in understanding the deficit is an in-depth review of each submitted budget conducted by the County Budget Team. Through this review, a list of questions and/or concerns are noted for each budget and department requested staffing changes/justifications are reviewed and discussed with Human Resources. As directed by the budget memo, all requested department staffing changes shall be accompanied by a written plan outlining the need for the requested change(s) and the funding impact associated with the position(s). During the second step of the budget process, the budget team works with Department Heads and fiscal staff through subsequent budget meetings. Department revenue and expenditure projections are reviewed on a line-by-line basis, compared to the two previous fiscal year actuals and year end estimates based primarily on current fiscal year to date figures and department projections. In addition, revenue and expenditures are analyzed based on known operational or legislative changes that affect departmental funding sources and uses. Questions and concerns from the initial budget team review are discussed as well as any additional information provided by the department and where possible and practicable, increases, decreases or staffing changes are made by the Auditor-Controller as agreed upon. In some cases, staffing changes that require further review and discussion will be addressed through the Adopted Budget process which will take place over the next few months. The third step of the recommended budget process consists of another review by the budget team to ensure agreed upon changes have been made to the Department Requested Budgets and are accurately reflected in the FY 25/26 Recommended Budget. The fourth and final step of the process is the presentation of the Recommended Budget to the Board of Supervisor for consideration and approval on or before June 30th of each year to give the County spending authority when the new fiscal year begins on July 1. The Recommended Budget will be policy until the FY 25/26 Adopted Budget is approved and adopted by the Board, which must happen no later than October 2nd of each year pursuant to Government Code §29088. The Board of Supervisors will have an opportunity to guide any revisions, deductions or additions over the next few months during the Adopted Budget process before and during required budget hearings.

It is worth noting that all County Departments have been asked to closely monitor state and federal funding sources that support County functions and operations. To date, nothing significant has been reported to the Budget Team or the Board.

Primary Revenue and Expenditures (General Fund)

Revenue

The primary source of revenue for County General Fund services (Public Safety - Sheriff/Jail/Coroner, Probation/Reentry, Public Defender, District Attorney), Community Development (CDD Admin, Planning, Building Inspection, Environmental Health, Code Enforcement), Assessor, Auditor/Controller, Treasurer/Tax Collector, Clerk Recorder, Elections, Agriculture Commissioner/Weights and Measures, Animal Services, Building Maintenance and Parks, Information Technology, Administration (including Recreation and Veterans Services), Human Resources & Risk Management and County Counsel

are realized from property tax, sales tax and property tax in-lieu of vehicle license fees. Del Norte County receives one percent (1%) of sales tax paid in the County (other than Measure R), a half cent Prop 172 statewide sales tax for public safety (Sheriff - patrol & dispatch, Jail, DA, etc.) and approximately 19% of the property tax paid after apportionment. A number of other revenue sources are received through the State and Federal Government as payments in-lieu of taxes, from visitors through the transient occupancy tax, franchise fees paid by Pacific Corp. and cable T.V. providers, interest earned, yield tax, tobacco settlement revenue, trial court payments, County fees collected, transfers related to the Pelican Bay State Prison annexation by the City of Crescent City and inter and intrafund transfers for services provided by Departments such as Human Resources, Information Technology, Auditor (payroll), Treasurer (banking), etc. to other County departments.

As of the writing of this report, several of the key revenue sources mentioned above are on pace to meet or exceed the budget by fiscal year end such as secured property taxes, unsecured, property tax in lieu of vehicle license fees, interest revenue and timber yield tax.

With respect to visitor driven taxes and fees, the transient occupancy tax is also on pace to meet or exceed the adopted budget. In addition, for the first year since the COVID 19 health emergency, the overall projected camping revenue associated with Florence Keller, Kamph Memorial and Ruby Van Deventer County Parks are projected to come in over budget. We are hoping this is will be a change in that trend and this is something that becomes more consistent. As stated in each year's budget report, the Budget Team realizes discretionary revenue sources fluctuate from year to year. We will continue to budget for TOT and camping related revenue as well as other revenue sources that provide the data for forecasting in collaboration with the applicable Department Head's and fiscal staff by considering trends, spikes and downturns in the economy.

Note: For over a decade now, the State has appropriated insufficient funding for payments in-lieu of property taxes that many California counties would otherwise receive if the lands owned by the State were in public ownership. A majority of the Board has indicated it to be prudent to account for the underpayment from the State as an accounts receivable or an amount due from the State to Del Norte County. For FY 25/26 the estimated amount owed to the County remains at \$679,519.

Expenditures

The primary expenditures for the County General Fund are employee related costs. As is common with any service oriented entity such as local governments, the majority of annual costs are associated with salary and benefits which account for approximately 56% of the Recommended FY 25/26 General Fund budget. Included in salary and benefits expenditures are employee wages, retirement, medical, dental, life, vision insurance and workers comp. Consistent with most fiscal years, the most significant hurdles include increased costs associated with the current employment contracts that allow for wage increases based on years of service and negotiated wage adjustments;

increasing PERS rates and unfunded accrued liability payments attributable to significant system losses dating back to 2008/2009, recent losses in FY 22/23 that have essentially zeroed out the gains from FY 21/22, significant funding policy changes over the past 13 years made by CalPERS in an attempt to smooth out huge gains and losses, underperformance in investments managed by CalPERS as well as impacts from negotiated wage adjustments; the County Health Fund that reflects the rising costs of healthcare and OPEB liabilities that must be accounted for (pay-as-you-go) and are significantly underfunded.

One major factor that drives much of these costs is staffing levels. Being one of the only factors that can be controlled by the County, the County continues to work towards a balance between staffing levels and the services expected by the community and directed by the Board to be provided. General Fund staffing levels have remained extremely consistent over many years now, which has resulted in a struggle to meet increasing demands, but has kept costs down through vacancy rates. It has become increasingly more obvious that many of our service departments do not have the necessary resources/staffing to meet the demands of the community, mandated programs or other County Departments. However, the Board and the County's employee groups strive to find the level of staffing the County can fund while paying employees competitively for recruitment and retention. This may be even more complicated as the results of the compensation and structural analysis become available. There is no doubt there will be some very difficult decisions that need to be made on both sides. Although this will be discussed more thoroughly later in this report, this continues to be the primary reason why Measure R and the positions that were established with those funds are so critical. Having a dedicated funding source outside of other discretionary funds lessens the strain on other funding sources when trying to determine where and how to allocate them. Many of the opponents of this tax are also those in the community complaining that Law Enforcement, Animal Services, Code Enforcement, Planning Services, OES Services, etc. are not adequate. The bottom line is, vital services required and demanded are provided by County employees, which are associated with salaries and benefits. These services are simply not possible without staff that are being paid competitive wages.

Del Norte County is a CalPERS (PERS) contracted member and as such has been affected by significant rate increases over the last several years. Due to massive losses in 2008/2009, underperforming in many years since and funding policy changes attempting to address these losses, contracting agencies such as Del Norte County have struggled to fund the constantly increasing annual costs. PERS has basically passed the buck on these losses and the funded status of the plan to counties and other contracted agencies with very little concern about the financial health of these agencies. For the first time in years, in FY 21/22 PERS exceeded expected investments returns of 7% by over 14%. However, in typical PERS fashion, this return triggered a change in the funding policy, which reduced the discount rate, nearly eliminating the benefits of this gain for PERS members. Now, for the second time in years, in FY 23/24 CalPERS has a rate of return of 9.3%, which exceeds the current discount rate of 6.8%. This return brings the current funded status of CalPERS to

75%. However, historical rate of returns over a 5, 10 and 20 period all lag behind the 6.8% discount rate, with the 30 year return now increasing to 7.7%.

As provided by the Auditor-Controller, the County's contribution to PERS over the past few years have been \$6,885,999.00 in the 20/21 FY, \$7,227,658 in FY 21/22, \$7,561,555 in FY 22/23, \$7,614,442 for 23/24 FY and we are projecting a PERS cost of \$8,599,037 for FY24/25. The contribution for FY 25/26 is projected to be \$8,677,615. These contributions consist of a percentage of annual payroll each fiscal year and a lump sum payment for the County's unfunded accrued liability. These percentages and lump sums are calculated annually by PERS based on an actuarial valuation of the County's defined benefit plans for Miscellaneous and Safety employees. The percentage of payroll contribution includes both employer and employee percentages based on current negotiated contracts. The County has four classifications of employees covered under PERS. The current employer rates are 8.1% for Misc Classic (pre-PEPRA), 8.85% for Misc PEPRA, 18.32% for Safety Classic (pre-PEPRA) and 13.99% for Safety PEPRA. The current rates for employees are 8% for Miscellaneous and 12% for Safety. The annual increases from CalPERS and the significant increases in the unfunded accrued liabilities, continue to negatively affect the ability to invest elsewhere and proactively address funding needs, salary disparities, and expanded services. It is worth noting that, at the regularly scheduled Board meeting on March 26, 2024, the Board of Supervisors adopted the 2024 Pension Management Policy in an effort to better manage the County's pension plans and the ongoing uncertainty experienced with CalPERS. The Board has backed up that action by joining the Public Agency Retirement Services combination 115 Trust for pensions and other post-employment benefits in 2025. At the recommendation of the Proactive Financial Management Technical Advisory Committee, the Board approved a one-time contribution to the pension side of the trust when it was established. The Board also approved transferring the County's OPEB assets from the CERBT through CalPERS to the PARS combination trust. Both of the actions were taken in May 2025 and are now complete.

The County Health Fund is another major obstacle in balancing the budget each year and another major factor in the County's inability to control costs associated with medical, dental and vision insurance. In the 15/16 FY, the Board of Supervisors approved entering into a fully funded pool in an effort to stabilize annual fluctuations the County was experiencing under the self-funded model. The overall goal was budget stability and the ability to project costs with more certainty and accuracy, which allows the County to better plan for other needs of the community and the services provided. Although the change has slowed the increases and made the budgeting more predictable, increased expenditures for the Health Fund are projected annually. It is also worth noting since the change the County's cumulative increases remain below market trends and in some years have been significantly below. Since the Board's approval to join a fully funded pool, the average increase has been 2.4% annually, which is far below the trends for other PRISM agencies at 5.4%. However, the County has experienced its two most significant premium increases during the past three plan years with a 9.1% increase in 2023 and 11.3% in 2024. With the average

increase over the past decade of only 2.4% and a renewal rate for FY 25/26 of 4.9%, we are hopeful this does not become a trend and staff will proactively address this with the County's insurance broker. The County's Recommended Budget for the Health Fund in the 25/26 FY is approximately \$8.9 million. The funding for the Health Fund is primarily provided by the County at approximately \$6.8 million annually. The remainder of the funding comes from employees and retirees based on negotiated rates as well as interest revenue when the fund acquires a fund balance.

In addition to the most significant expenditures addressed above, the General Fund has typical Services and Supplies business expenses such as insurance, utilities, office supplies, equipment maintenance, vehicle maintenance, structure maintenance, household supplies, postage, printing, contracted professional services, county vehicle fuel, employee travel and training, etc. For Fiscal Year 25/26, the County is experiencing a slight overall reduction for insurance premiums. The County is a member of the Trindel Insurance Fund, which is a Joint Powers Authority with several other California Counties. The insurance fund consists of a banking layer, which is individually funded by each County and a pooling layer that is funded and shared by all member counties. Due primarily to huge increases in workers comp cases, property claims and never before seen losses from a liability standpoint as a result of nuclear verdicts against local agencies, the County saw an increase in premiums of \$491,600 for FY 24/25, or 20.64%. However, due primarily to effective risk management and a little luck, the County's premiums for FY 25/26 will see a decrease of \$85,852. Other Charges which can include contributions to outside agencies such as the Chamber/Visitors Bureau, DNACA and the H-DNFC, principal and interest payments for debt, shared cost payments for other facilities such as the courthouse, etc.; Fixed Asset expenditures which consist of purchases of any capitalized asset. This could include vehicles, appliances, capital/facilities improvements above a certain threshold, land acquisitions, etc.; and Intrafund transfers which consist primarily of costs associated with the County's indirect cost plan or direct billing from other County departments. Together with Salary and Benefit expenditures, the County is tasked with providing a vast array of services to the community with limited resources.

Revenue and Expenditures (Non-general Fund)

The primary funding sources for the majority of the County's Non-general Funds is Federal and State funding, with in some cases, a small percentage from a County contribution or maintenance of effort. The majority of the Non-general Fund departments include the Department of Health and Human Services, which includes Behavioral/Mental Health, Social Services, Public Health and Public Assistance/Employment and Training; CDD Roads, Child Support Services; Office of Emergency Services, California Department of Public Health Grants; Capital Improvements; Health Fund, CSA Fund, Flood Control Districts, etc. Budgets such as the Capital Improvements budget oftentimes require General Funds or other one-time funding to fund and complete deferred maintenance projects such as painting, flooring and roofing. As part of the 2024 Strategic Plan recently adopted by the Board includes action items for developing a capital improvement planning team that will be tasked

with completing a comprehensive capital improvement plan. During FY 25/26, staff will develop a section in the County Administrative Manual that will formally establish the capital improvement team and process for developing a comprehensive plan.

The primary expenditures for these departments are the same as those mentioned above in the General Fund section. In addition to those, several of the Non-general Fund departments provide numerous local services and community assistance related programs including but not limited to behavioral health, alcohol and other drug, public health, tobacco prevention, housing, women infants and children, employment and training, child and adult protective services, crisis response (now including mobile crisis response), child support, emergency preparedness and response, boating safety, tobacco prevention, operating contributions to CASA and Senior Center, domestic violence assistance, cash and other aid to individuals and families, housing assistance and road and other infrastructure maintenance and improvements.

Capital Expenditures

Capital projects and expenditures worth noting over the past couple years include the County's new Enterprise Resource Planning System that is scheduled to go live on July 1, 2025, the Legacy project that was recently completed, the ERF emergency shelter and micro-village project, the Florence Keller septic project under Prop 68, the Pyke Field improvement project and the Jail Rehabilitation project both receiving funding from Congressionally Designated Spending through our Federal legislators, the Measure R funded paving projects across from the Sheriff's Office and at the Veterans Memorial Building as well as the office remodel at Animal Services, and the reroofing of the Veteran's building. The number of projects completed and ongoing is extremely impressive and would not be possible without incredibly dedicated and hardworking staff from several of the County Departments such as Information Technology, Administration, Auditor-Controller's Office, DHHS, Building Maintenance and CDD just to name a few. So many have been involved in different aspects of the new ERP System and are recognized and appreciated as well.

Attachment A – Staffing Change Requests

Each fiscal year as part of the County budget process, Departments are given an opportunity to submit requests through written justification to establish, eliminate, reclassify, reassign or reorganize positions when they submit their Department Requested Budgets. Due to the compensation and structural analysis the County is currently in progress of completing, Departments were asked to limit staffing change requests for the Recommended Budget.

Establish

The recommendation before the Board of Supervisors today includes the approval of one (1) new classification (job) description in the General Fund, which includes an Assessment Systems Specialist I/II in the Assessor's Office. This request was

submitted with as a reclassification of the Appraiser Technician I/II and does not result in any new FTE's in the General Fund and the budget impact is limited.

For the non-General Fund there are three (3) new position requests in the DHHS Department. One (1) each in the Social Services Administrative, Behavioral Health and Public Health Branches. All of these classifications establish new positions, but do not require new job descriptions as they already exist in the County staffing structure. As a result, there is a total of three (3) non-General Fund new FTE's.

Eliminate

There are requests to eliminate four (4) non-General Fund positions, which includes one (1) Behavioral Health Vocational Assistant I/II in the DHHS Behavioral Health Branch; one (1) Administrative Assistant in the DHHS Social Services Branch; and two (2) Road Maintenance Worker I/II/III in the Community Development Department Roads Division. All of the positions being eliminated are vacant and will result in a reduction of four FTE's.

Reclassify

Department staffing change requests include reclassification of four (4) General Fund positions, which includes the reclassification of the Administrative Programs Manager I/II in the Administration Department from the Mid Management Group to the Confidential employee group; one (1) Appraiser Technician I/II to an Assessment Systems Specialist I/II in the Assessor's Office; one (1) Deputy County Counsel for a similar request for moving from the designated Deputy County Counsel group to the Confidential employee group; and one (1) Office Technician II/III to a Administrative Secretary I/II in the Building Maintenance and Parks Department. Reclassification requests also included one (1) Non-general fund position, which included one (1) Child Support Specialist I/II to a Child Support Specialist III in the CSS Department. Other than those requested to be moved from one employee group to another, it is important to note that reclassifying a position effectively results in one position being eliminated and one position being established from the County staffing chart for the applicable Departments, which is a zero net change in FTE's.

In addition to the staffing changes in Attachment A to this report, there are also staffing change requests that are not a part of today's recommendation that will be discussed over the next several months during the Adopted Budget process. This is primarily due to the pending results of the compensation analysis, bargaining group requests or Board direction.

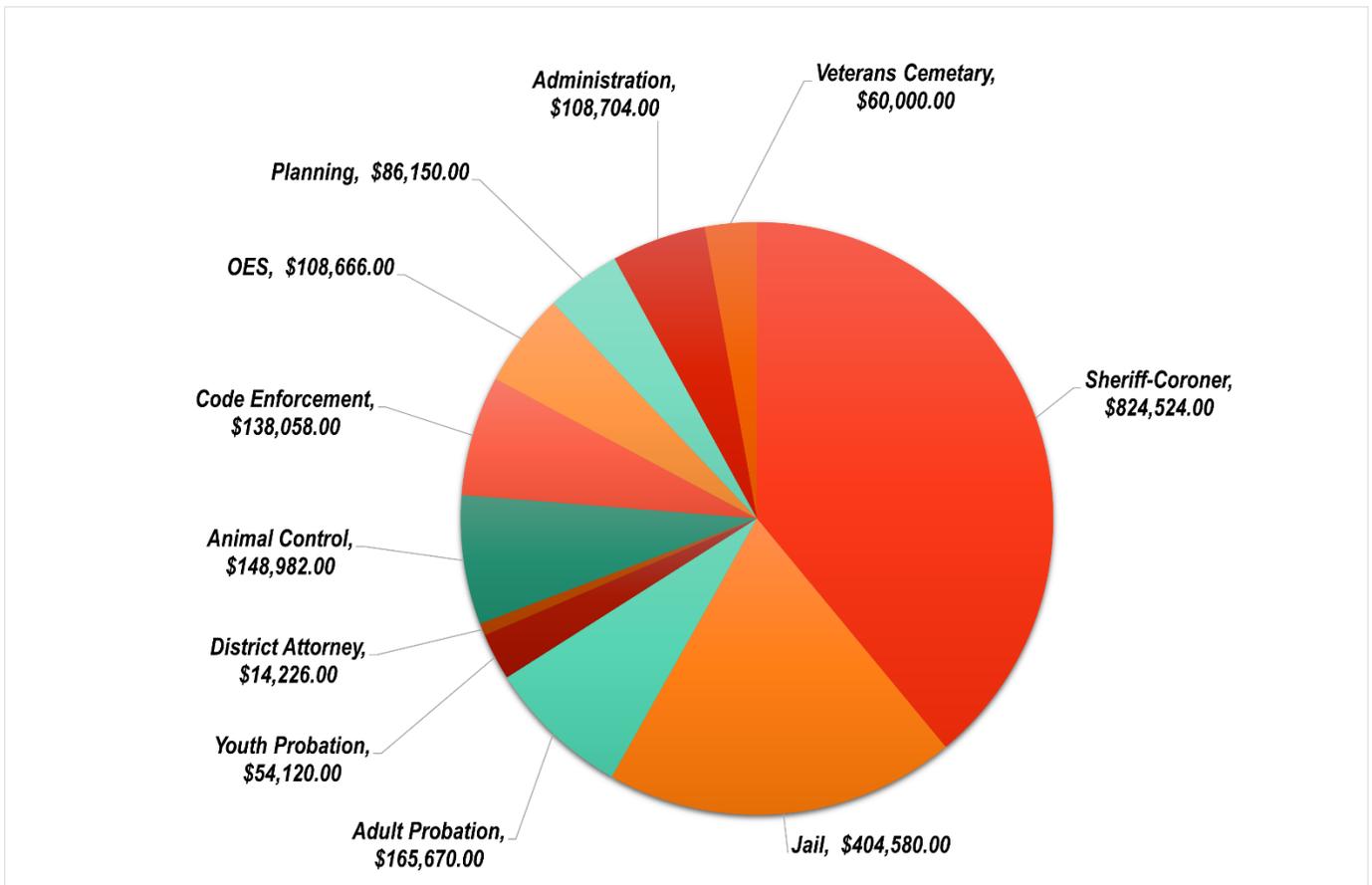
Measure R

In November of 2020 the voters of the unincorporated area of Del Norte County approved a one percent (1%) local sales tax to support some of the most significant services provided by the County to the community and all of those that visit us. True to

the intent of Measure R in providing those services, the Board approved funding to support law enforcement, emergency and disaster response, public nuisance, blight & code enforcement, emergency dispatch, animal services, planning and capital improvements. Included in today's FY 25/26 Recommended Budget are total costs associated with ongoing funding for positions created through Measure R and negotiated wage adjustments from FY 21/22 and FY 23/24, continuing the support and expansion of vital services. Also included in the requested Board actions and in the Measure R Budget, are Measure R funding requests reviewed and recommended by the Measure R Oversight and Advisory Committee. Those recommendations include \$6,000 for the purchase of a new ice machine at the Youth Opportunity Center, \$75,000 for a new fully equipped law enforcement midsize SUV for the Probation Department, \$152,000 for a whole body security scanning system and \$6,000 for a booking management system at the Jail, \$149,850 for two fully equipped law enforcement vehicles for patrol and \$23,000 for a flooring project at the Sheriff's Office. As of the writing of this report, Measure R sales tax revenue has continued the trend of exceeding the budgeted revenue for the fiscal year. In addition, expenditures will once again be less than anticipated and budgeted in FY 24/25 due to ongoing turnover in the positions approved by the Board and staffing vacancy rates in safety positions that received much needed wage adjustments through Measure R. It is important to note, based on the projected FY 25/26 revenue from the Auditor-Controller's Office, set annual obligations for Measure R continue to be fully funded with some of the fund balance being allocated to one-time Department requests. It is even more important to note that without Measure R, vital services this community demands and expects due to the passage of Measure, will be significantly impacted.

The vital services supported by Measure R have not significantly changed from FY 21/22 as much of the funding has been used to support and expand upon those services through County staff, which is an annual cost. One area in which spending does vary more significantly from year to year is in capital improvements and public infrastructure. This is anticipated to continue as the fund balance builds in the Measure R Fund and more vital community capital projects are identified and prioritized by the Committee and the Board. During FY 24/25, Measure R funded several capital improvement projects which included paving County owned property heavily used by the community, office remodeling at the Animal Services Department and irrigation expansion at the veteran's cemetery. Recently, at the June 10, 2025 regularly scheduled Board meeting, the Board authorized the use of unallocated Measure R funds to assist with the gap funding needed for the critical jail rehabilitation project. As noted during the presentation, there is an estimated \$5 million dollars needed in gap funding. The Board has designated capital improvement funds in prior fiscal years, which will be used prior to Measure R funding. The Board's action to authorize these funds, also included the caveat that the County will use all resources possible to work towards securing state funding for this project. Also, as stated in the Measure R Oversight and Advisory Committee's annual report agenda item, the Committee has officially requested that the Measure R Fund carries a contingency fund balance for unforeseen expenditures.

While no funds are included in the Public Infrastructure line as part of the recommended budget, this line will be adjusted as needed based gap funding potentially needed for the jail rehabilitation project and for other capital projects when identified subject to Measure R Oversight and Advisory Committee recommendations and Board approval. Having funds identified in the Public Infrastructure line allows the Board to approve the transfer of these funds into the capital improvement line should it be necessary. Lastly, as approved by the Board with the adoption of the Strategic Plan, Administration is anticipating presenting a revised Capital Improvement Plan in collaboration with Building and Parks Maintenance and Community Development during FY 25/26 which will better define the fiscal needs for the various capital improvement projects included in the plan.



This chart visually demonstrates the breakdown of how Measure R funds are recommended to be distributed amongst County agencies to support vital services in Del Norte County during FY 25/26 at the time of the recommended budget. No Measure R funds have been requested, approved or directed towards salaries or any other financial benefit for County Administrators or Elected Officials (Board of Supervisors, Department Heads and Assistant Department Heads). All positions and wage adjustments funded by Measure R are for positions directly engaged in providing vital services to the residents and visitors of Del Norte County. It is essential to recognize that a sales tax is a unique revenue generator ensuring costs associated

with providing vital services are shared with the visitors who also place a demand on those services and County facilities/infrastructure.

Fish and Game Advisory Commission

As part of the FY 25/26 Recommended Budget, staff is recommending that the Board formally approve the use of County General Funds for funding of the activities of the County's Fish and Game Advisory Commission for those expenses not covered by the Commission's primary revenue source, fine collection. Under California's Fish and Game Code, counties may establish local Fish and Game Advisory Commissions which are nominally supported through the collection of Fish and Game fines. For several years, the Fish and Game Commission Fund revenue has not been sufficient to cover expenditures. The Budget Team has reviewed this situation and has determined that the Fish and Game Advisory Commission was established in 1996 under County Ordinance 96-08, which states in part: "The commission is established to serve in an advisory capacity to the board of supervisors in all matters concerning fish and game within the county, and on matters affecting fish and game within the county. This commission is to function as "the county fish and wildlife commission," as provided in Section 13103 of the Fish and Game Code. Any expenditure of funds pursuant to Section 13103 of the Fish and Game Code or any commitment of county funds must be authorized by the Board of Supervisors of the County prior to the expenditure." As such, it is recommended that the budget include General Fund appropriations of \$7,364 for the FY 25/26 operating costs as reflected in the 105-256 Budget unit.

Pacific Shores Watch Station

Also, as part of the FY 25/26 Recommended Budget, consistent with the Natural Resources TAC recommendation and Board approval in FY 24/25, the County Budget Team is recommending that the Board formally approve the use of County General Funds to support the operating cost associated with the Pacific Shores Watch Station. The General Fund contribution for FY 25/26 is budgeted for \$19,445 and is reflected in the 320-312 Budget unit.

In 2017, the Board authorized the establishment of the Pacific Shores Watch Station under a three-year Coastal Development permit and Memorandum of Agreement with the California Department of Fish and Wildlife. Through extensions and amendments to the permit and the agreement, the watch (host) station has been operating since 2018. Until recently, operating costs have been supported by the Pacific Shores Settlement funds, which have now been fully depleted. The current permit is valid through March 11, 2027. This request is to support the ongoing operations, at a minimum, through the life of the permit at which time staff will bring further alternatives back to the Board.

American Rescue Plan Act (ARPA)

Through the Federal American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) all California cities and counties were allocated

COVID related recovery funds. In addition to the CSLFRF funding through ARPA, the County was notified by CSAC in September of 2022 that an additional tranche of funding called the Local Assistance and Tribal Consistency Fund would also be allocated. This funding was created for revenue sharing counties or counties with large amounts of federally owned public lands born out of the recognition that the presence of federal lands can limit a community's economic opportunities. In what was a long fought battle for CSAC, the formula for these funds focused on several economic indicators such as poverty rates, household income, land values, unemployment rates and federal land acreage within each local government, as defined by PILT. Based on the formula, Del Norte County received \$3,577,717 in additional one-time funding.

The FY 25/26 Recommended Budget for one-time funding received through the ARPA reflects a projected fund balance after the close of FY 24/25 of approximately \$6,000,000, which was previously designated by the Board for prioritized capital projects such as the Jail Rehabilitation and improvements to Pyke Field, additional costs of mandated medical and mental health services at the jail as well as other one-time procurements prioritized and approved by the Board.

Attachment B - Children's Budget

Health and Human Services

The Children's Budget was prepared by Health and Human Services beginning in FY 13/14. This budget is an overall picture of funds being administered by each branch of the department with a focus on children and families. These programs are mandated and funded by Federal and State dollars.

The funds spent for the programs in the Children's Budget are meant to support five outcome measures for children in Del Norte County:

- 1) Children ready for and succeeding in school.
- 2) Children and youth are healthy and preparing for adulthood.
- 3) Families are economically self-sufficient.
- 4) Families are safe, stable and nurturing.
- 5) Communities are safe and provide a high quality of life.

Each branch has unique programs that are designed to serve children and families in Del Norte County. Social Services offers MediCal, CalFresh, Child Care and Adoption Assistance. Public Health offers programs for Maternal Child Health and Immunizations. While Mental Health offers Youth Services through Remi Vista, Reach for Success and Strengthening Families.