



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 5/12/2026

To: Board of Supervisors/Directors/Commissioners

Department or Agency Name(s): County Executive's Office

Staff Name and Phone Number: David Guhin, Peter Bruland, Nikolas Klein, 707-565-2431

Vote Requirement: 4/5th

Supervisorial District(s): Countywide

Title:

Fiscal Year 2025-26 Third Quarter Consolidated Budget Adjustments and Appropriations Limit Correction

Recommended Action:

- A) Adopt a Concurrent Resolution adjusting Fiscal Year 2025-26 budget appropriations by \$2,773,682, for the County and all Public Entities for which the Board of Supervisors acts as the Board of Directors or Commissioners, to implement prior board-approved actions, project re-budgets, and technical budgetary corrections. (4/5th Vote)
- B) Adopt a Concurrent Resolution establishing corrected Fiscal Year 2025-26 appropriations limits for the County and Board of Supervisors-governed special districts, County Services Areas, and the Sonoma County Agricultural Preservation and Open Space District.
- C) Adopt a Concurrent Resolution of the Board of Supervisors of the County of Sonoma and Board of Commissioners of the Sonoma County Community Development Commission, amending the Department Allocation List of the Community Development Commission Department, effective May 12, 2026, to make an administrative correction to effective dates for previously approved position allocation changes.

Executive Summary:

The recommended actions add total appropriations of \$2,773,682 to the County's Fiscal Year 2025-26 adopted budget in accordance with prior Board direction or approval. Adjustments include technical corrections to the budget, adjustments to redistribute funds between capital projects, and a one-time \$1.5 million transfer from the General Fund to the Designated Purposes Fund to backfill revenue loss for one year of the two-year impact fee elimination pilot program. The Third Quarter Consolidated Budget Adjustments increase the County's FY 2025-26 budgeted gross expenditures to \$3.83 billion, or \$2.81 billion net excluding internal transfers and reimbursements. Details of requested budget adjustments are included in Exhibit A of the attached budget resolution.

Additionally, this item requests approval of two resolutions to correct administrative errors in previously approved Board resolutions. The appropriations limit resolution supersedes the original resolution adopted in June 2025 to establish FY 2025-26 appropriations limits for the County and Board of Supervisors-governed special districts, County Services Areas, and the Sonoma County Agricultural Preservation and Open Space District. The June 2025 resolution contained incorrect information that did not match the supporting calculations for the appropriations limit. The personnel resolution corrects the effective dates for Community Development Commission position changes previously approved on March 3, 2026, to ensure the position

changes are effective in FY 2025-26 prior to July 1, as originally intended.

Discussion:

Budget Adjustments Overview

Throughout the fiscal year, it is necessary for many County Departments, Agencies, and Districts to adjust revenue and/or expenditure appropriations in their budgets. To facilitate this need, the County of Sonoma utilizes a quarterly Consolidated Budget Adjustments (“CBA”) process combine departments’ appropriations adjustments into a countywide budget resolution that meet specific criteria, including activities that have received prior board direction or approval, technical corrections, re-budget of prior year funds, or adjustments that meet other ministerial requirements. The Board’s approved annual spending authority expires at the end of the County’s fiscal year on June 30; therefore, departments often need to re-budget unspent funds from prior fiscal years for multi-year projects as part of quarterly adjustments.

A total of 8 departments submitted budgetary adjustments for inclusion in Third Quarter Consolidated Budget Adjustments. The proposed adjustments do not include any new programs or initiatives not previously approved by the Board. The proposed action adds expenditure appropriations of \$2,773,682 to the FY 2025-26 budget, bringing the County’s revised net expenditure budget to \$2.81 billion.

General Fund

Across all General Fund budget sections, total expenditure appropriations are increasing by \$1,750,000. General Fund adjustments will be funded by a combination of grant revenue, previously approved General Fund Contingencies, non-General Fund sources, transfer of appropriations between budgetary units, and releasing fund balance assignments established during the FY 2024-25 year-end close process.

Key highlights in General Fund sections include:

- \$1,500,000 one-time transfer of General Fund to the Designated Purposes Fund to backfill future year revenue loss due to elimination of development impact fees approved on 3/11/25. This transfer covers one year of the two-year pilot program, and the expense is fully offset by releasing General Fund contingencies assigned during FY 24-25 year-end close.
- \$250,000 for the Sheriff’s Office to provide security services at a second NASCAR event in FY 25-26, per delegated authority authorized by the Board on 5/21/24. The expense will be fully covered by revenue from the agreement with NASCAR, resulting in no net cost to the General Fund.
- \$490,530 increased appropriations in Sonoma Public Infrastructure’s (SPI) Facilities Operations Division for janitorial charges related to the living wage increase, paid time off for contractors, and the addition of Aviation and Brickway facilities. SPI’s increased contracts expenditures will be fully offset by reducing surplus appropriations for contracts in the Non-Departmental General Fund budget for no net increase.

Other Funds

In Other Funds budgetary sections that sit outside the General Fund, expenditures are increasing by \$1,023,682 and funding sources are increasing by \$2,488,682, resulting in a net \$1,465,000 accumulation of fund balance. Key highlights in Other Funds include:

- \$1,500,000 one-time General Fund transfer received in the Designated Purposes Fund to backfill revenue loss due to elimination of development impact fees approved on 3/11/25. This transfer covers

one year of the two-year pilot program, and while it shows as accumulated fund balance in FY 25-26, it will be spent down in future years to reimburse SPI and Regional Parks.

- \$584,885 increase in the Capital Projects department to transfer surplus funds from the re-scoping of the Juvenile Hall Fending Project to other capital projects, including: Guerneville Satellite Site Roof HVAC, Sebastopol Veterans Hall Kitchen, and Valley of the Moon Children's Home roof replacement, and Hall of Justice tenant improvements.
- \$321,000 increase to appropriations in the Unemployment Insurance Fund to cover mandatory payments to the State Employment Development Department for unemployment insurance claims filed by former County employees. Payments to the State will be funded by County departments' increased employer payroll contributions as previously authorized by the Board. (2/10/26, Item #9 and 3/10/26, Item #15)

Refer to Exhibit A to the Concurrent Budget Resolution for a full list of adjustments.

FY 2025-26 Appropriations Limit - Corrected Resolution

Each fiscal year, the Board must approve an appropriations limit as part of budget adoption, which dictates the total amount of tax revenue and certain related revenue streams that can be appropriated during a fiscal year. The original June 2025 resolution adopted by the Board of Supervisors to establish FY 2025-26 appropriations limits for the County and Board of Supervisors-governed special districts, County Services Areas, and the Sonoma County Agricultural Preservation and Open Space District, contained errors and did not match published supporting documentation and calculations provided to the Board of Supervisors and public in Binder Tab 11 of the Budget Hearings Materials. The corrected resolution requested for adoption as part of this item corrects the errors, aligns the FY 2025-26 appropriations limits with supporting calculations, and supersedes the original resolution adopted in June 2025.

The Press Democrat published a public notice on April 10 for the appropriations limit correction to be considered for adoption by the Board on May 12, and staff published an explanatory memorandum, along with the original supporting calculations and the corrected resolution, on April 24:

<https://sonomacounty.gov/administrative-support-and-fiscal-services/county-executives-office/budget-and-operations/budget-reports>

Community Development Commission - Corrected Personnel Resolution

On March 3, 2026, the Board adopted a personnel resolution amending the Sonoma County Community Development Commission's Department Allocation List to modify 3.0 FTE time-limited positions originally due to expire on June 30, 2026. The approved March 3 resolution converted 1.0 time-limited Senior Office Assistant to a regular full-time position, extended 1.0 full-time, time-limited Occupancy Specialist II position through June 30, 2027, and extended 1.0 full-time, time-limited Community Development Program Coordinator position through June 30, 2027. However, the March 3 resolution included an incorrect effective date of July 1, 2026, which creates administrative issues because the positions technically expire one day earlier on June 30, 2026. The corrected resolution attached to this item will make the conversion and extensions effective as of May 12, 2026, prior to the June 30, 2026, expiration date for these three positions. There are no other substantive changes to this corrected personnel resolution, compared to the March 3 version.

Disaster Projects Reimbursement Update

To date, the County has spent \$213.7 million on disasters and \$201.6 million is estimated to be eligible for reimbursement by FEMA/Cal-OES. Of the \$201.6 million, \$98.5 million has been reimbursed. Of the remaining \$103.1 million eligible for reimbursement, approximately \$46 million is for Roads to fund repair work; \$600,000 is for Regional Parks repair projects associated with the 2019 flood and 2023 storms; and \$56.5 million is due to the General Fund, of which \$54.4 million is associated with COVID-19.

As of April 24, 2026, the County has 10 open FEMA/CDAA Public Assistance events consisting of over 130 projects:

- DR4301 2017 January Flood - Event closeout in process
- DR4308 2017 February Flood - Event closeout in process
- DR4344 2017 Sonoma Complex Fires - Event closeout in process
- DR4434 2019 Late February Storms - Pending project appeals and multiple SPI-Roads projects in construction
- FM5295/CDAA2019-06 2019 Kincade Fire - Pending CalOES review for project closeouts
- DR4482 2020 COVID-19 Pandemic - Pending project appeals and project closeouts
- DR4558 2020 Lightening (LNU) Complex Fires - Pending project appeals and project closeouts
- DR4569 2020 Glass Fire - Pending project appeals and project closeouts
- DR4683 2023 California Severe Winter Storms, Flooding, Landslides, And Mudslides - Pending project appeals and project closeouts
- DR4699 2023 California Severe Winter Storms, Straight-line Winds, Flooding, Landslides, and Mudslides - Pending project closeouts

The Disaster Finance Team in the Auditor-Controller-Treasurer-Tax Collector's (ACTTC) Office is working regularly with FEMA and CalOES on the reimbursement process, but the County is still experiencing delays and awaiting release of funds for obligated projects. The delays stem from FEMA approval of projects, ineligibility appeals, as well as CalOES' new process in line with FEMA's Validate-As-You-Go (VAYGo) process, which requires thorough review of all documentation before releasing payment. Disaster Finance is working with affected County departments, Department of Emergency Services, and State officials to gain a better understanding of potential impacts.

Disaster response costs have been temporarily covered through a mix of General Fund sources and other funds. In FY 2021-22, the Kincade Settlement Fund provided \$20 million as a temporary bridge for reimbursement delays; repayment of the Kincade Settlement Fund will occur as FEMA reimbursements are received and overall Disaster Funds are balanced.

The State of California issued a State of Emergency related to the 2025 February Storms event, and the Governor recently signed a retroactive disaster proclamation for the December 2025 and January 2026 winter storm events. CalOES recently denied the County's claim for California Disaster Assistance Act (CDAA) assistance for the 2024 November Storms and the 2025 February Storms events. For the other events, the Department of Emergency Management and ACTTC Disaster Finance will continue to work with CalOES to determine potential damages that may be eligible for CDAA funding. The 2025 February Storms event does not qualify for FEMA Public Assistance, which would provide for county infrastructure needs, as it was not declared a federal emergency.

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The attached FEMA Project Summary report provides details by project, including total cost, applicable FEMA category, amount obligated to date, reimbursements received as of March 31, 2026, remaining funds expected, and the County’s local share of costs.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

March 10, 2026 - Fiscal Year 2025-26 Second Quarter Consolidated Budget Adjustments

March 3, 2026 - Adopt a Personnel Resolution amending the Sonoma County Community Development Commission’s Department Allocation List

October 28, 2025 - Fiscal Year 2025-26 First Quarter Consolidated Budget Adjustments

June 10, 2025 - Fiscal Year 2025-26 Budget Adoption including Appropriations Limit

FISCAL SUMMARY

| Expenditures | FY25-26 Adopted | FY26-27 Projected | FY27-28 Projected |
|------------------------------------|----------------------------|------------------------------|------------------------------|
| Budgeted Expenses | | | |
| Additional Appropriation Requested | \$2,773,682 | | |
| Total Expenditures | \$2,773,682 | | |
| Funding Sources | | | |
| General Fund/WA GF | \$1,500,000 | | |
| State/Federal | \$82,797 | | |
| Fees/Other | \$2,655,885 | | |
| Use of Fund Balance | (\$1,465,000) | | |
| General Fund Contingencies | \$0 | | |
| Total Sources | \$2,773,682 | | |

Narrative Explanation of Fiscal Impacts:

Refer to the discussion section for a summary of adjustments and Exhibit A of the Concurrent Budget Resolution to see all departmental budget adjustments by General Fund and Other Funds. The negative Use of Fund balance indicates and accumulation of funds, which is due to the \$1,500,000 transfer of General Fund into the Designated Purposes noted in the discussion section.

Staffing Impacts:

| Position Title (Payroll Classification) | Monthly Salary Range (A-I Step) | Additions (Number) | Deletions (Number) |
|------------------------------------------------|--------------------------------------------|-------------------------------|-------------------------------|
|------------------------------------------------|--------------------------------------------|-------------------------------|-------------------------------|

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Narrative Explanation of Staffing Impacts (If Required):

Refer to the discussion section above for an explanation of the correction to the effective date for the CDC position actions previously on March 3, 2026.

Attachments:

- Budget Resolution with Exhibit A
- Appropriations Limit Correction Resolution
- Personnel Resolution
- FEMA Project Summary

Related Items "On File" with the Clerk of the Board:

N/A