



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 7/22/2025

To: Board of Supervisors

Department or Agency Name(s): Auditor-Controller Treasurer-Tax Collector

Staff Name and Phone Number: Erick Roeser 565-3285/Jennifer Calderon 565-3289

Vote Requirement: Majority

Supervisory District(s): Fourth and Fifth

Title:

Gold Ridge Resource Conservation District Fund Transfer

Recommended Action:

Adopt a Resolution authorizing the Auditor-Controller Treasurer-Tax Collector to establish a temporary fund transfer for Gold Ridge Resource Conservation District in an amount up to \$500,000.

Executive Summary:

The Gold Ridge Resource Conservation District ("the District"), in conjunction with the Auditor-Controller Treasurer-Tax Collector, is requesting the Board adopt a resolution authorizing a temporary fund transfer in an amount not to exceed \$500,000 to provide the District with sufficient funds to meet cash flow needs. This temporary transfer does not exceed 85% of the estimated revenues accruing to the District and will be repaid by April 27, 2026, which is the last Monday in April of the current fiscal year, as required by law.

Discussion:

The California Constitution authorizes the County Treasurer to temporarily transfer funds from County Treasury to any political subdivision whose funds are held solely in County Treasury, so long as the fund transfer does not exceed 85% of the anticipated revenues accruing to such political subdivision, is not made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such political subdivision before any other obligation of such political subdivision is met from such revenue.

The District was established in 1941 as one of the original resource conservation districts, and the first in Sonoma County. The District was established to ensure strong, productive, and viable agricultural endeavors in Western Sonoma County can continue by improving soil and water quality, and by providing an economically and ecologically viable and healthy agricultural community.

To that end, the District, whose funds are held solely in County Treasury, has applied for and received several awards from state and local sources for various projects. The following is a brief summary of the major awards and amounts remaining to be billed:

Funding Agency	Grant/Contract Amount
Caltrans Gleason	\$1,090,826
State Coastal Conservancy	\$752,158

County of Sonoma - Resilient Forests and Watersheds	\$522,455
Sonoma Water	\$435,126
CA State Parks	\$304,613
Wildlife Conservation Board	\$283,007
State Coastal Conservancy	\$281,834
Grand Total	\$3,670,019

The District must spend the funds prior to reimbursement from awarding agencies and does not have adequate cash to cover these upfront expenditures.

The District has estimated revenues of \$8,623,563, as set forth in the District adopted Resolution requesting this fund transfer (Attachment B). The listed grant awards have been verified by the Auditor-Controller-Treasurer-Tax Collector's office. Because the total requested temporary fund transfer is well below the maximum of 85% of the District's verified revenues, not all estimated revenues accruing to the District were reviewed. This fund transfer acts as a line of credit, which authorizes the District to operate with a deficit cash position up to the requested amount of \$500,000 for FY 2025-26. Any funds used will be repaid in full by April 27, 2026, which is the last Monday in April of the current fiscal year. This line of credit is necessary to allow the District to maintain operations prior to reimbursements being received and represents a low risk to the County as the grants/contracts have already been awarded to the District and far exceed the minimum amount required to support the requested line of credit.

In 1991, the Board adopted Resolution No. 91-0271, which delegated authority to the Auditor-Controller Treasurer-Tax Collector to approve temporary fund transfers to agencies that can secure transfers wholly by revenue collected through the secured property tax system. However, the District does not receive sufficient property tax support to meet the current temporary fund transfer request. In FY 2023-24, the District received less than \$40,000 in property tax revenues and the amount is not expected to increase substantially in FY 2025 -26; therefore, Board of Supervisors approval is required for a temporary fund transfer secured by revenue from outside sources.

In FY 2014-15, the District agreed to work with the Auditor-Controller Treasurer-Tax Collector to develop a plan that addressed their structural deficit with the aim of eliminating their annual operating deficit and working down their accumulated deficit. Attachment C contains detail of the District's audited financial data through FY 2023-24 showing their accumulated deficit was eliminated as of FY 2016-17. The District estimates that revenues will exceed expenditures by a nominal amount through FY 2026-27 and thereby increasing their Net Assets (equity position). While the structurally balanced budgets show a low risk to the County and may reduce the need for future temporary transfers, the nature of most District revenues, which are received as reimbursements, means that annual requests are also driven by the status of District projects and reimbursement timelines.

If the Board Resolution (Attachment A) is adopted, the District plans to use the line of credit to ensure prompt payments are made to vendors and contractors, which helps small and local businesses who are not in a position to wait for payment until the District is reimbursed from awarding agencies.

Racial Equity:

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

No

Prior Board Actions:

08/13/2024: Board approved transfer of \$1,500,000 by Resolution No. 24-0674

08/15/2023: Board approved transfer of \$600,000 by Resolution No. 23-0873

FISCAL SUMMARY

Expenditures	FY24-25 Adopted	FY25-26 Projected	FY26-27 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

The recommended temporary fund transfer has no financial impact for the County. Rather than a physical transfer of cash to the District, this action provides authority for the District to operate with a deficit cash position up to the approved amount and the District will receive negative quarterly interest apportionments based on its average daily balance and the Treasury Pooled interest rate.

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

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

- 1) Attachment A: Resolution
- 2) Attachment B: Gold Ridge Resource Conservation District Resolution
- 3) Attachment C: Audited and Projected Financial Data

Agenda Date: 7/22/2025

Related Items “On File” with the Clerk of the Board:

None