



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 10/28/2025

To: Board of Supervisors/Directors/Commissioners/Directors of the Sonoma Valley County Sanitation District
Department or Agency Name(s): County Executive's Office
Staff Name and Phone Number: Christina Rivera, Nikolas Klein, 707-565-5312
Vote Requirement: 4/5th
Supervisory District(s): Countywide

Title:

Fiscal Year 2025-26 First Quarter Consolidated Budget Adjustments

Recommended Action:

- A) Adopt a Concurrent Resolution adjusting Fiscal Year 2025-26 budget appropriations by \$89,891,126 for County departments, Sonoma Water, and Community Development Commission to implement prior board-approved actions, project re-budgets, and budgetary corrections. (4/5 Vote)
- B) Adopt a Resolution adjusting Fiscal Year 2025-26 budget appropriations by \$7,012,213 for the Sonoma Valley County Sanitation District to implement prior year board-approved actions and project re-budgets. (2/3 Vote)
- C) Adopt a Resolution amending the department allocation list of the Sonoma County's Sheriff's Office to convert 5.0 Full-Time Equivalent Time-Limited allocations in the Narcotics Unit to ongoing allocations effective October 28, 2025. (Majority)

Executive Summary:

The recommended actions add combined total appropriations of \$96,903,339 to the County's FY 2025-26 adopted budget, including the Sonoma Valley County Sanitation District, in accordance with prior Board direction or approval. Total adjustments include re-budgeted appropriations of \$84,911,950 from the prior fiscal year, and \$11,991,389 of new appropriations associated with approved actions in the current fiscal year, increased property tax growth, grant program true-ups, and budget corrections. All items included in these adjustments are based on prior Board direction. Re-budgeted appropriations include \$7,012,213 for Sonoma Valley County Sanitation District projects and \$61,176,831 for other Sonoma Water projects. The First Quarter Consolidated Budget Adjustments increase FY 2025-26 total gross expenditures to \$3.75 billion. Excluding internal transfers and reimbursements, which more accurately reflects the County's operating and capital expenditures, results in a net budget of \$2.78 billion. Details of requested budget adjustments are included in Exhibit A of the attached budget resolution.

This item also requests approval to convert 5.0 FTE time-limited allocations in the Sheriff's Office Narcotics Unit to ongoing, permanent allocations, effective October 28, 2025, in line with direction from Budget Hearings. Lastly, this report provides a status update for FEMA reimbursements associated with recent disaster events.

Discussion:

Budget Adjustments

Throughout the fiscal year, many County Departments, Agencies, and Districts need to adjust revenue and/or expenditure appropriations in their budgets. To facilitate this need, the County utilizes a quarterly Consolidated Budget Adjustments (CBA) process, whereby departments submit adjustments that meet specific criteria to be consolidated into a countywide budget resolution, including activities that have received prior Board direction or approval, clean-up transactions and re-budgets of prior year funds, or adjustments that meet other ministerial requirements.

A total of 21 departments are requesting budgetary adjustments via First Quarter Consolidated Budget Adjustments. The proposed adjustments do not include any new programs or initiatives not previously approved by the Board. The proposed actions add expenditure appropriations of \$96,903,339 to the FY 2025-26 budget, including \$84,911,950 of re-budgeted appropriations from the prior fiscal year, bringing the County's revised net expenditure budget to \$2.78 billion. 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 as part of quarterly adjustments.

General Fund

Across all General Fund budget sections, total expenditure appropriations are increasing by \$14,566,766. Of this total, \$13,571,146 will be funded by updated sources, such as property tax growth, grant revenue, General Fund Contingencies, or transfers from other funds. The remaining \$995,619 will be funded by releasing General Fund assignments established during the FY 2024-25 year-end close process, consistent with Budget Hearings Board direction codified in the FY 2025-26 budget adoption resolution. Key highlights include:

- Increase revenue and expenditure appropriations by \$9,307,141 based on the final Fiscal Year 2025-26 Assessment Value roll close. Per the Board's approved Financial Policies (<https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/county-administrators->, 40% of unbudgeted tax roll growth, \$3,722,856, is being directed to the County Center Modernization Capital Project Fund. The remaining ongoing capacity of \$5,584,285 will be programmed in the Non-Departmental General Fund budget to maintain a balanced budget. In accordance with prior Board direction in the FY 2025-26 budget adoption resolution, approximately \$2 million of this ongoing tax revenue capacity will be utilized to fund the Sheriff's Office Narcotics Unit starting with the County's FY 2026-27 budget.
- Re-budget \$2,327,591 for the Integrated Justice System (IJS) Phase 3 Modernization project in the Information Systems Department's budget, with costs fully covered by funding allocations previously set-aside in the Non-Departmental Designated Purposes Fund and the Graton Mitigation Fund. These are one-time funding allocations to support the IJS modernization project. The CEO and affected departments involved with the IJS modernization project will return the Board with additional funding requests to continue work on future project phases beyond FY 2025-26.
- Re-budget \$995,619 funded by General Fund assigned during the FY 2024-25 year-end close process, including: \$757,730 total across several departmental budgets to re-budget information technology

improvement projects not completed in FY 2024-25; \$137,889 to support implementation of the Sheriff's new Jail Management System; and \$100,000 to fund the County's grant agreement with Community Action Partnership of Sonoma County on behalf of Health Action Together and NAACP Santa Rosa towards a community wellness hub in Santa Rosa.

- Re-budget \$791,200 in the County Executive's Office for a November 2024 grant received from the United States Department of Housing and Urban Development for the Equitable Energy Resilience and Electric Vehicle Infrastructure Project. Grant funds will be transferred to the Public Infrastructure Department for programming.
- Re-budget \$757,730 across various General Fund departmental budgets to continue work on information technology improvement projects that were not completed in FY 2024-25. Remaining funds associated with these projects were set-aside as assigned fund balance as part of the FY 2024-25 year-end close process. Re-budget of information technology projects spanning fiscal years occurs annually as part of first quarter consolidated budget adjustments.
- Reduce both expenditure and revenue appropriations by \$(1,445,000) in the Regional Parks budget to correct appropriations associated with Federated Indians of Graton Rancheria funded projects inadvertently double-counted in the adopted budget. This correction does not impact General Fund net cost.

Other Funds

In Other Funds budget sections that sit outside the General Fund, expenditures are increasing by \$82,336,574 and funding sources are increasing by \$34,723,972, resulting in a net \$47,612,603 use of accumulated special and/or specific use fund balances. Of total expenditures in Other Funds, \$68,189,044, or 83%, of the budget increases are associated with Sonoma Water's re-budgeted appropriations for multi-year projects. Key highlights in Other Funds include:

- Re-budget various Sonoma Water multi-year projects, including climate resiliency and conservation, technology upgrades, wastewater improvements and maintenance, water delivery and storage, and hazard mitigation. Major adjustments include:
 - ☐ \$8,797,069 for the South Park Barbara-Winston Collection System, Santa Rosa Ave., McMinn Ave., and Hughes Ave. sewer replacements.
 - ☐ \$7,430,787 for water system electrical and structural improvements, communications resiliency, cathodic protection upgrades, and right-of-way services to protect pipelines from corrosion.
 - ☐ \$5,975,656 for the North Bay Water Reuse Authority's Program to offset urban and agricultural demand on potable water supplies.
 - ☐ \$5,501,290 for the Water System Tank Maintenance and Rehabilitation Program to inspect, clean, repair, recoat, and make structural improvements for 18 storage tanks to maintain the integrity of the tanks and tank water quality, and improve the resilience of the water transmission system.

- \$5,269,894 for natural hazard mitigation planning, assessments, design, and construction to improve water system reliability.
- \$4,055,701 for the Russian River Biological Opinion Dry Creek Habitat Enhancement phases 4 and 6 design, right of way negotiations, appraisals, and construction to improve fish habitat.
- Re-budget \$7,012,213 in the Sonoma Valley County Sanitation District's budget for design and construction of Sonoma Valley trunk main replacements, other treatment plant and distribution system improvements, routine maintenance needs, wastewater system reliability and protect infrastructure.
- Re-budget \$4,311,831 in the Tobacco Securitized Fund to transfer funds to the Public Infrastructure Department Roads Capital Improvement section for storm damage site repairs, as directed by the Board in April 2025.
- Re-Budget \$1,059,454 in the Community Development Commission budget for Legal Aid Housing Program Support, and funding awards to Linc Housing Heritage Park, Rohnert Park Supportive Services, and Scout Hut ADA Services, with funding from the Housing & Urban Development (HUD) Community Development Block Grant and HUD HOME American Rescue Plan.
- Transfer \$1,000,000 Groundwater Sustainability Agency (GSA) discretionary funding set-aside from the Non-Departmental Designated Purposes Fund to the General Fund for FY 2025-26 support to the Petaluma Valley and Sonoma Valley GSAs for equalized rates across all basins. This adjustment corrects appropriations missed in the FY 2025-26 Adopted Budget. Next year's FY 2026-27 budget will include the third and final \$1,000,000 annual subsidy to the GSAs.

Refer to Exhibit A of the attached Concurrent Budget Resolution for a full list of adjustment details in the General Fund and other funds.

Sheriff's Office Narcotics Unit Position Conversions

The third recommended action requests Board approval to convert 5.0 FTE time-limited allocations in the Sheriff's Office Narcotics Unit, which are currently set to expire on June 15, 2026, to ongoing allocations effective October 28, 2025. As an outcome of FY 25-26 Budget Hearings, the Board approved Resolution #25-0300 which authorizes an ongoing General Fund allocation for the Sheriff's Office should the final 2025 Property Tax Roll close with more than \$3.3 million of expected revenue above the amount programmed in the 2025-26 Adopted Budget. Additionally, the resolution provided that any time-limited positions allocated to the Sheriff's Office Narcotics Unit would also be made permanent in a future Consolidated Budget Adjustment. Following Budget Hearings, the final 2025 Property Tax Roll closed with more than \$3.3 million of expected revenue above the amount programmed in the 2025-26 Adopted Budget.

FEMA Reimbursement Update

To date, the County has spent over \$207 million on disasters and \$188 million is estimated to be eligible for reimbursement by FEMA/Cal-OES. Of the \$188 million, \$88 million has already been reimbursed. Of the remaining \$100 million eligible for reimbursement, approximately \$37 million is for Roads to fund repair work; \$1 million is for Regional Parks repair projects associated with the 2019 flood and 2023 storms; and \$62

million is due to the General Fund, of which \$58 million is associated with COVID-19.

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. Department of Emergency Management and Disaster Finance are working with CalOES on potential reimbursement opportunities related to the November 2024 and February 2025 Atmospheric River events. The County has also received Notice of Payment for two COVID related projects and anticipates receiving \$14 million by the end of FY 2025-26.

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. On March 18, 2025, President Trump signed Executive Order, Achieving Efficiency Through State and Local Preparedness, to restructure FEMA and Federal assistance for disasters/emergencies and shift more responsibility for disaster preparedness and response to state and local governments. On February 28, 2025, FEMA sent out notifications to all FEMA recipients notifying that FEMA and Department of Homeland Security will be conducting additional reviews and may request additional documentation before releasing funds. Disaster Finance expects there will be additional delays and potential for disruption in funding for projects not yet funded/obligated and paid out and the overall close-out process of all FEMA related grants. Disaster Finance is working with affected County departments, Department of Emergency Services, and State officials to gain a better understanding of potential impacts.

In October 2023, FEMA Region IX (which includes Sonoma County) notified the State and counties of its decision to decline reimbursement for costs associated with Non-Congregate Sheltering (NCS) client stays beyond 20 days, incurred as part of the COVID-19 response effort, which occurred from May 2020 to May 2023. The decision by FEMA Region IX in December 2023 could reduce the County's reimbursement for NCS costs by as much as \$38 million. On June 2, 2025, the County received a Determination Memo from FEMA denying reimbursement for \$38 million in NCS costs. Disaster Finance submitted an appeal to this Determination Memo on July 29, 2025, and has yet to receive a response.

Strategic Plan:

N/A

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

No

Prior Board Actions:

June 10, 2025 - Fiscal Year 2025-26 Budget Adoption

FISCAL SUMMARY

Expenditures	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$96,903,339		
Total Expenditures	\$96,903,339		
Funding Sources			
General Fund/WA GF	\$10,270,621		
State/Federal	\$20,397,081		
Fees/Other	\$18,590,895		
Use of Fund Balance	\$47,612,603		
General Fund Contingencies	\$32,139		
Total Sources	\$96,903,339		

Narrative Explanation of Fiscal Impacts:

Refer to Exhibit A of the attached Concurrent Budget Resolution for a full list of departmental budget changes categorized by General Fund and Other Fund changes.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
Sheriff's Sergeant	\$10,931.29 - \$13,286.26	0.0□	0.0□
Deputy Sheriff II	\$9,365.95 - \$11,385.24	0.0□	0.0□

Narrative Explanation of Staffing Impacts (If Required):

Several time-limited positions in the Sheriff's Office Narcotics Unit currently expiring 6/15/25 will be converted to ongoing allocations effective 10/28/25, including 1.0 FTE Sheriff's Sergeant and 4.0 FTE Deputy Sheriff II allocations.

Attachments:

1. Concurrent Budget Resolution with Exhibit A
2. Sonoma Valley County Sanitation District Budget Resolution
3. Position Resolution - Sheriff's Narcotics Unit

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

N/A