



# COUNTY OF SONOMA

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

## SUMMARY REPORT

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**Agenda Date:** 3/11/2025

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**To:** Board of Supervisors, Board of Directors

**Department or Agency Name(s):** County Administrator's Office

**Staff Name and Phone Number:** Nikolas Klein, 707-565-5312

**Vote Requirement:** 4/5th

**Supervisorial District(s):** Countywide

**Title:**

Fiscal Year 2024-25 Second Quarter Consolidated Budget Adjustments

**Recommended Action:**

- A) Adopt a Concurrent Resolution to adjust Fiscal Year 2024-25 budget appropriations by \$13.8 million. (4/5th Vote)
- B) Adopt a Concurrent Resolution to extend 11.5 time-limited positions to September 29, 2025.
- C) Authorize the Community Development Commission (hereinafter "CDC"), in coordination with and oversight by the Human Resources Department, to administer layoff procedures in accordance with the Service Employees' International Union - Local 1021 Memorandum of Understanding (SEIU MOU) and to mitigate the layoff, to the extent possible.

**Executive Summary:**

The recommended action adds appropriations of \$13.8 million to the County's FY 2024-25 adopted budget in accordance with prior Board direction or approval. These adjustments increase budgeted FY 2024-25 total gross expenditures to \$3.57 billion. Excluding internal transfers and reimbursements results in a net budget of \$2.64 billion, which more accurately reflects the County's operating and capital expenditures. Details of the requested changes are included in Exhibit A of the attached Budget Resolution.

This item also requests approval to extend 11.5 Full Time-Equivalent (FTE) time-limited positions through September 29, 2025, to avoid unnecessary layoff notifications pending the outcome of June 2025 budget hearings and afford time to complete key projects this calendar year. Additionally, this item authorizes the CDC, in coordination with and oversight by the Human Resources Department, to administer layoff procedures due to lack of funds in accordance with the SEIU MOU and to mitigate the layoff to the extent possible.

**Discussion:**

**Budget Adjustments**

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

on an annual basis and expires June 30 at the end of the County's fiscal year, it is necessary to re-budget unspent funds from prior fiscal years as part of quarterly adjustments.

A total of 11 departments are requesting budgetary adjustments via Second 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 \$13.8 million to the FY 2024-25 budget.

### General Fund

In General Fund budget sections, expenditure appropriations are increasing by approximately \$1.8 million: \$1.5 million is funded by other sources or reimbursements; \$151,576 is offset by reducing General Fund Contingencies appropriations per prior Board direction; and \$227,190 is offset by releasing designated fund balance in the General Fund. Due to these reimbursements and offsets, the additional appropriations do not result in an overall increase to the County's budgeted General Fund net cost. However, the Sonoma Public Infrastructure department budget includes a \$(41,803) decrease to General Fund net cost which reverses and corrects an erroneous entry that occurred as part of the annual Capital Project re-budget administrative process and is needed to balance the General Fund budget. Key highlights include:

- Adjusting the Regional Parks budget to re-direct \$1.0 million of anticipated General Fund savings in Spring Lake Park Operations and Park Operations budgets to reimburse the Sheriff's Office for costs associated with the new Parks Unit, established per Board direction on July 16, 2024.
- Release assigned fund balance of \$227,190 in the General Fund associated with Permit Sonoma's Technology Surcharge fees and transfer funds from the Non-Departmental General Fund to Permit Sonoma's newly established Technology Surcharge Fund. Technology Surcharge fees have historically been collected and set-aside in the General Fund as assigned fund balance. This technical adjustment will move the funds to the newly established special revenue fund for tracking and programming.
- Total adjustments of \$151,576 utilizing General Fund Contingencies: \$50,576 for various fee waivers and sponsorships approved by the Board from September 10, 2024, through January 28, 2025; \$11,000 to fund a convening of Municipal Advisory Councils and Citizen Advisory Councils on February 22, 2025; and \$90,000 to fund consultant agreements supporting renewable energy, efficiency, and regulatory programs.
- Increase Sheriff's Office appropriations by \$150,834 to cover projected hiring incentive payments for employees hired under the Board-approved Hiring Incentive Program during FY 2024-25. Expenses will be fully offset by discretionary funds specifically allocated by the Board during FY 2024-25 budget hearings to cover program costs.

### Other Funds

In Other Funds, expenditures are increasing by approximately \$12.0 million and revenue/reimbursement funding sources are increasing by \$34.7 million, resulting in a \$22.7 million net accumulation of fund balances. Key highlights include:

- The overall increase (accumulation) of projected fund balances is solely driven by an accounting adjustment in the American Rescue Plan Act (ARPA) Fund in the Non-Departmental budget. Per direction from the Auditor-Controller-Treasurer-Tax Collector, this fund should be net neutral in the adopted budget. The County received all ARPA funds in advance; however, funds are only recognized as earned revenue when expenditures are accrued against them. Therefore, FY 2024-25 revenue

appropriations in this fund are being increased by \$26.0 million to match budgeted expenditure appropriations to balance the adopted budget at zero net cost.

- **Community Development Commission:**
  - Increase expenditure appropriations by \$816,492 for the removal of the George's Hideaway asset from the books to record the sale of the property. The sale to West County Community Services occurred on 12/05/24.
  - Increase expenditure and revenue appropriations for \$700,000 to record funding from the Permanent Local Housing Allocation Award for project cost for George's Hideaway operational costs.
  
- **Non-Departmental**
  - **Sales Tax Measures:** Establish revenue and expenditure appropriations of \$5.2 million in a newly created Special Revenue Fund to receive and pass-through cities' share of voter-approved Parks Measure M (2018) sales tax revenues. ACTTC determined the special revenue fund type is more appropriate than the existing fiduciary fund for this activity.
  - **Community Investment Fund:** Increase expenditures by \$541,392 to true-up current year Measure L distributions to departments per the Community Investment Fund Policy.
  - **Community Infrastructure Fund - District 2:** Transfer \$400,000 to the Roads Capital budget for the paving of various roads in District 2 included in the FY 2024-25 Pavement Preservation Program (Year 2 of 2).
  
- **Capital Projects**
  - Increase appropriations by \$1.0 million in the County Center Modernization for District Regional Office annual costs (\$333,333 each for Districts 1, 4, and 5).
  - Increase appropriations by \$812,115 for the Guerneville Library Improvement project. Funding sources include "Building Forward Library Facilities Improvement Program grant, matching funds from the County Center Modernization Fund, and the Sonoma County. (Approved 2/6/24, Item #13)
  - Increase appropriations by \$788,838 for Phase 2 construction costs associated with the tenant improvements to existing space leased by REDCOM in the Sheriff's building. Project costs will be funded by REDCOM.
  - Appropriate additional Cell Tower funding of \$175,000 for the North Sonoma Mountain Capital Improvement Project construction costs.

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

### **Position Allocation Changes**

The second recommended action requests approval of a Position Resolution that would extend 11.5 FTE time-limited allocations in six departments, which are currently filled and set to expire between June 9, 2025, and June 30, 2025, to a new end date of September 29, 2025. Without an extension, these time-limited positions would require layoff proceedings to begin at the end of March 2025, even if there is sufficient funding and related work to require retaining the position beyond the current end dates. For all

these positions, departments have determined, and the County Administrator's Office has confirmed, that there is a continued need for the positions into FY 25-26. To prevent unnecessary FY 24-25 layoff proceedings, the end date of these positions will be extended to September 29, 2025. As part of budget hearings, departments will bring forward Program Change Requests to explain the funding plans and business cases to justify extending these positions beyond September 29, 2025, based on the business need and available funding. The affected departments have sufficient funding to cover position costs until September 29, 2025.

The Position Resolution includes the 3-month extension of 1.0 FTE time-limited Department of Health Services (DHS) Assistant Public Health Laboratory Director. DHS submitted a separate board item on the same March 11 agenda (**Item #2025-0148**) that requests a 12-month grant-funded extension for this same position allocation. If the Board approves the 12-month extension and funding plan in Item #2025-0148, it will supersede the 3-month extension.

The third recommended action requests approval to authorize the CDC, in coordination with and under oversight by the Human Resources Department, to administer layoff procedures of a time-limited Housing Negotiation-Inspector expiring on June 30, 2025, due to American Rescue Plan Act funding ending, in accordance with the SEIU MOU and to mitigate the layoff to the extent possible.

As County employees, CDC staff who have been notified of impending layoff may work with Human Resources staff to determine classifications for which they are eligible for consideration for a transfer or a voluntary demotion. Approval of the recommended action will authorize Human Resources to administer the County's layoff mitigation policy and priority transfer employment list process.

### **FEMA Reimbursement Update**

No new reimbursements from FEMA have been received since the last update provided as part of the FY 24-25 Q1 CBA report on October 22, 2024. To date, the County has spent \$197 million on disasters and \$183 million is estimated to be eligible for reimbursement by FEMA/Cal-OES. Of the \$183 million, \$59 million has been reimbursed. Of the remaining \$124 million estimated to be eligible for reimbursement, approximately \$32 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 \$91 million is due to the General Fund, of which \$81 million is associated with COVID-19. 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 is being tracked and will occur as FEMA reimbursements are received and overall Disaster Funds are balance.

On August 30, 2024, FEMA notified all state and local jurisdictions nationwide that it implemented Immediate Needs Funding (INF) guidance. Under INF guidance, all new obligations not essential for lifesaving and life-sustaining activities were paused, including all COVID-19 project obligations. FEMA lifted INF restrictions on October 1, 2024; however, as is true for all municipalities, FEMA reimbursements are still exceedingly slow. The Disaster Finance Team in the Auditor-Controller-Treasure-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 County received two Notices of Payment in January 2025 totaling approximately \$1 million, but as of mid-February 2025 those payments have not been received. ACTTC Disaster Finance has been actively working with CalOES on their reviews and providing additional information and documentation as needed. As of October 2024, ACTTC submitted all final closeout

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documentation to CalOES and FEMA for 2017 disaster events, including the January and February floods and Sonoma Complex Fires.

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. Non-congregate sheltering played a crucial role in our county’s response to the ongoing public health crisis and was one of many strategies implemented to house vulnerable populations, particularly those high-risk individuals experiencing homelessness. The decision by FEMA Region IX in December 2023 to decline reimbursement for NCS costs is estimated to have a fiscal impact to Sonoma County of approximately \$32 million dollars, or 39% of the County’s total estimated FEMA eligible costs. The CAO submitted a letter to the California Governor’s Office of Emergency Services on January 5, 2024, requesting assistance from the state to advocate on behalf of counties and help challenge FEMA’s NCS decision. In March 2024, Congressional representatives for all California jurisdictions sent a joint letter to FEMA requesting reconsideration of FEMA’s decision. In June 2024, FEMA responded to the letter stating its overall decision has not changed; however, jurisdictions may work with them on a case-by-case basis for potential approval of reimbursements. No further updates from FEMA or CalOES are anticipated regarding NCS reimbursements.

**Strategic Plan:**

N/A

**Racial Equity:**

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

No

**Prior Board Actions:**

October 22, 2024 - Fiscal Year 2024-25 First Quarter Consolidated Budget Adjustments

June 14, 2024 - Fiscal Year 2024-25 Budget Adoption

**FISCAL SUMMARY**

	<b>FY24-25 Adopted</b>	<b>FY25-26 Projected</b>	<b>FY26-27 Projected</b>
<b>Expenditures</b>			
Budgeted Expenses			
Additional Appropriation Requested	\$13,819,387		
<b>Total Expenditures</b>	<b>\$13,819,387</b>		
<b>Funding Sources</b>			
General Fund/WA GF	\$(41,803)		
State/Federal	\$27,328,069		
Fees/Other	\$9,023,751		
Use of Fund Balance	\$(22,490,629)		
General Fund Contingencies	\$0		
<b>Total Sources</b>	<b>\$13,819,387</b>		

**Narrative Explanation of Fiscal Impacts:**

Refer to Exhibit A of the Concurrent Budget Resolution to see all departmental budget adjustments by General Fund and Other Funds.

**Staffing Impacts:**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Job Classes with Time-Limited Extensions**

<b>Position Title (Payroll Classification)</b>	<b>FTE</b>	<b>Monthly Salary Range (A- I Step)</b>
Administrative Services Officer I (0827)	1.0	\$8,969.40 - \$10,903.46
Housing Negotiator/Inspector (9113)	1.0	\$7,205.78 - \$8,758.95
Occupancy Specialist II (9116)	1.0	\$6,296.15 - \$7,654.51
Community Development Program Coordinator (9135)	1.0	\$9,230.29 - \$11,220.01
Senior Office Assistant (0003)	1.0	\$5,036.92 - \$6,123.96
Supervising Accountant (0419)	0.5	\$8,960.70 - \$10,893.03
Department Program Manager (3085)	1.0	\$8,802.43 - \$10,699.97
Assistant Public Health Laboratory Director (2124)	1.0	\$10,171.23 - \$12,360.97
Social Service Worker III (3003)	2.0	\$7,153.60 - \$8,696.33
Planner III (1203)	1.0	\$9,061.58 - \$11,016.52
Supervising Planner (1401)	1.0	\$9,967.74 - \$12,117.47

**Narrative Explanation of Staffing Impacts (If Required):**

Refer to the discussion section above for an explanation of time-limited position extensions and the needed layoff notification; additional details can be found in the Concurrent Position Resolution.

**Attachments:**

- 1) Concurrent Budget Resolution with Exhibit A
- 2) Concurrent Position Resolution

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

N/A