



# COUNTY OF SONOMA

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

## SUMMARY REPORT

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**Agenda Date:** 4/22/2025

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**To:** Board of Supervisors

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

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

**Vote Requirement:** 4/5th

**Supervisory District(s):** Countywide

**Title:**

Fiscal Year 2024-25 Third Quarter Consolidated Budget Adjustments

**Recommended Action:**

Adopt a Resolution to adjust Fiscal Year 2024-25 budget appropriations by \$9.04 million. (4/5th Vote)

**Executive Summary:**

The recommended action adds appropriations of \$9.04 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 \$3.63 billion. Excluding internal transfers and reimbursements results in a net budget of \$2.70 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 report also provides a status update for FEMA reimbursements associated with recent disaster events.

**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 9 departments are requesting budgetary adjustments via 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 \$9.04 million to the FY 2024-25 budget.

**General Fund**

In General Fund budget sections, expenditure appropriations are increasing by \$201,112, fully reimbursed by other funding sources for no change to General Fund net cost. General Fund adjustments also include \$6,243 of Board-approved sponsorships and fee waivers, fully offset by reduction of General Fund Contingencies

appropriations. Key highlights include:

- Increase appropriations in Board of Supervisors District 5 by \$145,927 for 0.75 FTE Field Representative designated as the Facility Manager for West County Service Center. Fully offset by use of one-time service center funding approved during FY 2024-25 budget hearings.
- Increase appropriations in the Board of Supervisors Clerk of the Board section by \$50,685 for Regional Sonoma County Service Centers to cover the cost of a temp agency/extra help Receptionist Bilingual assigned to the East Sonoma County Service Center. Fully offset by use of one-time service center funding approved during FY 2024-25 budget hearings.
- Increase appropriations in the Human Resources Department by \$4,500 for receipt and disbursement of Community Investment Grant Funds from Districts 1, 3, 4 and 5 to the Sonoma County Youth Commission on Human Rights. Human Resources serves as the fiscal agent for the commission.

#### Other Funds

In the Other Funds category, expenditures are increasing by approximately \$8.84 million and revenue/reimbursement funding sources are increasing by \$6.12 million, resulting in a \$2.72 million use of fund balances. Key highlights include:

- Non-Departmental
  - Community Infrastructure Fund - District 4: Transfer \$325,000 to the Maddux Ranch capital project for park improvements. The budget resolution adopted on 1/28/25 shows funding going to the Parks Restricted Donation Fund; however, the department confirmed the correct section should be the Maddux Ranch Capital Project.
  - Designated Purposes Fund: Appropriate a portion of the \$600,000 allocation for service center funding, approved during Budget Hearings and housed in the Designated Purposes Fund, to reimburse the Board of Supervisors/County Administrator budget \$145,927 for West County Service Center and \$50,685 for East County Service Center costs.
- Increase Economic Development Collaborative (EDC) budget expenditures by \$1,283,412 to account for FY 2024-25 estimated remaining payment to the Sonoma County Tourism Bureau (SCTB). EDC has a funding agreement with SCTB for advertising and promotional efforts. Per the Community Investment Fund Policy, SCTB receives funds equal to 1.25 percentage points of the first 9 percent of actual Transient Occupancy Tax (TOT) collections. Due to timing of payments to SCTB as noted in the funding agreement, the final FY 2023-24 payment to SCTB was paid out of the FY 2024-25 allocation.
- Adjust the Department of Health Services budget to program funding for Homekey projects in Rohnert Park and Healdsburg approved by the Board on 12/10/24, with total project costs of \$3,174,520. Original funding streams included \$52,905 in American Rescue Plan (ARPA) funding, which will instead be funded through Measure O because the agreements were fully executed after the 12/31/24 ARPA obligation deadline. This change brings the total use of Measure O fund balance to \$1,172,315. Adjustments include pass through transfers.
- Adjust the Regional Parks budget by \$165,000 to appropriate pass-through funding from Lytton tribal mitigation for Russian Riverkeeper to support the Hanson project, Syar lands restoration analysis, and Arundo removal along the Russian River in District 4. Approved in the FY 2024-25 budget hearings Tribal memorandum.
- Capital Projects
  - Appropriate Lytton Tribal Mitigation funds of \$409,418 in the Hanson Capital Improvement

project: \$200,000 for design services for public assess and Healdsburg Veterans Memorial Beach Renovations, and \$209,418 for master plan Environmental Impact Review support, Kennedy Beach, Syar, and river house parcel support. Approved in the FY 2024-25 budget hearings Tribal memorandum.

- Add appropriations to receive and program \$325,0000 District 4 Community Infrastructure funds for Maddux Ranch for park improvements including picnic and education areas, design of permanent restroom, vegetation management, signage, and trail improvements. The approved 1/28/25 budget resolution shows funding going to the Parks Restricted Donation Fund; however, the correct section should be the Maddux Capital Improvement Project.

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

### **FEMA Reimbursement Update**

To date, the County has spent \$200 million on disasters since 2017 and \$195 million is estimated to be eligible for reimbursement by FEMA/Cal-OES. Of the \$195 million, \$66 million has been reimbursed. Of the remaining \$129 million estimated to be eligible for reimbursement, approximately \$30 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 \$92 million is due to the General Fund, of which \$80 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 balanced. Department of Emergency Management and ACTTC Disaster Finance are currently working with Cal OES on potential reimbursement opportunities related to the November 2024 and February 2025 Atmospheric River events. The County has received Notice of Payment for two COVID related projects and anticipates receiving \$14 million by the end of FY 2024-25.

The Disaster Finance Team in the Auditor-Controller-Treasurer-Tax Collector's (ACTTC) Office is working regularly with FEMA and Cal OES 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 Cal OES new process in line with FEMA's "VAYGo" process to review all documentation to validate funds before releasing any payments. As of October 2024, ACTTC submitted all final closeout documentation to Cal OES and FEMA for 2017 disaster events, including the January and February floods and Sonoma Complex Fires.

On March 18, 2025, President Trump signed a new Executive Order, "Achieving Efficiency Through State and Local Preparedness," to restructure FEMA and Federal assistance and support for disasters/emergencies and shift responsibility back to State and Local governments. On February 28, 2025, FEMA sent out notifications to all FEMA recipients communicating 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. 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 County Administrator's Office 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 Cal OES 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:**

March 11, 2025 - Fiscal Year 2024-25 Second Quarter Consolidated Budget Adjustments

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

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

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY24-25 Adopted</b>	<b>FY25-26 Projected</b>	<b>FY26-27 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	\$9,041,836		
<b>Total Expenditures</b>	<b>\$9,041,836</b>		
<b>Funding Sources</b>			
General Fund/WA GF	\$0		
State/Federal	\$1,362,545		
Fees/Other	\$4,955,800		
Use of Fund Balance	\$2,723,491		
General Fund Contingencies	\$0		
<b>Total Sources</b>	<b>\$9,041,836</b>		

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**Narrative Explanation of Fiscal Impacts:**

Refer to Exhibit A of the Budget Resolution to see all departmental budget adjustments by General Fund and Other Funds. The General Fund budget adjustments utilize General Fund Contingencies totaling \$6,243, which does not show up in this table because appropriations for contingencies are reduced to fully offset General Fund expenditures added elsewhere in the budget, and the adjustments net to \$0.

**Staffing Impacts:**

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

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

N/A

**Attachments:**

Concurrent Budget Resolution with Exhibit A

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

N/A