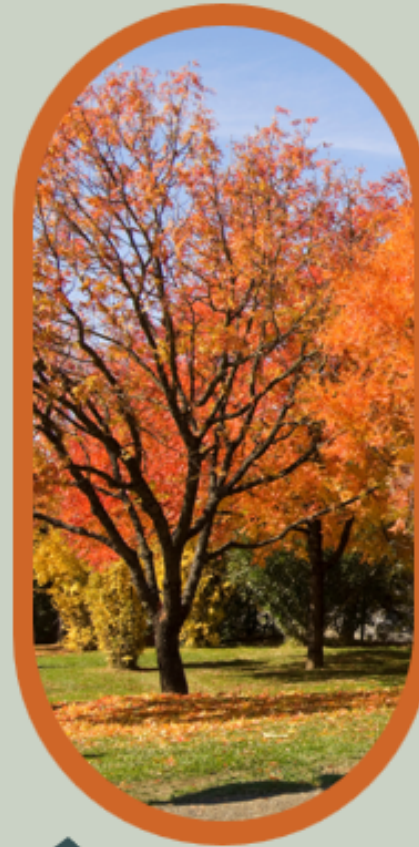


# FISCAL YEAR 2025-26 RECOMMENDED ADOPTED BUDGET REVISIONS



PRESENTED TO THE BOARD OF SUPERVISORS ON SEPTEMBER 23, 2025

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# BUDGET REQUIREMENTS

County Budget Act – Government Code  
§29000 – 29144, §30200

- The Board must adopt a budget by Resolution (Coming September 30, 2025)
- **Must be Balanced** – Deficits in Budgets are not permitted as appropriations cannot exceed available funding sources
- Adopted Budget revises the Recommended Budget, incorporating carry-over projects/items, actual prior year fund balance, available State and Federal funding, and any other necessary changes that were deferred, estimated, or unknown at the time of the Recommended Budget



# Budget Development Timeline



Pursuant to State Law, County Budget Act (Government Code §29000): **One** public hearing is required by law to adopt a budget. We typically hold at least four. The FY 2025-26 budget will have at least

**12** Public Meetings

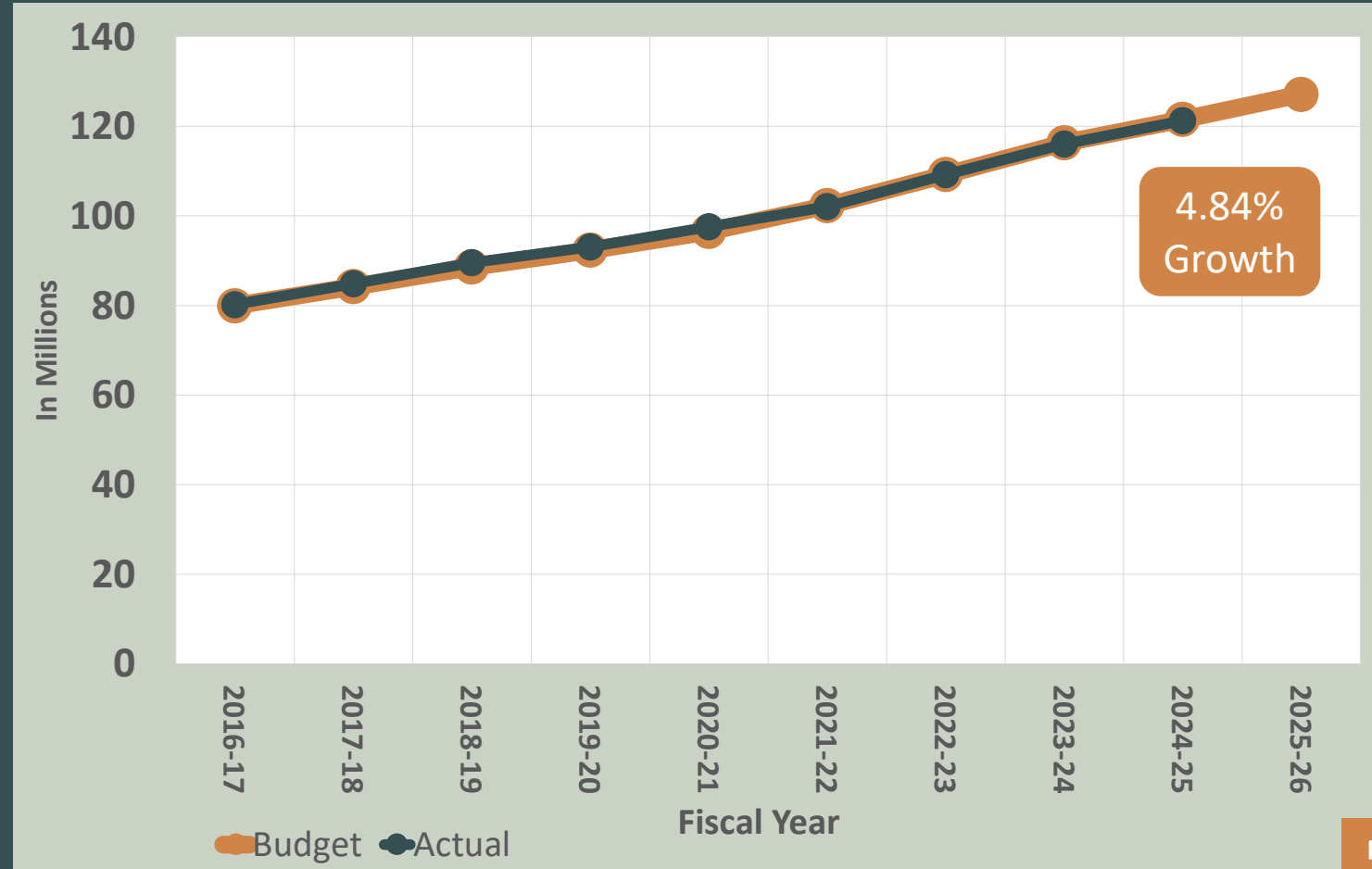




# Revenues

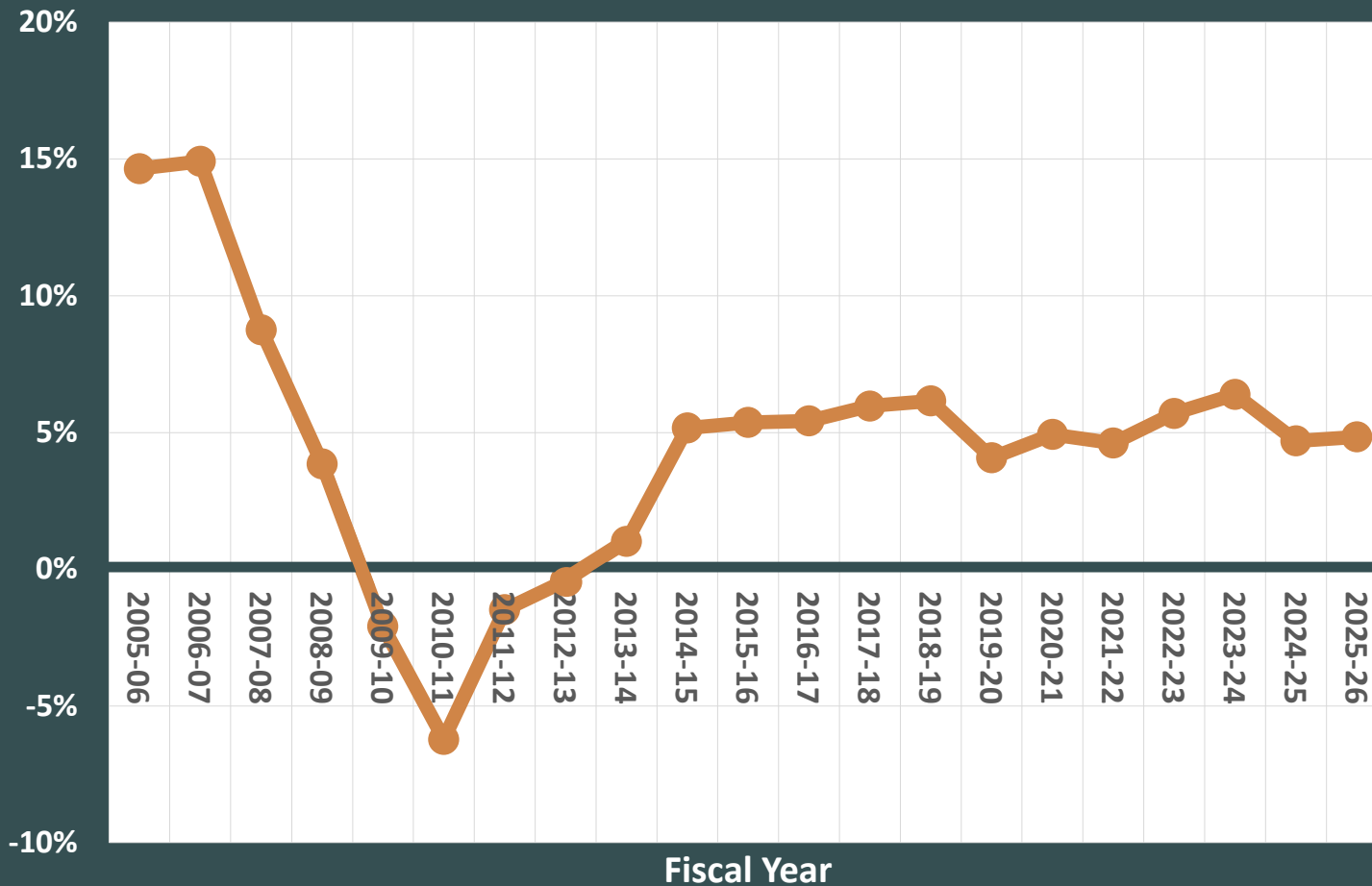


# Property Tax Revenue

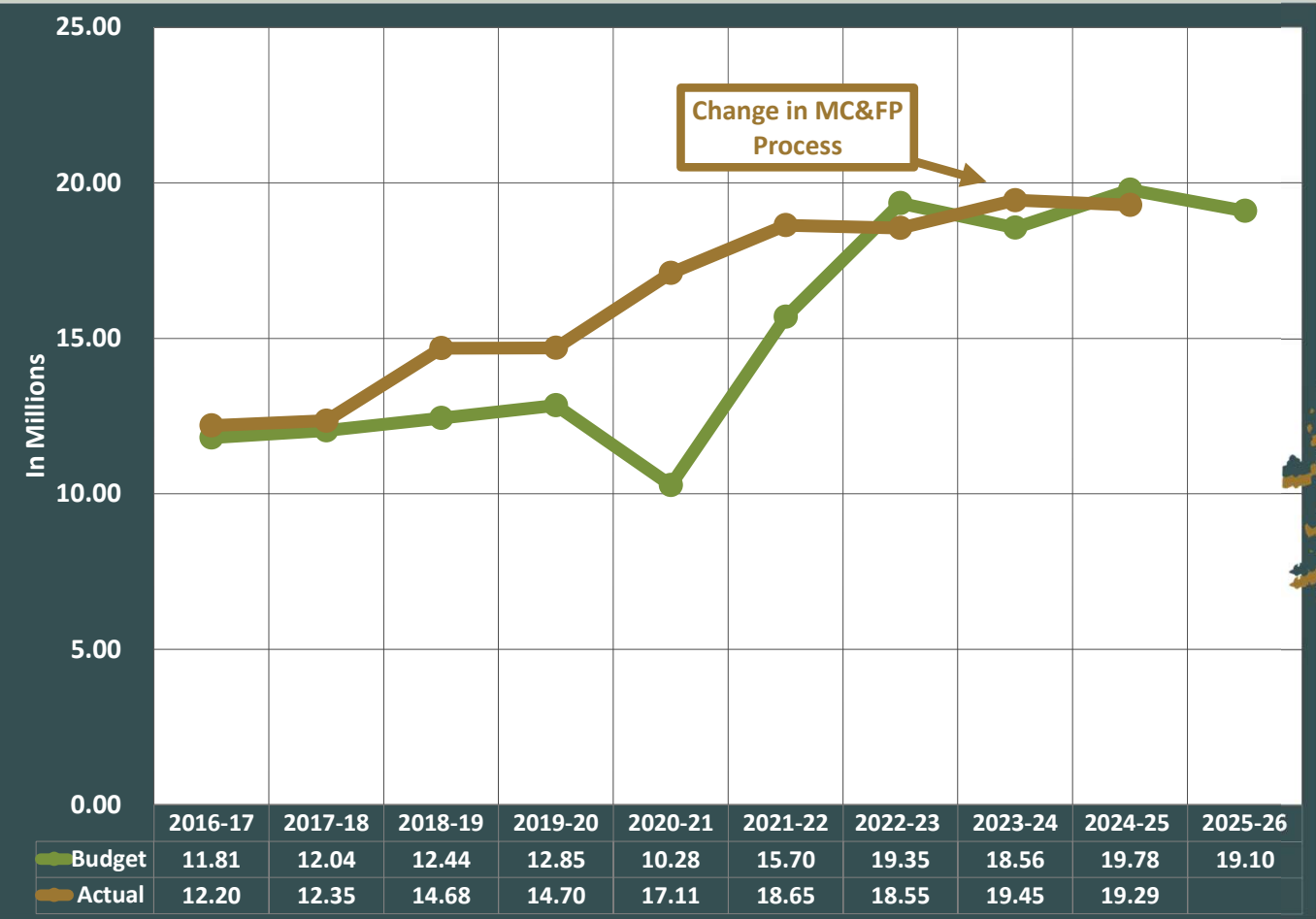


Revenue is Current Secured Property Tax and Property Tax In-Lieu of Vehicle Licenses

# Property Tax Revenue Growth



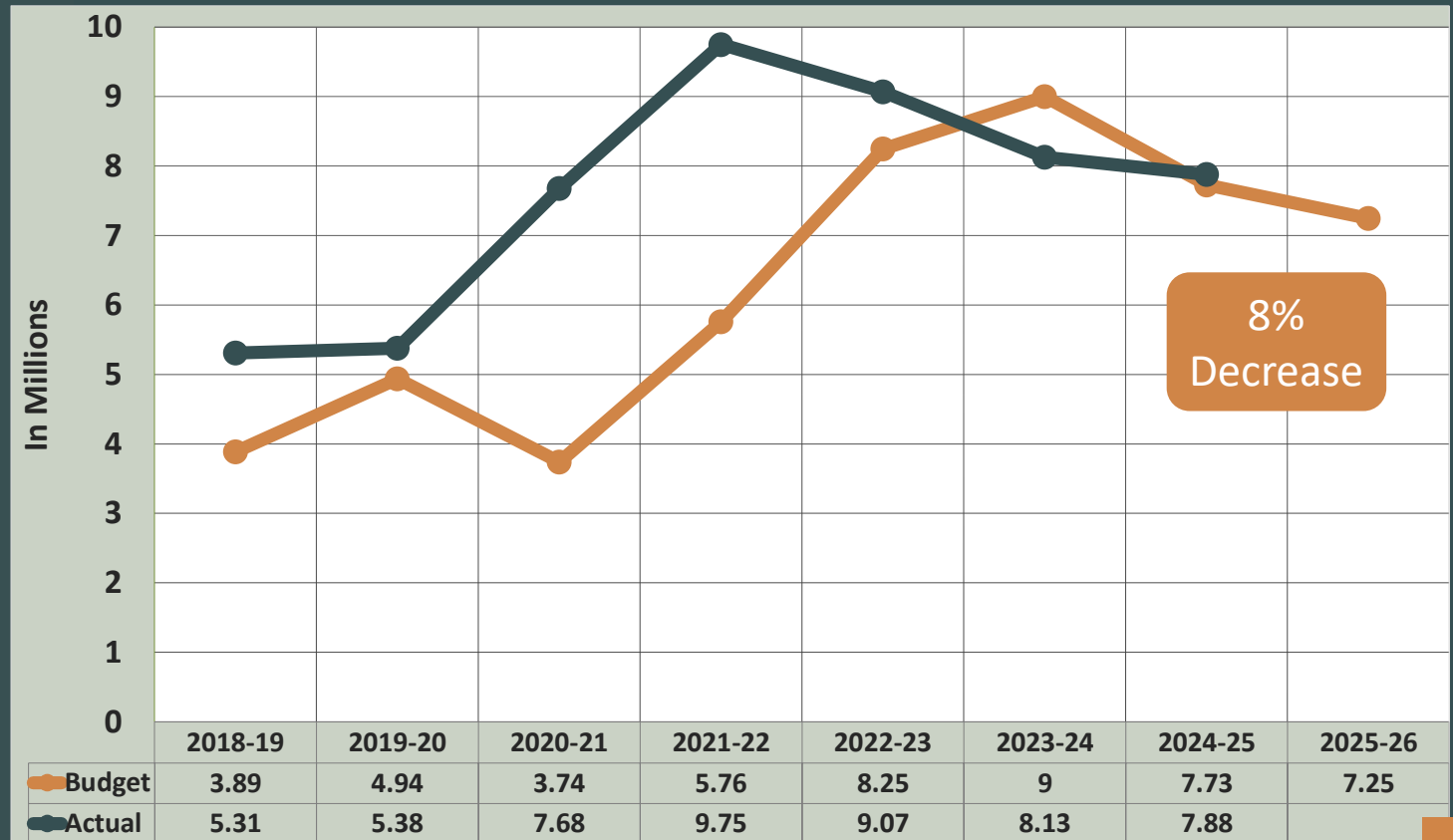
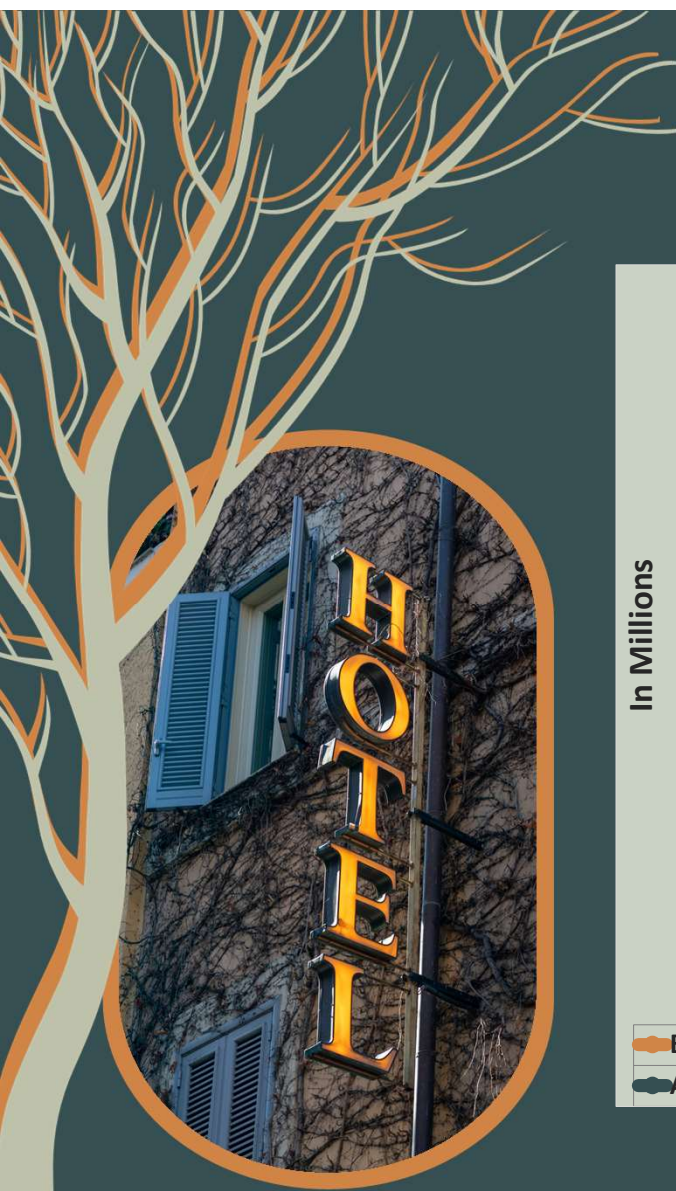
# Sales and Use Tax Revenue





# DTOT Revenue

(Discretionary Transient Occupancy Tax)



# General Fund

## Fund Balance



Fiscal Year	Recommended Budget	Adopted Budget
FY 2024-25	\$36.5 M	\$64.8 M
FY 2025-26	\$29.0 M	\$50.6 M

20% decrease in General Fund Fund Balance when compared to the FY 2024-25 Adopted Budget.



# Fund Balance Sources

Department Savings, \$21.9 M

Additional savings due to:

- Delayed and ongoing MOU negotiations (~\$2 M)
- Soft Hiring Freeze implemented by CAO in March
- Departments implemented other cost-saving measures in anticipation of this budget.

Department savings are 5% of GF Appropriations

Contingency, \$7.9 M

General Revenues,  
\$7.0 M

Carryforward  
Projects, \$5.1 M

ARPA  
Related  
Fund  
Balance,  
\$3.6 M

FMV  
Audit  
Adjust  
ment,  
\$2.2 M

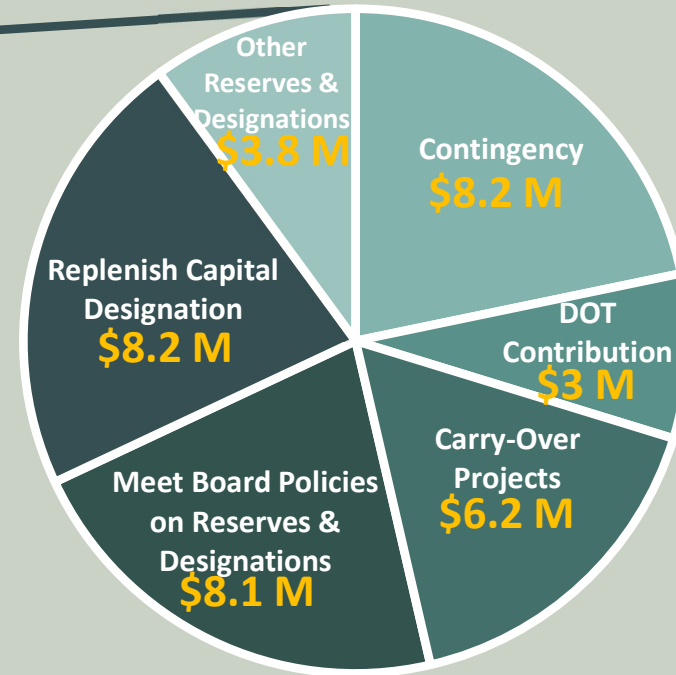
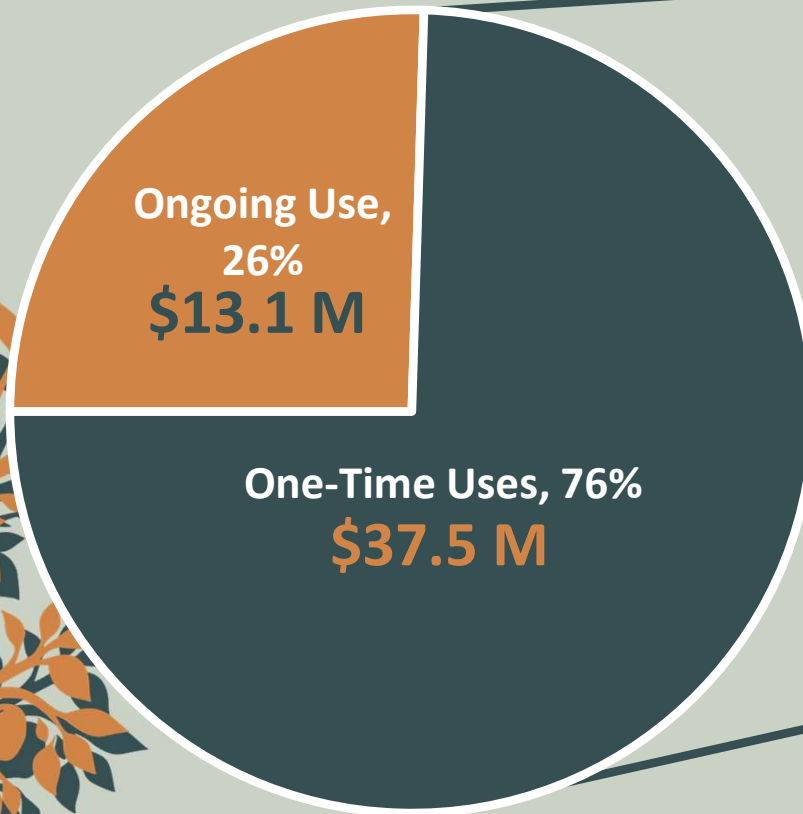
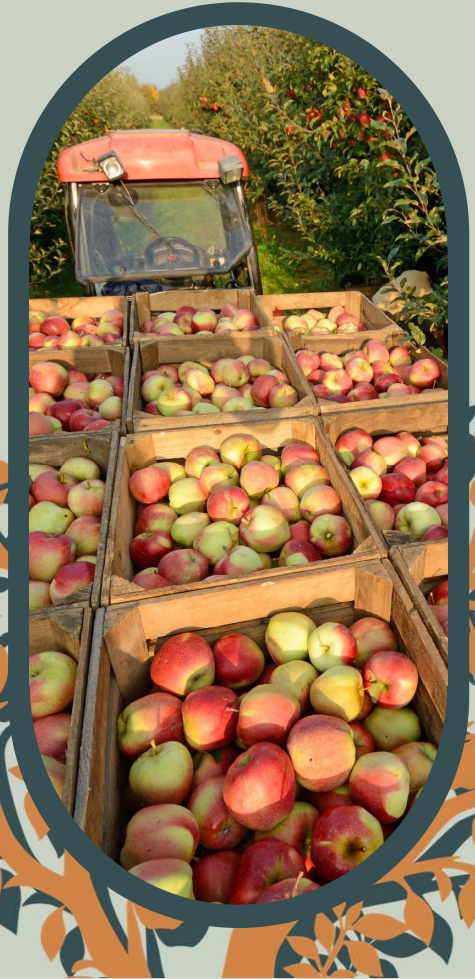
ACO Savings,  
\$1.8 M

Grant  
Match  
Hold, \$1.1  
M



# Fund Balance

## Uses



# Board Budget Policies

## General Fund Contingency:

3% of total GF Appropriations goal, \$8.15 million

## Road Maintenance:

\$7.9 M equals 3-year average, \$5 M annual goal

## Pension Funding:

\$8.8 M, exceeding 2-year goal

## General Reserves:

5% of total GF Appropriations goal, \$13.6 million

## Capital Projects Designation:

\$15.1 M, with a \$6 M added per year goal

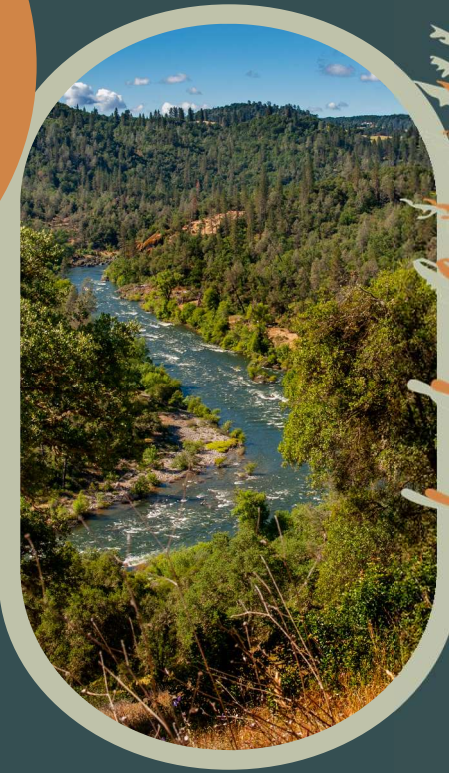
## Designation for IT Infrastructure:

\$2 M, with \$1.5 M goal

## Designation for Disaster Expenses:

Meeting \$1.25 M goal

The FY 2025-26 recommended Adopted Budget is meeting or exceeding all of the Board Budget Policy Goals.





# Reserve and Designation Changes

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# Reserve and Designation Changes

## GENERAL RESERVE



# Reserve and Designation Changes

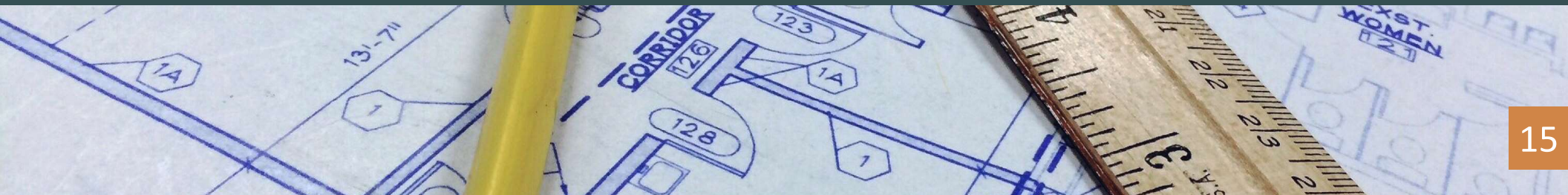
## CAPITAL PROJECTS DESIGNATION

Recm'd Budget  
FY 2024-25  
Ending Balance  
\$20.3 M

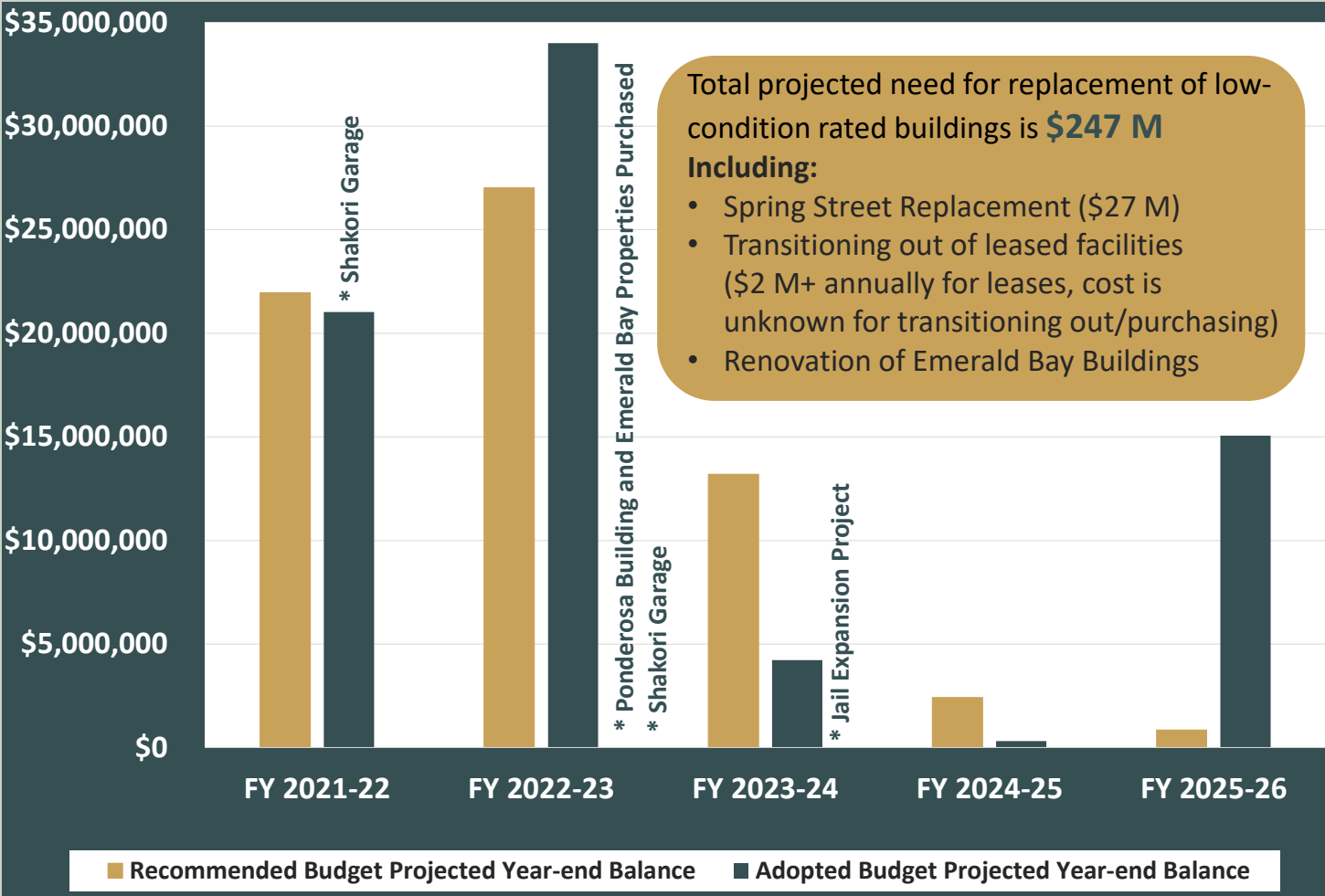
\$19.6 M in FY  
2025-26 Uses, as  
included in  
Recm'd Budget

\$1.7 M in savings  
from ACO Returned,  
Add \$6 M to  
Designation to meet  
Board policy, plus,  
additional \$6.5 M for  
upcoming projects

Adopted FY  
2025-26 Ending  
Balance of  
\$15.1 M



# Capital Projects Designation





# Reserve and Designation Changes

## IT INFRASTRUCTURE DESIGNATION

FY 2024-25  
Ending  
Balance  
\$500k

\$1 M added in  
Recommended  
Budget

\$370k in FY  
2025-26  
Uses

Add \$370k to  
replenish  
planned uses  
and \$500k for  
additional year  
in Designation

Adopted FY  
2025-26  
Ending  
Balance of  
\$2 M



# Reserve and Designation Changes

## **NEW** - JAIL EXPANSION OPERATING COSTS DESIGNATION

This designation will be used in the next few years to smooth the impact of these increased costs on the General Fund budget.



# Reserve and Designation Changes

## SPRING STREET REPLACEMENT DESIGNATION







# Other Budget Changes

# Personnel Allocation Changes

Department	Class Title	Change
Board of Supervisors	Storekeeper I/II	-1.00
Chief Administrative Office - Emergency Medical Services	Health Education Coordinator	-1.00
Library	Library Assistant I/II	1.00
Planning & Building	Deputy Director of Planning	-1.00
Registrar of Voters (Elections)	Registrar of Voters	-1.00
Total:		-3.00



# Additional Changes



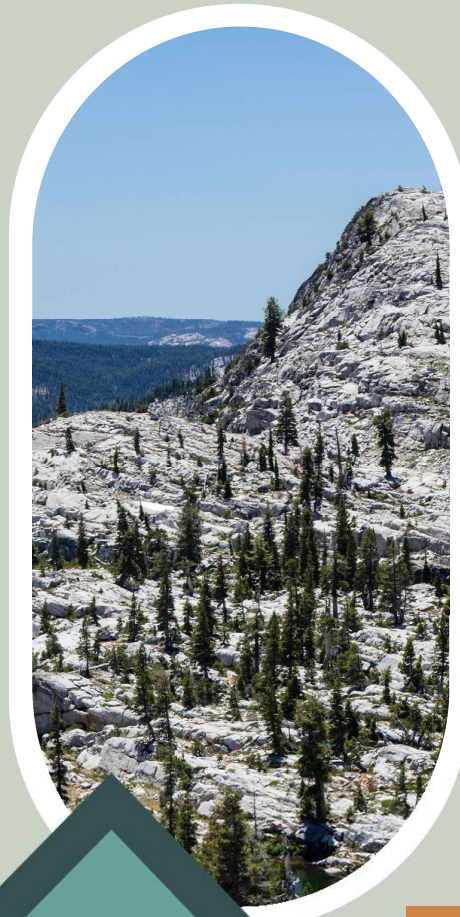
\$33 million for the  
California Public  
Utility Commission  
Broadband Grant



\$1.4 million for  
the treatment and  
surveillance of  
Glassy-Winged  
Sharpshooter



Fund Balance  
Adjustments  
Across All Funds





# Take Home Vehicles

On June 10, 2025, the Board directed staff to reduce the number of take-home vehicles before the Adoption of the Budget in September  
*(Legistar file 25-0948)*

Departments have reduced the number of take-home vehicles by 9 (7%)

Staff is currently reviewing Board Policy D-4, Vehicle Use, Standards, Procurement and Disposal, and will return to the Board with recommended changes.

Sheriff's Office take-home vehicles fluctuate due to vacancies

# FY 2026-27 Budget Pressures



- ❖ External Pressures:
  - ❖ Unfunded and underfunded state mandates
  - ❖ General Liability Insurance
  - ❖ Workers' Compensation
  - ❖ Health Insurance Premiums
  - ❖ Pension Costs
  - ❖ General Inflation
  - ❖ Utility Costs
  - ❖ Construction Costs



- ❖ Slowing discretionary revenue growth
  - ❖ DTOT declined prior two years
  - ❖ Sales and Use Tax no growth past three years
  - ❖ Property Tax growth 9% lower than 10-year average annual growth



- ❖ State and federal budget reductions and policies impact County Programs



- ❖ Facility replacements and investments exceed available funding

## Reminder:

The Board directed staff to begin working with departments on 5% and 10% budget reduction scenarios for the development of the FY 2026-27 Budget (*Legistar file 25-0654*)



## What's next...

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September 30, 2025, Consent Item:

- Adoption of the Budget Resolution
- Personnel Allocation Resolution

## Questions?

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