



COUNTY OF HUMBOLDT

For the meeting of: 6/24/2025

File #: 25-772

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Adoption of the Fiscal Year (FY) 2025-26 County Budget and Special District Budgets (4/5th Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached resolution (Attachment 1) adopting the proposed budget, as modified by the final budget adjustments, as the Adopted Budget for FY 2025-26 (4/5th Vote Required); and
2. Adopt the attached resolution (Attachment 2) adopting the FY 2025-26 budget, as modified by the final budget adjustments, as the Adopted Budgets for the Special Districts governed by the Humboldt County Board of Supervisors (4/5th Vote Required); and
3. Approve the allocation of 1.0 full-time equivalent (FTE) Senior Fiscal Assistant (salary range 379, class 0124) in the Auditor-Controller budget unit 1100-111; and
4. Approve the allocation of 1.0 full-time equivalent (FTE) Administrative Analyst I/II (salary range 424/444, class 0626) in the County Administrative Office (CAO) - Management & Budget Team budget unit 1100-103; and
5. Approve the allocation of 1.0 full-time equivalent (FTE) Deputy County Counsel I-IV (salary range 471/504/537/569, class 0600) in the County Counsel budget unit 1100-121; and
6. Approve the allocation of 1.0 full-time equivalent (FTE) Buyer I/II (salary range 359/392, class 0671) in the Purchasing budget unit 3555-115; and
7. Approve the attached personnel allocation table (Attachment 3) corresponding to the budget appropriations.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Core Services/Other

Strategic Plan Category: 9999 - Core Services/Other

DISCUSSION:

Your Board received the proposed budget for FY 2025-26 on June 3, 2025. Pursuant to County Budget Act requirements, your Board held noticed public hearings for the FY 2025-26 county budget and special district budgets on Monday, June 9, 2025, at 1:30 p.m. and 5:30 p.m. At the conclusion of the final hearing, your Board directed staff to return today for final approval of the county budget and special district budgets.

Due to an administrative oversight, one special district budget was not properly reflected in the FY 2025-26 Proposed Budget, therefore your Board directed staff to incorporate the corrected budget into the FY 2025-26 special district adopted budgets:

Special District Budget Adjustments

\$199,656 (County Service Area #4) - \$1,720 increase in revenues offset by \$199,656 increase in expenditures for a total use of fund balance increase of \$197,936

In addition, your Board directed staff to working with other local agencies to develop a plan to add lighting in the lighting districts where there is funding available and need.

Your Board directed staff to make the following adjustments to the FY 2025-26 county budget:

Budget Adjustments by Board

Humboldt County voters approved Measure O in November 2024, creating a new \$24 million annual revenue stream dedicated to roads and transit improvements. Implementing this major public investment requires significant additional staff capacity to ensure these tax dollars are spent responsibly and transparently as voters intended. The program demands substantial financial oversight to track complex funding allocations including addressing program debt, the 85%/15% roads-to-transit split and contingency fund management, specialized accounting and audit support to handle increased transaction volumes and enhanced audit requirements including the voter-approved Citizens' Oversight Committee, legal compliance and contract management to navigate multiple contracts for public works and transit and procurement regulations while ensuring Brown Act compliance for additional public meetings, and enhanced procurement operations to manage \$20+ million in annual road improvements and equipment purchases while maintaining competitive bidding processes and public contracting law compliance. To help address these issues, your Board approved the following allocations at the June 9 Budget Hearings.

\$109,573 (CAO-Management & Budget Team - 1100-103) - Ongoing funding for the allocation of 1.0 FTE Administrative Analyst I/II.

\$92,227 (Auditor-Controller - 1100-111) - Ongoing funding for the allocation of 1.0 FTE Senior Fiscal Assistant.

\$201,101 (County Counsel - 1100-121) - Ongoing funding for the allocation of 1.0 FTE Deputy County Counsel I-IV.

\$85,683 (Purchasing - 3555-115) - Ongoing funding for the allocation of 1.0 FTE Buyer I/II.

Your Board also made the following adjustments to the budget at budget hearings:

\$5,000 (Contributions to Other Funds - 1100-199) - Funding of annual contributions to the McKinleyville Municipal Advisory Committee (MMAC) for a period of five years at \$5,000 per year. In addition, your Board approved the MMAC to carry forward any unspent allocations which will be included with the First Quarter Budget Report.

(\$402,901) (General Fund Contingencies - 1100-990) - Reduction in General Fund Contingencies to offset increases in the budget for Measure O administration

\$40,000 (Measure Z Other - 1103-197) - Funding beyond the recommendations of the Measure Z Citizens Advisory Committee approved by your Board on April 22 for the City of Trinidad Water Infrastructure project

Personnel Adjustments by Board

Allocate 1.0 FTE Senior Fiscal Assistant (Auditor-Controller - 1100-111)

Allocate 1.0 FTE Administrative Analyst I/II (CAO-Management & Budget Team - 1100-103)

Allocate 1.0 FTE Deputy County Counsel I-IV (County Counsel - 1100-121)

Allocate 1.0 FTE Buyer I/II (Purchasing - 3555-115)

All personnel adjustments have been included in the Personnel Allocation Table (Attachment 3).

County Parks and Trails Funding

At the Budget Hearings on June 9, 2025, your Board directed CAO and Public Works staff to review funding options and bring a funding recommendation back to your Board for increased ongoing funding for county parks and trails. Staff will meet in July and bring back a funding recommendation to your Board.

SOURCE OF FUNDING:

All county funds and dependent special district funds

FINANCIAL IMPACT:

The total county budget for adoption today is \$629,783,053 in expenditures. There is an increase in expenditures from the proposed to adopted budget of \$45,000, of which \$40,000 is Measure Z and \$5,000 is in the General Fund. As the increase in General Fund expenditures is minimal, the use of fund balance is roughly the same at \$20.76 million in the FY 2025-26 adopted budget.

Pursuant to Board policy, the county's General Reserve should be equal to 10% to 16% of total General Fund expenditures, as averaged by the current and prior year adopted budgets, or a minimum of roughly \$16.5 million. The Government Finance Officers Association (GFOA) recommended level is 16% or \$24.7 million. The current balance of the General Reserve is \$13.6 million which is below the target policy level, however, with the Board-directed contribution of \$3 million in FY 2025-26, your Board will bring the General Reserve balance to \$16.6 million, just over the minimum target balance, but still short of the GFOA recommended goal. General Fund contingencies are \$6,087,819 which is significantly over policy-level of 2% of General Fund discretionary revenue due to additional contingencies for labor negotiations.

Pursuant to the provisions of the County Budget Act, the Auditor-Controller will file the budget schedules in the Clerk of the Board's Office and submit to the State Controller by Dec. 1 per Government Code (GC) §29093. State Controller Budget Schedule 9 and 15 without final actuals for FY 2023-24 are included as Attachments 4 and 5, all schedules will be submitted by the deadline.

STAFFING IMPACT:

Position Title	Position Control Number	Monthly Salary Range (1A-E Step)	Additions (Number)	Deletions (Number)
Senior Fiscal Assistant	111-0124-XX	Step C - \$4,125.33	1.0	
Administrative Analyst I	103-0626A-XX	Step C - \$5,163.60	1.0	
Deputy County Counsel IV	121-0600D-XX	Step C - \$10,640.93	1.0	
Buyer I	115-0671A-XX	Step C - \$3,733.60	1.0	

Narrative Explanation of Staffing Impact:

Staffing is as shown in the Humboldt County FY 2025-26 Proposed Budget document (Attachment 6). The total proposed county staffing allocation is 2,237.13 positions, a decrease of 106.60 positions over the FY 2024-25 adopted positions. Your Board directed staff to allocate four additional positions for additional work related to Measure O. The final adopted staffing allocation for FY 2025-26 is 2,241.13 as reflected in the Personnel Allocation Table (Attachment 3).

OTHER AGENCY INVOLVEMENT:

All county departments and agencies, as well as several community organizations that receive county funding and dependent special districts, are affected.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could make additional changes to the final budget or continue this item to a later meeting date. These alternatives are not recommended because the final budget as presented conforms to previous Board direction.

ATTACHMENTS:

1. Adopted Budget Resolution FY 2025-26
2. Special District Budget Resolution FY 2025-26

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3. FY 2025-26 Personnel Allocation
4. Draft State Budget Schedule 9
5. Draft State Budget Schedule 15
6. FY 2025-26 Proposed Budget Document

PREVIOUS ACTION/REFERRAL:

Meeting of: 6/3/2025

File No.: 25-665