



STAFF REPORT – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council Members

FROM: Tabatha Miller, Assistant City Manager/Finance Director

PREPARER: Tabatha Miller, Assistant City Manager/Finance Director

DATE: August 19, 2026

TITLE: **Consider Adopting Resolution No. 267-12 Revising the Budget for Juvenile Diversion Counselor Position Funding.**

RECOMMENDATION:

It is recommended that the Council adopt Resolution No. 267-12 revising the Fiscal Year (FY) 2026-27 Budget to Adjust the Source of Funding for the Juvenile Diversion Counselor position.

INTRODUCTION:

On July 7, 2026, the Humboldt County Board of Supervisors approved a three-year spending plan for projects and positions that included funding for a City of Arcata Juvenile Diversion Counselor beginning in FY 2027-28. This new commitment of future funding prompted staff to reevaluate the previously approved plan to modify the focus of the Juvenile Diversion Counselor position to opioid misuse prevention and fund the position with Opioid Settlement Funds.

Given the County's commitment to fund the position for three years beginning in FY 2027-28, staff recommend using General Fund resources to support the position in FY 2026-27 and maintaining the position's traditional juvenile diversion services.

BACKGROUND:

In response to the FY 2026-27 General Fund budget deficit, staff proposed funding one Juvenile Diversion Counselor position with Opioid Settlement Funds rather than General Fund resources. Because the use of Opioid Settlement Funds is restricted, this change would have required transitioning the position to a Juvenile Opioid Diversion Counselor, with a focus on preventing opioid misuse, connecting youth to services and care, and addressing the needs of individuals involved in the criminal justice system.

This approach was proposed after the City was informed that it would not receive funding for the Juvenile Diversion Counselor position from Humboldt County's Measure Z revenues in FY 2026-27. Measure Z is a countywide sales tax approved by voters in 2014 to fund public safety needs. Local agencies may apply annually for Measure Z funding for projects that support public safety. In prior years, the County has provided funding for up to two Juvenile Diversion Counselor positions in Arcata. Most recently, the City received \$45,565 in FY 2024-25, representing approximately 25% of the cost of one position.

On July 7, 2026, the Humboldt County Board of Supervisors, with advocacy from Supervisor Mike Wilson, approved funding for a Juvenile Diversion Counselor position. The funding will begin in FY

2027-28 and is committed through FY 2029-30. As a condition of the funding, the City will provide juvenile diversion services beyond City limits, consistent with services provided under prior County funding agreements.

DISCUSSION:

On August 3, 2026, the City filled the Juvenile Diversion Counselor position, which had been vacant since December 2025. In light of the County's commitment to fund the position beginning in FY 2027-28, staff has reevaluated the plan to modify the position for one year to meet the requirements for use of Opioid Settlement Funds.

Maintaining the traditional Juvenile Diversion Counselor program in FY 2026-27 will allow the position to continue providing broader juvenile diversion services and facilitate the transition to the expanded service area required under the future Measure Z funding. Staff therefore recommend funding the position from the General Fund for FY 2026-27 rather than Opioid Settlement Funds. Beginning in FY 2027-28, the County's Measure Z funding is expected to support the position for three fiscal years, reducing the City's General Fund obligation during that period.

This approach also preserves Opioid Settlement Funds for other eligible programs and activities specifically focused on opioid remediation.

ENVIRONMENTAL REVIEW (CEQA):

Budget appropriations are not subject to the California Environmental Quality Act (CEQA) because they are government fiscal activities that do not involve a commitment to a specific project that may result in a potentially significant physical impact on the environment. Pursuant to CEQA Guidelines section 15378(b)(4), government fiscal activities that do not involve such a commitment are not considered a "project" under CEQA.

BUDGET/FISCAL IMPACT:

The salary and benefits for the Juvenile Diversion Counselor for FY 2026-27:

Account	Description	Amount
101-40-21-50100	Regular Salaries	\$72,600
101-40-21-50990	Other Employee Benefits	\$42,900
	Total Cost of Salaries & Benefits	\$115,500

The proposed budget amendment will fund the \$115,500 cost of the Juvenile Diversion Counselor position from the General Fund rather than Opioid Settlement Funds. As a result, General Fund expenditures will increase by \$115,500 compared with the adopted FY 2026-27 Budget, while \$115,500 of Opioid Settlement Funds previously budgeted for the position will remain available for other eligible opioid remediation purposes.

Beginning in FY 2027-28, Measure Z funding is anticipated to support the Juvenile Diversion Counselor position through FY 2029-30, reducing the City's General Fund costs for the position during those fiscal years.

RECOMMENDED COUNCIL ACTION:

1. Receive a staff report and review questions with staff.
2. Open public comment.
3. Close public comment.
4. Motion to adopt Resolution No. 267-12 adopting a revision to the Fiscal Year (FY) 2026-27 Budget to adjust the source of funding for the Juvenile Diversion Counselor position.

ATTACHMENTS:

A. Resolution No. 267-12