



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Executive Office

Subject: Proposed 2025-26 Budget for Debt Service

Meeting Date: June 3, 2025

Formal Title: Approve the Proposed 2025-26 Budget for Debt Service, including any supplemental materials, and take related actions, as outlined in the referenced budget documents, and as recommended by the County Executive Officer

Recommended Action

Approve the Proposed 2025-26 Budget for Debt Service, including any supplemental materials, as provided in the referenced budget documents:

- [Proposed Budget](#)

Executive Summary

The Proposed 2025-26 Budget for the Debt Service provides for the interest and issuance costs associated with the General Fund's annual Tax and Revenue Anticipation Note (TRAN), and the combined principal and interest payments for the 2021 Pension Obligation Bonds and capital improvement financing provided through Certificates of Participation (CERTS) or Lease Revenue Bonds. There are no divisions or funded staffing.

Discussion

The purpose of the Debt Service budget is to provide for the interest, issuance costs, and the combined principal and interest payments associated with General Fund debt. The department Proposed 2025-26 Budget is available online at: www.SCCvision.us. The County is a good fiscal steward of all funds and has never defaulted on any bond indebtedness. The County endeavors to maintain the creditworthiness of the County's bond rating and the marketability of its debt. Standard and Poor's 2023 review of the County's short-term rating maintained the County's rating at AAA as a result of

County's various long-term obligations, see the new ☐HYPERLINK "https://www.santacruzcountyca.gov/VisionSantaCruz/Budget/BudgetSummary/DebtOverview.aspx"Debt Overview section of the Proposed 2025-26 Budget online at: www.SCCvision.us.

Over the next fiscal year, the department will be focused primarily on completing the issuance of the disaster financing debt and the issuance of the annual TRAN.www.SCCvision.us.

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Financial Impact

The Debt Service Proposed Budget includes \$31,562,005 in expenditures offset by \$22,429,010 in revenues, \$9,126,508 in General Fund contribution and \$6,487 in Other

Fund contributions, reflecting a total increase of \$3,077,001 or 11% from the Fiscal Year 2024-25 Adopted Budget.

Strategic Initiatives

Operational Plan - Comprehensive Health & Safety, Attainable Housing, Reliable Transportation, Sustainable Environment, Dynamic Economy, Operational Excellence

Submitted By:

Carlos J. Palacios, County Executive Officer

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.