



**County of Santa Cruz Board of
Supervisors Agenda Item Submittal**

From: Office of Response, Recovery and Resilience &
Parks Open space and Cultural Services Department

Subject: Proposed 2025-26 Budget for Water, Wildfire and Wildlife Act
Implementation and Ongoing County Administration

Meeting Date: June 4, 2025

Formal Title: Consider approval in concept of the Proposed 2025-26 Budget for the on-going administration of the "Santa Cruz County Safe Drinking Water, Clean Beaches, Wildfire Risk Reduction, And Wildlife Protection Act", as recommended by the County Executive Officer

Recommended Actions

1. Approve in concept Proposed 2025-26 Budget of \$395,000 for the ongoing administration of the "Santa Cruz County Safe Drinking Water, Clean Beaches, Wildfire Risk Reduction, and Wildlife Protection Act" (WWWPA);
2. Approve in concept the addition of 1.0 full-time equivalent (FTE) Senior Administrative Analyst to the Office of Response Recovery and Resilience Fiscal Year 2025-26 budget to support implementation and administration of the WWWPA;
3. Approve in concept Board directed set-aside of \$250,000 (\$50,000 for each Supervisorial District) from the County allocation of the WWWPA for projects consistent with the adopted Vision Plan and WWWPA - eligible projects;
4. Direct staff to return as part of the June 10, 2025, budget hearing with final recommended actions to incorporate the 2025-26 budget for implementation and ongoing administration in County departments; and

Executive Summary

In November 2024, Santa Cruz County voters approved the "Santa Cruz County Safe Drinking Water, Clean Beaches, Wildfire Risk Reduction and Wildlife Protection Act—commonly referred to as Measure Q. For Fiscal Year (FY) 2025-26, the preliminary budget presented reflects the County estimation of costs to implement the requirements of the tax measure. The Proposed 2025-26 Budget of \$395,000 reflects ongoing administration of the Citizen Oversight Advisory Board, Measure Q grant program, tax collection and distribution support services, and fiscal and reporting requirements as outlined in the measure ordinance. Additionally, from the County's Measure Q allocation (20%, an estimated \$1.4M), staff recommend \$250,000 be allocated to Board Offices, divided by each Supervisorial District (\$50K each), for projects consistent with the Vision Plan and Measure Q language.

Discussion

Measure Q outlines a series of implementation and ongoing administration tasks required to effectively manifest the tax measure's purpose and intent which as stated in the ordinance is to protect local drinking water sources including lakes, rivers, creeks and streams; reduce wildfire risks, protect and enhance marine life, beaches and coastal habitats, wetlands, redwoods, parks and publicly accessible natural areas, and other native wildlife and habitats; and preserve working lands and local agriculture.

Measure Q identifies the County Parks, Open Space and Cultural Services Department (Parks) and the Office of Response, Recovery and Resilience (OR3) as the implementation and administrative partners. Parks and OR3 have been working closely with the County Executive Office (CEO) to develop a budget that reflects the county staff time that will be required to annually administer this new tax measure and associated grant program, advisory board and associated oversight activities, and other tax collection, disbursement, and reporting actions required.

Since January, Parks and OR3 have been working to establish and seat the Citizen Oversight Advisory Board (COAB), develop standards of practice for the COAB (by-laws, meeting schedule), and hold initial meetings. On January 25, 2025, the Board approved a transfer in the amount of \$160,000 from General Fund Contingencies to fund the County's start-up efforts to implement Measure Q in FY 2024-25. These start-up costs will be repaid from Measure Q revenues once realized in FY 2025-26. Parks and OR3 have been working with consultant support to develop the Vision Plan with plan adoption anticipated in October this year.

The Proposed 2025-26 Budget to annually administer the estimated \$7.5M in Measure Q revenues is \$395,000 and is broken into three annual administrative components to reflect the costs associated with implementation and administration in the first full fiscal year. An additional expense is the tax collection and distribution process held by the Auditor Controller Treasure Tax Collector (ACTTC), which is an additional 1% or \$75,000.

The administration costs associated with ongoing operational components under Parks and OR3 as the implementing agencies consist of:

1. Citizen Oversight Advisory Board Administration

- a. Code section 4.65.060 establishes The Citizens Oversight Advisory Board to support the development of the Vision Plan and to ensure transparency, accountability, and alignment with the intent of the Measure. The COAB is comprised of nine members, five county selected members by each Board Supervisor, and four city members, one for each incorporated city.
- b. The COAB may conduct hearings and receive public input on allocations related to Measure Q.

- c. The COAB will receive annual reports from the County on projects funded by Measure Q.
- d. The COAB will receive reports annually from each of the cities, the Resource Conservation District, and the Land Stewardship Implementation partner, The Land Trust of Santa Cruz County, on their projects funded by Measure Q.
- e. The COAB will report to the Board of Supervisors annually on the outcomes of the projects and programs funded by Measure Q
- f. The COAB may provide recommendations on the development of the five-year vision plan and approve the five-year vision plan to support grant criteria and awards.

The costs associated with the advisory board functions are outlined in 4.65.060(A)(5) and shall be paid by revenues from the Special Parcel Tax. Reasonably budgeted amounts to pay for the Advisory Board shall be taken from the Fund and deposited in a separate account before monies from the Fund are distributed to the recipient agencies and partners.

Parks and OR3 recommend a budget of \$125,000 to support the ongoing operations of the COAB. This includes funding for a new analyst position (0.5 FTE of new Sr. Admin Analyst) within OR3, COAB member stipends and other administrative staff costs, legal support, and IT and web services for the COAB.

The proposed COAB operational budget of \$125,000 to support COAB meetings, agenda preparation and noticing, annual reports, and memos proposed equals 1.6% of the total Measure Q revenues. County staff time costs for Vision Plan development and COAB meeting facilitation to achieve an adopted Vision Plan for Measure Q in Fiscal Year 2024-25 are not reflected in the proposed \$125,000. Those costs are considered part of the Measure Q start-up and Vision Plan development and adoption at the initial estimate and the Board approved \$160,000 for the current fiscal year.

An additional estimated \$30,000 may be needed in the first four months of FY 2025-26 to complete the start-up phase. This would include existing County staff time needed to support COAB meetings, project management support for Vision Plan consultant, and Vision Plan drafting, review, and final preparation. A separate accounting of actual start-up costs will evaluate if additional Board action is needed to ensure the County is not subsidizing the initiation of this tax measure that benefits the four cities, Resource Conservation District, and Land Trust of Santa Cruz County.

2. Grant Program Administrative Costs

- a. Code section 4.65.040(B)(1)(a-c) outlines the purpose and scope of how 40% of the tax measure will be distributed into the fund for eligible applicants, these funds will be allocated through a grants and agreements program.
- b. Code section 4.65.050 outlines that a portion of the 40%, a total no less than \$600,000 will be distributed for projects for the forested northern area of the County, the San Vicente Redwoods property, and \$600,000 for projects that benefit the residents of the Pajaro Valley as defined by the geography that includes the City of Watsonville, and areas within a mile of the Watsonville Slough, Pinto Lake, and the Pajaro River and its tributaries in Santa Cruz County.
- c. Code Section 4.65.040(B)(1)(d) outlines that an amount that equals not more than five percent (5%) of the grant funds allocated annually (40% of the total revenues) may be used to pay the Administrative Costs associated with the grant program.

County staff estimate that 5% of the total grant bucket will be approximately \$140,000 based on estimates of the Measure Q first year revenue yield. Parks and OR3 estimate that the total administrative and analyst support staff costs associated with grant administration will require the full five percent of the grant program limitation of \$140,000. Grant program administration will include but is not limited to grant program development, grant application solicitation, grant review and award, fund dispersal, grant management, COAB and Board reporting and accounting activities.

This \$140,000 estimate includes the remaining funding for a new analyst (0.5 FTE of new Sr. Admin Analyst) in OR3, County Subject Matter expertise staff time and funding for consultant services of \$40,000 to support grant application review and award processes.

The proposed Grant program administration budget of \$140,000 represents 1.9% of the total revenues and 5% of the grant program allocation.

3. General Administrative Costs

- a. Additional administrative costs associated with the broader Measure Q program that do not fit squarely into the COAB or Grant program administrative activities can be categorized as general administrative costs.
- b. Administrative costs are defined in code section 4.65.010 as costs not directly associated with planning, development, management, and implementation of Eligible Projects intended to implement the goals of the Act. The activities of the Citizens Oversight Advisory Board are not

administrative costs.

- c. Parks and OR3 have identified the following general administrative costs:
 - i. Measure Reporting and Grant database management software system – Estimate \$25,000
 - ii. Fiscal – Parcel Tax Consultant – Estimate \$20,000
 - iii. CEO/OR3/Parks/County Counsel/ISD Oversight & Administration Costs – \$60,000
 - iv. Additional Administrative, fiscal, accounting time - \$15,000
 - v. Indirect Costs - \$10,000

Parks and OR3 propose a not-to-exceed total for general Measure Q administrative budget of \$130,000 annually.

The proposed General Administrative management budget for Measure Q of \$130,000 equals 1.6% of total Measure Q revenues.

The Final area of operational expense relates to the ACTTC costs to administer this tax measure as outlined below.

4. Auditor Controller Treasurer Tax Collector Fee

- a. The measure stipulates in code section 4.65.050(E) that a fee of no more than one percent (1%) annually that shall be deducted from the Fund before allocating the remaining proceeds.

Parks and OR3 in consultation with the ACTTC estimate this cost to be \$75,000 annually.

The ACTTC will take independent action to accept and appropriate these costs into their budget during last day actions.

The three components of Measure Q implementation and administrative activities performed by Parks and OR3 total an overall 5% administrative cost to implement Measure Q based on total revenues estimated at \$7,500,000. The General Administration and COAB Administration budget, a total of \$255,000, would come off the top of the tax measure and therefore be distributed across all participating and receiving jurisdictions and agency partners. Grant administrative costs of \$140,000 are consistent with the measure's language and would represent a reduction in the total available grant funds as outlined in the measure's language.

The additional ACTTC fee, equal to 1% or \$75,000, is in the measure language

and taken off the top of revenues, brings the total estimated annual financial administrative total to \$470,000.

Prior Board Action authorizing \$160,000 towards Measure Q start-up activities in FY24/25 will be deducted from first-year revenues before distribution. Parks and OR3 may potentially return to the Board for any additional start-up costs.

Parks and OR3 will provide any staffing support from existing staff across both entities to complement the 1.0 FTE NEW Senior Administrative Analyst position being added to OR3, ensuring that the COAB and grant program are supported and successful, should it be needed. This could potentially include staff time from existing Administrative Aides, Analysts, Program Coordinators, fiscal support staff, and executive leadership. These staff hours will be accounted for in one of the three categories above.

County Measure Q Allocation

The Measure Q expenditure plan, outlined in 4.65.040(B)(3), provides 20% of revenues to be for eligible projects in the unincorporated parts of the County. Staff recommends that \$250,000 of the estimated \$1,400,000 (\$50,000 for each Supervisorial District) be allocated for Board office directed projects consistent with the measure language regarding eligible projects and adopted Vision Plan.

In October 2025, Parks and OR3 staff will recommend for the Board's consideration additional Measure Q eligible projects using the remaining balance of County's Measure Q FY 2025-26 allocation after working with other County Departments in alignment with the Vision Plan.

Financial Impact

If approved, the Proposed Budget will be appropriated in Special Revenue Fund 21500 / GL 131877 (MEAS Q WATER BEACH WILDLIFE) with \$255,000 for the general administration and COAB support portion, and in Special Revenue Fund 21501 / GL 131860 (MEAS Q WATER BEACH WILD GRANTS) with \$140,000 for the grant administration portion.

The annual cost of 1.0 FTE Senior Administrative Analyst position is \$192,616 and will be incorporated into the OR3 budget for Fiscal Year 2025-26 with Last Day and Concluding Budget Actions.

The Proposed Budget also includes repayment of General Fund Contingency Loan in the amount of \$160,000, as authorized by the Board on January 28, 2025.

Strategic Initiatives

Equity Framework - Leadership, Operations & Services

Operational Plan - Comprehensive Health & Safety, Sustainable Environment, Operational Excellence

Climate Action - Energy, Water, Natural & Working Lands, Wildfire Prevention,
Government Operations

Submitted By:

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Recommended By:

Carlos J. Palacios, County Executive Office

Artificial Intelligence Acknowledgment:

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