



# COUNTY OF HUMBOLDT

For the meeting of: 5/5/2025

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File #: 25-563

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**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Departmental

**Vote Requirement:** Majority

**SUBJECT:**

2025 General Fund Five-Year Financial Forecast and Strategic Plan Update

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Receive the staff report and presentation on the financial forecast for the county General Fund for the next five years and update on the implementation of the 2024-2028 Strategic Plan.

**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:**

**Financial Forecast**

The County Administrative Office (CAO) provides the Board quarterly budget reports. Beginning in 2013, the CAO developed a five-year financial forecast report intended to provide the Board and public information on trends in anticipated revenues and expenditures for the county's major funds for the next five fiscal years. In 2018, the CAO expanded the report to forecast for seven years, rather than five years. In 2020, at the onset of COVID-19 and in the midst of fiscal uncertainty, the financial forecast was put on hold until such time when the finance system could provide more reliable information. Due to the hard work of the Auditor-Controller and staff, the county's external audits are almost caught up to current and the available financial data is more reliable.

In this first year of reimplementation of the financial forecast, it is limited to the General Fund. Your Board has been working to close a significant structural budget deficit in the General Fund in the last two fiscal years, \$15.1 million in Fiscal Year (FY) 2024-25, which is down from \$18.4 million in FY 2023-24.

Ongoing financial uncertainties require financial planning beyond the current single year budget process. Budget decisions made in one year can have significant impacts on resources that are available for future years. This report provides a baseline for measuring future year needs and resources based on current conditions.

**Strategic Plan Implementation Update**

On March 12, 2024, your Board adopted the 2024-2028 Strategic Plan. This plan serves as a critical tool for aligning county operations with the needs and priorities of the community. A well-structured strategic plan provides a shared vision, establishes

clear goals and guides decision-making across the organization. Through effective strategic planning, the County of Humboldt can prioritize initiatives, allocate limited resources efficiently and work toward achieving measurable outcomes. This update outlines the key activities that have been initiated or completed in support of your Board's Strategic Plan.

As your Board is aware and is highlighted in the financial forecast, the county continues to face significant fiscal challenges. The General Fund is operating under a substantial structural deficit, the Roads Fund, Behavioral Health Fund and Social Services Fund are in negative standing and federal funding remains uncertain due to shifting national policy. These realities require a continued focus on maintaining core, mandated services while strategically advancing long-term priorities.

Despite these constraints, meaningful progress has been made in advancing your Board's strategic goals, including:

- **Radio Infrastructure Project** - Initiated in 2018, this project is now nearing completion and will significantly enhance the reliability of emergency communications.
- **Consolidated Dispatch Preparation** - The Sheriff's Office is increasing staffing and training efforts to support future implementation.
- **Public Health Laboratory** - Property has been secured for a new facility, and staff continue to pursue funding opportunities for construction.
- **Regional Climate Action Plan** - Scheduled for adoption in 2025, this plan will help coordinate regional efforts to address climate change.
- **Measure O Implementation** - The local Roads and Transit Revenue Tax Measure passed with a 63% voter approval and is projected to generate \$24 million for critical transportation improvements.
- **Economic Development Investments** - Targeted investments have been made to support tourism and aviation marketing.
- **Workforce Development** - New employee training and development programs have been launched to strengthen internal capacity.

While these accomplishments reflect important strides forward, departments continue to report that resource limitations remain a significant barrier to full implementation of the Strategic Plan.

Nonetheless, staff remain committed to cross-departmental collaboration and partnership with the community to advance the priorities set by your Board.

**SOURCE OF FUNDING:**

General Fund (1100)

**FINANCIAL IMPACT:**

There is no direct financial impact to receiving the financial forecast and strategic plan implementation update. However, information contained in this report is intended to offer insight into the long-range effects of policy decisions at the local, state and federal levels, and economic conditions. Long-term fiscal health is of the utmost importance to the county to ensure the sustainability of services for county residents.

**STAFFING IMPACT:**

There is no direct staffing impact to receiving the financial forecast and strategic plan implementation update.

**OTHER AGENCY INVOLVEMENT:**

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N/A

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Board discretion.

**ATTACHMENTS:**

1. 2025 Five Year Financial Forecast
2. 2025 Strategic Plan Implementation Update
3. 2024-2028 Strategic Plan

**PREVIOUS ACTION/REFERRAL:**

Meeting of: N/A

File No.: N/A