FY 2026-27
Budget Workshop

Chief Executive Officer Darcie Antle

Cannabis Tax

- September 2024: the Board of Supervisors Adopted Ordinance temporarily reduced Cannabis Business Tax for cultivation and nursery operations
  - 40% reduction for Tax Year 2025
  - 35% reduction for Tax Year 2026

- Cannabis Tax Collections:
  - 412 True-up payments outstanding between 2020 though 2024
  - Estimated additional tax revenues by fiscal year, if minimum paid
    - FY 2025-26 - $1,494,750
    - FY 2026-27 - $1,619,312
    - FY 2027-28 - $2,491,250

Emergency Medical Services (EMS) Funding

- **Option 1: Local Sales Tax Measure**
  - ¼ cent (0.25%) Countywide sales tax dedicated to EMS
  - Approximately $5.5M ($2.2M for unincorporated)

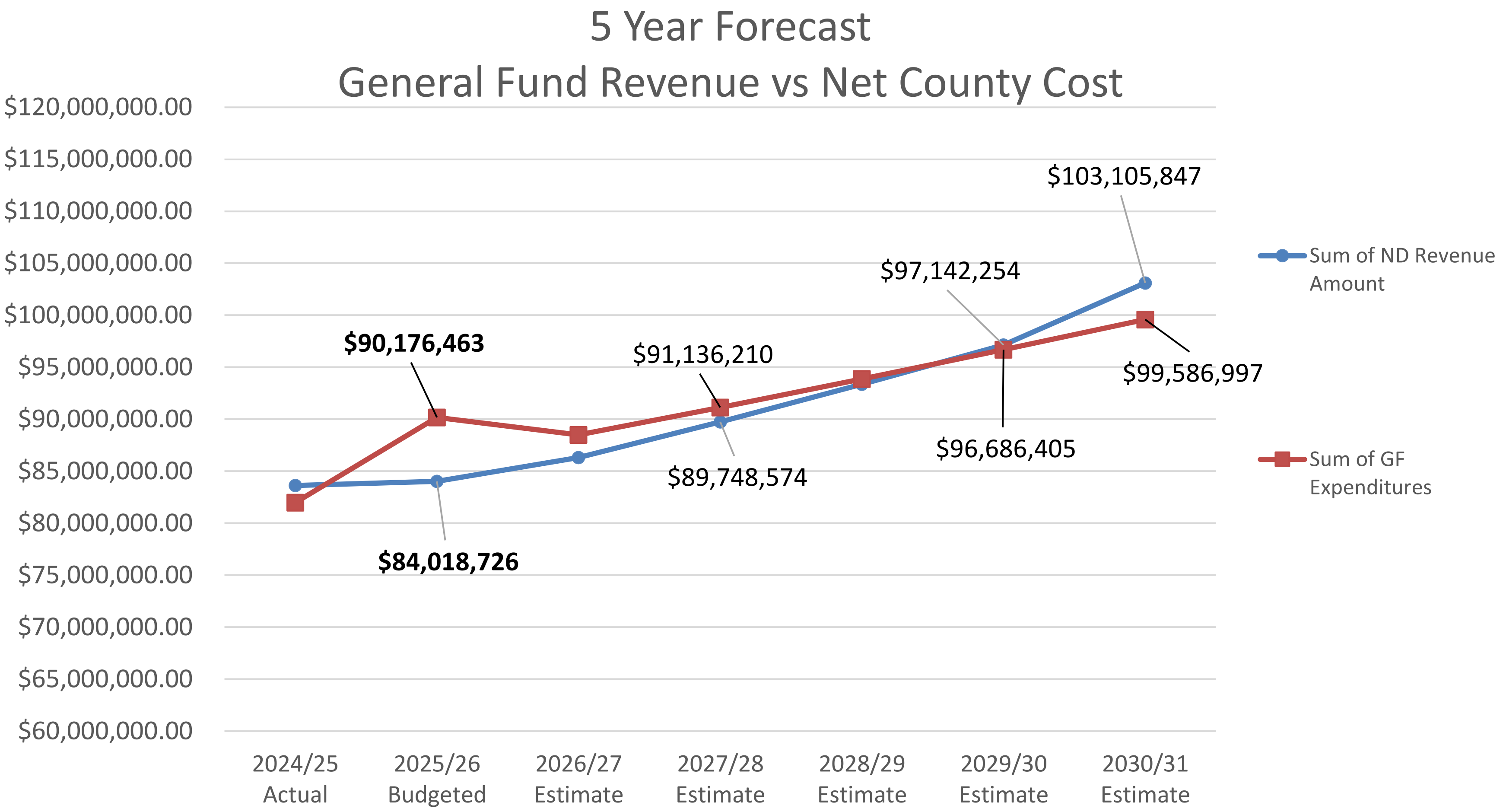
- **Option 2: Utilize Existing Revenue Sources**
  - Reallocation of Measure P revenue

- **Option 3: CSA 3 and LAFCo Consideration**
  - Levy a service charge, benefit assessment, or special tax

Revenue 5-year Look Ahead

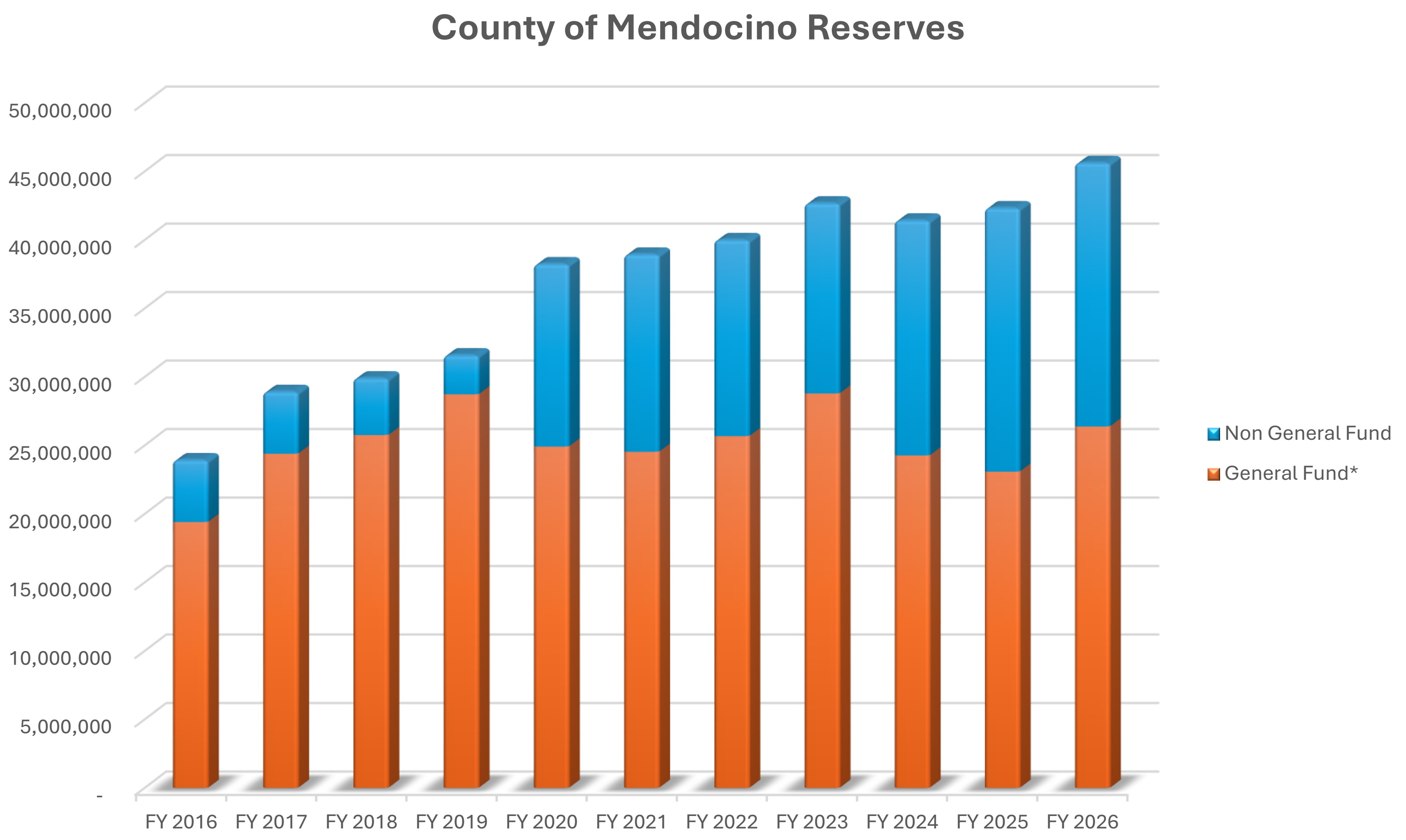
- Revenue estimates up to FY 2030-31, with following assumptions:
    - 3% year-to-year expense growth
    - 10-year average revenue growth

- If General Fund continues to be strategically managed, we can expect revenues to closely align to expenses in Fiscal Year 28-29.



County Reserves Fund Balance

- County General Reserve fund balance is currently **$14,042,921**
- General Reserve target balance per Policy #32 is **$15,950,368**
- Target General Fund balance, per GFOA recommendations is **$27,136,712**
- General Fund includes County General Reserve, Retirement Contribution Reserve, and other Designated Reserves



CEO Recommendations

- Direct staff to research options for the collection of delinquent Cannabis business taxes and to present findings to the Board of Supervisors no later than Mid-year Budget Report in February 2026.

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Questions

Discussion