



GREAT REDWOOD TRAIL AGENCY

MEETING DATE: May 15, 2025

AGENDA ITEM: 7. FY 2025-26 Budget Presentation and Resolution 2025-07 to Adopt the FY 2025-2026 Agency Budget

FROM: Tyler Egerer

RE: FY 2025-26 Budget Presentation

EXECUTIVE SUMMARY:

Staff presents a comprehensive budget for Fiscal Year 2025-2026. The budget is balanced, utilizing funds appropriated by the State and granted through the State Coastal Conservancy, and positions the agency to continue developing its organizational structure to advance the Great Redwood Trail.

BACKGROUND:

Following initial discussion of the FY 2025-2026 budget at April's meeting, and in contemplation of feedback from the Board, staff has prepared a draft FY 2025-2026 for the Board's consideration and approval. Goals set forth in that discussion are incorporated into this balanced budget, which makes full use of funds prior to their encumbrance dates. Additionally, there is a simple, strategic forecast of fund utilization in the coming fiscal years leading up to each fund's reversion date. Encapsulation of revenues generated through license and lease agreements for the private use of GRTA property, and encroachment application charges utilizing the new Schedule of Rates and Charges implemented by the Board in 2024 are also presented.

Expenses have undergone significant review and revision with the addition of new staff in the Financial Development Division – increasing overall staff-related costs while reducing outside accounting services and realizing internal savings in upcoming audit activities. Our continued efforts to improve collection of revenue from license and lease agreements have been successful, leading to Operations & Maintenance Division costs being better offset by the revenue generated.

The budget, as presented, is balanced, allows for staff expansion with no additional budgetary impacts, and is sufficient to reduce the need for significant changes at mid-year review. A full budget document is attached to this staff report, and includes the following items for consideration:

- Budget Narrative
- Attachment A: Budget Line Items, by Fund

- Attachment B: Fund Balances and Funding Forecast
- Resolution 2025-07 to Adopt the FY 2025-2026 Agency Budget

RECOMMENDATION:

Receive the FY 2025-2026 Budget Presentation and Approve Resolution 2025-07 to Adopt the FY 2025-2026 Agency Budget

FISCAL IMPACT:

An overall budget expense increase of approximately \$814,000 is expected for FY 25-26, due the addition of new staff and associated costs, the use of external grant funds from agencies such as CalRecycle, and increases in general operating expenses as GRTA takes on management of professional services contracts, payroll activities, and enhanced revenue collection and tracking for GRTA's licenses and leases of real property.

ATTACHMENTS:

- A. BUDGET NARRATIVE FY 25-26
- B. ATTACHMENT A BUDGET LINE ITEMS BY FUND
- C. ATTACHMENT B FUND BALANCES AND FUNDING FORECAST
- D. RESOLUTION 2025-07 APPROVING FISCAL YEAR 2025-2026 AGENCY BUDGET



GREAT REDWOOD TRAIL AGENCY

Budget Narrative FY 25-26

Background on GRTA Funding Sources

GRTA is currently funded through a variety of agreements, appropriations, and historical funding from the transfer of equity held by the North Coast Rail Authority. As funding sources are highly varied, so too are the years in which these funds must be fully expended or returned to the originating agency. A visual representation of these funds, the current amounts remaining, and the varied sources are presented as Attachment B of the budget. At present, these are the funds for operation of GRTA and GRT projects:

1. State Coastal Conservancy (SCC) Joint Powers Agreement: The funds committed from the reuse of NCRA's remaining assets to create the Master Plan for the Great Redwood Trail, and to cover the cost of trail planning and organizational development by two SCC trail project managers assigned to serve as GRTA staff through the JPA until the end of FY 28-29. Funds have been committed to cover SCC staff salaries, benefits and work-related travel for two trail project managers dedicated full-time to GRTA, the cost of consultant fees for creating the Master Plan and PEIR and to assist in the digitization of NCRA records and GRTA property data, among other organizational development tasks. Total remaining funds of \$718,935 will be used for similar activities, as needed. These funds are shown on the budget as a dedicated column for activities dispersed by the SCC directly on behalf of GRTA, with the understanding that future agency budgets will eventually incorporate some of the activities currently covered by these funds.

2. SCC Local Assistance (Conservancy Programs via State Budget Line-Item Adjustment): Funds appropriated by the State in FY 24-25 total \$5,000,000. These funds are specifically appropriated and "shall be available for a grant to the Great Redwood Trail Agency for purposes of developing the Great Redwood Trail." Encumbrance of these funds must be implemented no later than June 30, 2026, and must be fully expended no later than June 30, 2028. At the present rate of expenditure for general operating needs, staff anticipate the total amount of \$5,000,000 lasting through most of FY 27-28, with the remaining funding for FY 27-28 coming from GRTA's cash reserves.

3. GRTA Bank Account: The combined estimated total of GRTA's cash on hand includes approximately \$1,290,000 in remaining funds from appropriations directed by CalSTA to effect the dissolution of NCRA. These remaining funds will be used for the general operating needs of the GRTA. A recent sale of boxcars owned by GRTA resulted in a gain on sale of approximately \$1,400,000. There are no deadlines for expenditure of these funds, and as such these will be used to support shortfalls in budget estimates, when experienced, and ultimately may assist in balancing future budgets if State appropriations and other funding sources fall short of total funds required in a given Fiscal Year.

4. Great Redwood Trail Grants to Local Agencies: This fund, dispersed by the SCC and totaling \$1,500,000, was established to assist local agencies with pre-construction planning and construction grants for sections of the trail that have independent utility for local jurisdictions. These funds have been fully committed prior to their encumbrance date of 6/30/25 and will be used until FY 26-27 to assist the communities of Alderpoint, Ukiah, and Willits, Mendocino Land Trust, and The Wildlands Conservancy with various trail-related planning and construction activities.

Anticipated Changes FY 2025-26

This is a synopsis of anticipated revenues and expenditures for the fiscal year (FY) 2025-2026, beginning July 1, 2025, and ending on June 30, 2026. The budget is based upon prior adopted budgets, grant funding opportunities, and assessed needs for the continued growth of agency responsibilities. It aims to fulfill current agency needs, build capacity for future growth, and highlight the anticipated use of current funding sources available to GRTA over the next three years.

An overall budget expense increase of approximately \$814,000 is expected for FY 25-26, due to the addition of new staff and associated costs, the use of external grant funds from agencies such as CalRecycle, and increases in general operating expenses as GRTA takes on management of professional services contracts, payroll activities, and enhanced revenue collection and tracking for GRTA's licenses and leases of real property. Payroll costs are anticipated to cover not only ongoing costs, but to anticipate potential growth in staffing, address potential mid-year changes in pay, and adequately prepare for benefits accruals and employee costs related to the full-charge management of GRTA's payroll service needs under the direction of GRTA's Business & Financial Administration Division.

The presented budget is balanced with a \$50,000 increase in net position, related to salvage sales, ensuring proactive use of available funding to ensure monies are depleted before fund reversion dates.

Here is a synopsis of anticipated changes:

Revenue Overview: Income from GRTA revenue generating activities, grants and inter-agency agreements is anticipated to total **\$2,123,722.23** including funds from an allocation of State funds dispersed by the State Coastal Conservancy (SCC), CalRecycle's Illegal Disposal Site Abatement Grant Program, encroachment permit application charges, the disposal of assets such as rail and other track material, and annual revenues generated from the private use of GRTA property through license and lease agreements, for which consideration is defined in the agency's Schedule of Rates and Charges, last updated in July 2024 by the GRTA Board of Directors. Revenues generated from permit application charges, and charges for the private use of GRTA property are proposed to be utilized to offset maintenance of Agency-owned property. Estimates for these revenue sources are anticipated to increase marginally as the Agency gains capacity to manage additional permit applications and existing contractual agreements, resulting in additional funding to manage maintenance and property management expenses (discussed further below).

- **Revenues from Grant Funds and State Agencies** – Revenues associated with grants from partner agencies, State agencies and other granting bodies are included in this line; these funds, and their associated appropriation and liquidation dates, are discussed later in this document. These funds will be used primarily to manage the annual operation of GRTA and reduce impacts to Agency cash on hand as much as possible, with prioritization of the utilization of funds with upcoming liquidation dates.
- **State Coastal Conservancy Joint Powers Agreement (through 6/30/2029)** – These funds are listed to illustrate future costs that will likely be associated with operation of GRTA as more duties and obligations are absorbed by Agency staff and internal capacity increases. Currently, these costs cover drafting of the Programmatic Environmental Impact Report (PEIR) and Master Plan, and ongoing costs of the trail project managers employed by State Coastal Conservancy who are assigned fulltime to GRTA. These expenditures do not presently impact, nor are dependent on, the estimates provided for GRTA's annual budget.
- **GRTA Bank Account** – This item tracks the anticipated total cash on hand for which GRTA's Executive Director and Board have full discretionary authority to manage. At present, these funds sit with the County of Sonoma, who acts as GRTA's Treasurer, providing banking services to the agency. They are used to assist with the payment of GRTA expenses month to month, in coordination with fund transfers SCC makes on

behalf of GRTA. These funds will also assist with any unexpected shifts in budget expenditures or priorities that require additional allocations of resources, and in future years may be required to cover regular operating expenses in the absence of funds granted or appropriated directly to GRTA.

Expenditure Overview: GRTA annual expenses are estimated to be **\$2,073,722.23**, covering all staff wages and benefit costs, payroll expenses, and regular annual operating needs. The FY 25-26 budget estimates that there will be a change in Net Position of the GRTA of \$50,000, as anticipated expenses are expected to be fully covered by granted and appropriated State funds. The estimated revenue from sale of NCRA salvaged assets will be added to the GRTA Bank Account for future use, as funds from other sources are sufficient to cover annual expenses and have critical deadlines for full expenditure.

Expense lines with significant changes from FY 24-25 are explained below:

- 50101 Labor Permanent Positions: the FY 25-26 budget includes full costs associated with the personnel expenses for the three currently active employees working for GRTA, and the possible inclusion of an Administrative Analyst hired at mid-year to assist staff in all divisions with ongoing needs and Board meeting activities. The total amount of estimated costs, \$512,480.23, includes sufficient encumbrance of scheduled wages to address any increases in pay through annual employee evaluation, the payout or accrual of leave-related benefits, and all anticipated taxes and fees paid by GRTA for costs associated with general payroll expenses. Increases in CalPERS retirement contributions, FICA, health insurance, worker's compensation insurance and unfunded pension liability have also been proportionally increased as reported by various tax and benefit sources.
- 51072 Weed Abatement: the goal of the increase is to begin pilot testing vegetation management practices and provide weed abatement contracts and funding to local communities along the future trail. We plan to work with volunteer fire departments, California Native American Tribes and tribal non-profit organizations, community groups, neighborhood associations, and other organizations, such as the California Conservation Corps, to reduce vegetation in areas of the future trail near population centers at higher risk of wildfire. Revenues from current licenses and leases are anticipated to cover all necessary costs for weed abatement, as collection of these charges continues to be improved upon and working relationships with leaseholders continues to improve.
- 51213 Contract Service Fees: large increase due to anticipated costs associated with GRTA's implementation of the Master Plan as the agency's role expands to

provide support to trail development partners to improve overall coordination and communication as the GRT moves forward. Individual contracts exceeding the executive director's delegated authority of \$25,000 would be presented individually for board approval throughout the year. The need for services may change throughout the year.

- D&A Enterprises (trail design & engineering services)
 - Tribal Cultural Monitors (on-call)
 - Communications, community engagement and outreach
 - Environmental Consulting Services (on-call)
 - Restoration Planning
- 51801 Property Management: increase as we contract with California Native American Tribes and tribal non-profit organizations, community groups, neighborhood associations, and other organizations to manage undeveloped trail segments to prevent dumping, trespass and other undesirable activities.
- 51206 Audit & Accounting Fees: slight savings over FY 24-25 (\$6,000), with savings realized from internal staff work on audit activities.
- 51251 Data Processing Fees: increase to \$2,500 due to anticipated costs associated with filing CEQA documents, costs for credit card convenience fees, and paying other administrative recording fees.
- 51601 Training & Conference Expenses: an increase to \$15,000 for adequate training funds for all employees to foster new learning opportunities as the agency develops and takes on new tasks.
- 51602 Travel: proposing to increase this category from \$10,000 to \$16,000 to address additional members of staff, and in keeping with current travel trends for the Executive Director and Operations Manager.
- 51605 Private Car Expenses: this is for staff mileage reimbursement when they use their personal vehicles for business purposes, as GRTA does not maintain a fleet of vehicles for staff use. Proposing to fund it at \$20,000, which is based on current trends this fiscal year.
- 52143 Software Expense: anticipated increase from \$8,000 to \$11,300 due to anticipated hiring of new staff, as well as the modernization of our systems. In preparation for FY 25-26, staff has implemented project management software, and will activate the payroll module for QuickBooks to allow for internal management of payroll services to GRTA employees. We also plan to take on the management of a GIS-based system for property management and trail planning. All other licenses will be maintained to allow for sufficient management of GRTA activities.



GREAT REDWOOD TRAIL AGENCY

FY 2025-26 Budget Attachment A: Budget Line Items, by Fund

	Existing Funding Sources						
	FY 2025-26 Estimated Total	SCC Local Assistance (2028)	GRTA Bank Account	Encroachment Application Charges	License & Lease Charges	Grant Funding	JPA with SCC (2029)
Revenues							
Encroachment Application Charges	30,000.00			30,000.00			
License & Lease Charges	200,000.00				200,000.00		
Gain on Sale of Assets	50,000.00		50,000.00				
Revenues from GRTA Operations	280,000.00	0.00	50,000.00	30,000.00	200,000.00	0.00	0.00
Revenues from Grant Funds and State Agencies	1,843,722.23	1,768,130.23	0.00	0.00	0.00	75,592.00	514,285.71
Total Revenues	2,123,722.23	1,768,130.23	50,000.00	30,000.00	200,000.00	75,592.00	514,285.71

Expenses							
50101 · Labor - Permanent Positions		390,142.11	390,142.11				514,285.71
50201 · CalPERS Retirement		43,505.65	43,505.65				
50205 · FICA Retirement		5,657.06	5,657.06				
50301 · Health Insurance		42,000.00	42,000.00				
50311 · Unemployment-Permanent Position		1,484.00	1,484.00				
50752 · County Retirement - Local Board		23,691.41	23,691.41				
50808 · Workers Comp Insurance		6,000.00	6,000.00				
51021 · Telephone / Communication		5,000.00	5,000.00				
51041 · Insurance Other		30,000.00	30,000.00				
51071 · Maintenance - Bldg & Improve		225,592.00	50,000.00		100,000.00	75,592.00	
51072 · Weed Abatement		100,000.00			100,000.00		
51206 · Audit / Accounting Fees		35,000.00	35,000.00				
51207 · Fiscal Accounting Fees		35,000.00	35,000.00				
51211 · County Counsel - Legal Fees		225,000.00	225,000.00				
51212 · Outside Counsel-Legal Services		200,000.00	200,000.00				
51213 · Contract Service Fees		540,000.00	540,000.00				
51244 · Permits and Fees		4,000.00	4,000.00				
51251 · Data Processing Fees		2,500.00	2,500.00				
51421 · Rent - Facilities		3,000.00	3,000.00				
51601 · Training & Conference Expenses		15,000.00	15,000.00				
51602 · Travel		16,000.00	16,000.00				
51605 · Private Car Expenses		20,000.00	20,000.00				
51801 · Property Management		50,000.00	20,000.00		30,000.00		



GREAT REDWOOD TRAIL AGENCY

FY 2025-26 Budget Attachment A: Budget Line Items, by Fund

		Existing Funding Sources						
		FY 2025-26 Estimated Total	SCC Local Assistance (2028)	GRTA Bank Account	Encroachment Application Charges	License & Lease Charges	Grant Funding	JPA with SCC (2029)
51934 · ERP System Charges - Sonoma County		300.00	300.00					
52091 · Membership Expense		3,500.00	3,500.00					
52101 · Misc. Expense		1,050.00	1,050.00					
52111 · Office Expenses		5,000.00	5,000.00					
52114 · Postage and Delivery		4,000.00	4,000.00					
52115 · Books and Periodicals		500.00	500.00					
52118 · Printing Services		4,500.00	4,500.00					
52143 · Software Expense		11,300.00	11,300.00					
52191 · Utilities Expense		5,000.00	5,000.00					
53201 · Judgments and Settlements		20,000.00	20,000.00					
53301 · Taxes/Assesments								
53402 · Depreciation Expense								
53610 · Bad Debt Expense								
Total Expense		2,073,722.23	1,768,130.23	0.00	30,000.00	200,000.00	75,592.00	514,285.71
Total Increase/(Decrease) in Net Position		50,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00

Fund Totals/Appropriations for Annual Budget					
Total Funds, July 1, 2025		5,000,000.00	2,866,270.33		75,592.00
New Funds Obligated to GRTA			50,000.00		300,000.00
Funds Appropriated for FY 25-26 Budget		1,768,130.23			75,592.00
Total Funds, June 30, 2026		3,231,869.77	2,916,270.33	-	300,000.00



Funding Source Changes, by Fiscal Year - Forecasted for Anticipated Costs through June 30, 2030

Fund Name	Fiscal Year Initiated	Total Fund Amount, 07/01/2025	Fund Change, FY 25-26 (budgeted)	Funds Change, FY 26-27 (estimated)	Funds Change, FY 27-28 (est.) (1)	Funds Change, FY 28-29 (est.) (2)	Fund Balance, 07/01/2030 (est.)
SCC Local Assistance (2028)	2024-25	\$ 5,000,000.00	\$ (1,768,130.23)	\$ (2,250,000.00)	\$ (981,869.77)	\$ -	\$ -
GRTA Bank Account	2023-24	\$ 2,866,270.33	\$ 50,000.00	\$ -	\$ (1,518,130.23)	\$ (1,398,140.10)	\$ -
Revenue Generated from Rates & Charges (3)	Ongoing	\$ 230,000.00	\$ (230,000.00)	\$ -	\$ -	\$ -	\$ -
Revenues Generated from Grant Programs	Ongoing	\$ 75,592.00	\$ (75,592.00)	\$ 300,000.00	\$ (300,000.00)	\$ -	\$ -
JPA with SCC (2029) (4)	2021-22	\$ 2,853,242.86	\$ (514,285.71)	\$ (525,000.00)	\$ (540,000.00)	\$ (560,000.00)	\$ 713,957.15
						\$	-
Change in Total Funds Available (GRTA only)		\$ 8,171,862.33	\$ 6,148,140.10	\$ 4,198,140.10	\$ 1,398,140.10	\$ -	\$ -

Notes

(1) Funds available through SCC Local Assistance must be expended no later than June 30, 2028

(2) Funds set aside for reuse of NCRA assets for planning purposes will expire June 30, 2029; these funds are currently utilized by SCC to pay consultants for the PEIR and Master Plan, and cover staff costs for trail project managers.

(3) For illustrative purposes, the FY 25-26 revenues are shown as funds available at 7/1/25, and offset by identical expenses incurred in the FY 25-26 budget; subsequent years are anticipated to be zero-sum change with similar earnings

(4) Funds held by SCC, as outlined above, are managed by SCC directly and do not impact GRTA funding available; they are shown here to indicate potential spending needs in future Fiscal Years, but not to impact the Total Change in Funds Available

Resolution No. 2025-07

Approving Fiscal Year
2025-2026 Agency Budget

GRTA Board of Directors Chair



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52115 · Books and Periodicals		500.00	500.00					
52118 · Printing Services		4,500.00	4,500.00					
52143 · Software Expense		11,300.00	11,300.00					
52191 · Utilities Expense		5,000.00	5,000.00					
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