



GREAT REDWOOD TRAIL AGENCY

MEETING DATE: November 20, 2025

AGENDA ITEM: 7. Resolution 2025-15: SCC - GRTA Grant Agreement

FROM: Elaine Hogan

RE: Resolution 2025-15: SCC - GRTA Grant Agreement

EXECUTIVE SUMMARY:

GRTA seeks to authorize its Executive Director to enter into a grant agreement with the State Coastal Conservancy (SCC) in order to authorize and facilitate the expenditure of funds by the SCC on behalf of GRTA, and authorize and facilitate the transfer of funds from SCC directly to GRTA for intended and approved purposes.

BACKGROUND:

The California State Legislature has appropriated funds to the State Coastal Conservancy for use by the GRTA in carrying out its statutory obligations in support of trail development and well as operation and maintenance of agency landholdings in Mendocino, Trinity and Humboldt counties. Since 2002, the North Coast Railroad Authority (NCRA), the predecessor entity to GRTA, has contracted with the County of Sonoma for the administration of GRTA's banking services, such as the issuance of payments to vendors for approved expenses and the receipt of deposits for incoming revenue to the agency like grant funds or payments for the use of GRTA's land authorized through license and lease agreements with public and private entities. The SCC disburses funds approved by the legislature to the County of Sonoma, who then expends them on behalf of GRTA for approved expenses that align with the Board-adopted agency budget while adhering to proper approval and record-keeping procedures consistent with state law and governmental accounting standards.

This process was developed in part due to the lack of organizational capacity on the part of NCRA to administer its own finances appropriately. At this point in GRTA's development, having the County of Sonoma act as an intermediary is no longer necessary and is impacting GRTA's ability to pay bills on time. The current process is inefficient and results in a 6 - 8 week timeframe from the time a bill is received by GRTA to the time a vendor receives payment. These delays and inefficient practices create significant hardship for small businesses that GRTA contracts with, often resulting in them needing to stop work because they do not have enough capital to continue working while they wait for reimbursement for work completed. Similarly, there is only an option for Sonoma County to issue paper checks to vendors if the payment is less than \$100,000, which means that in order to avoid late fees and expedite the process, GRTA staff are often paying bills with their agency credit cards when possible, which sometimes results in a 3% convenience charge. Having an intermediary third party involved in our finances also means there is another layer of reconciliation to be done to ensure records match. This takes significant staff time, as SCC and Sonoma County need to ensure their records match and GRTA and Sonoma County also do the same process monthly.

Over the past six months, pursuant to Board direction, GRTA has begun to transition away from utilizing the County of Sonoma for our banking and payroll services, with payroll having moved to internal operations as of July 1, 2025. GRTA's contract with County of Sonoma for remaining banking services ends June 30, 2026, at which time we expect to have fully completed the transition to internal financial management with the help of newly hired and trained staff and a contracted accountant. To prepare for this transition, GRTA opened a bank account with California Bank of Commerce, which works with public agencies like ours. Our payroll is currently disbursed through this bank account, although funds still flow from SCC to Sonoma County through their inter-agency agreement, and then to GRTA through our agreement with Sonoma County, so the full benefits of efficiency have yet to be fully realized.

Given recent appropriations authorized in the Budget Act of 2025, GRTA seeks to more directly manage and expend funds efficiently and effectively with Board oversight and in direct partnership with SCC through a grant agreement between our two agencies. The workplan for the agreement will the types of expenses from the GRTA-adopted budget to be paid directly to GRTA by SCC and is expected to be amended over the course of this fiscal year, as we will begin by transitioning away from Sonoma County and prepare for full transfer prior to June 30, 2026. By July 1, 2026, we anticipate the entire GRTA board-approved budget to be administered internally with deposits and payments being handled through our California Bank of Commerce account. GRTA will directly pay vendors and operational expenses from this account using our cash reserves, with reimbursement by SCC through the forthcoming approved grant agreement. The substantive determination as to the planning and expenditure of funds will continue to be made by the Board via approval of the budget, and contracts for goods and services will remain subject to GRTA's adopted processes. Prior to adoption of the next fiscal year's budget and after the Master Plan comes before the Board for adoption in 2026, the Board will have an opportunity to make strategic decisions regarding its priorities for the use of newly appropriated funds.

RECOMMENDATION:

Approve Resolution 2025-15 to delegate authority to the Executive Director of the Great Redwood Trail Agency to execute a grant agreement with the State Coastal Conservancy with respect to the distribution of any funds to or on behalf of GRTA, and to take any other action required by GRTA for the execution and performance of the resulting grant agreement.

FISCAL IMPACT:

No direct impact, although more efficient payment processing will result in less late fees and credit card convenience charges, which are nominal with respect to the overall agency budget but important to ensure efficient use of public funds.

ATTACHMENTS:

A. RESOLUTION 2025-15 SCC - GRTA GRANT AGREEMENT

Resolution No. 2025-15

SCC - GRTA Grant
Agreement

WHEREAS, Item 3760-101-0001 of Section 2.00 of the Budget Act of 2025 appropriated \$6,000,000 to the Coastal Conservancy for local assistance, to me made available to the GRTA for general operations and trail and restoration planning, design, construction, and implementation, and

1 **WHEREAS**, prior statutory action has appropriated funds to SCC for the use of GRTA, or
2 appropriated funds to the California State Transportation Agency for uses related to the GRTA
3 which State Coastal Conservancy now administers through an agreement with the County of
4 Sonoma, with respect to which agreement the State Coastal Conservancy acts as successor in
5 interest to the California State Transportation Agency; and
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7
8 **WHEREAS**, GRTA seeks to authorize its Executive Director to enter into a grant agreement
9 with the Coastal Conservancy in order to authorize and facilitate the expenditure of funds by the
10 Conservancy on behalf of GRTA, and authorize and facilitate the transfer of funds to GRTA,
11 consistent with all applicable law and requirements of all impacted funds; and
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13 **NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE**
14 **GREAT REDWOOD TRAIL AGENCY** as follows:
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16 1. The Executive Director of the Great Redwood Trail Agency is authorized to represent
17 GRTA in all matters related to coordination with State Coastal Conservancy with respect to the
18 distribution of any funds to or on behalf of GRTA by State Coastal Conservancy.

19 2. The Board of Directors hereby delegates to the Executive Director of the Great Redwood
20 Trail Agency the authority to execute a grant agreement with the State Coastal Conservancy with
21 respect to the distribution of any funds to or on behalf of GRTA, and to take any other action
22 required by GRTA for the execution and performance of the resulting grant agreement.
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24 3. GRTA acknowledges that GRTA retains financial responsibility for the completion of
25 any projects or portion of projects funded pursuant to the grant agreement to be executed under
26 the authority of this resolution, and disclaims any responsibility of the State Coastal Conservancy
27 to provide any additional funding for the completion of such projects.

1 4. The authorities and acknowledgements set forth in this resolution shall continue in effect
2 until such time as they are rescinded by further resolution of the Board of Directors.
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4 Introduced and adopted this ____ day of _____, at a meeting of the Board of Directors of
5 Great Redwood Trail Agency by the following vote:
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8 AYES:

9 NOES:

10 ABSENT:

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GRTA Chair

Mary Sackett

12 ATTEST:

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GRTA Executive Director

14 Elaine Hogan
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