A G E N D A

TECHNICAL ADVISORY COMMITTEE MEETING #1
"FINANCE, GRANTS & ADMINISTRATION"

JULY 27, 2026 AT 2:00 P.M.

BOARD OF SUPERVISORS CHAMBERS
981 H STREET, SUITE 100
CRESCENT CITY, CA 95531

1. Call to order.
2. Public comment period.
3. 2:00 P.M. Receive an update on the TFG/CSAC Grants Initiative.**
4. Receive Update on Capital Improvement Project Financing.
5. Review and Recommend Approval of the Stimson Fund Successor Resolution and Implementing Policy**
6. Review and discuss year-end PARS 115 Trust Statement for FY 25-26.**

Adjournment

DATE POSTED: July 23, 2026

TECHNICAL ADVISORY COMMITTEE

Semi-Annual Grant Program Review

A briefing for the Technical Advisory Committee on the County's active funding strategy, project pipeline, and alignment to the 2024-2025 Organizational Strategic Plan.

$3.2M

in active grant applications advance three of the Board's four Strategic Focus Areas this cycle.

5 ACTIVE APPLICATIONS · 7 HIGH-PRIORITY PROJECTS · 56-PROJECT PIPELINE

PREPARED FOR
Technical Advisory Committee

PREPARED BY
Office of the County Administrator

MEETING DATE
July 27, 2026

REPORTING PERIOD
Jan-Jun 2026

DOCUMENT VERSION
v2026.1

CLASSIFICATION
Board Packet · Public

CONTENTS

#3

REPORTING PERIOD · JAN-JUN 2026

Executive Summary

ACTIVE APPLICATION VALUE

$3.2M

committed across five applications now moving through submission and development.

5

Active applications

4 submitted · 1 in development

7

High-priority projects

Across 2 focus areas

56

Pipeline projects

Full reference inventory

$207K

Submitted value

Confirmed request totals

2024-2025 ORGANIZATIONAL STRATEGIC PLAN

Focus Area Alignment

ACTIVE APPLICATIONS BY AREA

CSC	0	COUNTY STAFFING & CAPACITY
IED	1	INFRASTRUCTURE & ECONOMIC DEVELOPMENT
LJH	2	LAW, JUSTICE & HOMELESSNESS
GGB	2	GENERAL GOVERNANCE & BUDGET

FUNDING IN MOTION

Active Grant Applications

Five applications are advancing this cycle. Each is anchored to a Strategic Plan action item and carries the Board's endorsement.

CAL OES

FY 2024 State & Local Cybersecurity Grant

GGB-2B

Upgrades core network security infrastructure and cybersecurity training to address critical gaps.

REQUESTED

$169K

SUBMITTED

DEADLINE · MAR 13, 2026

ASPCA

FY 2026 Grants for Shelters and Spay/Neuter Clinics

GGB-1C

Supports capital improvements at the County Animal Shelter. The County applied under the program's shelter track.

REQUESTED

$38K

SUBMITTED

DEADLINE · JUN 26, 2026

CDPH

FY 2026 Local Cannabis Education & Youth Prevention (RFA #26-10160)

LJH-3

Funds youth-focused prevention programming and community education on cannabis use. Awards run up to $200K per year across a 5-year project period.

REQUESTED

Up to $200K/yr

SUBMITTED

DEADLINE · JUN 29, 2026

US DOJ / BJA

FY 2025 COSSUP

LJH-3

Builds coordinated substance-use response across justice, health, and housing service systems.

REQUESTED

Not disclosed

SUBMITTED

DEADLINE · MAY 4, 2026

CA STATE PARKS

FY 2026 Statewide Park Development & Community Revitalization (Round 5)

IED-3C

Redevelops Pyke Field into a modern, accessible community recreation and athletics facility.

REQUESTED

$3.0M

IN DEVELOPMENT

DEADLINE · TBD

BOARD-ELEVATED INITIATIVES

High-Priority Projects

IED INFRASTRUCTURE & ECONOMIC DEVELOPMENT — 6 PROJECTS

Del Norte County Jail Remodel
IED-1C

Renovation of the 1960s-era jail to accommodate additional program space and address State compliance requirements. Aligned with AB 109.

$15.0M
EST. PROJECT COST — DESIGN / FUNDING

Sewer Lift Stations, Phase 2 Emergency Power
IED-1

Construct ten fixed generators with protective structures at CSA-1 lift stations for climate resilience and continuity of service.

$4.9M
EST. GRANT REQUEST — PLANNING

Gymnasium ADA Improvements
IED-1

Remove architectural and programmatic barriers at the County Gymnasium to restore full accessibility.

$1.4M
EST. PROJECT COST — SCOPING

IT Building ADA Improvements
IED-1

Path-of-travel and entry accessibility upgrades to the primary County IT building.

$1.4M
EST. PROJECT COST — SCOPING

Veterans Memorial Hall ADA Improvements
IED-1

Restoration-sensitive accessibility improvements to the historic Veterans Memorial Hall.

$1.4M
EST. PROJECT COST — SCOPING

DHHS Infrastructure
IED-1

Consolidate Health & Human Services programming into a co-located campus model at Northcrest.

2 sites
ACQUISITION SCOPE — PLANNING

LJH LAW, JUSTICE & HOMELESSNESS — 1 PROJECT

Indigent Defense
LJH-1

Structural investment in County indigent defense to meet constitutional service standards, including hiring a County public defender.

Active
PROGRAM STATUS — FUNDABILITY: MEDIUM

CSC COUNTY STAFFING & CAPACITY — NO PROJECTS

No high-priority projects are currently mapped to this focus area. This gap between grant activity and the Strategic Plan's staffing goals is worth raising with the TAC.

GGB GENERAL GOVERNANCE & BUDGET — NO PROJECTS

No high-priority projects are mapped to this focus area. Note that three active grant applications (Cybersecurity, ASPCA, and the Animal Shelter) do advance GGB action items in Section 02.

COMPLETE REFERENCE INVENTORY

Full Project Pipeline

This is the complete inventory of 56 tracked projects across all stages and funders. "Unspecified" priority indicates projects that have not yet received a formal priority designation.

PRI	DEPARTMENT	PROJECT	REQUEST	AREA	FUNDABILITY
H	Administrative Services / Parks & Building Maintenance	Del Norte County Jail Remodel	$12.0M	IED	Medium
H	Administrative Services / Parks & Building Maintenance	Gymnasium ADA Facility Improvements	$1.4M	IED	Medium
H	Administrative Services / Parks & Building Maintenance	IT Building ADA Facility Improvements	$1.4M	IED	Medium
H	Administrative Services / Parks & Building Maintenance	Veterans Memorial Hall ADA Facility Improvements	$1.4M	IED	Medium
H	Administrative Services	Indigent Defense	—	LJH	Medium
H	Community Development	Onsite Emergency Power Supply for Sanitary Sewer Lift Stations Project, Phase 2	$4.9M	IED	High
H	Health and Human Services	DHHS Infrastructure	—	IED	Medium
M	Administrative Services / Parks & Building Maintenance	Pyke Field Improvement Project	$500K	IED	Medium
M	Administrative Services / Parks & Building Maintenance	Florence Keller Regional Park	$200K	IED	High
M	Community Development	Elk Valley Road Corridor Improvement Project	$40.7M	IED	High
M	Community Development	Elk Valley Cross Road Corridor Improvement Project	$43.4M	IED	High
M	Community Development	CSA-1 Video Inspection	$500K	IED	Medium
L	Administrative Services	Veterans Hall Improvement Project	$500K	IED	Need More Info
L	Administrative Services	County Emergency Operations Center	—	GGB	Need More Info
L	Administrative Services	Justice Services Campus	—	LJH	Low
U	Community Development	Levee Improvements	—	IED	High
U	Community Development	Homeless Encampments	—	LJH	High
U	Community Development	Administrative System Modernization	—	GGB	Medium
U	Community Development	Update of the County General Plan	—	GGB	Medium
U	Community Development	Code Enforcement Staffing	—	CSC	Low
U	Health and Human Services	Behavioral Health - Prevention Programming	—	LJH	Need More Info
U	Health and Human Services	Behavioral Health - Mobile Crisis Team	—	LJH	Low
U	Health and Human Services	Behavioral Health - Substance Use Services for Jail Inmates	—	LJH	High
U	Health and Human Services	Public Health - Expanding Services	—	LJH	Medium
U	Health and Human Services	Public Health - Senior Isolation Reduction / Suicide Prevention Programming and Staffing	—	LJH	High
U	Health and Human Services	Public Health - Community Care Hub	—	LJH	Medium
U	Sheriff's Office / Probation	Officer Wellness Services and Equipment	—	LJH	High
U	Sheriff's Office	Jail building and security enhancements	—	LJH	Low
U	Sheriff's Office	Search and Rescue vehicles and equipment	—	LJH	High
U	Sheriff's Office / Parks & Building Maintenance	Animal Services building and infrastructure	—	GGB	Medium
U	Sheriff's Office	Animal Services spay/neuter services	—	GGB	Medium

PRI	DEPARTMENT	PROJECT	REQUEST	AREA	FUNDABILITY
U	Sheriff's Office / Probation	**Security Communications**	–	LJH	High
U	Sheriff's Office / Probation	**Officer Body-Worn Cameras**	–	LJH	High
U	IT	**Cybersecurity, network equipment**	–	GGB	Medium
U	Child Support Services	**Outreach**	–	CSC	Medium
U	Child Support Services	**Staff Training**	–	CSC	Medium
U	Child Support Services	**Public Transportation Support**	–	GGB	Low
U	Parks & Building Maintenance	**Florence Keller Regional Park - Tree Thinning**	–	IED	High
U	Parks & Building Maintenance	**Clifford Kamph Memorial Park - Stairs**	–	IED	High
U	Parks & Building Maintenance	**Environmental Contamination Cleanup**	–	IED	High
U	Parks & Building Maintenance	**Flynn Center ADA Upgrades**	–	IED	High
U	Probation	**Staffing**	–	CSC	Medium
U	Probation	**Building Space**	–	IED	Low
U	Probation	**Training Center**	–	CSC	Low
U	Probation	**Drone**	$4K	LJH	Medium
U	District Attorney	**Sexual Assault Response Team + Rape Crisis Team programming**	–	LJH	Low
U	District Attorney	**Education in High Schools**	–	LJH	Low
U	Human Resources	**Recruitment & Retention: Grow Your Own Initiative**	–	CSC	Low
U	Human Resources	**Youth Workforce Development**	–	CSC	Need More Info
U	2024-2029 Strategic Plan	**Improve and Expand Opportunities and Upstream Interventions for Justice Involved Youth**	–	LJH	–
U	FY 2025 Legislative Platform	**Serve Youth with Complex Needs - Family and Juvenile Services and Child Support Services**	–	LJH	–
U	FY 2025 Legislative Platform	**Disaster Response Preparedness**	–	GGB	Medium
U	FY 2025 Legislative Platform	**Fentanyl and Opioids**	–	LJH	Medium
U	FY 2025 Legislative Platform	**Fentanyl and Opioids**	–	LJH	Medium
U	FY 2025 Legislative Platform	**Veterans Care**	–	GGB	–
U	FY 2025 Legislative Platform	**Affordable Housing and Homeless Assistance Programs**	–	LJH	–

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MEMORANDUM

Preliminary Financing Options — Confidential Draft for Discussion

TO: Del Norte County Technical Advisory Committee

FROM: County Financing Team — Weist Law (Bond Counsel) & CalMuni Advisors (Financial Advisors)

DATE: July 22, 2026

RE: **Preliminary Financing Options for the Jail / Justice-Campus, Park, and CSA Sewer Projects**

1. Purpose

This memorandum provides the Technical Advisory Committee with a concise, preliminary overview of the financing options available to the County for its near-term capital priorities, together with the financing team's recommended path forward. It is based on the County's most recent audited and budgeted financial information, the preliminary debt-capacity model reviewed with staff, and the project and funding information provided by County staff to date. All figures are preliminary, are intended for internal planning and discussion only, and remain subject to confirmation of final project costs, available County cash, adopted budget, and market conditions at the time of any financing.

2. Capital Projects and Preliminary Funding Gaps

The County is evaluating three financing candidates. The first two are supported by the General Fund and can likely be combined into a single transaction; the third is supported by dedicated ratepayer (enterprise) revenues and should be financed separately.

Project	Est. Total Cost	Funding Identified	Preliminary Financing Gap
Jail rehabilitation & justice-campus (incl. temporary jail and youth-services relocation)	\$15–16 M	≈ \$5 M currently identified*	≈ \$8–12 M, depending on County cash contributed
Park improvements (irrigation, lighting, site work)	\$1.2–1.3 M	≈ \$0.5 M CDS	≈ \$0.8–1.0 M
CSA sewer — lift-station backup generators	≈ \$5 M	Limited CSA reserves	≈ \$5 M (rate-supported)

** Jail funding identified includes the ≈ \$3.1 M FY2022 federal Congressionally Directed Spending award administered through USDA (expenditure deadline understood to be ≈ 2029), ≈ \$1.5 M of public-safety realignment funds, and ≈ \$0.5–0.6 M of PATH/CalAIM funds that may lapse before they can be used. The Board has additionally designated roughly \$6 M of one-time capital-improvement funds and made available a ≈ \$3.5–4 M Measure (sales-tax) fund balance for the jail project, which could materially reduce the amount to be financed.*

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3. Preliminary General Fund Debt Capacity

The preliminary model indicates the General Fund can illustratively support up to approximately \$16.15 million of new lease financing while maintaining minimum debt-service coverage of at least ≈ 1.25×, based on an assumed 4.00% average interest rate and a 25-year amortization (roughly \$1.08 M of level annual debt service once fully ramped). The 1.25× target exceeds the ≈ 1.10× minimum that would technically support a financing and is intended to present a stronger, more marketable credit profile.

Capacity is not the same as recommended borrowing. The \$16.15 M figure illustrates headroom, not a target. The actual financing amount should be set by the final project cost net of grants and any County cash the Board elects to contribute — likely producing a smaller borrowing than the tested capacity. The model is being refined to isolate salaries, benefits, and CalPERS UAL costs, to reconcile to the County's actual budget, and to reflect the recent compensation increase; final coverage figures will follow that reconciliation.

4. Financing Options

Option A — General Fund Lease Financing, Public Offering (recommended for the General Fund projects)

A tax-exempt lease revenue / lease-leaseback financing sold into the public market. The County leases an asset to a financing entity (a nonprofit corporation or joint-powers authority, or the PFA 360 platform) and leases it back, making annual appropriation-based lease payments that function as debt service. For a financing of this size (\$8–15 M), a public offering typically accesses the broadest investor base and produces the most competitive pricing on longer maturities.

- **Indicative terms:** ≈ 25-year term; roughly 4% all-in at current levels, assuming an A-category underlying rating and bond insurance wrapping the issue toward the AA level.
- **Pros:** lowest cost for larger/longer financings; competition across each maturity; single transaction can fund the jail and park together.
- **Cons:** rating process, official statement, and continuing disclosure required; the budget and audit matters (Section 8) must be addressed as disclosure items.

Option B — General Fund Lease Financing, Bank Private Placement

A direct placement of the lease obligation with a single bank. Most efficient for smaller financings (generally below ≈ \$4–5 M) because it avoids rating, official-statement, and public-market costs.

- **Pros:** fast, low issuance cost, no public rating or disclosure document.
- **Cons:** banks are generally most competitive at 15 years or shorter and become less competitive beyond that; likely higher cost than a public offering for a \$10–15 M, 25-year need. Useful as a fallback or for interim/bridge financing.

Option C — USDA Community Facilities (long-term takeout)

USDA Community Facilities financing could fund the jail gap on very long, low-cost terms, and the County already has a USDA relationship on this project.

- **Indicative terms:** ≈ 3.75%, terms up to 37 years, no prepayment penalty.

- **Pros:** lowest coupon and longest term; extends repayment over the asset's useful life.
- **Cons:** significantly slower — Preliminary Architectural Report, application, letter of conditions, and interim (bond-anticipation-note) financing before USDA provides permanent takeout at completion; financings over $5 M route through Washington, D.C. Realistically this could extend into the following summer, which conflicts with the County's goal to bid the project over the winter and begin construction in the spring.

Option D — CSA Sewer, Enterprise Revenue Financing (recommended for the CSA project)

Because the CSA has a dedicated ratepayer revenue stream and recently completed a Proposition 218 rate process, the generator project should be financed separately through a net-revenue-pledge installment sale or revenue obligation — analyzed on the CSA's rates, net revenues, and coverage rather than the General Fund. This is a classic intergenerational-equity use of financing: spreading the cost of long-lived improvements over their useful life rather than through an immediate rate spike. This financing can proceed on its own track and timeline, and can also access USDA or SRF programs given its utility character.

5. Recommended Approach

1. **General Fund projects — proceed toward a single public-offering lease financing (Option A)** combining the jail/justice-campus and park gaps, subject to adequate leased-asset value and the Board's decision on how much cash to contribute. This best fits the size, term, and the County's winter-bid / spring-construction schedule.
2. **Keep USDA (Option C) as a comparison, not the primary path.** Its rate and term are attractive, but its timeline conflicts with the construction schedule and the 2029 federal expenditure deadline; revisit only if timing shifts.
3. **CSA sewer — advance a separate revenue-supported financing (Option D)** on its own track once the County engineer confirms scope, so it does not gate the General Fund transaction.
4. **Evaluate a refunding of the existing lease obligation** primarily for potential interest savings; with tsunami coverage on the jail now confirmed, freeing the Flynn Center as collateral is a secondary rather than driving consideration (Section 7).

6. Collateral / Leased-Asset Considerations

A lease financing requires County real property with sufficient fair-rental value to support the par amount, identified early. Available assets and open questions:

- **Flynn Center —** County administrative offices; currently the leased asset for the existing lease/COP financing. Could be freed for the new financing through a refunding (Section 7).
- **Juvenile hall —** estimated worth a couple million dollars. A prior document reportedly flagged a flood/run-up-zone restriction on its use as collateral. This matters only if it appears as a recorded title exception; if it is merely an old internal/non-public document it should have little legal effect. Counsel will review title.
- **Existing jail (post-rehabilitation) —** likely one of the County's most valuable buildings and, though located in a tsunami zone, tsunami damage has now been confirmed insurable (below) — which addresses the principal collateral concern and may allow the rehabilitated jail to serve as sufficient leased security on its own.

- **Tsunami insurance — confirmed available.** County Risk Management has confirmed (July 10th) that tsunami losses are covered under the County's property program: the peril is excluded under the Trindel first-layer MOC, but PRISM (the County's excess carrier) would respond directly. Because acceptable tsunami coverage exists, the rehabilitated jail may itself provide sufficient leased-asset value, materially improving collateral flexibility; the Flynn Center, juvenile hall, and other assets remain available if additional value is needed.

7. Existing Debt — Refunding / Consolidation Option

The County's existing lease obligation (secured by the Flynn Center) is understood to mature around 2029. The new financing can either be wrapped around the existing debt service (leaving it in place and sculpting the new payments) or the existing debt can be refunded and consolidated into the new transaction. The decision is primarily an interest-rate and structuring exercise, but a refunding may also deliver a structural benefit — releasing the Flynn Center to serve as collateral for the new financing and simplifying the overall security package — even where pure interest savings are modest. The team will model both approaches.

8. Budget and Audit Considerations

Two items should be reconciled before the County goes to market and, if unresolved, disclosed. First, the preliminary General Fund budget reflects an initial departmental-request deficit of approximately $9.5 million, driven largely by expenditure-side pressures (post-COVID budgeting habits and a recent compensation adjustment across ≈ 450 employees), which staff are addressing through the August 5–6 budget workshops. Second, the current-year audit is delayed amid a financial-system conversion. Neither is expected to be a deal-killer: the revenue side remains stable, and a credible corrective plan plus factual disclosure typically satisfies investors — particularly where an A-category rating and bond insurance are obtained. The financing team will help frame the investor narrative around the County's long record of clean audits and the Board's deliberate, recruitment-driven workforce investment.

9. Indicative Timeline

Path	Estimated Time to Close
Public-offering lease financing (Option A)	≈ 4 months from authorization
Bank private placement (Option B)	≈ 6–8 weeks
USDA Community Facilities (Option C)	Substantially longer — potentially into the following summer

Key County milestones: TAC review; August 5–6 General Fund budget workshops; and the ≈ 2029 federal (CDS) expenditure deadline, which does not appear to constrain construction provided the project moves forward reasonably soon.

10. Recommended Next Steps / Decisions for the TAC

- Confirm the scope and current cost estimate for the jail/justice-campus project and whether to include the park project in the same General Fund financing.

- Decide, in concept, how much County cash (capital-improvement and sales-tax balances) to contribute versus finance, and how much liquidity to preserve.
- Confirm whether the CSA sewer project should proceed on a parallel, revenue-supported track once the County engineer confirms scope.

The financing team is prepared to present these alternatives and updated figures at the next TAC meeting, and to provide any supporting reports, structuring scenarios, or board materials the Committee requests.

Title 1 BOARD OF SUPERVISORS
1.80 STIMSON FUND FINANCING

1.80.010 Purpose and Intent

A. The purpose of this Section is to establish the County's policy governing the administration, investment, allocation, financing, and use of the Stimson Mitigation Fund, which consists of mitigation proceeds received as a result of the public acquisition of private timber lands.

B. This Section is intended to continue and modernize the policies originally established by Resolution No. 2006-050 concerning the Stimson Mitigation Fund and Economic Development Investment Fund, as well as Resolution No. 2013-007 concerning the use of Stimson Special Revenue Funds for internal financing.

C. The Board of Supervisors finds that the conversion of privately-owned timber lands to public ownership has resulted in substantial long-term impacts to Del Norte County, including reductions in property tax and timber yield tax revenues and limitations on economic opportunities associated with private land ownership.

D. It is the intent of the County to manage the Stimson Mitigation Fund in a manner that preserves the long-term value of the fund, offsets ongoing fiscal impacts to the County, supports investments that promote sustainable economic development and economic resilience, and allows Board-approved internal financing when such financing improves returns or reduces County borrowing costs without impairing the long-term purposes of the fund.

E. It is further the intent of this Section to provide a single-fund framework with internal allocations or designations for accounting, reporting, and policy purposes, so that the County can track the long-term mitigation purpose, economic development purpose, and Board-approved financing activity without creating unnecessary accounting or interest-allocation issues within separate fund structures.

1.80.020 Fund Administration and Accounting Structure

A. The County shall administer Stimson mitigation proceeds, related investment earnings, repayments, and Board-approved financing activity through a single fund designated as the Stimson Mitigation Fund.

B. The Auditor-Controller shall maintain accounting structures necessary to separately track internal allocations or designations within the Stimson Mitigation Fund, including the Long-Term Mitigation Allocation, the Economic Development Allocation, related investment earnings, outstanding financing obligations, repayments, commitments, encumbrances, reserves, and any Board-approved financing activity.

C. Internal allocations or designations are intended for policy, accounting, reporting, and cash-management purposes and shall not be treated as separate Board-created funds unless the Board of Supervisors expressly establishes a separate fund by resolution.

D. The County Treasurer-Tax Collector shall invest Stimson Mitigation Fund cash in accordance with applicable law and County investment policies.

E. Unless otherwise directed by the Board of Supervisors by resolution, the principal balance of the Stimson Mitigation Fund shall be preserved to the maximum extent practicable.

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F. Board-approved internal financing shall be treated as an investment or financing use of the Stimson Mitigation Fund and shall not be deemed a permanent expenditure of principal unless expressly authorized by the Board of Supervisors.

G. The Auditor-Controller may adjust internal accounting designations as necessary to accurately reflect Board-approved actions, existing obligations, repayments, available balances, and total Stimson Mitigation Fund cash position.

1.80.030 Internal Allocations of Stimson Mitigation Fund

Unless otherwise directed by the Board of Supervisors by resolution, the Stimson Mitigation Fund shall be administered using the following internal allocations or designations:

A. Long-Term Mitigation Allocation. Seventy-five percent (75%) shall be designated as a long-term mitigation allocation, with investment earnings available to offset losses of property tax and timber yield tax revenues to the County General Fund and to preserve the long-term mitigation purpose of the fund.

B. Economic Development Allocation. Twenty-five percent (25%) shall be designated as an economic development allocation and may be utilized for projects, programs, infrastructure, financing activities, or other investments that promote sustainable economic development and economic resilience within Del Norte County.

C. Outstanding obligations, prior Board-approved financing, commitments, encumbrances, reserves, repayments, and available liquid funds shall be considered when determining available capacity within any internal allocation or designation.

D. Nothing in this Section shall be construed to increase the Economic Development Allocation above twenty-five percent (25%) of the Stimson Mitigation Fund unless expressly authorized by separate action of the Board of Supervisors.

1.80.040 Economic Development Allocation

A. The Economic Development Allocation is intended to provide a long-term funding source for investments that support economic diversification, workforce development, infrastructure improvements, business development, tourism, natural resource-based economies, community revitalization, and other activities that advance sustainable economic development within Del Norte County.

B. Funding decisions shall be made by the Board of Supervisors, taking into consideration recommendations from the Finance, Grants, and Administration Technical Advisory Committee or other advisory bodies established by the Board.

C. In evaluating potential investments, consideration may be given to the anticipated economic benefit, long-term community impact, leverage of outside funding, project readiness, repayment capacity when applicable, current fund availability, existing obligations, and consistency with County priorities.

D. Any financing or loan approved from the Economic Development Allocation to an entity outside County government shall bear interest at a rate not less than one percent (1.0%) above the County Treasurer's pooled investment rate. Unless otherwise approved by the Board of Supervisors, the interest rate shall be adjusted annually based on the County Treasurer's pooled investment rate in effect at the beginning of each fiscal year or on another adjustment date established by the Board at the time financing is approved.

E. The Board of Supervisors may approve a different interest rate or adjustment methodology upon making findings that the different rate or methodology better serves the purposes of the applicable Board resolution and protects the long-term financial integrity of the Stimson Mitigation Fund.

F. The aggregate principal amount of outstanding financing or loan commitments from the Economic Development Allocation shall not exceed the available uncommitted balance of the Economic Development Allocation unless otherwise authorized by separate action of the Board of Supervisors. Available uncommitted balance shall be determined after accounting for outstanding obligations, prior Board-approved financing, commitments, encumbrances, reserves, repayments, and available liquid funds.

G. Economic Development Allocation financing shall be documented by a written financing agreement or other written instrument approved by the Board of Supervisors and may include repayment schedules, maturity dates, security requirements, reporting requirements, default remedies, and other provisions necessary to protect the long-term financial integrity of the Stimson Mitigation Fund.

1.80.050 Internal Financing

A. The Board of Supervisors may authorize the use of the Stimson Mitigation Fund for internal financing of County capital projects, equipment purchases, infrastructure investments, or other public purposes when the Board determines such financing is consistent with the purposes of this Section and any applicable Board resolution.

B. Board-approved internal financing shall be treated as an investment or financing use of the Stimson Mitigation Fund and shall not be deemed a permanent expenditure of principal unless expressly authorized by the Board of Supervisors.

C. The aggregate principal amount of outstanding internal financing shall not exceed the available uncommitted balance of the Stimson Mitigation Fund available for investment or financing purposes, after accounting for outstanding obligations, prior Board-approved financing, commitments, encumbrances, reserves, repayments, available liquid funds, and the need to preserve the policy purposes of the Long-Term Mitigation Allocation and Economic Development Allocation, unless otherwise authorized by separate action of the Board of Supervisors.

D. Unless otherwise approved by the Board of Supervisors, the repayment term for internal financing shall not exceed ten (10) years.

E. Unless otherwise approved by the Board of Supervisors, the applicable interest rate for internal financing shall not be less than the minimum rate established for Economic Development Allocation financing and shall be adjusted annually using the same methodology applicable to Economic Development Allocation financing.

F. The Board of Supervisors may approve a different interest rate or adjustment methodology upon making findings that the different rate or methodology better serves the purposes of the applicable Board resolution and protects the long-term financial integrity of the Stimson Mitigation Fund.

G. The Board shall establish the repayment schedule and any additional financing terms and conditions at the time financing is approved. In establishing financing terms, the Board may consider factors including repayment term, project purpose, anticipated public benefit, fixed or adjustable interest rates, liquidity, existing obligations, and protection of the long-term financial integrity of the Stimson Mitigation Fund.

1.80.060 Treasurer and Auditor-Controller Review

A. The Treasurer-Tax Collector, or designee, shall verify the availability of liquid funds before any internal financing or Economic Development Allocation financing is presented for Board consideration.

B. The Auditor-Controller, or designee, shall verify that proposed financing is consistent with applicable internal allocation limits after accounting for existing obligations and outstanding financing activity.

C. The Auditor-Controller, or designee, shall administer any required interfund transfers, repayments, and accounting entries consistent with the financing terms approved by the Board of Supervisors.

D. No new financing shall be presented for Board consideration unless the Treasurer-Tax Collector has verified available liquid funds and the Auditor-Controller has verified the proposed financing is consistent with applicable internal allocation limits after accounting for existing obligations and outstanding financing activity.

1.80.070 Reporting

The County Administrative Officer, Auditor-Controller, and Treasurer-Tax Collector shall coordinate periodic reporting to the Board of Supervisors regarding Stimson Mitigation Fund balances, internal allocations and designations, investment performance, expenditures, outstanding financing obligations, repayments, available capacity, and significant investment or financing activities.

1.80.080 Board Authority

Nothing in this Section shall limit the authority of the Board of Supervisors to modify allocations, approve expenditures, authorize financing, establish financing terms, adjust internal designations, or otherwise direct the administration of the Stimson Mitigation Fund through subsequent Board action.

BOARD OF SUPERVISORS
COUNTY OF DEL NORTE
STATE OF CALIFORNIA
RESOLUTION NO. 2026-___

A RESOLUTION OF THE DEL NORTE COUNTY BOARD OF SUPERVISORS ESTABLISHING THE STIMSON MITIGATION FUND POLICY, RESCINDING RESOLUTION NOS. 2006-050 AND 2013-007, AND AUTHORIZING ADMINISTRATION OF THE STIMSON MITIGATION FUND CONSISTENT WITH ADMINISTRATIVE MANUAL SECTION 1.80

WHEREAS, the County of Del Norte received mitigation payments associated with the public acquisition of private timber lands formerly owned by Stimson Lumber Company; and

WHEREAS, the purpose of the mitigation payments was to offset the long-term fiscal impacts associated with the loss of property tax and timber yield tax revenues resulting from the conversion of privately-owned timber lands to public ownership; and

WHEREAS, Resolution No. 2006-050 established a Mitigation Special Revenue Fund and Economic Development Investment Fund to preserve mitigation proceeds, provide an ongoing source of revenue through investment earnings, and support economic development activities within Del Norte County; and

WHEREAS, Resolution No. 2013-007 authorized limited use of Stimson Special Revenue Funds for internal financing of County capital purchases in order to improve returns on investment while reducing County borrowing costs; and

WHEREAS, the Board of Supervisors desires to modernize and consolidate its policies governing administration and use of the Stimson Mitigation Fund, update references to advisory bodies and administrative processes that no longer exist, and establish a framework consistent with current County governance practices; and

WHEREAS, the Board of Supervisors desires to administer Stimson mitigation proceeds through a single Stimson Mitigation Fund, with internal allocations or designations used for policy, accounting, reporting, and cash-management purposes, rather than relying on separate fund structures that may create accounting complications when one internal designation is overdrawn or fully committed; and

WHEREAS, the Board of Supervisors desires to continue the policy purposes reflected in the prior resolutions, including preservation of long-term mitigation value, support for economic development, and use of Board-approved internal financing when such financing improves returns or reduces County borrowing costs without impairing the long-term purposes of the Stimson Mitigation Fund; and

WHEREAS, Administrative Manual Section 1.80 (Stimson Fund Financing) establishes policies governing the administration, investment, allocation, financing, and use of the Stimson Mitigation Fund; and

WHEREAS, the Board of Supervisors finds that preservation of the long-term value of the Stimson Mitigation Fund, continued mitigation of lost timber-related revenues, and strategic investment in economic development and economic resilience remain important County objectives.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Del Norte as follows:

SECTION 1. Purpose.

The purpose of this Resolution is to establish the Board's policy regarding administration, allocation, financing, and use of the Stimson Mitigation Fund and to align existing Board actions with Administrative Manual Section 1.80.

SECTION 2. Stimson Mitigation Fund.

The County shall administer Stimson mitigation proceeds, related investment earnings, repayments, and Board-approved financing activity through a single fund designated as the Stimson Mitigation Fund. The Stimson Mitigation Fund shall be administered in accordance with this Resolution, applicable law, County investment policies, and Administrative Manual Section 1.80.

The Mitigation Special Revenue Fund and Economic Development Investment Fund concepts established pursuant to Resolution No. 2006-050 are hereby superseded and continued as internal allocations or designations within the Stimson Mitigation Fund. Such internal allocations or designations are intended for policy, accounting, reporting, and cash-management purposes and shall not be treated as separate Board-created funds unless the Board of Supervisors expressly establishes a separate fund by resolution.

SECTION 3. Internal Allocations and Designations.

Unless otherwise directed by future action of the Board of Supervisors, the Stimson Mitigation Fund shall be administered using the following internal allocations or designations:

A. Long-Term Mitigation Allocation. Seventy-five percent (75%) shall be designated as a long-term mitigation allocation intended to preserve the long-term value of the Stimson Mitigation Fund and mitigate the fiscal impacts associated with the loss of property tax and timber yield tax revenues.

B. Economic Development Allocation. Twenty-five percent (25%) shall be designated as an economic development allocation and may be utilized for projects, programs, infrastructure, financing activities, or other investments that promote sustainable economic development and economic resilience within Del Norte County.

C. Internal Accounting. Internal allocations and designations shall be tracked by the Auditor-Controller for accounting and reporting purposes. Available capacity within any allocation or designation shall be determined after accounting for outstanding obligations, prior Board-approved financing, commitments, encumbrances, reserves, repayments, and available liquid funds.

D. No Automatic Expansion of Economic Development Allocation. Nothing in this Resolution shall be construed to increase the economic development allocation above twenty-five percent (25%) of the Stimson Mitigation Fund unless expressly authorized by separate action of the Board of Supervisors.

SECTION 4. Economic Development Allocation.

The Board of Supervisors retains sole authority to approve expenditures, financing arrangements, loans, investments, or other uses of the Economic Development Allocation.

In evaluating potential uses of the Economic Development Allocation, the Board may consider recommendations provided by the Finance, Grants, and Administration Technical Advisory Committee or other advisory bodies established by the Board.

Any financing or loan approved from the Economic Development Allocation to an entity outside County government shall bear interest at a rate not less than one percent (1.0%) above the County Treasurer's pooled investment rate. Unless otherwise approved by the Board of Supervisors, the interest rate shall be adjusted annually based on the County Treasurer's pooled investment rate in effect at the beginning of each fiscal year or on another adjustment date established by the Board at the time financing is approved.

The Board of Supervisors may approve a different interest rate or adjustment methodology upon making findings that the different rate or methodology better serves the purposes of this Resolution and protects the long-term financial integrity of the Stimson Mitigation Fund.

The aggregate principal amount of outstanding financing or loan commitments from the Economic Development Allocation shall not exceed the available uncommitted balance of the Economic Development Allocation unless otherwise authorized by separate action of the Board of Supervisors. Available uncommitted balance shall be determined after accounting for outstanding obligations, prior Board-approved financing, commitments, encumbrances, reserves, repayments, and available liquid funds.

Any financing or loan approved from the Economic Development Allocation shall be documented by a written financing agreement or other written instrument approved by the Board of Supervisors. The Board may establish additional financing terms and conditions, including repayment schedules, maturity dates, security requirements, reporting requirements, default remedies, and other provisions necessary to protect the long-term financial integrity of the Stimson Mitigation Fund.

SECTION 5. Internal Financing.

The Board of Supervisors may authorize the use of the Stimson Mitigation Fund for internal financing of County capital projects, equipment purchases, infrastructure investments, or other public purposes when the Board determines such financing is consistent with the purposes of this Resolution and Administrative Manual Section 1.80.

Board-approved internal financing shall be treated as an investment or financing use of the Stimson Mitigation Fund and shall not be deemed a permanent expenditure of principal unless expressly authorized by the Board of Supervisors.

The aggregate principal amount of outstanding internal financing shall not exceed the available uncommitted balance of the Stimson Mitigation Fund available for investment or financing purposes, after accounting for outstanding obligations, prior Board-approved financing, commitments, encumbrances, reserves, repayments, available liquid funds, and the need to preserve the policy purposes of the Long-Term Mitigation Allocation and Economic Development Allocation, unless otherwise authorized by separate action of the Board of Supervisors.

Unless otherwise approved by the Board of Supervisors, the repayment term for internal financing shall not exceed ten (10) years.

Unless otherwise approved by the Board of Supervisors, the applicable interest rate for internal financing shall not be less than the minimum rate established in Section 4 and shall be adjusted annually using the same methodology applicable to Economic Development Allocation financing. The Board may approve a different rate or adjustment methodology upon making findings that the different rate or methodology better serves the purposes of this Resolution and protects the long-term financial integrity of the Stimson Mitigation Fund.

The Board shall establish the repayment schedule and any additional financing terms and conditions at the time financing is approved. In establishing financing terms, the Board may consider factors including repayment term, project purpose, anticipated public benefit, fixed or adjustable interest rates, liquidity, existing obligations, and protection of the long-term financial integrity of the Stimson Mitigation Fund.

SECTION 6. Administration and Accounting.

The County Administrative Officer, Auditor-Controller, and Treasurer-Tax Collector, or their respective designees, are authorized to take all actions necessary to administer the Stimson Mitigation Fund consistent with this Resolution, Administrative Manual Section 1.80, applicable law, and County investment policies.

The Auditor-Controller, or designee, shall maintain accounting structures necessary to track the Stimson Mitigation Fund, internal allocations and designations, related investment earnings, outstanding financing obligations, repayments, commitments, encumbrances, reserves, and Board-approved financing activity. The Auditor-Controller may adjust internal accounting designations as necessary to accurately reflect Board-approved actions, existing obligations, repayments, and available balances within the single Stimson Mitigation Fund.

The Treasurer-Tax Collector, or designee, shall verify the availability of liquid funds before any internal financing or Economic Development Allocation financing is presented for Board consideration. The Auditor-Controller, or designee, shall administer any required interfund transfers, repayments, and accounting entries consistent with the financing terms approved by the Board of Supervisors.

No new financing shall be presented for Board consideration unless the Treasurer-Tax Collector has verified available liquid funds and the Auditor-Controller has verified the proposed financing is consistent with applicable internal allocation limits after accounting for existing obligations and outstanding financing activity.

SECTION 7. Supersession.

Resolution No. 2006-050 and Resolution No. 2013-007 are hereby rescinded and superseded in their entirety effective upon adoption of this Resolution. The policy purposes reflected in those resolutions are continued only to the extent incorporated into this Resolution and Administrative Manual Section 1.80.

SECTION 8. Effective Date.

This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Del Norte, State of California, at a regular meeting held on ____________, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Joey Borges
Chair, Board of Supervisors

ATTEST:

Kylie Goughnour
Clerk of the Board

PARS. PUBLIC AGENCY RETIREMENT SERVICES

COUNTY OF DEL NORTE
PARS Post-Employment Benefits Trust

Received by
JUL 20 2026
Board of Supervisors,
County of Del Norte

Account Report for the Period
7/1/2025 to 6/30/2026

Neal Lopez
County Administrative Officer
County of Del Norte
981 H Street, Suite 210
Crescent City, CA 95531

Account Summary

Source	Balance as of 7/1/2025	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 6/30/2026
OPEB	$1,368,511.59	$0.00	$207,306.86	$8,539.03	$0.00	$0.00	$1,567,279.42
PENSION	$2,445,501.88	$0.00	$370,453.05	$15,259.05	$0.00	$0.00	$2,800,695.88
Totals	**$3,814,013.47**	**$0.00**	**$577,759.91**	**$23,798.08**	**$0.00**	**$0.00**	**$4,367,975.30**

Investment Selection

Source	
OPEB	**Balanced - Strategic Blend**
PENSION	**Balanced - Strategic Blend**

Investment Objective

Source	
OPEB	The dual goals of the Balanced Strategy are growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.
PENSION	The dual goals of the Balanced Strategy are growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.

Investment Return

				Annualized Return			
Source	1-Month	3-Months	1-Year	3-Years	5-Years	10-Years	Plan's Inception Date
OPEB	-0.11%	8.58%	15.20%	-	-	-	5/7/2025
PENSION	-0.11%	8.58%	15.20%	-	-	-	5/20/2025

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

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