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www.sanbenitocountyca.gov

BOARD MEMBERS:

- DISTRICT 1 - Dom Zanger
- DISTRICT 2 - Kollin Kosmicki
- DISTRICT 3 - Mindy Sotelo
- DISTRICT 4 - Angela Curro
- DISTRICT 5 - Ignacio Velazquez

COUNTY EXECUTIVE OFFICER:
Esperanza Colio Warren

COUNTY COUNSEL:
Gregory P Priamos

CLERK OF THE BOARD:
Vanessa Delgado

**Agenda Item
Special Meeting of the
Board of Supervisors
Tuesday, June 30, 2026**

Item Number: 3.G

MEETING DATE: 06/30/2026
DEPARTMENT: COUNTY EXECUTIVE OFFICE
AGENDA ITEM PREPARER: Vanessa Delgado
DEPT HEAD/DIRECTOR: Esperanza Colio Warren

SUBJECT:

COUNTY EXECUTIVE OFFICE - E. COLIO WARREN

1. Receive a presentation on Measure D; and
 2. Receive a presentation regarding Roads Projects; and
 3. Receive a presentation regarding the Roads and bridges CIP Budget; and
 4. As required under California Government Code Sections 29064 and 29124(a), tentatively approve the FY 2026-27 CEO Recommended Budget including total appropriations of \$239,747,773.00 supported by revenues of \$210,967,589.00, and cancellation of Restricted, Committed, Assigned, and Unassigned Fund Balance of \$28,780,184.00; and
 5. Authorize continuation of existing capital projects previously appropriated by the Board of Supervisors and commenced on or before June 30, 2026, so long as appropriations are included in the tentatively approved FY 2026-27 CEO Recommended Budget; and
 6. Authorize the Auditor-Controller in coordination with the County Executive Officer to make Transfers Out as included in the tentatively approved budget as authorized under Government Code Section 29124 (a)(2); and
 7. Direct the County Executive Officer to return to the Board of Supervisors to commence Budget Hearings in advance of the FY 2026-27 Budget Adoption.
- SBC FILE NUMBER: 149

AGENDA SECTION:

REGULAR AGENDA

BACKGROUND/SUMMARY:

The County enters the FY 2026–27 budget cycle with opportunities to strategically align resources with community priorities while continuing to navigate a dynamic fiscal environment. State and local

governments remain generally stable but are facing slower revenue growth, higher service costs, labor cost pressure, infrastructure needs, and uncertainty regarding federal funding. Nationally, the federal fiscal outlook remains constrained by large deficits and rising debt- service costs, while inflation and interest rates continue to affect county operating and capital costs.

Current Economic and Fiscal Conditions

The federal fiscal outlook remains challenging. The Congressional Budget Office projects a \$1.9 trillion federal deficit in FY 2026, equal to 5.8% of Gross Domestic Product (GDP), rising to \$3.1 trillion by 2036. Federal debt held by the public is projected to rise from 101% of GDP in 2026 to 120% of GDP in 2036. Rising net interest costs are a major driver of long-term federal spending growth.

In addition to broader economic pressures, counties continue to experience increasing personnel costs, healthcare expenditures, insurance premiums, technology investments, and deferred infrastructure needs. These factors are considered as part of the County's annual budget development process.

The purpose of this workshop is to provide the Board of Supervisors with an overview of the County's Interim budget, including fiscal considerations affecting the development process. The Interim Budget includes appropriations for ongoing County operations pending adoption of the Final Budget.

This workshop provides the Board with an opportunity to review the proposed Interim Budget and to provide direction to staff as appropriate.

Measure D

San Benito County currently permits commercial cannabis cultivation within the unincorporated areas of the county. Existing county regulations establish cultivation acreage limits and authorize commercial cannabis operations subject to county and state licensing requirements. Measure D allows for amendments to Article V of Chapter 5.03 of the San Benito County Code to establish a revised cannabis business tax structure based upon cultivated acreage.

The proposed tax could range from \$1,000 to \$10,000 per acre of cultivation area. Revenue generated from the tax may be allocated by the County to support essential services, including law enforcement, fire protection, road maintenance, and other governmental services. Measure D does not increase taxes on county residents. The proposed tax applies solely to commercial cannabis cultivation operations located within the unincorporated areas of San Benito County.

Measure D requires the Board to adopt a resolution establishing the cultivation tax rate within the voter-approved range and for the Board of Supervisors to set the cultivation tax rate within the voter-approved range by resolution.

No new requested positions and no new capital projects or capital asset purchases will be authorized until the Board adopts the budget on or before October 2, 2026.

The General Fund appropriations are \$77,231,402, supported by \$71,248,589 in revenues, \$2,900,000 in Cancellation of Assigned Operational Contingency Reserve Fund Balance, and \$3,082,644 in Unassigned Fund Balance assumed to carry forward from FY 2025-26.

The San Benito County CEO Recommended Budget can be found on the county's [Budget and Finance page](#).

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

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5. Authorize continuation of existing capital projects previously appropriated by the Board of Supervisors and commenced on or before June 30, 2026, so long as appropriations are included in the tentatively approved FY 2026-27 CEO Recommended Budget; and
6. Authorize the Auditor-Controller in coordination with the County Executive Officer to make Transfers Out as included in the tentatively approved budget as authorized under Government Code Section 29124 (a)(2); and
7. Direct the County Executive Officer to return to the Board of Supervisors to commence Budget Hearings in advance of the FY 2026-27 Budget Adoption.

ATTACHMENTS:

[Agenda Fact Sheet - FY 26/27 Proposed Budget Presentations.pdf](#)
[Presentation - Measure D Forecasts](#)
[FY 26-27 Roads and Bridges CIP Budget](#)
[Presentation - Parks Funding Sources](#)
[Presentation - 2026-2027 Interim Budget Presentation](#)
[Ag Commissioner Budget FY26-27](#)
[Ag Extension Budget FY26-27](#)
[Aid to Indigents Budget FY26-27](#)
[Animal Control and Vet Services Budget FY26-27](#)
[Assessor Budget FY26-27](#)
[Auditor Budget FY26-27](#)
[BOS Budget FY26-27](#)
[CEO Budget FY26-27](#)
[COB Budget FY26-27](#)
[Community Program Budget FY26-27](#)
[County Counsel Budget FY26-27](#)
[CRE Budget FY26-27](#)
[Disaster Recovery Budget FY26-27](#)
[General Fund Contribution Budget FY26-27](#)
[GIS Budget FY26-27](#)
[Grand Jury Budget FY26-27](#)
[HR Budget FY26-27](#)
[IT Budget FY26-27](#)
[Library Budget FY26-27](#)
[OES Budget FY26-27](#)
[Planning Budget FY26-27](#)
[Probation Budget FY26-27](#)
[Public Defender - Budget FY26-27](#)
[Public Works Budget FY26-27](#)
[Sheriff Budget FY26-27](#)

Treasurer Tax Collector Budget FY26-27
Veterans Services Budget FY26-27