



COUNTY OF SAN BENITO, Financial Report Q1 – FY2020

Prepared for: The Board of Supervisors, County Administrative Officer, and Department Heads

Preamble: At the first quarter of a fiscal year, 25% of the year has elapsed. Each performance metric in this report focuses on measuring the variance from the 25% expected baseline of the budget. Government revenues and expenditures can be cyclical but may also change based on one-time items, timing/recognition, and accounting procedures. Year-to-date (YTD) amounts are represented as of 9/30/2019 for fiscal year (FY) 2020.

Budget Performance:

The County of San Benito budget performance for the third quarter of FY2020 is as follows:

County of San Benito

Budget Performance (Expenditures) through 9/30/2019

Fund	Amended Budget	YTD Amount	% Expended
General Fund ¹	59,029,029	8,971,026	15%
Special Revenue Funds	73,675,079	8,917,650	12%
Capital Projects Funds	10,740,329	897,548	8%
Special Districts & Other Agencies ²	1,544,790	100,472	7%
Enterprise Funds	3,712,987	111,793	3%
Total	148,702,214	18,998,489	13%

Notes:

1. General Fund includes OPEB and Risk Management budget and actual amounts.
2. Includes County Service Areas and Community Facilities Districts (previous reports included these under Special Revenue Funds).

The table above represents the amended budget as of September 30, 2019. Budget amendments are brought to the Board of Supervisors throughout the year to revise the budget for cost savings and unforeseen events as needed.

With 25% of the year expired, the County of San Benito has expended 13% of its total budget.



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General Tax Revenues:

County of San Benito Tax Revenues through 9/30/2019

Revenue	Amended Budget	YTD Amount	% Earned
Property Tax	16,765,000	0	0%
Sales and Use Tax ¹	2,125,364	153,779	7%
Prop 172 Sales Tax ²	3,882,926	816,993	21%
Documentary Transfer Tax	850,000	161,226	19%
Business License Tax	635,000	0	0%
Transient Occupancy Tax ³	150,000	371	0.2%
Aircraft Tax	50,000	0	0%
Total	24,458,290	1,132,369	5%

Notes:

1. Sales tax distributions from the State of California occur approximately 2 months in arrears.
2. Proposition 172 funds are designated for public safety services.
3. Transient occupancy taxes are collected on a quarterly basis and most quarter one taxes will be recognized in quarter two

As of 9/30/2019, property tax revenues have not been deposited. Secured property taxes are generally recognized in December and April of each year, thus property taxes have not been recorded to date for FY2020.

Sales and Use Tax revenues were approximately 7% of year-to-date estimates. The County had only received the July 2019 payment by the end of the quarter. As the August and September payments are allocated by the State of California it is estimated that the totals will be closer to 25% for the first quarter period.

General Fund Salary & Benefits Expenditures:

County of San Benito General Fund Salary & Benefit¹ Details through 9/30/2019

Expenditure	Amended Budget	YTD Amount	% Expended
Regular Salaries	17,642,545	3,736,471	21%
Temporary Wages	871,022	234,625	27%
Overtime	572,000	120,162	21%
Payroll Taxes	1,021,407	202,575	20%
Pension (PERS)	5,292,695	1,064,654	20%
Medical Insurance	2,564,947	403,431	16%
Total	27,964,616	5,761,919	21%

Notes:

1. This table does not include worker's compensation insurance, OPEB Pre-funding, and unemployment costs.



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Total expenditures on salaries and benefits in the General Fund compared to the amended budget are at 21% through quarter one.

General Fund Overtime Expenditures by Department:

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General Fund Department Overtime through 9/30/2019

Department	Overtime Budget	YTD Amount
Information Technology	5,000	373
Internal Services	0	191
Council of Governments	0	503
Elections	0	1,065
Clerk	0	197
Recorder	0	581
Auditor	0	687
Tax Collector	0	79
Assessor	0	99
Sheriff - Operations	250,000	51,456
Sheriff - Corrections	225,000	42,593
Probation	20,000	6,656
Juvenile Hall	45,000	9,118
Library	15,000	3,162
Agricultural Commissioner	12,000	728
RMA – Planning	0	533
RMA - Maintenance	0	2,029
RMA - Admin/Engineering	0	114
Total	572,000	120,164

Each department is treated as a standalone budgetary unit for purposes of overtime expenditures and allocations. Many of the departments have varying overtime expenditures throughout the year due to turnover or unforeseen events. Department Heads are expected to absorb overtime costs within their budgetary allocation. As of September 30, 2019, no department above has reached their total board approved salaries and benefits appropriations limit.



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Other Funds Salary & Benefits Expenditures:

County of San Benito

Other Funds Salary & Benefits¹ Expenditures through 9/30/2019

Fund	Amended Budget	YTD Amount	% Expended
Road Fund	1,097,854	218,866	20%
HHSA	12,678,625	1,958,589	15%
Public Authority	233,630	32,757	14%
Public Health	3,106,874	504,736	16%
Behavioral Health	6,138,420	940,410	15%
Substance Abuse	1,209,797	180,291	15%
Child Support	1,416,384	296,457	21%
CSWD	1,836,192	317,736	17%
Other Funds ²	1,208,355	196,886	16%
Total	28,926,131	4,646,728	16%

Notes:

1. This table does not include worker's compensation insurance, OPEB Pre-funding, and unemployment costs.
2. Other funds includes: CSA, Mosquito Abatement, Migrant Labor Camp, Victim Witness, EMS and Regional Agency.

All other funds are within budget reporting a 16% expended rate compared to the amended budget.

Vacancy Rate – 9/30/2019:

Fund	Adopted FTE FY19/20	Actual FTE 9/30/2019	Vacancy Rate
General	262.5	223	15.05%
Roads	17	9	47.06%
HHSA	187.7	144	23.28%
BEHE	66.5	54	18.80%
Child Support	18	15	16.67%
All Other	9	7	22.22%
Total	560.7	452	19.39%

The total vacancy rate for the County was 19.39% at the end of the third quarter, 9/30/2019. A combination of newly added positions from the previous year, yet to be filled, and a difficult labor market has contributed to the high vacancy rate. Additionally, the Board of Supervisors adopted the FY2020 budget with an increase of 24.1 full-time



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equivalent positions. Unemployment in September was at 4.0% (United States Department of Labor: Bureau of Labor Statistics) for California and, at October 1, 2019, 4.1% (State of California - Employment Development Department) for San Benito County. Historically, the County's proximity to the Bay Area and low unemployment rate periods has impacted the ability to fill positions.

General Fund Contingencies:

Description	Amount
General Fund Contingency Balance	\$1,000,000
N/A ¹	0
Balance as of 9/30/2019	\$1,000,000

Notes:

1. After the date of the scope of this quarter one report (07/01/2019 – 9/30/2019), the board passed a budget amendment to purchase land using general fund contingencies. The date of the board item was 10/22/2019 in the amount of \$396,500. This amount will be reflected on the quarter two financial report for FY2020.

General Fund Contingency balance as of 9/30/2019 totaled \$1,000,000.

External Data References

State of California - Employment Development Department. (n.d.). *Unemployment Rate and Labor Force*. Retrieved January 2020, from Labor Market Info:
<https://www.labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html>

United States Department of Labor: Bureau of Labor Statistics. (n.d.). *Western Information Office - California*. Retrieved January 2020, from Bureau of Labor Statistics:
<https://www.bls.gov/regions/west/california.htm#eag>