



COUNTY OF SAN BENITO, Financial Report Q2 – FY2020

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

Preamble: At the second quarter of a fiscal year, 50% of the year has elapsed. Each performance metric in this report focuses on measuring the variance from the 50% 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 12/31/2019 for fiscal year (FY) 2020.

Budget Performance:

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

County of San Benito

Budget Performance (Expenditures) through 12/31/2019

Fund	Amended Budget	YTD Amount	% Expended
General Fund ¹	59,856,838	22,464,583	38%
Special Revenue Funds	75,317,300	20,756,756	28%
Capital Projects Funds	17,340,329	2,438,669	14%
Special Districts & Other Agencies ²	1,544,790	472,127	31%
Enterprise Funds	3,712,987	294,599	8%
Total	157,772,244	46,426,735	29%

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 December 31, 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 50% of the year expired, the County of San Benito has expended 29% of its total budget.



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General Tax Revenues:

County of San Benito Tax Revenues through 12/31/2019

Revenue	Amended Budget	YTD Amount	% Earned
Property Tax	16,765,000	5,524,032	33%
Sales and Use Tax ¹	2,125,364	871,317	41%
Prop 172 Sales Tax ²	3,882,926	1,838,391	47%
Documentary Transfer Tax	850,000	326,359	38%
Business License Tax	635,000	30,414	5%
Transient Occupancy Tax ³	150,000	87,369	58%
Aircraft Tax	50,000	55,296	110%
Total	24,458,290	8,733,178	35.7%

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.

As of 12/31/2019, property tax revenues were at 33% of year-end estimates. Property taxes in lieu of vehicle licenses fees are normally recognized in January and May of each fiscal year. A deposit of approximately \$3.7 million will be recognized in January and appear on the third quarter financial report. This would bring property tax revenue closer to 55% of year-end estimates.

Sales and Use Tax revenues were approximately 41% of year-to-date estimates. Revenue distributions from the State of California occur approximately two months in arrears and the County is expecting to be closer to 50% of year-end estimates when adjusting for two additional months of sales tax payments.

General Fund Salary & Benefits Expenditures:

County of San Benito

General Fund Salary & Benefit¹ Details through 12/31/2019

Expenditure	Amended Budget	YTD Amount	% Expended
Regular Salaries	17,342,545	8,779,123	51%
Temporary Wages	871,022	496,761	57%
Overtime	572,000	317,857	56%
Payroll Taxes	1,021,407	458,673	45%
Pension (PERS)	5,292,695	2,468,345	47%
Medical Insurance	2,564,947	943,893	37%
Total	27,664,616	13,464,653	49%

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 49% through quarter two.

General Fund Overtime Expenditures by Department:

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General Fund Department Overtime through 12/31/2019

Department	Overtime Budget	YTD Amount
Information Technology	5,000	2,522
Internal Services	0	191
Council of Governments	0	1,323
Elections	0	1,497
Clerk	0	267
Recorder	0	784
Auditor	0	1,069
Treasurer	0	61
Tax Collector	0	3,013
Assessor	0	99
Sheriff - Operations	250,000	130,135
Sheriff - Corrections	225,000	120,419
Probation	20,000	10,445
Juvenile Hall	45,000	29,234
Library	15,000	6,633
Agricultural Commissioner	12,000	2,174
RMA – Planning	0	1,629
RMA - Maintenance	0	5,812
RMA - Admin/Engineering	0	131
RMA - Parks & Recreation	0	419
Total	572,000	317,857

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 December 31, 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 12/31/2019

Fund	Amended Budget	YTD Amount	% Expended
Road Fund	1,097,854	442,237	40%
HHSA	12,687,625	4,300,710	34%
Public Authority	233,630	100,351	43%
Public Health	3,106,874	1,153,312	37%
Behavioral Health	6,138,420	2,161,571	35%
Substance Abuse	1,209,797	409,644	34%
Child Support	1,416,384	650,757	46%
CSWD	1,836,192	796,010	43%
Other Funds ²	1,208,355	467,170	39%
Total	28,935,131	10,481,762	36%

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 36% expended rate compared to the amended budget.

Vacancy Rate – 12/31/2019:

Fund	Adopted FTE FY19/20	Actual FTE 9/30/2019	Vacancy Rate
General	262.5	220	16.19%
Roads	17	11	35.29%
HHSA	187.7	148	21.15%
BEHE	66.5	48	27.82%
Child Support	18	15	16.67%
All Other	9	8	11.11%
Total	560.7	450	19.74%

The total vacancy rate for the County was 19.74% at the end of the second quarter, 12/31/2019. 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 equivalent positions.



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Unemployment in December of 2019 was at 3.9% (United States Department of Labor: Bureau of Labor Statistics) for California and the preliminary data for December 1, 2019 showed San Benito County at a 5.0% unemployment (State of California - Employment Development Department). Historically, the County's proximity to the Bay Area and low unemployment rate periods have impacted the ability to fill positions.

General Fund Contingencies:

Description	Amount
General Fund Contingency Balance	\$1,000,000
Land Purchase (10/22/2019 BOS Approved)	396,500
Balance as of 12/31/2019	\$603,500

General Fund Contingency balance as of 12/31/2019 totaled \$603,500.

External Data References

State of California - Employment Development Department. (n.d.). *Unemployment Rate and Labor Force*. Retrieved March 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 March 2020, from Bureau of Labor Statistics:
<https://www.bls.gov/regions/west/california.htm#eag>