



COUNTY OF SAN BENITO, Financial Report Q3 – FY2019

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

Preamble: At the third quarter of a fiscal year, 75% of the year has elapsed. Each performance metric in this report focuses on measuring the variance from the 75% 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 3/31/2019 for fiscal year (FY) 2019.

Budget Performance:

The County of San Benito budget performance for the third quarter of FY2019 is as follows:

County of San Benito

Budget Performance (Expenditures) through 3/31/2019

Fund	Amended Budget	YTD Amount	% Expended
General Fund ¹	55,565,579	30,061,341	54%
Special Revenue Funds ²	124,159,549	27,572,887	22%
Capital Projects Funds ³	49,028,955	18,015,959	36%
Special Districts & Other Agencies ⁴	1,475,260	514,961	34%
Enterprise Funds	1,484,401	418,368	28%
Total	231,713,744	76,583,516	33%

Notes:

1. General Fund includes OPEB and Risk Management budget and actual amounts.
2. The amended budget for Special Revenue Funds includes the Road Fund, which has been historically budgeted to include all proposed projects.
3. The amended budget for Capital Projects Funds includes the Jail Expansion project. Most of the Jail expansion project expenditures will be recognized in the third and fourth quarters of FY2019.
4. 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 March 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 75% of the year expired, the County of San Benito has expended 33% of its total budget.



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General Tax Revenues:

County of San Benito

Tax Revenues through 3/31/2019

Revenue	Amended Budget	YTD Amount	% Earned
Property Tax	16,130,000	8,669,275	54%
Sales and Use Tax	2,500,000	1,234,948	49%
Prop 172 Sales Tax ¹	3,045,000	2,587,776	85%
Documentary Transfer Tax	550,000	456,994	83%
Transient Occupancy Tax	150,000	74,531	50%
Aircraft Tax	50,000	48,074	96%
Total	22,425,000	13,071,598	58%

Notes:

1. Proposition 172 funds are designated for public safety services.

As of 3/31/2019, property tax revenues were at 54% of year-end estimates. Secured property taxes are recognized in December and April of each year and are expected to be close to matching estimates by year end.

Sales and Use Tax revenues were approximately 49% of year-end estimates. Recognition of sales tax revenues for the first quarter of the 2019 tax year will occur in the County's fiscal year 4th quarter (distributions occur approximately 2 months in arrears). As this revenue is allocated by the State of California we expect the totals to be closer to 75% on the year.

General Fund Salary & Benefits Expenditures:

County of San Benito

General Fund Salary & Benefit Details through 3/31/2019

Expenditure	Amended Budget	YTD Amount	% Expended
Regular Salaries	18,595,401	12,024,620	65%
Temporary Wages	934,000	636,836	68%
Overtime	414,600	493,259	118%
Payroll Taxes	950,943	615,250	65%
Pension (PERS)	4,738,796	3,262,297	69%
Medical Insurance	2,316,202	1,297,223	56%
Total	27,949,942	18,329,485	66%



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Total expenditures on salaries and benefits in the General Fund compared to the amended budget are at 66%.

General Fund Overtime Expenditures by Department:

County of San Benito

General Fund Department Overtime through 3/31/2019

Department	Overtime Budget	YTD Amount
Office of Emergency Services	0	456
Information Technology	0	11,194
Internal Services	0	893
Council of Governments	0	2,359
Elections	0	9,129
Clerk	0	10,548
Recorder	0	9,905
Auditor	0	3,648
Treasurer	0	137
Tax Collector	0	1,698
Assessor	0	627
Sheriff - Operations	194,600	181,044
Sheriff - Corrections	175,000	186,005
Probation	15,000	17,201
Juvenile Hall	30,000	44,428
Library	0	2,429
Agricultural Commissioner	0	6,218
RMA – Planning	0	2,670
RMA - Maintenance	0	2,670
Total	414,600	493,259

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 March 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 & Benefits Expenditures through 3/31/2019

Fund	Amended Budget	YTD Amount	% Expended
Road Fund	1,304,081	526,060	40%
HHSA	11,187,238	6,687,900	60%
Public Authority	144,632	97,928	68%
Public Health	2,666,536	1,721,988	65%
Behavioral Health	5,267,418	2,305,120	44%
Substance Abuse	1,200,967	666,875	56%
Child Support	1,589,460	1,030,380	65%
CSWD	1,227,279	778,605	63%
Other Funds ¹	825,776	609,805	74%
Total	25,413,387	14,424,661	57%

Notes:

1. Other funds includes: CSA, Mosquito Abatement, Migrant Labor Camp, Victim Witness, EMS and Regional Agency.

All other funds are within budget reporting a 57% expended rate compared to the amended budget.

Vacancy Rate – 3/31/2019:

Fund	Adopted FTE FY18/19	Actual FTE 3/31/2019	Vacancy Rate
General	244	205	15.98%
Roads	17	9	47.06%
HHSA	177.6	141	20.61%
BEHE	58.5	43	26.50%
Child Support	19	17	10.53%
All Other	8	6	25.00%
Total	524.1	421	19.67%

The total vacancy rate for the County was 19.67% at the end of the third quarter, 3/31/2019. 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.

Unemployment in March was at 4.3% (United States Department of Labor: Bureau of Labor Statistics) for California and, at April 1, 2019, 5.3% (State of California -



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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:

Expenditure	Amount
General Fund Contingency Balance	\$1,000,000
Southside Landslide (8/21/18 BOS Approved)	397,458
Assessor SSCAP Grant Match (11/6/2018 BOS Approved)	125,000
Employee Bonus (12/11/2018 BOS Approved)	250,000
Balance as of 3/31/2019	\$227,542

General Fund Contingency balance as of 3/31/2019 totaled \$227,542.

External Data References

State of California - Employment Development Department. (n.d.). *Unemployment Rate and Labor Force*. Retrieved September 2019, 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 September 2019, from Bureau of Labor Statistics:
<https://www.bls.gov/regions/west/california.htm#eag>