



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Dom Zanger
District No. 1
Vice-Chair

Kollin Kosmicki
District No. 2
Chair

Mindy Sotelo
District No. 3

Angela Curro
District No. 4

Ignacio Velazquez
District No. 5

Item Number: 1.A

MEETING DATE: 09/08/2025

DEPARTMENT: COUNTY ADMINISTRATION OFFICE

AGENDA ITEM PREPARER: Dulce Alonso

DEPT HEAD/DIRECTOR: Esperanza Colio Warren

SUBJECT:

COUNTY ADMINISTRATIVE OFFICE - E. COLIO WARREN

Receive presentation and provide direction regarding adjustments to the Budget for Fiscal Year 2025-26 to aim at reducing the overall county expenditures to close the deficit; set September 22, 2025, as the date for the Public Hearing on the Adoption of the Budget, directing staff to publish the Recommended Budget on the county website.

SBC FILE NUMBER: 119

AGENDA SECTION:

REGULAR AGENDA

BACKGROUND/SUMMARY:

The County of San Benito is facing a projected budget deficit for Fiscal Year 2025–26, which raises urgent concerns about the long-term fiscal health of the County and the underlying factors causing this shortfall. Over the past five years, the County has experienced several changes in revenue and expenditure trends, unspent capital balances, and interfund transfers, all of which have contributed to a cumulative fiscal imbalance. In response, County leadership has recognized the need for a clear, independent, and comprehensive assessment to better understand the origins of the deficit and inform future policy decisions. This objective analysis is crucial for increasing transparency, restoring public confidence, and providing the Board of Supervisors with evidence-based recommendations ahead of key budget actions in September 2025.

Baker Tilly Advisory Group, LP, presented on September 2, 2025, at the Board of Supervisors meeting. The presentation included key findings, including reducing expenditures to align with the GFOA's best practices and presenting strategies for long-term financial health.

During the Board meeting, the Board members, staff, and presenters discussed several critical financial topics, including the FY 2025/2026 budget analysis, reserves, deficits, and strategies for balancing the budget. The Board reached a consensus to propose a total expenditure that matches the projected revenue for 2025-2026. Additionally, they decided to reorganize budget structures, separate capital and one-time funds, eliminate the contingency fund, and enhance accountability in project delivery.

The County Administrative Officer recommends a balanced budget, ensuring the organization does not spend more than the forecasted revenue. In simple terms, this means that expenditure (spending) must equal revenues (income). Consistent with best budget practices, all general fund departments have been requested to make further reductions to decrease the projected deficit significantly. In order to balance the FY-2025-2026 budget, county departments are required to reduce an additional \$8,732,897.00.

The total spending budget for FY 2025-26 is \$295,130,668. This amount includes capital improvements from the general fund reserves, general fund restrictive reserves, and other non-general funds, as described below:

Capital Projects General Fund Reserves	\$ 7,090,000
Capital Projects Restricted General Fund Reserves	\$ 5,065,000
Capital Projects - Non-General Fund	\$ 23,489,629
Total Capital Improvements Projects	\$ 35,644,629

Two special meetings have been scheduled to approve the final budget:

- September 08, 2025 – Budget review and board recommendations
- September 22, 2025 – Budget public hearing

Attached is a spreadsheet outlining the recommended options for further reductions.

FISCAL IMPACT:

The total spending budget for FY 2025-26 is \$295,130,668. This amount includes general and non-general fund expenditures, capital improvement projects, and \$71,739,955 of the expenses from the general fund, contingent on additional budget reductions of \$8,732,987 approved by the Board of Supervisors.

STAFF RECOMMENDATION:

Receive presentation and provide direction regarding adjustments to the Budget for Fiscal Year 2025-26 to aim at reducing the overall county expenditures to close the deficit; set September 22, 2025, as the date for the Public Hearing on the Adoption of the Budget, directing staff to publish the Recommended Budget on the county website.

ATTACHMENTS:

[Board Agenda Fact Sheet - Budget for FY 25-26](#)

County of San Benito
Proposed Budget Hearing - General Fund Proposal to Balance
Fiscal Year 2025-2026

FY 2025-2026 Budget Spending

General Fund Expenditures		\$ 71,739,955	If board approves the additional cuts
Non General Operational		\$ 187,746,084	
Capital Projects General Fund Reserves	\$ 7,090,000		
Capital Projects Restricted GF Reserves	\$ 5,065,000		
Capital Projects - Non General Fund	\$ 23,489,629		
Total Capital Improvements Projects		\$ 35,644,629	
Grand total		\$ 295,130,668	

General Fund Revenues	\$ 71,739,955
General Fund Operating expenditures	\$ 95,321,663
Adjustments as of 09-08-2025	\$ 14,848,721
Net operating surplus (deficit)	\$ (8,732,987)

Minimum Reserves

Operating 15%	\$ 10,760,993
Emergency 5%	\$ 3,586,998
Disaster	\$ 500,000
Total minimum reserve goal	\$ 14,847,991

Beginning reserves	\$ 24,375,000
Total capital outlay	\$ 7,090,000
Ending available reserves	\$ 17,285,000

Ending available reserves	\$ 17,285,000
Total minimum reserve goal	\$ 14,847,991
Available for transfer to GF	\$ 2,437,009

Capital Projects General Fund Reserves	\$ 7,090,000
Capital Projects Restricted GF Reserves	\$ 5,065,000
Capital Projects - Non General Fund	\$ 23,489,629
Total Capital Improvements Projects	\$ 35,644,629

Notes:

- 1) The County Administrative Office coordinated with departments to adjust their original budget proposal. A total of **\$14,848,721** was adjusted as of September 08, 2025. Correspondance was sent to all departments regarding an additional **\$8,732,987** in cuts needed to balance the 2025-2026 budget.
- 2) The departments were only given amounts for additional cuts, instead, they were provided with freedom to determine the best way to make cuts.
- 3) The CAO and Human Resources do not have the authority to make concessions with the bargaining units and will not make recommendations for concessions until authority is granted by the Board of Supervisors.

**County of San Benito Capital Improvement Program (CIP)
Capital Projects - Facilities and Parks FY 25-26 - As of 09-05-2025**

Project Description	Project #	Total Project Cost	\$ (FY 24/25 Spent)	Total Cost Required FY 25/26	Funding Source: General Fund - Reserves	Funding Source: General Fund - Restrictive Reserves	Funding Source: Non-General Fund	Notes
Sheriffs Dept - Alternate Dispatch Site	PWB-2340	\$ 75,000.00	\$ 35,000.00	\$ 40,000.00	\$ 40,000.00		\$ -	General Fund - RESERVES
Historical Park-Potable Water	PWB-2343	\$ 100,000.00	\$ 15,000.00	\$ 85,000.00	\$ -		\$ 35,000.00	Road Maintenance Fund - State
HEAP Transitional Housing - (Phase II)	PWB-2202	\$ 3,459,900.00	\$ 2,241,497.35	\$ 591,860.65	\$ -		\$ 591,860.65	HNSA Grant
Veterans Park- Lighting, Resurfacing, Signage and Striping	PWB-2217	\$ 1,077,000.00	\$ 55,347.83	\$ 1,021,652.17	\$ -		\$ 771,652.17	Park Impact Funds
Library - Expansion and Remodel	PWB-2314	\$ 14,850,000.00	\$ 660,000.00	\$ 2,900,000.00	\$ 2,900,000.00	\$ 4,950,000.00		General Fund Reserves = \$2,900,000.00 General Fund Restrictive Reserves = \$4,950,000.00
MPF grant (Kiosk - Library Expansion)	TBD	\$115,000.00	\$ -	\$115,000.00		\$ 115,000.00		MPFG Grant
Union Road	PWB-2403	\$3,400,000.00			\$ 3,400,000.00			
San Juan Hwy Improvements	PWB-2520	\$750,000.00			\$ 750,000.00			
Courthouse Building Improvements	PWB-2513	\$ 10,000,000.00	\$ -	\$ 10,000,000.00	\$ -		\$ 10,000,000.00	Insurance (estimate) = \$10,000,000.00
Total Projects					\$ 7,090,000.00	\$ 5,065,000.00	\$ 11,398,512.82	\$ 12,155,000.00

Projects in Progress FY 25/26 (proposed non-general fund rollover funds from FY 24/25)		Total Project Cost	\$ (FY 24/25 Spent)	Total Cost Required FY 25/26	Funding Source: General Fund		Funding Source: Non-General Fund	Notes
Public Works Yard- Security Camera System	PWB-2126	\$ 31,000.00	\$ 1,000.00	\$ 30,000.00			\$ 30,000.00	Road Fund- ONGOING PROJECT
Library Kiosk	PWB-2207	\$ 915,000.00	\$ 413,697.00	\$ 501,303.00	\$ -		\$ 501,303.00	300K Library Impact Fee & 499K IMLS Grant & 115K Monterey Peninsula Foundation (Total Non-General Funds)
Chappell Road Remodel	PWB-2119	\$ 819,183.00	\$ 335,000.00	\$ 484,183.00	\$ -		\$ 484,183.00	State Grant (Whole Person Care) = \$569K Alliance Funding = \$250K
CSA 50 - Community gate Dunville Estate	PWB-2305	\$ 100,000.00	\$ -	\$ 100,000.00	\$ -		\$ 100,000.00	Funded by CSA 50
Fire Station no.5 (Planning and Design)	PWB-2334	\$ 500,000.00	\$ -	\$ 500,000.00	\$ -		\$ 500,000.00	Fire Department Impact Fees
Chamber Seats Remodeling, Security, and A/V Upgrades	PWB-2354	\$ 305,000.00	\$ 10,000.00	\$ 295,000.00	\$ -		\$ 295,000.00	LATCF; \$25,000 Security upgrades match funds
Old Jail Fire Alarm System Upgrade	PWB-2501	\$ 226,000.00	\$ 26,000.00	\$ 200,000.00	\$ -		\$ 200,000.00	Sheriff's trust fund,Jail Costruction, Admin
Old Jail- Mold Abatement (Underground Drain Repair)	PWB-2132	\$ 211,000.00	\$ 20,000.00	\$ 191,000.00	\$ -		\$ 191,000.00	Sheriff's trust fund
Old Jail Showers Flooring and Repair	PWB-2410	\$ 290,000.00	\$ 35,000.00	\$ 255,000.00	\$ -		\$ 255,000.00	Sheriff's trust fund
Old Jail Sewer Vent Pipe Replacement	PWB-2135	\$ 134,000.00	\$ 50,000.00	\$ 84,000.00	\$ -		\$ 84,000.00	Sheriff's trust fund,Jail Costruction, Admin
Old Jail Sewer/Trash Grinder	PWB-2342	\$ 60,000.00	\$ -	\$ 60,000.00	\$ -		\$ 60,000.00	Sheriff's Inmate Welfare Fund
Sheriff's Lockers For Locker Room	PWB-2324	\$ 26,000.00	\$ -	\$ 26,000.00	\$ -		\$ 26,000.00	Impact Fees
County Roof Project- Sheriff's Training Center Roof Repair and Facility Projects	PWB-2134	\$ 60,000.00	\$ -	\$ 60,000.00	\$ -		\$ 60,000.00	Range Fees
Playground at the County Jail	PWB-2321	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -		\$ 40,000.00	Community Corrections Partnership (CCP)
Old Jail- Roof Replacement and new HVAC System (Design Phase only)	PWB-2312	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -		\$ 200,000.00	Sheriff's trust fund,Jail Costruction, Admin
Old Jail Roof Drain Perimeter Water Catchment System	PWB-2319	\$ 150,000.00	\$ -	\$ 150,000.00	\$ -		\$ 150,000.00	Sheriff's trust fund,Jail Costruction, Admin
Total CIPs in Progress (Non-General Funds)				\$ 3,176,486.00	\$ -		\$ 3,176,486.00	Sheriff projects to be implemented as funding is confirmed with Sheriff's Department

Projects in Progress FY 25/26 (proposed rollover funds from FY 24/25) - New Non-General Funds (FY 25/26)		Total Project Cost	\$ (FY 24/25 Spent)	Total Cost Required FY 25/26	Funding Source: General Fund		Funding Source: Non-General Fund	Notes
Behavioral Health Department Water Softener Installation	PWB-2511	\$ 48,000.00	\$ -	\$ 48,000.00	\$ -		\$ 48,000.00	B.H. Funds
Security Film for Sheriff office Windows	PWB-2512	\$ 24,000.00	\$ -	\$ 24,000.00	\$ -		\$ 24,000.00	OES Grant
Old Jail Roof Repair	PWB-2514	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -		\$ 50,000.00	Sheriff's trust fund,Jail Costruction, Admin
New Jail Water Softener System Replacement	PWB-2504	\$ 80,000.00	\$ -	\$ 80,000.00	\$ -		\$ 80,000.00	Sheriff's trust fund,Jail Costruction, Admin
Total New CIPs (Non-General Funds)				\$ 202,000.00	\$ -		\$ 202,000.00	

PARKS (Non-General Fund)								
Project Description	Project #	Total Project Cost	\$ (FY 24/25 Spent)	Total Cost Required FY 25/26	Funding Source: General Fund		Funding Source: Non-General Fund	Notes
Historical Park-ADA Upgrades Adjacent to Play Structure	PWB-2344	\$ 50,000.00	\$ -	\$ 50,000.00			\$ 50,000.00	Sunlight Giving
Riverview Regional Park Development (Including Phase 1 parking lot)	PWB-2359	\$ 7,000,000.00	\$ 400,000.00	\$ 6,600,000.00			\$ 6,600,000.00	State Grant = \$2,400,000 + \$750,000 = \$3,150,000 Park Impact Funds = \$3,385,000
Sunnyside Park Development (Park Development Fund)	PWB-2214	\$ 2,200,000.00	\$ 252,369.59	\$ 1,947,630.41			\$ 1,947,630.41	State Grant = \$400,000 Park Impact Funds = \$1,600,000
Veterans Park- Picnic Area Restroom Remodel	PWB-2502	\$ 70,000.00	\$ -	\$ 70,000.00			\$ 70,000.00	Park Impact Funds
Veterans Park- Field Netting	PWB-2439	\$ 45,000.00	\$ -	\$ 45,000.00			\$ 45,000.00	Park Impact Funds
Total CIPs in Progress (previously approved Non-General Funds)				\$ 8,712,630.41	\$ -		\$ 8,712,630.41	
							\$ 23,489,629.23	

San Benito County - Proposed Reductions FY25/26

DEPARTMENT	NUMBER OF FTE POSITIONS*	EXPENDITURES	DEPARTMENT REDUCTIONS	CAO
Administration				
CAO	8	\$ 2,478,019.00	\$ 330,000.00	
HR	5	\$ 972,187.00	\$ 125,000.00	
Clerk of the BOS	2	\$ 364,805.00		
IT	8	\$ 3,438,360.00		
GIS*	1	\$ 298,815.00		
OES	2.5	\$ 924,832.00		
Grand Jury	0	\$ 17,542.00		
Public Defender	0	\$ 1,806,130.00		
Aid to Indigents	0	\$ 400,000.00		
Community Program	0	\$ 76,945.00		
Animal Control & Vet Services	0	\$ 646,191.00		
AG-Extension***	0	\$ 132,183.00		
Disaster Recovery	0	\$ 2,471,692.00		
Other non Rev & Exp (CIP Projects)	0	\$ 17,149,834.00	\$ 11,671,515.00	
Administration Subtotal	26.5	\$ 31,177,535.00	\$ 12,126,515.00	\$ 832,987.00
Sheriff	77	\$ 23,915,625.00	\$ 661,855.49	\$ 1,000,000.00
Probation	50	\$ 8,825,428.00	\$ 530,000.00	\$ 950,000.00
District Attorney	15	\$ 3,402,205.00	\$ -	\$ 600,000.00
RMA - Planning	11	\$ 4,083,231.00	\$ 18,000.00	\$ 850,000.00
RMA - PW	23	\$ 4,686,037.00	\$ 95,500.00	\$ 1,100,000.00
County Counsel	3	\$ 2,645,502.00	\$ 104,832.00	\$ 400,000.00
Clerk/Recorders/Elections	9	\$ 3,295,118.00	\$ 58,268.00	\$ 550,000.00
Auditors	12	\$ 2,267,293.00	\$ 147,625.00	\$ 450,000.00
Agricultural/Commissioner	9	\$ 1,652,311.00	\$ 93,675.00	\$ 300,000.00
Tax/Treasurer/Public Administrator	8	\$ 1,339,721.00	\$ -	\$ 250,000.00
Assessors	20	\$ 3,524,464.00	\$ -	\$ 850,000.00
Library	8	\$ 1,619,342.00	\$ 12,450.00	\$ 250,000.00
Board of Supervisors	6	\$ 1,711,164.00	\$ -	\$ 350,000.00
Veterans Services		\$ 176,687.00	\$ -	
TOTAL	277.5	\$ 94,321,663.00	\$ 13,848,720.49	\$ 8,732,987.00
Non-General Fund FTE	388.1			
Contingency		\$ 1,000,000.00	\$ 1,000,000.00	
TOTAL	665.6	\$ 95,321,663.00	\$ 14,848,720.49	
Total Proposed Reductions				\$ 23,581,707.49