



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

September 2023

City of Santa Clara

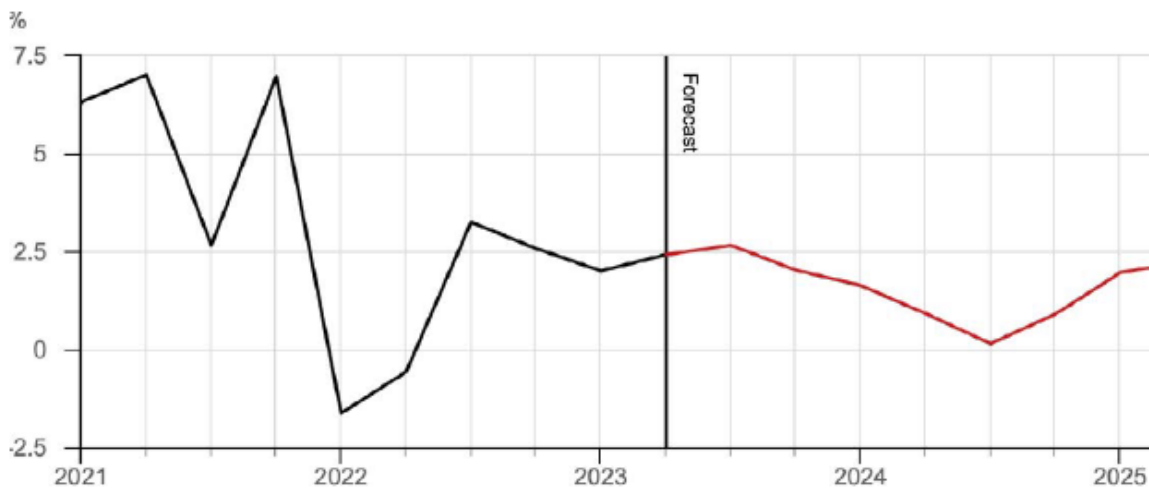
Financial Status Report as of September 30, 2023

This report summarizes the City’s financial performance for the month ended September 30, 2023. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds. Financial information included in this report is unaudited.

Economic Outlook

After three quarters of presenting both recession and no recession scenarios in its Forecasts, the October 2023 UCLA Anderson Forecast presents a single forecast scenario “with a weak economy in 2024 followed by a return to trend growth rates, albeit below trend GDP levels, in 2025”. While a recession is no longer predicted, the higher interest rates are expected to restrain growth in 2024. Substantial risks to the forecast are also identified, including a potential shutdown of the government, the impact of geopolitical events, and the impact of the election on economic policies in 2025.¹

Quarterly Real GDP Growth, Seasonally Adjusted Annual Rates



Source: UCLA Anderson Forecast, U.S. Bureau of Economic Analysis

In its latest Forecast, The Conference Board predicts a very short and shallow recession early next year. “This outlook is associated with numerous factors, including, elevated inflation, high interest rates, dissipating pandemic savings, rising consumer debt, lower government spending, and the resumption of mandatory student loan repayments. We forecast that real GDP will grow by 2.2 percent in 2023, and then fall to 0.8 percent in 2024.”²

¹ UCLA Anderson Forecast, October 2023, As Recession Fades Into the Future: The U.S. Economic Outlook
² <https://www.conference-board.org/research/us-forecast>, The Conference Board Economic Forecast for the US Economy, Updated October 12, 2023

On a national level, the unemployment rate increased from 3.8% in September 2023 to 3.9% in October 2023. This rate was well below the record setting high of 14.7% in April 2020, but above the pre-pandemic unemployment rate of 3.5%. In October, the number of unemployed persons slightly increased from 6.4 million to 6.5 million.³

Chart 1. Unemployment rate, seasonally adjusted, October 2021 – October 2023

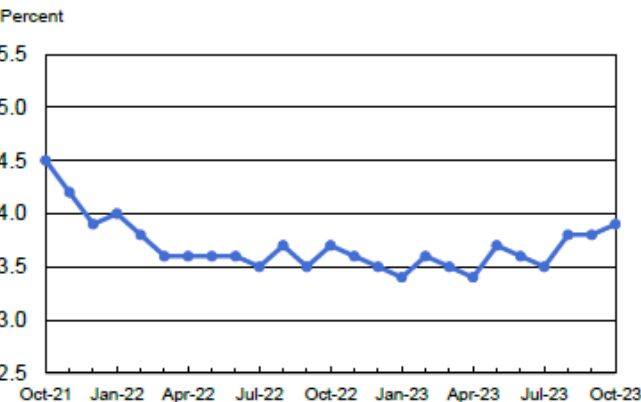
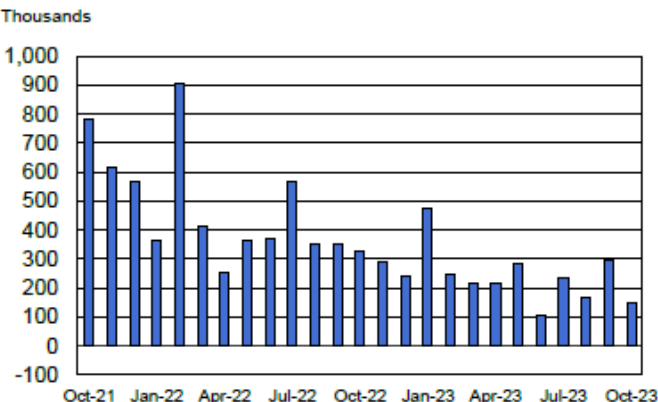
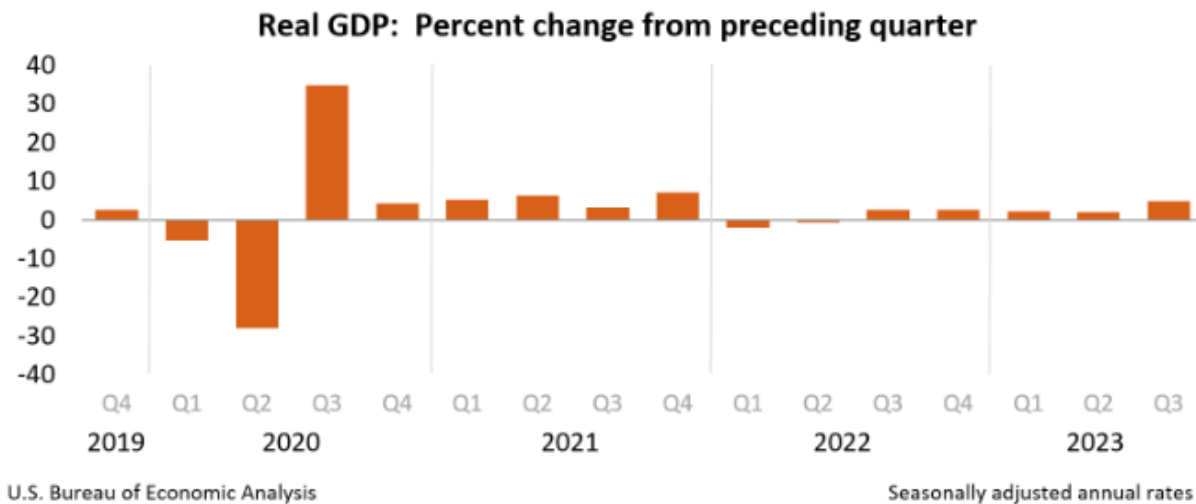


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, October 2021 – October 2023



In the third quarter 2023, the Gross Domestic Product (GDP) increased at an annual rate of 4.9% according to the “advance” estimate released by the Bureau of Economic Analysis. This follows a GDP increase of 2.1% in the second quarter 2023. The estimated increase in the third quarter reflects increases in consumer spending, exports, state and local government spending, federal government spending, private inventory investment, and residential fixed investment that were partially offset by a decrease in nonresidential fixed investment.⁴



³ <https://www.bls.gov/news.release/pdf/empst.pdf>
⁴ https://www.bea.gov/sites/default/files/2023-10/tech3q23_adv.pdf

At the state level, the California unemployment rate increased slightly from 4.6% in August 2023 to 4.7% in September 2023. This rate is higher compared to the 4.0% rate in September 2022. Since the current economic expansion began in April 2020, California has added 3.2 million jobs, regaining the 2.7 million jobs lost as a result of the pandemic.⁵

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 3.3% in September 2023, down from a revised 3.9% in August 2023, but above the September 2022 estimate of 2.4%. Between September 2022 and September 2023, employment in this region increase by 18,400 jobs, or 1.6%. The largest increases were in private education and health services (up 10,300 jobs), leisure and hospitality (up 9,000 jobs), and government (up 2,400 jobs). Notable employment reductions were in professional and business services (down 4,000 jobs) and manufacturing (down 2,800 jobs).⁶

General Fund

The General Fund is the major operating fund for the City and includes multiple programs, services, and activities for the residents and businesses of the City. The adopted budget for operating revenues and expenditures for fiscal year 2023/24 was \$281.8 million. The amended budget for revenues and expenditures was adjusted to \$287.4 million to reflect carryover encumbrances from fiscal year 2022/23 and various budget amendments approved by the City Council through September 2023.

While it is very early in the fiscal year and limited data is available, General Fund revenues and expenditures are currently tracking with estimated levels.

⁵ https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-september-2023/

⁶ [https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pbs.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pbs.pdf)

Financial Status Report as of September 30, 2023

General Fund Revenues

As of September 30, 2023, \$27.9 million or 10.2% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$15.0 million have occurred as budgeted. This very low collection level through September is largely due to the timing of payments. In some categories, a portion of the revenues received through September account for activity that occurred in FY 2022/23 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year.

CITY OF SANTA CLARA GENERAL FUND REVENUES OVERVIEW AND COMPARISON BY TYPE

Function	FISCAL YEAR 2023/24				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2023	Percentage Received	Actual Through 9/30/2022	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,524,000	\$ 60,524,000	\$ 5,013,575	8.28%	\$ 4,966,516	\$ 47,059	0.95%
Property Tax	85,800,000	85,800,000	184,513	0.22%	219,652	(35,139)	-16.00%
Transient Occupancy Tax	21,275,000	21,275,000	1,319,673	6.20%	1,756,416	(436,743)	-24.87%
Other Taxes	6,750,000	6,750,000	667,689	9.89%	426,167	241,522	56.67%
Total Taxes	174,349,000	174,349,000	7,185,450	4.12%	7,368,751	(183,301)	-2.49%
LICENSES & PERMITS							
Business Licenses	6,000,000	6,000,000	1,029,725	17.16%	215,614	814,111	377.58%
Fire Operation Permits	2,000,000	2,000,000	340,223	17.01%	480,700	(140,477)	-29.22%
Miscellaneous Permits	69,000	69,000	98,442	142.67%	30,867	67,575	218.92%
Total Licenses & Permits	8,069,000	8,069,000	1,468,390	18.20%	727,181	741,209	101.93%
FINES & PENALTIES	1,225,000	1,225,000	604,657	49.36%	61,307	543,350	886.28%
INTERGOVERNMENTAL	520,000	520,000	9,654	1.86%	80,566	(70,912)	-88.02%
CHARGES FOR SERVICES	29,314,768	29,662,668	7,270,797	24.51%	8,173,296	(902,499)	-11.04%
SILICON VALLEY POWER TRANSFER	32,000,000	32,000,000	8,227,562	25.71%	7,160,972	1,066,590	14.89%
USE OF MONEY & PROPERTY							
Interest	3,500,000	3,500,000	(677,143)	-19.35%	126,324	(803,467)	-636.04%
Rent	12,397,660	12,397,660	3,157,866	25.47%	2,718,503	439,363	16.16%
Total Use of Money & Property	15,897,660	15,897,660	2,480,723	15.60%	2,844,827	(364,104)	-12.80%
MISCELLANEOUS REVENUES	180,000	180,000	79,362	44.09%	1,824,889	(1,745,527)	-95.65%
LAND PROCEED	-	-	-	N/A	-	-	N/A
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,454,000	1,454,000	1,454,000	100.00%	1,454,000	-	0.00%
Operating Transfer In - Reserves	2,772,275	8,012,113	8,012,113	100.00%	33,702,079	(25,689,966)	-76.23%
Operating Transfer In - Fund Balances ⁽¹⁾	4,759,683	4,759,683	4,759,683	100.00%	4,484,726	274,957	6.13%
Operating Transfer In - Miscellaneous	746,044	746,044	746,044	100.00%	2,370,374	(1,624,330)	-68.53%
Total Other Financing Sources	9,732,002	14,971,840	14,971,840	100.00%	42,011,179	(27,039,339)	-64.36%
STADIUM OPERATION							
Charges for Services	9,278,128	9,278,128	561,121	6.05%	2,172,678	(1,611,557)	-74.17%
Rent and Licensing	1,230,000	1,230,000	-	0.00%	507,777	(507,777)	-100.00%
Total Stadium Operation	10,508,128	10,508,128	561,121	5.34%	2,680,455	(2,119,334)	-79.07%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 287,383,296	\$ 42,859,556	14.91%	\$ 72,933,423	\$ (30,073,867)	-41.23%

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2023 and mid year budget amendment from reserves.

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.125%, of which the City receives 1.0%. As of September 30, 2023, approximately \$5.0 million has been collected, which is consistent with prior year collection levels. Given the timing of payments, the sales tax payments reflected are for the month of July 2023.

Property Tax: Property tax receipts totaling \$0.1 million were received through September 2023. The majority of property tax revenue is collected in February and April each year. Based on initial information from the County of Santa Clara, property tax receipts are projected to end the year above the Adopted Budget estimate of \$85.8 million.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate is currently 11.5% and will increase to 12.5% effective January 1, 2024. This rate increase was factored into the development of the FY 2023/24 Adopted Budget. Through September 30, 2023, approximately \$1.3 million was received, which is 24.9% lower than prior year receipts. This lower collection level primarily reflects differences in the timing of payments.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$0.7 million through September, which is 56.7% higher than last fiscal year's collection levels. Receipts through September reflect franchise tax collections of \$0.6 million and approximately \$0.1 million in documentary transfer tax revenue.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Licenses and permits revenue collections are tracking below par with receipts totaling \$1.5 million, or 18.2% of the \$8.1 million budget. However, this represents a nearly 102% increase compared to prior year collection levels, primarily in the business license category. The updated Business License Tax is being implemented this fiscal year with the new methodology. With this transition and the need to re-register every business, the timeline to submit payments has been extended which has impacted actual receipts in the first few months. Staff will closely monitor results from the implementation to determine if any budget adjustments are necessary based on the actual collections.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through September was \$0.6 million, or 49.4% of the budgeted estimate. Collections in this category are tracking well above the budget and the prior year due to the resumption of the assessment of late fees that had previously been waived due to COVID-19.

Intergovernmental: Includes motor vehicle fees, state homeowner tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency. Through September 30, 2023, \$9,654 was collected in this category.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through

September, collections of approximately \$7.3 million are tracking at par at 24.5% of the budget. This reflects an 11% decrease compared to last year's collections through the same period of \$8.2 million. This large decrease is a result of lower collections for engineering fees, planning and zoning fees, as well as fire construction permitting fees.

Silicon Valley Power Transfer: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. Through September, \$8.2 million has been transferred. Transfers throughout the year are based on the budgeted estimate and will be trued up at the end of the fiscal year based on actual performance.

Use of Money & Property: Includes realized investment income and rental income. Through September, \$2.5 million has been collected, compared to \$2.8 million last fiscal year. This decrease is primarily due to higher prior year accruals in the interest category, which results in the negative amount under the interest category in the current year.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through September 30, 2023, collections of \$79,000 are significantly lower than prior year levels. This is attributable to the one-time settlement between the City, the Santa Clara Stadium Authority, and the Forty-Niners SC Stadium Company LLC and Forty Niners Stadium Management Company LLC (collectively, the Forty-Niners) recorded last fiscal year.

Stadium Operation: Through September 2023, revenues of \$0.6 million are tracking well below par at 5.3% of the budget due to the timing of reimbursements for the costs incurred by the City. Revenues are also significantly below prior year collection levels. Last year, the payment of older public safety invoices was submitted as part of the August 2022 legal settlement. Outstanding public safety invoices from 2020 and 2021 were paid in September 2022 as a result of the settlement.

Financial Status Report as of September 30, 2023

General Fund Expenditures

As of September 30, 2023, \$76.6 million or 26.7% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels through September. Departmental expenditures totaled \$61.7 million, or 23.1% of the budget, which is below the par level of 25% of the budget. Transfers of \$11.6 million have occurred as budgeted.

CITY OF SANTA CLARA GENERAL FUND EXPENDITURES OVERVIEW AND COMPARISON BY FUNCTION

Function	FISCAL YEAR 2023/24				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2023	Percentage Used	Actual Through 9/30/2022	\$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 15,123,531	\$ 15,640,480	\$ 2,499,761	15.98%	\$ 1,164,971	\$ 1,334,790	114.58%
City Council	1,124,281	1,131,037	282,965	25.02%	150,004	132,961	88.64%
City Clerk	1,947,261	2,121,865	344,072	16.22%	554,046	(209,974)	-37.90%
City Manager	5,410,204	5,938,327	852,846	14.36%	1,162,661	(309,815)	-26.65%
City Attorney	3,076,516	3,196,951	630,789	19.73%	790,741	(159,952)	-20.23%
Human Resources	4,300,090	4,464,113	785,034	17.59%	881,394	(96,360)	-10.93%
Finance	19,140,702	19,939,776	4,176,852	20.95%	4,142,280	34,572	0.83%
Total General Government	50,122,585	52,432,549	9,572,319	18.26%	8,846,097	726,222	8.21%
PUBLIC WORKS	24,857,521	26,175,381	5,702,914	21.79%	5,532,057	170,857	3.09%
COMMUNITY DEVELOPMENT	5,121,256	5,227,061	1,277,915	24.45%	1,084,002	193,913	17.89%
PARKS AND RECREATION	21,933,152	22,711,221	5,306,810	23.37%	5,051,867	254,943	5.05%
PUBLIC SAFETY							
Fire	62,616,032	63,222,036	16,697,448	26.41%	17,232,293	(534,845)	-3.10%
Police	85,598,562	85,946,468	20,669,417	24.05%	20,162,027	507,390	2.52%
Total Public Safety	148,214,594	149,168,504	37,366,865	25.05%	37,394,320	(27,455)	-0.07%
LIBRARY	11,135,937	11,229,696	2,498,581	22.25%	2,530,015	(31,434)	-1.24%
DEPARTMENTAL TOTAL	261,385,045	266,944,412	61,725,404	23.12%	60,438,358	1,287,046	2.13%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	1,198,809	1,198,809	1,198,809	100.00%	38,809	1,160,000	2989.00%
Operating Transfer Out - Debt Services	1,402,440	1,402,440	1,402,440	100.00%	1,402,275	165	0.01%
Operating Transfer Out - Maintenance Dtrct	942,413	942,413	942,413	100.00%	842,700	99,713	11.83%
Operating Transfer Out - Cemetery	796,000	796,000	796,000	100.00%	870,000	(74,000)	-8.51%
Operating Transfer Out - CIP	7,305,499	7,305,499	7,305,499	100.00%	8,641,613	(1,336,114)	-15.46%
Total Other Financing Uses	11,645,161	11,645,161	11,645,161	100.00%	11,795,397	(150,236)	-1.27%
STADIUM OPERATION	8,765,352	8,793,722	3,239,740	36.84%	2,035,243	1,204,497	59.18%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 287,383,295	\$ 76,610,304	26.66%	\$ 74,268,998	\$ 2,341,307	3.15%

General Fund Expenditures

Below is an explanation of certain budget to actual expenditure variances by program.

Non-Departmental: Includes expenditures that are not attributable to a single department, but a function of the City in general. Through September 30, 2023, expenditures totaled \$2.5 million, or 16% of the budget. These expenditures are below the par level of 25%, but above prior year levels. This is a result of higher property insurance costs that have been directly budgeted under Non-Departmental, as opposed to allocated out amongst the departments citywide.

City Attorney: Actual expenditures through September totaled approximately \$0.6 million, which is 19.7% of the budget, which is below par. Spending is significantly below the total expenditures through the same time last fiscal year by 20.2%. This decrease is due to lower expenditures in the outside legal counsel services.

City Clerk: Through September, actual expenditures were tracking below budget at \$0.3 million or approximately 16.2% of the budget. This expenditure level reflects a 38% decrease in spending compared to last fiscal year due to one-time Granicus costs that are paid every other year.

City Council: Through September, expenditures were at 25% of budget, which is at par. Compared to the same period through last fiscal year, this reflects a significant increase in expenditures. This is a result of the reallocation of 1.0 Assistant to the City Manager position from the City Manager's Office as approved as part of the FY 2023/24 and FY 2024/25 Adopted Operating Budget.

City Manager: The actual expenditures through September 30, 2023 totaled \$0.9 million, or 14.4% of the budget, which is below par for this time of the year. Expenditures are approximately 26.7% lower compared with the spending level through the same period last fiscal year. This is a result of vacancy savings within the department and the reallocation of 1.0 Assistant to the City Manager position to the City Council as mentioned above.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building Division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through September, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.3 million, or 24.5% of the budget, which is at par. This expenditure level is 18% above the prior year is a result of higher salaries and benefits costs and higher contractual services spending in the current year.

Finance Department: Through September, the Department's expenditures totaled \$4.2 million, or 21% of the budget, which is below par. This expenditure level is consistent with prior year levels.

Fire Department: Through September, actual expenditures totaled \$16.7 million, or 26.4% of the budget, which is slightly above par. These expenditures reflect a 3.1% decrease from expenditures through the same period last fiscal year. This is primarily because, as approved as part of the FY 2023/24 and FY 2024/25 Adopted Operating Budget, approximately 9.0 FTE were reallocated to the

newly established Fire Development Services Fee Fund. These charges are reflected under the special revenue section of this report. Overtime expenditures are tracking at 44.3% of the budget, which is above par for this time of year. While this overtime figure is high, it is important to note that overtime is used to backfill for vacant positions and the vacancy savings offset a portion of the overtime costs.

Library Department: Through September, actual expenditures totaled \$2.5 million, or 22.3% of the budget, which is slightly below par, but slightly higher than expenditure levels last fiscal year. The Library continues to hire staff and fill vacancies to restore library hours.

Parks and Recreation Department: Through September, actual expenditures totaled \$5.3 million, or 23.4% of the budget, which is slightly below par, but slightly higher than prior year actuals of \$5.1 million. This is primarily due to higher spend in the salaries and benefits and utilities categories.

Police Department: Expenditures through September are tracking slightly below par at \$20.7 million, or 24% of the budget. This expenditure level is 2.5% above the prior year.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$3.2 million through September, which is significantly higher than prior year levels. This is primarily due to higher personnel spend, particularly in overtime. Events at the Stadium during September included one NFL game as well as the Ed Sheeran concert.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of September 30, 2023. The amended budget reflects carryover encumbrances from fiscal year 2022/23 and budget amendments approved by the City Council through September 2023. Effective July 1, 2023, development related services in the Fire Department have been reallocated from the General Fund to the newly established Fire Development Services Fund, reflected below.

Revenues totaled approximately \$5.6 million, while expenditures totaled \$5.4 million through the end of September. Overall, revenues and expenditures are tracking below par of 25%. In the Housing Successor Fund, the expenditures are significantly lower compared to last fiscal year due to a one-time special disbursement for a housing loan that occurred in July 2022.

CITY OF SANTA CLARA SPECIAL REVENUE FUNDS REVENUE AND EXPENDITURE - OVERVIEW AND COMPARISON BY FUND

Fund Description	REVENUES - FISCAL YEAR 2023/24				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2023	Percentage received	Actual Through 9/30/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 252,495	\$ 252,495	\$ 63,247	25.05%	\$ 25,167	\$ 38,080	151.31%
City Affordable Housing Fund	1,166,720	1,166,720	50,231	4.31%	100,884	(50,653)	-50.21%
Housing Successor Fund	1,306,326	1,306,326	170,252	13.03%	398,917	(228,665)	-57.32%
Housing and Urban Development	3,106,041	3,106,041	382,263	12.31%	398,960	(16,697)	-4.19%
Building Development Services Fee Fund	15,611,000	15,611,000	4,024,759	25.78%	4,919,941	(895,182)	-18.19%
Fire Development Services Fee Fund	2,935,000	2,935,000	877,639	29.90%	0	877,639	N/A
TOTAL	\$ 24,377,582	\$ 24,377,582	\$ 5,568,391	22.84%	\$ 5,843,869	\$ (275,478)	-4.71%

Fund Description	EXPENDITURES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 9/30/2023	Percentage used	Actual through 9/30/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 457,193	\$ 518,659	\$ 42,189	8.13%	\$ 57,597	\$ (15,408)	-26.75%
City Affordable Housing Fund	6,683,926	7,435,503	277,139	3.73%	(1,290,070)	1,567,209	-121.48%
Housing Successor Fund	873,227	1,216,887	257,090	21.13%	1,773,105	(1,516,015)	-85.50%
Housing and Urban Development	3,993,723	4,753,782	399,273	8.40%	568,143	(168,870)	-29.72%
Building Development Services Fee Fund	13,689,592	17,218,230	3,632,981	21.10%	3,140,147	492,834	15.69%
Fire Development Services Fee Fund	3,109,073	3,109,073	767,376	24.68%	0	767,376	N/A
TOTAL	\$ 28,806,734	\$ 34,252,134	\$ 5,376,048	15.70%	\$ 4,248,922	\$ 1,127,126	26.53%

Governmental Capital Improvement Funds

The table below lists the revenue for selected capital improvement funds. The amended budget reflects current year appropriations, prior year carryover, and budget amendments approved through September 2023. As of September 30, 2023, the capital fund revenue totaled \$0.8 million.

CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS REVENUE - OVERVIEW AND COMPARISON BY SELECTED FUND

Fund Description	REVENUES - FISCAL YEAR 2023/24				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2023	Percentage Used
Parks & Recreation	\$ -	\$ 4,280,995	\$ 4,280,995	\$ 132,063	3.08%
Streets & Highways	5,495,232	15,988,284	21,483,516	102,859	0.48%
Storm Drain	1,454,000	-	1,454,000	362,995	24.97%
Related Santa Clara Developer	977,582	-	977,582	140,313	14.35%
Patrick Henry Drive Infrastructure Improvement Fund	140,486	-	140,486	-	0.00%
Tasman East Specific Infrastructure Improvement Fund	-	-	-	14,616	N/A
TOTAL	\$ 8,067,300	\$ 20,269,279	\$ 28,336,579	\$ 752,846	2.66%

The table below lists the total amended budgeted amounts for expenditures in the Capital Improvement Funds. Similar to the revenue table, the amended expenditure budgets consist of current year appropriations, prior year carryover encumbrance balances in Governmental Capital Improvement Funds, and budget amendments approved through September 2023. As of September 30, 2023, capital fund expenditures totaled \$9.9 million, or 6.5% of the amended budget, well below par of 25%.

As part of the adoption of the FY 2023/24 and FY 2024/25 biennial operating budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2023. Necessary additional adjustments to the capital carryover amounts will be included as part of the Budgetary Year-End Report for FY 2022/23, anticipated to be brought forward for City Council approval in December 2023.

CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

EXPENDITURES - FISCAL YEAR 2023/24						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2023	Percentage Used	
Parks & Recreation	\$ 2,719,457	\$ 38,184,533	\$ 40,903,990	\$ 3,237,443	7.91%	
Streets & Highways	17,776,700	62,604,298	80,380,998	5,424,671	6.75%	
Storm Drain	807,414	4,002,049	4,809,463	67,942	1.41%	
Fire	427,374	1,303,898	1,731,272	72,665	4.20%	
Library	-	301,105	301,105	406	0.13%	
Public Buildings	1,590,019	9,319,499	10,909,518	567,705	5.20%	
General Gov't - Other	941,000	8,688,990	9,629,990	373,611	3.88%	
City Affordable Housing Capital Fund	-	1,600,000	1,600,000	-	0.00%	
Related Santa Clara Developer	977,582	523,109	1,500,691	161,064	10.73%	
Patrick Henry Drive Infrastructure Improvement Fund	71,281	-	71,281	4,029	5.65%	
Tasman East Specific Infrastructure Improvement Fund	27,330	1,423,145	1,450,475	4,029	0.28%	
TOTAL	\$ 25,338,157	\$ 127,950,626	\$ 153,288,783	\$ 9,913,565	6.47%	

Financial Status Report as of September 30, 2023

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of September 30, 2023. Overall, revenues and expenditures are tracking below budgeted levels.

CITY OF SANTA CLARA ENTERPRISE OPERATING FUNDS REVENUES AND EXPENSES - OVERVIEW AND COMPARISON BY FUND

Fund Description	REVENUES - FISCAL YEAR 2023/24				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2023	Percentage received	Actual Through 9/30/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 1,008,222,211	\$1,008,222,211	\$ 144,823,775	14.36%	\$ 124,963,195	\$ 19,860,580	15.89%
Water Utility Fund	60,726,490	60,726,490	13,272,180	21.86%	12,097,373	1,174,807	9.71%
Sewer Utility Fund	73,500,825	78,500,825	8,947,880	11.40%	8,583,181	364,699	4.25%
Cemetery Fund	750,000	750,000	112,497	15.00%	194,821	(82,324)	-42.26%
Solid Waste Utility Fund	39,577,957	39,577,957	7,740,949	19.56%	7,056,681	684,268	9.70%
Water Recycling Fund	7,668,868	7,668,868	2,038,776	26.59%	1,458,174	580,602	39.82%
TOTAL REVENUE	\$ 1,190,446,351	\$1,195,446,351	\$ 176,936,057	14.80%	\$ 154,353,425	\$ 22,582,632	14.63%

Fund Description	EXPENSES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 9/30/2023	Percentage Used	Actual through 9/30/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 681,590,706	\$ 687,147,483	\$ 138,554,412	20.16%	\$ 123,309,086	\$ 15,245,326	12.36%
Water Utility Fund	54,015,131	56,158,029	8,756,636	15.59%	10,029,986	(1,273,350)	-12.70%
Sewer Utility Fund	53,980,961	54,497,527	9,342,530	17.14%	7,570,761	1,771,769	23.40%
Cemetery Fund	1,534,349	1,534,349	294,071	19.17%	352,678	(58,607)	-16.62%
Solid Waste Utility Fund	38,782,622	42,314,984	7,603,240	17.97%	7,142,932	460,308	6.44%
Water Recycling Fund	8,234,584	8,234,584	343,078	4.17%	1,532,646	(1,189,568)	-77.62%
TOTAL - Operating Appropriations	\$ 838,138,353	\$ 849,886,956	\$ 164,893,967	19.40%	\$ 149,938,089	\$ 14,955,878	9.97%

Both revenues and expenditures are tracking higher than the prior year levels. In the Electric Utility Fund, higher debt retirement and resource costs were incurred this fiscal year. In the Solid Waste Utility Fund, there were higher refuse collection charges, alongside higher garbage collection expenses. The significant drop in expenditure levels in the Water Recycling Fund is due to the timing of resource/production invoice payments.

Revenues in the electric (which also includes the Electric Debt Service Fund), water, and sewer utility (which also includes the Sewer Debt Service Fund) and water recycling funds are primarily from customer service charges. The activity levels for these customer service charges also impact the resource and production costs on the expenditure side for these funds. The lower the revenue from customer service charges, the lower the expenditures in the resource and production category.

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through September 30, 2023 totaled \$1.9 million, consisting primarily of developer contributions in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$23 million, or 4% of the amended budget. Similar to the general government capital funds, capital funds were carried over from FY 2022/23 as part of the FY 2023/24 and FY 2024/25 budget adoption process for those projects that were not expected to be completed by June 30, 2023. Additional necessary adjustments to the capital carryover amounts based on actual year-end expenditures will be brought forward for City Council approval in December 2023, as part of the budgetary year-end report for FY 2022/23.

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS REVENUE - OVERVIEW AND COMPARISON BY SELECTED FUND

Fund Description	REVENUES - FISCAL YEAR 2023/24				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2023	Percentage Used
Electric Utility Fund	\$ 37,980,480	\$ 40,599,727	\$ 78,580,207	\$ 1,819,942	2.32%
Sewer Utility Fund	-	-	-	115,266	N/A
Solid Waste Utility Fund	258,000	-	258,000	3,813	1.48%
Convention Center Capital Fund	-	-	-	6,032	N/A
TOTAL - Revenue	\$ 38,238,480	\$ 40,599,727	\$ 78,838,207	\$ 1,945,053	2.47%

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENSES

Fund Description	EXPENSES - FISCAL YEAR 2023/24				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2023	Percentage Used
Electric Utility Fund	\$ 355,072,203	\$ 161,038,869	\$ 516,111,072	\$ 18,452,387	3.58%
Street Lighting ⁽¹⁾	125,000	3,452,509	3,577,509	21,075	0.59%
Water Utility Fund	6,114,502	5,316,334	11,430,836	638,843	5.59%
Sewer Utility Fund	13,721,802	28,349,075	42,070,876	3,329,769	7.91%
Cemetery Fund	-	245,335	245,335	-	0.00%
Solid Waste Utility Fund	765,000	271,756	1,036,756	249,198	24.04%
Water Recycling Fund	50,000	-	50,000	4,033	8.07%
Convention Center Capital Fund	-	2,146,482	2,146,482	332,992	15.51%
TOTAL - CIP Appropriations	\$ 375,848,506	\$ 200,820,360	\$ 576,668,866	\$ 23,028,297	3.99%

(1) Street Lighting fund is part of Electric Capital Improvement Funds

Fund Reserves

By policy, City Council established the City's General Contingency Reserve, under which reserves for Budget Stabilization and Capital Projects were established.

- Budget Stabilization Reserve is set aside for weathering economic downturns, emergency financial crisis, or disaster situations. The reserve target is equal to the expenditures of the City's General Fund operations for three months (90-day or 25% General Fund Adopted Operating Budget). In FY 2023/24, the City Council approved an exception to the policy to allow the Reserve to a minimum of 15% of expenditures.
- Capital Projects Reserve earmarks funds for the Capital Improvement Program.

Other General Reserves and Enterprise Fund Reserves included in this report are highlighted as follows:

- Technology Fee Reserve is set aside to update and/or replace the City's aging technology and to ensure internal controls are in compliance with current business standard and legal requirements.
- Land Sale Reserve is net proceeds from the sale of City-owned land, with interest earned on these funds available to be appropriated for General Fund operating expenditures. This reserve is available for appropriation by City Council action.
- The Electric Utility Rate Stabilization Reserve and Operations and Maintenance Reserve assures sufficient operating cash is available to cover day-to-day expenses, address unforeseen cost increases or revenue shortfalls, and ensure debt service coverage.
- The Replacement and Improvement Reserve in the Water and Sewer Utility Funds is for future capital improvement.

The table below summarizes select reserve balances.

**CITY OF SANTA CLARA
RESERVE BALANCES
September 30, 2023**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 47,592,520		
Capital Projects Reserve	6,132,290		
Reserve for Programmed Capital Projects	986,657		
Land Sale Reserve	18,481,037		
Technology Fee Reserve	2,581,146		
Electric Rate Stabilization Fund Reserve		\$ 56,776,613	
Electric Operations and Maintenance Reserve		150,765,556	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 75,773,650	\$ 207,542,169	\$ 303,090

Donations to the City of Santa Clara

Donations received by department during the month of September 2023 and for fiscal year 2023/24 are shown in the table below.

Department	Sep-23	Fiscal Year 2023/24 Year To Date	Designated Use
City Manager's Office	-	201	Help Your Neighbor
Parks & Recreation	-	8,000	Case Management
Parks & Recreation	0	133	Roberta Jones Jr. Theatre
Parks & Recreation	7,725	20,150	Wade Brummal
Police	0	75,000	TEAM 200
TOTALS	\$ 7,725	\$ 103,484	