



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

November 2023

City of Santa Clara

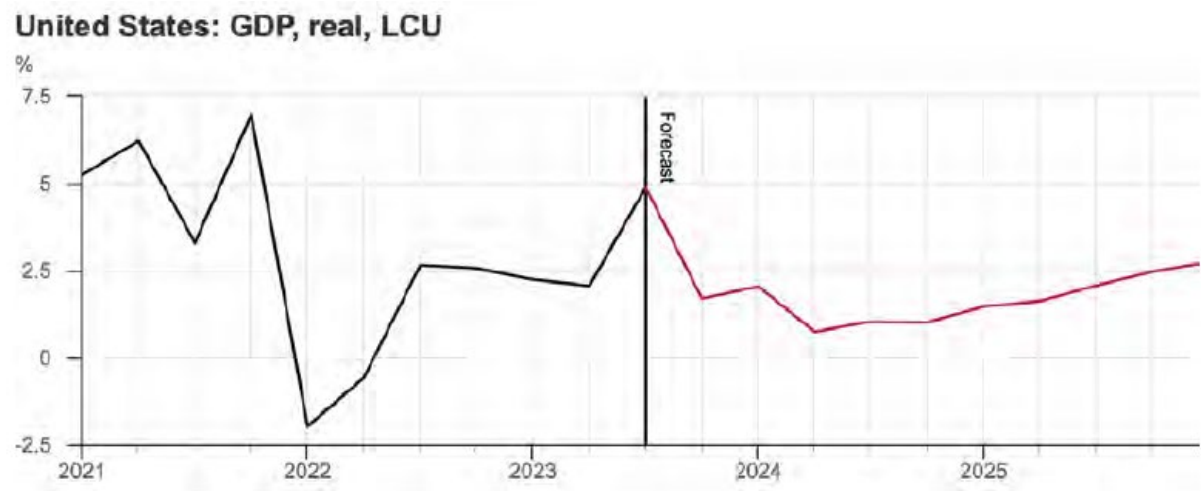
Financial Status Report as of November 30, 2023

This report summarizes the City’s financial performance for the month ended November 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

While there are varying forecasts, economic growth is expected to be constrained in 2024. The December 2023 UCLA Anderson Forecast is almost unchanged from its October 2023 and continues to assume no recession. “The oft-predicted but never seen “recession next quarter” has now faded in the face of expansionary fiscal policy, new national industrial policy, and a consumer who is happy to continue spending.” 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 “tepid start to 2024. While the prospects for a soft landing have risen we continue to believe that volatility awaits the US economy in this year. We forecast two quarters of slightly negative GDP growth in Q2 and Q3 2024 that will be broadly felt across the economy. However, late 2024 and 2025 should usher in a period of lower volatility and greater

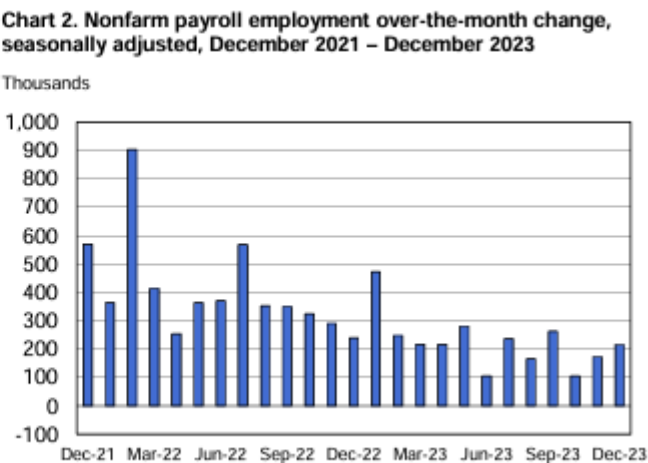
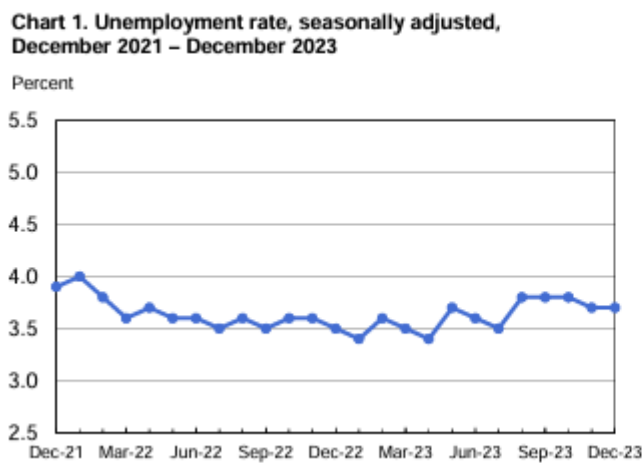
¹ UCLA Anderson Forecast, December 2023, 1995 Déjà Vu All Over Again: The U.S. Economic Outlook

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predictability. Inflation and interest rates should normalize and GDP growth should converge to potential at just under 2 percent.”²

On a national level, the unemployment rate remained unchanged at 3.7% between November and December 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 December, the number of unemployed persons was unchanged at 6.3 million.³



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

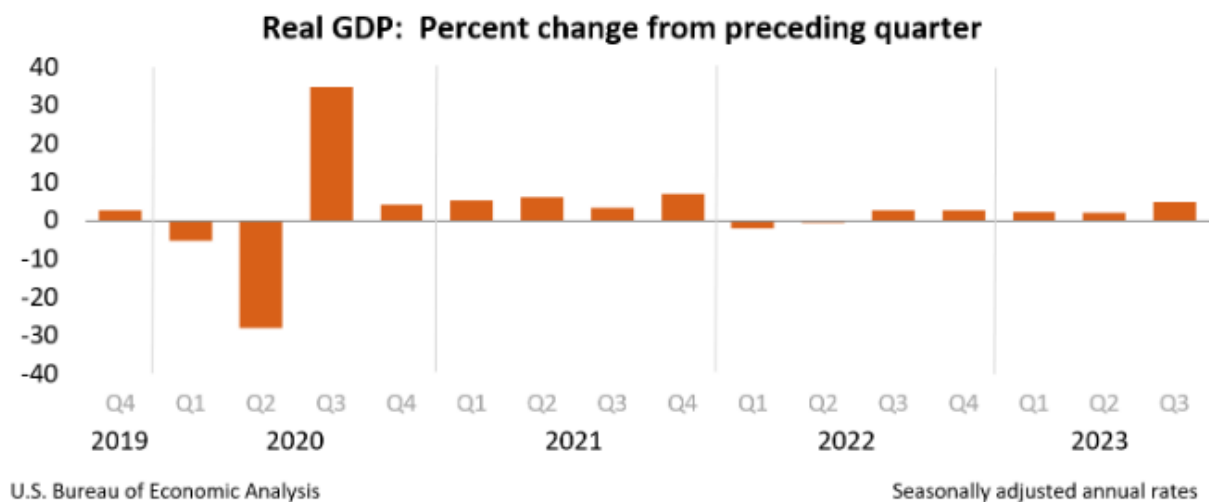
² <https://www.conference-board.org/research/us-forecast>, The Conference Board Economic Forecast for the US Economy, Updated January 11, 2024

³ <https://www.bls.gov/news.release/pdf/empst.pdf>

⁴ <https://www.bea.gov/news/2023/gross-domestic-product-third-estimate-corporate-profits-revised-estimate-and-gdp>

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At the state level, the California unemployment increased from 4.9% in November 2023 to 5.1% in December 2023. This rate is higher compared to the 4.1% rate in December 2022. From December 2022 to December 2023, California added 311,000 nonfarm jobs, an increase of 1.7%.⁵

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.0% in December 2023, up slightly from 3.9% in November 2023, and above the December 2022 estimate of 2.4%. Between December 2022 and December 2023, employment in this region increase by 10,500 jobs, or 0.9%. The largest increases were in private education and health services (up 10,900 jobs) and leisure and hospitality (up 8,500 jobs). Notable employment reductions were in manufacturing (down 3,600 jobs), information (down 3,500 jobs) and construction (down 2,600 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 November 2023.

General Fund revenues and expenditures are currently tracking with estimated levels.

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

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

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General Fund Revenues

As of November 30, 2023, \$73.2 million or 26.9% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$15.0 million have occurred as budgeted.

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 11/30/2023	Percentage Received	Actual Through 11/30/2022	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,524,000	\$ 60,524,000	\$ 15,323,471	25.32%	\$ 16,324,246	\$ (1,000,775)	-6.13%
Property Tax	85,800,000	85,800,000	13,496,133	15.73%	13,693,270	(197,137)	-1.44%
Transient Occupancy Tax	21,275,000	21,275,000	5,717,965	26.88%	5,561,694	156,271	2.81%
Other Taxes	6,750,000	6,750,000	1,794,102	26.58%	1,788,958	5,144	0.29%
Total Taxes	174,349,000	174,349,000	36,331,671	20.84%	37,368,168	(1,036,497)	-2.77%
LICENSES & PERMITS							
Business Licenses	6,000,000	6,000,000	2,178,351	36.31%	357,795	1,820,556	508.83%
Fire Operation Permits	2,000,000	2,000,000	666,745	33.34%	792,866	(126,121)	-15.91%
Miscellaneous Permits	69,000	69,000	2,461	3.57%	32,532	(30,071)	-92.44%
Total Licenses & Permits	8,069,000	8,069,000	2,847,557	35.29%	1,183,193	1,664,364	140.67%
FINES & PENALTIES	1,225,000	1,225,000	1,037,160	84.67%	105,604	931,556	882.12%
INTERGOVERNMENTAL	520,000	520,000	148,252	28.51%	170,066	(21,814)	-12.83%
CHARGES FOR SERVICES	29,314,768	29,666,268	12,810,495	43.18%	13,147,444	(336,950)	-2.56%
SILICON VALLEY POWER TRANSFER	32,000,000	32,000,000	13,712,604	42.85%	11,934,953	1,777,651	14.89%
USE OF MONEY & PROPERTY							
Interest	3,500,000	3,500,000	16,106	0.46%	378,009	(361,903)	-95.74%
Rent	12,397,660	12,397,660	5,243,300	42.29%	4,307,466	935,834	21.73%
Total Use of Money & Property	15,897,660	15,897,660	5,259,406	33.08%	4,685,475	573,931	12.25%
MISCELLANEOUS REVENUES	180,000	180,000	137,475	76.38%	1,859,668	(1,722,193)	-92.61%
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%	34,325,079	(26,312,966)	-76.66%
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%	42,634,179	(27,662,339)	-64.88%
STADIUM OPERATION							
Charges for Services	9,278,128	9,278,128	895,270	9.65%	2,293,120	(1,397,850)	-60.96%
Rent and Licensing	1,230,000	1,230,000	69,313	5.64%	556,621	(487,308)	-87.55%
Total Stadium Operation	10,508,128	10,508,128	964,583	9.18%	2,849,741	(1,885,158)	-66.15%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 287,386,896	\$ 88,221,042	30.70%	\$ 115,938,491	\$ (27,717,448)	-23.91%

(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 November 30, 2023, approximately \$15.3 million has been collected, which is 6.1% lower than prior year collection levels. Data for the third quarter 2023 reflected a decrease of 6.2% when compared to the third quarter 2022. Local business activity (excluding the Countywide pool and adjustments to prior periods) was down 1.1% in the third quarter 2023, reflecting declines in General Retail (down 5.9%), Transportation (down 6.1%) and Construction (down 11.7%) that were largely offset by growth in Business to Business (up 0.8%), and Food Products (up 14.4%). Activity in the Countywide pool was down 24.8%. This is the first decline after four quarters of growth experienced in FY 2022/23. Given the strong performance last fiscal year, receipts can decline by approximately 6% in the remaining three quarters of FY 2023/24 and still meet the budgeted estimate. Internet sales represents a sizeable amount of the City's sales tax revenue. The County pool, which includes internet sales, accounts for approximately 20% of the sales tax the City receives.

Property Tax: Property tax receipts totaling \$13.5 million were received through November 2023. The majority of property tax revenue is collected in February and April each year. Based on 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 November 30, 2023, approximately \$5.7 million was received, which is 2.8% higher than prior year receipts.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$1.8 million through November, which is on par with last fiscal year's collection levels. Receipts through November reflect franchise tax collections of \$1.5 million and approximately \$0.3 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 \$2.8 million, or 35.3% of the \$8.1 million budget. However, this represents a nearly 156% 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 November was \$1.0 million, or 84.7% 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 November 30, 2023, \$0.1 million was collected in this category, which is on par with prior year collection levels.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through November, collections of approximately \$12.8 million are tracking slightly above par at 43.2% of the budget. This reflects a 2.7% decrease compared to last year's collections through the same period of \$11.8 million. While collections in EMS transport and miscellaneous charges are higher than prior years, collections in engineering fees and planning and zoning fees are lower. Additionally, effective July 1, 2023, the Fire Development Services Fund was established and fire construction permitting fees are now booked in this fund, instead of the General Fund.

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 November, \$13.7 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 November, \$5.3 million has been collected, compared to \$4.7 million last fiscal year. This increase is primarily due to higher rental income revenues, including right-of-way and Related lease payments.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through November 30, 2023, collections of \$0.1 million 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 November 2023, revenues of \$0.9 million are tracking well below par at 9.2% of the budget due to the timing of reimbursements for the costs incurred by the City. Reimbursements usually take between three to six months from the event date due to the timing of third-party invoices and payment from the Stadium Manager. 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.

General Fund Expenditures

As of November 30, 2023, \$120.3 million or 41.9% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels through November. Departmental expenditures totaled \$103.7 million, or 38.9% of the budget, which is below the par level of 41.7% 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 11/30/2023	Percentage Used	Actual Through 11/30/2022	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 15,123,531	\$ 15,640,480	\$ 4,316,021	27.60%	\$ 2,013,239	\$ 2,302,782	114.38%
City Council	1,124,281	1,131,037	468,262	41.40%	266,677	201,585	75.59%
City Clerk	1,947,261	2,121,865	670,951	31.62%	757,746	(86,795)	-11.45%
City Manager	5,410,204	5,938,327	1,369,305	23.06%	1,821,516	(452,211)	-24.83%
City Attorney	3,076,516	3,196,951	1,135,878	35.53%	1,368,946	(233,068)	-17.03%
Human Resources	4,300,090	4,464,113	1,323,766	29.65%	1,468,880	(145,114)	-9.88%
Finance	19,140,702	19,939,776	6,891,409	34.56%	7,016,819	(125,410)	-1.79%
Total General Government	50,122,585	52,432,549	16,175,592	30.85%	14,713,823	1,461,769	9.93%
PUBLIC WORKS	24,857,521	26,178,981	9,699,755	37.05%	9,133,284	566,472	6.20%
COMMUNITY DEVELOPMENT	5,121,256	5,227,061	2,063,937	39.49%	1,847,449	216,488	11.72%
PARKS AND RECREATION	21,933,152	22,711,221	8,954,437	39.43%	8,681,141	273,296	3.15%
PUBLIC SAFETY							
Fire	62,616,032	63,222,036	27,510,759	43.51%	28,080,867	(570,108)	-2.03%
Police	85,598,562	85,946,468	35,188,038	40.94%	33,810,147	1,377,891	4.08%
Total Public Safety	148,214,594	149,168,504	62,698,797	42.03%	61,891,014	807,783	1.31%
LIBRARY	11,135,937	11,229,696	4,155,351	37.00%	4,343,709	(188,358)	-4.34%
DEPARTMENTAL TOTAL	261,385,045	266,948,012	103,747,869	38.86%	100,610,420	3,137,450	3.12%
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	4,941,465	56.19%	4,057,640	883,825	21.78%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 287,386,895	\$ 120,334,495	41.87%	\$ 116,463,457	\$ 3,871,038	3.32%

General Fund Expenditures

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

Non-Departmental: Includes expenditures that are not attributable to a single department, but a function of the City in general. Through November 30, 2023, expenditures totaled \$4.3 million, or 27.6% of the budget. These expenditures are below the par level of 41.7%, 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 November totaled approximately \$1.1 million, which is 35.5% of the budget, which is below par. Spending is significantly below the total expenditures through the same time last fiscal year by 17%. This decrease is due to lower expenditures in the outside legal counsel services.

City Clerk: Through November, actual expenditures were tracking below budget at \$0.7 million or approximately 31.6% of the budget. This expenditure level reflects a 15% decrease in spending compared to last fiscal year due to one-time Granicus costs that are paid every other year.

City Council: Through November, expenditures were at 41.4% of budget, which is at par. This expenditure level is significantly above the prior year due to 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 November 30, 2023 totaled \$1.4 million, or 23.1% of the budget, which is below par for this time of the year. Expenditures are approximately 24.8% 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 November, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$2.1 million, or 39.5% of the budget, which is at par. This expenditure level is 11.7% 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 November, the Department's expenditures totaled \$6.9 million, or 34.6% of the budget, which is below par. This expenditure level is consistent with prior year levels.

Fire Department: Through November, actual expenditures totaled \$27.5 million, or 43.5% of the budget, which is above par of 41.7%. These expenditures reflect a 2% 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 positions were reallocated to

the newly established Fire Development Services Fee Fund. These charges are reflected under the special revenue section of this report.

Expenditures are tracking slightly over budget primarily due to higher overtime expenses that total 70% of the budget through November as well as compensatory time payout expenditures. Overtime is used to backfill for shift absences and vacant shift positions to maintain daily minimum staffing. When the budget was developed, it was assumed that overtime costs would be higher in the first half of the year while firefighters in the recruit academy were in training. These newly trained firefighters began providing relief staffing effective December 8, 2023. With these relief positions, overtime costs are expected to be lower in the second half of the fiscal year. However, it is anticipated that overtime expenditures will exceed the budget as the current absence rate exceeds the estimate used in the development of the budget.

When compared to the prior fiscal year, absences are up 32% through November (from 27,727 to 36,695 hours). This reflects increases in workers' compensation/injury leave, modified duty, Family Medical Leave Act leave, sick leave, and compensatory time used. In addition, it is important to note that employees can elect for compensatory time over overtime pay when backfilling shift absences, which increases the need to backfill when the compensatory time is used.

The Fire Department will continue to monitor its absences and budget. Any necessary budget adjustments will be brought forward by year-end.

Library Department: Through November, actual expenditures totaled \$4.2 million, or 37% of the budget, which is slightly below par and below expenditure levels last fiscal year. The Library continues to hire staff and fill vacancies to restore library hours.

Parks and Recreation Department: Through November 30, 2023, actual expenditures totaled \$8.9 million, or 39.4% of the budget, which is below par but slightly higher than prior year actuals of \$8.7 million. This is primarily due to higher spend in the salaries and benefits and utilities categories.

Police Department: Expenditures through November are tracking slightly below par at \$35.2 million, or 40.9% of the budget. This expenditure level is 4.1% above the prior year, primarily due to higher personnel costs and operating supplies costs.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$4.9 million through November, which is significantly higher than prior year levels. This is primarily due to higher personnel spend, particularly in overtime. Events at the Stadium during November included one NFL game.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of November 30, 2023. The amended budget reflects carryover encumbrances from fiscal year 2022/23 and budget amendments approved by the City Council through November 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 \$8.9 million, while expenditures totaled \$8.3 million through the end of November. Overall, revenues and expenditures are tracking below par of 41.7%. 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. Last fiscal year, there was also a negative expenditure in the City Affordable Housing Fund due to an accounting change in the disbursements category.

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 11/30/2023	Percentage Received	Actual Through 11/30/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 252,495	\$ 252,495	\$ 71,966	28.50%	\$ 38,086	\$ 33,880	88.96%
City Affordable Housing Fund	1,166,720	1,166,720	147,785	12.67%	197,051	(49,266)	-25.00%
Housing Successor Fund	1,306,326	1,306,326	287,450	22.00%	436,471	(149,021)	-34.14%
Housing and Urban Development	3,106,041	3,106,041	473,858	15.26%	423,977	49,881	11.77%
Building Development Services Fee Fund	15,611,000	15,611,000	6,444,061	41.28%	9,135,817	(2,691,756)	-29.46%
Fire Development Services Fee Fund	2,935,000	2,935,000	1,512,435	51.53%	-	1,512,435	N/A
TOTAL	\$ 24,377,582	\$ 24,377,582	\$ 8,937,555	36.66%	\$ 10,231,402	\$ (1,293,847)	-12.65%

Fund Description	EXPENDITURES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 11/30/2023	Percentage Used	Actual through 11/30/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 457,193	\$ 518,659	\$ 71,294	13.75%	\$ 72,360	\$ (1,066)	-1.47%
City Affordable Housing Fund	6,683,926	7,435,503	396,981	5.34%	(1,165,828)	1,562,809	-134.05%
Housing Successor Fund	873,227	1,216,887	394,349	32.41%	2,590,456	(2,196,107)	-84.78%
Housing and Urban Development	3,993,723	4,753,782	548,622	11.54%	883,095	(334,473)	-37.88%
Building Development Services Fee Fund	13,689,592	17,218,230	5,635,570	32.73%	5,488,870	146,700	2.67%
Fire Development Services Fee Fund	3,109,073	3,109,073	1,280,439	41.18%	-	1,280,439	N/A
TOTAL	\$ 28,806,734	\$ 34,252,134	\$ 8,327,255	24.31%	\$ 7,868,953	\$ 458,302	5.82%

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 November 2023. As of November 30, 2023, the capital fund revenue totaled \$11.5 million.

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

	REVENUES - FISCAL YEAR 2023/24				
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 11/30/2023	Percentage Received
Parks & Recreation	\$ -	\$ 4,280,995	\$ 4,280,995	\$ 417,268	9.75%
Streets & Highways	17,294,432	15,988,284	33,282,716	9,452,690	28.40%
Storm Drain	4,454,000	-	4,454,000	605,773	13.60%
Related Santa Clara Developer	977,582	-	977,582	1,022,009	104.54%
Patrick Henry Drive Infrastructure Improvement Fund	140,486	-	140,486	-	0.00%
Tasman East Specific Infrastructure Improvement Fund	-	-	-	40,741	N/A
TOTAL	\$ 22,866,500	\$ 20,269,279	\$ 43,135,779	\$ 11,538,481	26.75%

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 November 2023. As of November 30, 2023, capital fund expenditures totaled \$17.0 million, or 9.9% of the amended budget, well below par of 41.7%.

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 were included as part of the Budgetary Year-End Report for FY 2022/23 approved by the City Council approval on December 12, 2023. These adjustments will be reflected in the December Monthly Financial Report.

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 11/30/2023	Percentage Used	
Parks & Recreation	\$ 2,719,457	\$ 38,184,533	\$ 40,903,990	\$ 5,437,529	13.29%	
Streets & Highways	29,575,900	62,604,298	92,180,198	9,261,995	10.05%	
Storm Drain	3,807,414	4,002,049	7,809,463	325,333	4.17%	
Fire	427,374	1,303,898	1,731,272	89,180	5.15%	
Library	-	301,105	301,105	406	0.13%	
Public Buildings	1,590,019	9,319,499	10,909,518	898,751	8.24%	
General Gov't - Other	941,000	8,688,990	9,629,990	753,668	7.83%	
City Affordable Housing Capital Fund	3,344,484	1,600,000	4,944,484	-	0.00%	
Related Santa Clara Developer	977,582	523,109	1,500,691	226,699	15.11%	
Patrick Henry Drive Infrastructure Improvement Fund	71,281	-	71,281	7,096	9.95%	
Tasman East Specific Infrastructure Improvement Fund	27,330	1,423,145	1,450,475	7,096	0.49%	
TOTAL	\$ 43,481,841	\$ 127,950,626	\$ 171,432,467	\$ 17,007,753	9.92%	

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of November 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 11/30/2023	Percentage Received	Actual Through 11/30/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 1,008,222,211	\$1,008,222,211	\$ 265,710,082	26.35%	\$ 224,243,664	\$ 41,466,418	18.49%
Water Utility Fund	60,726,490	60,726,490	23,734,164	39.08%	20,768,305	2,965,859	14.28%
Sewer Utility Fund	73,500,825	78,500,825	30,732,634	39.15%	15,920,197	14,812,437	93.04%
Cemetery Fund	750,000	750,000	190,860	25.45%	252,666	(61,806)	-24.46%
Solid Waste Utility Fund	39,577,957	39,577,957	14,272,756	36.06%	13,188,294	1,084,462	8.22%
Water Recycling Fund	7,668,868	7,668,868	3,484,523	45.44%	2,875,608	608,915	21.18%
TOTAL REVENUE	\$ 1,190,446,351	\$1,195,446,351	\$ 338,125,019	28.28%	\$ 277,248,734	\$ 60,876,285	21.96%

Fund Description	EXPENSES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 11/30/2023	Percentage Used	Actual through 11/30/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 681,590,706	\$ 687,147,483	\$ 232,110,390	33.78%	\$ 224,445,731	\$ 7,664,659	3.41%
Water Utility Fund	54,015,131	56,158,029	17,788,870	31.68%	18,937,361	(1,148,491)	-6.06%
Sewer Utility Fund	53,980,961	54,497,527	16,615,937	30.49%	13,908,764	2,707,173	19.46%
Cemetery Fund	1,534,349	1,534,349	450,224	29.34%	599,983	(149,759)	-24.96%
Solid Waste Utility Fund	38,782,622	42,314,984	13,002,913	30.73%	12,457,728	545,185	4.38%
Water Recycling Fund	8,234,584	8,234,584	588,187	7.14%	3,534,465	(2,946,278)	-83.36%
TOTAL - Operating Appropriations	\$ 838,138,353	\$ 849,886,956	\$ 280,556,521	33.01%	\$ 273,884,032	\$ 6,672,489	2.44%

Both revenues and expenditures are tracking higher than the prior year levels. 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. In the Sewer Utility, the high revenue collection is due to the bond proceeds collected in the debt service fund.

In the Electric Utility Fund, higher debt retirement and resource costs were incurred this fiscal year, in addition to higher customer service and renewable energy collections. In the Cemetery Fund, expenditures are significantly lower than prior years due to vacancies. The significant drop in expenditure levels in the Water Recycling Fund is due to the timing of resource/production invoice payments.

Financial Status Report as of November 30, 2023

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through November 30, 2023 totaled \$17.3 million, consisting primarily of developer contributions in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$38.1 million, or 6.6% 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 were brought forward as part of the budgetary year-end report for FY 2022/23 approved by the City Council on December 12, 2023. These adjustments will be reflected in the December Monthly Financial Report.

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 11/30/2023	Percentage Received
Electric Utility Fund	\$ 38,500,092	\$ 40,599,727	\$ 79,099,819	\$ 15,982,980	20.21%
Water Utility Fund	-	-	-	13,450	N/A
Sewer Utility Fund	-	-	-	1,330,514	N/A
Solid Waste Utility Fund	258,000	-	258,000	6,964	2.70%
Convention Center Capital Fund	-	-	-	6,032	N/A
TOTAL - Revenue	\$ 38,758,092	\$ 40,599,727	\$ 79,357,819	\$ 17,339,940	21.85%

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 11/30/2023	Percentage Used
Electric Utility Fund	\$ 355,591,815	\$ 161,038,869	\$ 516,630,684	\$ 27,077,049	5.24%
Street Lighting ⁽¹⁾	125,000	3,452,509	3,577,509	33,714	0.94%
Water Utility Fund	6,114,502	5,316,334	11,430,836	1,323,326	11.58%
Sewer Utility Fund	13,721,802	28,349,075	42,070,876	8,885,909	21.12%
Cemetery Fund	-	245,335	245,335	-	0.00%
Solid Waste Utility Fund	765,000	271,756	1,036,756	428,370	41.32%
Water Recycling Fund	50,000	-	50,000	12,980	25.96%
Convention Center Capital Fund	-	2,146,482	2,146,482	335,101	15.61%
TOTAL - CIP Appropriations	\$ 376,368,118	\$ 200,820,360	\$ 577,188,478	\$ 38,096,449	6.60%

(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
November 30, 2023**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 47,542,820		
Capital Projects Reserve	5,891,290		
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	\$ 75,482,950	\$ 207,542,169	\$ 303,090

Donations to the City of Santa Clara

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

Department	Nov-23	Fiscal Year 2023/24 Year To Date	Designated Use
City Manager's Office	50	251	Help Your Neighbor
Parks & Recreation	-	3,900	Case Management
Parks & Recreation	1,637	1,770	Roberta Jones Jr. Theatre
Parks & Recreation	-	4,350	Senior Nutrition Donation
Parks & Recreation	475	30,975	Wade Brummal
Police	-	75,000	TEAM 200
TOTALS	\$ 2,162	\$ 116,246	