



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

October 2023

City of Santa Clara

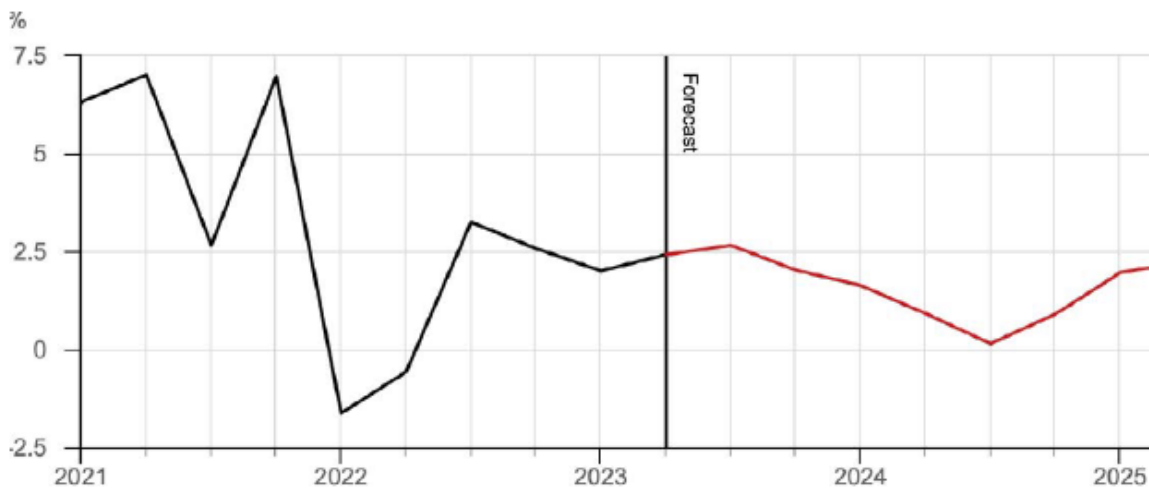
Financial Status Report as of October 31, 2023

This report summarizes the City’s financial performance for the month ended October 31, 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, and the resumption of mandatory student loan repayments. We forecast that real GDP will grow by 2.4 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 November 15, 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

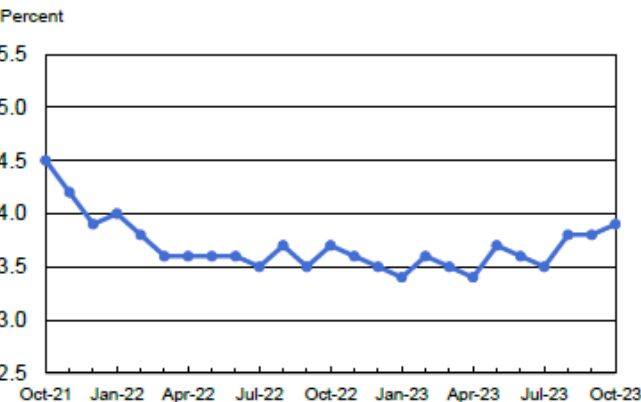
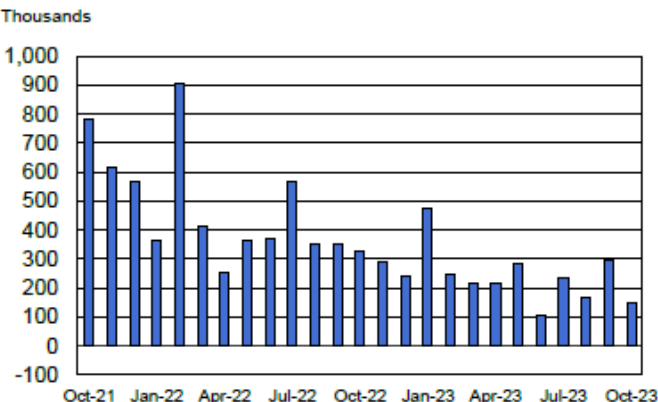
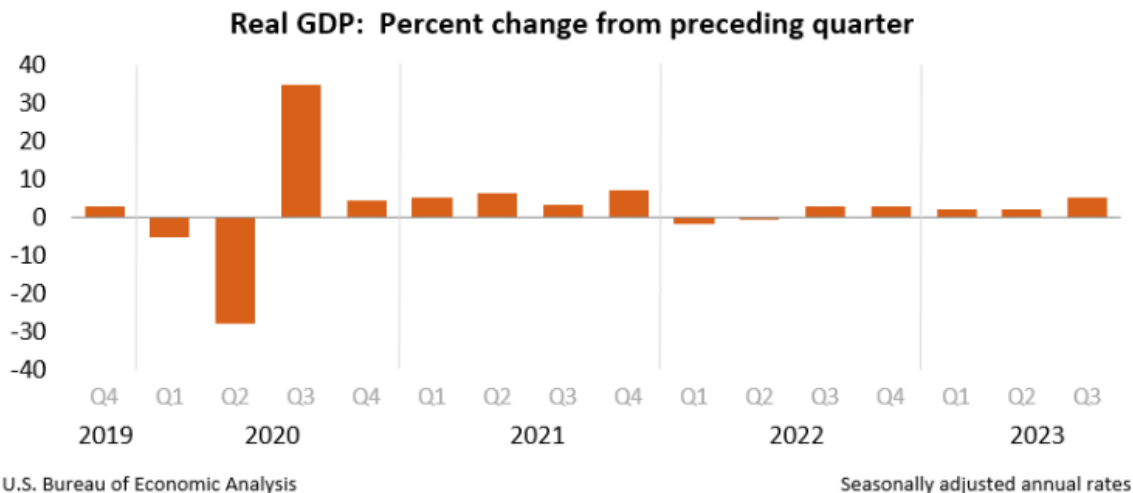


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, October 2021 – October 2023



In the third quarter 2023, the Gross Domestic Product (GDP) increased at an annual rate of 5.2% according to the “second” 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 private inventory investment and an upturn in exports that were partially offset by a deceleration in nonresidential fixed investment.⁴



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

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

At the state level, the California unemployment rate increased slightly from 4.7% in September 2023 to 4.8% in October 2023. This rate is higher compared to the 4.1% rate in October 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 3.8% in October 2023, up from a revised 3.7% in September 2023, and above the October 2022 estimate of 2.5%. Between October 2022 and October 2023, employment in this region increase by 11,800 jobs, or 1.0%. The largest increases were in private education and health services (up 11,500 jobs) and leisure and hospitality (up 8,700 jobs). Notable employment reductions were in professional and business services (down 5,100 jobs) and manufacturing (down 5,000 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 October 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-october-2023/

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

Financial Status Report as of October 31, 2023

General Fund Revenues

As of October 31, 2023, \$46.0 million or 16.9% 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 October is largely due to the timing of payments. In some categories, a portion of the revenues received through October 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 10/31/2023	Percentage Received	Actual Through 10/31/2022	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,524,000	\$ 60,524,000	\$ 10,564,847	17.46%	\$ 9,818,899	\$ 745,948	7.60%
Property Tax	85,800,000	85,800,000	3,289,823	3.83%	2,964,873	324,950	10.96%
Transient Occupancy Tax	21,275,000	21,275,000	2,831,072	13.31%	3,928,582	(1,097,510)	-27.94%
Other Taxes	6,750,000	6,750,000	1,041,865	15.44%	927,930	113,935	12.28%
Total Taxes	174,349,000	174,349,000	17,727,607	10.17%	17,640,284	87,323	0.50%
LICENSES & PERMITS							
Business Licenses	6,000,000	6,000,000	1,430,304	23.84%	283,484	1,146,820	404.54%
Fire Operation Permits	2,000,000	2,000,000	479,556	23.98%	644,230	(164,674)	-25.56%
Miscellaneous Permits	69,000	69,000	111,499	161.59%	30,974	80,525	259.98%
Total Licenses & Permits	8,069,000	8,069,000	2,021,359	25.05%	958,688	1,062,671	110.85%
FINES & PENALTIES	1,225,000	1,225,000	874,030	71.35%	80,789	793,241	981.87%
INTERGOVERNMENTAL	520,000	520,000	80,186	15.42%	1,648,076	(1,567,890)	-95.13%
CHARGES FOR SERVICES	29,314,768	29,666,268	9,633,887	32.47%	10,843,813	(1,209,926)	-11.16%
SILICON VALLEY POWER TRANSFER	32,000,000	32,000,000	10,970,083	34.28%	9,547,962	1,422,121	14.89%
USE OF MONEY & PROPERTY							
Interest	3,500,000	3,500,000	(409,667)	-11.70%	74,723	(484,390)	-648.25%
Rent	12,397,660	12,397,660	4,171,331	33.65%	3,484,534	686,797	19.71%
Total Use of Money & Property	15,897,660	15,897,660	3,761,664	23.66%	3,559,257	202,407	5.69%
MISCELLANEOUS REVENUES	180,000	180,000	101,667	56.48%	1,842,431	(1,740,764)	-94.48%
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	715,189	7.71%	2,173,565	(1,458,376)	-67.10%
Rent and Licensing	1,230,000	1,230,000	69,313	5.64%	507,777	(438,464)	-86.35%
Total Stadium Operation	10,508,128	10,508,128	784,502	7.47%	2,681,342	(1,896,840)	-70.74%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 287,386,896	\$ 60,926,825	21.20%	\$ 90,813,821	\$ (29,886,996)	-32.91%

(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 October 31, 2023, approximately \$10.6 million has been collected, which is slightly higher than prior year collection levels. While not reflected in the data through October, true-up information for the third quarter of 2023 was received from the State in November and reflected a decrease of 6.2% when compared to the third quarter 2022. 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 \$3.3 million were received through October 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 October 31, 2023, approximately \$2.8 million was received, which is 28% 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 \$1.0 million through October, which is 12.3% higher than last fiscal year's collection levels. Receipts through October reflect franchise tax collections of \$0.8 million and approximately \$0.2 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 \$2.0 million, or 25% of the \$8.1 million budget. However, this represents a nearly 111% 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 October was \$0.9 million, or 71.4% 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 October 31, 2023, \$80,186 was collected in this category. Last year, this collection level was significantly higher at \$1.6 million due to the receipt of a \$1.5 million settlement payment from the City of San Jose regarding the North San Jose Development Project.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through October, collections of approximately \$9.6 million are tracking at par at 32.7% of the budget. This reflects an 11.2% decrease compared to last year's collections through the same period of \$10.8 million. This large decrease is a result of lower collections for engineering fees and planning and zoning fees. 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 October, \$11.0 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 October, \$3.8 million has been collected, compared to \$3.6 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 October 31, 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 October 2023, revenues of \$0.8 million are tracking well below par at 7.5% 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.

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General Fund Expenditures

As of October 31, 2023, \$99.0 million or 34.4% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels through October. Departmental expenditures totaled \$82.8 million, or 31% of the budget, which is below the par level of 33.3% 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 10/31/2023	Percentage Used	Actual Through 10/31/2022	\$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 15,123,531	\$ 15,640,480	\$ 3,156,215	20.18%	\$ 1,433,687	\$ 1,722,528	120.15%
City Council	1,124,281	1,131,037	376,926	33.33%	209,862	167,064	79.61%
City Clerk	1,947,261	2,121,865	554,726	26.14%	652,098	(97,372)	-14.93%
City Manager	5,410,204	5,938,327	1,118,432	18.83%	1,503,874	(385,442)	-25.63%
City Attorney	3,076,516	3,196,951	843,231	26.38%	1,043,419	(200,188)	-19.19%
Human Resources	4,300,090	4,464,113	1,084,556	24.29%	1,183,933	(99,377)	-8.39%
Finance	19,140,702	19,939,776	5,614,387	28.16%	5,665,128	(50,741)	-0.90%
Total General Government	50,122,585	52,432,549	12,748,473	24.31%	11,692,001	1,056,472	9.04%
PUBLIC WORKS	24,857,521	26,178,981	7,813,620	29.85%	7,360,760	452,860	6.15%
COMMUNITY DEVELOPMENT	5,121,256	5,227,061	1,668,888	31.93%	1,491,664	177,224	11.88%
PARKS AND RECREATION	21,933,152	22,711,221	7,236,240	31.86%	7,074,558	161,682	2.29%
PUBLIC SAFETY							
Fire	62,616,032	63,222,036	22,262,626	35.21%	22,779,947	(517,321)	-2.27%
Police	85,598,562	85,946,468	27,713,868	32.25%	26,969,565	744,303	2.76%
Total Public Safety	148,214,594	149,168,504	49,976,494	33.50%	49,749,512	226,982	0.46%
LIBRARY	11,135,937	11,229,696	3,347,030	29.81%	3,552,556	(205,526)	-5.79%
DEPARTMENTAL TOTAL	261,385,045	266,948,012	82,790,745	31.01%	80,921,051	1,869,694	2.31%
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	4,515,793	51.35%	3,100,175	1,415,618	45.66%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 287,386,895	\$ 98,951,699	34.43%	\$ 95,816,623	\$ 3,135,076	3.27%

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 October 31, 2023, expenditures totaled \$3.2 million, or 20.2% of the budget. These expenditures are below the par level of 33.3%, 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 October totaled approximately \$0.8 million, which is 26.4% of the budget, which is below par. Spending is significantly below the total expenditures through the same time last fiscal year by 19.2%. This decrease is due to lower expenditures in the outside legal counsel services.

City Clerk: Through October, actual expenditures were tracking below budget at \$0.6 million or approximately 26.1% 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 October, expenditures were at 33.3% 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 October 31, 2023 totaled \$1.1 million, or 18.8% 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 October, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.7 million, or 32% of the budget, which is at par. This expenditure level is 12% 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 October, the Department's expenditures totaled \$5.6 million, or 28.2% of the budget, which is below par. This expenditure level is consistent with prior year levels.

Fire Department: Through October, actual expenditures totaled \$22.3 million, or 35.2% of the budget, which is slightly above par. These expenditures reflect a 2.3% 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 58% 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. Overtime expenditures are expected to decrease through the remainder of the year due to the availability of the newly trained firefighters that will provide relief staffing. The recruits are anticipated to be available for this relief staffing beginning December 8, 2023.

Library Department: Through October, actual expenditures totaled \$3.3 million, or 29.8% 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 October 31, 2023, actual expenditures totaled \$7.2 million, or 31.9% of the budget, which is slightly below par, but slightly higher than prior year actuals of \$7.1 million. This is primarily due to higher spend in the salaries and benefits and utilities categories.

Police Department: Expenditures through October are tracking slightly below par at \$27.7 million, or 32.3% of the budget. This expenditure level is 2.8% 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 \$4.5 million through October, which is significantly higher than prior year levels. This is primarily due to higher personnel spend, particularly in overtime. Events at the Stadium during October included three NFL games.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of October 31, 2023. The amended budget reflects carryover encumbrances from fiscal year 2022/23 and budget amendments approved by the City Council through October 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 \$7.1 million, while expenditures totaled \$6.9 million through the end of October. Overall, revenues and expenditures are tracking below par of 33.3%. 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 10/31/2023	Percentage Received	Actual Through 10/31/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 252,495	\$ 252,495	\$ 68,444	27.11%	\$ 31,878	\$ 36,566	114.71%
City Affordable Housing Fund	1,166,720	1,166,720	110,383	9.46%	175,908	(65,525)	-37.25%
Housing Successor Fund	1,306,326	1,306,326	268,006	20.52%	418,521	(150,515)	-35.96%
Housing and Urban Development	3,106,041	3,106,041	450,553	14.51%	421,218	29,335	6.96%
Building Development Services Fee Fund	15,611,000	15,611,000	4,953,806	31.73%	7,231,988	(2,278,182)	-31.50%
Fire Development Services Fee Fund	2,935,000	2,935,000	1,243,226	42.36%	0	1,243,226	N/A
TOTAL	\$ 24,377,582	\$ 24,377,582	\$ 7,094,418	29.10%	\$ 8,279,513	\$ (1,185,095)	-14.31%

Fund Description	EXPENDITURES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 10/31/2023	Percentage Used	Actual through 10/31/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 457,193	\$ 518,659	\$ 58,696	11.32%	\$ 65,411	\$ (6,715)	-10.27%
City Affordable Housing Fund	6,683,926	7,435,503	343,555	4.62%	(1,261,599)	1,605,154	-127.23%
Housing Successor Fund	873,227	1,216,887	336,115	27.62%	2,543,318	(2,207,203)	-86.78%
Housing and Urban Development	3,993,723	4,753,782	484,518	10.19%	743,924	(259,406)	-34.87%
Building Development Services Fee Fund	13,689,592	17,218,230	4,642,455	26.96%	4,378,702	263,753	6.02%
Fire Development Services Fee Fund	3,109,073	3,109,073	1,020,766	32.83%	0	1,020,766	N/A
TOTAL	\$ 28,806,734	\$ 34,252,134	\$ 6,886,105	20.10%	\$ 6,469,756	\$ 416,349	6.44%

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 October 2023. As of October 31, 2023, the capital fund revenue totaled \$2.8 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 10/31/2023	Percentage Received
Parks & Recreation	\$ -	\$ 4,280,995	\$ 4,280,995	\$ 266,504	6.23%
Streets & Highways	8,265,432	15,988,284	24,253,716	1,612,818	6.65%
Storm Drain	4,454,000	-	4,454,000	484,080	10.87%
Related Santa Clara Developer	977,582	-	977,582	371,617	38.01%
Patrick Henry Drive Infrastructure Improvement Fund	140,486	-	140,486	-	0.00%
Tasman East Specific Infrastructure Improvement Fund	-	-	-	29,574	N/A
TOTAL	\$ 13,837,500	\$ 20,269,279	\$ 34,106,779	\$ 2,764,593	8.11%

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 October 2023. As of October 31, 2023, capital fund expenditures totaled \$14.1 million, or 8.8% of the amended budget, well below par of 33.3%.

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.

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 10/31/2023	Percentage Used	
Parks & Recreation	\$ 2,719,457	\$ 38,184,533	\$ 40,903,990	\$ 3,827,691	9.36%	
Streets & Highways	20,546,900	62,604,298	83,151,198	8,351,874	10.04%	
Storm Drain	3,807,414	4,002,049	7,809,463	277,022	3.55%	
Fire	427,374	1,303,898	1,731,272	74,627	4.31%	
Library	-	301,105	301,105	406	0.13%	
Public Buildings	1,590,019	9,319,499	10,909,518	804,221	7.37%	
General Gov't - Other	941,000	8,688,990	9,629,990	540,104	5.61%	
City Affordable Housing Capital Fund	-	1,600,000	1,600,000	-	0.00%	
Related Santa Clara Developer	977,582	523,109	1,500,691	177,285	11.81%	
Patrick Henry Drive Infrastructure Improvement Fund	71,281	-	71,281	5,753	8.07%	
Tasman East Specific Infrastructure Improvement Fund	27,330	1,423,145	1,450,475	5,753	0.40%	
TOTAL	\$ 31,108,357	\$ 127,950,626	\$ 159,058,983	\$ 14,064,736	8.84%	

Financial Status Report as of October 31, 2023

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of October 31, 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 10/31/2023	Percentage Received	Actual Through 10/31/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 1,008,222,211	\$1,008,222,211	\$ 204,364,823	20.27%	\$ 175,310,083	\$ 29,054,740	16.57%
Water Utility Fund	60,726,490	60,726,490	18,768,164	30.91%	16,990,409	1,777,755	10.46%
Sewer Utility Fund	73,500,825	78,500,825	26,885,699	34.25%	12,833,326	14,052,373	109.50%
Cemetery Fund	750,000	750,000	153,218	20.43%	237,827	(84,609)	-35.58%
Solid Waste Utility Fund	39,577,957	39,577,957	11,054,835	27.93%	10,097,835	957,000	9.48%
Water Recycling Fund	7,668,868	7,668,868	2,945,654	38.41%	2,312,612	633,042	27.37%
TOTAL REVENUE	\$ 1,190,446,351	\$1,195,446,351	\$ 264,172,393	22.10%	\$ 217,782,092	\$ 46,390,301	21.30%

Fund Description	EXPENSES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 10/31/2023	Percentage Used	Actual through 10/31/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 681,590,706	\$ 687,147,483	\$ 183,889,966	26.76%	\$ 176,116,683	\$ 7,773,283	4.41%
Water Utility Fund	54,015,131	56,158,029	16,189,477	28.83%	14,591,317	1,598,160	10.95%
Sewer Utility Fund	53,980,961	54,497,527	10,448,643	19.17%	8,232,433	2,216,210	26.92%
Cemetery Fund	1,534,349	1,534,349	387,520	25.26%	486,851	(99,331)	-20.40%
Solid Waste Utility Fund	38,782,622	42,314,984	10,927,569	25.82%	9,228,797	1,698,772	18.41%
Water Recycling Fund	8,234,584	8,234,584	467,666	5.68%	1,608,732	(1,141,066)	-70.93%
TOTAL - Operating Appropriations	\$ 838,138,353	\$ 849,886,956	\$ 222,310,841	26.16%	\$ 210,264,813	\$ 12,046,028	5.73%

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 addition to higher customer service and renewable energy collections. 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.

Financial Status Report as of October 31, 2023

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through October 31, 2023 totaled \$9.8 million, consisting primarily of developer contributions in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$26.0 million, or 4.5% 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.

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 10/31/2023	Percentage Received
Electric Utility Fund	\$ 38,500,092	\$ 40,599,727	\$ 79,099,819	\$ 9,606,410	12.14%
Sewer Utility Fund	-	-	-	145,376	N/A
Solid Waste Utility Fund	258,000	-	258,000	3,813	1.48%
Convention Center Capital Fund	-	-	-	6,032	N/A
TOTAL - Revenue	\$ 38,758,092	\$ 40,599,727	\$ 79,357,819	\$ 9,761,631	12.30%

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 10/31/2023	Percentage Used
Electric Utility Fund	\$ 355,591,815	\$ 161,038,869	\$ 516,630,684	\$ 21,007,272	4.07%
Street Lighting ⁽¹⁾	125,000	3,452,509	3,577,509	28,418	0.79%
Water Utility Fund	6,114,502	5,316,334	11,430,836	851,413	7.45%
Sewer Utility Fund	13,721,802	28,349,075	42,070,876	3,456,923	8.22%
Cemetery Fund	-	245,335	245,335	-	0.00%
Solid Waste Utility Fund	765,000	271,756	1,036,756	344,553	33.23%
Water Recycling Fund	50,000	-	50,000	4,152	8.30%
Convention Center Capital Fund	-	2,146,482	2,146,482	332,992	15.51%
TOTAL - CIP Appropriations	\$ 376,368,118	\$ 200,820,360	\$ 577,188,478	\$ 26,025,723	4.51%

(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
October 31, 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 October 2023 and for fiscal year 2023/24 are shown in the table below.

Department	Oct-23	Fiscal Year 2023/24 Year To Date	Designated Use
City Manager's Office	-	201	Help Your Neighbor
Parks & Recreation	250	8,250	Case Management
Parks & Recreation	-	133	Roberta Jones Jr. Theatre
Parks & Recreation	10,350	30,500	Wade Brummal
Police	-	75,000	TEAM 200
TOTALS	\$ 10,600	\$ 114,084	