



# **City of Santa Clara**

The Center of What's Possible

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## **MONTHLY FINANCIAL STATUS REPORT**

**December 2024**

City of Santa Clara

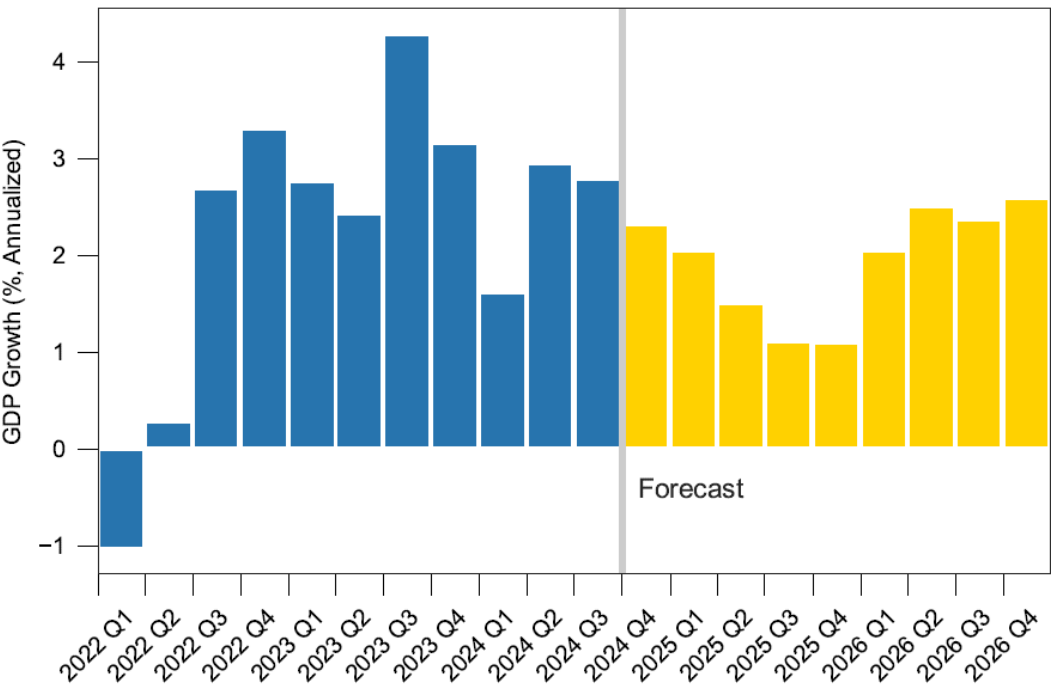
Financial Status Report as of December 31, 2024

This report summarizes the City’s financial performance for the month ended December 31, 2024. 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

In its Winter 2024 Forecast, the UCLA Anderson Forecast points to uncertainty regarding the U.S. economic outlook for 2025 and 2026 given the potential impacts of policies regarding tariffs and deportations. “With real GDP growth above two percent, the U.S. economy continues to outshine its global peers. The incoming tariff and deportation policies will put upward pressure on costs and downward pressure on consumption, leading to lower GDP growth, dipping below two percent (SAAR) in the second half of 2025. We expect GDP growth to partially recover by the end of 2026 as the economy adjusts to the tariffs and the changing composition and size of the labor force.”<sup>1</sup>

U.S. Quarterly Real GDP Growth Forecast (UCLA Winter 2024 Economic Forecast)



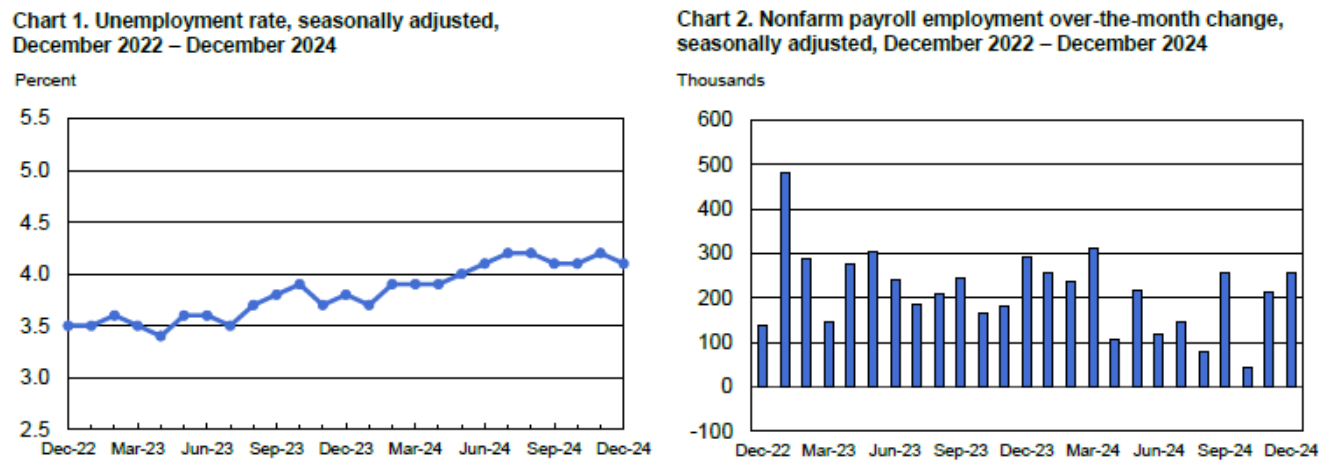
Source: Bureau of Economic Analysis and UCLA Anderson Forecast

<sup>1</sup> UCLA Anderson Forecast Winter 2024 Economic Forecast, “Cloudy with a Chance of Inflation”, Clement Bohr

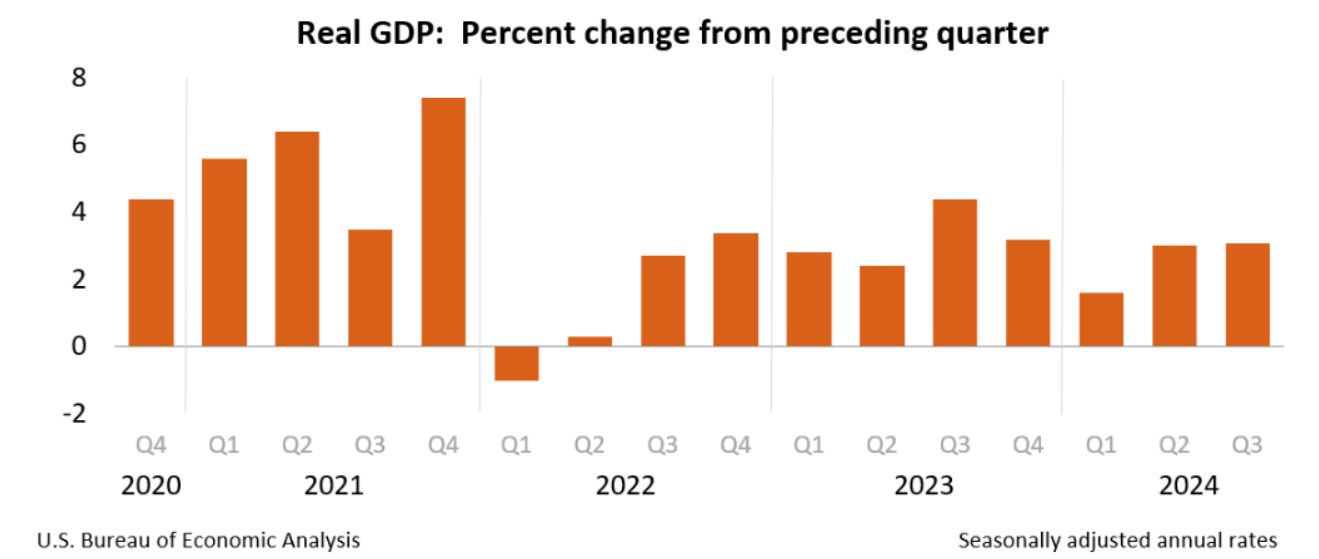
City of Santa Clara

Financial Status Report as of December 31, 2024

On a national level, the unemployment rate changed little from 4.2% in November 2024 to 4.1% in December 2024. In December, the number of unemployed persons totaled 6.9 million, a decrease from 7.1 million in November.<sup>2</sup>



In the third quarter 2024 third estimate, the Gross Domestic Product (GDP) increased by 3.1%, following a GDP increase of 3.0% in the second quarter. The increase in real GDP primarily reflected increases in consumer spending, exports, nonresidential fixed investment, and federal government spending.<sup>3</sup>



<sup>2</sup> <https://www.bls.gov/news.release/pdf/empsit.pdf>

<sup>3</sup> <https://www.bea.gov/sites/default/files/2024-12/tech3q24-3rd.pdf>

# City of Santa Clara

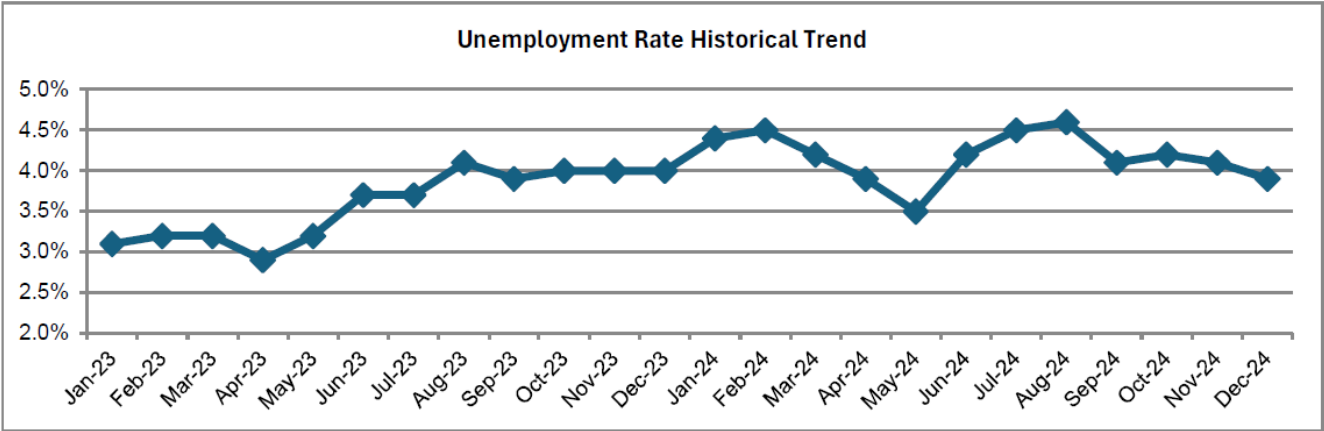
## Financial Status Report as of December 31, 2024

At the state level, the California unemployment rate increased slightly from 5.4% in November 2024 to 5.5% in December 2024. This rate is higher compared to the 5.1% rate in December 2023. Over the past year, California employers have added 180,500 nonfarm jobs.<sup>4</sup>

The winter 2024 UCLA Anderson Forecast for California assumes the state’s economy will grow at about the same rate as the U.S. in 2025 and 2026. “The unemployment rate for the 4th quarter of this year is expected to average 5.3%, and the average for 2025 and 2026 is expected to be 5.5% and 5.0% respectively. Our forecast for 2025 and 2026 is for total employment growth rates to be -0.7% and 1.6%. Non-farm payroll jobs are expected to grow at a 1.5% and 1.3% rate during the same two years. Real personal income is forecast to grow by 2.3% in 2025 and 2.6% in 2026. In spite of the higher interest rates, the continued demand for a limited housing stock coupled with state policies inducing new homebuilding should result in the beginning of a recovery this year followed by slow but solid growth in new home production thereafter.”<sup>5</sup>

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 3.9% in December 2024, down slightly from a revised 4.1% in November 2024, and below the December 2023 estimate of 4.0%. Between December 2023 and December 2024, employment in this region increased by 3,000 jobs, or 0.3%. The largest increases were in private education and health services (up 9,500 jobs), leisure and hospitality (up 3,300 jobs), and professional and business services (up 2,800 jobs). Notable employment reductions were in manufacturing (down 6,200 jobs) and information (down 5,300 jobs).<sup>6</sup>

San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area  
unnyvale-Santa Clara Metropolitan Statistical Area



<sup>4</sup> <https://edd.ca.gov/es/about-edd/news-releases-and-announcements/unemployment-december-2024/>  
<sup>5</sup> UCLA Anderson Forecast Winter 2024 Economic Forecast, “California After the Election”, Jerry Nickelsburg  
<sup>6</sup> [https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pd\\$pd.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pd$pd.pdf)

### 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 2024/25 was \$310.7 million. The amended budget for revenues and expenditures was adjusted to \$327.1 million to reflect carryover encumbrances from fiscal year 2023/24 and various budget amendments approved by the City Council through December 2024. Amendments approved by the City Council as part of the FY 2023/24 Budget Year-End Report, are also reflected in the tables of this report.

General Fund revenues and expenditures are tracking within estimated levels.

## Financial Status Report as of December 31, 2024

### General Fund Revenues

As of December 31, 2024, \$117.8 million or 38.8% of the General Fund estimated revenue (excluding transfers) was received. Collections are tracking below par through December due to the timing of payments. In some categories, such as property tax, most payments are scheduled to occur later in the fiscal year. Transfers and use of reserves of \$23.7 million have occurred as budgeted.

#### CITY OF SANTA CLARA GENERAL FUND REVENUE OVERVIEW AND COMPARISON BY TYPE

| Function                                             | FISCAL YEAR 2024/25   |                       |                           |                     | PY REVENUE COMPARISON     |                        |                   |
|------------------------------------------------------|-----------------------|-----------------------|---------------------------|---------------------|---------------------------|------------------------|-------------------|
|                                                      | Adopted Budget        | Amended Budget        | Actual Through 12/31/2024 | Percentage Received | Actual Through 12/31/2023 | Change From Prior Year | Percentage Change |
| <b>TAXES</b>                                         |                       |                       |                           |                     |                           |                        |                   |
| Sales Tax                                            | \$ 62,900,000         | \$ 62,900,000         | \$ 24,119,462             | 38.35%              | \$ 19,961,470             | \$ 4,157,992           | 20.83%            |
| Property Tax                                         | 94,391,000            | 94,391,000            | 28,517,469                | 30.21%              | 26,990,697                | 1,526,772              | 5.66%             |
| Transient Occupancy Tax                              | 22,850,000            | 22,850,000            | 7,710,140                 | 33.74%              | 6,208,270                 | 1,501,870              | 24.19%            |
| Other Taxes                                          | 6,950,000             | 6,950,000             | 1,996,086                 | 28.72%              | 1,946,435                 | 49,651                 | 2.55%             |
| <b>Total Taxes</b>                                   | <b>187,091,000</b>    | <b>187,091,000</b>    | <b>62,343,157</b>         | <b>33.32%</b>       | <b>55,106,872</b>         | <b>7,236,285</b>       | <b>13.13%</b>     |
| <b>LICENSES &amp; PERMITS</b>                        |                       |                       |                           |                     |                           |                        |                   |
| Business Licenses                                    | 6,000,000             | 6,000,000             | 3,461,966                 | 57.70%              | 2,499,506                 | 962,460                | 38.51%            |
| Fire Operation Permits                               | 2,010,000             | 2,010,000             | 1,090,586                 | 54.26%              | 809,905                   | 280,681                | 34.66%            |
| Miscellaneous Permits                                | 55,000                | 55,000                | 244,550                   | 444.64%             | 3,200                     | 241,350                | 7542.19%          |
| <b>Total Licenses &amp; Permits</b>                  | <b>8,065,000</b>      | <b>8,065,000</b>      | <b>4,797,102</b>          | <b>59.48%</b>       | <b>3,312,611</b>          | <b>1,484,491</b>       | <b>44.81%</b>     |
| <b>FINES &amp; PENALTIES</b>                         | <b>1,452,000</b>      | <b>1,452,000</b>      | <b>747,597</b>            | <b>51.49%</b>       | <b>1,215,516</b>          | <b>(467,919)</b>       | <b>-38.50%</b>    |
| <b>INTERGOVERNMENTAL</b>                             | <b>970,000</b>        | <b>1,118,785</b>      | <b>781,331</b>            | <b>69.84%</b>       | <b>208,153</b>            | <b>573,178</b>         | <b>275.36%</b>    |
| <b>CHARGES FOR SERVICES</b>                          | <b>30,829,954</b>     | <b>30,829,954</b>     | <b>17,137,464</b>         | <b>55.59%</b>       | <b>15,546,311</b>         | <b>1,591,153</b>       | <b>10.23%</b>     |
| <b>SILICON VALLEY POWER TRANSFER</b>                 | <b>34,500,000</b>     | <b>34,500,000</b>     | <b>17,732,550</b>         | <b>51.40%</b>       | <b>16,455,125</b>         | <b>1,277,425</b>       | <b>7.76%</b>      |
| <b>USE OF MONEY &amp; PROPERTY</b>                   |                       |                       |                           |                     |                           |                        |                   |
| Interest                                             | 6,212,000             | 6,212,000             | 1,669,078                 | 26.87%              | 283,276                   | 1,385,802              | 489.21%           |
| Rent                                                 | 13,028,187            | 13,028,187            | 6,264,642                 | 48.09%              | 6,134,222                 | 130,420                | 2.13%             |
| <b>Total Use of Money &amp; Property</b>             | <b>19,240,187</b>     | <b>19,240,187</b>     | <b>7,933,720</b>          | <b>41.24%</b>       | <b>6,417,498</b>          | <b>1,516,222</b>       | <b>23.63%</b>     |
| <b>MISCELLANEOUS REVENUES</b>                        | <b>215,550</b>        | <b>7,540,272</b>      | <b>323,813</b>            | <b>4.29%</b>        | <b>177,749</b>            | <b>146,064</b>         | <b>82.17%</b>     |
| <b>LAND PROCEED</b>                                  | <b>-</b>              | <b>-</b>              | <b>-</b>                  | <b>N/A</b>          | <b>-</b>                  | <b>-</b>               | <b>N/A</b>        |
| <b>OTHER FINANCING SOURCES</b>                       |                       |                       |                           |                     |                           |                        |                   |
| 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                     | 6,964,827             | 13,906,439            | 13,906,439                | 100.00%             | 8,097,132                 | 5,809,307              | 71.75%            |
| Operating Transfer In - Fund Balances <sup>(1)</sup> | 6,162,369             | 6,162,369             | 6,162,369                 | 100.00%             | 4,759,683                 | 1,402,686              | 29.47%            |
| Operating Transfer In - Miscellaneous                | 575,821               | 2,201,534             | 2,201,534                 | 100.00%             | 746,044                   | 1,455,490              | 195.09%           |
| <b>Total Other Financing Sources</b>                 | <b>15,157,017</b>     | <b>23,724,342</b>     | <b>23,724,342</b>         | <b>100.00%</b>      | <b>15,056,859</b>         | <b>8,667,483</b>       | <b>57.57%</b>     |
| <b>STADIUM OPERATION</b>                             |                       |                       |                           |                     |                           |                        |                   |
| Charges for Services                                 | 11,705,481            | 12,023,104            | 5,813,945                 | 48.36%              | 1,375,924                 | 4,438,021              | 322.55%           |
| Rent and Licensing                                   | 1,472,000             | 1,472,000             | 170,489                   | 11.58%              | 69,313                    | 101,176                | 145.97%           |
| <b>Total Stadium Operation</b>                       | <b>13,177,481</b>     | <b>13,495,104</b>     | <b>5,984,434</b>          | <b>44.35%</b>       | <b>1,445,237</b>          | <b>4,539,197</b>       | <b>314.08%</b>    |
| <b>TOTAL GENERAL FUND</b>                            | <b>\$ 310,698,189</b> | <b>\$ 327,056,644</b> | <b>\$ 141,505,510</b>     | <b>43.27%</b>       | <b>\$ 114,941,931</b>     | <b>\$ 26,563,579</b>   | <b>23.11%</b>     |

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2024 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 December 31, 2024, \$24.1 million has been collected, which is 20.8% higher than prior year collection levels. Given the timing of payments, the sales tax payments through December account for actual activity in the first quarter of FY 2024/25 (July through September 2024) totaling \$19.2 million and an advance payment for October 2024 totaling \$4.6 million. In addition, \$0.3 million has been received for the Proposition 172 Public Safety Sales Tax, which is consistent with the prior fiscal year.

In the first quarter of FY 2024/25 (July – September activity) receipts totaled \$19.2 million. This collection level was well above prior year receipts of \$15.1 million for the first quarter of FY 2023/24. This increase was primarily the result of a 44% increase in the Business-to-Business category, much of which is one time in nature. Growth was also realized in the construction (up 7.5%) and food products (up 1.3%) categories, partially offset by reductions in the general retail (down 4.9%) and transportation (down 9.8%) categories. The County pool receipts in the first quarter of FY 2024/25 were also up 38.6% over the first quarter of FY 2023/24 based on the City's strong sales tax performance; these collection represent approximately 20% of the City's sales tax receipts.

Given the strong performance in the first quarter, collections can drop approximately 7% in each of the remaining three quarters of FY 2024/25 and still meet the budget estimate of \$62.0 million. It is important to note that sales tax receipts can vary significantly from quarter to quarter.

**Property Tax:** \$28.5 million in property tax receipts were received through December 2024. 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 at \$95.9 million, slightly above the Adopted Budget estimate of \$94.4 million.

**Transient Occupancy Tax (TOT):** TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate was 12.5% in December 2024 and increased to 13.5% effective January 1, 2025. Through December 31, 2024, approximately \$7.7 million was received, or 33.7% of the budget. This collection level was 24% above the \$6.2 million received through December of the prior fiscal year. Receipts are currently tracking to exceed the budget estimate of \$22.9 million.

**Other Taxes:** Includes franchise tax and documentary transfer tax. The City has collected approximately \$2.0 million through December, including \$1.5 million in franchise taxes and \$0.5 million in documentary transfer taxes. This collection level is 2.6% higher than last fiscal year levels due to higher documentary transfer tax receipts.

**Licenses & Permits:** Includes business licenses, fire operation permits, and miscellaneous permits and fees. Revenue collections are tracking above par with receipts totaling \$4.8 million, or 59.5% of the \$8.1 million budget. This reflects strong growth in all categories with the largest collections in the business license tax category. Effective FY 2023/24, the City implemented a new Business License Tax methodology which is reflected in the receipts recorded this fiscal year totaling \$3.5 million, or 57.7% of the budget. This collection level is above the prior year level of \$2.5 million due, in part, to the timing of

payments; last year, collections at the beginning of the year were delayed with the implementation of the new tax structure.

**Fines & Penalties:** Includes vehicle, parking, court fines, and miscellaneous penalty fines. Through December, revenue in this category totaled \$0.75 million which was below the prior year level of \$1.2 million due primarily to lower municipal fines and collection charges.

**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 December, approximately \$0.8 million has been collected, or 69.8% of the \$1.0 million budget.

**Charges for Services:** Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through December, collections totaled approximately \$17.1 million or 55.6% of the budget. This reflects a 10.2% increase compared to last year's collections, primarily due to higher receipts from engineering fees and interdepartmental charges.

**Silicon Valley Power Transfer:** In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. 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 December, \$7.9 million has been collected, compared to \$6.4 million last fiscal year. This increase is due to higher interest and higher rents, specifically right-of-way, collected in the current year.

**Miscellaneous Revenues:** Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through December, collections total \$0.3 million, compared to \$0.2 million collected in the prior year.

**Stadium Operation:** Through December, approximately \$6.0 million has been collected through charges for services and rent.

## Financial Status Report as of December 31, 2024

### General Fund Expenditures

As of December 31, 2024, \$167.8 million or 51.3% of the General Fund operating budget had been expended, which is higher than prior year expenditure levels. Excluding transfers, expenditures totaled \$141.3 million, or 47% of the budget, which is slightly below par. Transfers of \$26.5.0 million have occurred as budgeted. Overall, expenditures in the General Fund are at budgeted levels through December.

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

| Function                                   | FISCAL YEAR 2024/25   |                       |                           |                 | PY EXPENDITURES COMPARISON |                           |                   |
|--------------------------------------------|-----------------------|-----------------------|---------------------------|-----------------|----------------------------|---------------------------|-------------------|
|                                            | Adopted Budget        | Amended Budget        | Actual Through 12/31/2024 | Percentage Used | Actual Through 12/31/2023  | \$ Change From Prior Year | Percentage Change |
| <b>GENERAL GOVERNMENT</b>                  |                       |                       |                           |                 |                            |                           |                   |
| Non-Departmental                           | \$ 17,622,136         | \$ 18,852,222         | \$ 8,140,060              | 43.18%          | \$ 6,967,611               | \$ 1,172,449              | 16.83%            |
| City Council                               | 1,196,923             | 1,196,923             | 537,978                   | 44.95%          | 546,010                    | (8,032)                   | -1.47%            |
| City Clerk                                 | 2,102,267             | 2,186,267             | 923,222                   | 42.23%          | 784,133                    | 139,089                   | 17.74%            |
| City Manager                               | 8,222,051             | 8,030,316             | 2,054,177                 | 25.58%          | 1,820,152                  | 234,025                   | 12.86%            |
| City Attorney                              | 3,357,661             | 3,440,037             | 1,443,361                 | 41.96%          | 1,371,355                  | 72,006                    | 5.25%             |
| Human Resources                            | 4,845,256             | 5,377,027             | 1,906,800                 | 35.46%          | 1,631,559                  | 275,241                   | 16.87%            |
| Finance                                    | 21,008,682            | 21,922,775            | 10,341,912                | 47.17%          | 8,305,455                  | 2,036,457                 | 24.52%            |
| <b>Total General Government</b>            | <b>58,354,976</b>     | <b>61,005,567</b>     | <b>25,347,510</b>         | <b>41.55%</b>   | <b>21,426,275</b>          | <b>3,921,235</b>          | <b>18.30%</b>     |
| <b>PUBLIC WORKS</b>                        | <b>26,347,463</b>     | <b>28,226,582</b>     | <b>12,437,660</b>         | <b>44.06%</b>   | <b>11,718,068</b>          | <b>719,592</b>            | <b>6.14%</b>      |
| <b>COMMUNITY DEVELOPMENT</b>               | <b>5,575,313</b>      | <b>5,636,381</b>      | <b>2,379,157</b>          | <b>42.21%</b>   | <b>2,484,993</b>           | <b>(105,836)</b>          | <b>-4.26%</b>     |
| <b>PARKS AND RECREATION</b>                | <b>23,172,047</b>     | <b>23,931,989</b>     | <b>10,682,449</b>         | <b>44.64%</b>   | <b>10,725,288</b>          | <b>(42,839)</b>           | <b>-0.40%</b>     |
| <b>PUBLIC SAFETY</b>                       |                       |                       |                           |                 |                            |                           |                   |
| Fire                                       | 66,292,191            | 67,102,918            | 34,155,652                | 50.90%          | 32,561,337                 | 1,594,315                 | 4.90%             |
| Police                                     | 92,074,298            | 92,973,019            | 44,440,608                | 47.80%          | 41,755,415                 | 2,685,193                 | 6.43%             |
| <b>Total Public Safety</b>                 | <b>158,366,489</b>    | <b>160,075,937</b>    | <b>78,596,260</b>         | <b>49.10%</b>   | <b>74,316,752</b>          | <b>4,279,508</b>          | <b>5.76%</b>      |
| <b>LIBRARY</b>                             | <b>11,732,505</b>     | <b>12,212,058</b>     | <b>5,908,177</b>          | <b>48.38%</b>   | <b>4,968,393</b>           | <b>939,784</b>            | <b>18.92%</b>     |
| <b>DEPARTMENTAL TOTAL</b>                  | <b>283,548,793</b>    | <b>291,088,514</b>    | <b>135,351,213</b>        | <b>46.50%</b>   | <b>125,639,769</b>         | <b>9,711,444</b>          | <b>7.73%</b>      |
| <b>OTHER FINANCING USES</b>                |                       |                       |                           |                 |                            |                           |                   |
| Operating Transfer Out - Miscellaneous     | 626,778               | 7,408,161             | 7,408,161                 | 100.00%         | 1,198,809                  | 6,209,352                 | 517.96%           |
| Operating Transfer Out - Debt Services     | 1,405,940             | 1,405,940             | 1,405,940                 | 100.00%         | 1,402,440                  | 3,500                     | 0.25%             |
| Operating Transfer Out - Maintenance Dtrct | 977,546               | 977,546               | 977,546                   | 100.00%         | 942,413                    | 35,133                    | 3.73%             |
| Operating Transfer Out - Cemetery          | 823,000               | 823,000               | 823,000                   | 100.00%         | 796,000                    | 27,000                    | 3.39%             |
| Operating Transfer Out - CIP               | 14,204,882            | 15,855,042            | 15,855,042                | 100.00%         | 7,305,499                  | 8,549,543                 | 117.03%           |
| <b>Total Other Financing Uses</b>          | <b>18,038,146</b>     | <b>26,469,689</b>     | <b>26,469,689</b>         | <b>100.00%</b>  | <b>11,645,161</b>          | <b>14,824,528</b>         | <b>127.30%</b>    |
| <b>STADIUM OPERATION</b>                   | <b>9,111,250</b>      | <b>9,498,441</b>      | <b>5,938,132</b>          | <b>62.52%</b>   | <b>5,819,461</b>           | <b>118,671</b>            | <b>2.04%</b>      |
| <b>TOTAL GENERAL FUND</b>                  | <b>\$ 310,698,189</b> | <b>\$ 327,056,644</b> | <b>\$ 167,759,034</b>     | <b>51.29%</b>   | <b>\$ 143,104,391</b>      | <b>\$ 24,654,644</b>      | <b>17.23%</b>     |

### 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 December, expenditures totaled \$8.1 million, or 43.2% of the budget. These expenditures are below par of 50%, but higher than prior year levels. This increase is primarily due to higher spend in the salaries and benefits categories and the timing of payments made to the Silicon Valley Animal Control Authority.

**City Attorney:** Actual expenditures through December totaled approximately \$1.4 million, which is 42% of the budget, which is below par. Spending is 5.3% higher than the total expenditures through the same time last fiscal year due primarily to increases in the salaries and benefits categories and the outside legal services category.

**City Clerk:** Through December, actual expenditures were tracking at \$0.9 million or approximately 42.2% of the budget. This expenditure level reflects a 17.7% increase compared to last fiscal year due to one-time Granicus costs that are paid every other year.

**City Council:** Through December, expenditures of \$0.5 million were at 45% of budget, which is below par. Expenditures are on par with the prior fiscal year levels.

**City Manager:** The actual expenditures through December totaled \$2.1million, or 25.6% of the budget, which is below par for this time of the year. Expenditures are 12.9% higher compared with the spending level through the same period last fiscal year. The increase is attributable to higher spend in the salaries and benefits, advertising, and contractual services categories.

**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 December, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$2.4 million, or 42.2% of the budget, which is below par of 50%. This expenditure level is slightly lower than prior year spend.

**Finance Department:** Through December, the Department's expenditures totaled \$10.3 million, or 47.2% of the budget, which is slightly below par. This expenditure level was approximately 24.5% higher than through the same period last year. The current year spend reflects higher salaries and benefits and contractual services costs, primarily related to PeopleSoft and the Questica Budget System.

**Fire Department:** Through December, actual expenditures totaled \$34.2 million, or 50.9% of the budget, which is slightly above par. These expenditures also reflect a 4.9% increase from last fiscal year due to higher expenditures across the salaries and benefits and non-personnel categories including contractual services and capital outlay. Overtime expenditures are tracking over budget at 159.4% due, in part, to overtime expenditures related to mutual aid deployment efforts. These costs are

reimbursable, and a budget action was approved by the City Council on December 3, 2024, to recognize reimbursements received to date and increase the Department's overtime budget. A budget action is included in this report to recognize additional reimbursements that have been received. Further actions will be brought forward for City Council approval to recognize reimbursements and adjust the Department overtime budget as additional reimbursements are received. Excluding mutual aid-related costs, the overtime budget is 96.8% expended through December. Overtime is used to backfill for shift absences and vacant shift positions to maintain daily minimum staffing. It is anticipated that overtime expenditures will exceed the overtime budget as the current absence rate exceeds the estimate used in the development of the budget.

Through December, absences are down 6% (from 45,249 to 42,344 hours) when compared with the prior fiscal year but remain above historical levels. Absences are trending high in the areas of family sick leave, sick leave, and vacation usage. 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. Through December, the compensatory time payouts total \$864,390, which is above historical levels but 41.3% below the payouts of \$1,472,115 experienced through December of last fiscal year. The Department will continue to monitor expenditures throughout the fiscal year and bring forth budget recommendations, as needed.

**Library Department:** Through December, actual expenditures totaled \$5.9 million, or 48.4% of the budget, which is slightly below par, but 18.9% higher than expenditure levels last fiscal year. The higher spending is primarily in the salaries and benefits and maintenance categories.

**Parks and Recreation Department:** Through December, actual expenditures totaled \$10.7 million, or 44.6% of the budget, which is below par, and consistent with last fiscal year spend.

**Police Department:** Expenditures through December are tracking at expected levels at \$44.4 million, or 47.8% of the budget; this is approximately 6.4% higher than prior year spending. The higher spend is primarily in the salaries and benefits, as-needed and IT subscription services categories.

**Stadium Operation:** Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$5.9 million through December, which is consistent with the prior year. The Stadium hosted four ticketed Non-NFL events and ten NFL games through December. Fewer ticketed Non-NFL events in the current year resulted in lower as needed and overtime spend for Non-NFL events, however that decrease was offset by wage increases and planning costs associated with Super Bowl LX and FIFA World Cup 2026. These costs are fully reimbursed by the Bay Area Host Committee or the Stadium Authority.

### Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of December 31, 2024. The amended budget reflects carryover encumbrances from fiscal year 2023/24 and budget amendments approved by the City Council through December 2024.

Revenues totaled approximately \$12.5 million, while expenditures totaled approximately \$11.0 million through the end of December. Both revenue and expenditures are tracking below par of 50%. In the Building Development Services Fee Fund and Fire Development Services Fee Fund, development-related fees and expenditures are tracking above par and prior year levels. In the City Affordable Housing Fund and Housing Successor Agency Fund, higher interest earnings have been collected when compared to prior year levels. However, there have been lower interest collections in the Housing Authority Fund. Higher spend has been recorded in the Housing and Urban Development Fund, which reflects activity in CDBG and HOME grant funded projects.

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

| Fund Description                       | REVENUE - FISCAL YEAR 2024/25 |                      |                           |                     | PRIOR YEAR REVENUE COMPARISON |                           |                |
|----------------------------------------|-------------------------------|----------------------|---------------------------|---------------------|-------------------------------|---------------------------|----------------|
|                                        | Adopted Budget                | Amended Budget       | Actual Through 12/31/2024 | Percentage Received | Actual Through 12/31/2023     | \$ Change From Prior Year | Percent Change |
| Building Development Services Fee Fund | \$ 16,164,000                 | \$ 16,164,000        | \$ 8,742,312              | 54.09%              | \$ 7,589,080                  | \$ 1,153,232              | 15.20%         |
| City Affordable Housing Fund           | 1,168,177                     | 1,168,177            | 444,574                   | 38.06%              | 195,136                       | 249,438                   | 127.83%        |
| Fire Development Services Fee Fund     | 3,277,500                     | 3,277,500            | 2,276,438                 | 69.46%              | 1,770,623                     | 505,815                   | 28.57%         |
| Housing and Urban Development          | 2,532,068                     | 7,023,563            | 570,398                   | 8.12%               | 604,649                       | (34,251)                  | -5.66%         |
| Housing Authority Fund                 | 252,496                       | 252,496              | 29,294                    | 11.60%              | 74,947                        | (45,653)                  | -60.91%        |
| Housing Successor Fund                 | 1,306,326                     | 1,306,326            | 443,592                   | 33.96%              | 305,876                       | 137,716                   | 45.02%         |
| <b>TOTAL</b>                           | <b>\$ 24,700,567</b>          | <b>\$ 29,192,062</b> | <b>\$ 12,506,608</b>      | <b>42.84%</b>       | <b>\$ 10,540,311</b>          | <b>\$ 1,966,297</b>       | <b>18.66%</b>  |

| Fund Description                       | EXPENDITURES - FISCAL YEAR 2024/25 |                      |                           |                 | PRIOR YEAR EXPENDITURE COMPARISON |                           |                |
|----------------------------------------|------------------------------------|----------------------|---------------------------|-----------------|-----------------------------------|---------------------------|----------------|
|                                        | Adopted Budget                     | Amended Budget       | Actual Through 12/31/2024 | Percentage Used | Actual Through 12/31/2023         | \$ Change From Prior Year | Percent Change |
| Building Development Services Fee Fund | \$ 15,044,148                      | \$ 17,302,488        | \$ 7,210,418              | 41.67%          | \$ 6,654,852                      | \$ 555,566                | 8.35%          |
| City Affordable Housing Fund           | 1,593,647                          | 12,152,276           | 382,963                   | 3.15%           | 2,805,562                         | (2,422,599)               | -86.35%        |
| Fire Development Services Fee Fund     | 3,387,922                          | 3,387,922            | 1,760,892                 | 51.98%          | 1,512,706                         | 248,186                   | 16.41%         |
| Housing and Urban Development          | 2,532,068                          | 7,968,912            | 1,205,730                 | 15.13%          | 607,732                           | 597,998                   | 98.40%         |
| Housing Authority Fund                 | 468,931                            | 511,389              | 80,293                    | 15.70%          | 80,941                            | (648)                     | -0.80%         |
| Housing Successor Fund                 | 902,579                            | 1,012,590            | 337,313                   | 33.31%          | 450,455                           | (113,142)                 | -25.12%        |
| <b>TOTAL</b>                           | <b>\$ 23,929,295</b>               | <b>\$ 42,335,577</b> | <b>\$ 10,977,609</b>      | <b>25.93%</b>   | <b>\$ 12,112,248</b>              | <b>\$ (1,134,639)</b>     | <b>-9.37%</b>  |

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 December 2024. As of December 31, 2024, the capital fund revenue totaled \$11.0 million. In the City Affordable Housing Capital Fund, revenue collected reflects housing impact fees. In the Streets and Highways Capital Fund, the majority of the revenue collected reflects revenue from other agencies, vehicle registration fees, as well as VTA Measure B funds. The Parks and Recreation Capital Fund total reflects \$1.5 million collected in Mitigation Fee Act revenue as well as interest earnings.

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

| Fund Description                                     | REVENUE - FISCAL YEAR 2024/25 |                         |                      |                           |                 |
|------------------------------------------------------|-------------------------------|-------------------------|----------------------|---------------------------|-----------------|
|                                                      | Current Year Appropriation    | Prior Year Carryforward | Total Amended Budget | Actual Through 12/31/2024 | Percentage Used |
| City Affordable Housing Capital Fund                 | \$ -                          | \$ -                    | \$ -                 | \$ 3,300,526              | NA              |
| Parks & Recreation                                   | -                             | 3,349,489               | 3,349,489            | 2,360,345                 | 70.47%          |
| Related Santa Clara Developer                        | 795,344                       | -                       | 795,344              | 145,344                   | 18.27%          |
| Storm Drain                                          | 1,121,098                     | 3,000,000               | 4,121,098            | 742,570                   | 18.02%          |
| Streets & Highways                                   | 9,055,028                     | 22,490,903              | 31,545,931           | 4,308,378                 | 13.66%          |
| Tasman East Specific Infrastructure Improvement Fund | 3,734,932                     | -                       | 3,734,932            | 107,440                   | 2.88%           |
| TOTAL                                                | \$ 14,706,402                 | \$ 28,840,392           | \$ 43,546,794        | \$ 10,964,603             | 25.18%          |

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 December 2024. As of December 31, 2024, capital fund expenditures totaled \$17.1 million, or 9.6% of the amended budget.

As part of the adoption of the FY 2024/25 and FY 2025/26 biennial capital improvement program budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2024. Necessary additional adjustments to the capital carryover amounts were included as part of the FY 2023/24 Budget Year End Report approved on December 3, 2024 and are reflected in the tables below.

### CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

| EXPENDITURES - FISCAL YEAR 2024/25                   |                            |                         |                       |                           |                 |  |
|------------------------------------------------------|----------------------------|-------------------------|-----------------------|---------------------------|-----------------|--|
| Fund Description                                     | Current Year Appropriation | Prior Year Carryforward | Total Amended Budget  | Actual Through 12/31/2024 | Percentage Used |  |
| Fire                                                 | \$ 1,662,559               | \$ 1,247,874            | \$ 2,910,433          | \$ 369,652                | 12.70%          |  |
| General Gov't - Other                                | 4,456,611                  | 9,127,697               | 13,584,308            | 728,976                   | 5.37%           |  |
| Library                                              | 488,711                    | 248,407                 | 737,118               | 10,964                    | 1.49%           |  |
| Parks & Recreation                                   | 9,085,289                  | 25,525,570              | 34,610,859            | 2,019,924                 | 5.84%           |  |
| Public Buildings                                     | 4,296,884                  | 5,442,248               | 9,739,132             | 599,310                   | 6.15%           |  |
| Related Santa Clara Developer                        | 815,172                    | 393,992                 | 1,209,164             | 225,523                   | 18.65%          |  |
| Storm Drain                                          | 3,342,908                  | 7,135,999               | 10,478,907            | 829,510                   | 7.92%           |  |
| Streets & Highways                                   | 24,835,146                 | 77,468,474              | 102,303,620           | 12,306,914                | 12.03%          |  |
| Tasman East Specific Infrastructure Improvement Fund | 1,422,414                  | 1,433,994               | 2,856,408             | 8,545                     | 0.30%           |  |
| <b>TOTAL</b>                                         | <b>\$ 50,405,694</b>       | <b>\$ 128,024,255</b>   | <b>\$ 178,429,949</b> | <b>\$ 17,099,318</b>      | <b>9.58%</b>    |  |

### Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of December 31, 2024. Overall, revenues are tracking above budgeted estimates, while expenditures are tracking below budgeted levels.

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

| Fund Description         | REVENUE - FISCAL YEAR 2024/25 |                         |                           |                     | PRIOR YEAR REVENUE COMPARISON |                           |                |
|--------------------------|-------------------------------|-------------------------|---------------------------|---------------------|-------------------------------|---------------------------|----------------|
|                          | Adopted Budget                | Amended Budget          | Actual Through 12/31/2024 | Percentage Received | Actual Through 12/31/2023     | \$ Change From Prior Year | Percent Change |
| Cemetery Fund            | \$ 750,000                    | \$ 750,000              | \$ 318,008                | 42.40%              | \$ 225,552                    | \$ 92,456                 | 40.99%         |
| Electric Utility Fund    | 893,397,959                   | 893,397,959             | 490,727,966               | 54.93%              | 327,579,687                   | 163,148,279               | 49.80%         |
| Sewer Utility Fund       | 46,989,803                    | 46,989,803              | 25,331,409                | 53.91%              | 35,766,202                    | (10,434,793)              | -29.18%        |
| Solid Waste Utility Fund | 41,561,372                    | 41,561,372              | 18,406,241                | 44.29%              | 17,450,271                    | 955,970                   | 5.48%          |
| Water Recycling Fund     | 8,507,338                     | 8,507,338               | 5,756,937                 | 67.67%              | 4,171,682                     | 1,585,255                 | 38.00%         |
| Water Utility Fund       | 64,096,935                    | 64,096,935              | 32,973,364                | 51.44%              | 28,102,569                    | 4,870,795                 | 17.33%         |
| <b>TOTAL REVENUE</b>     | <b>\$ 1,055,303,407</b>       | <b>\$ 1,055,303,407</b> | <b>\$ 573,513,925</b>     | <b>54.35%</b>       | <b>\$ 413,295,963</b>         | <b>\$ 160,217,962</b>     | <b>38.77%</b>  |

| Fund Description                        | EXPENSES - FISCAL YEAR 2024/25 |                       |                           |                 | PRIOR YEAR EXPENSE COMPARISON |                           |                |
|-----------------------------------------|--------------------------------|-----------------------|---------------------------|-----------------|-------------------------------|---------------------------|----------------|
|                                         | Adopted Budget                 | Amended Budget        | Actual Through 12/31/2024 | Percentage Used | Actual Through 12/31/2023     | \$ Change From Prior Year | Percent Change |
| Cemetery Fund                           | \$ 1,628,800                   | \$ 1,628,800          | \$ 573,056                | 35.18%          | \$ 516,791                    | \$ 56,265                 | 10.89%         |
| Electric Utility Fund                   | 649,513,582                    | 677,835,619           | 279,312,796               | 41.21%          | 276,519,821                   | 2,792,975                 | 1.01%          |
| Sewer Utility Fund                      | 38,762,083                     | 39,278,049            | 18,791,266                | 47.84%          | 17,429,638                    | 1,361,628                 | 7.81%          |
| Solid Waste Utility Fund                | 40,775,942                     | 43,928,485            | 18,313,636                | 41.69%          | 15,987,066                    | 2,326,570                 | 14.55%         |
| Water Recycling Fund                    | 9,307,289                      | 10,982,389            | 5,103,452                 | 46.47%          | 3,114,862                     | 1,988,590                 | 63.84%         |
| Water Utility Fund                      | 57,614,177                     | 58,830,207            | 28,980,234                | 49.26%          | 25,804,911                    | 3,175,323                 | 12.31%         |
| <b>TOTAL - Operating Appropriations</b> | <b>\$ 797,601,873</b>          | <b>\$ 832,483,549</b> | <b>\$ 351,074,440</b>     | <b>42.17%</b>   | <b>\$ 339,373,089</b>         | <b>\$ 11,701,351</b>      | <b>3.45%</b>   |

While revenues are tracking slightly higher than prior years, expenditures are consistent with prior year levels. Revenue in the Electric Utility Fund is tracking above the prior year due primarily to bond proceeds of \$130.6 million received in FY 2024/25. In the Sewer Utility Fund, revenue is tracking below the prior year due to the issuance of debt in FY 2023/24. In the Water Recycling Fund, a payment for the 4<sup>th</sup> quarter of last fiscal year was recorded in the current fiscal year due to the timing of receipt of the invoice. A budget adjustment to carryover the budget from FY 2023/24 to FY 2024/25 was included in the FY 2023/24 Budgetary Year-End Report for that payment and is reflected in the table.

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 December 31, 2024

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through December 31, 2024, totaled \$23.7 million, consisting primarily of developer contributions and load development fees in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$26.9 million, or 5.2% of the amended budget. Similar to the general government capital funds, capital funds were carried over from FY 2023/24 as part of the FY 2024/25 and FY 2025/26 budget adoption process for those projects that were not expected to be completed by June 30, 2024. Necessary additional adjustments to the capital carryover amounts were included as part of the FY 2023/24 Budget Year End Report approved on December 31, 2024 and are reflected below.

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

| Fund Description               | REVENUE - FISCAL YEAR 2024/25 |                         |                      |                           |                 |
|--------------------------------|-------------------------------|-------------------------|----------------------|---------------------------|-----------------|
|                                | Current Year Appropriation    | Prior Year Carryforward | Total Amended Budget | Actual Through 12/31/2024 | Percentage Used |
| Convention Center Capital Fund | \$ 550,000                    | \$ -                    | \$ 550,000           | \$ 550,000                | 100.00%         |
| Electric Utility Fund          | 25,465,588                    | 26,213,951              | 51,679,539           | 22,226,620                | 43.01%          |
| Sewer Utility Fund             | -                             | -                       | -                    | 904,164                   | N/A             |
| Solid Waste Utility Fund       | 258,000                       | -                       | 258,000              | 5,356                     | 2.08%           |
| Street Lighting <sup>(1)</sup> | -                             | -                       | -                    | 837                       | N/A             |
| Water Recycling Fund           | -                             | -                       | -                    | -                         | N/A             |
| Water Utility Fund             | -                             | -                       | -                    | 30,684                    | N/A             |
| <b>TOTAL - Revenue</b>         | <b>\$ 26,273,588</b>          | <b>\$ 26,213,951</b>    | <b>\$ 52,487,539</b> | <b>\$ 23,717,661</b>      | <b>45.19%</b>   |

| Fund Description                  | EXPENDITURES - FISCAL YEAR 2024/25 |                         |                       |                           |                 |
|-----------------------------------|------------------------------------|-------------------------|-----------------------|---------------------------|-----------------|
|                                   | Current Year Appropriation         | Prior Year Carryforward | Total Amended Budget  | Actual Through 12/31/2024 | Percentage Used |
| Cemetery Fund                     | \$ 257,333                         | \$ 17,835               | \$ 275,168            | \$ 2,344                  | 0.85%           |
| Convention Center Capital Fund    | 2,696,177                          | 1,726,973               | 4,423,150             | 314,228                   | 7.10%           |
| Electric Utility Fund             | 244,834,145                        | 198,533,383             | 443,367,528           | 18,731,299                | 4.22%           |
| Sewer Utility Fund                | 20,365,166                         | 28,269,938              | 48,635,104            | 4,723,713                 | 9.71%           |
| Solid Waste Utility Fund          | 812,569                            | 119,873                 | 932,442               | 454,001                   | 48.69%          |
| Street Lighting <sup>(1)</sup>    | 5,494,250                          | 3,405,462               | 8,899,712             | 115,845                   | 1.30%           |
| Water Recycling Fund              | 400,000                            | -                       | 400,000               | 238                       | 0.06%           |
| Water Utility Fund                | 5,296,872                          | 6,127,745               | 11,424,617            | 2,555,816                 | 22.37%          |
| <b>TOTAL - CIP Appropriations</b> | <b>\$ 280,156,511</b>              | <b>\$ 238,201,210</b>   | <b>\$ 518,357,721</b> | <b>\$ 26,897,484</b>      | <b>5.19%</b>    |

(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 2024/25, the City Council approved an exception to the policy to allow the Reserve to drop 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 ensures 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

Financial Status Report as of December 31, 2024

CITY OF SANTA CLARA

RESERVE BALANCES

December 31, 2024

| DETAIL OF SELECTED FUND RESERVE BALANCES:   |                 |                |            |
|---------------------------------------------|-----------------|----------------|------------|
|                                             | GENERAL<br>FUND | ELECTRIC       | WATER      |
| Budget Stabilization Reserve                | \$ 69,337,874   |                |            |
| Capital Projects Reserve                    | 7,867,572       |                |            |
| Land Sale Reserve                           | 18,481,036      |                |            |
| Technology Fee Reserve                      | 2,564,774       |                |            |
| Electric Rate Stabilization Fund Reserve    |                 | \$ 70,000,000  |            |
| Electric Operations and Maintenance Reserve |                 | 257,000,000    |            |
| Replacement & Improvement                   |                 |                | \$ 303,090 |
| TOTALS                                      | \$ 98,251,256   | \$ 327,000,000 | \$ 303,090 |

Donations to the City of Santa Clara

Donations received by department during the month of December 2024 and for fiscal year 2024/25 are shown in the table below.

| Department            | Dec-24 | Fiscal Year<br>2024/25 |  | Designated Use                   |
|-----------------------|--------|------------------------|--|----------------------------------|
|                       |        | Year To Date           |  |                                  |
| City Manager's Office | -      | 2                      |  | Help Your Neighbor               |
| Parks & Recreation    | -      | 2,500                  |  | Case Management                  |
| Parks & Recreation    | -      | 632                    |  | Reed/Grant Park Soccer Equipment |
| Parks & Recreation    | 200    | 3,915                  |  | Roberta Jones Jr. Theatre        |
| Parks & Recreation    | -      | 19,375                 |  | Wade Brummal                     |
| TOTALS                | \$ 200 | \$ 26,424              |  |                                  |