



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

November 2022

This report summarizes the City's financial performance for the month ended November 30, 2022. 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.

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 2022/23 was \$272.4 million. The amended budget for revenues and expenditures was adjusted to \$281.6 million to reflect various budget amendments approved by the City Council through November 2022.

General Fund revenues are currently tracking within estimated levels. Through November, departmental expenditures are tracking slightly below budget and this trend is expected to continue as departments continue to control expenditures through various cost control measures.

Economic indicators are mixed, and there is a tremendous amount of uncertainty. Given this level of uncertainty, the December 2022 UCLA Forecast presented a two-scenario economic forecast. "One scenario is no recession, where economic growth is "just right", inflation ebbs, labor market constraints loosen, and the Federal Reserve takes a less aggressive approach to monetary policy tightening. The second scenario is a recession, where inflation would have continued to run hot if not for aggressive Federal Reserve action. In this scenario, the Federal Reserve forces a recession and accepts an economic contraction and higher unemployment to combat inflation. Importantly, the difference in the two scenarios is the exogenous decision of the Federal Reserve is setting monetary policy."¹ The U.S. Chamber of Commerce projects a mild but short recession in 2023. The consensus of its Chief Economists Committee is that "the U.S. will experience a mild but short recession in the middle of 2023 caused by consumer and business spending falling because of rising interest rates. Further contributing to the downturn would be consumers finally exhausting historic saving built up during the COVID-19 pandemic, meaning they would no longer have that source of money to keep spending at a pace with inflation".² The Conference Board Consumer Confidence Index increased in December after losing ground in both October and November. "Inflation expectations retreated in December to their lowest level since September 2021, with recent declines in gas prices a major impetus. Vacation intentions improved but plans to purchase homes and big-ticket appliances cooled further. This shift in consumers' preference from big-ticket items to services will continue in 2023, as will headwinds from inflation and interest rate hikes."³

¹ UCLA Anderson Forecast, December 2022, Goldilocks or Bust: Will the Economy be "Just Right" or Will We have a Recession?

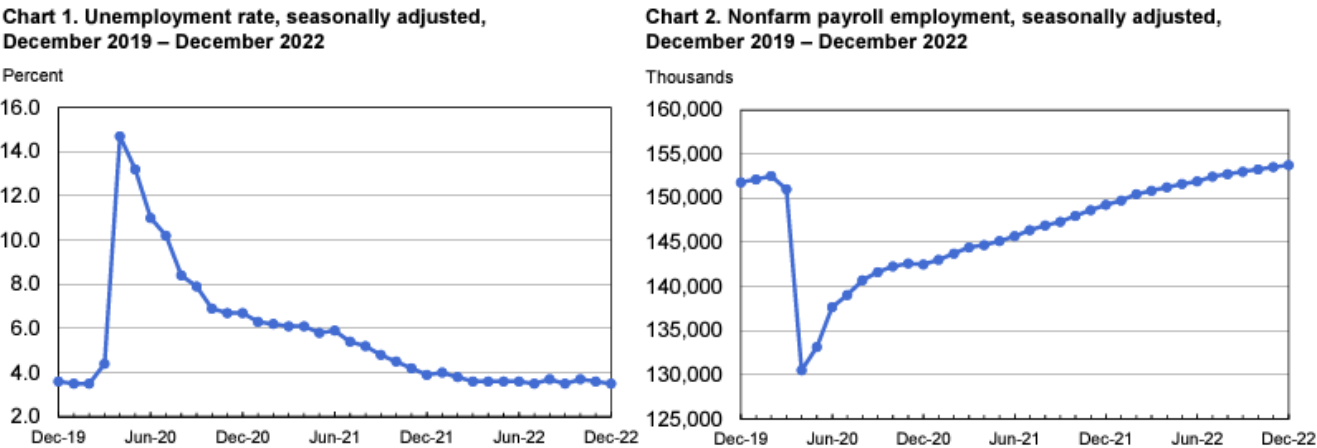
² [What to Expect for the Economy in 2023 | U.S. Chamber of Commerce \(uschamber.com\)](https://www.uschamber.com/economy/2023/01/what-to-expect-for-the-economy-in-2023/)

³ <https://www.conference-board.org/topics/consumer-confidence>

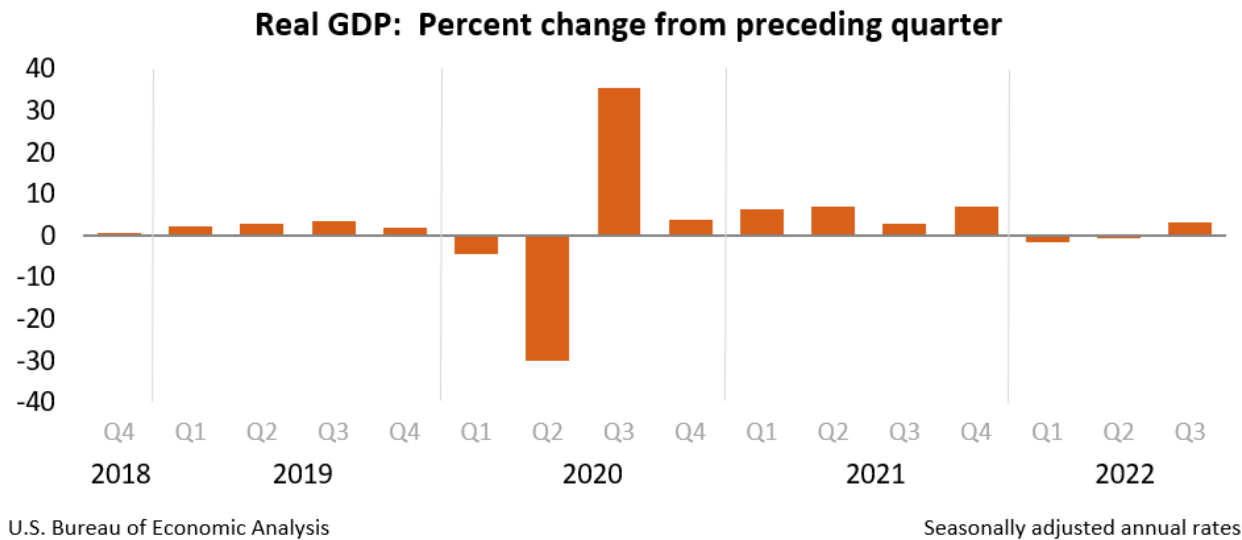
City of Santa Clara

Financial Status Report as of November 30, 2022

On a national level, the unemployment rate decreased slightly to 3.5% between November 2022 and December 2022. This rate was well below the record setting high of 14.7% in April 2020, and equal to the pre-pandemic unemployment rate of 3.5%. In December, the number of unemployed persons fell to 5.7 million from 6.0 million in November. This unemployment figure has reached the pre-pandemic level of 5.7 million.⁴



In the third quarter 2022 third estimate, the Gross Domestic Product (GDP) increased by 3.2%, following a GDP decrease of 0.6% in the second quarter. The increase in the third quarter primarily reflected increases in exports, consumer spending, and State and local government spending.⁵

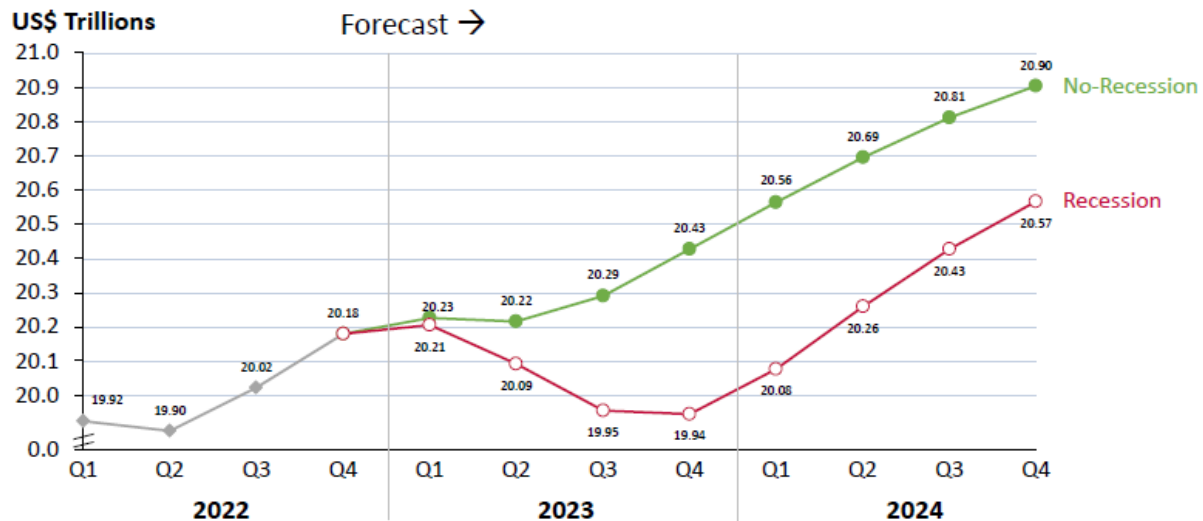


⁴ <https://www.bls.gov/news.release/pdf/empst.pdf>

⁵ https://www.bea.gov/sites/default/files/2022-12/tech3q22_3rd.pdf

The December 2022 UCLA Anderson Forecast projects strong GDP performance in the 4th quarter 2022 driven by consumption and business investment. After that point, the Forecast has differing projections based on the recession or no-recession scenarios as illustrated below. The real GDP gap between these scenarios totals \$490 billion by the end of 2023 and \$330 billion by 2024.

Real GDP Levels, US\$ Trillions, Chained 2012 Prices, Seasonally Adjusted Annual Rates



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

The December 2022 UCLA Forecast for California includes soft-landing and recession scenarios given the current economic uncertainty. In both scenarios, a milder impact is expected for the California economy. In the soft-landing scenario, California continues to grow at a faster rate than the US, led by more construction, ample state government rainy day funds, and increased demand for defense goods as well as labor saving equipment and software. In the recession scenario, the California economy declines but by less than the US.⁶

The State and local employment levels remain strong. After the State's largest increase in the unemployment rate in April 2020, the California unemployment rate increased slightly from 4.0% in October 2022 to 4.1% in November 2022. The November 2022 rate is lower compared to the 5.8% rate in November 2021. California has now regained all of the 2.76 million nonfarm jobs lost due to COVID-19 in March and April 2020, and has outpaced the country's job growth as a whole by 0.7%.⁷

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) slightly increased to 2.4% in November 2022, from a revised 2.2% in October 2022, but is below the November 2021 level of 3.2% and the February 2020 pre-pandemic level of 2.6%. Between

⁶ UCLA Anderson Forecast, A Tale of Two Scenarios: The California Report, December 2022

⁷ https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-november-2022/

November 2021 and November 2022, employment in this region increased by 54,100 jobs, or 4.7%.⁸ The largest increases were in professional and business services (up 13,300 jobs), leisure and hospitality (up 11,400 jobs), and private educational and health services (up 10,600 jobs).

Staff will continue to closely monitor the economic environment and the City's financial performance and provide updates through the Monthly Financial Reports.

⁸ [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 November 30, 2022

General Fund Revenues

As of November 30, 2022, \$73.3 million or 30.7% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$42.6 million have occurred as budgeted. Revenue collections are tracking within estimated levels and are higher when compared to collections last fiscal year.

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

Function	FISCAL YEAR 2022/23				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 11/30/2022	Percentage Received	Actual Through 11/30/2021	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,173,000	\$ 60,173,000	\$ 16,324,246	27.13%	\$ 14,140,585	\$ 2,183,661	15.44%
Property Tax	75,261,000	75,261,000	13,693,270	18.19%	10,626,422	3,066,848	28.86%
Transient Occupancy Tax	12,600,000	12,600,000	5,561,694	44.14%	2,225,952	3,335,742	149.86%
Other Taxes	6,260,000	6,260,000	1,788,958	28.58%	1,471,956	317,002	21.54%
Total Taxes	154,294,000	154,294,000	37,368,168	24.22%	28,464,915	8,903,253	31.28%
LICENSES & PERMITS							
Business Licenses	900,000	900,000	357,795	39.76%	366,699	(8,904)	-2.43%
Fire Operation Permits	2,100,000	2,358,000	792,866	33.62%	838,859	(45,993)	-5.48%
Miscellaneous Permits	72,000	72,000	32,532	45.18%	27,309	5,223	19.12%
Total Licenses & Permits	3,072,000	3,330,000	1,183,193	35.53%	1,232,867	(49,674)	-4.03%
FINES & PENALTIES	1,465,000	1,615,000	105,604	6.54%	141,737	(36,133)	-25.49%
INTERGOVERNMENTAL	310,000	310,000	170,066	54.86%	133,649	36,417	27.25%
CHARGES FOR SERVICES	31,258,098	31,258,098	13,147,444	42.06%	11,849,960	1,297,484	10.95%
SILICON VALLEY POWER TRANSFER	26,170,000	26,170,000	11,934,953	45.61%	10,738,907	1,196,046	11.14%
USE OF MONEY & PROPERTY							
Interest	2,532,000	2,532,000	378,009	14.93%	214,768	163,241	76.01%
Rent	10,584,266	10,584,266	4,307,466	40.70%	3,928,228	379,238	9.65%
Total Use of Money & Property	13,116,266	13,116,266	4,685,475	35.72%	4,142,996	542,479	13.09%
MISCELLANEOUS REVENUES	150,000	189,099	1,859,668	983.44%	300,227	1,559,441	519.42%
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	25,812,244	34,325,079	34,325,079	100.00%	32,456,888	1,868,191	5.76%
Operating Transfer In - Fund Balances ⁽²⁾	4,484,726	4,484,726	4,484,726	100.00%	4,817,658	(332,933)	-6.91%
Operating Transfer In - Miscellaneous	2,127,374	2,370,374	2,370,374	100.00%	5,427,399	(3,057,025)	-56.33%
Total Other Financing Sources	33,878,344	42,634,179	42,634,179	100.00%	44,155,945	(1,521,767)	-3.45%
STADIUM OPERATION							
Charges for Services	7,889,147	7,889,147	2,293,120	29.07%	1,356,594	936,526	69.04%
Rent and Licensing	752,500	752,500	556,621	73.97%	161,511	395,110	244.63%
Total Stadium Operation	8,641,647	8,641,647	2,849,741	32.98%	1,518,105	1,331,636	87.72%
TOTAL GENERAL FUND	\$ 272,355,355	\$ 281,558,289	\$ 115,938,491	41.18%	\$ 102,679,309	\$ 13,259,182	12.91%

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2022 and mid year budget amendment from reserves.

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.0%, of which the City receives 1.0%. As of November 30, 2022, approximately \$16.3 million has been collected. This reflects an increase of \$2.2 million when compared to collections through the same period last fiscal year. After a decline of 8.6% percent in the second quarter of calendar year 2022, sales tax receipts increased 15.7% in the third quarter when compared to the same quarter last year. The third quarter 2022 experienced growth in all sectors as follows: Transportation (up 31.2%), Food Products (up 20.7%), Construction (up 17.3%), General Retail (up 10.0%), and Business to Business (up 3.5%). Growth of 3% is needed in the remaining three quarters of Fiscal Year 2022/23 to meet the budgeted estimate of \$59.4 million. 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: Through November, 18.2% of the property tax budgeted estimate has been received. The majority of property tax revenue is collected in February and April each year. Based on information from the County of Santa Clara, property tax receipts are projected to end the year above the Adopted Budget estimate of \$75.3 million.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate is 11.5%. Through November 30, 2022, approximately \$5.6 million has been received, which is significantly higher than receipts through the same period last fiscal year of \$2.2 million. As businesses continue to recover from the COVID-19 impacts, it is anticipated that TOT will increase compared to last fiscal year. Based on current collection trends, TOT receipts are expected to exceed the budgeted estimate of \$12.6 million.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$1.8 million through November, which higher than prior year collection levels. Receipts through November reflect higher collections in the franchise tax category that is partially offset by lower receipts in the documentary transfer tax category. Based on current collection trends, Other Taxes collections are projected to exceed the budgeted estimate of \$6.3 million.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Effective FY 2021/22, building, electric, plumbing, and mechanical permits are budgeted in the Building Development Services Fund, which is reflected in the Special Revenue section of this report. Licenses and permits revenue collections are tracking slightly below par with receipts totaling \$1.2 million, or 35.5% of the budget of \$3.3 million.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of approximately \$0.1 million collected in this category through November is tracking to end the year well below the budgeted estimate of \$1.6 million largely due to the waiving of late fees implemented in response to COVID-19.

Intergovernmental: Includes motor vehicle fees, state homeowner tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency.

Through November 30, 2022, \$0.2 million has been received, which is consistent with the prior year collection level. However, this category reflects a drop when compared to last month's financial report as a result of a reclassification of a \$1.5 million settlement that has been more appropriately recorded in the Streets and Highways Capital Fund. The settlement amount is to be used for a new capital improvement program project which is included in the recommended budget actions in Attachment 3.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through November 30, 2022, collections are tracking within budget at \$13.1 million, or 42% of the budget. This reflects an 11% increase compared to last year's collections through the same period of \$11.8 million. This increase is a result of higher collections for planning and zoning fees, technology fee, engineering fees, and Fire EMS fees.

Silicon Valley Power Transfer: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. As of November 30, 2022, \$11.9 million has been received. 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. Interest income and rent revenue collections totaled \$4.7 million, or 35.7% of the budget. These collections are higher than collections through last fiscal year of \$4.1 million. Collections are expected to meet or exceed the budgeted estimate of \$13.1 million.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through November 30, 2022, collections of \$1.9 million are higher than collections through the same period last fiscal year of \$0.3 million. This increase is primarily attributable to the 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).

Stadium Operation: As of November 30, 2022, charges for services collected through the Stadium totaled \$2.8 million, which is on par for this time of year. This is also higher than collections through the same period last year resulting from the reopening of Stadium for events.

General Fund Expenditures

As of November 30, 2022, \$116.5 million or 41.4% of the General Fund operating budget had been expended. This is significantly lower than last fiscal year due to lower transfers to other funds; last year included a one-time transfer of the Building Inspection Reserve to the new Building Development Services Fund as well as higher transfers to Capital Funds. Overall, expenditures in the General Fund are within budgeted levels through November. Departmental expenditures totaled \$100.6 million, or 38.3% of the budget, which is below the par level of 41.7% of the budget. Several cost-control measures that were implemented in FY 2019/20 remain in place to generate expenditure savings. These measures include a hiring freeze and controls around overtime, as-needed staff, marketing, travel, technology and vehicle purchases. With these measures, expenditures are expected to end the year below budget.

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

Function	FISCAL YEAR 2022/23				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 11/30/2022	Percentage Used	Actual Through 11/30/2021	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 7,514,334	\$ 7,647,394	\$ 2,013,239	26.33%	\$ 1,313,812	\$ 699,427	53.24%
City Council	861,105	862,396	266,677	30.92%	336,175	(69,498)	-20.67%
City Clerk	2,076,112	2,093,661	757,746	36.19%	606,680	151,066	24.90%
City Manager	6,085,321	6,292,428	1,821,516	28.95%	1,999,737	(178,221)	-8.91%
City Attorney	3,202,735	3,690,974	1,368,946	37.09%	976,791	392,155	40.15%
Human Resources	4,508,710	4,828,451	1,468,880	30.42%	1,437,548	31,332	2.18%
Finance	19,045,131	20,272,300	7,016,819	34.61%	6,296,892	719,927	11.43%
Total General Government	43,293,448	45,687,604	14,713,823	32.21%	12,967,635	1,746,188	13.47%
PUBLIC WORKS	24,021,840	25,092,840	9,133,284	36.40%	9,061,825	71,459	0.79%
COMMUNITY DEVELOPMENT	5,398,007	5,665,420	1,847,449	32.61%	1,896,401	(48,952)	-2.58%
PARKS AND RECREATION	21,695,302	22,287,115	8,681,141	38.95%	7,339,086	1,342,055	18.29%
PUBLIC SAFETY							
Fire	62,298,852	65,944,826	28,080,867	42.58%	25,794,026	2,286,841	8.87%
Police	84,615,023	85,427,549	33,810,147	39.58%	30,830,143	2,980,004	9.67%
Total Public Safety	146,913,875	151,372,375	61,891,014	40.89%	56,624,169	5,266,845	9.30%
LIBRARY	11,889,451	12,277,870	4,343,709	35.38%	3,424,403	919,306	26.85%
DEPARTMENTAL TOTAL	253,211,923	262,383,224	100,610,420	38.34%	91,313,519	9,296,901	10.18%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	38,809	38,809	38,809	100.00%	23,250,142	(23,211,333)	-99.83%
Operating Transfer Out - Debt Services	1,402,275	1,402,275	1,402,275	100.00%	2,501,439	(1,099,164)	-43.94%
Operating Transfer Out - Maintenance Dtrct	842,700	842,700	842,700	100.00%	771,349	71,351	9.25%
Operating Transfer Out - Cemetery	870,000	870,000	870,000	100.00%	850,000	20,000	2.35%
Operating Transfer Out - CIP	8,625,501	8,641,613	8,641,613	100.00%	11,773,925	(3,132,312)	-26.60%
Operating Transfer Out - Reserves	-	-	-	N/A	3,309,009	(3,309,009)	-100.00%
Total Other Financing Uses	11,779,285	11,795,397	11,795,397	100.00%	42,455,864	(30,660,467)	-72.22%
STADIUM OPERATION	7,364,147	7,379,668	4,057,640	54.98%	2,871,639	1,186,001	41.30%
TOTAL GENERAL FUND	\$ 272,355,355	\$ 281,558,289	\$ 116,463,457	41.36%	\$ 136,641,022	\$ (20,177,565)	-14.77%

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. As of November 30, 2022, expenditures totaled \$2.0 million, or 26.3% of the budget. These expenditures are below the par level of 41.7% but are higher than the prior year levels, primarily as a result of higher expenditures in the contractual services as well as salaries and benefits categories.

City Attorney: Through November, actual expenditures totaled approximately \$1.4 million, which is below expected levels at 37.1% of the budget. Spending is 40% above the total expenditures through the same time last fiscal year due to higher contractual legal services costs and salaries and benefits.

City Clerk: Through November, actual expenditures were tracking below budget at \$0.8 million or approximately 36.2% of the budget. This reflects a 25% increase in spending compared to prior year spend levels. This is a result of one-time special election costs as well as Granicus costs that are paid every other year.

City Council: Through November, expenditures were at 30.9% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a spending decrease of approximately 21%, which is primarily the result of savings due to vacancies within the department.

City Manager: Expenditures through November totaled \$1.8 million, or 29% of the budget, which is below par for this time of the year. Expenditures are also 9% lower compared with the spending level through the same period last fiscal year. This decrease reflects lower spending in contractual services and salaries and benefits; however, this is offset by higher spending in the as-needed category.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through November, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.8 million, or 32.6%, which is below the par level of 41.7%. Expenditures were slightly below the spending through the same period last fiscal year due to higher spending in the salaries and benefits categories.

Finance Department: Through November, the Department's expenditures totaled \$7.0 million, or 34.6% of the budget, which is below par. This expenditure level was approximately 11.4% higher than expenditure levels through the same period last year. This is a result of higher expenditures primarily in the salaries and benefits categories, which is partially offset by lower spending in the contractual services category.

Fire Department: Through November, expenditures totaled \$28.1 million, or 42.6% of the budget, which is slightly above par. These expenditures reflect a 9% increase from expenditures through the same period last fiscal year. This increase in spending reflects higher costs in the salaries and benefits

as well as contractual services and capital outlay categories. Overtime expenditures are tracking at 70.6% 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. In addition, overtime costs are higher due to mutual aid efforts that will be reimbursed. It is currently anticipated that the City will receive approximately \$0.5 million in mutual aid funds, and a budget amendment will be brought forward in a future Monthly Financial Report to recognize and appropriate those funds once received.

Library Department: Through November, actual expenditures totaled \$4.3 million, or 35.4% of the budget, which is below par, but nearly 27% higher than expenditure levels last fiscal year. This is a result of the resuming of full operations which began earlier this calendar year.

Parks and Recreation Department: Through November, actual expenditures totaled approximately \$8.7 million, or 39% of the budget, which is slightly below par, but above the prior year actuals of \$7.3 million. This is due to the department resuming activities that were previously impacted by COVID-19 restrictions.

Police Department: Expenditures through November are tracking at expected levels at \$33.8 million, or 39.6% of the budget. This is approximately 9.7% higher when compared to spending levels through the same period last fiscal year, primarily reflecting higher charges in the salaries and benefits, as-needed, and contractual 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 \$4.1 million through November and are tracking above budgeted levels at 55%. This is 41.3% higher than expenditures through the same period last year, as a direct result of the reopening of the Stadium for events. While spending is above par, it is anticipated that spending will be slowing down for the remainder of the fiscal year.

Financial Status Report as of November 30, 2022

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of November 30, 2022. The amended budget reflects carryover encumbrances from fiscal year 2021/22 and budget amendments approved by the City Council through November 2022. Effective July 1, 2021, all Building Division revenues and expenditures are budgeted and accounted for in the Building Development Services Fund, which is included in the table below.

Revenues totaled \$10.2 million (59.4% of budget), while expenditures totaled \$7.9 million (30.3% of budget) through the end of November. Overall, revenues are tracking above par, while expenditures are tracking below par of 41.7%. The negative expenditure in the City Affordable Housing Fund reflects an accounting change in the special disbursements category. Originally, the full loan amount was charged; however, the charges now only reflect the progress through the construction period. In the Housing Successor Agency Fund, the expenditures are currently showing as over budget as a result of a special disbursements for a housing loan, which was budgeted in FY 2021/22. An adjustment to carryover this budget was included in the Budgetary Year-End Report for FY 2021/22 approved December 6, 2022 and will be reflected in the December monthly financial report.

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

Fund Description	REVENUES - FISCAL YEAR 2022/23				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 11/30/2022	Percentage received	Actual Through 11/30/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 280,000	\$ 280,000	\$ 38,086	13.60%	\$ 214,539	\$ (176,453)	-82.25%
City Affordable Housing Fund	682,000	682,000	197,051	28.89%	666,865	(469,814)	-70.45%
Housing Successor Fund	350,000	350,000	436,471	124.71%	332,982	103,489	31.08%
Housing and Urban Development	1,810,000	1,810,000	423,977	23.42%	1,318,190	(894,213)	-67.84%
Building Development Services Fee Fund	14,112,000	14,112,000	9,135,817	64.74%	6,096,547	3,039,270	49.85%
TOTAL	\$ 17,234,000	\$ 17,234,000	\$ 10,231,402	59.37%	\$ 8,629,123	\$ 1,602,279	18.57%

Fund Description	EXPENDITURES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 11/30/2022	Percentage used	Actual through 11/30/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 380,363	\$ 478,326	\$ 72,360	15.13%	\$ 55,287	\$ 17,073	30.88%
City Affordable Housing Fund	1,685,731	5,794,313	(1,165,828)	-20.12%	443,835	(1,609,663)	-362.67%
Housing Successor Fund	1,242,599	1,374,178	2,590,456	188.51%	343,226	2,247,230	654.74%
Housing and Urban Development	2,355,815	3,109,523	883,095	28.40%	1,333,229	(450,134)	-33.76%
Building Development Services Fee Fund	13,360,809	15,224,237	5,488,870	36.05%	4,183,991	1,304,879	31.19%
TOTAL	\$ 19,025,317	\$ 25,980,577	\$ 7,868,953	30.29%	\$ 6,359,568	\$ 1,509,385	23.73%

Governmental Capital Improvement Funds

The table below lists the revenue for selected capital improvement funds. The amended budget reflects current year appropriations, prior year carryover, and budget amendments approved through November 2022. As of November 30, 2022, the capital fund revenue totaled \$26.2 million. In the Parks and Recreation Capital Fund, \$20.6 million has been collected; of that, \$20.3 million is Mitigation Fee Act revenue.

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

Fund Description	REVENUES - FISCAL YEAR 2022/23				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 11/30/2022	Percentage Used
Parks & Recreation	\$ -	\$ 3,556,622	\$ 3,556,622	\$ 20,634,698	580.18%
Streets & Highways	4,594,005	15,190,594	19,784,599	1,871,669	9.46%
Storm Drain	1,454,000	-	1,454,000	603,342	41.50%
Public Buildings	-	100,000	100,000	-	0.00%
Related Santa Clara Developer	2,908,317	-	2,908,317	643,021	22.11%
Patrick Henry Drive	69,205	-	69,205	-	0.00%
Infrastructure Improvement Fund					
Tasman East Specific	2,413,605	-	2,413,605	2,419,501	100.24%
Infrastructure Improvement Fund					
TOTAL	\$ 11,439,132	\$ 18,847,216	\$ 30,286,348	\$ 26,172,231	86.42%

The table below lists the total amended budgeted amounts for expenditures in the Capital Improvement Funds. Similar to the revenue table, the amended expenditure budgets consist of current year appropriations, prior year carryover encumbrance balances in Governmental Capital Improvement Funds, and budget amendments approved through November 2022. As of November 30, 2022, capital fund expenditures totaled \$15.6 million, or 11.6% of the amended budget.

As part of the adoption of the FY 2022/23 and FY 2023/24 capital improvement program budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2022. Necessary additional adjustments to the capital carryover amounts were included as part of the Budgetary Year-End Report for FY 2021/22 approved on December 6, 2022. These adjustments will be reflected in the December monthly financial report.

The carryover of prior year budget amounts is necessary when services or projects are started but not completed at the end of the fiscal year. This is especially true for the Capital Improvement Program

(CIP) that typically spans several years. The table below displays the expenditure budget for the General Government capital funds excluding transfers.

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

EXPENDITURES - FISCAL YEAR 2022/23						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 11/30/2022	Percentage Used	
Parks & Recreation	\$ 4,670,520	\$ 22,437,801	\$ 27,108,321	\$ 1,400,692	5.17%	
Streets & Highways	15,200,469	59,970,079	75,170,548	9,241,592	12.29%	
Storm Drain	964,596	6,657,501	7,622,097	2,587,622	33.95%	
Fire	661,766	1,768,679	2,430,445	136,767	5.63%	
Library	281,831	297,590	579,421	25,799	4.45%	
Public Buildings	1,189,532	4,061,069	5,250,601	427,185	8.14%	
General Gov't - Other	2,000,970	7,453,526	9,454,496	736,408	7.79%	
Related Santa Clara Developer	2,908,317	598,382	3,506,699	1,051,692	29.99%	
Patrick Henry Drive Infrastructure Improvement Fund	69,205	-	69,205	25,833	37.33%	
Tasman East Specific Infrastructure Improvement Fund	3,221,395	-	3,221,395	10,344	0.32%	
TOTAL	\$ 31,168,601	\$ 103,244,627	\$ 134,413,228	\$ 15,643,934	11.64%	

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of November 30, 2022. Overall, revenues and expenditures are tracking below budgeted levels.

Revenues and expenditures are tracking above last fiscal year levels. Expenditures are tracking higher in the Water Recycling Fund as a result of higher spending in the resources category. In the Solid Waste Utility Fund, there are higher expenditures in the garbage collection, disposal and recycling category, compared to last fiscal year.

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

Fund Description	REVENUES - FISCAL YEAR 2022/23				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 11/30/2022	Percentage received	Actual Through 11/30/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 615,818,445	\$ 615,818,445	\$ 224,243,664	36.41%	\$ 195,042,240	\$ 29,201,424	14.97%
Water Utility Fund	48,358,520	48,358,520	20,768,305	42.95%	19,859,163	909,142	4.58%
Sewer Utility Fund	40,459,345	40,459,345	15,920,197	39.35%	15,070,015	850,182	5.64%
Cemetery Fund	600,000	600,000	252,666	42.11%	301,639	(48,973)	-16.24%
Solid Waste Utility Fund	37,245,092	37,245,092	13,188,294	35.41%	12,303,397	884,897	7.19%
Water Recycling Fund	5,708,446	5,708,446	2,875,608	50.37%	2,839,755	35,853	1.26%
TOTAL REVENUE	\$ 748,189,848	\$ 748,189,848	\$ 277,248,734	37.06%	\$ 245,416,209	\$ 31,832,525	12.97%

Fund Description	EXPENSES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 11/30/2022	Percentage Used	Actual through 11/30/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 603,681,580	\$ 608,689,343	\$ 224,445,731	36.87%	\$ 198,844,708	\$ 25,601,023	12.87%
Water Utility Fund	46,797,065	48,478,478	18,937,361	39.06%	17,485,087	1,452,274	8.31%
Sewer Utility Fund	30,825,023	31,072,051	13,908,764	44.76%	13,495,385	413,379	3.06%
Cemetery Fund	1,539,796	1,545,944	599,983	38.81%	583,538	16,445	2.82%
Solid Waste Utility Fund	36,626,118	40,169,992	12,457,728	31.01%	11,120,798	1,336,930	12.02%
Water Recycling Fund	5,729,413	5,739,135	3,534,465	61.59%	2,912,235	622,230	21.37%
TOTAL - Operating Appropriations	\$ 725,198,995	\$ 735,694,943	\$ 273,884,032	37.23%	\$ 244,441,751	\$ 29,442,281	12.04%

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 November 30, 2022

A summary of revenue and expenses in the Enterprise Capital Improvement Funds are detailed in the tables below. Actual revenue through November 2022 totaled \$20.0 million, consisting primarily of developer contributions in the Electric Utility Fund and transfers from operating in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$22.0 million, or 7.8% of the amended budget. Similar to the general government capital funds, capital funds were carried over into next fiscal year as part of the FY 2022/23 and FY 2023/24 budget adoption process for those projects that have not yet been completed. Adjustments to the capital carryover amounts based on actual year-end expenditures were approved as part of the Budgetary Year-End Report for FY 2021/22 on December 6, 2022 and will be reflected in the December monthly financial report.

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

REVENUES - FISCAL YEAR 2022/23					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 11/30/2022	Percentage Used
Electric Utility Fund	\$ 37,850,877	\$ 14,907,345	\$ 52,758,222	\$ 12,554,856	23.80%
Street Lighting ⁽¹⁾	-	-	-	23,455	N/A
Sewer Utility Fund	-	-	-	7,413,271	N/A
Solid Waste Utility Fund	250,000	-	250,000	4,333	1.73%
TOTAL - CIP Appropriations	\$ 38,100,877	\$ 14,907,345	\$ 53,008,222	\$ 19,995,915	37.72%

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

EXPENSES - FISCAL YEAR 2022/23					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 11/30/2022	Percentage Used
Electric Utility Fund	\$ 101,874,226	\$ 118,664,746	\$ 220,538,972	\$ 17,049,795	7.73%
Street Lighting ⁽¹⁾	71,455	4,820,273	4,891,728	48,109	0.98%
Water Utility Fund	6,665,000	1,368,212	8,033,212	959,253	11.94%
Sewer Utility Fund	20,300,110	25,615,224	45,915,334	3,652,962	7.96%
Cemetery Fund	9,225	278,397	287,622	16,323	0
Solid Waste Utility Fund	743,000	148,520	891,520	220,424	24.72%
Water Recycling Fund	50,000	-	50,000	-	-
Convention Center	-	2,622,854	2,622,854	35,884	0
Capital Fund					
TOTAL - CIP Appropriations	\$ 129,713,015	\$ 153,518,227	\$ 283,231,242	\$ 21,982,750	7.76%

(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 2022/23, the City Council approved an exception to the policy to allow the Reserve to drop below the 25% level.
- 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 ensure sufficient operating cash is available to cover day-to-day expenses, address unforeseen cost increases or revenue shortfalls, and ensure debt service coverage.
- The Replacement and Improvement Reserve in the Water and Sewer Utility Funds is for future capital improvement.

The table below summarizes select reserve balances.

**CITY OF SANTA CLARA
RESERVE BALANCES
November 30, 2022**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 39,701,399		
Capital Projects Reserve	5,364,822		
Land Sale Reserve	8,708,023		
Technology Fee Reserve	2,353,804		
Electric Rate Stabilization Fund Reserve		\$ 44,898,011	
Electric Operations and Maintenance Reserve		112,838,357	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 56,128,048	\$ 157,736,368	\$ 303,090

Long-Term Interfund Advances

The funds below have made advances/loans which are not expected to be repaid within the next year. The balances reflected in the table are through November 2022. The loan from the General Fund to Parks and Recreation Facilities reflects proceeds from the Land Sale Reserve for the purchase of property at the Reed and Grant Sports Park. This loan is anticipated to be repaid by 25% of future Mitigation Fee Act revenue until the loan is paid in full.

DETAIL OF LONG TERM INTERFUND ADVANCE BALANCES:			
Fund Receiving Advance/Loan	Fund Making Advance/Loan	Type	Amount of Advance/Commitment
Parks and Recreation Facilities	General Fund	Loan	5,539,540
TOTALS			\$ 5,539,540

Donations to the City of Santa Clara

Donations received by department during the month of November 2022 and for fiscal year 2022/23 are shown in the table below.

Department	Nov-22	Fiscal Year 2022/23 Year To Date	Designated Use
City Manager's Office	\$ -	\$ 50	Help Your Neighbor
Parks & Recreation	150	249	Case Management
Parks & Recreation	498	1,748	Roberta Jones Jr. Theatre
Parks & Recreation	-	30,600	Wade Brummal
TOTALS	\$ 648	\$ 32,647	