



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

August 2023

City of Santa Clara

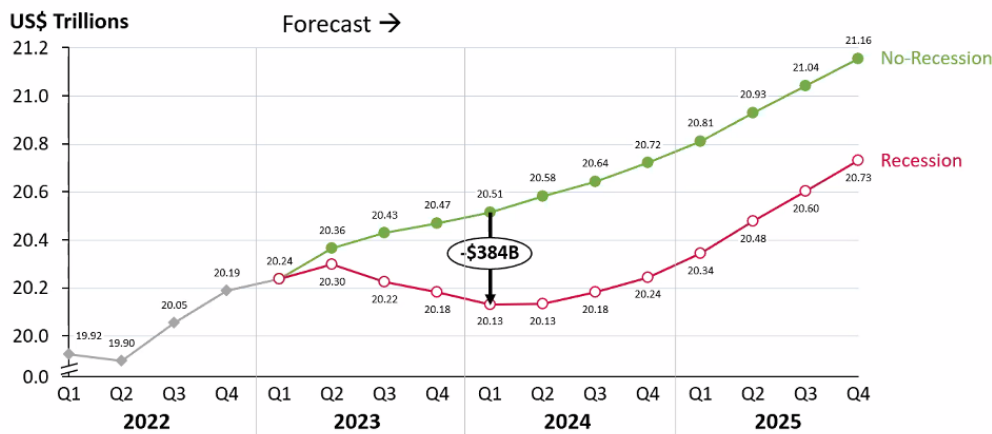
Financial Status Report as of August 31, 2023

This report summarizes the City’s financial performance for the month ended August 31, 2023. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds. Financial information included in this report is unaudited.

Economic Outlook

Economic indicators are mixed, and there continues to be uncertainty regarding the economic outlook. Given this level of uncertainty, the December 2022, March 2023 and June 2023 UCLA Anderson Forecasts presented a two-scenario approach: recession scenario and no recession scenario. The recession scenario predicts a recession occurring at the end of 2023, where “inflation would have continued to come down too slowly if not for the continued Federal Reserve rate hikes. In this scenario, the Federal Reserve forces a mild recession and accepts an economic contraction and higher unemployment to combat inflation.” In the no recession scenario, “economic growth slows but remains positive, inflation ebbs, labor markets slacken mildly, just enough to quell wage inflation, and the Federal Reserve eases its approach to monetary policy tightening”.¹

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



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

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

¹ UCLA Anderson Forecast, June 2023, “The More Things Change the More They Stay the Same: Recession or No Recession is Still the Question”

² <https://www.conference-board.org/research/us-forecast>

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On a national level, the unemployment rate increased slightly from 3.5% in July 2023 to 3.8% in August 2023. This rate was well below the record setting high of 14.7% in April 2020, but slightly above the pre-pandemic unemployment rate of 3.5%. In August, the number of unemployed persons increased by 0.5 million, totaling 6.4 million.³

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

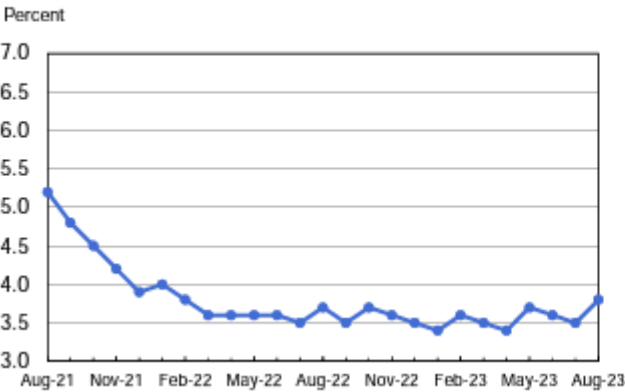
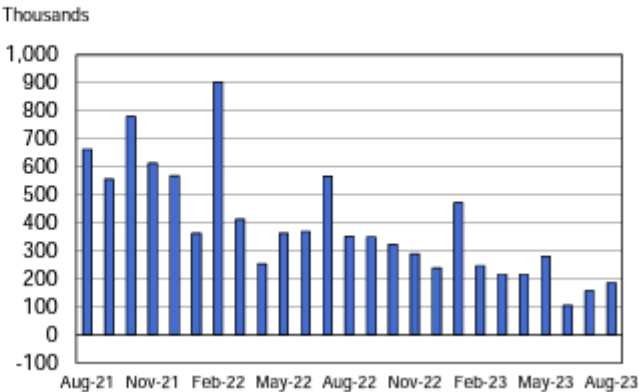
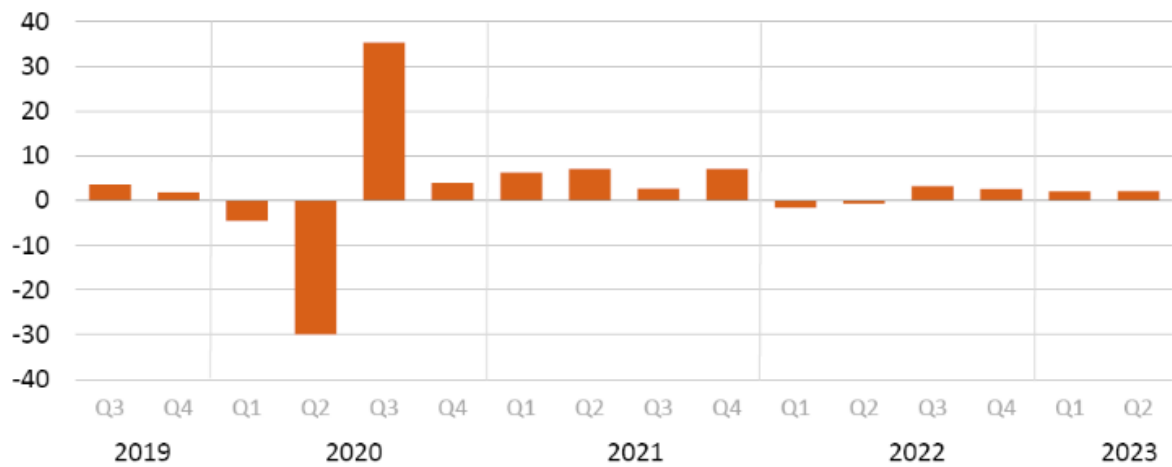


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, August 2021 – August 2023



In the second quarter 2023 second estimate, the Gross Domestic Product (GDP) increased by 2.1%, following a GDP increase of 2.0% in the first quarter. The estimated increase in the first quarter reflected increasing consumer spending, state, local and federal government spending and nonresidential fixed investment.⁴

Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

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

⁴ https://www.bea.gov/sites/default/files/2023-08/tech2q23_2nd.pdf

At the state level, the California unemployment rate remained unchanged between July and August 2023 at 4.6%. This rate is higher compared to the 3.8% rate in August 2022. Since the current economic expansion began in April 2020, California has added 3.2 million jobs, regaining the 2.7 million jobs lost as a result of the pandemic.⁵

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 3.9% in August 2023, up from a revised 3.6 % in July 2023, and above the August 2022 estimate of 2.7%. Between August 2022 and August 2023, employment in this region increase by 22,100 jobs, or 1.9%. The largest increases were in private education and health services (up 13,100 jobs), leisure and hospitality (up 7,500 jobs), and construction (up 3,500 jobs). Notable employment reductions were in manufacturing (down 2,000 jobs) and professional and business services (down 1,900).⁶

General Fund

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

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

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

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

Financial Status Report as of August 31, 2023

General Fund Revenues

As of August 31, 2023, \$4.9 million or 1.8% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$15.0 million have occurred as budgeted. This very low collection level through August is largely due to the timing of payments. In some categories, the revenues received in July account for activity that occurred in FY 2022/23 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year.

GENERAL FUND REVENUES OVERVIEW AND COMPARISON BY TYPE

Function	FISCAL YEAR 2023/24				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2023	Percentage Received	Actual Through 8/31/2022	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,524,000	\$ 60,524,000	\$ -	0.00%	\$ -	\$ -	N/A
Property Tax	85,800,000	85,800,000	76,981	0.09%	137,935	(60,954)	-44.19%
Transient Occupancy Tax	21,275,000	21,275,000	722,881	3.40%	992,894	(270,013)	-27.19%
Other Taxes	6,750,000	6,750,000	194,799	2.89%	215,174	(20,375)	-9.47%
Total Taxes	174,349,000	174,349,000	994,661	0.57%	1,346,003	(351,342)	-26.10%
LICENSES & PERMITS							
Business Licenses	6,000,000	6,000,000	666,092	11.10%	146,976	519,116	353.20%
Fire Operation Permits	2,000,000	2,000,000	125,125	6.26%	301,265	(176,140)	-58.47%
Miscellaneous Permits	69,000	69,000	50,409	73.06%	30,455	19,954	65.52%
Total Licenses & Permits	8,069,000	8,069,000	841,626	10.43%	478,696	362,930	75.82%
FINES & PENALTIES	1,225,000	1,225,000	435,491	35.55%	28,881	406,610	1407.88%
INTERGOVERNMENTAL	520,000	520,000	9,654	1.86%	24,666	(15,012)	-60.86%
CHARGES FOR SERVICES	29,314,768	29,662,668	2,043,440	6.89%	4,155,409	(2,111,969)	-50.82%
SILICON VALLEY POWER TRANSFER	32,000,000	32,000,000	-	0.00%	2,386,990	(2,386,990)	-100.00%
USE OF MONEY & PROPERTY							
Interest	3,500,000	3,500,000	(1,061,296)	-30.32%	(153,222)	(908,074)	592.65%
Rent	12,397,660	12,397,660	1,390,065	11.21%	1,609,231	(219,166)	-13.62%
Total Use of Money & Property	15,897,660	15,897,660	328,769	2.07%	1,456,009	(1,127,240)	-77.42%
MISCELLANEOUS REVENUES	180,000	180,000	56,122	31.18%	88,922	(32,800)	-36.89%
LAND PROCEED	-	-	-	N/A	-	-	N/A
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,454,000	1,454,000	1,454,000	100.00%	1,454,000	-	0.00%
Operating Transfer In - Reserves	2,772,275	8,012,113	8,012,113	100.00%	32,632,195	(24,620,082)	-75.45%
Operating Transfer In - Fund Balances ⁽¹⁾	4,759,683	4,759,683	4,759,683	100.00%	4,484,726	274,957	6.13%
Operating Transfer In - Miscellaneous	746,044	746,044	746,044	100.00%	2,127,374	(1,381,330)	-64.93%
Total Other Financing Sources	9,732,002	14,971,840	14,971,840	100.00%	40,698,295	(25,726,455)	-63.21%
STADIUM OPERATION							
Charges for Services	9,278,128	9,278,128	221,494	2.39%	91,272	130,222	142.67%
Rent and Licensing	1,230,000	1,230,000	-	0.00%	483,361	(483,361)	-100.00%
Total Stadium Operation	10,508,128	10,508,128	221,494	2.11%	574,633	(353,139)	-61.45%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 287,383,296	\$ 19,903,096	6.93%	\$ 51,238,504	\$ (31,335,407)	-61.16%

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

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.125%, of which the City receives 1.0%. As of August 31, 2023, no sales tax has been recorded. Given the timing of payments, the sales tax payments received through August accounted for activity in the prior fiscal year and those funds were accrued to last year.

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

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate is 11.5%. Through August 31, 2023, approximately \$0.7 million was received, which is 27.2% lower than prior year receipts.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected under \$0.2 million through August, which is on par with last fiscal year's collection levels. Receipts through August reflect franchise tax collections of \$0.1 million and approximately \$65,000 in documentary transfer tax revenue.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Effective FY 2021/22, building, electric, plumbing and mechanical permits have all been budgeted in the new Building Development Services Fund, which will be reflected in the Special Revenue section of this report. Licenses and permits revenue collections are tracking below par with receipts totaling \$0.8 million, or 10.4% of the \$8.1 million budget. However, this represents a 75.8% increase compared to prior year collection levels, primarily in the business license category. The updated Business License Tax is being implemented this fiscal year with the new methodology. With this transition and the need to re-register every business, the timeline to submit payments has been extended which has impacted actual receipts in the first few months. Staff will closely monitor results from the implementation to determine if any budget adjustments are necessary based on the actual collections.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through August was \$0.4 million, or 35.6% of the budgeted estimate. Collections in this category are tracking well above the budget and the prior year due to the resumption of the assessment of late fees that had been waived due to COVID-19.

Intergovernmental: Includes motor vehicle fees, state homeowner tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency. Through August 31, 2023, \$9,654 was collected in this category.

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

August, collections totaled approximately \$2.0 million or 6.9% of the budget. This reflects a 50.8% decrease compared to last year's collections through the same period of \$4.2 million. This large decrease is a result of timing differences in the booking of interdepartmental charges directly related to the cost allocation plan. Last fiscal year, these charges were booked in July, whereas these charges have not yet occurred this fiscal year.

Silicon Valley Power Transfer: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. Through August, this transfer has not yet been received.

Use of Money & Property: Includes realized investment income and rental income. Through August, \$0.3 million has been collected, compared to \$1.5 million last fiscal year. This decrease is primarily due to higher prior year accruals in the interest category, which results in the negative amount under the interest category in the current year.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through August 31, 2023, collections are slightly lower with prior year levels at \$56,000.

Stadium Operation: Through August 2023, \$0.2 million has been collected through charges for services.

Financial Status Report as of August 31, 2023

General Fund Expenditures

As of August 31, 2023, \$51.0 million or 17.7% of the General Fund operating budget had been expended, which is on par with prior year expenditure levels. Overall, expenditures in the General Fund are within budgeted levels through August. Departmental expenditures totaled \$36.9 million, or 13.8% of the budget, which is below the par level of 16.7% of the budget.

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

Function	FISCAL YEAR 2023/24				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2023	Percentage Used	Actual Through 8/31/2022	\$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 15,123,531	\$ 15,640,480	\$ 688,588	4.40%	\$ 681,834	\$ 6,754	0.99%
City Council	1,124,281	1,131,037	170,308	15.06%	82,105	88,203	107.43%
City Clerk	1,947,261	2,121,865	214,143	10.09%	158,246	55,897	35.32%
City Manager	5,410,204	5,938,327	436,949	7.36%	700,340	(263,391)	-37.61%
City Attorney	3,076,516	3,196,951	409,308	12.80%	596,938	(187,630)	-31.43%
Human Resources	4,300,090	4,464,113	508,305	11.39%	522,687	(14,382)	-2.75%
Finance	19,140,702	19,939,776	2,351,131	11.79%	2,503,339	(152,208)	-6.08%
Total General Government	50,122,585	52,432,549	4,778,732	9.11%	5,245,489	(466,757)	-8.90%
PUBLIC WORKS	24,857,521	26,175,381	3,492,899	13.34%	3,296,895	196,004	5.95%
COMMUNITY DEVELOPMENT	5,121,256	5,227,061	826,894	15.82%	679,554	147,340	21.68%
PARKS AND RECREATION	21,933,152	22,711,221	3,448,033	15.18%	3,170,571	277,462	8.75%
PUBLIC SAFETY							
Fire	62,616,032	63,222,036	10,323,737	16.33%	10,895,343	(571,606)	-5.25%
Police	85,598,562	85,946,468	12,474,370	14.51%	12,636,356	(161,986)	-1.28%
Total Public Safety	148,214,594	149,168,504	22,798,107	15.28%	23,531,699	(733,592)	-3.12%
LIBRARY	11,135,937	11,229,696	1,587,753	14.14%	1,554,011	33,742	2.17%
DEPARTMENTAL TOTAL	261,385,045	266,944,412	36,932,418	13.84%	37,478,219	(545,801)	-1.46%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	1,198,809	1,198,809	1,198,809	100.00%	38,809	1,160,000	2989.00%
Operating Transfer Out - Debt Services	1,402,440	1,402,440	1,402,440	100.00%	1,402,275	165	0.01%
Operating Transfer Out - Maintenance Dtrct	942,413	942,413	942,413	100.00%	842,700	99,713	11.83%
Operating Transfer Out - Cemetery	796,000	796,000	796,000	100.00%	870,000	(74,000)	-8.51%
Operating Transfer Out - CIP	7,305,499	7,305,499	7,305,499	100.00%	8,625,501	(1,320,002)	-15.30%
Total Other Financing Uses	11,645,161	11,645,161	11,645,161	100.00%	11,779,285	(134,124)	-1.14%
STADIUM OPERATION	8,765,352	8,793,722	2,374,727	27.00%	1,232,445	1,142,282	92.68%
TOTAL GENERAL FUND	\$ 281,795,558	\$ 287,383,295	\$ 50,952,306	17.73%	\$ 50,489,949	\$ 462,357	0.92%

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 August 31, 2023, expenditures totaled \$0.7 million, or 4.4% of the budget. These expenditures are below the par level of 16.7%, and lower than prior year levels.

City Attorney: Actual expenditures through August totaled approximately \$0.4 million, which is 12.8% of the budget, which is below par. Spending is significantly below the total expenditures through the same time last fiscal year by 31.4%. This decrease is due to internal service allocation charges, as they are not yet reflected in the August data as well as lower outside legal counsel services.

City Clerk: Through August, actual expenditures were tracking below budget at \$0.2 million or approximately 10.1% of the budget. This expenditure level reflects a 35.3% increase in spending compared to last fiscal year due to higher salaries and benefits charges in the current year, partially offset by internal service allocation charges, which are not yet reflected in the August data.

City Council: Through August, expenditures were at 15.1% of budget, which is within budgeted levels. Compared to the same period through last fiscal year, this reflects a significant increase in expenditures. This is a result of the reallocation of 1.0 Assistant to the City Manager position from the City Manager's Office as approved as part of the FY 2023/24 and FY 2024/25 Adopted Operating Budget.

City Manager: The actual expenditures through August 31, 2023 totaled \$0.4 million, or 7.4% of the budget, which is below par for this time of the year. Expenditures are approximately 37.6% lower compared with the spending level through the same period last fiscal year. This is a result of vacancy savings within the department and the reallocation of 1.0 Assistant to the City Manager position to the City Council as mentioned above.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building Division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through August, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$0.8 million, or 15.8% of the budget, which is below par of 16.7%. This expenditure level is 22% above the prior year is a result of higher salaries and benefits costs and higher contractual services spending in the current year.

Finance Department: Through August, the Department's expenditures totaled \$2.4 million, or 11.8% of the budget, which is below par. This expenditure level was approximately 6.1% lower than through the same period last year. Similar to the other departmental tracking, this is a result of the timing of the internal service allocation charges, which are not yet reflected in the August data.

Fire Department: Through August, actual expenditures totaled \$10.3 million, or 16.3% of the budget, which is at par. These expenditures reflect a 5.3% decrease from expenditures through the same

period last fiscal year. This is primarily because, as approved as part of the FY 2023/24 and FY 2024/25 Adopted Operating Budget, approximately 9.0 FTE were reallocated to the newly established Fire Development Services Fund. These charges are reflected under the special revenue section of this report. Overtime expenditures are tracking at 31.5% of the budget, which is above par for this time of year. While this overtime figure is high, it is important to note that overtime is used to backfill for vacant positions and the vacancy savings offset a portion of the overtime costs.

Library Department: Through August, actual expenditures totaled \$1.6 million, or 14.1% of the budget, which is below par, but slightly higher than expenditure levels last fiscal year. The higher spending is a result of the reopening of libraries.

Parks and Recreation Department: Through August, actual expenditures totaled \$3.4 million, or 15.2% of the budget, which is below par, and slightly higher than prior year actuals of \$3.2 million. This is primarily due to higher spend in the operating supplies and contractual services categories.

Police Department: Expenditures through August are tracking slightly below par at \$12.5 million, or 14.5% of the budget. This is consistent with prior year expenditure levels.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$2.4 million through August, which is significantly higher than prior year levels. This is primarily due to higher personnel spend, particularly in overtime. Events at the Stadium during August included two pre-season NFL games as well as the Beyonce concert.

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Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of August 31, 2023. The amended budget reflects carryover encumbrances from fiscal year 2022/23 and budget amendments approved by the City Council through August 2023. Effective July 1, 2023, development related services in the Fire Department have been reallocated from the General Fund to the newly established Fire Development Services Fund, reflected below.

Both revenues and expenditures totaled approximately \$3.6 million through the end of August. Overall, revenues and expenditures are tracking below par of 16.7%. In the Housing Successor Fund, the expenditures are significantly lower compared to last fiscal year due to a one-time special disbursement for a housing loan that occurred in July 2022.

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

Fund Description	REVENUES - FISCAL YEAR 2023/24				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2023	Percentage received	Actual Through 8/31/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 252,495	\$ 252,495	\$ 57,919	22.94%	\$ 17,897	\$ 40,022	223.62%
City Affordable Housing Fund	1,166,720	1,166,720	23,768	2.04%	75,663	(51,895)	-68.59%
Housing Successor Fund	1,306,326	1,306,326	152,797	11.70%	136,440	16,357	11.99%
Housing and Urban Development	3,106,041	3,106,041	378,305	12.18%	78,408	299,897	382.48%
Building Development Services Fee Fund	15,611,000	15,611,000	2,460,157	15.76%	3,208,522	(748,365)	-23.32%
Fire Development Services Fee Fund	2,935,000	2,935,000	575,352	19.60%	0	575,352	N/A
TOTAL	\$24,377,582	\$ 24,377,582	\$ 3,648,298	14.97%	\$ 3,516,930	\$ 131,368	3.74%

Fund Description	EXPENDITURES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 8/31/2023	Percentage used	Actual through 8/31/2022	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 457,193	\$ 518,659	\$ 28,906	5.57%	\$ 39,308	\$ (10,402)	-26.46%
City Affordable Housing Fund	6,683,926	7,435,503	224,106	3.01%	166,835	57,271	34.33%
Housing Successor Fund	873,227	1,216,887	220,176	18.09%	1,755,713	(1,535,537)	-87.46%
Housing and Urban Development	3,993,723	4,753,782	362,783	7.63%	389,875	(27,092)	-6.95%
Building Development Services Fee Fund	13,689,592	15,018,230	2,303,565	15.34%	1,904,806	398,759	20.93%
Fire Development Services Fee Fund	3,109,073	3,109,073	438,405	14.10%	0	438,405	N/A
TOTAL	\$28,806,734	\$ 32,052,134	\$ 3,577,941	11.16%	\$ 4,256,537	\$ (678,596)	-15.94%

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 August 2023. As of August 31, 2023, the capital fund revenue totaled \$0.4 million.

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

Fund Description	REVENUES - FISCAL YEAR 2023/24				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2023	Percentage Used
Parks & Recreation	\$ -	\$ 4,280,995	\$ 4,280,995	\$ 59,827	1.40%
Streets & Highways	5,495,232	15,988,284	21,483,516	2,844	0.01%
Storm Drain	1,454,000	-	1,454,000	240,218	16.52%
Related Santa Clara Developer	977,582	-	977,582	127,316	13.02%
Patrick Henry Drive Infrastructure Improvement Fund	140,486	-	140,486	-	0.00%
Tasman East Specific Infrastructure Improvement Fund	-	-	-	6,581	NA
TOTAL	\$ 8,067,300	\$ 20,269,279	\$ 28,336,579	\$ 436,786	1.54%

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 August 2023. As of August 31, 2023, capital fund expenditures totaled \$5.1 million, or 3.4% of the amended budget, well below par of 16.7%.

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

CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

EXPENDITURES - FISCAL YEAR 2023/24						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2023	Percentage Used	
Parks & Recreation	\$ 2,719,457	\$ 38,184,533	\$ 40,903,990	\$ 2,437,378	5.96%	
Streets & Highways	17,776,700	62,604,298	80,380,998	2,071,110	2.58%	
Storm Drain	807,414	4,002,049	4,809,463	43,716	0.91%	
Fire	427,374	1,303,898	1,731,272	58,229	3.36%	
Library	-	301,105	301,105	-	0.00%	
Public Buildings	1,590,019	9,319,499	10,909,518	143,858	1.32%	
General Gov't - Other	941,000	8,688,990	9,629,990	240,878	2.50%	
City Affordable Housing Capital Fund	-	1,600,000	1,600,000	-		
Related Santa Clara Developer	977,582	523,109	1,500,691	129,864	8.65%	
Patrick Henry Drive Infrastructure Improvement Fund	71,281	-	71,281	2,305	3.23%	
Tasman East Specific Infrastructure Improvement Fund	27,330	1,423,145	1,450,475	2,305	0.16%	
TOTAL	\$ 25,338,157	\$ 127,950,626	\$ 153,288,783	\$ 5,129,643	3.35%	

Financial Status Report as of August 31, 2023

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of August 31, 2023. Overall, revenues and expenditures are tracking below budgeted levels.

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

Fund Description	REVENUES - FISCAL YEAR 2023/24				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2023	Percentage received	Actual Through 8/31/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 1,008,222,211	\$1,008,222,211	\$ 72,784,575	7.22%	\$ 64,457,371	\$ 8,327,204	12.92%
Water Utility Fund	60,726,490	60,726,490	7,581,337	12.48%	8,128,611	(547,274)	-6.73%
Sewer Utility Fund	73,500,825	78,500,825	4,974,289	6.34%	4,865,778	108,511	2.23%
Cemetery Fund	750,000	750,000	77,494	10.33%	134,321	(56,827)	-42.31%
Solid Waste Utility Fund	39,577,957	39,577,957	4,503,065	11.38%	4,076,095	426,970	10.47%
Water Recycling Fund	7,668,868	7,668,868	1,316,091	17.16%	917,623	398,468	43.42%
TOTAL REVENUE	\$ 1,190,446,351	\$1,195,446,351	\$ 91,236,851	7.63%	\$ 82,579,799	\$ 8,657,052	10.48%

Fund Description	EXPENSES - FISCAL YEAR 2023/24				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 8/31/2023	Percentage Used	Actual through 8/31/2022	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 681,590,706	\$ 687,147,483	\$ 85,516,893	12.45%	\$ 69,650,517	\$ 15,866,376	22.78%
Water Utility Fund	54,015,131	56,158,029	4,732,530	8.43%	3,244,601	1,487,929	45.86%
Sewer Utility Fund	53,980,961	54,497,527	7,792,537	14.30%	6,458,697	1,333,840	20.65%
Cemetery Fund	1,534,349	1,534,349	169,029	11.02%	192,373	(23,344)	-12.13%
Solid Waste Utility Fund	38,782,622	42,314,984	5,186,542	12.26%	3,530,642	1,655,900	46.90%
Water Recycling Fund	8,234,584	8,234,584	156,371	1.90%	1,431,021	(1,274,650)	-89.07%
TOTAL - Operating Appropriations	\$ 838,138,353	\$ 849,886,956	\$ 103,553,902	12.18%	\$ 84,507,851	\$ 19,046,051	22.54%

Both revenues and expenditures are tracking significantly higher than prior year levels. In the Electric Utility Fund, higher debt retirement and resource costs were incurred this fiscal year when compared to July 2022. Sales have also come in higher in the Cemetery Fund. In the Solid Waste Utility Fund, there were higher refuse collection charges, alongside higher garbage collection expenses as well. The significant drop in expenditure levels in the Water Recycling Fund is due to the timing of resource/production invoice payments.

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

Financial Status Report as of August 31, 2023

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through August 31, 2023 totaled \$1.4 million, consisting primarily of developer contributions in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$9.4 million, or 1.6% of the amended budget. Similar to the general government capital funds, capital funds were carried over from FY 2022/23 as part of the FY 2023/24 and FY 2024/25 budget adoption process for those projects that were not expected to be completed by June 30, 2023. Additional necessary adjustments to the capital carryover amounts based on actual year-end expenditures will be brought forward for City Council approval in December 2023, as part of the budgetary year-end report for FY 2022/23.

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

REVENUES - FISCAL YEAR 2023/24					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2023	Percentage Used
Electric Utility Fund	\$ 37,980,480	\$ 40,599,727	\$ 78,580,207	\$ 1,294,415	1.65%
Sewer Utility Fund	-	-	-	74,959	N/A
Solid Waste Utility Fund	258,000	-	258,000	3,813	1.48%
TOTAL - Revenue	\$ 38,238,480	\$ 40,599,727	\$ 78,838,207	\$ 1,373,187	1.74%

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENSES

EXPENSES - FISCAL YEAR 2023/24					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2023	Percentage Used
Electric Utility Fund	\$ 355,072,203	\$ 161,038,869	\$ 516,111,072	\$ 5,396,442	1.05%
Street Lighting ⁽¹⁾	125,000	3,452,509	3,577,509	13,082	0.37%
Water Utility Fund	5,165,000	5,316,334	10,481,334	396,837	3.79%
Sewer Utility Fund	13,721,802	28,349,075	42,070,876	3,120,604	7.42%
Cemetery Fund	-	245,335	245,335	-	0.00%
Solid Waste Utility Fund	765,000	271,756	1,036,756	120,104	11.58%
Water Recycling Fund	50,000	-	50,000	4,033	8.07%
Convention Center Capital Fund	-	2,146,482	2,146,482	328,480	15.30%
TOTAL - CIP Appropriations	\$ 374,899,004	\$ 200,820,360	\$ 575,719,364	\$ 9,379,582	1.63%

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

Fund Reserves

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

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

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

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

The table below summarizes select reserve balances.

**CITY OF SANTA CLARA
RESERVE BALANCES
August 31, 2023**

DETAIL OF SELECTED FUND RESERVE BALANCES:

	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 47,592,520		
Capital Projects Reserve	7,118,949		
Land Sale Reserve	18,481,037		
Technology Fee Reserve	2,581,146		
Electric Rate Stabilization Fund Reserve		\$ 56,776,613	
Electric Operations and Maintenance Reserve		150,765,556	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 75,773,652	\$ 207,542,169	\$ 303,090

Donations to the City of Santa Clara

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

Department	Aug-23	Fiscal Year 2023/24 Year To Date	Designated Use
City Manager's Office	201	201	Help Your Neighbor
Parks & Recreation	-	8,000	Case Management
Parks & Recreation	108	133	Roberta Jones Jr. Theatre
Parks & Recreation	10,675	12,425	Wade Brummal
Police	0	75,000	TEAM 200
TOTALS	\$ 10,984	\$ 95,759	