



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

September 2022

This report summarizes the City's financial performance for the month ended September 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 \$280.9 million to reflect various budget amendments approved by the City Council through September 2022.

While it is very early in the fiscal year and limited data is available, General Fund revenues are currently tracking within estimated levels. Through September, 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. According to the UCLA September 2022 Forecast, the labor market remains strong, consumers have continued to spend, supply chain constraints have eased, commodity prices - particularly crude oil prices - have started to decline, domestic manufacturing along with government defense purchases and investments associated with the shift to renewable energy sources are expected to increase. On the flip side, core inflation remains elevated, the Fed is expected to continue to increase interest rates that may constrain consumer spending, consumers are more pessimistic, housing markets are starting to turn with the increases in mortgage rates, U.S. exports have become more expensive for consumers in other countries with the appreciation of the dollar against other currencies, and there is labor unrest with the decline in real wages and a low unemployment rate. While the UCLA Forecast does not forecast a recession at this time, it did point to an increased risk of a recession over the next 12 months¹. Companies are anticipating a slowdown. A recent survey of 400 leaders of large U.S. companies by the KPMG consulting firm found that 91% of these CEOs are predicting a recession in the next 12 months with only 34% believing the recession will be mild and short.² Consumers are also more pessimistic about current economic conditions. The Conference Board Consumer Confidence Index declined in November after losing ground in October. "Inflation expectations increased to their highest level since July, with both gas and food prices as the main culprits. Intentions to purchase homes, automobiles, and big-ticket appliances all cooled. The combination of inflation and interest rate hikes will continue to pose challenges to confidence and economic growth into early 2023."³

On a national level, the unemployment rate increased slightly from 3.5% in September 2022 to 3.7% in October 2022. This rate was well below the record setting high of 14.7% in April 2020, and slightly

¹ UCLA Anderson Forecast, September 2022

² [CEOs are preparing for a recession, and they don't think it will be short | CNN Business](#)

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

above the pre-pandemic unemployment rate of 3.5%. In October, the number of unemployed persons rose to 6.1 million from 5.7 million in September. This unemployment figure has increased slightly above the pre-pandemic level of 5.7 million.⁴

Chart 1. Unemployment rate, seasonally adjusted, October 2019 – October 2022

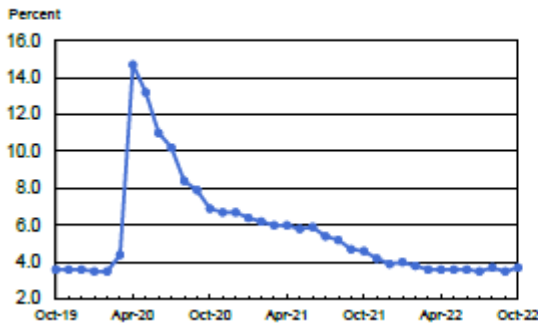
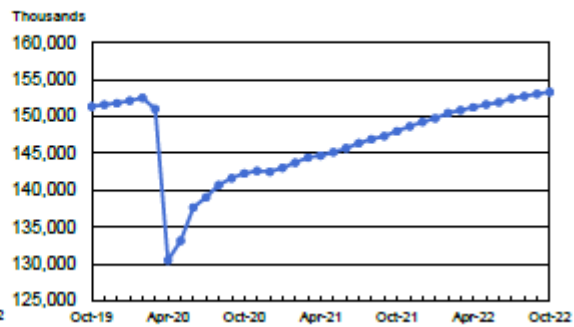
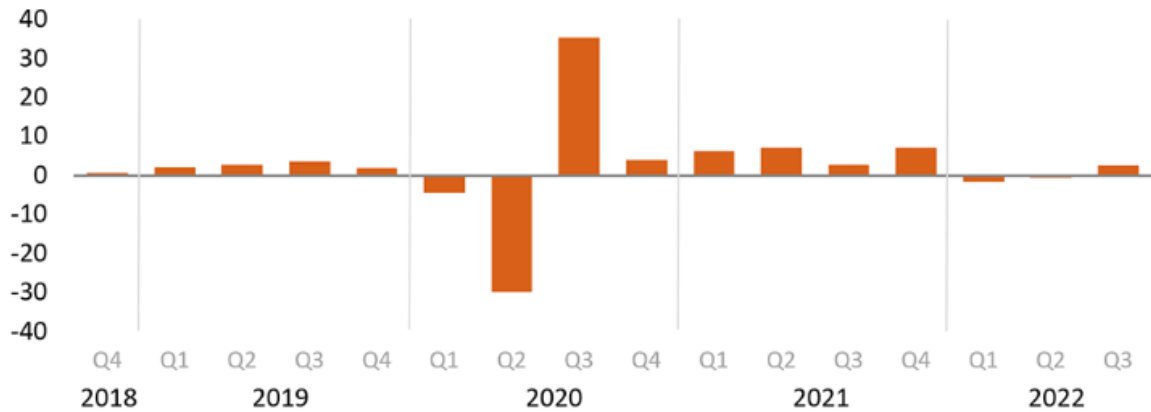


Chart 2. Nonfarm payroll employment, seasonally adjusted, October 2019 – October 2022



In the third quarter 2022 advance estimate, the Gross Domestic Product (GDP) increased by 2.6%, following a GDP decrease of 0.6% in the second quarter. The estimated increase in the third quarter reflected an acceleration in nonresidential fixed investment and an upturn in federal government spending. The real GDP for the second quarter 2022 is 3.5% above the level experienced in the fourth quarter of 2019.⁵

Real GDP: Percent change from preceding quarter

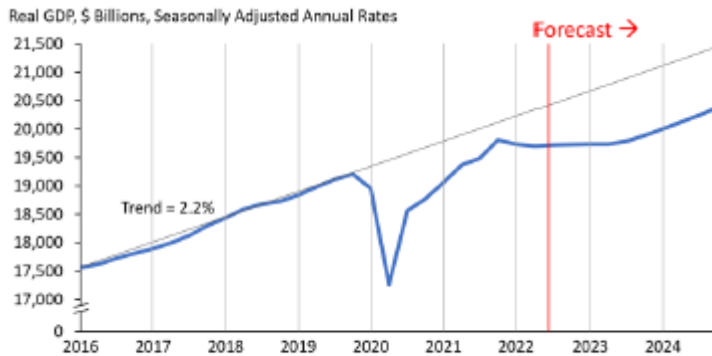


U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

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

⁵ https://www.bea.gov/sites/default/files/2022-10/tech3q22_adv.pdf



The UCLA Anderson Forecast projects slow year-over-year GDP growth over the next few years: 1.5% in 2022, 0.3% in 2023, and 2.0% in 2024. By 2024, the UCLA Forecast expects the economy to rebound and for growth to accelerate slightly above long-term trends.

Source: UCLA Anderson Forecast and U.S. Bureau of Economic Analysis
Notes: \$ Billions, chained 2012 prices, seasonally adjusted annual rates

At the state level, the September 2022 UCLA Forecast for California points to continued economic growth with solid employment gains in the leisure and hospitality, health care and social services, technology, and construction industries as well as increases in demand in the defense and technology industries. However, this forecast points to headwinds that represent real near-term risks to the economy. “As a consequence of slowing of growth in the U.S. our forecast is now a bit weaker than three months ago. Further risks to the forecast are the course of the pandemic and domestic migration on the downside and increased international immigration and accelerated onshoring of technical manufacturing on the upside” wrote Jerry Nickelsburg, Director of UCLA Anderson Forecast.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 3.8% in September 2022 to 4.0% in October 2022. It is important to note that the September 2022 unemployment rate of 3.8% was the lowest on record for this data set that dates back to 1976. The October 2022 rate is lower compared to the 6.1% rate in October 2021. California has now not only regained all of the 2.76 million nonfarm jobs lost due to COVID-19 in March and April 2020, it has now surpassed it with a gain of 2.79 million jobs since that time.⁷

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) remained unchanged at 2.2% between October 2022, and September 2022, and below the October 2021 level of 3.7% and the February 2020 pre-pandemic level of 2.6%. Between October 2021 and October 2022, employment in this region increased by 57,600 jobs, or 5.1%.⁸ The largest increases were in professional and business services (up 15,000 jobs), leisure and hospitality (up 12,800 jobs), and private educational and health services (up 10,100 jobs).

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

⁶ UCLA Anderson Forecast, California After Two Quarters of Negative GDP and CalExodus?, September 2022

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

⁸ [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pds.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pds.pdf)

General Fund Revenues

As of September 30, 2022, \$30.9 million or 13% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$42 million have occurred as budgeted. This very low collection level through September is largely due to the timing of payments. In some categories, much of the revenues received through September account for activity that occurred in FY 2021/22 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year.

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

Function	FISCAL YEAR 2022/23				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2022	Percentage Received	Actual Through 9/30/2021	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 60,173,000	\$ 60,173,000	\$ 4,966,516	8.25%	\$ 4,518,915	\$ 447,601	9.91%
Property Tax	75,261,000	75,261,000	219,652	0.29%	68,943	150,709	218.60%
Transient Occupancy Tax	12,600,000	12,600,000	1,756,416	13.94%	609,122	1,147,294	188.35%
Other Taxes	6,260,000	6,260,000	426,167	6.81%	430,224	(4,057)	-0.94%
Total Taxes	154,294,000	154,294,000	7,368,751	4.78%	5,627,204	1,741,547	30.95%
LICENSES & PERMITS							
Business Licenses	900,000	900,000	215,614	23.96%	231,667	(16,053)	-6.93%
Fire Operation Permits	2,100,000	2,358,000	480,700	20.39%	527,956	(47,256)	-8.95%
Building Permits	-	-	-	N/A	128,139	(128,139)	-100.00%
Electric Permits	-	-	-	N/A	-	-	N/A
Plumbing Permits	-	-	-	N/A	-	-	N/A
Mechanical Permits	-	-	-	N/A	-	-	N/A
Miscellaneous Permits	72,000	72,000	30,867	42.87%	13,613	17,254	126.75%
Total Licenses & Permits	3,072,000	3,330,000	727,181	21.84%	901,375	(174,194)	-19.33%
FINES & PENALTIES							
	1,465,000	1,615,000	61,307	3.80%	69,625	(8,318)	-11.95%
INTERGOVERNMENTAL							
	310,000	310,000	80,566	25.99%	59,675	20,891	35.01%
CHARGES FOR SERVICES							
	31,258,098	31,258,098	8,173,296	26.15%	6,637,428	1,535,869	23.14%
SILICON VALLEY POWER TRANSFER							
	26,170,000	26,170,000	7,160,972	27.36%	6,443,344	717,628	11.14%
USE OF MONEY & PROPERTY							
Interest	2,532,000	2,532,000	126,324	4.99%	217,331	(91,007)	-41.87%
Rent	10,584,266	10,584,266	2,718,503	25.68%	2,508,239	210,264	8.38%
Total Use of Money & Property	13,116,266	13,116,266	2,844,827	21.69%	2,725,570	119,257	4.38%
MISCELLANEOUS REVENUES							
LAND PROCEED	150,000	150,000	1,824,889	1216.59%	153,805	1,671,084	1086.50%
	-	-	-	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	33,702,079	33,702,079	100.00%	32,390,871	1,311,208	4.05%
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%	5,177,399	(2,807,025)	-54.22%
Total Other Financing Sources	33,878,344	42,011,179	42,011,179	100.00%	43,839,928	(1,828,750)	-4.17%
STADIUM OPERATION							
Charges for Services	7,889,147	7,889,147	2,172,678	27.54%	200,196	1,972,482	985.28%
Rent and Licensing	752,500	752,500	507,777	67.48%	-	507,777	N/A
Total Stadium Operation	8,641,647	8,641,647	2,680,455	31.02%	200,196	2,480,259	1238.92%
TOTAL GENERAL FUND	\$ 272,355,355	\$ 280,896,190	\$ 72,933,423	25.96%	\$ 66,658,150	\$ 6,275,273	9.41%

(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 September 30, 2022, approximately \$5.0 million has been collected. Given the timing of payments, the sales tax payments reflected are for the month of July 2022.

Property Tax: Through September, 0.3% 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 September 30, 2022, approximately \$1.8 million has been received, which is significantly higher than receipts through the same period last fiscal year of \$0.6 million. As businesses continue to recover from the COVID-19 impacts, it is anticipated that TOT will increase compared to last fiscal year. While it is early in the fiscal year, TOT receipts are expected to meet or exceed the budgeted estimate of \$12.6 million based on current collection trends.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$0.4 million through September, which is on par with prior year collection levels. Receipts through September reflect higher collections in the franchise tax category that is offset by lower receipts in the documentary transfer tax categories.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Effective FY 2021/22, building, electric, plumbing and mechanical permits have been budgeted in the new 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 \$0.7 million, or 21.8% of the budget of \$3.3 million.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of approximately \$61,000 collected in this category through September is tracking to end the year well below the budgeted estimate of \$1.6 million largely due to the waiving of late fees 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 September 30, 2022, \$80,000 has been received, which is well above receipts through the same period last year. This is a result of a reimbursement received for the Police Department for POST training courses.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through September 30, 2022, collections totaled approximately \$8.2 million or 26.2% of the budget. This reflects a 23% increase compared to last year's collections through the same period of \$6.6 million. This

increase is a result of higher collections for planning and zoning fees, engineering fees, Fire EMS fees, and Fire CUPA 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 September 30, 2022, \$7.2 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 \$2.8 million, or 21.7% of the budget. These collections are slightly higher than collections through last fiscal year of \$2.7 million.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through September 30, 2022, collections of \$1.8 million are higher than collections through the same period last fiscal year of \$0.1 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 September 30, 2022, charges for services collected through the Stadium totaled \$2.7 million, which is slightly above 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 September 30, 2022, \$74.3 million or 26.4% 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 September. Departmental expenditures totaled \$60.4 million, or 23.2% of the budget, which is slightly below the par level of 25% 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 9/30/2022	Percentage Used	Actual Through 9/30/2021	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 7,514,334	\$ 7,656,881	\$ 1,164,971	15.21%	\$ 920,065	\$ 244,906	26.62%
City Council	861,105	862,396	150,004	17.39%	202,831	(52,827)	-26.04%
City Clerk	2,076,112	2,093,661	554,046	26.46%	306,119	247,927	80.99%
City Manager	6,085,321	6,292,428	1,162,661	18.48%	1,195,965	(33,304)	-2.78%
City Attorney	3,202,735	3,690,974	790,741	21.42%	598,923	191,818	32.03%
Human Resources	4,508,710	4,828,451	881,394	18.25%	844,476	36,918	4.37%
Finance	19,045,131	20,272,300	4,142,280	20.43%	3,864,022	278,258	7.20%
Total General Government	43,293,448	45,697,091	8,846,097	19.36%	7,932,401	913,696	11.52%
PUBLIC WORKS	24,021,840	25,083,353	5,532,057	22.05%	5,538,357	(6,300)	-0.11%
COMMUNITY DEVELOPMENT	5,398,007	5,665,420	1,084,002	19.13%	1,311,009	(227,007)	-17.32%
PARKS AND RECREATION	21,695,302	22,248,016	5,051,867	22.71%	4,322,067	729,800	16.89%
PUBLIC SAFETY							
Fire	62,298,852	65,767,826	17,232,293	26.20%	15,779,040	1,453,253	9.21%
Police	84,615,023	84,981,549	20,162,027	23.73%	18,676,179	1,485,848	7.96%
Total Public Safety	146,913,875	150,749,375	37,394,320	24.81%	34,455,219	2,939,101	8.53%
LIBRARY	11,889,451	12,277,870	2,530,015	20.61%	2,022,068	507,947	25.12%
DEPARTMENTAL TOTAL	253,211,923	261,721,125	60,438,358	23.09%	55,581,121	4,857,237	8.74%
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	2,035,243	27.58%	1,308,222	727,021	55.57%
TOTAL GENERAL FUND	\$ 272,355,355	\$ 280,896,190	\$ 74,268,998	26.44%	\$ 99,345,207	\$ (25,076,210)	-25.24%

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 September 30, 2022, expenditures totaled \$1.2 million, or 15.2% of the budget. These expenditures are below the par level of 25% but are higher than the prior year levels, primarily as a result of higher expenditures in the advertising and community promotion as well as salaries.

City Attorney: As of September 30, 2022, actual expenditures totaled approximately \$0.8 million, which is within expected levels at 21.4% of the budget. Spending is 32% above the total expenditures through the same time last fiscal year due to higher contractual legal services costs.

City Clerk: Through September, actual expenditures were tracking slightly above budget at \$0.6 million or approximately 26.5% of the budget. This reflects an 81% 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 September 30, 2022, expenditures were at 17.4% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a spending decrease of approximately 26%, which is primarily the result of savings due to vacancies within the department.

City Manager: The actual expenditures through September totaled \$1.2 million, or 18.5% of the budget, which is below par for this time of the year. Expenditures are 3% lower compared with the spending level through the same period last fiscal year. This decrease reflects lower spending in regular salaries; 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 September, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.1 million, or 19.1%, which is below the par level of 25%. Expenditures were also well below the spending through the same period last fiscal year due to vacancies within the department as well as lower contractual services spending.

Finance Department: Through September, the Department's expenditures totaled \$4.1 million, or 20.4% of the budget, which is below par. This expenditure level was approximately 7% higher than expenditure levels through the same period last year. This is a result of higher expenditures primarily in the salaries and benefits categories.

Fire Department: As of September 30, 2022, actual expenditures totaled \$17.2 million, or 26.2% of the budget, which is slightly above par. These expenditures reflect a 9.2% 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 categories. Overtime expenditures are tracking at 47.3% 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 September, actual expenditures totaled \$2.5 million, or 20.6% of the budget, which is below par, but 25% 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 September, actual expenditures totaled approximately \$5.1 million, or 22.7% of the budget, which is slightly below par, but above the prior year actuals of \$4.3 million. This is due to the department resuming activities that were previously impacted by COVID-19 restrictions.

Police Department: Expenditures as of September 2022 are tracking at expected levels at \$20.2 million, or 23.7% of the budget. This is approximately 8% higher when compared to spending levels through the same period last fiscal year, primarily reflecting higher charges in the 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 \$2.0 million through September and are tracking slightly above budgeted levels. This is 55.6% higher than expenditures through the same period last year, as a direct result of the reopening of the Stadium for events.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of September 30, 2022. The amended budget reflects carryover encumbrances from fiscal year 2021/22 and budget amendments approved by the City Council through September 2022. Effective July 1, 2021, all Building Division revenues and expenditures are now budgeted and accounted for in the Building Development Services Fund, which is included in the table below. Revenues totaled approximately \$5.8 million, while expenditures totaled approximately \$4.2 million through the end of September. Overall, both revenues and expenditures are tracking above par. 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 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 is included in the Budgetary Year-End Report for FY 2021/22.

**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 9/30/2022	Percentage received	Actual Through 9/30/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 280,000	\$ 280,000	\$ 25,167	8.99%	\$ 197,578	\$ (172,411)	-87.26%
City Affordable Housing Fund	682,000	682,000	100,884	14.79%	136,759	(35,875)	-26.23%
Housing Successor Fund	350,000	350,000	398,917	113.98%	222,669	176,248	79.15%
Housing and Urban Development	1,810,000	1,810,000	398,960	22.04%	1,214,582	(815,622)	-67.15%
Building Development Services Fee Fund	14,112,000	14,112,000	4,919,941	34.86%	3,676,564	1,243,377	33.82%
TOTAL	\$ 17,234,000	\$ 17,234,000	\$ 5,843,869	33.91%	\$ 5,448,152	\$ 395,717	7.26%

Fund Description	EXPENDITURES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 9/30/2022	Percentage used	Actual through 9/30/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 380,363	\$ 478,326	\$ 57,597	12.04%	\$ 36,491	\$ 21,106	57.84%
City Affordable Housing Fund	1,685,731	2,794,313	(1,290,070)	-46.17%	243,559	(1,533,629)	-629.67%
Housing Successor Fund	1,242,599	1,374,178	1,773,105	129.03%	288,244	1,484,861	515.14%
Housing and Urban Development	2,355,815	3,109,523	568,143	18.27%	1,079,073	(510,930)	-47.35%
Building Development Services Fee Fund	13,360,809	15,224,237	3,140,147	20.63%	2,247,776	892,371	39.70%
TOTAL	\$ 19,025,317	\$ 22,980,577	\$ 4,248,922	18.49%	\$ 3,895,143	\$ 353,779	9.08%

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 September 2022. As of September 30, 2022, the capital fund revenue totaled \$18.1 million. In the Parks and Recreation Capital Fund, \$14.7 million has been collected; of that, \$14.5 million is Mitigation Fee Act revenue.

**CITY OF SANTA CLARA
GOVERNMENTAL 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 9/30/2022	Percentage Used	
Parks & Recreation	\$ -	\$ 3,556,622	\$ 3,556,622	\$14,693,725	413.14%	
Streets & Highways	4,569,005	15,190,594	19,759,599	149,277	0.76%	
Storm Drain	1,454,000	-	1,454,000	362,806	24.95%	
Public Buildings	-	100,000	100,000	-	0.00%	
General Gov't - Other	-	-	-	-	NA	
Related Santa Clara Developer	2,908,317	-	2,908,317	444,805	15.29%	
Patrick Henry Drive	69,205	-	69,205	-	0.00%	
Infrastructure Improvement Fund						
Tasman East Specific Infrastructure Improvement Fund	-	-	-	2,413,605	NA	
TOTAL	\$ 9,000,527	\$ 18,847,216	\$ 27,847,743	\$18,064,218	64.87%	

The table below lists the total amended budget amounts for expenditures in all 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 September 2022. As of September 30, 2022, capital fund expenditures totaled \$9.3 million, or 7% 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 are included as part of the Budgetary Year-End Report for FY 2021/22.

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 9/30/2022	Percentage Used	
Parks & Recreation	\$ 4,670,520	\$ 22,437,801	\$ 27,108,321	\$ 668,794	2.47%	
Streets & Highways	15,175,469	59,970,079	75,145,548	5,765,216	7.67%	
Storm Drain	964,596	6,657,501	7,622,097	1,386,128	18.19%	
Fire	661,766	1,768,679	2,430,445	122,346	5.03%	
Library	281,831	297,590	579,421	8,708	1.50%	
Public Buildings	1,189,532	4,061,069	5,250,601	273,213	5.20%	
General Gov't - Other	1,950,000	7,453,526	9,403,526	526,397	5.60%	
Related Santa Clara Developer	2,908,317	598,382	3,506,699	559,055	15.94%	
Patrick Henry Drive Infrastructure Improvement Fund	69,205	-	69,205	12,022	17.37%	
Tasman East Specific Infrastructure Improvement Fund	2,876,218	-	2,876,218	4,597	0.16%	
TOTAL	\$ 30,747,454	\$ 103,244,627	\$ 133,992,081	\$ 9,326,476	6.96%	

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of September 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 Utility Fund and Water Recycling Fund as a result of higher spending in the resources category. In the Solid Waste Fund, there are higher expenditures in the garbage collection and disposal categories, 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 9/30/2022	Percentage received	Actual Through 9/30/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 615,818,445	\$ 615,818,445	\$ 124,963,195	20.29%	\$ 104,566,267	\$ 20,396,928	19.51%
Water Utility Fund	48,358,520	48,358,520	12,097,373	25.02%	10,850,866	1,246,507	11.49%
Sewer Utility Fund	40,459,345	40,459,345	8,583,181	21.21%	7,722,796	860,385	11.14%
Cemetery Fund	600,000	600,000	194,821	32.47%	191,196	3,625	1.90%
Solid Waste Utility Fund	37,245,092	37,245,092	7,056,681	18.95%	6,619,822	436,859	6.60%
Water Recycling Fund	5,708,446	5,708,446	1,458,174	25.54%	1,601,782	(143,608)	-8.97%
TOTAL REVENUE	\$ 748,189,848	\$ 748,189,848	\$ 154,353,425	20.63%	\$ 131,552,729	\$ 22,800,696	17.33%

Fund Description	EXPENSES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 9/30/2022	Percentage Used	Actual through 9/30/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 603,681,580	\$ 606,998,843	\$ 123,309,086	20.31%	\$ 114,347,053	\$ 8,962,033	7.84%
Water Utility Fund	46,797,065	48,478,478	10,029,986	20.69%	7,518,579	2,511,407	33.40%
Sewer Utility Fund	30,825,023	31,072,051	7,570,761	24.37%	7,406,202	164,559	2.22%
Cemetery Fund	1,539,796	1,545,944	352,678	22.81%	337,054	15,624	4.64%
Solid Waste Utility Fund	36,626,118	40,169,992	7,142,932	17.78%	6,150,712	992,220	16.13%
Water Recycling Fund	5,729,413	5,739,135	1,532,646	26.71%	1,318,800	213,846	16.22%
TOTAL - Operating Appropriations	\$ 725,198,995	\$ 734,004,443	\$ 149,938,089	20.43%	\$ 137,078,400	\$ 12,859,689	9.38%

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.

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through September 2022 totaled approximately \$18.9 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 \$14.9 million, or 5.3% of the amended budget through September 30, 2022. 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 are included as part of the Budgetary Year-End Report for FY 2021/22.

**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 9/30/2022	Percentage Used
Electric Utility Fund	\$ 34,678,377	\$ 14,907,345	\$ 49,585,722	\$ 11,806,803	23.81%
Street Lighting ⁽¹⁾	-	-	-	23,455	NA
Sewer Utility Fund	-	-	-	7,028,820	NA
Solid Waste Utility Fund	250,000	-	250,000	-	0.00%
TOTAL - CIP Appropriations	\$ 34,928,377	\$ 14,907,345	\$ 49,835,722	\$ 18,859,078	37.84%

**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 9/30/2022	Percentage Used
Electric Utility Fund	\$ 98,730,086	\$ 118,664,746	\$ 217,394,832	\$ 11,499,202	5.29%
Street Lighting ⁽¹⁾	71,455	4,820,273	4,891,728	27,090	0.55%
Water Utility Fund	6,665,000	1,368,212	8,033,212	555,062	6.91%
Sewer Utility Fund	20,300,110	25,615,224	45,915,334	2,753,733	6.00%
Cemetery Fund	9,225	278,397	287,622	2,306	0
Solid Waste Utility Fund	743,000	148,520	891,520	100,245	11.24%
Water Recycling Fund	50,000	-	50,000	-	-
Convention Center Capital Fund	-	2,622,854	2,622,854	-	-
TOTAL - CIP Appropriations	\$ 126,568,875	\$ 153,518,227	\$ 280,087,102	\$ 14,937,638	5.33%

(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
September 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	9,331,023		
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	\$ 56,751,048	\$ 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 September 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 September 2022 and for fiscal year 2022/23 are shown in the table below.

Department	Sep-22	Fiscal Year 2022/23		Designated Use
		Year To Date		
City Manager's Office	\$ 25	\$ 50		Help Your Neighbor
Parks & Recreation	-	99		Case Management
Parks & Recreation	630	1,225		Roberta Jones Jr. Theatre
Parks & Recreation	20,775	30,600		Wade Brummal
TOTALS	\$ 21,430	\$ 31,974		