City of Santa Clara
The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

April 2018

City of Santa Clara

Financial Status Report as of April 30, 2018

This report summarizes the City's financial performance for the ten months ended April 30, 2018. 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 citizens of the City.

For fiscal year 2017-18, the City is projected to maintain a positive operating position. At the end of April, revenues exceeded expenditures and are on track with the budget. Expenditures are within budgetary expectations for this time of the year.

As of April 30, 2018, General Fund revenues were at 86.3% of projections which was consistent with this time of year due to the cyclical receipts of most revenues. Expenditures were at 77.1% which is in line with the budget.

The adopted budget for operating revenues and expenditures for fiscal year 2017-18 is $227.8 million and $223.1 million, respectively. The amended budget has been revised to $233.4 million and $229.1 million due to carryover appropriations from fiscal year 2016-17 and various budget amendments in the current fiscal year.

General Fund Revenues

Sales Tax: The ten months of local one percent of sales tax reached $46.7 million, which was 79.2% of annual estimated sales tax revenue. Sales tax was 11.9% lower than the comparable month in 2017. The decrease was mainly due to the one-time true-up payment of $7 million in fiscal year 2016-17 related to the unwinding of the state's Triple Flip.

Property Tax: The majority of property tax revenue is collected in December and April each year. Compared to the prior year, property tax increased 7.23% as a result of the continued rise in home values and new construction.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's current TOT rate is 9.5%. In comparison to the same period in the prior year, the TOT collection increased 6.5%. Collection has been positively impacted by Levi's Stadium events which have helped fill hotel rooms on weekends that were traditionally more difficult to book.

Other Taxes: Includes franchise tax and documentary transfer tax. Documentary transfer tax increased significantly due to more transfers of ownership in real properties and legal entities. Franchise tax stayed consistent with prior year.

Licenses & Permits: Includes business licenses, building permits, and other building and planning permits and fees. Building permits and other permit receipts decreased significantly from the previous year due to fewer development activities compared to the prior fiscal year.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. These revenues are trending ahead of the budget.

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. The majority of the $4.2 million decrease from the prior fiscal year was due to the redistribution of $6.2 million from the sale of Successor Agency property in December 2016.

Charges for Services: Includes various plan check and zoning related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. This revenue is in line with budget for the current year.

Contribution in Lieu: In accordance with the City's charter, Silicon Valley Power pays 5% of gross revenues as contribution-in-lieu of taxes. These revenues provide funding for general government services such as public safety, public works, parks and recreation, library, and administration. The 10.2% increase from the comparable previous year is a result of the increase in Electric Utility revenues.

Use of Money & Property: Includes realized investment income and rental income. The interest income is at 142.7% of the annual budget and 42.8% higher than the prior year due to higher interest rates in fiscal year 2017-18. The rent revenue varies from time to time based on activities.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of scrap, and one time miscellaneous revenues. These revenues vary from year to year. Revenue was higher in the previous fiscal year due to the $1.5 million right of way sale to Santa Clara University.

General Fund Revenues

As of April 30, 2018, $201.5 million or 86.3% of the General Fund estimated revenue had been received. Revenues in the General Fund are performing at the expected budgeted levels.

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

	FISCAL YEAR 2017-18				PY REVENUE COMPARISON		
Function	Adopted Budget	Amended Budget	Actual Through 4/30/2018	Percentage Received	Actual Through 4/30/2017	$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	$ 59,047,475	$ 59,047,475	$ 46,741,774	79.16%	$ 53,056,902	$ (6,315,128)	-11.90%
Property Tax	51,359,000	51,359,000	46,712,747	90.95%	43,562,704	3,150,043	7.23%
Transient Occupancy Tax	20,600,000	20,600,000	18,702,900	90.79%	17,562,152	1,140,748	6.50%
Other Taxes	5,116,300	5,116,300	5,545,908	108.40%	4,457,266	1,088,642	24.42%
Total Taxes	**136,122,775**	**136,122,775**	**117,703,329**	**86.47%**	**118,639,024**	**(935,695)**	**-0.79%**
LICENSES & PERMITS							
Business Licenses	915,000	915,000	744,444	81.36%	748,614	(4,170)	-0.56%
Building Permits	5,000,000	5,000,000	3,392,659	67.85%	4,366,220	(973,561)	-22.30%
Electric Permits	750,000	750,000	400,606	53.41%	407,848	(7,242)	-1.78%
Plumbing Permits	650,000	650,000	269,835	41.51%	307,441	(37,606)	-12.23%
Mechanical Permits	550,000	550,000	244,093	44.38%	274,033	(29,940)	-10.93%
Miscellaneous Permits	594,000	594,000	478,841	80.61%	622,932	(144,091)	-23.13%
Total Licenses & Permits	**8,459,000**	**8,459,000**	**5,530,478**	**65.38%**	**6,727,088**	**(1,196,610)**	**-17.79%**
FINES & PENALTIES	**1,606,300**	**1,606,300**	**1,523,227**	**94.83%**	**1,382,926**	**140,301**	**10.15%**
INTERGOVERNMENTAL	**1,310,000**	**1,310,000**	**4,201,063**	**320.69%**	**8,365,284**	**(4,164,221)**	**-49.78%**
CHARGES FOR SERVICES	**41,271,526**	**41,271,526**	**34,459,611**	**83.49%**	**34,112,899**	**346,712**	**1.02%**
CONTRIBUTION IN LIEU	**21,661,903**	**21,661,903**	**18,051,586**	**83.33%**	**16,377,183**	**1,674,403**	**10.22%**
USE OF MONEY & PROPERTY							
Interest	2,000,000	2,000,000	2,854,074	142.70%	1,999,070	855,004	42.77%
Rent	11,019,497	11,019,497	7,347,680	66.68%	7,211,079	136,601	1.89%
Total Use of Money & Property	**13,019,497**	**13,019,497**	**10,201,754**	**78.36%**	**9,210,149**	**991,605**	**10.77%**
MISCELLANEOUS REVENUES	**415,920**	**443,767**	**481,927**	**108.60%**	**1,902,900**	**(1,420,973)**	**-74.67%**
OTHER FINANCING SOURCES							
Operating Transfer in - Strom Drain	1,276,661	1,276,661	1,276,661	100.00%	1,100,000	176,661	16.06%
Operating Transfer In - Reserves	2,493,145	2,948,460	2,948,460	100.00%	300,000	2,648,460	882.82%
Operating Transfer In - Gas Tax	-	-	-	NA	728,900	(728,900)	-100.00%
Operating Transfer In - Fund Balances	-	5,033,801	5,033,801	100.00%	3,473,915	1,559,886	44.90%
Operating Transfer In - Miscellaneous	162,717	272,717	110,000	40.33%	165	109,835	66566.67%
Total Other Financing Sources	**3,932,523**	**9,531,639**	**9,368,922**	**98.29%**	**5,602,980**	**3,765,942**	**67.21%**
TOTAL GENERAL FUND	**$ 227,799,444**	**$ 233,426,407**	**$ 201,521,897**	**86.33%**	**$ 202,320,433**	**$ (798,536)**	**-0.39%**

General Fund Expenditures

As of April 30, 2018, $176.6 million or 77.1% of the General Fund operating budget had been expended. Functional areas in the General Fund are performing at the expected budgeted levels.

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

	FISCAL YEAR 2017-18				PY EXPENDITURES COMPARISON		
Function	Adopted Budget	Amended Budget	Actual Through 4/30/2018	Percentage Used	Actual Through 4/30/2017	$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
GA- Salary Attrition	$ (8,450,000)	$ (8,450,000)	$ -	0.00%	$ -	$ -	
GA- City Wide Program	4,105,412	4,109,802	1,360,459	33.10%	1,437,001	(76,542)	-5.33%
General Administration	(4,344,588)	(4,340,198)	1,360,459	-31.35%	1,437,001	(76,542)	-5.33%
City Council	909,425	909,425	599,375	65.91%	411,192	188,183	45.77%
City Clerk	1,349,777	1,658,892	979,161	59.02%	1,379,596	(400,435)	-29.03%
City Manager	7,502,707	8,429,373	5,220,184	61.93%	4,239,831	980,353	23.12%
City Attorney	1,719,032	1,750,460	1,403,409	80.17%	1,418,861	(15,452)	-1.09%
Human Resources	3,479,976	3,479,976	2,667,054	76.64%	2,404,817	262,237	10.90%
Finance	11,530,992	11,673,713	8,707,001	74.59%	8,014,120	692,881	8.65%
Information Technology	11,212,950	12,160,305	6,262,943	51.50%	5,991,543	271,400	4.53%
Total General Government	**33,360,271**	**35,721,946**	**27,199,586**	**76.14%**	**25,296,961**	**1,902,625**	**7.52%**
PUBLIC WORKS	**24,423,426**	**24,633,453**	**18,733,804**	**76.05%**	**17,171,039**	**1,562,765**	**9.10%**
COMMUNITY DEVELOPMENT	**15,061,578**	**15,741,382**	**8,908,580**	**56.59%**	**8,335,875**	**572,705**	**6.87%**
PARKS AND RECREATION	**18,426,199**	**18,523,834**	**14,222,913**	**76.78%**	**13,006,300**	**1,216,613**	**9.35%**
PUBLIC SAFETY							
Fire	45,264,279	45,465,773	38,247,235	84.12%	35,127,158	3,120,077	8.88%
Police	72,388,743	72,869,022	56,123,787	77.02%	52,238,232	3,885,555	7.44%
Total Public Safety	**117,653,022**	**118,334,795**	**94,371,022**	**79.75%**	**87,365,390**	**7,005,632**	**8.02%**
LIBRARY	**10,225,270**	**10,270,097**	**7,887,487**	**76.80%**	**7,207,435**	**680,052**	**9.44%**
OTHER FINANCING USES							
Operating Transfer Out - Special Revenue Funds	853,540	853,540	853,540	100.00%	774,076	79,464	10.27%
Operating Transfer Out - Debt Services	2,504,721	2,504,721	2,504,721	100.00%	2,504,030	691	0.03%
Operating Transfer Out - Special Liability	-	1,900,000	1,900,000	100.00%	-	1,900,000	NA
Operating Transfer Out- SCGTC	589,868	589,868	-	0.00%	-	-	NA
Total Other Financing Uses	**3,948,129**	**5,848,129**	**5,258,261**	**89.91%**	**3,278,106**	**1,980,155**	**60.41%**
TOTAL GENERAL FUND	**$ 223,097,895**	**$ 229,073,636**	**$ 176,581,653**	**77.09%**	**$ 161,661,106**	**$ 14,920,547**	**9.23%**

Special Revenue Funds

The table below is the summary of revenues and expenditures of select Special Revenue Funds as of April 30, 2018.

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

	REVENUES - FISCAL YEAR 2017-18				PRIOR YEAR REVENUE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 4/30/2018	Percentage received	Actual Through 4/30/2017	$ Change From Prior Year	Percent Change
Housing Authority Fund	$ 181,974	$ 181,974	$ 441,381	242.55%	$ 428,032	$ 13,349	3.12%
City Affordable Housing Fund	310,795	310,795	1,380,544	444.20%	3,182,871	(1,802,327)	-56.63%
Housing Successor Fund	644,564	644,564	1,501,931	233.02%	1,217,450	284,481	23.37%
Housing and Urban Development	1,638,588	1,709,079	1,388,401	81.24%	1,581,567	(193,166)	-12.21%
TOTAL	**$ 2,775,921**	**$ 2,846,412**	**$ 4,712,257**	**165.55%**	**$ 6,409,920**	**$ (1,697,663)**	**-26.48%**

	EXPENDITURES - FISCAL YEAR 2017-18				PRIOR YEAR EXPENDITURE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual through 4/30/2018	Percentage Used	Actual through 4/30/2017	$ Change From Prior Year	Percent Change
Housing Authority Fund	$ 143,126	$ 193,901	$ 36,112	18.62%	$ 233,592	$ (197,480)	-84.54%
City Affordable Housing Fund	1,336,244	1,482,684	252,269	17.01%	290,286	(38,017)	-13.10%
Housing Successor Fund	1,280,189	1,418,345	312,568	22.04%	244,008	68,560	28.10%
Housing and Urban Development	1,778,588	1,849,079	1,457,887	78.84%	1,793,550	(335,663)	-18.72%
TOTAL	**$ 4,538,147**	**$ 4,944,009**	**$ 2,058,836**	**41.64%**	**$ 2,561,436**	**$ (502,600)**	**-19.62%**

Governmental Capital Improvement Funds

The re-appropriation of prior year budget amounts “carryforwards” 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 lists the total amended budget amount which consists of current year appropriations and prior year carryforwards in Governmental Capital Improvement Funds.

CITY OF SANTA CLARA
GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENDITURES

	EXPENDITURES - FISCAL YEAR 2017-18				
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 4/30/2018	Percentage Used
Street Beautification	$ 126,200	$ 261,321	$ 387,521	$ 23,760	6.13%
Parks & Recreation	7,034,568	20,774,065	27,808,633	3,372,135	12.13%
Streets & Highways	6,427,586	10,081,083	16,508,669	2,210,319	13.39%
Gas Tax	2,377,059	14,145,376	16,522,435	5,838,734	35.34%
Traffic Mitigation	1,402,625	12,202,410	13,605,035	140,799	1.03%
Storm Drain	1,040,000	3,523,298	4,563,298	2,323,381	50.91%
Fire	409,387	1,908,133	2,317,520	1,453,190	62.70%
Library	2,330,300	2,829,596	5,159,896	1,462,116	28.34%
Public Buildings	2,563,000	2,259,422	4,822,422	1,270,071	26.34%
General Govmnt - Other	5,012,941	16,065,859	21,078,800	4,391,548	20.83%
TOTAL	**$ 28,723,666**	**$ 84,050,563**	**$ 112,774,229**	**$ 22,486,053**	**19.94%**

Enterprise Funds

The tables below are a summary of revenues and expenses of Enterprise Operating Funds and summary of expenses of Enterprise Capital Improvement Funds as of April 30, 2018.

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

	REVENUES - FISCAL YEAR 2017-18				PRIOR YEAR REVENUE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 4/30/2018	Percentage received	Actual Through 4/30/2017	$ Change From Prior Year	Percent Change
Electric Utility Fund	$ 445,893,170	$ 446,011,670	$ 359,468,146	80.60%	$ 350,794,037	$ 8,674,109	2.47%
Water Utility Fund	43,744,402	43,744,402	37,506,832	85.74%	31,041,842	6,464,990	20.83%
Sewer Utility Fund	37,315,533	37,315,533	31,668,275	84.87%	40,511,533	(8,843,258)	-21.83%
Cemetery Fund	1,012,138	1,012,138	831,784	82.18%	899,223	(67,439)	-7.50%
Solid Waste Utility Fund	23,119,082	23,119,082	19,236,341	83.21%	18,805,950	430,391	2.29%
Water Recycling Fund	5,331,063	5,331,063	4,262,366	79.95%	3,421,907	840,459	24.56%
TOTAL REVENUE	**$ 556,415,388**	**$ 556,533,888**	**$ 452,973,744**	**81.39%**	**$ 445,474,492**	**$ 7,499,252**	**1.68%**

	EXPENSES - FISCAL YEAR 2017-18				PRIOR YEAR EXPENSE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual through 4/30/2018	Percentage Used	Actual through 4/30/2017	$ Change From Prior Year	Percent Change
Electric Utility Fund	$ 392,078,170	$ 416,328,233	$ 316,242,443	75.96%	$ 284,012,980	$ 32,229,463	11.35%
Water Utility Fund	39,034,889	40,615,164	32,634,473	80.35%	27,431,251	5,203,222	18.97%
Sewer Utility Fund	25,000,332	25,096,558	22,764,397	90.71%	19,926,029	2,838,368	14.24%
Cemetery Fund	1,007,138	1,007,138	827,130	82.13%	570,691	256,439	44.93%
Solid Waste Utility Fund	22,827,740	23,705,443	17,196,461	72.54%	16,365,565	830,896	5.08%
Water Recycling Fund	4,539,955	5,339,955	3,882,607	72.71%	3,470,058	412,549	11.89%
TOTAL - Operating Appropriations	**$ 484,488,224**	**$ 512,092,491**	**$ 393,547,511**	**76.85%**	**$ 351,776,574**	**$ 41,770,937**	**11.87%**

CITY OF SANTA CLARA
ENTERPRISE CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENSES

	EXPENSES - FISCAL YEAR 2017-18				
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 4/30/2018	Percentage Used
Electric Utility Fund	$ 54,871,365	$ 66,547,397	$ 121,418,762	$ 22,263,296	18.34%
*Street Lighting	4,290	6,328,873	6,333,163	789,508	12.47%
Water Utility Fund	5,079,731	7,362,716	12,442,447	1,190,249	9.57%
Sewer Utility Fund	39,404,607	25,708,710	65,113,317	27,042,188	41.53%
Cemetery Fund	35,175	72,910	108,085	-	0.00%
Solid Waste Utility Fund	866,000	1,114,700	1,980,700	532,349	26.88%
Water Recycling Fund	55,515	258,115	313,630	4,324	1.38%
TOTAL - CIP Appropriations	**$ 100,316,683**	**$ 107,393,421**	**$ 207,710,104**	**$ 51,821,914**	**24.95%**

* 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 Budget Stabilization Reserve and Capital Projects Reserve 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 25.0% General Fund Adopted Operating Budget).
- 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:

- Building Inspection Reserve is to account for surplus funds from user fees in the Community Development Department's Building Inspection Division, and is restricted to fund Building Division Costs.
- Land Sale Reserve is from net proceeds from the sale of City owned land, and is available to be appropriated for General Fund expenditures.
- The reserves in Electric Utility Fund assure that rates were set properly and sufficient operating cash is available to ensure debt service coverage.
- The Water Conservation Reserve is to enhance water conservation activities in response to the drought.
- The Replacement and Improvement Reserve in Water and Sewer Utility is for future capital improvement.

The table below summarizes the reserve balances.

	GENERAL FUND	ELECTRIC	WATER	SEWER
Budget Stabilization Reserve	$ 55,085,895			
Capital Projects Reserve	30,996,560			
Building Inspection Reserve	9,729,766			
Land Sale Reserve	39,299,901			
Rate Stabilization Fund Reserve		$ 25,000,000		
Cost Reduction Fund Reserve		95,708,577		
DVR Power Plant Contracts Reserve		5,078,163		
Replacement & Improvement			$ 303,090	$ 1,507,553
Water Conservation			33,125	
TOTALS	**$ 135,112,122**	**$ 125,786,740**	**$ 336,215**	**$ 1,507,553**