City of Santa Clara
The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

May 2026

City of Santa Clara

Financial Status Report as of May 31, 2026

This report summarizes the City's financial performance for the month ending May 31, 2026. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, Internal Service Funds, and Capital Improvement Funds. Financial information included in this report is unaudited.

Economic Outlook

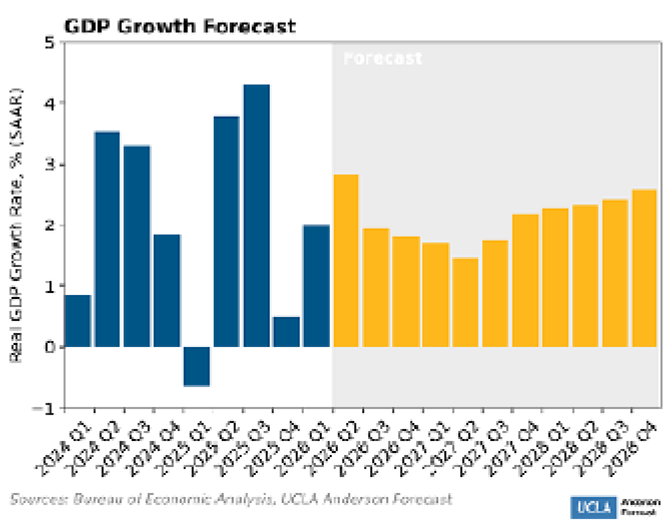
The UCLA Anderson Summer 2026 Economic Forecast discusses the economic implications of the conflict with the Iran on the US economy as well as factors in the US economy that will help manage the related energy shock, including lower interest rates, tax cuts and AI investments. "Large shifts are currently afoot across domestic politics, geopolitics, and technology, bringing a heightened level of uncertainty regarding how each will play out. Nonetheless, the US economy continues to perform exceptionally well in many regards, maintaining historically low levels of unemployment alongside robust GDP growth.

However, the disruption to the global oil supply directly threatens this economic health. The country is inevitably entering a period of markedly higher inflation, and while GDP growth and employment will suffer, the immediate impact on them is largely offset by the multi-faceted economic stimulus currently serving as a backdrop for the US economy.

The primary risk to this outlook is if the Strait of Hormuz remains closed beyond the summer, which would send oil prices significantly higher than their already elevated levels. A prolonged closure would disrupt the US economy to a much greater degree, especially if it punctures the currently lofty equity valuations, which would put the possibility of a recession back on the table."[1]

The UCLA Forecast assumes real Gross Domestic Product (GDP) growth of 2.1% in 2026, consistent with the performance in 2025. The estimate for 2026 is down from the 3% growth estimated in the Spring 2026 UCLA Forecast; growth in no longer expected to accelerate in 2026 as higher energy prices are expected to diminish household spending capacity. In 2027, real GDP growth is projected to drop to 1.8% with consumer spending constrained by increases in the cost of living due to the oil supply crunch, government spending cuts taking effect, particularly to Medicaid and SNAP, and a more modest pace of AI investment growth.

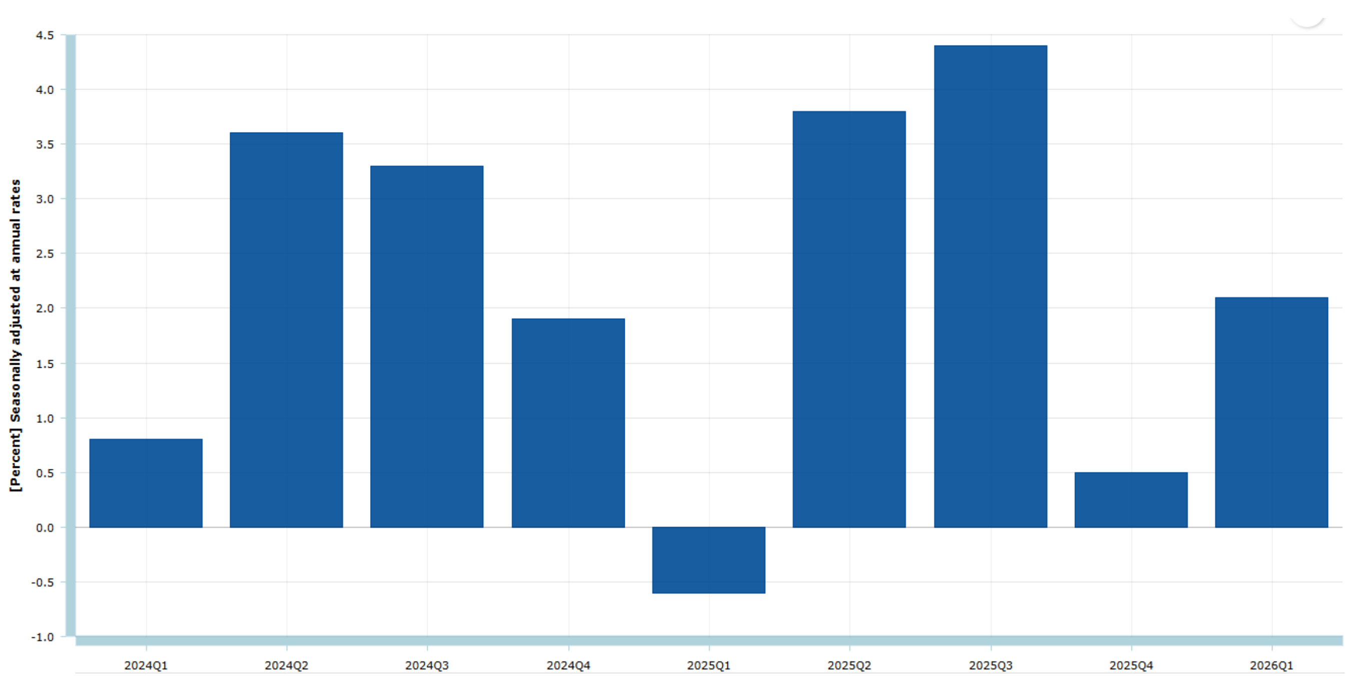
Quarterly Real GDP Growth Forecast (Seasonally Adjusted Annual Rates)



[1] UCLA Anderson Forecast for the Nation, Summer 2026 Report: One Inflationary Battle After Another, Clement Bohr, May 2026

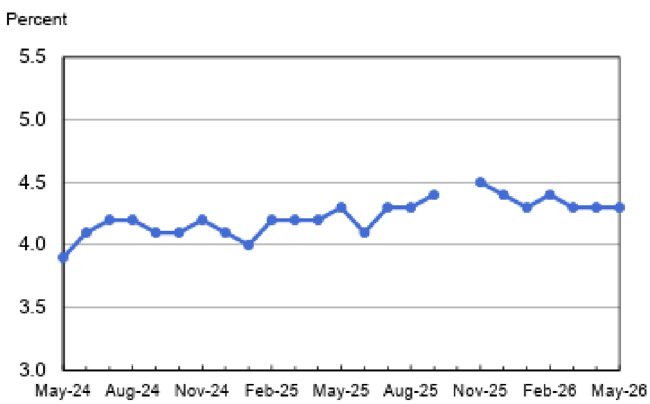
In the third estimate for the first quarter of 2026, the Gross Domestic Product (GDP) increased at an annual rate of 2.1%, following a GDP increase of 0.5% in the fourth quarter 2025. The increase in real GDP reflected increases in investment, exports, consumer spending, and government spending. Imports, which are a subtraction in the calculation of GDP, also increased.[2]

Real GDP, Percent Change From Preceding Quarter



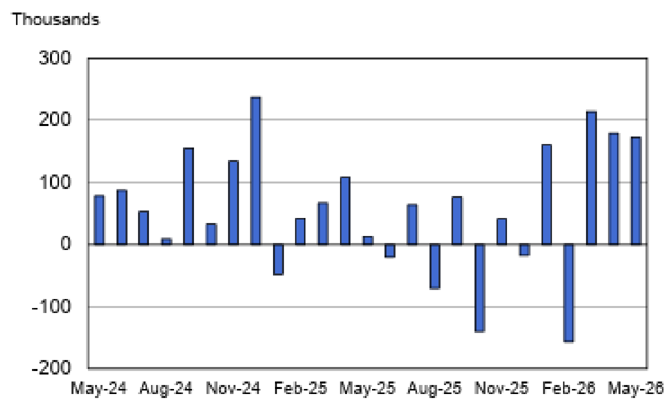
On a national level, the unemployment rate remained unchanged at 4.3% between April and May 2026. In May, the number of unemployed persons totaled 7.3 million, a slight decrease from 7.4 million in April 2026.[3]

Chart 1. Unemployment rate, seasonally adjusted, May 2024 – May 2026



Note: Data for October 2025 were not collected due to the federal government shutdown.

Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, May 2024 – May 2026



At the state level, the California unemployment rate was 5.3% in May 2026, consistent with the April 2026 rate. This rate is slightly down from the 5.5% rate in May 2025. Over the past year, California employers have gained 102,900 nonfarm jobs (0.57% increase).[4]

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 3.5% in May 2026, down slightly from a revised 3.8% in April 2026, and below the May 2025 level of 4.0%. Between May 2025 and May 2026, employment in this region increased by 17,500 jobs, or 1.5%. The largest increases were in private education and health services (up 12,000 jobs), construction (up 4,400 jobs), and information and manufacturing (up 2,900 jobs).[5]

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 2025/26 was $353.0 million. The amended budget for revenues and expenditures was adjusted to $386.7 million to reflect carryover encumbrances from fiscal year 2024/25 and various budget amendments approved by the City Council through May 2026.

General Fund revenues are tracking to exceed the budget and expenditures are tracking to end the year with savings.

[4] https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-may-2026/
[5] https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pds.pdf

General Fund Revenues

As of May 31, 2026, $309.2 million, or 91.1% of General Fund revenue (excluding transfers) was received. Transfers and use of reserves of $47.4 million have occurred as budgeted.

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

	FISCAL YEAR 2025/26				PY REVENUE COMPARISON		
Function	Adopted Budget	Amended Budget	Actual Through 05/31/2026	Percentage Received	Actual Through 05/31/2025	$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	$ 65,850,000	$ 65,850,000	$ 61,683,608	93.67%	$ 60,546,921	$ 1,136,687	1.88%
Property Tax	101,181,000	101,181,000	88,637,170	87.60%	83,105,896	5,531,274	6.66%
Transient Occupancy Tax	27,500,000	27,500,000	25,192,690	91.61%	20,397,214	4,795,476	23.51%
Other Taxes	7,200,000	7,200,000	5,535,922	76.89%	5,338,351	197,571	3.70%
Total Taxes	**201,731,000**	**201,731,000**	**181,049,390**	**89.75%**	**169,388,382**	**11,661,008**	**6.88%**
LICENSES & PERMITS							
Business Licenses	6,200,000	6,200,000	5,342,246	86.17%	5,313,279	28,967	0.55%
Building Permits	-	-	1,513,800	N/A	1,271,322	242,478	19.07%
Fire Operation Permits	1,998,000	1,998,000	1,694,298	84.80%	1,916,730	(222,432)	-11.60%
Miscellaneous Permits	26,000	26,000	254	0.98%	74,227	(73,973)	-99.66%
Total Licenses & Permits	**8,224,000**	**8,224,000**	**8,550,598**	**103.97%**	**8,575,558**	**(24,960)**	**-0.29%**
FINES & PENALTIES	**1,557,000**	**1,557,000**	**3,022,359**	**194.11%**	**2,231,794**	**790,565**	**35.42%**
INTERGOVERNMENTAL	**580,000**	**1,256,079**	**1,172,480**	**93.34%**	**4,639,119**	**(3,466,639)**	**-74.73%**
CHARGES FOR SERVICES	**35,626,474**	**35,843,074**	**34,541,944**	**96.37%**	**31,568,237**	**2,973,707**	**9.42%**
SILICON VALLEY POWER TRANSFER	**37,275,000**	**37,275,000**	**34,168,751**	**91.67%**	**32,509,674**	**1,659,077**	**5.10%**
USE OF MONEY & PROPERTY							
Interest	6,247,000	6,247,000	9,300,917	148.89%	5,326,646	3,974,271	74.61%
Rent	13,107,611	13,536,011	13,406,668	99.04%	11,240,502	2,166,166	19.27%
Total Use of Money & Property	**19,354,611**	**19,783,011**	**22,707,585**	**114.78%**	**16,567,148**	**6,140,437**	**37.06%**
MISCELLANEOUS REVENUES	**380,000**	**1,220,816**	**1,469,579**	**120.38%**	**512,828**	**956,751**	**186.56%**
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	9,556,671	16,973,212	16,973,212	100.00%	14,156,089	2,817,123	19.90%
Operating Transfer In - Fund Balances(1)	5,816,858	28,620,857	28,620,857	100.00%	6,162,369	22,458,488	364.45%
Operating Transfer In - Miscellaneous	405,265	401,746	401,746	100.00%	2,201,534	(1,799,788)	-81.75%
Total Other Financing Sources	**17,232,794**	**47,449,815**	**47,449,815**	**100.00%**	**23,973,992**	**23,475,823**	**97.92%**
STADIUM OPERATION							
Charges for Services	24,423,380	25,747,380	21,171,480	82.23%	18,510,233	2,661,247	14.38%
Rent and Licensing	6,640,308	6,640,308	1,318,972	19.86%	7,612,194	(6,293,222)	-82.67%
Total Stadium Operation	**31,063,688**	**32,387,688**	**22,490,452**	**69.44%**	**26,122,427**	**(3,631,975)**	**-13.90%**
TOTAL GENERAL FUND	**$ 353,024,567**	**$ 386,727,483**	**$ 356,622,954**	**92.22%**	**$ 316,089,160**	**$ 40,533,794**	**12.82%**

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2025 and mid year budget amendment from reserves.

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.75% effective April 1, 2026 (Santa Clara County voters approved Measure A to increase the sales tax for the County of Santa Clara by 0.625%). Of the 9.75%, the City of Santa Clara receives 1.0%. As of May 31, 2026, $61.7 million has been recorded, which is 1.9% higher than prior year collection levels. Given the timing of payments, the sales tax receipts through May account for actual activity for three quarters of the fiscal year (July 2025 through

March 2026). In addition, $0.6 million has been received for the Proposition 172 Public Safety Sales Tax, which is consistent with the prior fiscal year.

Following is information on the general sales tax receipts by quarter.

- **First quarter of FY 2025/26 (July – September activity):** receipts totaled $18.4 million. This collection level was 3.9% below the prior year receipts of $19.2 million for the first quarter of FY 2024/25. This decrease was the result of a 16.0% decrease in the Business-to-Business category, partially offset by growth in the remaining categories.

- **Second quarter of FY 2025/26 (October – December activity):** receipts totaled $21.9 million and were up 8.6% from the same period last year. This increase was primarily the result of a 30.2% increase in the County pool; these collections represented approximately 23% of the City's sales tax receipts. The City business categories that experienced growth in the second quarter included Construction (up 42.0%), Transportation (up 2.9%), and General Retail (up 1.8%). This growth was partially offset by declines in food products (down 3.4%), and business to business (down 12.3%).

- **Third quarter of FY 2025/26 (January - March activity):** general sales tax receipts in the third quarter totaled $20.7 million and were up 0.6% from the same quarter in the prior fiscal year. During this quarter, the City business categories that experienced growth included General Retail (up 15.2%), Food Products (up 13.4%), and Construction (up 25.6%). This growth was partially offset by declines in Business to Business (down 1.5%), and Transportation (down 3.6%).

  Through the first three quarters of the fiscal year, collections were up 1.9% from the extremely high collection level in the prior fiscal year.

Given the strong performance to date and the strong performance in FY 2024/25, collections are tracking to exceed the budget estimate of $65.9 million. In June, budget adjustments were approved as part of the April Monthly Financial Report to increase the sales tax estimate by $14.5 million, bringing the estimate to $80.4 million.

Property Tax: Through May, property tax receipts totaled $88.6 million, up 6.7% from the prior year. Based on information from the County of Santa Clara, property tax receipts are projected to end the year at $103.8 million, slightly above the Adopted Budget estimate of $101.2 million. In June, budget adjustments were approved as part of the April Monthly Financial Report to increase the property tax estimate by $2.6 million, bringing the estimate to $103.8 million.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate is 13.5%. Through May 31, 2026, $25.2 million has been collected, which reflects a 23.5% increase when compared to the collection level in the prior year. Beginning July 2025, all hotels submit TOT payments monthly rather than a combination of monthly and quarterly payments, which will impact the collection pattern during this fiscal year. Based on the higher prior year collection level, current year receipts, and the impact from the Super Bowl and FIFA World Cup events, TOT revenue is projected to reach $31.5 million. A budget adjustment was approved in the April Monthly Financial Report to increase the revenue estimate by $4.0 million (from $27.5 million to $31.5 million).

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected $5.5 million through May, including franchise tax ($4.3 million) and documentary transfer tax ($1.2 million). Receipts are 3.7% higher than last fiscal year's collection level of $5.3 million; growth of 2.6% is needed to meet the budget estimate

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. This category also includes a portion of building permit revenue that is allocated for advanced planning and not factored into the budgeted estimate. Licenses and permits revenue collections are tracking above par with receipts totaling $8.6 million, or 104% of the $8.2 million budget, due to the building permit revenue. This collection level is consistent than prior year receipts. Business licenses receipts represent the majority of the collections to date at $5.3 million. Collections in this category are tracking on par with the prior year level but are projected to end the year slightly below the $6.2 million budget.

Fines & Penalties: Includes collection charges (late fees), vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through May was $3.0 million, which is above the budget of $1.6 million and the prior year level collections of $2.2 million. The majority of the receipts are comprised of collection charges. The variance from the prior year is primarily due to higher collection charges, partially offset by a decrease in municipal fines collected. A budget adjustment was approved in the April Monthly Financial Report to increase the revenue estimate by $1.5 million (from $1.6 million to $3.1 million).

Intergovernmental: Includes motor vehicle fees, state homeowner property tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency. Through May, $1.2 million has been collected in this category, which is 93.3% of the budget. This collection level is 74.7% lower than prior year levels; collections were higher last year due to wildland reimbursements. Motor vehicle fees total $0.2 million, slightly exceeding the budget, and the State reimbursement for homeowners property tax relief totals $0.1 million and is expected to reach the $0.2 million budget by year-end. The miscellaneous other agency revenues total $0.8 million, which primarily reflects the SB 90 reimbursements from the State for state-mandated programs delivered by the Police Department and wildland reimbursements for the Fire Department. Budget actions to appropriate these funds to the Police and Fire Departments were approved as part of the July/August Monthly Financial Report and February and March Monthly Financial Reports, respectively.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through May, collections totaled approximately $34.5 million or 96.4% of the budget. This reflects a 9.4% increase compared to last year's collections, primarily due to higher receipts in engineering fees, interdepartmental charges, and planning and zoning fees.

Silicon Valley Power Transfer: In accordance with the City's charter, Silicon Valley Power (SVP) pays 5.0% of gross revenues to the General Fund. Transfers throughout the year are based on the budgeted estimate and will be trued up at the end of the fiscal year based on actual performance. Based on the prior year collections and activity levels in SVP, receipts in this category are expected to exceed the budgeted estimate. A budget adjustment was approved in the April Monthly Financial Report to increase the revenue estimate by $6.4 million (from $37.3 million to $43.7 million).

Use of Money & Property: Includes realized investment income and rental income. Collections of $22.7 million are higher than prior year levels in both categories. The increase in rental income reflects higher right-of-way collections and lease revenues. Interest collections were 74.6% higher than prior year levels due to several factors, including an increase in the size of the portfolio, the interest income distribution timing, a higher level of realized losses last fiscal year, and higher earnings for certain securities. Receipts in this category are expected to exceed the budget based on current collection trends. A budget adjustment was approved in the April Monthly Financial Report to increase the interest earnings revenue estimate by $6.2 million (from $6.2 million to 12.4 million).

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, and one-time miscellaneous revenues. Through May, collections of $1.5 million are tracking at 120% the budget and are 187% above the prior year collections of $0.5 million. This increase is primarily due to a settlement agreement for damages incurred at Lick Mill Pump Station; the City was reimbursed $0.5 million for these damages. A budget action recognizing the reimbursement was approved by the City Council on January 13, 2026.

Stadium Operation: Through May 31, 2026, $22.5 million has been collected through charges for services and rent. Of this amount, $3.3 million and $5.6 million represents public safety cost reimbursements for non-NFL events and NFL games, respectively. The City received $4.8 million in revenue from the Stadium Authority's year-end excess revenue distribution to the General Fund. The City also received the ground lease payment of $1.3 million and general and administrative cost reimbursements of $2.0 million, both from the Stadium Authority. Reimbursements of $4.6 million have been received from the Bay Area Host Committee. Remaining collections of $0.9 million reflected parking permits. Budget actions were included as part of the April report to recognize additional reimbursements related to higher than budgeted deployment costs related to the FIFA World Cup matches. In addition, the revenue estimate for the excess revenue distribution was increased by $1.8 million (from $3.0 million to $4.8 million).

City of Santa Clara

Financial Status Report as of May 31, 2026

General Fund Expenditures

As of May 31, 2026, $339.5 million or 87.8% of the General Fund operating budget had been expended, which is higher than prior year expenditure levels. Excluding transfers, expenditures totaled $285.4 million, or 85.8% of the budget, which is below par of 91.7%. Transfers of $54.1 million have occurred as budgeted. Overall, expenditures in the General Fund are within budgeted levels through May and are expected to end the year with savings.

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

	FISCAL YEAR 2025/26				PY EXPENDITURES COMPARISON		
Function	Adopted Budget	Amended Budget	Actual Through 05/31/2026	Percentage Used	Actual Through 05/31/2025	$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	$ 20,501,477	$ 20,160,144	$ 14,117,233	70.03%	$ 12,478,805	$ 1,638,428	13.13%
City Council	1,268,362	1,273,274	1,035,373	81.32%	1,009,742	25,631	2.54%
City Clerk	1,761,474	1,763,949	1,467,381	83.19%	2,042,764	(575,383)	-28.17%
City Manager	5,859,758	6,942,349	5,541,261	79.82%	4,171,654	1,369,607	32.83%
City Attorney	4,619,355	4,760,193	4,112,547	86.39%	2,774,948	1,337,599	48.20%
City Auditor	1,075,554	1,167,005	716,848	61.43%	635,201	81,647	12.85%
Human Resources	5,470,869	5,758,815	3,896,043	67.65%	3,761,263	134,780	3.58%
Finance	20,897,522	21,598,708	18,945,446	87.72%	18,835,770	109,676	0.58%
Total General Government	**61,454,371**	**63,424,437**	**49,832,132**	**78.57%**	**45,710,147**	**4,121,985**	**9.02%**
PUBLIC WORKS	**30,216,576**	**31,460,071**	**25,968,759**	**82.55%**	**23,561,071**	**2,407,688**	**10.22%**
COMMUNITY DEVELOPMENT	**6,039,535**	**6,237,266**	**5,057,937**	**81.09%**	**4,386,799**	**671,138**	**15.30%**
PARKS AND RECREATION	**24,548,978**	**25,373,495**	**20,880,021**	**82.29%**	**19,267,775**	**1,612,246**	**8.37%**
PUBLIC SAFETY							
Fire	70,335,667	71,724,082	66,364,251	92.53%	63,048,472	3,315,779	5.26%
Police	99,261,544	100,299,895	91,856,749	91.58%	82,454,712	9,402,037	11.40%
Total Public Safety	**169,597,211**	**172,023,977**	**158,221,000**	**91.98%**	**145,503,184**	**12,717,816**	**8.74%**
LIBRARY	**12,178,570**	**12,300,254**	**10,800,967**	**87.81%**	**10,716,803**	**84,164**	**0.79%**
DEPARTMENTAL TOTAL	**304,035,241**	**310,819,500**	**270,760,816**	**87.11%**	**249,145,779**	**21,615,037**	**8.68%**
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	1,062,675	1,635,973	1,635,973	100.00%	1,742,520	(106,547)	-6.11%
Operating Transfer Out - Debt Services	1,406,979	1,406,979	1,406,979	100.00%	1,405,940	1,039	0.07%
Operating Transfer Out - Maintenance Dtrct	1,079,493	1,079,493	1,079,493	100.00%	977,546	101,947	10.43%
Operating Transfer Out - Cemetery	1,078,109	1,078,109	1,078,109	100.00%	823,000	255,109	31.00%
Operating Transfer Out - CIP	6,352,233	30,793,808	30,793,808	100.00%	14,504,188	16,289,620	112.31%
Operating Transfer Out - Reserves	17,649,996	18,100,112	18,100,112	100.00%	7,324,722	10,775,390	147.11%
Total Other Financing Uses	**28,629,485**	**54,094,474**	**54,094,474**	**100.00%**	**26,777,916**	**27,316,558**	**102.01%**
STADIUM OPERATION	**20,359,841**	**21,813,508**	**14,653,385**	**67.18%**	**7,495,219**	**7,158,166**	**95.50%**
TOTAL GENERAL FUND	**$ 353,024,567**	**$ 386,727,483**	**$ 339,508,676**	**87.79%**	**$ 283,418,914**	**$ 56,089,761**	**19.79%**

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 May, expenditures totaled $14.1 million, or 70% of the budget, which is below par of 91.7%. Current year spend is tracking higher than prior year levels, primarily in the salaries and benefits and contractual services categories. Spend is also higher in the advertising and community promotion category as a result of the "Where the Mission Meets the Moment" community events. These costs are partially offset by sponsorship revenue received by the City and appropriated to Non-Departmental as approved by the City Council as part of the Monthly Financial Reports for December 2025, January and April 2026. The April Monthly Financial Report also included a $1.6 million reduction to the Non-Departmental budget that had been set aside for separation payouts that occur during the year that cannot be absorbed by departments. The majority of these funds were redistributed to the Police and Fire Departments to cover their separation payouts.

City Attorney: Actual expenditures through May totaled approximately $4.1 million, which is 86.4% of the budget, which is below par. Spending is higher than the total expenditures through the same time last fiscal year by 48.2% due to higher salaries and benefits costs and outside legal counsel costs. A budget action was included as part of the April Monthly Financial Report to add $230,000 to the City Attorney's Office budget to address increased legal service costs associated with new and ongoing litigations.

City Clerk: Through May, actual expenditures were tracking slightly below budget at approximately $1.5 million or 83.2% of the budget. This spend is 28.2% lower than prior year levels due to one-time election costs incurred in February 2025. A budget action was included as part of the April Monthly Financial Report to add $10,000 to the City Clerk's Office budget address increased expenditures for Public Record Act (PRA) assessments.

City Council: Through May, expenditures of $1.0 million were at 81.3% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a 2.5% increase in expenditures, resulting from higher salary and benefits, operating supplies, and conference, training and travel spend.

City Manager: The actual expenditures through May totaled $5.5 million, or 79.8% of the budget, which is below par for this time of the year. Expenditures are approximately 32.8% higher compared with the spending level during the same period last fiscal year. This is due to higher spend in the salaries and benefits, operating supplies, and contractual services categories.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building Division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through May, departmental expenditures for the Planning and Housing and Community Services divisions totaled $5.1 million, or 81.2% of the budget, which is below par of 91.7%. This expenditure level is 15.3% above the prior year as a result of higher salaries and benefits and contractual services spend.

Finance Department: Through May, the Department's expenditures totaled $18.9 million, or 87.7% of the budget, which is slightly below par. This expenditure level is consistent when compared to the same period last year. A budget action was included as part of April Monthly Financial Report to add $153,000 to the Finance Department budget to account for higher actual costs from the County of Santa Clara for property tax administration; these costs were offset by additional Property Tax revenue.

Fire Department: Through May, actual expenditures totaled $66.4 million, or 92.5% of the budget, which is slightly above par. These expenditures are 5.3% above the spending level through the same period last fiscal year. Overtime expenditures are tracking at 219.5% of the budget, which is well above par. Excluding mutual aid-related costs, the overtime budget is 213.2% expended through May. Overtime is used to backfill for shift absences and vacant shift positions to maintain daily minimum staffing. Overtime expenditures have exceeded the overtime budget as the current absence rate exceeds the estimate used in the development of the budget.

Through May, absences are up 13% (from 75,230 to 85,150 hours) when compared with the prior fiscal year and remain above historical levels. Absences are trending high in the areas of injury, disability leave, and compensation time usage. Employees can elect compensatory time over overtime pay when backfilling shift absences, which increases the need to backfill when the compensatory time is used. Through May, the compensatory time payouts total $2.0 million, which is above historical levels and 36% higher than the payouts of $1.5 million experienced through May of last fiscal year.

Expenditures were tracking to end the year approximately $2.6 million to $2.8 million above budget. Additional funding of approximately $2.8 million was added to the department budget as part of the April Monthly Financial Report to conservatively address this potential overage. Of this amount, $0.7 million was offset by additional ambulance transport revenue and $0.8 million was offset by the shift of separation payouts funding from Non-Departmental. The adjustments from the April Monthly Financial Report are not yet reflected in the Amendment Budget in the table above.

Library Department: Through May, actual expenditures totaled approximately $10.8 million, or 87.8% of the budget, which is slightly below par, but consistent with the prior year expenditure level.

Parks and Recreation Department: Through May, actual expenditures totaled $20.9 million, or 82.3% of the budget, which is below par, but 8.4% higher than prior year actuals of $19.3 million. This increase reflects higher spend in the salaries and benefits categories as well as operating supplies.

Police Department: Expenditures through May are tracking at $91.9 million, or 91.6% of the budget; this is approximately 11.4% higher than prior year spending levels. The increase is mainly due to higher spend in the salaries and benefits, particularly in the overtime category. There is also higher spend in the operating supplies, contractual services, and capital outlay categories. Earlier in the fiscal year, the City Council approved MOU agreements for Units 2 and 10, both with fiscal implications totaling approximately $3 million. While the Department has been able to absorb a substantial amount of these costs, a budget action was included as part of the April monthly financial report to add $1.3 million to the Police Department budget to address the portion that cannot be absorbed as well as separation payouts. Of this amount, $0.6 million was offset by the shift of separation payouts funding from Non-Departmental.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures of $14.7 million through May are tracking at 67.2% of the budget; this expenditure level is 95.5% above the prior fiscal year due planning and deployment activities related to the Super Bowl LX and FIFA World Cup 2026. Events at the Stadium through May include two soccer matches, four concerts, two preseason and eight regular season NFL games; these costs are fully reimbursed by the Stadium Manager and the Stadium Authority. February events also include Super Bowl LX and the community event: Celebrate Santa Clara. The Bay Area Host Committee also provides reimbursement for expenses incurred related to Super Bowl LX and FIFA World Cup 2026 planning costs. A budget action was included as part of the April report to address higher than budgeted deployment costs related to the FIFA World Cup matches.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of May 31, 2026. The amended budget reflects carryover encumbrances from fiscal year 2024/25 and budget amendments approved by the City Council through May 2026.

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

	REVENUE - FISCAL YEAR 2025/26				PRIOR YEAR REVENUE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 5/31/2026	Percentage Received	Actual Through 5/31/2025	$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	$ 16,736,000	$ 16,736,000	$ 20,637,446	123.31%	$ 16,952,627	$ 3,684,819	21.74%
City Affordable Housing Fund	1,253,326	502,171	617,819	123.03%	1,135,854	(518,035)	-45.61%
Fire CUPA Fund	2,019,000	2,138,200	2,213,609	103.53%	182,961	2,030,648	1109.88%
Fire Development Services Fee Fund	3,429,000	3,429,000	3,980,384	116.08%	3,844,315	136,069	3.54%
Housing and Urban Development	5,427,794	5,561,800	998,597	17.95%	2,422,412	(1,423,815)	-58.78%
Housing Authority Fund	281,088	281,088	391,660	139.34%	50,629	341,031	673.59%
Housing Successor Fund	1,302,573	1,302,573	632,426	48.55%	1,166,346	(533,920)	-45.78%
TOTAL	**$ 30,448,781**	**$ 29,950,832**	**$ 29,471,941**	**98.40%**	**$ 25,755,144**	**$ 3,716,797**	**14.43%**

	EXPENDITURES - FISCAL YEAR 2025/26				PRIOR YEAR EXPENDITURE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 5/31/2026	Percentage Used	Actual Through 5/31/2025	$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	$ 17,307,319	$ 18,707,334	$ 15,107,620	80.76%	$ 14,700,565	$ 407,055	2.77%
City Affordable Housing Fund	6,984,995	7,292,572	1,040,672	14.27%	873,526	167,146	19.13%
Fire CUPA Fund	1,779,867	1,814,872	1,522,941	83.91%	87,586	1,435,355	1638.80%
Fire Development Services Fee Fund	3,904,315	3,926,714	3,243,723	82.61%	3,216,785	26,938	0.84%
Housing and Urban Development	5,427,794	5,720,995	2,179,480	38.10%	2,557,173	(377,693)	-14.77%
Housing Authority Fund	459,878	501,371	159,213	31.76%	147,077	12,136	8.25%
Housing Successor Fund	1,127,973	1,347,976	682,703	50.65%	525,126	157,577	30.01%
TOTAL	**$ 36,992,141**	**$ 39,311,834**	**$ 23,936,352**	**60.89%**	**$ 22,107,838**	**$ 1,828,514**	**8.27%**

Through the end of May, revenues totaled $29.5 million, or 98.4% of the estimate, which is above par of 91.7%, while expenditures totaled approximately $23.9 million, or 60.9%. Revenues across all funds, with the exception of the Housing and Urban Development (HUD) and Housing Successor Agency Fund have exceeded revenue projections. The Housing Authority Fund revenue is tracking above budget and significantly above prior year levels due to additional interest paid on a housing loan. Low collections in the HUD Fund are due to the timing of entitlement fund reimbursements.

Expenditures across these special revenue funds are tracking below par. In the Fire CUPA Fund, expenditures are tracking well above prior year levels as it was newly established in FY 2024/25, while expenditures are tracking low in the City Affordable Housing Fund due to a special program disbursement. This disbursement budget was approved to be carried over for the Benton/Lawrence project, as part of the FY 2026/27 and FY 2027/28 Biennial Capital Improvement Program Budget, adopted by the City Council on June 9, 2026.

Internal Service Funds

The table below displays the expenditures in the internal service funds across the City. The amended budget reflects current year appropriations, prior year carryover, and budget amendments approved through May 2026. As of May 31, 2026, the internal service fund expenditures totaled $41.1 million, or 60.8% of the amended budget. The expenditure fluctuations in the Vehicle Replacement Fund are due to the timing of vehicle purchases throughout the year. The significant decrease in spend in the Communication Acquisitions Fund is a result of the replacement of public safety radios that occurred last fiscal year. In the Information Technology Services Fund, higher spend is attributable to the contractual services and capital outlay categories. Expenditures are significantly lower in the Special Liability Insurance Fund when compared to last fiscal year due to high insurance claims expenses that were incurred in FY 2024/25. Expenditures in the Unemployment Insurance Fund have exceeded the budget due to higher actual claims. A budget amendment was included in the April Monthly Financial Report to address this overage.

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
EXPENDITURES - OVERVIEW AND COMPARISON BY FUND

	EXPENDITURES - FISCAL YEAR 2025/26				PRIOR YEAR EXPENDITURE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 5/31/2026	Percentage Used	Actual Through 5/31/2025	$ Change From Prior Year	Percent Change
Communication Acquisitions Fund	$ 1,064,336	$ 1,642,638	$ 476,389	29.00%	$ 5,926,859	$ (5,450,470)	-91.96%
Fleet Maintenance and Operations Fund	6,757,227	7,417,317	6,004,774	80.96%	5,304,264	700,510	13.21%
Information Technology Services Fund	18,755,875	23,478,149	14,488,822	61.71%	11,216,287	3,272,535	29.18%
Public Works Capital Projects Management Fund	4,991,087	5,863,020	4,370,862	74.55%	3,671,556	699,306	19.05%
Special Liability Fund	9,152,000	9,209,062	5,474,459	59.45%	10,456,862	(4,982,403)	-47.65%
Unemployment Insurance Fund	100,000	100,000	117,288	117.29%	74,713	42,575	56.98%
Vehicle Replacement Fund	3,994,000	11,014,019	2,709,953	24.60%	6,449,397	(3,739,444)	-57.98%
Workers' Compensation Fund	6,858,000	8,858,000	7,440,022	83.99%	5,216,197	2,223,825	42.63%
TOTAL	**$ 51,672,525**	**$ 67,582,205**	**$ 41,082,569**	**60.79%**	**$ 48,316,135**	**$ (7,233,566)**	**-14.97%**

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 May 2026. As of May 31, 2026, the capital fund revenue totaled approximately $25.0 million. In the Parks and Recreation Capital Fund, $13.3 million represents MFA collections, $1.2 million represents Quimby Act fees received, with interest earnings accounting for the remaining collections. The revenue collected in the Related Santa Clara Fund represents developer contributions. The revenue shown in the Storm Drain Capital Fund is customer service charges. In the Tasman East Specific Infrastructure Fund, $2.0 million reflects impact fee collections, with interest earnings accounting for the remaining collections. The collections in the Streets and Highways Capital Fund are comprised of interest earnings, grant funding, fees, and VTA Measure B proceeds.

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

	REVENUE - FISCAL YEAR 2025/26				
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 5/31/2026	Percentage Received
City Affordable Housing Capital Fund	$ 211,155	$ -	$ 211,155	$ 211,155	100.00%
Parks & Recreation	23,494,971	-	23,494,971	16,807,026	71.53%
Public Buildings	110,027	-	110,027	110,028	100.00%
Related Santa Clara Developer	932,667	290,000	1,222,667	235,000	19.22%
Storm Drain	1,497,712	2,984,107	4,481,819	1,468,215	32.76%
Streets & Highways	15,802,148	19,942,011	35,744,159	3,867,715	10.82%
Tasman East Specific Infrastructure Improvement Fund	217,682	3,517,250	3,734,932	2,209,959	59.17%
TOTAL	**$ 42,266,362**	**$ 26,733,368**	**$ 68,999,730**	**$ 25,045,419**	**36.30%**

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 May 2026. As of May 31, 2026, capital fund expenditures totaled $39.0 million, or 11.4% of the amended budget. The table includes the Measure I General Obligation (GO) Bond funded projects. The current year budget reflects the first tranche of the GO bond proceeds, with approximately 3.3% spent. The FY 2026/27 and FY 2027/28 Adopted Biennial Capital Budget included the carryover of $63.2 million of these funds from FY 2025/26 to FY 2026/27.

As part of the adoption of the FY 2025/26 and FY 2026/27 biennial operating budget, capital funds were carried over for projects that were not anticipated to be completed by June 30, 2025. Necessary additional adjustments to the capital carryover amounts were included as part of the Budgetary Year-

End Report for FY 2024/25, which was approved by the City Council in December 2025. Budget actions were also included in the FY 2026/27 and FY 2027/28 biennial capital budget to carryover project funds from FY 2025/26 to FY 2026/27.

CITY OF SANTA CLARA
GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENDITURES

	EXPENDITURES - FISCAL YEAR 2025/26				
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 5/31/2026	Percentage Used
City Affordable Housing Capital Fund	$ 4,944,484	$ -	$ 4,944,484	$ -	0.00%
Fire	500,866	1,854,028	2,354,894	765,050	32.49%
General Gov't - Other	4,437,516	12,674,976	17,112,492	1,359,221	7.94%
Library	24,642	653,161	677,803	19,987	2.95%
Measure I General Obligation Bond Fund	96,634,500	-	96,634,500	3,191,320	3.30%
Parks & Recreation	11,437,074	40,887,990	52,325,064	2,080,559	3.98%
Public Buildings	47,148,059	8,977,180	56,125,239	4,398,821	7.84%
Related Santa Clara Developer	723,037	343,370	1,066,407	358,460	33.61%
Storm Drain	911,490	8,707,187	9,618,677	1,244,638	12.94%
Streets & Highways	20,904,576	76,260,521	97,165,097	24,092,915	24.80%
Tasman East Specific Infrastructure Improvement Fund	1,434,465	2,828,615	4,263,080	1,447,650	33.96%
TOTAL	**$ 189,100,709**	**$ 153,187,028**	**$ 342,287,737**	**$ 38,958,621**	**11.38%**

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of May 31, 2026. Overall, revenues and expenditures are tracking below budgeted levels. Compared to prior year levels, revenues are tracking lower, whereas expenditures are tracking higher.

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

	REVENUE - FISCAL YEAR 2025/26				PRIOR YEAR REVENUE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 5/31/2026	Percentage Received	Actual Through 5/31/2025	$ Change From Prior Year	Percent Change
Cemetery Fund	$ 600,000	$ 600,000	$ 577,103	96.18%	$ 624,410	$ (47,307)	-7.58%
Electric Utility Fund	1,128,195,241	1,128,195,241	799,089,730	70.83%	842,492,692	(43,402,962)	-5.15%
Sewer Utility Fund	52,407,375	52,425,510	51,816,516	98.84%	50,795,621	1,020,895	2.01%
Solid Waste Utility Fund	42,287,613	42,287,613	37,833,229	89.47%	35,435,787	2,397,442	6.77%
Water Recycling Fund	9,651,409	9,651,409	7,952,957	82.40%	9,432,197	(1,479,240)	-15.68%
Water Utility Fund	76,402,644	76,415,821	62,784,538	82.16%	56,823,556	5,960,982	10.49%
TOTAL REVENUE	**$ 1,309,544,282**	**$ 1,309,575,594**	**$ 960,054,073**	**73.31%**	**$ 995,604,263**	**$ (35,550,190)**	**-3.57%**

	EXPENDITURES - FISCAL YEAR 2025/26				PRIOR YEAR EXPENSE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 5/31/2026	Percentage Used	Actual Through 5/31/2025	$ Change From Prior Year	Percent Change
Cemetery Fund	$ 1,757,102	$ 1,774,177	$ 1,052,053	59.30%	$ 1,044,190	$ 7,863	0.75%
Electric Utility Fund	712,617,141	723,337,626	611,759,158	84.57%	526,223,463	85,535,695	16.25%
Sewer Utility Fund	43,738,253	44,110,349	43,112,586	97.74%	38,149,734	4,962,852	13.01%
Solid Waste Utility Fund	42,061,065	46,374,375	35,397,505	76.33%	34,257,375	1,140,130	3.33%
Water Recycling Fund	10,890,055	14,745,574	8,633,147	58.55%	9,547,764	(914,617)	-9.58%
Water Utility Fund	66,793,248	68,017,282	54,559,922	80.21%	51,679,344	2,880,578	5.57%
TOTAL - Operating Appropriations	**$ 877,856,864**	**$ 898,359,383**	**$ 754,514,371**	**83.99%**	**$ 660,901,870**	**$ 93,612,501**	**14.16%**

Revenues in the electric (which also includes the Electric Debt Service Fund), water, sewer (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. In the Electric Utility Fund, the significant decrease in revenue from the prior year is attributable to bond proceeds received last fiscal year. Budget actions for the Electric Utility Fund were included in the April Monthly Financial Report to recognize higher charges for services, offset with increases to contribution in-lieu and resource and production costs. Revenue in the Water Recycling Fund is lower than prior year levels due to a reimbursement received last fiscal year. Expenditures in the Sewer Utility Fund are tracking higher than prior year levels due to higher operations and maintenance payments made for the Regional Wastewater Facility (RWF).

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the tables below. Actual revenue through May 31, 2026, totaled $26.8 million, consisting primarily of developer contributions in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. In the Sewer Utility Fund, a reimbursement related to the RWF from the City of San Jose is also reflected. Enterprise capital fund expenses totaled $128.1 million, or 14.4% of the amended budget. Similar to the general government capital funds, capital funds were carried over from FY 2024/25 as part of the FY 2025/26 and FY 2026/27 budget adoption process for those projects that were not expected to be completed by June 30, 2025. Additional necessary adjustments to the capital carryover amounts based on actual year-end expenditures were included in the Budgetary Year-End Report for FY 2024/25, which was approved by the City Council in December 2025. These actions are reflected in the table below. Budget actions were also included in the FY 2026/27 and FY 2027/28 biennial capital budget to carryover project funds from FY 2025/26 to FY 2026/27.

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

	REVENUE - FISCAL YEAR 2025/26				
Fund Description	**Current Year Appropriation**	**Prior Year Carryforward**	**Total Amended Budget**	**Actual Through 5/31/2026**	**Percentage Received**
Electric Utility Fund	$ 40,097,043	$ 13,091,676	$ 53,188,719	$ 20,334,450	38.23%
Sewer Utility Fund	-	-	-	6,415,214	N/A
Solid Waste Utility Fund	260,653	243,847	504,500	9,199	1.82%
Street Lighting [(1)]	-	-	-	11,695	N/A
Water Utility Fund	-	-	-	39,760	N/A
TOTAL - Revenue	**$ 40,357,696**	**$ 13,335,523**	**$ 53,693,219**	**$ 26,810,318**	**49.93%**

CITY OF SANTA CLARA
ENTERPRISE CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENDITURES

	EXPENSES - FISCAL YEAR 2025/26				
Fund Description	**Current Year Appropriation**	**Prior Year Carryforward**	**Total Amended Budget**	**Actual Through 5/31/2026**	**Percentage Used**
Cemetery Fund	$ 10	$ 270,479	$ 270,489	$ -	0.00%
Convention Center Capital Fund	1,590,412	2,556,629	4,147,041	24,375	0.59%
Electric Utility Fund	385,458,751	378,643,486	764,102,237	98,585,755	12.90%
Sewer Utility Fund	47,385,403	37,208,230	84,593,633	9,362,234	11.07%
Solid Waste Utility Fund	821,876	141,354	963,230	675,913	70.17%
Street Lighting [(1)]	5,837,301	12,872,569	18,709,870	8,188,605	43.77%
Water Recycling Fund	50,000	-	50,000	5,932	11.86%
Water Utility Fund	12,263,219	6,891,151	19,154,370	11,221,446	58.58%
TOTAL - CIP Appropriations	**$ 453,406,972**	**$ 438,583,898**	**$ 891,990,870**	**$ 128,064,260**	**14.36%**

(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).
- 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 standards 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
May 31, 2026

DETAIL OF SELECTED FUND RESERVE BALANCES:	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	$ 81,450,116		
Capital Projects Reserve	21,383,432		
Land Sale Reserve	18,561,159		
Technology Fee Reserve	2,827,685		
Electric Rate Stabilization Fund Reserve		$ 78,000,000	
Electric Operations and Maintenance Reserve		356,158,000	
Replacement & Improvement			$ 303,090
TOTALS	**$ 124,222,392**	**$ 434,158,000**	**$ 303,090**

Donations to the City of Santa Clara

Donations received by department during the month of May 2026 and for fiscal year 2025/26 are shown in the table below.

Department	May-26	Fiscal Year 2025/26 Year To Date	Designated Use
City Manager's Office	-	150	Help Your Neighbor
Parks & Recreation	24,000	48,870	Case Management
Parks & Recreation	-	4,263	Roberta Jones Jr. Theatre
Parks & Recreation	650	20,425	Wade Brummal
TOTALS	**$ 24,650**	**$ 73,708**	