



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

November 2021

This report summarizes the City's financial performance for the month ended November 30, 2021. 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 2021/22 was \$289.3 million. The amended budget for revenues and expenditures was amended to \$295.2 million to reflect carryover appropriations from fiscal year 2020/21 and various budget amendments approved by the City Council through November 2021.

Nearly halfway through the fiscal year, General Fund revenues are currently tracking slightly below estimated levels. Concerns remain regarding continued impacts of COVID-19 as the Omicron variant and vaccine hesitancy may impact the speed of recovery. Through November, expenditures are tracking below budget and this trend is expected to continue as departments continue to control expenditures through various cost control measures.

Many economic indicators have improved significantly since the start of the pandemic, but some have not returned to pre-pandemic levels. On a national level, the unemployment rate decreased from 4.2% in November 2021 to 3.9% in December 2021. This rate was well below the record setting high of 14.7% in April 2020, but slightly above the pre-pandemic unemployment rate of 3.5%. In December, the number of unemployed persons fell to 6.3 million from 6.8 million in November. This unemployment figure remains above the pre-pandemic level of 5.7 million.¹

Chart 1. Unemployment rate, seasonally adjusted, December 2019 – December 2021

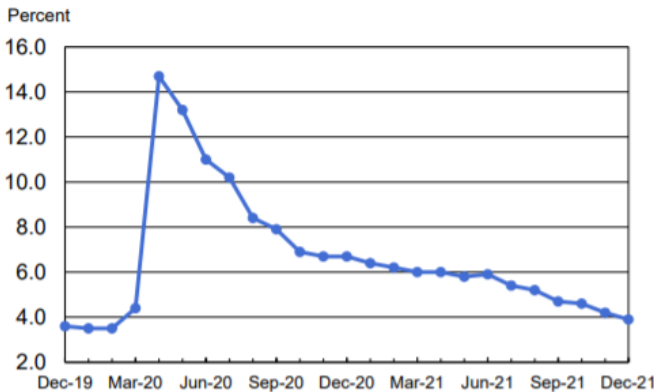
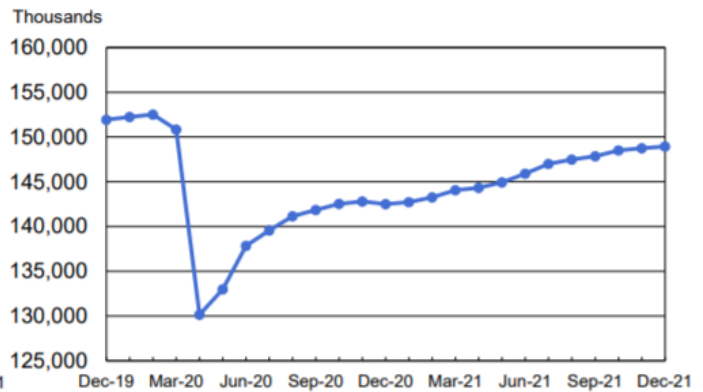
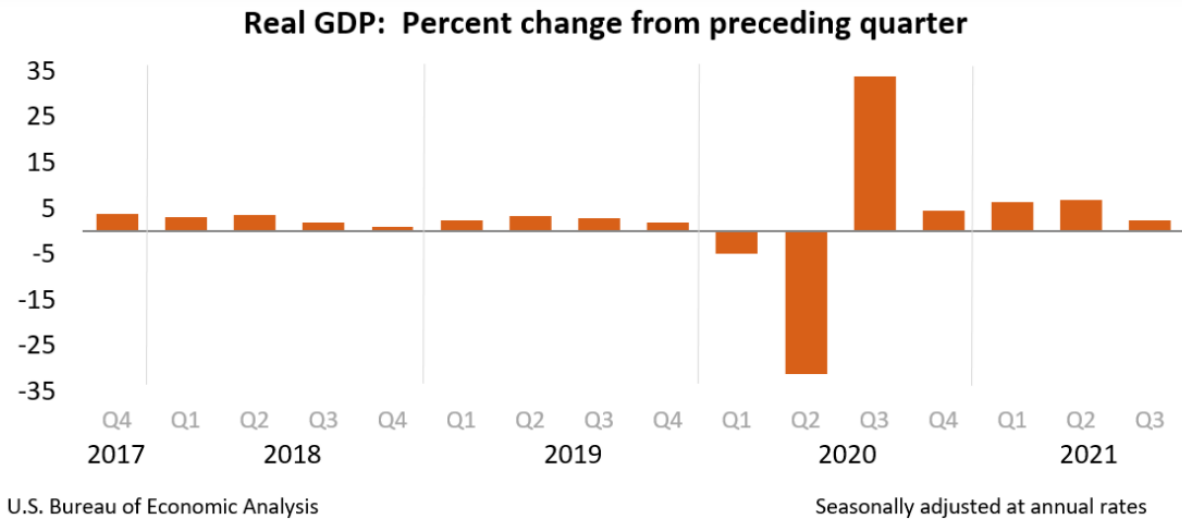


Chart 2. Nonfarm payroll employment, seasonally adjusted, December 2019 – December 2021



¹ <https://www.bls.gov/news.release/pdf/empsit.pdf>

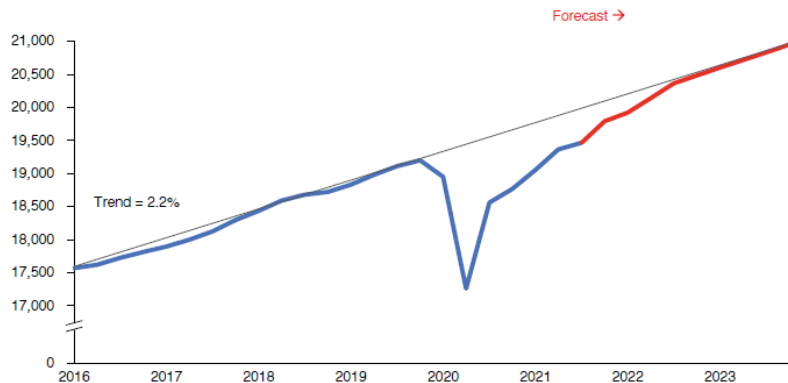
In the third quarter 2021 revised estimate, the Gross Domestic Product (GDP) increased by 2.3%, following a GDP increase of 6.7% in the second quarter. The estimated increase in the first quarter reflected efforts to reopen businesses and resume some activities amidst COVID-19 safety precautions. The second quarter reflects increases in consumer spending, exports and local and State government spending. In the third quarter, the resurgence of COVID-19 cases has resulted in new restrictions and delays in reopening businesses in some parts of the country. The real GDP for the third quarter 2021 is 1.4% above the level experienced in the fourth quarter of 2019.²



While GDP has now surpassed the pre-COVID peak in the second quarter 2021, it has not yet reached the pre-pandemic trend. Per the December 2021 UCLA Anderson Forecast, GDP is not expected to reach the pre-COVID trend until the third quarter 2022. On an annual basis, the UCLA Forecast projects GDP growth of 5.6% in 2021, 4.2% in 2022, and 2.7% in 2023.

“Overall, our forecast is for continued strong economic growth and labor market recovery, with a lessening of supply constraints and inflation. Omicron may temporarily derail this forecast, but it’s too soon to tell.”³

Exhibit 3: Real GDP Levels, Annual Rates, Billions of Chained 2012\$



Source: UCLA Anderson Forecast and Oxford Economics

² https://www.bea.gov/sites/default/files/2021-12/tech3q21_3rd.pdf

³ UCLA Anderson Forecast, December 2021

Improvement continues at the State and local level. After the State's largest increase in the unemployment rate in April 2020, the California unemployment rate dropped slightly to 6.5% in December 2021. With the continued addition of jobs, California has now regained 1.95 million jobs, or nearly 72% of the 2.71 million jobs lost due to COVID-19 in March and April 2020.⁴

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 3.0% in December 2021, down from a revised 3.2% in November 2021 and the December 2020 level of 6.0% but higher than the February 2020 level of 2.6%. Between December 2020 and December 2021, employment in this region increased by 64,000 jobs, or 6.0%. The largest increases were in leisure and hospitality (up 24,300 jobs), professional and business services (up 12,700 jobs), and private educational and health services (up 9,700 jobs).⁶

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

⁴ <https://www.edd.ca.gov/newsroom/unemployment-december-2021.htm>

⁶ <https://www.labormarketinfo.edd.ca.gov>

General Fund Revenues

As of November 30, 2021, \$58.9 million or 23.5% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$44.2 million have occurred as budgeted. While revenue collections are tracking below the budgeted estimate, collections are higher when compared to collections last fiscal year (excluding various permits collections that are now deposited into the new Building Development Services Fund and transfers).

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

Function	FISCAL YEAR 2021/22				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 11/30/2021	Percentage Received	Actual Through 11/30/2020	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 58,183,000	\$ 58,183,000	\$ 14,140,585	24.30%	\$ 14,832,679	\$ (692,094)	-4.67%
Property Tax	71,559,000	71,559,000	10,626,422	14.85%	10,100,564	525,858	5.21%
Transient Occupancy Tax	9,000,000	9,000,000	2,225,952	24.73%	828,701	1,397,251	168.61%
Other Taxes	6,080,000	6,080,000	1,471,956	24.21%	1,480,404	(8,448)	-0.57%
Total Taxes	144,822,000	144,822,000	28,464,915	19.66%	27,242,348	1,222,567	4.49%
LICENSES & PERMITS							
Business Licenses	900,000	900,000	366,699	40.74%	354,964	11,735	3.31%
Fire Operation Permits	2,200,000	2,200,000	838,859	38.13%	718,646	120,213	16.73%
Building Permits	-	-	264,849	N/A	3,451,710	(3,186,861)	-92.33%
Electric Permits	-	-	41,433	N/A	678,914	(637,481)	-93.90%
Plumbing Permits	-	-	24,900	N/A	454,269	(429,369)	-94.52%
Mechanical Permits	-	-	32,910	N/A	521,292	(488,382)	-93.69%
Miscellaneous Permits	60,000	60,000	27,309	45.52%	25,999	1,310	5.04%
Total Licenses & Permits	3,160,000	3,160,000	1,596,959	50.54%	6,205,794	(4,608,835)	-74.27%
FINES & PENALTIES	1,496,135	1,496,135	141,737	9.47%	180,965	(39,228)	-21.68%
INTERGOVERNMENTAL	26,205,801	26,535,801	133,649	0.50%	89,001	44,648	50.17%
CHARGES FOR SERVICES	30,003,443	30,003,443	11,849,960	39.50%	12,351,344	(501,384)	-4.06%
CONTRIBUTION IN LIEU	24,700,000	24,700,000	10,738,907	43.48%	10,143,119	595,788	5.87%
USE OF MONEY & PROPERTY							
Interest	2,600,000	2,600,000	214,768	8.26%	104,463	110,305	105.59%
Rent	9,115,722	9,298,022	3,928,228	42.25%	3,451,926	476,302	13.80%
Total Use of Money & Property	11,715,722	11,898,022	4,142,996	34.82%	3,556,389	586,607	16.49%
MISCELLANEOUS REVENUES	198,000	198,000	300,227	151.63%	133,646	166,581	124.64%
LAND PROCEED	-	-	-	N/A	-	-	N/A
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,454,000	1,454,000	1,454,000	100.00%	1,460,000	(6,000)	-0.41%
Operating Transfer In - Reserves	32,390,871	32,456,888	32,456,888	100.00%	39,262,333	(6,805,445)	-17.33%
Operating Transfer In - Fund Balances ⁽¹⁾	-	4,817,658	4,817,658	100.00%	4,273,692	543,966	12.73%
Operating Transfer In - Miscellaneous	5,005,399	5,427,399	5,427,399	100.00%	3,547,419	1,879,980	53.00%
Total Other Financing Sources	38,850,270	44,155,945	44,155,945	100.00%	48,543,444	(4,387,499)	-9.04%
STADIUM OPERATION							
Charges for Services	7,466,069	7,466,069	1,356,594	18.17%	1,365,335	(8,741)	-0.64%
Rent and Licensing	717,500	717,500	161,511	22.51%	-	161,511	N/A
Total Stadium Operation	8,183,569	8,183,569	1,518,105	18.55%	1,365,335	152,770	11.19%
TOTAL GENERAL FUND	\$ 289,334,940	\$ 295,152,915	\$ 103,043,401	34.91%	\$ 109,811,385	\$ (6,767,983)	-6.16%

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2021 and mid year budget amendment from reserves.

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.0%, of which the City receives 1.0%. As of November 30, 2021, \$14.1 million has been collected, which is down \$0.7 million (down 4.7%) from the prior year level and is based on performance through the first quarter of the fiscal year. This figure, however, included a large negative adjustment for periods prior to 2020. Excluding the adjustments to prior periods, local economic performance was actually up 23.2% in the third quarter of calendar year 2021 with growth in all sectors: Business-to-Business (up 13.4%), General Retail (up 48.7%), Construction (up 36.5%), Food Products (up 58.0%), and Transportation (up 14.4%). The countywide pool, however, was down 6.9%. Internet sales represents a sizeable amount of the City's sales tax revenue. The County pool, which includes internet sales, accounts for approximately 20% of the sales tax the City receives. Overall, annual Sales Tax growth of 3.6% is needed to meet the budgeted estimate of \$58.2 million.

Property Tax: Through November, 14.9% 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 initial information from the County of Santa Clara, property tax receipts are projected to end the year close to the Adopted Budget estimate of \$71.6 million.

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%. This rate increased to 11.5% in January 2022. Through November 30, 2021, approximately \$2.2 million has been received, which is significantly higher than receipts through the same period last fiscal year of only \$0.8 million. However, receipts remain 66% below the pre-COVID 19 level of \$6.5 million received through November 2019. As businesses continue to reopen and travel restrictions lifted, it is anticipated that TOT will continue to increase compared to last fiscal year. To meet the budgeted estimate, collections will need to triple from just under \$3.0 million in FY 2020/21 to \$9.0 million in FY 2021/22.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$1.5 million through November, which is on par with the same collection levels last fiscal year. While receipts in the documentary transfer tax are tracking above levels collected through the same period last fiscal year, receipts in the franchise tax category are lower than prior year levels. Growth of 4.4% is needed to meet the budgeted estimate of \$6.1 million.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Effective FY 2021/22, building, electric, plumbing and mechanical permits have all been budgeted in the new Building Development Services Fund, which will be reflected in the Special Revenue section of this report. Excluding the development revenues that have been erroneously booked in this category, licenses and permits revenue collections are tracking at par with receipts totaling \$1.2 million, or 39% of the budget of \$3.2 million. Receipts are tracking within estimated levels through November.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of \$0.1 million collected in this category through November is tracking to end the year well

below the budgeted estimate of \$1.5 million largely due to the waiving of late fees on utility billing in response to COVID-19. The City will be applying for the California Arrearage Payment Program in order to alleviate the arrearages accrued as a result of the City's bill relief period.

Intergovernmental: Includes federal stimulus funds, motor vehicle fees, state homeowner tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency. Through November 30, 2021, \$0.1 million has been received, which is higher than receipts through the same period last year and reflects differences in planned payments.

Charges for Services: Includes various engineering fees, administrative fees, and community service revenue from various recreational activities. Through November 30, 2021, collections totaled approximately \$11.8 million or 39.5% of the budget. This reflects a 4% decrease compared to last year's collections through the same period of \$12.4 million. The decrease is mainly attributable to the plan check and sign fees now being recorded in the newly established Building Development Services Fund. This decrease is partially offset by higher collections in the planning and zoning fees, fire construction permits, and miscellaneous charges for services categories. Collections are tracking close to the budgeted estimate.

SVP Transfer: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. As of November 30, 2021, \$10.7 million has been received which is on par for this time of year. This collection level, however, is based on the budgeted estimate and will be trued up at the end of the fiscal year. Growth of less than 1% from the prior year is needed to meet the budgeted estimate of \$24.7 million.

Use of Money & Property: Includes realized investment income and rental income. Interest income and rent revenue collections totaled \$4.1 million, or 34.8% of the budget. This reflects a \$0.6 million increase from prior year collection levels. The increase was primarily in the rent category.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through November 30, 2021, collections of \$0.3 million have exceeded the budgeted estimate of \$0.2 million and are approximately 125% higher than collections through the same period last year.

Stadium Operation: As of November 30, 2021, charges for services collected through the Stadium totaled \$1.5 million, which is below par for this time of year. This is due in part to the timing of when the City receives reimbursements. Current year collections are approximately 11% higher than collections through the same period last year resulting from the reopening of Stadium for events.

General Fund Expenditures

As of November 30, 2021, \$136.6 million or 46.3% of the General Fund operating budget had been expended. Overall, expenditures in the General Fund are within budgeted levels through November. Departmental expenditures totaled \$91.3 million, or 37.2% of the budget, which is below the par level of 42% of the budget. Several cost-control measures that were implemented in FY 2019/20 remain in place to generate expenditure savings to partially offset the drop in revenues associated with COVID-19. 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 2021/22				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 11/30/2021	Percentage Used	Actual Through 11/30/2020	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 6,824,333	\$ 7,006,924	\$ 1,313,812	18.75%	\$ 1,514,483	\$ (200,671)	-13.25%
City Council	829,205	829,205	336,175	40.54%	289,438	46,737	16.15%
City Clerk	1,470,231	1,718,169	606,680	35.31%	625,529	(18,849)	-3.01%
City Manager	5,442,069	6,276,486	1,999,737	31.86%	2,137,948	(138,211)	-6.46%
City Attorney	3,097,380	3,119,380	976,791	31.31%	867,510	109,281	12.60%
Human Resources	4,133,810	4,389,886	1,437,548	32.75%	1,304,144	133,404	10.23%
Finance	17,439,442	18,055,818	6,296,892	34.87%	6,284,831	12,061	0.19%
Total General Government	39,236,470	41,395,868	12,967,635	31.33%	13,023,883	(56,248)	-0.43%
PUBLIC WORKS	23,201,356	24,198,161	9,061,825	37.45%	9,243,982	(182,157)	-1.97%
COMMUNITY DEVELOPMENT	5,070,207	6,561,680	1,896,401	28.90%	5,545,909	(3,649,508)	-65.81%
PARKS AND RECREATION	20,982,990	21,433,077	7,339,086	34.24%	7,023,333	315,753	4.50%
PUBLIC SAFETY							
Fire	60,581,403	61,011,002	25,794,026	42.28%	25,083,965	710,061	2.83%
Police	79,870,137	79,983,531	30,830,143	38.55%	30,462,273	367,870	1.21%
Total Public Safety	140,451,540	140,994,533	56,624,169	40.16%	55,546,238	1,077,931	1.94%
LIBRARY	10,764,727	10,895,605	3,424,403	31.43%	3,654,193	(229,790)	-6.29%
DEPARTMENTAL TOTAL	239,707,290	245,478,924	91,313,519	37.20%	94,037,538	(2,724,019)	-2.90%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	23,250,142	23,250,142	23,250,142	100.00%	1,012,445	22,237,697	2196.44%
Operating Transfer Out - Debt Services	2,501,439	2,501,439	2,501,439	100.00%	2,500,344	1,095	0.04%
Operating Transfer Out - Maintenance Dtrct	771,349	771,349	771,349	100.00%	990,929	(219,580)	-22.16%
Operating Transfer Out - Cemetery	850,000	850,000	850,000	100.00%	771,769	78,231	10.14%
Operating Transfer Out - CIP	11,773,925	11,773,925	11,773,925	100.00%	19,678,672	(7,904,747)	-40.17%
Operating Transfer Out - Reserves	3,309,009	3,309,009	3,309,009	100.00%	1,065,850	2,243,159	210.46%
Total Other Financing Uses	42,455,864	42,455,864	42,455,864	100.00%	26,020,009	16,435,855	63.17%
STADIUM OPERATION	7,171,786	7,218,126	2,871,639	39.78%	852,608	2,019,031	236.81%
TOTAL GENERAL FUND	\$ 289,334,940	\$ 295,152,915	\$ 136,641,022	46.29%	\$ 120,910,155	\$ 15,730,867	13.01%

General Fund Expenditures

Below is an explanation of certain budget to actual expenditure variances by department.

Non-Departmental: Includes expenditures that are not attributable to a single department, but a function of the City in general. As of November 30, 2021, expenditures totaled \$1.3 million, or 18.8% of the budget. These expenditures are well below the par level of 42% and the prior year level of \$1.5 million, particularly in the advertising and community promotion expenses.

City Attorney: As of November 30, 2021, actual expenditures totaled approximately \$0.9 million, which is 31% of the budget, which is below par. This is mainly attributable to lower salary and as-needed spending. Spending is above the total expenditures through the same time last fiscal year by 12.6%. This is a result of the reallocation of contractual services from the Special Liability Insurance Fund to the City Attorney's Office operating budget.

City Clerk: Through November, actual expenditures were tracking below budget at \$0.6 million or approximately 35.3% of the budget. This reflects a decrease of 3% over last year's spending through the same period. The primary driver for the decrease in spending is the Granicus costs which are paid every other year.

City Council: Through November, expenditures were at 40.5% of budget, which is at par. Compared to the same period through last fiscal year, this reflects a spending increase of approximately 16%. As-needed expenditures are higher than last fiscal year.

City Manager: The actual expenditures through November 30, 2021 totaled \$2.0 million, or 31.9% of the budget, which is below par for this time of the year. Expenditures are 6.5% lower compared with the spending level through the same period last fiscal year. This decrease in expenditures is related to the reallocation of City memberships and mandated costs from the City Manager's Office budget to Non-Departmental in addition to lower advertising and contractual services expenditures.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. Effective this fiscal year, the Building division of this department has been moved to the newly established Building Development Services Fund, which falls under the special revenue section of this report. Through November, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.9 million, or approximately 28.9%, which is below the par level of 42%. This is a result of vacancies in the department. Expenditures were also well below the spending through the same period last fiscal year due to the change in funding for the Building Division.

Finance Department: Through November, the Department's expenditures totaled \$6.3 million, or 34.8% of the budget, which is below par. This is mainly attributable to lower expenditures in the operating supplies and contractual services categories. This expenditure level was in line with levels from last fiscal year.

Fire Department: As of November 30, 2021, actual expenditures in the General Fund totaled \$25.8 million, or 42.8% of the budget, which is slightly above par. These expenditures reflect a 2.8% increase from expenditures through the same period last fiscal year. All COVID-19 related expenditures have been charged centrally to the Other City Departments Operating Grant Trust Fund. The Fire Department has charged approximately \$0.2 million to this fund, bringing total expenditures, including the General Fund, to approximately \$26.0 million. Overtime expenditures are tracking at 84.4%, 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. Fire Department expenditures have also been impacted by mutual aid deployments to address wildland fires (Caldor, Dixie, River and Beckwourth complex fires), for which the City will receive reimbursement. Once those reimbursements are received and allocated to the Fire Department, expenditures will be tracking within estimated levels. Budget actions will be brought forward later in the fiscal year to recognize and budget those revenues.

Library Department: Through November, actual expenditures totaled \$3.4 million, or 31.4% of the budget, which is below par and lower than expenditure levels through the same period last fiscal year. COVID-19 precautions have continued to impact Library operations this year, resulting in lower expenditures. A phased reopening is in progress, but this schedule has been delayed due to the increase in COVID-19 cases resulting from the latest Omicron variant.

Parks and Recreation Department: Through November, actual expenditures totaled approximately \$7.3 million, or 34.2% of the budget, which is below par, and consistent with the prior year actuals of \$7.0 million. The department has resumed most activities that were previously impacted by COVID-19 restrictions. However, some programming continues to be impacted by the staff vacancies.

Police Department: Expenditures as of November 30, 2021 are tracking slightly below expected levels at \$30.8 million, or 38.6% of the budget. Expenditures are consistent with the spending levels last fiscal year. Similar to the Fire Department, Police Department expenditures related to COVID-19 have also been charged to the Other City Departments Operating Grant Trust Fund. Through November, charges to this fund totaled approximately \$0.05 million. Accounting for the General Fund and Other City Departments Operating Grant Trust Fund, department expenditures are still tracking slightly below par.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$2.9 million through November and are tracking slightly below budgeted levels. However, this is significantly 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 November 30, 2021. The amended budget for both reflects carryover appropriations from fiscal year 2021/22 in addition to budget amendments approved by the City Council through November 2021. Effective July 1, 2021, all Building Division revenues and expenditures are now budgeted and accounted for in the new Building Development Services Fund, which is included in the table below. Revenues totaled approximately \$8.6 million, while expenditures totaled approximately \$6.4 million through the end of November. Overall, revenues are tracking above par while expenditures are tracking below budgeted levels.

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

Fund Description	REVENUES - FISCAL YEAR 2021/22				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 11/30/2021	Percentage received	Actual Through 11/30/2020	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 261,000	\$ 261,000	\$ 214,539	82.20%	\$ 315,011	\$ (100,472)	-31.89%
City Affordable Housing Fund	657,000	657,000	666,865	101.50%	204,626	462,239	225.89%
Housing Successor Fund	350,000	350,000	332,982	95.14%	577,813	(244,831)	-42.37%
Housing and Urban Development	1,957,103	1,956,086	1,318,190	67.39%	539,033	779,157	144.55%
Building Development Services Fee Fund	13,630,000	13,630,000	6,096,547	44.73%	0	6,096,547	100.00%
TOTAL	\$ 16,855,103	\$ 16,854,086	\$ 8,629,123	51.20%	\$ 1,636,483	\$ 6,992,640	427.30%

Fund Description	EXPENDITURES - FISCAL YEAR 2021/22				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 11/30/2021	Percentage used	Actual through 11/30/2020	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 363,099	\$ 483,099	\$ 55,287	11.44%	\$ 63,017	\$ (7,730)	-12.27%
City Affordable Housing Fund	1,431,111	2,852,650	443,835	15.56%	317,558	126,277	39.77%
Housing Successor Fund	915,640	1,260,001	343,226	27.24%	276,504	66,722	24.13%
Housing and Urban Development	3,684,839	5,429,455	1,333,229	24.56%	978,624	354,605	36.24%
Building Development Services Fee Fund	12,256,059	12,256,059	4,183,991	34.14%	0	4,183,991	100.00%
TOTAL	\$ 18,650,748	\$ 22,281,264	\$ 6,359,568	28.54%	\$ 1,635,703	\$ 4,723,865	288.80%

Governmental Capital Improvement Funds

The table below lists the total amended budget amounts for the Capital Improvement Funds, which consist of current year appropriations, prior year carryover balances in Governmental Capital Improvement Funds, and budget amendments approved through November 2021. As of November 30, 2021, these capital fund expenditures totaled just under \$11.5 million, or 7.8% of the amended budget. As part of the adoption of the FY 2021/22 and FY 2022/23 operating budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2021. Necessary additional adjustments to the capital carryover amounts were included as part of the Budgetary Year-End Report for FY 2020/21, approved at the December 14, 2021 Council meeting. These adjustments will be reflected in later Monthly Financial Status Reports.

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
SUMMARY OF EXPENDITURES**

EXPENDITURES - FISCAL YEAR 2021/22						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 11/30/2021	Percentage Used	
Parks & Recreation	\$ 7,085,289	\$ 15,478,055	\$ 22,563,344	\$ 860,086	3.81%	
Streets & Highways	26,869,803	62,313,089	89,182,892	7,876,570	8.83%	
Storm Drain	592,169	10,471,505	11,063,674	1,317,029	11.90%	
Fire	837,110	1,017,587	1,854,697	41,661	2.25%	
Library	7,872	246,601	254,473	14,578	5.73%	
Public Buildings	397,953	7,547,118	7,945,071	370,221	4.66%	
General Gov't - Other	1,555,000	10,228,593	11,783,593	756,551	6.42%	
Related Santa Clara Developer	968,103	1,326,191	2,294,294	287,454	12.53%	
Tasman East Specific	23,757	-	23,757	204	0.86%	
Infrastructure Improvement Fund						
TOTAL	\$ 38,337,056	\$ 108,628,739	\$ 146,965,795	\$ 11,524,354	7.84%	

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of November 30, 2021. Overall, revenues and expenditures are tracking below budgeted levels with revenues tracking at 34.9% of the budget and expenditures tracking at 38.3% of the budget.

Both revenues and expenditures are tracking above last fiscal year levels reflecting current activity levels. The increase in expenditures in the Electric Utility is primarily due to the higher debt retirement costs as well as higher resource costs related to transmission and wheeling (transportation of electric energy from within an electrical grid to an electrical load outside the grid boundaries). In the Solid Waste Utility Fund, expenditures are up primarily in the garbage collections, disposal and recycling accounts resulting from higher contractual services costs. The increase in the Water Recycling Fund is related to the timing of resource payments, with this fiscal year's occurring earlier.

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

Fund Description	REVENUES - FISCAL YEAR 2021/22				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 11/30/2021	Percentage received	Actual Through 11/30/2020	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 555,810,147	\$ 555,810,147	\$ 195,042,240	35.09%	\$ 182,470,031	\$ 12,572,209	6.89%
Water Utility Fund	49,489,630	49,489,630	19,859,163	40.13%	20,887,520	(1,028,357)	-4.92%
Sewer Utility Fund	58,344,697	58,344,697	15,070,015	25.83%	16,370,898	(1,300,883)	-7.95%
Cemetery Fund	600,000	600,000	301,639	50.27%	204,420	97,219	47.56%
Solid Waste Utility Fund	33,610,000	33,610,000	12,303,397	36.61%	9,084,457	3,218,940	35.43%
Water Recycling Fund	5,703,831	5,703,831	2,839,755	49.79%	2,644,821	194,934	7.37%
TOTAL REVENUE	\$ 703,558,305	\$ 703,558,305	\$ 245,416,209	34.88%	\$ 231,662,147	\$ 13,754,062	5.94%

Fund Description	EXPENSES - FISCAL YEAR 2021/22				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 11/30/2021	Percentage Used	Actual through 11/30/2020	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 511,251,732	\$ 515,132,550	\$ 198,844,708	38.60%	\$ 158,539,670	\$ 40,305,038	25.42%
Water Utility Fund	47,197,617	47,580,260	17,485,087	36.75%	19,385,193	(1,900,106)	-9.80%
Sewer Utility Fund	30,565,333	30,707,268	13,495,385	43.95%	12,138,317	1,357,068	11.18%
Cemetery Fund	1,480,235	1,480,235	583,538	39.42%	546,899	36,639	6.70%
Solid Waste Utility Fund	33,323,675	36,981,208	11,120,798	30.07%	8,266,789	2,854,009	34.52%
Water Recycling Fund	5,709,582	5,709,582	2,912,235	51.01%	1,644,546	1,267,689	77.08%
TOTAL - Operating Appropriations	\$ 629,528,174	\$ 637,591,103	\$ 244,441,751	38.34%	\$ 200,521,414	\$ 43,920,337	21.90%

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 expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actuals through November 2021 totaled approximately \$51.7 million, or 21.4% of the amended budget. Expenditures in the Sewer Utility Capital Fund were significantly higher as a result of the Regional Wastewater Facility project, which is managed alongside the City of San José. Similar to the general government capital funds, capital funds were carried over into next fiscal year as part of the FY 2021/22 and FY 2022/23 budget adoption process for those projects that have not yet been completed. Adjustments to the capital carryover amounts based on actual year-end expenditures were included as part of the Budgetary Year-End Report for FY 2020/21, approved at the December 14, 2021 Council meeting. These adjustments will be reflected in later Monthly Financial Status Reports.

**CITY OF SANTA CLARA
ENTERPRISE CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENSES**

Fund Description	EXPENSES - FISCAL YEAR 2021/22					Prior Year
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 11/30/2021	Percentage Used	Actual Through 11/30/2020
Electric Utility Fund	\$ 49,368,989	\$ 94,324,423	\$ 143,693,412	\$ 15,269,717	10.63%	\$ 16,914,158
Street Lighting ⁽¹⁾	-	5,953,560	5,953,560	61,670	1.04%	6,854
Water Utility Fund	6,285,000	5,815,672	12,100,672	3,579,815	29.58%	3,145,779
Sewer Utility Fund	47,536,944	25,449,390	72,986,334	31,528,512	43.20%	7,303,019
Cemetery Fund	8,409	351,635	360,044	7,303	2.03%	-
Solid Waste Utility Fund	623,700	46,677	670,377	365,163	54.47%	97,134
Water Recycling Fund	50,000	-	50,000	-	0.00%	-
Convention Center Capital Fund	1,724,000	3,500,000	5,224,000	869,543	16.65%	-
TOTAL - CIP Appropriations	\$ 105,597,042	\$ 135,441,357	\$ 241,038,399	\$ 51,681,723	21.44%	\$ 27,466,944

(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 2021/22, 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 Reserve assures sufficient operating cash is available to ensure debt service coverage.
- The Replacement and Improvement Reserve in the Water and Sewer Utility Funds is for future capital improvement.

The table below summarizes select reserve balances.

**CITY OF SANTA CLARA
RESERVE BALANCES
November 30, 2021**

DETAIL OF SELECTED FUND RESERVE BALANCES:			
	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 53,103,092		
Capital Projects Reserve	7,630,016		
Land Sale Reserve	22,739,828		
Technology Fee Reserve	1,474,371		
Rate Stabilization Fund Reserve		\$ 44,898,011	
Cost Reduction Fund Reserve		112,838,357	
DVR Power Plant Contracts Reserve		78,163	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 84,947,306	\$ 157,814,531	\$ 303,090

Note: The Capital Projects Reserve includes funding of \$3.2 million set aside for projects programmed in FY 2022/23 through FY 2024/25 in the prior CIP.

Long-Term Interfund Advances

The funds below have made advances/loans which are not expected to be repaid within the next year. The balances reflected in the table are through November 2021. 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
Cemetery	General Fund	Advance	\$ 7,961,149
Parks and Recreation Facilities	General Fund	Loan	8,761,865
TOTALS			\$ 16,723,014

Donations to the City of Santa Clara

Donations received by department during the month of November 2021 and for fiscal year 2021/22 are shown in the table below.

Department	Fiscal Year 2021/22		Designated Use
	Nov-21	Year To Date	
City Manager's Office	\$ -	\$ 115	Help Your Neighbor
Parks & Recreation	200	12,750	Case Management
Parks & Recreation	-	625	Wade Brummal
Police	-	75,000	PD Team 200
TOTALS	\$ 200	\$ 88,490	