



**City of  
Santa Clara**  
The Center of What's Possible

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# **MONTHLY FINANCIAL STATUS REPORT**

**January 2026**

This report summarizes the City’s financial performance for the month ended January 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.

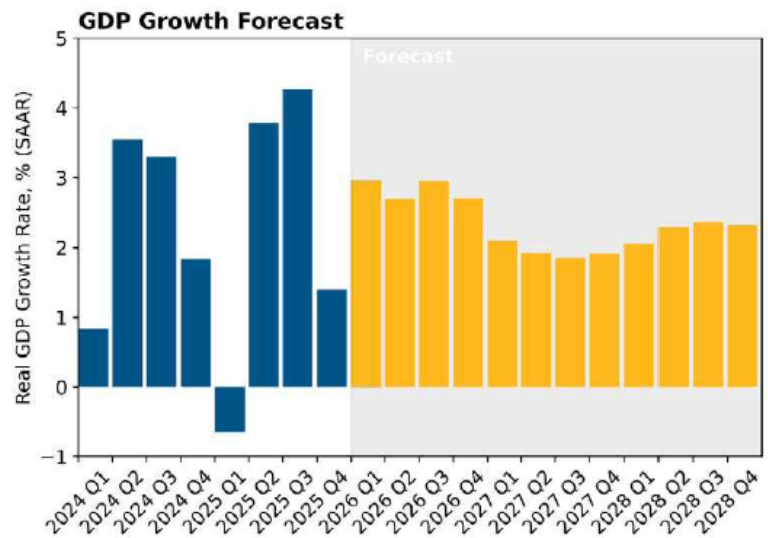
### Economic Outlook

The Spring 2026 UCLA Anderson Forecast points to a shift in economic momentum with strong projected economic growth approaching 3% in 2026. “After momentarily stuttering in 2025 in the face of the highest tariff rates in a century, the U.S. economy is expected to resume a brisk pace of nearly 3% GDP growth in 2026. This expansion is fueled by significant fiscal stimulus, through income tax cuts, looser financial conditions, and an expanding boom in AI capital expenditures. Supporting this growth in demand are the continued gains in productivity observed since the post-pandemic recovery. While the labor market is projected to strengthen in response to rising demand, restrictive immigration policies will continue to limit its overall rate of expansion.

The aggregate strength of the economy masks significant underlying vulnerabilities that should not be ignored. Delinquency rates on credit cards and auto loans are concerningly high. Simultaneously, small businesses have seen shrinking employment as they struggle with the elevated cost of goods driven by tariffs and labor shortages linked to deportations. The residential real estate sector remains largely paralyzed by a dual stagnation of demand and supply; meanwhile, new construction inventories are beginning to pile up, placing downward pressure on home prices. Consequently, consumer sentiment remains at levels typically observed only during recessions, highlighting a deep disconnect between macroeconomic indicators and the financial reality of many Americans.”<sup>1</sup>

The UCLA Forecast assumes real Gross Domestic Product (GDP) growth of approaching 3.0% in 2026, driven by growth in personal consumption and continued capital investment, including investment in AI infrastructure and equipment. Lower GDP growth is expected in 2027 and 2028 with increases in the low- to mid- 2% range as the AI infrastructure buildout begins to taper and the fiscal landscape becomes more restrained with spending cuts taking effect, particularly to Medicaid and SNAP.

**Quarterly Real GDP Growth Forecast  
(Seasonally Adjusted Annual Rates)**



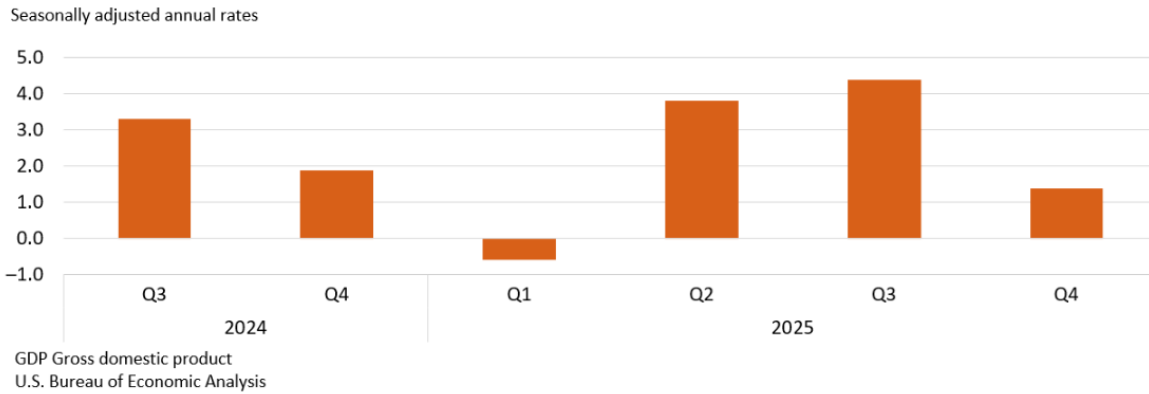
Sources: Bureau of Economic Analysis, UCLA Anderson Forecast



<sup>1</sup> UCLA Anderson Forecast for the Nation, Spring 2026 Report: From Tariff Hikes to Income Tax Cuts

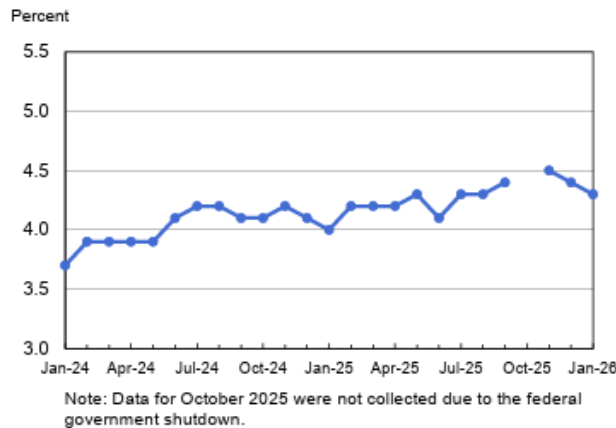
In the advance estimate for the fourth quarter of 2025, the Gross Domestic Product (GDP) increased at an annual rate of 1.4%, following a GDP increase of 4.4% in the third quarter. The increase in real GDP primarily reflected increases in consumer spending and investments. These were offset by decreases in exports and government spending. Imports, which are a subtraction in the calculation of GDP, decreased.<sup>2</sup>

**Real GDP, Percent Change From Preceding Quarter**

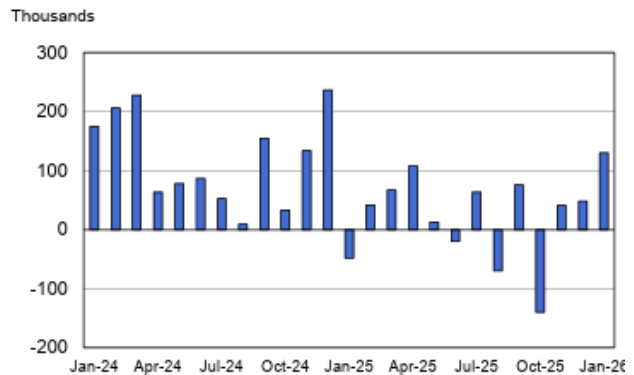


On a national level, the unemployment rate of 4.3% changed little between December 2025 and January 2026. In January, the number of unemployed persons totaled 7.4 million, a slight decrease of approximately 141,000 from December. These measures are higher than a year earlier, when the jobless rate was 4.0 percent, and the number of unemployed people was 6.9 million.<sup>3</sup>

**Chart 1. Unemployment rate, seasonally adjusted, January 2024 – January 2026**



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



<sup>2</sup> <https://www.bea.gov/news/2026/gdp-advance-estimate-4th-quarter-and-year-2025>

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

At the state level, the California unemployment rate changed little from 5.6% to 5.5% between November and December 2025. This rate is unchanged from the 5.5% rate in December 2024. Over the past year, California employers have lost 11,200 nonfarm jobs (0.1% decrease).<sup>4</sup>

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.0% in December 2025, down from a revised 4.3% in November 2025, and unchanged from the December 2024 level of 4.0%. Between December 2024 and December 2025, employment in this region decreased by 1,700 jobs, or 0.1%. The largest decreases were in professional and business services (down 8,600 jobs) and manufacturing (down 3,500 jobs). Notable employment increases were in private education and health services (up 7,100 jobs) and leisure and hospitality (up 1,900 jobs).<sup>5</sup>

### **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 \$383.7 million to reflect carryover encumbrances from fiscal year 2024/25 and various budget amendments approved by the City Council through January 2026.

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

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<sup>4</sup> [https://edd.ca.gov/en/about\\_edd/news\\_releases\\_and\\_announcements/unemployment-december-2025/](https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-december-2025/)

<sup>5</sup> [https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pds.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pds.pdf)

### General Fund Revenues

As of January 31, 2026, \$178.6 million, or 53% of General Fund revenue (excluding transfers) was received. Collections are tracking below par through January due to the timing of payments. In some cases, such as property tax, most payments are scheduled to occur later in the fiscal year. Transfers and use of reserves of \$46.9 million have occurred as budgeted.

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

Function	FISCAL YEAR 2025/26				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 01/31/2026	Percentage Received	Actual Through 01/31/2025	Change From Prior Year	Percentage Change
<b>TAXES</b>							
Sales Tax	\$ 65,850,000	\$ 65,850,000	\$ 31,302,099	47.54%	\$ 28,553,922	\$ 2,748,177	9.62%
Property Tax	101,181,000	101,181,000	51,415,636	50.82%	48,696,434	2,719,202	5.58%
Transient Occupancy Tax	27,500,000	27,500,000	13,652,053	49.64%	11,640,020	2,012,033	17.29%
Other Taxes	7,200,000	7,200,000	2,460,076	34.17%	2,604,025	(143,949)	-5.53%
<b>Total Taxes</b>	<b>201,731,000</b>	<b>201,731,000</b>	<b>98,829,864</b>	<b>48.99%</b>	<b>91,494,401</b>	<b>7,335,463</b>	<b>8.02%</b>
<b>LICENSES &amp; PERMITS</b>							
Business Licenses	6,200,000	6,200,000	4,042,100	65.20%	4,042,863	(763)	-0.02%
Building Permits	-	-	953,453	N/A	791,665	161,788	20.44%
Fire Operation Permits	1,998,000	1,998,000	1,512,704	75.71%	1,323,470	189,234	14.30%
Miscellaneous Permits	26,000	26,000	254	0.98%	11,304	(11,050)	-97.75%
<b>Total Licenses &amp; Permits</b>	<b>8,224,000</b>	<b>8,224,000</b>	<b>6,508,511</b>	<b>79.14%</b>	<b>6,169,302</b>	<b>339,209</b>	<b>5.50%</b>
<b>FINES &amp; PENALTIES</b>	<b>1,557,000</b>	<b>1,557,000</b>	<b>1,944,880</b>	<b>124.91%</b>	<b>1,403,631</b>	<b>541,249</b>	<b>38.56%</b>
<b>INTERGOVERNMENTAL</b>	<b>580,000</b>	<b>1,028,764</b>	<b>656,264</b>	<b>63.79%</b>	<b>1,189,353</b>	<b>(533,089)</b>	<b>-44.82%</b>
<b>CHARGES FOR SERVICES</b>	<b>35,626,474</b>	<b>35,726,474</b>	<b>22,047,366</b>	<b>61.71%</b>	<b>20,216,539</b>	<b>1,830,826</b>	<b>9.06%</b>
<b>SILICON VALLEY POWER TRANSFER</b>	<b>37,275,000</b>	<b>37,275,000</b>	<b>21,743,755</b>	<b>58.33%</b>	<b>20,687,975</b>	<b>1,055,780</b>	<b>5.10%</b>
<b>USE OF MONEY &amp; PROPERTY</b>							
Interest	6,247,000	6,247,000	4,492,657	71.92%	2,197,241	2,295,416	104.47%
Rent	13,107,611	13,536,011	8,595,971	63.50%	7,478,037	1,117,934	14.95%
<b>Total Use of Money &amp; Property</b>	<b>19,354,611</b>	<b>19,783,011</b>	<b>13,088,628</b>	<b>66.16%</b>	<b>9,675,278</b>	<b>3,413,350</b>	<b>35.28%</b>
<b>MISCELLANEOUS REVENUES</b>	<b>380,000</b>	<b>398,700</b>	<b>567,523</b>	<b>142.34%</b>	<b>356,453</b>	<b>211,070</b>	<b>59.21%</b>
<b>OTHER FINANCING SOURCES</b>							
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%	13,950,549	3,022,663	21.67%
Operating Transfer In - Fund Balances <sup>(1)</sup>	5,816,858	28,044,857	28,044,857	100.00%	6,162,369	21,882,488	355.10%
Operating Transfer In - Miscellaneous	405,265	401,746	401,746	100.00%	2,201,534	(1,799,788)	-81.75%
<b>Total Other Financing Sources</b>	<b>17,232,794</b>	<b>46,873,815</b>	<b>46,873,815</b>	<b>100.00%</b>	<b>23,768,452</b>	<b>23,105,363</b>	<b>97.21%</b>
<b>STADIUM OPERATION</b>							
Charges for Services	24,423,380	24,497,380	11,997,086	48.97%	9,587,056	2,410,030	25.14%
Rent and Licensing	6,640,308	6,640,308	1,208,634	18.20%	7,504,101	(6,295,467)	-83.89%
<b>Total Stadium Operation</b>	<b>31,063,688</b>	<b>31,137,688</b>	<b>13,205,720</b>	<b>42.41%</b>	<b>17,091,157</b>	<b>(3,885,437)</b>	<b>-22.73%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 353,024,567</b>	<b>\$ 383,735,452</b>	<b>\$ 225,466,326</b>	<b>58.76%</b>	<b>\$ 192,052,542</b>	<b>\$ 33,413,784</b>	<b>17.40%</b>

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2024 and mid year budget amendment from reserves.

### General Fund Revenues

**Sales Tax:** The City of Santa Clara sales tax rate is 9.125%, of which the City receives 1.0%. As of January 31, 2026, \$31.3 million has been recorded, which is 9.6% higher than prior year collection levels. Given the timing of payments, the sales tax receipts through January account for actual activity in the first quarter (July through September 2025) totaling \$18.4 million and advance payments for October and November 2025 totaling \$12.5 million. In addition, \$0.3 million has been received for the Proposition 172 Public Safety Sales Tax, which is consistent with the prior fiscal year.

In the 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. This decline was partially offset by growth in the remaining categories: construction (up 6.7%), food products (up 7.2%), general retail (up 6.2%) and transportation (up 6.5%) categories. The County pool receipts in the first quarter of FY 2025/26 were also up 12.0% over the first quarter of FY 2024/25 based on the City's strong sales tax performance; these collections represent approximately 20% of the City's sales tax receipts.

While not reflected in the figures through January, the City has received data for the second quarter of FY 2025/26 (October – December 2025 activity). Collections in that quarter totaled \$21.9 million and were 8.6% above the \$20.2 million collected in the same quarter last fiscal year. The City does not yet have any information on the drivers of that growth and how much can be attributed to one-time activities. 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. Collections may exceed the budget by approximately \$10 million based on preliminary estimates with the limited data available and projections from the City's sales tax consultant.

**Property Tax:** Through January, Property tax receipts totaled \$51.4 million, up 5.6% from the prior year. The majority of property tax revenue is collected in the second half of the fiscal year. Based on information from the County of Santa Clara, property tax receipts are projected to end the year at \$103.6 million, slightly above the Adopted Budget estimate of \$101.2 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 January 31, 2026, \$13.7 million has been collected, which reflects a 17.3% 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 expected impact from the Super Bowl and FIFA World Cup events, TOT revenue is projected to exceed the budgeted estimate by year-end by \$3 million - \$5 million.

**Other Taxes:** Includes franchise tax and documentary transfer tax. The City has collected \$2.5 million through January, which is slightly below last fiscal year's collection levels of \$2.6 million. Receipts reflect franchise tax (\$1.7 million) and documentary transfer tax (\$0.8 million).

**Licenses & Permits:** Includes business licenses, fire operation permits, and miscellaneous permits and fees. This category also includes a portion of building permits that are allocated for advanced planning. Licenses and permits revenue collections are tracking above par with receipts totaling \$6.5 million, or 79.1% of the \$8.2 million budget. This collection level is higher than prior year receipts of \$6.2 million. Business licenses receipts represent the majority of the collections to date at \$4.0 million. Collections in this category are tracking on par with the prior year level.

**Fines & Penalties:** Includes collection charges (late fees), vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through January was \$1.9 million, which is above the budget of \$1.6 million and the prior year level collections of \$1.4 million. The majority of the receipts are comprised of collection charges. The variance from the prior year is primarily due to higher collection charges.

**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 January 31, 2026, \$0.7 million has been collected in this category, which is 44.8% 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, while miscellaneous other agency revenues total \$0.4 million, which primarily reflects the SB 90 reimbursements from the State for state-mandated programs delivered by the Police Department. These funds were appropriated to the Police Department as part of the July/August Monthly Financial Report actions that were approved by the City Council on October 21, 2025.

**Charges for Services:** Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through January, collections totaled approximately \$22.0 million or 61.7% of the budget. This reflects a 9.1% 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.

**Use of Money & Property:** Includes realized investment income and rental income. Collections of \$13.1 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 came in nearly 104% 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 budgeted estimate by approximately \$3 million based on current collection trends.

**Miscellaneous Revenues:** Includes developer fees, donations, damage recovery, and one-time miscellaneous revenues. Through January, collections of \$0.6 million exceeded the budget and are 59.2% above the prior year collections of \$0.4 million.

**Stadium Operation:** Through January 31, 2026, \$13.2 million has been collected through charges for services and rent. Of this amount, \$3.4 million and \$3.9 million represents public safety cost reimbursements for non-NFL events and NFL games, respectively. The City also received the ground lease payment of \$1.2 million and general and administrative cost reimbursements of \$1.1 million, both from the Stadium Authority. Between December and January, the lease payment decreased by \$60,000 due to the timing of Senior & Youth Fee recognition. An accrual was recorded in December, with the related revenue recognized in February. Reimbursements of \$2.8 million have been received from the Bay Area Host Committee. Remaining collections of \$0.8 million reflected parking permits.

**General Fund Expenditures**

As of January 31, 2026, \$234.3 million or 61.1% of the General Fund operating budget had been expended, which is higher than prior year expenditure levels. Excluding transfers, expenditures totaled \$180.7 million, or 54.7% of the budget, which is slightly below par of 58.3%. Transfers of \$53.6 million have occurred as budgeted. Overall, expenditures in the General Fund are within budgeted levels through January and are expected to end the year with savings.

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

Function	FISCAL YEAR 2025/26				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 01/31/2026	Percentage Used	Actual Through 01/31/2025	\$ Change From Prior Year	Percentage Change
<b>GENERAL GOVERNMENT</b>							
Non-Departmental	\$ 20,501,477	\$ 19,788,144	\$ 9,689,977	48.97%	\$ 8,911,702	\$ 778,275	8.73%
City Council	1,268,362	1,273,274	675,824	53.08%	626,182	49,642	7.93%
City Clerk	1,761,474	1,763,949	1,039,904	58.95%	1,048,079	(8,175)	-0.78%
City Manager	5,859,758	6,942,349	3,394,833	48.90%	2,487,962	906,871	36.45%
City Attorney	4,619,355	4,760,193	2,467,608	51.84%	1,699,821	767,787	45.17%
City Auditor	1,075,554	1,167,005	458,999	39.33%	437,782	21,217	4.85%
Human Resources	5,470,869	5,758,815	2,434,442	42.27%	2,338,018	96,424	4.12%
Finance	20,897,522	21,598,708	11,196,739	51.84%	11,677,545	(480,806)	-4.12%
<b>Total General Government</b>	<b>61,454,371</b>	<b>63,052,437</b>	<b>31,358,326</b>	<b>49.73%</b>	<b>29,227,091</b>	<b>2,131,235</b>	<b>7.29%</b>
<b>PUBLIC WORKS</b>	<b>30,216,576</b>	<b>31,460,071</b>	<b>16,555,549</b>	<b>52.62%</b>	<b>14,698,520</b>	<b>1,857,029</b>	<b>12.63%</b>
<b>COMMUNITY DEVELOPMENT</b>	<b>6,039,535</b>	<b>6,237,266</b>	<b>3,119,122</b>	<b>50.01%</b>	<b>2,783,343</b>	<b>335,779</b>	<b>12.06%</b>
<b>PARKS AND RECREATION</b>	<b>24,548,978</b>	<b>25,373,495</b>	<b>13,737,482</b>	<b>54.14%</b>	<b>12,459,226</b>	<b>1,278,256</b>	<b>10.26%</b>
<b>PUBLIC SAFETY</b>							
Fire	70,335,667	70,804,167	41,483,343	58.59%	40,260,646	1,222,697	3.04%
Police	99,261,544	100,299,895	59,075,971	58.90%	52,808,481	6,267,490	11.87%
<b>Total Public Safety</b>	<b>169,597,211</b>	<b>171,104,062</b>	<b>100,559,314</b>	<b>58.77%</b>	<b>93,069,127</b>	<b>7,490,187</b>	<b>8.05%</b>
<b>LIBRARY</b>	<b>12,178,570</b>	<b>12,300,254</b>	<b>6,790,991</b>	<b>55.21%</b>	<b>6,939,745</b>	<b>(148,754)</b>	<b>-2.14%</b>
<b>DEPARTMENTAL TOTAL</b>	<b>304,035,241</b>	<b>309,527,585</b>	<b>172,120,784</b>	<b>55.61%</b>	<b>159,177,052</b>	<b>12,943,732</b>	<b>8.13%</b>
<b>OTHER FINANCING USES</b>							
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%	14,436,988	16,356,820	113.30%
Operating Transfer Out - Reserves	17,649,996	17,649,996	17,649,996	100.00%	7,324,722	10,325,274	140.96%
<b>Total Other Financing Uses</b>	<b>28,629,485</b>	<b>53,644,358</b>	<b>53,644,358</b>	<b>100.00%</b>	<b>26,710,716</b>	<b>26,933,642</b>	<b>100.83%</b>
<b>STADIUM OPERATION</b>	<b>20,359,841</b>	<b>20,563,508</b>	<b>8,581,583</b>	<b>41.73%</b>	<b>6,288,928</b>	<b>2,292,655</b>	<b>36.46%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 353,024,567</b>	<b>\$ 383,735,452</b>	<b>\$ 234,346,725</b>	<b>61.07%</b>	<b>\$ 192,176,696</b>	<b>\$ 42,170,029</b>	<b>21.94%</b>

### 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 January, expenditures totaled \$9.7 million, or 49% of the budget, which is below par of 58.3%. Current year spend is tracking higher than prior year levels, primarily in the salaries and benefits and contractual services categories.

**City Attorney:** Actual expenditures through January totaled approximately \$2.5 million, which is 51.8% of the budget, which is below par. Spending is higher than the total expenditures through the same time last fiscal year by 45% due to higher salaries and benefits costs.

**City Clerk:** Through January, actual expenditures were tracking slightly above budget at approximately \$1.0 million or 59% of the budget, primarily in the salaries and benefits categories. This spend is consistent with prior year levels. Staff will continue to monitor the Department spend and bring forward adjustments if necessary.

**City Council:** Through January, expenditures of \$0.7 million were at 53.1% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a 7.9% increase in expenditures, resulting from higher salary and benefits and conference, training and travel spend. This is partially offset by lower spending for as-needed staff.

**City Manager:** The actual expenditures through January totaled \$3.4 million, or 48.9% of the budget, which is below par for this time of the year. Expenditures are approximately 36.5% higher compared with the spending level during the same period last fiscal year. This is due to higher spend in the salaries and benefits 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 January, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$3.1 million, or 50% of the budget, which is below par of 58.3%. This expenditure level is 12.1% above the prior year as a result of higher salaries and benefits and contractual services spend.

**Finance Department:** Through January, the Department's expenditures totaled \$11.2 million, or 51.8% of the budget, which is below par. This expenditure level was approximately 4.1% lower compared to the same period last year. Higher salaries and benefits expenditures are offset by lower contractual services costs.

**Fire Department:** Through January, actual expenditures totaled \$41.5 million, or 58.6% of the budget, which is at par. These expenditures are 3% above the spending level through the same period last fiscal year. Overtime expenditures are tracking at 137.1% of the budget, which is well above par for this time of year. Excluding reimbursable mutual aid-related overtime, the departmental overtime remains at

approximately 130.3% of the budget. While this overtime figure is above par, 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.

Through January, absences are up 14% (from 48,062 to 54,762 hours) when compared with the prior fiscal year and remain above historical levels. Absences are trending high in the areas of Family and Medical Leave Act (FMLA) leave, sick leave, disability leave, and industrial injury time. 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 January, the compensatory time payouts total \$1,415,083, which is above historical levels and 37% above the payouts of \$1,032,884 experienced through January of last fiscal year. The Department will continue to monitor expenditures throughout the fiscal year, and any necessary budget adjustments will be brought forward for City Council consideration.

**Library Department:** Through January, actual expenditures totaled approximately \$6.8 million, or 55.2% of the budget, which is slightly below par and the prior year expenditure level.

**Parks and Recreation Department:** Through January, actual expenditures totaled \$13.7 million, or 54.1% of the budget, which is below par, but 10.3% higher than prior year actuals of \$12.5 million. This increase reflects higher spend in the salaries and benefits categories as well as operating supplies and contractual services costs.

**Police Department:** Expenditures through January are tracking at \$59.1 million, or 58.9% of the budget; this is approximately 11.8% higher than prior year spending levels. The increase is mainly due to higher spend in the salaries and benefits and capital outlay categories. The Department will continue to monitor expenditures throughout the fiscal year and any necessary budget amendments will be brought forward for City Council consideration.

**Stadium Operation:** Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures of \$8.6 million through January are tracking at 41.7% of the budget; this expenditure level is 36.5% above the prior fiscal year due planning activities related to the Super Bowl LX and FIFA World Cup 2026. Events at the Stadium through January 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. The Bay Area Host Committee also provides reimbursement for expenses incurred related to Super Bowl LX and FIFA World Cup 2026 planning costs.

**Special Revenue Funds**

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

Through the end of January, revenues totaled \$18.3 million, or 61.4% of the estimate, which is above par of 58.3%, while expenditures totaled approximately \$15.2 million, or 39%. Revenues in both the Building and Fire Development Services Funds and the Fire CUPA Fund are tracking above par. The Housing Authority Fund is tracking significantly above prior year levels due to additional interest paid on a housing loan, while revenue in the City Affordable Housing Fund is tracking below prior year levels. This is a result of a correction in booking for interest accrued on housing impact fees, which is now recorded in the City Affordable Housing Capital Fund. Expenditures are tracking higher in this fund when compared to prior years due to higher salaries and benefits and contractual services spend. In the Housing Successor Agency Fund, contractual services spend is higher than prior years, while interest collections on housing loans have come in lower than prior years.

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

Fund Description	REVENUE - FISCAL YEAR 2025/26				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 1/31/2026	Percentage Received	Actual Through 1/31/2025	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$ 16,736,000	\$ 16,736,000	\$ 12,196,775	72.88%	\$ 10,176,321	\$ 2,020,454	19.85%
City Affordable Housing Fund	1,253,326	502,171	311,116	61.95%	488,611	(177,495)	-36.33%
Fire CUPA Fund	2,019,000	2,019,000	1,473,475	72.98%	17,800	1,455,675	8177.95%
Fire Development Services Fee Fund	3,429,000	3,429,000	2,694,293	78.57%	2,564,177	130,116	5.07%
Housing and Urban Development	5,427,794	5,561,800	987,764	17.76%	573,706	414,058	72.17%
Housing Authority Fund	281,088	281,088	367,729	130.82%	32,251	335,478	1040.21%
Housing Successor Fund	1,302,573	1,302,573	296,242	22.74%	466,358	(170,116)	-36.48%
<b>TOTAL</b>	<b>\$ 30,448,781</b>	<b>\$ 29,831,632</b>	<b>\$ 18,327,394</b>	<b>61.44%</b>	<b>\$ 14,319,224</b>	<b>\$ 4,008,170</b>	<b>27.99%</b>

Fund Description	EXPENDITURES - FISCAL YEAR 2025/26				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 1/31/2026	Percentage Used	Actual Through 1/31/2025	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$ 17,307,319	\$ 18,457,334	\$ 9,574,030	51.87%	\$ 8,975,451	\$ 598,579	6.67%
City Affordable Housing Fund	6,984,995	7,292,572	707,612	9.70%	510,037	197,575	38.74%
Fire CUPA Fund	1,779,867	1,783,637	832,067	46.65%	0	832,067	N/A
Fire Development Services Fee Fund	3,904,315	3,926,714	2,014,823	51.31%	2,078,975	(64,152)	-3.09%
Housing and Urban Development	5,427,794	5,720,995	1,489,129	26.03%	1,529,961	(40,832)	-2.67%
Housing Authority Fund	459,878	501,371	104,332	20.81%	98,974	5,358	5.41%
Housing Successor Fund	1,127,973	1,347,976	512,886	38.05%	382,821	130,065	33.98%
<b>TOTAL</b>	<b>\$ 36,992,141</b>	<b>\$ 39,030,599</b>	<b>\$ 15,234,879</b>	<b>39.03%</b>	<b>\$ 13,576,219</b>	<b>\$ 1,658,660</b>	<b>12.22%</b>

### 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 January 2026. As of January 31, 2026, the internal service fund expenditures totaled \$27.4 million, or 40.5% 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 is attributable to higher spend in the contractual services category.

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

Fund Description	EXPENDITURES - FISCAL YEAR 2025/26				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 1/31/2026	Percentage Used	Actual Through 1/31/2025	\$ Change From Prior Year	Percent Change
Communication Acquisitions Fund	\$ 1,064,336	\$ 1,642,638	\$ 473,203	28.81%	\$ 5,920,301	\$ (5,447,098)	-92.01%
Fleet Maintenance and Operations Fund	6,757,227	7,417,317	3,736,824	50.38%	3,458,939	277,885	8.03%
Information Technology Services Fund	18,755,875	23,478,149	9,022,916	38.43%	6,767,297	2,255,619	33.33%
Public Works Capital Projects Management Fund	4,991,087	5,863,020	2,775,945	47.35%	2,363,305	412,640	17.46%
Special Liability Fund	9,152,000	9,209,062	5,167,813	56.12%	4,675,751	492,062	10.52%
Unemployment Insurance Fund	100,000	100,000	83,608	83.61%	55,682	27,926	50.15%
Vehicle Replacement Fund	3,994,000	11,017,019	1,080,431	9.81%	2,020,419	(939,988)	-46.52%
Workers' Compensation Fund	6,858,000	8,858,000	5,016,919	56.64%	4,024,388	992,531	24.66%
<b>TOTAL</b>	<b>\$ 51,672,525</b>	<b>\$ 67,585,205</b>	<b>\$ 27,357,659</b>	<b>40.48%</b>	<b>\$ 29,286,082</b>	<b>\$ (1,928,423)</b>	<b>-6.58%</b>

**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 January 2026. As of January 31, 2026, the capital fund revenue totaled approximately \$22.4 million. In the Parks and Recreation Capital Fund, \$13.3 million represents MFA collections, \$0.9 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 as 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**

Fund Description	REVENUE - FISCAL YEAR 2025/26				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 1/31/2026	Percentage Used
City Affordable Housing Capital Fund	\$ 211,155	\$ -	\$ 211,155	\$ 211,155	100.00%
Parks & Recreation	10,197,016	-	10,197,016	15,491,566	151.92%
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	1,623,993	2,984,107	4,608,100	918,079	19.92%
Streets & Highways	15,652,769	19,942,011	35,594,780	3,274,619	9.20%
Tasman East Specific Infrastructure Improvement Fund	217,682	3,517,250	3,734,932	2,112,429	56.56%
<b>TOTAL</b>	<b>\$ 28,945,309</b>	<b>\$ 26,733,368</b>	<b>\$ 55,678,677</b>	<b>\$ 22,352,876</b>	<b>40.15%</b>

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 January 2026. As of January 31, 2026, capital fund expenditures totaled \$29.9 million, or 12.7% of the amended budget.

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.

**CITY OF SANTA CLARA  
GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS  
SUMMARY OF EXPENDITURES**

Fund Description	EXPENDITURES - FISCAL YEAR 2025/26				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 1/31/2026	Percentage Used
City Affordable Housing Capital Fund	\$ 4,944,484	\$ -	\$ 4,944,484	\$ -	0.00%
Fire	500,866	1,854,028	2,354,894	815,579	34.63%
General Govt - Other	4,437,516	12,674,976	17,112,492	695,403	4.06%
Library	24,642	653,161	677,803	12,719	1.88%
Parks & Recreation	5,717,816	40,887,990	46,605,806	2,131,206	4.57%
Public Buildings	43,412,209	9,327,180	52,739,389	3,663,306	6.95%
Related Santa Clara Developer	723,037	343,370	1,066,407	297,409	27.89%
Storm Drain	911,490	8,707,187	9,618,677	691,748	7.19%
Streets & Highways	20,063,576	76,260,521	96,324,097	20,163,874	20.93%
Tasman East Specific Infrastructure Improvement Fund	1,434,465	2,828,615	4,263,080	1,439,244	33.76%
<b>TOTAL</b>	<b>\$ 82,170,101</b>	<b>\$ 153,537,028</b>	<b>\$ 235,707,129</b>	<b>\$ 29,910,488</b>	<b>12.69%</b>

### Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of January 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

Fund Description	REVENUE - FISCAL YEAR 2025/26				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 1/31/2026	Percentage received	Actual Through 1/31/2025	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 600,000	\$ 600,000	\$ 385,229	64.20%	\$ 370,775	\$ 14,454	3.90%
Electric Utility Fund	1,128,195,241	1,128,195,241	479,290,075	42.48%	556,078,817	(76,788,742)	-13.81%
Sewer Utility Fund	52,407,375	52,407,375	32,577,995	62.16%	34,057,191	(1,479,196)	-4.34%
Solid Waste Utility Fund	42,287,613	42,287,613	23,060,325	54.53%	21,842,753	1,217,572	5.57%
Water Recycling Fund	9,651,409	9,651,409	5,305,349	54.97%	6,606,658	(1,301,309)	-19.70%
Water Utility Fund	76,402,644	76,402,644	40,030,238	52.39%	37,530,246	2,499,992	6.66%
<b>TOTAL REVENUE</b>	<b>\$ 1,309,544,282</b>	<b>\$ 1,309,544,282</b>	<b>\$ 580,649,211</b>	<b>44.34%</b>	<b>\$ 656,486,440</b>	<b>\$ (75,837,229)</b>	<b>-11.55%</b>

Fund Description	EXPENDITURES - FISCAL YEAR 2025/26				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 1/31/2026	Percentage Used	Actual Through 1/31/2025	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 1,757,102	\$ 1,774,177	\$ 645,326	36.37%	\$ 665,862	\$ (20,536)	-3.08%
Electric Utility Fund	712,617,141	723,672,626	385,955,520	53.33%	323,319,870	62,635,650	19.37%
Sewer Utility Fund	43,738,253	44,110,349	30,312,442	68.72%	21,714,503	8,597,939	39.60%
Solid Waste Utility Fund	42,061,065	46,374,375	21,144,073	45.59%	21,643,221	(499,148)	-2.31%
Water Recycling Fund	10,890,055	14,745,574	5,815,989	39.44%	5,226,171	589,818	11.29%
Water Utility Fund	66,793,248	68,017,282	35,092,882	51.59%	33,706,437	1,386,445	4.11%
<b>TOTAL - Operating Appropriations</b>	<b>\$ 877,856,864</b>	<b>\$ 898,694,383</b>	<b>\$ 478,966,232</b>	<b>53.30%</b>	<b>\$ 406,276,064</b>	<b>\$ 72,690,168</b>	<b>17.89%</b>

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 is attributable to bond proceeds received last fiscal year. 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 the timing of quarterly operations and maintenance payments made for the Regional Wastewater Facility; the third quarter was not recorded until February last fiscal year.

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the tables below. Actual revenue through January 31, 2026, totaled \$8.5 million, consisting primarily of developer contributions in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$64.3 million, or 7.5% 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.

**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 1/31/2026	Percentage Used	
Electric Utility Fund	\$ 27,041,043	\$ 13,091,676	\$ 40,132,719	\$ 2,405,922	5.99%	
Sewer Utility Fund	-	-	-	6,008,312	N/A	
Solid Waste Utility Fund	260,653	243,847	504,500	4,088	0.81%	
Street Lighting <sup>(1)</sup>	-	-	-	11,695	N/A	
Water Utility Fund	-	-	-	39,760	N/A	
<b>TOTAL - Revenue</b>	<b>\$ 27,301,696</b>	<b>\$ 13,335,523</b>	<b>\$ 40,637,219</b>	<b>\$ 8,469,777</b>	<b>20.84%</b>	

**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 1/31/2026	Percentage Used	
Cemetery Fund	\$ 10	\$ 270,479	\$ 270,489	\$ -	0.00%	
Convention Center Capital Fund	1,590,412	2,556,629	4,147,041	-	0.00%	
Electric Utility Fund	351,921,281	378,643,486	730,564,767	49,285,817	6.75%	
Sewer Utility Fund	47,606,403	37,208,230	84,814,633	6,054,063	7.14%	
Solid Waste Utility Fund	821,876	141,354	963,230	507,674	52.71%	
Street Lighting <sup>(1)</sup>	5,837,301	12,872,569	18,709,870	5,015,851	26.81%	
Water Recycling Fund	(338,786)	388,786	50,000	1,486	2.97%	
Water Utility Fund	15,033,219	6,891,151	21,924,370	3,400,108	15.51%	
<b>TOTAL - CIP Appropriations</b>	<b>\$ 422,471,716</b>	<b>\$ 438,972,684</b>	<b>\$ 861,444,400</b>	<b>\$ 64,264,999</b>	<b>7.46%</b>	

(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  
January 31, 2026**

**DETAIL OF SELECTED FUND RESERVE BALANCES:**

	<b>GENERAL FUND</b>	<b>ELECTRIC</b>	<b>WATER</b>
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		377,000,000	
Replacement & Improvement			\$ 303,090
<b>TOTALS</b>	<b>\$ 124,222,392</b>	<b>\$ 455,000,000</b>	<b>\$ 303,090</b>

**Donations to the City of Santa Clara**

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

<b>Department</b>	<b>Fiscal Year 2025/26</b>		<b>Designated Use</b>
	<b>Jan-26</b>	<b>Year To Date</b>	
City Manager's Office	50	150	Help Your Neighbor
Parks & Recreation	2,170	24,170	Case Management
Parks & Recreation	52	2,699	Roberta Jones Jr. Theatre
Parks & Recreation	7,550	19,675	Wade Brummal
<b>TOTALS</b>	<b>\$ 9,822</b>	<b>\$ 46,694</b>	