



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

January 2022

This report summarizes the City's financial performance for the month ended January 31, 2022. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds. Financial information included in this report is unaudited.

General Fund

The General Fund is the major operating fund for the City and includes multiple programs, services, and activities for the residents and businesses of the City. The adopted budget for operating revenues and expenditures for fiscal year 2021/22 was \$289.3 million. The budget for revenues and expenditures was amended to \$269.5 million to reflect carryover appropriations from fiscal year 2020/21 and various budget amendments approved by the City Council through January 2022.

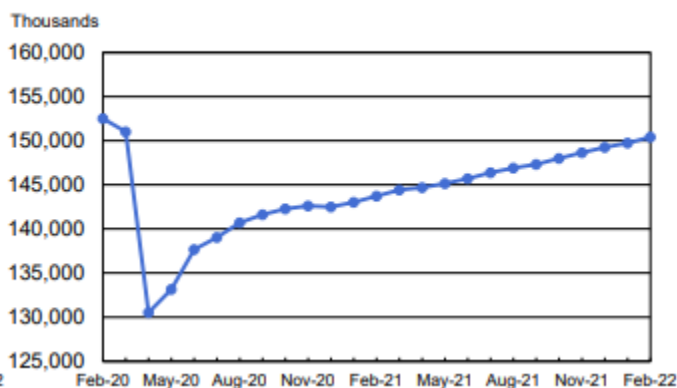
Halfway through the fiscal year, General Fund revenues are currently tracking slightly below estimated levels. General Fund expenditures are tracking below budget and this trend is expected to continue as departments continue to control expenditures through various cost control measures.

Economic conditions have improved significantly since the start of the pandemic, with many indicators close to pre-pandemic levels. On a national level, the unemployment rate remained relatively flat, slightly decreasing from 4.0% in January 2022 to 3.8% in February 2022. 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 February, the number of unemployed persons decreased from 6.5 million in January 2022 to 6.3 million. This unemployment figure remains slightly above the pre-pandemic level of 5.7 million.¹

Chart 1. Unemployment rate, seasonally adjusted, February 2020 – February 2022



Chart 2. Nonfarm payroll employment, seasonally adjusted, February 2020 – February 2022



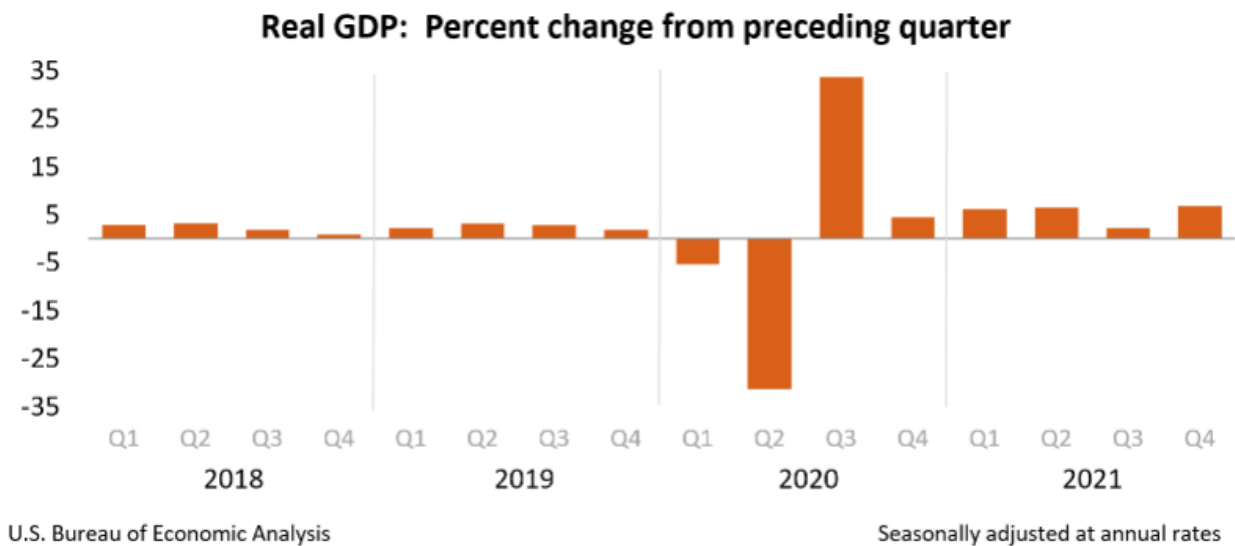
In 2021, the Gross Domestic Product (GDP) increased by 5.7%, in contrast to the 3.4% decrease in 2020. The increase in 2021 reflected growth across all the major subcomponents, led by personal

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

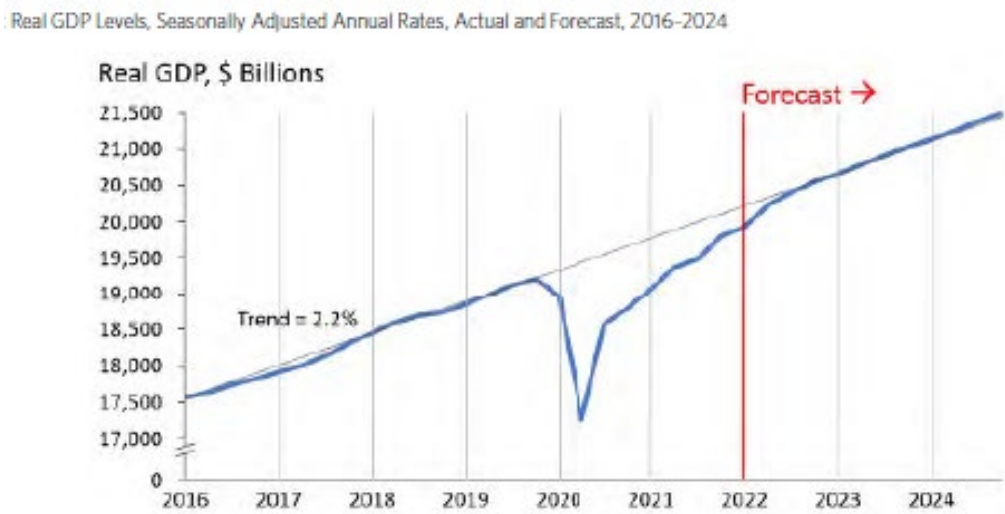
City of Santa Clara

Financial Status Report as of January 31, 2022

consumption expenditures, non-residential fixed investment, exports, residential fixed investment, and private inventory investment.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 March 2022 UCLA Anderson Forecast, GDP is expected to reach the pre-COVID trend by mid-2022. On an annual basis, the UCLA Forecast projects continued GDP growth of 4.3% in 2022, 2.8% in 2023, and 2.3% in 2024. The UCLA forecast, however, comes with considerable uncertainty. Major risk factors include the future course of the pandemic as well as the impacts of the war between Russia and Ukraine.³



Source: UCLA Anderson Forecast and U.S. Bureau of Economic Analysis
Note: \$ Billions, chained 2012 prices

² https://www.bea.gov/sites/default/files/2022-02/tech4q21_2nd.pdf
³ UCLA Anderson Forecast, January 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 stayed flat at 5.8% in January 2022. With the continued addition of jobs, California has now regained 2.26 million jobs, or nearly 82% 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 3.4% in January 2022, up from a revised 2.9% in December 2021. This reflects a drop from the January 2021 level of 6.2% but is higher than the pre-pandemic February 2020 level of 2.6%. Between January 2021 and January 2022, employment in this region increased by 71,500 jobs, or 6.8%. The largest increases were in leisure and hospitality (up 33,200 jobs), food and drinking places (up 23,300 jobs), professional and business services (up 12,000 jobs), and private educational and health services (up 9,100 jobs).⁵

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://edd.ca.gov/Newsroom/unemployment-january-2022.htm>

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

General Fund Revenues

As of January 31, 2022, \$109.1 million or 48.5% of the General Fund estimated revenue (excluding transfers) was received. Based on the timing of payments, a higher percentage of revenues are collected in the second half of the fiscal year. Transfers and use of reserves of \$44.5 million have occurred as budgeted. While revenues are tracking slightly below the budgeted estimate, collections are higher when compared to collections last fiscal year (excluding transfers and various permits and charges for services 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 01/31/2022	Percentage Received	Actual Through 01/31/2021	Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 58,183,000	\$ 58,183,000	\$ 22,666,505	38.96%	\$ 24,346,452	\$ (1,679,947)	-6.90%
Property Tax	71,559,000	71,559,000	37,721,113	52.71%	34,483,149	3,237,964	9.39%
Transient Occupancy Tax	9,000,000	9,000,000	3,347,211	37.19%	1,309,334	2,037,877	155.64%
Other Taxes	6,080,000	6,080,000	2,682,067	44.11%	2,100,618	581,449	27.68%
Total Taxes	144,822,000	144,822,000	66,416,896	45.86%	62,239,553	4,177,343	6.71%
LICENSES & PERMITS							
Business Licenses	900,000	900,000	486,320	54.04%	502,817	(16,497)	-3.28%
Fire Operation Permits	2,200,000	2,200,000	1,139,577	51.80%	1,085,482	54,095	4.98%
Building Permits	-	-	-	N/A	4,090,173	(4,090,173)	-100.00%
Electric Permits	-	-	-	N/A	768,188	(768,188)	-100.00%
Plumbing Permits	-	-	-	N/A	523,662	(523,662)	-100.00%
Mechanical Permits	-	-	-	N/A	594,042	(594,042)	-100.00%
Miscellaneous Permits	60,000	60,000	37,516	62.53%	30,038	7,478	24.90%
Total Licenses & Permits	3,160,000	3,160,000	1,663,413	52.64%	7,594,402	(5,930,989)	-78.10%
FINES & PENALTIES	1,496,135	1,496,135	205,366	13.73%	221,794	(16,428)	-7.41%
INTERGOVERNMENTAL	26,205,801	614,000	599,956	97.71%	254,035	345,921	136.17%
CHARGES FOR SERVICES	30,003,443	30,003,443	16,631,094	55.43%	17,606,444	(975,350)	-5.54%
SILICON VALLEY POWER TRANSFER	24,700,000	24,700,000	15,034,470	60.87%	14,200,367	834,103	5.87%
USE OF MONEY & PROPERTY							
Interest	2,600,000	2,600,000	865,946	33.31%	696,281	169,665	24.37%
Rent	9,115,722	9,298,022	5,385,709	57.92%	4,492,649	893,060	19.88%
Total Use of Money & Property	11,715,722	11,898,022	6,251,655	52.54%	5,188,930	1,062,725	20.48%
MISCELLANEOUS REVENUES	198,000	198,000	399,612	201.82%	4,190,424	(3,790,812)	-90.46%
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	32,758,819	32,758,819	100.00%	39,468,333	(6,709,514)	-17.00%
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	44,457,876	44,457,876	100.00%	48,749,444	(4,291,568)	-8.80%
STADIUM OPERATION							
Charges for Services	7,466,069	7,466,069	1,655,345	22.17%	1,549,061	106,284	6.86%
Rent and Licensing	717,500	717,500	286,278	39.90%	26,451	259,827	982.30%
Total Stadium Operation	8,183,569	8,183,569	1,941,623	23.73%	1,575,512	366,111	23.24%
TOTAL GENERAL FUND	\$ 289,334,940	\$ 269,533,045	\$ 153,601,962	56.99%	\$ 161,820,905	\$ (8,218,944)	-5.08%

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 January 31, 2022, \$22.7 million has been collected, which is down \$1.7 million or 6.9% from the prior year level and is based on performance through the first quarter of the fiscal year and an advance payment for the second quarter. While not reflected in the collections through January, the City has received information on the cash receipts for second quarter of the fiscal year, which reflects growth of 14.8%. Overall, receipts are up 4.6% through the first two quarters of FY 2021/22. 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. Based on collections to date, receipts are projected to meet the budget.

Property Tax: Through January, 52.7% of the property tax budgeted estimate has been received. The majority of property tax revenue is collected in February and April each year. Based on information from the County of Santa Clara, property tax receipts are projected to end the year at or slightly above 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 11.5% as of January 2022. Through January 31, 2022, approximately \$3.3 million has been received, which is significantly higher than receipts through the same period last fiscal year of only \$1.3 million. However, receipts remain 68% below the pre-COVID 19 level of \$10.5 million received through January 2020. As businesses continue to reopen, 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. With the January 2022 rate increase, TOT receipts are projected to end the year close to the budgeted estimate.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$2.7 million through January, which is 27.7% above receipts received through the same period 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 slightly lower than prior year levels. Growth of 4.4% is needed to meet the budgeted estimate of \$6.1 million. Collections are projected to meet the budgeted estimate.

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 is reflected in the Special Revenue section of this report. Licenses and permits revenue collections total \$1.7 million, or 52.6% of the budget of \$3.2 million. Receipts are tracking slightly below estimated levels through January and may end the year slightly below the budgeted estimate.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue of \$0.2 million collected in this category through January 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 January 31, 2022, \$0.6 million has been received, which is higher than receipts through the same period last year and reflects differences in planned payments. The federal stimulus funds (\$26 million) have been moved to a separate American Rescue Plan Act Fund, which is reflected in this report.

Charges for Services: Includes various engineering fees, administrative fees, and community service revenue from various recreational activities. Through January 31, 2022, collections totaled approximately \$16.6 million or 55.4% of the budget. This reflects a 5.5% decrease compared to last year's collections through the same period of \$17.6 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.

Silicon Valley Power Transfer: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. As of January 31, 2022, \$15.0 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 \$6.3 million, or 52.5% of the budget. This reflects a \$1.1 million increase from prior year collection levels, primarily due to higher rent collections. This reflects differences in the timing of payments as well as the latest lease payment amounts.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through January 31, 2022, collections of \$0.3 million have exceeded the budgeted estimate of \$0.2 million; however, are significantly lower than prior year collections of \$4.2 million as a result of a one-time payment in FY 2021.

Stadium Operation: As of January 31, 2022, charges for services collected through the Stadium totaled \$1.9 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 23.2% higher than collections through the same period last year resulting from the reopening of Stadium for events.

General Fund Expenditures

As of January 31, 2022, \$175.6 million or 65.2% of the General Fund operating budget had been expended. Departmental expenditures totaled \$127.9 million, or 58.3% of the budget, which is at the par level of 58.3% of the budget. However, this percent expended is overstated due to the treatment of the public safety costs that are funded by the newly established American Rescue Plan Act (ARPA). As part of the FY 2020/21 Budgetary Year-End Report, \$26 million of the Police and Fire Department's budgets was reallocated to the newly established ARPA Fund. While the budget has been reduced, the associated expenditures have not yet been shifted to the new fund. Once that shift takes place, departmental expenditures will be tracking below budget. Fund Transfers of \$43.1 million have occurred as budgeted.

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.

Financial Status Report as of January 31, 2022

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 01/31/2022	Percentage Used	Actual Through 01/31/2021	Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 6,824,333	\$ 7,571,155	\$ 2,567,224	33.91%	\$ 2,070,166	\$ 497,058	24.01%
City Council	829,205	829,205	486,641	58.69%	421,449	65,192	15.47%
City Clerk	1,470,231	1,718,169	799,301	46.52%	1,167,739	(368,438)	-31.55%
City Manager	5,442,069	6,276,486	2,846,907	45.36%	2,892,295	(45,388)	-1.57%
City Attorney	3,097,380	3,119,380	1,419,126	45.49%	1,247,366	171,760	13.77%
Human Resources	4,133,810	4,389,886	2,089,060	47.59%	1,804,634	284,426	15.76%
Finance	17,439,442	18,273,518	8,960,984	49.04%	8,846,135	114,849	1.30%
Total General Government	39,236,470	42,177,799	19,169,243	45.45%	18,449,784	719,459	3.90%
PUBLIC WORKS	23,201,356	24,198,161	12,723,439	52.58%	13,078,417	(354,978)	-2.71%
COMMUNITY DEVELOPMENT	5,070,207	5,480,607	2,684,587	48.98%	8,121,221	(5,436,634)	-66.94%
PARKS AND RECREATION	20,982,990	21,433,077	10,355,185	48.31%	9,765,916	589,269	6.03%
PUBLIC SAFETY							
Fire	60,581,403	49,830,070	35,277,582	70.80%	34,488,752	788,830	2.29%
Police	79,870,137	65,242,662	42,754,936	65.53%	43,439,331	(684,395)	-1.58%
Total Public Safety	140,451,540	115,072,732	78,032,518	67.81%	77,928,083	104,435	0.13%
LIBRARY	10,764,727	10,895,605	4,967,166	45.59%	4,983,089	(15,923)	-0.32%
DEPARTMENTAL TOTAL	239,707,290	219,257,981	127,932,138	58.35%	132,326,510	(4,394,372)	-3.32%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	23,250,142	23,851,216	23,851,216	100.00%	1,013,778	22,837,438	2252.71%
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%	926,920	(155,571)	-16.78%
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%	4,933,085	(1,624,076)	-32.92%
Total Other Financing Uses	42,455,864	43,056,938	43,056,938	100.00%	29,824,568	13,232,370	44.37%
STADIUM OPERATION	7,171,786	7,218,126	4,611,946	63.89%	1,031,751	3,580,195	347.00%
TOTAL GENERAL FUND	\$ 289,334,940	\$ 269,533,046	\$ 175,601,022	65.15%	\$ 163,182,829	\$ 12,418,193	7.61%

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 January 31, 2022, expenditures totaled \$2.6 million, or 33.9% of the budget. These expenditures are well below the par level of 58%, but above the prior year level of \$2.0 million. This is a result of the reallocation of City memberships from the City Manager's Office to the Non-Departmental budget. Additionally, contractual services are higher than last fiscal year due to an increase in the permitting system licensing costs.

City Attorney: As of January 31, 2022, actual expenditures totaled approximately \$1.4 million, which is below par at 45.5% of the budget. 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 13.8%. This is a result of the reallocation of contractual services from the Special Liability Insurance Fund to the City Attorney's Office operating budget. Additionally, higher separation payout expenditures occurred this fiscal year compared to last fiscal year.

City Clerk: Through January, actual expenditures were tracking below budget at \$0.8 million or approximately 46.5% of the budget. This reflects a decrease of 31.6% 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 January, expenditures were at 58.7% of budget, which is at par. Compared to the same period through last fiscal year, this reflects a spending increase of approximately 15.5% which is a result of higher as-needed and separation payout expenditures compared to last fiscal year.

City Manager: The actual expenditures through January 31, 2022 totaled \$2.8 million, or 45.4% of the budget, which is below par for this time of the year. Expenditures are 1.6% 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 January, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$2.7 million, or approximately 49%, which is below the par level of 58.3%. 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 January, the Department's expenditures totaled \$9.0 million, or 49% 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 January 31, 2022, actual expenditures in the General Fund totaled \$35.3 million, or 70.8% of the budget, which is above par. These expenditures reflect a 2.3% increase from expenditures through the same period last fiscal year. As discussed above, the Fire Department percent expended is overstated due to the treatment of public safety costs funded by ARPA funds. As part of the FY 2020/21 Budgetary Year-End Report, \$11.2 million of the Fire Department's budget was reallocated to the newly ARPA Fund to reflect public safety costs covered through ARPA. Eligible Fire expenditures, however, have not yet been moved to this new fund. The expenditures will be shifted to the new fund in February and March, which will be reflected in future monthly financial reports. Factoring out that impact, expenditures would have been tracking at 57.8% of the budget through January, which is within budget.

Overtime expenditures are tracking at 101%, 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. Budget actions are recommended in this report to recognize \$1.8 million and appropriate those funds to support Fire Department operations. Of this amount \$0.6 million will be applied towards the purchase of a new relief Fire Engine. These funds along with the shift of existing non-personnel funding of \$0.1 million in the Fire Department allocated for this purpose will be transferred to the Vehicle Replacement Fund to purchase the new engine.

Library Department: Through January, actual expenditures totaled \$5.0 million, or 45.6% 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 was delayed due to the increase in COVID-19 cases resulting from the latest Omicron variant.

Parks and Recreation Department: Through January, actual expenditures totaled approximately \$10.4 million, or 48.3% of the budget, which is below par, and is slightly higher than the prior year actuals of \$9.8 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: As of January 31, 2022, actual expenditures in the General Fund totaled \$42.8 million, or 65.5% of the budget, which is above par. Expenditures are slightly below the spending levels last fiscal year. As discussed above, the Police Department percent expended is overstated due to the treatment of public safety costs funded by ARPA funds. As part of the FY 2020/21 Budgetary Year-End Report, \$14.7 million of the Police Department's budget was reallocated to the newly ARPA Fund to reflect public safety costs covered through ARPA. Eligible Police expenditures, however, have not yet been moved to this new fund. The expenditures will be shifted to the new fund in February and March,

which will be reflected in future monthly financial reports. Factoring out that impact, expenditures would have been tracking at 53.5% of the budget through January, which is within budget.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Through January, stadium expenditures totaled \$4.6 million, or 63.9% of the budget. This is significantly higher than expenditures through the same period last year, as a direct result of the reopening of the Stadium for events.

Financial Status Report as of January 31, 2022

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of January 31, 2022. The amended budget for both reflects carryover appropriations from fiscal year 2021/22 in addition to budget amendments approved by the City Council through January 2022. 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. Additionally, as approved by City Council on December 14, 2021 as part of the FY 2020/21 Budgetary Year-End Report, the ARPA Fund was established. Approximately \$14.7 million and \$11.2 million was moved from the Police Department and Fire Department, respectively, to the new ARPA Fund in order to separately track public safety expenditures eligible to be covered by these funds. The shift of public safety expenditures will be reflected in next month's financial report. Revenues totaled approximately \$26 million, while expenditures totaled approximately \$8.7 million through the end of January. Overall, both revenues and expenditures are tracking below par.

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 1/31/2022	Percentage received	Actual Through 1/31/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 261,000	\$ 5,461,000	\$ 236,259	4.33%	\$ 327,733	\$ (91,474)	-27.91%
City Affordable Housing Fund	657,000	6,657,000	1,445,601	21.72%	508,506	937,095	184.28%
Housing Successor Fund	350,000	350,000	491,421	140.41%	701,161	(209,740)	-29.91%
Housing and Urban Development	1,957,103	5,011,774	1,511,246	30.15%	1,471,815	39,431	2.68%
Building Development Services Fee Fund	13,630,000	13,630,000	9,099,505	66.76%	0	9,099,505	100.00%
American Rescue Plan Act Fund	0	25,921,801	13,248,095	51.11%	0	13,248,095	100.00%
TOTAL	\$ 16,855,103	\$ 57,031,575	\$ 26,032,127	45.65%	\$ 3,009,215	\$ 23,022,912	765.08%

Fund Description	EXPENDITURES - FISCAL YEAR 2021/22				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 1/31/2022	Percentage used	Actual through 1/31/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 363,099	\$ 7,183,099	\$ 67,999	0.95%	\$ 81,146	\$ (13,147)	-16.20%
City Affordable Housing Fund	1,431,111	12,852,650	534,608	4.16%	423,465	111,143	26.25%
Housing Successor Fund	915,640	11,260,001	446,696	3.97%	368,981	77,715	21.06%
Housing and Urban Development	3,684,839	5,429,455	1,639,497	30.20%	1,548,879	90,618	5.85%
Building Development Services Fee Fund	12,256,059	14,757,132	6,009,680	40.72%	0	6,009,680	100.00%
American Rescue Plan Act Fund	0	25,921,801	0	0.00%	0	0	100.00%
TOTAL	\$ 18,650,748	\$ 77,404,138	\$ 8,698,480	11.24%	\$ 2,422,471	\$ 6,276,009	259.07%

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 January 2022. As of January 31, 2022, these capital fund expenditures totaled \$16.5 million, or 12.2% 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 January 14, 2021 Council meeting. These adjustments are reflected below.

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

Fund Description	EXPENDITURES - FISCAL YEAR 2021/22				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 1/31/2022	Percentage Used
Parks & Recreation	\$ 9,973,977	\$ 12,169,765	\$ 22,143,742	\$ 1,131,411	5.11%
Streets & Highways	40,275,766	38,569,145	78,844,911	10,396,405	13.19%
Storm Drain	7,433,140	3,053,568	10,486,708	2,201,581	20.99%
Fire	963,970	838,709	1,802,679	131,917	7.32%
Library	24,374	190,107	214,481	15,890	7.41%
Public Buildings	4,368,471	3,466,169	7,834,640	923,780	11.79%
General Gov't - Other	2,464,262	8,838,081	11,302,343	1,219,480	10.79%
Related Santa Clara Developer	1,177,106	1,166,044	2,343,150	506,960	21.64%
Tasman East Specific Infrastructure Improvement Fund	23,757	4,836	28,593	1,839	6.43%
TOTAL	\$ 66,704,823	\$ 68,296,424	\$ 135,001,247	\$ 16,529,263	12.24%

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of January 31, 2022. Overall, revenues and expenditures are tracking below budgeted levels with revenues tracking at 52.9% of the budget and expenditures tracking at 54.2% 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.

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 1/31/2022	Percentage received	Actual Through 1/31/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 555,810,147	\$ 555,810,147	\$ 289,792,335	52.14%	\$ 267,511,748	\$ 22,280,587	8.33%
Water Utility Fund	49,489,630	49,489,630	27,559,165	55.69%	28,550,082	(990,917)	-3.47%
Sewer Utility Fund	58,344,697	58,344,697	32,707,154	56.06%	23,112,247	9,594,907	41.51%
Cemetery Fund	600,000	600,000	453,944	75.66%	307,735	146,209	47.51%
Solid Waste Utility Fund	33,610,000	33,764,000	17,980,205	53.25%	13,280,199	4,700,006	35.39%
Water Recycling Fund	5,703,831	5,703,831	3,672,122	64.38%	3,466,265	205,857	5.94%
TOTAL REVENUE	\$ 703,558,305	\$ 703,712,305	\$ 372,164,925	52.89%	\$ 336,228,276	\$ 35,936,649	10.69%

Fund Description	EXPENSES - FISCAL YEAR 2021/22				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 1/31/2022	Percentage Used	Actual through 1/31/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 511,251,732	\$ 515,132,550	\$ 285,592,597	55.44%	\$ 230,722,102	\$ 54,870,495	23.78%
Water Utility Fund	47,197,617	47,580,260	23,808,553	50.04%	24,695,748	(887,195)	-3.59%
Sewer Utility Fund	30,565,333	30,707,268	15,540,614	50.61%	18,398,379	(2,857,765)	-15.53%
Cemetery Fund	1,480,235	1,480,235	818,203	55.28%	759,975	58,228	7.66%
Solid Waste Utility Fund	33,323,675	37,135,208	16,707,763	44.99%	11,028,243	5,679,520	51.50%
Water Recycling Fund	5,709,582	5,709,582	3,056,186	53.53%	3,594,177	(537,991)	-14.97%
TOTAL - Operating Appropriations	\$ 629,528,174	\$ 637,745,103	\$ 345,523,916	54.18%	\$ 289,198,624	\$ 56,325,292	19.48%

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.

Financial Status Report as of January 31, 2022

A summary of expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actuals through January 2022 totaled approximately \$62.8 million, or 23.9% 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 January 14, 2021 Council meeting. These adjustments are reflected below.

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 1/31/2022	Percentage Used	Actual Through 1/31/2021
Electric Utility Fund	\$ 81,042,278	\$ 82,265,773	\$ 163,308,051	\$ 24,160,152	14.79%	\$ 23,878,640
Street Lighting ⁽¹⁾	4,054	5,918,610	5,922,664	73,980	1.25%	10,555
Water Utility Fund	10,900,672	2,700,000	13,600,672	4,354,450	32.02%	4,098,592
Sewer Utility Fund	50,901,194	23,050,119	73,951,313	32,536,753	44.00%	8,350,047
Cemetery Fund	60,044	248,365	308,409	19,705	6.39%	-
Solid Waste Utility Fund	670,377	174,826	845,203	671,491	79.45%	192,105
Water Recycling Fund	50,000	-	50,000	-	0.00%	2,063
Convention Center Capital Fund	1,724,000	3,642,265	5,366,265	1,001,689	18.67%	-
TOTAL - CIP Appropriations	\$ 145,352,619	\$ 117,999,958	\$ 263,352,577	\$ 62,818,220	23.85%	\$ 36,532,003

(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
January 31, 2022

DETAIL OF SELECTED FUND RESERVE BALANCES:			
	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 53,615,880		
Capital Projects Reserve	7,275,070		
Land Sale Reserve	20,596,711		
Technology Fee Reserve	1,426,174		
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	\$ 82,913,834	\$ 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 January 2022. The loan from the General Fund to Parks and Recreation Facilities reflects proceeds from the Land Sale Reserve for the purchase of property at the Reed and Grant Sports Park. This loan is anticipated to be repaid by 25% of future Mitigation Fee Act revenue until the loan is paid in full.

DETAIL OF LONG TERM INTERFUND ADVANCE BALANCES:

Fund Receiving Advance/Loan	Fund Making Advance/Loan	Type	Amount of Advance/Commitment
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 January 2022 and for fiscal year 2021/22 are shown in the table below.

Department	Jan-22	Fiscal Year 2021/22 Year To Date	Designated Use
City Manager's Office	\$ -	\$ 115	Help Your Neighbor
Parks & Recreation	50	12,800	Case Management
Parks & Recreation	-	1,675	Wade Brummal
Parks & Recreation	-	50	Roberta Jones Jr. Theater
Police	-	75,000	PD Team 200
TOTALS	\$ 50	\$ 89,640	