



# City of Santa Clara

The Center of What's Possible

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## MONTHLY FINANCIAL STATUS REPORT

July 2022

This report summarizes the City's financial performance for the month ended July 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 2022/23 was \$272.4 million. The amended budget for revenues and expenditures was adjusted to \$279.3 million to reflect carryover encumbrances from fiscal year 2021/22 and various budget amendments approved by the City Council through July 2022.

While it is very early in the fiscal year and limited data is available, General Fund revenues are currently tracking with estimated levels. Through July, expenditures are tracking slightly below budget and this trend is expected to continue as departments continue to control expenditures through various cost control measures.

Economic indicators are mixed and there is a tremendous amount of uncertainty. According to the UCLA September 2022 Forecast, the labor market remains strong, consumers have continued to spend, supply chain constraints have eased, commodity prices - particularly crude oil prices - have started to decline, domestic manufacturing along with government defense purchases and investments associated with the shift to renewable energy sources are expected to increase. On the flip side, core inflation remains elevated, the Fed is expected to continue to increase interest rates that may constrain consumer spending, consumers are more pessimistic, housing markets are starting to turn with the increases in mortgage rates, U.S. exports have become more expensive for consumers in other countries with the appreciation of the dollar against other currencies, and there is labor unrest with the decline in real wages and a low unemployment rate. While the UCLA Forecast does not forecast a recession at this time, it did point to an increased risk of a recession over the next 12 months<sup>1</sup>. Companies are anticipating a slowdown. A recent survey of 400 leaders of large U.S. companies by the KPMG consulting firm found that 91% of these CEOs are predicting a recession in the next 12 months with only 34% believing the recession will be mild and short.<sup>2</sup>

On a national level, the unemployment rate increased slightly from 3.5% in July 2022 to 3.7% in August 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 August, the number of unemployed persons increased by 0.3 million, totaling 6.0 million. The labor market remains relatively unchanged.<sup>3</sup>

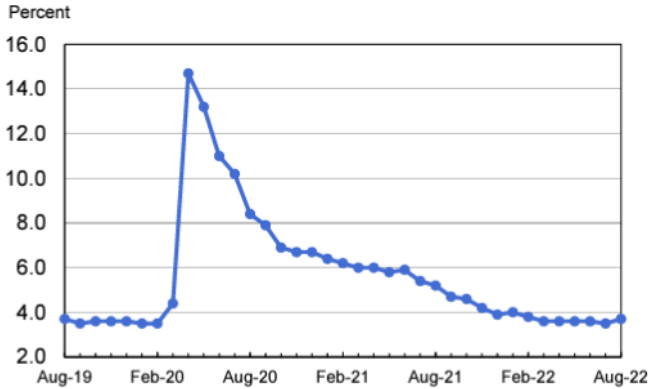
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<sup>1</sup> UCLA Anderson Forecast, September 2022

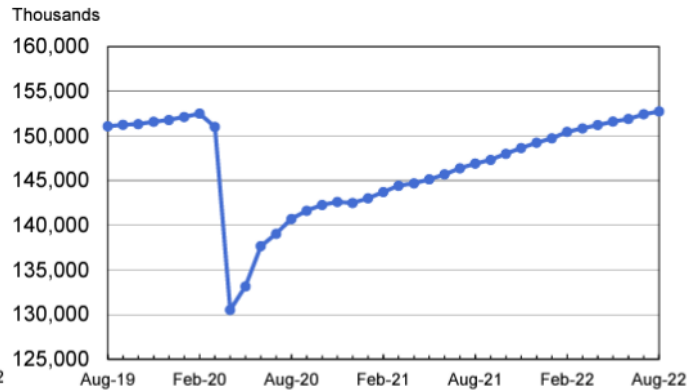
<sup>2</sup> [CEOs are preparing for a recession, and they don't think it will be short | CNN Business](#)

<sup>3</sup> [https://www.bls.gov/news.release/archives/empst\\_09022022.pdf](https://www.bls.gov/news.release/archives/empst_09022022.pdf)

**Chart 1. Unemployment rate, seasonally adjusted, August 2019 – August 2022**

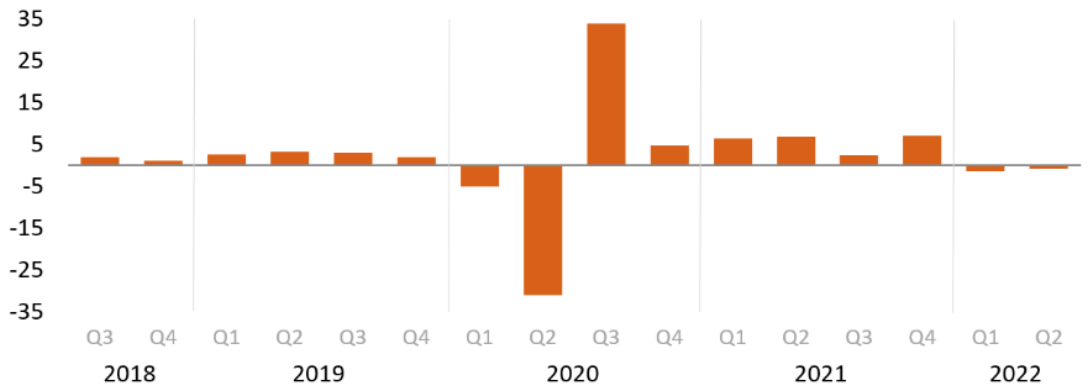


**Chart 2. Nonfarm payroll employment, seasonally adjusted, August 2019 – August 2022**



In the second quarter 2022 second estimate, the Gross Domestic Product (GDP) decreased by 0.9%, following a GDP decrease of 1.6% in the first quarter. The estimated decrease in the first quarter reflected increasing inflation, ongoing supply-chain issues as well as rising interest rates. The real GDP for the second quarter 2022 is 2.5% above the level experienced in the fourth quarter of 2019.<sup>4</sup>

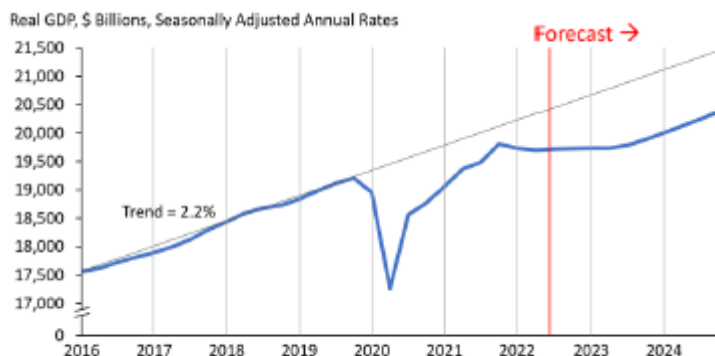
**Real GDP: Percent change from preceding quarter**



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

<sup>4</sup> [https://www.bea.gov/sites/default/files/2022-07/tech2q22\\_adv.pdf](https://www.bea.gov/sites/default/files/2022-07/tech2q22_adv.pdf)



The UCLA Anderson Forecast projects slow year-over-year GDP growth over the next few years: 1.5% in 2022, 0.3% in 2023, and 2.0% in 2024. By 2024, the UCLA Forecast expects the economy to rebound and for growth to accelerate slightly above long-term trends.

Source: UCLA Anderson Forecast and U.S. Bureau of Economic Analysis  
Notes: \$ Billions, chained 2012 prices, seasonally adjusted annual rates

At the state level, the September 2022 UCLA Forecast for California points to continued economic growth with solid employment gains in the leisure and hospitality, health care and social services, technology, and construction industries as well as increases in demand in the defense and technology industries. However, this forecast points to headwinds that represent real near-term risks to the economy. “As a consequence of slowing of growth in the U.S. our forecast is now a bit weaker than three months ago. Further risks to the forecast are the course of the pandemic and domestic migration on the downside and increased international immigration and accelerated onshoring of technical manufacturing on the upside” wrote Jerry Nickelsburg, Director of UCLA Anderson Forecast.<sup>5</sup>

The State and local employment levels remain strong. After the State’s largest increase in the unemployment rate in April 2020, the California unemployment rate dropped to 3.9% in July 2022. This rate is the lowest unemployment rate on record since 1976. This rate is lower compared to the 4.2% rate in June 2022. With the decrease in the unemployment rate between February and July, California has now regained nearly 97.3% of the 2.7 million jobs lost due to COVID-19 in March and April 2020.<sup>7</sup>

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 2.4% in August 2022, up from a revised 2.2% in July 2022, but below the August 2021 level of 4.7% and the February 2020 level of 2.6%. Between August 2021 and August 2022, employment in this region increase by 52,200 jobs, or 4.6%.<sup>8</sup> The largest increases were in professional and business services (up 14,200 jobs), leisure and hospitality (up 14,000 jobs), and private educational and health services (up 7,800 jobs).

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

<sup>5</sup> UCLA Anderson Forecast, California After Two Quarters of Negative GDP and CalExodus?, September 2022

<sup>7</sup> [https://edd.ca.gov/en/about\\_edd/news\\_releases\\_and\\_announcements/unemployment-july-2022/](https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-july-2022/)

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

<sup>8</sup> [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 July 31, 2022, \$4.2 million or 1.8% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$40.7 million have occurred as budgeted. This very low collection level through July is largely due to the timing of payments. In some categories, the revenues received in July account for activity that occurred in FY 2021/22 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year.

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

Function	FISCAL YEAR 2022/23				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 7/31/2022	Percentage Received	Actual Through 7/31/2021	\$ Change From Prior Year	Percentage Change
<b>TAXES</b>							
Sales Tax	\$ 60,173,000	\$ 60,173,000	\$ -	0.00%	\$ -	\$ -	N/A
Property Tax	75,261,000	75,261,000	-	0.00%	-	-	N/A
Transient Occupancy Tax	12,600,000	12,600,000	2,251,677	17.87%	(117,876)	2,369,553	-2010.21%
Other Taxes	6,260,000	6,260,000	61,746	0.99%	58,236	3,510	6.03%
<b>Total Taxes</b>	<b>154,294,000</b>	<b>154,294,000</b>	<b>2,313,423</b>	<b>1.50%</b>	<b>(59,640)</b>	<b>2,373,063</b>	<b>-3978.98%</b>
<b>LICENSES &amp; PERMITS</b>							
Business Licenses	900,000	900,000	71,934	7.99%	85,687	(13,753)	-16.05%
Fire Operation Permits	2,100,000	2,100,000	140,341	6.68%	175,030	(34,689)	-19.82%
Building Permits	-	-	-	N/A	81,608	(81,608)	-100.00%
Electric Permits	-	-	-	N/A	12,274	(12,274)	-100.00%
Plumbing Permits	-	-	-	N/A	9,145	(9,145)	-100.00%
Mechanical Permits	-	-	-	N/A	7,910	(7,910)	-100.00%
Miscellaneous Permits	72,000	72,000	-	0.00%	11,693	(11,693)	-100.00%
<b>Total Licenses &amp; Permits</b>	<b>3,072,000</b>	<b>3,072,000</b>	<b>212,275</b>	<b>6.91%</b>	<b>383,347</b>	<b>(171,072)</b>	<b>-44.63%</b>
<b>FINES &amp; PENALTIES</b>	<b>1,465,000</b>	<b>1,615,000</b>	<b>18,360</b>	<b>1.14%</b>	<b>2,236</b>	<b>16,124</b>	<b>721.11%</b>
<b>INTERGOVERNMENTAL</b>	<b>310,000</b>	<b>310,000</b>	<b>670</b>	<b>0.22%</b>	<b>-</b>	<b>670</b>	<b>N/A</b>
<b>CHARGES FOR SERVICES</b>	<b>31,258,098</b>	<b>31,258,098</b>	<b>1,252,044</b>	<b>4.01%</b>	<b>2,049,850</b>	<b>(797,806)</b>	<b>-38.92%</b>
<b>SILICON VALLEY POWER TRANSFER</b>	<b>26,170,000</b>	<b>26,170,000</b>	<b>-</b>	<b>0.00%</b>	<b>2,147,782</b>	<b>(2,147,782)</b>	<b>-100.00%</b>
<b>USE OF MONEY &amp; PROPERTY</b>							
Interest	2,532,000	2,532,000	(710,264)	-28.05%	(838,071)	127,807	-15.25%
Rent	10,584,266	10,584,266	712,759	6.73%	1,046,125	(333,366)	-31.87%
<b>Total Use of Money &amp; Property</b>	<b>13,116,266</b>	<b>13,116,266</b>	<b>2,495</b>	<b>0.02%</b>	<b>208,054</b>	<b>(205,559)</b>	<b>-98.80%</b>
<b>MISCELLANEOUS REVENUES</b>	<b>150,000</b>	<b>150,000</b>	<b>45,901</b>	<b>30.60%</b>	<b>45,212</b>	<b>689</b>	<b>1.52%</b>
<b>LAND PROCEED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</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	25,812,244	32,632,195	32,632,195	100.00%	32,390,871	241,324	0.75%
Operating Transfer In - Fund Balances <sup>(2)</sup>	4,484,726	4,484,726	4,484,726	100.00%	4,817,658	(332,933)	-6.91%
Operating Transfer In - Miscellaneous	2,127,374	2,127,374	2,127,374	100.00%	5,005,399	(2,878,025)	-57.50%
<b>Total Other Financing Sources</b>	<b>33,878,344</b>	<b>40,698,295</b>	<b>40,698,295</b>	<b>100.00%</b>	<b>43,667,928</b>	<b>(2,969,634)</b>	<b>-6.80%</b>
<b>STADIUM OPERATION</b>							
Charges for Services	7,889,147	7,889,147	(84,638)	-1.07%	(14,011)	(70,627)	504.08%
Rent and Licensing	752,500	752,500	460,000	61.13%	-	460,000	N/A
<b>Total Stadium Operation</b>	<b>8,641,647</b>	<b>8,641,647</b>	<b>375,362</b>	<b>4.34%</b>	<b>(14,011)</b>	<b>389,373</b>	<b>-2779.05%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 272,355,355</b>	<b>\$ 279,325,306</b>	<b>\$ 44,918,825</b>	<b>16.08%</b>	<b>\$ 48,430,758</b>	<b>\$ (3,511,933)</b>	<b>-7.25%</b>

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2022 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 July 31, 2022, no sales tax has been collected. Given the timing of payments, the sales tax payments received in July accounted for activity in the prior fiscal year and those funds were accrued to last year.

**Property Tax:** No property tax receipts were received in July 2022. 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 above the Adopted Budget estimate of \$75.3 million.

**Transient Occupancy Tax (TOT):** TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate is 11.5%. Through July 31, 2022, \$2.3 million was booked in this category; however, these receipts were for activity in FY 2021/22 and will be accrued to FY 2021/22 as reflected in the August 2022 figures.

**Other Taxes:** Includes franchise tax and documentary transfer tax. The City has collected under \$0.1 million through July, which is approximately 6% higher than prior year collection levels. Receipts through July reflect franchise tax collections. No documentary transfer tax revenue is reflected through July as the receipts received in July were accrued to the prior fiscal year.

**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. Licenses and permits revenue collections are tracking slightly below par with receipts totaling \$0.2 million, or 6.9% of the \$3.1 million budget.

**Fines & Penalties:** Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through July of \$18,000 is tracking to end the year well below the budgeted estimate of \$1.6 million largely due to the waiving of late fees in response to COVID-19. The City is 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 motor vehicle fees, state homeowner tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency. Through July 31, 2022, very little revenue has been received in this category, which is consistent with the prior year.

**Charges for Services:** Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through July 31, 2022, collections totaled approximately \$1.3 million or 4% of the budget. This reflects a 39% decrease compared to last year's collections through the same period of \$2.1 million. This large decrease is a result of timing differences in the booking of interdepartmental charges directly related to

the cost allocation plan. Last fiscal year, these charges were booked in July, whereas these charges have not yet occurred this fiscal year.

**Silicon Valley Power Transfer:** In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. Through July, this transfer has not yet been received.

**Use of Money & Property:** Includes realized investment income and rental income. Interest income and rent revenue collections totaled less than \$3,000, or 0.2% of the budget. The negative amount under the interest category reflects an accrual to the prior year.

**Miscellaneous Revenues:** Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through July 31, 2022, collections are consistent with prior year levels at \$45,000.

**Stadium Operation:** Through July 2022, collections totaled \$0.3 million, which is in line with prior year levels. The current negative amount under the charges for services category reflects an accrual amount for charges for services.

### General Fund Expenditures

As of July 31, 2022, \$29.9 million or 10.7% of the General Fund operating budget had been expended. This is significantly lower than last fiscal year due to lower transfers to other funds; last year included a one-time transfer of the Building Inspection Reserve to the new Building Development Services Fund as well as higher transfers to Capital Funds. Overall, expenditures in the General Fund are within budgeted levels through July. Departmental expenditures totaled \$17.4 million, or 6.7% of the budget, which is below the par level of 8.3% of the budget. Several cost-control measures that were implemented in FY 2019/20 remain in place to generate expenditure savings. 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 2022/23				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 7/31/2022	Percentage Used	Actual Through 7/31/2021	Change From Prior Year	Percentage Change
<b>GENERAL GOVERNMENT</b>							
Non-Departmental	\$ 7,514,334	\$ 7,656,881	\$ 404,052	5.28%	\$ 405,519	\$ (1,467)	-0.36%
City Council	861,105	861,105	38,976	4.53%	64,139	(25,163)	-39.23%
City Clerk	2,076,112	2,080,362	79,502	3.82%	122,148	(42,646)	-34.91%
City Manager	6,085,321	6,277,494	358,840	5.72%	432,686	(73,846)	-17.07%
City Attorney	3,202,735	3,690,974	262,985	7.13%	184,411	78,574	42.61%
Human Resources	4,508,710	4,692,801	239,614	5.11%	288,683	(49,069)	-17.00%
Finance	19,045,131	19,836,493	1,246,401	6.28%	1,347,698	(101,297)	-7.52%
<b>Total General Government</b>	<b>43,293,448</b>	<b>45,096,110</b>	<b>2,630,370</b>	<b>5.83%</b>	<b>2,845,284</b>	<b>(214,914)</b>	<b>-7.55%</b>
<b>PUBLIC WORKS</b>	<b>24,021,840</b>	<b>24,978,624</b>	<b>1,168,564</b>	<b>4.68%</b>	<b>2,051,744</b>	<b>(883,180)</b>	<b>-43.05%</b>
<b>COMMUNITY DEVELOPMENT</b>	<b>5,398,007</b>	<b>5,590,765</b>	<b>299,055</b>	<b>5.35%</b>	<b>432,075</b>	<b>(133,020)</b>	<b>-30.79%</b>
<b>PARKS AND RECREATION</b>	<b>21,695,302</b>	<b>22,082,661</b>	<b>1,281,419</b>	<b>5.80%</b>	<b>1,259,648</b>	<b>21,771</b>	<b>1.73%</b>
<b>PUBLIC SAFETY</b>							
Fire	62,298,852	65,454,697	5,368,085	8.20%	5,068,882	299,203	5.90%
Police	84,615,023	84,924,035	5,943,854	7.00%	6,247,671	(303,817)	-4.86%
<b>Total Public Safety</b>	<b>146,913,875</b>	<b>150,378,732</b>	<b>11,311,939</b>	<b>7.52%</b>	<b>11,316,553</b>	<b>(4,614)</b>	<b>-0.04%</b>
<b>LIBRARY</b>	<b>11,889,451</b>	<b>12,039,461</b>	<b>741,804</b>	<b>6.16%</b>	<b>657,000</b>	<b>84,804</b>	<b>12.91%</b>
<b>DEPARTMENTAL TOTAL</b>	<b>253,211,923</b>	<b>260,166,353</b>	<b>17,433,151</b>	<b>6.70%</b>	<b>18,562,304</b>	<b>(1,129,153)</b>	<b>-6.08%</b>
<b>OTHER FINANCING USES</b>							
Operating Transfer Out - Miscellaneous	38,809	38,809	38,809	100.00%	23,250,142	(23,211,333)	-99.83%
Operating Transfer Out - Debt Services	1,402,275	1,402,275	1,402,275	100.00%	2,501,439	(1,099,164)	-43.94%
Operating Transfer Out - Maintenance Dtrct	842,700	842,700	842,700	100.00%	771,349	71,351	9.25%
Operating Transfer Out - Cemetery	870,000	870,000	870,000	100.00%	850,000	20,000	2.35%
Operating Transfer Out - CIP	8,625,501	8,625,501	8,625,501	100.00%	11,773,925	(3,148,424)	-26.74%
Operating Transfer Out - Reserves	-	-	-	N/A	3,309,009	(3,309,009)	-100.00%
<b>Total Other Financing Uses</b>	<b>11,779,285</b>	<b>11,779,285</b>	<b>11,779,285</b>	<b>100.00%</b>	<b>42,455,864</b>	<b>(30,676,579)</b>	<b>-72.26%</b>
<b>STADIUM OPERATION</b>	<b>7,364,147</b>	<b>7,379,668</b>	<b>662,620</b>	<b>8.98%</b>	<b>268,744</b>	<b>393,876</b>	<b>146.56%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 272,355,355</b>	<b>\$ 279,325,306</b>	<b>\$ 29,875,056</b>	<b>10.70%</b>	<b>\$ 61,286,912</b>	<b>\$ (31,411,856)</b>	<b>-51.25%</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 July, expenditures totaled \$0.4 million, or 5.3% of the budget. These expenditures are below the par level of 8.3% but are consistent with prior year levels.

**City Attorney:** Actual expenditures through July totaled approximately \$0.3 million, which is 7.1% of the budget, which is below par. Spending is significantly above the total expenditures through the same time last fiscal year by 42.6%. This increase is due to the higher activity levels for contractual legal services. This increase in spending is partially offset by internal service allocation charges, as they are not yet reflected in the July data.

**City Clerk:** Through July, actual expenditures were tracking below budget at \$0.1 million or approximately 3.8% of the budget, reflecting a 35% drop in spending compared to last fiscal year. This is a result of lower separation payout expenses as well as the internal service allocation charges, which are not yet reflected in the July data.

**City Council:** Through July, expenditures were at 4.5% of budget, which is below par. Compared to the same period through last fiscal year, this reflects a 39.2% decrease in expenditures. This is a result of the timing of the internal service allocation charges, which are not yet reflected in the July data in addition to savings due to vacancies in the department.

**City Manager:** The actual expenditures through July totaled \$0.3 million, or 5.7% of the budget, which is below par for this time of the year. Expenditures are approximately 17% lower compared with the spending level through the same period last fiscal year. This is a result of the timing of the internal service allocation charges, which are not yet reflected in the July data as well as vacancy savings within the department.

**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 July, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$0.3 million, or 5.4% of the budget, which is below par of 8.3%. This is a result of the timing of the internal service allocation charges, which are not yet reflected in the July data, as well as lower contractual services spending.

**Finance Department:** Through July, the Department's expenditures totaled \$1.2 million, or 6.3% of the budget, which is below par. This expenditure level was approximately 7.5% lower than through the same period last year. Similar to the other departmental tracking, this is a result of the timing of the internal service allocation charges, which are not yet reflected in the July data.

**Fire Department:** Through July, actual expenditures in the General Fund totaled \$5.4 million, or 8.2% of the budget, which is at par. These expenditures reflect a 5.9% increase from expenditures through

the same period last fiscal year. The increase in spending is partially offset by internal service allocation charges, as they are not yet reflected in the July data. Overtime expenditures are tracking at 14% of the budget, 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.

**Library Department:** Through July, actual expenditures totaled \$0.7 million, or 6% of the budget, which is below par, but higher than expenditure levels last fiscal year. The higher spending is a result of the reopening of libraries, which began earlier this calendar year.

**Parks and Recreation Department:** Through July, actual expenditures totaled \$1.3 million, or 5.8% of the budget, which is below par, but consistent with prior year actuals of \$1.2 million. Similar to other departments, internal service allocation charges are not yet reflected in the July data.

**Police Department:** Expenditures through July are tracking at expected levels at \$5.9 million, or 7% of the budget; this is approximately 4.8% below prior year spending. Again, this is also a result of the timing of the internal service allocation charges, which are not yet reflected in the July data.

**Stadium Operation:** Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$0.6 million through July and are tracking at budgeted levels.

### Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of July 31, 2022. The amended budget reflects carryover encumbrances from fiscal year 2021/22 and budget amendments approved by the City Council through July 2022. Effective July 1, 2021, all Building Division revenues and expenditures are now budgeted and accounted for in the Building Development Services Fund, which is included in the table below. Revenues totaled approximately \$2.3 million, while expenditures totaled approximately \$2.8 million through the end of July. Overall, revenues and expenditures are tracking above par. In the Housing Successor Fund, the expenditures are currently showing as overbudget as a result of a special disbursements for a housing loan, which was budgeted in FY 2021/22. An adjustment to carryover this budget will be brought forward as part of the Budgetary Year-End Report for FY 2021/22, expected to go to Council in December 2022.

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

Fund Description	REVENUES - FISCAL YEAR 2022/23				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 7/31/2022	Percentage received	Actual Through 7/31/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 280,000	\$ 280,000	\$ 5,776	2.06%	\$ 6,687	\$ (911)	-13.62%
City Affordable Housing Fund	682,000	682,000	32,279	4.73%	13,737	18,542	134.98%
Housing Successor Fund	350,000	350,000	106,560	30.45%	31,975	74,585	233.26%
Housing and Urban Development	1,810,000	1,810,000	78,768	4.35%	500	78,268	15653.60%
Building Development Services Fee Fund	14,112,000	14,112,000	2,044,953	14.49%	1,368,597	676,356	49.42%
<b>TOTAL</b>	<b>\$ 17,234,000</b>	<b>\$ 17,234,000</b>	<b>\$ 2,268,336</b>	<b>13.16%</b>	<b>\$ 1,421,496</b>	<b>\$ 846,840</b>	<b>59.57%</b>

Fund Description	EXPENDITURES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 7/31/2022	Percentage used	Actual through 7/31/2021	\$ Change From Prior Year	Percent Change
Housing Authority Fund	\$ 380,363	\$ 478,326	\$ 14,305	2.99%	\$ 3,681	\$ 10,624	288.62%
City Affordable Housing Fund	1,685,731	2,794,313	70,981	2.54%	125,761	(54,780)	-43.56%
Housing Successor Fund	1,242,599	1,374,178	1,621,232	117.98%	78,136	1,543,096	1974.88%
Housing and Urban Development	2,379,814	3,128,522	248,843	7.95%	308,817	(59,974)	-19.42%
Building Development Services Fee Fund	13,360,809	15,008,207	819,503	5.46%	651,932	167,571	25.70%
<b>TOTAL</b>	<b>\$ 19,049,316</b>	<b>\$ 22,783,546</b>	<b>\$ 2,774,864</b>	<b>12.18%</b>	<b>\$ 1,168,327</b>	<b>\$ 1,606,537</b>	<b>137.51%</b>

### 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 encumbrance balances in Governmental Capital Improvement Funds, and budget amendments approved through July 2022. As of July 31, 2022, these capital fund expenditures totaled \$2.0 million, or 1.5% of the amended budget. As part of the adoption of the FY 2022/23 and FY 2023/24 capital improvement program budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2022. Necessary additional adjustments to the capital carryover amounts will be brought forward as part of the Budgetary Year-End Report for FY 2021/22, expected to go to Council in December 2022.

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 2022/23						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 7/31/2022	Percentage Used	
Parks & Recreation	\$ 4,667,991	\$ 22,437,801	\$ 27,105,792	\$ 3,019	0.01%	
Streets & Highways	15,163,050	59,970,079	75,133,129	1,647,649	2.19%	
Storm Drain	963,432	6,657,501	7,620,933	1,877	0.02%	
Fire	661,766	1,768,679	2,430,445	1,045	0.04%	
Library	281,831	297,590	579,421	6,500	1.12%	
Public Buildings	1,189,532	4,061,069	5,250,601	37,300	0.71%	
General Govt - Other	1,950,000	7,453,526	9,403,526	221,605	2.36%	
Related Santa Clara Developer	2,902,465	598,382	3,500,847	97,015	2.77%	
Patrick Henry Drive Infrastructure Improvement Fund	69,205	-	69,205	-	0.00%	
Tasman East Specific Infrastructure Improvement Fund	2,876,218	-	2,876,218	-	0.00%	
<b>TOTAL</b>	<b>\$ 30,725,490</b>	<b>\$ 103,244,627</b>	<b>\$ 133,970,117</b>	<b>\$ 2,016,010</b>	<b>1.50%</b>	

### Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of July 31, 2022. Overall, revenues and expenditures are tracking below budgeted levels.

The revenues are tracking significantly higher than prior year levels, while expenditures are currently lower from prior years levels. Similar to the General Fund departmental expenditures, the decrease in spending is partially due to the timing of the internal service allocation charges, which are not yet reflected in the July data. In the Electric Utility Fund, the transfer to the General Fund was not recorded for July, resulting in lower expenditures compared to last fiscal year.

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

Fund Description	REVENUES - FISCAL YEAR 2022/23				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 7/31/2022	Percentage received	Actual Through 7/31/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 615,818,445	\$ 615,818,445	\$ 8,453,285	1.37%	\$ 4,968,213	\$ 3,485,072	70.15%
Water Utility Fund	48,358,520	48,358,520	1,588,763	3.29%	797,657	791,106	99.18%
Sewer Utility Fund	40,459,345	40,459,345	936,552	2.31%	283,214	653,338	230.69%
Cemetery Fund	600,000	600,000	20,825	3.47%	78,595	(57,770)	-73.50%
Solid Waste Utility Fund	37,245,092	37,245,092	1,039,802	2.79%	1,010,812	28,990	2.87%
Water Recycling Fund	5,708,446	5,708,446	65,223	1.14%	45,282	19,941	44.04%
<b>TOTAL REVENUE</b>	<b>\$ 748,189,848</b>	<b>\$ 748,189,848</b>	<b>\$ 12,104,450</b>	<b>1.62%</b>	<b>\$ 7,183,773</b>	<b>\$ 4,920,677</b>	<b>68.50%</b>

Fund Description	EXPENSES - FISCAL YEAR 2022/23				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual through 7/31/2022	Percentage Used	Actual through 7/31/2021	\$ Change From Prior Year	Percent Change
Electric Utility Fund	\$ 603,681,580	\$ 606,315,831	\$ 16,934,394	2.79%	\$ 39,278,149	\$ (22,343,755)	-56.89%
Water Utility Fund	46,797,065	48,412,861	621,621	1.28%	1,173,681	(552,060)	-47.04%
Sewer Utility Fund	30,825,023	31,046,671	895,090	2.88%	1,103,120	(208,030)	-18.86%
Cemetery Fund	1,539,796	1,539,796	67,418	4.38%	93,754	(26,336)	-28.09%
Solid Waste Utility Fund	36,626,118	40,159,684	895,993	2.23%	1,654,813	(758,820)	-45.86%
Water Recycling Fund	5,729,413	5,729,413	41,318	0.72%	65,164	(23,846)	-36.59%
<b>TOTAL - Operating Appropriations</b>	<b>\$ 725,198,995</b>	<b>\$ 733,204,256</b>	<b>\$ 19,455,834</b>	<b>2.65%</b>	<b>\$ 43,368,681</b>	<b>\$ (23,912,847)</b>	<b>-55.14%</b>

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 July 2022 totaled approximately \$1.4 million, or 0.5% of the amended budget. Similar to the general government capital funds, capital funds were carried over into next fiscal year as part of the FY 2022/23 and FY 2023/24 budget adoption process for those projects that have not yet been completed. Adjustments to the capital carryover amounts based on actual year-end expenditures will be brought forward in December 2022, as part of the FY 2021/22 year-end reconciliation process.

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

Fund Description	EXPENSES - FISCAL YEAR 2022/23					Prior Year
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 7/31/2022	Percentage Used	Actual Through 7/31/2021
Electric Utility Fund	\$ 96,088,981	\$ 118,664,746	\$ 214,753,727	\$ 1,351,450	0.63%	\$ 30,746
Street Lighting <sup>(1)</sup>	71,455	4,820,273	4,891,728	5,841	0.12%	13,475
Water Utility Fund	6,665,000	1,368,212	8,033,212	84,511	1.05%	212,184
Sewer Utility Fund	19,815,641	25,615,224	45,430,865	-	0.00%	688,205
Cemetery Fund	9,225	278,397	287,622	-	-	700
Solid Waste Utility Fund	743,000	148,520	891,520	-	0.00%	1,879
Water Recycling Fund	50,000	-	50,000	-	-	-
Convention Center Capital Fund		2,622,854	2,622,854	-	-	201,462
<b>TOTAL - CIP Appropriations</b>	<b>\$ 123,443,301</b>	<b>\$ 153,518,227</b>	<b>\$ 276,961,528</b>	<b>\$ 1,441,802</b>	<b>0.52%</b>	<b>\$ 1,148,651</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). In FY 2022/23, 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 Rate Stabilization Reserve and Operations and Maintenance Reserve assures 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  
July 31, 2022**

**DETAIL OF SELECTED FUND RESERVE BALANCES:**

	<b>GENERAL FUND</b>	<b>ELECTRIC</b>	<b>WATER</b>
Budget Stabilization Reserve	\$ 39,701,399		
Capital Projects Reserve	5,364,822		
Land Sale Reserve	10,474,520		
Technology Fee Reserve	2,353,804		
Electric Rate Stabilization Fund Reserve		\$ 44,898,011	
Electric Operations and Maintenance Reserve		112,838,357	
Replacement & Improvement			\$ 303,090
<b>TOTALS</b>	<b>\$ 57,894,545</b>	<b>\$ 157,736,368</b>	<b>\$ 303,090</b>

### 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 July 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:

<b>Fund Receiving Advance/Loan</b>	<b>Fund Making Advance/Loan</b>	<b>Type</b>	<b>Amount of Advance/Commitment</b>
Parks and Recreation Facilities	General Fund	Loan	5,539,540
<b>TOTALS</b>			<b>\$ 5,539,540</b>

### Donations to the City of Santa Clara

Donations received by department during the month of July 2022 and for fiscal year 2022/23 are shown in the table below.

<b>Department</b>	<b>Jul-22</b>	<b>Fiscal Year 2022/23 Year To Date</b>	<b>Designated Use</b>
Parks & Recreation	26	26	Roberta Jones Jr. Theatre
Parks & Recreation	9,375	9,375	Wade Brummal
<b>TOTALS</b>	<b>\$ 9,401</b>	<b>\$ 9,401</b>	